



කුඩා තේ වතු සංවර්ධන අධිකාරිය
சிறு தேயிலைத் தோட்டஅபிவிருத்தி அதிகார சபை
Tea Small Holdings Development Authority

වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை
ANNUAL REPORT
2024

අංක, 70 පාර්ලිමේන්තු පාර පැලවත්ත, බත්තරමුල්ල
இலக்கம், 70 பாராளுமன்ற வீதி, பலவத்த, பத்தரமுல்ல
No: 70, Parliament Road, Pelawatte, Battaramulla
දුරකථන අංක தொலைபேசி இல Tele (011-790 9020/21) ෆැක්ස් பெக் Fax (011 -278 4925/28)
ඊ මේල් ஈ-மெயில் Email: gmtshda@gmail.com /aetshda1@gmail.com

Vision and Mission

Vision



Creation of an economically and socially sustainable community of tea small holders.

Mission

Development of productivity and quality of the Tea Small Holdings sector through the provision of excellent supportive services.



Message of the Chairman

The decline in the quality standards of green leaves used in production and the corresponding reduction in yield are the two major challenges currently faced by the Tea Industry in Sri Lanka. Following the available data, the proportion of premature and undamaged raw green leaves is estimated to range between 20% and 30%. As of the year 2024, the level of average national yield is recorded at 481 Kilograms per Hectare per month (195 Kilograms per Acre per month). Consequently, all stages of the value chain, from tea planting to export have been rendered inefficient. Accordingly, there is a tendency, particularly among tea cultivators, to abandon tea cultivation and convert tea plantations for the cultivation of alternative crops. Therefore, the volume of tea exports from Sri Lanka is experiencing a gradual decline, which could potentially have an adverse impact on the country's tea export revenue.

Although the standard of green leaves should exceed 70% to ensure quality tea production, the attention given within the tea industry to maintaining this standard has not been at a satisfactory level. The tea plant demonstrates a positive response to fertilizer application and other good agricultural practices only when green leaf plucking is carried out by the prescribed standards. Otherwise, even if the fertilizer application and other good agricultural practices are carried out at an optimal level, the tea plant exhibits a lack of responsiveness to such interventions. Under these circumstances, the continuous application of chemical fertilizers, in particular, causes the degradation of soil quality, ultimately leading to soil infertility. Consequently, a gradual decline in yield ensues, which further encourages the farmer to engage in green leaf plucking without paying attention to established leaf quality standards. Due to the prolonged continuation of this process, it may be concluded that tea small holdings have been subjected to a dissonant cycle marked by substandard green leaf plucking and progressive soil degradation.

The downward trend in yield within the tea small holdings sector has been observed since the year 2014. In the same year, the level of yield in the tea small holdings sector was recorded at approximately 790 Kilograms of green leaves per Hectare per month (320 Kilograms per Acre per month). 340 Million Kilograms, the highest ever annual production of made tea in the history of Sri Lanka, was recorded this year. The tea small holdings sector contributed 75% of this record production.

In order to restore the tea small holdings industry in Sri Lanka to a productive state, it is imperative, as a matter of priority, to elevate the level of yield recorded in the year 2024 to at least the level attained in the year 2014. According to the research conducted by the Tea Research Institute, the current levels of yield can be increased by approximately 22% exclusively through modifying inappropriate plucking methods presently in practice. Simultaneously, it is expected that these levels of yield can be increased even further amplified by rehabilitating the degraded soil through restoring organic nutrient components. In addition to modifying methods of green leaf plucking and soil nutrition, infilling and replanting can also contribute to increasing yields.

Among the responsibilities of the Tea Small Holdings Development Authority, the primary and foremost task to be undertaken from the year 2025 onwards is the formulation and implementation of requisite strategies aimed at enhancing the overall productivity of the tea industry through improving green leaf quality standards and increasing the levels of yield, as aforementioned. The policy of the contemporary government, “A Thriving Nation and a Beautiful Life” can be objectified by creating a new era of revitalization for the tea industry in Sri Lanka through the implementation of these measures.

V.J.C.N. Udugampola
Chairman
Tea Small Holdings Development Authority

Performance Indicators of Tea Small Holdings Sector 2024

No.	Description	2020	2021	2022	2023	2024
1	Extent of Tea Small Holdings (Hectares) *As per the land registration of Sri Lanka Tea Board	123,324	*157,907	*158,060	*158,221	*158,247
2	Number of Tea Small Holders	404,291	*418,328	*418,531	*418,938	*418,989
3	Made Tea production of the Tea Small Holding sector (Million Kilograms)	205.666	223.197	189.734	190.662	197.154
4	Percentage of Contribution of the Tea Small Holding sector to the National production (%)	73.8	74.56	75.44	74.46	75.20
5	Average Productivity (Made Tea/Kilograms/per Hectare)	1,766	*1,414	*1,200	*1,205	* 1,246
6	Extent of lands of Tea Replanting – Under incentives (Hectares)	946	1466	1596	1076	412.2
		With STaRR project				
7	Extent of lands of New Tea planting Hectares (Under incentives)	424	678	408	43.61	-
8	Percentage of Tea replanting (%)	0.95	1.47	1.60	0.60	1.06
		(With STaRR project)				
9	Crop Rehabilitation – Number of plants (Millions)	2.137	3.324	2.431	0.20	2.01
10	Tea Small Holdings Development Societies					
	No. of Societies	1,483	1,484	1,484	1,492	1,497
	No. of Members	309,710	279,594	305,736	300,706	287,407
11	Extension and Advisory Services					
	No. of Individual Extension Services	14,439	15,866	19,565	20,678	25,111
	No. of Group Programs	1,956	2,530	3,179	3,185	3,478
	No. of Participated Farmers	53,068	43,138	90,451	72,445	76,904
12	Institute’s Cost of Operation (per Development Rupee)	0.55	0.38	0.27	0.35	0.93
13	Tea Inspection/ Extension Officer – Tea Farmer Ratio	1:2807	1:3374	1.2907	1.2909	1:2910
14	Average Selling Price of green leaves per Kilogram in Rupees	92.55	90.57	182.07	162.66	179.16

Table of Contents

1.	Organizational Structure and Basic Details of Tea Small Holdings Development Authority	- 08
1.1.	Board of Directors of Tea Small Holdings Development Authority.....	09-09
1.2.	Audit and Management Committee of Tea Small Holdings Development Authority	10-10
1.3.	Organizational Structure and Administrative Activities.....	11-15
1.4.	Staff details of the Head Office, Regional Offices and Details of Tourist Bungalows and Resorts.....	15-24
1.5.	Executive Summary.....	25-27
1.6.	Investments and Operational Review of the Tea Small Holdings Sector.....	28-28
2.	Basic Functions of the Institution	- 29
2.1.	Institution and its Role.....	30-30
2.2.	Productive Management Strategies and Developmental Outcomes for Statutory Objectives.....	30-32
2.3.	2021– 2025 Strategic Plan.....	32-33
2.4.	Action Plan and the Allocation of Provisions of the Institution	33-33
2.5.	Employee activities contributing to long – term development.....	33-33
3.	Development Activities	-34
3.1.	Tea Replanting.....	35-42
3.2.	Tea New Planting.....	43-44
3.3.	Crop Rehabilitation / Infilling.....	45-48
3.4.	Performance of Tea Small Holdings Development Societies.....	49-49
3.5.	Special Projects (Development).....	49-51
3.6.	Tea Shakthi Insurance Benefit Scheme.....	52-52
3.7.	Loan Scheme of the Asian Development Bank.....	53-53
4.	Extension Activities	-54
4.1.	Execution of Tea Nurseries.....	55-58
4.2.	Maintenance of Demonstration Plots.....	59-59
4.3.	Institutional Mother Bush Area Cultivation.....	59-60
4.4.	Extension and Advisory Training Programs.....	61-61
4.5.	Soil Sample Testing and Individual Visits.....	62-62
4.6.	Factory-based Extension Programs targeted at Enhancing the yield and the quality of green leaves.....	62-62
4.7.	“Dallakin Wenasak” – Tea Land Development Program.....	63-63
4.8.	“Dallaka Ashcharya” – Tea Land Development Program.....	63-63
4.9.	Promotion of “Organic Tea Planting”	63-64
5.	Tea Small Holdings Sector of Sri Lanka and the Productivity of Tea Lands	-65
5.1.	Tea Small Holder Lands.....	66-68
5.2.	Production of Tea Small Holdings Sector.....	69-69
5.3.	Production Composition and Productivity of Tea Small Holdings.....	70-70
5.4.	Contribution and Productivity Review of the Tea Small Holdings Sector.....	71-71

Table of Contents

6. Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector - 72

6.1.	Cost of Labor.....	73-73
6.2.	Production Cost for one kilogram of Green Leaves.....	73-73
6.3.	Prices of Green Leaves and the Estimated Cost been in the year 2024.....	74-74
6.4.	Cost of Tea Replanting.....	74-74
6.5.	Percentage of Incentives and Cost of Cultivation per Hectare.....	75-75

Schedules

1.	Estimate on the Production Cost of a Kilogram of Green Leaves 2024.....	76-76
2.	Tea Production of the Tea Small Holdings Sector.....	77-77
3.	Tea Exports and Foreign Exchange Revenues.....	78-78

7. Final Accounts of Tea Small Holdings Development Authority as at 31.12.2024 and The Auditor General's Report - 79

Tables

1.	Details of the Number of Cadres and the Approved Cadre I (As at 31.12.2024)	13-13
2.	Details of the Number of Cadres and the Approved Cadre II (As at 31.12.2024).....	14-14
3.	Promotions and Recruitments made during the year.....	15-15
4.	Tea Production in Private Sector and Treasury Funds Receipts 2009 – 2024.....	28-28
5.	Operational Review - From 2009 to 2024.....	28-28
6.	Productivity Goals and Performance anticipated by the institution.....	31-31
7.	Expected production Targets of the year in accordance with 2021 – 2025 Strategic Plan.....	33-33
8.	Tea Replanting – The physical achievement in the year 2023/2024.....	38-38
9.	Execution of Tea Replanting (1984 – 2024)	39-39
10.	Cost of Production Estimate for Tea Replantation in High and Mid-lands – 2024.....	40-40
11.	Cost of Production Estimate for Tea Replantation in Lowlands - 2024.....	41-41
12.	Issuance of Permits and Planting of Tea Replanting in 2024.....	42-42
13.	Assessment on the impact of tea land productivity through the provision of replanting Subsidies.....	42-42
14.	Execution of Tea New Planting 1983 – 2024.....	44-44
15.	Crop Rehabilitation / Infilling– The physical achievements in the year 2023/2024.....	46-46
16.	Execution of Crop Rehabilitation Subsidy Scheme (1989 – 2024)	48-48
17.	Extension of Tea Small Holdings Development Societies.....	49-49
18.	Distribution of Fertilizer through 08 Regional Offices.....	50-50
19.	Estimate of the Direct Tea Planting (750 Million Rupees) Project.....	50-50
20.	Direct Tea Planting (750 Million Rupees) Project – Progress as at 31.12.2024.....	51-51
21.	Execution of the payment of Tea Shakthi Insurance Benefit Scheme.....	52-52
22.	Loan Scheme of the Asian Development Bank - Financial institutions providing loans and Progress of providing loan recommendations as at 31.12.2024.....	53-53

Table of Contents

Tables

23. Execution of Commercial Tea Nurseries - Cultivation season in 2024.....	56-56
24. Execution of Institutional Tea Nurseries – 2024	58-58
25. Issuing New Cultivar of Shoots from Mother Bush area Cultivations- 2024.....	60-60
26. Extension and Advisory Services – The Productivity Growth (Number of Training Programs and the Participation as at 31.12.2024)	61-61
27. Individual Visits and Number of Soil Tests – 2024 Progress.....	62-62
28. Key Performance Indicators for Managing Development Outcomes – 2024.....	64-64
29. Number of Tea Small Holders and Extent of Lands in accordance with the Districts in Sri Lanka.....	67-67
30. Classification of the extent of Tea Small Holdings in Sri Lanka in accordance with the Census in 2005.....	68-68
31. Classification of Tea Small Holdings in Sri Lanka in accordance with the extent of lands and number of plots of lands.....	68-68
32. Tea Production and Production Contribution of the Tea Small Holdings Sector (Based on location) 2021 -2024.....	70-70
33. Productivity of Tea Small Holdings Sector based on Administrative Districts - 2024 ..	71-71
34. The Price received for one kilogram of green leaves and the Production Cost.....	73-73
35. Price paid for one Kilogram of green leaves.....	74-74
36. Estimate on the Cost of Replanting per Hectare 2023/2024.....	74-74
37. Percentage of Incentives and Cost of Cultivation per Hectare.....	75-75

Diagrams

1. Annual Trend in Average Productivity.....	31-31
2. Increasing the amount of Tea Replanting Subsidy.....	36-36
3. Annual Application for the Tea Replanting Subsidies.....	36-36
4. Tea Replanting Target and Performance.....	37-37
5. Annual Progress in the Payment of Tea Replanting Subsidy.....	37-37
6. Increasing the amount of Tea New Planting Subsidy.....	43-43
7. Progress in the Payment of Crop Rehabilitation.....	47-47
8. Performance of Crop Rehabilitation.....	47-47
9. Regional Expansion of Societies 2024.....	49-49
10. Contribution of Tea Small Holders to the total extent of tea lands -2005	66-66
11. Contribution of Tea Small Holders to the total extent of tea lands–2024.....	66-66
12. Distribution of Tea Small Holdings based on the Extent of Lands.....	68-68
13. Monthly Tea Production of the Tea Small Holdings Sector (2023/2024)	69-69
14. Annual Trend of Tea Production in the Tea Small Holdings Sector (2000-2024).....	69-69

Chapter One

1. Organizational Structure and Basic information of Tea Small Holdings Development Authority



1. Organizational Structure and Basic Details of Tea Small Holdings Development Authority

1.1 Board of Directors of Tea Small Holdings Development Authority

Name of the Member	Position in the BOD	Official Position	Institution and Official Address	Telephone No.
Mr. D. G. Mahipala (From 24.12.2024 (604) to 28.06.2024 (609))	Chairman	Chairman	Tea Small Holdings Development Authority No: 70, Parliament Road, Pelawatte, Battaramulla	077 266 2484
Mr. A. H. M. L. Abeyrathna (From 06.08.2024 (610) to 04.09.2024 (611))	Chairman	Chairman	Tea Small Holdings Development Authority No: 70, Parliament Road, Pelawatte, Battaramulla	077 310 8998
Mr. V. J. C. Nimal Udugampola (From 07.10.2024 to date)	Chairman	Chairman	Tea Small Holdings Development Authority No: 70, Parliament Road, Pelawatte, Battaramulla	077 341 9498
Mr. T. A. D. D. Premarthna	Member	Director	Department of Project Management and Monitoring, Ministry of Finance, Economic Stabilization and National Policies	071 534 9119
Mrs. W. M. D. T. Wickramasinghe	Member	Additional Secretary (Policy and Development)	Ministry of Plantation Industries, 11 th Floor, Sethsiripaya, Level II, Battaramulla	071 448 4264
Prof. Roshan Rajadurei	Member	Managing Director	Kelani Valley Plantations (PLC) No. 400, Deans Road, Colombo 10	077 774 3457
Prof. W. Jinadasa	Member	Chairman	Adaradeniya Tea Factory, Moravaka Road, Lelawala, Neluwa	077 790 6024
Mr. Thusitha Aluthpatabandige (From 06.08.2024 (610))	Member	Chairman	Sri Lanka Tea Research Institute Thalawakale	077 775 8125
Prof. A. B. Ranathunga (From 22.02.2024 (605))	Member	Director (Acting)	Sri Lanka Tea Research Institute Thalawakale	071 850 1298
Prof. H. S. Anuruddha (From 25.04.2024 (607))	Member	Director	Sri Lanka Tea Board No. 574, Galle Road, Colombo 03	077 228 8216
Mr. Jagath Senarath Pathirana	Member	Chairman All Island Federation of TSHD Societies	No: 70, Parliament Road, Pelawatte, Battaramulla	071 145 1163
Mr. K. Weerasinghe	Member	Secretary All Island Federation of TSHD Societies	No: 70, Parliament Road, Pelawatte, Battaramulla	077 323 3297
Mr. Dhammika Solomon (04.09.2024 - 611)	Member	Trade Union Representative of the Honourable Minister	No. 26, Old Kasbewa Road, Delkanda, Nugegoda	077 226 0000

08 Director Board meetings were held in the year 2024.

1.2 Audit and Management Committee of Tea Small Holdings Development Authority

Details regarding the members of the Audit and Management Committee for the year 2024

✓ Mr. T. A. D. D. Premarathna Ministry of Finance	-	Chairman of the Committee
✓ Mrs. Tharangani Wickramasinghe Ministry of Plantation and Community Infranstructure	-	Committee Member
✓ Prof. W. Jinadasa Tea Factory Owners' Association	-	Committee Member
✓ Ms. V. D. Seetha National Audit Office	-	Observer

In the year under review, 02 Audit and Management Committee meetings were held, and during 02 Audit and Management Committee meetings held at the Ministry, information was presented and participation was ensured.

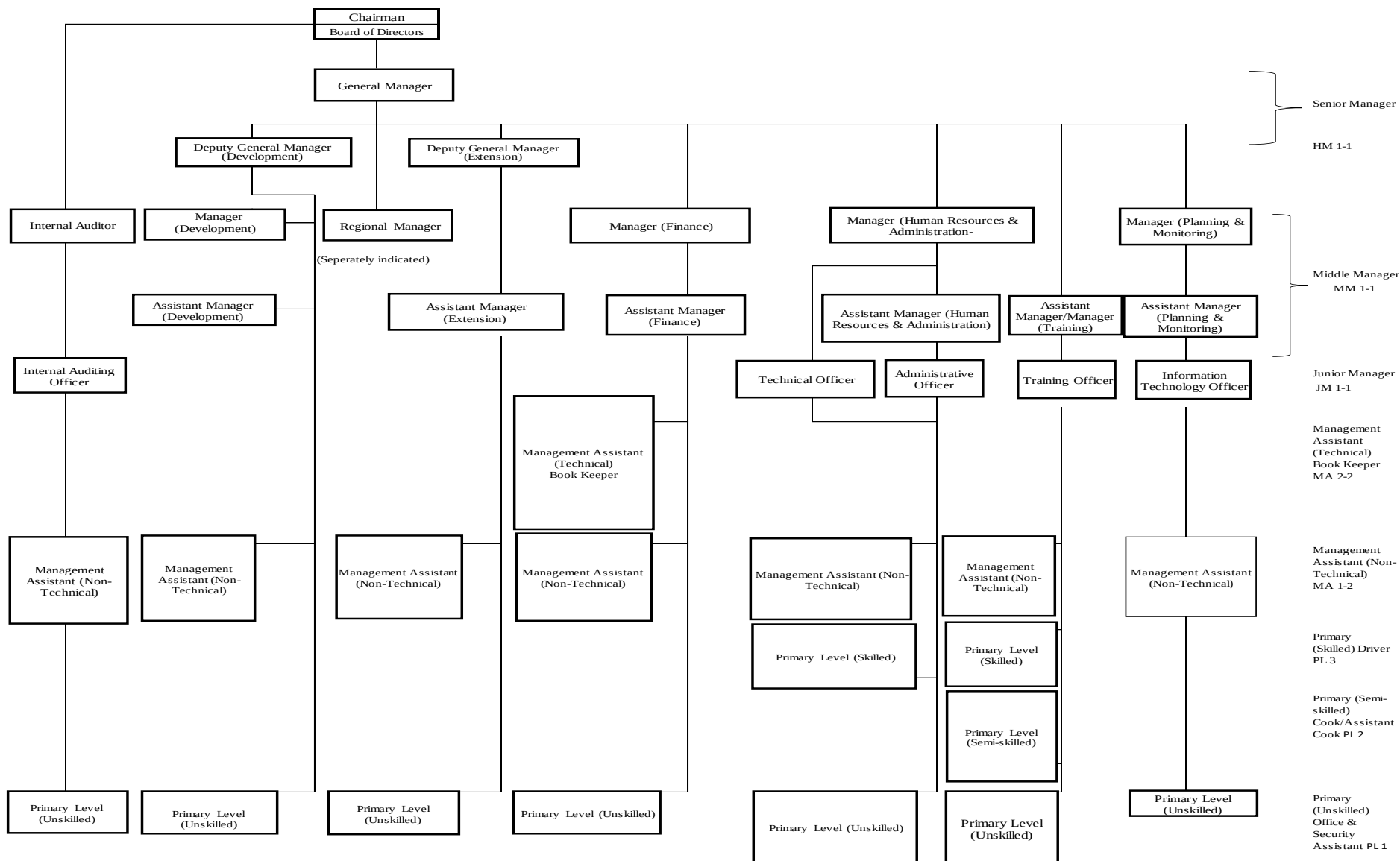
1.2.1 Audit and Management Committee Activities

By the annual audit plan, the Internal Audit Division has planned audit activities, identified prevailing weaknesses in internal management, and duly informed the relevant parties to facilitate necessary corrective actions.

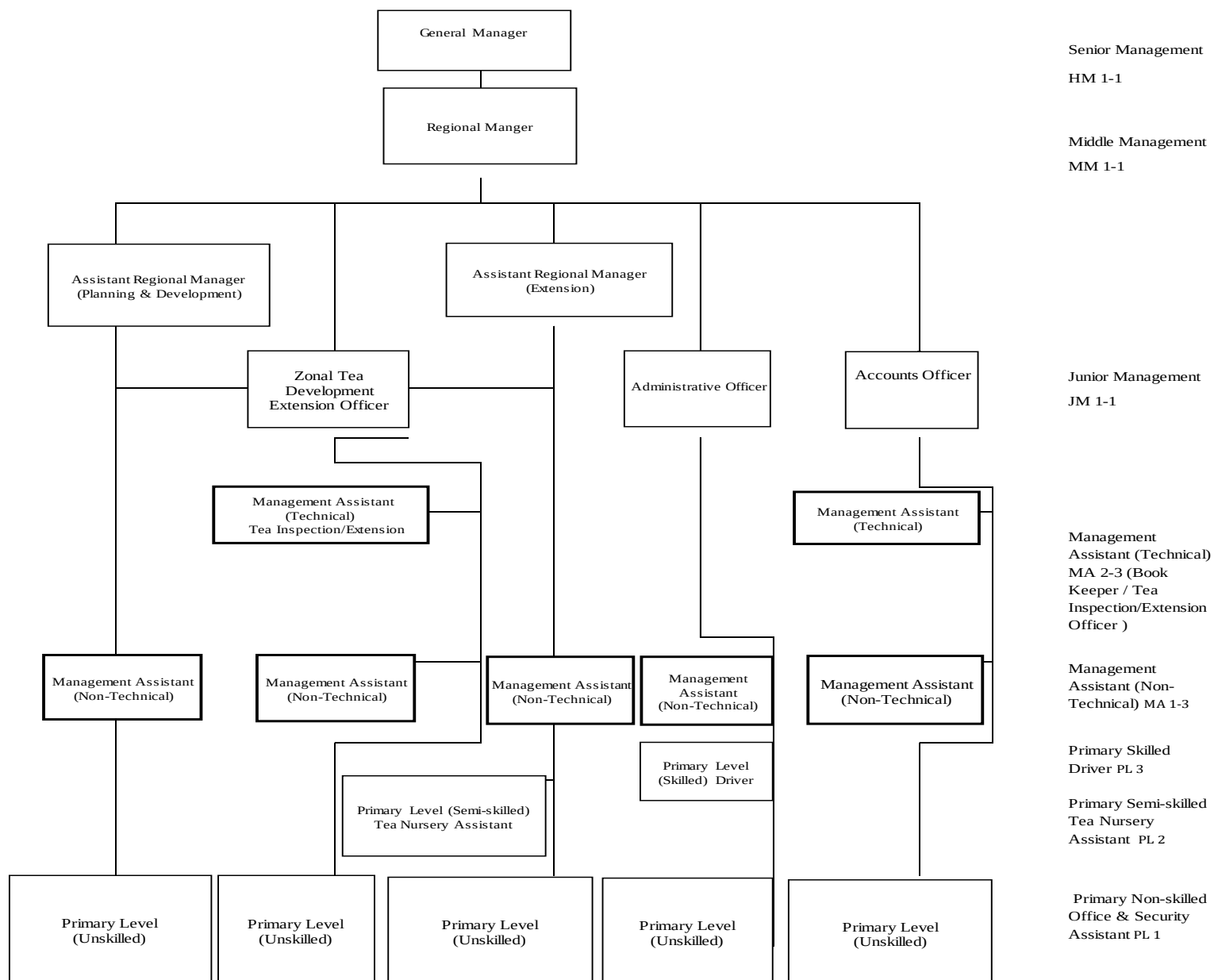
Furthermore, the Audit and Management Committee has taken appropriate action with focused attention on the following subject areas.

1	Reviewing the matters disclosed by the internal audit reports and working on accelerating the execution of proposals.
2	Reviewing the Auditor General's report and taking measures on performing necessary adjustments required to prevent the recurrence of defic iencies as shown thereto. (02 Management Committee Meetings)
3	Examining the progress of the submission of responses regarding audit inquires.
4	Inquiring on whether the circulars and regulations are accordingly adhered to and taking necessary measures on revising shortcomings.
5	Inquiring on the delay of submitting Board of Directors' handouts and on the delay of appointing officers for formal disciplinary decisions and basic inquires to the Board of Directors and reporting the details of the procedures taken by the Administrative Division on disciplinary procedures to the Audit and Management Committee and to the Board of Directors., etc tasks were carried out.

1.3.1 Head Office and Hanthana Training Center



1.3.2 Regional Offices



(Prepared as per the approved cadre of No. DMS/1714 V-II of the Department of Management Services dated 22.06.2017)

Table No. – 01

1.3.3 Details of the Number of Cadres and the Approved Cadre I

1. Ministry/Provincial Council/District Secretariat - Ministry of Plantation and Community Infranastructure
2. Department/SOE Name / Institute/Divisional Secretariat Office - Tea Small Holdings Development Authority
3. Address - No. 70, Parliament Road, Pelawatta, Battaramulla.
4. Details of approved cadre - Details of cadre as at 31.12.2024

Designation	Grade		No. of Approved Cadre	No. of Existing Cadre	Vacancies
General Manager	HM2-1	Senior Level	1	1	0
Deputy General Manager (Development)	HM 1-1	Senior Level	1	0	1
Deputy General Manager (Extention)	HM 1-1	Senior Level	1	1	0
Manager (Human Resources/Administration)	MM 1-1	Senior Level	1	0	1
Assistant General Manager (Services)	MM 1-1	Senior Level	1*	1*	0
Manager (Finance)	MM 1-1	Senior Level	1	1	0
Manager (Development)	MM 1-1	Senior Level	1	1	0
Manager (Planning & Monitoring)	MM 1-1	Senior Level	1	0	1
Regional Manager	MM 1-1	Senior Level	8	7	1
Assistant Manager (Development)	MM 1-1	Senior Level	1	1	0
Assistant Manager (Finance)	MM 1-1	Senior Level	2	2	0
Assistant Manager (Administration)	MM 1-1	Senior Level	1	1	0
Internal Auditor	MM 1-1	Senior Level	1	1	0
Assistant Manager (Extension)	MM 1-1	Senior Level	1	1	0
Assistant Manager (Training)	MM 1-1	Senior Level	1	1	0
Assistant Manager (Planning & Monitoring)	MM 1-1	Senior Level	1	1	0
Assistant Regional Manager (Extension)	MM 1-1	Senior Level	8	3	5
Assistant Regional Manager (Planning & Development)	MM 1-1	Senior Level	6	6	0
			37	28	9
			1*	1*	0
Accounts Officer	JM 1-1	Middle Level	8	8	0
Internal Audit Officer	JM 1-1	Middle Level	1	1	0
Administrative Officer	JM 1-1	Middle Level	9	7	2
Zonal Tea Development Extension Officer	JM 1-1	Middle Level	26	16	10
Training Officer	JM 1-1	Middle Level	1	0	1
Information Technology Officer	JM 1-1	Middle Level	1	0	1
Technical Officer	JM 1-1	Middle Level	1	0	1
			47	32	15
Tea Inspection Extension Officer	MA 2-3	Secondary Level	144	119	25
Bookkeeper	MA 2-2	Secondary Level	9	7	2
Management Assistant	MA 1-2	Secondary Level	149	123	26
		Secondary Level	11*	11*	0
			302	249	53
			11*	11*	0
Driver	PL 3	Primary Level	26	23	3
			2*	2*	0
Assistant Cook	PL 2		2	2	0
Nursery Assistant/Tea Nursery Assistant	PL 2/MA 1-2	Primary Level	8	6	2
Office & Security Assistant	PL 1	Primary Level	37	37	0
			4*	4*	0
			73	68	5
			6*	6*	0
Total No. of cadre approved by the letter No. DMS/1714 V- II dated 22.06.2017			459	377	82
Total No. of permanent positions on which the approvals were received as personal to the holder (As explained below)			18*	18*	0
Total			477	395	82

* marked are positions that have been approved as personal to the holder.

Approvals have been received for the respective positions through the letters given below. Letter No. DMS/E4/08/5/070/1 dated 27.04.2010, Letter No. DMS/1714 dated 08.07.2014, Letter No. DMS/1714 V -I dated 08.08.2016, Letter No. DMS/1714 V -II (T) dated 23.05.2017, Letter No. DMS/1718 dated 14.06.2023

Table No. – 02

1.3.4 Details of the Number of Cadres and the Approved Cadre II

1. Ministry/Provincial Council/District Secretariat - Ministry of Plantation and Community Infranstructure												
2. Department/SOE Name / Institute/Divisional Secretariat Office - Tea Small Holdings Development Authority												
3. Address - No. 70, Parliament Road, Pelawatta, Battaramulla.												
4. Details of approved cadre - Details of cadre as at 31.12.2024												
Designation	Status of Service	Grade	No. of Approved Cadre	No. of Existing Cadre	From 01.01.2024 to 31.12.2024							
					Recruitments	Promotions	Secondments	Resignations	Vacancies in posts	Termination of employees	Retirements	Other
General Manager	Senior Manager	HM2-1	1	1								
Deputy General Manager (Development)	Senior Manager	HM 1-1	1	0				1				
Deputy General Manager (Extension)	Senior Manager	HM 1-1	1	1								
Sub-total of the Senior Manager positions approved by the Letter No. DMS/1714 V- II dated 22.06.2017			3	2				1				
Manager (Human Resources/Administration)	Middle Manager	MM 1-1	1	0								
Assistant General Manager (Services)	Middle Manager	MM 1-1	1*	1*								
Manager (Finance)	Middle Manager	MM 1-1	1	1								
Manager (Development)	Middle Manager	MM 1-1	1	1								
Manager (Planning & Monitoring)	Middle Manager	MM 1-1	1	0								
Regional Manager	Middle Manager	MM 1-1	8	7				1				
Assistant Manager (Development)	Middle Manager	MM 1-1	1	1								
Assistant Manager (Finance)	Middle Manager	MM 1-1	2	2								
Assistant Manager (Administration)	Middle Manager	MM 1-1	1	1								
Internal Auditor	Middle Manager	MM 1-1	1	1								
Assistant Manager (Extension)	Middle Manager	MM 1-1	1	1								
Assistant Manager (Training)	Middle Manager	MM 1-1	1	1								
Assistant Manager (Planning & Monitoring)	Middle Manager	MM 1-1	1	1								
Assistant Regional Manager (Extension)	Middle Manager	MM 1-1	8	3								
Assistant Regional Manager (Planning & Development)	Middle Manager	MM 1-1	6	6								
Sub-total of the Middle Manager positions approved by the Letter No. DMS/1714 V- II dated 22.06.2017			34	26				1				
Sub-total of the Middle Manager positions approved as personal to the holder and in other ways			1*	1*								
Accounts Officer	Junior Manager	JM 1-1	8	8								
Internal Audit Officer	Junior Manager	JM 1-1	1	1								
Administrative Officer	Junior Manager	JM 1-1	9	7	1							
Zonal Tea Development Extension Officer	Junior Manager	JM 1-1	26	16				1				5
Training Officer	Junior Manager	JM 1-1	1	0								
Information Technology Officer	Junior Manager	JM 1-1	1	0								
Technical Officer	Junior Manager	JM 1-1	1	0								
Sub-total of the Management Assistant positions approved by the Letter No. DMS/1714 V- II dated 22.06.2017			47	32				1				5
Tea Inspection Extension Officer	Management Assistant (Technical)	MA 2-3	144	119				1			2	5
Bookkeeper	Management Assistant (Technical)	MA 2-2	9	7								
Management Assistant	Management Assistant (Non-Technical)	MA 1-2	149 11*	123 11*	3	2		3			6	
Sub-total of the Management Assistant positions approved by the Letter No. DMS/1714 V- II dated 22.06.2017			302	249	3	2		4			8	5
Sub-total of the Management Assistant positions approved as personal to the holder and in other ways			11*	11*								
Driver	Primary (Skilled)	PL 3	26 2*	23 2*								1*
Assistant Cook	Primary (Semi-Skilled)	PL 2	2	2								
Nursery Assistant/Tea Nursery Assistant	Primary (Skilled) Management Assistant (Non-Technical)	PL 2/MA 1-2	8	6								
Office & Security Assistant	Primary (Unskilled)	PL 1	37 4*	37 4*								
Sub-total of the Primary Grade positions approved by the Letter No. DMS/1714 V- II dated 22.06.2017			73	68								1
Sub-total of the Primary Grade positions approved as personal to the holder and in other ways			6*	6*								
Total Cadre approved by the Letter No. DMS/1714 V- II dated 22.06.2017			459	377	3	2	0	7	0	0	8	11
Total permanent positions approved as personal to the holder and in other ways (As explained below)			18*	18*								
Total			477	395	3	2	0	7	0	0	8	11

* marked are positions that have been approved as personal to the holder and in other ways.

Approvals have been received for the respective positions through the letters given below. Letter No. DMS/E4/08/5/070/1 dated 27.04.2010, Letter No. DMS/1714 dated 08.07.2014, Letter No. DMS/1714 V-1 dated 08.08.2016, and Letter No. DMS/1718 dated 14.06.2023

1.3.4 Administrative Activities

Promotions and Recruitments made during the year

In accordance with the approval of the Department of Public Enterprises and Ministry of Agriculture and Plantation Industries, recruitments were made for the following positions in the year 2024 as per the provisions of the recruitment procedure.

Table – 03

Promotions and Recruitments made during the year

Designation	Recruitments
Regional Manager	03 Positions
Administrative Officer	03 Positions
Management Assistant	15 Positions
Tea Inspection/Extension Officer	01 Position
Total	22

1.4 Staff details of the Head Office, Regional Offices and Details of Tourist Bungalows and Resorts

Head Office

No: 70, Parliament Road, Pelawatte, Battaramulla

Telephone No.: (011-7909020/21)

Fax: 011-2784925/28

Email: gmtshda@gmail.com / aetshda1@gmail.com

Chairman

: Mr. V.J.C. Nimal Udugampola

General Manager

: Mr. J.M.K.B. Wickramasinghe

Extension Division

Deputy General Manager (Extension)

: Mr. Saman Priyantha Rathnayake

Assistant Manager (Extension)

: Mr. Prabuddha Pathum Weerasuriya

Development Division

Deputy General Manager (Development)

: Vacant

(Mr. R.A. Waidyaratne – Acting)

Manager (Development)

: Mr. R.A. Waidyaratne

Assistant Manager (Development)

: Mr. R.M.P.R. Bandara

Planning & Monitoring Division

Manager (Planning & Monitoring)

: Vacant

(Mrs. W.D C. Krishanthi – Acting)

Assistant Manager (Planning & Monitoring)

: Mrs. W.D C. Krishanthi

Information Technology Officer

: Vacant

(Mr. J. M. V. N. Madurawela – Acting)

Finance Division

Manager (Finance)	: Mr. P.R. Indika Perera
Assistant Manager (Finance)	: Mrs. R.A.C.D.D. Jayathunga
Assistant Manager (Finance)	: Mrs. R.R.W.D. Rathnayake

Human Resources and Administration Division

Manager (Human Resources & Administration)	: Vacant
Assistant Manager (Administration)	: Mr. D.G. Chamila Bandara Diddeniya
Administrative Officer	: Mrs. G.P.P. Wickramasinghe

Internal Audit Division

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

Services Division

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

Regional Office – Galle – Administrative District: Galle

Walahanduwa Watta, Galle

Telephone No.: 091-7201126

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

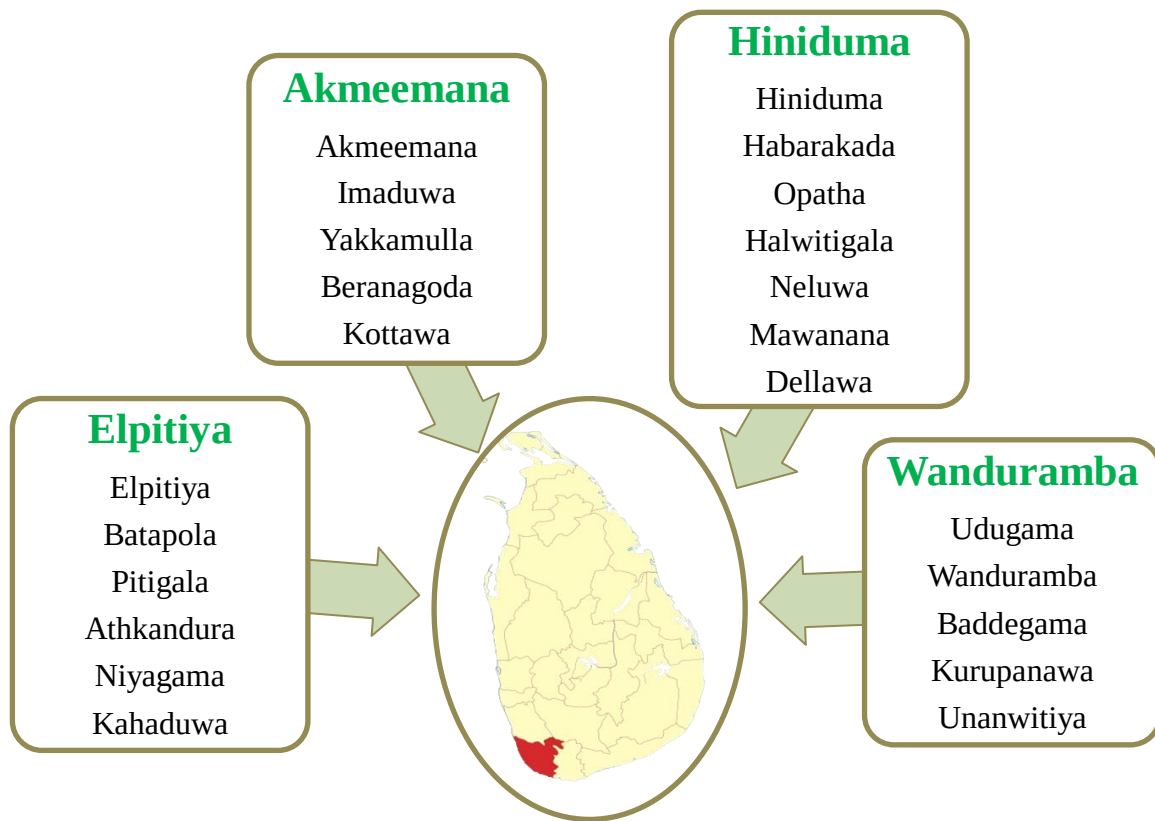
Extension Center

Walahanduwa, Galle.

Telephone No.: 091 720 0815

Regional Manager	: Mr. I.U.H. Mohotti
Assistant Regional Manager (Extension)	: Vacant (Mr. N.M. Wijesinghe – Covering Duties)
Assistant Regional Manager (Planning & Development)	: Mr. K.G. Udula Dasantha
Regional Tea Development Extension Officer	: Mr. I.D.D. Kumara : Mrs. H.P. Pushpakumari : Mr. S.C.W. Jayasekara : Vacant (Mr. K.S.S. Dahanayaka – Acting)
Administrative Officer	: Mr. H.P.L. Sanjeewa Pushpa Kumara
Accounts Officer	: Mrs. K.W.W. Perera

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Galle



Regional Office – Matara – Administrative Districts: Matara, Hambanthota

No. 31, Kalidasa Road, Matara

Telephone No.: 041-7200799 / 041-7200394/96

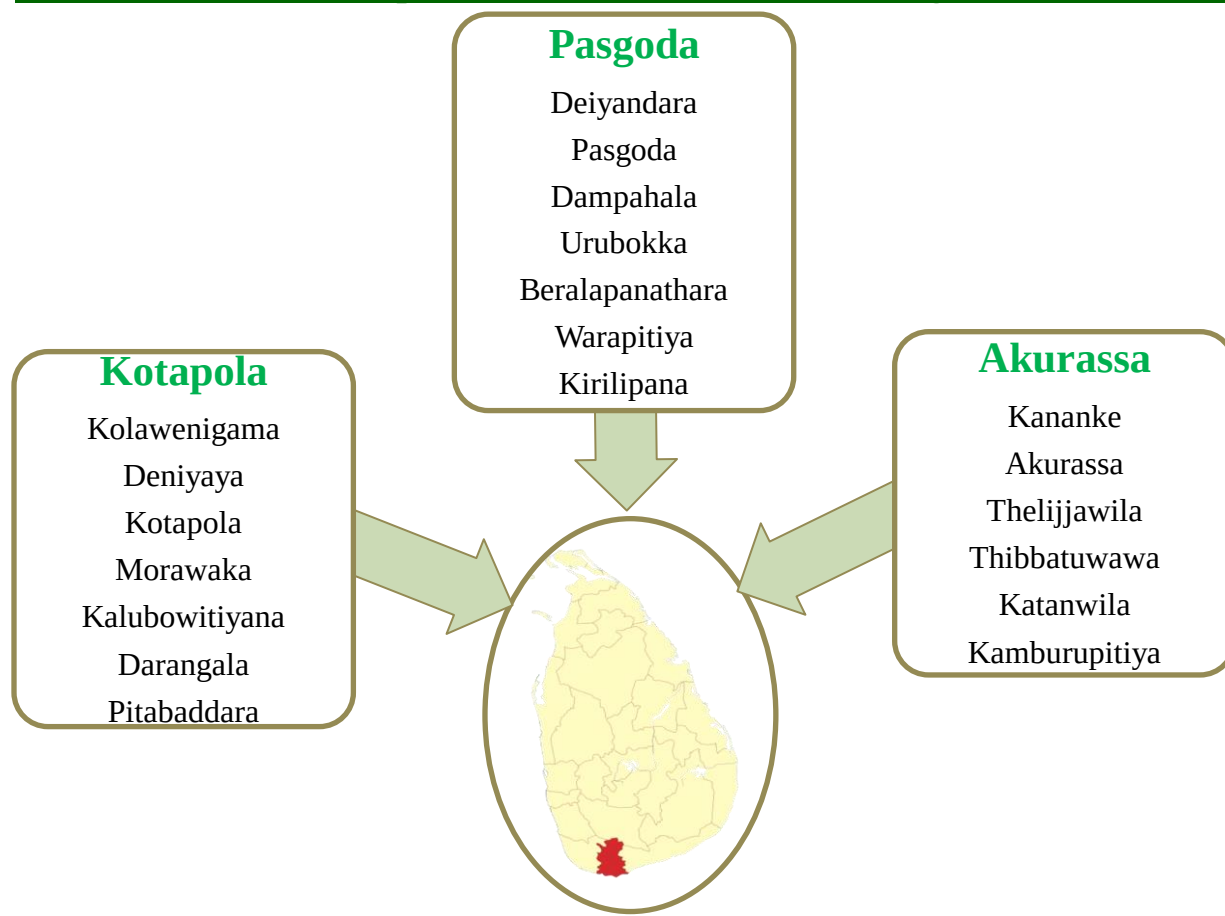
Fax: 041-2226487 / Email: tshdamt@gmail.com

Extension Center

Morawaka Alapaladeniya

Regional Manager	: Mr. P. A. N. Pushpakumara
Assistant Regional Manager (Planning and Development)	: Mr. J.L. Edirisooriya
Assistant Regional Manager (Extension)	: Vacant
Regional Tea Development Extension Officer	: Mr. Mahinda Batagoda
	: Vacant
	: (Mr. G.L.H.B. Lokuhewa – Acting)
	: Vacant
	: (Mr. H.H.N. Sumanasekara – Acting)
Administrative Officer	: Vacant
	(Mrs. N.A.T.K. Rathnayake – Acting)
Accounts Officer	: Mrs.H. M. L. Pushpakumari

Sub Offices and Tea Inspection Extension Divisions of Regional Office - Matara



Regional Office – Rathnapura – Administrative District: Rathnapura

No 1/28, New Town, Rathnapura

Telephone No.: 045-7201243 / 045-7201904

Fax: 045-2228647 /Email: tshdarat@gmail.com

Extension Center

Sannasgama, Rathnapura

Telephone No.: - 045 720 1170

Regional Manager

: Mr. M.R.N. Dhammika

Assistant Regional Manager

: Vacant

(Planning and Development)

Assistant Regional Manager (Extension)

: Mr. R.A.S.S. Ranathunga

Regional Tea Development Extension Officer

: Mr. M.A.I. Abeysena

: Mr. M.H.L.R. Munasinghe

: Mr. P.S.K. Perera

: Y.G. Hewawisenth (Acting)

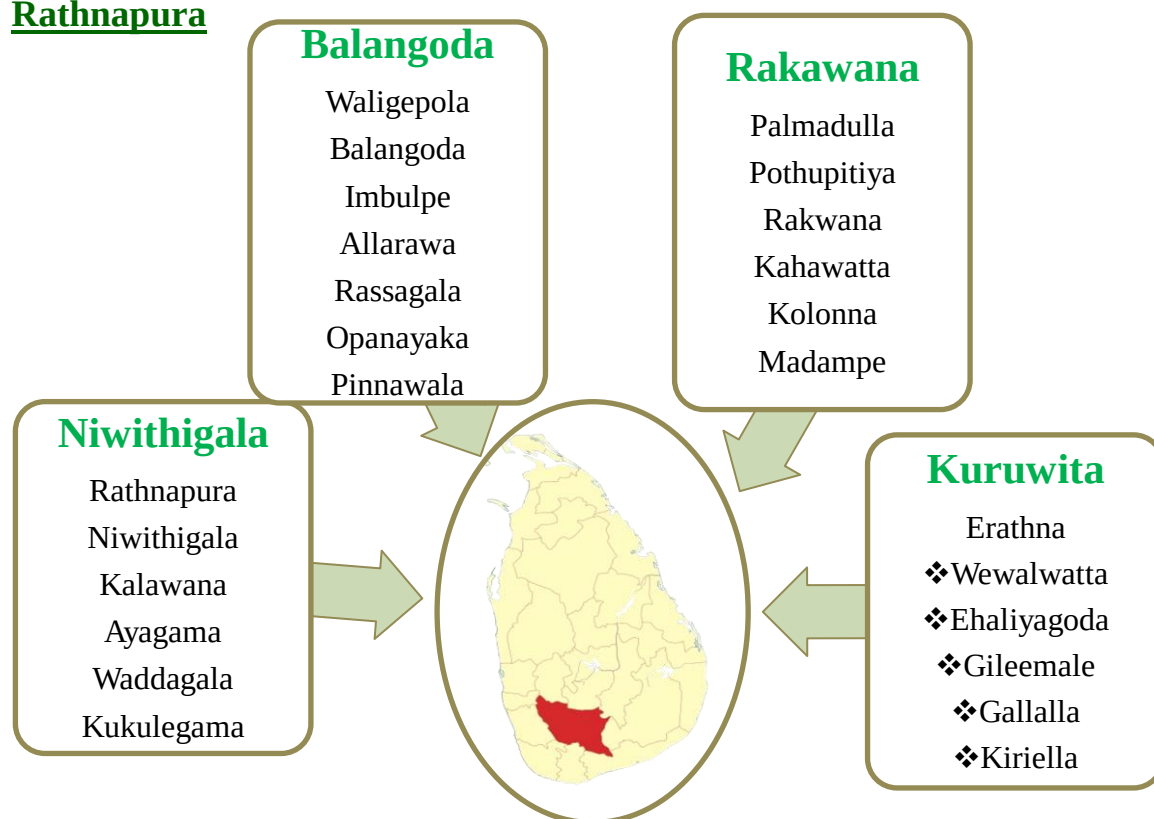
Administrative Officer

: Mrs. Dhammika Weththasinghe

Accounts Officer

: Mr. E.G.T.N. Serasinghe

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Rathnapura



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

No. 2/7/1, Gannoruwa Road, Peradeniya, Kandy

Telephone No.: 081-7200827 / 081-7200821

Fax: 081-2389011/ Email: - tshdakan@gmail.com

Extension Center

Suriyagoda, Muruthalawa

Telephone No.: - 081 720 1921

Regional Manager

: Mr. S.C.E. Narangaspitiya

Assistant Regional Manager (Extension)

: Vacant

Assistant Regional Manager

: Vacant

(Planning and Development)

Regional Tea Development Extension Officer

: Mr. P. G. P. C. Wijesinghe

: Mrs. D.S.G.G.S. Swarnathilaka

: Mrs. H.M.G.P. Nilmini Kumari

: Mr. M.A.S. Jayadewa

: Vacant

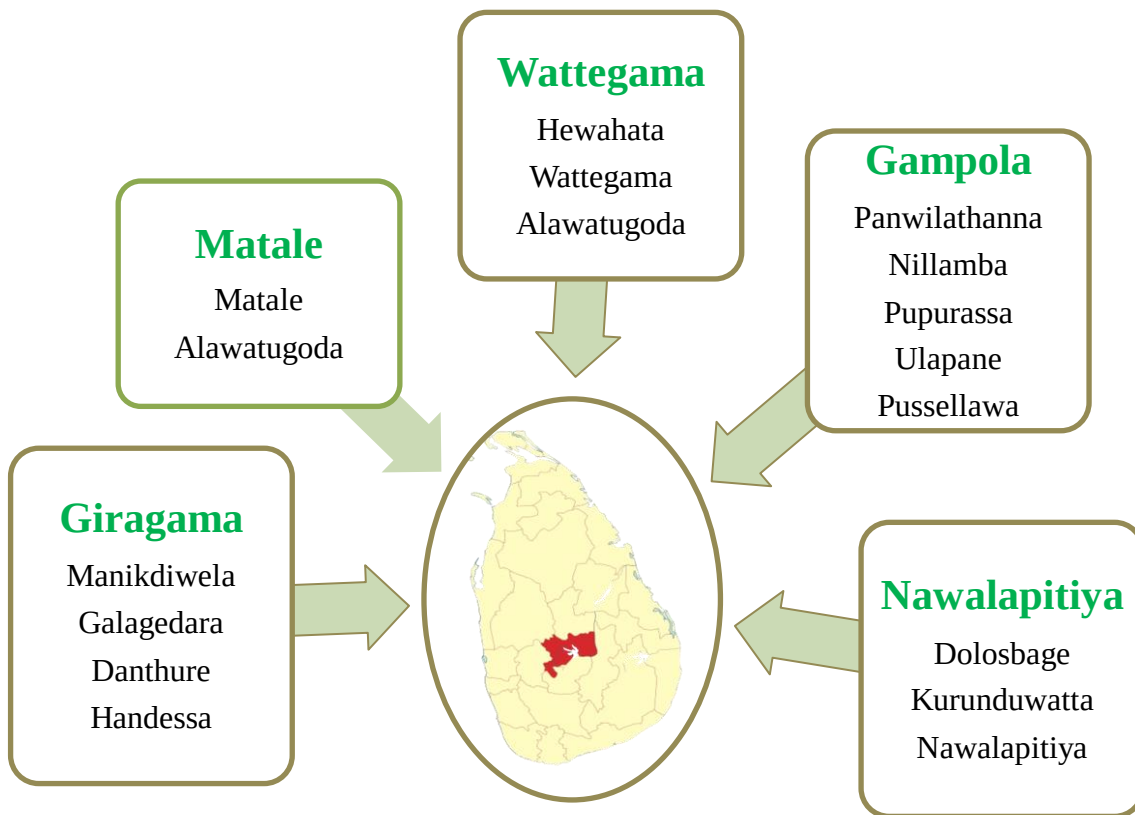
Administrative Officer

: Mr. H.M.R.J.B. Herath

Accounts Officer

: Mrs. M. V. L. Shyamalie Premasundara

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Kandy



Regional Office – Nuwara Eliya – Administrative District: Nuwara Eliya

New Town, Kotmale

Telephone No.: 052-4930265/ 052-4930247

Fax: 052-2259060 / Email: tshdane@gmail.com

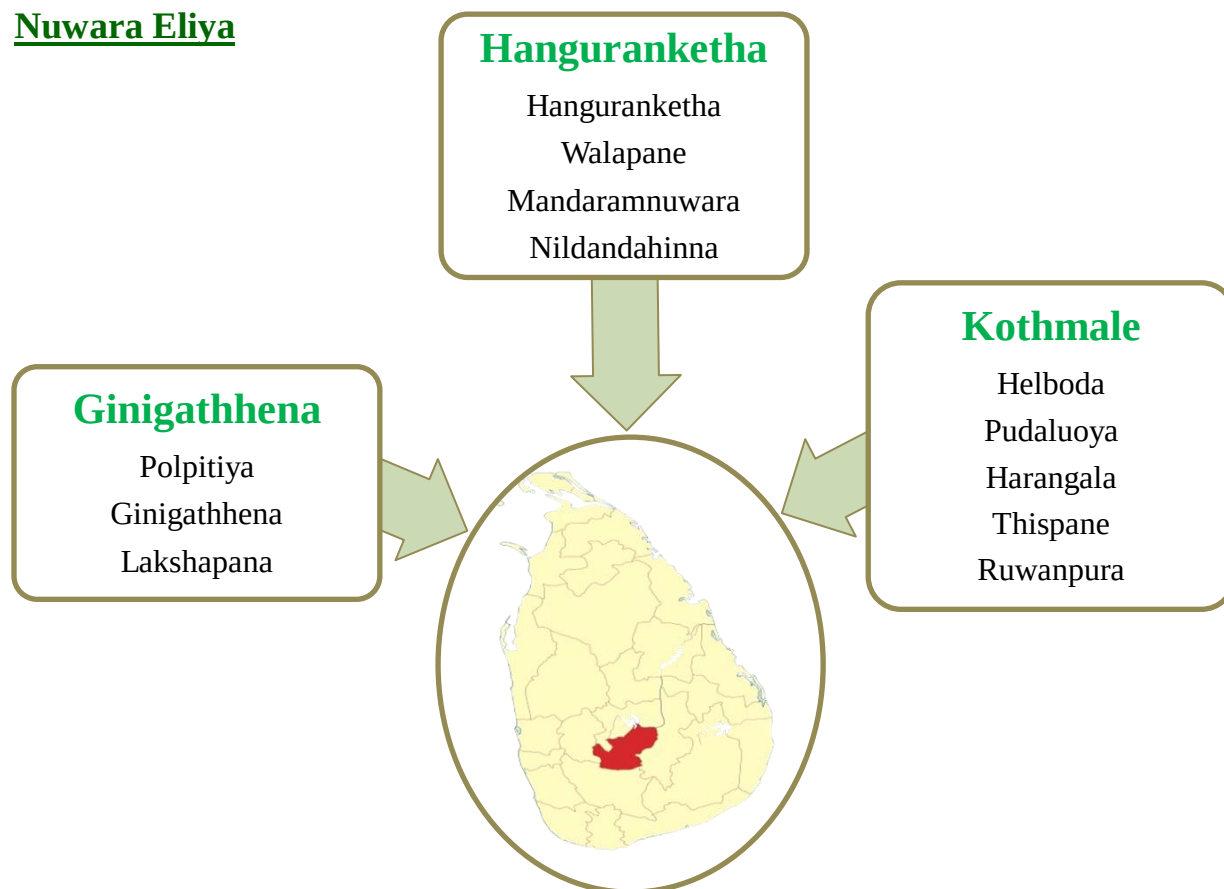
Extension Center

Tispane, Nawa Tispane

Telephone No.: - 081 720 1950

Regional Manager	: Mr. W.H.P.S. Wijethunga
Assistant Regional Manager (Planning and Development)	: Mr. H.K. Lalith Kumara
Assistant Regional Manager (Extension)	: Mr. S.P.A.P.K. Jayarathne
Regional Tea Development Extension Officer	: Mr. A. T. A. Gunawardhane
	: Mrs. K.H.M.G.S. Kumari
	: Vacant
Administrative Officer	: Mrs. M. G. D. A. Pushpakumari
Accounts Officer	: Mrs. D. M. L Nawalage

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Nuwara Eliya



Regional Office – Uva – Administrative Districts: Badulla, Moneragala

New Badulla Road, Bandarawela

Telephone No.: 057-7200241/ 057-7200081

Fax: 057- 2232237 / Email: uvatshda@gmail.com

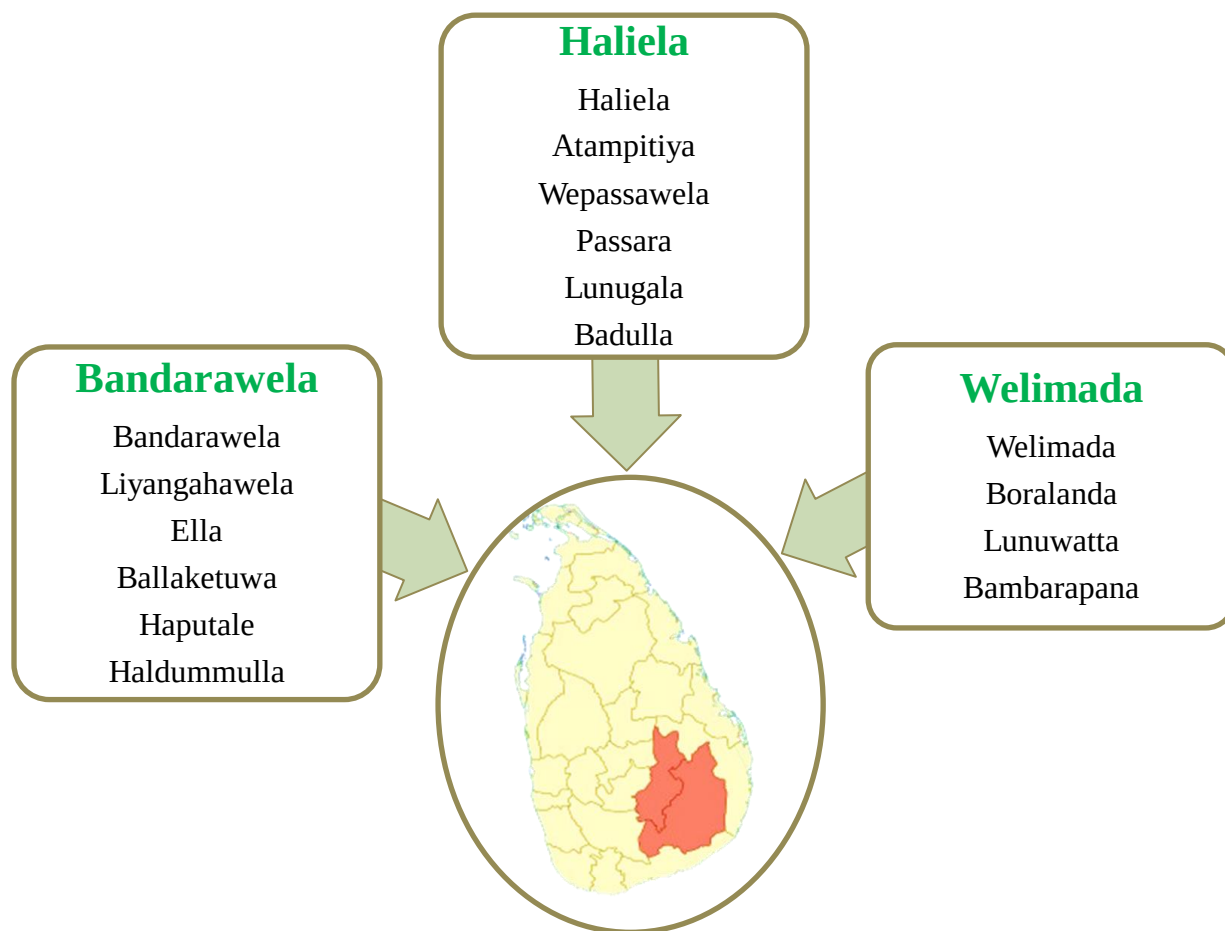
Extension Center

Bogahamaditta, Hali-ela.

Telephone No.: - 055 229 4363

Regional Manager	: Mr. H.K. Lalith Kumara (Duties has been assigned)
Assistant Regional Manager (Planning & Development)	: Mr. H.K. Lalith Kumara
Assistant Regional Manager (Extension)	: Mr. Neil Gunarathne (Performing Duties)
Regional Tea Development Extension Officer	: Mr. H. M. Premakumara : Mr. R. M. A. D. Rathnayake : Mrs. B.M.H.P. Amarasinghe
Administrative Officer	: Mrs. R. D. C. K. Ranathunga
Accounts Officer	: Mrs. W. D. M. M. Amarasinghe

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Uva



Regional Office – Kegalle – Administrative Districts: Kegalle, Gampaha

Iriyagolla, Dehiowita

Telephone No.: 035-7201254 / 035-7201243

Fax: 035-2230163 / Email - tshdake@gmail.com

Extension Center

Hingula.

Regional Manager

: Mr. H. Tharanga De Zoysa

Assistant Regional Manager (Extension)

: Vacant

: Mrs. M.A. Piyaseeli (Covering

Duties)

Regional Tea Development Extension Officer

: Mr. P.G.P.C. Wijesinghe

: Mr. H.P.D.N. Ranasinghe

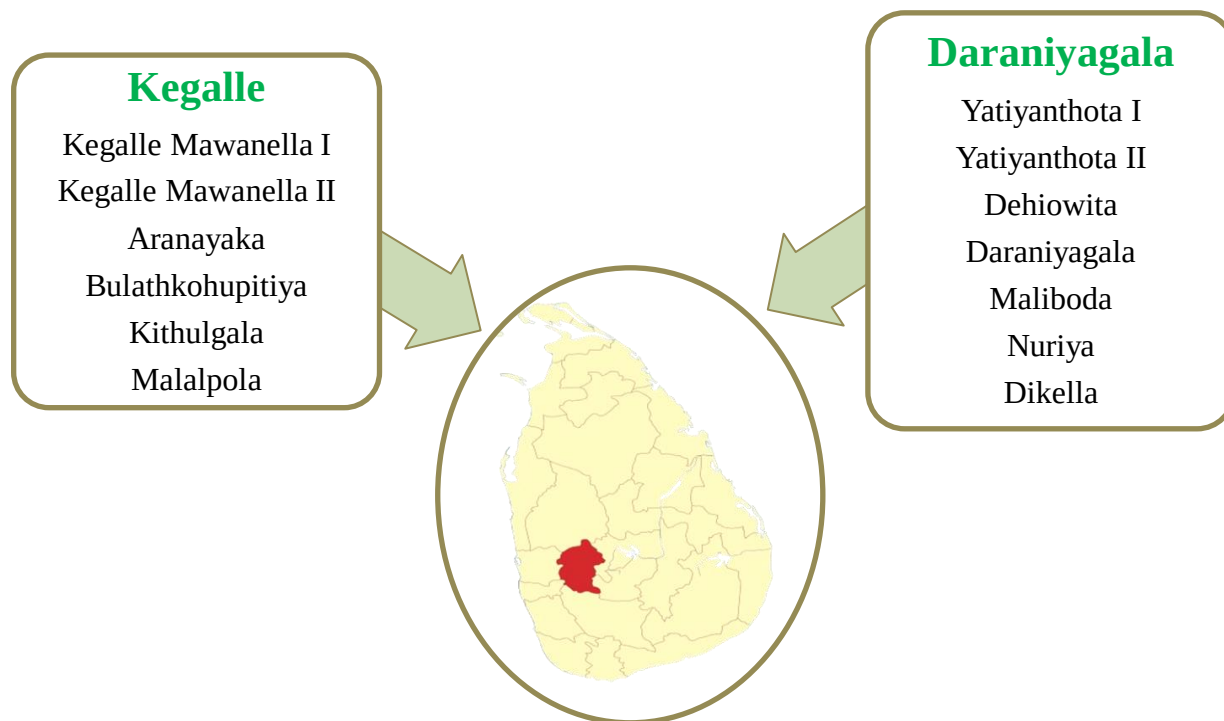
Administrative Officer

: Mr. P.L.L.S. Gunasekara

Accounts Officer

: Mr. R. M. J. B Rathnayake

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Kegalle



Regional Office – Kaluthara – Administrative Districts: Kaluthara, Colombo

Dadugodayawatte Road, Iddagoda, Mathugama

Telephone No.: 034-7200183 / 034-7201630

Fax: 034-2249690 / Email: tshdakalu@gmail.com

Regional Manager

: Mr. T.M.S.L. Priyadarshaka

Assistant Regional Manager (Extension

: Vacant

(Mr. H. Maddahetti – Covering

Duties)

Regional Tea Development Extension Officer

: Mr. M.T. Amararuwan

: Mr. A.U. Mannage

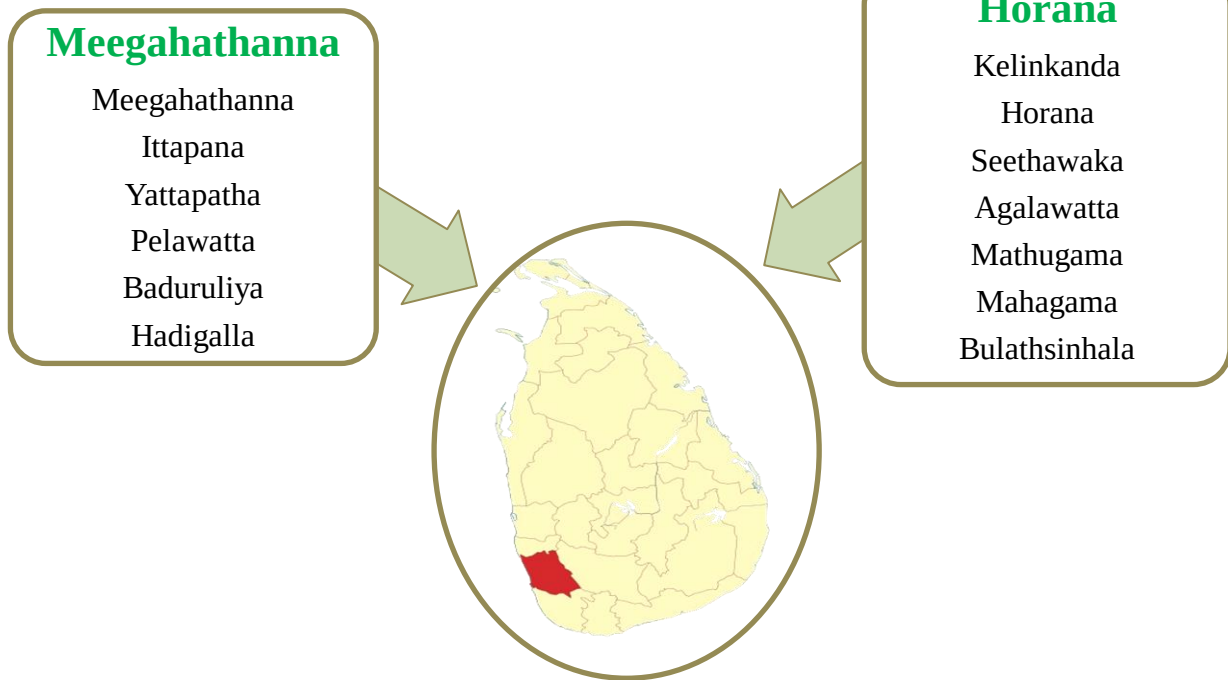
Administrative Officer

: Mrs. K.L.A. Upendrani

Accounts Officer

: Mrs. P. G. I. Surangika

Sub Offices and Tea Inspection Extension Divisions of Regional Office - Kaluthara



Rathnasiri Wickramanayaka National Training Institute

5th Milepost, Middle Division, Udawela, Hanthana

Telephone No.: 081-7201760/ 081-7201973

Fax: 081-3800679 / Email: tshdantc@gmail.com

Assistant Manager (Training)
Training Officer

: Mr. H.K.G.I.S.B. Hapuhinna
: Vacant

Tourist Bungalows and Resorts

❖ Hanthana Tourist Bungalows and Resort

5th Milepost, Middle Division, Udawela, Hanthana

Telephone No.: 081 7201760/ 081 7201973

WhatsApp - 074 2153886

Number of rooms in the bungalow - 05
(Accommodation facilities - 12)
Number of rooms in the resort - 16
(The amount of accommodation that can be provided - 46)

❖ Galle Hingaloda Tourist Bungalow

Hingaloda, Hiniduma, Galle

Telephone No.: 077 2624246

Number of rooms in the bungalow - 03
(Accommodation facilities - 10)



1.5 Executive Summary

Extent of Tea Small Holdings

From the year 2012, as per the Tea Small Holdings Development Act No.35 of 1975, development and associated services are provided by the Authority only for tea small holdings with an extent of less than 10 acres.

In accordance with the census of registering tea lands launched by the Tea Small Holdings Development Authority in conjunction with the Sri Lanka Tea Board in the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on the details of that census, the extent of tea cultivated lands updated by the Sri Lanka Tea Board in the year 2024 was 158,247 hectares.

As per the tea lands registration of the Sri Lanka Tea Board in the year 2016, the number of tea small holders was 418,262. As updated by the Sri Lanka Tea Board in the year 2024, the number of tea small holders was 418,989.

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

The national tea production in the year 2024 was 262.159 Million Kilograms and the made tea production of the tea small holdings sector was 197.154 Million Kilograms. That means that 75.2% of the overall tea production had been produced by the tea small holdings sector. The maximum production of the tea small holdings sector reported so far was 247.4 Million Kilograms in the year 2014 and the maximum of the national production reported so far was 340.22 Million Kilograms in the year 2013.

Compared to the year 2023, the national tea production in the year 2024 was increased by 2.39% and the production of the tea small holdings sector was also increased by 3.4%. Compared to the year 2014 on which the maximum production in the tea small holdings sector was reported, the production in the year 2024 had reduced by about 20.3%.

As per the data in the last decade, tea replanting was annually performed on an annual average of 679 hectares of land with the subsidies of the Authority. In accordance with the progress in last 03 years, tea replanting was annually performed on an average extent of 445 hectares of land.

Productivity of the Tea Small Holdings Sector

Compared to the previous year, the average productivity of the tea small holdings sector in the year 2024 had increased by 3.39%. Accordingly, the average productivity of the year 2024 was 1,246 kilograms of made tea (made tea) per hectare. The average productivity in the lowlands was 1,147 kilograms of made tea. It was 1,882 kilograms of made tea in the midlands and 1,644 kilograms of made tea in the highlands.

Extent of Lands of Tea Replanting and Percentage of Replanting

As per the national policy for constant maintenance of the extent of lands of tea plantation obtaining a maximum harvest, it is required to replant an extent of 2% of tea lands per year. Accordingly, as per the extent of lands indicated in the land registration of Tea Board in the year 2024, the extent of lands on which tea replanting should be implemented annually by the Tea Small Holdings sector is about 3,164 hectares.

Tea Replanting

In the year 2024, 388 hectares of tea replantation was targeted, and it was able to plant 412.2 hectares of tea. Accordingly, in the year 2024, compared to the target of tea replanting, it was a progress percentage of 106%.

Tea Replanting /This Year Planting 2024

In previous years, land development activities for tea replanting were initiated, and soil rehabilitation was carried out; following the identification of land parcels not under tea cultivation, an extent of 195 hectares was designated for replanting, and tea saplings were provided to support this initiative.

Impact Assessment of Tea Replanting Subsidy Provision

This sample survey is conducted under the Tea Small Holdings Development Authority, with government subsidies, to assess the impact of tea replanting on crop yield.

Tea New Planting

This subsidy scheme was not executed in the year 2024.

Crop Rehabilitation

As per the recommendations, planting desolates in tea lands is performed through this program in collaboration with pruning, the usage of soil conservation methods and shade control. Accordingly, 200,000 tea plants were targeted on desolate planting for the year 2024 and desolate planting had been completed for 2,013,098 plants. Compared to the target of planting desolates in the year 2024, it was a progress percentage of 100.6%.

Tea Small Holdings Development Societies

Tea Small Holdings Development Societies consist of 08 Regional Organizations and the All-Island Federation of societies had been established in the year 1989 and had made them to be legal organizations. At the end of the year 2024, the number of registered Tea Small Holdings Development Societies was 1,497 with 287,407 members.

Extension and Advisory Services

3,312 group extension programs had been targeted to be conducted in supplying extension & consultation services on improving the productivity of tea small holdings, basically improving the quality of tea leaves, and managing tea-based farms, and from that, 3,478 had been implemented and it was a progress percentage of 105%. The participation of 68,120 farmers for these programs was targeted and the number of farmers participated was 76,904. The progress percentage of that was 112.8%.

For the year 2024, 24,840 individual extension programs were targeted and by the end of the year, 25,111 individual extension farmer meetings were conducted. Compared to the annual target, it was a progress percentage of 101%.

Demonstration Plots

A land with an extent of ½ acres was selected per every service division and 828 cultivation demonstrations were identified to develop 06 cultivation demonstrations as field farmers training schools. Cultivating in cultivation demonstrations are carried out under the full supervision of Tea Inspection Extension Officers and good agricultural practices in tea plantations were adopted.

Institutional Tea Nurseries

To supply the farmers with a quality tea plant, 1,071,045 plants were produced during the year through maintaining 10 tea plant nurseries in a way that they cover Hanthana Training Center & six Regional Offices.

Mother Bush Area Cultivations

Targeted at improving the Tea production and the productivity, and at supplying quality planting materials for farmers, mother bush area cultivations were established in areas belonging to Regional Offices in Galle, Hanthana, Kandy, Nuwara Eliya, Kegalle, and Uva.

Conducting Institutional Employee Training Programs

The number of training programs conducted in the year 2024 was 10 and the total cost for those was 2.704 Million Rupees.

Institutional Capital

In the year 2024, an amount of 50 Million Rupees was allocated as institutional capital, of which 22.014 Million Rupees was expended on essential institutional building repairs, procurement of institutional equipment, and vehicle maintenance activities.

Direct Tea Planting

The Direct Tea Planting Project, undertaken with the financial assistance of the Sri Lanka Tea Board in the year 2023, was subsequently continued in the year 2024.

Distribution of Fertilizer

The Sri Lanka Tea Board, in collaboration with the Tea Small Holdings Development Authority and the Ceylon Fertilizer Company, facilitated the distribution of compound fertilizer to tea small holders under a subsidy scheme, whereby a financial assistance of 4,000 Rupees was provided per 50 kg bag of fertilizer supplied by the Sri Lanka Tea Board.

Factory-based extension programs targeted at enhancing the yield and the quality of green leaves

Among the extension training programmes conducted in the year 2024, a sequence of factory-based programmes was implemented with the objective of enhancing both the yield and the quality of green leaves.

“Dallakin Wenasak”, the land development program

Initiated on 12.01.2024 as a Public–Private Collaborative Program between the Tea Small Holdings Development Authority and CIC Holdings, this program was implemented to develop 4,000 tea lands across the Regional Offices of Galle, Matara, and Ratnapura as tea demonstration plots.

“Dallaka Ashcharya” the tea land development program

Initiated on August 1, 2024 as a Public–Private Collaborative Program between the Tea Small Holdings Development Authority and Browns Group, this program was planned and executed with the objective of developing the tea lands of 5,000 designated tea small holders within the jurisdictions of the Regional Offices of Kalutara, Kandy, Nuwara Eliya, Kegalle, and Uva.

Promotion of Organic Tea Planting

Executed under the coordination of the Ministry of Plantation Industries, in collaboration with the Tea Small Holdings Development Authority, JICA, and PARCIC, a program to promote organic tea planting within the context of environmentally friendly tea planting was implemented in Deniyaya area of the Regional Office of Matara.

Ratio of Tea Farmers and Tea Inspection/Extension Officer

Even though the ratio of the number of extension officers and farmers needed for productive extension services is about 1: 1000, the ratio of the field officers and tea farmers in the Tea Small Holdings sector in the year 2024 was 1:2910. Accordingly, though the number of officers should be increased to reduce the number of farmers covered, it is difficult to increase the number of officers concerning the limitations in the provisions and cost of the institution. Therefore, the institution worked on granting assistance from Tea Small Holdings Development societies in providing services.

Price of Green Leaves

In accordance with the national elevation average values in the year 2024, the price paid for one kilogram of Highland green leaves was 166.95 Rupees as per the prices of Sri Lanka Tea Auction Market. It was 155.67 Rupees for one kilogram of Midland green leaves, 190.75 Rupees for one kilogram in Lowland and 179.16 Rupees for the national elevation average value for all the regions.

Hanthana Rathnasiri Wickramanayaka National Training Center and Tourist Bungalow and Holiday Resort

The training center was opened on 13.08.2000 after being purchased by the Janatha Estate Development Board in the month of July in the year 1994 under the Asian Development Loan Scheme. “Rathnasiri Wickramanayaka National Training Center” of the Tea Small Holdings Development Authority is in Hanthana area in Kandy district consisting of an extent of 25 acres.

1.6 Investments and Operational Review of the Tea Small Holdings Sector

1.6.1 Investments

In the year 2024, the Action Plan was prepared for 550 Million Rupees comprising the same 550 Million Rupees as the Cost of Development and Institutional Capital, and 488.422 Million Rupees of Recurrent Expenses was approved as a provision.

Table No. – 04

Tea Production in Private Sector and Treasury Funds Receipts 2009 – 2024

Year	Total production of tea (Million Kilograms)	Total production contribution%		Amount Allocated for Private Sector (Tea Small Holdings Sector) (Million Rupees)
		Private Sector	Other Sectors	
2009	291.13	69.3	24.8	367.80
2010	331.42	69.4	23.8	394.93
2011	327.53	69.9	30.1	391.59
2012	326.27	71.4	28.6	418.83
2013	340.02	72.2	27.8	520.14
2014	338.03	73.1	26.9	742.94
2015	328.96	72.9	27.1	969.72
2016	292.57	74.5	25.5	1,009.45
2017	307.72	75.5	24.5	784.45
2018	303.94	75	25	850.02
2019	300.13	75.21	24.05	800.00
2020	278.49	74.8	25.2	1,127.00
2021	299.338	74.56	25.44	1,400.00
2022	251.499	75.44	24.56	740.00
2023	256.039	74.47	25.53	850.00
2024	262.159	75.20	24.80	550.00

Source: Details of Sri Lanka Tea Board

1.6.2 Operational Review

511.315 Million Rupees comprehending 398.365 Million Rupees as cost of capital and 112.96 Million Rupees for the commitments made last year included in the Action Plan for the year 2024 were spent on development purposes. The total financial value of the completed purposes in the year was 989.246 Million Rupees comprehending the payments of recurring expenditure valued at 477.92 Million Rupees.

The cost of capital in the year 2023 (comprehending 628.518 Million Rupees as cost of capital and 100 Million Rupees for liabilities of the

last year included in the Action Plan) was 728.518 Million Rupees. The cost of capital in the year 2024 is 511.325 Million Rupees. Accordingly, the cost of capital has reduced by 217.193 Million Rupees and it is a reduction of 29.81% compared to the year 2023.

Compared to the recurring expenditure of 436.517 Million Rupees in the year 2023, it is a reduction of 41.403 Million Rupees in the year 2024. Compared to the previous year, it is a reduction of 9.48%.

Table No. – 05

Operational Review - From 2009 to 2024

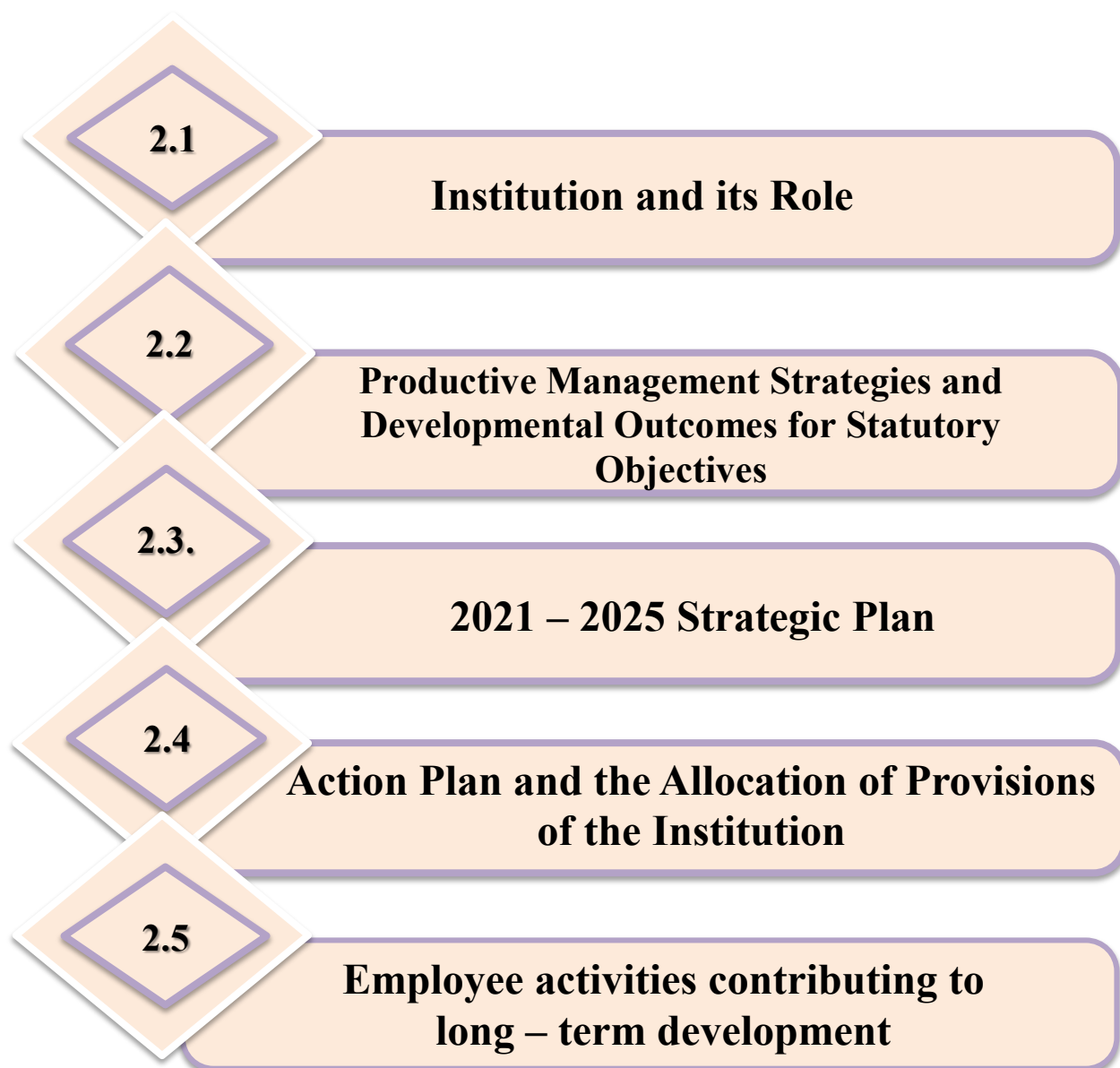
Year	Development Cost Rs. '000	Operational Cost Rs. '000	Operational Cost per one Development Rupee (Cents)
2009	185,660	202,146	1.08
2010	189,194	205,385	1.08
2011	208,407	218,527	1.04
2012	276,324	233,738	0.85
2013	440,060	238,823	0.54
2014	345,104	252,774	0.73
2015	561,490	303,435	0.54
2016	561,868	314,547	0.56
2017	643,092	337,053	0.52
2018	632,165	380,054	0.66
2019	628,899	410,034	0.65
2020	752,760	421,121	0.55
2021	1,176,711	441,656	0.38
2022	*1,671,472	536,517	0.27
2023	*728.518	432.479	0.35
2024	*511.325	477.92	0.93

Source: The Progress Report – Tea Small Holdings Development Authority

*Development cost inclusive of project costs

* Inclusive of the expenditure of liabilities made for the previous year in the year 2024.

2. Basic Functions of the Institution



2. Basic Functions of the Institution

2.1 Institution and its Role

The Tea Small Holdings Development Authority was established on 1st February 1977 under the Tea Small Holdings Development Act, No.35 of 1975 of the National State Council.

Thereafter, Act No. 36 of 1991, Act No. 21 of 1997, Act No. 34 of 2003 and Act No. 42 of 2006 had been passed by adding amendments to the main convention.

Objectives

Developing Tea Small Holdings, Increasing the production, Improving the productivity, Marketing tea leaves and Working on the wellbeing of the tea small holders, are the core objectives of the institution.

The Role of the Authority in accordance with the Act

1. Supporting or undertaking the development of the tea small holdings and other tea lands which are deprived of their own means of production.
2. Acquiring or developing the tea factories and other facilities required in the conversion of the yield of those tea lands into production.
3. Enhancing or undertaking the marketing of the products manufactured in these tea lands or in those factories.
4. Taking all the necessary measures with statutory rights & remuneration included on the wellbeing of those who are engaging in the process of converting the yield of those lands into production or in packaging those products; or on supplying or providing facilities & services those which might be required to develop those lands & factories; or else on facilitating the provision of those facilities & services.
5. Formulating procedures on the registration or the administration of tea small holdings development societies, and on the provision of donations to the members of those societies registered with the Authority and on matters related to that.
6. Promoting investments in tea small holdings.

7. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.
8. Providing instructions to the Ministry on appropriate policies and aligning with the other related agencies.

In order to eliminate roles mentioned above in No. 2, 3, 4 from the Tea Small Holdings Development Authority Act and to replace them with other roles, actions on taking necessary measures were in progress.

Apart from these, with effect from 01st January 1978, the Authority had continued performing the roles assigned by Sri Lanka Tea Board from time to time and other relevant roles mentioned below.

1. Implementing the following subsidy schemes on developing the lands, those which are under the management of the private sector.
 - a. Tea Replanting
 - b. Tea New Planting
 - c. Crop Rehabilitation/Infilling
2. Implementing support services such as distributing tea fertilizer, plantation materials, equipment and providing transportation facilities.
3. Implementing extension and consulting services.

2.2 Productive Management Strategies and Developmental Outcomes for Statutory Objectives

The institutional strategy is the results-based management approach for the performance of Statutory objectives. Under that, the institution had performed on accomplishing the goals through annual action plans that were prepared based on the mid-term objectives identified from the year 2020 to the year 2025.

For that, the productivity (Made tea Kilograms) per hectare in the Tea Small Holdings Sector had been identified as the core performance indicator. Accordingly, the field activities had been operated for the average productivity of the highlands, midlands, and lowlands to accomplish the targeted outcome after the annual goals were introduced to

the field officers. (The national goal identified for the year 2024 on the tea crop is 2,307 Kilograms of made tea per hectare). The core development goals and achievements used to measure performance in

the year 2024 are mentioned below. The updated details on lands in accordance with the land registry of Sri Lanka Tea Board were applied to measure the productivity for the year 2024.

Table No. – 06

Productivity Goals and Performance anticipated by the institution
Made tea in Kilograms per hectare (per year)

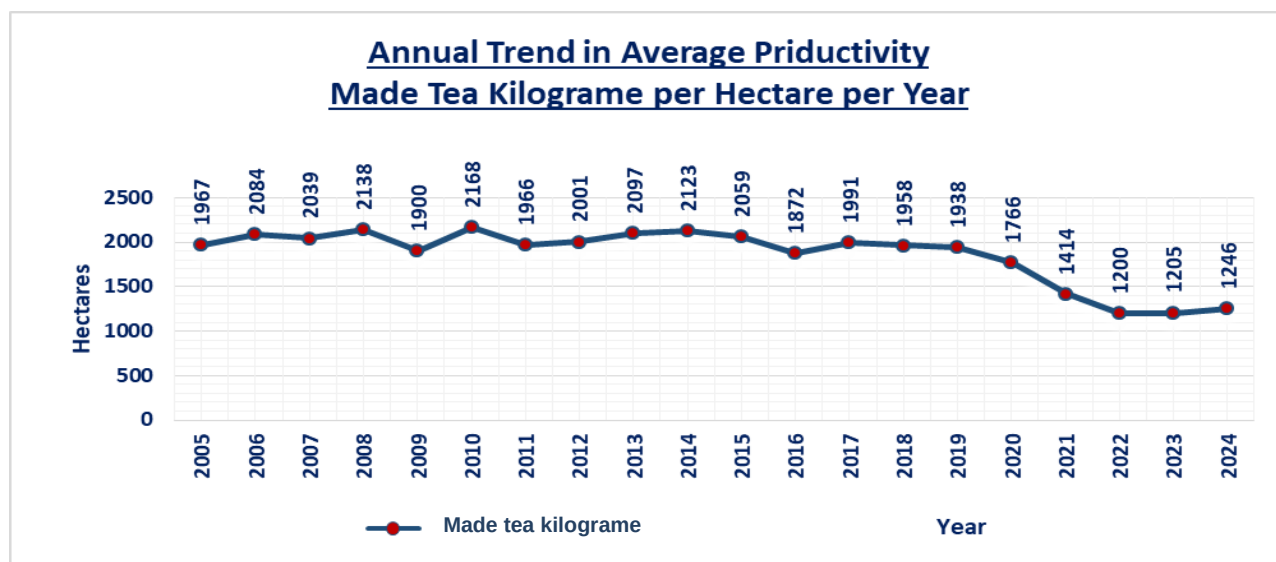
Area	2022			2023			2024		
	Target (Kg)	Achievement (Kg)	%	Target (Kg)	Achievement (Kg)	%	Target (Kg)	Achievement (Kg)	%
Lowland	2,500	1,115	45%	2,500	1,117	45%	2,500	1,147	46%
Midland	1,700	1,773	104%	1,700	1,747	103%	1,700	1,882	111%
Uva	1,600	1,540	96%	1,600	1,634	102%	1,600	1,644	103%
Average	2,307	1,200	52%	2,307	1,205	52%	2,307	1,246	54%

Source: The Progress Report – Tea Small Holdings Development Authority

* The performance for the year 2024 was calculated based on the updated details of the tea land registration in the year 2024 due in accordance with the land registration of Sri Lanka Tea Board in the year 2016..

Diagram No. – 01

Annual Trend in Average Productivity
(Made Tea Kilograms per Hectare per Year)



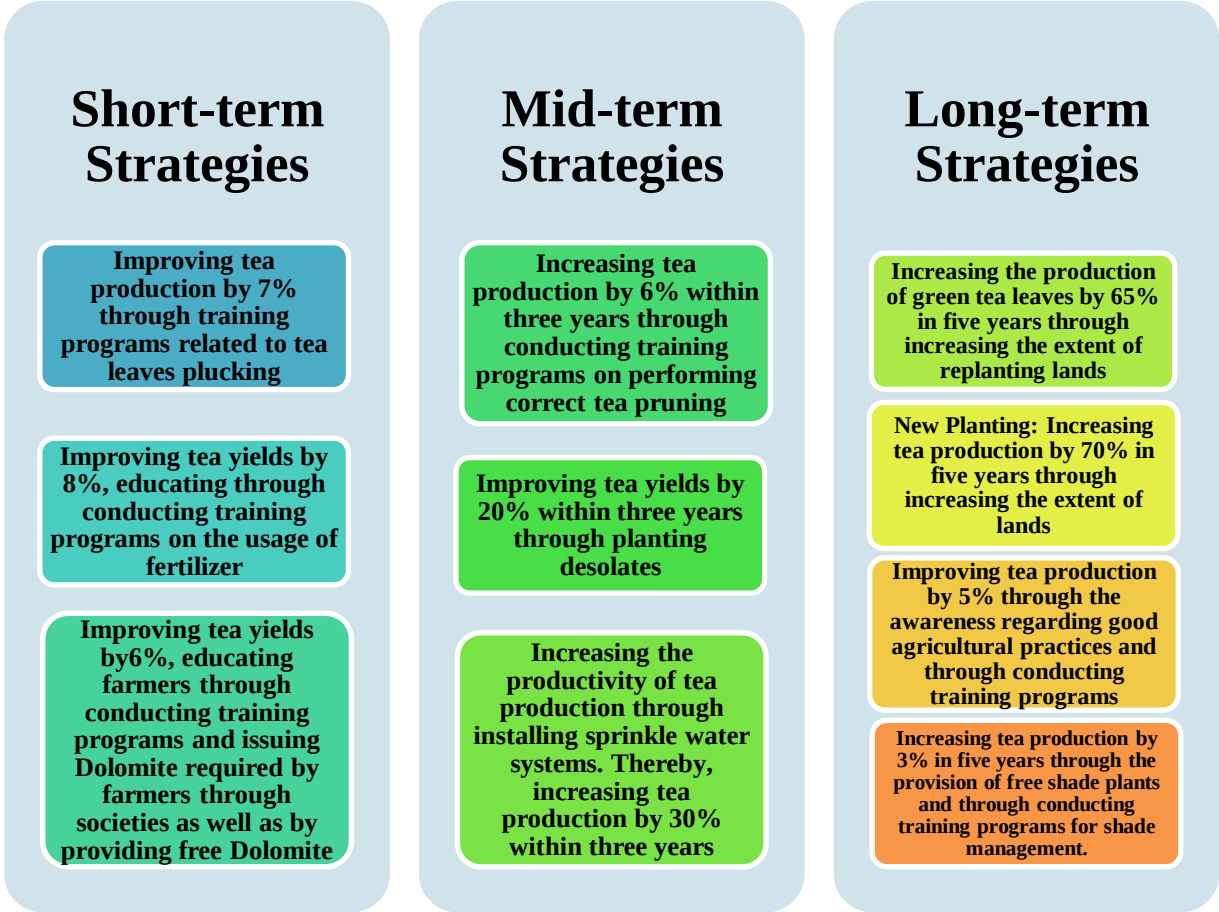
Source: Census on Tea Small Holdings– 2005

* The performance for the year 2023/2024 was calculated based on the updated details on the extent of tea lands in the year 2024 due in accordance with the land registration of Sri Lanka Tea Board in the year 2016

2.2.1 Development Plans

- Increasing production of made tea in Kilograms per hectare per year by
 - Up to 2,500 in Lowland
 - Up to 1,700 in Midland
 - Up to 1,600 in Uva in 03 years and annually adopting good agricultural practices in 10% of tea lands.
- Improving the quality of green leaves up to 60% at factory level in 03 years.
- Developing the community sources as ‘A’ Grade societies and it’s 25% of the 1,497 Tea Small Holdings Development societies.
- Establishing an occupational training procedure in a way that all the employee activities are contributing towards the long-term development of the institution.
- Diverting 10% from the tea lands on additional income earning activities.

2.2.2. Strategies in achieving Development Plans



2.2.3 Development Functions for Statutory Objectives

As per the amendments made to the Act in the years 1997, 2003 and 2006 apart from the 04 key statutory objectives based on the Act for the establishment of the institution, actions were taken to perform statutory objectives and related development activities.

2.3 2021 – 2025 Strategic Plan

The strategic plan was prepared with the aim of providing extension and other services to tea small holders in accordance with the 2021-2025 Strategic plan prepared by the Ministry of Plantations in the year 2020 under 05 themes to generate a sustainable tea industry through reducing the cost of production, meeting labor needs with the usage of minimal labor, harvesting despite of traditional methods and increasing the margin of tea production.

The five-year strategic plan was prepared targeted at two key development objectives to achieve those 05 themes.

Increasing the annual production of made tea up to 360 Million Kilograms by 2025.

The expected long-term development outcome of the institution has been identified as **“Enhancing the standard of living of tea small holders”**.

Accordingly, by preparing the action plan for the year 2024 based on the long-term, short-term and mid-term strategies identified in correspondence with the 2021 2025 five-year plan made for the development of the tea sector, actions were taken on achieving those objectives.

As the key measurement of the above strategic plan, the production of the tea small holdings sector in the year 2024 has been identified as 255 Million Kilograms of made tea. At the end of the year, its progress was 197.154 Million Kilograms, and the performance percentage was 77%.

The national production has been identified as 340 Million Kilograms of made tea. At the end of the year, its progress was 262.159 Million Kilograms, and the performance percentage was 77%. The descriptive details of this are indicated in Table No. 07.

Table No. – 07**Expected production Targets of the year in accordance with 2021 – 2025 Strategic Plan**

Description	2020	2021	2022	2023	2024	2025
National Production (Million Kilograms) Target	278	310	325	335	340	360
Production of Tea Small Holdings sector (Million Kilograms) Target	205	230	237	245	255	280
National Production (Million Kilograms) Progress	278	299.34	251	256	262	
Production of Tea Small Holdings sector (Million Kilograms) Progress	205	223.2	189	190	197	
Percentage of progress	100%	97%	80%	78%	77%	

Source: 05 Year Strategic Plan of the Ministry of Plantations

* Information on tea production of Tea Board.

2.4 Action Plan and the Allocation of Provisions of the Institution

The Action Plan for the year 2024 is as follows.

As per the national requirement, based on the necessity in maintaining the annual tea replanting ratio at the level of 2%, the Annual Action Plan for the year 2024 was prepared for 550 Million Rupees.

Development Activities

To secure the productivity of tea lands and to continuously maintain it, it is 353.13 Million Rupees, that means 64.2% of the provision allocations on tea replanting and planting desolates.

Other Development Activities

In order to increase the productivity of the employees and officers in societies in Tea Small Holdings Development Authority and to manage, 10.38 Million Rupees or 1.88% from total allocations was assigned.

Extension Activities

23.53 Million Rupees, that means 4.27% of the total allocations had been allocated on conducting research introduced to the tea industry, on analytical extension consultancy services that educate in strengthening the tea sector and publicity related activities.

Institutional Capital Activities

Apart from achieving development outcomes aimed by the Action Plan of the Tea Small Holdings sector for the year 2024, 50 Million Rupees was assigned from the Action Plan prepared for the year 2024 for institutional capital purposes and it was 9% from the total provisions.

2.5 Employee activities contributing to long-term development

Even though the expectation of the institute was to annually maintain staff vacancies at a minimum level of less than 5% as a short-term outcome, by the end of the year 2024, the percentage of staff vacancies was 17.6%.

Targeted at improving the positive attitudes within the institutional staff regarding the duties, 10 local/foreign training programs were scheduled to be conducted in the year 2024, and 10 training programs were held for Staff Officers, Management Assistants, new employees and Drivers.

Chapter Three

3. Development Activities





3. Development Activities

3.1 Tea Replanting

Increasing the production of made tea per hectare within 03 years up to 2,500 kilograms in the Lowlands, 1,700 kilograms in the Midlands and 1,600 kilograms in Uva.

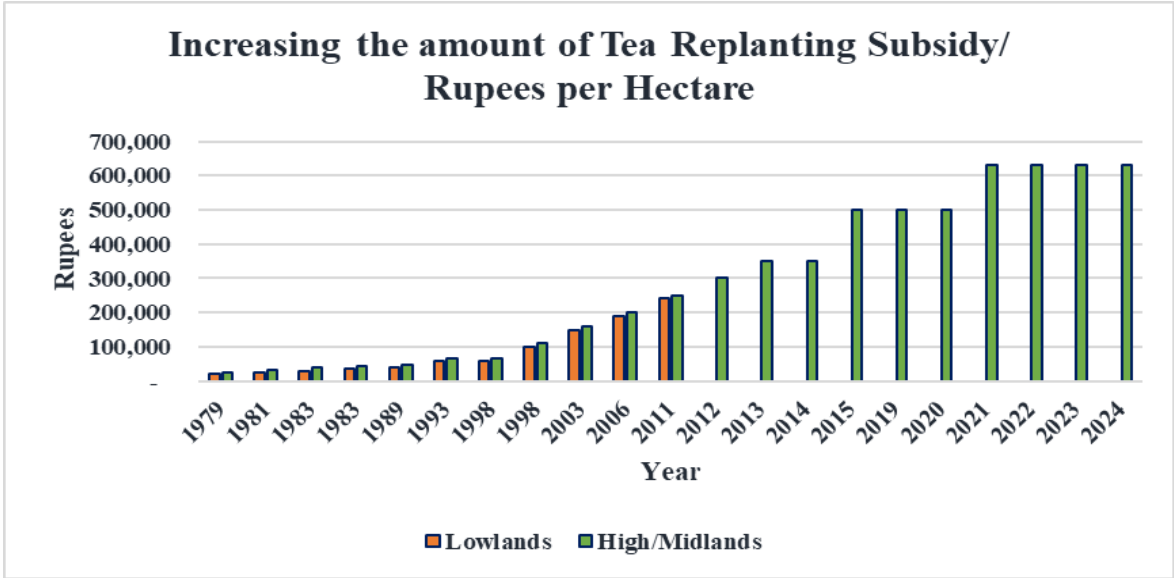
3.1.1 The continuation of tea replanting annually at the level of 2%.

To increase the tea production and the productivity of tea small holdings, tea replanting is implemented to promote replanting approved tea shoots in the old seedling tea lands with low yields and in the lands on which replanting is required based on other reasons.

The amount of the subsidy given on tea replanting to provide concession for the excessive cost

incurred in replanting had been increased up to 500,000 Rupees per hectare from the year 2015. However, due to the high cost of cultivation, as the amount of subsidy increased in the year 2015 to reach the target of the national tea production of 360 Million Kilograms in the five-year plan up to 2025 is not sufficient, the amount of subsidy was increased up to 630,000 Rupees per hectare in the year 2021. Detailed information on this is given in Diagram No. 02.

Diagram No. – 02



Source: Increased in 2021 as per the Tea Small Holdings Development Authority Plantation Subsidy Circular No. 87

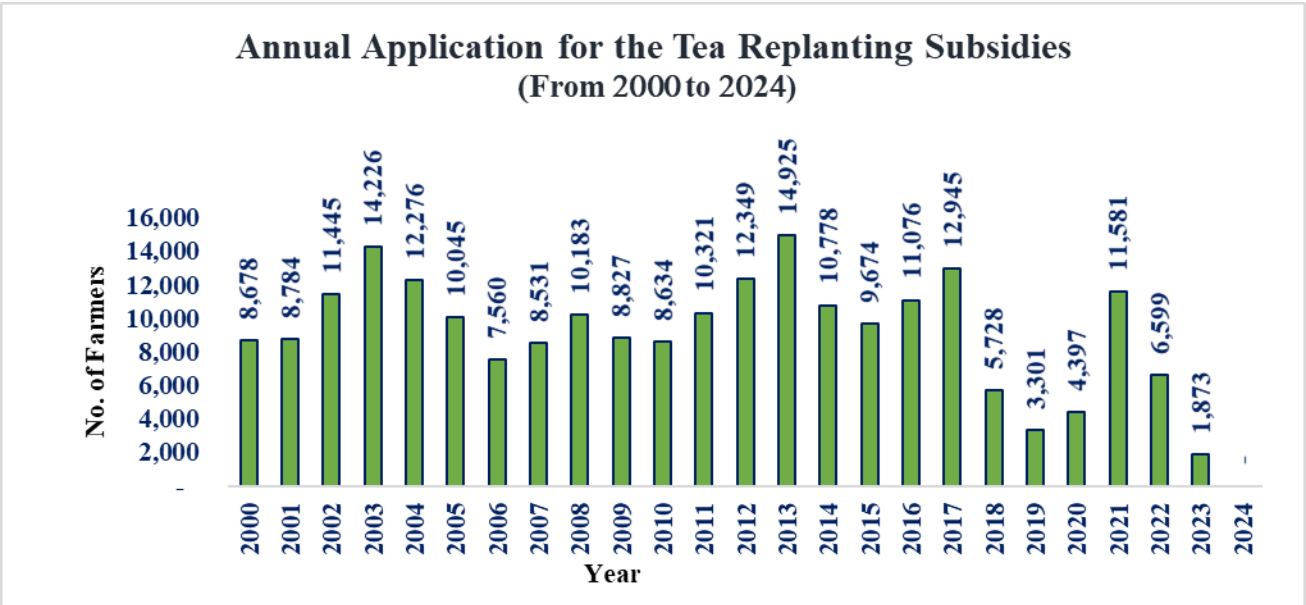
3.1.2 Annual Application for the Tea Replanting

Due to budgetary limitations, land preparation for tea replanting was not undertaken in the year 2024. However, field activities corresponding to Soil Rehabilitation I, Soil Rehabilitation II, Planting,

and Maintenance after one year were conducted for farmers with liabilities made from previous years.

The detailed information on this is given in Diagram No. 03.

Diagram No. – 03



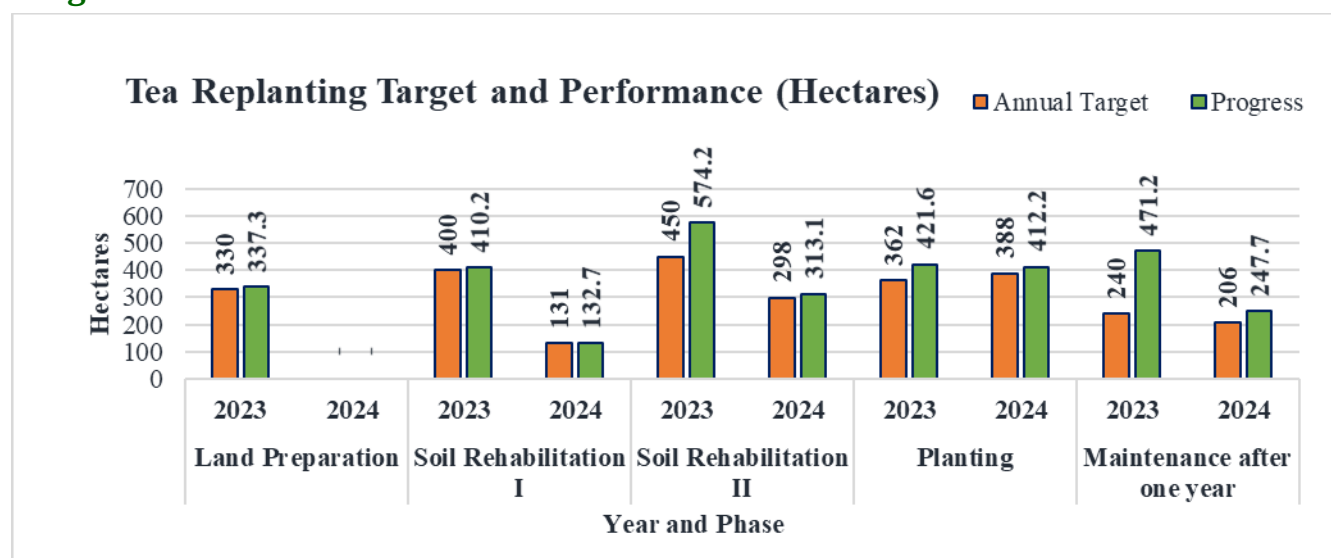
Source: The Progress Report – Tea Small Holdings Development Authority

The Achievement

An amount of 132.83 Million Rupees had been allocated for 04 installments of tea replanting liabilities made from previous years, and by the end of the year, an amount of 132.59 Million

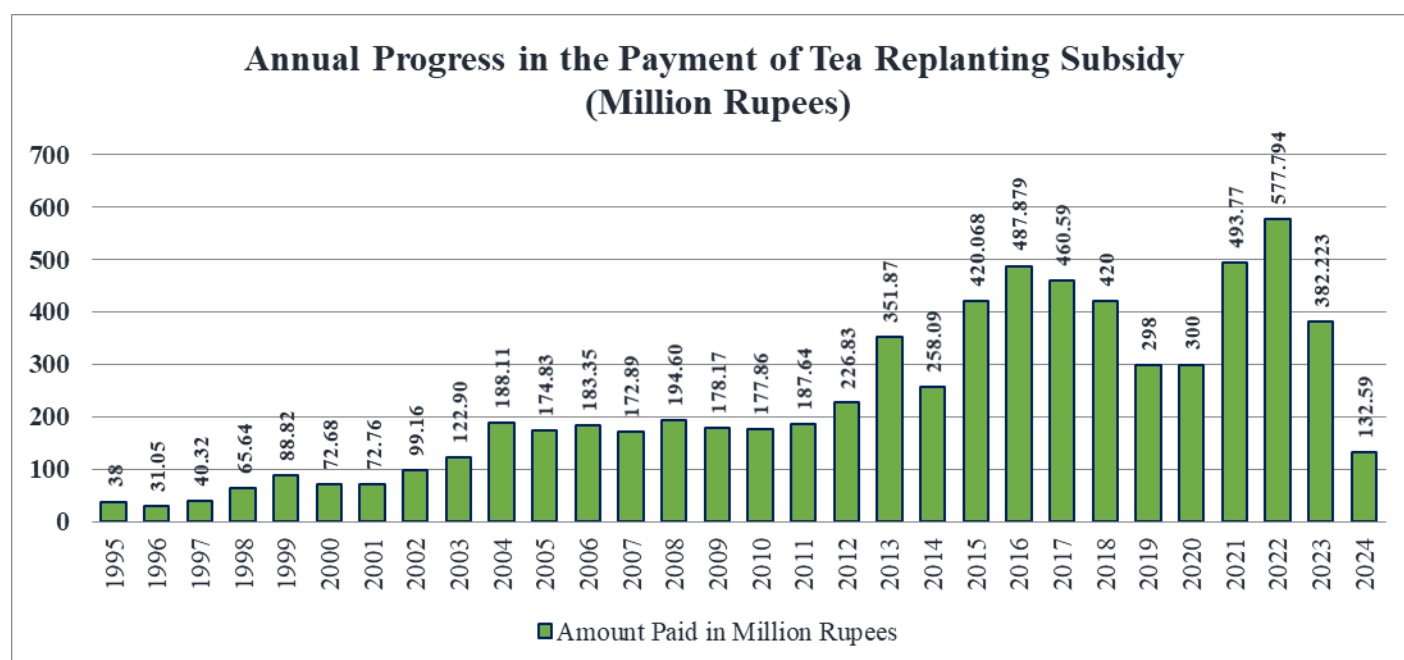
Rupees was disbursed.

Table No. 08 indicates the respective payment details, and Diagram No. 04 indicates the details related to the performance.

Diagram No. – 04

Land preparation for tea replanting was not undertaken in the year 2024.

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. – 05

Source: Final accounts of the Tea Small Holdings Development Authority

Table No. – 08
Tea Replanting (The physical achievement in the year 2023/2024 – Hectares)

No.	Cultivation Task	Year	Lowlands					Highlands and Midlands			Total	Annual Target	Percentage of decrease/increase in progress compared to the previous year
			Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1	No. of Applications received	2023	258	144	455	345	111	183	165	212	1,873	4,620	-72%
		2024	-	-	-	-	-	-	-	-	-	-	-
2	No. of permits issued	2023	245	144	423	318	86	153	131	175	1,675	3,960	-73%
		2024	-	-	-	-	-	-	-	-	-	-	-
3	Extent of lands covered through permits	2023	77	59	113	131	30	62	41	35	548	330	-73%
		2024	-	-	-	-	-	-	-	-	-	-	-
4	Land Preparation	2023	46	12	116	64	22	33	20	24	337	330	-65%
		2024	-	-	-	-	-	-	-	-	-	-	-
5	Soil Rehabilitation I	2023	68	32	115	58	40	36	20	41	410	400	-52%
		2024	22.8	11.1	40.2	12	10.1	10.3	6.1	20.1	132.7	131	-68%
6	Soil Rehabilitation II	2023	112	39	133	88	59	68	24	51	574	450	-36%
		2024	29.8	22	99.8	54	23.9	34.6	13.9	35.1	313.2	298	-48%
7	Tea Planting	2023	90	30	127	54	36	47	20	17	421	362	-54%
		2024	47.1	26	103.6	82.3	35.9	47.2	23.3	47	412.2	388	-8%
8	Maintenance after one year	2023	82	33	160	72	40	34	30	20	471	240	-37%
		2024	79	9	75.6	21.2	19.9	29.9	9.4	3.8	247.7	206	-56%
9	Amount of Planting Subsidies paid (Million Rupees)	*2023	73.37	22.47	103.52	67.38	38.22	33.49	16.78	26.99	382.22	234.69	-34%
		*2024	13.51	8.67	39.04	24.20	10.69	15.23	6.78	14.47	132.59	132.83	-65%

* Special project expenses related to 2022 are included in 2023

*The accrued expenses corresponding to the year 2023 have been included for the year 2024.

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. – 09**Execution of Tea Replanting 1984 – 2024**

Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1984	2,404	1,317	466	340	11.8	13
1985	1,160	823	615	414	16.4	8.1
1986	662	442	547	464	20.3	16.3
1987	630	390	346	349	14	22.8
1988	501	321	308	277	10.3	18.5
1989	758	455	246	330	18.9	17.4
1990	4,827	2,439	478	362	19.2	22.59
1991	3,109	1,423	581	304	20.49	33.91
1992	1,348	526	662	409	20.33	27
1993	3,699	1,147	507	516	29.79	32.24
1994	2,627	906	770	553	31.62	60.46
1995	3,465	1,267	1,390	533	38	41.75
1996	4,475	1,319	724	508	31.05	43.41
1997	6,235	1,580	923	435	40.32	68.91
1998	5,507	1,586	674	635	65.64	61.69
1999	3,660	955	861	767	88.82	77.95
2000	6,930	1,796	722	519	72.68	92.84
2001	7,093	1,952	841	574	77.76	98.85
2002	9,983	2,565	991	736	99.17	106.57
2003	11,928	2,892	1,179	765	122.82	150.11
2004	10,618	2,621	1,398	891	188.1	179.07
2005	9,291	2,127	1,306	1,058	174.83	182.13
2006	6,755	1,578	927	1,001	183.34	181.9
2007	5,274	1,030	1,008	1,024	172.89	214.75
2008	6,945	1,337	1,128	881	194.59	190.59
2009	6,493	1,610	925	777	178.17	190.17
2010	7,781	1,895	1,015	847	177.85	153
2011	8,033	2,170	947	772	187.64	156.26
2012	11,889	2,647	1,087	889	226.83	300.17
2013	13,802	2,928	1,188	1,165	351.87	236.75
2014	10,134	2,540	810	720	258.09	391.75
2015	9,006	2,278	1,173	806	420.07	464.69
2016	11,076	2,597	1,356	733	487.87	546
2017	12,945	3,053	899	748	460.59	466.1
2018	5,624	1,480	909	1,027	422.69	443.1
2019	3,308	2,751	376	639	298.31	303.72
2020	4,408	1,215	682	649	300.4	340.5
2021	11,478	3,306	1310	849	493.77	567.5
2022	6,300	2,022	960	912	*577.794	580.96
2023	1,675	548	337	422	*382.223	234.69
2024	-	-	-	412.2	*132.59	132.83

* Inclusive of the progress of the special projects implemented in the year 2022.

* Special project expenses related to 2022 are included in 2023.

* The accrued expenses corresponding to the year 2023 have been included for the year 2024.

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. – 10

Cost of Production Estimate for Tea Replantation in High and Mid-lands – 2024
(From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees Daily wage of 2,000.00 Rupees

Sub No.	Description	Quantity	Expenditure	Uprooting First year			Soil Rehabilitation Second year			Tea Planting Third year			First Year Maintenance Fourth year			Second Year Maintenance Fifth year			Total cost			Percentage of the Total cost %
				Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	
1	Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants)			132		264,000													132		264,000	5
2	Forking, levelling & taking-off roots			200		400,000													200		400,000	7
3	Preparing slopes, drains & lines			100		200,000	40		80,000	10		20,000	5		10,000	5		10,000	160		320,000	6
4	Applying Dolomite (1 Kilogram per 20.00 Rupees)	3,952	79,040	2	79,040	83,040													2	79,040	83,040	1
5	Planting Gauthamala (500 shoots per day)			54		108,000													54		108,000	2
6	Applying fertilizer for grass (As 1 Kilogram for 200.00 Rupees for 989 Kilograms)	1,350	270,000	4	74,000	82,000	4	124,000	132,000	1	60,000	62,000							9	258,000	276,000	5
7	Trimming grass (1 unit of labour per year)			14		28,000	56		112,000										70		140,000	2
8	Weeding (10 units of labour per year)			30		60,000	20		40,000	100		200,000	120		240,000	120		240,000	390		780,000	14
9	Planting shade trees (As 3.00 Rupees per 1 shoot for 750 Accasia and Dadap shoots) and as 20.00 Rupees per 1 shoot for 370 Kilograms of Dolomite	750	22,400	6	22,400	34,400	1	242	2,242										7	22,642	36,642	1
10	Planting tall shad trees (As 55.00 Rupees for 100 Gravelia & 100 Kilograms of Dolomite)	100	10,440	4	10,440	18,440	1	108	2,108										5	10,548	20,548	0
11	Removing grass									20		40,000							20		40,000	1
12	Digging holes, lining & pegging									180		360,000							180		360,000	6
13	Tea planting (45.00 Rupees per plant)	12,500	562,500							60	562,500	682,500							60	562,500	682,500	12
14	Managing shade trees (Two times per year)						6		12,000	12		24,000	15		30,000	15		30,000	48		96,000	2
15	Suppressing Blister Blight (280 - 420 Grams of Coper Oxide. 3000.00 Rupees per 1 round)	3	24,000							40	24,000	24,000	40	24,000	24,000	40	14,000	14,000	120	62,000	302,000	5
16	Shaping tea plants in a way that it suits for plucking green tea leaves												12		24,000	15		30,000	27		54,000	1
17	Mulching									100		200,000	75		150,000				175		350,000	6
18	Applying tea fertilizer (T. 200 Third year)	1,300	208,000							20	208,000	308,000	20	384,000	484,000				40	592,000	672,000	12
19	Fourth year	2,500	400,000							60		120,000	60		120,000	32		64,000	152		304,000	5
20	T.750 Fifth year	1,800	306,000														297,500	357,500		297,500	297,500	5
21	Infilling	2,000	25										12	11,250	35,250	6	11,250	23,250	18	22,500	58,500	1
22	Suppressing threat from roundworms (As 40 Milliliters of Velam chemical per plant)		40,000							4	40,000	48,000							4	40,000	48,000	1
23	For pest control and equipment (Forking, levelling & taking-off roots)				5,000	5,000		5,000	5,000		5,000	5,000		5,000	5,000		5,000	5,000		3,000	25,000	0
	Total			546	190,880	1,282,880	128	129,350	385,350	607	899,500	2,113,500	359	424,250	1,142,250	233	327,750	793,750	1,873	1,949,730	5,717,730	100
	The cost estimate is in conformity with the recommendations of the Tea Research Institute and cost of raw materials is also included.																					
	Dolomite	20000	20																			
	U 625	200000	200																			
	T 750	170000	170																			
	T 200	160000	160																			

Table No. –11

Cost of Production Estimate for Tea Replantation in Lowlands - 2024
(From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees Daily wage of 2,000.00 Rupees

Sub No.	Description	Quantity	Expenditure	Uprooting First year			Soil Rehabilitation Second year			Tea Planting Third year			First Year Maintenance Fourth year			Second Year Maintenance Fifth year			Total cost			Percentage of the Total cost %
				Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	
1	Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants)			104		208000													104		208000	3.95
2	Forking, levelling & taking-off roots			125		250000													125		250000	4.75
3	Preparing slopes, drains & lines			100		200000	40		80000	10		20000	5		10000	5		10000	160		320000	6.08
4	Applying Dolomite (1 Kilogram per 9.00 Rupees)	1976	39520	2	39520	43520													2	39520	43520	0.83
5	Planting Gauthamala (500 shoots per day)			54		108000													54		108000	2.05
6	Applying fertilizer for grass (As 1 Kilogram for 300.00 Rupees for 989 Kilograms)	1610	322000	4	74000	82000	4	186000	194000	1	62000	64000							9	322000	340000	6.46
7	Trimming grass (1 unit of labour per year)			14		28000	56		112000										70		140000	2.66
8	Weeding (10 units of labour per year)			30		60000	20		40000	100		200000	120		240000	120		240000	390		780000	14.82
9	Planting shade trees (For 100 Accasia and Dadap shoots) and as 3.00 Rupees per 1 shoot for 150 Kilograms of Dolomite	300	8300	8	8300	24300	1	830	2830										9	9130	27130	0.52
10	Planting tall shade trees (As 55.00 Rupees for 100 Gravelia & 100 Kilograms of Dolomite)	100	10440	6	10440	22440	1	5220	7220										7	15660	29660	0.56
11	Removing grass									20		40000							20		40000	0.76
12	Digging holes, lining & pegging									180		360000							180		360000	6.84
13	Tea planting (35.00 Rupees per plant)	12500	437500							60	437500	557500							60	437500	557500	10.59
14	Managing shade trees (Two times per year)						6		12000	12		24000	15		30000	15		30000	48		96000	1.82
15	Suppressing Blister Blight (280 - 420 Grams of Coper Oxide. 3000.00 Rupees per 1 round)	4	12000							20	12000	52000	20	12000	52000	20	12000	52000	60	36000	156000	2.96
16	Shaping tea plants in a way that it suits for plucking green tea leaves												12		24000	15		30000	27		54000	1.03
17	Mulching									100		200000	75		150000				175		350000	6.65
18	Applying tea fertilizer (T. 200 Third year)	1200	187000							20	187000	227000	20	383800	423800				40	570800	650800	12.37
	Fourth year	2430	383800							60		120000	60		120000	32		64000	152		304000	5.78
	T.750 Fifth year	1750	297500														297500	297500		297500	297500	5.65
19	Infilling	2000	25										12	15000	39000	12	15000	39000	24	30000	78000	1.48
20	Suppressing threat from roundworms (As 40 Milliliters of Velam chemical per plant)	1	40000							4	40000	48000							4	40000	48000	0.91
21	For pest control and equipment (Forking, levelling & taking-off roots)				5000	5000		5000	5000		5000	5000		5000	5000		5000	5000		25000	25000	0.48
	Total			447	137,260	1,031,260	128	197,050	453,050	587	743,500	1,917,500	339	415,800	1,093,800	219	329,500	767,500	1,720	1,823,110	5,263,110	100
* The cost estimate is in conformity with the recommendations of the Tea Research Institute and cost of raw materials is also included.																						
	Dolomite	20000	20																			
	U 625	200000	200																			
	T 750	170000	170																			
	T 200	160000	160																			



3.1.3 Tea Replanting/ This Year Planting 2024

In previous years, land development activities for tea replanting were initiated, and soil rehabilitation was carried out; following the identification of land parcels not under tea cultivation, an extent of 195 hectares was designated for replanting, and tea

saplings were provided to support this initiative. As of 31.12.2024, the progress of an extent of 190.24 hectares was recorded. An amount of 105.3 Million Rupees was allocated for this initiative, of which 103.795 Million Rupees had been disbursed.

Table No. -12 – Issue of Permits and Planting of Tea Replanting /This Year Planting 2024

No.	Cultivation Task	Lowlands					High/Midlands			Total	Annual Target
		Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva		
1	No. of Applications received	363	113	249	129	71	58	51	74	1,108	1,170
2	No. of permits issued	356	113	249	126	70	58	51	90	1,113	1,170
4	Tea Planting (2024)	43.86	26.95	40.26	29.92	21.77	9.04	8.31	10.13	190.24	195.00
5	Amount of Planting Subsidies paid (Million Rupees)	23.137	14.974	22.453	16.870	11.417	4.965	4.597	5.382	103.795	105.30

3.1.4 Impact Assessment on Tea Land Productivity through Replanting Subsidies (From 2014 to 2018)

The Ministry of Plantation Industries has emphasized the timeliness of conducting a sample survey to assess the impact of tea replanting on crop yield, undertaken under the Tea Small Holdings Development Authority with government subsidies.

Accordingly, a survey was conducted in each Tea Inspection Extension Officer Division on 05

selected tea lands that had been replanted during the period of 2014 – 2018, focusing on the harvested green leaf yield in each month.

Accordingly, a sample survey was conducted on 2,786 tea lands across 140 Tea Inspector Extension Officer Divisions.

Table No. – 13

Assessment on the impact of tea land productivity through the provision of replanting subsidies

Year	Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva	Total
2014	100	40	95	89	54	65	52	55	550
2015	102	40	107	91	63	51	57	62	573
2016	108	38	125	88	65	52	57	50	583
2017	112	40	90	60	61	53	57	66	539
2018	116	40	88	61	64	62	58	67	556
Total	538	198	505	389	307	283	281	300	2801



3.2 Tea New Planting

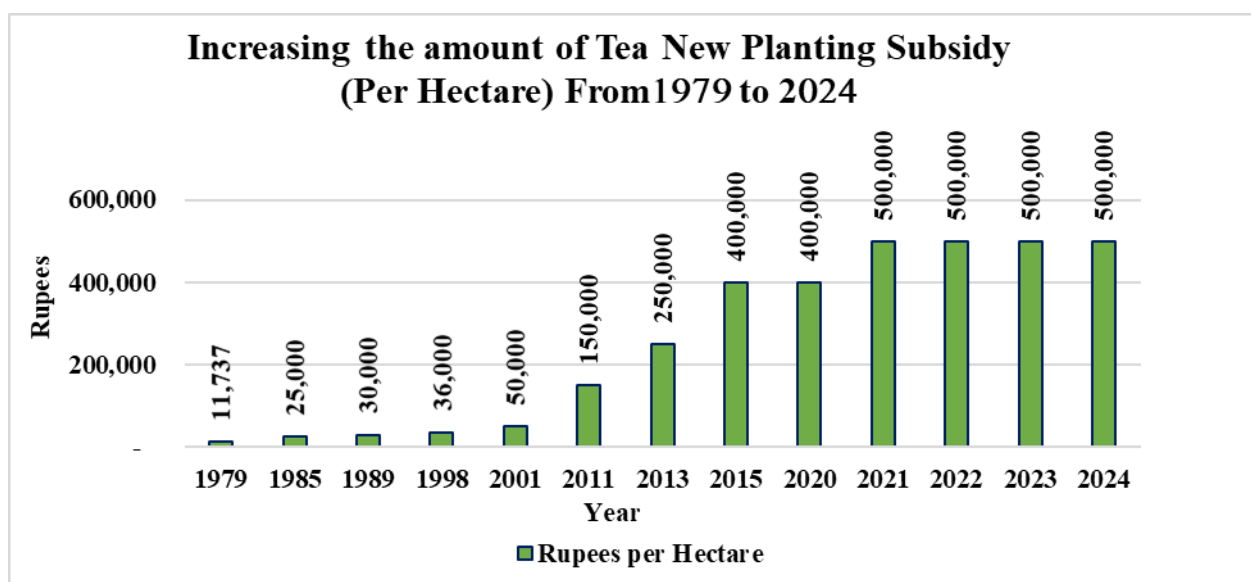
The Tea New Planting Subsidy Scheme that was withheld according to policy decisions from the year 2003 was re-operated in the year 2010. Accordingly, actions were taken to provide provisions for tea new planting under limited provisions for the areas where there are no alternative crops and sources of income.

The permits had been issued for tea new planting

on a maximum extent of 01 acre of land. The amount of subsidy paying for tea new planting had been increased up to 400,000 Rupees per one hectare from 2015.01.01. In the year 2021, that amount was increased up to 500,000 Rupees.

However, due to limited provisions, the procedure of new planting was not implemented in 2024.

Diagram No. – 06



Source: The Progress Report – Tea Small Holdings Development Authority

Table No. – 14
Execution of Tea New Planting 1983 – 2024

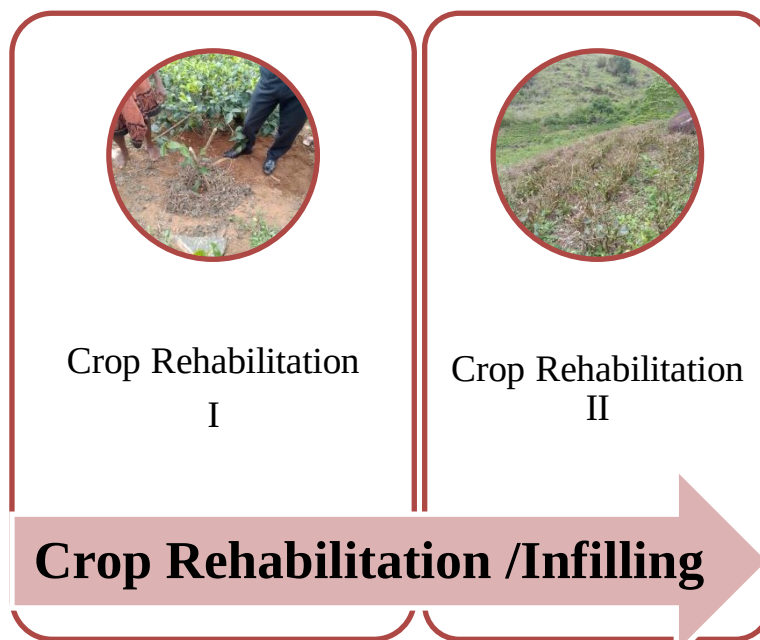
Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1983	2,757	866	393	264	2.7	4
1984	7,754	2,667	461	279	2.4	3.2
1985	7,754	1,764	857	599	9.5	6.3
1986	4,999	1,982	1,586	1,430	30.5	9.3
1987	3,939	1,375	1,218	1,183	26.5	13.5
1988	3,737	1,323	814	878	19.7	29.7
1989	4,532	1,837	1,013	1,011	34.9	34.2
1990	12,680	3,937	1,676	1,647	44.6	39.9
1991	3,785	1,120	2,088	1,843	57.8	42
1992	10,533	4,163	1,954	1,948	52.2	58
1993	12,318	2,720	1,753	1,622	51.57	50.57
1994	8,106	1,803	2,339	1,661	50.95	66.5
1995	5,822	134	2,407	1,237	44.52	49.8
1996	2,176	378	486	450	20.91	18.78
1997	3,797	576	340	293	14.08	9.08
1998	4,284	632	315	381	23.82	13.5
1999	6,694	952	484	405	13.04	12.24
2000	3,674	671	433	256	7.36	9.03
2001	6,353	1,084	419	399	15.58	11.91
2002	12,338	2,542	567	562	30.62	20.86
*2003	-	654	647	642	27.95	24.94
2004	-	-	-	12	3.25	7.94
2005	-	-	1.42	8	0.3	2.42
2006	-	-	0.33	0.83	0.042	0.37
2011	430	45	28.14	28.38	1.18	2.08
2012	2,990	517	260	239	23.2	24
2013	2,872	543	258	263	42.41	3.6
2014	5,315	1,034	426	401	66.98	51.5
2015	4,239	846	475	479	128.12	128.88
2016	458	75	103	109	46.72	49.77
2017	2,324	349	211	202	63.71	71.12
2018	3,899	681	443	435	12.168	117
2019	2,887	567	29	295	91.69	92
2020	3,304	661	422	424	123.4	117
2021	4,968	1,076	681	678	238.56	237.3
2022	3,212	694	414	408	*169.513	168.89
2023	181	36	44	47	*82.02	23.38
2024	-	-	-	-	-	-

* The Subsidy Scheme was not executed from the year 2003 to the year 2010.

* Inclusive of the progress of the special projects implemented in the year 2022.

* Special project expenses related to 2022 are included in 2023.

Source: The Progress Report – Tea Small Holdings Development Authority



3.3 Crop Rehabilitation / Infilling

In practicing the recommended pruning in the tea leaves plucking vegetative propagated tea lands targeted at improving the unit productivity, incentives have been paid through the Crop Rehabilitation on the completion of infillings, methods of soil conservation (Repairing drainage systems/ stone ridges) and the shade management integrated with other practices of cultivation (Pruning, Weeding).

The lands on which the tea planting could be productively continued within next 10 years would be recommended for this scheme and, the tea lands those which are in the phase of pruning or those which exceeded 4 years of age would make them eligible for granting subsidies.

Under this scheme, subsidies are paid in 2 installments for a maximum of 1000 seedlings per acre based on the rehabilitation of the tea leaves plucking tea plantations on which the infillings those

which are assembled from place to place and scattered individually, are provided. The first installment for a desolate plant was increased up to 75.00 Rupees only for the permits issued after 01.01.2019 and the maximum extent of lands provided per year for a tea small holder had been increased from 01 acres (0.4047 hectares) to 02 acres (0.8094 hectares)

In order to grant subsidies under this Crop Rehabilitation scheme, it is recommended to maintain “Manna” grass in the place of planting desolates for a minimum of 1 ½ years or applying 02 kilograms of compost fertilizer per hole when planting those seedlings. Furthermore, subsidies cannot be applied for the next Four (04) years.

In the year 2024, under the Crop Rehabilitation Scheme, a payment of Rs. 55.00 per plant was provided to the tea small holders.

Table No – 15

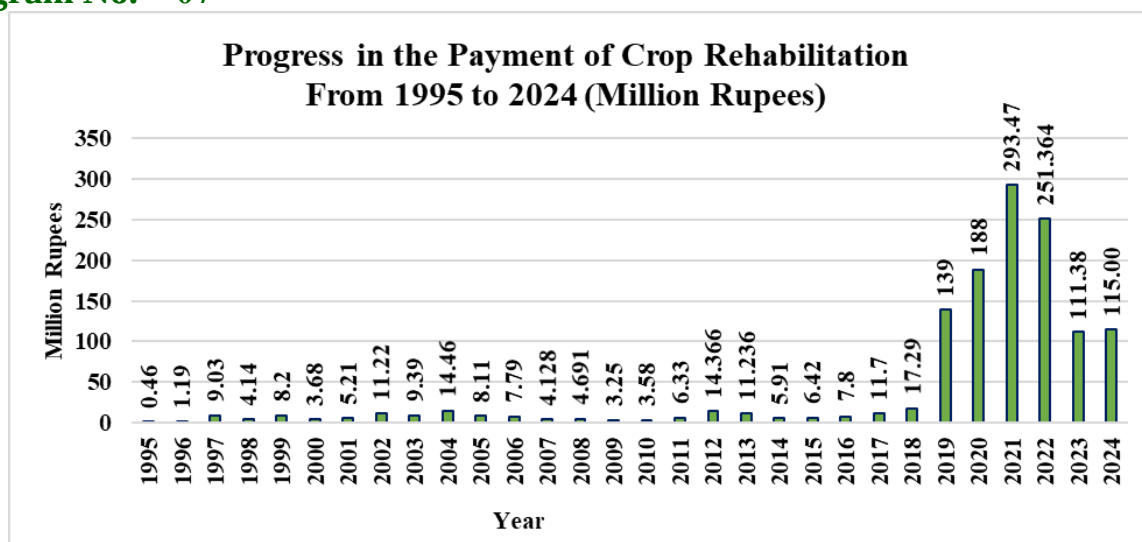
Crop Rehabilitation /Infilling (The physical achievements in the year 2023/2024 – Hectares)

No.	Activity	Year	Lowlands					Highlands and Midlands			Total	Targets	Percentage of decrease/inc rease compared to the previous year
			Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1	No. of Applications received	2023	82	107	36	221	55	353	120	38	1,012	5000	-85%
		2024	839	680	927	641	546	981	423	950	5987	1,120	10.87%
2	No. of permits issued	2023	69	107	23	196	26	288	56	10	775	2,000	-87%
		2024	838	683	923	614	539	928	394	1038	5957	960	24%
3	Targeted No. of plants	2023	48,679	11,150	24,349	48,091	6,738	25,993	16,500	18,500	200,000	200,000	-92%
		2024	250,000	192,000	280,000	280,000	212,000	326,000	125,000	335,000	2,000,000	2,000,000	900%
4	No. of plants on which the first installment was paid	2023	48,589	11,315	24,609	49,441	8,621	28,985	16,906	18,145	206,611	200,000	-92%
	Infilling 2024 (No of Plants)	*2024	251,502	192,000	280,121	278,598	212,093	326,000	126,164	346,620	2,013,098	2,000,000	874%
5	No. of plants on which the second installment was paid	2023	159,781	38,788	122,992	115,940	43,604	101,812	31,244	44,525	658,686	320,000	-75%
		2024	62,041	10,941	15,246	20,352	14,424	47,354	7,967	40,156	218,481	200,000	-70%
6	Amount of Subsidy paid (Million Rupees)	2023	19.74	6.74	23.05	24.83	4.36	13.98	9.48	9.20	111.38	23.00	-56%
		*2024	14.99	10.83	15.76	15.92	12.02	19.10	7.02	19.36	115.00	115.00	3%

* The accrued expenses corresponding to the year 2023 have been included for the year 2024.

* The first and second installments for the infilled plants in 2024 have been paid in one installment.

Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. – 07

Source: The Progress Report – Tea Small Holdings Development Authority

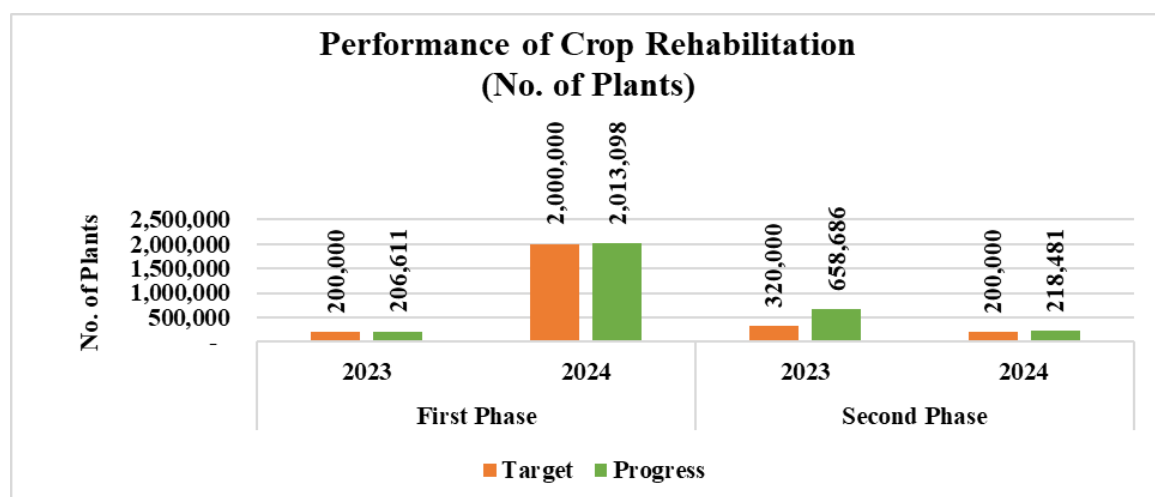
The Achievement

In the year 2024, the number of individuals applied for the Crop Rehabilitation was 5,987. From this amount, permits were issued for 5,957 individuals. Compared to the year 2023, the number of applications received increased by 491% and the number of permits issued had also been increased by 668%.

The first installment was paid on 2,013,098 plants during the year, and it was a progress of 100.6% from the targeted number of 2,000,000 plants. Compared to the previous year, the number of plants on which the first installment

paid increased by 874%. After one year of maintenance, as the second installment, the targeted number of plants was 200,000. Compared to the targeted amount, it was a progress of 109% with 218,481 plants. Compared to the previous year, the number of plants on which the second installment paid was increased by 5.7%.

In the year 2024, 115.00 Million Rupees was paid for Crop Rehabilitation. The corresponding payment details are shown in Table No. 16 and the achievement related details are shown in Diagram No. 08.

Diagram No. – 08

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. – 16
Execution of Crop Rehabilitation / Infilling Subsidy Scheme 1989 - 2024

Year	Number of Plants on which permits were issued	Number of Plants on which the first installment was paid	Number of Plants on which the second installment was paid	Total amount of the Subsidy paid (Million Rupees)	Annual Provisions (Million Rupees)
1989	3,903,899	4,257,670	3,377,046	13.3	19.6
1990	3,847,466	2,986,998	2,975,849	9.32	7.2
1991		1,029,987	3,528,586	8.95	9.04
1992		235,404	1,148,371	2.49	5
1993		6,607	1,658	0.3	
1994		16,432	46,030	0.12	
1995		20,298	7,073	0.46	2.45
*1996		13,278	3,181	1.19	15.2
**1996	5,600,900	3,867,981			
**1997	6,965,923	5,301,839		9.03	12
1998		1,707,845		4.14	15.02
*1999			14,012	8.2	11.16
**1999	617,120	2,454,895	1,846,445		
2000	2,713,972	812,174	389,248	3.68	11.54
2001	1,412,860	1,078,708	209,534	5.68	11.54
2002	4,031,727	2,522,872	486,948	11.22	10.38
2003	3,012,892	1,636,901	380,013	9.38	12
2004	2,303,061	1,489,167	593,906	14.46	12.99
2005	1,566,327	1,242,648	776,661	8.11	12.37
2006	972,913	520,610	540,819	7.79	8.58
2007	1,092,856	516,471	308,325	4.13	6
2008	836,729	519,607	404,331	4.84	3
2009	995,822	431,699	232,217	3.25	3.59
2010	769,104	424,227	254,715	3.58	5
2011	1,379,734	504,322	182,401	6.32	9.24
2012	1,902,051	766,991	345,152	14.35	8.66
2013	1,060,634	497,592	420,611	11.24	6
2014	776,271	271,015	232,034	5.91	17.5
2015	754,170	308,950	199,923	6.43	6
2016	981,075	367,876	246,339	7.8	10.48
2017	1,290,408	564,145	297,068	11.7	17.29
2018	1,648,390	797,530	442,296	15.69	2
2019	4,699,796	1,921,568	465,084	138.99	190.09
2020	4,000,609	2,137,450	1,605,865	187.86	190.59
2021	4,737,358	3,324,024	1,876,058	293.47	275
2022	3,341,919	2,431,266	2,667,466	251.364	337.5
2023	466,338	206,611	658,686	*111.38	23.00
2024	11,987,500	2,013,098	218,481	*115.00	115.00

** Infillings Subsidy Scheme through societies

*Inclusive of the costs of special projects operated under the provisions allocated through the budget speech on crop rehabilitation Stage I in the year 2022.

*Special project expenses related to 2022 are included in 2023.

* The accrued expenses corresponding to the year 2023 have been included for the year 2024.

Source: The Progress Report – Tea Small Holdings Development Authority

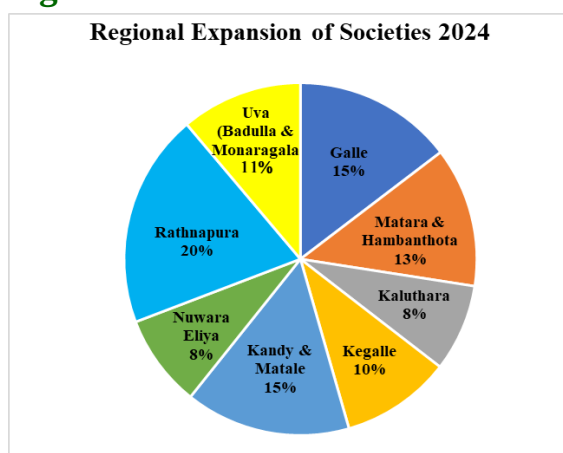
3.4 Performance of Tea Small Holdings Development Societies Increasing Community-based organizations by 50%.

“Strengthening Community-based organizations by 50% within 03 years.”

In order to legalize the system of Tea Small Holdings Development Societies that was established at the end of the year 1989, the Tea Small Holdings Development Authority had published regulations incurred in the Act No. 01 of 1995 for Tea Small Holdings Development Societies through the Gazette Extraordinary, No. 875/15 in accordance with the powers vested in the Paragraph (k, j), Sub-Section 02, Section 15 of the Tea Small Holdings Development Act, No.35 of 1975 of the National State Assembly revised by the Act, No.36 of 1991.

The system of societies operates with 08 district organizations and an All-Island Federation under a common constitution. 1,497 Tea Small Holding Development Societies were registered at the end of the year 2024, and the number of members belonged to those societies was 287,407. Accordingly, compared to the year 2023, the number of members in the year 2024 had declined by 4.6%.

Diagram No. – 09



Source: Tea Small Holdings Development Authority

To strengthen the tea small holdings development societies to be executed effectively, in the year 2024, 12 different programs were planned as a target and 12 programs were completed. Overall, to strengthen the community-based organizations, an amount of 1.8 Million Rupees had been spent by the Institute in the year 2024.

Table No. - 17

Extension of Tea Small Holdings Development Societies

Regional Office	No. of Societies		No. of Members	
	2023	2024	2023	2024
Galle	219	219	43,714	33,336
Matara and Hambanthota	192	192	54,263	52,496
Kaluthara	119	120	23,464	29,552
Kegalle	150	151	29,589	30,534
Kandy and Matale	227	227	22,306	22,306
Nuwara Eliya	127	127	14,137	10,421
Rathnapura	291	294	88,893	89,028
Uva (Badulla and Monaragala)	167	167	24,340	19,734
Total	1,492	1,497	300,706	287,407

Source: The Progress Reports – Tea Small Holdings Development Authority

3.5 Special Projects (Development)

3.5.1 Distribution of Compound Fertilizer to Tea Small holders as at 31.12.2024

The Sri Lanka Tea Board, in collaboration with the Tea Small Holdings Development Authority and the Ceylon Fertilizer Company, agreed to facilitate the distribution of 10,000 Metric Tons of compound fertilizer to tea small holders under a subsidy scheme, whereby financial assistance of 4,000 Rupees was provided per bag of fertilizer (50 kg) supplied by the Sri Lanka Tea Board, and as of 31.12.2024 (Table No. – 18), the stated quantity of fertilizer had been distributed to the farmers.

Table No. -18 – Distribution of Fertilizer through 08 Regional Offices

Regional Office	T- 200 (50Kg)	T-65 (50Kg)	T-750 (50Kg)	U-709 (50Kg)	U-834 (50Kg)	Total
Galle	3,117	139	14,826	11,939	3,639	33,660
Kaluthara	1,606	42	7,999	9,829	1,949	21,425
Kandy	901	282	765	9,645	3,722	15,315
Kegalle	1,017	37	1,200	7,092	1,749	11,095
Matara	1,869	80	10,391	16,342	2,559	31,241
Nuwara Eliya	436	70	605	5,422	448	6,981
Rathnapura	1,662	388	3,642	23,604	3,150	32,446
Uva	1,004	206	483	9,422	14,984	26,099
Total	11,612	1,244	39,911	93,295	32,200	178,262

3.5.2 Direct Tea Planting (750 Million Rupees)

The direct tea planting project executed in the year 2023 was implemented in accordance with the recommendations of the Tea Research Institute targeted at overcoming the deficiencies in the process of replanting in tea plantation. Accordingly, it was planned to perform direct tea planting in an extent of 750 hectares of land covering the 08 main tea planting districts by applying compost and planting tea plants directly on it. During the execution of this project, digging pits by the mechanized labor force of trained by the Tea Small Holdings Development Authority, purchasing compost by tenders from the compost production companies registered in the Fertilizer Secretariat,

and purchasing tea plants from the tea nurseries registered in the Authority were performed.

The execution of this project is expected to increase the income of tea small holders by increasing the productivity of tea lands and providing the tea framers with good agricultural practices. As of 31.12.2024, the progress of pit digging in this project amounted to 742.50 Hectares (9,281,250 pits), whereas compost was provided for an extent of 617.14 Hectares (7,432,058 Kilograms). Additionally, tea planting had been completed on 549.3 Hectares (6,718,596 plants).

The physical and financial progress as at 31.12.2024. is shown in Table No. 20.

Table No. – 19

Estimate of the Direct Tea Planting (750 Million Rupees) Project

Activity	Total cost of the project (Million Rupees)
i. Land preparation (Digging pits)	187.50
ii. Applying compost (01 Kilogram per pit)	187.50
iii. For tea plants	375.00
Total	750.00



Table No. – 20

Direct Tea Planting (750 Million Rupees) Project – Progress as at 31.12.2024

Regional Office		Applications Received		Issuance of Permits		Digging Pits (Land Preparation)							Applying Compost							Planting		
		Quantity	Hectares	Quantity	Hectares	Target (Hectares)	Progress (Hectares)	(%)	Target (No. of Pits)	Progress (No. of Pits)	Financial Target (Million Rupees)	Financial Progress (Million Rupees)	Target (Kilograms)	Progress (Hectares)	Progress (Kilograms)	Financial Target (Million Rupees)	Financial Progress (Million Rupees)	Target (No. of Plants)	Progress (Hectares)	Progress	Financial Target (Million Rupees)	Financial Progress (Million Rupees)
1	Galle	2382	392.41	2099	327.67	205.5	104.51	51%	2,568,750	1,265,561	51.38	25.22	2,568,750	131.1	1,568,277	51.38	31.02	2568750	114.16	1383722	89.91	48.43
Payments >>>							63.8	31%		766,949		21.01		89.61	1,072,457		24.46		88.69	1074719		37.80
2	Matara	1580	312.08	1555	269.77	146	190.02	130%	1,825,000	2,344,892	36.5	47.02	1,825,000	131.12	1,645,809	36.5	31.67	1825000	121.37	1504356	63.88	52.65
Payments >>>							124.27	85%		1,537,834		30.97		84.82	1044495		24.21		96.09	1191211		41.53
3	Rathnapur a	1051	301.84	964	249	148	184.3	125%	1,850,000	2,280,076	37	45.66	1,850,000	107.21	1,272,316	37	25.45	1850000	91.2	1119236	64.75	39.17
Payments >>>							123.97	84%		1,532,358		30.70		66.62	785599		17.89		64.04	783968		28.23
4	Kandy	404	108.59	371	81.1	47	54.33	116%	587,500	673,738	11.75	13.47	587,500	58	655,452	11.75	12.93	587500	56.41	673738	20.56	23.58
Payments >>>							49.48	105%		613,832		12.38		37.76	451,484		10.98		43.72	518270		18.17
5	Nuwara Eliya	300	119.47	206	42.24	21	20.54	98%	262,500	248,404	5.25	4.97	262,500	20.62	248,404	5.25	4.97	262500	19.5	234891	9.19	8.22
Payments >>>							20.54	98%		248,404		4.70		14.47	173,727		3.80		16	193323		6.81
6	Uva	460	200.42	357	64.71	45	49.98	111%	562,500	609,959	11.25	12.2	562,500	49.34	614,947	11.25	12.3	562500	50.16	603081	19.69	21.11
Payments >>>							49.53	110%		604,299		12.07		39.9	501621		11.26		50.07	601951		20.91
7	Kaluthara	463	115.54	446	105.02	65	62.91	97%	812,500	776,169	16.25	15.52	812,500	33.64	404,983	16.25	7.33	812500	32.27	398455	28.44	13.95
Payments >>>							32.26	50%		398,260		7.85		24.67	303473		6.70		29.95	369841		13.14
8	Kegalle	798	186.38	607	119.82	65	97.28	150%	812,500	1,213,454	16.25	24.27	812,500	86.11	1,021,870	16.25	16.66	812500	64.22	801067	28.44	28.04
Payments >>>							85.11	131%		1,061,420		21.39		38.71	449467		9.76		53.17	663176		23.39
Total		7438	1736.7	6605	1259.33	742.5	763.87	102.90%	9,281,250	9,412,253	185.63	188.33	9,281,250	617.14	7,432,058	185.63	142.33	9,281,250	549.29	6,718,546	324.86	235.15
Payments >>>							548.96	73.9		6,763,356		141.0685		396.56	4,782,323		109.06025		441.73	5,396,459		189.98

Source: The Progress Reports – Tea Small Holdings Development Authority

3.6 Tea Shakthi Insurance Benefit Scheme

The Welfare section of the Tea Shakthi Fund that was commenced by Act No.47 was assigned to the Tea Small Holdings Development Authority with effect from 01.10.2016 through a decision taken by the Cabinet on 09.08.2016.

Provision of the below-mentioned insurance benefits upon the request of tea small holders who had joined the Tea Shakthi Insurance Benefit Scheme had been implemented.

1. Accidental Deaths (Grants for the elderly

under 70/over 70 Years of Age)

2. Full/partial passivity occurred from accidents
3. Natural Deaths (Grants for the elderly under 70/over 70 Years of Age)
4. Paralysis (Full/partial passivity)
5. Heart, Kidney and Brain surgeries (Government Hospital/Private Hospital)

Accordingly, in the year 2024, an amount of 3.6 Million Rupees was paid for 210 beneficiary members. That information is presented in Table No. 21.

Table No. – 21

Execution of the payment of Tea Shakthi Insurance Benefit Scheme.

The process followed in directing the payments of Tea Shakthi Insurance Benefit in the year 2024 to the Finance Division for settlement.

Regional Office	Natural Deaths		Accidental Deaths		Elderly Grants in Natural Deaths		Surgeries		Paralysis		Full & Partial passivity occurred from		Total No. of payments	The amount paid Rupees
	Payments	Amount (Rs.)	Payments	Amount (Rs.)	Payments	Amount (Rs.)	Payments	Amount (Rs.)	Payments	Amount (Rs.)	Payments	Amount (Rs.)		
		25,000.00		100,00.00		5,000.00		200,000.00						
Rathnapura	21	525,000.00	1	10,000.00	44	220,000.00	1	200,000.00					67	955,000.00
Nuwara Eliya	7	175,000.00			6	30,000.00							13	205,000.00
Kegalle	5	125,000.00			4	20,000.00					1	100,000.00	10	245,000.00
Uva	7	175,000.00			8	40,000.00					1	100,000.00	16	315,000.00
Galle	11	275,000.00			33	165,000.00	2	400,000.00	2	100,000.00			48	940,000.00
Matara	8	200,000.00			22	110,000.00	1	200,000.00					31	510,000.00
Kandy	5	125,000.00			16	80,000.00					2	200,000.00	23	405,000.00
Kaluthara	1	25,000.00			1	5,000.00							2	30,000.00
Total	65	1,625,000.00	1	10,000.00	134	670,000.00	4	800,000.00	2	100,000.00	4	400,000.00	210	3,605,000.00

From 01.01.2024 to 31.12.2024

- ❖ The Finance Division was directed to pay an amount of 162,5000.00 Rupees for 65 natural deaths between the ages of 18 – 70 years.
- ❖ The Finance Division was directed to pay an amount of 670,000.00 Rupees for 134 natural deaths above the age of 70 years.
- ❖ The Finance Division was directed to pay an amount of 10,000.00 Rupees for 01 accidental death above the age of 70 years.
- ❖ The Finance Division was directed to pay an amount of 100,000.00 Rupees for 02 paralyzed patients.
- ❖ The Finance Division was directed to pay an amount of 800,000.00 Rupees for 04 surgeries between the ages of 18 – 70 years.
- ❖ The Finance Division was directed to pay an amount of 400,000.00 Rupees for 04 cases of passivity between the ages of 18 – 70 years.
- ❖ The Finance Division was directed to pay an amount of 3,605,000.00 Rupees for 210 Insurance beneficiaries by the Ministry from 01.01.2024 to 31.12.2024.

3.7 Loan Scheme of the Asian Development Bank

The small and medium enterprise loan scheme is implemented under this loan scheme on the empowerment of the small and medium enterprise sector.

In order to empower the small and medium enterprise sector through the loan scheme of the Asian Development Bank, it is targeted to improve the productions of the tea small holdings sector and to increase the standard of living of the community of tea small holdings. For this purpose, steps were taken to provide loan facilities through 14 financial institutions.

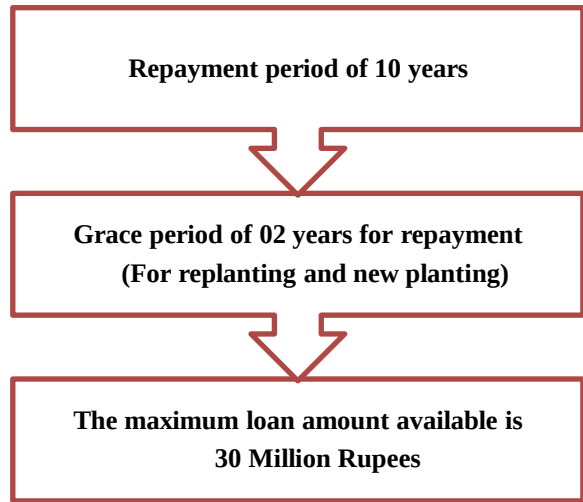
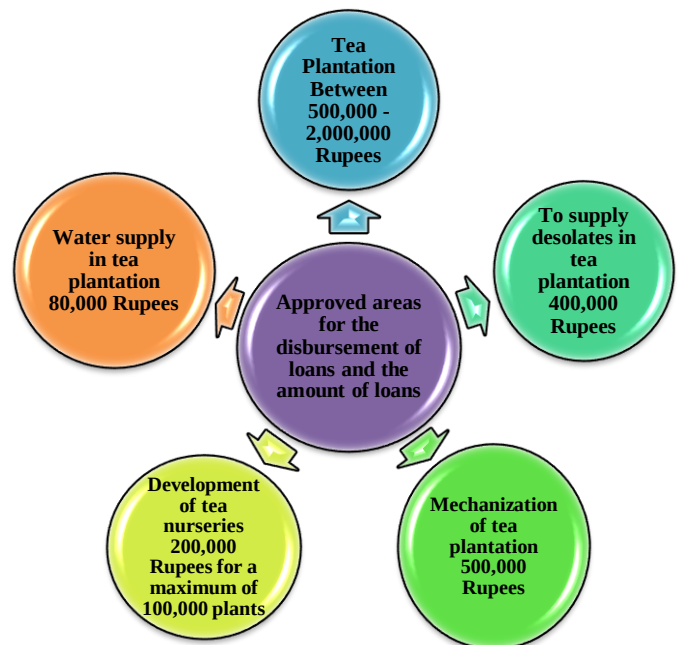


Table No. – 22
Loan Scheme of the Asian Development Bank - Financial institutions providing loans and Progress of providing loan recommendations as at 31.12.2024

Bank Name	No. of Beneficiaries	Total amount paid in relevance with the beneficiaries (Million Rupees)
Bank of Ceylon	225	212.18
Commercial Bank	83	124.76
DFCC Bank	20	35.92
Hatton National Bank	42	41.91
National Development Bank	1	1.60
Nations Trust Bank	4	20.50
Pan Asia Bank	7	5.76
People's Bank	99	124.89
Regional Development Bank	230	199.69
Sampath Bank	12	23.07
SANASA Development Bank	28	28.52
Seylan Bank	52	85.53
Union Bank – Colombo	8	16.45
Union Bank	3	9.30
Total	814	930.08



Chapter Four

4. Extension Activities



4. Extension Activities

“Increasing the productivity of tea lands within a short period by supplying quality tea plants”

4.1 Execution of Tea Nurseries

4.1.1 Commercial Tea Nurseries

Maintaining, supervising, and regulating quality commercial tea nurseries as registered tea nurseries of the institution are implemented here in order to facilitate tea small holders in obtaining quality plants aimed at improving the tea production and the productivity.

Accordingly, 1,141 commercial tea nurseries were registered thorough regional offices for the year 2023/2024. From those nurseries, the recommendations had been given by Sri Lanka Tea Research Institute to 19.9 Million plants in 673 nurseries at the first inspection, 12.3 Million plants in 494 nurseries at the second inspection and 0.96 Million plants in 41 nurseries at the third inspection.

The corresponding details are presented in Table No. 23.



Table No. – 23
Execution of Commercial Tea Nurseries - Cultivation season in 2024

Regional Office	Issuance of permits		First Inspection (CN – 04)		Second Inspection (CN – 05)		Third Inspection (CN – 06)	
	No. of Nurseries	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings	No. of Active Nurseries	No. of Planted Seedlings	No. of Nurseries	No. of certified plants
Galle	246	9,845,800	153	3,590,220	115	1,783,628	6	33,000
Matara	321	9,179,000	171	2,742,620	139	1,894,634		
Kaluthara	39	3,915,000	23	1,415,000	14	1,162,800	5	85,100
Rathnapura	90	9,824,000	40	2,823,325	29	2,035,690		
Kegalle	38	2,355,000	27	856,620	6	175,120		
Kandy	153	6,969,000	92	3,010,225	51	2,065,200	30	847,500
Nuwara Eliya	55	1,860,000	29	965,000	22	810,125		
Uva	199	5,656,500	138	4,519,817	118	2,385,700		
Total	1,141	49,604,300	673	19,922,827	494	12,312,897	41	965,600

Source: The Progress Report – Tea Small Holdings Development Authority



4.1.2 Institutional Tea Nurseries

Institutional Tea Nurseries were commenced targeted at keeping the market prices stable under control when purchasing tea seedlings that tea small holders need, providing a quality tea seedling, and maintaining model nurseries for farmers. Furthermore, 10 institutional nurseries are maintained to ensure the production of quality seedlings producing with the usage of enhanced high-quality cultivars (shoots) to plant them in the

lands of tea small holders. Accordingly, in order to produce 1,095,000 tea cutting plants through 10 nurseries for the 2023/2024 South-West and North-East cropping seasons, shoots were planted.

The details on the status of stock as at 01.01.2024, total number of seedlings traded and market price of a seedling at nursery level are shown in Table No. 24.

Institutional Tea Nurseries (Targeted Number of Plants - 1,465,000)									
Walahanduwa 150,000 plants	Hanthana 200,000 plants	Hingula 200,000 plants	Hadigalla 90,000 plants	Wogan 175,000 plants	Thispane 200,000 plants	Rahathungoda 200,000 plants	Nelligolla 100,000 plants	Wewakale 50,000 plants	Mawarala 100,000 plants



Table No. – 24
Execution of Institutional Tea Nurseries – 2024 (Rupees)

Description		Hanthana	Rahathungoda	Walahanduwa	Hingula	Hadigalla	Wogan	Thispane	Mawarala	Nelligolla	Wewakale	Sooriyagoda	Total
Status of Stock as at 01.01.2024	No. of Plants	98,395	72,650	16,389	88,054	25,111	72,061	81,443	57,515	60,947	21,474	3,831	597,870
	Value (Rupees)	3,020,660	3,051,333	672,483	2,493,069	1,423,781	2,340,129	5,658,334	2,768,188	3,165,923	425,829	183,053	25,202,782
Planted during the Year	No. of Plants	112,750	182,950	91,280	153,812	92,500	163,500	135,597	100,150	77,114	26,750	875	1,137,278
	Value (Rupees)	4,103,848	3,879,589	3,335,520	4,881,647	2,673,461	4,313,223	4,118,718	2,383,773	3,589,934	684,799	46,783	34,011,294
No. of dead plants	No. of Plants	23,053	130,836	6,896	5,193	8,004	13,534	64,587	28,702	19,007	15,463	-	315,275
Status of Stock as at 31.12.2024	No. of Plants	65,716	80,163	25,485	132,761	61,598	132,764	82,853	79,892	72,002	12,442	1,405	747,081
	Value (Rupees)	3,373,189	2,946,604	1,035,027	4,227,433	2,423,617	3,962,478	5,389,670	2,199,352	4,487,443	489,715	70,784	30,605,312
Cost of sale	No. of Plants	122,376	44,601	75,288	103,912	48,009	89,263	69,600	49,052	47,052	20,319	3,301	672,773
	Value (Rupees)	3,751,320	3,984,467	2,972,976	3,147,282	1,673,625	2,690,873	4,387,382	2,952,609	2,268,414	620,913	159,052	28,608,913
Production cost of a plant (Estimated)	Rupees	30.65	89.34	39.49	30.29	34.86	30.15	63.04	60.19	48.21	30.56	48.18	42.52
Plants sold	No. of Plants	122,376	44,601	75,288	103,912	48,009	89,263	69,600	49,052	47,052	20,319	3,301	672,773
	Value (Rupees)	5,056,560	2,147,910	3,049,500	4,323,230	1,960,435	3,672,815	4,751,670	2,141,690	2,170,390	788,485	320,625	30,383,310
Cost of a plant based on sale	Rupees	41.32	48.16	40.50	41.60	40.83	41.15	68.27	43.66	46.13	38.81	97.13	45.16
Profit / Loss	Rupees	1,305,240	(1,836,557)	76,524	1,175,948	286,810	981,942	364,288	(810,919)	(98,024)	167,572	161,573	1,774,397

Source: Final Accounts Report of Tea Small Holdings Development Authority (Profit of shade plants is not included here.)

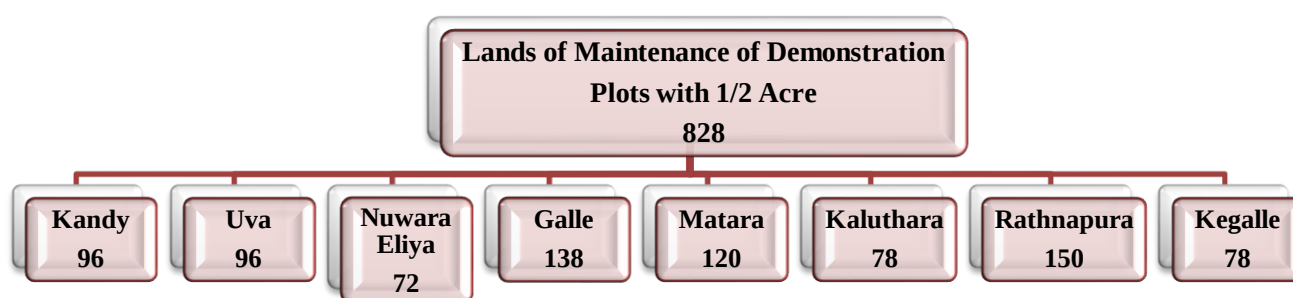
“Achieving a higher yield by adopting good agricultural practices in selected tea land demonstrations”

4.2 Maintenance of Demonstration Plots

828 (Minimum of 1/2 Acre) Maintenance demonstration plots of tea were installed as 06 per every tea extension division in a way that they cover all the eight regional offices those which are under the Tea Small Holdings Development Authority.

Accordingly, that is maintained under the fullest supervision of the Tea Small Holdings Development Authority by following good

agricultural practices such as soil conservation, shade cultivation, regular pruning, proper plucking, proper fertilizer usage, and water supply systems.



4.3 Institutional Mother Bush Area Cultivation

The maintenance of mother bush cultivation is targeted at facilitating tea small holders in obtaining quality planting materials in order to improve the tea production and productivity. Through promoting new cultivars in the lands of tea small holders by the provision of high-quality planting materials, this is implemented to increase the income of tea small holders, and to ensure the safety of the cultivation.

Accordingly, actions were taken by the institute to provide tea small holders, commercial tea nursery operators and the institutional nurseries with 139,317 shoots through maintaining quality mother bush cultivations with highly improved cultivar. Out of these, saplings were issued as 6.42% to tea small holders, 21.49% to commercial

tea nursery operators, and 70.87% to institutional tea nurseries. The corresponding details are presented in Table No. 25.



Table No. – 25**Issuing New Cultivar of Shoots from Mother Bush area Cultivations -2024**

District	Location	Target	Commercial Nurseries %		Tea Small Holders %		Societies and other %		Institutional Nurseries %		Total production %	
Galle	Walahanduwa	92,500	-	-	2,950	13.20%	1,700	7.61%	17,700	79.19%	22,350	16.04%
Hanthana	Hanthana	80,000	-	-	-	-	-	-	24,500	100%	24,500	17.59%
Kaluthara	Handigalla and Wogan	30,000	6,120	100%	-	-	-	-	-	-	6,120	4.39%
Kandy	Nelligolla and Sooriyagoda	45,500	7,200	34%	1,500	7.14%	-	-	12,305	58.58%	21,005	15.08%
Nuwara Eliya	Rahathungoda and Thispane	65,000	-	-	-	-	-	-	43,722	100%	43,722	31.38%
Uva	Bandarawela and Hali Ela	34,000	16,620	77%	4,500	20.81%	-	-	500	2.31%	21,620	15.52%
Total		347,000	29,940	21.49%	8,950	6.42%	1,700	1.22%	98,727	70.87%	139,317	100%

Source: The Progress Report – Tea Small Holdings Development Authority

4.4 Extension and Advisory Training Programs

3,312 Extension and Advisory Training Programs were scheduled for the year under review. The targeted number of participatory farmers for these programs was 68,120. 4.852 Million Rupees was allocated for that purpose and the amount spent was 12.32 Million Rupees.

The descriptive details of the progress of the Extension and Advisory Training Programs are indicated in Table No. 26.



Table No. – 26
Extension and Advisory Services – The Productivity Growth (Number of Training Programs and the Participation as at 31.12.2024)

No.	Activity	Unit	Galle		Matara		Kaluthara		Rathnapura		Kegalle		Kandy		Nuwara Eliya		Uva		Total	
			Target	Progress	Target	Progress	Target	Progress	Target	Progress	Target	Progress	Target	Progress	Target	Progress	Target	Progress	Target	Progress
5.11.1	Training Program on Enhancing the Quality and Quantity of Green Tea Leaves	No. of Programs	276	306	240	294	156	180	300	451	156	233	192	246	144	153	192	223	1,656	2,086
		Participation of Farmers	5,520	7,262	4,800	5,577	3,120	4,045	6,000	9,162	3,120	5,283	5,720	6,387	2,880	4,681	3,840	5,036	35,000	47,433
5.11.2	Awareness Training Program for License Holders	No. of Programs	138	137	120	104	78	84	150	66	78	91	96	78	72	63	96	84	828	707
		Participation of Farmers	2,760	2,699	2,400	1,687	1,560	1,915	3,000	1,349	1,560	2,204	1,920	1,707	1,440	1,326	1,920	1,860	16,560	14,747
5.11.3	Training program on the Awareness of Mechanisation and Sprinkler Water System	No. of Programs	138	142	120	126	78	97	150	34	78	86	96	94	72	28	96	78	828	685
		Participation of Farmers	2,760	3,003	2,400	1,933	1,560	2,601	3,000	886	1,560	1,688	1,920	2,031	1,440	754	1,920	1,828	16,560	14,724
Total		No. of Programs	552	585	480	524	312	361	600	551	312	410	384	418	288	244	384	385	3,312	3,478
		Participation of Farmers	11,040	12,964	9,600	9,197	6,240	8,561	12,000	11,397	6,240	9,175	9,560	10,125	5,760	6,761	7,680	8,724	68,120	76,904

Source: The Progress Report – Tea Small Holdings Development Authority

4.5 Soil Sample Testing and Individual Visits

Soil Sample Testing

As the soil acidity should be maintained in the range as appropriate for tea cultivation due in accordance with improving the production and the productivity of tea small holdings, it was targeted to annually test 41,400 soil samples in order to test the soil acidity and 29,954 (72%) soil samples had been tested within the year.



Individual Visits

30 farmers have been selected from every Tea Inspector/Extension Officer division and instructions were provided after inspecting the land 6 times a year. Accordingly, 25,111 individual meetings were conducted under the direct supervision of Tea Inspector/Extension Officers.

In this way, the instructions required to follow good agricultural instructions and to increase the level of income of the farmers through improving the productivity are provided by directly visiting the lands. The corresponding details are presented in Table No. 27.

Table No. – 27

Individual Visits and Number of Soil Tests – 2024 Progress

Regional Office		Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Rathnapura	Uva	Total
Soil Test	Target	6,900	6,000	3,900	3,900	4,800	3,600	7,500	4,800	41,400
	Progress	5,216	1,884	1,956	2,926	3,900	3,610	7,458	3,004	29,954
Individual Visits	Target	4,140	3,600	2,340	2,340	2,880	2,160	4,500	2,880	24,840
	Progress	4,729	3,674	2,838	3,020	2,493	1,618	4,180	2,559	25,111

Source: The Progress Report – Tea Small Holdings Development Authority

4.6 Factory-based Extension Programs targeted at Enhancing the yield and the quality of green leaves

Among the extension training programmes conducted in the year 2024, a sequence of factory-based programmes was implemented with the objective of enhancing both the yield and the quality of green leaves. In this initiative, factories were selected based on the respective Tea Development Extension Offices in each division, and this series of programs was executed for the tea small holders who supply green leaves for those factories starting with a field training program followed by an awareness program.

This initiative was aimed at enhancing awareness of key good agricultural practices, including green leaf plucking, pruning, shade management, soil nutrient management, and soil conservation, with particular emphasis placed on green leaf plucking and pruning. It was focused on continuing proper

green leaf plucking circle, proper green leaf plucking, priming, removing twisted buds, retaining maintenance foliage, and sustaining the maintenance leaf layer in the process of plucking. The process of pruning was focused on key practices such as testing soil pH, applying Dolomite as required, conducting hygienic pruning, and applying lime solution after pruning.

These programs were implemented with the participation of the Factory Management, green leaf collectors, the Sri Lanka Tea Board, and the Sri Lanka Tea Research Institute. Accordingly, a total of 312 targeted programs were arranged across the 08 Regional Offices, and 208 were successfully implemented. This program is planned to be executed as a special project in the year 2025, with a more structured and targeted approach aimed at increasing the green leaf quality standard to 70%. For this purpose, it is planned to utilize a mobile application for data entry and analysis.

4.7 “Dallakin Wenasak” – Land Development Program

Initiated on 12.01.2024 as a Public–Private Collaborative Program between the Tea Small Holdings Development Authority and CIC Holdings, this program was implemented to develop 4,000 tea lands across the Regional Offices of Galle, Matara, and Ratnapura as tea demonstration plots. The Sri Lanka Tea Research Institute and the Sri Lanka Tea Board will provide the required technical support for this project.

As part of this initiative, farmer clusters were established by grouping 20 landowners per group, with a farmer leader appointed to each group from the selected lands. Accordingly, this program is being implemented through the formation of 75 farmer clusters in Galle, 50 clusters in Matara, and 75 clusters in Ratnapura.

Accordingly, a Baseline Survey/Study was conducted for each selected landholding to assess its existing conditions by good agricultural practices, and the data collected through this process was subsequently entered into a computerized system for analysis. Therefore, it was confirmed that even though 60% of the landowners possessed knowledge related to tea planting and good agricultural practices, only 30% were adopting these practices. Based on this information, the training requirements and inputs (such as certified tea plants and tall shade trees) were provided in parallel with the implementation of land development activities.

Subsequently, the lands were evaluated once every 03 months, and the collected data was computerized using a Mobile Application. The final land evaluation activities are scheduled for completion within the first quarter of 2025,



followed by a comprehensive progress review of the lands.

4.8 “Dallaka Ashcharya” – Tea Land Development Program

Initiated on August 1, 2024 as a Public–Private Collaborative Program between the Tea Small Holdings Development Authority and Browns Group, this program was planned and executed with the objective of developing the tea lands of 5,000 designated tea small holders within the jurisdictions of the Regional Offices of Kalutara, Kandy, Nuwara Eliya, Kegalle, and Uva. Initially launched in the Regional Offices of Kandy, Kegalle, and Uva, this program has been designed in accordance with the program model of the “A Change from a green leaf” program in a way that it covers the 05 additional Regional Offices in which the “A Change from a green leaf” program is not currently functioning. This program is mainly designed to be implemented through the selection of farmers affiliated with the factory.

Within the jurisdiction of each Regional Office, 50 farmer clusters are formed to be implemented, each having 20 farmers. Data entry and analysis of the lands are performed using a computerized application. This project is listed to be continually implemented in the year 2025.

4.9 Promotion of “Organic Tea Planting”

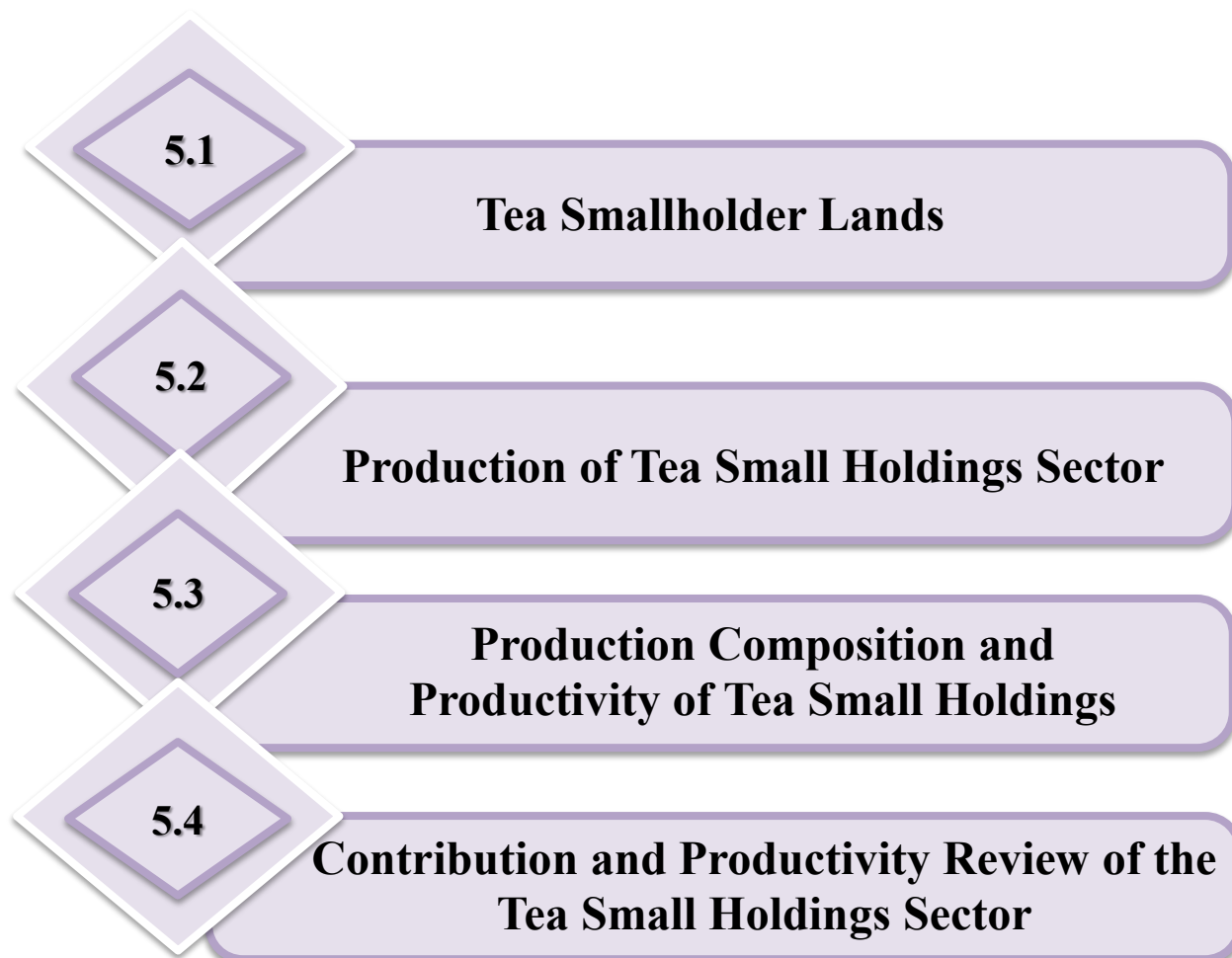
Executed under the coordination of the Ministry of Plantation Industries, in collaboration with the Tea Small Holdings Development Authority, JICA, and PARCIC, a program to promote organic tea planting within the context of environmentally friendly tea planting was implemented in Deniyaya area of the Regional Office of Matara. It is anticipated that 340 selected small tea holdings will be established as organic tea lands over 05 years. This initiative will be supported with financial assistance from the JICA institution. As part of this initiative, in the year 2024, 50 tea holdings were selected, and preliminary surveys were conducted. Based on the information obtained, land development activities are currently in progress. The implementation of this project is also expected to continue in the year 2025.

Table No. – 28
Key Performance Indicators for Managing Development Outcomes – 2024

No.	Mid-Term Outcomes	Key Performance Indicators	Base Year 2008	Performance Indicators Targets & Progress- 2024		Special Remarks
				Target	Progress	
1	Long-term Outcome	I Progress of developing assets of household units				Socio Economic Surveys
	Enhancing the standard of living of tea small holders	II Progress of the secondary education of the children				
	Per Year/ Per 01 Hectare within 03 years	1.1 Developing the unit productivity at district level and at elevation level				
	Increasing the quantity of made tea in Kilograms					
	Lowlands up to 2,500		2,085	2,500	1,147	Statistical Data of the Sri Lanka Tea Board
	Midlands up to 1,700		1,050	1,700	1,882	
	Uva up to 1,600		1,055	1,600	1,644	
	1.2 Improving the production of tea small holdings (Million Kilograms)	215	255	197.154		
2	Improving the quality of green leaves at the factory level within 03 years	2.1 Progress of good tea leaves at the factory level	35%		44%	
3	Strengthening 50% of community-based organizations within 03 years	3.1 Improving the asset value	NA			Data of the Tea Commissioner Section of Sri Lanka Tea Board - Socio Economic Survey Census
		3.2 No. of societies monitoring the identified roles	100		1497	
		3.3 Attitudes of the members regarding the productivity	NA			
4	Strengthening the institute to execute more productively within a year	4.1 Percentage of accomplishing targets				
		Tea Replanting Subsidy Scheme				
		a. Financial	102%	132.83	*132.83	
		b. Physical	92%	1,023	1,105.7	
		4.2 The Audit Opinion		True & Reasonable	Qualified Opinion	
		4.3 Percentage of Deviation from the budget (Developmental Capital)	13%			
	4.4 Attitudes of the staff on the productivity of the institution	NA				
5	Directing 10% of the lands on additional income earning activities within 03 years	5.1 Percentage of lands with other crops	35%			Socio Economic Survey Censuses
		Percentage of lands with animal husbandry	NA			
Total						

Chapter Five

5. Tea Small Holdings Sector of Sri Lanka and the Productivity of Tea Lands



5. Tea Small Holdings Sector of Sri Lanka and the Productivity of Tea Lands

5.1 Tea Smallholder Lands

In accordance with the Tea Control Act, tea lands with less than 10 acres are considered to be Tea Small Holdings. However, with effect from 01 January 1978, the Tea Small Development Authority was offered with the powers to perform development activities by the Honorable Minister of Plantation Industries on the tea lands with the extent of 10-50 acres being held under the Sri Lanka Tea Board. Accordingly, the Authority has so far provided all the supportive services needed for the development of all the tea lands with less than 50 acres being held under private possession.

By the year 2012, the Sri Lanka Tea Board had been assigned with powers to provide land development services on the lands with the extent of 10-50 acres and the Sri Lanka Tea Research Institute had been assigned with powers to provide extension services. Accordingly, from the year 2012, the development services and the relevant supportive services required for tea lands with less than 10 acres were provided by the institute as per the provisions specified in the Act.

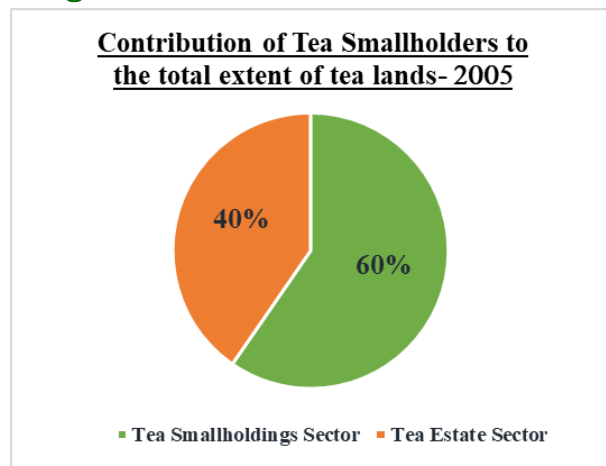
5.1.1 Extent of Tea Small Holdings

The total amount of the tea small holdings in Sri Lanka is about 221,968 hectares comprising with the extent of 132,329 hectares of tea small holdings (including lands with less than 20 perches) as per the census on tea small holdings held in the year 2005. Accordingly, from the total amount of tea lands in Sri Lanka, 59% of lands are under the Tea Small Holdings sector. The corresponding description is shown in Diagram No.10.

As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on those details, the updated extent of lands in the year 2024 was 158,247 hectares. The contribution percentage is shown in Diagram No. 11.

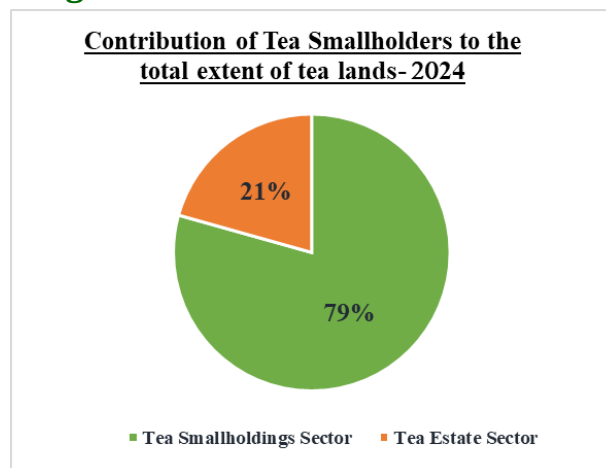
The detailed information of this are stated in Table No. 33, 34, and 35.

Diagram No. – 10



Source: 2005 Census on Tea Small Holdings in Sri Lanka – Department of Census and Statistics

Diagram No. - 11



Source: As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated tea lands in 2024.

5.1.2 Tea Small Holders

As per the census held in 2005, the number of tea small holders was 370,842. From the tea small holders (Including the cultivators with less than 20 perches), 82% of them are the tea small holders having sole possession on lands and 76% of the extent of tea small holdings are owned by them.

As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the number of tea small holders was 418,262. Based on those details, the updated number of tea small holders in the year 2024 was 418,989.

5.1.3 Number of Tea Small Holdings

As per the census held in 2005, the total number of plots of lands was 397,223 and the extent of lands was 132,329 hectares. These tea small holdings have been scattered in 3,692 Grama Niladhari Divisions under 123 Divisional Secretariat Divisions.

The tea lands in the Tea Small Holdings sector were developed especially due to the matters of increase in the price of green leaves, increasing the incentives given on tea plantation, labor shortage, partitioning large plots of lands and diverting lands with no possible cultivations to tea plantations.

Table No. – 29

Number of Tea Small Holders and Extent of Lands in accordance with the Districts in Sri Lanka

District	Data of 2005 Census on Tea Small Holdings		As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated data in 2024	
	Number of Tea Small Holders*	Hectares*	Number of Tea Small Holders**	Hectares**
Colombo	1,345	246	1223	404
Gampaha	319	2	277	100
Kaluthara	48,752	7,823	43,984	17091
Kandy	31,635	16,058	29,102	11,409
Matale	1,656	1,672	1,551	740
Nuwara Eliya	19,361	7,205	16,802	5,861
Galle	92,578	27,427	85,210	30,193
Matara	73,907	25,417	65,238	25,733
Hambanthota	2,833	546	2,542	1,004
Kurunegala	-	180	-	-
Badulla	33,093	9,020	30,151	9,449
Monaragala	600	199	572	293
Rathnapura	118,444	30,441	108,476	43,079
Kegalle	37,842	6,093	33,861	12,891
Total	462,365	132,329	418,989	158,247

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

** Updated in 2024 as per the tea land registration of Sri Lanka Tea Board in 2016

5.1.4 Classification of Tea Small Holdings

Actions were taken in since 2021 to update the data provided through the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority in the year 2016. Those updated data were utilized in institutional development planning activities in 2024. As per the census reports – 2005 on tea small holdings in Sri Lanka, From the extent of tea small holdings, 113,190 acres (34.6%) of tea lands are lands with less than one acre and 198,70 acres (60.8%) of tea lands are lands with less than two acres. The extent of tea lands with more than 10 acres is 59,731 acres (18.3%).

As shown in Table No. 30 below, the extent of tea lands with less than 10 acres is 267,253 acres (108,200 hectares).

In accordance with the 2024 update of the land registration of Sri Lanka Tea Board in the year 2016, from the extent of tea small holdings, 191,625 acres (49%) are the tea lands with less than one acre and 305,132 acres (78%) are the tea lands with less than two acres. The extent of tea lands more than 10 acres is 101,917 acres and it is 21% of the extent of total tea lands. As per the Table No. 31 below, 390,871 acres (158,247 hectares) were the tea lands with less than 10 acres.

Table No. – 30

Classification of the extent of Tea Small Holdings in Sri Lanka in accordance with the Census in 2005

Acres	Extent of Lands (Acres)	Percentage %	Number of Plots of Lands	Percentage %
Less than 1	113,190	34.6%	297,342	74.9%
1 – Less than 2	85,517	26.2%	74,314	18.7%
2 – Less than 3	31,882	9.8%	15,101	3.8%
3 – Less than 5	18,413	5.6%	5,299	1.3%
5 – Less than 10	18,251	5.6%	2,936	0.7%
10 and more	59,731	18.3%	2,231	0.6%
Total	326,984		397,223	

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

Table No. – 31

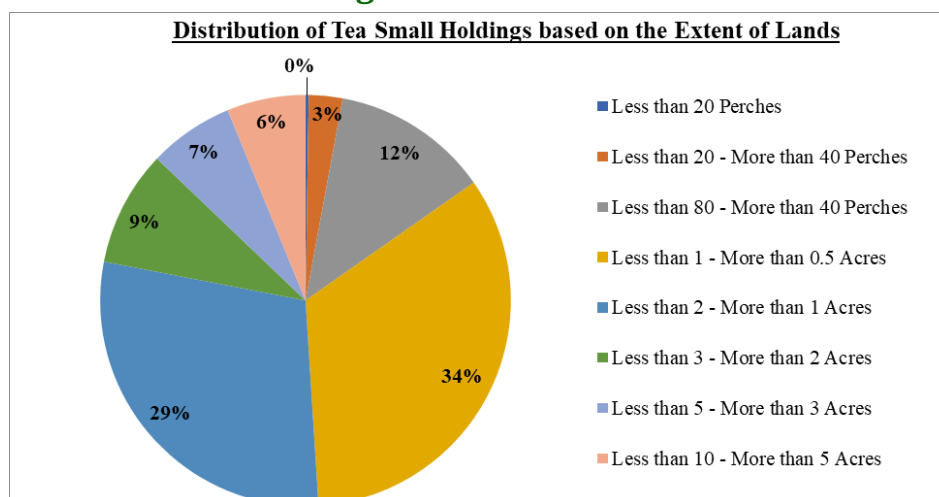
Classification of Tea Small Holdings in Sri Lanka in accordance with the extent of lands and number of plots of lands

Classification	Extent of Lands (Acres)	Percentage %	Number of Plots of Lands	Percentage %
Less than 20 Perches	1,083	0.22%	30,742	7.28%
Less than 20 - More than 40 Perches	10,438	2.12%	44,580	10.56%
Less than 80 - More than 40 Perches	48,447	9.83%	102,931	24.39%
Less than 1 - More than 0.5 Acres	131,657	26.72%	144,964	34.35%
Less than 2 - More than 1 Acres	113,507	23%	71,714	17%
Less than 3 - More than 2 Acres	35,570	7.22%	14,205	3.37%
Less than 5 - More than 3 Acres	25,875	5.25%	6460	1.53%
Less than 10 - More than 5 Acres	24,294	4.93%	3,393	0.80%
Total of Tea Small Holdings Sector	390,871		418,989	
Less than 50 - More than 10 Acres	59,440	12.06%	2,810	0.67%
More than 50 Acres	42,477	8.62%	255	0.06%
Total of overall Tea Holdings sector	492,788		422,054	

Source: Census Reports on Tea Small Holdings in Sri Lanka
Updated in 2024 as per the tea land registration of Sri Lanka Tea Board in 2016.

Diagram No. – 12

Distribution of Tea Small Holdings based on the Extent of Lands



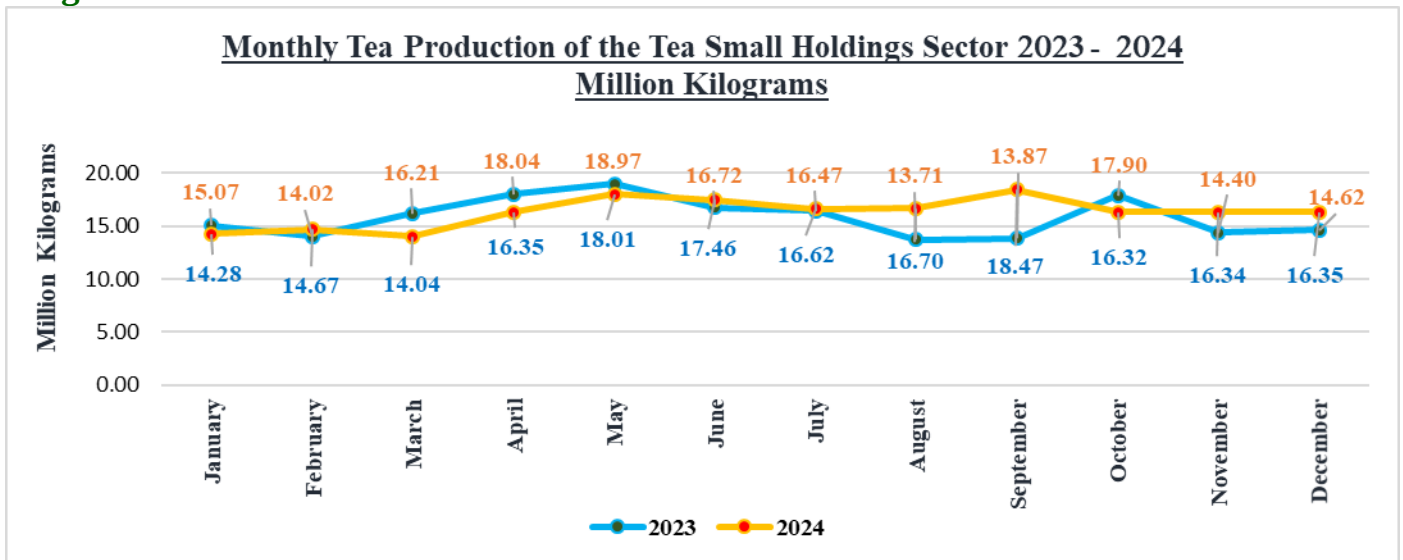
Source: Updated data in 2024 as per the tea land registration of Sri Lanka Tea Board in 2016.

5.2 Production of Tea Small Holdings Sector

The national tea production in the year 2024 was 262.159 Million Kilograms. Compared to the previous year, it was an increase of 6.12 Million Kilograms, or 2.39% of the national production.

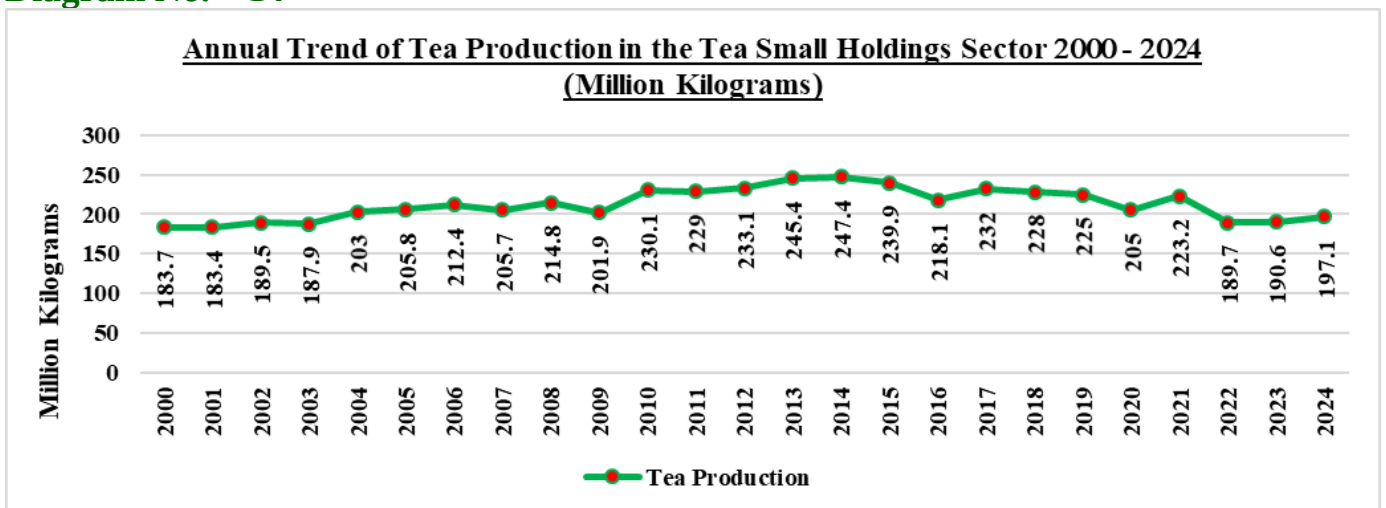
Similarly, the overall production of the tea small holdings sector in the year 2024 was 197.154 Million Kilograms. Compared to the previous year, it had been increased by 6.12 Million Kilograms, or 3.40% of the production.

Diagram No. – 13



Source: Production data of Sri Lanka Tea Board

Diagram No. – 14



Source: Sri Lanka Tea Board

5.3 Production Composition and Productivity of Tea Small Holdings

In the year 2024, from the overall production of tea small holdings, the Lowland tea production was 78.38%, the Midland tea production was 16.1%, and the Highland tea production was 5.5%. (Table

No. 32).

Compared to the year 2023, in the year 2024, the tea production of the Tea Small Holdings Sectors had increased by 2.6% from the Lowland tea production and 11.23% from Midland tea production while it had been declined by 5.50% from Highland tea production.

Table No. – 32
Tea Production and Production Contribution of the Tea Small Holdings Sector
(Based on location) 2021 - 2024

		Year	Highlands	Midlands	Lowlands	Total
Extent of Tea Small Holdings	(Hectares))	2005	5,913	21,403	89,176	116,492
	Percentage of contribution		5%	18%	77%	
	(Hectares))	2024	6,604	16,868	134,775	158,247
	Percentage of contribution		4%	11%	85%	
National Production	Metric Tons	2021	65,270	50,905	183,161	299,336
	Percentage		22%	17%	61%	
	Metric Tons	2022	56,320	40,183	154,994	251,497
	Percentage		22%	16%	62%	
	Metric Tons	2023	58,639	42,337	155,061	256,037
	Percentage		23%	17%	61%	
	Metric Tons	2024	55,721	47,621	158,816	262,158
	Percentage		21%	18%	61%	
Production of Tea Small Holdings	Metric Tons	2021	12,339	33,631	177,225	223,195
	Percentage		6%	15%	79%	
	Metric Tons	2022	11,958	27,287	150,488	189,733
	Percentage		6%	14%	79%	
	Metric Tons	2023	11,490	28,546	150,625	190,661
	Percentage		6%	15%	79%	
	Metric Tons	2024	10,857	31,753	154,543	197,153
	Percentage		6%	16%	78%	
Contribution to the National Production	Percentage	2021	19%	66%	97%	
		2022	21%	68%	97%	
		2023	20%	67%	97%	
		2024	19%	67%	97%	

Source: Census Report on Tea Small Holdings 2005 Department of Census and Statistics

*The Productivity was calculated based on the updated details on the extent of lands as per the tea land registration of Sri Lanka Tea Board in 2016.

** Extent of lands by the year 2024.

5.4 Contribution and Productivity Review of the Tea Small Holdings Sector

The growth of the National production in five years 2020, 2021, 2022, 2023 and 2024 had been primarily caused by the contribution of the Tea Small Holdings Sector for tea production.

As per the data on the tea production in the Sri Lanka Tea Board, the average productivity of the Tea Small Holdings Sector in the year 2024 was 1,246 Kilograms of made tea per hectare. The average productivity of the Tea Small Holdings Sector in the year 2023 was 1,205 Kilograms of made tea per hectare.

The calculation of the hectare productivity up until 2020 was performed based on the number of tea lands in the Census on tea lands – 2005. However, in the years 2021, 2022, 2023 and 2024, as per the land registration of the Sri Lanka Tea Board in the year 2016, the productivity per hectare was calculated based on the details of the extent of lands.

Tea is cultivated in 14 districts and since there are only 8 regional offices, even though certain regional offices contain two districts, when calculating at the level of tea inspection divisions, the extent of lands of those districts were also added and calculated.

Table No. – 33
Productivity of Tea Small Holdings Sector based on Administrative Districts - 2024 (Made Tea/ Kilograms)

Administrative District	Extent of Tea Small Holdings (Hectares)**	Production	Production	Production	Production	Productivity (Made Tea Kilograms per Hectare) *
		Highlands	Midlands	Lowlands	Total	
Badulla, Monaragala	9,742	4,662,306	6,883,181		11,545,487	1,185
Galle	30,193			36,997,637	36,997,637	1,225
Hambanthota	1,004			179,576	179,576	179
Kaluthara	17,091			15,514,553	15,514,553	908
Colombo	404			1,334,650	1,334,650	3,303
Kandy	11,409		18,279,234	8,135,180	26,414,414	2,315
Kegalle, Gampaha	12,991		14,566	10,231,356	10,245,922	789
Matale	740		553,911	389,044	942,955	1,275
Matara	25,733			28,124,719	28,124,719	1,093
Nuwara Eliya	5,861	6,194,958	5,729,219	1,674,185	13,598,362	2,320
Rathnapura	43,079		293,393	51,962,770	52,256,163	1,213
Total	158,247	10,857,264	31,753,504	154,543,670	197,154,438	1,246
Extent of lands (Hectares) in accordance with the tea small holdings registration of Tea Board in 2024		6,604	16,868	134,775	158,247	
Estimated Average Productivity /per Hectare	2019	1,954	1,462	2,051	1,938	-
	2020	2,003	1,418	1,833	1,766	-
	2021	1,787	2,068	1,316	1,414	-
	2022	1,540	1,773	1,115	1,200	-
	2023	1,634	1,747	1,117	1,205	-
	2024	1,644	1,882	1,147	1,246	-

Source: Updated data in 2024 as per the tea land registration of Sri Lanka Tea Board in 2016.

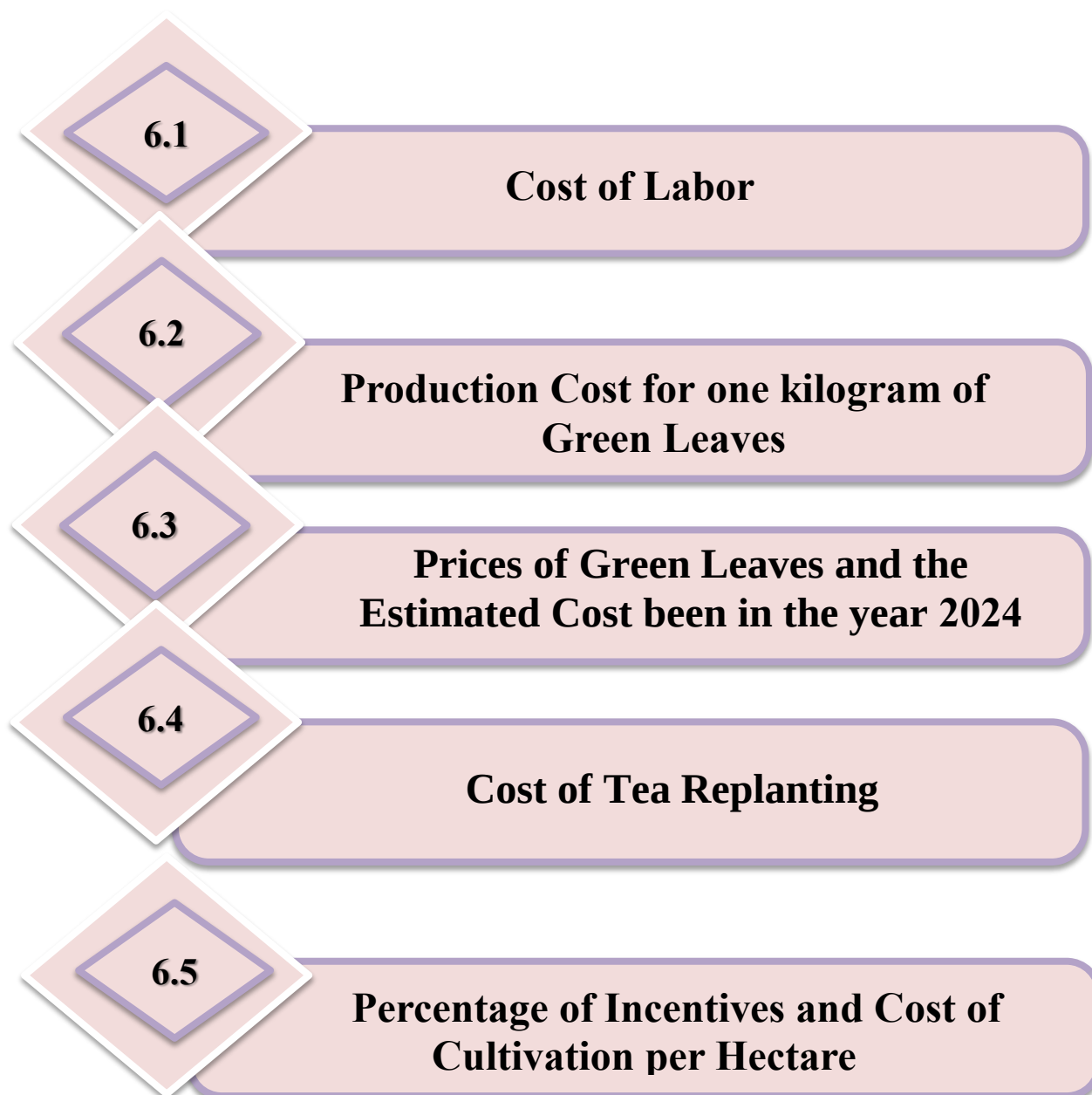
* Calculated excluding the extent of lands with less than 20 perches in order to calculate the productivity.

* Apart from the basis of Administrative Districts, the production data are not convincing with the purchasing of green leaves for factories.

** the extent of tea lands with less than 20 perches.

Chapter Six

6. Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector



6. Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector

6.1 Cost of Labor

In accordance with the annual details obtained at field level on the Tea Small Holdings Sector, when considering the labor shortage for plucking tea leaves, pruning & weeding and the level of daily wages in the Tea Small Holdings Sector, the revealing factor that caused in increasing the labor cost is that the payment of a high amount of wages higher than the standard level of wages confirmed by the Wages Boards Ordinance.

Therefore, compared to the wage level in the organized Tea Small Holdings Sector, since the wage level of daily laborers in the unorganized Tea Small Holdings Sector remains high, it had been reported as the price of labor.

Similarly, it had been reported that when paying salaries for the laborers on plucking tea leaves,

wages were paid depending on the extent of kilograms of the leaves plucked. The instances where an additional price was paid when it exceeds the average of the daily leaves plucked; and a daily wage higher than the daily wage of plucking tea leaves was paid for the trained labor tasks such as pruning.

6.2 Production Cost for one Kilogram of Green Leaves

Accordingly, with the data of Sri Lanka Tea Board, the estimated production cost of one kilogram of green leaves as per the prices received from the Colombo Tea Auction based on the location and the average paying price of one kilogram of leaves are mentioned in the Table No. 34.

Compared to the year 2023, the average price paid for one kilogram of green leaves had been increased by 16.50 Rupees or by 10.14 %. The cost of production had been increased up to 137.09 Rupees.

Table No. – 34

The Price received for one kilogram of green leaves and the Production Cost

Year	Average Paying Price (Rupees per Kilogram)	Average Production Cost (Rupees per Kilogram)
2008	45.45	36.24
2009	52.71	37.24
2010	54.11	38.56
2011	52.63	44.43
2012	57.27	49.5
2013	64.99	51.4
2014	67.54	54.54
2015	58.8	55.08
2016	68.53	64.52
2017	90.69	71.65
2018	85.48	71.86
2019	80.15	56.28
2020	92.55	59.94
2021	90.57	65.2
2022	182.07	136.33
2023	162.66	136.09
2024	179.16	137.09

Source: Sri Lanka Tea Board

6.3 Prices of Green Leaves and the Estimated Cost been in the year 2024

Accordingly, with the data of the Sri Lanka Tea Board, compared to the year 2023, the average price of one kilogram of made tea for all the elevations had been declined in the year 2024. Compared to the year 2023, in the year 2024, the price paid for one kilogram of Highland green

leaves had been increased up to 6.44%, the price paid for Midlands up to 5.15% and the price paid for Lowlands up to 4.17%. The total average price paid for one kilogram of green leaves in the year 2023 had been increased up to 179.16 Rupees from 162.66 Rupees in the year 2024. Further details of it are indicated in the Table No. 35.

Table No. – 35
Price paid for one Kilogram of green leaves

Green leaves by altitude	Year of 2021 (Rupees)	Year of 2022 (Rupees)	Year of 2023 (Rupees)	Year of 2024 (Rupees)	The amount of the Price Change (Rupees) Compared to 2023
Highlands	87.47	163.36	156.84	166.95	12.19
Midlands	80.77	151.58	148.04	155.67	9.64
Lowlands	94.44	196.70	183.11	190.75	8.84
Total Average Price per one Kilogram of tea leaves	90.57	182.07	162.66	179.16	9.64

Source: Data from Sri Lanka Tea Board

6.4 Cost of Tea Replanting

The high rate of labor cost on tea replanting due to the shortage of labor, the removal of the amount of financial subsidy for fertilizer and the limitation in importing chemical fertilizers caused in increasing the market price of fertilizer and that specially

influenced in the high cost of cultivation. From the total cost, an amount of 80% had to be spent as cost of labor. The estimate on the Cost of Replanting per hectare is revealed in the Table No. 36 below.

Table No. – 36
Estimate on the Cost of Replanting per Hectare 2023/2024 (Rupees)
(From the phase of Uprooting to Plucking leaves)

Activity	2023		2024	
	Highlands and Midlands (Rupees)	Lowlands (Rupees)	Highlands and Midlands (Rupees)	Lowlands (Rupees)
Uprooting (First Year)	983,871	816,237	1,282,880	1,031,260
Soil Rehabilitation (Second Year)	383,350	480,285	385,350	453,050
Tea Planting (Third Year)	1,897,000	1,823,000	2,113,500	1,917,500
First Year Maintenance (Fourth Year)	1,298,750	1,264,500	1,142,250	1,093,800
Second Year Maintenance (Fifth Year)	904,750	885,500	793,750	767,500
Total	5,467,721	5,269,522	5,717,730	5,263,110

Source: The Progress Report – Tea Small Holdings Development Authority

6.5 Percentage of Incentives and Cost of Cultivation per Hectare

When considering the amounts of incentives and cost of cultivation in the year 2024, it can be clearly

seen from the following Table No. 37 that approximately 12% from the cost of cultivation was able to be covered from the incentives of replanting.

Table No. – 37

Percentage of Incentives and Cost of Cultivation per Hectare

Year	* Cost of Cultivation (Rupees)		Cultivation Subsidy Ratio		Percentage covered by Cost of Cultivation (%)	
	Highlands and Midlands	Lowlands	Highlands and Midlands	Lowlands	Highlands and Midlands	Lowlands
1997	361,643	327,769	67,000	57,000	18%	17%
1998	411,564	347,456	*110000	*100000	27%	29%
1999	445,504	377,068	110,000	100,000	25%	27%
2000	485,894	396,186	110,000	100,000	23%	25%
2001	550,744	513,866	110,000	100,000	20%	19%
2002	653,463	589,916	110,000	100,000	17%	17%
2003	712,815	643,451	160,000	150,000	22%	23%
2004	796,315	717,351	160,000	150,000	20%	20%
2005	1,026,322	1,009,427	160,000	150,000	16%	15%
2006	1,031,377	1,024,287	200,000	190,000	19%	19%
2007	1,148,177	1,125,494	200,000	190,000	17%	17%
2008	1,458,989	1,420,360	200,000	190,000	14%	13%
2009	1,516,332	1,452,292	200,000	190,000	13%	13%
2010	1,704,051	1,625,290	200,000	190,000	12%	12%
2011	1,836,280	1,724,904	250,000	240,000	14%	14%
2012	1,836,280	1,724,904	300,000	300,000	16%	17%
2013	1,929,930	1,810,904	350,000	350,000	18%	19%
2014	1,929,930	1,810,904	350,000	350,000	18%	19%
2015	2,304,530	2,154,904	500,000	500,000	22%	23%
2016	2,823,735	2,648,442	500,000	500,000	18%	19%
2017	3,393,454	3,177,175	500,000	500,000	15%	16%
2018	3,441,019	3,222,744	500,000	500,000	15%	16%
2019	3,471,171	3,224,282	500,000	500,000	14%	15%
2020	3,520,931	3,268,212	500,000	500,000	14%	15%
2021	3,525,561	3,280,562	630,000	630,000	17%	19%
2022	5,410,561	5,167,162	630,000	630,000	11.6%	12%
2023	5,467,721	5,269,522	630,000	630,000	12%	12%
2024	5,717,730	5,263,110	630,000	630,000	11%	12%

Source: Based on the details from Tea Research InstituteYear

Schedule No. – 01

Estimate on the Production Cost of a Kilogram of Green Leaves 2024
(Lowland) 5,185 Kilograms of Green Leaves per Hectare /Year (As 1,115 Kilograms of Prepared Tea)

Sub No.	Functionality	Frequency of Practice	Units of Labor	Cost of Raw Materials	Total Cost	%
1	Leaves Plucking (25 Kilograms per person per day)	1/2 labor for 45 times	207		186651	26.8%
2	Suppression of Weeds	10 laborers per month	58		68150	10%
3	Fertilizer mixture and application					
	i Applying matured tea fertilizer mixture	8 laborers each (For 2 4 times)	24	296400	324600	47%
	ii Applying Dolomite	4 laborers each (For 2 times cycle)	2	6003	8353	1.2%
	iii Applying Zinc Sulfate	5 laborers each (For 2 times)	5	3300	9175	1.3%
4	Shade Tree Management	5 laborers each (For 2 times)	10		11750	1.7%
5	Pruning	30 40 laborers each (For 2 times cycle)	20		30000	4.3%
6	Moss Removal	12 20 laborers each	6		7050	1.01%
7	Trimming Levels	12 20 laborers (For 2 times cycle)	6		7050	1.01%
8	Draining	36 laborers each (For 2 times cycle)	18		21150	3.0%
9	Infilling	16 laborers for 375 plants	8	13125	22525	3.2%
			364	318828	696454	
Average Production Cost for One Kilogram of Green Leaves			134.09			
	Transportation Expenses (Rupees)		3.00			
	Cost of Production (Rupees)		137.09			
*	2 year time cycle has been used for Lowlands					
*	Fertilizer mixtures and volumes are in accordance with the recommendations of Tea Research Institute and the prices are that existed within the year.					
*	The price of a tea shoot plant is 45 Rupees					
*	The transportation cost has been included in the cost of raw materials					
			Rupees			
*	Daily wage of a laborer		2,000.00			
*	Daily wage for pruning		3,000.00			
*	1 Metric Ton of Dolomite		20,000.00			
*	1 Kilogram of Zinc Sulfate		250.00			
*	1 Metric Ton of UT-397/VPLC/U709/UT752		170,000.00			
*	Tea Leaves Plucking		1,500.00			

Schedule No. - 02

Tea Production of the Tea Small Holdings Sector
1984 - 2024 (Million Kilograms)

Year	National Production	Production of the Tea Small Holdings Sector		Contribution to the National Production %
		Production	Growth Percentage	
1984	208.05	77.4	6.9	37.2
1985	214.09	82	120.4	38.3
1986	211.27	83	1.2	39.3
1987	213.32	91.1	9.75	42.7
1988	226.95	100.2	9.99	44.2
1989	206.98	92.2	-8.98	44.5
1990	223.16	113.7	23.3	48.7
1991	240.74	121.1	6.51	50.3
1992	178.86	94.9	-21.63	53
1993	231.87	125.3	32.02	54
1994	242.21	139.8	11.57	57.7
1995	245.96	140	0.14	56.9
1996	258.42	147.8	5.57	57.2
1997	276.86	149.3	1.01	53.9
1998	280.05	165.9	11.12	59.2
1999	283.76	164	-1.11	57.8
2000	305.84	183.7	12.01	60
2001	295.09	183.4	-0.06	62.1
2002	310.03	189.5	3.33	61.1
2003	303.23	187.9	-0.84	61.9
2004	308.08	203	8.04	65.9
2005	317.19	205.8	2.95	64.9
2006	310.82	212.4	3.2	68.3
2007	304.61	205.7	-3.1	67.5
2008	318.69	214.8	4.4	67.4
2009	291.13	201.9	-6	69.3
2010	331.42	230.1	13.98	69.4
2011	327.53	229	-0.48	69.9
2012	326.27	233.1	1.78	71.4
2013	340.22	245.4	5.3	72.2
2014	338.03	247.4	0.8	73.1
2015	328.96	239.86	-3	72.9
2016	292.57	218.06	-9	74.5
2017	307.72	232.42	6.6	75.5
2018	303.94	228.05	-1.9	75
2019	300.13	225.73	-1.02	75.2
2020	278.49	205.67	-8.08	73.8
2021	299.33	223.2	8.52	74.6
2022	251.44	189.73	-14.99	75.4
2023	256.03	190.66	0.005	74.4
2024	262.15	197.15	3.4	75.2

Source: Production Data from Sri Lanka Tea Board

Schedule No. - 03**Tea Exports and Foreign Exchange Revenues
1996 – 2024**

Year	** Exported Amount	* Export Revenues	Percentage of the Contribution to Total Export Revenues (%)
	(Million Kilograms)	(Million Rupees)	
1996	244	34,068	15.02
1997	269	42,533	15.51
1998	272	50,280	16.19
1999	269	43,728	13.44
2000	288	53,133	12.06
2001	294	61,602	14.31
2002	291	63,105	14
2003	298	65,937	13.3
2004	300	74,890	12.08
2005	309	81,480	12.7
2006	***315	***86,337	12.8
2007	***294	***106,217	13.2
2008	320	137,585	15.6
2009	280	136,183	16.7
2010	315	155,608	16.6
2011	323	164,869	14.1
2012	320	180,430	14.48
2013	319.6	199,446	14.8
2014	327.3	212,588	14.6
2015	306.9	182,054	12.8
2016	288.7	184,778	12.3
2017	288.9	233,338	13.5
2018	282.4	231,750	12
2019	292.65	240,636	13.41
2020	265.56	230,170	12.35
2021	285.871	263,353	12.5
2022	250.171	411,054	10
2023	241.91	428,291	10.9
2024	245.78	433,473	11.2

* With re-export revenues included

** With imported tea included

***With re-export revenues excluded

Source: The Progress Report – Tea Small Holdings Development Authority 2024
Department of Economic Research - Central Bank of Sri Lanka

Chapter Seven

7. Final Accounts of Tea Small Holdings Development Authority as at 31.12.2024 and The Auditor General's Report

7.1

Final Accounts of Tea Small Holdings Development Authority as at 31.12.2024

7.2

Notes for Financial Statements

7.3

The Auditor General's Report

Tea Small Holding Development Authority
Statement Of Financial Position as at 31 December 2024

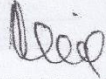


TSHDA

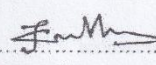
(Expressed in Sri Lanka Rupees)

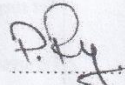
	Note No	2024	2023
Asset			
Current Assets			
Cash and Cash equivalents	1	278,798,703	298,661,215
Receivables	2	125,796,898	126,601,072
Inventories	3	63,221,906	71,929,699
Prepayments	4	758,165	466,831
WIP	5	17,420,401.28	497,658,817
		485,996,074	
Non- Current Assets			
Investments (Fixed Deposit)	6	25,010,240	23,127,357
Other financial assets	7	4,918,777	4,947,105
Property, Plant and Equipment	8	1,049,787,625	927,167,806
Less: Acc. Depreciation		(314,932,731)	(251,072,778)
Total Assets		1,250,779,985	1,201,828,307
Liabilities			
Current Liabilities			
Payables	9	113,560,830	165,109,445
Accrued & provision for Expenses	10	27,933,035	133,123,256
		141,493,865	298,232,701
Non - Current Liabilities			
Employee benefits (Gratuity)	11	198,650,839	176,451,793
Total Liabilities		340,144,705	474,684,494
Net Assets		910,635,281	727,143,813
Equity			
Capital contributed by government		-	322,890,842
Revaluation reserve	233,189,932		232,935,807
Accumulated surplus/(deficits)	677,445,348	910,635,281	171,317,164
Total Equity		910,635,281	727,143,813

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


 Chairman


 Director

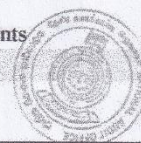

 General Manager


 Finance Manager

Figures in brackets indicate deductions

Notes to the Financial Statements on pages 03 to 05 form an integral part of these Financial Statements

Financial Statements 2024



Tea Small Holding Development Authority					
Statement of Financial Performance for the year ended 31/12/2024					
					TSHDA
				(Expressed in Sri Lanka Rupees)	
	Sh.No		2,024		2023
Tresury Funds	1				
Development Capital			497,692,988		735,953,071
Recurrent			477,921,000		428,883,397
Other Income					
Interest - F/D	2	16,435,626		12,186,390	
Interest - C/D		-		15,058,177	
Interest on Loan to Employees		4,054,640		4,073,967	
Miscellaneous Income		12,757,308		9,654,025	
Income Over Expenditure Hanthana	3	7,811,138		3,661,426	
Surplus (Deficit) in Tea Field & M.B	4	(1,273,922)		(1,122,419)	
Surplus (Deficit) in Nurseries	5	1,756,475	41,541,264	2,599,289	46,110,855
			1,017,155,252		1,210,947,323
Development Expenditure	6				
Subsidies		(357,622,158)		(711,761,263)	
Extension		(22,174,597)		(13,345,928)	
Society Development		(2,250,000)		(1,391,260)	
Institutional Development		(5,903,157)		(2,019,552)	
			(387,949,912)		(728,518,003)
OPERATING EXPENCES	7				
Salaries,EPF,ETF & Other Allowances		(349,313,654)		(306,622,098)	
Overtime & Holiday Payments		(3,236,917)		(2,830,273)	
Travelling & Subsistence		(8,753,012)		(7,848,754)	
Repairs & Maintainance		(44,620,788)		(35,529,542)	
Supplies		(6,986,511)		(10,514,578)	
Communication		(6,333,526)		(7,764,794)	
Rates, Tax & Utilities		(10,317,408)		(9,758,415)	
Other Operating Expences		(34,242,343)		(38,542,415)	
Total Operating Expences			(463,804,159)		(419,410,869)
Surplus/(Deficit) from operating activities			165,401,182		63,018,451
Gratuity		(45,478,052)		(13,069,966)	
Depreciation and amortization expenses		(63,315,437)		(52,928,727)	
Provisions for Bad Debt/written off debtors		675,673		(527,354)	
			(108,117,816)		(66,526,046)
Net surplus / (Deficit) before extra ordinary items			57,283,366		(3,507,595)
Capital Grants					21,697,932
Capital Grants -Treasury Fund			336,522,854		
Capital Grants -Starr Project			112,321,965		161,034,051
Net surplus / (Deficit) for the period			506,128,185		179,224,388
Figures in brackets indicate deductions					
Financial Statements 2024					

TSHDA

2,023

179,224,388

(21,697,932)

52,928,727

13,069,966

(28,384,357)

527,354

(161,034,051)

(31,318,534)

(92,210,330)

(45,819)

(773,839)

(19,743,057)

37,606,583

(71,850,901)

(29,320,702)

3,232,130

(26,088,572)

40,689,232

50,106,928

90,796,160

(7,143,312)

305,804,527

298,661,215

Financial Statements 2024

**TSHDA**

(Expressed in Sri Lanka Rupees)

Attributable To Owners of the Controlling Entity				
Description	Contributed Capital	Revaluation Reserves	Accumulated Surpluses (Deficits)	Total Net Assets/Equity
Balance as @ 01/01/2023	294,481,845	232,935,807	(10,268,536)	678,183,166
Prior Year Adjustment			2,361,312	2,361,312
Restated Balance as@ 01/01/2023	294,481,845	232,935,807	(7,907,224)	519,510,428
Surplus/(Deficit) for the year			179,224,388	179,224,388
Government Grant for the year	50,106,929			50,106,929
Deferred Income for the year	(21,697,932)			(21,697,932)
Balance as at 31/12/2023	322,890,842	232,935,807	171,317,164	727,143,813
Surplus/(Deficit) for the year			506,128,185	506,128,185
Gain on property revaluation		254,125		254,125
Government Grant for the year	13,632,012			13,632,012
Starr Project Grants	112,321,965			112,321,965
Capital Grant has been fully charged to P&L as per the SLAS no 11	(448,844,819)			
Balance as at 31/12/2024		233,189,932	677,445,348	910,635,281

Figures in brackets indicate deductions

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY**NOTE NO. 01****CASH AND BANK BALANCES**

Rs.	
Description	Total
Cash In Transit	1,638,068
Cash in Hand & at Bank	87,584,596
Call Deposits	189,576,039
Total	278,798,703

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY		
NOTE NO. 02		
RECEIVABLES		Rs.
Description	Total	
DEBTORS		
Staff Debtors	70,457	
Receivables from Mr Silva	706,572	
Debtors -DTPC Project	527,860	
Starr Debtors	1,302,867	
Colour Separator	5,916,590	
Sundry Debtors	2,218,008	
Tea Shakthi Fund - Fertilizer	1,941,774	
T.R.I	550,356	
N.I.P.M	149,953	
T.S.H.S.- Fertilizer	3,896,683	
- Sprayers	348,348	
- Scales	31,500	
Input Debtors VP Plants	4,358,677	
Input Debtors Polythine	2,707,034	
Input Debtors Shoots	48,069	
Input Debtors Fertilizer/Basamid	122,106	
Input Debtors- Nursery Material	181,481	
Debtor plucking seciers/basket	124,220	
Tea Factory Debtors	440,225	
Ministry of Tea	7,117,700	
Compost Debtors	452,030	
Internal Debtors -Regional Office	653,700	
Sub Total	33,866,208	
LOAN AND ADVANCES		
Distress Loan	40,848,514	
Housing Loan	46,349,408	
Motor Cycle Loan	2,036,274	
Motor Cycle Loan TI	6,028,883	
Re shedule vehicle Loan	6,664,321	
Special Salary Advance	777,675	
Festival Advance	171,858	
Sundry Advance	320,502	
Advance (ADB/IRDP)	136,854	
Debt relief loan	14,654	
Sub Total	103,348,943	
DEPOSITS AND ADVANCES		
Fuel	643,000	
Telephone	27,500	
Gas Cylinders	10,600	
Sundry Advance	7,823	
Labour Department	408,216	
Sub Total	1,097,139	

	Description	Total
	OTHER BALANCES	
	STaRR Project	861,457
	Death Society	494,967
	Sundry Deductions	842,830
	T.S.H.S. Dev. Fund	53,426
	Fertilizer Incentive.	236,605
	Tea Leaf income Reciveble	222,013
	Graviliya Plant Project	41,514
	H/o Recevable for Ministry of tea	925,286
	Other	894,907
	Sub Total	4,573,005
	Total	142,885,295
	BAD DEBTS	
	Provision for Bad Debts	(17,088,397)
	Total	(17,088,397)
	Grand Total	125,796,898

	TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY	
	NOTE NO 03	
	INVENTORIES	
		Rs.
	Description	Total
	Plants Stocks	30,605,164
	Stationary	13,551,573
	Sundry Stocks	8,037,796
	Tea	1,083,752
	Fertilizer	148,160
	Basamid/Methum sodiam/glyfoset/copper	43,839
	Polythene	1,814,053
	Nursery Equipment	1,572,342
	Magasine & Periodical	424,893
	Plucking Seizers/Basket/ Scales	172,484
	Aid Package	154,123
	Training Equipments	3,025
	Niylone Net	499,168
	Good In Transist	5,106,505
	Sprayers & Water Pumps	5,030
	Total	63,221,906

	NOTE NO. 04		
	PRE-PAYMENTS		
		Rs.	
	Description	Total	
	IPVPN Bill	-	
	Insurance	53,631	
	Nursary	580,028	
	Postal Franking Machine	124,506	
	Total	758,165	
	NOTE NO. 05		
	WIP		
		Rs.	
	Description	Total	
	WIP civil works	17,420,401	
	Total	17,420,401	
	NOTE NO. 06		
	INVESTMENTS		
		Rs.	
	Description	Total	
	Fixed Deposit - Gratuity	25,010,240	
	Total	25,010,240	
	NOTE NO. 07		
	OTHER FINANCIAL ASSETS		
		Rs.	
	Description	Total	
	Staggered Cost	4,918,777	
	Total	4,918,777	

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY													
NOTE NO. 08													
PROPERTY, PLANT & EQUIPMENT													
													Rs.
DESCRIPTION	COST AS AT 01.01.2024	ADDITIONS FOR THE YEAR	TRANSFER	(TRANSFER)	DISPOSAL	COST AS AT 31.12.2024	DEPRECIATION AS AT 01.01.2024	DEPRECIATION FOR THE YEAR	TRANSFER	(TRANSFER)	DISPOSAL	ACCUMULATE DEPRECIATION	WRITTEN DOWN VALUE
Head Office													
Land	74,141,229	-	-	-	-	74,141,228.57	-	-	-	-	-	-	74,141,228.57
Buildings	588,137,497	6,198,467	-	-	-	594,335,964.07	88,727,468	11,601,216.34	-	-	-	100,328,683.97	494,007,280.10
Motor Vehicles	109,147,950	104,659,082	42,145,835	(42,145,835)	(245,997)	213,561,035.30	65,512,837	32,682,764.02	26,478,334.00	(26,478,334.00)	-	98,195,601.28	115,365,434.02
Project Motor Vehicles	2,054,275	5,687,500	-	-	(1,099,425)	6,642,350.00	2,054,275	154,383.33			(1,099,425.00)	1,109,233.33	5,533,116.67
Furniture Fittings & Office Equip.	64,841,106	3,040,123	-	-	(126,700)	67,754,528.63	32,379,907.07	8,447,441.90	-	-	(111,152.13)	40,716,196.85	27,038,331.79
Computer	46,583,010	2,640,600	-	-	(261,482)	48,962,128.31	37,909,831.50	2,607,829.96	-	-	(299,182.00)	40,218,479.46	8,743,648.85
Plant & Machinery	37,276,482	12,627	-	-	-	37,289,109.00	21,101,263.03	7,148,910.82	-	-	-	28,250,173.85	9,038,935.15
Trainig Equipment	5,231,891	60,750	-	-	-	5,292,640.54	3,943,933.73	640,717.72	-	-	-	4,584,651	707,989.09
Road- Haliela	514,667	-	-	-	-	514,666.82	238,685	10,293	-	-	-	248,978	265,688.49
Other (Utility)	1,293,974	-	-	-	-	1,293,974.00	1,258,853	21,880	-	-	-	1,280,733	13,241.25
Total	929,222,081	122,299,148	42,145,835	(42,145,835)	(1,733,604)	1,049,787,625	253,127,053	63,315,437	26,478,334	(26,478,334)	(1,509,759)	314,932,731	734,854,894

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY		
NOTE NO. 09		
PAYABLES		
		Rs.
Description	Total	
CREDITORS		
Sundry Creditors	34,692,014	
Creditor -Fertilizer (Uria/Dolomite..)	3,826,879	
Tea Factories	215,432	
Hantana Training center	62,109	
Regional Office Payables	1,706,950	
Plant Creditors	759,569	
Compost (Green force)	312,966	
Sub Total	41,575,919	
DEPOSITS PAYABLE		
Deposits for Fertilizer	504,983	
Deposits for VP Plants & Shoots	1,427,114	
Tender Deposits	3,802,822	
Other Deposits payables	1,485,302	
Sub Total	7,220,221	
OTHER BALANCES		
Retention Payable	820,680	
Unclaimed Cheques	4,269,037	
Welfare	676,700	
Nursary fund	550,000	
Tea Shakthi	101,300	
T.S. Welfare Insurance	2,165,425	
Ministry Of Plantation GNSS	7,500,000	
Fertilizer Uria	817,146	
Soil Canservation	3,448,363	
Fertilizer Project	9,455,911	
Society Uria project	4,061,498	
Cash In Transit	127,790	
Glyposet	4,827,478	
CO3 Multifcation Plots	67,660	
State Fertilizer Project	400,984	
Fertilizer Revolving Fund	7,653,505	
Compost Project	1,808,632	
Special Projec for Compost Project	682,450	
High Shade Special Project	206,489	
Jumbo Plant Maintance Fund	256,875	
Special Project Direct Tea Planting	184,554	
DTPC Machine Maintance/Admin Fund	4,970,038	
Society Vehicle Sale	9,155,483	
Other	556,692	
Sub Total	64,764,690	
Total	113,560,830	

	TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY	
	NOTE NO. 10	
	ACCRUED EXPENDITURE	
		Rs.
	Description	Total
	Building Cleaning / Maintenance	371,975
	Crop Rehabilitation	260,000
	Electricity & Water	542,094
	EPF & ETF	7,792,445
	Extension Program	1,520,932
	Free Cup Of Tea	600
	Fuel	529,761
	Salaries,Wages & OT	2,541,446
	IPVPN bill	72,997
	Maintenance of Computer	102,630
	Medical Care	960,527
	Motor Cycle Maintenance	254,356
	News Paper Advertising	48,831
	Nursary & Mother Bush	26,781
	Office Equipment Maintenance	44,700
	Rates & Taxes	109,338
	Re Planting 2024	371,519
	Rent	494,477
	Security	1,999,661
	Society	600,000
	Stamp Duty	113,575
	Stationery	282,828
	Sundry	298,775
	Telephone & Postage	212,898
	Training	796,464
	Transport Charges	11,138
	Travelling & Subsistence	1,281,665
	Uniforms & Boots	43,393
	Vehicle Maintenance	593,482
	Welfare	80,444
	Audit fees	1,950,000
	Legal	1,448,500
	Provision for Expenditures	2,174,802
	Total	27,933,035
	NOTE NO. 11	
	PROVISIONS	
	Description	Total
	Gratuity	198,650,839
	Total	198,650,839

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY				
SCHEDULE NO 01				
TREASURY FUNDS				
				Rs.
Description			Amount	
Total treasury funds received			989,246,000.00	
Recurrent imprest			477,921,000.00	
Capital imprest			511,325,000.00	
Capital imprest			511,325,000.00	
Institutional Capital			13,632,012.23	
Total Development Capital			497,692,987.77	

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

1.1. Corporate information

Tea Small Holdings Development Authority (TSHDA) was established in 1977, under the Tea Small Holdings Development Act No. 35 of 1975. As the sole statutory body mandated for the development of tea small holdings in the country, increase of production, marketing activities, improvement of productivity and working for the welfare of the tea small holders are the objects of the organization

Tea Small Holding Development Authority consists with eight regional offices & Rathnasiri Wikramanayake Training Center.

1.2. Financial Statements

Financial Statements of the Tea Small Holding Development Authority are prepared as at for the year ended 31 December 2024.

2. Accounting Policies

2.1. Basis of Accounting

The Consolidated Financial Statements of the T.S.H.D.A have been prepared in accordance with Sri Lanka Public Sector Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka. There is no adjustment has been made for inflationary factors affecting those accounts.

2.2. Comparative Information

The comparative information is provided, if it is relevant to understand the current period's Financial Statements and reclassified wherever necessary to conform to the current year's presentation.

2.3. Events after the Reporting Date

All material events occurring after the Balance Sheet have been considered and where necessary, adjustments & disclosures have been made.

3. Property, Plant and Equipment

3.1. Recognition

Property, Plant and Equipment (PPE) are recognised if it is probable that future economic benefits associated with the assets will flow to the Authority and the cost of the asset can be reliably measured.

3.2. Measurement

Cost of Property, Plant and Equipment includes expenditures that are directly attributable to the acquisition of the asset. Items of Property, Plant and Equipment are measured at cost less accumulated depreciation. Properties that carried at revaluation amount being their fair value at the date of revaluation, less any subsequent accumulated depreciation.

Any surplus arising on revaluation of an asset is accumulated under the Revaluation Reserve in Equity through Other Comprehensive Income.

3.3. Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives.

Estimated useful lives for the current and comparative periods are as follows,

Buildings	2.00%
Motor Vehicles	20.0%
Furniture, Fittings	12.5%
Office Equipment	12.5%
Computer	20.0%
Machinery	20.0%

Land is not depreciated. Further, cost of expansion and major renovations on the building are depreciated over the remaining useful lives of the original buildings.

4. Investment

Investments include fixed deposits & gratuity fund.

5. Other Financial Assets

The expenditure incurred to build a net house & the material use for Institutional Nurseries has been categorized in to useful lifetime and the balance has been brought forward as straggled cost. The balance Rs 4.9 Mn has been shown as at 31.12.2024

6. Stocks & Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the Frist in Frist Out principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

The plant stock as at 31.12.2024 of Rs.30.6 Mn has shown under inventories. The plant stock is valued on accumulated cost of production up to 31st December 2024

7. Trade Debtors & Receivables

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

Age of the Debt	Provision
Less than one year	Nil
More than one to two years	10%
More than two to three years	30%
More than three to five years	50%
Over five years	100%

8. Other Receivables

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

9. Cash & Cash Equivalents

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits. Cash balances as at 31.12.2024 is Rs 278.79 million.

10. Cash Flow

Cash Flow statement has been prepared using the indirect method.

As per the PPE schedule Purchase of Property Plant & Equipment indicate Rs 122,299,148. Out of Rs 122,299,148 Assets received from liquidation of Starr Project is Rs 112,321,965. Net Purchase was Rs 9,977,183

11. Accounting for Funds Received

Funds have been remitted from the Treasury through the consolidated fund as follows

Description	Amount
Total treasury funds received	989,246,000
Recurrent imprest	477,921,000
Capital imprest	511,325,000

12. Liabilities

All material liabilities as at Balance Sheet date have been included in the accounts and adequate provision has been made for liabilities which are known to exist, Liabilities classified as current liabilities on the Balance sheet, are those which are due for payment on demand.

13. Provision for Gratuity

Every employee who has been completed one year of service period will be provided for gratuity payments. Provision for the year is Rs.198.65 million.

14. Taxation

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

15. Government Grant

Government Grant (Institutional Capital) for the year 2024 as follows

Capital imprest			511,325,000.00
Institutional Capital			13,632,012.23
Total Development Capital			497,692,987.77

- 16.** Action plan for the year has been prepared align with the national requirements of tea.
- 17.** Capital Assets which were purchased through the Capital Grants (Treasury Funds) has been indicated in the additions of the PPE schedule & Assets which were purchased through the capital grants of the treasury funds has been fully charged to P&L in order to aligned with new edition of the Sri Lanka Accounting Standards No 11 instead of amortized over the useful life time of the assets.
- 18.** Capital Assets acquired from liquidation of Starr Project has been capitalized & As per the “Sri Lanka Accounting Standards No 11, Grant has been fully charged to P&L in order to aligned with new edition of the Standard instead of amortized over the useful life time of the assets.
- 19.** Following Legal Cases are still hearing at courts. Liability has not been identified quantitatively.
- Legal case against the complaint of the employees who were recruited illegally under the categories of temporarily basis, Casual basis & Daily basis
 - Legal Case against the complaint of the T.H.T De Silva of holding Gratuity Payment
 - Legal Case hearing at Bandarawela district court No M/6045

NATIONAL AUDIT OFFICE

My No.: PAL/D/TSHDA/1/2024/04

Your No.:

Date: 28 May 2025

Chairman,
Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2024 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

Herewith enclosed the above report.

Sgd. Illegibly
G. H. D. Dharmapala
Auditor General (Acting)

Edition –

01. Secretary, Ministry of Plantation and Community Infrastructure
02. Secretary, Ministry of Finance, Economic Stabilization & National Policies

NATIONAL AUDIT OFFICE

My No: PAL/D/TSHDA/1/2024/04

Your No.:

Date: 28 May 2025

Chairman,
Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2024 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1. Qualified Opinion

The Financial Quality Statement of the Tea Small Holdings Development Authority for the year ended on 31 December 2024 and the Financial Performance Statement for the year then ended, Statement of change in claim & Cash Flow Statement for the year then ended and corresponding notes on financial statements containing information respective to quantitative accounting policies for the year ended on 31 December 2024, were audited under my direction in pursuance in accordance with the provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of National Audit Act No. 19 of 2018, and Finance Act No. 38 of 1971. In due course, my report would be presented to the Parliament in accordance with the Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis section for the statistical opinion in my report, the financial position of the Tea Small Holdings Development Authority as of 31 December 2024 and its financial performance & cash flow for the year then ended, are true and impartial in accordance with Sri Lanka Public Sector Accounting Standards.

1.2. Basis for Qualified Opinion

- (a) By the end of the year under review, even though the assets valued at 28,588,589 Rupees, which had been completely depreciated, continued to be in use, as per Paragraph 65 of Sri Lanka Public Sector Accounting Standard No. 7, the useful life of those assets had not been reassessed and accounted for, nor disclosed in the financial statements.

- (b) Although the rental income pertaining to the Galle building premises, valued at 7,947,250 Rupees, was only recognized as 2,493,750 Rupees in the financial statements, the rental income for the year under review was devalued by an amount of 5,453,500 Rupees.
- (c) Although the rental income receivable for the year 2023 pertaining to the Galle building premises valued at 4,070,750 Rupees, was only recognized as 9,723,750 Rupees, the accrued income and the opening rental income receivable for the year under review had been surpassed by an amount of 5,653,000 Rupees.
- (d) An amount of Rs. 16,843,288 was recorded as work in progress as of the end of the year under review, even though no construction activities had been undertaken by the Authority. Accordingly, both the value of work in progress and the amount payable had been overstated in the financial statements by the said amount.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs) and my responsibility under these Auditing Standards has been further clarified in Auditor's Responsibility section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.3. Other Details included in the 2024 Annual Report of the Authority

The details received by me before the date of this audit report were included in the 2024 Annual Report of the Authority, but the financial statements and the corresponding details, those which are not included in my audit report, are represented by the term, other details. The Management holds the responsibility for these other details. My opinions regarding the financial statements do not cover other details and I do not express any kind of certification or an opinion regarding that.

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

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

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

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

In the preparation of financial statements, the Management is responsible for determining the Authority's capability of continuity, and on the basis of continuity, accounting and disclosing of matters related to the Authority's continuity as applicable except the management either intends to liquidate the Authority or to terminate operations when no alternative exists.

The Governing Parties are responsible for overseeing the Authority's financial reporting process.

In accordance with the Sub Section 16 (1) of the National Audit Act, No. 19 of 2018, it is required for the Authority to accurately maintain books and reports on its own revenues, expenses, assets, and liabilities in a way it enables the preparation of the Authority's annual and periodic financial statements.

1.5. Auditor's Responsibility on the Audit of Financial Statements

My intent is to deliver an impartial assurance on whether the financial statements, all in all, are free from material misstatement caused by fraud or error, and to issue the audit report that includes my opinion. Even though, the impartial assurance is an advanced assurance; when the audit is performed in accordance with Sri Lanka Auditing Standards, it could not assure that it constantly detects material misstatements. Given that material misstatements can be caused by individual or collective impact on frauds and errors, its material status depends on the impact on economic decisions taken by the users based on these financial statements.

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

- In procuring a basis for the published audit opinion, opportunistic appropriate audit procedures were scheduled and implemented to identify and to verify the risks of faulty material misstatements in financial statements caused due to fraud or error. The impact of a fraud is more advanced than an impact of faulty material misstatements caused by misrepresentation, as a fraud may result from collusion, forgery, intentional omissions, misrepresentations or from disregarding internal control.

- Even though it is not for the intention of stating an opinion on the efficacy of the internal control, an understanding on the internal control of the Authority over the preparation of opportunistic appropriate audit procedures has been taken.
- The compatibility of accounting policies applied, the impartiality of accounting estimates, and the associated revelations performed by the management were evaluated.
- Based on the audit evidence gathered from examining whether a material uncertainty caused by incidents or conditions, occurs on the Institute's continuity; the relevance of applying the basis of the Authority's continuity on accounting was determined. If I conclude that a material uncertainty exists, it is expected to focus on the associated revelations in financial statements, and, if those revelations are inadequate, my opinion should be revised. However, the continuity could be discontinued due to upcoming incidents or conditions.
- The associated transactions & incidents based for the structure & the content of the financial statements that had been appropriately & impartially included in financial statements and the overall presentation of financial statements with disclosures were evaluated.

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

2. Report on Other Legal and Regulatory Requirements

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

2.1.1. In accordance with the requirements mention in Section 12 (a) of the National Audit Act, No. 19 of 2018; with exception of the impact of matters described in the section, Basis for Qualified Opinion of my report, all the details & explanations needed for the audit were gathered by myself, and as far as it appears from my observation, the Authority had maintained appropriate financial reports.

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

2.1.3. In accordance with the requirement mention in Section 06 (1) (d) (IV) of the National Audit Act, No. 19 of 2018, the recommendations I presented in the previous year are included in the submitted financial statements.

2.2. Being limited to quantitative matters based on the procedures followed and on evidence gathered, it did not appear to be needed to express the following statements.

2.2.1. In accordance with the requirement mention in Section 12 (d) of the National Audit Act, No. 19 of 2018; stating that any member of the management board of the Authority has direct or indirect connection with a contract that the Authority is related & gone beyond the usual business circumstances.

2.2.2. In accordance with the requirement mention in Section 12 (f) of the National Audit Act, No. 19 of 2018; stating that with exception of the following observations, the Authority has not complied with any written law, or other general or specific directives issued by the Management Board of the Authority.

Reference to Rules/Directives	Observations
(a) Paragraph 02 (i) of the Asset Management Circular No. 02/2017 dated 21.12.2017, issued by the Deputy Secretary to the Treasury.	As of the end of the year under review, the ownership of six vehicles used by the Authority had not been transferred to the name of the Authority.

2.2.3. In accordance with the requirement mention in Section 12 (g) of the National Audit Act, No. 19 of 2018; stating that the Authority had not performed accordingly with the powers, duties, and functions of the Authority.

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

2.3 Other Information

- (a) Even though the Kegalle Regional Office building of the Authority had been constructed in a land not owned by the Authority spending 44,484,405 Rupees in the year 2023, as of December 31 2024, the Authority had not yet taken over its ownership.
- (b) From the loan given to tea small holdings societies to purchase fertilizer, sprayers and scales under the fertilizer loan scheme in the year 1998, no effective step had been taken to charge the outstanding loan balance of 4,276,531 Rupees from the societies at the end of the year under review even though 25 years had passed.
- (c) The amount of 5,916,589 Rupees given as loans to four private tea factories under the program of the distributing color separators in the year 1998 had not been recovered as at the end of the year 2024. Legal actions were taken only on the amount of 2,436,449 Rupees, and Due to deficiencies in the agreement, it was unable to take respective legal actions on the balance of 3,480,170 Rupees.
- (d) Even though the amount of 9,155,483 Rupees received from selling 23 vehicles provided to tea small holdings development societies in the year 1998 had been accounted as payable to the Treasury, no actions were taken to remit the corresponding amount.
- (e) Even though, in the year 2021, 08 compost material rending machines had been purchased for 2,300,000 Rupees from the Commercial (Miscellaneous) Statutory Corporation of the government of Sri Lanka, it was observed during the audit that the operations of 06 machines remained inactive without engaging in any production activities.
- (f) The institution maintains 11 institutional tea nurseries for the purpose of supplying improved, high-quality tea plants to tea small holders, commercial tea cultivators, and institutional tea nurseries, and compared to the previous year, the number of plants distributed in the year under review had decreased by 31 percent, and 03 nurseries had incurred expenses exceeding their income by an amount of 2,745,500 Rupees.
- (g) In the year under review, even though the approved number of Assistant Regional Managers (Extension), Zonal Tea Development Extension Officers, and Tea Inspection Extension Officers was respectively 8, 26, and 144, the actual number of officers was 3, 21, and 114. Accordingly, it was observed in the audit that not taking action to fill out the vacancies of these officers who have linear relationships with tea farmers and societies adversely affects the successful execution of the subsidy program of the Authority.

- (h) As at the end of the year under review, despite the lapse of more than two years since the execution of the agreements, three tenants occupying the Galle building premises had failed to deposit security deposits in an amount of 3,984,000 Rupees, as stipulated in the respective agreements. Furthermore, although a private entity had commenced business operations in June 2023 within stalls numbered 9, 10, and 11 of the said premises, a formal lease agreement had not been executed as of the end of the year under review.
- (i) Under the combined program for the distribution of compound fertilizer to tea small holders, implemented by the Sri Lanka Tea Board, the Tea Small Holdings Development Authority, and the Ceylon Fertilizer Company, it was observed that, as at the end of the year under review, tea small holder societies had placed orders for a total of 8,790 Metric Tons of fertilizer, and the Ceylon Fertilizer Company had distributed 5,982 Metric Tons only, resulting in approximately 37 percent of the ordered quantity remaining undistributed.
- (j) Fixed asset registers pertaining to the Head Office and Galle and Ratnapura Regional Offices had not been submitted for audit.

Sgd. Illegibly
G. H. D. Dharmapala
Auditor General (Acting)