

SRI LANKA TEA BOARD
Tea Commissioner's Division
No 574, Galle Road, Colombo 03

Ref: TC/FMSS /2023

08th December 2022

All Registered Tea Manufacturers,
Chief Executive Officers of
Regional Plantation Companies,
Chairman of JEDB, SLSPC & TRI

Sirs,

SUBSIDY SCHEME FOR THE MODERNIZATION OF TEA FACTORIES - 2023

1.0 Introduction :

A budgetary provision out of the cess collections for the year 2023, is being made available to be utilized as subsidy payments for the corporate sector and the private sector for replanting and or factory modernization.

50% of the total amount available is to be assigned for replanting for the corporate sector and private sector tea estates more than 10 acres and the balance 50% for factory modernization. In case replanting allocation is not utilized within the specified period any remaining portion will also be utilized for factory modernization.

2.0 Scope of the subsidy scheme for factory modernization :

- (i) Funds from the subsidy scheme will be provided to ameliorate the existing constraints in the production process in tea factories.
- (ii) Funds from the subsidy scheme should not be utilized for the expansion of capacities of tea factories.
- (iii) Subsidies will be paid only for items of machinery or equipments approved by the Tea Research institute and Sri Lanka Tea Board. Please note that submitting an application is not a guarantee to receive any subsidy payments.
- (iv) Since the available funds are limited, subsidies will be paid on a "First Come- First Serve" basis.

3.0 Extent of funding :

- (i) $\frac{1}{3}$ rd of the cost of equipment identified under section 2.0 will be subsidized from the funds of the subsidy scheme up to maximum of one million rupees per factory. The cost of insurance, transport, installation or other charges incidental to such installation should in no way be included in the subsidy amount.
- (ii) For the Corporate Sector and the Private Sector tea factories those who have not received the full amount of subsidy payments (i.e. Rs.1, 000,000/- One Million) for last 03 years will be eligible to receive subsidy payments for 2023. Those tea factories that received less than Rs 01 million will be eligible to receive only the balance amount in 2023.

4.0 Method of application :

- (i) Application for subsidy funds under the scheme should be made in the prescribed applications form No. TC/FMSS/2023.
- (ii) Only the Chief Executive Officer (CEO) of the Plantation Company or the Registered Tea Manufacturer in case of a private tea factory or persons authorized by them in writing is authorized to sign the application. (The letter should be attached)
- (iii) Duly completed application forms together with originals of Performa invoices should be forwarded to the area Assistant Tea Commissioner not later than **31st January 2023**. No applications will be entertained thereafter.

5.0 Eligibility for funding under the subsidy scheme :

- (i) Only brand new machinery and equipment purchased within the year 2023 are eligible for subsidy assistance.
- (ii) Only tea factories that perform in accordance with sections 8 (2) and 11(a) of the Tea Control Act No. 51 of 1957 to the satisfaction of the Tea Commissioner will be eligible to receive subsidy funds.

6.0 Method of payment of subsidy :

- (i) Approval for the installation of machinery or for purchasing of equipment must be obtained from the Tea Commissioner. Any machinery or any equipment, installed or purchased prior to 01st January 2023 will be a disqualification to receive subsidy assistance.
- (ii) Once the application is received, necessary inspections will be carried out to ascertain the necessity of the machinery and equipment to the factory.
- (iii) The approval will be conveyed to the applicant & he may have to complete the installation as specified.
- (iv) Once the installation of machinery and equipment are completed and their use in the tea manufacture has commenced, the applicant should inform the Tea Commissioner for inspection.
- (v) Once the inspection confirms the installation and use to operation of the applied items in the manufacture, subsidies will be released to the applicant.
- (vi) Approved machinery, equipment should be installed or purchased as per the approval letter. Extensions will be considered only in the cases of delaying supply of the machinery and equipment.
- (vii) Approval should be obtained from the Tea Commissioner for any deviation for item (i) to (vi) above.

7.0 Disposal of items machinery and equipment :

Any machinery or equipments installed under subsidy assistances should not be disposed or removed from the tea factory before five (05) years of the date of installation without a written approval from the Tea Commissioner. If any machinery or equipments disposed or removed from the tea factory without written approval from the Tea Commissioner before five (05) years of installation the total amount of subsidies shall pay back to the Sri Lanka Tea Board by the registered manufacturer of tea.

8.0 The Regional Assistant Tea Commissioners and their areas of authority are as follows. Applicants may contact them regarding matters concerning the subsidy schemes. The application forms could also be obtained from them at the following regional offices and Sri Lanka Tea Board Website (www.srilankateaboard.lk).

Regional Assistant Tea Commissioners	Areas of authority
i. Assistant Tea Commissioner Visaka Mawatha, New Badulla Road, Bandarawela. Tel/Fax 057-2222812	Badulla / Monaragala Districts
ii. Assistant Tea Commissioner No 34, Gangarama cross road, Magalle, Galle. Tel/Fax 091-2232052	Galle District (Except Elpitiya Divisional Secretariat area)
iii. Assistant Tea Commissioner No 140, Ambagamuwa Road, Gampola. Tel/Fax 081-2352279	Kandy/Matale Districts
iv. Assistant Tea Commissioner N0 23, New Lane, Uyanwatta, Matara. Tel/Fax 041-2222636	Matara District Hambanthota District
v. Assistant Tea Commissioner 61/1, New Town, Rathnapura. Tel/Fax 045-2222136	Ratnapura District Kegalle District
vi. Assistant Tea Commissioner Wathurana Road, Baduraliya. Tel/Fax: 034-2247444	Kalutara Galle Districts (Elpitiya Divisional Secretariat area)
vii. Assistant Tea Commissioner No 10, Nanuoya Road, Kelegala, Nuwara Eliya. Tel : 0522234695/Fax: 0522234686	Nuwara Eliya District

9.0 Information regarding this subsidy scheme could be obtained from the Deputy Tea Commissioner - (Development) at the SLTB head office.

- i. Deputy Tea Commissioner (Development)
Sri Lanka Tea Board
No 574, Galle Road, Colombo 03
Tel : 0112580152/ 0112587814 Fax: 0112580161
development@pureceylontea.com

10.0 Every applicant is required to furnish true and accurate information in their applications and at inspections and whenever they are required to furnish information regarding their applications. Providing false or information known to be false is a punishable offence under section 41 of the Tea Control Act No. 51 of 1957 as amended. Apart from being liable to be punished under the aforesaid act, providing false information will immediately disqualify the applicant from current and any future subsidy schemes and will be liable to refund any subsidies already paid. Such companies or the owners of the Factories may also become liable to be punished under the penal code for the embezzlement of state funds.

Jayantha Edirisinghe
Tea Commissioner

- Copies:
- (1) Secretary, Ministry of Plantation
 - (2) Chairman/ Director General, Sri Lanka Tea Board.
 - (3) Chairman, SLTFOA
 - (4) Chairman, Planter's Association of Ceylon
 - (5) Chairman, Colombo Tea Traders' Association
 - (6) Chairman, Colombo Brokers Association
 - (7) Chairman, TSHDA. (Pl. copy this to your Regional Managers)
 - (8) Chairman, JEDB
 - (9) Chairman, SLSPC
 - (10) Chairman, Tea Research Institute
 - (11) Director, Tea Research Institute
 - (12) CEO's of all the Plantation Management Companies
 - (13) Chief Internal Auditor, SLTB
 - (14) Superintendent - Government Audit Division
 - (15) All Assistant Tea Commissioners- Please issue copies to Tea Instructor/Inspectors