



Tea Saml Holdings Development Authority
ANNUAL REPORT
2015

**No: 70, Parliament Road,
Pelawatte, Battaramulla.
Telephone : 7909021 - 22
Fax: 2784925 – 28
Email: [:gmtshda@gmail.com](mailto:gmtshda@gmail.com)
aetshda1@gmail.com**

Vision

**Generating a tea small
holders community with
an economic and social
sustainability**

Mission

**Development of productivity
and quality in the tea
smallholdings sector through
provision of excellent
supportive services.**

Tea Small Holdings Development Authority
Annual Report 2015
Message of the Chairman

Tea smallholders' sector is the largest contributor to national tea production. Private sector has contributed 72.9% which is 239.86 million kilo grams out of national tea production of 328.96million kilo grams during the year under review.

During the recent couple of years tea smallholders sector was fortunate enough to receive lavish blessings from the government sector. They can be categorized as provision of tea fertilizer under subsidiary price; escalation of subsidiary price per hectare for tea re - planting from Rs. 350,000/- to Rs. 500,000/- which is a hike of 43% equal to Rs. 150,000/- in order to minimize cost of tea planting with effect from year 2015 and escalation of subsidy price per hectare for new plantation from Rs. 250,000/- to Rs. 400,000/- which is a hike of Rs. 150,000/- equal to 60% increase. Further more, during year 2015, Rs. 328 million have been allocated for soil and water conservation activities as Rs. 5,000/- each for a maximum of one acre per farmer with the objective of enhancing productivity of tea smallholdings sector. Moreover, to avoid unrest occurred due to low price for a kilo of leaves under market trends, the programme to pay a minimum price (based on the quality of leaves) of Rs. 80/- per a kilo gram of leaves was implemented in order to maintain a certified price for leaves.

National production deduced from 9 million kilo grams, which is 68% and production in tea smallholdings sector, too deducted 7.6 million kilo grams which is 3% in the year of 2015. Production of leaves considerably deteriorated during the second quarter of the year due to unfavourable weather conditions and the entire tea production as well as the unit productivity declined due to decreases to tea plantation as a result of extreme weather conditions due to rain. In addition, the tea smallholdings sector had to confront with the issue of deterioration of production margin due to decline in the prices of leaves during the year under review.

However, as a whole I do believe that the promotion of tea smallholdings sector would not decline although a slight backward trend was apparent during the year under review.

Deshabandhu Wijerathne Devagedara,
Chairperson.

Performance Indicators of Tea Small Holdings Sector - 2015

	2013	2014	2015
1 Extent of Tea Smallholdings (Hectare)	121,267	121,429	121,740
2 Number of tea small holders	391,226	392,108	392,979
3 Production of tea smallholdings (M Kg)	245.43	247.38	239.86
4 Percentage of contribution to national production	72.2	73.1	73.0
5 General Productivity (made tea / Kg / per hectare)	2,107	2,123	2,059
6 Extent of tea re – planted lands / Hectares (under incentive allowances)	1165	720	*806
7 Extent of newly planted tea lands / Hectares (under incentive allowances)	263	401	475
8 Re – planting ratio (%)	**1.16	**0.72	0.80
9 Crop rehabilitation – no. of plants (millions)	0.497	0.271	0.309
10 Tea smallholdings development societies			
- No. of societies	1,382	1,383	1,394
- No. of members	251,794	266,480	271,272
11 Extension and advisory services			
No. of individual extension services	26,980	25,490	31,331
No. of group programmes	6,617	7,064	6,544
No. of farmer participants	137,661	315,973	188,118
12 Monitoring expenditure of the institution (per development rupee)	0.54	0.73	0.54
13 Tea inspection extension officer: tea cultivator ratio	1:2736	1:2742	1:2748
14 General gross price in rupees per raw kilo of leaves	64.99	67.54	58.80

* 21 hectares of tea have been replanted under Tea Small Holdings Entrepreneurship Programme. A total of 827 hectares of replanting of tea have been taken place including the above extent.

** Revised

Contents

	Page no.
I Board of Directors	01
II Audit and Management Committee	03
III Executive Staff and District Administrative Offices	04
 Executive Summary	 15
 Chapter 1	
Introduction	
1.1 Institution and its Performance	18
1.2 Audit and management committee activities	19
1.3 Administrative Activities	20
 Chapter 2	
Tea small holdings sector in Sri Lanka	22
2.1 Tea smallholdings	22
2.2 Extent of lands for tea small holdings	22
2.3 Tea small holders	23
2.4 No. of tea small holdings	23
2.5 Categorisation of Lands	24
2.6 Production in tea smallholdings sector	24
2.7 Production combination	27
2.8 Productivity	28
2.9 Investments and monitoring review	29
 Chapter 3	
Development activities based on	
statutory objectives and results	31
3.1. Targets and performance based on medial results	35
3.2. Special project activities promoting investments	
in tea small holdings	54
3.3. Special performances in the decade	58
3.4. Special performance based indicators	59
 Chapter 4	
Cultivation cost and price of leaves	
in tea smallholdings sector	60
4.1 Labour Cost	60
4.2 Production cost of a kilo of raw leaves	60
4.3 Production margin and price	61
4.4 Cost of tea re – planting	61
4.5 Incentive ratio and cultivation cost (per hectare)	62

Annual accounts statements and balance sheet

Auditor General's Report

Schedules

No.	Page no.
(1) Approved Cadre of the Institution - 2015	63
(2) Employment of the Institution - 2015	64
(3) 3- I Age structure analysis of employees - 2015	65
3- II Categorization of executive officers as per education level -2015	66
(4) Production in tea smallholdings sector - 1983 - 2015	71
(5) Operation on tea re - planting loan scheme - 1978 – 2015	72
(6) Operation on Crop Rehabilitation (infilling) subsidy scheme - 1979- 2015	73
(7) Operation on tea newly planting loan scheme - 1978 – 2015	74
(8) Loan scheme to cultivate rubber with tea -1999 -2009	75
(9) 9 - A Issuance of new categories of branch's and shoots from mother bushes - 2015	76
9 - B Performance of Institutional Tea nurseries - 2015	77
9 – C₁ Performance of Commercial Tea Nurseries - 2014 - 2015	78
9 – C₂ Performance of Commercial Tea Nurseries - 2014 – 2016	79
(10) 10 - A Prices at Colombo Auction based on elevation - 1985 – 2015	80
10 - B Production Cost Estimate for a kilo of Green Leaf (Including subsidy) - 2015	81
(11) 11 - A Estimate of Cost of Cultivation – High / Mid Elevations For a hectare of Tea Replanting – 2015	82
11 - B Estimate of Cost of Cultivation – Low Elevations For a hectare of Tea Replanting - 2015	83
(12) Issue of Fertilizer to Tea Smallholders under the Credit Scheme 1993 – 2009	84
(13) Tea Exports and Foreign Exchange Earnings	85
(14) Contribution by Tea to Gross Domestic Product	86
(15) Project to popularize machinery utilization in Tea cultivation	87
(16) Project to popularize machinery utilization in Tea cultivation - Financial Value	88

Page No.**Figure No.**

(1)	Share of Small Holdings on Total Extent of Tea Lands	22
(2)	Production Share Percentages by Type of Management	25
(3)	Annual / Monthly Tea Production of Tea Smallholdings Sector - 2014/2015	26
(4)	Annual Tea Production trends in Tea Smallholdings Sector - 2014/2015	26
(5)	Increase of Tea Replanting Subsidy - from 1979	35
(6)	Annual applications for Tea Replanting Subsidy Scheme -2000 – 2015	36
(7)	Progress of Payments on Tea Replanting Subsidy - 1994 – 2015	38
(8)	Increase of Tea New Planting Subsidy - from 1979	39
(9)	Annual Progress of Tea New Planting Subsidy Payments - 1993 – 2015	41
(10)	Progress of Payments on Crop Rehabilitation Subsidy Scheme - 1993 – 2015	44

The organizational chart of the Public Management Association of Sri Lanka (P.M.A.S.) is structured as follows:

- Chairperson** (Senior Management 2-1)
 - General Manager** (Senior Management 2-1)
 - Deputy General Manager (Devp.)** (Senior Management 1-1)
 - Regional Manager** (Senior Management 1-1)
 - Internal Auditor** (Middle Management 1-1)
 - Audit Officer** (Middle Management 1-1)
 - P.M.A.S. (Non - Technical)** (Primary Level (Trained))
 - Manager (Devp.)** (Senior Management 1-1)
 - Manager (Devp.)** (Senior Management 1-1)
 - P.M.A.S. (Non - Technical)** (Primary Level (Trained))
 - Manager (Ext.)** (Senior Management 1-1)
 - Asst. Manager (Ext.)** (Middle Management 1-1)
 - P.M.A.S. (Non - Technical)** (Primary Level (Trained))
 - Deputy General Manager (Ext.)** (Senior Management 1-1)
 - Manager (S & T Admn.) (Training)** (Middle Management 1-1)
 - Manager (Planning and Monitoring)** (Middle Management 1-1)
 - Asst. Manager (Planning and Monitoring)** (Middle Management 1-1)
 - P.M.A.S. (Non - Technical)** (Primary Level (Trained))
 - Manager (Finance)** (Middle Management 1-1)
 - Asst. Manager (Finance)** (Middle Management 1-1)
 - Accounts** (Middle Management 1-1)
 - Administrative Officer** (Middle Management 1-1)
 - Training Officer** (Middle Management 1-1)
 - P.M.A.S. (Non - Technical)** (Primary Level (Trained))

Legend:

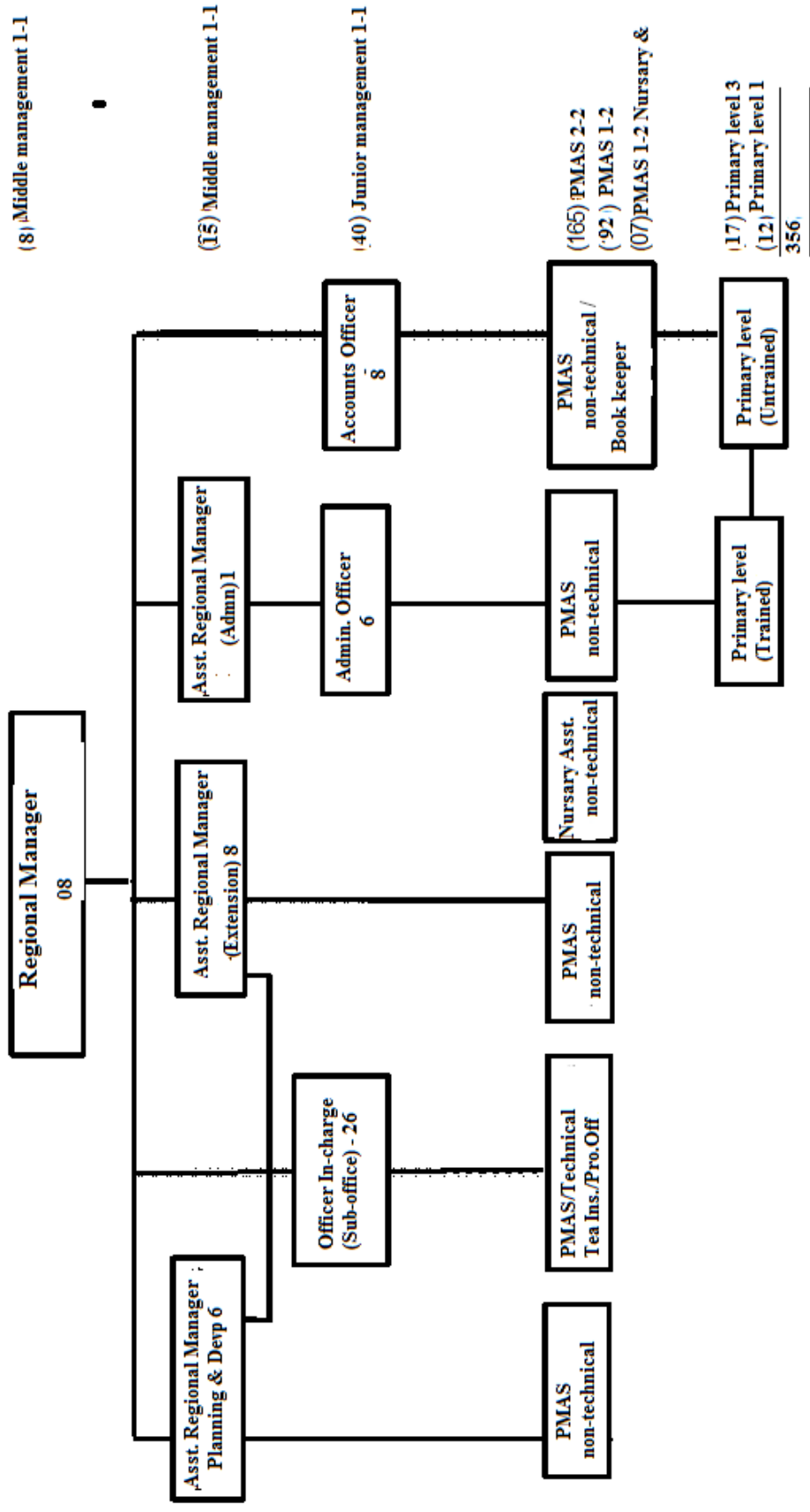
 - (1) Senior Management 2-1
 - (2) Senior Management 1-1
 - (6) Middle Management 1-1
 - (5) Middle Management 1-1
 - (4) Junior Management 1-1

Notes:

 - (1) P.M.A.S. 2-2 Book keeper
 - (35) P.M.A.S. 1-2
 - Permanent 26 / Adhoc 02
 - (10) P.M.A.S. 2-3
 - (14) P.M.A.S. 1-1

79

Tea Smallholders' Development Authority Organisation Chart of Regional Offices



Board of Directors

1. Chairman - Mr. Deepthi Abeywickrama (from 20.03.2015 to 21.10.2015)
Mr. Deshabandu Wijerathne Dewagedara (from 22.10.2015)

Members of the Board

| | Name | Designation | Institution | Telephone no. |
|-----|--|--|---|---------------|
| 1. | Mr. U.K.S. Mihindukulasooriya
from 23.02.2015 to November | Additional Secretary | Ministry of
Plantation
Industries | 011-2186160 |
| 2. | Mr. E.K.J.K. Edirisinghe | Tea Commissioner | Sri Lanka Tea
Board | 011-2580182 |
| 3. | Mr. T.V. Weerasena | Director | Department of
State Enterprises | 011-2484671 |
| 4. | Dr. I.S.B. Abeysinghe | Director | Tea Research
Institute | 052-2258201 |
| 5. | Dr. L.S.K. Hettiarachchi | Additional Director | Tea Research
Institute | 052-2258201 |
| 6. | Mr. M. Widanapathirana | Representative of
Private Factory Owners
Association | - | 077-6031000 |
| 7. | Mr. K.L. Gunarathne | Hon. Secretary | All Island
Society
Organisation | 077-7707623 |
| 8. | Mr. Neville Rathnayake | Hon. Chairman | All Island
Society
Organisation | 0117909020 |
| 9. | Mr. Roshan Rajadurei | Managing Director | Kelaniweli
Plantations Ltd. | 011-2627700 |
| 10. | Mr. S.T.B. Jayasundara
From 02.02.2015 to November
2015 | Representative to Hon.
Minister of Plantation
Industries | - | 075-0470469 |
| 11. | Mr. K.M. Nilantha Hapuarachchi,
From 16.01.2015 to November
2015 | Representative to Hon.
Minister of Plantation
Industries | - | - |

02 –

| | Name | Designation | Institution | Telephone no. |
|-----|----------------------------|--|------------------------|----------------------|
| 13. | Mr. M.M.J.P. Gavaramana | Chairperson | Tea Research Institute | 052-228201 |
| 14. | Mr. W.T.K. Samarathunge | Representative of Trade Unions | - | 071-4634132 |
| 15. | Mr. Nuwan Weerasinghe | Representative to Hon. Minister of Plantation Industries | - | 077-7154816 |
| 16. | Mrs. Kalyani Satharasinghe | Representative of Trade Unions | - | 052-235334 |
| 17. | C. Abeygunawardhana | Observer / Member | - | - |

06 board meetings have been held during the relevant year.

Audit & Management Committee

| | | Name | Designation | Institution | Contact no. |
|----|-------------|--|--|-----------------------------------|--------------------|
| 1. | Chairperson | Mr.T.V. Weerasena | Director | Department of Public Enterprises | 011-2484671 |
| 2. | Member | Mr. U.K.S.
Mihindukulasooriya
From 27.04.2015 to
November | Additional
Secretary | Ministry of Plantation Industries | 011-2186160 |
| 3. | Member | Mr. Nevil Ratnayaka | Hon. Chairperson | All Island Society Organisation | 011-7909020 |
| 4. | Member | Mr. D.F.M.V.
Hapuarachchi | Additional
Secretary | Ministry of Plantation Industries | 011-2186160 |
| 5. | Member | Mr. M.
Vidanapathirana | Representative of
Private Factory
Owners'
Association | - | 077-6031000 |
| 6. | Member | Mr. K.L. Gunarathne | Hon. Secretary | All Island Society Organisation | 077-7707623 |
| 7. | Observer | Mrs. Suwineetha
Anthony

11.05.2015 and
11.08.2015 | Audit
Superintendent
Meeting | Sub Office of the Audit | 011-2583687 |
| 8. | Observer | Mr. C.M.S. Anthony

11.05.2015 and
11.08.2015 | Audit
Superintendent
Meeting | Sub Office of the Audit | 011-2583687 |
| 9. | Observer | Mrs. H.S.S. Perera

29.12.2015 | Audit
Superintendent
Meeting | Sub Office of the Audit | 011-2583687 |

04 Audit Committee meetings have been held in the relevant year 2015

04 –
Executive Staff and District Administrative Office
Head Office

**No: 70, Parliament Road,
Pelawatta, Battaramulla.
Telephone : 7909020 – 21**

Executive Staff

| | |
|-------------------------------------|---|
| Chairman | : Mr. Noel Padmasiri Kariyawasam (from 10.01.2015) |
| | : Mr. Deepti Abeywickrama (from 25.03.2015 to 21.10.2015) |
| | : Mr. Deshabandhu Wijerathne Devagedara (from 22.10.2015) |
| General Manager | : Mr. M.B. Cyril (Upto 21/06/2015) |
| General Manager (Acting) | : Mrs. S.R.S. De Silva (from 13.10.2015) |
| General Manager (performing duties) | : Mr. C.J.I.T. fernando (from 22.06.2015 to 12.10.2015) |

Extension Division:

| | |
|-------------------------------------|--------------------------|
| Deputy General Manager (Extensions) | : Mr.C.J.I.T. Fernando |
| Assistant Manager (Extensions) | : Mr.R.A.G.P. Ranasingha |

Development Division:

| | |
|--------------------------------------|----------------------------------|
| Deputy General Manager (Development) | : Mr.M.B.Cyril (Upto 01/09/2014) |
| Manager (Community Development) | : Mr.J.M.G.Jayasinghe |

Planning & Monitoring Unit

| | |
|---|----------------------|
| Manager (Planning & Monitoring) | : - |
| Assistant Manager (Planning & Monitoring) | : Mr.R.A.Waidyaratne |

Finance Division:

| | |
|-----------------------------|-----------------------|
| Manager (Finance) | : Mrs.D.G.P.Jayanthi |
| Assistant Manager (Finance) | : Mr.P.R.IndikaPerera |
| | : Mr.B.H.C.A.Batagoda |

Human Resources and Administration Division:

| | |
|---|----------------------------------|
| Assistant General Manager (Services) | : Mr.Amitha Pasqual |
| Secretary to the Board | |
| Manager (H. R & Administration) | : - |
| Assistant Manager (H. R & Administration) | : Mr. Harshan De Silva |
| | : Mr. K.A.C.S.P. Fernando |
| | : Mr. Sarathchandra Muramudalige |
| | (From 07/10/2015) Acting. |

Internal Audit Division:

| | |
|------------------------|-------------------------|
| Internal Auditor | : Mr.K.G.Narada |
| Internal Audit Officer | : Mr.Daminda Priyanjith |

- 05 -
Regional Office-Galle
No 81, Light House Street
Fort- Galle
Administrative District- Galle
Telephone No:- 091-7201126&28

Fax :- 091- 2244382 @ E-Mail - tshdaga@gmail.com

(from 12.01.2015) - C.D.

| | |
|---|--|
| Regional Manager | : Mr. G.G. Bandula (covering duties from 12.01.2015) |
| | : Mr.L.H. Ranjith (Acting from 08.01.2015) |
| | : Mr. G.G. Somasiri (Acting from 06.05.2015) |
| Assistant Regional Manager (Extensions) | : Mr. D.M.J. Nakandala (from 01.03.2015) |
| | : Mr. E.R.S. Gunawardhana (from 02.03.2015) |
| Assistant Regional Manager (Planning and Devp.) | : Mr. H.L. Ranjith (Up to 08.01.2015) |
| | : Mr. G. G. Somasiri (from 06.05.2015) |
| | : Mr. D.L.C. Sooriyaarachchi |
| | : Mr. G Sisira Kumara |
| | : Mr E.G.D. Shanthasiri |
| | : Mr. T.M. Amararuwan (from 01.09.2015) |
| | (acting from 03.07.2015) |
| Administrative Offier | : Mrs. K.M.H.A. Amaralatha (From 31.01.2015) |
| | : Mrs. N.A. Piyaseeli (acting from 28.07.2015) |
| Accounts Officer | : Mrs. U.L.M. Perera |

Estension Center

Sub Offices

Service Divisions

Tea Small Holding Developement Authority
Regional extension Center
Walahanduwawatta, Galle
Telephone No- 0917200815

Waduramba

Kurupanawa
Unanwitiya
Udugama
Baddegama
Waduramba

Elpitiya

Ethkandura
Pitigala
Niyagama
Elpitiya
Batapola
Kahaduwa

Hingalgoda

Dellawa
Mawanana
Neluwa
Habarakada
Halvitigala
Hiniduma
Opatha

Akmeemana

Imaduwa
Kottawa
Yakkalamulla
Beranagoda
Akmeemana

Regional Office- Matara
NO 31, Kalidasa Road, Matara
Administrative Districts- Matara/ Hambantota
Telephone No - 041-7200799 - 041-7200394/96
Fax 041- 2226487 / Email - tshdamt@gmail.com

| | | |
|---|---|--|
| Regional Manager | : | Mr. G.G. Bandula |
| Assistant Regional Manager (Extensions) | : | Mr. E.R.S. Gunawardena (from 01.03.2015) |
| | : | Mr. D.M.J. Nakandala |
| (From 02.03.2015 to 21.06.2015) | | |
| | : | Mr. L.K. Weerasekara (from 02.07.2015) |
| Officer in Charge | : | Mr.T.M.S.L. Priyadarshana (11.06.2015) |
| | : | Mr. G.D.K. Balachandra (from 11.06.2015) |
| Administrative Officer | : | Mrs. Mrs. N.V.P. Pushpakumari |
| Accounts Officer | : | Mrs. H.M.L. Pushpakamari |

Extension Center

Sub Offices

Service Divisions

Tea Small Holding Developement Authority
Regional extension Center
Morawaka, Alapaladeniya

Kotapola

Deniyaya
Kalubovitiyana
Morawaka
Derangala
Kolawenigama
Kotapola
Pitabeddara

Akuressa

Kananke
Akuressa
Thelijjavila
Thibbatuvava
Ketanvila
Kaburupitiya

Pasgoda

Beralapanathara
Varapitiya
Kirilipana
Dampahala
Pasgoda
Urubokka
Deyyandara

-07-

Regional Office - Rathnapura
No 1/28, New Town , Rathnapura
Administrative Office - Rathnapura

Telephone No: 045-7201243 - 045-7201904

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

| | |
|--|---|
| Regional Manager | : Mr. S.S.B. Dissanayaka, Acting |
| Assistant Regional Manager (Extension) | : Mr. M.R.N. Dammika (from 01.07.2015) |
| Assistant Regional Manager (Planning and Develp) | : Mr. H.K. Lalith Kumara (From 12.06.2015) Acting |
| | : Mr. S.S.B. Dissanayaka |
| Regional Planning Officer | : Mr. W.H.P.S.Wijethunge (up to 15.01.2015) |
| Officer in Charge | : Mr. S.C. Mudannayaka (from 02.03.2015) |
| | : Mr. M.M. Kumarasinghe (Up to 01.03.2015) |
| | : Mr. J.L. Edirisooriya (11.06.2015) |
| | : Mr. H.M. Chandrapala (11.12.2015) |
| Administrative Officer | : Mr. K.M.R.L. Bandara (from 01.02.2015) |
| Accounts Officer | : Mrs. M.A. Piyasili |

Extension Center

Tea Small Holding Developemtn Authority
Regional Extension Center
Sannasgama, Rathnapura.
Telephone No 045 - 7201170

Sub Offices

Service Divisions

Nivitigala

Nivitigala
Ratnapura
Veddagala
Kalawana
Ayagama
Kukulegama

Balangoda

Opanayaka
Pinnawala
Rassagala
Imbulpe
Ellarawa
Weligepola
Balangoda

Rakwana

Pothupitiya
Madampe
Kolonna
Rakwana
Pelmadulla
Kahawatta

Kuruvita

Eheliyagoda
Gallella
Gilimale
Erathna
Kiriella
Wewelwatta

Divisional Office - Kandy
No 2/7/1 Gannoruwa Road
Peradeniya, Kandy
Administrative Districts – Kandy, Matale, Kurunegala
Telephone No:- 081-7200827 - 081-7201821
Fax :- 081- 2389011 & Email - tshdakan@gmail.com

| | |
|--|---|
| Regional Manager | : Mr. K.A.B. de A. Rajapakshe (up to 29.08.2015)
: Mr. W.H.P.S. Wijethunge
(Duty covering from 01.09.2015) |
| Assistant Regional Manager (Extension) | : Mr. L.K.Weerasekara (from 01.07.2015)
: Mr. M.R.N. Dhammika (02.07.2015) |
| Assistant Regional Manager (Planning and Develp) | :Mr. W.H.P.S. Wijethunge
(covering duties from 16.01.2015 to31.08.2015) |
| Officer in Charge | :Mr. D.M.W. Banda (from 01.06.2015)
: Mr. T.M.J. Herath
: Mr. B.G.W.M.K.A. Bandara
: Mr. W.J.W. Arambepola
: Mr. T. Amarasekara |
| Administrative Officer | : Mrs. A. W.J. Nandawathi
(acting from 08.10.2015 to 07.10.2015) |
| Assistant Accountant | : Mr. A.G. Somasiri (upto 13.02. 2015) |
| Public Relations Officer | : Mr. Anura Dissanayaka |

| Extension Center | Sub Offices | Service Divisions |
|--|--------------|---|
| Tea Small Holding Developemtn Authority
Regional Extension Center
Suriyagoda, Muruthalawa
Telephone No - 0817201921 | Matale | Ukuwela
Matale
Rattota
Alawatugoda |
| | Wattegama | Pujapitiya
Werellagama
Theldeniya
Wattegama |
| | Haguranketha | Hewaheta
Mandaramnuwara
Hanguranketha
Walapane |
| | Giragama | Gannoruwa
Galagedara
Menikdiwela
Danthure |

Regional Office- N' Eliya
No 22, Kandde Veediya, Gampola
Administrative Districts – N' Eliya, Kandy
Telephone No- 081-72001863\$ 081-7201593
Fax: 081- 2351293 / Email- tshdane@gmail.com

| | |
|--|--|
| Regional Manager | : Mr. M.M. Wijebandara (covering duties) |
| Assistant Regional Manager (Extension) | : Mr. M.K.K.B Kapugedara |
| Assistant Divisional Manager
(Planning and Development) | : Mr. M.M. Wijebandara
:Mr. A.M.D.S. Ranaweera (from 02.03.2015)
: Mr. H.M. Premakumara (up to 01.03.2015)
: Mr. G. N. Yagamuni (from 11.06.2015)
: Mr. D.M.R.K.B. Dassanayaka
: Mr. K.M.D.A. Kuruppu |
| Administrative Offier | : Mr. G.I.U Somasiri |
| Accounts Officer | : Mrs. Shyamali Premasundara |

Extension Center

Sub offices

Service Divisions

Tea Small Holding Development Authority
Regional Extension Center
Thispane, New Thispane
Telephone No: 0817201950

Gampola

Udunuwara

Kotmale

Ginigathhena

Panvilatenna
Gampola
Nillamba
Pupuressa
Pussellawa

Handessa
Wattappola
Kuruduwatta
Ulapane
Dolosbage

Ruwanpura
Thispane
Harangala
Helboda
Pudaluoya

Ginigathhena
Polpitiya
Lakshapana
Nawalapitiya
Weligampola

Regional Office - Uva
New Badulla Road, Bandarawela
Administrative Districts- Badulla, Moneragala
Telephone No - 057-72000241/ 057-7200081
Fax -057- 2232237 / Email - uvatshda@gmail.com

| | |
|--|---|
| Regional Manager | : Mr. H.R. Aruna Shantha |
| Assistant Regional Manager (Extension) | : I.U.H. Mohotti |
| Assitant Regional Manager (Planning and Devep) | : Mr. H.K. Lalith Kumara (up to 11.06.2015) |
| | : Mr. R.M.P.R. Bandara (up to 01.03.2015) |
| | : Mr. S.C. Mudannayaka (up to 01.03.2015) |
| | : Mr. D.V.K. Nandasiri (01.03.2015) |
| | : Mr. H.M. Premakumara (from 02.03.2015) |
| | : Mr. M.M. Kumarasinghe (from 02.03.2015) |
| | : Mr. R.M.A.D. Rathnayaka (from 02.03.2015) |
| Administrative Officer | : Mr. M.G. Somadasa (from 08.10.2015) |
| Accounts Officer | : Mr.W.M. Dhanapala |

Extension Center

Tea Small Holding Developemtn Authority
Regional Extension Center
Bogahamadiththa, Haliela
Telephone No - 055 - 2294363

Sub Offices

Haliela

Bandarawela

Welimada

Service Divisions

Lunugala
Passara
Wepassawela
Haliela
Atampitiya
Badulla

Haputale
Bandarawela
Liyangahawela
Ella
Ballaketuwa
Haldummulla

Welimada
Boralanda
Lunuwatta
Babarapana

Regional Office- Kegalle
Agriculture Building
Kachcheri Road, Kegalle
Administrative Districts- Kegalle, Gampaha
Telephone No 035- 7201254/ 035-7201243
Fax: 035- 2230163 / Email tshdake@gmail.com

| | | |
|--|---|---|
| Regional Manager | : | Mr. P.A.W. Nilmalgoda (up to 21.08.2015) |
| Assistant Regional Manager (Extension) | : | Mr. K.A.B. Padmaraja (acting from 01.09.2015) |
| Assistant Regional Manager (Extension) | : | Mr. K.A.B. Padmaraja |
| Officer in charge | : | Mr. D.M.G.S. Ekanayaka |
| | : | Mr. R.M.A.D. Rathnayaka (from 02.03.2015) |
| Administrative Officer | : | Mrs. E.M.D. Amunugama |
| Accounts Officer | : | Miss. P.G.I Surangika |

Extension Centers

Sub Offices

Service Divisions

Tea Small Holding Developemtn Authority
Regional Extension Center
Hingula

Deraniyagala

Deraniyagala
Nuriya
Yatiyanthota
Dehivoita
Maliboda
Dikella

Kegalle

Kegalle
Aranayaka
Bulathkohupitiya
Valalpola
Kitulgala

Regional Office- Kalutara
Dadugodayawatta Road, Iddagoda
Mathugama
Administrative Districts- Kalutara, Colombo
Telephone No 034- 7200183/ 034-7201630
Fax:- 034- 2249690 /Email tshdakalu@gmail.com

| | | |
|---|---|---|
| Regional Manager | : | Mr. G.G. Somasiri (Acting up to 05.05.2015) |
| | : | Mr. D.M.J. Nakandala (Acting from 22.06.2015) |
| Assistant Regional Manager (Extensions) | : | Mr. W.T.R.P. Wimalarathne |
| Officer in charge | : | Mr. D.M.J. Nakandala (22.06.2015) |
| | : | Mr.R.M.A.D. Rathnayaka (up to 01.03.2015) |
| | : | Mr.D.V.K. Nandasiri (from 02.03.2015) |
| | : | Mr. A.A.D.G. Abeythilaka (from 01.02.2015) |
| Administrative Officer | : | Mr. W.A. Jayalaththissa
(acting from 01.12.2015 to 28.07.2015) |
| Accounts Officer | : | Mrs. R.A.C.D.D. Jayatunga |

Extension Center**Sub Offices****Service Divisions**

Meegahatenna

Meegahatenna
Yattapatha
Pelawatta
Iththapana
Baduraliya
Hedigalla

Horana

Horana
Bulathsinhala
Mahagama
Mathugama
Agalawatta
Kelinkanda

Rathnasiri Wickramanayaka National Training Institute
5th Milepost, Middle Division
Udawela, Hanthana
Telephone No: 034- 7200183/ 034-7201630
Fax:- 034- 2249690 /Email - tshdakalu@gmail.com

| | | |
|------------------|---|---------------------------|
| Training Officer | : | Mr. S.C.E. Narangaspitiya |
|------------------|---|---------------------------|

All Island Federation of Tea Small Holder Development Societies

| | |
|----------------------|-------------------------|
| Mr.Nevil Ratnayake | - Hon. President |
| Mr.K.L.Gunaratne | - Hon Secretary |
| Mr.N.M.R.Jayathilaka | - Hon. Treasurer |
| Mr.J.M.B.J.Bandara | - Hon. Deputy President |
| Mr.K.Weerasinghe | - Hon Deputy Secretary |

01. Galle Tea Small Holder Development Regional Organization

| | |
|--------------------------|------------------|
| Mr.P.H.Susantha de Silva | - Hon. President |
| Mr.T.H.Richaard | - Hon Secretary |
| Mr.M.A..R.Gunawardena | - Hon. Treasurer |

02“ Matara Tea Small Holder Development Regional Organization

| | |
|--------------------|------------------|
| Mr.Nevil Ratnayake | - Hon. President |
| Mr.K.Weerasinghe | - Hon Secretary |
| Mrs.W.G.Hema | - Hon. Treasurer |

03. Kalutara Tea Small Holder Development Regional Organization

| | |
|-------------------------|------------------|
| Mr.K.L.Gunaratne | - Hon. President |
| Mr.K.T.Piyadasa | - Hon Secretary |
| Mr.Yasapala Gunawardena | - Hon. Treasurer |

04. Ratnapura Tea Small Holder Development Regional Organization

| | |
|------------------------------|------------------|
| Mr.J.M.B.J.Bandara | - Hon. President |
| Mr.Jagath Senarath Pathirana | - Hon Secretary |
| Mr.O.K.Rathnathilaka | - Hon. Treasurer |

05“ Kegalle Tea Small Holder Development Regional Organization

| | |
|------------------------|------------------|
| Mr.P.R.A.Ratnayake | - Hon. President |
| Mr.N.M.R.Jayathilaka | - Hon Secretary |
| Mr.H.D.Anura Jayaratne | - Hon. Treasurer |

06“ Kandy Tea Small Holder Development Regional Organization

Mr.B.G.Abeysinghe - Hon. President
Mr.W.D.Jayaratne - Hon Secretary
Mr.R.T.Gurusinghe - Hon. Treasurer

07“ Nuwaraeliya Tea Small Holder Development Regional Organization

Mr.W.R.S.Karunaratne - Hon. President
Mr.D.G.S.P.Piyasena - Hon Secretary
Mr.P.K.Somaratne - Hon. Treasurer

08“ Uva Tea Small Holder Development Regional Organization

Mr.R.M.Gunasekera - Hon. President
Mr.H.M.Dayananda - Hon Secretary
Mr.A.M.Gunarathna - Hon. Treasurer

Executive Summary

Extent of Tea Small Holdings

According to the census of Tea Small holdings in 2005, the total estimated extent of tea lands without the extent of abundant tea lands amount to 125,019 hectares. (Including the lands less than 20 perch) As per the data of the previous decade, approximately tea plantation in an extent of 1021 hectares of land has been uprooted for re - plantation of tea annually with subsidies from the institution and an approximate extent of 888 hectares of tea lands have been re - planted annually. According to the trend for past 03 years, an extent of 1057 hectares has been up rooted and an extent of 897 hectares of land have been re - planted. Tea small holders have turned to re - plant and newly cultivate tea even without the subsidies of the institution.

This extent of turning to plant tea does not exist stable due to reasons namely good market value for tea, turning to remedial crops, cultivating supplementary crops with tea, special project programmes implemented for low-income earners as well as favourable and unfavourable outcomes occurred up to date. 871 cultivators have newly joined for tea plantation in 2015 as per the information gathered through a questionnaire at tea inspector / extension officer regions level on tea smallholdings sector.

That extent of land been tea newly planted without subsidies amounts to 311 hectares. 86.6 hectares from that is contributed from the district of Galle while 81 hectares from the district of Ratnapura, whereas 57 hectares is from Kaluthara have been reported respectively. Accordingly, by the end of year 2015 the total number of tea smallholdings amounted to 121,740 hectares.

Production in the Tea Smallholdings Sector and the Contribution to National Production.

Production in the tea smallholdings sector could be escalated by 35million kilo grams from 212 million kilo grams to 247 million kilo grams during the past decade. National production contribution too has been developed during the same period from 68.3% to 73.1%. However, compared to year 2014 the production has been deducted by 3%, which is 7.6 kilo millions. This has special impact from the weather conditions prevailed during the period under consideration.

Productivity in Tea Smallholdings Sector

Production in the tea smallholdings sector as well as general productivity have been decreased in the year 2015 due to the unfavourable weather conditions prevailed during the year under review. That amount was from 2123 kilo grams of made tea / per hectare productivity average per annum to 2059 kilo grams of made tea / per hectare which is a deduction of 3%. Compared to year 2014 the production of up country tea has been decreased by 9% whereas low country tea has been decreased by 3%. Median country tea production had been increased by 2%. General productivity in the low country had been decreased from 2,256 kilo grams to 2,181 kilo grams of made tea / per hectare which is 3%.

Extent of Tea Re – planted Lands and Re – planting Ratio

Annually 2% of tea re – plantation should be performed in existing tea lands as per the national policy with a view to steadily maintain the extent of tea lands while obtaining the maximum harvest. According to the census information of 2005, a total extent of 116,492 hectares of tea lands with adult tea bushes exist in the tea small holding sector. In addition, 21,613 hectares of tea lands are crops already exceeded 25 years. There is an urgent requirement of re – planting this extent of lands. 2,300 hectares of tea lands should be re – planted as per the national requirement.

Since provisions of lands development services and extension services were limited up to 10 acres, from year 2012, the extent of lands amount to 100,000 hectares. Accordingly, the institution shall utilize 2000 hectares of land per year for tea re – planting.

Accordingly, the institution plans to uproot 2000 hectares for tea re – planting covering an extent of 2% with regard to the national policy and the institution was capable of aiming at 1% - 1.7% limit again as per approved provisions annually.

Therefore, it can be estimated more than the limit of 1700 hectares for up – rooting for tea re - planting in year 2015, but the above goal had to be revised back to 1598 hectares since no additional provisions to increase the said subsidy amount per hectare were remitted for newly planting tea and tea re – planting in year 2015.

Extent of lands targeted for the cultivation stage under tea re – planting in year 2015 was 1200 hectares and extent of lands completed the tea re – planting was 806 hectares. Accordingly, the percentage of progress of tea re – planting in year 2015 was 67%. Therefore, the rate of tea re – planting was 0.80%

Crop Rehabilitation.

Crop rehabilitation incentive allowance is paid for performing the consolidated activities of trimming, applying soil conservation methods, and shade control along with infilling of tea plants. Application for this allowance has been deteriorated as 3% compared to the previous years and progress of issuance of permits has been declined from 41% pertaining to the same year. Planted shoots amount to 0.309 million. Compared with year 2014, it is an increase of 14%. Although the targeted amount of shoots were 0.754 million as per budget proposals, the targeted amount of shoots declined to 0.280 million subject to revision of provisions.

Extension & Consultation Services.

Target to be achieved during the year with regard to extension and consultation services programmes is 7022. Progress of the number of programmes is 6544.

Progress of farmer participation is 174,791 for extension programmes in year 2015. The progress was 188,118. However, 36,450 individual extension programmes were targeted and the progress was 31,331. That is a progress percentage of 86%. Total annual farmer participation was 219,449 for the extension programmes.

Tea Small Holdings Development Societies.

Tea smallholdings development societies initiated from year 1989 are a cluster of statutory establishments. Under this society system equipped with eight (08) regional organizations and the all island society organization, 1394 societies had been registered towards the end of year 2015. Total number of its members were 271,272. Compared with year 2014, the number of societies has been increased by 11 in year 2015. Number of members has been escalated by 4792 that is 1.7%.

Soil and Water Conservation Productivity Promotion Programme

A number of 192,074 tea smallholders were benefitted by 1356 tea smallholder development societies as a whole (2014 / 2015) by this programme, implemented by national budget allocations in year 2014 and the extent of lands covered was 133,488 acres (540 ha.). Rs. 321 million had been paid in year 2015 and the total subsidiary paid during the two years of 2014 / 2015 amounted to Rs. 724.8 million. Assistance of the institution was rendered to identify beneficiaries of tea smallholder development societies.

Operational Cost of the Institution.

Development cost of the institution in year 2015 is Rs. 561,490 million. Recurrent expenditure is Rs. 303,423 million. Development cost when compared with year 2014 has been increased by Rs. 216,386 million. Recurrent expenditure has been increased by Rs. 50,694 million. Accordingly, the ratio between monitoring expenditure and development expenditure is 0.54. Monitoring cost has been decreased by 0.19 when compared to the previous year.

Tea Cultivator and Tea Inspector / Extension Officer Ratio

Although the ratio of extension factors that should be available for productive extension services to the number of cultivators should be 1:1000, the ratio of field officers in tea smallholdings sector to the cultivators is 1:2748. Although the number of officers should be increased to reduce the covering number of cultivators, such increase cannot be performed considering the provisions of the institute and cost limits. However, the institution managed to obtain the assistance of community based organizations such as tea small holders' societies in service matters.

Price for Raw Leaves

According to the prices received for Sri Lankan tea in year 2015 the price received for a kilo of normal raw leaves for tea small holders amounted at the end of the year was Rs. 56.79 for up country tea while Rs. 53.02 for mid country tea and Rs. 60.88 for low country tea and the median for all the regions was Rs. 58.80. The production margin was a positive amount for production of tea small holders in year 2015 for all regions as per the general prices apart from median country.

Introduction

1. Introduction

1.1. Institution and its Performance.

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

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 respectively were passed there after by adding amendments to the main convention.

Objectives:

The objectives of the so established institution is to develop tea small holdings, escalate production of tea, increase productivity, marketing of tea leaves and taking steps to secure the wellbeing of the tea small holders.

Activities of the Authority.

1. Support to develop or assumption for development in tea smallholdings and other tea lands where their own way of production lacks.
2. Accomplishment / establishment or development of tea factories required and other infrastructure facilities in order to make the harvest of these small tea holdings the produce.
3. Dealing with the responsibility of enhancing or marketing of the produce generated in the said tea smallholdings or in the said factories.
4. Taking every necessary measure with a view to supply or provision of facilities and services that will be required to develop the said small tea holdings and factories as well as to facilitate to provide those facilities or services and to ensure the welfare of those engaged in making the harvest as production or engaged in packing of those production including securing their statutory rights and ensuring their remuneration.
5. Registration of tea small holdings development societies and control them and to provide funds to the members of the societies registered with the Authority as well as make provisions to form regulations with regard to matters related to the same.
6. Promotion of investments in small tea holdings
7. Getting to know the development ability to hold the responsibility of collection and dissemination of data and getting to know the eligibility for development of tea smallholdings.
8. Advising the Ministry on suitable policies and coordinating with the other relevant representative institutions.

Necessary steps are being taken to write off the activities in above 02, 03 and 04 from the small tea holdings development act and substitute other activities for them.

Apart from this, the Authority was entrusted with activities assigned occasionally by Sri Lanka Tea Board and other activities as follows with effect from 01st January 1978.

1. Implementation of the following funding schemes for the development of lands existing under the management of the private sector.
 - I Re – plantation of Tea.
 - II Tea new planting.
 - III Infilling
2. Implementation of supporting services such as distribution of tea fertilizer and provision of plantation materials, utensils and transport.
3. Implementation of extension and consultation activities.

1.2. Activities of Audit and Management Committees.

The audit plan prepared for year 2015 has been approved by the board of directors on the 29.10.2014 and four (04) audit and management committee meetings have been conducted during the year under review. Following are the major decisions taken at those audit and management committee meetings.

- i. Deciding to submit a report after analyzing the reasons to fail achieving goals pertaining to development and extension activities.
- ii. Deciding on implementing director board meetings that had not been implemented.
- iii. Deciding on recovering Rs. 5.9 million and Rs. 7.6 million respectively as shortage of money to be recovered from colour separation machines for private tea factories and vehicles provided for tea smallholders' societies based on the national budget 1998.

The committee during the year under review carried out an initial inquiry on the following subject areas during the relevant year.

 1. Inquiring and approval of the internal audit annual plan.
 2. Reviewing the particulars revealed by the internal audit reports and taking measures to accelerate the implementation of proposals.
 3. Reviewing the Auditor General's reports and taking steps to make corrections required for prevention of recurrence of shortages pointed out by the reports.
 4. Examination of progress of submitting answers to audit queries.
 5. Reviewing annual budget documents and internal financial statements and evaluation of achieving goals on the performance.

6. Ensuring the timely submission of final accounts and annual reports.
7. Reviewing the administration and development activities of human resources and other resources and taking decisions with regard to them.
8. Reviewing particulars pertaining to maintenance of discipline of the staff, drawing attention for thrifting of institutional expenses.
9. Inquiring whether instructions of circulars and regulations are adhered / followed and taking necessary steps to correct / deal with shortcomings.

Audit plan prepared for year 2015 has been approved by the board of directors on 29.10.2015.

Nine audit quarries and fourteen other inquiries have been completed during year 2015 under conducting and reporting of audit quarries.

Steps have been taken to timely reporting information to the audit committee and the board of directors on the precautions taken by administrative section with regard to the audit quarry.

1.3 Administrative activities.

1.3.1 Policy Decisions

Approval of the board of directors was given to implement the divisional offices of Kandy district and N'Eliya district as one district services area in one administrative district with a view to be parallel with each government development that is performed with the district development priority, to ease the service coordination activities performed with the external institutions, and to maintain the institutional information system more formally, since the activities of the two districts were blended with each other.

1.3.2 Organisational Structure and the Procedure of Recruitment

Procedure for recruitment for the service category of HM 1 -1 that is senior management level was revised by the letter dated 29.12.2015. Procedure for recruitment of management service category and junior management service category including other service categories were being revised.

Appointments made during the year

Measures were taken to make following appointments during the year after calling applications as per approval of the Department of Management Services and the Ministry of Plantation Industries for filling vacancies of the Authority.

| Designation | Grade | No. |
|---------------------------------|--------------|------------|
| Administrative Officer | JM 1-1 | 04 |
| Officer In - charge | JM 1-1 | 07 |
| Tea Inspector Extension Officer | MA 2-2 | 12 |
| Assistant Chef | PL - 2 | 01 |
| Total | | 24 |

1.3.2 Management Strategies Based on Results for Statutory Objectives

Actions were taken through annually implemented plans to perform statutory objectives and the said annual implemented plans were implemented updating from year 2010 up to date under result based management institutional strategies.

The long - term development result / outcome of the institution at this point was identified as upgrading the life standard of tea smallholders.

In order to achieve medial results appeared below even for the year 2015, action was taken as per the annual implementation plan.

Development Results.

Long-term effect / result – Enhancing life standard of tea mall holders

Medial Results –

1. Increasing production of
Low country tea by 2,700
Mid country tea by 1,700
And Uva by 1,500 kilos / made tea / per hectare / per annum in six (06) years,
2. Increasing the quality of row leaves by 60% at factory level in five (05) years.
3. Strengthening community based organizations by 50% in six (06) years.
4. Strengthening the institution for implementation more productively within a year's time.
5. Directing 10% of tea lands within five (05) years for additional income earning activities.

Tea Small Holdings Sector in Sri Lanka

2.1 Tea Small Holdings

Tea lands lesser than ten (10) acres as per the tea control act are considered as tea smallholdings. However, the Hon. Minister of Plantation Industries entrusted the powers to Tea Small Holdings Development Authority from 01st January 1978 to perform development activities for tea lands from 10 – 15 acres under the purview of Sri Lanka Tea Board. Therefore, the institution so far has provided assisting services relevant to the development of all the tea lands less than 50 acres extent under private ownership.

By the year 2012, Sri Lanka Tea Board has been entrusted with render land development services for lands from 10 to 50 acres while Sri Lanka Tea Research Institute has been entrusted with providing extension services. Accordingly, the institutions provided development and assistance related services only for tea lands less than 10 acres as per the provisions of the act with effect from year 2012.

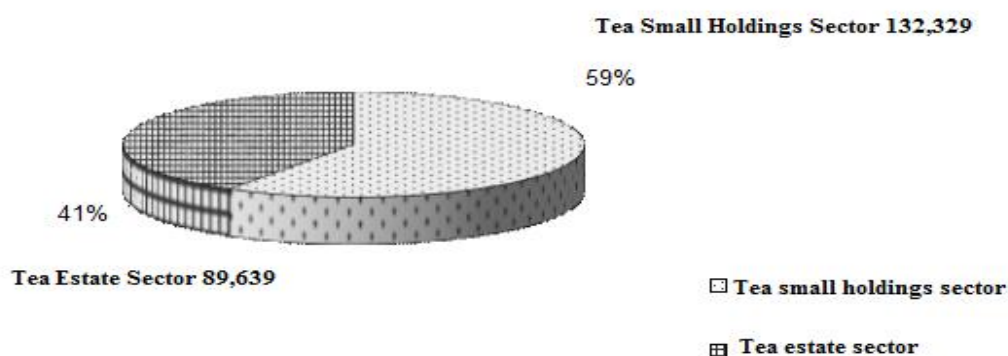
2.2 Extent of Lands of Tea Small Holdings:

Total tea lands in Sri Lanka amounted to *221,968 hectares including 132,329 hectares (with lands less than 20 perches in extent) of tea small holdings as per the census of tea small holdings in year 2005. Accordingly, 59% of the total tea lands in Sri Lanka belong to tea smallholdings sector. When comparing tea smallholdings, census details of 1994 / 95, land extent under tea smallholdings of Sri Lanka has been escalated by 40%, which is from 82,919 hectares to 116,492 hectares (only lands more than 20 perches) within a period of a decade.

A land in extent of 311 hectares has been added to tea plantation in year 2015 as per the information survey - 2015 based on tea inspection extension officer regions. By the end of year 2015, the total extent of tea small holdings with tea amounted to 121,740 hectares. Information on tea smallholdings sector should be updated by a new census.

Diagram no: 01

Contribution of Tea Small Holdings to Total Extent of Tea Lands



Source:

- Sri Lanka Survey Report on Tea Lands 1994 / 1995 – Sri Lanka Tea Board
- Census on tea small holdings 2005 – Department of Census & Statistics

2.3 Tea Small Holders

Number of tea small holders was 370,842 by year 2005. (Including cultivators of lands less than 20 perches). 82% of them are tea small holders with individual ownership and they own approximately 76% of the tea lands. By the end of year 2015, the number of tea small holders was 392,979 as per annual information based on tea inspection extension officer regions.

2.4 Number of Tea Small Holdings.

Total extent of tea smallholdings have been increased from 206,652 to 350,982 (more than 20 perches) which is an increase of 70% during the period from 1994 to 2005. Number of plots of land more than 20 perches by the end of year 2013 was 370,842. Total number of plots of land including plots of land less than 20 perches in extent were 417, 607. As per the census of 2005, following is the spread of entire plots of tea smallholdings and the extent of tea lands. Tea smallholdings are spreaded in 3692 grama niladhari divisions under 123 divisional secretariat divisions.

Expansion of total tea smallholdings and land extent as per the census of year 2005 is as follows. Tea small holdings are expanded / extended in 3,692 grama niladhari divisions under 123 divisional secretariat division.

Table no: 01

Number of Tea Small Holdings per District of Sri Lanka – 2005

| District | No. Of tea small holders | No. Of tea smallholdings | No. of Ha. | No. of lands / per unit ha. extent | | | | | | |
|-------------------|--------------------------|--------------------------|----------------|------------------------------------|---------------|--------------|--------------|--------------|-------------|-------------|
| | | | | Less than <1/2 | 1/2 - < 1 | 1 - < 2 | 2 - < 3 | 3 - < 5 | 5 - < 10 | >10 |
| Colombo | 478 | 491 | 246 | 423 | 35 | 22 | 4 | 4 | 2 | 1 |
| Gampaha | 9 | 9 | 2 | 9 | - | - | - | - | - | - |
| Kaluthara | 35,908 | 38,263 | 7,823 | 35,793 | 1,927 | 396 | 74 | 38 | 26 | 9 |
| Kandy | 29,224 | 30,747 | 16,058 | 25,457 | 3,345 | 1,094 | 353 | 206 | 140 | 152 |
| Mathale | 1,387 | 1,408 | 1,672 | 1,011 | 166 | 81 | 40 | 38 | 41 | 31 |
| N'Eliya | 16,875 | 17,547 | 7,205 | 15,270 | 1,663 | 302 | 100 | 77 | 55 | 80 |
| Galle | 81,491 | 90,524 | 27,427 | 79,432 | 8,296 | 1,840 | 467 | 276 | 166 | 47 |
| Matara | 63,273 | 67,613 | 25,417 | 58,470 | 6,835 | 1,296 | 430 | 290 | 176 | 116 |
| Hambantota | 2,386 | 2,533 | 546 | 2,373 | 141 | 14 | 4 | 1 | - | - |
| Kurunegala | 145 | 151 | 180 | 111 | 23 | 8 | 3 | 2 | - | 4 |
| Badulla | 28,101 | 29,679 | 9,020 | 26,989 | 1,747 | 574 | 182 | 85 | 56 | 46 |
| Monaragala | 634 | 637 | 199 | 551 | 72 | 11 | 1 | 2 | - | - |
| Ratnapura | 92,038 | 97,984 | 30,441 | 87,070 | 7,910 | 1,880 | 530 | 345 | 141 | 108 |
| Kegalle | 18,893 | 19,637 | 6,093 | 17,333 | 1,680 | 400 | 98 | 65 | 31 | 30 |
| Total | 370,842 | 397,223 | 132,329 | 350,292 | 33,840 | 7,918 | 2,286 | 1,429 | 834 | 624 |
| Percentage | | | | 88.19 | 8.52 | 1.99 | 0.57 | 0.36 | 0.21 | 0.16 |

Source: Sri Lanka Survey Report on Tea Lands – 2005

Especially the escalation of prices for row leaves, increase of incentive amount for tea plantation, dividing large extent of lands and directing lands without optional crops to cultivation of tea have resulted in the increased of number of lands in the tea small holdings sector.

2.5 Categorization of Lands

* 113,190 acres of land (34.6%) in the tea smallholdings sector are lands less than one acre while 198,707 (60.8) acres of land are lands less than two acres. Lands more than ten (10) acres amount to 59,731 acres (18.3%). As per the following table 267,253 acres (108,200 hectares) are tea lands less than 10 acres in extent.

Table no: 02

Categorization per extent of tea smallholdings and the number of plots in Sri Lanka.

| Acres | Extent of lands in
acres | % | No. of plots
of land | Percentage
% |
|---------------------|-----------------------------|------|-------------------------|-----------------|
| Less than 1 g | 113,190 | 34.6 | 297,342 | 75 |
| Less than 1 - 2 g | 85,517 | 26.2 | 74,314 | 18.7 |
| Less than 2 - 3 | 31,882 | 9.8 | 15,101 | 3.8 |
| Less than 3 - 5 | 18,413 | 5.6 | 5,299 | 1.3 |
| Less than 5 - 10 10 | 18,251 | 5.5 | 2,936 | 0.7 |
| and more | 59,731 | 18.3 | 2,231 | 0.5 |
| | 326,984 | | 397,223 | |

Source: Sri Lanka Survey Report of Tea Lands.

2.6 Production in Tea Small Holdings Sector

National tea production in year 2015 is 328.96 million kilo grams. Compared to the previous year this is a deduction of 09 million kilo grams or 2.68% from the national production.

Moreover, the total tea production of tea smallholdings sector have been declined by 7.5% million kilograms that is 3% of the production. Major reason for this decline was the extreme weather conditions prevailed with showers during the end of the year 2015 and as a result, the unfavourable situation for leaves production.

The tea smallholders sector contributed 50% of the national tea production in year 1991 escalated its contribution up to 73% during the year under review.

Table no: 03
National Tea Production in Sri Lanka – 2014 / 2015
Contribution per Management Institutions

| | Management Institution | Tea Production M.T. | | | |
|----|--|----------------------------|----------|----------------|----------|
| | | 2016 | % | 2014 | % |
| 01 | Private sector (tea small holdings sector) | 239,864 | 72.92 | 247,388 | 73.18 |
| 02 | Regional plantation companies | 86,924 | 26.42 | 88,978 | 26.33 |
| 03 | People's Estate Development Board | 1,842 | 0.56 | 1,351 | 0.40 |
| | State Plantation Cooperation | | | | |
| 04 | Others | 330 | 0.10 | 313 | 0.09 |
| | Grand Total | 328,960 | | 338,038 | |

(Others: Tea Shakthi, Tea Small Holders' Factories Ltd., Tea Research Institute of Sri Lanka, Corporative Societies, Elkaduwa Plantations Co., Kalubowitiyana Tea Factories Co.)

Source: Sri Lanka Tea Board

(All that purchased under categorization of institutions has been included in the production of tea smallholdings sector. The categorization under 'Private' is considered as the tea smallholdings sector.)

Diagram no. 02

National Production Contribution Percentage per Management Institutions - 2015

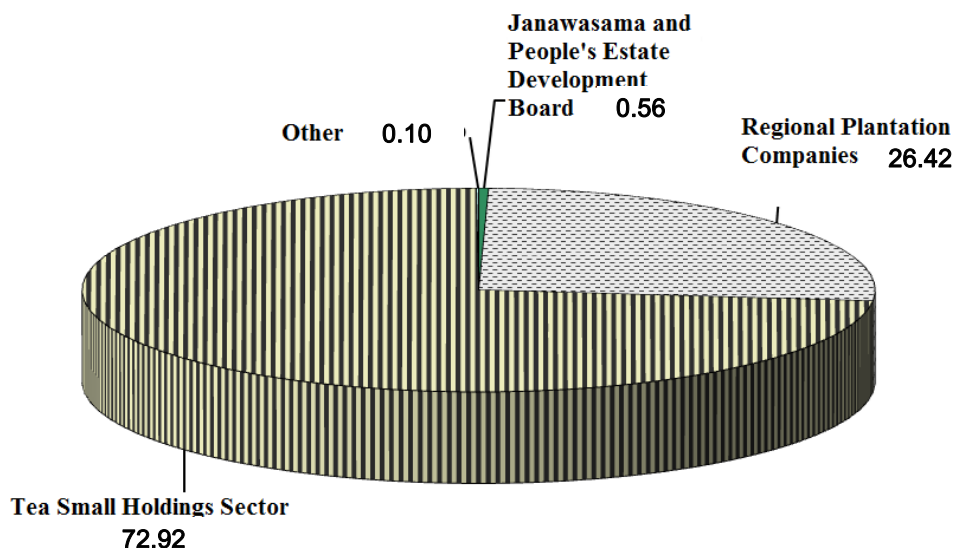
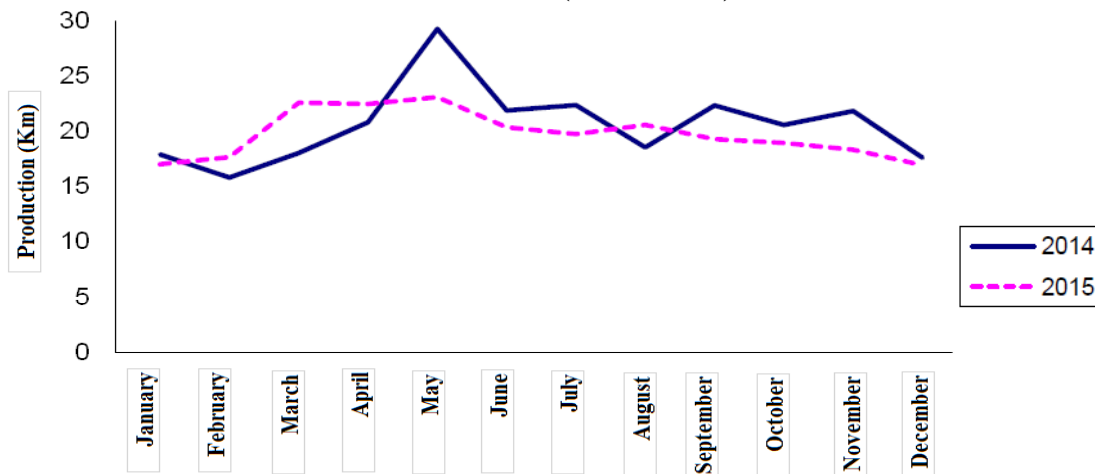
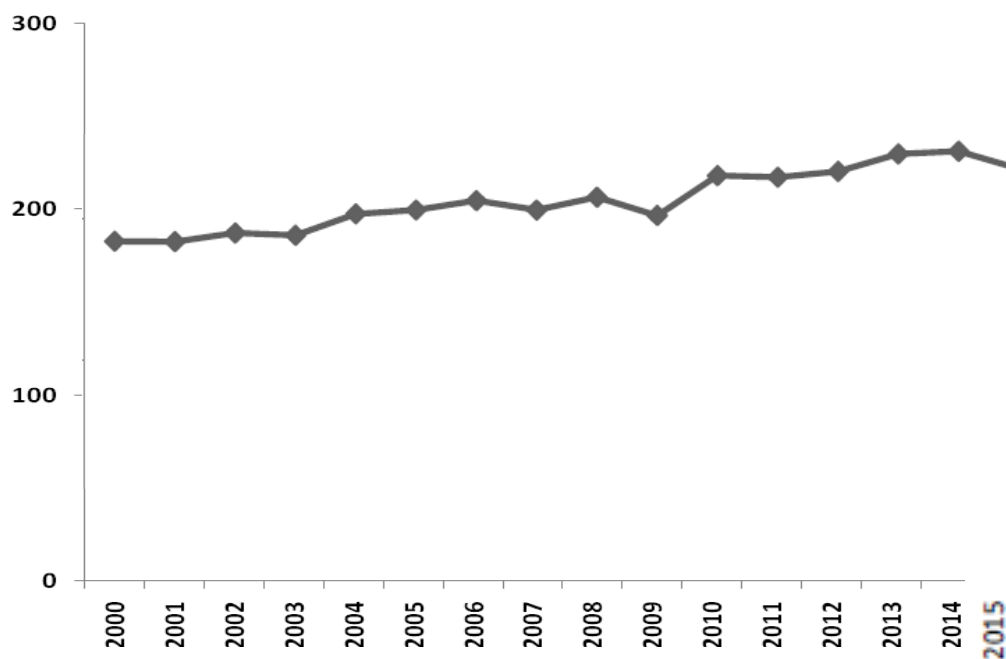


Diagram no. 03
Monthly Tea Production of Tea Smallholdings Sector - Kilo Millions
(2014 / 2015)



Source: Sri Lanka Tea Board

Trends in annual tea production in tea smallholdings sector
From 2000 – 2015 (M Kg)



Source: Sri Lanka Tea Board

2.7 Tea Smallholdings Production Composition

Tea smallholdings sector contribution for national tea production in year 2015 consisted of 96% of total low country tea production, 63% of median country tea production, and 18% of the total up country tea production. (Table no. 04) In addition, 81% of the total private sector tea production even in year 2015 belonged to low country tea production.

Compared with year 2014, in 2015, up country tea production in the tea smallholdings sector has been decline by 9% while median country tea production has been escalated by 2% and low country tea production has been declined by 3%.

Table no. 04
Physical and Production Contribution of Tea Smallholdings Sector (per situated area)
2014 / 2015

| | | Year | Situating area | | | Total |
|-------------------------------------|--------------------------------|------|----------------|----------------|-------------|---------|
| | | | Up country | Median country | Low country | |
| No. of tea smallholdings | (hectares) | | 5913 | 21403 | 89176 | 116492 |
| Percentage of contribution | | | 5% | 18% | 77% | |
| National Productivity | MT | 2015 | 76890 | 49711 | 202359 | 328960 |
| | % | | 23% | 15% | 62% | |
| | MT | 2014 | 78874 | 49205 | 209952 | 338031 |
| | % | | 24% | 13% | 63% | |
| Production of tea smallholdings | MT | 2015 | 14068 | 31330 | 194466 | 239864 |
| | % | | 6% | 13% | 81% | |
| | MT | 2014 | 15399 | 30749 | 201239 | 247389 |
| | % | | 6.2% | 12.4% | 81.3% | |
| Contribution to national production | % | 2015 | 4.3% | 9.5% | 59.10% | 72. 90% |
| | | 2014 | 4.5% | 9.09% | 59.51% | 73.16% |
| Productivity | Made tea / per ha. / per annum | 2015 | 1973 | 1463 | 2181 | 2059 |
| | | 2014 | 2095 | 1436 | 2256 | 2123 |

Source

- i. Survey on tea small holdings 2005 - Department of Census and Statistics
- ii. Summary of monthly statistics - Sri Lanka Tea Board 2015

2.8 Productivity in the Tea Smallholdings Sector

Increase in the production and productivity in the tea smallholdings sector mainly caused the increase in the national tea production both in years 2014 and 2015 too.

As per the data on production of tea in the Sri Lanka Tea Board, the general productivity of tea smallholdings sector in year 2015 is 2,059 kilo grams of made tea per hectare per year. An increase of 2,123 kilo grams of made tea can be seen per hectare as the general productivity in the tea smallholdings sector for the year 2014 which is a deduction of 3%.

Table no. 05

Productivity in the Tea smallholdings sector 2015 (made tea / kilos)

Administrative District wise

| Administrative district | Extent of tea smallholdings (ha)** | | Highlands | Median | Low | Total | Productivity (made tea per 01 ha.)* |
|--|------------------------------------|-------------------|-------------------|--------------------|--------------------|---------------|-------------------------------------|
| Badulla | 7,863 | 4,199,071 | 5,723,321 | - | - | 9,922,392 | 1262 |
| Galle | 25,325 | - | - | - | 47,917,227 | 47,917,227 | 1892 |
| Hambantota | 492 | - | - | - | 245,942 | 245,942 | 500 |
| Kaluthara | 7,588 | - | - | - | 17,709,511 | 17,709,511 | 2334 |
| Colombo | 246 | - | - | - | 824,970 | 824,970 | 3354 |
| Kandy | 12,486 | 503,164 | 15,734,860 | 11,751,571 | 27,989,594 | 27,989,594 | 2242 |
| Kegalle | 5,753 | 370,985 | - | - | 8,052,921 | 8,423,906 | 1464 |
| Matale | 1,190 | - | 2,538,678 | 490,398 | 3,029,076 | 3,029,076 | 2545 |
| Matara | 22,971 | - | 181,162 | 39,676,038 | 39,857,199 | 39,857,199 | 1735 |
| N'Eliya | 5,971 | 8,963,960 | 6,301,414 | 762,390 | 16,027,764 | 16,027,764 | 2684 |
| Ratnapura | 28,232 | 31,030 | 850,057 | 67,035,523 | 67,916,610 | 67,916,610 | 2406 |
| Total | - | 14,068,210 | 31,329,492 | 194,466,490 | 239,864,191 | | |
| Extent of lands based on survey 2005 | - | | 5913 | 21403 | 89176 | 116492 | |
| Estimated general productivity / per hectare | 2014 | 2095 | 1,436 | 2,256 | 2,123 | - | - |
| | 2015 | 1,973 | 1,463 | 2,181 | 2,059 | - | - |

* Lands in exten of less than 20 perches have been excluded in calculating the productivity.

Source: Sri Lanka Tea Board

** Including the lands less than 20 perches in extent

* Data not realistic on the basis of purchase of raw leaves to factories apart from administrative district basis.

2.9 Investments and Monitoring Review in Tea Smallholdings Sector

Institutional action plan has been prepared for an amount of Rupees 875 million consisted of Rupees 650 million as development and institutional capital expenditure and Rupees 275 million as recurrent expenditure in year 2015. However, during the year Rs. 49.949 million of total provisions were approved for supplementary provisions for salary hike. Accordingly, the total provision was Rs. 324.949 million. Accordingly, an amount of Rs. 974.949 million was approved for year 2015 as recurrent and capital expenditure.

However, the total receipts were Rupees 969.723 million consisted of Rupees 650.0 million as the capital and Rupees 319.723 million as recurrent expenditure.

Rupees 134.3 million of capital receipts out of Rupees 650 million were utilized for subsidiary payments of previous year. Therefore, by the end of year, subsidiary payment of Rs. 117.25 million was accounted as accrued expenditure.

Table No. 06
Tea Production in the Private Sector and
Received treasury funds – 2007 - 2015

| Year | Total Tea Production (Kg.) | Total Production Contribution % | | Allocated amount (Rs. M) for private sector (tea smallholdings sector) |
|------|----------------------------|---------------------------------|---------------|--|
| | | Private Sector | Other Sectors | |
| 2007 | 304.61 | 67.5 | 26.2 | 418 |
| 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 |

Operational Review

Estimated operational cost as per action plan of 2015 is Rs. 0.54. However, the operational cost of the year 2015 compared to year 2014 has been deteriorated by 26%. Operational cost has been declined due to increase of subsidy amount paid per hectare since several recent years.

Table No. 07

Operational Review (From 2007 to 2015)

| Year | Development
Cost
Rs. 000 | Operational
Cost
Rs. 000 | Operational Cost
per Rupee of
Development |
|-------------|---|---|--|
| 2007 | 183782 | 178985 | 0.97 |
| 2008 | 208255 | 188725 | 0.91 |
| 2009 | 185660 | 202146 | 1.08 |
| 2010 | 189194 | 205385 | 1.08 |
| 2011 | 208407 | 218527 | 1.04 |
| 2012 | 276324 | 233738 | 0.85 |
| 2013 | 440060 | 238823 | 0.54 |
| 2014 | 345104 | 252774 | 0.73 |
| 2015 | 561490 | 303423 | 0.54 |

3. Statutory Objectives and Results Based Development Functions

Following ar the statutory objectives and its development functions of the organization as per the revisions added to the act in the years 1997, 2003, and 2006 in addition to the 4 major statutory objectives that gave the base for the act to establish the organization. Necessary actions to remove functions no 02, 03, and 04 and add other functions instead to the act was being implemented.

Statutory Objectives:

01. Taking the responsibility to promote or to undertake development of tea smallholdings or other holdings do not possess their own means of manufacture.

Development Activities:

- I. Tea re-planting incentive scheme
- II. Tea new planting incentive scheme
- III. Crop rehabilitation incentive scheme

02. Acquire other facilities for tea factories required to make productions from the harvest obtained from the tea lands.

Development activities

“Tea Shakthi Fund” was established by the Authority in 1977 and relevant activities are performed by the Fund since year 2000 as a separate institution for achieving the above objectives.

03. Taking the responsibility of the development of tea lands or promote the selling of the products of tea factories or sell the products.

Development activities

- I. Improving the quality of green leaves of the factors to which tea small holders supply tea leaves.
- II. Directing the Tea Small Holder Societies to sell the tea produced in small - scale tea estates.

04. Providing the facilities and services required for the development of the said lands and factories and taking necessary steps to make it easy to provide such facilities and improve the welfare of the persons who are involved in converting the tealeaves into products or packing.

Development Activities

- I. Distributing fertilizer, provision of support services such as providing planting material, utensils and transport facilities.
- II. Providing extension and advisory services.
- III. Taking steps to improve the welfare of those who are engaged in converting the yield into products and registering the Tea Small Holdings Development Societies and imposing regulations with regard to their activities enabling them to function as legal organizations with the objective of widening the supportive services.
- IV. Strengthening the Tea Small Holdings Development Societies as community based organizations and directing the tea small holders towards additional income earning activities within their own small holding.

05. Registering and supervising Tea Small Holdings Development Societies and providing aids to the members of such societies which have been registered under the Authority and making provisions to formulate rules regarding the matters related to the same.

Development Activities

- I. Registration of Tea Small Holdings Development Societies by the institution.
- II. Formulation of rules pertaining to Tea Small Holdings Development Societies.
- III. Provision of necessary financial funds and services as well as assistance to maintain All Island Tea Small Holdings Development Societies Organization.
- IV. Provision of annual financial allocations to maintain the All Island Tea Small Holdings Development Societies Organization.
- V. Provision of other support and service assistance for Tea Small Holdings Development Societies.

06. Promotion of Investments of Tea Small Holdings

Development Activities

- I. Implementation of special projects apart from institutional subsidies (Such as Small Plantation Entrepreneurship Programme, Divineguma)
- II. Providing facilities for the implementation of special loan schemes (Tea Development Project Revolving Loan Funding Scheme, Bank of Ceylon Special Loan Scheme)
- III. Implementation of fertilizer loan scheme
- IV. Maintaining institutional tea nurseries
- V. Maintaining mother plantations
- VI. Registration of commercial tea nurseries and providing knowledge and training.
- VII. Providing facilities required to minimize the cost of investment, which is increasing timely.
- VIII. Making necessary arrangements to maintain the replanting ratio, which is 2%, at a maximum level according to the antigoal policy.

07. Taking the responsibility of gathering and distributing data and understanding the development capability of the Tea Small Holdings

Development Activities

- I. Obtaining data and information through census for the Tea Small Holdings Sector.
- II. Carrying out surveys on timely basis.
- III. Registering Tea Small Holders
- IV. Obtaining cost data and other relevant information at the level of Tea Inspector/ Extension Officer, Divisional level.

08. Providing instructions to the Ministry regarding appropriate policies and coordinating with other relevant agencies.

Development Activities:-

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

Action Plan and Practical Issues

The estimated development cost for the Action Plan prepared for the year 2015 in order to achieve the development results aimed through result based management approach for tea small holding sector is Rs. 621.57 million. Although the subsidy per hectare for tea re - planting and new planting was increased from 01.01.2015, physical and financial targets of capital development activities were re - amended since the institution didn't receive additional provisions for the purpose.

96% of the action plan was allocated for lands development activities from the development capital cost of the action plan. An estimation of 1.6% for extension activities, 0.32% for strengthening community based organizations and 1.1% for strengthening institutional activities had been allocated.

On the requirement of maintaining the annual tea re - planting ratio at 2% as per the national requirement, an amount of Rs. 733.23 million was applied only for tea re - planting incentive allowance from the development capital provisions covering 1942 hectares for uprooting under tea re - planting, 1722 hectares for soil conservation - 1, 1270 hectares for soil conservation - 2 , 1205 hectares for plantation, and 1090 hectares for maintenance in the annual action plan for year 2015.

However, according to the complete provisions approved for the institution, only Rs. 676.39 million could be allocated for tea re - planting that was the amount of the action plan and budget. Accordingly, extents of lands had to be revised and deducted as up to 1700 hectares for uprooting, 1500 hectares for soil conservation - 1, 1200 hectares for soil conservation - 11 and 1200 hectares for the plantation from the amounts appeared in the above paragraph.

Moreover, above extents of lands had to be revised for the second time too, back to 1598 hectares for tea re - planting since the institution did not receive additional provisions as per the hike of the unit subsidy amount prescribed for tea re - planting and new planting. Therefore, only Rs. 464.69 million could be allocated in year 2015 for tea re - planting. Out of that, Rs. 420.07 (90%) could only be spent.

Mid term result based targets and achievements

3.1. Middle term results - 01

Increasing productivity in 06 years to 2500 kg in low country, 1700 kg in mid country and 1500 kg in Uva, processed tea / Ha./ annum

3.1.1 Maintaining replantation of tea at the level of 2% annually

It is expected to motivate cultivation of approved vegetative propagated tea in low yielding old seedling tea fields to increase productivity and production of tea smallholdings under this incentive.

An extent of Rs. 500,000 per hectare for all the up country, mid country and low country tea lands was paid as subsidy in the following manner within the relevant year on installment basis.

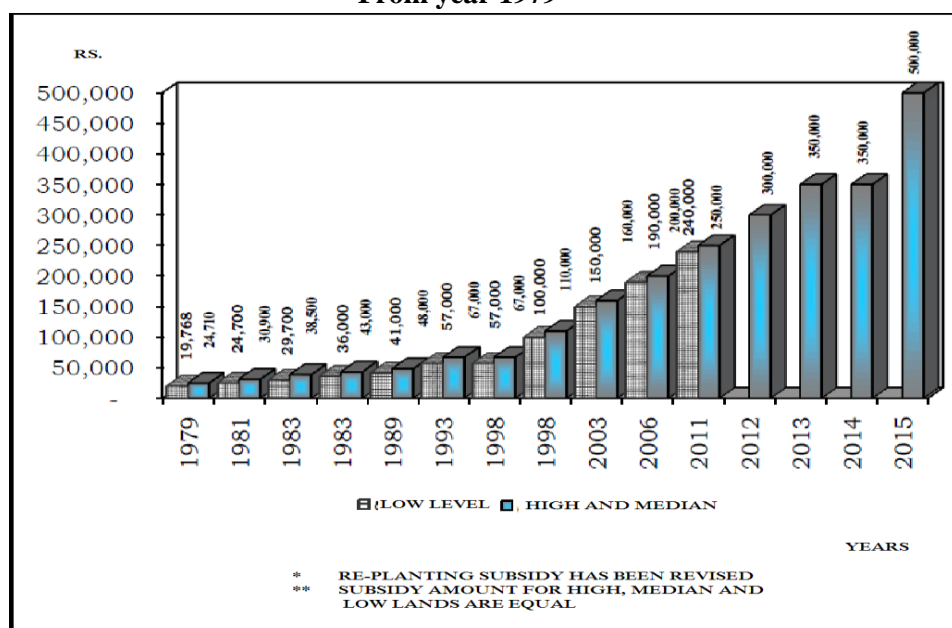
Instalment of tea replanting subsidy - Per hectare (Rs.)

| | Including
Fertilizing
the soil |
|------------------------------------|--------------------------------------|
| Uprooting the old tea plants | Rs. 130,000 |
| Soil rehabilitation - instalment 1 | Rs. 50,000 |
| Soil rehabilitation - instalment 2 | Rs. 200,000 |
| Tea - replanting | Rs. 75,000 |
| First year maintenance | Rs. 50,000 |
| Total Amount | Rs. 500,000 |

Figure No – 05

Increase of Subsidy for Replanting / Per Ha.

From year 1979

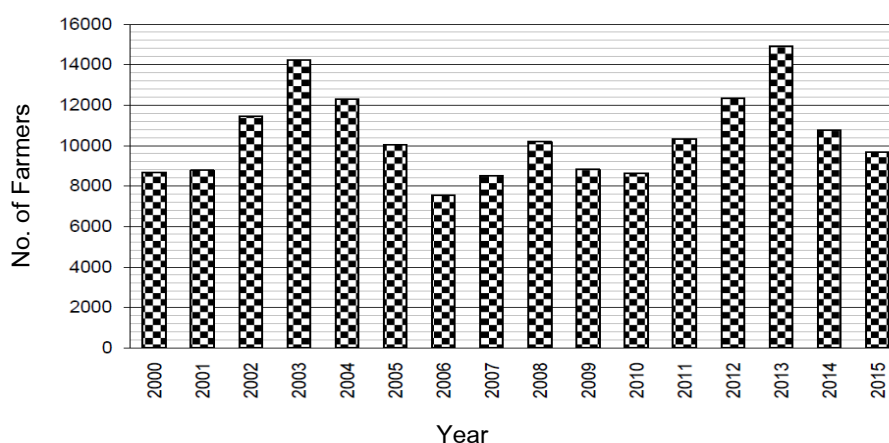


Application for Tea replanting

It has been targeted to obtain applications of 17,059 farmers for tea replanting through the Action Plan of 2015, but 9,674 have been applied for tea replanting. Permits have been issued for 9,006 out of them within the year. Applying for scheme of providing subsidies for tea replanting has been decreased from 10% in 2015 in comparison to 2014.

Figure No - 06

Annual application for cultivation subsidies from 2000 to 2015



Performance

Issuance of permits for tea replanting has been reduced by 11% and the extent of hectares for which the permit holders applied to uproot old tea plants has been reduced by 10% compared to the previous year.

The extent of hectares where tea plants have been uprooted for replanting in year 2015 is 1,173. It is 73% from the annual targeted extent of hectares of 1,598. This progress in year 2014 was 50%. The percentage of the progress relative to the above target and compared to the previous year has been increased by 45%.

The extent of hectares where soil has been rehabilitated in year 2015 is 794139. This is an increase by 24% compared to year 2014. Since the targeted extent of hectares of the year was 1500, its performance is a progress of 63%.

The extent of land where tea replanting took place is 806 h in year 2015. Since the targeted extent of hectares of the year was 1200, a progress of only 67% has been achieved within the year. The cultivated extent of hectares has also been increased by 12% compared to year 2014.

Table 08
Tea Replanting Subsidy Scheme
Physical Performance of Year (Hectares) 2014 / 2015

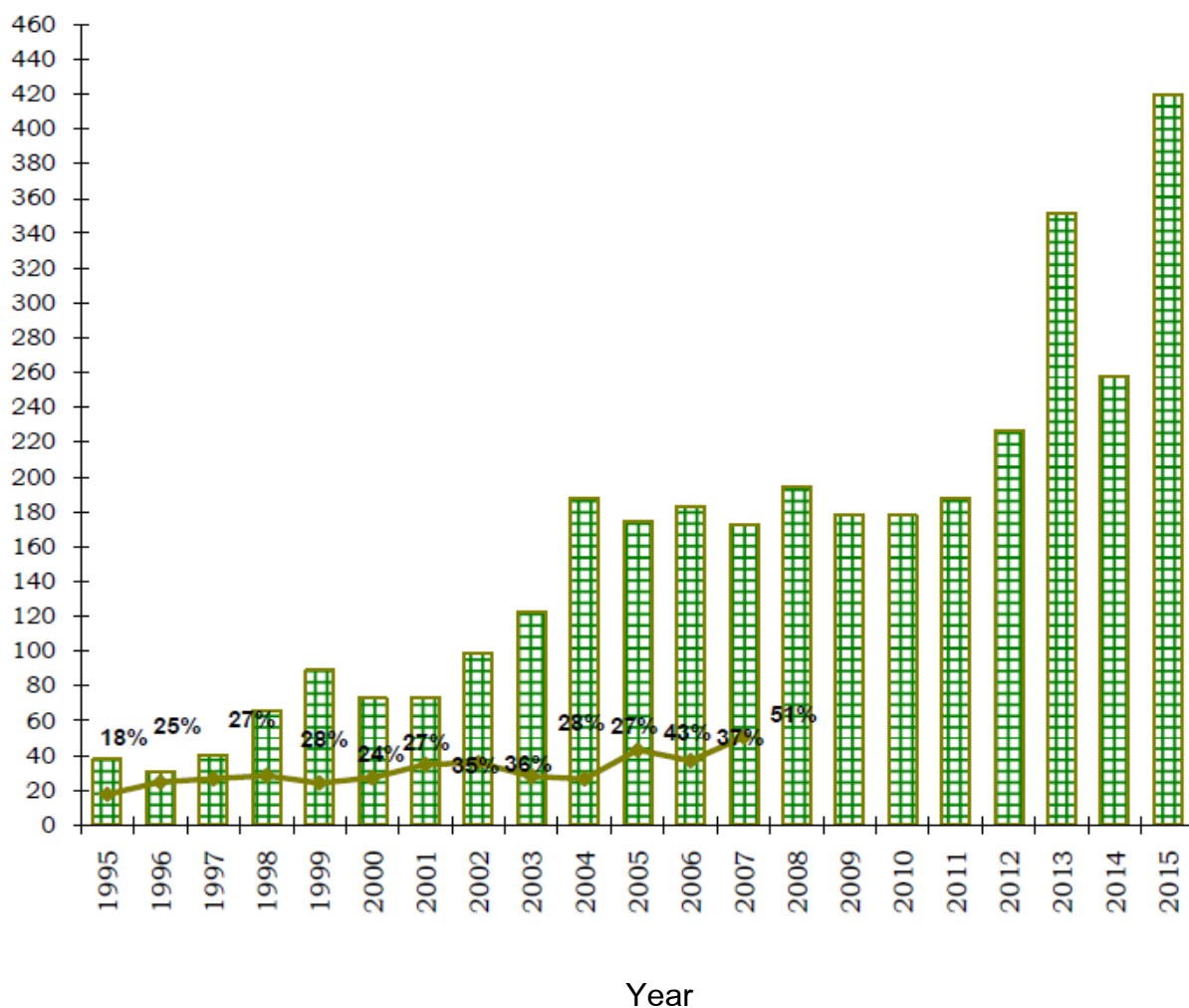
| Activity | Year | Low country | | | | | Up/ Mid country | | | Total | Annual Target | Percentage of decrease / increase of progress compared to previous year |
|--|------|-------------|-----------|---------|-------------|---------|-----------------|---------|-------|--------|---------------|---|
| | | Galle | Kaluthara | Matar a | Rathnapu ra | Kegalle | Kandy | N'Eliya | Uva | | | |
| 1. Number of applications received | 2014 | 1755 | 556 | 2259 | 2451 | 664 | 1006 | 1066 | 1021 | 10778 | 16632 | (28) |
| | 2015 | 2078 | 541 | 2015 | 2067 | 673 | 713 | 872 | 710 | 9674 | 17059 | (10) |
| 2. Number of permits issued | 2014 | 1634 | 560 | 2193 | 2191 | 531 | 1007 | 980 | 1038 | 10134 | 10464 | (26) |
| | 2015 | 1945 | 540 | 1953 | 1911 | 543 | 642 | 779 | 693 | 9006 | 15715 | (11) |
| 3. Extent of land covered by the permits | 2014 | 441 | 172 | 479 | 554 | 151 | 265 | 253 | 225 | 2540 | 1893 | (13) |
| | 2015 | 466 | 174 | 430 | 523 | 168 | 175 | 186 | 156 | 2278 | 2252 | (10) |
| 4. Preparation of Lands | 2014 | 158 | 68 | 166 | 153 | 57 | 84 | 62 | 62 | 810 | 1600 | (32) |
| | 2015 | 258 | 92 | 258 | 257 | 76 | 78 | 74 | 80 | 1173 | 1598 | 45 |
| 5. Soil Rehabilitation- Instalment I | 2014 | 142 | 34 | 168 | 143 | 67 | 70 | 61 | 74 | 758 | 1500 | (8) |
| | 2015 | 202 | 71 | 198 | 190 | 63 | 77 | 69 | 71 | 941 | 1500 | (24) |
| 6. Soil Rehabilitation- Instalment II | 2014 | 145 | 32 | 180 | 128 | 58 | 67 | 57 | 71 | 738 | 1100 | (21) |
| | 2015 | 172 | 50 | 186 | 161 | 67 | 65 | 65 | 80 | 846 | 1200 | 15 |
| 7. Tea Replanting | 2014 | 150 | 33 | 151 | 164 | 42 | 69 | 63 | 47 | 720 | 1125 | (38) |
| | 2015 | 152 | 52 | 205 | 146 | 56 | 59 | 66 | 70 | 806 | 1200 | 12 |
| 8. Maintenance after a year | 2014 | 177 | 40 | 168 | 191 | 55 | 86 | 74 | 43 | 833 | 1000 | (5) |
| | 2015 | 161 | 44 | 185 | 169 | 49 | 72 | 68 | 60 | 808 | 1090 | (03) |
| 8.Subsidies for cultivation paid (Rs.M) | 2014 | 41.30 | 15.08 | 61.56 | 53.33 | 20.96 | 23.54 | 21.40 | 20.92 | 258.09 | 391.75 | (27) |
| | 2015 | 87.47 | 29.15 | 93.93 | 84.79 | 28.04 | 31.68 | 31.32 | 33.69 | 420.07 | 464.69 | 63 |

Source: Progress Report of Tea Small Holders Development Authority

* Uprooting of 1189 Ha., soil rehabilitation of 867 Ha. and tea replanting of 827 Ha. had been completed in 2015 including physical activities of IFAD project .

Figure No - 07
Progress of the annual payment of tea replanting subsidy payments (Rs. M)
1995 – 2015

Rs. M



Paid Amount

 Percentage of payment of subsidy to the received Zes

* Percentage cannot be indicated due to change in the zes amount.

Rupees 420.068 million had been paid to the tea replanting subsidy beneficiaries in year 2015. When compared with year 2014 the amount of subsidy paid has been increased by Rs. 162.59 million, that is 63%. Rs. 420.225 million has been paid as the total amount of subsidies including Rs. 0.15 million for provision of agricultural equipment for beneficiaries.

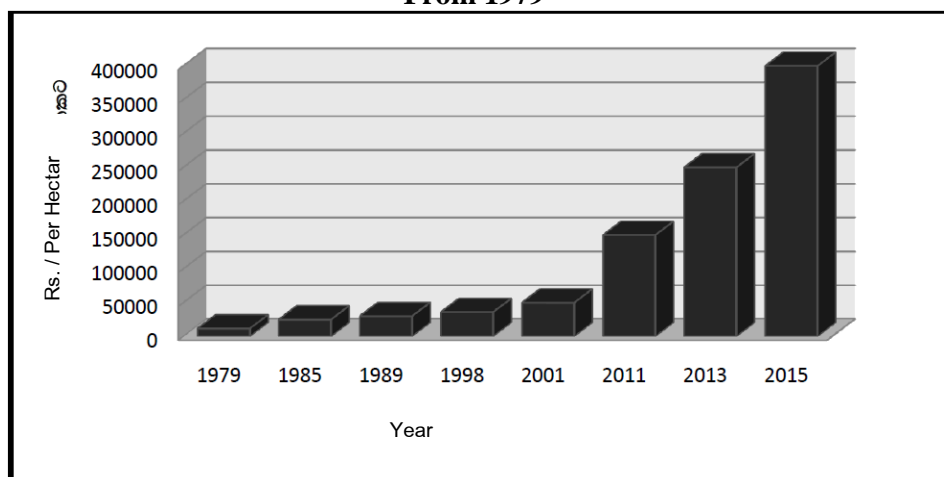
3.2.1 Subsidy Scheme for Planting New Tea Plants

Action has been taken to re-implement the subsidy scheme for planting new tea plants from 2010, which was suspended in year 2003 on policy decisions from year 2010. Accordingly, action has been taken to make provisions for planting new tea plants in areas with no perennial crops or limited income sources. Maximum extent of land for which permits have been issued for planting new tea plants is 01 acre. Subsidiary amount paid for tea new planting has been increased up to Rs. 400,000/- per hectare with effect from 01.01.2015.

Instalment of subsidy for planting new tea plants - (Rs.) Per Hectare

| | Including fertilizing
of soil | Excluding fertilizing
of soil |
|--|----------------------------------|----------------------------------|
| Preparation of Land | Rs. 110,000 | Rs. 110,000 |
| Soil Rehabilitation - 1 st instalment | Rs. 40,000 | - |
| Soil Rehabilitation – 2 nd instalment | Rs. 160,000 | - |
| Planting of tea newly | Rs. 50,000 | Rs. 160,000 |
| First Year Maintenance | Rs. 25,000 | Rs. 25,000 |
| First Year Maintenance | Rs. 40,000 | Rs. 40,000 |
| Total amount | Rs. 400,000 | Rs. 310,000 |

Figure No - 08
Increase of the subsidy for planting new tea plants amount / Ha.
From 1979



Performance

4841 applications had been received for planting new tea plants in 2015. Targeted number of applications is 4701. Permits have been issued for 4239 in considering the limit of provisions.

Preparation of land in extent of 453 ha had been targeted. Preparation of land in extent of 475 ha had been concluded. Thus, preparation of land had been concluded 104% according to the target. It had been targeted to plant new tea plants in 426 ha within the year, but new tea plants had been planted in 479 ha.

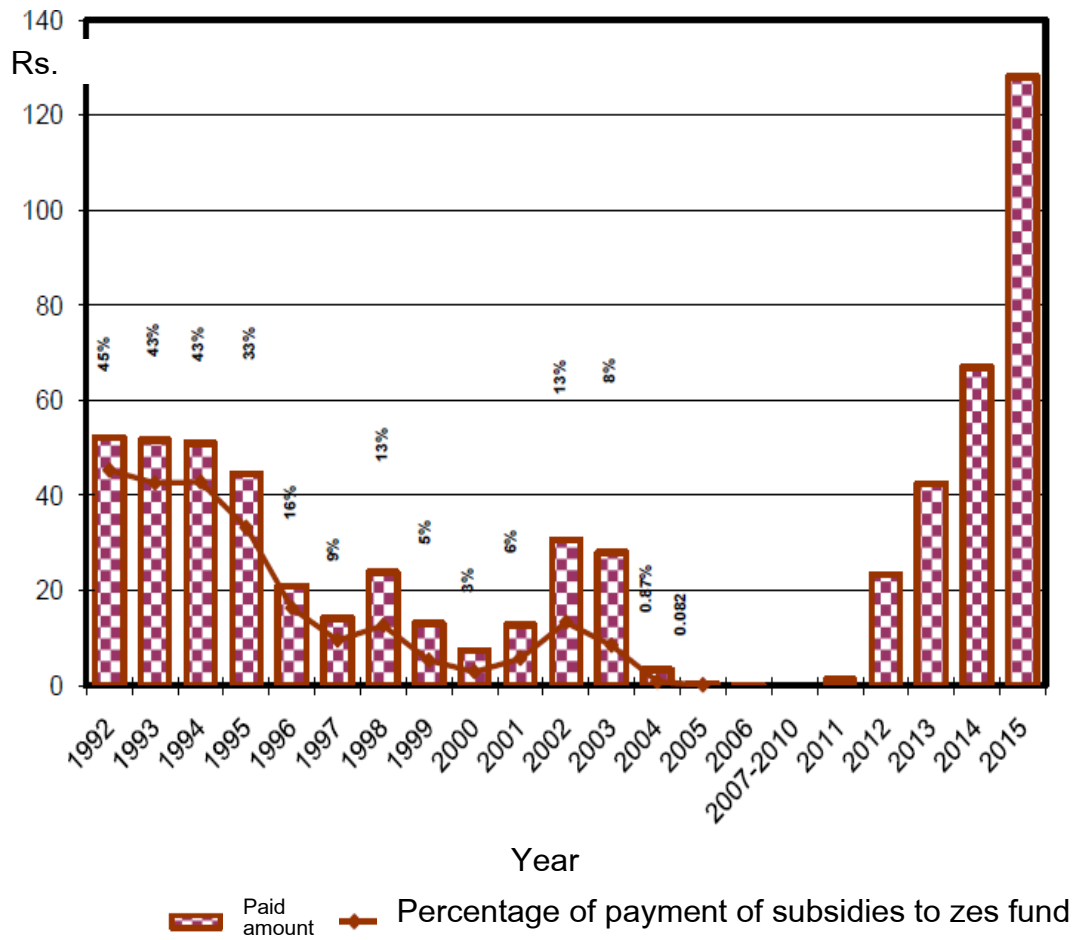
Preparation of land for planting new tea plants had been increased by 6% and extent of cultivated land had been increased by 138 ha (52%) when compared to the previous year. A total amount of Rs. 128.121 million has been paid for planting new tea plants in year 2015. Subsidy paid in comparison to the previous year has been increased by 150%.

Table 09
Subsidy scheme for planting new tea plants
Physical performance in 2014/2015 (Hectare)

| Activity | Year | Low country lands | | | | | | Up / Mid country lands | | | Total | Target | Percentage of increase/decrease in comparison to the previous year |
|------------------------------------|------|-------------------|-----------|--------|-----------|---------|--|------------------------|---------|------|--------|--------|--|
| | | Galle | Kaluthara | Matara | Ratnapura | Kegalle | | Kandy | N'Eliya | Uva | | | |
| 1. Number of applications received | 2015 | 563 | 1012 | 605 | 1144 | 1144 | | 99 | 135 | 169 | 4841 | | (22) |
| | 2014 | 844 | 1566 | 714 | 1408 | 1146 | | 136 | 224 | 210 | 6248 | | 63 |
| 2. Number of permits issued | 2015 | 516 | 1011 | 584 | 998 | 771 | | 90 | 102 | 167 | 4239 | 4707 | (20) |
| | 2014 | 780 | 1562 | 695 | 1188 | 556 | | 135 | 182 | 217 | 5315 | 3631 | 85 |
| 3 Preparation of land | 2015 | 61 | 130 | 67 | 112 | 68 | | 10 | 13 | 14 | 475 | 453 | 6 |
| | 2014 | 67 | 101 | 62 | 106 | 53 | | 12 | 10 | 14 | 426 | 375 | 62 |
| 4 Cultivation | 2015 | 61 | 131 | 67 | 117 | 68 | | 10 | 13 | 12 | 479 | 426 | 19 |
| | 2014 | 67 | 98 | 62 | 88 | 53 | | 13 | 09 | 12 | 401 | 215 | 52 |
| 5. Funded amount (Rs. Million) | 2015 | 16.77 | 32.57 | 18.94 | 32.20 | 18.45 | | 2.78 | 3.44 | 2.97 | 128.12 | 128.88 | 150 |
| | 2014 | 8.44 | 16.76 | 10.96 | 16.67 | 8.26 | | 1.68 | 1.64 | 2.56 | 66.98 | 51.50 | 58 |

Source: Progress Report of Tea Small Holders Development Authority

Figure No- 09
Annual progress of provision of subsidies for planting new tea plants(Rs. Million)
1992 – 2015



- The subsidy scheme for planting new tea plants has not been implemented from 2006 to 2010.

3.3.1 Subsidy scheme for crop rehabilitation

Incentive payments are made under the crop rehabilitation subsidy scheme with the objective of increasing unit productivity in v.p tea lands in plucking for infilling whilst practicing pruning, soil conservation methods (Rehabilitation of drain systems/stone terraces) management of shade, other practices used in cultivation (shade, clipping, removing darnels) in an integrated manner.

Lands on which tea cultivation could be maintained successfully for another 10 years are recommended for this subsidy scheme and land being in the stage suitable for second pruning or age of tea cultivation exceeding 07 years are eligibility criteria for subsidy.

Under this subsidy scheme incentives are paid in two installments at the rate of Rs.25/- per plant, on the condition that tea cultivation is rehabilitated by infilling in blocks, subject to a maximum of 1,000 plants per acre in up/mid country and 750 plants per acre in up country/ middle country.

Performance

1749 had been applied for crop rehabilitation subsidy scheme in 2014. Permits have been issued for 1441 out of them. This is a progress of 82% from the targeted number of permits. Compared to 2014, the number of applications had been decreased by 3% while the number of permits issued had been decreased by 4%.

According, to the permits, the number of seedlings was 754,170 and it is a decrease of 65% in comparison to 2014.

Number of seedlings to which the first instalment was paid was 308,950. This is a progress 110% out of the targeted 800,000 seedlings (subject to revision of budget allocations). The number of seedlings to which the first instalment was paid have been increased by 14% in comparison to the previous year.

The number of seedlings to which the second instalment was paid was 199,923. This is a progress of 111% from the targeted 180,000 seedlings. Compared to previous year, the number of seedlings to which the first instalment was paid has been decreased by 14%.

Subsidy of Rs. 6.427 million has been paid for crop rehabilitation in year 2015. It is a increase of 8.75% compared to the previous year.

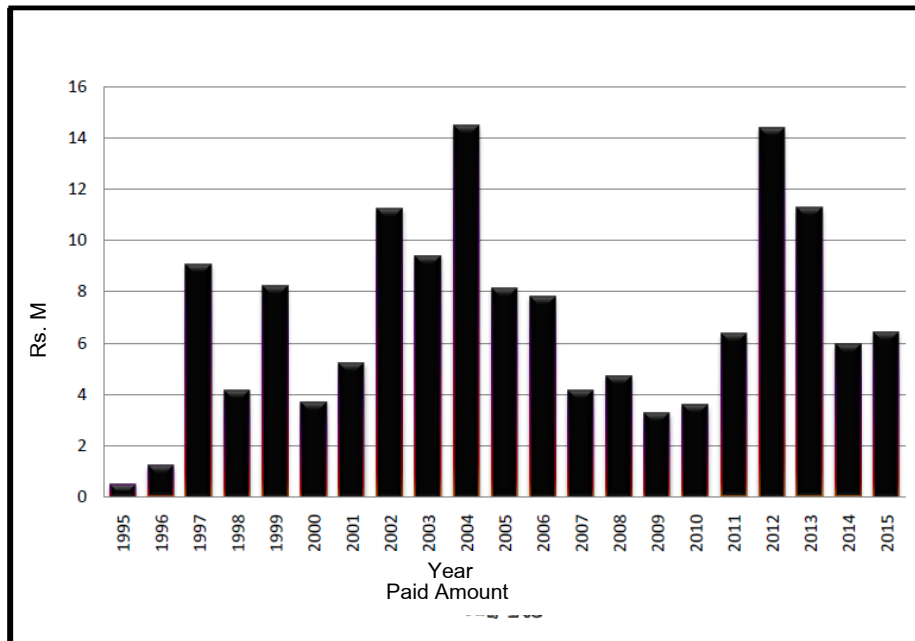
Table 10
Subsidy Scheme for Crop Rehabilitation
Physical progress in 2014 - 2015 (Number of plants)

| Activity | Year | Low country lands | | | | | Up / Mid country lands | | | Total | Target | Percentage of increase/decrease in comparison to the previous year |
|--|------|-------------------|-----------|--------|-----------|---------|------------------------|---------|-------|--------|---------|--|
| | | Galle | Kaluthara | Matara | Ratnapura | Kegalle | Kandy | N'Eliya | Uva | | | |
| 1. Number of applications received | 2014 | 272 | 147 | 209 | 436 | 87 | 366 | 145 | 147 | 1809 | | (30) |
| | 2015 | 174 | 111 | 231 | 301 | 167 | 387 | 229 | 149 | 1749 | | (3) |
| 2. Number of permits issued | 2014 | 228 | 146 | 195 | 301 | 42 | 365 | 71 | 150 | 1498 | 2089 | (27) |
| 3 Targeted number of plants | 2015 | 141 | 113 | 218 | 200 | 108 | 354 | 152 | 155 | 1441 | 3023 | (4) |
| 4 Instalment 1 Number of plants provided | 2014 | 149180 | 49727 | 121183 | 148185 | 34311 | 130283 | 67678 | 99453 | 800000 | 800000 | (25) |
| | 2015 | 220575 | 17462 | 26210 | 47046 | 56810 | 51859 | 34074 | 25964 | 280000 | *754170 | (65) |
| 5 Instalment 2 Number of plants provided | 2014 | 34827 | 15792 | 21767 | 37026 | 16825 | 90361 | 22835 | 31554 | 271015 | 800000 | (46) |
| | 2015 | 33740 | 18464 | 46213 | 45050 | 25616 | 92603 | 27843 | 19421 | 308950 | 280000 | 14 |
| | 2014 | 40526 | 9169 | 32559 | 46815 | 19650 | 45896 | 18290 | 19129 | 232034 | 550000 | (45) |
| | 2015 | 31863 | 18007 | 25582 | 16132 | 6402 | 73575 | 13147 | 15215 | 199923 | 180000 | (14) |
| 6. Subsidy amount paid (Rs. Million) | 2014 | 0.694 | 0.329 | 0.587 | 1.073 | 0.502 | 1.527 | 0.525 | 0.672 | 5.910 | 17.50 | (47) |
| | 2015 | 0.834 | 0.457 | 0.860 | 0.847 | 0.388 | 2.067 | 0.550 | 0.424 | 6.427 | 6.00 | 8.75 |

Source: Progress Report of Tea Small Holders Development Authority

* Target of shoots have been deducted back to 280,000 as per the budget allocations revisions.

Figure No - 10
Subsidy Scheme for crop rehabilitation
Progress of payments (1995 - 2015)



Supply of Quality Tea Plants

Maintenance of Mother Bush Cultivations of new improved Tea cultivars

Provision of quality planting material to tea small holders to improve tea production and productivity is the objective of maintaining nurseries.

Thus, the organization maintained mother bush extents with quality new improved cultivars and took steps to provide 310,279 shoots to tea small holders, commercial tea nursery operators, and also the tea nurseries of the institution. This is an increase of 26% compared to the previous year. Annual target of the production of shoots from mother bush was 476,690. It's a progress of 65%. Details of issuance of shoots of improved cultivars from mother bush sites are indicated in Annexure no: 9-A. An amount of Rs. 0.408 million has been spent for this task.

Commercial Tea Nurseries

The objective is to maintain and supervise commercial tea nurseries with quality as nurseries registered under the organization to make it easy for the tea small holders to obtain tea seedlings with quality with the aim of increasing tea production and productivity.

Accordingly, 985 commercial tea nurseries were registered by all regional offices for 2014 / 2015. Capacity of the said nurseries was 31.04 million seedlings. Out of these, 766 nurseries had obtained recommendations for 14.09 million plants at the first examination, 594 nurseries for 10.8 million plants at the second examination and 249 nurseries for 3.37 million plants at the third examination.

At the end of the year, 510 commercial nurseries had finally got registered for year 2015 / 2016. Estimated plant capacity is 19.1 million. First examination had been completed in 109 nurseries.

Schedule no: 9 - C and 9-D indicates a detailed description of information of the number of plants that have been certified.

Table - 11
Issuance of Permits for Commercial Tea Nurseries and
Plant Capacity (2014 / 15) and (2015 / 16)

| Region | No. Of permits issued | | Plant capacity (M) | |
|--------------|-----------------------|------------|--------------------|-------------|
| | 2014/15 | 2015/16 | 2014/15 | 2015/16 |
| Matara | 229 | 192 | 6.2 | 5.4 |
| Ratnapura | 85 | 28 | 5.4 | 1.4 |
| Kegalle | 30 | 16 | 2.2 | 1.0 |
| Kandy | 148 | 98 | 5.2 | 3.8 |
| Galle | 194 | 114 | 8.8 | 4.6 |
| N'Eliya | 82 | 19 | 3.6 | 0.7 |
| Uva | 167 | 04 | 4.7 | 0.09 |
| Kaluthara | 50 | 39 | 0.15 | 2.1 |
| Total | 985 | 510 | 36.2 | 19.1 |

Source: Progress Report of Tea Small Holders Development Authority

Institutional Tea Nurseries

Institutional tea nurseries are maintained with the objective of demonstrating production of qualitative plants and controlling market prices when tea small holders buy plants.

Accordingly, 1,133,089 plant shoots had been produced by the 08 nurseries for the South Western and North Eastern agricultural seasons in 2014 / 15. Total number of plants sold was 717,186. Selling price of a plant by nursery level is indicated in schedule no: 9 - B.

Even though, the estimated normal cost of a plant is Rs. 11.88, the actual cost of a plant is Rs. 13.56. The actual cost had been less than the estimated cost of certain nurseries and in the mean time, the actual cost had been higher than the estimated cost of some nurseries.

3.1.4 Extension and Advisory Training Programmes.

A total of 7,022 extension and advisory training programmes were planned for the year under review. Target number of tea small holders for the said programme was 174,791.

The number of training programmes planned for year 2015 to escalate the production and productivity of tea smallholdings is 5726 and out of that 5382 programmes could be implemented. Accordingly, the progress of the said programmes had been increased up to 94%. Estimated number of farmer participation is 125,671. Number of participation is 146,799.

Table - 12- i
Extension and Advisory Services – Productivity Promotions

Number of Training Programmes –(1) and Number of Participants - 2

| Regional Office | Programmes | | | | | | | | | | Total |
|-----------------|---|---------------------------------------|---|-------------------------------------|---|-----------------------------|------------------------------------|-------------------------------------|---|-----------------------------|--------|
| | Training to make aware permit holders (1.1.6) | Training for input nurseries (1.1.15) | Training commercial nursery owners (1.1.19) | Training on Tea plantation (1.1.25) | Training on plucking tea leaves (1.2.6) | Training on cutting (1.3.3) | Training on cutting skills (1.3.7) | Training on Soil Management (1.4.2) | Training on shades establishment and management (1.5.2) | Nutrient Management (1.6.1) | |
| Galle 1 | 92 | 19 | 20 | 54 | 215 | 93 | 31 | 137 | 126 | 138 | 925 |
| 2 | 2677 | 302 | 290 | 1584 | 5769 | 2093 | 593 | 5730 | 4235 | 5065 | 28338 |
| Matara 1 | 73 | 17 | 15 | 61 | 132 | 82 | 19 | 133 | 124 | 112 | 768 |
| 2 | 2766 | 268 | 245 | 2027 | 3726 | 1596 | 389 | 8507 | 4825 | 4908 | 29257 |
| Kalutara 1 | 46 | 14 | 13 | 77 | 132 | 54 | 26 | 90 | 97 | 83 | 632 |
| 2 | 1244 | 180 | 166 | 2043 | 2701 | 930 | 499 | 2700 | 2787 | 2437 | 15687 |
| Kegalle 1 | 46 | 8 | 10 | 48 | 81 | 49 | 25 | 74 | 78 | 64 | 483 |
| 2 | 884 | 127 | 161 | 1001 | 1622 | 991 | 411 | 1539 | 1628 | 1324 | 9688 |
| Kandy 1 | 45 | 19 | 21 | 38 | 103 | 54 | 46 | 91 | 70 | 91 | 578 |
| 2 | 884 | 183 | 198 | 851 | 1861 | 1036 | 883 | 2679 | 1953 | 2890 | 13418 |
| Nuwaraeliya 1 | 70 | 20 | 10 | 50 | 125 | 64 | 29 | 107 | 97 | 87 | 659 |
| 2 | 1482 | 120 | 24 | 1086 | 3124 | 1261 | 583 | 3252 | 2324 | 1911 | 15167 |
| Ratnapura 1 | 86 | 17 | 21 | 47 | 234 | 100 | 49 | 151 | 140 | 133 | 978 |
| 2 | 2859 | 129 | 162 | 1345 | 5466 | 2633 | 858 | 4655 | 3835 | 3561 | 25503 |
| Uva 1 | 41 | 11 | 14 | 21 | 66 | 34 | 15 | 47 | 54 | 56 | 359 |
| 2 | 1103 | 141 | 208 | 580 | 1913 | 970 | 251 | 1403 | 1185 | 1927 | 9681 |
| Total 1 | 499 | 125 | 124 | 396 | 1088 | 530 | 240 | 830 | 786 | 764 | 5382 |
| 2 | 13899 | 1450 | 1514 | 10517 | 26182 | 11510 | 4467 | 30465 | 22772 | 24023 | 146799 |
| Total 1 | 550 | 146 | 158 | 396 | 1161 | 569 | 257 | 825 | 852 | 812 | 5726 |
| 2 | 15275 | 1383 | 1267 | 8510 | 24095 | 13541 | 4310 | 18590 | 19200 | 19500 | 125671 |

Source: Progress Report of the Tea Small Holding Development Authority

In addition to the above extension services, 22,246 sample soil tests on Soil pH have been carried out in line with the annual action plan, and it is 84% progress of the target. Further, 36,450 individual extension services were planned and the progress in 31,331. This is a 86% progress of the targeted number of programmes.

Table - 12-ii

Number of Individual Extensions and Soil Tests

| Regional Office | | Galle | Matara | Kalutara | Kegalle | Kandy | Nuwaraeliya | Rathnapura | Uva | Total |
|-----------------------|----------|-------|--------|----------|---------|-------|-------------|------------|------|--------------|
| Individual Extensions | Target | 6900 | 6000 | 3250 | 3000 | 3200 | 3600 | 7500 | 3000 | 36450 |
| | Progress | 6360 | 5866 | 2685 | 1658 | 3309 | 3258 | 5981 | 2214 | 31331 |

| | | | | | | | | | | |
|------------|----------|------|------|------|------|------|------|------|------|--------------|
| Soil Tests | Target | 4600 | 4000 | 2300 | 2200 | 2400 | 3000 | 5000 | 2930 | 26430 |
| | Progress | 4507 | 4093 | 1797 | 1516 | 2654 | 1124 | 4678 | 1877 | 22246 |

Source:- Progress Report of Tea Small Holding Development Authority

Midterm Results -02

Improving the quality of the green leaves by 60% within 5 years at the level of factories

Most critical factors in increasing the income of the tea small holders are increasing harvests, minimum production cost and high market price. Even though the fertilizer can be obtained for a low price under national fertilizer subsidy programme, the quality of the raw leaves should be in a higher standard in order to have a higher market price.

The expected activities were to train 10,780 tea leave pluckers to improve the quality of the leaves, promote rules and regulations to make it compulsory for the factories to accept only quality leaves, to carry out awareness programmes for the tea small holders and to make aware the tea small holders on the quality of the leaves. Accordingly, 1152 training programmes were planned to be carried out in year 2015 and 1053 have already been conducted (Table No 13). Number of farmers who participated at the programmes was 38,786 and the targeted number was 47,480. The progress of the participation therefore was 81%.

Table - 13

Number of training programmes on the quality of tea leaves and the number participants

| Regional Office | Item | Training of tea pluckers
(2.2.2) | Training on making aware the tea leave providers
(2.3.4) | Training on the quality of tea leaves
(2.5.2) | Total |
|-----------------|----------------------|-------------------------------------|---|--|--------------|
| Galle | Programmes | 107 | 34 | 42 | 183 |
| | Participation | 2278 | 3011 | 2055 | 7344 |
| Matara | Programmes | 96 | 45 | 42 | 183 |
| | Participation | 1904 | 4570 | 2998 | 9472 |
| Kalutara | Programmes | 59 | 8 | 27 | 94 |
| | Participation | 1246 | 282 | 1393 | 2921 |
| Kegalle | Programmes | 40 | 12 | 16 | 68 |
| | Participation | 792 | 329 | 532 | 1653 |
| Kandy | Programmes | 50 | 22 | 33 | 105 |
| | Participation | 876 | 2013 | 1817 | 4706 |
| Nuwaraeliya | Programmes | 72 | 32 | 43 | 147 |
| | Participation | 1537 | 932 | 1635 | 4104 |
| Ratnapura | Programmes | 104 | 47 | 42 | 193 |
| | Participation | 2264 | 1873 | 1670 | 5807 |
| Uva | Programmes | 40 | 18 | 22 | 80 |
| | Participation | 958 | 766 | 1055 | 2779 |
| Total | Programmes | 568 | 218 | 267 | 1053 |
| | Participation | 11855 | 13776 | 13155 | 38786 |
| Target | Programmes | 641 | 223 | 288 | 1152 |
| | Participation | 10780 | 22300 | 14400 | 47480 |

Source:- Progress report of the Tea Small Holding Authority

To measure the expected results, the indicator of quality leaves percentage is used and it is required for the Authority, Sri Lanka Tea Board, Tea Commissioner's Division and Sri Lanka Tea Research Institute to work in collaboration with each other to make this indicator successful.

As a whole, Rs. Million 0.957 has been spent on extension advises and training programmes. Rs. 0.195 million out of the said amount has been spent on training material making it Rs. 1.15 million as the total.

Midterm Results – 03

Strengthening community based organizations by 50% within 06 years

Tea Small Holders Development Society system which was started in year 1989, was legalized by the regulations of tea small holders no 01 of 1995 published in the gazette extraordinary no 878/15 by the Tea Small Holding Development Authority on the powers vested in the authority under para (I, j), Sub Section 2, Section 15 of Tea Small Holding Development Act no 35 of 1975 at Jathika Rajya Sabha, which was revised by the Act No 36 of 1991.

1394 Tea Small Holder Development societies were registered as at year 2015 and the membership of the said societies was increased up to 271272, which is by 1.8%. Number of societies was increased by 11.

The system of societies are implemented with an all island society organization along with 08 district organizations. An election of all society organizations and all island organization was conducted in year 2015.

Table 14
Extension of Tea Small Holders Development Societies
2014/2015

| Official Jurisdiction | Number of Societies | | Number of Members | |
|------------------------------|---------------------|--------------|-------------------|----------------|
| | 2015 | 2014 | 2015 | 2014 |
| Rathnapura | 285 | 285 | 79,578 | 76,788 |
| Uva (Badulla and Moneragala) | 162 | 161 | 28,902 | 28,856 |
| Nuwaraeliya | 187 | 187 | 19,378 | 20,171 |
| Kandy and Matale | 145 | 141 | 10,575 | 10,412 |
| Galle | 208 | 208 | 49,319 | 44,459 |
| Matara and Hambantota | 179 | 177 | 44,577 | 47,288 |
| Kegalle | 130 | 127 | 17,621 | 17,479 |
| Kalutara | 98 | 97 | 21,322 | 21,009 |
| Total | 1,394 | 1,383 | 271,272 | 266,480 |

Source:- Progress report of the Tea Small Holding Authority

In implementing soil and water conservation productivity promotion programme implemented under national budget allocations in year 2015, the assistance of tea smallholdings development societies were obtained to draw applications and recommendation from tea smallholders.

Views and proposals of tea smallholdings development societies are obtained for planning extension programmes implemented for tea smallholders by the authority and when implemented the societies are performing the coordination activities.

Midterm results 04

Strengthening the institution within one year to perform productively

Expected short term results were as follows

- 4.1 Keeping the vacancies of the staff less than 5% in a year
- 4.5 Becoming unqualified for all audits within 02 years
- 4.6 Institutionalizing the annual planning process while investigating and implementing the same.

In year 2015, analyzing the progress of previous years, the annual implementation plan prepared for the year 2015 was introduced and operated.

Although it was planned to implement 2015 / 2016 survey on tea smallholdings to be implemented in collaboration with the department of census and statistics due to resource issues and other practical issues. However, preliminary discussions have been conducted to implement the census within year 2015.

- 4.7 Strengthening orientation methods and institutionalization.

In order to circumvent weaknesses identified under this and to further strengthen constant research activities and monitoring, a new methodology was prepared with the consent of committees for monitoring all sectors as per annual action plan. The planning process for year 2016 was investigated and completed in year 2015.

- 4.11 Availability of a positive attitude of the staff for official duties
- 4.12 Preparation and implementation of activity based evaluation system.

- 4.13 Providing professional training to the 5% of the staff annually

The staff was directed for participation of following internal and external trainings representing various grades of the staff.

| Serial no. | Name | Designation | Training programme participated | Conducted institution |
|------------|-------------------------------------|---|---|--|
| 1. | Mrs. R.M. Shashikala Priyadarshanie | Management Assistant (non technical) | Secretary skills development | National Institute for Labour Studies |
| 2. | Mr. Chathura Fernando | Assistant Manager (.../.) | Procedure of recruitment | Praag Institution |
| 3. | Mr. D.D. Priyanjith | Internal audit officer | Internal administration and auditing | Sri Lanka Institute of Chartered Accountants and Sri Lanka Institute of State Finance and Accounts |
| 4. | Mr. Chathura Fernando | Assistant Manager (.../.) | Certificate course in human resource management and productivity development | Sri Lanka Foundation Institute |
| 5. | Mrs. D.G.P. Jayanthi | Finance Manager | Preparation of financial statements 2015 | Praag Institution |
| 6. | Mr. G.R.I. Perera | Assistant Manager (Finance) | | |
| 7. | Mr. B.H.C.A. Batagoda | Assistant Manager (Finance) | | |
| 8. | Miss. G.D. Jayawardhane | Book keeper | | |
| 9. | Mrs. U.L.M. Perera | Accounts Officer (Galle) | | |
| 10. | Mrs. H. M.L. Pushpakumari | Accounts Officer (Matara) | | |
| 11. | Mrs. M.A. Piyaseeli | Accounts Officer (Ratnapura) | | |
| 12. | Mrs. Shyamalie Premasundara | Accounts Officer (N' Eliya) | | |
| 13. | Mr. W.M. Dhanapala | Accounts Officer (Uva) | | |
| 14. | Miss. P.G.I. Surangika | Accounts Officer (Kegalle) | | |
| 15. | Mrs. Devika Jayathunge | Accounts Officer (Kaluthara) | | |
| 16. | Mrs. D.G.P. Jayanthi | Finance Manager | Accounting Standards in State Sector | Sri Lanka Institute of Chartered Accountants |
| 17. | Mr. G.R.I. Perera | Assistant Manager (Finance) | | |
| 18. | Mr. B.H.C.A. Batagoda | Assistant Manager (Finance) | Financial regulations - 104 - how to act when government properties are in danger | Skills Development Fund |
| 19. | Miss. P.G. Irani Surangika | Accounts Officer | | |
| 20. | Mr. Lalith Kumara | Assistant Regional Manager (Planning and Development) | Seminar on Tea Culture and Industrialization for Developing Countries - 2015 | China |
| 21. | Mr. S.C. Mudannayaka | Officer - in - charge | | |
| 22. | Mr. K.M.R.L. Bandara | Officer - in - charge | | |

Midterm Results 05

Directing 10% of the lands for additional income generation activities within 05 years.

Directing for additional income generation activities for enhancing living conditions of tea smallholders have been identified. Therefore, the identified short term result is to annually introduce 1000 lands with tea based farm management system, and to forestation of 1000 tea smallholdings. 144 programmes were planned for the year under review and 109 out of them were implemented. The target number of farmers for the purpose was 1640 and the participation was 2533. Programmes have been implemented as follows during the relevant year.

Table - 15

Training of tea based farms (5.1.4) Number of programmes and participants

| | Divisional Office | | | | | | | | Total |
|---------------|-------------------|--------|----------|---------|-------|-------------|-----------|-----|-------|
| | Galle | Matara | Kalutara | Kegalle | Kandy | Nuwaraeliya | Ratnapura | Uva | |
| Programmes | | | | | | | | | |
| Target | 23 | 20 | 13 | 11 | 16 | 20 | 25 | 16 | 144 |
| Progress | 18 | 18 | 12 | 4 | 14 | 19 | 19 | 05 | 109 |
| Participation | | | | | | | | | |
| Target | 230 | 200 | 130 | 220 | 240 | 210 | 250 | 160 | 1640 |
| Progress | 448 | 660 | 201 | 132 | 297 | 346 | 399 | 50 | 2533 |

Source- Progress Report of Tea Small Holdings Development Authority

The percentage of other crops and the percentage of livestock existing in the small tea lands have been identified as key task based indicators to measure above results.

3.2 Special Project activities to promote investments in small tea lands

3.2.1 Special Productivity Programme on Soil and Water Conservation

Provisions have been provided for the tea small holdings with tea plantations of over 10 years in a maximum extent of 01 acres, in two steps under this special programme which was started under the budget allocation in year 2014.

A subsidy amount of Rs. Million 406.34 was paid to 190123 team small holders in an extent of 129022 acres of tea lands in the year under review. The progress of the relevant year is given below.

Special programme to promote soil and water conservation is a project inaugurated on the national budget allocations of year 2014. Under this special project, one tea smallholder was given Rs. 5000/- per one hectare of land for a maximum of one hectare of land (for lands exceeded 10 years of cultivation) subject to completion of land conservation activities in two stages. Following is the total progress of this project implemented in both 2014 and 2015.

Above programme was implemented in all 144 divisions of tea inspector / extension officers coming under eight zonal offices stationed covering all tea cultivating districts. Beneficiaries selected from the applicants obtained with the assistance of tea smallholder societies under this national programme inaugurated in year 2014, and those couldn't make full payments in year 2014 made payments in year 2015.

Accordingly, the total number of beneficiary societies was 1323. A number of 190652 tea smallholders had obtained the first installment and from that 151984 (79.7%) tea smallholders in 1149 societies had obtained the second installment too by the end of year 2015. First installment had been paid for 146811.55 acres (59437.87 hectares) under this programme and the second installment had been completely paid for 80% that is 11755.62 acres (47674.34 hectares).

An allocation of Rs. 472.31 million had been remitted for year 2014 for this project purposes and Rs. 429.82 million had been paid during year 2014. Total remittances received during year 2015 was Rs. 323.47 million and Rs. 328.03 had been paid during year 2015. A total of Rs. 795.78 million had been received for this project by the end of year 2015 and the total paid amount was Rs. 757.85 million. Balance of the provisions from that was Rs. 37.93 million.

Table - 16
Special Productivity Programme on Soil and Water Conservation
Total Physical and Financial Progress - from 01.01.2014 to 31.12.2015

| Divisional Office | No. of Tea Inspector / Regions | Install ment | Number of Societies | Number of tea smallholder s | Extent of Land (Acres) | Amount paid (Rs.Mn) | |
|-------------------|--------------------------------|--------------|---------------------|-----------------------------|------------------------|---------------------|---------------|
| | | | | | | 2014 | 2015 |
| Uva | 16 | I | 153 | 18449 | 12259.25 | 30.63 | No |
| | | II | 153 | 18349 | 12200.00 | 30.48 | No |
| | | | | | | | |
| N'Eliya | 20 | I | 175 | 12344 | 9383.39 | 22.64 | 0.8143 |
| | | II | 171 | 11638 | 8836.07 | - | 22.09 |
| | | | | | | | |
| Kandy | 16 | I | 123 | 8123 | 5615.72 | 14.03 | - |
| | | II | 123 | 8105 | 5598.05 | - | 13.99 |
| | | | | | | | |
| Kegalle | 11 | I | 125 | 8757 | 6978.40 | 17.44 | 0.011 |
| | | II | 125 | 8757 | 6973.90 | - | 17.43 |
| | | | | | | | |
| Kalutara | 13 | I | 96 | 14711 | 11649.44 | 28.12 | - |
| | | II | 96 | 14549 | 11562.00 | - | 28.90 |
| | | | | | | | |
| Ratnapura | 25 | I | 276 | 43116 | 35326.25 | 87.16 | 1.15 |
| | | II | 267 | 42360 | 34735.60 | - | 86.84 |
| | | | | | | | |
| Galle | 23 | I | 203 | 47527 | 36244.00 | 90.61 | - |
| | | II | 203 | 45658 | 35845.00 | 1.41 | 88.80 |
| | | | | | | | |
| Matara | 20 | I | 172 | 37625 | 29355.10 | 73.40 | 0.50 |
| | | II | 11 | 2574 | 2005.00 | 5.01 | 67.50 |
| | | | | | | | |
| Sub Total | | I | 1323 | 190652 | 146811.55 | 364.03 | 2.48 |
| | | II | 1149 | 151984 | 117755.62 | 65.79 | 325.55 |
| Total | 144 | | - | - | - | 429.82 | 328.03 |

3.2.2 Special Loan Scheme of Bank of Ceylon for Tea Smallholders

The tea smallholdings development authority signed the loan agreement for the above loan scheme implemented by Bank of Ceylon in October of year 2013.

By this loan scheme implemented covering all districts where tea is being cultivated, the bank supplies loan grants under a timely concessionary interest rate for the major development activity for tea re - planting, tea new planting, and establishment of tea nurseries and generation of additional income purposes up to a maximum of Rs. 05 lacks subject to a maximum of 01 acre.

The authority releases recommendations to apply for loans based on field activities for obtaining these loans. By the year under review 582 tea smallholders have been recommended for loan grants and out of that amount, our institution had recommended Rs. 281 million for tea new cultivation for 88 applicants, Rs. 126 million for tea re - replanting for 381 applicants, Rs. 36 for nurseries for 104 applicants and Rs. 3 million for 09 loan applicants for other income generation. However, 200 tea small holders has been facilitated to the amount of Rs. 55 million from this.

3.2.3 Small Plantation Entrepreneurship Development Programme (SPEnDP) – (IFAD) Nuwaraeliya District

It was expected to develop tea replantation and input tea nursery development activities in order to improve the entrepreneurship of tea small holders in Hadabima and Mahaweli C Zone areas.

A cost of Rs. Million 12.23 has been borne in the year 2015 for projects and the physical progress had been as follows.

| | | N' Eliya | | | Kegalle | | |
|---------------------------------|--------------------------------------|---------------------|-------------------------|-------------------------|---------------------|-------------------------|-------------------------|
| | | Extent of Lands Ha. | Number of Beneficiaries | Financial Progress (Rs) | Extent of Lands Ha. | Number of Beneficiaries | Financial Progress (Rs) |
| Tea re - plantation | | | | | | | |
| | Uprooting Soil conservation | 13.36 | 102 | 8,425,593.00 | 3.0807 | 17 | 2,310,107.00 |
| | Fertilizing the soil 1 | 11.13 | 81 | | 1.7705 | 9 | |
| | Fertilizing the soil 2 | 15.47 | 134 | | 5.3622 | 38 | |
| | Cultivation | 15.48 | 137 | | 505443 | 39 | |
| | After one year from the cultivation | 39.06 | 326 | | 7.2110 | 61 | |
| Supplying stem shoots | | | | | | | |
| | Number of Plants | 206,652 | 147 | 3,242,346.39 | 41781 | 26 | 772,948.50 |
| Providing input material | | | | | | | |
| | Tea Plants | | | | | | |
| | | | | | | | |
| | Number of farmer training programmes | 96 | 765 | 71,563.00 | 16 | 235 | |
| | | | | | | | |
| | Operational Expenses | | | 490,771.58 | | | 16,055.48 |
| | | | | | | | |
| | Grand Total | | | 12,230,273.97 | | | 3,099,110.98 |

3.2.4 Programme to popularize mechanization in plantation activities in small tea lands

Under this project initiated in year 2013, 44 sets of machinery were distributed for the societies in year 2015.

440 individuals were selected subject to 10 per society. Out of them 88 from 44 societies and 60 field officers from the authority were given a two - day training on usage of machinery at the low country centre at Ratnapura of the tea research institute.

Steps were taken to train by conducting 44 training programmes with tea inspection / extension officers at divisional level and trained machine operators at the tea research institute for 352 other machine operators selected at society level. Schedule no 15 and 16 indicates detailed information on the equipment supplied under this project.

3.2.5 Introduction of new research methodologies of tea research institute to tea smallholders sector.

Research programmes are being implemented with regard to introduction of new tea categories of 5000 by the tea research institute while tea research institute along with tea small holdings development authority initiated from year 2015 to conduct adaptation researches on the feasibility of new categories in tea smallholdings and by the end of year 2015, initiation of 15 such samples of the adaptation researches could be planted in the following areas.

| Regional Office | No. of Adaptation Research Samples |
|-----------------|------------------------------------|
| Galle | 4 |
| Matara | 2 |
| Ratnapura | 2 |
| Kaluthara | 2 |
| Kandy | 1 |
| N'Eliya | 2 |
| Uva | 2 |
| Total | 15 |

Feasibility of these categories will be studied under situations of tea smallholder conditions through these samples and, this study is to be implemented forward up to two cycles of pruning of tea plantation.

Table 18
Remarkable Performances within the Decade.

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | Remarks |
|---|--------|--------|--------|---------|---------|--------|-------|--------------|--------------|--------------|--|
| 1 Tea re-planting | | | | | | | | | | | |
| Tea re-planting Ha. | 1001 | 1024 | 881 | 777 | 847 | 772 | 889 | 1165 | 720 | 806 | |
| Progress per target | 95% | 94% | 92% | 92% | 111% | 91% | 99% | 93% | 64% | 67% | |
| Incentives released(Rs.M) | 183.34 | 172.9 | 194.6 | 178.17 | 177.85 | 189.88 | 226.3 | 351.84 | 258.09 | | |
| 2 Tea new planting | | | | | | | | | | | |
| Tea new planting (Ha.) | 0.83 | 0 | 0 | 0 | 0 | 28.38 | 239 | 263 | 401 | 479 | * Not implemented due to policy decisions |
| Incentives released(Rs.M) | 0.042 | 0 | 0 | 0 | 0 | 1.17 | 23.21 | 42.41 | 66.48 | | |
| 3 Crop Rehabilitation | | | | | | | | | | | |
| Infilling (millions) | 0.52 | 0.516 | 0.519 | 0.43 | 0.424 | 0.50 | 0.77 | 0.48 | 0.27 | 0.309 | |
| Incentives released(Rs. M) | 7.794 | 4.13 | 4.84 | 3.25 | 3.586 | 2.44 | 14.35 | 11.236 | 5.91 | | |
| 4 Tea with Rubber (Ha.) | | | | | | | | | | | |
| Tea with Rubber Ha.) | 6.8 | 4.4 | - | - | - | - | - | - | - | - | Demand to small holdings minimized |
| Incentives released(Rs. | 0.469 | 0.41 | - | 0.028 | - | - | - | - | - | - | |
| 5 Tea with coconut | | | | | | | | | | | |
| Tea with coconut (Ha.) | 0.8 | - | - | - | - | - | - | - | - | - | |
| Incentives released(Rs. M) | 0.061 | - | - | - | - | - | - | - | - | - | - Do - |
| 6 Extension Programmes | | | | | | | | | | | |
| 6.1 Group Access | | | | | | | | | | | |
| No. of programmes | 8084 | 8226 | 8668 | 9170 | 7154 | 6970 | 6508 | 6617 | 7064 | 6544 | |
| Participation '000 | 236 | 242 | 223 | 219 | 210 | 176 | 143 | 137 | 315 | 188 | |
| 6.2 Individual farmer meeting | | | | | | | | | | | |
| No. of farmer meetings | 32261 | 33160 | 38545 | 37268 | 27346 | 26103 | 27843 | 26980 | 25490 | 31331 | |
| 6.3 Planting materials aid supply | | | | | | | | | | | |
| 6.4 Institutional nurseries | | | | | | | | | | | |
| No. of seedlings ('000) | 8 | 7 | 7 | 6 | 6 | 6 | 7 | 7 | 7 | 8 | |
| | 1089 | 1043 | 1123 | 970 | 838 | 800 | 919 | 719 | 909 | 1.133 | |
| 6.5 Commercial tea nurseries | | | | | | | | | | | |
| No. of registered nurseries | 900 | 418 | 678 | 535 | 651 | 663 | 969 | 854(12/13) | 810(13/14) | 985(14/15) | |
| Seedlings capacity | 38.26 | 38.75 | 25.57 | 23.25 | 24.28 | 25.40 | 39.41 | 32.24(12/13) | 31.04(13/14) | 36.24(14/15) | |
| 6.6 Input supply | | | | | | | | | | | |
| 6.6.1 Fertilizer supply | | | | | | | | | | | |
| Total supply (MT) | 5712 | 5202 | 4538 | 1061 | - | - | - | - | - | - | Not obtaining fertilizer under loan scheme due to national fertilizer subsidy scheme |
| Supply fertilizer under loan scheme | 3800 | 1877 | 1378 | 969 | - | - | - | - | - | - | |
| 6.6.2 National Fertilizer Loan Scheme | | | | | | | | | | | |
| Prescribed amount (MT) | 43,982 | 51,917 | 51,590 | 136,900 | 124,142 | *35436 | - | - | - | - | * Not implemented from second semi quarter. |
| Value (Rs. M) | 471 | 1,082 | 1,944 | 5,658 | 4478 | *1507 | - | - | - | - | |
| 7 Human and Social Devp. Activities | | | | | | | | | | | |
| TSHDA societies | | | | | | | | | | | |
| No. of societies | 1294 | 1309 | 1319 | 1348 | 1372 | 1379 | 1381 | 1382 | 1382 | | |
| Society membership '000 | 192 | 202 | 219 | 220 | 283 | 274 | 261 | 251 | 266 | | |
| 8 Production of tea smallholdings (KgM) | | | | | | | | | | | |
| | 212.4 | 205.7 | 214.8 | 201.9 | 230.1 | 229.0 | 233.1 | 245.4 | 245.4 | 239.8 | |
| 9 Contributions to national production % | | | | | | | | | | | |
| | 68.3 | 67.5 | 67.4 | 69.3 | 69.4 | 69.9 | 71.4 | 72.2 | 72.2 | 72.9 | |

Management for Development Results
Main Performance Indicators

| Mid term results | | Major performance indicators | | Provisions | | Financial Progress | Base Year 2008 | Indicator based Acitivity Target & | | Remarks |
|------------------|--|---|--------|------------|-----------|--------------------|----------------|------------------------------------|----------|---|
| | | | | Expected | Allocated | | | 2015 | | |
| | | | | | | | | Target | Progress | |
| | Long term results | I. Percentage of developing individual unit assets | | | | | | | | Socio economic surveys |
| | Upgrading life standard of tea smallholders | II. Percentage of children's secondary education | | | | NA | | NA | | |
| 1 | Increase kilos of made tea per year / per ha. in 06 years | 1.1Developing unit productivity at district level and suitability level | 486.02 | 251.41 | 434.17 | | | | | Statistical data of Sri Lanka Tea Board |
| | Low country up to 2700 | | | | | 2085 | 2500 | 2181 | | |
| | Mid country up to 1700 | | | | | 1050 | 1650 | 1463 | | |
| | Uva upto 1500 | | | | | 1055 | 1480 | 1262 | | |
| | | 1.2Increase production in tea smallholdings (M. Kilo grams) | | | | 215 | 250 | 240 | | |
| | Sub Total | | 486.02 | 251.41 | 434.17 | | | | | |
| 2 | Increase the raw leaves quality up to 60% at factory level in 05 years | 2.1Better leaves percentage at factory level | 3.33 | 3.15 | 0.15 | 35% | 60% | 56% | | Data of Tea Commissioner branch of SLTB |
| | | | | | | | | | | |
| | Sub Total | | 3.33 | 3.15 | 0.15 | | | | | |
| 3 | Developing 50% of community based organisations in 06 years | 3.1.Development of assets value | 9.01 | 5.91 | 1.959 | NA | | | | Socio economic survey census |
| | | 3.2.No. of societies monitoring identified activities | | | | 100 | 327 | | | |
| | | 3.3.Member attitudes pertaining to productivity | | | | NA | 10% | | | |
| | Sub Total | | 9.01 | 5.91 | 1.96 | | | | | |
| 4 | Strengthening the institution to operate more productively within a year | 4.1:Percentage of fulfilling targets | 12.85 | 7.7 | 3.76 | | | | | |
| | | Tea re - planting loan scheme | | | | | | | | |
| | | a. Finance | | | | 102% | 100% | 90% | | |
| | | b. Physical | | | | 92% | 100% | 67% | | |
| | | 4.2No. of audit weaknesses | | | | True & fair | True & fair | | | As per auditor's report |
| | | 4.3Percentage of deviation from budget (Development Capital) | | | | 13% | 0% | (-10)% | | Due to non receipt of estimated allocations |
| | | 4.4.Attitudes of the staff on the productivity of the institution | | | | NA | | | | |
| | Sub Total | | 12.85 | 7.7 | 3.758 | | | | | |
| 5 | Directing 10% of lands for additional income generation activities within 05 years | 5.1.Percentage of lands with other crops | 0.04 | 0.04 | 0.02 | 35% | 38% | NA | | Socio economic survey census |
| | | Percentage of lands with animal husbandary | | | | NA | | | | |
| | Sub Total | | 0.04 | 0.04 | 0.02 | | | | | |
| | Grand Total | | 511.25 | 268.21 | 440.06 | | | | | |

4. Cultivation Cost and Price of the Tea Leaves of Tea Small Holdings Sector

4.1 Labour Cost.

According to annual information obtained at field level on tea smallholdings sector, it is revealed that an amount more than the wages limit due to be paid as per the wages control ordinance is paid when considered the daily wages level for plucking leaves in tea smallholdings sector, pruning, weeding

Further, it has been reported that when the payments are made to the labourers for the plucking of tealeaves, when the payment is higher than the average of the number of kilos harvested in a day, an additional price is paid for a kilo. In addition, for the training labour tasks such as pruning, a higher rate is paid.

4.2 Production cost for a one kilo of green leaf

The estimated production cost calculated as per the price at the tea auction Colombo (Schedule No 10- A) based on the location and the average price of one kilo of green leaves as per the data of Sri Lanka Tea Board are given below.

Table - 20
Price of one kilo of green leaf and production cost 1994 - 2015

| Year | Average Price
(Rs. Per 1 kilo) | Average Production
Cost (Rs. Per 1 kilo) |
|------|-----------------------------------|---|
| 1994 | 9.80 | 8.85 |
| 1995 | 11.20 | 7.37 |
| 1996 | 15.70 | 8.28 |
| 1997 | 18.04 | 9.69 |
| 1998 | 20.30 | 11.24 |
| 1999 | 16.86 | 16.81 |
| 2000 | 19.82 | 16.47 |
| 2001 | 21.05 | 16.64 |
| 2002 | 21.83 | 17.03 |
| 2003 | 21.79 | 17.04 |
| 2004 | 26.43 | 15.15 |
| 2005 | 27.17 | 20.29 |
| 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 |

To calculate production cost of a kilo of green leaf in 2015, the average yield per hectare (Low country V.P. tea) has been considered as 10,140 kg per ha. (low country stem tea). (According to production date of Sri Lanka Tea board). This yield level in 2014 had been estimated at 10,490 kg.

According to calculation based on cumulative prices, average price paid for a kilo of green leaf in 2015 had decreased by Rs.8.74 or 4% in comparison to year 2014. Estimated cost of production had increased by Rs. 0.54. To minimize escalation of production costs, the national fertilizer subsidy scheme had contributed to a great extents and it had been possible to reduce the percentage cost level of fertilizer.

Green Leaf Prices and Estimated Cost existent in 2015

According to Sri Lanka Tea Board data (Schedule No. 10-A), average price of made tea realized for all elevations had become lower in year 2015 compared to year 2014.

Payment of a kilo gram of raw up country tea in year 2015 has been deteriorate back to Rs. 56.79 while for median country it was Rs. 59.98 and the price for the low country kilo gram of tea is Rs. 60.88 making it to a total average price from Rs. 67.54 to Rs. 58.80.

4.3 Production Margin and Price

Average of production margin based on average productivity of the smallholdings for 2015, average green leaf prices existent during the year and estimated cost of production was Rs.13.00. This had decreased by Rs. 3.72 in comparison to year 2015. The productivity decreased comparatively by 3% when considered with the previous year

4.4 Replanting Cost of Tea

Increase in labour cost for replanting due to labour scarcity had specially influenced cultivation costs. It is revealed in estimates that 77.6% of the total cost is incurred as the cost of labour. (Schedule No. 11-A and -B)

All fertilizer mixtures could be obtained under subsidized prices inn year 2014 too.

Table - 21
Estimated Replanting cost per Hectare 2014/ 2015 (Rs)-(From Uprooting to Plucking)

| Activity | 2014 | | 2015 | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | High & Mid | Low | High & Mid | Low |
| Uprooting (First Year) | 477,174 | 385,678 | 586,374 | 475,078 |
| Soil Rehabilitation (Second Year) | 120,870 | 129,040 | 146,470 | 154,640 |
| Planting Tea (Third Year) | 720,502 | 704,502 | 841,902 | 821,902 |
| First Year Maintenance (Fourth Year) | 364,932 | 352,682 | 436,732 | 420,482 |
| Second Year Maintenance (Fifth Year) | 246,452 | 239,002 | 293,052 | 282,802 |
| Total | 1,929,930 | 1,810,904 | 2,304,530 | 2,154,904 |

4“5 Rate of Incentive per Hectare and Cultivation Cost

It is apparent from the following table that in considering the ratio between cultivation incentive and cultivation cost existent in year 2013, it had been possible to cover about 19% of the total cultivation cost from the incentive for replanting.

Table no. **22**
Cost and Incentive Ratios
For Replanting per Hectare (1989 – 2015)

| Year | Cultivation Cost (Rs) | | Subsidy Rate | | % of Cultivation Cost | |
|------|-----------------------|-----------|--------------|-----------|-----------------------|-----------|
| | High/Mid | Low | High/Mid | Low | High/Mid | Low |
| | Elevation | Elevation | Elevation | Elevation | Elevation | Elevation |
| 1989 | 140684 | 117490 | 48000 | 41000 | 34% | 35% |
| 1990 | 165611 | 145632 | 48000 | 41000 | 29% | 28% |
| 1991 | 182331 | 159936 | 48000 | 41000 | 26% | 26% |
| 1992 | 191066 | 167321 | 48000 | 41000 | 25% | 25% |
| 1993 | 222693 | 194953 | 67000 | 57000 | 30% | 29% |
| 1994 | 251038 | 224233 | 67000 | 57000 | 27% | 25% |
| 1995 | 249431 | 226088 | 67000 | 57000 | 27% | 25% |
| 1996 | 297622 | 270767 | 67000 | 57000 | 22% | 21% |
| 1997 | 361643 | 327769 | 67000 | 57000 | 18% | 17% |
| 1998 | 411564 | 347456 | * 110000 | *100000 | 27% | 29% |
| 1999 | 445504 | 377068 | 110000 | 100000 | 25% | 27% |
| 2000 | 485894 | 396186 | 110000 | 100000 | 23% | 25% |
| 2001 | 550744 | 513866 | 110000 | 100000 | 20% | 19% |
| 2002 | 653463 | 589916 | 110000 | 100000 | 17% | 17% |
| 2003 | 712815 | 643451 | 160000 | 150000 | 22% | 23% |
| 2004 | 796315 | 717351 | 160000 | 150000 | 20% | 20% |
| 2005 | 1026322 | 1009427 | 160000 | 150000 | 16% | 15% |
| 2006 | 1031377 | 1024287 | 200000 | 190000 | 19% | 19% |
| 2007 | 1148177 | 1125494 | 200000 | 190000 | 17% | 17% |
| 2008 | 1458989 | 1420360 | 200000 | 190000 | 14% | 13% |
| 2009 | 1516332 | 1452292 | 200000 | 190000 | 13% | 13% |
| 2010 | 1704051 | 1625290 | 200000 | 190000 | 12% | 12% |
| 2011 | 1836280 | 1724904 | 250000 | 240000 | 14% | 14% |
| 2012 | 1836280 | 1724904 | 300000 | 300000 | 16% | 17% |
| 2013 | 1929930 | 1810904 | 350000 | 350000 | 18% | 19% |
| 2014 | 1929930 | 1810904 | 350000 | 350000 | 18% | 19% |
| 2015 | 2304530 | 2154904 | 500000 | 500000 | 22% | 23% |

* From 01 / 07 / 1998

Schedule No 01

Approved Cadre of the Institution - 2015

| | Post | | Approved cadre |
|--|---|---------|----------------|
| 1. Senior Managers | | | |
| | General Manager | 1 | |
| | Deputy General Manager (Development) | 1 | |
| | Deputy General Manager (Extension) | 1 | |
| | Sub total | | 3 |
| 2. Managers | | | |
| | Internal Auditor | 1 | |
| | Manager (Finance) | 1 | |
| | Assistant Manager (Finance) | 2 | |
| | Manager^(Human Resources and Administration) | 1 | |
| | Assistant Manager (Administration) | 3 | |
| | Manager (Development) | 1 | |
| | Assistant Manager ^ Development | 1 | |
| | Assistant Manager/ Manager (Extension) | 1 | |
| | Assistant Manager / Manager (Training) | 1 | |
| | Assistant Divisional Manager (Extension) | 8 | |
| | Assistant Divisional Manager (Planning and Development) | 6 | |
| | Divisional Manager | 8 (iii) | |
| | Manager (Planning and Regulation & | 1 | |
| | Assistant Manager (Planning and Regulation & | 1 | |
| | Sub Total | | 36 |
| 3. Junior Officer | | | |
| | Accounts Officer | 9 | |
| | Internal Audit Officer | 1 | |
| | Administrative Officer | 7 | |
| | Officer in charge-Sub Offices | 26 | |
| | Training Officer | 1 | |
| | Sub Total | | 44 |
| 4. Management Assistant - Technical | | | |
| | Tea Inspector / Extension Officer | 157 | |
| | Book Keeper | 9 | |
| | Sub Total | | 166 |
| 5. Management Assistant - Non Technical | | | |
| | Management Assistant | 120 (i) | |
| | Nursary Assistant | 7 | |
| | Sub Total | | 127 |
| 6. Primary Level- Trained | | | |
| | Driver | 19(ii) | |
| | Sub Total | | 19 |
| 7. Primary Level - Partially Trained | | | |
| | Cook / Assistant Cook | 2 | |
| | Sub Total | | 2 |
| 8. Primary Level- Untrained | | | |
| | Office Assistant / Labourer - Sanitary | 25 (ii) | |
| | Sub Total | | 25 |
| | Total | | 422 |

(i) In addition to these posts, 29 posts of Management Assistant have been approved as personal to the person holding the post.

ii) 20 posts of Office Assistant/ Labourer and 01 post of Driver have been approved as personal to the person holding the post.

iii) 02 posts of Divisional Managers have been approved by the letter of the Department of Management Services No. DMS /G3/38/3 dated 17.11.2011.

Schedule no: 02

Tea Small Holding Development Authority

Cadre as at 31.12. 2015

| Post | Service Category | ආදායම | | Galle | | Matara | | Rathnapura | | Kandy | | Nuwera Eliya | | Uva | | Kalthara | | Kegalle | | Hanthana | | Total | |
|--|------------------|---------|-----|-------|-----|--------|-----|------------|-----|-------|-----|--------------|-----|-----|-----|----------|-----|---------|-----|----------|-----|-------|-----|
| | | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT | APR | ACT |
| 1 General Manager | HM 2-1 | | 1 | | | | | | | | | | | | | | | | | | | 1 | 0 |
| 2 General Manager (Development) | HM 1-1 | | 1 | | | | | | | | | | | | | | | | | | | 1 | 0 |
| 3 Deputy General Manager (Extensions) | HM 1-1 | | | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 1 |
| 4 Internal Auditor | MM 1-1 | | 1 | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 1 |
| 5 Manager (Finance) | MM 1-1 | I | 1 | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 1 |
| 6 Manager (Human Resources/ Administration) | MM 1-1 | I | 1 | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 1 |
| 7 Manager (Development) | MM 1-1 | I | 1 | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 1 |
| 8 Manager (Community Development) | MM 1-1 | | 1 | | | | | | | | | | | | | | | | | | | 1 | 0 |
| 9 Manager (Planning and Regulation) | MM 1-1 | I | 1 | 1 | 1 | | | | | | | | | | | | | | | | | 1 | 0 |
| 10 Assistant Manager/Manager (Extensions) | MM 1-1 | I | 0 | 1 | | | | | | | | | | | | | | | | | | 0 | 1 |
| 11 Assistant Manager (Trained) | MM 1-1 | | 1 | 1 | | | | | | | | | | | | | | | | | | 1 | 1 |
| 12 Divisional Manager | MM 1-1 | | | | | | | | | | | | | | | | | | | 1 | | 1 | 0 |
| 13 Assistant Manager (Finance) | MM 1-1 | I | | | | | | | | | | | | | | | | | | | | 1 | 0 |
| 14 Assistant Manager (Human Resources/ Administration) | MM 1-1 | H | | 1 | | | | | | | | | | | | | | | | | | 0 | 1 |
| 15 Assistant Manager (Development) | MM 1-1 | H | 2 | 2 | | | | | | | | | | | | | | | | | | 2 | 2 |
| 16 Assistant Manager (Planning and Regulation) | MM 1-1 | H | 2 | 2 | | | | | | | | | | 1 | | | | | | | | 3 | 2 |
| 17 Assistant Divisional Manager (Extensions) | MM 1-1 | H | 1 | | | | | | | | | | | | | | | | | | | 1 | 0 |
| 18 Assistant Divisional Manager (Planning and Development) | MM 1-1 | H | 1 | 1 | | | | | | | | | | | | | | | | | | 1 | 1 |
| 19 *Assistant General Manager (Service) | MM 1-1 | | | | | | | | | | | | | | | | | | | | | 1 | 1 |
| 20 Accounts Officer | JM 1-1 | H | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 21 Internal Audit Officer | JM 1-1 | H | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 22 Administrative Officer | JM 1-1 | I/H | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 23 Officer in Charge (Sub Office) | JM 1-1 | I/H | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 24 Training Officer | JM 1-1 | H | 1 | 1 | | | | | | | | | | | | | | | | | | 1 | 1 |
| 25 Divisional Planning Officer | JM 1-1 | H | | | | | | | | | | | | | | | | | | | | 1 | 1 |
| 26 Public Relations Officer | JM 1-1 | I/H | | | 4 | 4 | 3 | 2 | 4 | 3 | 4 | 5 | 4 | 4 | 3 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Sub Total | | | | | | | | | | | | | | | | | | | | | | | |
| 27 Tea Inspector /Extension Officer | MA 2-2 | I | | | | | | | | | | | | | | | | | | | | | |
| 28 Book Keeper | MA 2-2 | I | | | | | | | | | | | | | | | | | | | | | |
| Sub total | | | 18 | 14 | 9 | 7 | 8 | 6 | 9 | 6 | 9 | 7 | 8 | 8 | 7 | 6 | 6 | 5 | 2 | 1 | 83 | 69 | |
| 29 Management Assistant(Non Technical) | MA 1-2 | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 30 Management Assistant | MA 1-2 | I/H/H/H | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sub total | | | 1 | 1 | 29 | 21 | 24 | 16 | 32 | 22 | 17 | 15 | 21 | 17 | 12 | 13 | 14 | 12 | 10 | 0 | | 166 | 128 |
| 31 Driver | PL 1 | I/H/H/H | 26 | 21 | 16 | 11 | 15 | 15 | 17 | 18 | 9 | 20 | 10 | 13 | 9 | 19 | 9 | 8 | 7 | 10 | 2 | 3 | 120 |
| 32 Chef | PL 2 | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 33 Assistant Chef | PL 2 | I/H/H/H | | | | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 34 Office Assistant | PL 3 | I/H/H/H | 26 | 21 | 16 | 12 | 16 | 15 | 18 | 18 | 11 | 21 | 11 | 14 | 9 | 19 | 10 | 9 | 8 | 11 | 2 | 3 | 127 |
| 35 Labourer | PL 3 | I/H/H/H | 6 | 5 | 2 | 3 | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 36 Management Assistant (Chequerolth | | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 37 Management Assistant (Contract) | | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 38 Receptionist/Telephone Operator (Contract) | | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 39 Nursery Assistant (Contract) | | I/H/H/H | | | | | | | | | | | | | | | | | | | | | |
| 40 Driver (Contract) | | I/H/H/H | 7 | 15 | 2 | 2 | 2 | 2 | 2 | 4 | 2 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Sub total | | I/H/H/H | 1 | 2 | | 1 | | | | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| | | I/H/H/H | 14 | 22 | 4 | 6 | 3 | 4 | 3 | 8 | 5 | 17 | 4 | 16 | 4 | 3 | 3 | 3 | 2 | 3 | 4 | 46 | 62 |
| Total | | | 59 | 58 | 58 | 46 | 51 | 41 | 62 | 54 | 42 | 60 | 44 | 55 | 38 | 42 | 32 | 29 | 28 | 7 | 8 | 422 | 402 |

APR - Approved - Approved cadre
 ACT - Actal - Cadre as at 31.12.2015

Has been approved as personal to those bearing the office

- (i) Apart from this number another 18 posts too have been approved as personal to those bearing the office
 (ii) 15 office assistant / labourer posts and 1 driver post have been approved as personal to those bearing the office

Categorizing Employees as Per Age Category :Except contract and chequeroll)

| Age Gap | Executive Grade | | | | | | | Management Assistants (Technological) | | | Management Assistants (Non Technological) | | | Drivers | | | Chef / Assistant Chef | | | Office Assistant | | | Labourer | | | Total |
|--------------|-----------------|----------|----------|-----------|----------|-----------|--|---------------------------------------|-----------|-----------|---|-----------|-----------|----------|----------|-----------|-----------------------|----------|----------|------------------|----------|----------|----------|----------|----------|------------|
| | HM 2-1 | HM 1-1 | MM 1-1-1 | MM 1-1-2 | JM 1-1-1 | JM 1-1-2 | | I | II | III | I | II | III | I | II | III | I | II | III | I | II | III | I | II | III | |
| 18-25 | | | | | | | | | 1 | 5 | | | 3 | | | | | | | | | | | | | 21 |
| 26-35 | | | | 1 | | 1 | | 2 | 13 | | 2 | | 6 | | | 6 | | | | 1 | 1 | | | | | 33 |
| 36-45 | | | | 6 | 1 | 6 | | 42 | 5 | 1 | 58 | 9 | 7 | | 2 | 4 | | 2 | | 4 | 9 | | | 4 | | 160 |
| 46-50 | | | | 1 | 4 | 5 | | 24 | 3 | | 17 | 4 | 1 | 1 | 1 | 1 | | | | 1 | 5 | 2 | | 2 | | 72 |
| 51-55 | | 1 | 1 | 5 | 1 | 13 | | 19 | 5 | | 14 | 1 | | 2 | | | | | 1 | 3 | 2 | | 2 | 1 | | 71 |
| 56-60 | | | 5 | 7 | 3 | 8 | | 8 | | | 21 | | | 2 | 1 | | | | | | 2 | | | | | 57 |
| Total | 0 | 1 | 6 | 20 | 9 | 33 | | 93 | 16 | 19 | 112 | 14 | 17 | 5 | 4 | 11 | 0 | 2 | 0 | 13 | 6 | 1 | 0 | 2 | 7 | 402 |

Categorizing as per the Highest Education Qualifications of Executive Officers

| Post | Service Category | G.C.E. (O/L) | G.C.E. (A/L) | Diploma | Degree | Postgraduate Degree/ Diploma | Post Graduate Degree |
|---|------------------|--------------|--------------|---------|--------|------------------------------|----------------------|
| Head Office | | | | | | | |
| General Manager- Mr. S.R.S. De Silva | HM 2-1 | | | | ✓ | | |
| Deputy General Manager (Extensions) -Mr. C.J.I.T. Fernando | HM 1-1 | | | | ✓ | | ✓ |
| Internal Auditor - Mr. K.G. Narada | MM 1-1-1 | | | | ✓ | | |
| Manager (Finance)-Mrs. D.G.P. Jayanthi | MM 1-1-1 | | | | ✓ | | |
| Manager (Planning and Monitoring)- Mrs. M.I.J. Samarawickrama | MM 1-1-1 | | | | ✓ | | |
| Manager (Community Development)- Mr. J.M.G. Jayasingha | MM 1-1-1 | | | | ✓ | | |
| Assistant Manager (Human Resources / Administration) - Mr. Harshan De Silva | MM 1-1-1-1 | | | ✓ | | | |
| Assistant General Manager (Services) - Mr. Amitha Paskuwel | MM 1-1-1-1 | | | | ✓ | | ✓ |
| Assistant Manager :Human Resources / Administration- - Mr. K.A.C. Fernando | MM 1-1-1-1 | | | | ✓ | | |
| Assistant Manager (Finance) - Mr. P.R.I. Perera | MM 1-1-1-1 | | | (✓)* | | | |
| Assistant Manager (Finance) - Mr. B.H.C.A. Batagoda | MM 1-1-1-1 | | | | ✓ | | |
| Assistant Manager (Planning and Monitoring) -Mr. R.A. Waidyarathna | MM 1-1-1-1 | | | | ✓ | | ✓ |
| Assistant Manager :Extensions- - Mr. R.A.G.P. Ranasingha | MM 1-1-1-1 | | | | ✓ | | |
| Internal Audit Officer- Mr. Daminda Priyanjith | JM 1-1-1-1 | | | (✓)* | | | |
| Administrative Officer (Acting)- Mr. Sarachchandra Muramudalige | JM 1-1-1-1 | | | ✓ | | | |

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

| Post | Service Category | G.C.E. (O/L) | G.C.E. (A/L) | Diploma | Degree | Postgraduate Degree/Diploma | Post Graduate Degree |
|---|------------------|--------------|--------------|---------|--------|-----------------------------|----------------------|
| Galle Divisional Office | | | | | | | |
| Divisional Manager (Acting) - Mr.P.G. Somasiri | MM 1-1 | | | ✓ | | | |
| Assistant Divisional Manager (Extensions) - Mr. E.R.S. Gunawardhane | MM 1-1 | | | ✓ | | | |
| Accounts Officer - Mrs. U.L.M. Perera | JM 1-1 | | | (✓)* | | | |
| Officer In-charge-Mr. D.L.C. Suriyarachchi | JM 1-1 | | | ✓ | | | |
| Officer In-charge- Mr. G. Sisira Kumara | JM 1-1 | | | ✓ | | | |
| Officer In-charge- Mr. E.G.D. Shanthasiri | JM 1-1 | | | ✓ | | | |
| Officer In-charge- Mr. M.T. Amararuwan | JM 1-1 | | | ✓ | | | |
| Matara Divisional Office | | | | | | | |
| Divisional Manager - Mr. G.G. Bandula | MM 1-1 | | | | ✓ | | ✓ |
| Assistant Divisional Manager (Extensions)- Mr. L.K. Weerasekara | MM 1-1 | | | ✓ | | | |
| Administrative Officer - Mrs. Preethi Pushpakumari | JM 1-1 | ✓ | ✓ | | | | |
| Accounts Officer -Mrs. H.M.L. Pushpakumari | JM 1-1 | | | | ✓ | | |
| Officer In-charge Acting - Mr. T.M.S.L. Priyadarshana | JM 1-1 | | | | ✓ | | |
| Officer In-charge Acting - Mr. P.D.K. Balachandra | JM 1-1 | | | ✓ | | | |

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

| Post | Service Category | G.C.E. (O/L) | G.C.E. (A/L) | Diploma | Degree | Postgraduate Degree/ Diploma | Post Graduate Degree |
|--|------------------|--------------|--------------|---------|--------|------------------------------|----------------------|
| Ratnapura Divisional Office | | | | | | | |
| Divisional Manager (Acting) - Mr. S.S.B. Dissanayake | MM 1-1 | | | ✓ | | | |
| Assistant Divisional Manager :Extensions- - Mr. H.K. Lalith Kumara | MM 1-1 | | | | ✓ | | |
| Accounts Officer - Mrs. M.A. Piyaseeli | JM 1-1 | | | | ✓ | | |
| Administrative Officer (P.D.) - Mr. K.M. Senarathna | JM 1-1 | | ✓ | | | | |
| Officer in Charge - Mr. K.M.R.L. Bandara | JM 1-1 | | | | ✓ | | |
| Officer in Charge - Mr. S.C. Mudannayake | JM 1-1 | | | | ✓ | | |
| Officer in Charge - Mr. J.L. Edirisooriya | JM 1-1 | | | ✓ | | | |
| Kandy Divisional Office | | | | | | | |
| Divisional Manager (Acting) - Mr. W.H.S.P. Wijethunge | MM 1-1 | | | | ✓ | | |
| Assistant Divisional Manager :Extensions- - Mr. M.R.N. Dhammika | MM 1-1 | | | | ✓ | | ✓ |
| Administrative Officer - Mrs. A.W.G. Nandawathie | JM 1-1 | | ✓ | | | | |
| Public Relations Officer - Mr. Anura Dissanayake | JM 1-1 | ✓ | | | | | |
| Officer in Charge - Mr. W.J.W. Arambepola | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. T.M.J. Herath | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. T. Amarasekara | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. Anuruddha Bandara | JM 1-1 | | | | ✓ | | |
| Officer in Charge - Mr. D.M.W. Banda | JM 1-1 | | | ✓ | | | |

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

| Post | Service Category | G.C.E. (O/L) | G.C.E. (A/L) | Diploma | Degree | Postgraduate Degree/ Diploma | Post Graduate Degree |
|---|------------------|--------------|--------------|---------|--------|------------------------------|----------------------|
| N'Eliya Divisional Office | | | | | | | |
| Divisional Manager (Acting) - Mr. M.M. Wijebandara | MM 1-1 | | | ✓ | | | |
| Assistant Divisional Manager :Extensions- - Mr. S.M.K.K.B. Kapugedara | MM 1-1 | | | ✓ | | | |
| Administrative Officer - Mr. G.I.U. Somasiri | JM 1-1 | ✓ | | | | | |
| Accounts Officer - Mrs. Shayamali Premasundara | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. D.M.R.K.B. Dasanayake | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr.K.M.A.D.S. Kuruppu | JM 1-1 | | | | ✓ | | |
| Officer in Charge - Mr. G.N. Yagamuni | JM 1-1 | | | | ✓ | | |
| Officer in Charge (Acting) - Mr. D.S. Ranaweera | JM 1-1 | | | ✓ | | | |
| Uva Divisional Office | | | | | | | |
| Divisional Manager - Mr. H.R. Aruna Shantha | MM 1-1 | | | ✓ | | | |
| Assistant Divisional Manager :Extensions- - Mr. I.U.H. Mohotti | MM 1-1 | | | | ✓ | | |
| Administrative Officer (P.D.) - Mr. Gunasiri Adhikari | MM 1-1 | | ✓ | | | | |
| Accounts Officer - Mr. W.M. Dhanapala | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. M.M. Kumarasinghe | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. R.M.A.D. Rathnayake | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. H.M. Premakumara | JM 1-1 | | | ✓ | | | |

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

| Post | Service Category | G.C>E (O/L) | G.C>E. (O/L) | Diploma | Degree | Post Graduate Diploma | Masters Degree |
|--|------------------|-------------|--------------|---------|--------|-----------------------|----------------|
| Kegalle Divisional Office | | | | | | | |
| Divisional Manager - Mr. P.A. W. Nilmalgoda | MM 1-1 | | | ✓ | ✓ | | |
| Assistant Divisional Manager :Extensions- - Mr. K.A.B. Pathmaraja | MM 1-1 | | | | ✓ | | |
| Administrative Officer - Mrs. E.M.D. Amunugama | JM 1-1 | ✓ | | | | | |
| Accounts Officer - Mrs. P.G.I. Surangika | JM 1-1 | | | | ✓ | | |
| Officer in Charge - Mr. D.M.G.S. Ekanayake | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. R.M.P.R. Bandara | JM 1-1 | | | ✓ | | | |
| Kaluthara Divisional Office | | | | | | | |
| Divisional Manager (Acting) - Mr. D.M.J. Nakandala | MM 1-1 | | | ✓ | | | |
| Assistant Divisional Manager :Extensions- - Mr. W.T.R.P. Wimalaratna | MM 1-1 | | | | ✓ | | ✓ |
| Accounts Officer - Mrs. R.A.C.D.D. Jayathunga | JM 1-1 | | | | ✓ | | |
| Administrative Officer - Mr. W.A. Jayalaththissa | JM 1-1 | ✓ | | | | | |
| Officer in Charge - Mr. A.A.D.P. Abethilaka | JM 1-1 | | | ✓ | | | |
| Officer in Charge - Mr. D.V.K. Nandasiri | JM 1-1 | | | ✓ | | | |
| Ratnasiri Wickramanayake Training Centre | | | | | | | |
| Training Officer- Mr. S.C.E. Narangaspitiya | JM 1-1 | | | | ✓ | | |

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

Schedule No: 04

**Tea Production of Tea Small Holdings Sector
From 1983 - 2015 (KgM)**

| Year | National
production | Production of Tea Small Holdings
Sector | | Contribution to
national
production% |
|------|------------------------|--|------------------------------|--|
| | | Production | Percentage of
Development | |
| 1983 | 179.28 | 62.4 | - | 55.76 |
| 1984 | 208.05 | 77.4 | 6.90 | 48.06 |
| 1985 | 214.09 | 82.0 | 120.4 | 38.3 |
| 1986 | 211.27 | 83.0 | 1.2 | 39.2 |
| 1987 | 213.32 | 91.1 | 9.75 | 42.7 |
| 1988 | 226.95 | 100.2 | 9.99 | 44.1 |
| 1989 | 206.98 | 92.2 | (8.98) | 44.5 |
| 1990 | 223.16 | 113.7 | 23.3 | 48.7 |
| 1991 | 240.74 | 121.1 | 6.51 | 50.3 |
| 1992 | 178.86 | 94.9 | (21.63) | 53.0 |
| 1993 | 231.87 | 125.3 | 32.02 | 54.0 |
| 1994 | 242.21 | 139.8 | 11.57 | 57.7 |
| 1995 | 245.96 | 140.0 | 0.14 | 56.9 |
| 1996 | 258.42 | 147.8 | 5.57 | 57.2 |
| 1997 | 276.86 | 149.3 | 1.01 | 53.9 |
| 1998 | 280.05 | 165.9 | 11.12 | 59.2 |
| 1999 | 283.76 | 164.0 | (1.11) | 57.8 |
| 2000 | 305.84 | 183.7 | 12.01 | 60.0 |
| 2001 | 295.09 | 183.4 | (0.06) | 62.1 |
| 2002 | 310.03 | 189.5 | 3.33 | 61.1 |
| 2003 | 303.23 | 187.9 | (0.84) | 61.9 |
| 2004 | 308.08 | 203.0 | 8.04 | 65.9 |
| 2005 | 317.19 | 205.8 | 2.95 | 64.9 |
| 2006 | 310.82 | 212.4 | 3.2 | 68.3 |
| 2007 | 304.61 | 205.7 | (3.1) | 67.5 |
| 2008 | 318.69 | 214.8 | 4.4 | 67.4 |
| 2009 | 291.13 | 201.9 | (6) | 69.3 |
| 2010 | 331.42 | 230.1 | 13.98 | 69.4 |
| 2011 | 327.53 | 229.0 | (0.48) | 69.9 |
| 2012 | 326.27 | 233.1 | 1.78 | 71.4 |
| 2013 | 340.22 | 245.4 | 5.3 | 72.2 |
| 2014 | 338.03 | 247.4 | 0.8 | 73.1 |
| 2015 | 328.96 | 239.86 | (3.0) | 72.09 |

Source: Sri Lanka Tea Board

Schedule No: 05

**Operation of Tea Replanting Subsidy Scheme
1978 - 2015**

| Year | No. of permits issued | Extent of land covered by permits (Ha) | Extent of uprooted lands (Ha) | Extent of planted land | Annual expenditure Rs.M | Annual allocations Rs.M |
|-------------|------------------------------|---|--------------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 1978 | - | - | 422 | 412 | 5.40 | - |
| 1979 | - | - | 546 | 573 | 8.10 | 5.10 |
| 1980 | - | - | 550 | 554 | 9.10 | 10.90 |
| 1981 | 1740 | - | 564 | 563 | 9.40 | 9.60 |
| 1982 | 1459 | - | 524 | 508 | 12.80 | 10.60 |
| 1983 | 1758 | 826 | 454 | 379 | 11.20 | 11.50 |
| 1984 | 2404 | 1317 | 466 | 340 | 11.80 | 13.00 |
| 1985 | 1160 | 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 | 4827 | 2439 | 478 | 362 | 19.20 | 22.59 |
| 1991 | 3109 | 1423 | 581 | 304 | 20.49 | 33.91 |
| 1992 | 1348 | 526 | 662 | 409 | 20.33 | 27.00 |
| 1993 | 3699 | 1147 | 507 | 516 | 29.79 | 32.24 |
| 1994 | 2627 | 906 | 770 | 553 | 31.62 | 60.46 |
| 1995 | 3465 | 1267 | 1390 | 533 | 38.00 | 41.75 |
| 1996 | 4475 | 1319 | 724 | 508 | 31.05 | 43.41 |
| 1997 | 6235 | 1580 | 923 | 435 | 40.32 | 68.91 |
| 1998 | 5507 | 1586 | 674 | 635 | 65.64 | 61.69 |
| 1999 | 3660 | 955 | 861 | 767 | 88.82 | 77.95 |
| 2000 | 6930 | 1796 | 722 | 519 | 72.68 | 92.84 |
| 2001 | 7093 | 1952 | 841 | 574 | 77.76 | 98.85 |
| 2002 | 9983 | 2565 | 991 | 736 | 99.17 | 106.57 |
| 2003 | 11928 | 2892 | 1179 | 765 | 122.82 | 150.11 |
| 2004 | 10618 | 2621 | 1398 | 891 | 188.10 | 179.07 |
| 2005 | 9291 | 2127 | 1306 | 1058 | 174.83 | 182.13 |
| 2006 | 6755 | 1578 | 927 | 1001 | 183.34 | 181.90 |
| 2007 | 5274 | 1030 | 1008 | 1024 | 172.89 | 214.75 |
| 2008 | 6945 | 1337 | 1128 | 881 | 194.59 | 190.59 |
| 2009 | 6493 | 1610 | 925 | 777 | 178.17 | 190.17 |
| 2010 | 7781 | 1895 | 1015 | 847 | 177.85 | 153.00 |
| 2011 | 8033 | 2170 | 947 | 772 | 187.64 | 156.26 |
| 2012 | 11889 | 2647 | 1087 | 889 | 226.83 | 300.17 |
| 2013 | 13802 | 2928 | 1188 | 1165 | 351.87 | 236.75 |
| 2014 | 10134 | 2540 | 810 | 720 | 258.09 | 391.75 |
| 2015 | 9006 | 2278 | 1173 | 806 | 420.07 | 464.69 |

Source: Progress report of Tea Small Holdings Development

Schedule No: 06

Operation of crop rehabilitation (prunning) subsidy scheme of tea lands 1979 - 2015

| Year | Allowed no. of plants | No. Of plants to which first instalment was paid | No. Of plants to which second instalment was paid | Paid subsidy Rs.M | Annual allocations Rs.M |
|--------|-----------------------|--|---|-------------------|-------------------------|
| 1979 | 858030 | 72938 | | | 1.00 |
| 1980 | 1436369 | 455351 | | 0.44 | 2.60 |
| 1981 | 950558 | 477546 | | 0.45 | 1.37 |
| 1982 | 1080257 | 1129 | 103392 | 0.67 | 1.07 |
| 1983 | 1391855 | 477230 | 166158 | 0.63 | 1.73 |
| 1984 | 5935521 | 799715 | 101773 | 1.99 | 2.30 |
| 1985 | 4260727 | 3330268 | 344545 | 8.78 | 4.37 |
| 1986 | 7123986 | 5087525 | 1242922 | 15.41 | 5.88 |
| 1987 | 5818170 | 5269971 | 2484684 | 16.57 | 8.16 |
| 1988 | 5121825 | 3861892 | 2496705 | 10.00 | 19.37 |
| 1989 | 3903899 | 4257670 | 3377046 | 13.30 | 19.60 |
| 1990 | 3847466 | 2986998 | 2975849 | 9.32 | 7.20 |
| 1991 | | 1029987 | 3528586 | 8.95 | 9.04 |
| 1992 | | 235404 | 1148371 | 2.49 | 5.00 |
| 1993 | | 6607 | 1658 | 0.30 | |
| 1994 | | 16432 | 46030 | 0.12 | |
| 1995 | | 20298 | 7073 | 0.46 | 2.45 |
| *1996 | | 13278 | 3181 | 1.19 | 15.20 |
| **1996 | 5600900 | 3867981 | | | |
| **1997 | 6965923 | 5301839 | | 9.03 | 12.00 |
| 1998 | | 1707845 | | 4.14 | 15.02 |
| *1999 | | | 14012 | 8.20 | 11.16 |
| **1999 | 617120 | 2454895 | 1846445 | | |
| 2000 | 2713972 | 812174 | 389248 | 3.68 | 11.54 |
| 2001 | 1412860 | 1078708 | 209534 | 5.68 | 11.54 |
| 2002 | 4031727 | 2522872 | 486948 | 11.22 | 10.38 |
| 2003 | 3012892 | 1636901 | 380013 | 9.38 | 12.00 |
| 2004 | 2303061 | 1489167 | 593906 | 14.46 | 12.99 |
| 2005 | 1566327 | 1242648 | 776661 | 8.11 | 12.37 |
| 2006 | 972913 | 520610 | 540819 | 7.79 | 8.58 |
| 2007 | 1092856 | 516471 | 308325 | 4.13 | 6.00 |
| 2008 | 836729 | 519607 | 404331 | 4.84 | 3.00 |
| 2009 | 995822 | 431699 | 232217 | 3.25 | 3.59 |
| 2010 | 769104 | 424227 | 254715 | 3.58 | 5.00 |
| 2011 | 1379734 | 504322 | 182401 | 6.32 | 9.24 |
| 2012 | 1902051 | 766991 | 345152 | 14.35 | 8.66 |
| 2013 | 1060634 | 497592 | 420611 | 11.24 | 6.00 |
| 2014 | 776271 | 271015 | 232034 | 5.91 | 17.50 |
| 2015 | 754170 | 308950 | 199923 | 6.43 | 6.00 |

**Prunning scheme from societies

Source: Progress report of TSHDA

Schedule No: 07

**Operation of Tea new planting subsidy scheme
1978 - 2015**

| Year | No. of permits issued | Extent of land covered by permits (Ha) | Extent of uprooted lands (Ha) | Extent of planted land | Annual expenditure Rs.M | Annual allocations Rs.M |
|-------------|------------------------------|---|--------------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 1978 | - | - | 129 | 40 | 0.3 | - |
| 1979 | - | - | 210 | 110 | 0.5 | - |
| 1980 | - | - | 185 | 118 | 1 | 7.7 |
| 1981 | 1878 | - | 328 | 239 | 1.9 | 2.1 |
| 1982 | 1992 | - | 388 | 316 | 2.9 | 2.4 |
| 1983 | 2757 | 866 | 393 | 264 | 2.7 | 4 |
| 1984 | 7754 | 2667 | 461 | 279 | 2.4 | 3.2 |
| 1985 | 7754 | 1764 | 857 | 599 | 9.5 | 6.3 |
| 1986 | 4999 | 1982 | 1586 | 1430 | 30.5 | 9.3 |
| 1987 | 3939 | 1375 | 1218 | 1183 | 26.5 | 13.5 |
| 1988 | 3737 | 1323 | 814 | 878 | 19.7 | 29.7 |
| 1989 | 4532 | 1837 | 1013 | 1011 | 34.9 | 34.2 |
| 1990 | 12680 | 3937 | 1676 | 1647 | 44.6 | 39.9 |
| 1991 | 3785 | 1120 | 2088 | 1843 | 57.8 | 42 |
| 1992 | 10533 | 4163 | 1954 | 1948 | 52.2 | 58 |
| 1993 | 12318 | 2720 | 1753 | 1622 | 51.57 | 50.57 |
| 1994 | 8106 | 1803 | 2339 | 1661 | 50.95 | 66.50 |
| 1995 | 5822 | 134 | 2407 | 1237 | 44.52 | 49.80 |
| 1996 | 2176 | 378 | 486 | 450 | 20.91 | 18.78 |
| 1997 | 3797 | 576 | 340 | 293 | 14.08 | 9.08 |
| 1998 | 4284 | 632 | 315 | 381 | 23.82 | 13.50 |
| 1999 | 6694 | 952 | 484 | 405 | 13.04 | 12.24 |
| 2000 | 3674 | 671 | 433 | 256 | 7.36 | 9.03 |
| 2001 | 6353 | 1084 | 419 | 399 | 15.58 | 11.91 |
| 2002 | 12338 | 2542 | 567 | 562 | 30.62 | 20.86 |
| 2003* | - | 654 | 647 | 642 | 27.95 | 24.94 |
| 2004 | - | - | - | 12 | 3.25 | 7.94 |
| 2005 | - | - | 1.42 | 8 | 0.30 | 2.42 |
| 2006 | - | - | 0.33 | 0.83 | 0.042 | 0.37 |
| 2011 | 430 | 45 | 28.14 | 28.38 | 1.18 | 2.08 |
| 2012 | 2990 | 517 | 260 | 239 | 23.20 | 24.00 |
| 2013 | 2872 | 543 | 258 | 263 | 42.41 | 3.60 |
| 2014 | 5315 | 1034 | 426 | 401 | 66.98 | 51.50 |
| 2015 | 4239 | 846 | 475 | 479 | 128.12 | 128.88 |

*This subsidy scheme was not implemented from year 2003 to 2010

Source: Progress report of Tea Small Holdings Development

Schedule No: 08

**Subsidy scheme for panting Tea with Rubber
1999 - 2009**

| Year | No. Of
issued
permits | Extent of
land covered
by permits
(Ha) | Soil
preparat
ion (Ha.) | Plantation
(Ha.) | Annual
expenditu
re Rs.M | Annual
allocation
Rs.M |
|-------------|--------------------------------------|---|--|-----------------------------|---|---------------------------------------|
| 1999 | 317 | 164 | 7.72 | 7.70 | 0.089 | 1.96 |
| 2000 | 153 | 92 | 30.00 | 30.00 | 0.57 | 3.01 |
| 2001 | 262 | 63 | 19.7 | 16.2 | 0.408 | 1.86 |
| 2002 | 96 | 52 | 9.02 | 7.88 | 0.92 | 1.90 |
| 2003 | 150 | 60 | 16 | 15 | 0.76 | 2.64 |
| 2004 | 135 | 51 | 8 | 9 | 0.46 | 0.86 |
| 2005 | 76 | 29 | 15 | 14.6 | 0.197 | 1.46 |
| 2006 | 18 | 7 | 8.8 | 6.8 | 0.469 | 0.69 |
| 2007 | 8 | 3 | 4.5 | 4.4 | 0.146 | 0.41 |
| 2008 | 8 | 3 | - | - | - | - |
| 2009 | 3 | 1.8 | 0.7 | 0.4 | 0.016 | - |

*This subsidy scheme was not implemented from year 2010

Source: Progress report of Tea Small Holdings Development

Issuance of shoots of new species of modified mother plants - 2015

| District | Venue | Commercial nurseries | % | Tea small holders | % | Societies and other | % | Institutional nurseries | % | Production | | |
|--------------------|------------------------------|----------------------|--------------|-------------------|--------------|---------------------|-------------|-------------------------|--------------|----------------|---------------|----------------|
| | | | | | | | | | | Amount | % | target |
| Galle | Neluwa and Walahanduwa | 0 | 0.00 | 22,175 | 59.97 | 7,800 | 21.10 | 7,000 | 18.93 | 36,975 | 11.92 | 68,000 |
| Hanthana | Hanthana | 0 | 0.00 | 26,300 | 39.14 | 0 | 0.00 | 40,900 | 60.86 | 67,200 | 21.66 | 0 |
| Kaluthara | Wogan | 11,950 | 11.65 | 7,160 | 6.98 | 2,470 | 2.41 | 81,025 | 78.97 | 102,605 | 33.07 | 100,000 |
| Kandy | Rahathungoda and Sooriyagoda | 5,000 | 17.15 | 2,650 | 9.09 | 0 | 0.00 | 21,500 | 73.76 | 29,150 | 9.39 | 26,000 |
| Kegalle | Hingula | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,000 |
| N'Eliya | Nelligolla and Thispane | 4,200 | 12.45 | 1,000 | 2.96 | 0 | 0.00 | 28,530 | 84.58 | 33,730 | 10.87 | 71,000 |
| Uva | Bandarawela and Haliela | 30,011 | 73.88 | 9,498 | 23.38 | 0 | 0.00 | 1,110 | 2.73 | 40,619 | 13.09 | 57,650 |
| Grand Total | | 51,161 | 16.49 | 68,783 | 22.17 | 10,270 | 3.31 | 180,065 | 58.03 | 310,279 | 100.00 | 335,650 |

Schedule No: 9 - B

Operation of Institutional Tea Nurseries – 2015 (Rupees)

| Description | Hanthana | Rahathungoda | Walahanduwa | Hingula | Hedigalla | Wogan | Thispane | Mawarala | Total |
|--|----------|--------------|-------------|-----------|-----------|-----------|-----------|-----------|------------|
| Stock as at 2014'01'01 | | | | | | | | | |
| No. of shoots | 45,454 | 27,642 | 44,355 | 208,942 | 36,522 | 112,219 | 219,599 | 12,000 | 706,733 |
| Value | 240,471 | 745,495 | 382,495 | 1,658,577 | 420,518 | 659,098 | 1,656,352 | 382,426 | 6,145,433 |
| Planted during the year | | | | | | | | | |
| No. of shoots | 53,054 | 192,882 | 40,000 | 109,110 | 66,826 | 159,251 | 133,519 | 51,566 | 806,208 |
| Value | 397,730 | 1,726,170 | 944,824 | 2,197,908 | 1,050,933 | 1,990,832 | 2,358,159 | 878,588 | 11,545,144 |
| Dead Plants | | | | | | | | | |
| No. of shoots | 454 | 51,699 | 12,930 | 31,745 | 11,595 | 14,389 | 51,074 | 15,181 | 189,067 |
| Value | 55,201 | 31,300 | 9,375 | 188,039 | 31,175 | 89,566 | 182,072 | 19,960 | 606,688 |
| Stock as at 2014'12'31 | | | | | | | | | |
| No. of shoots | 418,873 | 373,722 | 235,338 | 2,389,062 | 397,488 | 772,440 | 1,990,428 | 520,199 | 7,097,551 |
| Value | 42,853 | 137,525 | 62,050 | 98,268 | 60,578 | 167,515 | 119,972 | 28,425 | 717,186 |
| Plants suitable for sale | | | | | | | | | |
| Number | 219,328 | 2,097,943 | 1,091,982 | 1,467,423 | 1,073,963 | 1,877,489 | 2,024,082 | 740,815 | 10,593,026 |
| Value | 11,79 | 13,36 | 13,18 | 13,66 | 14,78 | 0,13 | 13,79 | 15,88 | 11,88 |
| Production cost of a plant ^Estimated& | | | | | | | | | |
| Number | 42,853 | 137,525 | 62,050 | 98,268 | 60,578 | 167,515 | 119,972 | 28,425 | 717,186 |
| Value | 792,781 | 2,544,213 | 1,147,925 | 1,817,958 | 1,118,068 | 3,095,528 | 2,219,482 | 525,863 | 13,268,816 |
| Cost of a plant on sale | | | | | | | | | |
| Number | 5,11 | 15,25 | 17,59 | 14,93 | 17,72 | 11,20 | 16,87 | 26,06 | 14,77 |
| Value | 573,453 | 446,269 | 55,943 | 350,535 | 44,105 | 1,218,038 | 195,400 | (214,952) | 2,688,790 |
| Profit / Loss | | | | | | | | | |

Source: Tea Small Holdings Development Progress Report

Function of Commercial Tea Nurseries – 2014/2015

| Regional office | Issuance of permits | | First examination (CN - 04) | | | Second examination (CN - 05) | | | Third examination (CN - 06) | | |
|-----------------|---------------------|----------------|-----------------------------|----------------------|-------------------|------------------------------|--------------------------|------------------------|-----------------------------|-------------------------|--------------|
| | No. of nurseries | Plant capacity | No. of active nurseries | No. of planted stems | Capacity as per % | No. of active nurseries | No. of successful plants | % as per planted stems | No. of nurseries | No. of certified plants | % of success |
| Galle | 194 | 8,808,750 | 153 | 2,935,175 | 33 | 123 | 2,318,148 | 79 | 24 | 91,250 | 4 |
| Matara | 229 | 6,189,000 | 187 | 1,968,492 | 32 | 171 | 1,750,116 | 89 | 87 | 540,305 | 31 |
| Kaluthara | 50 | 151,000 | 25 | 585,000 | 387 | 17 | 485,000 | 83 | 17 | 485,000 | 100 |
| Ratnapura | 85 | 5,418,700 | 55 | 1,936,775 | 36 | 36 | 1,438,845 | 74 | 11 | 331,850 | 23 |
| Kandy | 148 | 5,182,000 | 134 | 1,817,732 | 35 | 101 | 1,472,000 | 81 | 36 | 838,400 | 57 |
| N'Eliya | 82 | 3,566,000 | 60 | 1,698,956 | 48 | 17 | 750,500 | 44 | 7 | 89,000 | 12 |
| Uva | 167 | 4,663,500 | 137 | 2,914,365 | 62 | 17 | 2,254,685 | 77 | 64 | 939,405 | 42 |
| Kegalle | 30 | 2,270,000 | 15 | 237,720 | 10 | 12 | 354,500 | 149 | 3 | 60,000 | 17 |
| Total | 985 | 36,248,950 | 766 | 14,094,215 | | 594 | 10,823,794 | | 249 | 3,375,210 | |

Source: Tea Smallholdings Development Authority Progress Report.

Function of Commercial Tea Nurseries – 2015/2016

| Regional Office | Issuance of Permits | | First Examination(CN - 04) | | | Second Examination (CN - 05) | | | Third Examination (CN - 06) | | |
|-----------------|---------------------|----------------|----------------------------|-------------------|----------------|------------------------------|--------------------------|-----------------|-----------------------------|-------------------------|-----------------------|
| | Number of Nurseries | Plant Capacity | Number of Active Nurseries | No. of Replanting | % per Capacity | Number of Active Nurseries | No. of Successful plants | % per plantings | Number of Nurseries | No. of certified plants | Successful percentage |
| Galle | 144 | 4,593,000 | - | - | - | - | - | - | - | - | - |
| Matara | 192 | 5,347,000 | - | - | - | - | - | - | - | - | - |
| kaluthara | 39 | 2,137,000 | 26 | 1,000,000 | 47 | - | - | - | - | - | - |
| ratnapura | 28 | 1,362,000 | 2 | 52,000 | 4 | - | - | - | - | - | - |
| Kandy | 98 | 3,759,000 | 77 | 896,950 | 24 | 1 | 12,500 | 1 | 1 | 200 | 2 |
| N'Eliya | 19 | 662,000 | 3 | 177,000 | 18 | - | - | - | - | - | - |
| Uva | 4 | 92,500 | 1 | 2,300 | 2 | - | - | - | - | - | - |
| kegalle | 16 | 1,070,000 | - | - | - | - | - | - | - | - | - |
| Total | 510 | 19,112,500 | 109 | 2,068,250 | 11 | 1 | 12,500 | 1 | 1 | 200 | 1 |

Schedule No: 10 - A

Prices of Tea at the Colombo Tea Auction Based on Elevation

1985 - 2015 Average Gross Price

(Price - Rupees per 1kg)

| Year | Up country | Mid country | Low country | Total average |
|-------------|-------------------|--------------------|--------------------|----------------------|
| 1985 | 39.55 | 35.93 | 40.60 | 39.01 |
| 1986 | 31.58 | 28.49 | 31.26 | 30.68 |
| 1987 | 38.76 | 35.09 | 42.46 | 39.30 |
| 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 |

Source: Sri Lanka Tea Board

Schedule No: 10 - B

Estimation of Production Cost for a Kilo of Green Leaf 2015 (Low Country)

10140 Kg of Green Leaf Per Annum / Hectar (2181 kg of Processed Tea)

(With Subsidy)

| | Activity | Frequency of Practice | Labour units | Green Leaf | Total Cost | % |
|---|---|---|--------------|--------------|---------------|-------|
| 1 | i.Plucking (20kg per individual per day) | 1/2 Labour 45 times | 507 | - | 304200 | 64.27 |
| | ii Leaf Transportation | | 23 | | 13800 | 2.92 |
| 2 | Weeding | 10 labourers per month | 60 | - | 36000 | 7.61 |
| 3 | Fertilizer mixure and application | | | | | |
| | i Adding the fertilizer mixure to matured tea crops | 8 labourers each (Up to 2-4 occasions) | 24 | 25688 | 40088 | 8.47 |
| | ii Adding Dolomite | 4 labourers each (2 occasions cycle) | 2 | 4002 | 5202 | 1.10 |
| | iii Adding Zinc | 5 labourers each(2 times) | 10 | 1067 | 7067 | 1.49 |
| 4 | Shade Management | 5 labourers each (2 times) | 10 | | 6000 | 1.27 |
| 5 | Prunning | 30-40 labourers each
(2 occasions cycle) | 20 | | 24000 | 5.07 |
| 6 | Mossing | 12-20 labourers each
(2 occasions cycle) | 10 | | 6000 | 1.27 |
| 7 | Tipping | 12-20 labourers each
(2 occasions cycle) | 10 | | 6000 | 1.27 |
| 8 | Draining | 36 labourers each
(2 occasions cycle) | 18 | | 10800 | 2.28 |
| 9 | Infilling | For 16 Labourers and 375 plants | 8 | 9375 | 14175 | 2.99 |
| | | | 720 | 40132 | 473332 | 100 |

| | | |
|---|---------------------|-----------------------------------|
| Average Production Cost per kilo of Greenleaf | 46.68 | (Without General Expenses) |
| General Expenditure | 7.00 | (General Charges) |
| Transport Cost | <u>1.80</u> | |
| Production Cost | <u>55.48</u> | |

- * Two year time circle has been used for the low country lands
- * Fertilizer mixures and volumes are as per recommendations of Tea Research Institute and the prices are that existed during the year
- * Price of a VP tea plant is Rs. 25/-
- * Transport cost has been included in the raw material cost
- * Daily Wages of Labourers - Rs. 600
- * Daily Wages for Prunning Rs. 1200
- * Dolomite 1MT Rs. 6000
- * Zinc Sulphate 1kg Rs. 97
- * UT-397/VPLC/U 709/ UT 752 MT 1(with subsidy) Rs. 26000

Schedule 11 - A

Production Cost Estimate for Replanting at High and Mid Elevations - 2015 (From Uprooting to Plucking Stage) Rs / Hectare Daily wage Rs.1000

| | Amount pending | Uprooting | | | Soil rehabilitation | | | Planting of tea | | | Intercance in the first year | | | Intercance in the second year | | | Total cost | | | Percent age of the total cost % |
|---|----------------|------------|---------------|------------|---------------------|---------------|------------|-----------------|---------------|------------|------------------------------|---------------|------------|-------------------------------|---------------|------------|------------|---------------|------------|---------------------------------|
| | | First year | | | Second year | | | Third year | | | Fourth year | | | Fifth year | | | Total cost | | | |
| | | L1000 | Material cost | Total cost | L1000 | Material cost | Total cost | L1000 | Material cost | Total cost | L1000 | Material cost | Total cost | L1000 | Material cost | Total cost | L1000 | Material cost | Total cost | |
| 1 Uprooting old tea plants and clearing (40 bushes per day in a land with 50 % | | 132 | | 132000 | | | | | | | | | | | | | 132 | | 132000 | 5.73 |
| 2 Forking, leveling and removing roots | | 200 | | 200000 | | | | | | | | | | | | | 200 | | 200000 | 8.68 |
| 3 Preparation of slope, drains and lining. | | 100 | | 100000 | | | 40000 | | | 10000 | | | | | | | 100 | | 100000 | 6.94 |
| 4 Application of Dolomite (Rs. 6.00 per 1 kg) | 3952 | 23712 | 2 | 23712 | | | | | | | | | | | | | 2 | 23712 | 23712 | 1.12 |
| 5 Planting Gauthalana grass (500 cuttings per day) | | 34 | | 34000 | | | | | | | | | | | | | 34 | | 34000 | 2.34 |
| 6 Applying fertilizer for grass (Rs. 26.00 per 1 kg for 989 kg) | 1300 | 33800 | 4 | 96520 | 13620 | 4 | 16120 | 20120 | 1 | 8060 | 9060 | | | | | | 9 | 33800 | 42800 | 1.86 |
| 7 Lopping grass (1 labour unit per lopping) | | 14 | | 14000 | | 56 | 36000 | | | | | | | | | | 70 | | 70000 | 3.04 |
| 8 Weeding (10 labour unit at a time) | | 30 | | 30000 | | 20 | 20000 | | | 100000 | 120 | | | | | | 300 | | 300000 | 16.92 |
| 9 Planting of trees for shade(Rs. 1.00 per shoot for 740 Accasia and Dadaps) and 370 | 740 | 2960 | 6 | 2960 | | 1 | 242 | 1242 | | | | | | | | | 7 | 3202 | 10202 | 0.44 |
| 10 Planting tall trees for shade (100 Gravelia trees, Rs. 6 each) and Dolomite 100kg | 100 | 2082 | 4 | 2082 | | 1 | 108 | 1108 | | | | | | | | | 5 | 2190 | 7190 | 0.31 |
| 11 Removing grass | | | | | | | | | 20 | 20000 | | | | | | | 20 | | 20000 | 0.87 |
| 12 Digging holes, lining and pegging | | | | | | | | | 180 | 180000 | | | | | | | 180 | | 180000 | 7.81 |
| 13 Planting tea (Rs. 2.5/- each) | 12500 | 312500 | | | | | | | 60 | 187500 | 247500 | | | | | | 60 | 187500 | 247500 | 10.74 |
| 14 Management of shade (Two occasions per year) | | | | | | 6 | 6000 | | 12 | 12000 | | | | | | | 12 | 12000 | | 2.08 |
| Controlling Blister Blight (Rs. 93/- per 200g) | | | | | | | | | | | | | | | | | | | | |
| 15 of Perenox, 10times 280g at a time) | 3 | 1302 | | | | | | | 40 | 1302 | 41302 | | | | | | 40 | 1302 | 41302 | 5.38 |
| 16 Bringing the tea plants into the plucking stage | | | | | | | | | | | | | | | | | | | | |
| 17 Mulching | | | | | | | | | 100 | 100000 | | | 12 | | | | 12 | 12000 | | 1.17 |
| 18 Applying fertilizer (200 T Third year) | 1200 | 31200 | | | | | | | 20 | 31200 | 51200 | 20 | 63180 | | | | 40 | 94380 | 134380 | 5.83 |
| 19 Fourth year | 2430 | 63180 | | | | | | | 60 | | 60000 | 60 | | | | | 32 | 32000 | 152000 | 6.60 |
| 20 750 T Fifth year | 1750 | 43500 | | | | | | | | | | | | | | | | 45500 | 45500 | 1.97 |
| 21 Infilling | 2000 | 25 | | | | | | | | | | | 12 | 11250 | 23250 | 6 | 11250 | 17250 | 40500 | 1.76 |
| 22 Nematode control (7g per hole)Applying Curator | 88 | 4840 | | | | | | | 4 | 4840 | 8840 | | | | | | | | 8840 | 0.38 |
| 23 For pest control and equipment | | | | | | | | | | | | | | | | | | | | |
| Total | | | | | | | | | | | | | | | | | | | | |
| | | 546 | 40374 | 306374 | 128 | 18470 | 146470 | 607 | 234902 | 841902 | 359 | 77732 | 436732 | 233 | 60052 | 293052 | 1873 | 431590 | 2304590 | 100 |

* The cost estimate conforms to the recommendations of the Tea Research Institution and material cost and transport cost are included.

Production Cost Estimate for Replanting at Low Elevations - 2015
(From Uprooting to Plucking Stage) Rs. / Hectare

| | Amount pending | Daily wage Rs. 1000 | | | | | | | | | | Percentage of the total cost % | | | | | | | | | | |
|---|----------------|-------------------------|------------------|---------------|-------------------------|------------------|---------------|-------------------------|------------------|---------------|-------------------------------|--------------------------------|------------------|---------------|--------------------------------|------------------|---------------|-------------------------|------------------|---------------|------|--|
| | | Uprooting | | | Soil rehabilitation | | | Planting of tea | | | Maintenance in the first year | | | | Maintenance in the second year | | | | Total cost | | | |
| | | L2000
labour
unit | Material
cost | Total
cost | L2000
labour
unit | Material
cost | Total
cost | L2000
labour
unit | Material
cost | Total
cost | L2000
labour
unit | | Material
cost | Total
cost | L2000
labour
unit | Material
cost | Total
cost | L2000
labour
unit | Material
cost | Total
cost | | |
| | | 104 | | | | | | | | | | | | | | | 104 | | 104000 | 4.83 | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| | | 125 | | 125000 | | | | | | | | | | | | | | 125 | | 125000 | 5.80 | |
| | | 100 | | 100000 | 40 | | 40000 | 10 | | 10000 | 5 | | 5000 | | | 5000 | 160 | | 160000 | 7.42 | | |
| 1 Uprooting old tea plants and clearing (40 bushes per day in a land | 1976 | 11856 | 2 | 11856 | 13856 | | | | | | | | | | | | 2 | 11856 | 13856 | 0.64 | | |
| 2 Forking, leveling and removing roots | | | 54 | | 54000 | | | | | | | | | | | | 54 | | 54000 | 2.51 | | |
| 3 Preparation of slope, drains and lining. | | | | | | | | | | | | | | | | | | | | | | |
| 4 Application of Dolomite (Rs. 6.00 per 1 kg) | 1610 | 41860 | 4 | 9620 | 13620 | 4 | 24180 | 1 | 8060 | 9060 | | | | | | | 9 | 41860 | 50860 | 2.36 | | |
| 5 Planting Gauthabma grass (500 cuttings per day) | | | 14 | | 14000 | 56 | | | | | | | | | | | 70 | | 70000 | 3.25 | | |
| 6 Applying fertilizer for grass (Rs. 26.00 per 1 kg for 989 kg) | | | 30 | | 30000 | 20 | | 20000 | 100 | | 100000 | 120 | | 120000 | 120 | | 390 | | 390000 | 18.10 | | |
| 7 Lopping grass (1 labour unit per lopping) | 300 | 2520 | 8 | 2520 | 10520 | 1 | 252 | 1252 | | | | | | | | | 9 | 2772 | 11772 | 0.55 | | |
| 8 Weeding (10 labour units at a time) | | | | | | | | | | | | | | | | | | | | | | |
| 9 Planting of trees for shade(For 300 Accacia and Dadapeo plants and | 100 | 2082 | 6 | 2082 | 8082 | 1 | 208 | 1208 | | | | | | | | | 7 | 2290 | 9290 | 0.43 | | |
| | | | | | | | | | 20 | | 20000 | | | | | | 20 | | 20000 | 0.93 | | |
| | | | | | | | | | 180 | | 180000 | | | | | | 180 | | 180000 | 8.35 | | |
| 10 Planting all trees for shade (100 Gravelia trees, Rs. 6 each) and | | | | | | | | | 60 | 187500 | 247500 | | | | | | 60 | 187500 | 247500 | 11.49 | | |
| 11 Removing grass | 12500 | 312500 | | | | | | | 12 | | 12000 | 15 | | 15000 | 15 | | 48 | | 48000 | 2.23 | | |
| 12 Digging holes, lining and pegging | | | | | | 6 | 6000 | | | | | | | | | | | | | | | |
| 13 Planting tea (Rs. 25/- each) | | | | | | | | | 20 | 1302 | 21302 | 20 | 1302 | 21302 | 20 | 1302 | 60 | 2604 | 62604 | 2.91 | | |
| 14 Management of shade (Two occasions per year) | 3 | 1302 | | | | | | | | | | | | | | | 0 | 1302 | 1302 | 0.06 | | |
| 15 Controlling Blister Blight (Rs. 93/- per 200g of Perenox, 10times | | | | | | | | | | | | 12 | | 12000 | 15 | | 27 | | 27000 | 1.25 | | |
| | | | | | | | | | 100 | | 100000 | 75 | | 75000 | | | 175 | | 175000 | 8.12 | | |
| 16 Bring the tea plants into the plucking stage | 1200 | 31200 | | | | | | | 20 | 31200 | 51200 | 20 | 63180 | 83180 | | | 40 | 94380 | 134380 | 6.24 | | |
| 17 Mulching | 2430 | 63180 | | | | | | | 60 | | 60000 | 60 | | 60000 | 32 | | 152 | | 152000 | 7.05 | | |
| 18 Applying fertilizer (200 T Third year) | | | | | | | | | | | | | | | | | | 45500 | 45500 | 2.11 | | |
| Fourth year | 1750 | 45500 | | | | | | | | | | | | | | | | | | | | |
| 750 T Fifth year | 2000 | 25 | | | | | | | | | | 12 | 15000 | 27000 | 12 | 15000 | 24 | 30000 | 54000 | 2.51 | | |
| 19 Infilling | | | | | | | | | | | | | | | | | | | | | | |
| 20 Nematode control (7 g per hole) Applying Curater | 88 | 4840 | | | | | | | 4 | 4840 | 8840 | | | | | | 4 | 4840 | 8840 | 0.41 | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 21 For pest control and equipment | | | | 2000 | 2000 | | 2000 | 2000 | | 2000 | | | 2000 | | | 2000 | | 2000 | 10000 | 0.46 | | |
| Total | | | 447 | 28078 | 475078 | 128 | 26640 | 154640 | 587 | 234902 | 821902 | 339 | 81482 | 420482 | 219 | 63802 | 282802 | 1720 | 434904 | 2,154,904 | 100 | |

Schedule no: 12

**Provision of Fertilizer for Tea Small Holders Under the Loan Scheme
M.T. (Up to 1993 - 2009)**

| Year | Loan Scheme | Other | For Cash | Total Issue |
|------|-------------|--------|----------|-----------------|
| 1993 | 2405 | 448 | 552 | 3405 |
| 1994 | 2811 | 93 | 329 | 3233 |
| 1995 | 3591 | 375 | 417 | 4353 |
| 1996 | 8278 | 426 | 261 | 8968 |
| 1997 | 12879 | 779 | 162 | 13820 |
| 1998 | 11035 | 3915 | 577 | *15527 / +17700 |
| 1999 | 11210 | 712 | 343 | 12992 |
| 2000 | 15317 | 191 | 351 | 15859 |
| 2001 | 15905 | 84 | 432 | 16421 |
| 2002 | 16009 | 163 | 734 | 16906 |
| 2003 | 8845 | 5 | 274 | 9124 |
| 2004 | 8480 | 0.7 | 527 | 9007 |
| 2005 | 8412 | 523 | 243 | 9178 |
| 2006 | 3800 | 1284.2 | 628 | 5712 |
| 2007 | 1877 | 3087 | 238 | 5202 |
| 2008 | 1378 | 2970 | 190 | 4538 |
| 2009 | 964 | - | 92 | - |

* With Dolomite

* Without Dolomite

** Provision of the fertilizer subsidy to tea small holders was beyond the responsibilities of the Authority from year 2009

Schedule No: 13

Tea Exports and Foreign Exchange Earnings

1995 – 2015

| Year | **Exported Amount (KgM) | * Amount of Export Earnings (Rs. M) | % of Contribution to Total Export Earnings |
|-------------|----------------------------------|--|---|
| 1995 | 240 | 24638 | 12.62 |
| 1996 | 244 | 34068 | 15.02 |
| 1997 | 269 | 42533 | 15.51 |
| 1998 | 272 | 50280 | 16.19 |
| 1999 | 269 | 43728 | 13.44 |
| 2000 | 288 | 53133 | 12.06 |
| 2001 | 294 | 61602 | 14.31 |
| 2002 | 291 | 63105 | 14.00 |
| 2003 | 298 | 65937 | 13.30 |
| 2004 | 300 | 74890 | 12.08 |
| 2005 | 309 | 81480 | 12.70 |
| 2006 | ***315 | ***86337 | 12.80 |
| 2007 | ***294 | ***106217 | 13.20 |
| 2008 | 320 | 137585 | 15.60 |
| 2009 | 280 | 136183 | 16.70 |
| 2010 | 315 | 155608 | 16.60 |
| 2011 | 323 | 164869 | 14.10 |
| 2012 | 320 | 180430 | 14.48 |
| 2013 | 319.6 | 199446 | 14.80 |
| 2014 | 327.3 | 212588 | 14.60 |
| 2015 | 306.9 | 182054 | 12.80 |

* With re-export earnings

** Including imported tea

*** Excluding re-export earnings

Source: Central Bank of Sri Lanka

Schedule No : 14

**Value Added by Tea to the Gross National Product.
(1992 - 2015)**

| Year | Value Added % |
|------|---------------|
| 1992 | 2.0 |
| 1993 | 2.4 |
| 1994 | 2.3 |
| 1995 | 2.1 |
| 1996 | 2.2 |
| 1997 | 2.4 |
| 1998 | 2.8 |
| 1999 | 2.4 |
| 2000 | 2.6 |
| 2001 | 2.3 |
| 2002 | 2.4 |
| 2003 | 2.3 |
| 2004 | 2.2 |
| 2005 | 2.0 |
| 2006 | 1.8 |
| 2007 | 1.2 |
| 2008 | 1.6 |
| 2009 | 1.7 |
| 2010 | 1.6 |
| 2011 | 1.3 |
| 2012 | 1.3 |
| 2013 | 0.9 |
| 2014 | 0.9 |
| 2015 | 0.8 |

Source: Central Bank of Sri Lanka

Project of popularizing the use of machines in tea cultivations - Year 2015 :Physical details-

| Regional office | Number of societies benefited | Distribution of equipment :Number- | | | | | | | | | |
|-----------------|-------------------------------|------------------------------------|------------|-----------------------|------------|---------------------------|--|------------|------------------|-------------------|-----------------------|
| | | Cutter | Basket | Tea plucking machines | | Functions with fuel power | | Apron | Overall and caps | Pairs of Gumboots | Pairs of canvas shoes |
| | | | | Battery power | Fuel power | Clipping machines | | | | | |
| Galle | 7 | 70 | 70 | 7 | 7 | 7 | | 70 | 21 | 7 | 84 |
| Matara | 7 | 70 | 70 | 7 | 7 | 7 | | 70 | 21 | 7 | 84 |
| Rathnapura | 7 | 70 | 70 | 7 | 7 | 7 | | 70 | 21 | 7 | 84 |
| Kandy | 5 | 50 | 50 | 5 | 5 | 5 | | 50 | 15 | 5 | 60 |
| N' Eliya | 5 | 50 | 50 | 5 | 5 | 5 | | 50 | 15 | 5 | 60 |
| Bandarawela | 5 | 50 | 50 | 5 | 5 | 5 | | 50 | 15 | 5 | 60 |
| Kegalle | 4 | 40 | 40 | 4 | 4 | 4 | | 40 | 12 | 4 | 48 |
| Kaluthara | 4 | 40 | 40 | 4 | 4 | 4 | | 40 | 12 | 4 | 48 |
| Total | 44 | 440 | 440 | 44 | 44 | 44 | | 440 | 132 | 44 | 528 |

Amount spent for the project of popularizing the use of machines in tea cultivations- Year 2015 (Financial details)

Value of equipment :Rs..000'

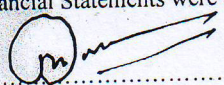
| Regional office | Number of societies benefited | Cutter | Basket | Tea plucking machines | | Machines for which fuel is used | Apron | Overall and caps | Pairs of canvas shoes | Total expenditure |
|-----------------|-------------------------------|----------------|----------------|-----------------------|------------------|---------------------------------|----------------|------------------|-----------------------|-------------------|
| | | | | Battery power | Fuel power | | | | | |
| Galle | 7 | 104,626 | 59,080 | 273,000 | 455,000 | 423,360 | 43,890 | 37,485 | 105,336 | 1,501,777 |
| Matara | 7 | 104,626 | 59,080 | 273,000 | 455,000 | 423,360 | 43,890 | 37,485 | 105,336 | 1,501,777 |
| Rathnapura | 7 | 104,626 | 59,080 | 273,000 | 455,000 | 423,360 | 43,890 | 37,485 | 105,336 | 1,501,777 |
| Kandy | 5 | 74,733 | 42,200 | 195,000 | 325,000 | 302,400 | 31,350 | 26,775 | 75,240 | 1,072,698 |
| Nuwera Eliya | 5 | 74,733 | 42,200 | 195,000 | 325,000 | 302,400 | 31,350 | 26,775 | 75,240 | 1,072,698 |
| Bandarawela | 5 | 74,733 | 42,200 | 195,000 | 325,000 | 302,400 | 31,350 | 26,775 | 75,240 | 1,072,698 |
| Kegalle | 4 | 59,786 | 33,760 | 156,000 | 260,000 | 241,920 | 25,080 | 21,420 | 60,192 | 858,158 |
| Kaluthara | 4 | 59,786 | 33,760 | 156,000 | 260,000 | 241,920 | 25,080 | 21,420 | 60,192 | 858,158 |
| Total | 44 | 657,650 | 371,360 | 1,715,999 | 2,860,000 | 2,661,120 | 275,880 | 235,620 | 662,112 | 9,439,742 |

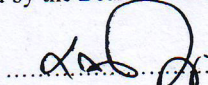
TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

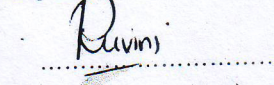
STATEMENT OF FINANCIAL POSITION AS AT 31st December 2015

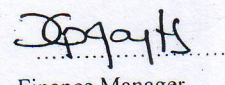
| | Schedule No. | 2015 | (Rs'000) | 2014 |
|-----------------------------------|--------------|-----------------------|-----------------------|---------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash equivalents | 7 | 184,423 | 75,256 | |
| Receivables | 4,5 | 124,428 | 118,817 | |
| Inventories | 3 | 13,904 | 15,662 | |
| Prepayments | 6 | 717 | 800 | |
| Other Current Assets | 2B | <u>7,098</u> | <u>6,145</u> | 216,680 |
| | | 330,570 | | |
| Non- Current Assets | | | | |
| Investments (Fixed Deposit) | 2 | 10,668 | 9,993 | |
| Other financial assets | 2A | 12,464 | 3,935 | |
| Property, Plant and Equipment | 1 | 364,996 | 349,362 | |
| Less: Acc. Depreciation | | <u>(111,795)</u> | <u>(92,586)</u> | 256,776 |
| | | 253,201 | | |
| Total Assets | | 606,902 | 487,385 | |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Payables | 8 | 105,084 | 54,536 | |
| Accrued Expenses | 9 | <u>128,299</u> | <u>145,045</u> | 199,581 |
| | | 233,382 | | |
| Non - Current Liabilities | | | | |
| Employee benefits (Gratuity) | 10 | <u>165,056</u> | <u>139,450</u> | |
| | | 398,439 | 339,031 | |
| Total Liabilities | | 398,439 | 339,031 | |
| Net Assets | | <u>208,463</u> | <u>148,354</u> | |
| NET ASSETS/EQUITY | | | | |
| Capital contributed by government | 01A | 37,718 | 25,220 | |
| Revaluation Surplus | 01B | 124,109 | 124,109 | |
| Accumulated surplus/(deficits) | | <u>(9,510)</u> | <u>(61,574)</u> | 87,755 |
| Grants | 01C | 56,147 | 60,599 | |
| Total Net Assets / Equity | | <u>208,463</u> | <u>148,354</u> | |

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-Act.)


 Finance Manager

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 201

(Rs'000)

| | Schedule No. | 2015 | 2014 |
|--|---------------------|----------------------|-----------------------|
| Operating Revenue | | | |
| Consolidated Fund | | | |
| Funds Received during the year | | 953,338 | 734,994 |
| Other Income | 15 | | |
| Interest - C/D | | 2,037 | 1,684 |
| Interest on Loan to Employees | | 3,358 | 3,874 |
| Surplus (Deficit) in Tea Field & Mother Bus | 17 | -626 | |
| Miscellaneous Income | | 2,522 | 4,162 |
| Surplus (Deficit) in Nurseries | 18 | 2,669 | 52 |
| Income Over Expenditure Hanthana | 15 A | 1,731 | 1,957 |
| | | <u>11,690</u> | <u>11,730</u> |
| | | 965,028 | 746,724 |
| Development Expenditure | 12 | | |
| Subsidies | | -554,818 | -331,213 |
| Extension | | -2,154 | -9,284 |
| Social Development | | -2,055 | -1,335 |
| Insitution Strenathering | | <u>-2,462</u> | <u>-3,272</u> |
| | | -561,490 | -345,104 |
| Operating Expenses | 13 | | |
| Personal Emoluments | | | |
| Salaries Allowance E.P.F, E.T.F,ect. | | -245,493 | -196,113 |
| O/T, H/pay | | -2,281 | -2,669 |
| Travelling | | -8,513 | -8,543 |
| Supplies and consumable used | | -3,516 | -3,420 |
| Maintenance | | -16,751 | -15,690 |
| Communication | | -4,197 | -4,535 |
| Rent , Rates & Electricity | | -5,401 | -5,795 |
| Other Operating expenses | | -17,284 | <u>-16,047</u> |
| Total operating expenses | | <u>-303,435</u> | <u>-252,812</u> |
| Surplus / (Deficit) from operating activities | | 100,103 | 148,809 |
| Gratuity | | -36,713 | -23,408 |
| Depreciation and amortization expenses | | -19,681 | -19,215 |
| Provisions for Bad Debt/written off debtors | | <u>-284</u> | <u>-76</u> |
| | | -56,677 | -42,699 |
| | | 43,425 | 106,110 |
| Gain on sales of property plant and equipment | | | |
| IFAD & Other - Rrcurrent Grants | 14 | 342,904 | 455,053 |
| Recurrent Expenses | | <u>-342,904</u> | <u>-455,053</u> |
| | | 0 | 0 |
| | | | |
| Net surplus / (Deficit) before extra ordinary items | | 43,425 | 106,110 |
| Prior year Adjustment | | | 1,185 |
| Deferred Income | | 8,638 | 100,833 |
| Net surplus / (Deficit) for the period | | <u><u>52,064</u></u> | <u><u>208,128</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

(1) Accounting Policies

1.1 Generals

1.1.1 Basic of Accounting

The Financial statements of the T.S.H.D.A. are prepared in accordance with the Sri Lanka Public Sector Accounting standards as laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements have been prepared based on the historical cost convention methods. No adjustments have been made for inflationary factors affecting these accounts. Where appropriate the specific policies adopted are explained in the notes that follow.

1.1.2 Post Balance Sheet Events

All material events occurring after the Balance Sheet date have been considered and where necessary, adjustments have been made in the accounts.

1.1.3 Comparative Figures

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

1.1.4 Extraordinary Items

During the year, certain debtors have settled some of their outstanding balances such as Fertilizer debtors. Bad debts provision of Rs.284 Thousand is allocated for this year. Out of the total receivable balances were identified as uncertain of recovery balances have been provided as a bad debt for in the manner detailed below

| 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% |

(2) Assets and their bases of valuation

2.1 Property, Plant & Equipment

Property, Plant & Equipment are stated on the Balance Sheet at cost minus accumulated depreciation. Depreciation is provided after the revaluation on a straight line basis using the following rates.

| | |
|--|-------|
| Buildings | 2% |
| Motor Vehicles | 20% |
| Furniture, Fittings & Office Equipment | 12.5% |
| Computer | 20% |

Since the depreciation policy was new assets acquired were depreciated beginning from the date of acquisition.

2.2 Investment

Investments include fixed deposit for gratuity fund.

2.3 Other Financial Assets

Major Building Repair Activities of Head Office, Galle Regional Office and Hantana Training Centre has been commenced in year 2015 and work finished up to 31.12.2015 has been presented as Work in Progress.

The expenditure/cost have done 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 of 31.12.2015 is Rs.Mn. 5.03.

2.4 Other Current Assets

The plant stock as at 31.12.2015 of Rs.Mn.7.097 has shown under Other Current Assets. The plant stock is valued on accumulated cost of production up to 31st December 2015.

2.5 Stocks & Inventories

Stocks & Inventories have been valued at the lowest cost or net realizable value, cost being arrived at on a FIFO basis.

2.6 Trade Debtors & Receivables

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

2.7 **Other Receivables**

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

2.8 **Cash & Cash Equivalents**

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits.
The analysis of cash balances for the period of 31.12.2015 as follows.

| | Rs.Mn. |
|-------------------|---------------|
| Capital | 50.83 |
| Administration | 11.02 |
| Soil conservation | 68.97 |
| Divinaguma | 8.33 |

As at 18.12.2015 Rs.Mn. 108.9 has been received as Capital Provision and Rs.Mn.7.3 received as Recurrent Provision. Out of the Treasury funds Rs.Mn. 61.85 balance is remained as at 31.12.2015. However committed expenditure as at 31.12.2015 is Rs.Mn. 152.02.

| | |
|-----------|---------------|
| Capital | Rs.Mn. 137.84 |
| Recurrent | Rs.Mn. 14.18 |

Under Soil conservation programme all the payments to Tea Small Holders were unable to pay during the year therefore those payments will be paid in year 2016. The money received under Divinaguma Programme will be continued year 2016 under same objectives.

2.9 **Cash Flow**

Cash Flow statement has been prepared using the indirect method.

2.10 **Accounting for Funds Received**

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

(3) **Liabilities**

All material liabilities as at the Balance Sheet date have been included in the accounts and adequate provision has been made for liabilities which are known to exist, but the amounts of which cannot be determined accurately. Liabilities classified as current liabilities on the Balance sheet, are those which are due for payment on demand.

3.1 **Provision for Gratuity**

In year 2015 the policy of Gratuity provision has been changed. Under that every employee has been completed one year of service period will be provided for gratuity payments.

Due to change of above policy as at 31.12.2015 Gratuity provision has been increased by Rs.Mn.1.89. However Rs.10.67 million only is kept in a fixed deposit against this provision. It is not possible increase the deposits in view of inadequacy of funds.

3.2 **Taxation**

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

3.3 **Contingent Liability**

A contingent liability of approximately Rs.4.419 million exists in respect of L.T. & court cases against following persons.

| Court Case | Liability (Rs.Mn) |
|--------------------|--------------------------|
| Mr. Ravindra Nonis | 1.219 |
| Mr.S.R.Gunawardena | 1.140 |
| Mr.A.S.M.Rodrigo | 1.588 |
| Mr.T.A.Muhandiram | 0.472 |

(4) Funds Received from 1981 to 2014 for IRDP, SHTDP, TDP, Other Projects and treasury grant had been amortized. Accordingly Rs.8.6 million had been accounted as deferred income and remaining balances have been brought forward amortizing by future years.

(5) The land of Walahanduwa belongs to the Land Reform Commission and ownership had not yet been transferred to the Authority.

(6) Action plan for the year was prepared to fall line with the national requirements of replanting etc.

(7) With effect from 1st January 2015, subsidy rate has been increased as follows.

| | | | |
|---|--------------|---|--|
| - | Replanting | - | from Rs. 350,000 to Rs.500,000 Per Ha. |
| - | New Planting | - | from Rs.250,000 to Rs.400,000 Per Ha. |

(8) During this year development programmes for small holders were undertaken with water and soil conservation programme. The total cost incurred on these is Rs.321.83 million.

(9) Under Mechanization programme the value of Rs.197,664 Machinery and safety equipments have been received to Hantana Training Centre. From this value Machines worth of Rs.164,479 have been capitalized safety equipments value is Rs.33,185 and those have not been capitalized considering lifetime.

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31st DECEMBER , 2015

(Rs,000)

| Cash Flow from Operating Activities | 2015 | 2014 |
|---|-----------------|-----------------|
| Surplus/(deficit) from ordinary activities | 52,064 | 208,128 |
| Non-cash movements | | |
| Depreciation | 19,681 | 18,067 |
| Provision For Gratuity | 36,713 | 23,408 |
| Increase in provision for doubtful debts | 284 | 76 |
| Written off Debtors | (276) | (7) |
| Interest Income | (2,037) | (1,684) |
| Increase /decrease in payables | 33,802 | (84,375) |
| Increase in provisions relating to employee costs | | |
| (Gains)/losses on sale of property, plant and equipment | (58) | (14) |
| Increase /decrease in other assets | (10,155) | (3,672) |
| Increase /decrease in receivables | (5,337) | 22 |
| Increase /decrease in Inventory Item | 1,758 | (271) |
| Net cash flows operating activities | 126,438 | 159,677 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (16,177) | (6,469) |
| Proceeds from sale of plant and equipment | 118 | 19 |
| Net cash flows investing activities | (16,059) | (6,450) |
| Interest received | 1,849 | 1,476 |
| Gratuity Paid | (11,106) | (13,964) |
| CASH FLOWS FROM FINANCING ACTIVITIES | (9,257) | (12,488) |
| Capital Grants | (4,452) | (98,276) |
| Government Contribution | 12498 | 5,390 |
| Net Cash flow from financing activities | 8,045 | (92,886) |
| Net increase/(decrease) in cash and cash equivalents | 109,167 | 47,853 |
| Cash and cash equivalents at beginning of period | 75,256 | 27,403 |
| Cash and cash equivalents at end of period | 184,423 | 75,256 |

Tea Small Holdings Development Authority
Statement of Changes in Net Assets/Equity
for the Year Ended 31/12/2015

Rs.'000

| Description | Attributable to owners of the controlling entity | | | | |
|---------------------------------|--|----------------|----------------------|----------------------------------|-------------------------|
| | contributed capital | Other Reserves | Revaluation Reserves | Accumulated Surpluses (Deficits) | Total net assets/equity |
| Balance as at 31/12/2014 | 25,220 | 60,599 | 124,109 | (61,574) | 148,354 |
| Surplus/(Deficit) for the year | | | | 52,064 | 52,064 |
| Gain on property revaluation | | | | | - |
| Government Grant for the year | 16,385 | | | | 16,385 |
| Other Grant for the year | | 299 | | | 299 |
| Deffered Income for the year | (3,887) | (4,751) | | | (8,638) |
| | | | | | - |
| | | | | | - |
| Balance as at 31/12/2015 | 37,718 | 56,147 | 124,109 | (9,510) | 208,464 |

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2015

NOTE 01

PROPERTY PLANT & EQUIPMENT 2015

| DESCRIPTION | COST AS AT
01.01.15 | ADDITIONS
FOR THE YEAR | TRANSFER /
DISPOSAL | COST AS AT
31.12.15 |
|------------------------------------|------------------------|---------------------------|------------------------|------------------------|
| Land | 73,946,464.44 | 193,137.25 | - | 74,139,601.69 |
| Buildings | 172,404,299.09 | 6,621,562.07 | (6,143.75) | 179,019,717.41 |
| Motor Vehicles | 53,993,868.00 | 471,775.00 | - | 54,465,643.00 |
| Project Motor Vehicle | 13,945,935.00 | - | - | 13,945,935.00 |
| Furniture Fittings & Office Equip. | 18,139,132.71 | 3,713,640.25 | (268,502.50) | 21,584,270.46 |
| Computer | 16,545,669.72 | 4,857,576.00 | (268,716.00) | 21,134,529.72 |
| Plant & Machinery | 386,650.00 | 319,379.00 | | 706,029.00 |
| Total | 349,362,018.96 | 16,177,069.57 | (543,362.25) | 364,995,726.28 |

DEPRECIATION

| DESCRIPTION | DEPRECIATION
AS AT 01.01.15 | DEPRECIATION
FOR THE YEAR | TRANSFER /
DISPOSAL | ACCUMULATED
DEPRECIATION | WRITTEN DOWN
VALUE |
|------------------------------------|--------------------------------|------------------------------|------------------------|-----------------------------|-----------------------|
| Land | 146,044.94 | 10,293.34 | - | 156,338.28 | 73,983,263.41 |
| Buildings | 31,535,869.10 | 3,556,956.68 | - | 35,092,825.78 | 143,926,891.63 |
| Motor Vehicles | 26,842,896.82 | 10,714,028.60 | - | 37,556,925.42 | 16,908,717.58 |
| Project Motor Vehicle | 10,111,519.00 | 1,085,462.00 | - | 11,196,981.00 | 2,748,954.00 |
| Furniture Fittings & Office Equip. | 12,025,958.41 | 1,495,286.13 | (268,412.50) | 13,252,832.04 | 8,331,438.42 |
| Computer | 11,537,085.39 | 2,771,307.13 | (203,627.00) | 14,104,765.52 | 7,029,764.20 |
| Plant & Machinery | 386,649.00 | 47,418.62 | - | 434,067.62 | 271,961.38 |
| Total | 92,586,022.66 | 19,680,752.50 | (472,039.50) | 111,794,735.66 | 253,200,990.62 |

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31st December 2015

NOTES

| Description | Rs. |
|--------------------------|-----------------|
| Note 02 | |
| INVESTMENTS - | |
| Fixed Deposit - Gratuity | 10,667,615.48 |
| Note 02 A | |
| Other Financial Assets | |
| Working Progress | 7,437,142.48 |
| Staggered Cost | 5,026,389.02 |
| | 12,463,531.50 |
| Other Current Assets | |
| Plants Stocks | 7,097,551.25 |
| Note 03 | |
| Inventories | |
| Stationary | 2,610,584.33 |
| Sundry Stocks | 8,778,453.76 |
| Tea | 452,282.50 |
| Fertilizer | 101,517.50 |
| Basamid/Methum sodiam | 301,591.47 |
| Polythene | 670,436.89 |
| Sprayers | 28,563.96 |
| Nursery Equipment | 243,785.14 |
| Scales | 78,658.35 |
| Plucking Seizers | 14,711.25 |
| Aid Package | 433,532.85 |
| Tyre & Tube | 36,624.00 |
| Training Equipments | 3,982.50 |
| Other Stocks | 149,481.43 |
| Total | 13,904,205.93 |
| Note 04 05 | |
| Receivables | |
| Debtors | 17,107,709.19 |
| Loan and Advances | 117,851,512.04 |
| Deposits and Advances | 596,309.34 |
| Other Balance | 10,936,495.96 |
| Total | 146,492,026.53 |
| Less Bad Debts Proviton | (22,064,189.21) |
| Total | 124,427,837.32 |

| | |
|---------------------------------|----------------|
| Note 06 | |
| Pre Payments | 717,311.75 |
| Note 07 | |
| Cash Bank Balances | |
| Cash In Transit | 829,340.25 |
| Cash in Hand & at Bank | 94,428,603.66 |
| Deposits | 89,165,000.00 |
| Total | 184,422,943.91 |
| Note 08 | |
| Payables | |
| Creditors | 19,160,719.32 |
| Deposit payable | 3,281,222.35 |
| Other Provisions | 3,132,979.67 |
| Other Balance | 79,508,668.68 |
| Total | 105,083,590.02 |
| Note 09 | |
| Accrued Expenses | |
| Annual Trip | 63,100.00 |
| Electricity | 178,281.69 |
| EPF & ETF | 5,413,783.20 |
| Maintenance of Computer | 1,030.00 |
| Seminars & Conference | 5,486.17 |
| Fuel | 283,484.83 |
| Holiday Payments | 11,252.89 |
| Medical Care | 642,563.27 |
| Motor Cycle Maintenance | 147,565.00 |
| Newspapers | 6,720.00 |
| Welfare | 3,885.00 |
| Office Equipment Maintenance | 3,390.00 |
| Overtime | 288,473.43 |
| Postage | 29,393.41 |
| Rent | 163,692.00 |
| Salaries / Wages | 897,794.36 |
| Security | 269,441.12 |
| P.A.Y.E. | 9,331.56 |
| Building Cleaning / Maintenance | 70,363.40 |
| Free Cup Of Tea | 14,369.00 |
| Telephone | 135,122.71 |
| T.S.H.S.F. | 495,893.00 |
| Transport Charges | 24,865.00 |
| Travelling & Subsistence | 703,541.94 |
| Uniforms & Boots | 7,700.00 |
| Stationery | 1,110.00 |
| Library | 21,480.00 |
| Water | 11,334.43 |
| Vehicle Maintenance | 551,175.00 |

| | |
|------------------------------|----------------|
| Stamp Duty | 51,206.00 |
| Re Planting Subsidy | 92,708,443.14 |
| New Planting Subsidy | 21,913,933.51 |
| Crop Rehabilitation | 2,628,888.00 |
| Bank Charge | 213,985.80 |
| Extension Program | 22,539.50 |
| Union | 420.00 |
| Dolomite subsidy | 128,950.00 |
| Society | 15,000.00 |
| Nursary & Mother Bush | 68,325.00 |
| Other | 91,579.90 |
| Total | 128,298,893.26 |
| Note 10 | |
| Employee Benefits (Gratuity) | 165,056,496.00 |
| | |



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



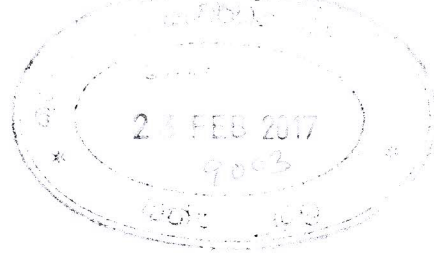
මගේ අංකය
எனது இல.
My No.

PLA/B/TSHDA/01/2015/FA

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

23 November 2016



The Chairman,
Tea Small Holdings Development Authority

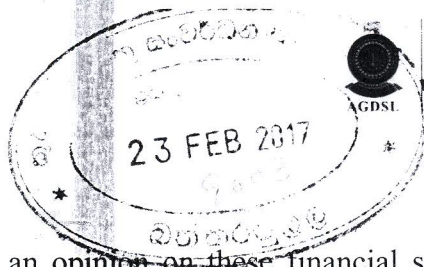
Report of the Auditor General on the Financial Statements of the Tea Small Holdings Development Authority for the year ended 31 December 2015 in terms of the Section 14(2)(c) of the Finance Act, No.38 of 1971

The audit of financial statements of the Tea Small Holdings Development Authority for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the Section 13(1) of the Finance Act, No.38 of 1971 and Section 15 of the Tea Small Holdings Development Authority Act, No.35 of 1975. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Authority on 22 June 2016.

1.2 Management's Responsibility for the Financial Statements

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





1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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

1.4 Basis for Adverse Opinion

Had the matters described in paragraph 2.2 of this report been adjusted, many elements in the accompanying financial statements would have been materially affected.

2. Financial Statements

2.1 Adverse Opinion

In my opinion, because of the significance of the matters described in paragraph 2.2 of this report, the financial statements do not give a true and fair view of the financial



its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following non-compliances were observed.

(a) Sri Lanka Public Sector Accounting Standard 02

(i) In the computation of the cash generation from the operating activities of the year to under review, the deferred income relating to the adjusted amount of pro ammonization of Rs.8.6 million made for the property, plant and equipment is acquired from the Government Capital Grants had not been taken into ate consideration in the preparation of the cash flow statement.

(ii) A sum of Rs.650 million received by the Authority as the Government Capital m Grants and the investment activities of Rs.561.5 million spent as development en expenditure of the year under review had not been disclosed through the cash flow statement.

(b) Sri Lanka Public Sector Accounting Standard 03

Whenever a Sri Lanka Public Sector Accounting Standard is not available for usage in connection with a transaction or an event, the management should formulate and use a suitable accounting policy. Nevertheless, the Authority did not have a policy to be followed in the accounting for the biological assets.

(c) Sri Lanka Public Sector Accounting Standard 07

Fully depreciated assets costing Rs.22,86 million had been in further use due to the failure to review the effective life of non-current assets annually. As such, action had not been taken in accordance with the Sri Lanka Public Sector Accounting Standard 03 for the revision of the estimated error.

2.2.2 Accounting Policies

The rate of depreciation of training equipment and machinery had not been disclosed in the accounting policy relating to the property, plant and equipment.

2.2.3 Accounting Deficiencies

The following observations are made.

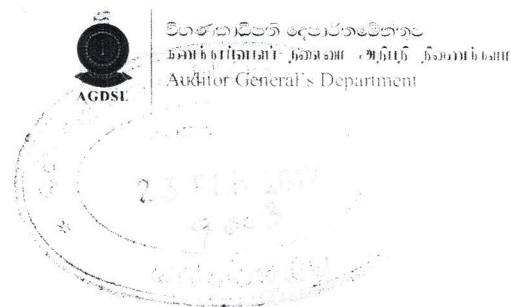
- (a) The unspent balance amounting to Rs.72.1 million out of the Capital Grant of Rs.633.6 million received during the year under review had been added to the operating result and as such, the operating deficit of Rs.28.7 million of the year under review had been converted to a surplus of Rs.43.4 million.
- (b) The provision for gratuity as at 31 December of the year under review had been understated by a sum of Rs.1.23 million.
- (c) Provision had not been made in the accounts for the underpayment of Rs.0.27 million made due to a computation error made in the payment of the pension gratuity to an officer of the Uva Sub-office during the year under review.

2.2.4 Unexplained Differences

Non-reconciliations totalling Rs.2.8 million relating to 7 balances of accounts were observed in the comparison of the statement of financial position as at 31 December of the year under review with the schedules.

2.2.5 Accounts Receivable and Payable

The value of debtors older than 05 years as at the end of the year under review amounted to Rs.20.72 million and that represented 72 per cent of the total debtor balances receivable. The balance older than 05 years included a sum of Rs.7.69 million on account of the 102 Motor Vehicles supplied on Credit basis to the Small Holder Tea Estates Development Societies.



3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Authority for the year ended 31 December 2015 had been a surplus of Rs.43.4 million as compared with the corresponding surplus of Rs.106.1 million for the preceding year. The financial result for the year under review, as compared with the preceding year, indicated a deterioration of Rs.62.7 million. Even though the operating income of the year under review had increased by a sum of Rs.218.3 million, the increase of development expenditure, wages and other expenditure by a sum Rs.267 had been the main reasons for this deterioration.

An analysis of the financial results of the year under review and 5 preceding years revealed that despite the deficits for the years 2011 to 2013, surpluses had been shown in years 2014 and 2015. In taking into account the employees remuneration, Government Taxes and the depreciation on the non-current assets, the contribution of the Authority from the year 2011 to the year 2015 had increased continuously as Rs.150.11 million, Rs.55.57 million, Rs.28.97 million, Rs.354.52 million and Rs.355.54 million respectively.

3.2 Analytical Financial Review

According to the statement of financial position presented the current ratio of the Authority for the years 2015 and 2014 had been 1.42 and 1.08 respectively and 56 per cent of the current assets represented cash and cash equivalents.

4. Operating Review

4.1 Performance

According to Section 14 of the Tea Small Holdings Development Authority Act, No.35 of 1975 as amended by the Tea Small Holdings Development Authority (Amendment) Act, No.34 of 2003, the objectives of the Tea Small Holdings Development Authority are as follows.



- To promote or to undertake the Development of Tea Small Holders and other tea holdings which do not possess their own means of manufacture.
- To acquire or develop tea factories and other facilities required for the manufactures of the produce of such factories on such tea lands and to promote or to undertake the marketing of the produce of such factories or such tea lands.*
- To take action for the welfare of the tea small holders and to promote the investments in tea small holdings.
- To advise the Ministry on the appropriate policies and Co-ordinate with other relevant agencies.

The following observations are made in connection with the achievement of the above objectives.

- (a) According to the information obtained by the Audit, the total tea production of Sri Lanka for the year under review had been 328.96 million kilogrammes and out of that, the Contribution of the Tea Small Holders had been 239.86 million kilogrammes or 72.91 per cent. The total tea production of Sri Lanka for the preceding year had been 338.03 million kilogrammes and the contribution of the Tea Small Holders to that had been 247.38 kilogrammes, or 73.18 per cent. As such, the contribution of the Tea Small Holders for the year under review had decreased by 7.5 million kilograms or 0.27 per cent.
- (b) The progress of the expenditure increased as compared with the subsidy of Rs.561.5 million made for the year under review in respect of the development activities such as replanting and new planting of tea, the extension services and social development and the institutional strengthening had been as follows.
- (i) According to the Annual Report of the Authority, replanting 2 per cent of the existing extent of the lands under Tea Small Holdings is the national policy. Nevertheless, according to the Performance Report of the Authority, that value in respect of the year under review had been only 0.67 per cent.
- (ii) According to the Action Plan for the year under review, the new tea planting had been 453 hectares while lands 479 hectares had been completed according to the Performance Report. As such the expected target had been achieved. Nevertheless, the subsidy per hectare payable in the year under review had been increased from Rs.250,000 to Rs.400,000 and the total subsidy paid had been

Rs.128.12 million. Even though that subsidy, as compared with the preceding year had been increased by 91 per cent, the new planting of tea as compared with the preceding year had indicated only a minor improvement of 19 per cent.

- (iii) Even though 47,480 person had been targeted for the year under review for the conduct of awareness programmes, training of tea pluckers and making an awareness of the quality of green leaf among the Tea Small Holders for the improvement of the quality of green leaf up to 60 per cent for the purpose of obtaining a higher market price for tea, only 38,784 or 81 per cent had participated.
- (iv) Even though plans had been made for testing of 26,430 samples of soil for the measurement of the soil acidity of the tea lands, only 22,246 samples of soil had been tested and 16 per cent of the samples targeted had not been tested.
- (v) According to an analysis of the profitability of 08 Tea Nurseries the gross profit for the year under review, as compared with the preceding year, had increased by a considerable amount. Even though the maintenance of a sales level of 85 per cent had been expected for the maintenance of the Tea Nurseries at a high profitability, such expected targets had been achieved only by the Hantana Tea Nursery.

4.2 Management Activities

The following observations are made.

- (a) The Regional Office of the Authority at Gampola is being maintained in a building procured on rent basis over a period of 30 years approximately and Rs.671,000 had been paid for that in the year 2015. Even though the Divisional Secretary, Uda Palatha informed on 17 September 2014 that a block of land 40 perches in extent can be allocated for the construction of the building for this Regional Office, action had not been taken even up to the date of audit for effecting the transfer of that block of land.
- (b) Differences totalling Rs.92,776 was observed due to the failure to take the balances according to the cash books for the preparation of the Bank Reconciliation Statements

relating to 06 Bank Accounts. Action had not been taken for the identification of the differences.

- (c) Action had not been taken even up to the end of the year under review to effect the transfer of the title of lands and buildings valued at Rs.81.5 million including employees quarters and tea lands of four Rejoined Offices, in favour of the Authority.
- (d) Action had not been taken to transfer the title in favour of the Authority and account for the Walahanduwa Sub-office and the Nursery and the Mother Cultivation Extension Centre, Akmeemana of the Regional Office, Galle.

4.3 Underutilisation of Funds

The following observations are made.

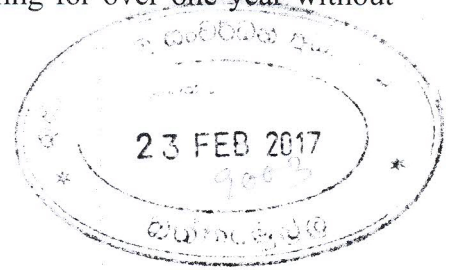
- (a) Out of the sum of Rs.19.88 million received as at 31 December 2014 under the Divineguma Programme for the development activities such as the new planting and replanting of tea, pepper cultivation and planting of voids in tea lands, a sum of Rs.8.33 million had been saved by the end of the year under review without being utilized for the relevant activities.
- (b) Out of the sum of Rs.795.47 million received in the years 2014 and 2015 for the Soil Assistance Project, a sum of Rs.68.97 million had been saved in the Head Office and the Regional Offices without being utilized for the relevant activity.
- (c) Out of the sum of Rs.633.6 million received as Government grants in the year under review for development activities, a sum of Rs.72.1 million had not been utilized for the relevant development activities.

4.4 Idle and Underutilised Assets

The following observations are made.

- (a) Nine official quarters belonging to the Authority remained idle over a period exceeding 5 years without being used

- (b) Two motor vehicles and one motor cycle had been idling for over one year without being repaired.



4.5 Staff Administration

According to the information made available by the Authority, the approved cadre and the actual cadre as at 31 December 2015 had been 422 and 403 respectively. In addition, the excess cadre of the Authority as at that date had been 34 and the Department of Management Services had approved those as applicable privately only for the holders of such posts.

The following observations are made in this connection.

- (a) The posts of the Deputy General Manager (Development) the Manager (Development) and the Manager (Training) as at 31 December 2015 and the Manager (Human Resources and Administration) since the year 2010 had been vacant.
- (b) According to the Annual Report of the Authority, the number of tea farmers per Extension Officer for an effective extension service is 1:1000. Nevertheless, in view of the existing 26 vacancies in the posts of Extension Officer, that ratio of 1:2742 that prevailed in the preceding year had increased to 1:2748 in the year under review.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

According to Section 6.5.1 of the Public Enterprises Circular No.PED/12 of 02 June 2003, the financial statements should be presented for audit, within 60 days from the close of the year of accounts. Nevertheless, the financial statements for the year under review had been presented for audit only on 31 March 2016.

5.2 Internal Audit

Even though the Internal Audit Division had issued 18 inspection reports including the observations made during the year under review, the management had not taken action on



15 of those inspection reports. The decision taken by the Board of Directors on 5 Internal Audit Reports issued in the years 2015 and 2014 had not been implemented.

5.3 Procurement Plan

Adequate estimates had not been prepared for the items proposed for procurement while plans for construction works on lands without legal title had been included in the Procurement Plan.

5.4 Budgetary Control

Variances ranging from 4.79 per cent to 100 per cent were observed between the budgeted and the actual amounts, thus indicating that the budget had not been made use of as an effective instrument of Management Control.

6. Systems and Controls

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

| Areas of Systems and Controls | Observation |
|-------------------------------|---|
| (a) Staff Administration | Existence of Vacancies in posts. |
| (b) Financial Controls | Failure to identify and account for the money remitted direct to the Bank, the payment of advances exceeding the limits and non-utilisation of the money received for the payment of subsidy. |
| (c) Assets Control | Failure to effect formal transfer of assets and idling of assets. |

H.M. Gamini Wijesinghe

Auditor General