

ANNUAL REPORT 2022



*The art of tea...
It's Ceylon tea..*

SRI LANKA TEA BOARD



Annual Report 2022

Sri Lanka Tea Board

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CONTENTS

Vision and Mission - 03
Members of the Sri Lanka Tea Board - 04
Members & Observers of the Audit Committee - 05
Senior Management Staff - 05
Members of the Promotion and Marketing Committee - 06
Message from the Chairman - 07
Key Highlights - 09
Corporate Background - 10
Structure and activities undertaken - 11
Tea Commissioner's Division - 12
Tea Exports Unit - 20
Tea Promotion Division - 23
Tea Tasting Unit - 41
Analytical Laboratory - 43
Administration Division - 44
Internal Audit Section - 45
Information Technology Section - 45
Industry Profile- 46
Approach to the Sustainable Development Goals- 59
Financial Review - 61
Auditor General's Report - 91
Offices of the Sri Lanka Tea Board - 96



VISION

To position Ceylon Tea as the
“ Most Aspired Beverage ”
in the global market

MISSION

To increase the foreign exchange earnings to the
country through sustainable development of the
Industry and thereby ensuring the economic
development of the plantation community



Members of the Sri Lanka Tea Board -2022

Chairman

Chairman, Sri Lanka Tea Board

Mr. Jayampathy Molligoda, *Up to May*
Mr. Niraj De Mel, *From Jul to Dec*

Members

Additional Secretary (Development) , Ministry of Plantation Industries

Mr. Harsha Ilukpitiya, *up to Jul*
Mrs. W.M.D.T.Wickremasinghe, *From Oct to Dec*

Director (Actg) Dept of Public Finance, Ministry of Finance

Mrs. K.A.W. Fernando, *From Jan to Feb*

Addl Director General (Coverup), Ministry of Finance

Mr. M.M.C.P. Mohottigedera, *From May to Jul*

Director, Dept of Public Enterprises, Ministry of Finance

Mrs. J.P.P. Liyanage, *From Aug to Dec*

Addl Secretary, Ministry of Trade

Mr. D. Jeevanathan, *From Jan to Dec*

Secretary General, Ceylon Planters' Association

Mr. Lalith Obeyesekere, *Up to Sep*

Chairman, Ceylon Planters' Association

Mr. Senaka Alawattegama, *From Oct to Dec*

Chairman, Colombo Brokers' Association

Mr. Hishantha de Mel, *up to Mar*
Mr. Yshan Fernando, *From Jul to Dec*

Chairman, Colombo Tea Traders' Association

Mr. Jayantha Karunaratne, *up to Sep*
Mr. Sanjaya Herath, *From Sep to Dec*

Chairman, Tea Exporters Association

Mr. Sanjaya Herath, *Up to Sep*
Mr. Ganesh Deivanayagam, *From Sep to Dec*

Chairman, Sri Lanka Tea Factory Owners' Association

Mr. Lionel Herath, *From Jan to Dec*

Chairman, Sri Lanka Federation of Tea Small Holdings Development Societies

Mr. K.L. Gunaratne, *From Jan to Dec*

Minister's Representative

Mr. W.H.S. Samarasena, *From Jan to Dec*

Chairman, Tea Small Holdings Development Authority

Dr. Thushara Priyadharshana, *From Jan to Dec*

Observer

Mr. Anil Alwis, *From Jan to Dec*

Secretary

Director General

Mr. S.A. Siriwardane



Members & Observers of the Audit Committee - 2022

Chairman

Actg. Director General, Ministry of Finance

Ms. K.A.E. Fernando

From Jan to Mar

Director, Ministry of Finance

Ms. J.P.P. Liyanage

From Aug

Members

Additional Secretary, Ministry of Plantation Industries

Mr. Harsha Illukpitiya

From Jan to Aug

Ms. W.M.D.T. Wickremasinghe

From Oct

Additional Secretary, Ministry of Trade

Mr. D. Jeewanathan

Chairman, Colombo Tea Traders' Association

Mr. Jayantha Karunaratne

From Jul to Sep

Mr. Sanjaya Herath

From Sep

Chairman, Tea Exporters Association

Mr. Ganesh Deivanayagam

From Sep

Observers

Chief Internal Auditor, Ministry of Plantation Industries

Mr. K.A.C. Shamantha

Superintendent of Audit, National Audit Office

Ms. H.A.D. Chandani

From Jan to Oct

Auditor General

Ms. V.D. Seetha

From Nov to Dec

Convener

Director General

Mr. S.A. Siriwardane

Senior Management Staff-2022

Director General

Mr. S.A. Siriwardane

Tea Commissioner

Mr. E.A.J.K. Edirisinghe

Director (Promotion)

Ms. H.L. Pavithri Peries

Director (Analytical Services)

Dr. K.R.W. Abeywicrama

Director (Finance)

Mr. G.A. Hirosh Jayanga



Members of the Promotion & Marketing Committee 2022

Chairman

Chairman, Sri Lanka Tea Board

Mr. Jayampathy Molligoda, (Jan -Apr)

Mr. Niraj De Mel, (May-Dec)

Members

Additional Secretary, Ministry of Plantation Industries

Mr. Harsha Ilukpitiya, (Jan-Aug)

Mrs. Tharagani Wickramasinghe, (Nov-Dec)

Director General, Sri Lanka Tea Board

Mr. S.A. Siriwardane, (Jan-Dec)

Representative, Tea Exporters' Association

Mr. Mufaddal Jafferjee, (Jan-Dec)

Director, Akbar Brothers

Mr. Tyeab Akbarally, (Jan-Dec)

Past Chairman, Colombo Tea Traders' Association

Mr. Sanjaya Herath, (Jan.-Dec)

Director, MJF Group

Mr. Dilhan C. Fernando, (Jan-Dec)

CEO, Amazon Trading

Mr. Suranga Herath, (Jan-July)

Group Managing Director, Sunshine Holdings PLC

Mr. Vish Govindasamy, (Jan-Dec)

Managing Director, Lumbini Tea Factory

Mr. Chaminda Jayawardena, (Jan-Dec)

Consultant, Unilever Ceylon LTD

Mr. Avi De Silva, (Nov-Dec)

Chairman, Tea Exporters Association

Mr. Ganesh Deivanayagam, (Nov-Dec)

Consultant, Finalys PLC

Mr. Romesh Moraes, (Nov-Dec)

Director (Promotion)

Ms. Pavithri Peiris (Jan-Dec)



Chairman's Statement



The year 2022 began with a lot of optimism with tea prices recording increases from the levels that prevailed in 2021. The upward trajectory in prices was given a further boost when the Sri Lankan rupee was significantly depreciated against the US dollar in mid-March. The extent of the upward movement in tea prices far outweighed the extent of the rupee depreciation against the US dollar. Prices continued to move up month on month to record the highest ever tea prices in the month of September and since then the high price levels prevailed till the year end. As a direct consequence of this development, the tea smallholders enjoyed record earnings particularly in the second half of the year. Since September growers have been receiving incomes of Rs. 250 per kg and over for their green leaf compared to Rs. 80 to Rs. 90 in 2021. Whilst 2022 will go down in the annals of the history of Sri Lanka's tea industry as a year that recorded unprecedented prices for tea across all elevations, it was also a year that the industry faced setbacks in tea production and exports.

Tea Production

The annual production for the year under review recorded a 16% decline against 2021. The national production of 251.5 million kgs recorded in 2022 was not only 48 million kgs less than the previous year, it was the lowest in 26 years when 246 million kgs were produced in 1995. Sri Lanka's orthodox production accounted for 90% of the total volume whilst CTCs recorded 9%.

Tea Exports

Sri Lanka's tea export revenue for 2022 was a record Rs.411 billion. In US dollar terms the country received an income of USD 1.26 billion, a short fall of USD 65.7 million compared to USD 1.32 billion in 2021. The total export volume was 250.2 million kgs and recorded a 12.5% decline against previous year. The drop in exports was not as much as production due to a large carry over stock from 2021. Given the short supply situation during the year, the annual FOB unit price recorded a high of USD 5.03 per kg against USD 4.63 in 2021. Paying a high price proves the high demand for Ceylon tea by importing countries. The export quantity for 2022 was the lowest in 25 years. The highest ever quantity exported by Sri Lanka was 327 million kgs in the year 2014.

The year under review experienced a number of setbacks due to the fertilizer crisis, non-availability of certain agricultural inputs and the logistical disruptions in the months of June to August. The smooth functioning of the industry particularly those of the producers were affected which largely contributed to the sharp decline in tea production and exports. However, it is pleasing that the revenue from tea exports was only a fraction less than the previous year.



Performance of Ceylon Tea in the global scenario

Sri Lanka's share of the world's total tea production is less than 5%. However, with China and India – world's top 2 producing nations – retaining approximately 75 – 80% of their production due to heavy internal consumption, Sri Lanka as a supplier maintains a 15% share of global exports. The ever increasing tea production in African countries is a serious threat to Sri Lanka.

It is the reputation earned over the years by Ceylon tea that holds in good stead for Sri Lanka in a very competitive international tea market.

Development Work

In view of the dismal performance of the industry, measures were taken to arrest the decline in production levels. The re-launch of the "B60" program in parallel with the "Sahakampanaya" initiative of the TSHDA is one such strategy not only to improve the standard of green leaf but also to increase the frequency of plucking from the present 2 rounds per month to 4. Although the initial response is mixed due to the issues stated above, the Sri Lanka Tea Board is hopeful that in the medium term an increase is likely both in the quality and the quantity of tea. In addition to this initiative the continuation of the tea nursery program begun in 2021 will ensure that adequate tea plants are available to carry on a systematic replanting and infilling campaign. Plans and strategies of the Ministry of Plantation Industries and the Ceylon Tea Road Map 2030 (CTRM 2030) of the Colombo Tea Traders' Association are both focused on increasing production without which Ceylon Tea will not be able to sustain as a brand much sought after in the global tea market.

Promotion & Marketing Strategy

Promotion campaigns could not be conducted to the fullest expectation in view of the foreign exchange crisis experienced by the country. As a result, the Sri Lanka Tea Board's participation at trade fairs was suspended except in Russia. However, SLTB continued to support the tea exporters by facilitating the participation of Sri Lankan tea companies in selected trade fairs with 50% incentive provided by the Sri Lanka Tea Board. In addition, the tea exporting companies that have shown a growth in markets were also incentivized by the Sri Lanka Tea Board. It is expected that in 2023, the SLTB will be able to recommence the promotional campaigns with a view to increasing or sustaining the presence of Ceylon tea in selected global markets.

Further, Sri Lanka Tea Board implemented the 3rd stage of the Brand Promotion Program offering financial support to Sri Lankan owned private brands and allocated a budget of LKR 1 billion for 2022. The scheme provides a 50% adjustment to the cost incurred to promote the Pure Ceylon Tea brand with the Lion logo owned by Sri Lankan companies and registered with the National Intellectual Property Office (NIPO). Under the program, 80 projects have benefited and covered 45 countries during 2022.

Acknowledgment

The officials of the Sri Lanka Tea Board must be applauded and commended for collectively giving their best under trying circumstances to keep the Ceylon Tea flag flying high. My grateful thanks to all the officials and support staff of all departments of the Sri Lanka Tea Board including those manning the Regional Offices for rallying around right throughout the year.



Niraj De Mel
Chairman
Sri Lanka Tea Board



Key Highlights

Category	Unit	2020	2021	2022	Variance (%) 2021Vs 2022
Tea Production					
Total Tea Production	Mn kg	278.85	299.49	251.50	(16.02)
Classification by Elevation					
High	Mn kg	62.24	65.33	56.30	(13.82)
Medium	Mn kg	46.73	50.99	40.20	(21.16)
Low	Mn kg	169.88	183.18	155.00	(15.38)
Classification by Processing Method					
Orthodox(including Bio)	Mn kg	252.72	270.72	227.10	(16.11)
CTC	Mn kg	24.10	26.19	22.60	(13.71)
Green	Mn kg	2.03	2.57	1.80	(29.96)
Above production figures are excluding instant Tea**					
Instant Tea Production	Mn kg	3.06	3.64	4.47	22.95
Tea Sales (including Public, Direct, Private)					
Total sales quantity	Mn kg	268.24	295.79	248.64	(15.94)
High	Mn kg	56.46	63.52	53.72	(15.43)
Medium	Mn kg	48.05	52.34	42.08	(19.60)
Low	Mn kg	163.72	179.94	152.84	(15.06)
Total sales Prices	Rs/kg	628.21	615.44	1,234.24	100.55
High	Rs/kg	580.90	587.13	1,093.10	86.18
Medium	Rs/kg	553.94	550.80	1,030.82	87.15
Low	Rs/kg	666.32	644.23	1,339.86	107.98
Tea Exports					
Tea exports volume (Excluding Re exports)	Mn kg	256.58	276.00	241.65	(12.45)
Category wise export quantity					
Black	Mn kg	251.78	270.76	236.77	(12.55)
Green	Mn kg	1.99	2.27	1.85	(18.41)
Instant	Mn kg	2.81	2.97	3.02	1.81
Tea exports Value (Excluding Re exports)	Rs.Bn	218.80	249.10	389.50	56.36
Category wise export revenue					
Black	Rs Bn	210.62	238.86	374.22	56.67
Green	Rs Bn	4.11	5.07	7.25	42.97
Instant	Rs Bn	4.07	5.16	8.04	55.76
Total Tea exports Volume	Mn kg	265.57	285.87	250.17	(12.49)
Total Tea exports Value	Rs Bn	230.17	263.35	411.05	56.09

Source ; Sri Lanka Tea Board & Sri Lanka Customs



1. Corporate Background

Sri Lanka Tea Board was established in 01st January 1976 by amalgamating Tea Control Department-Tea Control Act No 51 of 1957, Tea Export Commissioner's Department-Tea (Tax and Control of Export) Act No 16 of 1959, Tea Research Institute of Ceylon-Tea Research Ordinance 1925 and Ceylon Tea Propaganda Board-Tea Propaganda Ordinance 1932 under the Sri Lanka Tea Board Law No.14 of 1975 as amended by Act No.17 of 1985, No.44 of 1990, No.29 of 2003, No 44 of 2006 and No.13 of 2018. In 1993 Tea Research Institute of Sri Lanka came under the management of the Tea Research Act No.52 of 1993. Amendments to Sri Lanka Tea Board Law and Tea Control Act are in progress based on industry requirements to align the current laws and regulations to fulfil the global needs."

Prior to the establishment of Sri Lanka Tea Board, promotion of Sri Lanka Tea (Ceylon Tea) was handled by the Tea Propaganda Board in the global context, which was run by the private sector. In 1976 Tea Propaganda was voted out by the parliament and Tea Propaganda Board was converted to Sri Lanka Tea Board with the powers to the tea industry.

As the regulatory body, Sri Lanka Tea Board is responsible for promotion, regulation and development of tea industry. Under regulatory and development functions, production, increase of cultivation, replanting, rehabilitating old gardens, establishment of factories and monitoring their operations are conducted. Additionally, it regulates, controls and directs all institutions and organizations engaged in the management of tea estates and the institution which engaged up to the exports. The whole process is monitored to maintain the "Quality of Ceylon tea" and many actions have been initiated to intensify the monitoring of quality standards of tea at the point of sale, pre-shipment, warehouses of brokers, blenders and exporters and providing advisory services on hygienic blending and storing.

Under development functions, SLTB facilitates the subsidies, awareness programs and consultation programs covering all sector in the value chain from the grower to the exporters. Many development programs have been implemented to increase the productivity of tea lands, to increase the quality of green leaf and made tea to get a better price for per cup or per kilo.

Evaluating of auction pre and post samples through the sensory and chemical analysis are conducted by Tea Tasting Unit. Issuance of quality certification for tea samples received through regulatory and development functions and industry stakeholders are covered by the Analytical laboratory of Sri Lanka Tea Board.

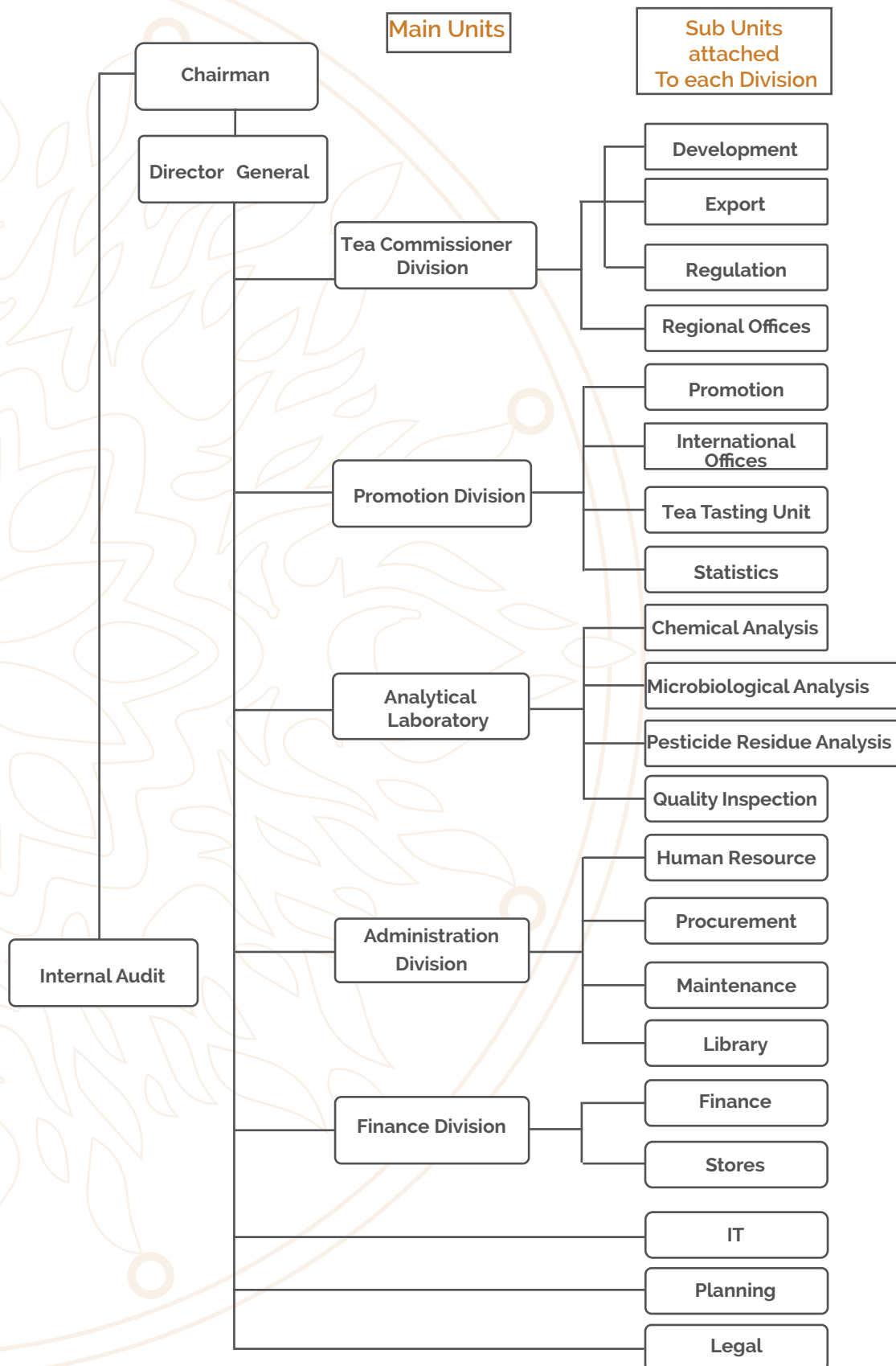
Promotional activities cover the promotion of Ceylon tea locally and globally in volatile economic situation throughout the world and changing consumer's consumption patterns and buying power. SLTB tries to position the Ceylon tea image as a premium product in the consumer's mind to secure the foreign exchange earnings and well-being of tea industry stakeholders.

As the apex body of the industry, SLTB provides tea statistics related to tea production, marketing, exports, global tea scenarios and forecast for the future.

Policy decisions are approved by the board which is represented by all major stakeholders asserted.

Sri Lanka Tea Board is under the purview of Ministry of Plantation Industries and financial functions are closely monitored by the Department of Public Enterprises.

2. Structure & Activities Undertaken



2.1 Tea Commissioner's Division

The Tea Commissioner's Division is one of the principal division of the Sri Lanka Tea Board headed by the "Tea Commissioner", appointed under the provisions of Sri Lanka Tea Board Law No.14 of 1975.

The Tea Commissioner's division administrates all matters connected with the regulatory & development functions in terms of the Sri Lanka Tea Board Law No. 14 of 1975 and the Tea Control Act No. 51 of 1957. Tea Commissioner is responsible for regulating and developing the tea Industry In Sri Lanka. The functions of the tea commissioner are further divided into three main sections, regulatory, development, and exports.

Functions of the Tea Commissioner's Division have been decentralized into seven regional offices, which are located in Gampola, Bandarawela, Ratnapura, Matara, Baduraliya, Galle, and Nuwara -Eliya. The Tea Commissioner's Division performs the following duties in furtherance of the tea industry:

- Registration/licensing and renewal of tea manufacturers and factories
- New registration and renewal of green tea leaf dealers
- New registration and renewal of refuse tea processing centers
- Monitoring of reasonable price payments for green leaf suppliers at the factory and dealer level
- Monitoring of Good Manufacturing Practices(GMP)in Tea Factories
- Collection of data related to the tea industry.
- Conducting special investigations in tea factories, dealer centers & refused tea processing centers for controlling the malpractices in the tea sector
- Monitoring and advisory services on tea manufacture, green tea leaf collection, and reprocessing of refused tea.
- Development of "Model Tea Land" to use as knowledge disseminating centers on new techniques of tea planting and mechanization of tea fields.
- Implementing programs for improvements of green tea leaf standards and minimizing post-harvest losses by continuing the B 60 program.
- Continuation of subsidy program for factory modernization
- Introduce and continue assistance to develop tea industry by granting attractive subsidies for tea replanting, new planting, infilling, block infilling of tea
- Introduction of new planting and replanting subsidy program for mechanization of tea fields
- Encourage tea growers to install irrigation systems to overcome the prolonged droughts due to global warming and to have equally distributed crops
- Continuation of "Model Tea Land" subsidy scheme
- Continuation of "Tea Nursery subsidy" scheme
- Continuation of subsidy scheme for Bio-fertilizer project
- Continuation of subsidy scheme for solar power project
- Continuation of subsidy scheme for moisture meters
- Continuation of subsidy scheme for food Safety certification
- Sri Lanka Tea Board initiated soft loan scheme through tea brokers to tea factories for purchasing fertilizer for their green tea leaves suppliers under the 8% annual interest basis.
- Sampling of tea before the auction and export, forwarded to tea tasters and laboratories, taking actions accordingly to maintain the quality of Ceylon tea.
- Assist the Sri Lanka Customs, Sri Lanka Police, and security forces working with regulatory matters.
- Continue the tea land registration and update the records

Key Achievements

- Tea Factory Modernization Subsidy was granted Rs 19.76 million for 33 tea factories
- Tea replanting subsidy of Rs.62.1 million was granted for 413.32 Hectares.
- Continuation of the activities relating to the tea land registration (updating the information).
- Subsidy scheme for installation of sprinkler systems in tea lands granted 24.5 million as subsidies for the year 2022.
- Subsidy scheme for installation of solar power system and granted Rs.20.99 million for the year 2022.
- Under the GMP program, Rs.16.55 million subsidies were granted to purchase Moisture Meters and obtain quality certifications for tea factories.
- Sri Lanka Tea Board started a campaign through Sri Lanka Broad Casting Cooperation to enhance the quality of green tea leaves and the final product of made tea via the broadcasting channels of City Fm, Ruhunu Sevaya, and Kandurata Sevaya. For the year 2022, It has spent Rs.4.6 million on the program and Total Rs.12.728 million spent for B leaf 60 program
- The Fertilizer Soft Loan scheme granted Rs. 2.44 billion loan facilities to 259 factories to purchase fertilizer to distribute among their green tea leaf suppliers for the year 2022.

Registration of Manufacturers and Factories

Table 2.1.1 Classification of Tea Factories by Operation

Status	No. of Tea Factories			
	High	Medium	Low	Total
Confined to Own Leaf	56	17	5	78
Own leaf & Bought leaf				
a) Own leaf less than 50% at total production	11	26	84	121
b) Own leaf more than 50% of total production	64	29	13	106
Bought Leaf only	11	40	262	313
Tea factories not done production	32	63	105	201
Registered Tea factories in operation	174	175	470	819
Registered Tea factories not in operation	28	28	71	127
Total number of Registered	202	203	542	946

Source ; Sri Lanka Tea Board

Under the Tea Control Act No. 51 of 1957, the Tea commissioner has to maintain the register of tea manufacturers, who are manufacturing made tea and the prescribed particulars relating to the tea factories should be maintained. It is must that Tea Manufacturers registration with the Tea commissioner for manufacturing and selling teas through the Colombo auction.

Registered Tea manufacture has to maintain the minimum quality standards on building, equipment, and manner of operations of the factory should be conducive to the manufacture of good quality tea.

Reasonable Price Payable for Bought Leaf

Under the provisions of the Tea Control Act, the factories which are engaging in bought leaf manufacture are required to pay for the bought leaf based on Tea Commissioner's reasonable price formula. Tea inspectors in the regions are inspecting the payment confirmation of the tea factories on a monthly basis and assistant tea commissioner of the area who are monitoring the process. Any complaints on defaulted payments and delayed payments are attended by the SLTB officers and the amounts will be recovered from the auction and paid to the leaf suppliers after having inquiries.

Defaulted Payment

During the year under review, the total defaulted payment for green leaf suppliers remained as Rs 871.468 Million, as at 1st January 2022. The Rs.59.62 Million also was recovered and paid to the leaf suppliers.

Table 2.1.2: Status of Defaulted Payment (in Rupees)

Region	Amount as at 01.01.2022	Amount added during 2021	Amount Recovered & paid	Balance payment due to smallholder as at 31.12.2022	Amount due from functioning factories	Amount due from closed Factories
Baduraliya	47,868,679.49	-	-	47,868,679.49	30,990,709.60	16,877,970.89
Bandarawela	6,131,070.08	17,723,256.60	4,275,341.28	19,578,985.40	19,495,393.85	83,591.55
Galle	184,245,153.83	24,583,447.45	-	208,828,601.28	154,619,130.36	54,209,470.92
Gampola	187,289,653.36	25,781,625.70	46,267,168.39	168,027,586.23	149,314,266.72	18,713,319.51
Matara	74,219,027.97	3,993,544.06	8,732,536.48	75,548,096.51	68,352,653.39	7,195,443.12
Nuwara-Eliya	18,833,080.55	25,067,444.36	349,622.35	43,550,902.56	34,860,597.80	8,690,304.76
Ratnapura	352,881,733.51	1,880,497.00	-	354,762,230.51	181,274,386.61	173,487,843.90
Total	871,468,398.79	99,029,815.17	59,624,668.50	918,165,081.98	638,907,138.33	279,257,944.65

Source ; Sri Lanka Tea Board



Preserving the Green tea leaf quality standards

a) Licensing of Green Tea Leaf dealers

According to the Tea Control Act, it is required to register green tea leaf dealers and renew their registration annually. Prior to the registration and renew the registration, SLTB closely monitor the quality standards of collecting centers and vehicles used to transport green tea leaves.

Table 2.1.3: No. of Green tea licenses issued during 2022

Region	License dealers as at 01.01.2022	Renewals of Licenses	New Licenses issued	Licenses to deal in Green Tea Leaf as at 31.12.2022
Baduraliya	250	220	12	232
Bandarawela	179	175	10	185
Galle	242	224	15	239
Gampola	191	174	5	179
Matara	265	251	7	258
Nuwara-Eliya	107	106	0	106
Ratnapura	598	464	40	504
Total	1832	1614	89	1703

Source ; Sri Lanka Tea Board

b) The "B Leaf 60" program to improve the green tea leaf standards

Green tea leaf is the only raw material for the production of made tea. The quality of the green tea leaf is a vital factor manufacturing good quality made tea. A Gazette notification has been issued on 14th December 2010 by the Sri Lanka Tea Board addressing the quality control of green tea leaves. As per the gazette notification, it is required to have a minimum of 60% best leaf percentage handling point. Accordingly, the B60 program restarted in the year 2022 with the collaboration of the Tea Small Holding Development Authority and Tea Research Institute. Under this, wide range of programs has been conducted including TV and radio programs, discussions, publishing articles using newspapers, publishing information and advertisement through social media, and conducting meetings targeting the tea factory owners, leaf collectors, and tea growers. Regional audit teams were created to evaluate green tea leaf quality at the factory and dealer level with the support of THSDA and TRI. Issuance of notices were started to register tea manufacturers on the finding of the quality of green tea leaves at the factory level.

Table 2.1.4: Regional wise green tea leaf standards.

Region	Best	Below Best	Poor
Baduraliya	37	17	46
Bandarawela	20	32	48
Galle	37	14	49
Gampola	32	20	48
Matara	43	17	40
Nuwara-Eliya	33	25	42
Ratnapura	29	22	49

Source ; Sri Lanka Tea Board

c) Rush Crop Management program during the festival season

This project is designed to minimize crop losses during the festival season due to the temporally closing down of tea factories for a longer period. This project was introduced in 2005 and since then the Tea Commissioner's Division was able to minimize crop loss by introducing various activities under this program.

d) The "Model Tea Land project"

This project was introduced to promote the semi mechanized sustainable tea plantations in Sri Lanka. This project was carried out further success this year and several stages of 24 lands have been developed and Rs. 7.49 Mn were paid by using previous year allocated and provisional funds.

This project has been designed with a view to achieving the following objectives.

- To increase the tea land and labor productivity in the tea sector
- To harvest a constant and steady yield throughout the year
- To increase the optimum economic life of tea plantations
- To reduce the cost of production (It is expected to reduce leaf plucking cost by 60%)
- To maintain leaf standards at a moderate level
- To introduce GAP standards into tea plantations enabling to obtain certifications (Eg: Rain Forest Alliance certification)

Table 2.1.5: Model Tea Land Subsidy Payments

Region	Received applications	No. of Lands paid	Amount paid (Rs.)
Baduraliya	2	2	550,000
Bandarawela	4	4	1,050,000
Galle	2	2	1,050,000
Gampola	4	4	1,440,000
Matara	9	9	2,597,570
Nuwara-Eliya	3	3	800,000
Ratnapura	-	-	-
Total	24	24	7,487,570

Source ; Sri Lanka Tea Board

e) The Subsidy Scheme for Replanting

Rs. 122 mn of funds have been allocated by the Sri Lanka Tea Board funds for the development of tea sector by paying subsidies for replanting, new planting, and infilling of tea.

Table 2.1.6: Replanting Subsidy Payments

Region	No.of Applications received	Amount Paid (Rs.)	Extent (Hec)	No.of inspections done
Baduraliya	27	5,371,200.00	28.67	89
Bandarawela	7	1,447,500.00	18.23	33
Galle	16	2,518,100.00	16.36	46
Gampola	80	15,586,000.00	77.25	106
Matara	13	11,250,000.00	44.55	138
Nuwara-Eliya	69	18,510,800.00	197.56	118
Ratnapura	39	7,419,000.00	30.7	104
Total	251	62,102,600.00	413.32	634

Source ; Sri Lanka Tea Board

Accordingly, subsidies are being granted for corporate and private sector estates of more than 10 acres. The target is to provide subsidy for tea replanting, new planting & infilling. Objectives of the scheme were as follows.

- (i) Increase the tea production
- (ii) Increase the productivity of the tea land
- (iii) Maintaining the National tea replanting rate as 3%

f) The program of Tea Land Registration

All the tea lands have to be registered with Tea Commissioner as a regulatory requirement. Nearly 485000 of tea land has already been registered. All the details are computerized and SLTB may issue revision notices in every other year.

g) Tea Nursery Subsidy Scheme

Promotional and Marketing Levy funds allocated to be utilized as subsidy payments for the corporate sector and the owners of the estates who are having more than 10 acres of tea for setting up standard tea nurseries. This subsidy scheme covers only the nurseries intended to be set up with a minimum of 100,000 tea plants at a time with a permanent structure including a high shade and sprinkler irrigation. The subsidy amount is Rs. 1.5million. All nursery activities should be according to the Sri Lanka Tea Research Institute guidelines.

Table 2.1.7: Tea Nursery Subsidy Payments

Region	No.of Nurseries paid	Amount paid (Rs.)
Baduraliya	7	2,750,000.00
Galle	13	6,250,000.00
Gampola	10	5,850,000.00
Matara	6	4,400,000.00
Nuwara-Eliya	8	2,250,000.00
Ratnapura	5	3,000,000.00
Total	49	24,500,000.00

Source ; Sri Lanka Tea Board

h) Subsidy scheme for Organic fertilizers

According to the policy decision taken by the government, SLTB has initiated a program to support the organic fertilizer manufacturers in tea growing areas and the program continues as a supportive program for developing the soil health and soil organic matter content. Application of organic matter to soil itself increases the productivity of tea land by increasing the re-absorption of chemical fertilizer. This year payments were done by using previous year allocations.

Table 2.1.8: Subsidy scheme for Organic Fertilizer

Region	No.of Applications- recieved	Amount Paid (Mn.Rs)	No.of Units
Baduraliya	32	4.6	17
Bandarawela	41	2.10	7
Galle	25	0.9	3
Gampola	19	3.50	12
Matara	36	1.8	6
Nuwara-Eliya	33	1.1	3
Ratnapura	30	0.90	3
Total	216	14.9	51

Source ; Sri Lanka Tea Board

i) Other projects

Solar Power subsidy scheme continued the subsidy payments for the year 2022 for Tea Factories & Exporter Warehouses (31 factories and 3 warehouses) and Rs. 20.99 Million were subsidized under this subsidy scheme. Moisture meter distribution (145 factories were subsidized under this), HACCP/ISO Food Safety certification, and Installation of new machinery at the Exporter warehouses also carried out in this year.



Development Programs memories



Factory leaf transporting agents awareness program - Matara



Awareness meeting for growers - Kalawana



Factory owner awareness meeting - Galle



Awareness meeting for growers - Galle



Dealer awareness meeting - Kalawana



Awareness meeting for growers - Gampola



Quality operating officer awareness meeting - Matara



SLTB officials visit for Model tea land inspection - Galle



Model tea land project- Gampola



SLTB officials visit for Model tea land inspection - Galle



Tea nursery program - Gampola



Tea nursery program - Galle

Tea Quality Improvement Activities at Tea Factory level

Proper maintenance of buildings, equipment, and machinery of a tea factory is a must to manufacture good quality tea. Further manner of operations of the tea factory has to comply with the standard setup by the TRI. If a factory fails to meet the requirement or standards determined by the tea commissioner can suspend or cancel the registration of such tea factory. Regional assistant tea commissioners are conducting inspections to monitor the above requirements and made recommendations to tea commissioners based on their field activities. Further, officials of the regional office continue the advisory service to maintain the above requirements. Accordingly, the following activities are conducted to uplift the conditions of the tea factory and its manufacture.

a) Factory Modernization Subsidy Scheme

Table 2.1.9: Factory Modernization Subsidy Scheme

Region	No. of Inspections done	No. of Factories paid	Amount paid (Rs.)
Baduraliya	15	4	3,308,333.33
Bandarawela	2	2	1,396,666.67
Galle	12	9	7,001,198.00
Gampola	17	5	2,051,437.07
Matara	12	4	1,332,949.17
Nuwara-Eliya	53	4	2,190,500.00
Ratnapura	22	5	2,481,354.00
Total	133	33	19,762,438.24

Source ; Sri Lanka Tea Board

Funds have been allocated by the Sri Lanka Tea Board for the tea factory modernization activities. The objectives of the scheme are to increase the quality of tea produce, introduce new technology to the tea industry and modernize the tea factories.

b) Establishment of Good Manufacturing Practices (GMP) in Tea Factories

This program has been designed to provide necessary guidance for improving the quality standards of the manufacturing process of the tea factories. Under this program, 536 assessments were done and necessary actions were taken to improve the standards of the tea manufacturing process accordingly.

Table 2.1.10 : GMP Assessments done at Regional wise

Region	Assess-ments of GMP	No. of factories in Grades			
		Excel-lent	Good	Aver-age	Poor
Baduraliya	49	25	21	3	0
Bandarawela	112	34	71	7	0
Galle	88	55	32	1	0
Gampola	77	37	30	10	0
Matara	44	22	22	0	0
Nuwara-Eliya	78	40	34	4	0
Ratnapura	88	37	43	8	0
Total	536	250	253	33	0

Source ; Sri Lanka Tea Board

c) Surprise Inspections (Task Team Operations - (TTO)

Task Team Operations are being conducted to control the malpractices in the tea Industry. A team headed by ATC is handling the operations.

168 Surprise inspections were carried out at tea factories by the field officers of the Tea Commissioner's Division during the year 2022.

Table 2.1.11: Task Team Operations

Region	No of Inspections done
Baduraliya	17
Bandarawela	36
Galle	13
Gampola	37
Matara	10
Nuwara-Eliya	60
Ratnapura	14
Total	187

Source ; Sri Lanka Tea Board

d) Low NSA Strategy

This is a project designed for tea factories that are having lower NSA. The objective of the project is to bring up the NSAs of these factories to higher levels by improving the standards of green tea leaves and the standards of tea manufacture.

e) Auction rights for Refused tea processors

A system has been introduced to grant approvals of auction rights to Refused Tea Processors. It is required to have a minimum 80% of the GMP standard of quality to obtain auction rights. There are 6 new refused tea processing centers that were granted auction rights in 2022.

f) Licensing of Refused Tea dealers and Improvement of Good Manufacturing Practices (GMP) at Refused Tea reprocessing Centers

Re-Processing of refused tea is a procedure of extracting consumable tea from reclaimable tea. Refused tea dealers have to register with the Sri Lanka Tea Board. The GMP program is being carried out to provide necessary guidance for improving the quality standards of the Refused Tea Centers. It is required to obtain transport permits to transport refused tea and permits are issued by the SLTB.

Table 2.1.12: No.of refuse tea processing centers & no.of permits & quantity Issued for 2022

Region	Registered Processors as at 01.01.2022	Renewals during the year	Newly issued during the year	No of Processing Centers as at 31.12.2022	No of Permit Issued as at 31.12.2022	Refused tea Qty. bought by the dealers through the permits (Kg)
Baduraliya	9	9	0	9	1,423	5,905,935
Bandarawela	1	1	0	1	977	3,796,804
Galle	3	2	0	2	608	1,852,372
Gampola	120	113	3	116	2,030	8,627,025
Matara	4	3	1	4	269	868,524
Nuwara-Eliya	2	2	0	2	1,824	11,005,444
Ratnapura	4	2	2	4	1,294	5,045,703
Total	143	132	6	138	8,425	37,101,807

Source ; Sri Lanka Tea Board

g) Food Safety Certification (HACCP & ISO 2200) for Tea Factories

It is a mandatory requirement to have food safety certification for all tea factories in operation. At the time of renewal of registration, SLTB monitors the certificate requirement and gives necessary guidelines to obtain certification.

Table 2.1.13: International Certification of Tea Factories

Region	HACCP (No.of factories)	ISO 22000 (No.of factories)	Other International Certification (RA/CQC) (No.of factories)
Baduraliya	10	18	6
Bandarawela	51	16	9
Galle	49	49	16
Gampola	29	29	0
Matara	33	50	14
Nuwara-Eliya	51	16	9
Ratnapura	46	47	7
Total	269	225	61

Source ; Sri Lanka Tea Board

2.2 Tea Exports Section

The powers and functions of the Tea (Tax & Control of Exports) Act no. 16 of 1959 and regulations laid down under the Sri Lanka Tea Board Law no. 14 of 1975 are administered by the Tea Exports Section of the Sri Lanka Tea Board. The Tea Export Section performs duties relating to registration of tea exporters, tea packers, warehouses, importers, types of tea packs, retrieval of tea, monitoring of minimum quality standard for tea, authorization of export of tea, compilation of statistics on the export of tea and monitoring of export of tea under bilateral Free Trade Agreements (FTAs) of Sri Lanka. Further to that following main operations were continued throughout the year 2022.

To improve the effectiveness and efficiency in the tea exports process in Sri Lanka the Export section continued special projects in 2022 too.

1. GMP Certification for Tea Exports.
2. Sri Lanka Tea Board - Sri Lanka Customs Joint Investigation
Investigations are carried out on the tea consignments at Sri Lanka Customs Exports Facilitation Center (EFC) to sustain the superiority of tea exportation.

Further to that, to safeguard and improve the quality of tea processing at all exporter warehouses, It was declared that the HACCP quality certification is a mandatory requirement for all the warehouse to process their operations. In addition to that we conducted Good Manufacturing Practices (GMP) assessment at the all exporter warehouses.

Sri Lanka Tea Board introduced an interest subsidy scheme in 2021 to encourage export packaging factories to undertake investment in modern technologies that could enhance product diversification, quality improvement, high value addition and operational efficiency etc. to fulfill consumer needs and wants in the global tea market.

Registrations

One of the key duties of the Tea Export Section is registration and renewal of Exporters, Packers, Warehouses and Importers.

For a valid business registration as a tea exporter, it is required to be have a valid business registration, registered warehouse (for storing, blending and packing of tea), a qualified tea taster with tea tasting facility and with a minimum capital (invested/paid up) of at least Rs.1 million

to apply for the registration as a tea exporter.

In terms of the Sri Lanka Tea Board Regulation (Registration of Tea Packers) 1986, published in the Gazette Extra-ordinary no. 386/13 of 28th January, 1986, any person who engage in the business of packing tea for domestic consumption or in other forms of packaging it is essential to register with the Sri Lanka Tea Board. Every registration is valid only for one year period and required to renew the registration on annual basis.

Any entity registered as an exporter of tea under Tea (Tax & Control of Exports) Act no. 16 of 1959 is eligible to register as an importer of tea.

In terms of the Sri Lanka Tea Board Regulation (Warehousing of Tea) 1984 published in Government Gazette Extraordinary no. 326/17 of 05th December, 1984 as amended by no. 410/11 of 10th September, 1986, no. 1280/8 of 20th March, 2003, warehouses used for the storage of any quantity of tea in excess of 1000kgs of tea of any one time, and which the Sri Lanka Tea Board considers satisfactory for the purpose of storing tea, shall be registered with the Sri Lanka Tea Board in accordance with the provisions of the said regulations.

Retail containers which contain other origin specialty tea blended with Sri Lanka Teas would export under the Sri Lanka Tea Board Regulations (Import & Export) 1981. Such containers/ packs should bear the narration "A Blend of Ceylon and other origin Teas packed in Sri Lanka" or "Other Origin Teas packed in Sri Lanka" only and all containers shall be registered with the Sri Lanka Tea Board.

All registered tea exporters are required to submit CUSDECs with other required documents to the Tea Exports Section through ASYCUDA System in order to obtain the authorization for each shipment export. A team of SLTB officers inspect the tea consignment/s, ready to export to ascertain whether the tea in concern is in line with required standards for export.

Table 2.2.1 Registration Statistics of Exporter, Packers, Warehouse, Produce Brokers and Importers - 2022

Registrations	As at 01.01.2022	New Registrations during year 2022	Total No. as at 31.12.2022
Exporters	369	New Registrations : 40	401
Packers	691	Exporter/Local packer new registration : 108	703
Warehouse	194	Warehouse new registration : 20	283
Importers	102	Importer new registration : 02	103
Produce Brokers	8		08

Source ; Sri Lanka Tea Board

Importation of Tea

The Sri Lanka Tea Board has issued 441 of import permits for Importation of 5,886,131.70kgs of tea. However, the actual quantity of import was 5,931,242kgs during the period under review.

Table 2.2.2: Actual imports - January -December 2022

Country	Type	Imported	CIF	Value
		Qty. (Kgs)	Value (Rs.)	Rs .
China	Green Tea	2,025,066	779.89	1,579,328,412
	Special	118,940	1,465.35	174,289,034
	White Tea	49,986	1,614.20	80,687,490
	Decaffeinated Tea	431	8,720.61	3,758,583
	Sub Total	2,194,423	837.61	1,838,063,518
India	CTC	1,833,931	524.51	961,917,328
	Special (Black Tea)	700,582	1,245.02	872,241,606
	Green Tea	37,799	579.16	21,891,522
	Sub Total	2,572,312	721.55	1,856,050,456
Germany	Green Tea	421	2,267.75	954,723
	Special	85	7,550.34	641,779
	Sub Total	506	3,155.14	1,596,502
Japan	Green Tea	200	5,912.50	1,182,500
	Special	151,120	1,754.89	265,198,526
	Sub Total	151,320	1,760.38	266,381,026
Kenya	CTC	976,564	735.16	717,931,015
	Sub Total	976,564	735.16	717,931,015
Taiwan	Special	155	11,720.05	1,816,608
	Sub Total	155	11,720.05	1,816,608
United Kingdom	Green Tea	285	630.00	179,550
	Special	3,027	375.00	1,135,125
	Sub Total	3,312	396.94	1,314,675
Myanmar	Green Tea	1,400	64,482.60	90,275,640
	CTC	600	29,619.58	17,771,748
	Sub Total	2,000	54,023.69	108,047,388
Indonesia	CTC	24,200	714.04	17,279,768
	Sub Total	24,200	714.04	17,279,768
Vietnam	Green Tea	6,450	595.70	3,842,265
	Sub Total	6,450	595.70	3,842,265
Grand Total		5,931,242	811.35	4,812,323,221

Source ; Sri Lanka Tea Board

Maintenance of Minimum Quality Standard ISO 3720 for Made Tea

The Expert Panel of Tea Tasters appointed by the Sri Lanka Tea Board examines all the offered tea samples and samples drawn from tea factories, the unloaded consignments after import, consignments prepared for export in order to ascertain whether the made tea in concern falls under the permitted categories, conforms to ISO 3720 and free of any contamination, thereby only permit the suitable made tea for export.



Table 2.2.3: No. of quality defects at each sampling level 2022

Type of sampling	No. of samples drawn	No. of cases detected as below ISO and contamination
Pre auction samples drawn by export division	2081	331
Pre auction withdrawals (by the panel)	2907	
Pre shipment	10103	3

Source ; Sri Lanka Tea Board

Denaturing of tea due to unsuitability for consumption

Made tea found to be unsuitable for human consumption at the levels of pre-auction, pre-shipment and special investigations are denatured under the supervision of the Export Section. Under this category 160,844.34kgs of made tea has denatured.

Performance of Exports under the FTAs

Sri Lanka enjoys preferential Tariff Rate Quota (TRQ) for tea under the Indo-Sri Lanka Free Trade Agreement (ISFTA) and Pakistan-Sri Lanka Free Trade Agreement (PSFTA). However, a substantial utilization of TRQ has not been recorded in 2022.

Table: 2.2.4 Utilization of TRQ under the FTAs (2022)

Free Trade Agreement	Quota per annum (kg)	Total exports(kg.)
India – Lanka	15,000,000.00	50,410.68
Pakistan – Lanka	10,000,000.00	0

Source ; Sri Lanka Tea Board

Interest Subsidy Scheme for Upgrading or Modernizing of Tea Export Packaging Factories

Sri Lanka Tea Board has launched an interest subsidy scheme with the objectives to enhance product diversifications, quality improvements, high value addition and to fulfill consumer demand in the global tea market. The exporter who entitled for an interest subsidy receive maximum 50% of the interest payable up to five million rupees per annum for a period of 5 years and the maximum sealing of a rate of 10% interest. During the year eight exporters have been subsidized Rs.33.88Mn under this project.

Withdrawal of tea lots

The tea lots which are present with only high crude fiber level (more than 16.5%) will be released based on the compounding charge return to estate for upgrading and after upgrading, the manufacturer can re-catalogue from the same invoice number. The tea lots which are microbially contaminated could be directed to instant tea production with the consent of registered tea manufacturer.

2.3. Tea Promotion Division

The Tea Promotion Division is responsible for the implementation of Ceylon Tea promotional programs locally and in foreign markets classified under the following broad categories;

- Uni-national Promotion of Ceylon Tea through social media, PR and TTL
- Generic Promotion of tea.
- Brand promotion for Sri Lanka owned Lion Logo franchised brands.
- Participation at International Food & Beverage Trade Fairs and Exhibitions.
- Compilation & dissemination of strategic market profiles on all important tea consuming countries.
- Assisting Ministry of Plantation Industries on policy formulation for the Tea Sector.
- Analysis of competitor activities.
- Lion Logo Trade Mark registration and monitoring as well as franchising to the private sector packers.
- Process for the Protection of Ceylon Tea & other Regional Tea growing names/logos as Geographical Indications.
- Ozone friendly Pure Ceylon Tea Logo registration and franchising to private sector packers.
- Geographical Indications for Ceylon Tea – Tri-party Project with AFD, CIRAD & SLTB
- 05% incentive scheme for enhancing the Value-Added Tea exports revenue
- Local Tea Promotion.

Uni-National Promotion of Ceylon Tea

Uni-National promotion of "Ceylon Tea" relates to the publicity and advertising of Sri Lanka tea against other origin teas. The Sri Lanka Tea Board launched Uni-national promotion campaigns for Ceylon Tea in foreign markets through the overseas tea promotion units and commercial Sections of Sri Lanka missions abroad. Media advertising (TTL & Social/Digital), outdoor advertising, liquid tea services, tea workshops and seminars and other public relation activities are conducted as the main elements.

Social Media Campaign - International Tea Day

International Tea Day is a United Nations observance celebrated annually on May 21 to express the economical, biological and physical benefits of tea.

In this year, the global tea fraternity celebrated the second occasion of International Tea Day proclaiming the theme for this day as "Tea and Fair Trade". The basic purpose of this theme is to glorify the economical facts of tea, especially the areas where it is grown, are poverty trodden and its fair trade, not only enhance their resources and access to the international market but also be helpful in the eradication of poverty.

In parallel to International tea day celebration, SLTB launched many promotional events including Social and Digital Media targeting 12 countries namely, China, Saudi

Arabia, Turkey, UAE, Iran, Germany, Japan, USA, UK, Australia, Chile and Sri Lanka released a video and posts on Ceylon tea. The Sri Lanka tea fraternity saluted to the brave and courageous workforce in the tea industry who is continuing to produce the golden brew to the satisfaction of tea connoisseurs globally despite the COVID 19 pandemic.



The social media campaign summary of advertisements and videos reached to considerable amount of target group and has received high impressions.



Public Relations (PR) Campaigns

PR campaign was undertaken by the Phoenix O&M (Pvt) Ltd through the competitive tender proceedings focus 21 countries.

The executions of Global PR Campaign will be implemented in 2023 and it cover namely Russia, Japan, China, Australia, Turkey, Iran, UAE, Saudi Arabia, Germany, Chile, USA, UK, Poland and Sri Lanka. The campaign will be executed in digital and social media platforms for a period of three months. It will be addressed the factors of sustainability of the tea industry as well as the negative marketing aspects of other competitive markets against Ceylon Tea and mitigate them successfully.

Global Campaign

Execution Status in Russia

The agreement revised due to the removal of Ukraine market from the agreement, has been forwarded for the approval of the Attorney General of Sri Lanka. Accordingly, the campaign will be commenced in the first quarter of 2023 and KOL activations, experiential sampling campaigns as well as Search Engine Optimization (SEO) are planned to conduct in Russia under this campaign.

Media Plan Developments

Dentsu Grant, the consultancy agency for the Global campaign has completed the media plans for Russia, Ukraine, China, Japan, Australia, UAE, Germany, Turkey, UAE and Saudi Arabia. Other remaining media plan for USA is in progress and the Iran is on hold.

Trade Fair Participation

Sri Lanka Tea Board facilitated the participation of Sri Lankan tea exporting companies in international trade fairs in selected markets promoting 'Ceylon Tea' as a national brand and also the individual brands of participating companies. The Sri Lanka Tea Board subsidy scheme covers 50% of the cost on space rental and construction of the booth. The balance cost and other expenses have to be borne by the selected participants. Sri Lanka Tea Board facilitated and participated below trade fairs during the first nine months of 2022.

• Gulfood 2022 Trade Exhibition in Dubai, UAE.

Sri Lanka Tea Board participated at Gulfood 2022 Exhibition in Dubai in February 2022 with 11 private sector tea exporting companies. (Martine Bauer Hayles (Pvt) Limited, Finlays Colombo PLC, Ceyem Commodities (Pvt) Limited, Expo Teas (Pvt) Limited, Regency Teas (Pvt) Limited, Stassen Exports (Pvt) Limited, Ceylon Tea Land (Pvt) Limited, Ceylon Tea Marketing (Pvt) Limited, Samley Teas (Pvt) Limited, Orga Consumer Products (Pvt) Limited and Tea Packs (Pvt) Limited).

• Foodex Saudi 2022 Trade Exhibition

Sri Lanka Tea Board participated at Foodex Saudi 2022 Exhibition in Jeddah, Saudi Arabia with Basilur Tea Export (Pvt) Limited in March 2022.



• Prodexpo 2022 – Moscow, Russia.

Ceylon Tea Promotion at the 29th annual international exhibition of food products, beverages and raw materials used for its production – "PRODEXPO-2021" – kicked off on February 2022 in Moscow. "Prodexpo" is a Russia's largest trade show in terms of exhibition space, professional interest and market coverage and it is recognized as one of the major sources for networking and establishing business links between different companies and countries.

The Sri Lanka tea companies under the Ceylon Tea pavilion are Ceylon Fresh Teas (Pvt) Ltd, Jafferjee Brothers, Ceylon Tea Land (Pvt) Ltd, Ceylon Tenny Tea and Nature Ceylon Trading (Pvt) Ltd.



• IFE London 2022 - ExCeL London

High Commissioner Saroja Sirisena inaugurated Sri Lanka Tea Board pavilion at IFE - International Food & Drink Event at ExCeL London in March 2022. Ceylon Tea Land Pvt Ltd and Amber Estate Pvt Ltd attended the event and showcased their products to participants along with Sri Lanka Tea Board.



• HORECA Lebanon 2022 - Beirut, Lebanon

Sri Lanka Tea Board participated at HORECA Lebanon 2022 trade Exhibition in Beirut, Lebanon in March 2022 with Ceylon Tea Land (Pvt) Limited. HORECA Lebanon is famous for essential business meeting place for the hospitality, food service, and beverage industries and more than 350 professional exhibitors, looking to gain greater visibility for a diverse range of food and hospitality products and services including Tea, coffee, soft drinks, beers and wines showcased.



• World Tea Expo 2022 – Las Vegas, USA

The Sri Lanka Tea Board participated at the World Tea Expo - 2022 in Las Vegas in March 2022 with Tea Talk Pvt Ltd, Green House Tea Exports Pvt Ltd and Master Tea and Spices Pvt Ltd. The World Tea Expo is the largest annual conference and trade show in North America related to tea industry.



In addition, Ceylon Tea presence at following trade fairs also.

- Ceylon Tea presence at MIFB 2022, Malaysia
- Kursk - Korensckar Regional Exhibition -2022 in Russia
- World Food Azerbaijan 2022
- Coffee, Tea, Cacao Russian Expo 2022
- SIAL Canada 2022 in Montreal
- Anufood Brazil 2022 in Sao Paulo, Brazil
- World Food Warsaw in Poland
- Uzfo 2022 in Uzbekistan
- World Food Moscow 2022
- "Saudi HORECA" Jeddah, Saudi Arabia
- Cafe Show Seoul Korea Exhibition in South Korea

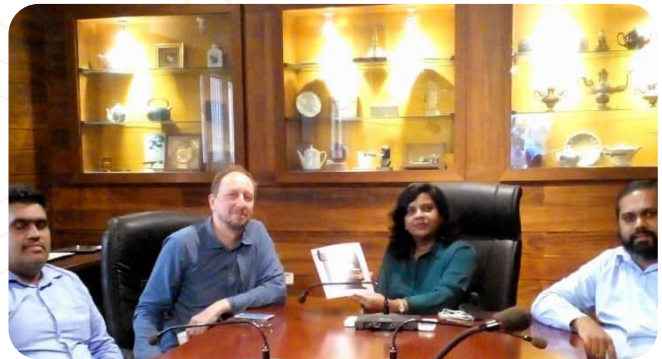
- Food Expo Kazakhstan International Exhibition in Alma thy in Kazakhstan
- SIAL Paris 2022 in France
- Fine Food Australia 2022

Visit of Mr. Olaf Tarmas, a Journalist from Germany to Sri Lanka

Mr. Olaf is a travel and tea writer from Hamburg in Germany, who is working for German language print travel media like GEO, Lufthansa Magazine and Frankfurter Allgemeine, as well as for his own print magazine about tea culture - "t- Das Magazin für Teekultur" (www.t-magazine.net). Mr. Olaf to Sri Lanka has been working on an in-depth-research about travel and tea, cooperating with some travel operators and Boutique Tea Traders.

Sri Lanka Tea Board arranged two day tea tour for him in May 2022 to the up-country while sponsored his visit to the tea plantations and factories.

Mr. Olaf made a story for his "t-magazine" that is about traveling in the Sri Lankan tea regions and also about a new look into new ways of cultivating and processing sustainable premium teas in Sri Lanka as well as Ceylon artisanal teas.



Ceylon tea time with Pavithri Peiris, Director Promotion of the Sri Lanka Tea Board

Hospitality news-Middle east had a interview with director -Promotion Ms.Pavithri Peiris on Ceylon tea time and had a fruitful interview and she explained that "why Ceylon tea has become so popular worldwide".

https://www.hospitalitynewsmag.com/ceylon-tea/?fbclid=IwAR3G0wgJ1ZN3wu-_JTVOC02EaoSMoFhbv7FP-2dGtmD3gUIbxGoBz3-bUyHl



Ceylon Tea Promotions at Colombo Harbor Passenger ships

Ceylon Tea was welcomed the passenger vessel "Silver Spirit " carrying 700 passengers on board and 300 staff at the Colombo Port.



Brand Promotion Scheme

The objective of this project is to provide financial Assistance to the tea exporters for promotion of their brands with Lion Logo certification. Required funds for the project provided from the Promotion & Marketing Levy established under SLTB. Cabinet decision for the program received on October 2022 and accordingly settlement of the payment are done in LKR equaling to the exchange rate based on the date which the transaction happened in USD terms.

22 companies were eligible to undertake their brand promotional activities in 45 countries and agreements were signed for the 80 projects for the year 2022 and targets were fixed on export volume basis.

Proposals / feedbacks are obtained from the Applicants of Projects for Russia and Ukraine for the way forward due to current crisis situation and requested from applicants to send their proposals in written to the SLTB in order to forward them to the Evaluation Committee for their decision. The Board having gone through the proposals and decided to extend the agreement period for another 3 months up to 31st March, 2023 for the Russian brand promotion projects. Further, board approved to hold the Brand promotional project for Ukraine market also.

5% Incentive Scheme for value added teas (Less 3kg)

To promote value added tea exports, SLTB introduced 5% incentive scheme for value added tea (<3kg) in 2022. Tea exporters who export value added tea were eligible to apply for the scheme. They needed to satisfy following criteria.

- Total revenue of the value-added category of the tea for calendar year should be higher than the base year (net revenue as the CBSL exchange rate)
- 5% incentive will be paid on the incremental value of the exports generated from the value-added category of tea (tea bags, tea packs below 3kg, instant tea

- & RTD, tea packs below 5kg only for Syria)
- Incentive scheme is only applicable on export revenue of value-added tea

The evaluation was done for 290 value added tea exporters considering the 2021 vs 2019 value added tea exports. Based on the above criteria, 92 eligible value-added exporters were benefited under the scheme. The budgetary requirement for the 5% incentive for these 92 value added exporters was Rs.571.71milon. The disbarment of the incentives will be done after receiving the treasury approval.

Programs with Embassies

BTL Promotion in Turkey

Sri Lanka Embassy in Turkey in collaboration with Sri Lanka Tea Board displays billboards depicting Ceylon Tea & natural beauty on the celebration of 74th Anniversary of Independence Day of which fall on 04th February 2022.



Ceylon Tea Promotion in Brazil

- Trade and Tourism Promotional program in Brasilia.

The Embassy of Sri Lanka in Brazil held a Sri Lankan Trade and Tourism promotional event at the Patio Brazil Shopping Mall in Brasilia on February 2022.

The Sri Lankan stall displayed a wide range of Sri Lankan products, such as different flavors of Ceylon teas, Cinnamon and spices, Coconut products, handicrafts, table mats and essential oil etc.

Over 800 Brazilians visited the colorfully decorated stall and had the opportunity to taste different flavors of Ceylon Teas and Sri Lankan finger foods. Simultaneously, the visitors were given an exposure on diversity of the Tourism sector in Sri Lanka.



• Promotional event at Goiás in Brazil

The Embassy of Sri Lanka in Brazil had Sri Lankan Commercial Relations in the State of Goiás in Brazil in September 2022. Goiás is one of the fastest growing States in Brazil with the GDP of over USD 42 billion and a leading State in Commerce, Agriculture, Livestock, Mining, Food and Pharmaceutical production etc.

Sri Lanka promotes commercial relations with the State of Goiás in Brazil



• INNOVA Summit – Brasilia

The Embassy of Sri Lanka in Brasilia participates at the INNOVA Summit 2022. INNOVA Summit is one of the largest Trade and Industrial Promotional events in Latin America which brings together entrepreneurs, small and medium sector companies and interested parties committed to present new innovations in the Latin American region.



• Brazilian media to promote Ceylon Tea, Tourism & Sri Lankan Cuisines.



Embassy of Sri Lanka in Brazil had a networking session with Brasilia based Printed and Electronic Media Journalists to promote Sri Lankan Tourism, Food and Ceylon Tea as a part of Trade and Tourism promotion initiatives of the Embassy.

at the Embassy premises on 21st December 2022.

The Minister Counselor (Commercial) of the Embassy, conducted a workshop on Ceylon Tea; highlighting the history, process of bringing tea leaves to the cup and unique characteristics of Ceylon teas. At the end, the invitees were provided opportunity to have a Sri Lankan Dinner and to taste different varieties and flavors of Ceylon teas.

Health and Education Fair 2022, Singapore

The Sri Lanka High Commission in Singapore participated at the 07th Health and Education Fair 2022 held on Sunday 24th July 2022 at FAST Hub, Singapore with the intension of promoting Sri Lankan food products, tea, and tourism. The Health and Education Fair, organized by the Foreign Domestic Workers Association for Social Support and Training (FAST), is one of the events with a history of more than 10 years. This year's event was patronized by Mr. Tan Chuan-Jin Speaker of the Parliament of Singapore and more than 700 visitors attended for this event.

The Sri Lanka stall attracted a high volume of visitors to taste a cup of pure Ceylon tea as a liquid tea service was conducted at the booth with a view to popularize Sri Lankan tea among Singaporeans as well as expatriates living in Singapore. To attract more tourists to Sri Lanka, the Sri Lankan Airlines in Singapore, joined with the Sri Lanka High Commission at the event, to promote, Sri Lanka as a tourism destination among the visitors.



Ceylon Tea Promotion in UK

• Bedford River Festival 2022 in UK

Visitors at the Sri Lanka Stall enjoying Ceylon Tea tasting and quiz



- Sri Lanka promotion at the Masters' Hockey world Cup 2022, Nottingham in UK



Food & Beverage and Hospitality Fair in Kathmandu



The Sri Lanka Embassy in Kathmandu, the Export Development Board of Sri Lanka (EDB) and the Sri Lanka Tea Board (SLTB) came together to promote Ceylon Tea and cinnamon along with other Sri Lankan food and beverages at the 8th Food & Beverages and Hospitality Exhibition (FBH2022) held in Kathmandu, Nepal from in September 2022.

International Tea Day 2022 Celebration & Ceylon Tea Promotion in South Africa

Sri Lanka High Commission in Pretoria, South Africa, celebrated the International Tea Day 2022 at the World Food Festival in South Africa May 21st was designated by the United Nations General Assembly in 2019 to raise awareness of the long history and the deep cultural and economic significance of tea around the world.



Ceylon Tea presence at UNESCO International Tea Day Celebrations - France

On the occasion of the International Tea Day proclaimed by the United Nations, UNESCO in Paris celebrated the International Tea Day. The event was organized by UNESCO Community Association in Paris, in partnership with the Franco-Chinese Cultural and Artistic Exchange Centre, attended by over 200 invitees mainly UNESCO delegates from Member States including Ambassadors and other distinguished invitees. The Embassy of Sri Lanka in Paris organized Ceylon Tea promotion at this festive evening.



Ceylon Tea Promotion in Japan

The Tea Association of Japan held a conference on Sri Lankan Tea organized in collaboration with the Sri Lankan Embassy on June 2022 at the Embassy premises. More than 35 Japanese tea lovers participated in the event organized with the aim of spreading Sri Lankan tea among Japanese consumers.

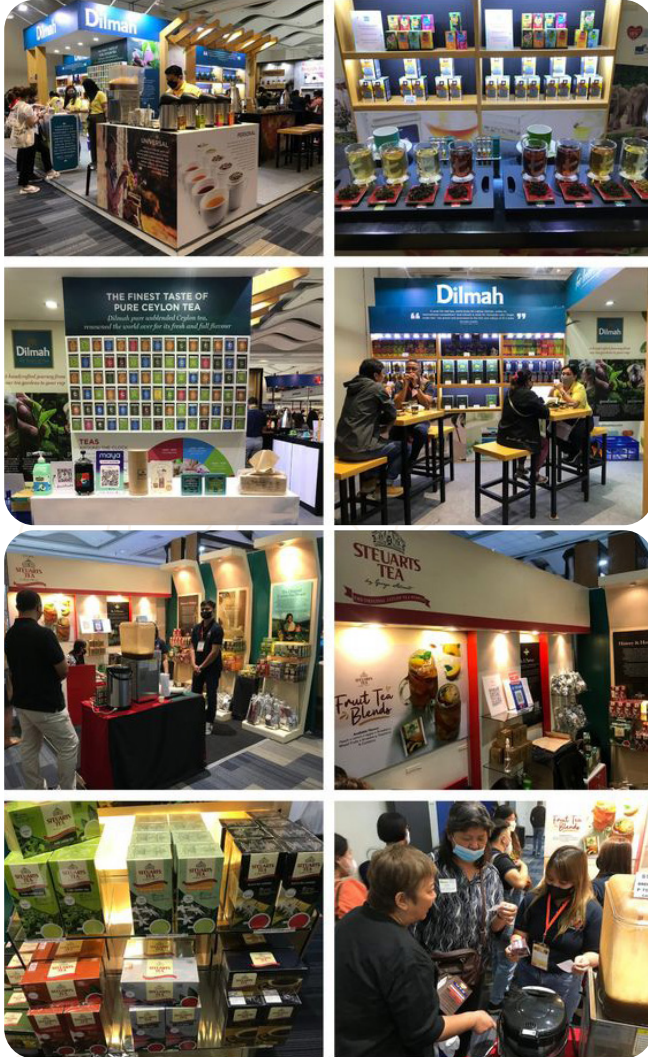


Ceylon Tea Promotion to Foreign Media – Japan



"Learn about Ceylon Tea" seminar was hosted by Foreign Correspondents Club of Japan. Over 70 journalists attended this event that highlighted superior Ceylon Tea, its flavors and destinations grown.

Ceylon Tea Showcase at the World Food Expo 2022 in Manila - Philippines



WOFEX is among the most anticipated annual trade events of the food and beverages industry in the Philippines. Ceylon tea, with its world-renowned brand image, continues to thrive with resilience amidst the prevailing challenges through proactive measures initiated by the government and industry stakeholders to strengthen the supply chain and ensure its availability for exports.

Ceylon Tea presence at International Bazaar in Philippines

The Embassy of Sri Lanka in Manila participated at the International Bazaar 2022 held on November 2022 at the World Trade Centre, Pasay City, Philippines. Together with the local distributors of renowned Ceylon tea brands Dilmah, Basilur, and George Steuarts, the Embassy organized a "Sri Lanka Pavilion" designed to showcase the country's best features: Ceylon tea, spices, coffee, and its renowned attractions as a tourism destination.



Sri Lanka day – Lebanon & Syria



The Sri Lanka Day exhibition, street food festival and photography exhibition were held on 17th of September 2022 at the St. John Chrysostom Cathedral, Achrafiyeh and was attended by many Lebanese and International community including ministers, Judiciary, diplomatic community, high officials in Lebanon, and journalists. The Sri Lanka Tea Board provided samples of Ceylon Tea for the exhibition.

Generic Tea Promotion

The promotion of tea against other beverages for the share of the throat falls under generic tea promotion activities. Sri Lanka Tea Board is a member of the Intergovernmental Group on Tea of the FAO, International Tea Committee-UK, USA Tea Council, Japan Tea Association and Tea & Herbal Association of Canada. Generic tea promotional work is undertaken through these organizations. The generic tea promotion mainly focuses on Tea & health concept which is promoted through consumer education and public relation activities.

Sri Lanka Tea Board has been continuing as a member of the Tea & Herbal Association of Canada (THAC), Japan Tea Association and Tea Council of USA for last several years. For the year 2022, SLTB renewed its membership while making an annual subscription of the Associations based on the promotional proposals received to Sri Lanka Tea Board.

Sri Lanka Participation at 24th Session of FAO / IGG on Tea

Sri Lanka Tea Board, Tea Research Institute and other stakeholders of the tea industry took part at the 24th Session of FAO/IGG on Tea which was held on 23rd February 2022 in virtual mode.



During the session, the following matters were addressed.

1. Current global tea market situation and emerging issues
2. Market development in selected tea producing countries and consuming countries
3. Round table on impact of COVID 19 on the tea market
4. Reports from Chairs of the following Working Groups
 - a. Working Group on Maximum Residue Level
 - b. Working Group on Tea Trade & Quality
 - c. Working Group on Organic Tea
 - d. Working Group on Climatic Change
 - e. Working Group on Global Tea Market Analysis and Promotion
 - f. Working Group on Smallholders

Sri Lanka was the chair of the Working Group on Tea Trade & Quality and the having consulted the co-chairs and other members of the committee Sri Lanka submitted its report to the main session of FAO/IGG on Tea. Further, Sri Lanka made a presentation on the Market Development and Emerging Issues covering up the areas of the challenges faced by the tea industry during the COVID 19 pandemic and achievements made.

Ceylon Tea Promotion by Japan Tea Association

Date	Seminar and the Theme
26 th Feb	Seminar at Sri Lankan Embassy: Medium grown area
9 th , 13 th Apr	Tea Instructor Class: Dimbula
20 th , 23 rd Apr	Tea Instructor Class: Nuwara Eliya
23 rd , 27 th Apr	Tea Instructor Class: UVA and other production area
23 rd Apr	Seminar at Sri Lankan Embassy: Tea Seminar Nuwara Eliya
13 th May	Tea Advisor Class: Ceylon tea production area: Dimbula, Nuwara Eliya, Uva
14 th , 25 th May	Tea Instructor Class: Tasting of Dimbula, Nuwara Eliya Uva tea
24 th May	Special Tea Lesson: World tea production, Sri Lanka, Dimbula
5 th Jun	Tea Instructor Class: Ceylon Tea production area Dimbula, Nuwara Eliya, Uva
21 st Jun	Special Tea Lesson: World tea production area Sri Lanka, tasting Uva tea
25 th Jun	Seminar at Sri Lankan Embassy: Tea seminar Dimbula
19 th Jul	Special Tea Lesson: History of black tea, Ceylon tea, Afternoon tea
27 th - 29 th Jul	Cafe Restaurant Japan Exhibition in Tokyo Big Site JTA's 13 members have exhibited Ceylon Tea such as re-nowned brands Dilmah, Mabroc, and many other Tea estates' tea. Sri Lanka Embassy has attended the exhibition.
5 th Sep	Tea Advisor Class: tea production area Sri Lanka, tasting Dimbula, Nuwara Eliya, Uva
13 th Oct	Tea Lesson: World tea production area, Sri Lanka, tasting Dimbula, Nuwara Eliya, Uva
13 th Nov	Tea Festival in Owariasahi City co-sponsored by JTA and supported by Sri Lanka Embassy
28 th Nov	Seminar at Sri Lankan Embassy: Uva

Promotion activities for Ceylon Tea done by Tea & Herbal Association of Canada

North American Tea Conference (NATC) in September

Sri Lanka Tea Board provided pamphlets and tea samples for all the delegates. All These materials were displayed on the registration desk and available for all conference delegates to take.

It was wonderful to have so much involvement in the event from tea producing countries, including Sri Lanka. Aside from the material on display, there were 48 samples (from 11 different companies) of Ceylon Tea submitted to the Gold Medal Tea Competition. The competition judges on a best cup per origin basis. The winners from Sri Lanka were:

- 1st Place: RTS Holdings - Avissawella Tea Factory Avissawella-Sithaka, Sabaragamuwa, Orthodox Black FBOP
- 2nd Place: Browns Plantations High Forest, Maturata (Uva High), Orthodox Black, Mountain Whisper

NATC Sustainability Awards: Sri Lankan tea companies were front and center in the Sustainability Awards. A display was set up with all project descriptions for conference delegates to read.

- WINNER: Kaley Natural Farms (Pvt) Ltd. (Establishing a Business Model Where Nature, Agriculture, Communities, Consumers and Economics Co-exist)
- RUNNER-UP: Horana Plantations PLC (HPL -Rooftop Solar PV Bundle Project)



- WEBINAR: Colombo Tea Traders Association "Ceylon Tea Road map 2030"
- SIP Magazine: Sip magazine is a quarterly digital publication put out by THAC. The last issue included a full origin profile on tea from Sri Lanka



• Social Media:

Sharing regular posts about Sri Lankan tea that fit within monthly themed marketing calendars Post on Facebook/Instagram/Twitter and tea.ca. Further three promotional videos were shared with THAC from the Tea Board of Sri Lanka.



• Educating Future Hospitality Workers

THAC has an annual guest speaker for the Hospitality Program at George Brown College (Canada's top culinary institution). Lecture focused on educating future hospitality workers on what tea is and how to properly prepare it for guests in various food service environments. Tasting of different tea types and teas from select producing countries including black tea.

Promotion activities for Ceylon Tea done by Tea Council of USA

Sixth International Scientific Symposium on Tea & Human Health

The Campaign Objectives were to communicate the newest research in tea and human health in order to position true tea (black, green, white, oolong, dark) as a beverage for better health with the US Dietary Guidelines Committee and Create a storm of media coverage surrounding the many health benefits of tea covered at the symposium.

As a results; 1,260 Registrations with 660 live attendees consisting of researchers, university affiliates, policy makers, registered dietitians and media Generated 414 media placements to date, earning 5.2 billion impressions and sparking conversation about the place of tea in the Dietary Guidelines. Paved path of creditability for future news. Continuously Building Credibility around tea following Success of Symposium

Eat This, Not That!

This Tea Habit May Help You Live Longer, New Study Suggests

Not only can the hot beverage support longevity, but it may also lower your risk of diseases.



Drinking at least four cups of some teas linked to reduced diabetes risk, research says

NOURISH by WeMD
Drinking Tea Could Lower Risk of Diabetes, Stroke



Healthy habits that helped Queen Elizabeth achieve extraordinary longevity

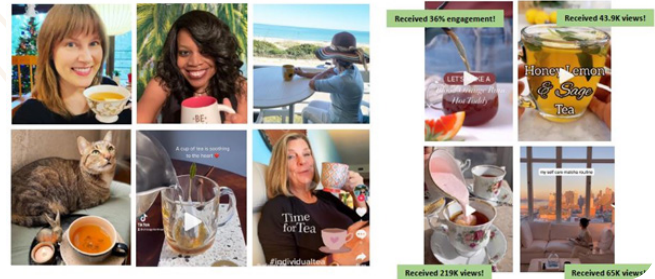
National Hot Tea Day and National Hot Tea Month 2022

Garnered 12.2MM social media impressions (compared to 7.6MM in 2021)

Generated 287.2K views of #IndividualTEA hashtag on TikTok

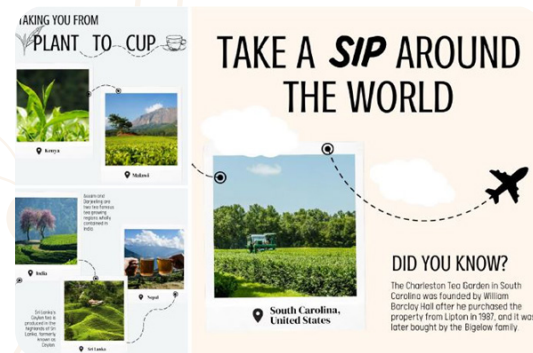
A Sampling of 3,349 IndividualTEA Entries!

Influencer Content Highlights



International Tea Day 2022: Consumer Engagement by the Numbers

Goal was to reach consumers on social media and create awareness for International Tea Day and #PlantToCup hashtag. This year, the Tea Council of the USA invited followers to take a "sip" around the world with tea by featuring different tea-growing regions on social media. These posts celebrate the hundreds of thousands of tea workers involved in the production of tea. Content featured the key takeaways from the recent Tea & Health symposium and the many health and environmental benefits associated with tea.



72,703 Reach in 2022

4,659 Ad Impressions in 2022

20 Social Media Posts

Registration of Ceylon Tea, Regional Names & Logos under Geographical Indications (GIs)

Sri Lanka Tea Board formulated necessary rules and regulations for protection of 'Ceylon Tea' and seven other agro-climatic regional teas (NuwaraEliya, Uda Pussellawa, Dimbula, Uva, Kandy, Sabaragamuwa & Ruhuna) as Geographical Indications through the provisions available under TRIPS Agreement of World Trade Organization. This would not only help to prevent the misuse of 'Ceylon Tea' and other regional tea



growing names particularly by overseas contract packers but also add value and a premium price for Ceylon Tea marketed under GIs.

"Ceylon Tea" Registrations; Instructions were given to Renewal process of the "Ceylon Tea" and currently they are ongoing in Turkey, Tunisia and UAE.

GI Registration For Ceylon Tea

The global objective of the CEYLON TEA GI PROJECT is to support the establishment of a geographical indication (GI) and relevant quality and sustainability certification systems for "Ceylon Tea". In that perspective, the "Ceylon Tea" value chain becomes more productive, inclusive, and sustainable with enhanced value-addition in international markets through intellectual property protection, in particular Geographical Indications, in conjunction with national and international certifications. Sustainability is considered in its economic, environmental and social aspects.

A GI indication is a sign used on products that have a specific geographical origin and process qualities or a reputation that are due to that origin. In order to function as a GI, a sign must identify a product as originating in a given place.

- Dr. Delphine and Dr. Clare visited with SLTB Officials to all stakeholders' places in Sri Lanka and met them. Her team went, Nuwaraeliya, Bandarawela, Agarapathana, Thalawakale and Deniyaya.
- Matters appeared for UNIDO withdrawal and all technical activities transferred to CIRAD in the project
- The GI Technical Consultants met stakeholders during their second visit to Sri Lanka Tea Board from 21st to 27th April 2022
- 14 Sri Lankan participants to the e-Asia GI online training – An introduction to Geographical Indication in Asia from May 9th to June 13th, 2022

Participatory Mapping of Ceylon Tea Value Chain and Sustainability Standards

Map practices and systematic constraints along the Ceylon Tea value chain towards a convergent strategy aimed at registering Ceylon Tea as a GI.



- Value Chain & Sustainable Certification Expert, Dr. Aurélie Carimentrand, completed the mission in Sri Lanka from 16th - 28th June to map the already existing certifications

on Ceylon tea and their potential synergies with the GI control plan and map and assess the already existing traceability and control systems.

- Completed the analysis of tea sustainable certifications and Value Chain traceability by agronomist and territorial development Expert, Mr. Jimmy Balouzat and Dr. Clare during period of August to September 2022. Then presented the mapping Ceylon Tea Production Systems & Practices to the GI Technical Working Committee meeting on 23rd September 2022.

Participatory Regional Workshops

The period from March to October 2022 was dedicated to map the tea value chain in Sri Lanka. Field studies have been carried out to provide the first useful elements both for framing a collective dynamic (Value Chain Mapping) and for identifying key elements that contribute to the specific quality of Ceylon tea with both tea growers and tea producers (Production practices and systems mapping).

The second step of this participatory process is to engage the Tea Value Chain into the GI building process (November 2022 to June 2023). Contributing the large size of the Tea Industry in Sri Lanka, the project team proposed an extended consultative process, consisting in a 3 series of regional workshops in order to cover the whole tea production area in Sri Lanka. The aim is to set up a progressive learning process over the next months.

This cumulative process will be made of discussions over the choices and options to be included into the Book of Specifications. This will be instrumental for the implementation phase and this will facilitate the appropriation of a new tool (GI) by a greater number of stakeholders in the tea sector. The first series of workshops were held from 22nd - 30th of November 2022 in selected areas with stakeholders (Target Group - Tea Factory/Estate Owners, Assistant Tea Commissioners, Tea Inspectors, TRI Officers, Tea Small Holdings Development Authority, Smallholder District Societies) in low, mid and high tea growing regions. The main objectives of the November workshops were to:

1. Introduce Geographical Indication main concepts to a wider audience (above target group) among the value chain and present its potential benefits for Ceylon Tea.
2. Collectively validate the key features of the Ceylon Tea and specific production practices that give its distinctive characteristics.
3. Propose different options to define specific Ceylon Tea quality within the Book of Specifications (BoS).
4. Discuss the potential implications of each specification for the different segments of the target group. Necessary time will be given to get the feedback of the audience in each workshop.

CIRAD conducted regional workshops in all ATC region in November 2022 to build the awareness on the project and obtain the field level details regarding the traceability.

Implementing Geographical Indication (GI) System for Ceylon Tea - November Restitution Meetings

The workshop held on the 22nd of November at the Hotel Uma Garden, Kandegedara for the industry stakeholders in Baduraliya Region



The workshop held on the 23rd of November at the Hotel Sara Grand, Pitabaddara for the industry stakeholders in Matara Region



The workshop held on the 24th of November at the Hotel Hasara, Galle for the industry stakeholders in Galle Region



The workshop held on the 25th of November at the Hotel Silver Ray, Pelmadulla for the industry stakeholders in Rathnapura Region



The workshop held on the 28th of November at the Heritage Grand Hotel, Badulla for the industry



The workshop held on the 29th of November at the Black Pool Hotel, Nuwara Eliya for the industry stakeholders in Nuwara Eliya Region



The workshop held on the 30th of November at the Hotel Oak Ray Regency, Kandy for the industry stakeholders in Kandy Region



Sensory Analysis by Ms. Lydia Gautier

A pioneer taster & tea sommelier in France and the author of several reference books on tea, Ms. Lydia Gautier joins as a technical consultant for the Geographical indication project for Ceylon Tea. She was getting involved with Tea Tasting Panel at Sri Lanka Tea Board & visited New Vithanakande Tea Factory.



These moments of collective discussion will make it possible to finalize and validate the specifications and the governance structure of Ceylon Tea GI.

Trade Mark Protection

Registration of Lion Logo Trademark



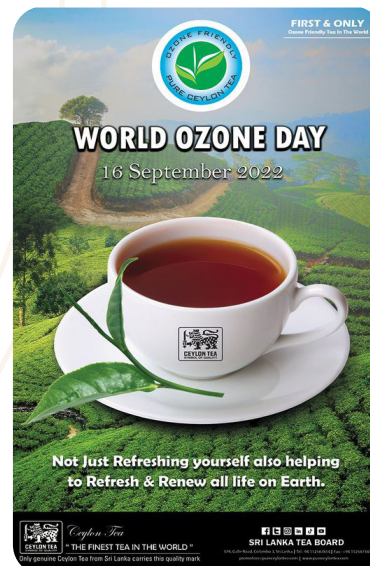
Sri Lanka Tea Board is the legal owner of Ceylon Tea Lion Logo Trade Mark. The registration/renewal of Ceylon Tea Lion Logo in Sri Lanka and other countries are carried out by Tea Promotion Division of the Tea Board. Lion Logo has been registered in 103 countries as 2022. The franchise to use the Lion Logo has been granted only for branded, value-added tea products (Tea Bags & Tea Packs) which contains 100% Ceylon Tea and are in compliance with ISO 3720 Standard while being above a minimum reference standard to each destination and should be pre packed in Sri Lanka.

During the period under review, SLTB has taken initiatives to register a new lion logo (Ceylon Tea Symbol of Quality and Lion Device) in Turkmenistan, Pakistan, India, Bangladesh, Morocco, Somalia, Uzbekistan, Azerbaijan and Kyrgyzstan Republic. New Registration is completed in Hong Kong, Jordan, Serbia and Egypt. Further, Instructions were given to Renewal process of the lion logo device and currently they are ongoing in Cambodia, Laos, Malaysia, Vietnam and Sierra Leone. Registration renewal is completed in Singapore and Egypt.

Registration of Ozone friendly Pure Ceylon Tea Logo

Sri Lanka Tea Board has registered the Ozone Friendly Pure Ceylon Tea logo in Sri Lanka as a Certification Mark in order to promote the production of ozone friendly tea. Under the Montreal Protocol, Sri Lanka implemented two projects to phase out the use of Methyl Bromide for non-quarantine & pre-shipment purposes. Sri Lanka became the first tea producing country in the world to manufacture Ozone Friendly tea and still is the only tea producing country to have achieved this accolade.

During 2022, Instructions were given to Renewal process of the "OZONE FRIENDLY PURE CEYLON TEA & Device" and currently they are ongoing in Russia, Japan, UAE and Malaysia. Registration renewal is completed in UK and EU. Nine tea exporters have obtained franchise rights to use the Ozone friendly Pure Ceylon Tea logo for nine brands.



Daily Mirror paper publishing a special supplement on 16th September 2022 on account of the "World Ozone Day". Since Ceylon tea is the only origin which was awarded the "Ozone Friendly" accolade by the Montreal Protocol and SLTB is utilizing it as a Unique Selling Proposition (USP) for the global marketing campaign, the SLTB has agreed in principle to support the supplement on this special day. Accordingly, SLTB provide the Quarter page Ceylon Tea Ad for "World Ozone Day 2022" special edition in the Daily Mirror.

Overseas Tea Promotion Offices & Market Coverage

Sri Lanka Tea Board presently maintains two regional overseas Tea Promotion Units attached to Sri Lanka Missions in Russia and China. The office in Moscow handles the tea promotion work in the Russian Federation & CIS markets. China is identified as a growing market and Promotion unit in China works to promote Ceylon tea & enhance market share of Ceylon tea. Except the above regions, other markets are handled by the Tea Promotion Division in Colombo in collaboration with the respective Sri Lanka Missions overseas.

Tea Promotion Unit - China

Celebration of National Events

Sri Lanka and China celebrated the 65th anniversary of establishing diplomatic relations in 2022. In addition, both countries also celebrated the 70th anniversary of signing the rubber-rice pact in 2022. The Embassy of Sri Lanka in China held a Ceylon Tea Tasting event at its auditorium on the occasion of celebrating the two milestones. The commemoration is used to promote economic, trade, investment, tourism and people to people relations between the two countries. Under the trade promotion activities, the Tea Promotion Unit of the Embassy arranged a series of activities to increase awareness of Ceylon Tea among Chinese consumers. As of the first initiative, fixed Ceylon tea promotion light boxes facing the roadside on the fence surrounding the Embassy.



Ceylon Tea agents in China representing Stassen, Impru, Lions, Sinolan, Baoudin Mountain, Shan Teas, Steaurt Tea and Fond Tea attended the event and showcased their products to participants.

The Ambassador, Dr. Kohona delivered a welcome speech, highlighted the health benefits of Ceylon Tea. Mr. Sampath Perera, the Second Secretary and Tea Promotion Officer introduced Ceylon Tea in a comprehensive way and demonstrated the way of brewing Ceylon Tea and way of doing tea tasting to participants at the end of the event.

Promotion of Ceylon Black Tea at the International Tea Day, 2022

A demonstration is carried out on preparation of best cup of Ceylon tea, lemon tea and milk tea and question and answer session elaborated more about the Ceylon tea unique properties during the promotional session. All the participants were served with Ceylon tea. The event displayed 7 regional teas of Sri Lanka and the major tea grades imports by Chinese buyers.



Series of live streaming sessions to promote Ceylon tea

A series of live streaming sessions is arranged to promote Sri Lanka products, especially Ceylon tea with the collaboration of Dalian Xingyu Yuanmeng Group Co., Ltd. The initial meeting was held in February 2022.



Tea Promotion Unit of Moscow

International Relations Program, Moscow Metropolitan Governance University



The Embassy of Sri Lanka in Russia organized a visit of Russian students of the International Relations Program, Moscow Metropolitan Governance University to the Embassy on 29th September 2022.

- Ceylon Tea Brand activation program in Brovo Hyper Market in Baku from 19th to 20th May 2022.
- Ceylon Tea Brand activation Program in "Rahat Super Market" in Baku - 19th - 20th May 2022.
- Ceylon Tea Promotion at Ruden University in Moscow, Russia - Multicultural Festival



- Ceylon Tea brand activation at Korzinka Super Market - Azimova (Oybek Metro), Tashkent in Uzbekistan
- Ceylon Tea Brand activation Program at Korzinka Super Market Chain at Next Mall in Tashkent, Uzbekistan

"CHASHKA" Festival in Moscow, 27-28 August 2022



Ceylon Tea presence at Kursk - Korenskar Regional Exhibition -2022 in Russia



Ceylon Tea Brands Activation Program "Jubilee" Supermarket in Almaty, Kazakstan on 03rd - 4th November 2022



Brand activations at Rubin Tea Shop in St. Petersburg, Russia



Ceylon Tea Promotions at EXPO Dubai in UAE

The World Expo Dubai held in Dubai from October 2021 to March 2022. At the six-month exhibition, there were 190 nations exhibited under the theme called "Connecting Minds, Creating the Future" and sub themes opportunity, mobility and sustainability each with its own pavilion. The event expected around 25 million visitors from all around the world.

Middle East market is important for Ceylon Tea, because the region absorb around 55% of Sri Lanka's total tea exports, and need for reinforcing its position in the region. Sri Lanka Tea Board joined with Sri Lanka Tourism Promotion Bureau to promote Ceylon Tea throughout the six months period at the Expo under the Sri Lanka pavilion. The Ceylon Tea tasting sessions and liquid tea services also arranged for the visitors to enjoy the real taste of Ceylon Tea throughout the Expo.



Recapturing under-performing markets

Ceylon Tea Promotion programs conducted in Egypt/ Pakistan / United Kingdom under the concept of recapture under-performing markets for Ceylon Tea. This was a special project and it focused on uplifting the tea industry.

United Kingdom

The Sri Lanka Tea Board sponsored for Commonwealth Games 2022 at Birmingham as the official tea supplier. World renowned Ceylon Tea brands; Dilmah Tea, English Tea Shop and Tea Tang offered their finest blends for the event.



UK Tea Academy Promotion

First Ceylon Tea pairing event in UK hosted and presented by James Suranga Perera and Jane Pettigrew for the UK Tea Academy, and attended over 25 tea experts, businesses

and trainees; including retailers and trainers from around the world. Sri Lanka Tea Board promoted its wonderful teas at the pairing events in 2023,

Egypt

Sri Lanka Tea Board with the assistance of Sri Lanka Embassy in Cairo initiated the preliminary arrangements to open a Ceylon Tea Kiosk at Dandy Shopping Mall in Cairo together with Sri Lanka Tea exporting companies to Egypt with the objective of promoting Lion Logo carrying Ceylon Tea brands among the affluent consumer segment of the market who search for premium Ceylon Teas.

Pakistan

A proposal submitted to 3rd meeting of the joint working group on Trade, Investment and Auto Sector between Pakistan and Sri Lanka for the "Introduction of Product Specific Rules of origin (PSR) on value added tea from Sri Lanka to Pakistan under Pakistan Sri Lanka Free Trade Agreement to enjoy the Tariff benefits under the unused quota". Pakistan side agreed to send this proposal to the subcommittee for seeing the possibilities.

It was received proposals from the potential investors in Pakistan, collected by consular office in Karachi for establishment of Tea Shop in Karachi for Value Additional Tea Packs

Local Tea Promotion

Local Trade shows

• Galle food fest 2022 food & Music festival



Sri Lanka Tea Board organized a booth focusing Ceylon Tea presence at Galle Food Fest 2022 which was held on February 26th - 27th at Galle fort courts square.

• Western Breeze Festival

The event was organized by Tourist Board – Western Province on 4th and 5th March 2022 which was held at the newly completed Marine Drive and could attract more tourists and young Sri Lankans.



• Cultural Exhibition at Ambassador's Eve

Sri Lanka Tea Board organized a Ceylon Tea corner at the Cultural Exhibition at Ambassadors event, which was organized by the Ministry of Buddhasasana, Religious and Cultural Affairs on 19th February 2022 at Nelum Pokuna.



• Mobile service program & Exhibition-Deniyaya



Sri Lanka Tea Board participated at the about event with the Tea Commissioner's Division of Matara, which was held at Deniyaya Central College.

Sponsorships / Advertisement on Magazines

1. Ceylon Tea Article "Ceylon Tea – Finest Tea in the world", an Audio-visual clip on Ceylon Tea, informative posters/ Brochures were sent to Foreign Ministry, as per their request, for onward transmission to overseas Missions

to use during 74th Independence Day celebrations.

2. Advertisement for "Nidahas Arunalu" Annual Magazine
3. Ceylon Tea Articles on The Big Life magazine.
4. Sponsorship for the International Tea Day (15th December 2022) special T V Program on Star Tamil TV
5. Ceylon Tea promotional video, web post created and prepared an article to be posted on social media platforms on the occasion of celebration of the International Tea Day 2022. This was circulated to overseas missions too, through the Foreign Ministry.
6. Sponsorship 30th Annual Export Awards Ceremony 2022 of The National Chamber of Exporters of Sri Lanka

Complimentary Tea – Local Events

Sri Lanka Tea Board is continuously strengthening relationships with different stakeholder groups by providing Ceylon Teas for special programs on a complimentary basis with the objective of promoting Ceylon Tea among the target audience of each event. Ceylon Tea provided on a complimentary basis and it worth Rs. 40,000 in the 2022.

Country Promotion Campaigns (Joint Promotions with other National Bodies)

- NCE Awards ceremony - Premium sponsor to Tea & Tea Products sector.

29th NCE Awards ceremony was held on 21st January at Shangri-la and Sri Lanka Tea Board was the Premium sponsor to Tea & tea products sector and sponsored for 30th NCE Exports Awards also covering Tea & tea products sector



- Special Promotions by Offering Ceylon Tea to new arrival flights at BIA and MRJA



Tea Museum

Ambassador of Cuba H. E. Andres Marcelo Gonzalez Garrido visited Ceylon Tea Museum in last year.



Military Delegates from 13 Countries visited Ceylon Tea museum during the Defense Advisers Familiarization tour in Sri Lanka.



"The Botanical Garden GALA" event conducted by Ceylon Tea Museum at Peradeniya Botanical Garden



Plantation Worker Community Development and Natural Disaster Relief Aid

Sri Lanka tea Board arranged to donate 1.2 million worth Ceylon Tea to the state hospitals in tea growing areas in Sri Lanka in order to consume their staff, patients as an immunity booster during the COVID-19 pandemic. They highly appreciated contribution of Sri Lanka Tea Board.



- Sri Lanka hands over Ceylon Tea for the flood victims in Pakistan

Government of Sri Lanka gifted a consignment of Ceylon Tea for the flood victims of Pakistan on September 2022 at jinnah International Airport.



Happy Tourism Day Celebrations

HAPPY WORLD TOURISM DAY

"Journey for Unforgettable Moments with Ceylon Tea"

Happy World Tourism Day - 2022

"Journey for unforgettable moments with Ceylon Tea"



SLTB Tea Sales Outlet

The SLTB Tea Sales Outlet offers a wider range of tea packs for catering the different tasting needs of local/overseas customers who visit at the outlet for their tea purchasing requirements. It facilitates tea packs over 1500 varieties which represents 22 private sector Ceylon Tea exporting companies along with SLTB own label brand.

Promotional/Information Publications

As promotional/informational publications six bi-monthly newsletter were released during the year.

2.4 Tea Tasting Unit

The unit works as the one of major quality assurance body of Ceylon Tea. It is responsible for assessing the quality of tea prior to auction and export. The appearance and the flavour of the made tea shows huge variation due to some factors like different clones of the *camellia sinensis* plant, Impact of climatic characteristics (such as rainfall, sunshine hours and temperature), nature of topography and variety of manufacturing process. Based on the characteristics of tasted samples, well trained tea tasters assure the quality of tea samples. Unsatisfactory samples are directed for the Analytical Laboratory for further analysis.

The tasting team of Sri Lanka Tea Board consists with expert panel of tea tasters from public and private sector experts who represent all stake holders such as Ceylon Tea Traders Association (CTTA), Ceylon Brokers Association (CBA), Ceylon Plantation Association (CPA), Sri Lanka Federation of Tea Small Holdings Development Societies (SLFTSHDS), Tea Exporters Association (TEA), Sri Lanka Tea Factory Owners Association (SLTFOA), and with the independent Panel members.

The Major activities of the unit can be listed as follows

- Maintaining the minimum quality standard and ISO standards at any given point of dispose of tea.
- Monitoring and ratification of Private Sales, Direct Sales and forward contracts
- Facilitates to issuing Lion Logo certificates for branded products and for the consumer packs
- Evaluating Tea Tasters for new export Companies

Tea Tasting Concept and Methodology

- SLTB adopts the methodology of ISO 3103 of tea preparation of liquor using in sensory tests.
- Tea Tasting Terminology ISO 6078 for Black tea vocabulary/ Monograph on Tea Production in Ceylon – no: 4 – Tea Manufacture in Ceylon.



Maintaining the minimum quality standard and ISO standards at tea disposing points

Ordinary tea tasting sessions are held twice a week mainly on Mondays and Thursdays with the participation of expert tea panel. During the sessions following tea samples which are directed from tea export unit of SLTB and tea samples directly received to the TTU are considered for evaluations.

- Pre-auction Teas
- Special investigation Teas
- Pre imported samples
- Direct Sales
- Daily Evaluation Pre-shipment monitoring

The panel decision on samples forwards to the Tea commissioner division and Tea Export unit to further regulations.

Table 2.4.1: Details of tested and suspicious samples in 2022

Description	No of Samples Tested	No of Samples Suspected
Visual Examinations	224,186	
Organoleptic	79,432	
Pre-auction samples-		
Random basis(BSL) evaluation	4,988	331
Panel rejections for suspected liquor contamination		346
Siliceous matters		1,183
Crude Fiber		1,438

Source ; Sri Lanka Tea Board

a)Pre - Auction teas

Two weeks prior to the sale, the eight brokers forwarded their pre-auction samples for the evaluation. Initially they visually evaluate the sample of Ex-Estate, High & Medium , Premium flowery, Low Grown Leafy, Low Grown Semi-Leafy, Low Grown-Tippy/Small and sub Catalogues of Off Grades, Dust, and BOPIA. Based on the random selection programme ,broker samples are selected and directed for organoleptic evaluation. After the evaluation Selected samples are offered to the panel to take a collective decision to offer or not at the coming auction and the decision convey to the DTC Exports.



b)Pre-Shipment Teas

Usage of Lion Logo, ISO 3720 for black tea & ISO 11287 for Green tea parameters or any other contamination prior to shipment been tested under pre shipment sample testing. 10103 pre-shipment samples examined under pre-shipment monitoring scheme during year 2021.

c)Pre-Import Teas and Post-Import Teas

Pre-Imported samples directed through Export unit of SLTB are accompanied with a form to evaluate its suitability for importation and line samples details about the origin, grade etc. are mentioned in each application. The tasting panel will evaluate the teas according to the guide lines of the SLTB circular no: OR/1/65 and its amendments. For the year 2021, TTU examined 1,126 applications as pre import samples.

Ratification of Private Sale and Panel Valuation Certificate

a)Ratification of private sale

The samples accompanied with the panel have been forwarded for Tea tasting evaluations by the selling brokers with the independent broker's approval. There are standard charges for the service and it charged Rs. 500 (+VAT) per line as ratification fees. At present, the above scheme is scaled down to only for Green teas, Organic teas, and specialty teas and for small breaks which are not sold through the Colombo Auctions. Total no. of 9,655 Private sale lots examined and ratified for the year 2022.

b)Ratification of Forward Contracts

Ratification was done for few selected marks depending on the buyer's requirement for a period of time. Seller, buyer, broker and the Tea Board ratified the contract of sale. Ratification fess of Rs. 500/(-+ VAT) per line as charges for the above service too. Total 1103 forward contracts lines were ratified during the year.

c) Ratification of Direct Sale

The above scheme permits to producer cum exporter to sell their products directly to the overseas buyers. In exception green tea, organic tea and specialty tea could be sold to the local buyers. Panels held at Thursdays ratified the direct sales and for considered year, sales lines 1,527 are ratified and the ratified quantity was 1.56 Mn.kg.

Registration for Lion Logo

The Lion Logo - which is a symbol of quality and country of origin fully owned by the Sri Lanka Tea Board and Exporters who wish to depict the Lion Logo on branded consumer packs has to forward the application and the branded products for evaluation, as according to the destination and market. The validation period of a Lion Logo certificate for Brands is three years. SLTB Grants franchise rights to use the Lion Logo on retail packets. According to the process 357 applications were processed for new brands, renewals and additional packs for the year 2022.

The monitoring processes for lion logo usage in overseas markets and local markets are being conducted to maintain quality, prestigious name of the logo and mainly for the hunting of fraudulent usage of Lion Logo. During the pre-shipment monitoring, more than 80% shipments with Lion Logo are evaluated on random sample basis. In addition to that Overseas Bureaus and Commercial Consular of Sri Lankan embassies are forwarded Lion Logo depicted packs from overseas markets for the evaluation and reporting. Particularly randomly selected samples from the brands using the Lion Logo in local markets are also evaluated. Mainly reputed the long standing packers registration with the Tea Board who are having a reasonable market share are granted to use the Lion Logo and are monitored accordingly.

2.5 Analytical Laboratory

The year 2022 was another successful year for the Analytical Laboratory of Sri Lanka Tea Board. All three Labs, Chemical, Microbiology and pesticide laboratories did their maximum effect to maintain the quality of the Sri Lanka tea industry. Quality inspection units contributed to handling the amalgamation of reports & issuing final results to the internal & external parties with maximum accuracy and efficiency.

In the process of Lion logo certification, the Laboratory of Sri Lanka Tea Board involved by analyzing the Lion Logo qualification criteria & contributed to the establishment of procedures for the use of Lion Logo mark in collaboration with the Promotion Division in 2022. Focusing on Japan export shipments, the laboratory was able to introduce analysis techniques for MCPA, 2-4D, Hexaconazole. Pesticides relevant to imported teas such as Acephate, Imidacloprid, Dimethoate, Methidathion, Triazophos, Fipronil, Qui-nalpos, Propiconazole & Profenofos testing have been introduced to the tea industry in May 2022.

A greater achievement of the year was establishing five Assistant Director posts (Quality, Microbiology, Chemical, Pesticide and Laboratory) for the laboratory. To keep continuous knowledge update, the laboratory officers participated for the audits of annual surveillance and scope ex-tension (for pesticide residues) which conducted by Sri Lanka Accreditation Board in November 2022 and participated to the tea virtual plenary meeting on SO/TC 34/SC 8 held on 5th December 2022 which was hosted by British Standards Institution.

Table 2.5.1: Summary of tests performed by the Analytical Laboratory

Name of test	No. of tests	
	2021	2022
Chemical Analysis Unit		
Determination of moisture in tea	499	649
Determination of total ash in tea	339	684
Determination of water soluble ash in tea	349	673
Determination of acid in-soluble ash in tea	312	590
Determination of water extract in tea	309	103
Determination of alkalinity of water soluble ash in tea	318	643
Determination of Crude Fibre in tea	518	339
Basic Radiation Determination tests	209	259
Grade identification tests/ Sieve Analysis	33	323
Microbiological Analysis Unit		
Determination of Total Plate Count	-	750
Determination of Yeast and Mould Count	455	757
Microscopical examination for dead or live insects and other Impurities/foreign matter in tea	35	487
Determination of Genetically Modified Organisms (GMO) in tea	191	142
Detection and Enumeration of Faecal Coliform & Escherichia coli (E.coli)	455	592
Detection and Enumeration of Total Coliform	462	598
Pesticide Residue Analysis Unit		
Sugar Analysis using HPLC RI Detector	5131	5205
Diuron Analysis using LCMS/MS	124	157
MCPA Analysis using LCMS/MS	4	175
2,4 D Residue Analysis using LCMS/MS	-	140
Hexaconazole Residue Analysis using LCMS/MS	-	269
Multi Residual Analysis (Acephate, Imidacloprid, Dimethoate, Methidathion, Triazophos, Fipronil, Quinalphos, Propiconazole & Profenofos) using LCMS/MS	-	1386
Total	9746	14921

Source ; Sri Lanka Tea Board



During the year, 14,921 tests are requested from the Analytical Laboratory for testing and out of them, it has been identified 1220 tests results as below the ISO minimum quality standards.

Table 2.5.2. Number of tests detected as below ISO standard

Analysis Unit	No. of tests below the minimum quality standard
Microbiology	473
Chemical	608
Sugar/ Pesticide residual	139

Source ; Sri Lanka Tea Board

Pesticide Residues Analysis Unit

During the year, Sugar(5205), MCPA(175), Diuron(157), 2-4D(140), Hexaconazole(269) and Import(1386) requests have been analyzed and out of the total performed tests 139 numbers of tests results were identified as below the minimum quality limits,

Table 2.5.3. Number of tests detected as below the minimum quality standards

Type of pesticide test	Below the minimum quality
Fructose	21
Glucose	22
Sucrose	54
Diuron	1
MCPA	1
Hexaconazole	40

Source ; Sri Lanka Tea Board

Microbiology Analysis Unit

3184 microbiological tests were carried out during the year. Among them, 467 microbial tests results were identified below the accepted quality standards or not suitable for consumption. These samples received through the internal certification service.

Table 2.5.4. Performance of the Microbiology Analysis Unit

Type of microbiology test	Below the minimum quality Standard/Guideline
Total Plate count	133
Yeast and Mould count	245
Coliform	89

Source ; Sri Lanka Tea Board

Chemical Analysis Unit

Chemical Analysis unit had been handled 4263 number of tests and reported 608 samples below standard which was received through the Internal Monitoring Service.

Table 2.5.5: Performance of the Chemical Analysis Unit

Type of chemical test	Below the minimum quality Standard/Guideline
Crude fiber content	127
Alkalinity content	7
Moisture	459
Acid insoluble Ash	2
Total Ash	13

Source ; Sri Lanka Tea Board

Quality Inspection Unit

The unit manages the laboratory sample receiving, registering, assigning to the relevant analysis unit for testing and issuing of test reports for both Internal Monitoring and External Certification services by maintaining the document control procedures as per the ISO/IEC 17025 Laboratory Standard. The unit has been supported on 14 sampling requests sent by Tea Commissioner or Deputy Tea Commissioner for re- sampling purpose during the year 2022.

2.6 Administration Division

Administration Division of SLTB is responsible for formulation, implementation, monitoring and evaluation of all Human Resources Management and Human Resources Development activities, legal activities implementing and maintaining of Information technology services, coordinating and facilitating of planning, monitoring & evaluation activities of the Board, dissemination of Statistical information, managing and maintenance of SLTB Library, procurement activities, Security and Transport activities of the Board.

Table 2.6.1: Current Staff Strength of SLTB

Category	No of Staff		Total
	Male	Female	
Senior Level	26	15	41(16.7%)
Tertiary Level	15	04	19(7.8%)
Secondary level	44	81	125(51%)
Primary Level	56	04	60(24.5 %)
Total	141(57.5%)	104 (42.5%)	245(100%)

Source ; Sri Lanka Tea Board

There were 15 employment turnovers during last year including 04 resignations and 11 retirements of employees. Senior level to primary level undergone through several capacity building training programs following COVID 19 guidelines. Foreign training programs and local team building activities budgeted for the current year could not be organized due to the pandemic situation prevailed in the country and globally.

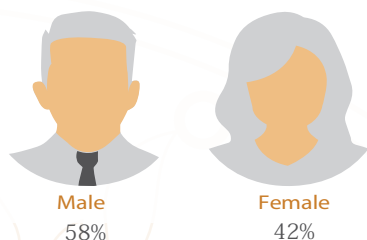


Table 2.6.2: Local training programs by employee category

Category	No of Employees Trained
Senior Level	08
Tertiary Level	04
Secondary Level	07
Primary Level	00
Total	19

Source ; Sri Lanka Tea Board

CSR Activities

Oxygen concentrator was donated to the Miedumpitiya Base Hospital , Passara.

Welfare Activities

A get together of Sri Lanka Tea Board staff and their families held on 10th December at Polduwa Lake Resort, Piliyandala.



2.7 Internal Audit Unit

Purpose of the Internal Audit Unit is to enable the internal audit functions effectively to allocate its financial, Administrative and human Resources to meet the expectations of the key stakeholders such as government of Sri Lanka tea factory owners, tea estate owners, tea sector workers and public of Sri Lanka.

IA Unit also helps Tea Board to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. Due to the pandemic situation audit committee met two times during the year under review and respective Heads of Divisions / Officers attended the meetings of the committee by invitation on need basis. Recommendation were made to the Board of Directors along with the minutes & followed-up to ensure that appropriate corrective action is taken.

2.8 Information Technology Unit

The year 2022 has shown moderate divergence towards the IT domain for SLTB compared to that of 2021. SLTB was not able to keep the momentum of the pace of new developments as usual due to the prevailing situation in the country. But , the Tea Value Chain System development managed to complete the 2nd iteration. In addition, we have launched registration processes of the application in a live environment, so that all authorized users can input data seamlessly. We have distributed the Inventory control system to all departments in SLTB including regional offices . This will help SLTB to minimize paper usage in upcoming years while increasing the efficiency of the organization. This would be another stepping stone to the movement of a paperless environment.

SLTB renewed the license in Google work space for another 3 years to make life easier for management to make efficient communications and decisions making processors. IT team also helped to most of digital promotional campaigns started by the promotional division under "Global Promotion".



3. Industry Profile

The year 2022 began with new positive hope to enable a more generous policy on fertilizers that recovered the existing disadvantages of the Ceylon tea industry. Despite numerous obstacles encountered by the tea industry in Ceylon, the year 2022 has led to a continuous rise in their tea prices. The annual tea production record during 2022 was 251.5 Mn Kg, (provisional) compared to the 299.49 Mn Kg of the corresponding period, recording a drop of 48 Mn Kg. It would be the lowest record for the period under review since 1992 where it recorded 179.6 mn kg. In 2022, total exports registered 250 Mn kgs compared with 285.9 Mn kgs in 2021. Moreover, the export receipts of tea for the period January to December 2022 amount to Rs 411 billion compared to Rs 263 billion for the corresponding period of 2021. The export earnings in US Dollars decreased by 65.6 million from USD 1.32 billion (USD 1,324.4 Million) recorded in 2021 to USD 1.25 billion (USD 1,258.7 million) in 2022. Lower earnings were attributed to low production figures. However it shows a remarkable increase of 56% in export revenues in rupees, whilst the dollar term represents a decrease of 5%.

It is important to mention that, the average FOB price Rs 921 per kg which was achieved in 2021 has further increased to Rs 1,643 in 2022. Furthermore it is recorded US\$ 5.00 per kg in the review year. As per the previous statistics record, the lowest tea exports of 250 million kilos were exported during the year 2022. Orthodox was the major component of the Ceylon tea which has been recorded 227.1Mn kg during the year 2022 and it was recorded as 270.7 Mn kg during the corresponding period of 2021. However it has recorded 16% decrease when compared to 2021. Also cumulative CTC Production for the year 2022 showed a decrease of 14% while it was recorded 23 Mn kgs in the review year. Green tea production represented 30 % decrease in producing 1.8 Mn kg in 2022 and 2.5 Mn kg in 2021. The cumulative Colombo tea auction average prices has been increased US\$ 3.80 per Kilo as against US\$ 3.10 per kilo during the previous year. Consequently, the Colombo tea auction price showed an increase from Rs. 615.44 in 2021 to 1,234.24 in 2022 remarkably.

Market diversification on account of initiatives by the stakeholders in both the public and private sector; contributed to opening up more export markets. Among the markets on the review period, Iraq was the leading export destination for Ceylon tea having imported 43.2 mn kgs, accounting for 17% of the total export volume. Other key export destinations for Ceylon tea were Russia (24.7 mn.kgs), UAE (22.5 mn.kgs), Turkey (15.6 mn.kgs), Iran (13.0 mn.kgs), Azerbaijan (12.0 mn.kgs), Libya (11.2 mn.kgs), China (11.1 mn.kgs), Germany (6.57 mn.kgs) and Chile (6.51 mn.kgs).

Subsequent to banning of chemical fertilizer by the Government of Sri Lanka, tea growers and large plantations,

in particular, were forced to use only the organic fertilizer, resulting in impact on the Tea production levels drop 16% comparatively previous year progression up to December 2022. Needless, subject to the extreme weather conditions not being a reality. However, ageing tea bushes and low productivity levels would be a downside. However, with the government decision to allow a more generous fertilizer policy, there is an expectation of a gradual improvement in tea production in the country.

Distribution of tea lands

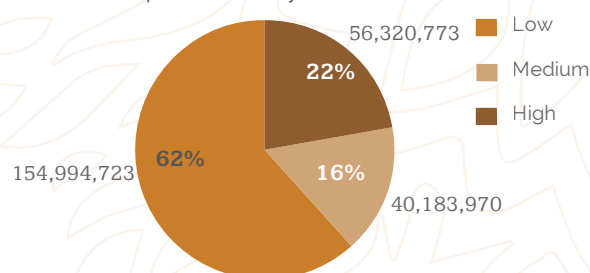
The Total Extent of cultivation in Sri Lanka is 267,186 hectares at present. The breakdown of tea lands along with their management criteria is Private (60%), and State sector (40%). Tea cultivation is distributed within few districts in the country mainly in wet zone areas due to the suitable climate conditions for tea cultivation.

Tea production

During the year 2022, National tea production of the country was recorded as 251.5 Mn kg. This was a decrease of 48Mn kg (16%) when compared to the year 2021.

Sri Lankan teas are being categorized into three groups based on the elevations where it grows and is produced. Low country teas are produced up to 600m above mean sea level has a blackish appearance, strong cup color and taste which contributes more than two third (62% in 2022) of the national production.

Chart 3.1 : Tea production by Elevation



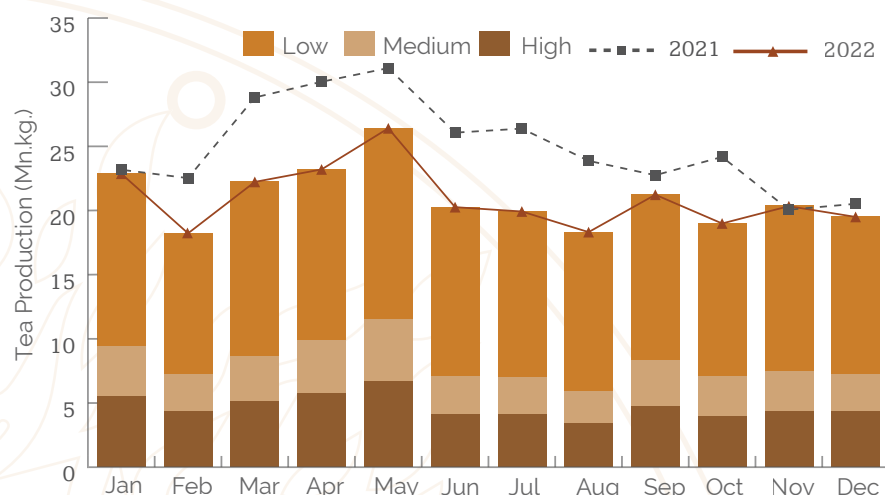
Source: Sri Lanka Tea Board

Teas produced over 1200m elevations are identified as high grown teas, considered as superior in quality gives unique taste with aroma. During the year 2022, high and medium elevation contribution for the national production was 22% and 16% respectively. Also Low Elevation contributed more than two third (62%) of national tea production

Monthly tea production

Throughout the year, low grown production provided the major contribution to the national tea production. During 2022, the highest monthly tea production of 26Mnkg was recorded in the May and the lowest of 18Mnkg was recorded In February.

Chart 3.2: Monthly Tea Production by elevation



Source: Sri Lanka Tea Board

District wise tea production

During the year under review, the highest production of high grown was recorded for Nuwara Eliya followed by Badulla and Kandy. For the low grown area, Ratnapura district recorded the highest production followed by Galle and Matara. Both districts were contributed to the national tea production by 16% & 21% respectively. Considering all three elevations, the highest production was recorded from Ratnapura District while the lowest from Monaragala districts.

Table 3.1: District wise Tea Production (in kgs)

Administrative District	High	Medium	Low	Total
Badulla	15,417,721	10,019,355	-	25,437,076
Colombo	-	-	1,128,566	1,128,566
Galle	-	-	35,648,676	35,648,676
Hambantota	-	-	188,839	188,839
Kalutara	-	-	15,477,248	15,477,248
Kandy	764,403	16,971,989	10,487,280	28,223,671
Kegalle	-	283,448	8,713,158	8,996,606
Matale	-	1,437,263	401,774	1,839,037
Matara	-	45,944	29,897,082	29,943,026
Monaragala	-	22	-	22
Nuwara Eliya	40,138,649	9,550,391	799,374	50,488,414
Ratnapura	-	1,875,559	52,252,726	54,128,285
Total	56,320,773	40,183,970	154,994,723	251,499,466

Source: Sri Lanka Tea Board

Agro Climatic District Wise Analysis

The Highest agro climatic district wise production of 40Mn kg was recorded from Rathnapura and the 2nd highest production of 36 Mn kg was recorded from Galle. Low grown has produced 141.6Mn kg during the year under review and it was 27 Mn kg (16%) below which was produced during the year 2021.



Table 3.2: Agro - Climatic District -wise Tea Production

Agro Climatic District	2022 (Kg.)	*2021 (Kg.)	Change (Kg.)	%
Nuwara Eliya	3,100,723	3,587,636	(486,913)	(14)
Western				
Ramboda	1,769,419	1,957,781	(188,362)	(10)
Pundaluoya	3,677,365	3,685,134	(7,769)	(0)
Agarapathana	4,204,143	5,069,113	(864,971)	(17)
Nanuoya/Lindula/Talawakale	7,346,084	8,514,839	(1,168,755)	(14)
Patana/Kotagala	2,848,637	4,187,182	(1,338,545)	(32)
Hatton/Dickoya	6,317,777	8,152,096	(1,834,319)	(23)
Bogawantalawa	4,627,349	5,588,128	(960,779)	(17)
Upcot/Maskeliya	4,211,417	5,488,000	(1,276,583)	(23)
Total -Western	35,002,191	42,642,272	(7,640,083)	(18)
Medium				
Watawala/Ginigat/Notron Bridge	1,196,123	1,817,763	(621,640)	(34)
Pussellawa/Hewaheta	4,877,643	5,905,005	(1,027,362)	(17)
Kotmale	712,872	940,778	(227,906)	(24)
Gampola/Nawalapitiya/Dolosbage	17,728,354	19,650,628	(1,922,274)	(10)
Nilambe/Hantane/Galaha	1,267,816	1,441,313	(173,497)	(12)
Kadugannawa	4,551,687	5,462,630	(910,943)	(17)
Madulkelle/Knuckles/Ranagala	2,645,825	3,121,792	(475,967)	(15)
Hunasgiriya/Matale/Yakdessa	1,262,310	1,522,678	(260,368)	(17)
Balangoda/Rakwana	7,090,552	8,846,827	(1,756,275)	(20)
Total -Medium	41,333,181	48,709,412	(7,376,231)	(15)
Uda Pussellawa				
Udapussellawa/Halgranoy	3,614,356	4,060,550	(446,194)	(11)
Maturata	1,729,244	1,373,647	355,597	26
Total-Uda Pussellawa	5,343,600	5,434,197	(90,597)	(2)
UVAS				
Koslanda/Haldumulla	600,444	602,593	(2,149)	(0)
Haputale	3,681,191	4,130,515	(449,324)	(11)
Bandarawela/Poonagalla	2,750,843	3,289,655	(538,812)	(16)
Malwatte/Welimada	2,510,844	3,378,505	(867,661)	(26)
Demodara/Haliella/Badulla	8,960,319	9,996,299	(1,035,981)	(10)
Ella / Namunukula	1,148,791	1,904,508	(755,717)	(40)
Passara/Lunugala	2,877,873	3,663,468	(785,595)	(21)
Madulsima	2,621,201	3,486,843	(865,642)	(25)
Total-Uvas	25,151,505	30,452,384	(5,300,879)	(17)
Low Grown				
Deniyaya	11,637,057	13,691,965	(2,054,908)	(15)
Galle	36,104,671	42,869,465	(6,764,794)	(16)
Kalutara	15,989,223	18,953,545	(2,964,322)	(16)
Kegalle	5,401,157	7,071,361	(1,670,204)	(24)
Kelani Velli	7,453,456	8,231,949	(778,493)	(9)
Kandy/Matale/Kurunegala	2,939,898	3,889,004	(949,106)	(24)
Matara	12,743,079	14,157,203	(1,414,124)	(10)
Morawake	5,186,075	6,292,262	(1,106,187)	(18)
Ratnapura	40,002,281	48,328,640	(8,326,359)	(17)
Balangoda	4,111,372	5,177,128	(1,065,756)	(21)
Total Low Grown	141,568,268	168,662,520	(27,094,253)	(16)
Total	251,499,466	299,488,422	(47,988,956)	(16)

*Revised: Source: Sri Lanka Tea Board

Green Leaf Collection Method wise Analysis

Tea factories fulfill their green leaf requirement from own sources as well as the bought crop. Green leaf quantities were derived multiplying the made tea quantities by 4.65 as the standard ratio used in the industry.

Table 3.3: District wise green leaf production (in kgs)

Administrative District	High	Medium	Low	Total
Badulla	71,692,403	46,590,003	-	118,282,406
Colombo	-	-	5,247,832	5,247,832
Galle	-	-	165,766,345	165,766,345
Hambantota	-	-	878,101	878,101
Kalutara	-	-	71,969,205	71,969,205
Kandy	3,554,474	78,919,747	48,765,850	131,240,071
Kegalle	-	1,318,033	40,516,184	41,834,217
Matale	-	6,683,271	1,868,249	8,551,520
Matara	-	213,640	139,021,431	139,235,070
Monaragala	-	102	-	102
Nuwara Eliya	186,644,718	44,409,318	3,717,089	234,771,125
Ratnapura	-	8,721,347	242,975,178	251,696,525
Total	261,891,595	186,855,461	720,725,464	1,169,472,519

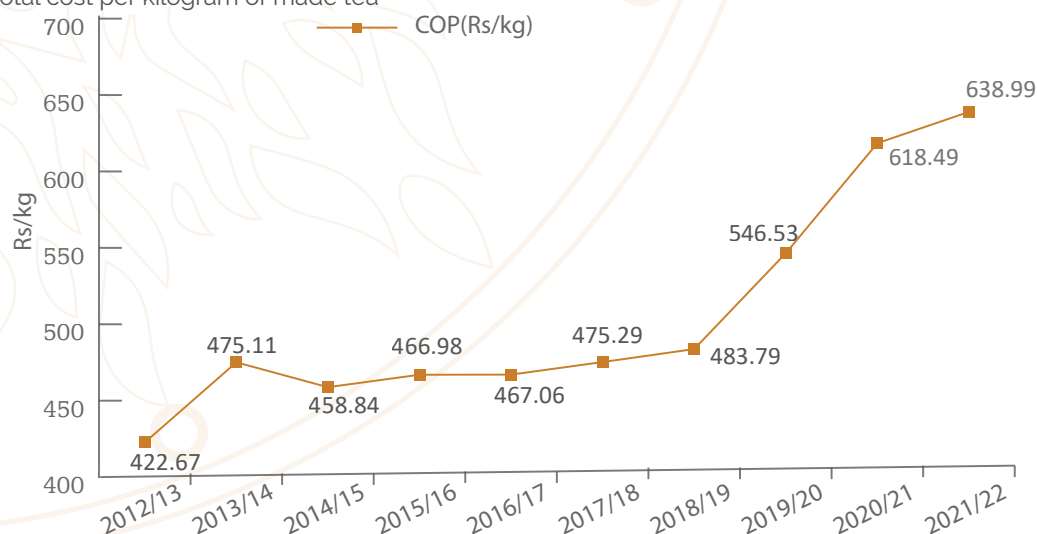
Source: Sri Lanka Tea Board

Cost of Production of Made Tea

Productivity and cost of production (COP) are inter-related and increasing cost of production continues to be a worrying phenomenon in the plantations sector. Labor productivity in tea has a greater relationship with COP as tea production system needs larger quantity of labor. Sri Lanka has highest COP among major tea producing countries. This has affected the country's competitiveness in the global arena.

The cost of production per kilogram of made tea has rapidly increased during the last decade. Increase in labor cost and higher prices of inputs had specially affected the production cost. The annual cost of tea production, compiled by the Department of Census and Statistics for 2021/2022 (Provisional), was Rs.638.99 per Kg which is an increase of 3% against 2021/2022.

Chart 3.3: Total cost per kilogram of made tea



Source: Dept. Of Censes & Statistics

*Estimated 2021/2022

Processing Method wise Analysis

Black Tea and Green Tea Production

During the year 2022, Orthodox Tea production recorded a decrease of 16% while CTC recorded 14% of decrease. During the year under review, overall Black tea production has been decreased by 47Mn.Kg (16%). Meanwhile Green tea production show 30% decrease when compared to previous year.

Instant Tea and Bio Tea Production

When compared to the year 2021, Instant tea recorded an increase of 834,971 Kg in 2022, while the BIO tea shows a decrease of 211MT in 2022. During the year reviewed bio tea produced 977MT while it was recorded as 1,188MT in the year 2021. The instant tea recorded during the reviewed year was 4,473,784Kg.



Tea sales

When compared the net sales averages recorded in the tea auctions, annual to-date average in 2022 was Rs.1,234.24 per (minimum Rs.705 per, maximum Rs.1,599 per) which is a huge increase (of Rs.619 per) when compared to the previous year annual average of Rs.615.44 per. The highest sale average was recorded from the low grown of Rs.1,340. Annual sales quantity of 249 Mn. Kg of tea was sold in 2022 against 296 Mn.kg in 2021 which recorded a 47 Mn kg decline (16%) for the year under review, including Public, Private and Direct sales. During the month of January 2022, month to-date selling average was Rs.705 per which showed a RS 60.00 increase when compared to January 2021. During the 1st three months of the year sales averages were reported in between Rs 700 to Rs.850per, but rest of the months were reported which was higher than Rs.1, 200 per month.

Mode of Sales

Public auction is the main mode of sales of tea manufactured in factories. A quantity of 241 Mn.kg was sold under the Colombo Tea Auction in 2022. Private sales accounted for 6 Mn.kg and the rest about 2Mn kg sold through direct sales.

The Colombo Tea Auction

The Colombo Tea Auction conducted by Ceylon Chamber of Commerce under Colombo Tea Traders Association and during the 2022 they were handled 50 auctions. The public auction recorded a decrease of 46Mn.kg (16%) while average price reported Rs.626 per kg at the Colombo Tea Auction during 2022. It was a 100% price hike compared to last year.

Elevation-wise Sales

Among all three elevations, sales volume represented a downward trend and Annual all sales decreased by 16 % when compared with last year. Existing Unit price per kilo among three elevation has been increased by a considerable percentage. However the overall tea prices recorded Rs. 618.00 increase when compared to last year. It was a 100% price increase compared to last year.

Table 3.4 Elevation-wise Tea Sales.

Elevation	Quantity (Mn.kg.)			
	2022	2021	Change	%
High	53.72	63.52	(9.80)	(15.43)
Medium	42.08	52.34	(10.26)	(19.60)
Low	152.84	179.94	(27.10)	(15.06)
Total Sales	248.64	295.79	(47.15)	(15.94)

Elevation	Unit Price (Rs./Kg.)			
	2022	2021	Change	%
High	1,093.10	587.13	505.97	86.18
Medium	1,030.82	550.8	480.02	87.15
Low	1,339.86	644.23	695.63	107.98
Total Sales	1,234.24	615.44	618.80	100.55

Source: Sri Lanka Tea Board

Tea exports

Total tea exports (with Re exports) for the review year, 250Mn kg recording a decline of 36 Mn kg vis-à-vis 286 Mn kg recorded for the year 2022. The export earnings of Rs 411 Bn recorded a growth of Rs. 148 Bn vis-à-vis Rs.263 Bn recorded at the end of 2021. The average annual unit FOB price was Rs. 1,643per kilogram in 2022 and comparatively it was recorded as Rs 921 per kilograms in previous year by reflecting an increase of Rs 722.00. In world tea market Sri Lanka became as 3rd tea export country in volume and enduring as 2nd earner in value term which could remarked the blooming tea potential as premium - quality tea from Ceylon in the global tea market.

Intense competition from rivals has adversely affected to the nation's competitive position and this has been exacerbated by the higher production cost of tea and poor yield in Sri Lanka. Meanwhile, the country's continues dependency on orthodox tea as opposed to CTC teas could further erode its market share among global consumers' rapidly changing preferences.

Category wise Export

In general, preferences for tea vary substantially, depending on the origin and quality of the leaves. Middle Eastern and CIS countries demand for Sri Lankan low-grown, orthodox teas, which gives a strong cup.

In 2022, Total tea exports including re-exports in different categories of Black, Green & Instant showed a decrease of its volume, but rupee value increased considerably. In general, every year black tea export percentage remains approx. 97%, green tea percentage is around 2% and instant teas remains at approx. 1%. Total export volume (with re export) shows 12% decrease with 36 Mn.kg quantity change. Separately export & re export shows 12% volume de growth and 14% respectively. Furthermore, exports & re-export values has increased by 56% & 51% respectively. However, cumulative exports earnings were ended up with US\$ 1,259 Million in 2022 relating to the US\$ 1,324 Million in 2021 accomplished a 5% decrease.

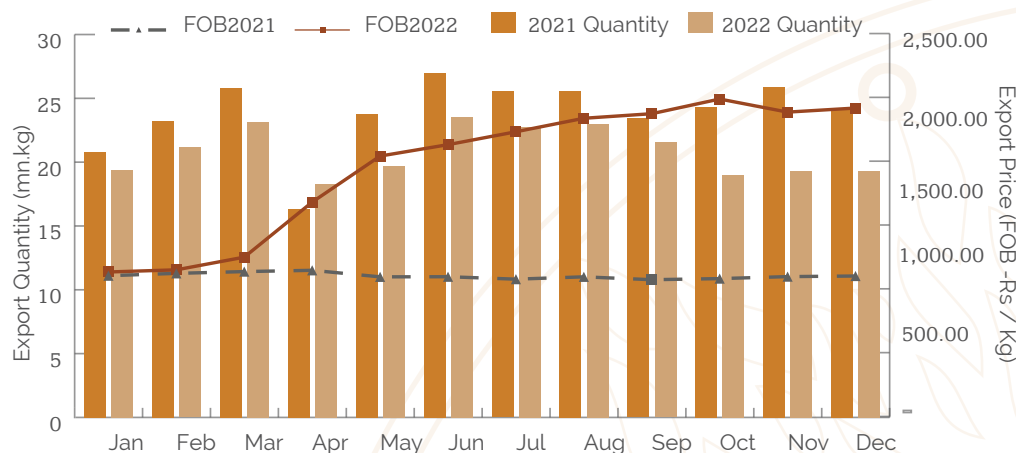
Table 3.5: Annual tea exports – 2022

Export Type	Qty (kg)	Value (Rs)	FOB (Rs/kg)
Exports			
Black			
Bags	17,856,567	50,318,834,916	2,817.95
Bulk	109,326,468	157,876,743,351	1,444.09
Packets (1Kg-3Kg)	2,519,201	3,628,421,839	1,440.31
Packets (3kg-5kg)	10,496,157	15,556,823,076	1,482.14
Packets (4g-1kg)	69,365,042	112,719,806,735	1,625.02
Packets (5kg-10kg)	27,206,924	34,118,331,231	1,254.03
Black Total	236,770,359	374,218,961,148	1,580.51
Green			
Bags	718,621	4,271,453,436	5,943.96
Bulk	316,554	615,832,597	1,945.43
Packets (1kg-3kg)	9,907	26,682,268	2,693.27
Packets (3kg-5kg)	7,809	19,831,902	2,539.62
Packets (4g-1kg)	775,359	2,274,194,074	2,933.08
Packets (5kg-10kg)	23,815	40,385,635	1,695.77
Green Total	1,852,065	7,248,379,912	3,913.67
Instant			
Bags	78	207,329	2,651.27
Packets (>3kg)	3,023,483	8,036,682,105	2,658.09
Packets (4kg-1kg)	277	559,090	2,019.10
Packets (5g-10kg)	-	-	-
Instant Total	3,023,838	8,037,448,524	2,658.03
Export Total	241,646,262	389,504,789,584	1,611.88
Re Exports			
Black			
Bags	3,816,963	8,465,366,534	2,217.83
Bulk	1,126,687	1,575,671,476	1,398.50
Packets (1kg-3kg)	4,937	6,420,350	1,300.55
Packets (3kg-5kg)	647	1,835,327	2,835.53
Packets (4g-1kg)	1,086,921	2,071,493,422	1,905.84
Packets (5kg-10kg)	65,180	124,450,297	1,909.33
Black Total	6,101,336	12,245,237,406	2,006.98
Green			
Bags	1,271,310	7,083,652,184	5,571.93
Bulk	282,161	317,932,572	1,126.78
Packets (1kg-3kg)	308	1,600,114	5,195.18
Packets (3kg-5kg)	54,969	116,121,236	2,112.49
Packets (4g-1kg)	745,424	1,661,975,786	2,229.57
Packets (5kg-10kg)	16,760	34,604,432	2,064.70
Green Total	2,370,932	9,215,886,324	3,887.03
Instant			
Packets (>3kg)	52,095	87,517,917	1,679.98
Packets (4g-1Kg)	715	1,524,012	2,130.89
Packets (1kg-3kg)	-	-	-
Instant Total	52,810	89,041,929	1,686.09
Grand Total(Re-Export)	8,525,077	21,550,165,659	2,527.86
Grand Total(Export+Re-Export)	250,171,340	411,054,955,243	1,643.09

Source: Sri Lanka Customs



Chart 3.4: Monthly Total tea exports 2022- Volume & Unit Value



Value added Tea Exports

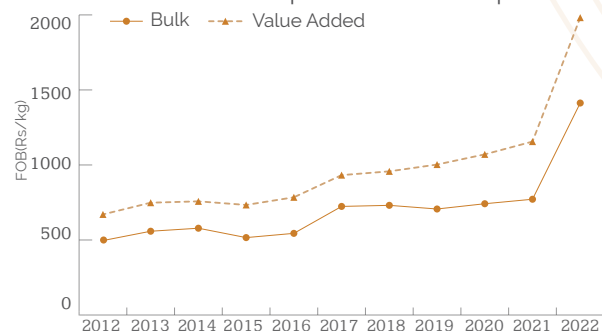
The global preferences are rapidly changing into value added tea categories. Hence, Sri Lanka should adopt to these market changes in order to maintain its traditional market position in the globe. Exports of value added tea volume (less than 3kg in form of tea packets, tea bags and instant teas) recorded a share of 40% of the total export volume for the year 2022 and it generated Rs 201 Bn export income remarking the value share of 49%.

Table 3.6: Annual Value Added tea exports – 2022

Export type	Categories	Quantity (kg)	Value (Rs)	FOB (Rs/kg)
Export	Black	89,740,810	166,667,063,490	1,857.20
	Green	1,503,887	6,572,329,778	4,370.23
	Instant	3,023,838	8,037,448,524	2,658.03
Sub Total		94,268,535	181,276,841,792	1,922.98
Re Export	Black	4,908,821	10,543,280,306	2,147.82
	Green	2,017,042	8,747,228,084	4,336.66
	Instant	52,810	89,041,929	1,686.09
Sub Total		6,978,673	19,379,550,319	2,776.97
Total		101,247,208	200,656,392,111	1,981.85

Source: Sri Lanka Tea Board

Chart 3.5 value added exports & bulk tea exports



Source: Custom Data

FOB price for the value added tea is higher than Bulk tea. Further promotions on value added tea exports will

positively contributed to the Sri Lankan economy than bulk tea exports. During the year under review, FOB prices for both value added and bulk tea have reflected an increase. Exports Up to 3kg have been considered as value added teas.

Main Destinations of Sri Lanka Tea Exports

In the past UK, Pakistan, Egypt had higher market share for Ceylon tea. However, those were not even in the first 25 exports destination at present. Iraq becomes the main Sri Lankan tea exporter by importing 17% of total Ceylon tea exports with 2% growth compared to 2021.

Russia was the second largest export destination in volume with 10% export share in 2022. It was a 10 % decrease of exports compared to 2021. The average FOB prices for Germany showed a high price among top ten countries in 2022 which was achieved Rs.1, 882per kg. Meanwhile in considering the top ten countries; Iraq, Azerbaijan and Germany has increased their portion of Ceylon tea imports and Russia, UAE, Turkey, Iran, Libya, China & Chile has decreased their import share when comparison to 2021. However top 10 countries have been exported 67% of Ceylon tea exports during the year 2022. Among the top 10 destinations of Ceylon tea exports, turkey limited their demand for Ceylon tea by 48% with their currency depreciation. Also it is noticeable that the supply of Ceylon tea to the world is diminishing gradually after 2013 due to production losses.

Russia has moved up to the second place in the list of main destinations of Ceylon Teas, while UAE retained its position in the third place with an export volume share of 9%. The Middle East is Sri Lanka's largest export destination as a region; demand has been expanding robustly due to strong oil prices. As for earnings, Germany, Azerbaijan, UAE, Iran maintained significantly the higher FOBs with respect to the average unit FOB price attained. Furthermore total export revenue exceeded Rs. 411 Bn in 2022 recording a significance increase of its earnings with compared to 2021. However, Sri Lankan bulk teas exports have now tilted towards the Middle East as a result of other regions are used to drink tea bags.

Table 3.7: Tea exports quantities and Ranking for top 20 countries by package type - 2022

Country	Qty kg							Rank							
	Bags	Bulk	Packets (>3kg)	Packets (1kg-3kg)	Packets (3kg-5kg)	Packets (4g-1kg)	Packets (5kg-10kg)	Grand Total	Bags	Bulk	Packets (>3kg)	Packets (1kg-3kg)	Packets (3kg-5kg)	Packets (4g-1kg)	Packets (5kg-10kg)
Iraq	312,200	5,610,683	-	467,081	1,532,385	22,214,971	13,108,604	43,245,924	9	6	-	3	3	1	1
Russia	714,113	19,975,038	439	-	10,440	4,017,989	15,170	24,733,188	8	1	10	-	13	4	10
UAE	243,695	14,870,011	878	42,497	495,450	2,663,434	4,242,489	22,558,454	11	2	7	7	4	6	2
Turkey	127,257	3,156,089	-	654,733	4,376,951	4,312,427	2,967,610	15,595,068	14	11	-	1	1	3	4
Iran	157,027	6,707,148	-	543,225	363,825	1,182,854	4,105,750	13,059,829	13	5	-	2	5	12	3
Azerbaijan	5,456	11,570,097	-	-	38,785	468,070	9,480	12,091,887	20	3	-	-	11	14	14
Libya	33,109	-	-	-	-	11,167,410	-	11,200,519	18	-	-	-	-	2	-
China	208,689	9,333,154	72,129	60,509	4,661	344,932	1,104,808	11,128,882	12	4	3	6	14	15	5
Germany	247,770	4,004,429	33,600	-	-	2,283,177	3,940	6,572,916	10	10	5	-	-	8	15
Chile	816,728	5,432,585	671	-	-	230,849	32,690	6,513,522	6	7	9	-	-	17	9
USA	1,538,014	2,742,884	97,379	2,395	25,235	2,033,133	13,998	6,453,037	4	13	2	9	12	9	11
Saudi Arabia	1,914,751	1,117,855	10,611	25,179	283,340	2,908,444	10,390	6,270,569	1	15	6	8	7	5	13
Syria	875,850	453,625	-	455,625	2,708,435	1,601,483	58,500	6,153,518	5	16	-	4	2	11	8
Japan	805,272	4,814,867	703	-	71,585	86,714	125,515	5,904,655	7	8	8	-	9	19	6
Taiwan	106,245	4,247,876	34,230	145	303,501	143,273	122,635	4,957,905	16	9	4	10	6	18	7
Jordan	1,884,500	21,708	-	-	65,000	1,959,231	282	3,930,721	2	18	-	-	10	10	17
Hong Kong	103,413	3,106,546	3	245,541	108,941	240,474	12,129	3,817,046	17	12	12	5	8	16	12
Poland	1,562,346	1,275,010	-	-	29	539,636	1,300	3,378,321	3	14	-	-	15	13	16
Belgium	113,085	194,497	117	-	-	2,589,480	-	2,897,178	15	17	11	-	-	7	-
Ireland	12,393	-	2,644,132	-	-	1,575	-	2,658,100	19	-	1	-	-	20	-
Top 20 Total	11,781,908	98,634,099	2,894,893	2,496,930	10,388,563	60,989,555	25,935,291	213,121,239	-	-	-	-	-	-	-
Gran Total	23,663,539	111,051,871	3,075,577	2,534,352	10,559,582	71,973,739	27,312,679	250,171,340	-	-	-	-	-	-	-

Source: Custom Data

Table 3.8: Main Destinations of Sri Lankan Tea Exports 2022

Country	2022				2021				
	Rank	Quantity (kg)	FOB RS/ kg	Export share (%)	Rank	Quantity (kg)	FOB RS/ kg	Export share (%)	Growth (%)
Iraq	1	43,245,924	1092.82	17.29	1	42,455,312	642.78	14.85	2
Russia	2	24,733,188	1638.3	9.89	3	27,357,322	834.06	9.57	(10)
Uae	3	22,558,454	1704.39	9.02	4	23,147,842	891.15	8.1	(3)
Turkey	4	15,595,068	1503.25	6.23	2	29,745,684	858.71	10.41	(48)
Iran	5	13,059,829	1748.66	5.22	5	15,833,588	887.83	5.54	(18)
Azerbaijan	6	12,091,887	1749.26	4.83	8	10,591,096	882.58	3.7	14
Libya	7	11,200,519	1195.87	4.48	7	12,338,991	739.58	4.32	(9)
China	8	11,128,882	1401.1	4.45	6	14,221,526	847.79	4.97	(22)
Germany	9	6,572,916	1881.94	2.63	10	6,402,796	1025.87	2.24	3
Chile	10	6,513,522	1394.49	2.6	9	8,834,919	809.2	3.09	(26)
Top 10 Total		166,700,189	1,464.31	66.64		190,929,076	809.64	66.79	(13)
Grand Total		250,171,340	1,643.09	100.00		285,871,722	921.23	100.00	(12)

Source: Custom Data

Exports of Black Tea

Black tea recorded 97% (243Mn.kg) of total tea exports and contributed to the total exports revenue 94% (Rs.386 Bn). Among all the black tea export destinations, Top twenty accounted 86% of volume and 83% by value. Iraq acquired the first place among prime black tea importer in 2022 by importing 17% volume of Ceylon tea exports while Russia positioned in second place in 2022 by importing 10% of Ceylon tea exports. However Russia remains as the prime sri Lankan black tea importer up to 2013 and 2014 Turkey acquires the first place among highest import of Ceylon black tea. Again Russia comes to the first place as the prime black tea importer in year 2015 by importing 12% of Ceylon

Table 3.9: Top 20 Black tea exports destination and market share 2021 (With Re export)

Country	Quantity (Mn.kg)	Value(Rs.Bn)	FOB(Rs/kg)	Volume Share (%)	Value Share (%)	Qty Growth (%)
Iraq	43.21	47.20	1,092.34	17.79	12.21	1.83
Russia	24.25	39.16	1,614.40	9.99	10.13	(9.48)
UAE	22.22	37.78	1,700.04	9.15	9.77	(2.18)
Turkey	15.58	23.41	1,502.74	6.41	6.06	(47.57)
Iran	13.04	22.80	1,748.60	5.37	5.90	(17.57)
Azerbaijan	12.09	21.13	1,748.55	4.98	5.47	14.21
China	11.00	15.28	1,389.76	4.53	3.95	(21.05)
Libya	10.80	12.81	1,185.62	4.45	3.31	(10.94)
Germany	6.45	11.98	1,858.54	2.65	3.10	2.71
Chile	6.44	8.76	1,359.76	2.65	2.27	(26.31)
Syria	6.15	10.83	1,760.79	2.53	2.80	(20.80)
Saudi Arabia	6.13	13.86	2,262.99	2.52	3.59	(3.72)
Japan	5.90	11.43	1,938.25	2.43	2.96	(10.51)
USA	5.77	9.82	1,702.89	2.38	2.54	9.40
Taiwan	4.82	6.73	1,395.81	1.98	1.74	1.64
Jordan	3.91	7.22	1,846.90	1.61	1.87	(24.84)
Hong Kong	3.81	5.16	1,354.02	1.57	1.34	(14.00)
Poland	3.26	7.09	2,177.87	1.34	1.84	2.19
Belgium	2.88	4.44	1,541.07	1.19	1.15	(18.11)
Ukraine	2.21	3.73	1,689.15	0.91	0.97	(43.31)
Top 20 Totals	209.91	320.63	1,527.48	86.43	82.97	(12.57)

Source: Custom Data

Exports of Green Tea

Table 3.10: Top-Twenty Destinations of Green Tea 2022 Exports

County	Quantity ('kg)	Value (Rs.Rs)	FOB (Rs/kg)	Volume Share (%)	Value Share (%)	Qty Growth (%)('22Vs'21)
USA	587,122	3,257,205,316	5,547.74	13.90	19.78	(5.77)
Russia	477,822	1,362,397,283	2,851.26	11.31	8.27	(14.92)
Libya	398,205	586,830,987	1,473.69	9.43	3.56	89.75
UAE	336,910	668,951,328	1,985.55	7.98	4.06	(22.14)
Netherlands (Holland)	229,982	1,302,209,778	5,662.22	5.45	7.91	(12.81)
Ukraine	207,359	473,968,508	2,285.74	4.91	2.88	(45.42)
Saudi Arabia	133,481	498,808,170	3,736.93	3.16	3.03	(6.44)
Poland	121,132	490,713,793	4,051.07	2.87	2.98	(25.31)
Australia	115,755	637,495,119	5,507.27	2.74	3.87	(9.33)
Taiwan	104,933	223,413,203	2,129.10	2.48	1.36	1.80
Nigeria	95,210	373,800,486	3,926.05	2.25	2.27	17.19
Germany	91,125	274,168,327	3,008.71	2.16	1.67	18.38
Uzbekistan	76,124	189,190,696	2,485.30	1.80	1.15	8.84
Chile	73,167	324,443,225	4,434.28	1.73	1.97	(22.96)
Belarus	65,664	173,556,630	2,643.10	1.55	1.05	50.23
Czech Republic	64,574	433,432,826	6,712.16	1.53	2.63	36.26
United Kingdom	62,737	491,723,801	7,837.83	1.49	2.99	(8.89)
Canada	60,882	333,820,004	5,483.09	1.44	2.03	(19.94)
China	59,304	196,205,408	3,308.47	1.40	1.19	(40.81)
France	55,531	388,041,441	6,987.78	1.31	2.36	(53.80)
Top 20 Totals	3,417,021	12,680,376,329	3,710.95	80.91	77.02	(9.75)

Source: Sri Lanka Customs.

Below graph indicate the volume share of the top 5 green tea exports destinations.

Green tea encountered 2% (4.2Mn.kg) of total tea exports and revenue contributed by 4% (Rs.16.4 bn) of its total revenue during the year 2022. Among the all green tea export destinations, Top twenty represented 81% of volume and 77% by value. Out of leading twenty importers of Green teas, USA recorded a considerable volume of 0.6 Mn.kg while UK recorded high FOB prices for year 2022. Otherwise almost all the top 20 green tea exports destinations were recorded high FOB Prices while Libya and UAE recorded fairly low Prices. However it has recorded 10% volume de growth for top 20 green tea export destinations in year 2022 when compared to last year.

Exports of Instant Tea

Ireland is playing a vital role for Ceylon Instant tea market being leading instant tea importing country from Sri Lanka and responsible for an import volume 2.6Mn.kg. (86%) of Instant tea. USA, Pakistan, China, Taiwan maintained later positions in the list of major instant tea exports destinations respectively. During the review year, total Instant tea exported 3Mn kg and respective value recorded as Rs 8 Bn.

Exports of Ready to Drink (RTD) Teas

For 2022, total RTD exports could carry Rs.4.8 Mn of export revenue by exporting 4,757 liters of RTD teas. Iraq played a vital role in RTD market by importing 4,032 liters and it generated Rs.2.9 Mn. earnings to the country. UAE and USA were other major markets for Ceylon RTD exports. However during last two years it was noticed that Sri Lankan RTD market was gradually declining.

Global Tea Industry background

Tea is one of the most frequently consumed hot beverages in the world, second only to water. As a natural beverage it is popular among all the ethnic groups in the world and almost all the age groups too. Among the Sri Lanka's exports particularly tea has played a vital role in the National economy and Social Development from the inception of its illustrious history. The commodity based product has made inroads as a significant contributor of Sri Lanka's exports earnings, whilst this segment is also amongst the largest employers in the country.

Amongst tea producing countries, the principal producers are China, India, Kenya, Turkey & Sri Lanka. In the review year Sri Lanka has failed to position in the 4th place and



Turkey has come to the forth surpassing the Sri Lanka's position. Meanwhile Vietnam dropped to the fifth place in the main producing list. These five countries account for 85% of world production and 80% of global exports while China was mainly instrumental for the surge in world tea crop, African Continent particularly Kenya also registered a bumper harvest. However considering the Sri Lankan scenario in the global tea industry, the year 2020 performed was moderate with key performance indicators of exports, production, Auction prices and revenue performances (exports) compared to the other tea producing members.

Global Tea Cultivation

Total extent planted with tea in the world was estimated to be more than 5 million hectares at the end of the year 2021.

Table 3.11: Highest Tea Extent Records

Country	2016(Ha)	2017(Ha)	2018(Ha)	2019(Ha)	2020(Ha)	2021(Ha)
China	2,920,000	3,059,000	2,985,800	3,065,500	3,165,130	3,264,060
India	577,480	590,000	636,560	636,560	636,560	636,560
Sri Lanka*	202,839	202,540	202,540	202,540	202,540	202,540
Kenya	218,538	232,742	234,300	269,430	269,430	269,430
Vietnam	134,000	134,000	130,000	130,000	130,000	130,000
Indonesia	118,100	116,500	115,300	114,300	113,500	113,400
Myanmar	80,000	80,000	81,000	81,400	81,400	81,600
Turkey	77,000	77,000	83,000	83,000	83,000	83,000
Bangladesh	59,000	59,000	59,300	61,000	65,429	65,972
Japan	43,100	42,400	41,600	40,600	39,100	38,000

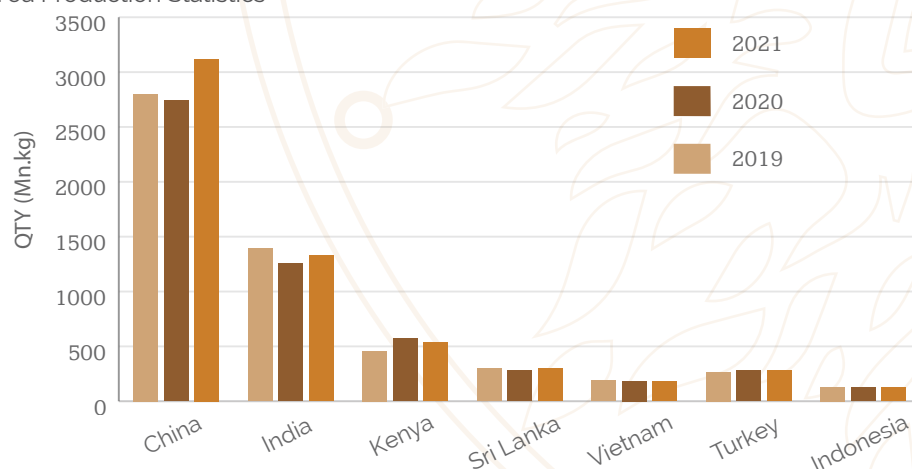
Source: Annual ITC Bulletin of Statistics - 2022

*Estimated Area registered as Planted

According to the International Tea Committee (ITC), largest tea extent is found in China (62.74%) and they are rapidly expanding their tea extent annually. Tea area in Kenya also reached to a higher extent in 2010 to 2021. The top-ten countries of tea growing are bearing 94% of total tea extent.

Global Tea Production

Chart 3.6: World Tea Production Statistics



Source: Supplement: Annual ITC Bulletin of Statistics – 2022

Global tea production reached up to 6.5Bn. Kg during the year 2021 and it showed 3% increase compared to year 2020. China, India, Kenya, Sri Lanka, Turkey, Vietnam and Indonesia represented around 91% of global tea production for year 2021. Although India and China are still the largest tea producers, these 2 nations' considerable domestic consumption has rendered and Kenya the largest global exporters of this commodity.

Sri Lanka became the fourth largest tea producer in the global producer list with increasing annual production of Ceylon tea in year 2021 while Turkey position go down to the forth place. However Sri Lanka share of the global tea production is 5% in year 2021.

China occupies the highest position with 3,120 Mn.kg with a share of world production of 48 % and India stayed at second with an annual production of 1,329 Mn.kg. with a share of 21% of world Tea Production in 2021. Kenya is placed as the third with its manufacturing level at 533 Mn.kg. and 8% share. As the fifth contributor to the world tea production Turkey produced 280 Mn kg with a share of 4% in 2021.

Global Tea Consumption

Annual tea consumption and triennial average per capita tea consumption during the three years period of 2019-2021 reveal that the consumption was highest in China, recording 2,489 Mn.kg. Although the per capita consumption is low this was recorded as 1.78 kg. Turkey showed the highest per capita consumption 3.23 kg per head with 269.47 Mn kg of annual consumption. Libiya also showed a high per capita consumption recording a 2.06 kg per head.

Table 3.12: Country-wise Tea Consumption Statistics

Country	2017-19		2018-20		2019-21	
	Total	p hd	Total	p hd	Total	p hd
Libya	17.83	3.02	15.33	2.64	14.13	2.05
Afghanistan	30.77	1.02	27.87	0.91	25.63	0.82
Turkey	252.30	3.04	263.27	3.2	269.47	3.23
United Kingdom (a)	106.77	1.59	107.6	1.61	102.25	1.52
Morocco	73.05	2.07	74.23	2.09	75.3	2.09
Ireland Republic	9.76	2.00	10.38	2.1	9.89	1.99
Taiwan	36.67	1.31	36.55	1.3	36.94	1.32
Qatar	4.19	1.51	4.28	1.53	4.28	1.51
Sri Lanka	29.16	1.35	29.53	1.36	29.59	1.35
Hong Kong	11.85	1.59	12.37	1.65	13.73	1.83
Chile	20.25	1.09	21.45	1.12	20.74	1.07
Syria	10.70	0.60	9.85	0.64	10.9	0.61
Egypt	99.86	1.00	98.85	1	100.59	1
Iraq	43.50	1.13	43.23	1.11	43.8	1.1
Iran	81.87	1.00	78.23	0.94	73.27	0.87
China	2,152.67	1.55	2289	1.64	2489	1.78
India	1,083.33	0.84	1091	0.83	1096.73	0.81
CIS	245.33	0.83	239.23	0.82	237.75	0.82
Pakistan	190.81	0.89	216.34	1.01	234.9	1.08
USA	120.96	0.37	114.09	0.35	112.54	0.34
Japan	104.21	0.82	100.05	0.79	97.26	0.77
Indonesia	94.33	0.35	95.33	0.36	95.67	0.35
Bangladesh	82.83	0.50	85.17	0.51	88.17	0.52
Poland	37.37	0.98	38.78	1.02	39.49	1.04
Germany	28.07	0.34	24.93	0.3	23.82	0.29

Source: Annual ITC Bulletin of Statistics – 2022, Total: Mn kg, P hd : kg

Global Tea Sales

Colombo Auctions handled 296 Mn.kg of tea for average price per kilogram at US\$ 3.09 for year 2021. However, volume traded in Mombasa auctions also maintained over 500 Mn.kg and Kolkata auctions had traded considerable volume of 169 Mn kg in 2021. When considering the major auction centers in the world it is noticeable, Colombo auction holds the record for the highest average price fetched for the last many years.



The Colombo auction center exceeds the average price USD 3.00 per kg in year 2021 and it was able to keep the prices above US\$ 3 for last many years. During the review period, Chittagong, Kolkata, and Guwahati auction centers exceeded the 2 dollars per kg and Kolkata holds the second largest average auction price while Guwahati holds the third position.

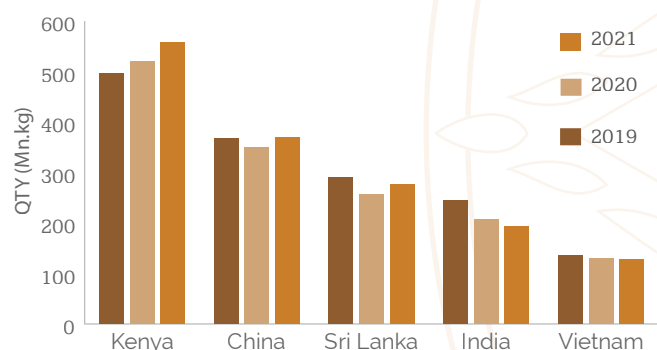
Table 3.13: Statistics of Major Tea Auctions (Qty. - in Mn.kg. Avg. Unit Price - in US\$/Kg.)

Auction Centre	2018		2019		2020		2021	
	Qty.	Price	Qty.	Price	Qty.	Price	Qty.	Price
Chittagong	79	3.12	85	2.31	82.99	2.05	88	2.32
Cochin	48	1.81	42	1.66	41.52	1.92	48	1.92
Colombo	288	3.60	298	3.07	268.24	3.39	296	3.09
Guwahati	177	2.13	150	2.09	162.52	2.69	155	2.49
Jakarta	-	-	-	-	-	-	-	-
Kolkata	159	2.46	168	2.43	132.60	2.91	169	2.86
Limbe	9	1.84	9	1.46	5.98	1.44	13	1.38
Mombasa	458	2.43	454	2.04	516.80	1.93	504	1.97

Source: ITC web

Global Tea Exports

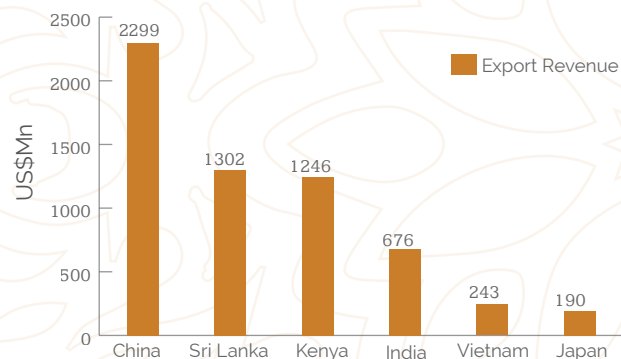
Chart 3.7: Major Tea Exporters



Source: Supplement to Annual ITC Bulletin of Statistics – 2022

Note: Sri Lankan Figure with excluding Re-exports

Chart 3.8: Top Most Exports Revenue .



Source: Annual ITC Bulletin of Statistics – 2022

Global tea exports during 2021 showed shrinkage of 49 Mn.kg (3%) as against the previous year. India & Vietnam showed a negative growth of its exports by 7% & 2% respectively against last year. Kenya showed an increase of its export quantities and obtaining 7% growth compared to the year 2020. The three largest exporters, viz, Kenya, China and Sri Lanka accounted for more than 64% of global exports. The leading tea exporting countries with their export revenues in year 2021 are listed below. It reveals that China recorded as largest income earner from tea exports. This reveals that Kenya has earned as the third largest export earner. As the Second largest export revenue earner Sri Lanka was able to continue US\$1.3 billion industry status with its pure Sri Lankan tea exports.

4. Approach to the Sustainable Development Goals



Sustainable Development Goals are bold, universal agreement to end poverty in all its dimensions and craft and equal, justice and secure world for people, planet and prosperity by 2030.

Sustainable Development Goals and 169 targets and 230 indicators involve of transforming our world when 2030. The Agenda was adopted by 193 member states at the historic UN General Assembly Summit in September 2015, and came in to effect on 1st January, 2016.

The SGDs have been developed through an unprecedented consultative process that brought national governments and millions of citizens from across the globe together to negotiate and adopt the ambitious agenda.

Out of these 17 established goals, several goals are relevant to the scope of the Tea Industry & sub indicators are covered the scope of Sri Lanka Tea Board. All projects & programs are conducted by Sri Lanka Tea Board. Efforts made by the Sri Lanka Tea Board together with all stakeholders to achieve the goals towards sustainability of the tea industry are briefly described under each goal below.

1 NO POVERTY



Sri Lanka Tea Board contributes No Poverty by implementing by regulating the tea industry.

- Conducting awareness programs to tea growers to uplift the leaf quality standards.
- Conduct regular monitoring mechanism to ensure leaf standards and payment of fair price to smallholders thereby ensuring flow of effect of FOB price increase to the bottom level growers through registered producers. Currently there are 819 tea factories and around 485,000 small tea land holders and RPC workers..
- During the period 2022, though tea production was decreased, It was remarkably increased fetched prices at Colombo auction

- During the COVID-19 pandemic, Sri Lanka tea Board arranged to donate 1.2 million worth Ceylon Tea to the state hospitals in tea growing areas in Sri Lanka in order to consume their staff, patients as an immunity booster.

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



- 19 employees participated for the training programs organized by the SLTB with the guidance of relevant heads of divisions.
- To increase the awareness of Ceylon Tea and its quality, and also the current tea Industry information, SLTB officials participated for Doramadala program on ITN

- In Sri Lanka Tea Board there are no any bias on the gender basis and it encourage to all the stakeholders to process all activities without any gender bias. The employees of the SLTB engage their work without any gender bias.

5 GENDER EQUALITY



- Sri Lanka Tea Board continued the interest payment Solar power subsidy scheme in 2022 and paid Rs 23 million as interest payments.

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



- New project planning activities on subsidy scheme for encouraging product innovation and diversification in the Sri Lanka Tea Industry
- Implemented 5% incentive subsidy scheme for exporters to encourage value added tea exports and Rs.572Mn are ready to pay for the Exporters

- Tea Factory Modernization Subsidy Scheme was implemented and so far, covered 27 Factories incurring Rs.22.7 9Mn

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Implemented the subsidy scheme to get the HACCP certification for tea factories and upgraded their standards and international recognition
- Continuation of the Tea Exporter Machinery subsidy program

- Implementation of irrigation subsidy scheme to establish proper irrigation system in tea lands. The treasury provided Rs.24.5Mn for the project in 2022.
- Implementation of High shade management project

13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



- Sri Lanka Tea Board with the assistance of Sri Lanka Embassy in Cairo initiated the preliminary arrangements to open a Ceylon Tea Kiosk at Dandy Mall Shopping Mall in Cairo joining with Sri Lanka Tea exporting companies to Egypt with the objective of promoting Lion Logo carrying Ceylon Tea brands among the affluent consumer segment of the market who search for premium Ceylon Teas.
- Proposal submitted to 3rd meeting of the joint working group on Trade, Investment and Auto Sector between Pakistan and Sri Lanka for the "Introduction of Product Specific Rules of origin (PSR) on value added tea from Sri Lanka to Pakistan under Pakistan Sri Lanka Free Trade Agreement to enjoy the Tariff benefits under the unused quota" The Pakistan side agreed to send this proposal to the subcommittee for seeing the possibilities.
- Proposals received from the potential investors in Pakistan, collected by Consul Office in Karachi for establishment of Tea Shop in Karachi for Value Added Tea Packs.

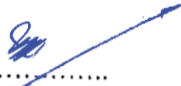
5. FINANCIAL REVIEW

Statement Of Financial Position

As at 31st December 2022

Assets	Notes	2022 (Rs.)	2021 (Rs.)
Non-current Assets			
Property, Plant and Equipment	F	1,613,886,378	908,011,343
Prepaid Leasehold Right to Land	G	2,427,337	2,503,722
Intangible Assets	H	28,993,877	24,353,347
		1,645,307,592	934,868,413
Current Assets			
Inventories	I	34,494,977	32,614,625
Trade and Other Receivables	J	476,573,193	133,629,022
Deposits and Prepayments	K	59,668,267	30,610,919
Other Financial Assets	L	9,881,196,687	8,752,587,569
Loans	M	1,055,385,399	1,244,653,507
Cash & Cash Equivalents	N	388,067,757	174,934,865
		11,895,386,281	10,369,030,507
Total Assets		13,540,693,873	11,303,898,919
Equity And Liabilities			
Contributed Capital		672,012,202	672,012,202
Retained Earnings		41,600,571	(172,889,012)
Promotion and Marketing Levy	O	9,869,442,654	9,476,026,219
Revaluation Reserve		1,275,202,496	537,223,481
Total Equity		11,858,257,923	10,512,372,890
Non-Current Liabilities			
Employee Benefit Obligations	P	43,699,322	58,344,044
		43,699,322	58,344,044
Current Liabilities			
Income Tax payable	Q	163,276,674	22,959,560
Trade and Other Payables	R	1,308,577,437	709,462,475
Bank Overdraft	S	215,852	759,950
Bank Loan		166,666,666	-
		1,638,736,629	733,181,985
Total Liabilities		13,540,693,873	11,303,898,919

The accounting policies on pages 66 to 75 and Notes on pages 76 to 90 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


Director Finance

Date: 27.02.2023


Director General

Date: 27.02.2023


Chairman

Date: 27.02.2023


Director

Date: 27.02.2023

Income Statement

For the year ended 31st December 2022

	Notes	2022 (Rs.)	2021 (Rs.)
Income	A	797,122,462	616,447,345
Expenditure			
Tea Sector Development Expenditure	B	(144,658,596)	(177,021,114)
Administrative Expenses	C	(504,880,134)	(449,018,159)
Operating Surplus / (Deficit)		147,583,732	(9,591,928)
Finance Income	D	75,129,356	22,916,904
Finance Expenses	E	(174,594)	(169,885)
Surplus / (Deficit) Before Taxation		222,538,495	13,155,091
Tax paid on Interest Income	Q	(12,248,758)	(4,961,058)
Surplus / (Deficit) After Taxation		210,289,737	8,194,033

The accounting policies on pages 64 to 73 and Notes on pages 74 to 88 form an integral part of these Financial Statements.

	2022 (Rs.)	2021 (Rs.)
Surplus / (Deficit) for the period	210,289,737	8,194,034
Actuarial valuation	24,704,215	-
Revaluation surplus	737,979,015	-
Surplus / (Deficit) for the period	972,972,967	8,194,034

The accounting policies on pages 66 to 75 and Notes on pages 76 to 90 form an integral part of these Financial Statements.



Statement Of Changes In Equity

Year Ended 31st December 2022

	Contributed Capital (RS.)	Promotion & Marketing Levy (RS.)	Revaluation Reserve (RS.)	Retained Earnings (RS.)	Total (RS.)
Balance as at 01st January 2020	672,012,202	9,003,547,467	509,766,986	(117,001,094)	10,068,325,560
Promotion and Marketing Levy (Note - O)	-	148,907,390	-	-	148,907,390
Adjustments	-	(1,064,340)	-	411,077	(653,263)
Surplus for the year 2020	-	-	27,456,495	(21,447,654)	6,008,840
Balance as at 31st December 2020	672,012,202	9,151,390,518	537,223,481	(138,037,672)	10,222,588,528
Balance as at 01st January 2021	672,012,202	9,151,390,518	537,223,481	(138,037,672)	10,222,588,528
Promotion and Marketing Levy (Note - O)	-	744,046,097	-	-	744,046,097
Adjustments	-	(419,410,396)	-	(43,045,374)	(462,455,769)
Surplus for the year 2021	-	-	-	8,194,034	8,194,034
Balance as at 31st December 2021	672,012,202	9,476,026,218	537,223,481	(172,889,012)	10,512,372,889
Balance as at 01st January 2022	672,012,202	9,476,026,219	537,223,481	(172,889,012)	10,512,372,889
Promotion and Marketing Levy (Note - O)	-	391,720,699	-	-	391,720,699
Adjustments	-	1,695,736	-	(20,504,369)	(18,808,633)
Actuarial Gain	-	-	-	24,704,215	24,704,215
Surplus for the year 2022	-	-	737,979,015	210,289,737	948,268,752
Balance as at 31st December 2022	672,012,202	9,869,442,653	1,275,202,496	41,600,571	11,858,257,923

The accounting policies on pages 66 to 75 and Notes on pages 76 to 90 form an integral part of these Financial Statements.

Statement Of Cash Flow

Year Ended 31st December 2022

	2022 (Rs.)	2021 (Rs.)
Cash Flows From Operating Activities		
Net Profit from Operations	222,538,495	13,155,091
Adjustments for		
Depreciation of PPE	42,208,606	38,154,509
Profit or Loss disposal of PPE	1,380,288	930
Amortization of Intangible Assets	2,193,170	3,909,037
Amortization of Lease hold lands	76,385	76,386
Fixed asset Adjustments	(691,683,083)	-
Actuarial Gain	24,704,215	-
Revaluation Reserve	737,979,015	-
Gratuity Adjustment	(12,348,938)	957,006
Finance Expenses	174,594	169,885
Finance Income	(75,129,356)	(22,916,904)
Adjustments	(18,808,633)	6,198,261
	10,746,263	26,549,109
Operating Profit before Working Capital Changes	233,284,758	39,704,201
Decrease /(Increase) in Inventories	(1,880,352)	2,779,513
Decrease /(Increase) in Trade and Other Receivables	(342,944,171)	(45,309,268)
Decrease /(Increase) in Deposit & Prepayment	(29,057,348)	18,737,812
Decrease /(Increase) in Trade & Other Payables	599,114,962	68,568,208
Decrease /(Increase) Income Tax Payables	128,068,355	(11,654,903)
Loan to RPC'S	189,268,108	456,092,767
	542,569,554	489,214,129
Cash Generated from Operations	775,854,312	528,918,331
Gratuity Paid	(2,295,785)	(13,074,643)
Net Expense for promotional activities	391,720,699	743,107,885
Net Cash From Operating Activities	389,424,914	730,033,242
Cash Flows (used in) Operating Activities	1,165,279,226	1,258,951,571
Cash Flows (used in) Investing Activities		
Cash received from sale of PPE	195,532	7,900
Finance income	75,129,356	22,916,904
Acquisition Intangible Assets	(6,735,492)	(9,578,977)
Acquisition of Property Plant & Equipment	(58,074,586)	(112,172,285)
Investments including P& M Levy	(1,128,609,119)	(1,131,297,836)
Net Cash Flows used in Investing Activities	(1,118,094,308)	(1,230,124,294)
Cash Flows Used in Financing Activities		
Finance expenses	(174,594)	(169,885)
Bank Loan	166,666,666	-
Net Cash Flows / (Used in) Financing Activities	166,492,072	(169,885)
Net Increase / (Decrease) in Cash and Cash Equivalents	213,676,990	23,696,335
Cash and Cash Equivalents at the beginning of the year	174,174,915	150,478,579
Cash and Cash Equivalents at the end of the year	387,851,905	174,174,915

The accounting policies on pages 66 to 75 and Notes on pages 76 to 90 form an integral part of these Financial Statements.



1. Corporate Information

General

The Sri Lanka Tea Board (SLTB) was established on the 1st of January 1976, under the Sri Lanka Tea Board Law No.14 of 1975, as amended by Act No. 17 of 1985, No. 44 of 1990, No. 29 of 2003 and No. 44 of 2006. The Head office is located at No. 574, Galle Road, Colombo 3.

SLTB prepares financial Statements for the twelve months period ended 31st December 2022 and these financial statements are authorized by the board of directors on 27th February 2023.

Principal Activities

The objectives of the Sri Lanka Tea Board are Regulation, Development of the tea industry in Sri Lanka and Promotion of Sri Lanka Tea (Ceylon Tea) globally. The authority responsible for regulating the activities of the tea industry, viz. production, cultivating new area and replanting, rehabilitating old gardens, the establishment of factories and their operation. It also regulates the conduct of the auctions, monitors quality standards and regulates the sales, exports, brokers, warehousing and shipping of tea. SLTB also regulate control and direct all institutions and organizations engaged in the management of tea estates and in the production and marketing of tea.

2. Basis of Preparation

2.1 Basis of preparation and adoption of SLAS (SLFRS and LKAS) effective for the financial period beginning on or after 01 January 2012.

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards comprising SLFRS and LKAS as issued by the Institute of Chartered Accountants of Sri Lanka.

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Sri Lankan Rupees.

3. Summary of Significant Accounting Policies

3.1 Significant Accounting Policies

The following are the significant accounting policies used by SLTB in preparing these financial statements.

3.2 Property Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment

losses, if any. Such cost includes the cost of replacing component parts of the Property, Plant and Equipment. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the SLTB derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognised in the income statement as incurred.

3.3 Depreciation

Depreciation is calculated on straight line method on the cost or valuation based on estimated useful lives of property Plant and equipment are as follows.

Freehold Buildings 50 years
Office Equipments 02 - 20 years
Furniture & Fittings 01 - 20 years
Motor Vehicles 10 years
Computer Equipment 05 years
Library Books 05 years
Laboratory Equipments 03 - 10 years
Computer Software 01 - 10 years

3.4 Useful lifetime of the Property , Plant and Equipment

The Sri Lanka Tea Board reviews the useful lives and method of depreciations of assets at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods they are subject to uncertainty.

3.5 Revaluation Land and Building

Revaluation of Land and Building were assigned to Department of Valuations to revalue the Land and Buildings of Head Office, Gampola, Nuwara Eliya , Ratnapura and Baduraliya. Regional Offices Revaluation reports of Head Office, Gampola and Baduraliya were received during the period under review.

Motor Vehicles

Revaluation of Motor vehicles were assigned to Automobile Engineering Company Ltd and revaluation reports were received and adjustments were made in the accounts.

Laboratory Equipment

A Committee was appointed and revaluation not yet been finalized.

Other Assets

Revaluation of the other Assets were done partly covering 04 Regional Offices. Adjustment were made in the Accounts only for the reports received.

Notes To The Financial Statements

Year Ended 31st December 2022**3.6 Capital work in progress**

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.7 Leasehold Land

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Estimated useful lives of Lease assets are as follows. Leasehold Land 50 years

3.8 Intangible assets

Intangible assets acquired separately are measured at cost at initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred. Estimated useful lives of intangible assets are as follows.

Intangible Assets As At 31.12.2022

Intangible Assets	Expected useful life
POS System – Sales Counter	1 year
Licence for SOL Server standard 2012	2 years
Hsenid Software System	5 years
Finpac Software	6 years
Software Package for B 60 Subsidy	4 years
Hsenid Software-Producing MSL/Co:	4 years
Factory Modar :/Replanting Software	4 years
Jumla version Website	2 years
Finpac module integration	6 years
FINPAC Fixed Assets Module	10 years
hSenid – TI Module Software	3 years
DMS- Tea Land Registration Software	10 years
Hsenid HR System	3 years
DMS – Tea land Data Management System	10 years
Hsenid Payroll module	5 years
POS Inventory Control System	10 years

3.9 Income Tax

Current income tax assets and liabilities for the current prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. (Department of Inland Revenue)

The tax rates and tax laws used to compare the amount are those that are enacted or substantively enacted at the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

3.10 Inventories

Inventories are recognized at cost and net realizable value whichever is lower after making due adjustments for obsolete and slow moving items which are valued at 'First In First Out' basis.

3.11 Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank, other short-term highly liquid investments.

4. Liabilities And Provisions**4.1 Retirement Benefit Obligations****4.1.1 Defined benefit plan –Retirement Gratuity**

SLTB is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983. The liability for gratuity to an employee arises only on completion of five years of continued service with SLTB. In order to meet this liability using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standards No. 19 "Employees Benefits". The resulting difference between the brought forward provision at the beginning of the year and the carried forward provision at the end of the year is dealt with in the Statement of other comprehensive income.

The principal assumptions used in the calculations are as follows.

Expected Annual average salary	- 1.01% to 1.03%
Increment rate	- 1.01% to 1.03%
Interest rate / discount rate	- 18%
Staff turnover factor	- 5.86%

Accordingly the present value of the Defined benefit obligation (PVD BO) as at 31st December 2022 with respect employees in service based on the assumptions and methodology explained amounting to Rs.43,699,321.13



4.1.2 Defined Contribution Plans- Employee Provident Fund & Employee Trust Fund

SLTB contributes to Employees' Provident Fund contribution and Employees' Trust Fund contribution is covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

SLTB and Employees contribute to provident fund at 15% and 10% respectively on gross salary.

Employees' Trust Fund

SLTB contributes 3% on gross salary to the Employees' Trust Fund.

5. Income Statement

For the purpose of presentation of the Income Statement, the function of expenses method is adopted as it represents fairly the elements of Board performance.

Government Grants

Government grants under the capital vote are entirely used for the payment of Sprinkler System. A government grant under the recurrent vote is used for the payment of salaries to employees.

5.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the SLTB and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment.

The following specific recognition criteria must also be met before revenue is recognized.

Sale of goods

Revenue will be recognized upon satisfaction of performance obligation. Sri Lanka Tea Board expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of goods.

Rendering of services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

Other income is recognized on an accrual basis.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

5.2 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the surplus for the year. Repairs and renewals are charged to Income and Expenditure in the year in which the expenditure is incurred.

Sri Lanka Tea Board has been maintaining three overseas offices. All the expenses other than salaries of the three officers attached to the said units have been accounted for under Promotional & Marketing levy as maintenance Expenditure of each units (Moscow, UAE & China).

Notes To The Financial Statements

Year Ended 31st December 2022

6. Liabilities and Provision

6.1 Pending Court Cases As At 31st December 2022

No	Case No.	Court	Parties	Cause of Action	Present Status
1	30430 M	District Court, Ratnapura	S.M.S. Pushpakumara –Plaintiff Sri Lanka Tea Board & two others –Defendants	Claim Rs. 756,077.35 as the payment for green leaf supplied by the Plaintiff to the Tea Factory operated by the 2 nd Defendant, legal interest and cost of litigation	Pending
2	HC/ARB/725/2022	Commercial High Court	K.T.E.N. Subasena Petitioner Sri Lanka Tea Board –Defendants	Execute the Arbitration Award dated 04.10.2021 (Award :Rs. 485,232.00 x prevailing lending rate of the central bank to the commercial banks + 1%) [from 11.11.2016 – to date of payment] – 383,200.00	Pending
3	CA (Writ) 196/2020	Court of Appeal	N.M.M. Brothers (pvt) Ltd. – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order suspending - the operation of suspension/ cancellation of registration of Dehiwatte Tea Factory - Suspending the operation of P2 & P4 (suspension letters) -Preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/ suspension of registration of Dehiwatte Tea Factory & quashing documents P2 & P4 Writ of Prohibition prohibiting the Respondents placing restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Dehiwatta Tea Factory, Cost	Pending
4.	CA (Writ) 197/2020	Court of Appeal	Elbrahim Sithy Ridaya & 4 others – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order suspending the operation of suspension/ cancellation of Rosyth Tea Factory Suspending the operation of P2 & P3(suspension letters) Preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/ suspension of registration of Rosyth Tea Factory & document P2 & P3 Writ of Prohibition prohibiting the Respondent placing restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Rosyth Tea Factory, Cost	Pending



5.	CA (Writ) 198/2020	Court of Appeal	G. Savarimuthu Retty & sons (pvt) Ltd. – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order suspending the operation of - Suspension/ cancellation of registration of Uplands Tea Factory -Suspending the operation of P2 & P3(suspension letters) - Preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/ suspension of registration of Uplands Tea Factory & documents P2 & P3 Writ of Prohibition prohibiting the Respondents placing restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Uplands Tea Factory, Cost	Pending
6.	CA (Writ) 199/2020	Court of Appeal	Gatagahewala Plantation (pvt) Ltd. – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order suspending - the operation of suspension/ cancellation of registration of Gatagahewala Tea Factory & the operation of P2 & P3(suspension letters) - preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/ suspension of registration of Gatagahewala Tea Factory & documents P2 & P3 Writ of Prohibition prohibiting the placing of restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Gatagahewala Tea Factory, Grant Cost	Pending
7	CA (Writ) 200/2020	Court of Appeal	H.M. Rumesh Rangana – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order - suspending the operation of suspension/ cancellation of registration of New Fernland Tea Factory & the operation of P2 & P3(suspension letters) - preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/ suspension of registration of New Fernland Tea Factory Writ of Certiorari quashing documents P2 & P3 Writ of Prohibition prohibiting the restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from New Fernland Tea Factory, Cost	Pending
8.	CA (Writ) 337/2020	Court of Appeal	Maskeliya Plantations PLC – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order - staying the operation of documents marked P8 (Cancellation of registration of Craig Tea Factory) & P5 (Letter on Monitoring of Sales of Craig Tea Factory) - Preventing Respondents from preventing tea brokers from purchasing tea from Craig Estates/ sale of tea Writ of Certiorari quashing the cancellation/ suspension of registration of Craig Tea Factory Writ of Certiorari quashing documents P8, P5 & P6 Writ of Prohibition prohibiting the restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Craig Tea Factory, Cost	Pending

9.	CA (Writ) 364/2020	Court of Appeal	Samrin Holding (Pvt) Ltd. Rangana – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order -Suspending the operation of suspension/ cancellation of registration of Samrin Tea Factory & the operation of P7 & P8(suspension letters) -Preventing issuing directions to tea brokers from withdrawing tea from tea Auction and sale of tea Writ of Certiorari quashing the cancellation/ suspension of registration of Samrin Tea Factory Writ of Certiorari quashing documents P7 & P8 Writ of Prohibition prohibiting the restrictions on Licensed Tea Brokers pertaining to the purchase/ sale of made tea from Samrin Tea Factory, Cost	Pending
10	CA (Writ) 415/21	Court of Appeal	Tea Factory Owners Association – Petitioner Sri Lanka Tea Board, & two others - Respondents	Writ of Certiorari quashing documents P3 (Circular Payment on Reasonable Price for Green Tea Leaf Purchased by a Tea Factory issued on 29.06.2021) Writ of Prohibition prohibiting to take action on document marked P3 Interim order suspending P3 Cost	Pending
11.	CA (Writ) 304/21	Court of Appeal	Rado Lanka (Pvt) Ltd – Petitioner Sri Lanka Tea Board & seven others - Respondents	Writ of Certiorari quashing documents P 24 (Circular No. TC-CIR (204)/01/2021 dated 21.01.2021) Grant compensation/ damages Rs. 100,000,000/- Grant Cost	Pending
12.	CA (Writ) 613/21	Court of Appeal	W.D.L. Wijesinghe, No. 162, Neboda Road, Mathugama Petitioner Sri Lanka Tea Board & seventeen others Respondents	Writ of Certiorari quashing documents marked P16 (Disciplinary Inquiry Report dated 20.01.2021) & P17 (Disciplinary Inquiry Order dated 06.08.2021) Writ of Mandamus to reinstate the Petitioner to the Post of Procurement Officer (Grade II) Grant Cost	Pending
13.	SC FR 333/18	Supreme Court	K.B.P.S. Lakshman – Petitioner Sri Lanka Tea Board – Respondent	Quash the appointments of 21 st – 24 th Respondents Promote the Petitioner to the ATC position Compensation of Rs. 1.5 Million, Cost	Pending
14.	SC/SPL/ LA 238/2020	Supreme Court	Sesame Senhora Tea Company (pvt) Ltd. – Petitioner Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner- Respondents	Interim order - Suspending the operation of P7 & P9 (Approved capacities of Tea Factories) - Restraining from imposing restrictions on Licensed Brokers to accept teas on approved capacities of tea factories Set aside the Judgment of Court of Appeal delivered in favour of the Respondents (SLTB & 3 others) Enter a judgment as prayed by the Petitioner- Petitioner Cost	Pending

15.	SC/SPL/ LA 207/21	Supreme Court	Mathurata Plantation Ltd – Respondent Petitioner Rado Lanka (pvt) Ltd. & 7 others – Petitioner Respondent	Grant Special Leave to appeal against the document marked Z (Case No. CA(writ) 304/21), Dismiss the Application filed by Petitioner Respondents under case No. CA(writ) 304/21, Vacate interim order issued against the Respondent Petitioner under case No CA(Writ) 304/21, Grant Cost	Pending
16.	SC(HC)LA 90/2022	Supreme Court	Y.M.A.K. Bandara – Applicant Appellant Petitioner Sri Lanka Tea Board – Respondent	Set aside the Judgment of the Labour Tribunal dated 27.02.2020 (Refusing to :- Reinstate in the District Project Assistant position with back wages and other benefits, Alternatively grant a reasonable sum as compensation, Cost) Set aside the Judgment of the High Court dated 09.08.2022 Grant Leave to Appeal	Pending
17.	SC(SPL)LA 292/22	Supreme Court	Sri Lanka Tea Board & 3 others – Petitioner Respondent Kurugama Tea Factory (Pvt) Ltd – Respondent Petitioner	Set aside the Judgment of the Court of Appeal dated 26.09.2022 Grant Leave to Appeal	Pending

7. Related Party Transactions

7.1 Transactions with State and State Controlled Entities

In the normal course of its operations, SLTB enters into transactions with related parties. Related parties include the Government of Sri Lanka (State as the ultimate owner of SLTB), various government departments, and State controlled entities. Particulars of transaction and arrangements entered into by SLTB with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows.

In the year 2001 Sri Lanka Tea Board has entered into agreement with JEDB to use the properties of JEDB for Ceylon Tea Museum for 30 years.

Additionally Sri Lanka Tea Board has given Rs. 34 Million Temporary loan to JEDB.

7.2 Fixed Assets purchased for Tea House (Tea Moment) were temporary transferred to Sri Lanka Cashew Corporation on return basis

7.3 Sri Lanka Tea Board has released 02 vehicles to NIPM.

The above 02 vehicles had been transferred to NIPM based on the instructions given by the MPI on temporary basis.

8. Key Management Compensation

SLTB key management personnel include the Board of Directors.

Mr. Niraj De Mel Chairman Sri Lanka Tea Board is serving as the Chairman of the Tea Museum.

Mr. S.A.Siriwardana Director General of Sri Lanka Tea Board is serving as the member of the Board of the Ceylon Tea Museum.

Additional Disclosures

Sri Lanka Tea Board has entered into Rent agreements for obtaining premises for commercial and other operations.

Regional Office	Division	Name and address	Agreement Period	Monthly Rental (Rs.)
Baduraliya	Ingiriya	Ms Seetha Bamunusinghe, 4 th Lane, Elsmore Estate, Panadura Rd, Iniriya	2022/1/1 to 2023.12.31	15,000.00
	Elpitiya	Mrs IG Kamalawathi Kamala Grossary, Igala, Elpitiya	2021/4/1 to 2023/3/31	15,000.00
Galle	Yakkalamulla	Mr NG Jayatilake 13 Post, Thellebura, Nakiyadeniya, Galle	2022/1/1 to 2023/12/31	15,000.00
	Galle	Mrs. Indu Subuddhika Weedagama, Disanayaka Road, Anangoda.	2022/6/20 to 2024/6/19	15,000.00
	Hiniduma	Mr WKD Sachith Sachithi, Tawalama South, Thawalama	2022/1/1 to 2023/12/31	15,000.00
Gampola	Baddegama	Mr. Guruge Piyalkith, Guruge Rice Milles, Baddegama Road, Gonapinuwala.	2021.08.01 to 2023.07.31	15,000.00
	Gampola	Mr WAGU Wijesinghe 173/A, Mahara, Gampola	2022/8/1 to 2024/7/31	15,000.00
	Udunuwara	Mrs KDSK Senadheera 8/2, Naranwala, Gampola	2022/8/8 to 2024/8/7	15,000.00
	Matale	Mrs RP Karunasekera Kaikawala, Matale	2022/4/23 to 2024/4/22	15,000.00
	Mawanella	Mr MGGD Karunaratne No.89/1, Kehelwala, Kiribathkumbura, Peradeniya	2021/1/1 to 2023/1/1	15,000.00
	Kandy	Mrs WMC Kumarihami No.170/6, Samagi Mawatha, Ranawana, Katugastota	2020/12/31 to 2022/12/1	15,000.00
	Nawalapitiya	Mr MVBV Gunasekera No. 800 2/1, Nawalapitiya Rd, Eth Gala, Gampola	2021/1/7 to 2022/1/7	15,000.00
	Kalawana	Mr TML Kumarasiri Mal Renu', Raddalla Rd, Manaana, Kalawana	2022/1/1 to 2022/12/31	15,000.00
Ratnapura	Pelmadulla	Mr. S.R.Saman Kumara Jayamanna Valauwa Road, Pelmadulla.	2021/12/1 to 2022/11/30	15,000.00
	Rakwana	Mrs HMPK Kumari No. 33/10, Telecom Road, Rakwana	2021/5/15 to 2023/5/31	15,000.00
	Balangoda	Mr KHK Sri Priya, Ellepola, Balangoda	2022/6/1 to 2023/5/31	7,500.00
	Karawanella	Mr.K.D.Ajith Kumara. 297/3, Kiriwana Wendala, Ruwanwella.	2022/03/01 to 2024.02.29	15,000.00



Ratnapura	Ratnapura	Mr YS Kanthi 68B, Muththattupita, Hidellana, Ratnapura	2022/4/1 to 2023/3/31	15,000.00
Bandarawela	Hali Ela	Mr VMNR Kumaradasa No. 149/15, Station Road, Hali Ela	2022/5/1 to 2024/4/30	15,000.00
	Passara	Mr H.M.Wijesuriya, 07 post, Pelgahathenna.	2022/8/01 to 2024/7/31	15,000.00
	Welimada	Mrs KD Premawathi Warallawatta, Kappetipola, Welimada	2020/5/1 to 2022/4/30	15,000.00
Nuwara Eliya	Talawakelle	Mr W/V Danapala 350/1/A, Nuwara Eliya Road, Lindula	2022/8/13 to 2024/8/12	15,000.00
	Ginigathhena	Mr.Vijitha Senanayaka, No.22,Sandekade, School Mawatha,Ginigathhena.	2022/3/1 to 2024/2/08	15,000.00
	Norwood	Mr.S>Chandrasekaram, Pinibindu, Fruithill, Hatton	2021.03.01 to 2023.02.08	15,000.00
	Kothmale	Mr.D.M.P.G.A.K. Dasanayake, Shawanthi, Harangalagama, Nwalapitiya	2021/05/01 to 2023.04.30	15,000.00
	Walapane	Mrs. J.M.Deepa Priyangani, No.147, Warakgoda, Walapane.	2022.01.01 to 2024.01.01	15,000.00
Matara	Deniyaya	Mr. Oliver Jayantha, 439/A. Govijana Sewa Road,Deniyaya.	2022/3/15 to 2024/3/14	15,000.00
	Urubokka	Mr EA Wanniarachchi Dodamkoratuwa, Ginnaliya Road, Urubokka	2021/12/31 to 2023.11.30	15,000.00
	Morawaka	Mr. S.P.K.Dahanayaka, Welegedara, Deniyaya Road, Morawaka.	2022/10/1 to 2024/9/31	15,000.00
	Akuressa	Mrs Nalini Priyanka, Mahakurunduwatta, Matara Road, Akuressa	2022/11/30 to 2024/10/31	15,000.00
	Kotapola	Mr. B.G.S. Madurasath, C/O Gamage Stoers, Galdholagawa Hena,Galdhola, Kotapola.	2021.07.01- 2023/06/30	15,000.00

New house – 570/1 , Galle Road, Colombo 03. Mr. Harsha Wijeweera	2 years from 2021.02.01	100,000.00
Trico Logistic Pvt Ltd.	2021.11.26 – 2022.11.25	55,000.00
Mr. G.J.Amaratunga Matara Regional Office	2021.01.01 – 2023.01.01	100,000.00
Mrs. Rosanthi De Silva Galle Regional Office	2020.03.11 – 2022.03.10	135,000.00

The Contracts awarded before the ending of the financial year (31st December 2021) which does not have physical commitment as of the Balance Sheet date worth Rs. 9.98Mn.

• **Loan to General Treasury – Consolidated**

As approved by the Honourable Minister of Finance & Mas media in terms of the Section 11 of the Finance Act no 38 of 1971 to transfer surplus of Rs 1000 Mn to the Consolidated funds in 2019 enable to refund it based on the request by SLTB When it is necessary.

Payment of holiday wages & Deepavali festival advance to the works of Regional Plantation companies Board on the Cabinet decision dated 05th October 2019.

• **Working capital loan Scheme to Re-energize Tea Factories - Rs. 500Mn.**

Sri Lanka Tea Board has decided to grant loans to Tea factories through Central Bank who are facing working Capital difficulties.

	Rs.Mn.
Total funds transferred to Central Bank	500
Registration by CBSL as at 31.12.2022	(234)
Undisbursed loan balance transferred to SLTB (1-2)	266
Recovery of Refinance 31.12.2022	187.375
Funds transferred to SLTB	453.325

Rs. 46.625 Mn. Outstanding as at 31st December 2022 from Supply chain Re Energizing Loan Scheme (SCREL)

• **Subsidy Scheme for establishment of standardized Tea Nurseries**

Sri Lanka Tea Board has decided to introduce Subsidy Scheme for establishment of standardizing Tea nurseries with sprinkler irrigations for the corporate sector and Private Sector Estates more than 10 Acres. Fund allocations were made through Promotion and Marketing Levy.

• **Temporary loan given to Janatha Estate Development Board**

Rs.34 Mn. Temporary loan was granted to JEDB for to meet their working Capital difficulties. Decision was made to recover this loan with the interest.

• **Solar Power Subsidy/Scheme**

Sri Lanka Tea Board decided to assist by granting interest subsidy for the loans obtained by the factory owners to install "Roof Top Solar Power" System for generation of electricity to the factories.

Rs. 20,997,759/- paid for solar power Subsidy Scheme for 34 factories during the year 2022.

Sri Lanka Tea Board has entered into agreement with the Tea Broker Companies to distribution of fertilizer through Tea Factory under the Soft loan Scheme.

• **Promotion & Marketing Levy**

A sum of Rs.3.00 on every Kg of tea shall be levied from every registered exporter of tea, at the time at which CUSDEC is authorized permitting the exportation of such tea, by the Director General of Sri Lanka Tea Board (SLTB) . All sum collected in terms of the provisions of regulation, shall be credited to a Capital Fund as it is determined by the SLTB Law and form part of the capital fund of the Board.

On the coming into the operation of these regulations, (Gazette No. 167714 of 27th Oct. 2010) the money lying to the credit of the SLTB in the Capital Fund shall be used exclusively by the Board for the purpose of engaging in activities related to tea Promotion Development and Marketing strategy, within and outside Sri Lanka.

• **Short Term Loan - BOC**

Sri Lanka Tea Board obtained Short Term Loan from Bank of Ceylon during the year under review.

Loan details	Loan 01	Loan 02	Loan 03
Amount (Rs.)	2,000,000	10,00,000,000	500.000,000
Term	03 Months	03 Months	03 Months
Interest rate	23.84	23.84	24.84

Mortgage Fixed Deposit 89419144
Amounting Rs. 2,500,000/-

The amount to be utilized for distribution of fertilizer through Tea Factory under Soft Loan Scheme. The final instalment of Rs. 166,666,666.67 settled on 26th January 2023.



Notes To The Financial Statements

Year Ended 31st December 2022

		2022 (Rs)	2021 (Rs)
A. Income			
Grant from Treasury - Recurrent		164,175,000	180,000,000
Capital & Development		-	100,000,000
Grants from Ministry of Plantation -ISSS		24,500,000	38,000,000
Income from laboratory	Note 1	19,802,796	4,993,851
Interest transferred from P & M Levy		409,228,000	119,000,000
Registration and Renewal Income	Note 2	159,546,286	163,952,167
Net Profit from Commercial Activities	Note 3	10,200,165	5,015,130
Nuwaraeliya Sales Counter & Circuit Bungalow	Note 4	1,013,954	534,692
Other Income	Note 5	8,656,261	4,951,505
		797,122,462	616,447,345
B. Tea Sector-Development Expenses			
Tea Factory Modernization Subsidy Scheme		19,762,438	20,187,582
Tea Replanting Subsidy Scheme		69,392,487	79,812,418
Subsidy Scheme For High Shades Tree		271,500	133,500
GMP -HACCP Certification		1,204,682	259,727
Survey of Tea Land		-	170,954
Model Tea Land Expenses		-	37,682,905
GMP-Moisture Meter Subsidy Scheme		16,556,563	500,000
B-Leaf 60 Programme		12,728,927	20,940
Sprinkler System For Large & Medium Scale Growers -ISSS		24,500,000	38,253,089
Productivity Improvement Program		207,000	-
Dealer deposit Refund		35,000	-
		144,658,596	177,021,114
C. Administration Expenses			
Personnel Emoluments	Note 6.1	217,864,309	199,957,958
Other Administrative Expenses	Note 6.2	69,350,623	56,213,862
Traveling Expenses	Note 7	21,002,386	17,400,923
Supplies and Requisites	Note 8	20,210,677	16,568,467
Repairs and Maintenance	Note 9	44,461,508	22,542,444
Depreciation of PPE	Note F	40,637,405	36,487,463
Amortization of Intangible Assets	Note H	2,193,170	3,909,037
Amortization of Leasehold Properties	Note G	76,385	76,386
Utilities and Other Expenses	Note 10	89,083,671	95,861,619
		504,880,134	449,018,159
D. Finance Income			
Interest on Investments		75,129,356	22,808,317
Interest on RPC wages Loan		-	108,587
		75,129,356	22,916,904
E. Finance Expenses			
Bank charges		174,594	169,885
		174,594	169,885

F Property, Plant And Equipment**F.1 Head Office & Regional Offices**

	Cost Or Valuation As At 01-01-2022	Additions	Re-Value:	Disposals/ Transfers	Revalue Adjustments	Cost Or Valuation As At 31.12.2022
Free Hold Land	376,300,000	-	1,033,760,000	-	358,500,000	1,051,560,000
Buildings	437,578,664	8,500,000	199,003,152	246,356,677	-	398,725,139
Motor & Other Vehicles	30,060,983	-	42,580,000	3,700,000	30,045,000	38,895,983
Plant & Machinery	40,146,310	34,885,539	-	3,363,702	-	71,668,148
Office Equipment	27,232,800	2,274,400	-	836,193	-	28,671,007
Water Electricity & Telephone	1,665,888	338,392	-	201,835	-	1,802,445
Decoration & Display Items	2,098,707	-	-	1,072,100	-	1,026,607
Furniture & Fittings	41,132,780	683,630	-	140,793	-	41,675,617
Library Books	452,889	-	-	-	-	452,889
Computer - Hardware	49,705,677	1,711,100	-	2,887,418	-	48,529,359
Laboratory Equipments	172,039,656	3,024,020	-	32,132,089	600,000	142,331,588
	1,178,414,353	51,417,081	1,275,343,152	290,690,807	389,145,000	1,825,338,780
Work In Progress	34,736,816	6,657,505	-	36,736,248	-	4,658,073
Building & Other	34,736,816	6,657,505	-	36,736,248	-	4,658,073
	1,213,151,169	58,074,586	1,275,343,152	327,427,055	389,145,000	1,829,996,853
Provision For Depreciation	Accumulated Depreciation As At 01.01.2022	Charge For The Year	Revalue Adjustment	Disposals	Adjustments	Accumulated Depreciation As At 31.12.2022
Buildings	80,939,181	8,819,405	64,175,166		(661,183)	26,244,603
Motor & Other Vehicles	24,313,526	4,411,499	24,862,375	2,096,667	1,750,000	15,983
Plant & Machinery	30,721,303	5,215,819	-	3,363,700	-	32,573,420
Water Electricity & Telephone	1,665,888	8,865	-	201,835	-	1,472,918
Office Equipment	19,258,128	3,107,312	-	638,193	-	21,727,247
Decoration & Display Items	1,154,266	47,903	-	178,396	-	1,023,774
Furniture & Fittings	24,056,919	3,894,250	-	122,077	-	27,829,092
Library Books	442,975	4,701	-	-	-	447,675
Computer - Hardware	29,363,660	6,632,110	-	2,378,643	-	33,617,127
Laboratory Equipments	101,993,324	8,495,541	-	32,132,089	-	78,356,776
	313,909,169	40,637,405	89,037,541	41,111,599	1,088,817	223,308,615
Net Book Value	899,242,001					1,606,688,238



Notes To The Financial Statements

Year Ended 31st December 2022**F.2 Overseas offices**

	Cost Or Valuation As At 01-01-2022	Additions	Revalue:	Disposals/ Transfers	Adjustments	Cost Or Valuation As At 31.12.2022
Motor & Other Vehicles	14,242,318	-	-	-	-	14,242,318
Office Equipment	1,874,090	-	-	-	-	1,874,090
Furniture & Fittings	822,786	-	-	-	-	822,786
Computer / Hardware	336,457	-	-	-	-	336,457
	17,275,651	-	-	-	-	17,275,651
Provision For Depreciation	Accumulated Depreciation As At 01.01.2022	Charge For The Year	Revalue:	Disposals	Adjustments	Accumulated Depreciation As At 31.12.2022
Motor & Other Vehicles	5,987,520	1,424,232	-	-	-	7,411,752
Office Equipment	1,752,065	38,298	-	-	-	1,790,363
Furniture & Fittings	592,888	41,380	-	-	-	634,268
Computer - Hardware	173,836	67,291	-	-	-	241,128
	8,506,309	1,571,201	-	-	-	10,077,511
Net Book Value	8,769,342					7,198,141

G. Lease Hold Property

	Cost Or Valuation As At 01-01-2022	Additions	Revalue:	Disposals/ Transfers	Adjustments	Cost Or Valuation As At 31.12.2022
Lease Hold Property - HO	3,819,280	-	-	-	-	3,819,280
	3,819,280	-	-	-	-	3,819,280
Provision For Amortization	Accumulated Amortization As At 01.01.2022	Amortization For The Year	Revalue:	Write Off	Adjustments	Accumulated Amortization As At 31.12.2022
Lease Hold Property - Ho	1,315,558	76,385	-	-	-	1,391,943
	1,315,558	76,385	-	-	-	1,391,943
Net Book Value	2,503,722					2,427,337

H. Intangible Assets

	Cost Or Valuation As At 01.01.2022	Additions	Revalue:	Disposals/ Transfers	Adjustments	Cost Or Valuation As At 31.12.2022
Computer Software - HO	26,907,478	3,000,000	-	-	-	29,907,478
Computer Software Work In Progress	14,434,407	6,735,492	-	3,000,000	-	18,169,899
	41,341,885	9,735,492	-	3,000,000	-	48,077,377
Provision For Depreciation	Accumulated Depreciation As At 01.01.2022	Charge For The Year	Revalue:	Disposals	Adjustments	Accumulated Depreciation As At 31.12.2022
Computer Software - Ho	16,988,538	2,193,170	-	-	98,208	19,083,500
	16,988,538	2,193,170	-	-	98,208	19,083,500
Net Book Value	24,353,347					28,993,877

Notes To The Financial Statements

Year Ended 31st December 2022

		2022 (Rs)	2021 (Rs)
I. Inventories			
Laboratory Consumables	Note 11.1	11,797,799	10,947,475
Promotion Materials & Others	Note 11.2	9,097,496	8,741,122
Tea & Other Stocks	Note 11.3	11,847,221	10,491,154
Others	Note 11.4	1,752,461	2,434,872
		34,494,977	32,614,623
J. Trade And Other Receivables			
Receivables	Note 12	57,649,591	46,042,643
Embassy Account	Note 12.1	132,574	1,380,329
Tea Promotion unit-Current Accounts	Note 12.2	23,491,024	14,633,373
Staff Receivables & Other Advances	Note 13	395,300,004	71,572,676
		476,573,193	133,629,021
K. Deposits & Prepayments			
Deposits & Prepayments	Note 14	59,668,267	30,610,919
		59,668,267	30,610,919
L. Other Financial Assets			
Investments	Note 15	9,881,196,687	8,752,587,568
		9,881,196,687	8,752,587,568
M. Loan Receivable			
General Treasury		1,000,000,000	1,000,000,000
Loan to Central Bank		46,625,000	200,000,000
Distress loan to RPC	Note 18	-	21,449,815
RPC Festival Loan	Note 18	8,760,399	23,203,692
		1,055,385,399	1,244,653,507
N. Cash In Hand And At Bank			
Cash in hand and at Bank	Note 16	388,067,757	174,934,865



Notes To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
O. Promotion & Marketing Levy		
Amount Collected From Exporters	754,176,431	1,028,676,021
Interest On Investment	1,405,561,017	449,093,946
Interest on Fertilizer loan	32,749,177	
Interest On RPC Distress Loan	-	5,837
Sale Of Promotional Items	-	301,977
Difference In Exchange	8,946,889	-
Tea Book Sale	2,400	1,400
	2,201,435,914	1,478,079,181
Complementary Tea Services & Tea Sampling Gift	2,473,058	5,729,548
Social Media	16,687,285	32,476,279
Local Promotion Campaign	1,310,764	1,458,562
Production Cost Of Communication Material (ATL/BTL)	1,575,990	338,281
Participation At International Trade Fairs & Exhibitions	104,201,553	40,495,448
Foreign Traveling	30,619	-
Overseas Traveling Trade Fair	7,701,220	1,030,151
Events	2,602,934	1,715,676
Intellectual Property Matters	12,007,134	13,101,581
Maintenance Of Overseas Offices	48,561,062	41,422,136
Generic Promotion	7,996,750	5,376,979
CSR Project For Plantation Worker Community	1,018,378	1,240,000
Market Research & Other Marketing Support Services	4,039,664	1,718,878
Bank Charges	36,421	100
Grants To Tea Museum	3,000,000	3,000,000
Difference In Exchange	-	1,590,925
Promotional Entertainment (Foreign Delegations/Events)	200,592	525,825
Complementary Teas To Mission Overseas	1,585,332	2,338,249
Through The Line Advertising	69,061,525	13,539,078
Country Promotion Campaign	500,000	1,062,490
Visits of Foreign Delegations	118,440	269,027
Program With Embassies	247,690	906,505
Subsidy For Nursery Development	750,000	212,590,710
Establishment of Standard Tea Nursery with Sprinkler system-TSHDA	15,272,950	-
Regaining of Loss Markets	4,384,210	-
Incentive Scheme for Value added Tea Exporters	571,715,266	-
Subsidy Scheme For New Planting With Mechanization	-	46,470,000
Subsidy Scheme For Installation Of Solar Power System	20,997,759	8,940,310
Subsidy Scheme For Exporters Machinery Component	33,885,388	1,747,900
Subsidy Scheme For Bio Fertilizer Project	-	67,488,322
Interest Expenses - BOC	133,352,253	-
Total Expenditure	1,065,314,237	506,572,960
Tax Paid On Interest Income	(335,172,977)	(108,460,124)
Interest Transferred To Head Office	(409,228,000)	(119,000,000)
	391,720,699	744,046,096

Notes To The Financial Statements

Year Ended 31st December 2022

	2022(Rs)	2021 (Rs)
P. Employee Benefit Obligations		
PV-DBO as at 1-1-2022	58,344,044	70,461,682
Current Service Cost	1,853,350	3,682,093
Interest Cost	10,501,928	5,777,858
Actuarial (Gain)/Loss on PV - DBO	(24,704,215)	(8,502,945)
Payment during the year	(2,295,785)	(13,074,643)
PV-DBO as at 31-12-2022	43,699,322	58,344,045

	SLTB(Rs)	P&M levy (Rs)	Total(Rs)
Q. Income Tax Payable¹			
Balance As At 01-01-2022	-	22,959,560	22,959,560
Provision For The Year	12,248,758	335,172,977	347,421,735
Less:tax Payments	(4,991,904)	(202,112,717)	(207,104,621)
Balance As At 31-12-2021	7,256,854	156,019,820	163,276,674

R. Trade And Other Payables			
Trade Payables	Note 17.1	7,656,271	19,573,999
Other Payables	Note 17.2	363,296,515	306,342,795
Receipt in Advance	Note 17.3	123,368,778	117,154,623
Accrued Expenses	Note 17.4	635,804,675	56,780,608
Other Provisions	Note 17.5	178,451,198	209,610,450
		1,308,577,437	709,462,475

S . Bank Balances - BOC			
Collection A/C -Galle		3,970	30,312
Ratnapura,		134,533	-
Matara		35,750	-
Collection A/C -Bandarawela,		41,599	107,404
Collection A/C -N'Ellya		-	622,234
		215,852	759,950

- Capital & Reserves**

There is no change in the Authorized Capital during the year ended 31 December 2022

- Contributed Capital**

Contributed Capital is made up by government grants amounting to Rs. 672,012,201.85 as at 31 December 2022



Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
01. Laboratory Income		
ISO 3720 Standard Test	4,936,500	1,766,851
Chemical Analysis Test	6,500	2,000
Physical Examination Test	1,415,500	607,000
Microbiological Analysis Test	6,044,796	2,608,000
Other Tea Sample Test	3,896,000	-
Pesticide Residual Analysis test	3,490,000	-
Issue of quality Certificate and Other	13,500	-
Sugar Contamination Analysis Test	-	10,000
	19,802,796	4,993,851
02. Registration & Renewal Income		
Dealers License Fees	9,366,500	10,197,900
Penalties	5,654,644	4,418,299
License Fees For Produce Brokers	2,245,000	1,745,600
Refuse Tea Registration Fees	1,300,130	1,196,000
Registration of Tea Exporters	1,100,000	975,000
Registration of Tea Packers	1,035,000	980,000
Renewal Fee of Tea Exporters	42,150,000	40,090,000
Renewal Fee of Tea Packers	3,765,000	3,400,000
Private Sale Panel Valuation	5,379,000	5,997,260
Direct Sale Ratification Fees	763,425	601,560
Issue of Quality & Other Certificates	-	17,900
Issue of Permit For Importation of Tea	29,081,969	33,734,131
Sale of Import Application Forms	15,160	12,920
Factory Registration	-	1,000,000
Warehouse Registration	575,000	725,000
Renewal of Warehouse	3,050,000	2,440,000
Registration of Tea Manufactures	330,000	330,000
Permit For Refuse Tea Purchase	42,115,069	46,523,615
Registration of Tea Importers	20,000	475,000
Permit for Release of Bank Guarantee	414,000	453,000
Income From Tasting of Tea Samples	815,500	949,960
Reg. of Tea Pack / Other Origin Tea	314,500	375,000
Tea Factory Registration Renewal	4,550,000	4,300,800
Renewal of Tea Importers	515,000	110,465
Local Packer Registration	401,800	846,930
Local Packer Renewal	785,225	-
GMP Certification Fee	2,364,500	1,237,500
Tea Sample Testing Fees	1,439,864	818,327
	159,546,286	163,952,167

Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
03. Net Profit From Commercial Activities		
Tea Sales	16,792,380	6,809,891
Commission on Exporter Pack Sales	6,744,081	4,227,002
Monopole Rental	-	108,333
Sale of Cloth Bag	91,080	50,504
Difference In Exchange	1,097	1,315
Income on Sales In Foreign Currency	27,365	-
	23,656,003	11,197,045
Cost of Tea	(11,728,029)	(4,460,834)
Cost of Empty Cartons	-	(557,823)
Cost of Carrier Bags	-	(738,942)
Incentives To Staff	(1,004,304)	(185,325)
Commission on Credit Card	(723,505)	(238,992)
Net Profit From Commercial Activities	(10,200,165)	5,015,129
04. Nuwaraeliya Sales Counter & Circuit Bungalow		
Sales Counter -Rent Income & Sale Commission	682,954	500,342
Circuit Bungalow	331,000	34,350
	1,013,954	534,692
05. Other Income		
Interest On Staff Loans	1,545,236	1,612,404
Sundry Income	4,993,316	2,391,409
Sale Of Statistical Summary	117,786	87,350
Registration of Suppliers	458,000	266,000
News Letter	108,000	414,000
Sale of Posters, Directories & Others	12,135	7,342
Fixed Assets Disposal Profit	1,380,288	-
Reg. Of Tea Exporters Directory / Ads	27,000	-
Analytical cost	14,500	-
Examination Fee	-	173,000
	8,656,261	4,951,505
06. Administration Expenses		
6.1 Personnel Emoluments		
Salaries	123,334,154	130,404,590
Other Allowance (Interim / Other)	20,820,170	4,156,736
Overtime & Holiday Pay	7,718,512	8,526,646
Daily Paid Wages	6,287,691	3,953,875
COL Allowance	23,533,120	24,361,165
After Office Expenses - Exports	-	48,825
EPF Contributions	19,331,151	22,960,283
ETF Contributions	4,484,233	4,588,831
Staff Gratuity	12,355,278	957,006
	217,864,309	199,957,957



Detailed Schedules To The Financial Statements

Year ended 31st December 2022

	2022 (Rs)	2021 (Rs)
6.2 Other administration expenses		
Membership Subscription (Professional)	95,663	67,000
Bonus To Staff	6,325,000	4,000,000
Medical Benefits/Personal Acci. Claims	40,657,400	31,947,683
Liquid Tea To Staff	3,239,792	1,718,701
Supply of Packed Tea To Staff	9,019,111	5,653,420
Staff Welfare	2,475,150	1,620,946
Death Donation	750,000	750,000
Sports / Recreation Facilities	250,000	-
Interest On Staff Property Loan	769,106	786,252
Staff Training / Seminars / Workshops	640,030	1,099,990
Fees To Board / Committee Members	514,500	2,000,500
Board Meeting Expenses	161,225	80,835
Analytical Laboratory - Consumables	3,926,390	4,494,140
Examination Fees	144,561	525,815
Dealer Deposit Refund	-	5,000
Consultancy Fees	356,305	1,395,300
Interview Panel Fees	26,390	68,280
	69,350,623	56,213,862
07. Traveling Expenses		
Traveling Expenses (Local)	21,002,386	17,400,923
	21,002,386	17,400,923
08. Supplies & Requisites		
Print Stationery & Office Requisites	7,568,552	9,774,702
Fuel & Lubricants	9,819,488	4,197,406
Mechanical, Electrical & General Goods	360,772	217,401
Books, Periodicals & Newspapers	631,930	785,481
Uniform	1,829,935	1,593,478
	20,210,677	16,568,468
9. Repair. & Maintenance Of Capital Assets		
R/M of Vehicles	3,425,900	1,755,636
R/M of Plant & Machinery	4,294,267	371,434
R/M of Buildings	12,933,901	5,515,279
R/M of Office Equipment	15,364,569	7,368,266
R/M of Furniture & Fittings	42,014	363,647
Other Utility Services	52,151	65,359
Janitorial Service	7,844,314	6,700,061
Lab. Accreditation & Instruments Maintenance	504,391	402,763
	44,461,507	22,542,445

Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022(Rs)	2021 (Rs)
10. Utilities & Other Expenses		
Press Notice	8,941,992	5,909,996
Telephone, Fax & Internet	6,955,944	9,352,273
Postage	1,452,232	958,194
Electricity	10,095,444	8,665,618
Rates & Taxes	1,535,626	1,476,416
Rent	10,283,695	10,141,495
Insurance - Buildings, Vehicles, Etc.	1,239,478	1,240,675
Security Services	12,568,734	11,826,486
Audit Fees	1,228,100	1,000,000
Legal Fees	945,040	360,957
Other Fees	1,457,947	655,843
Tea Sample Testing Fees	3,037,012	4,592,792
Water Supply & Heating	1,038,038	811,498
Tea Tasting Panel Fees	3,506,532	2,104,380
Sundry Expenses	680,111	550,097
Transport & Hire Charges	-	70,000
Lease Rental For Vehicles	22,231,371	19,928,976
Lease Rental For Land	480,000	620,400
Loss on Disposal	-	931
Contingencies Covid -19	1,199,275	15,564,842
Nuwara Eliya Expenses	207,099	29,750
	89,083,669	95,861,619
11. Stocks		
11.1 Laboratory		
Laboratory Consumables	11,797,799	10,947,475
	11,797,799	10,947,475
11.2. Consumables		
Stationery	8,279,224	6,723,205
Promotional Materials	818,272	2,017,917
	9,097,496	8,741,122
11.3 Tea & Other Stocks		
Tea - Main Stores	6,455,499	3,239,036
Tea - Sales Counter	266,463	228,440
Staff Tea	711,710	601,140
Empty Cartons	4,288,556	6,314,183
Carrier Bags	79,994	74,956
Neck Ties	45,000	33,400
	11,847,221	10,491,154



Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
11.4 Goods In Transit	1,752,461	2,434,872
	1,752,461	2,434,872
	34,494,977	32,614,625
12. Receivables		
Loan to NIPM Vehicle	1,333,333	-
Sundry Receivable	53,505,130	37,713,740
Debtors - Cricket T shirt	-	679,123
Debtors Control	811,372	4,200,041
Income Receivable	1,303,359	2,615,679
Packeted Tea Sales	328,607	638,597
Shortages	367,790	195,463
	57,649,591	46,042,643
12.1 Embassy Account		
China	84,764	84,764
Japan	-	472,024
France	-	389,602
Poland	-	405,645
Australia	47,810	28,295
	132,574	1,380,330
12.2 Tea Promotion unit-Current Accounts		
UAE	10,713,769	9,623,369
Moscow	9,330,450	3,971,946
China	3,446,805	1,038,059
	23,491,024	14,633,374
13. Loans & Advances		
Fund facility granted to Tea Brokers	322,043,365	-
Consolidated Loans - TCD	5,251,360	5,784,906
Consolidated Loans - HO	33,405,543	31,310,803
Advance - Festival	435,650	446,900
Staff Tea Recoveries	46,110	148,650
Staff Debtors	16,500	18,337
Advance -Tea Small Holdings Development Authority	33,470,665	33,470,666
Payments in Advance	619,352	-
Loans And Advances Moscow	11,459	392,415
	395,300,004	71,572,677

Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022(Rs)	2021 (Rs)
14. Deposits & Pre - Payments		
Deposits	6,269,386	6,182,536
Stamp Deposit	160,000	160,000
Parcel Postage Deposit	44,940	44,940
Deposits & Prepayment - UAE	-	249,130
Deposits & Pre-payment - Moscow	-	66,510
Deposits & Prepayment - China	372,369	691,801
Pre - Payments	48,273,744	10,161,541
Mobilization Advance	4,547,828	13,054,461
	59,668,267	30,610,919
15. Investments		
Fixed Deposit - SLTB	536,983,997	406,500,000
Fixed Interest Receivable - SLTB	21,285,498	7,691,644
Fixed Deposit - P & M Levy	9,145,424,351	8,138,139,498
Fixed Deposit Interest Receivable - P & M Levy	174,524,300	197,367,714
Housing Loan Deposits - SMIB	2,978,541	2,888,712
	9,881,196,687	8,752,587,568
16. Cash & Cash Equivalents		
16.1 Cash		
Petty Cash Imprest - Stamp	10,000	10,000
Petty Cash Imprest - Admin	25,000	25,000
Collection On Sales In Hand	727,371	609,980
	762,371	644,980
16.2 Bank Balances		
BOC-Kollupitiya 2nd	144,157,678	62,237,032
BOC-Corporate (HO)	23,000	385,192
BOC-Bambalapitiya	28,484,916	639,779
BOC-Corporate (TCD)	6,807,022	6,360,656
BOC-Independence Square	124,764,637	1,037,195
BOC-Tea Subsidy	18,048,224	93,105,339
Peoples Bank	49,777,984	14,250
	372,063,461	163,779,443



Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
16.3 BOC Regional Office Current Accounts		
Galle	535,556	524,201
Matara	166,650	371,819
Rathnapura	847,887	1,330,979
Mathugama	222,569	492,173
Bandarawela	547,919	198,679
Gampola	77,475	45,621
Nuwaraeliya	208,766	228,517
	2,606,822	3,191,989
16.4 BOC Regional Office Collection Accounts		
Gampola	9,466,261	3,293,896
Mathugama	2,078,288	2,529,398
Rathnapura	-	21,254
Nuwaraeliya	43,498	
Matara	-	16,940
	11,588,047	5,861,488
16.5 Regional Office Current Accounts		
Rathnapura	113,400	-
Galle	-	93,381
Gampola	290,829	112,151
Mathugama	306,502	-
Nuwaraeliya	188,377	108,820
Bandarawela	147,950	1,142,613
	1,047,058	1,456,965
	388,067,757	174,934,864
17.Creditors & Provisions		
17.1 Trade Payables		
Payables	7,486,740	16,713,008
Creditors Control	139,325	1,375,920
Credit Tea Order	24,643	24,642
Creditors & Provisions - China	-	39,530
Creditors & Provisions - Moscow	5,563	508,669
Subsidy Green Leaf Payable	-	912,230
	7,656,271	19,573,999

Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
17.2 Other Payables		
General Deposits	220,454,440	220,410,000
Retention Monies Deposits	32,739,613	36,609,795
SLTB Official Packer	7,985,021	3,321,121
Staff Creditors	6,327,395	4,092,127
Arrears - Green Leaf Deposit	92,245,738	8,935,370
Cusdec Deposit	161,400	161,400
Retention Incentive - Sales Counter	93,985	18,532
VAT Payable	3,288,923	1,917,595
	363,296,515	275,465,939
17.3 Receipt in Advance		
Nuwara Eliya-Sales Center	1,620,000	1,620,000
Trade Fair	24,275,448	18,600,000
License Fee	7,920,100	7,697,000
Refused Tea	887,500	915,000
Renewal of Warehouse	1,280,000	1,990,000
License Fee For Produce Brokers	1,250,000	1,750,000
Registration of Tea Packer	225,000	150,000
Renewal of Tea Exporter	32,057,500	36,250,000
Renewal of Tea Packer	2,255,000	2,560,000
Registration of Tea Warehouse	135,000	75,000
Registration of Exporters	250,000	150,000
Registration of Local Packer	20,000	70,000
Renewal of Tea Importer	395,000	440,000
Medical Deposit SLTB Staff	910,600	711,200
Receipts In Adv. (Tea Factory Reg. Renewal)	1,695,000	1,375,000
Receipts In Adv. (Registration Of Tea Importers)	-	10,000
Receipts In Adv. (Local Packer Renewal)	192,500	211,900
Receipts In Adv. (Promotional & Marketing Levy)	46,694,389	40,553,780
Sales Counter-Rent Deposit	960,000	1,680,000
Deposit - BMF	345,742	345,743
	123,368,778	117,154,623
17.4 Accrued Expenses		
Accrued Expenses	25,098,260	12,266,405
Accrued Expenses - P & M Levy	610,706,415	44,514,203
	635,804,675	56,780,608



Detailed Schedules To The Financial Statements

Year Ended 31st December 2022

	2022 (Rs)	2021 (Rs)
17.5 Accrued Expenses		
Traveling	5,643,701	4,284,097
Audit Fees	2,228,100	1,894,000
Printing Stationery & Office Requisition	1,051,670	139,332
Fuel & Lubricants	664,385	307,910
Periodicals & Newspapers	247,550	21,590
Maintenance Expenditures	680,701	114,164
Postal & Communication	780,965	607,514
Electricity & Water	1,080,078	755,492
Rent & Local Taxes	150,000	55,000
Janitorial Services	644,729	745,152
Security Services	1,075,623	1,055,979
Medical Benefits	3,255,588	3,707,880
Covid 19 Expenses	-	2,005,234
Overtime & Daily Paid Wages	1,609,328	1,099,563
Sprinkler System For Large & Medium Scale Growers	9,031,600	20,310,800
Subsidy Scheme For Bio Fertilizer Project	51,300,000	58,700,000
Subsidy Scheme For Installation Of Solar Power System	-	2,777,142
Subsidy Scheme For New Planting With Mechanization	26,708,400	38,085,000
Press Notice and Advertisement	3,223,486	-
Subsidy Scheme Model Tea Garden Subsidy Scheme	21,154,461	30,876,857
GMP -Moisture Meter Subsidy Scheme	2,500,000	500,000
Subsidy For Tea Nursery Development Expenses	45,025,000	67,775,000
Fertilizer T200 Program	-	2,921,700
Subsidy Scheme For Exporters Machinery Component	395,833	1,747,900
	178,451,198	240,487,306
18.RPC Loan Balances		
RPC Festival Loan		
Elkaduwa Plantation PLC		8,760,399
		8,760,399



THE AUDITOR GENERAL'S REPORT - 2022

(English version of Auditor General Report)

Chairman
Sri Lanka Tea Board

The Auditor General's Report on financial statements and other legal regulatory requirements of Sri Lanka Tea Board as per the section 12 of National Audit Act No.19 of 2018 for the year ended 31st December 2022.

1. Financial Statements

1.1. Qualified Opinion

The statement of financial position of the Sri Lanka Tea Board as at 31st December 2022 and income statement, other extended income statements, statement of changes in ownerships and the records related to cash flow statement and financial statements for the year then ended, financial statements involving the summarized significant accounting policies for the year ended by 31st December 2022 were audited under my direction as per the provisions of National Audit Act No.19 of 2018 and Finance Act No.38 of 1971 that should be read in combination with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in the Parliament in due course as per the Article 154 (6) of the Constitution.

Except the effects of the matters described under the heading of Basis for Qualified Opinion in my report, the fact that the financial position of the Sri Lanka Tea Board as at 31st December 2022 and its financial performance and cash flows for the year then ended reflect a true and fair status in accordance with Sri Lanka Auditing Standards is the opinion I bear.

1.2 Basis for Qualified Opinion

- (a) Although the computer equipment, intangible assets, water and electric equipment, library books, decoration equipment, laboratory equipment, office equipment, wooden furniture and fittings as well as machines and tools valid at Rs.132,903,015 fully depreciated by the Board as at the end of the year under review were being further used, the effective life time of the said equipment had not been re-estimated and accounted in accordance with the paragraph no. 51 of the Sri Lanka Accounting Standard 16.
- (b) As the interest income of Rs.10,493,150 had not been taken to the tax income when the tax expense for the investment income of the Sri Lanka Tea Board was identified for the year under review, tax expense and tax expense to be paid had been indicated with a shortage of Rs.2,518,356 in the financial statement.
- (c) The income source could not be identified in respect of the amounts of Rs.2, 602,782 and Rs.4,900,294 directly deposited by the customers in the Account No.1633709 of Kollupitiya Second Branch of Bank of Ceylon, and in the Account No.718391 of Bambalapitiya Branch of Bank of Ceylon respectively in the year under review. Also, the amount of income that could not be identified in the previous year of which the income sources could not be identified was Rs.4,326,882. Accordingly, the income of the year under review had been given in the financial statements with a shortage of Rs.11,829, 958.
- (d) Although the laboratory income as per the financial statements was Rs.19,802,796 , the said value was Rs.38,577,200 as per the reports presented by the laboratory. Consequently, a difference of Rs.18,774,404 was observed. However, no actions had been taken to adjust and correct the difference of laboratory income between the laboratory and financial section.
- (e) The actions as per the F.R 396 (d) had not been taken in respect of the Cheques of Rs.1,078,533 under the Current Account No.78285018 of Kollupitiya Branch of Bank of Ceylon which were not submitted to the Bank for the payments since a period of over 06 months from the date of the issuance of the cheques and the date it was validated whichever occurs later; that is, from the year 2019.
- (f) The amount of Rs.10,437,332 paid to the Embassy of Russia for the VISA and organization activities of the "Prodexpo 2023" Exhibition to be conducted in Moscow, Russia from 6 to 10 of February 2023 had been accounted as an expenditure of the year under review.



- (g) 50% share of expenses; Rs.1 1,771,399, recovered from the exporters participating for "Prodexpo 2023" Exhibition in the year 2023 had been credited to the Expenditure Account of the year under review instead of being accounted as the receipts in advance.
- (h) Gampola Regional Office Building of Rs.8,500,000 capitalized under the land value of the previous years had been transferred to the Building Account in the year under review and the said value had been indicated in the financial statements as the building purchases of the year.
- (i) Even if the Letter No.4/10/37833 from the Commissioner General of Lands to the Western Provincial Land Commissioner had informed that the Cabinet Approval had been received to give the land of 1 Rood and 20 Perches wherein Kalutara Regional Office is being maintained to the Sri Lanka Tea Board on long-term lease basis for a period of 30 years from the year 2014, no lease agreement had been signed thus far.
- (j) Although the ownership of the land; in which the Nuwara Eliya Regional Office is being maintained, had not been legally transferred to the Board from the Kelani Valley Company through the Divisional Secretary of Nuwara Eliya, the buildings at a cost of Rs.148,013,695 had been constructed by the Board.

I executed this audit in accordance with the Sri Lanka Accounting Standards. My responsibilities under these accounting standards have further been described under heading "Auditor's responsibility" in relation to the audit of financial statements. I believe that the evidences I have received for the audit are adequate and appropriate to form a basis for my qualified opinion.

1.3 Other particulars included in the Annual Report of the Sri Lanka Tea Board 2022

Other details mean the details that have been included in the annual report 2022 of the Sri Lanka Tea Board expected to be handed over to me after the date of this audit report, but not included in financial statements and my audit report on those statements. The management is responsible for these other details.

My opinion on financial statements does not reveal other details and I do not express any certification and opinion on that matter.

My responsibility about the financial statements in relation to my audit is to read the other details when possible to have and seek whether those details are quantitatively matching with financial statements or my knowledge gained by the audit or by other means.

If I conclude that there are quantitative false statements when I read the annual report 2022 of the Sri Lanka Tea Board, such details should be communicated to the relevant parties for corrections. If there are errors not rectified yet, such details will be included in the report to be tabled in the Parliament in due course as per the Article 154 (6) of the Constitution.

1.4 Responsibilities of Management and Governing Parties for Financial Statements

The preparation and fair presentation of these financial statements in accordance with the Sri Lanka Accounting Standards and determining the internal controls required enabling the preparation of financial statements that are free from quantitative wrongful statements that can be caused by frauds or errors are the responsibility of the management.

Determining the possibility of continuous function of the Sri Lanka Tea Board in preparing the financial statements is a responsibility of the management. Except the circumstances the management decides to liquidate the Board or stop the operations when an alternative is not found, accounting on the basis of continuous existence and disclosing the particulars related to continuous existence of the Board are also a responsibility of the management.

The responsibility of examination on the financial reporting procedure is borne by the governing parties. As per the sub-section 16 (1) of National Audit Act No.19 of 2018, the books and records should appropriately be maintained about the own incomes, expenditures, assets and liabilities enabling the preparation of annual and timely financial statements of the Board.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing



Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional uncertainties throughout the audit. I further:

- Designed and performed Opportunistic and appropriate audit procedures to identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error in respect of providing a basis for my audit opinion. The impact of a fraud is higher than the impact of a material misstatement resulting from an error, as the fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding about internal control in order to design opportunistic and appropriate audit procedures, though it was not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluated the appropriateness of accounting policies used and the fairness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of using the basis of continuous existence of the Board for accounting based on the audit evidence obtained on whether a material uncertainty exists related to events or conditions that may cast significant doubt about the ability of continuous existence of the Board. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, my opinion should be modified. However, continuous existence can be ceased due to the future events or conditions.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I inform the parties in charge of governance about the important findings of my audit, main internal weaknesses of the governance and other particulars.

2. Report on other Legal and Regulatory Requirements

2.1. Special provisions are included in relation to the following requirements of the National Audit Act No.19 of 2018.

- 2.1.1. All details and clarifications required for the audit was obtained by me except the impact caused by the particulars described in "Basis for Qualified Opinion" in my report as per the requirements specified in the Section 12(a) of the National Audit Act No.19 of 2018, and the due basis for financial reporting has been maintained by the Board as revealed by my inspection.
- 2.1.2. The financial statements of the Board are compatible with the previous year in line with the requirement of the Section 6(1) (d) (iii) of the National Audit Act No.19 of 2018.
- 2.1.3. The recommendations made by me in the previous year have been included in the financial statements except the observation stated in the paragraph 1.2 (a), (b), (c) of this report in line with the requirement of the Section 6(1) (d) (iv) of the National Audit Act No.19 of 2018.

2.2. Based on the procedures followed and the evidences obtained as well as due to being limited to quantitative facts, nothing enough was caught by my attention to express the following statements.

- 2.2.1. That a certain member of the Governance Board of the Board has a connection directly or by other means outside the normal business condition regarding an agreement related to the Board as per the requirement stated in the Section 12(d) of the National Audit Act No.19 of 2018.
- 2.2.2. That it has been proceeded in contrast to a certain relevant written law or other general or special provisions issued by the Board of Governance on the Sri Lanka Tea Board other than the following observations as per the requirement mentioned in the Section 12 (f) of the National Audit Act No.19 of 2018.

Reference to laws, rules/orders	Observation
(a) Sections 4.3.1 of the Procurement Guideline	A detailed assessment had not been prepared with reference to the contract at a value of Rs.32,182,460 for the supply of Central A/C system in the new building of the Sri Lanka Tea Board and its installation, operation and maintenance.

2.2.3. As per the requirement stipulated in the section 12 (g) of the National Audit Act No.19 of 2018, proceedings have been done incompatibly to the powers, duties and functions of the Board.

2.2.4. As per the requirement stipulated in the section 12 (h) of the National Audit Act No.19 of 2018, the resources of the Board had not been used thriftily, efficiently and effectively subsequent to the procurement made in accordance with the rules and regulations within time frames except the observations mentioned below.

(a) Although the contract of the operation activities of the Tea Shop of Nuwara Eliya Regional Office of the Sri Lanka Tea Board had been awarded to a private party by an agreement at a lease amount of Rs.8,162,296 for a period of 06 months and its business activities are in progress, the lease amounts of Rs. 2,298,572 to be paid by Nuwara Eliya Tea Shop to the Board for the period from 2009 to 31st December 2022 had not been able to be levied as the said contract was awarded by the Board to the relevant party without testing the party's ability of making payments when the agreement was entered into with the party.

2.3. Other Particulars

(a) The value of the sums kept at the Board to be paid to the Tea leaf suppliers by the Tea Factory Owners as at 31st December 2022 and the deposits not settled appropriately until the end of the year under review was Rs. 92,245,738 and a sum of Rs.6,508,027 were the deposits older about 10 years.

(b) The approval of the Cabinet of Ministers has been received in the year 2016 to establish an Information Technology System for the Tea Industry and although a sum of Rs.220,000,000 had been obtained from the Sales and Promotion Fund to the Board on 03rd July 2018, the said money had been retained without being utilized and for more than a period of 02 years and an agreement had been entered into with a private institute on 30th September 2020. Accordingly, even if it was planned to complete establishment of the entire system within a time frame of about two years and six months at a cost of Rs.53,964,995, the task had not been completed by 30th April 2023. As this money was obtained on a higher estimate, a sum of Rs.166,035,005 was further kept without being utilized and the said value had been stated under other expenses payable in the financial statements.

(c) Liquid Chromatography Mass Spectrometer purchased at a cost of Rs. 32,132,088 in the year 2009 had not been used thus far as it was not in line with the expected specifications, and a charge sheet about the irregularities occurred in purchasing had been issued against then Assistant Directors served being attached to the Laboratory and the formal inquiry was completed and presented to the Director Board on 22nd September 2022. As an independent officer had been appointed again by the Director Board in order to verify the reasonability and impartiality of the charge sheet and the formal inquiry, required disciplinary actions could not be taken to date. The alleged Assistant Director had been retired at the end of the year under review and a gratuity amount of Rs. 1,559,775 had been paid to the officer by the Board. A sum of Rs.205,454 had been spent by the Board for the inquiry.

(d) Although the Janatha Estate Development Board and the Sri Lanka Tea Board had reached a decision in accordance with the orders of the Committee on Public Enterprises held on 19th June 2012 to acquire the ownership of Ceylon Tea Museum in Hanthana belonged to Janatha Estate Development Board in lieu of a sum of loan amount of Rs.25,000,000 given by the Board on 19th September 2003, the said process had not been finalized even if a period of more than 10 years has passed to date and no actions had been taken to recover the loan.. Further, a loan amount of Rs.10,000,000 had been given again by the Sri Lanka Tea Board to Janatha Estate Development Board on 27th February 2020 for paying wages of the estate workers of Janatha Estate Development Board, and only Rs.1,000,000 has been levied as at the end of the year under review.

(e) A sum of Rs.317,232 spent for the foreign travels of the officers of Small Tea Estate Holders Development Authority and a sum of Rs.79,200 spent for the foreign travels of the officers of Kalubovitiyana Tea Factory Company had been indicated in financial statements as balances to be received from a period of 03 to 04 years. The actions had not been taken to recover said money even as at the end of the year under review.

(f) The amount of Rs.918,679 remained from 15 countries out of the sum of Rs.51,604,457 given to the Embassies for the Global Tea Party in the year 2017 and the sum of Rs.868,578 to be received from the Embassies of China, United

States and Moscow had been remitted from the relevant Embassies to the Ministry of Foreign Affairs of Sri Lanka. However, the actions had not been taken to levy money from the said Ministry even as at the date of Audit.

- (g) In the year 2019, a loan amount of Rs.8,760,400 had been paid from the Tea Promotion Fund of the Board to the Elkaduwa Plantation Company for the payment of Deepavali festival advances of the workers of Regional Plantation Companies. However, even if a period of 03 years has passes since the payment of this advance amount, no measures had been taken by the Board to recover any amount from the said balance until 31st December 2022.
- (h) Although there is a Preferential Tariff Rate Quota for Tea under Indu-Sri Lanka Free Trade Agreement (ISFTA) and Pakistan- Sri Lanka Free Trade Agreement (PSFTA), a substantial utilization had not been able to be reported in the year 2022. The total exports to India and Pakistan compared to previous year had been declined by 32% and 100% respectively.
- (i) Although the World Prod Share for Sri Lankan Tea in the year 2011 is 18% as the total production and export of Sri Lankan Tea were not gradually increased, it was observed that World Prod Share for Sri Lankan Tea had gone down up to 3.88% by the year under review according to the Supplementary to International Tea Committee News Bulletin.
- (j) The approved cadre of the Board was 335 while its actual cadre was 246 as at 31st December 2022. Accordingly, there were 89 vacant positions including 03 position; Deputy Director (Marketing), Director (Promotions) and Director (Administration) which belonged to Top Management (From 03 years to 06 months) and no actions had been taken to by the Board fill those positions or to revise the approved cadre.
- (k) Although Rs. 13,462,663 and Rs.10,684,706 had been paid in the years 2021 and 2022 respectively for the contract for the supply of Central A/C system in the new building of the Sri Lanka Tea Board and its installation, operation and maintenance, it was observed that there was not a systematic budget control as the budget provisions had not been allocated for the said task in the relevant years.
- (l) In the analysis of remittances made from the Promotions and Sales Tax Fund being maintained by the Sri Lanka Tea Board, it was observed that the loan amounts of Rs. 1,055,625,000 given by this fund to the Ministry of Finance, Central Bank of Sri Lanka and Janatha Estate Development Board had not been recovered even as at 31st December 2022.
- (m) The arrangements were made for the participation at 34 Foreign Trade Fairs as per the Annual Plan 2022 and a sum of Rs.200,000,000 has been allocated from the Budget. However, a sum of Rs.104,201,553 had been spent for the participation at 25 trade fairs within the year. As a follow-up process was not done about the progress of the said trade fair subsequent to giving the opportunity and the concessions for the exporters selected by the Board to take part in the foreign trade fairs, and as the Evaluation Forms were given to evaluate the progress of the exporters after trade fairs and the data about the orders received and its values were obtained, it could not be satisfied in the audit that an adequate evaluation was done on the fact that whether the concessionary funds given to the exporters were utilised effectively as the actual export growth of the exporters was not evaluated.
- (n) The loss of Rs.62,603,006 experienced by the Board due to starting the Colombo Tea Sales Centre named "Tea Moment" in the year 2014 without a feasibility study and not implementing in an effective way had been written-off. Even if the letter dated 06 December 2016 from the Secretary, Ministry of Plantation Industry had informed the President that the suitable actions should be taken against the officers who acted carelessly in this connection; the Director Board had decided that taking disciplinary actions is not suitable. Therefore, no actions had been taken against the parties responsible for the loss even by the end of the year under review.
- (o) Although the monitoring activities including the registration of Tea Factories and improvements of Tea Factories under Tea Control Act No.51 of 1957 should be done under the control of the Board, 76 factories had produced 11,630,711Kg of Tea exceeding the approved volume in the year under review.

W.P.C. Wickramarathna
Auditor General



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