

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

My Ref: TC/FMSS

15th November 2017

**Registered Tea Manufacturers of
Corporate Sector, Private Sector, JEDB & SLSPC**

Sirs,

SUBSIDY SCHEME FOR THE MODERNIZATION OF TEA FACTORIES – 2018

1.0 Introduction :

A budgetary provision out of the cess collections for the year 2018, is being made available to be utilized as subsidy payments for the corporate sector and the private sector for replanting and or factory modernization for this year.

For the corporate sector 1/3 of the total amount available is to be assigned for replanting and the balance 2/3 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. However, this does not apply for increases in production due to productivity increases.
- (iii) Subsidies will be paid only for items of machinery or equipments approved by the Tea Commissioner. This information will be made available in due course. (However, registered Tea Manufacturers are advised to submit applications for whatever machinery they intend to obtain pending the availability of approved items). 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) 1/3rd 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 that have not received the full amount of subsidy i.e. Rs.1, 000,000/- (One Million) for 03 years will be eligible to receive subsidy payments for 2018. Those tea factories that received less than Rs.01 million will be eligible to receive only the balance amount in 2018.
- (iii) The 1/3rd subsidy component for equipment identified under section 2.0 will be a fixed amount relevant to each category. The amounts of subsidies will be notified in due course.

4.0 Method of application :

- (i) Application for subsidy funds under the scheme should be made in the prescribed applications form No. TC/FMSS/C/2018 for corporate sector and TC/FMSS/P/2018 for private sector.
- (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 March 2018**. 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 2018 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 the supply of equipment must be obtained from the Tea Commissioner. Any machinery or any equipment, installed prior to 01st January 2018 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 TC/FMSS/2/1.
- (v) Once the inspection confirms the installation and used to operations of the applied items in the manufacture subsidies will be released to the applicant.
- (vi) Approved machinery, equipment should be installed as per the approval letter. Extensions will be considered only in the cases of delaying supply of the machinery and equipments.

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.pureceylontea.com).

Regional Assistant Tea Commissioner

1. Assistant Tea Commissioner
Visaka Mawatha, New Badulla Road,
Bandarawela. Tel/Fax 057-2222812
2. Assistant Tea Commissioner
No 04, William Wijeratne Mawatha,
Wakwella Road, Galle. Tel/Fax 091-2232052
3. Assistant Tea Commissioner
No 140, Ambagamuwa Road,
Gampola. Tel/Fax 081-2352279
4. Assistant Tea Commissioner
N0 46, Wilfred Gunasekara Mawatha,
Fort, Matara. Tel/Fax 041-2222636
5. Assistant Tea Commissioner
61/1, New Town,
Ratnapura. Tel/Fax 045-2222136
6. Assistant Tea Commissioner
Wathurana Road,
Baduraliya. Tel/Fax: 034-2247444

Areas of Authority

- Badulla / Monaragala Districts
- Galle District
- Kandy/Matale /
Nuwara Eliya Districts
- Matara district/
Hambanthota District
- Ratanpura District
Kegalle District
- Kalutara / Galle Districts

9.0 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.

10.0 Information/Inquiries regarding the subsidy scheme:

Information and inquiries regarding the subsidy scheme could be obtained from the under signed.

Tea Commissioner,
Sri Lanka Tea Board,
No 574, Galle Road, Colombo 03
Tel : 0112580182/ 0112587814 Fax: 0112580161
tcd@pureceylontea.com

Jayantha Edirisinghe
Tea Commissioner

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