

12th April 1983.

To: All Registered Tea Manufacturers

Dear Sir/Madam,

Payment of a Reasonable Price for Green Leaf
purchased by Tea Factories

Reference is requested to my Circular Letter No. MF/BL.57 of 8th March 1983.

2. The Government has decided to increase the Manufacturing Charges on Bought Leaf from Rs. 6/50 to Rs. 7/25 per kilogramme of made tea in respect of factories which realize a monthly nett sale average of Rs. 21/20 and above. The Manufacturing Charges allowed in respect of factories obtaining a monthly nett sale average of Rs. 18/45 and less will be limited to Rs. 4/50 per kilogramme of made tea while those obtaining a monthly nett sale average price between Rs. 18/45 and Rs. 21/20 will be allowed to appropriate as manufacturing charges the balance amount remaining after the payment of a minimum price of Rs. 3/10 per kilogramme of green leaf.

3. In view of the above decision, paragraphs 2(B)(i) and 2(B)(ii) of my Circular Letter No. MF/BL.50 of 27.11.1979, which was last amended by my Circular Letter No. MF/BL.57 of 9th March 1983, is further amended as follows :

2(B)(i) : Cost of Manufacture and Profit per kilogramme of Made Tea:

The amount permitted to be deducted as Cost of Manufacture and Profit per kilogramme of made tea is limited to :-

- (a) Rs. 7/25 per kilogramme of made tea when the monthly nett sale average of a factory is Rs. 21/20 and above;
- (b) Rs. 4/51 to Rs. 7/24 per kilogramme of made tea as applicable, when the monthly net sale average of a factory is above Rs. 18/45 but below Rs. 21/20, subject to the payment of a minimum price of Rs. 3/10 per kilogramme of green leaf.
- (c) Rs. 4/50 per kilogramme of made tea when the monthly nett sale average of a factory is Rs. 18/45 and less.

If the monthly nett sale average of a factory exceeds Rs. 21/20 an amount equivalent to 15% of the excess over and above Rs. 21/20 is also permitted to be deducted as profit.

2(B)(ii) : Incentive Allowance :

The Incentive Scheme will continue to operate when the monthly nett sale average of a factory is more than Rs. 21/20. Subject to the payment of a minimum price of Rs. 3/10 per kilogramme of green leaf, any factory which realizes a monthly nett sale average over and above the appropriate monthly nett elevational average will be entitled to an incentive allowance of 35% of the excess so realized.

4. The above revision of the reasonable price formula will take effect in respect of payment for green leaf supplied to tea factories on or after 1st March 1983.

5. Please acknowledge receipt of this Circular.

cc to:- 1. S/P.I.

- 2. Director General)
- 3. Internal Auditor) Sri Lanka Tea Board
- 4. General Manager, TSHDA/JEDB/SLSPC/LRC
- 5. All Field Officers

Yours faithfully


Tea Commissioner.