

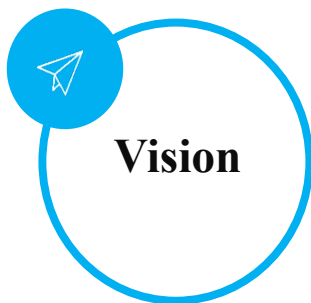


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சிறு தேயிலைத் தோட்டஅபிவிருத்தி அதிகார சபை  
**Tea Small Holdings Development Authority**

වාර්ෂික වාර්තාව  
வருடாந்த அறிக்கை  
**ANNUAL REPORT**  
**2023**

අංක 70, පාර්ලිමේන්තු පාර, පැලවත්ත, බත්තරමුල්ල  
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# Vision and Mission



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



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



## Message of the Chairman



We, as the Tea Small Holdings Development Authority are delighted about being able to improve the standard of living of the tea planters by keeping the productivity of the tea lands section at a higher position compared to previous years even during an economically challenging period. Over the last few years, based on factors such as the COVID pandemic condition and social disparities in the country, our foremost tasks were engaging in the undertakings that direct the targeted community on the production of raw materials required for made tea focusing on the constancy and advancement of tea economy by absconding the turbulences and changes adhering to the basic system of rules. Furthermore, in the global arena, a transposition is being discovered from rich markets with high investments in tea produced in Sri Lanka to deprived markets, and one of the core factors for that is the usage of low-quality raw materials for production which caused high post-harvest destruction.

The expected outcomes were achieved from the activities performed by engaging in a complete analysis of the above-mentioned facts and in special field undertakings to rectify the respective conditions, similarly focusing more on awareness, and creatively making changes in administration as required. Similar to previous years, a livelier contribution was made by the expansion of field development undertakings this year.

Furthermore, the year 2023 can be made known as a year of creative run-throughs based on the sustainability of the tea sector and Sustainable Development Goals preparing policy frameworks for the paradigm of the years 2024/2025.

As per the precise guidance of the Minister of Plantation Industries, it is required to move forward with the collective spirit of all supporting parties with no delays in the process of driving the tea small holdings sector into a restructuring process with the right vision, mission and goal as one of the most influential actors in the national economy by enhancing the productivity of tea lands, thereby empowering the family unit of tea small holders and the rural economy.

In the process of achieving this, it is required for us, the entire staff of our Authority, the all-island association of tea small holdings societies, as well as other affiliated institutions and the all-island community of tea small holders, to join hands for a directive that is effective, proficient and idyllic.

Thank You!

D. G. Mahipala  
The Chairman

**Performance Indicators of Tea Small Holdings Sector - 2023**

No.	Description	2019	2020	2021	2022	2023
1	Extent of Tea Small Holdings (Hectares) *As per the land registration of Sri Lanka Tea Board	122,900	123,324	*157,907	*158,060	*158,221
2	Number of Tea Small Holders	400,987	404,291	*418,328	*418,531	*418,938
3	Made Tea production of the Tea Small Holding sector (Million Kilograms)	225.728	205.666	223.197	189.734	190.662
4	Percentage of Contribution of the Tea Small Holding sector to the National production (%)	75.2	73.8	74.56	75.44	74.46
5	Average Productivity (Made Tea/Kilograms/per Hectare)	1,938	1,766	*1,414	*1,200	*1,205
6	Extent of lands of Tea Replanting – With STaRR project under incentives (Hectares)	787	946	1466	1596	1076
7	Extent of lands of New Tea planting Hectares (Under incentives)	296	424	678	408	43.61
8	Percentage of Tea replanting (%) (With STaRR project) (%)	0.79	0.95	1.47	1.60	0.60
9	Crop Rehabilitation – Number of plants (Millions)	1.921	2.137	3.324	2.431	0.20
10	Tea Small Holdings Development Societies					
	No. of Societies	1,475	1,483	1,484	1,484	1,492
	No. of Members	329,963	309,710	279,594	305,736	300,706
11	Extension and Advisory Services					
	No. of Individual Extension Services	12,955	14,439	15,866	19,565	20,678
	No. of Group Programs	4,575	1,956	2,530	3,179	3,185
	No. of Participated Farmers	119,265	53,068	43,138	90,451	72,445
12	Institute's Cost of Operation (per Development Rupee)	0.65	0.55	0.38	0.27	0.35
13	Tea Inspection/ Extension Officer – Tea Farmer Ratio	1:2784	1:2807	1:3374	1.2907	1.2909
14	Average Selling Price of green leaves per Kilogram in Rupees	80.15	92.55	90.57	182.07	162.66

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

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Development  
Authority

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Audit and  
Management  
Committee of Tea  
Small Holdings  
Development  
Authority

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Organizational  
Structure and  
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and Details of  
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Investments and  
Operational  
Review of the Tea  
Small Holdings  
Sector

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

### 1.1 Board of Directors of Tea Small Holdings Development Authority

- |   |   |                     |
|---|---|---------------------|
| <p>✓ <b>Mr. D. J. Mahipala</b><br/>Chairman<br/>Tea Small Holdings Development Authority<br/>No: 70, Parliament Road, Pelawatte, Battaramulla.</p>                                    | - | <b>077266 2484</b>  |
| <p>✓ <b>Mrs. W. M. D. T. Wickramasinghe</b><br/>Additional Secretary (Policy and Development)<br/>State Ministry of Plantations</p>   | - | <b>071 448 4264</b> |
| <p>✓ <b>Mr. T. A. D. D. Premartha</b><br/>Director,<br/>Department of Project Management and Monitoring<br/>Ministry of Finance<br/>Colombo 01</p>                                    | - | <b>071 534 9119</b> |
| <p>✓ <b>Prof. W. Jinadasa</b><br/>Chairman<br/>Adaradeniya Tea Factory, Moravaka Road, Lellawa</p>  | - | <b>077 790 6024</b> |
| <p>✓ <b>Prof. Roshan Rajadurei</b><br/>Managing Director<br/>Kelani Valley Plantations PLC<br/>No. 400, Deans Road, Colombo 10</p>  | - | <b>077 774 3457</b> |
| <p>✓ <b>Mr. C. S. Lokuhetti</b><br/>Chairman<br/>Sri Lanka Tea Research Institute<br/>Thalawakale, Nuwara Eliya</p>   | - | <b>077 725 7356</b> |
| <p>✓ <b>Prof. M. A. Wijerathna</b><br/>Head of Department of Agriculture<br/>Sri Lanka Tea Research Institute<br/>Thalawakale, Nuwara Eliya</p>                                       | - | <b>071 274 6483</b> |
| <p>✓ <b>Mr. E.A.J.K Edirisinghe</b><br/>Tea Commissioner<br/>Sri Lanka Tea Board<br/>No. 574, Galle Road, Colombo 03</p>  | - | <b>071 449 1618</b> |
| <p>✓ <b>Mr. Jagath Senarath Pathirana</b><br/>Chairman<br/>All Island Federation of Tea Small Holdings Development Societies<br/>No: 70, Parliament Road, Pelawatte, Battaramulla</p> | - | <b>070 375 0550</b> |
| <p>✓ <b>Mr. K. Weerasinghe</b><br/>Secretary<br/>All Island Federation of Tea Small Holdings Development Societies<br/>No: 70, Parliament Road, Pelawatte, Battaramulla</p>           | - | <b>077 323 3297</b> |
| <p>✓ <b>Mr. T. H. Richard</b><br/>Representative of the Honourable Minister<br/>Sithumina, Narawala, Poddala</p>  | - | <b>071 805 4893</b> |

**11 Director Board meetings were held in the year 2023.**

## 1.2 Audit and Management Committee of Tea Small Holdings Development Authority

- |  |   |                                  |
|--|---|----------------------------------|
| ✓ <b>Miss. M. K. Peris</b><br>Ministry of Finance  | - | <b>Chairman of the Committee</b> |
| ✓ <b>Mrs. Tharangani Wickramasinghe</b><br>Ministry of Agriculture and Plantation Industries | - | <b>Committee Member</b>          |
| ✓ <b>Prof. W. Jinadasa</b><br>Tea Factory Owners' Association                                | - | <b>Committee Member</b>          |
| ✓ <b>Ms. V. D. Seetha</b><br>National Audit Authority  | - | <b>Observer</b>                  |

02 Audit and Management Committee meetings were held in the year 2023.

### 1.2.1 Audit and Management Committee Activities

The following key decisions had been taken by the Audit and Management Committee for the year 2023 focusing on the following subject areas.

**01**

**Reviewing the matters disclosed by the internal audit reports and working on accelerating the execution of proposals.**

**02**

**Reviewing the Auditor General's report and taking measures on performing necessary adjustments required to prevent the recurrence of deficiencies as shown thereto.**

**03**

**Examining the progress of the submission of responses regarding audit inquires.**

**04**

**Inquiring on whether the circulars and regulations are accordingly adhered to and taking necessary measures on revising shortcomings.**

**05**

**Inquiring on the delay of submitting Board of Directors' handouts and on the delay of appointing officers for formal disciplinary decisions and basic inquires to the Board of Directors and reporting the details of the procedures taken by the Administrative Division on disciplinary procedures to the Audit and Management Committee and to the Board of Directors., etc tasks were carried out.**





## Table No. - 01

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

1. Ministry/Provincial Council/District Secretariat - Ministry of Agriculture and Plantation Industries
2. Department/SOE Name / Institute/Divisional Secretariat Office - Tea Small Holdings Development Authority
3. Address - No. 70, Parliament Road, Pelawatta, Battaramulla.
4. Details of approved cadre - Details of cadre as at 31.12.2023

Designation	Status of Service	Grade	No. of Approved Cadre	No. of Existing Cadre
General Manager	Senior Manager	HM2-1	1	1
Deputy General Manager (Development)	Senior Manager	HM 1-1	1	1
Deputy General Manager (Extention)	Senior Manager	HM 1-1	1	1
			3	3
Manager (Human Resources/Administration)	Middle Manager	MM 1-1	1	-
Assistant General Manager (Services)	Middle Manager	MM 1-1	1*	1*
Manager (Finance)	Middle Manager	MM 1-1	1	1
Manager (Development)	Middle Manager	MM 1-1	1	1
Manager (Planning & Monitoring)	Middle Manager	MM 1-1	1	-
Regional Manager	Middle Manager	MM 1-1	8	5
Assistant Manager (Development)	Middle Manager	MM 1-1	1	1
Assistant Manager (Finance)	Middle Manager	MM 1-1	2	2
Assistant Manager (Administration)	Middle Manager	MM 1-1	1	1
Internal Auditor	Middle Manager	MM 1-1	1	1
Assistant Manager (Extension)	Middle Manager	MM 1-1	1	1
Assistant Manager (Training)	Middle Manager	MM 1-1	1	1
Assistant Manager (Planning & Monitoring)	Middle Manager	MM 1-1	1	1
Assistant Regional Manager (Extension)	Middle Manager	MM 1-1	8	7
Assistant Regional Manager (Planning & Development)	Middle Manager	MM 1-1	6	6
			34	28
			1*	1*
Accounts Officer	Junior Manager	JM 1-1	8	8
Internal Audit Officer	Junior Manager	JM 1-1	1	1
Administrative Officer	Junior Manager	JM 1-1	9	6
Zonal Tea Development Extension Officer	Junior Manager	JM 1-1	26	22
Training Officer	Junior Manager	JM 1-1	1	-
Information Technology Officer	Junior Manager	JM 1-1	1	-
Technical Officer	Junior Manager	JM 1-1	1	-
Welfare Officer	Junior Manager	JM 1-1	1*	1*
			47	37
			1*	1*
Tea Inspection/Extension Officer	Management Assistant (Technical)	MA 2-3	144	120
Bookkeeper	Management Assistant (Technical)	MA 2-2	9	8
Management Assistant	Management Assistant (Non-Technical)	MA 1-2	149	137
			11*	11*
			302	265
			11*	11*
Driver	Primary (Skilled)	PL 3	26	22
			1*	1*
Assistant Cook	Primary (Semi-Skilled)	PL 2	2	2
Nursery Assistant Tea Nursery Assistant	Primary (Skilled) Management Assistant (Non-Technical)	PL 2/MA 1-2	8	7
Office & Security Assistant	Primary (Unskilled)	PL 1	37	37
			6*	6*
			73	68
			6*	6*
<b>Total No. of cadre approved by the letter No. DMS/1714 V- II dated 22.06.2</b>			<b>459</b>	<b>401</b>
<b>Total No. of permanent positions on which the approvals were received as personal to the holder (As explained below)</b>			<b>20*</b>	<b>20*</b>
<b>Total</b>			<b>479</b>	<b>421</b>

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

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



### 1.3.5 Administrative Activities

#### Promotions and Recruitments made during the year

In accordance with the approval of the Department of Public Enterprises and Ministry of Agriculture and Plantation Industries, recruitments were made for the following positions in the year 2023 as per the provisions of the recruitment procedure

**Table No. - 03**

Designation	Recruitments
General Manager	01 Position
Deputy General Manager (Extension)	01 Position
Deputy General Manager (Development)	01 Position
Assistant Manager (Human Resources & Administration)	01 Position
Assistant Manager (Development)	01 Position
Assistant Regional Manager (Extension)	02 Positions
Assistant Regional Manager (Planning & Development)	05 Positions
Zonal Tea Development Extension Officer/ Officer in Charge	12 Positions
Tea Inspection/Extension Officer	07 Positions
Bookkeeper	01 Position
<b>Total</b>	<b>32</b>

### 1.4 Staff details of the Head Office and Regional Offices

#### Head Office

No: 70, Parliament Road, Pelawatte, Battaramulla

Telephone No.: (011-790 9020/21)

Fax: 011-278 4925/28 / Email: gmtshda@gmail.com/ aetshda1@gmail.com

#### ➤ Executive Staff – Head Office

Chairman

:Mr. D.G. Mahipala

General Manager

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

#### ➤ Extension Division

Deputy General Manager (Extension)

: Mr. Saman Priyantha Rathnayake

Assistant Manager (Extension)

: Mr. Prabuddha Pathum Weerasuriya

#### ➤ Development Division

Deputy General Manager (Development)

: Mrs. M.A. Krishanthi Niluka  
Gunawardhana

Manager (Development)

:Mr. R.A. Waidyaratne

Assistant Manager (Development)

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

Welfare Officer

: Vacant

➤ Planning & Monitoring Division

Manager (Planning & Monitoring)	: Vacant
Assistant Manager (Planning & Monitoring)	: Mrs. W.D C. Krishanthi
Information Technology Officer	: Vacant (Mr. J. M. V. N. Madurawela - Acting)

➤ Finance Division

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

➤ Human Resources and Administration Division

Manager (Human Resources & Administration) :	Vacant
Assistant Manager (Administration)	: Mr. D.G. Chamila Bandara Diddeniya

Administrative Officer	: Vacant (Mr. Sumudu Gunasekara – Acting)
------------------------	--

➤ Internal Audit Division

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

➤ Services Division

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

**Regional Office – Galle – Administrative District: Galle**

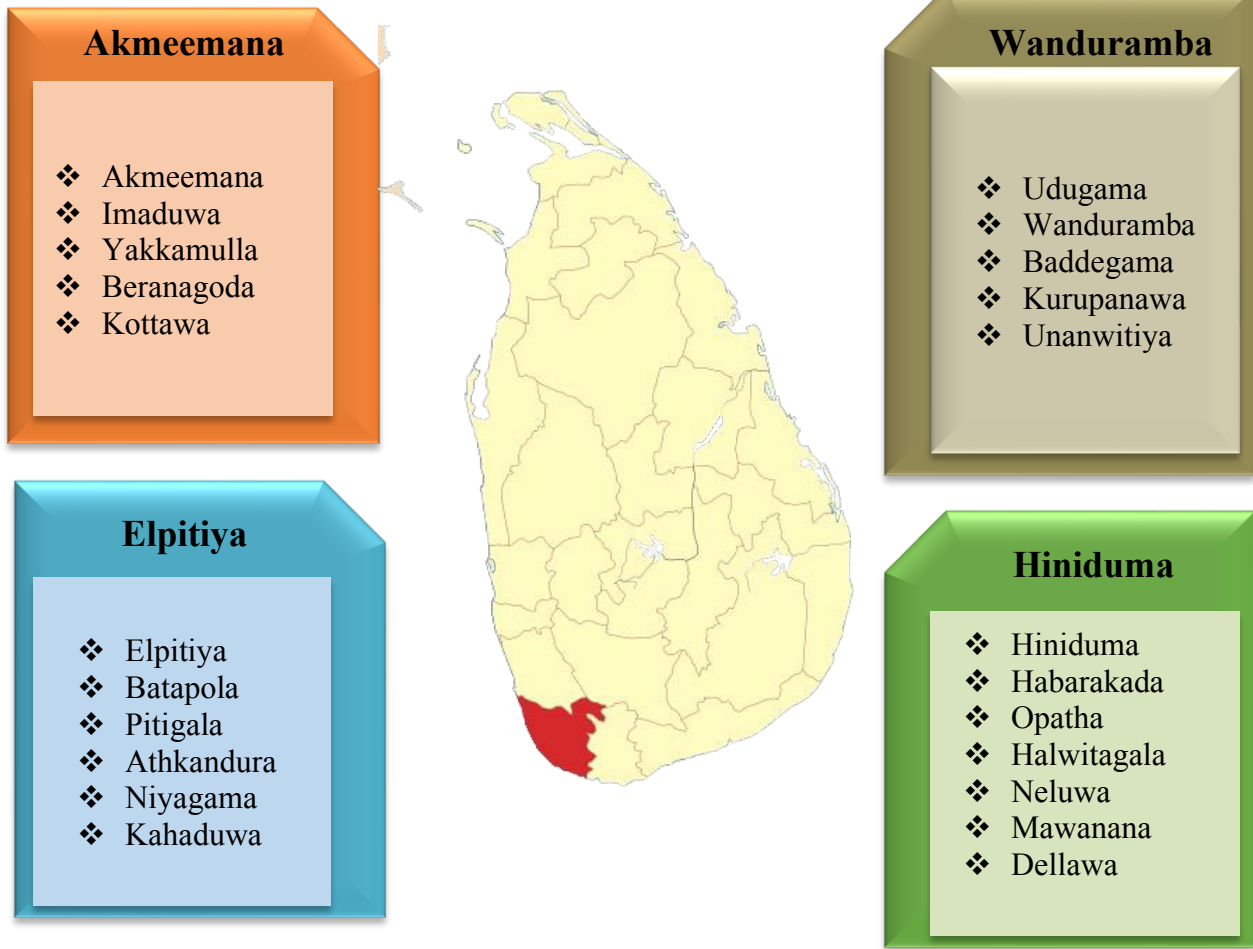
Walahanduwa Watta, Galle

Telephone No.: 091-720 1126

Fax: 091-224 4382 / Email: tshdaga@gmail.com

Regional Manager	: Mr. I.U.H. Mohotti
Assistant Regional Manager (Extension)	: Vacant
Assistant Regional Manager (Planning & Development)	: Mr. J.L. Edirisooriya
Zonal Tea Development Extension Officer :	Mr. H. M. K. G. B. Herath
	: Mr. A.U. Mananage
	: Mrs. H.P. Pushpakumari
	: Vacant
	Mr. K.S.S. Dahanayake (Acting)
Administrative Officer	: Vacant (Mrs. Kanchana Lakrawindra – Covering Duties)
Accounts Officer	: Mr. E. G. T. N. Serasinghe

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



## Regional Office – Matara – Administrative Districts: Matara, Hambanthota

No. 31, Kalidasa Road, Matara

Telephone No.: 041-720 0799 / 041-720 0394/96

Fax: 041-222 6487 / Email: tshdamt@gmail.com

Regional Manager

Assistant Regional Manager (Planning and Development)

Assistant Regional Manager (Extension)

Zonal Tea Development Extension Officer

:Mr. P. A. N. Pushpakumara

: Mr. K.G. Udula Dasantha

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

: Mr. Mahinda Batagoda

: Mr. S.C.W. Jayasekara

: Vacant

:Mr. S.S. Deshapriya (Acting)

Administrative Officer

:Vacant

Mrs. N.A.T.K. Rathnayake (Covering Duties)

Accounts Officer

:Mrs.H. M. L. Pushpakumari

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

**Kotapola**

- ❖ Kolawenigama
- ❖ Deniyaya
- ❖ Kotapola
- ❖ Morawaka
- ❖ Kalubowitiyana
- ❖ Darangala
- ❖ Pitabaddara

**Pasgoda**

- ❖ Deiyandara
- ❖ Pasgoda
- ❖ Dampahala
- ❖ Urubokka
- ❖ Beralapanathara
- ❖ Warapitiya
- ❖ Kirilipana



**Akurassa**

- ❖ Kananke
- ❖ Akuressa
- ❖ Thelijawila
- ❖ Thibbotuwawa
- ❖ Ketanwila
- ❖ Kamburupitaiya

### Regional Office – Rathnapura – Administrative District: Rathnapura

No 1/28, New Town, Rathnapura

Telephone No.: 045-720 1243 / 045-720 1904

Fax: 045-222 8647 /Email: tshdarat@gmail.com

Regional Manager

:Vacant

Assistant Regional Manager (Planning and Development)

Mr. H. Tharanga De Soysa (Acting)

Assistant Regional Manager (Extension)

:Mr. H. Maddahetti

Zonal Tea Development Extension Officer

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

:Mr. M.A.I. Abeysena

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

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

: Mr. M.A.S. Jayasena

Administrative Officer

:Mrs. Dhammika Weththasinghe

Accounts Officer

:Mrs. K.W.W. Perera

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

**Niwithigala**

- ❖ Rathnapura
- ❖ Niwithigala
- ❖ Kalawana
- ❖ Ayagama
- ❖ Waddagala
- ❖ Kukulegama



**Rakwana**

- ❖ Palmadulla
- ❖ Pothupitiya
- ❖ Rakwana
- ❖ Kahawatta
- ❖ Kolonna
- ❖ Madampe

**Balangoda**

- ❖ Waligepola
- ❖ Balangoda
- ❖ Imbulpe
- ❖ Allarawa
- ❖ Rassagala
- ❖ Opanayaka
- ❖ Pinnawala

**Kuruwita**

- ❖ Erathna
- ❖ Wewalwatta
- ❖ Ehaliyagoda
- ❖ Gileemale
- ❖ Gallalla
- ❖ Kiriella

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

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

Telephone No.: 081-720 0827 / 081-720 0821

Fax: 081-238 9011/ Email: - tshdakan@gmail.com

Regional Manager

Assistant Regional Manager (Planning and Development)

Assistant Regional Manager (Extension)

Zonal Tea Development Extension Officer

Administrative Officer

Accounts Officer

: Mr. S.C.E. Narangaspitiya

: Vacant

: Mr. G. N. Yagamuni

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

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

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

Vacant

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

: Mrs. M. U. L. Shyamalie Premasundara

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

**Giragama**

- ❖ Manikdiwela
- ❖ Galagedara
- ❖ Danthure
- ❖ Handessa

**Gampola**

- ❖ Panwilathanna
- ❖ Nillamba
- ❖ Pupurassa
- ❖ Ulapane
- ❖ Pussellawa

**Matale**

- ❖ Matale
- ❖ Alawathugoda



**Wattegama**

- ❖ Hewahata
- ❖ Wattegama

**Nawalapitiya**

- ❖ Dolosbage
- ❖ Kurunduwatta
- ❖ Nawalapitiya

## Regional Office – Nuwara Eliya – Administrative District: Nuwara Eliya

New Town, Kotmale

Telephone No.: 052-493 0265/ 052-493 0247

Fax: 052-225 9060 / Email: tshdane@gmail.com

Regional Manager

Assistant Regional Manager (Planning and Development)

Assistant Regional Manager (Extension)

Zonal Tea Development Extension Officer

: Mr. W.H.P.S. Wijethunga

: Mr. H.K. Lalith Kumara

: Mr. S.P.A.P.K. Jayarathne

: Mr. A. T. A. Gunawardhane

: Mrs. K.H.M.G.S. Kumari

: Vacant

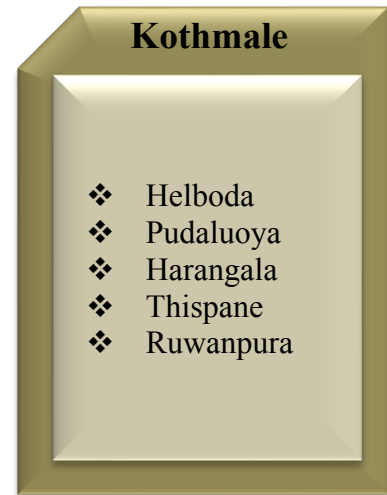
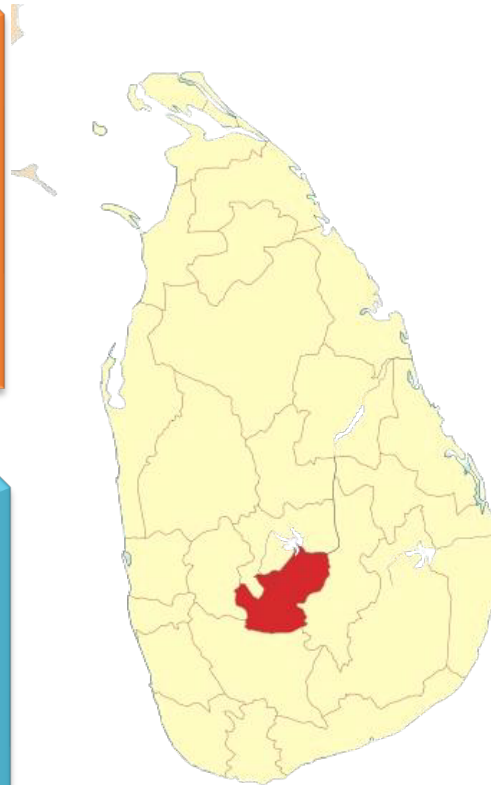
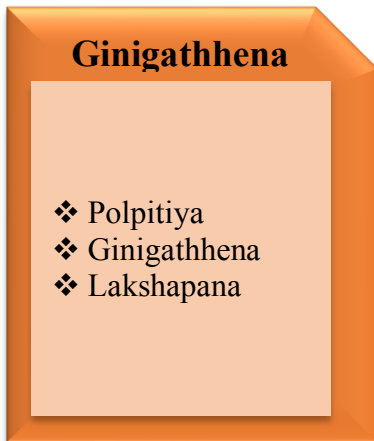
Administrative Officer

Accounts Officer

: Mrs. M. G. D. A. Pushpakumari

: Mrs. D. M. L. Nawalage

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



### Regional Office – Uva – Administrative Districts: Badulla, Moneragala

New Badulla Road, Bandarawela

Telephone No.: 057-720 0241/ 057-720 0081

Fax: 057- 223 2237 / Email: uvatshda@gmail.com

Regional Manager

Assistant Regional Manager (Planning & Development)

Assistant Regional Manager (Extension)

Zonal Tea Development Extension Officer

Administrative Officer

Accounts Officer

: Mr. W.T.R.P. Wimalarathne

: Mrs. M.A. Piyaseeli

: Mr. Neil Gunarathne (Performing Duties)

: Mr. H. M. Premakumara

: Mr. R. M. A. D. Rathnayake

: Mrs. B.M.H.P. Amarasinghe

: Mrs. R. D. C. K. Ranathunga

: Mrs. W. D. M. M. Amarasinghe

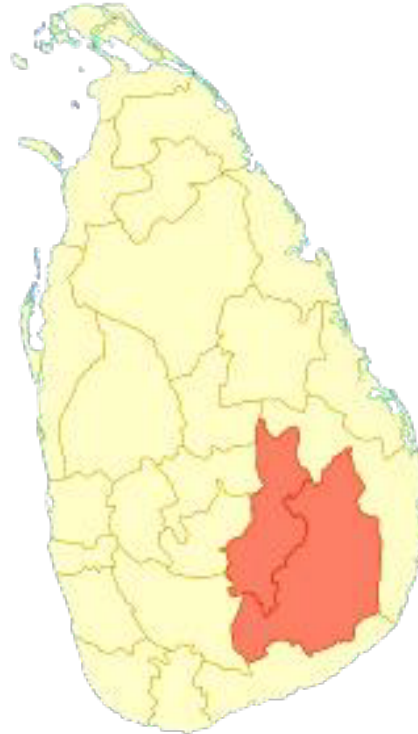
## Sub Offices and Tea Inspection Extension Divisions of Regional Office – Uva

**Bandarawela**

- ❖ Bandarawela
- ❖ Liyangahawela
- ❖ Ella
- ❖ Ballakotuwa
- ❖ Haputale
- ❖ Haldummulla

**Haliela**

- ❖ Haliela
- ❖ Atampitiya
- ❖ Wepassawela
- ❖ Passara
- ❖ Lunugala
- ❖ Badulla



**Welimada**

- ❖ Welimada
- ❖ Boralanda
- ❖ Lunuwatta
- ❖ Bambarapana

## Regional Office – Kegalle – Administrative Districts: Kegalle, Gampaha

**Iriyagolla, Dehiowita**

**Telephone No.: 035-720 1254 / 035-720 1243**

**Fax: 035-223 0163 / Email - tshdake@gmail.com**

Regional Manager

: Vacant

Mr. M. R. N. Dhammika (Acting)

Assistant Regional Manager (Extension)

: Mr. M. R. N. Dhammika

Zonal Tea Development Extension Officer

: Mr. P.S.K. Perera

: Mrs. R.P.P.M. Rathnayake

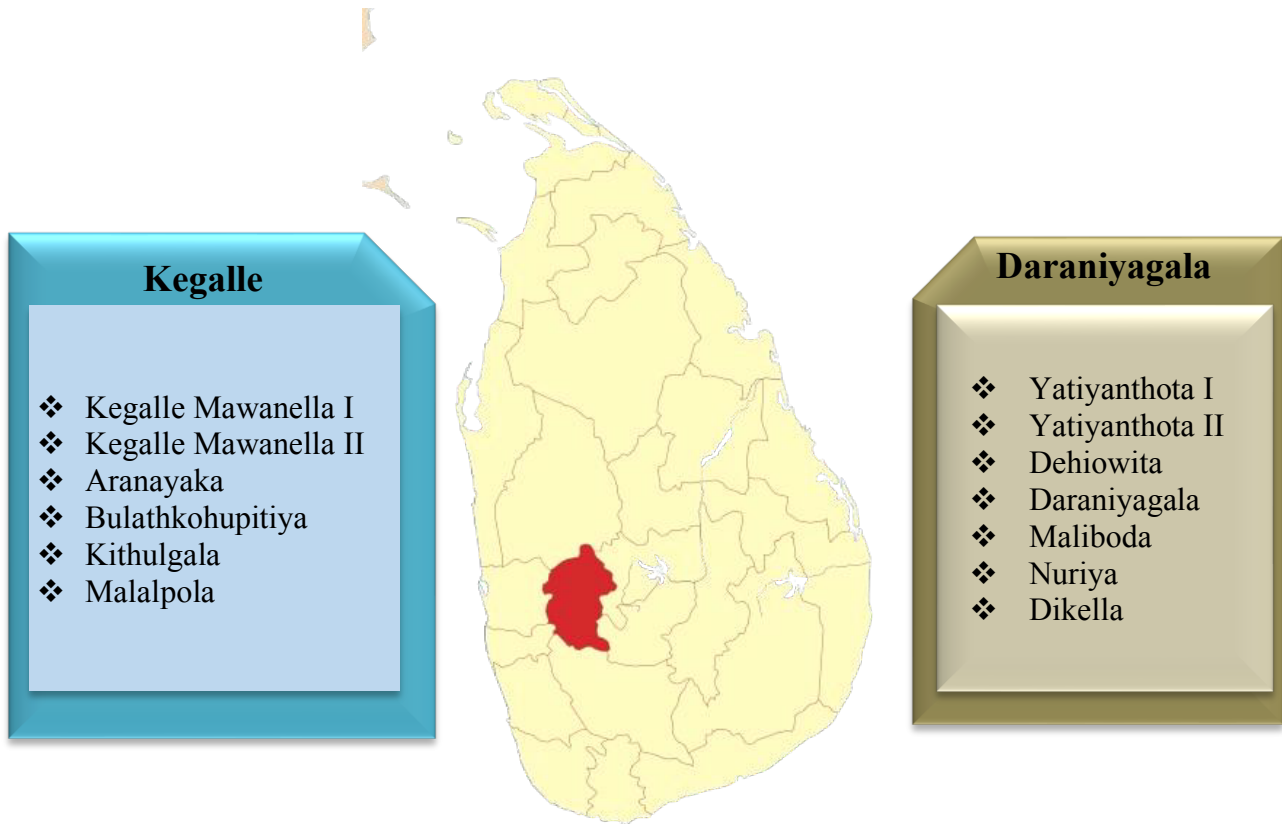
Administrative Officer

: Vacant

Accounts Officer

: Mr. R. M. J. B Rathnayake

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



**Regional Office – Kaluthara – Administrative Districts: Kaluthara, Colombo**

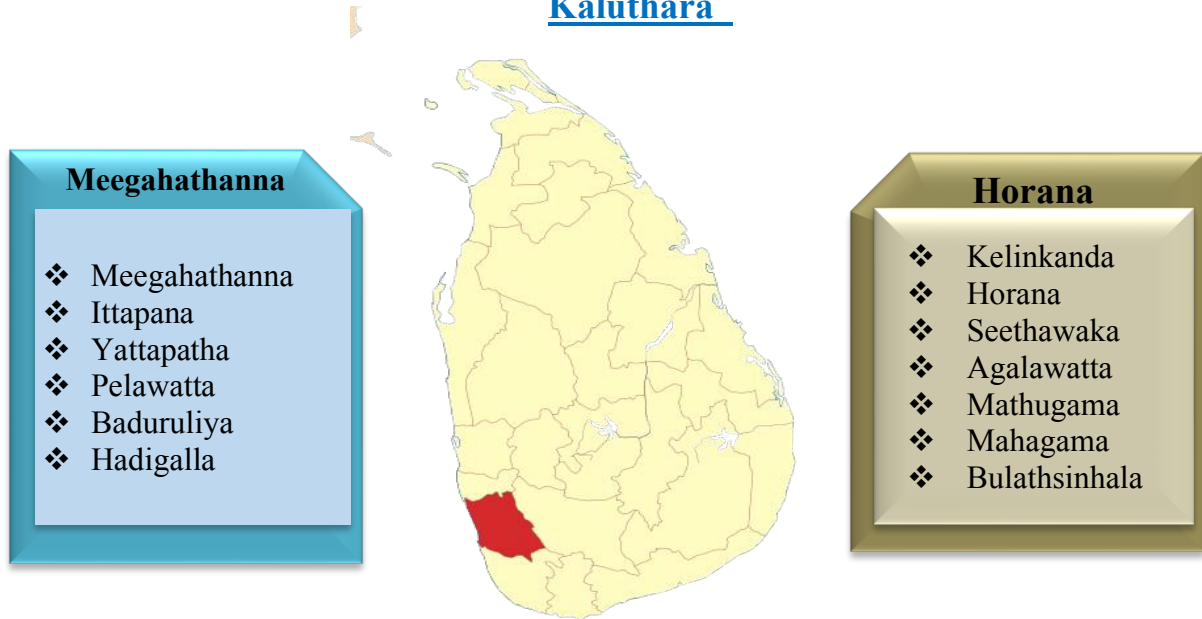
**Dadugodayawatte Road, Iddagoda, Mathugama**

**Telephone No.: 034-720 0183 / 034-720 1630**

**Fax: 034-224 9690 / Email: tshdakalu@gmail.com**

Regional Manager	: Vacant Mr. N.H. Wijesinghe (Acting)
Assistant Regional Manager (Extension)	: Vacant Mr. M.T. Amararuwan (Acting)
Zonal Tea Development Extension Officer	: Mr. M.T. Amararuwan : Mr. I.D.D. Kumar
Administrative Officer	: Mr. H. P. L. Sanjeewa Pushpa Kumara
Accounts Officer	: Mrs. P. G. I. Surangika

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



### Rathnasiri Wickramanayaka National Training Institute

5th Milepost, Middle Division, Udawela, Hanthana

Telephone No.: 081-720 1760/ 081-720 1973

Fax: 081-380 0679 / Email: tshdantc@gmail.com

Assistant Manager (Training)  
Training Officer

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

### Tourist Bungalows and Resorts

#### ❖ Hanthana Tourist Bungalows and Resort

5th Milepost, Middle Division, Udawela, Hanthana

Telephone No.: 081-7201760/ 081-7201973

WhatsApp - 074 2153886

Number of rooms in the bungalow -05  
(Accommodation facilities - 12)

Number of rooms in the resort -16

(The amount of accommodation that can be provided - 46)



#### ❖ Galle Hingalgoda Tourist Bungalow

Hingalgoda, Hiniduma, Galle

Telephone No.: 077 2624246

Number of rooms in the bungalow – 03

(Accommodation facilities – 10)



## 1.5 Executive Summary

### Extent of Tea Small Holdings

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

In accordance with the census of registering tea lands launched by the Tea Small Holdings Development Authority in conjunction with the Sri Lanka Tea Board in the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on the details of that census, the extent of tea cultivated lands updated by the Sri Lanka Tea Board in the year 2023 was 158,221 hectares.

As per the tea lands registration of the Sri Lanka Tea Board in the year 2016, the number of tea small holders was 418,262. As updated by the Sri Lanka Tea Board in the year 2023, the number of tea small holders was 418,938.

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

The national tea production in the year 2023 was 256.039 million kilograms and the made tea production of the tea small holdings sector was 190.662 million kilograms. That means that 74.46% of the overall tea production had been produced by the tea small holdings sector. The maximum production of the tea small holdings sector reported so far was 247.4 million kilograms in the year 2014 and the maximum of the national production reported so far was 340.22 million kilograms in the year 2013.

Compared to the year 2022, the national tea production in the year 2023 was increased by 1.82% and the production of the tea small holdings sector was also increased by 0.49%. Compared to the year 2014 on which the maximum production in the tea small holdings

sector was reported, the production in the year 2023 had reduced by about 0.49%.

As per the data in the last decade, an annual average of 881.2 hectares of land was uprooted for tea replanting with the subsidies of the Authority and tea replanting was annually done on an average extent of 750.5 hectares of land. In accordance with the progress in last 03 years, tea replanting was annually done on an average extent of 727.66 hectares of land.

### Productivity of the Tea Small Holdings Sector

Compared to the previous year, the average productivity of the tea small holdings sector in the year 2023 had increased by 0.41%. Accordingly, the average productivity of the year 2023 was 1,205 kilograms of made tea (Made tea) per hectare. The average productivity in the lowlands was 1,117 kilograms of made tea. It was 1,747 kilograms of made tea in the midlands and 1,634 kilograms of made tea in the highlands. The average productivity in the Uva region had been 1,082 kilograms of made tea.

### Extent of Lands of Tea Replanting and Percentage of Replanting

As per the national policy for constant maintenance of the extent of lands of tea plantation obtaining a maximum harvest, it is required to replant an extent of 2% of tea lands per year. Accordingly, as per the extent of lands indicated in the land registration of Tea Board in the year 2023, the extent of lands on which tea replanting should be implemented annually by the Tea Small Holdings sector is about 3,164 hectares.

Since the year 2012, providing land development services and extension services was limited to the lands with an extent less than 10 acres by the Authority. Under the Smallholders Tea & Rubber Revitalization Project, it was targeted to uproot old tea in 4,500 hectares. Permits were issued for

7,349.96 hectares and land preparations were implemented in 4,328.21 hectares under the Smallholders Tea & Rubber Revitalization Project commenced in the year 2016.

Under the Smallholders Tea & Rubber Revitalization Project, up until the year 2023, Soil Rehabilitation part one (I) was completed in 3,436.57 hectares, Soil Rehabilitation part two (II) was completed in 3,386.65 hectares and Plantation was done in 3,706.72 hectares. In the year 2023, progress in Maintenance after one year was achieved in 1,830.56 hectares.

### Tea Replanting

In the year 2023, 362 hectares of tea replantation was targeted, and it was able to plant 421.6 hectares of tea. Accordingly, in the year 2023, compared to the target of tea replanting, it was a progress percentage of 116%.

### Tea New Planting

In the year 2023, 42 hectares for tea new planting was targeted, and planting seedlings in tea new planting was completed in 47.02 hectares. Accordingly, compared to the target of tea new planting in the year 2023, it was a progress percentage of 111.9%.

### Crop Rehabilitation

As per the recommendations, planting desolates in tea lands is performed through this program in collaboration with pruning, the usage of soil conservation methods and shade control. Accordingly, 200,000 tea plants were targeted on desolate planting for the year 2023 and desolate planting had been completed for 206,611 plants. Compared to the target of planting desolates in the year 2023, it was a progress percentage of 103%.

### Tea Small Holdings Development Societies

Tea Small Holdings Development Societies consist of 08 Regional Organizations and the All-Island Federation of societies had been established in the year 1989 and had made them

to be legal organizations. At the end of the year 2023, the number of registered Tea Small Holdings Development Societies was 1,492 with 300,706 members.

### Extension and Advisory Services

2857 group extension programs had been targeted to be conducted in supplying extension & consultation services on improving the productivity of tea small holdings, basically improving the quality of tea leaves, and managing tea-based farms (Table No. 27), and from that, 3,185 had been implemented and it was a progress percentage of 111%. The participation of 65,120 farmers for these programs was targeted and the number of farmers participated was 72,445. The progress percentage of that was 111%.

For the year 2023, 24,840 individual extension programs were targeted and by the end of the year, 20,678 individual extension farmer meetings were conducted. Compared to the annual target, it was a progress percentage of 83%.

### Demonstration Plots

A land with an extent of ½ acres was selected per every service division and 432 cultivation demonstrations were identified to develop 03 cultivation demonstrations as field farmers training schools. Cultivating in cultivation demonstrations are carried out under the full supervision of Tea Inspection Extension Officers and good agricultural practices in tea plantations were adopted.

### Institutional Tea Nurseries

To supply the farmers with a quality tea plant, 1,020,978 plants were produced during the year through maintaining 11 tea plant nurseries in a way that they cover Hanthana Training Center & six Regional Offices.

### Mother Bush Area Cultivations

Targeted at improving the Tea production and the productivity, and at supplying quality planting

materials for farmers, mother bush area cultivations were established in areas belonging to Regional Offices in Galle, Hanthana, Kandy, Nuwara Eliya, Kegalle, and Uva.

### **Conducting Institutional Employee Training Programs**

Training programs were conducted for the officers at the institution and a training program for all the staff officers at the head office, a 01 training program for Executive Officers and 02 training programs for Management Assistants, 01 training program for Primary Grade Officers and a Human Resource Capacity Development training program for all the Officers were conducted. Accordingly, the number of training programs conducted in the year 2023 was 06 and the total cost for those was 1.50 Million Rupees.

### **Direct Tea Planting**

This project was implemented with the provision of 750 Million Rupees provided by the Sri Lanka Tea Board.

Under the project of direct tea planting, this project was introduced to reduce the time period of soil rehabilitation while improving the organic conditions of soil by removing tea bushes in the existing cultivation and by preparing the land through the usage of compost fertilizer.

The land preparation is done by the farmer and the pits are dug by the mechanized force implemented under the Tea Small Holdings Development Authority. 1 Kilogram of compost that is required for each pit is provided by the Institute. And, the tea plants are provided to the farmer through the owners of nurseries registered in the Institute.

### **Enhancing the financial literacy of tea small holders**

Targeted at enhancing the financial literacy of tea small holders, the Tea Small Holdings Development Authority in association with Bank of Ceylon has launched this program to encourage tea small holders to invest through

inspiring them on saving.

### **Special Project of 25 million Tea Plants**

By the end of the year 2023, plant production was actively carried out in 563 out of 955 beneficiary nurseries under the Special Project of 25 million Tea Plants implemented on the provisions given by Sri Lanka Tea Board. Accordingly, under that project, 4.3 million plants were produced in the year 2021, respectively producing 13.2 million plants in the year 2022 and 16.5 million plants in the year 2023. An amount of 187.9 Million Rupees has been borne under the provisions of Sri Lanka Tea Board for this purpose.

### **“A change from a green tea leaf”, the land development program proposed to be implemented by the Tea Small Holdings Development Authority in collaboration with the C.I.C fertilizer company**

In collaboration with the C.I.C fertilizer company, the activities of the initial phase required to implement a land development program for tea small holders has been started mainly in regional offices of Galle, Matara and Rathnapura.

### **Special awareness programs on the quality of green tea leaves**

In order to increase quality and quantifiable production of green tea leaves through extensively providing the farmers with extension services, 08 programs were effectively planned to be implemented covering 08 regional offices together with the Tea Small Holdings Development Authority, Sri Lanka Tea Research Institute, Tea Small Holdings Development Societies, Factories and all the other related institutes.

### **Ratio of Tea Farmers and Tea Inspection/Extension Officer**

Even though the ratio of the number of extension officers and farmers needed for productive extension services is about 1: 1000, the ratio of

the field officers and tea farmers in the Tea Small Holdings sector in the year 2023 was 1:2909. Accordingly, though the number of officers should be increased to reduce the number of farmers covered, it is difficult to increase the number of officers concerning the limitations in the provisions and cost of the institution. Therefore, the institution worked on granting assistance from Tea Small Holdings Development societies in providing services.

### **Price of Green Leaves**

In accordance with the national elevation average values in the year 2023, the price paid for one kilogram of Highland green tea leaves was 156.84 Rupees as per the prices of Sri Lanka Tea Auction Market. It was 148.04 Rupees for one kilogram of Midland green tea leaves, 183.11

Rupees for one kilogram in Lowland and 162.66 Rupees for the national elevation average value for all the regions.

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

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

## 1.6 Investments and Operational Review of the Tea Small Holdings Sector

### 1.6.1 Investments

The 2023 Action Plan was prepared for 850 million Rupees comprising the same 850 million Rupees as the Cost of Development and Institutional Capital and, 488.422 million Rupees of Recurrent Expenses was approved as a provision.

**Table No. – 04**  
**Tea Production in Private Sector and Treasury Funds Receipts 2008 – 2023**

Year	Total production of tea (Million Kilograms)	Total production contribution%		Amount Allocated for Private Sector (Tea Small Holdings Sector) (Million Rupees)
		Private Sector	Other Sectors	
2008	318.46	67.4	25.9	405.30
2009	291.13	69.3	24.8	367.80
2010	331.42	69.4	23.8	394.93
2011	327.53	69.9	30.1	391.59
2012	326.27	71.4	28.6	418.83
2013	340.02	72.2	27.8	520.14
2014	338.03	73.1	26.9	742.94
2015	328.96	72.9	27.1	969.72
2016	292.57	74.5	25.5	1,009.45
2017	307.72	75.5	24.5	784.45
2018	303.94	75	25	850.02
2019	300.13	75.21	24.05	800.00
2020	278.49	74.8	25.2	1,127.00
2021	299.338	74.56	25.44	1,400.00
2022	251.499	75.44	24.56	740.00
2023	256.039	74.47	25.53	850.00

Source – Details of Sri Lanka Tea Board

### 1.6.2 Operational Review

728.518 Million Rupees comprehending 750 Million Rupees as cost of capital and 100 Million Rupees for the commitments made last year included in the Action Plan for the year 2023 were spent on development purposes. The total financial value of the completed purposes in the year was 1160.997 Million Rupees comprehending the payments of recurring expenditure valued at 432.479 Million Rupees.

The cost of capital in the year 2022 (comprehending 544.352 Million Rupees as cost of capital and 665.37 Million Rupees for projects included in the Action Plan) was 1209.22 Million Rupees. The cost of capital in the year 2023 is 728.518 Million Rupees. Accordingly, the cost of capital has reduced by 480.702 Million Rupees and it is a reduction of 39.75% compared to the year 2022.

Compared to the recurring expenditure of 436.517 Million Rupees in the year 2022, it is a reduction of 4.038 Million Rupees in the year 2023. Compared to the previous year, it is a reduction of 0.92%.

**Table No. – 05**  
**Operational Review - From 2008 to 2023**

Year	Development Cost Rs. '000	Operational Cost Rs. '000	Operational Cost per one Development Rupee (Cents)
2008	208,255	188,725	0.91
2009	185,660	202,146	1.08
2010	189,194	205,385	1.08
2011	208,407	218,527	1.04
2012	276,324	233,738	0.85
2013	440,060	238,823	0.54
2014	345,104	252,774	0.73
2015	561,490	303,435	0.54
2016	561,868	314,547	0.56
2017	643,092	337,053	0.52
2018	632,165	380,054	0.66
2019	628,899	410,034	0.65
2020	752,760	421,121	0.55
2021	1,176,711	441,656	0.38
2022	*1,671,472	536,517	0.27
2023	*728,518	432,479	0.35

Source – The Progress Report – Tea Small Holdings Development Authority

\*Development cost inclusive of project costs

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

## 2. Basic Functions of the Institution



## 2. Basic Functions of the Institution

### 2.1 Institution and its Role

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

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

### Objectives

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

### The Role of the Authority in accordance with the Act

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

6. Promoting investments in tea small holdings.

7. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.

8. Providing instructions to the Ministry on appropriate policies and aligning with the other related agencies.

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

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

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

### 2.2 Productive Management Strategies and Developmental Outcomes for Statutory Objectives

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

For that, the productivity (Made tea Kilograms) per hectare in the Tea Small Holdings Sector had been identified as the core performance indicator.

Accordingly, the field activities had been operated for the average productivity of the highlands, midlands, and lowlands to accomplish the targeted outcome after the annual goals were introduced to the field officers. (The national goal identified for the year 2023 on the tea crop is 2,307 Kilograms of

made tea per hectare). The core development goals and achievements used to measure performance in the year 2023 are mentioned below. The updated details on lands in accordance with the land registry of Sri Lanka Tea Board were applied to measure the productivity for the year 2023.

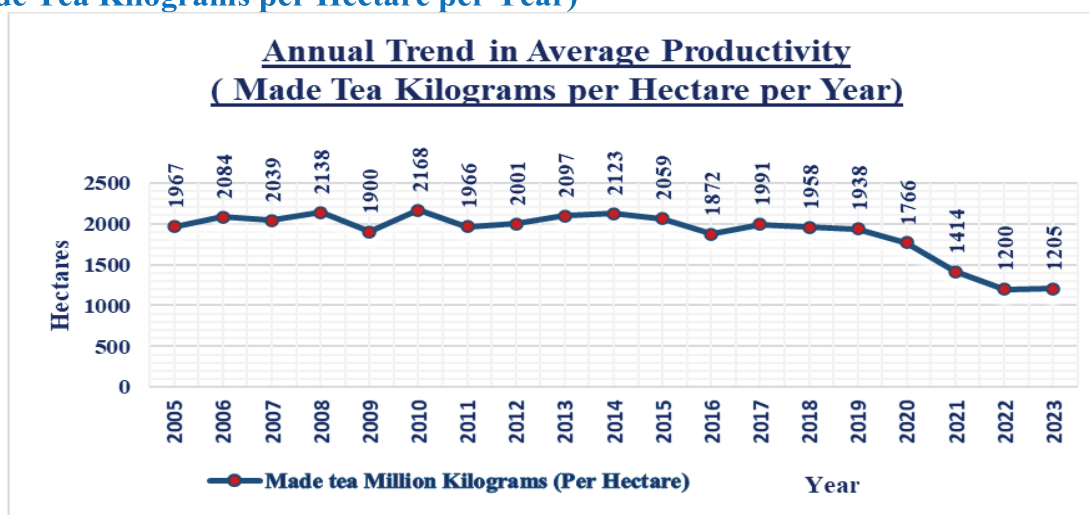
**Table No. – 06**  
**Productivity Goals and Performance anticipated by the institution**  
**Made tea in Kilograms per hectare (per year)**

Area	2021			2022			2023		
	Target (Kg)	Achievement (Kg)	%	Target (Kg)	Achievement (Kg)	%	Target (Kg)	Achievement (Kg)	%
Lowland	2,500	1,316	53%	2,500	1,115	45%	2,500	1,117	45%
Midland	1,700	2,068	121%	1,700	1,773	104%	1,700	1,747	103%
Uva	1,600	1,787	111%	1,600	1,540	96%	1,600	1,634	102%
<b>Average</b>	<b>2,307</b>	<b>1,414</b>	<b>61%</b>	<b>2,307</b>	<b>1,200</b>	<b>52%</b>	<b>2,307</b>	<b>1,205</b>	<b>52%</b>

\*Source – The Progress Report – Tea Small Holdings Development Authority

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

**Diagram No. 01**  
**Annual Trend in Average Productivity**  
**( Made Tea Kilograms per Hectare per Year)**



\* Source - Census on Tea Small Holdings– 2005

\* The performance for the year 2022/2023 was calculated based on the updated details on the extent of tea lands in the year 2023 due in accordance with the land registration of Sri Lanka Tea Board in the year 2016.

## 2.2.1 Development Plans

- Increasing production of made tea in Kilograms per hectare per year by
  - Up to 2,500 in Lowland
  - Up to 1,700 in Midland
  - Up to 1,600 in Uva in 03 years and annually adopting good agricultural practices in 10% of tea lands.
- Improving the quality of green leaves up to 60% at factory level in 03 years.
- Developing the community sources as ‘A’ Grade societies and it’s 25% of the 1,484 Tea Small Holdings Development societies.
- Establishing an occupational training procedure in a way that all the employee activities are contributing towards the long-term development of the institution.
- Diverting 10% from the tea lands on additional income earning activities.

## 2.2.2. Strategies in achieving Development Plans

<b>Short-term Strategies</b>	Improving tea production by 7% through training programs related to tea leaves plucking.	Improving tea yields by 8%, educating through conducting training programs on the usage of fertilizer.	Improving tea yields by 6%, educating farmers through conducting training programs and issuing Dolomite required by farmers through societies as well as by providing free Dolomite.
<b>Mid-term Strategies</b>	Increasing tea production by 6% within three years through conducting training programs on performing correct tea pruning.	Improving tea yields by 20% within three years through planting desolates.	Increasing the productivity of tea production through installing sprinkle water systems. Thereby, increasing tea production by 30% within three years.
<b>Long-term Strategies</b>	Increasing the production of green tea leaves by 65% in five years through increasing the extent of replanting lands.	New Planting: Increasing tea production by 70% in five years through increasing the extent of lands.	Improving tea production by 5% through the awareness regarding good agricultural practices and through conducting training programs. Increasing tea production by 3% in five years through the provision of free shade plants and through conducting training programs for shade management.

## 2.2.3 Development Functions for Statutory Objectives

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

### 2.3 2021-2025 Strategic Plan

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

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

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

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

Accordingly, by preparing the action plan for the year 2023 based on the long-term, short-term and mid-term strategies identified in correspondence with the 2021-2025 five-year plan made for the development of the tea sector, actions were taken on achieving those objectives.

As the key measurement of the above strategic plan, the production of the tea small holdings sector in the year 2023 has been identified as 245 million Kilograms of made tea. At the end of the year, its progress was 190.662 million Kilograms, and the performance percentage was 78%.

The national production has been identified as 335 million Kilograms of made tea. At the end of the year, its progress was 256.039 million Kilograms, and the performance percentage was 76.4%. The descriptive details of this are indicated in Table No. 07.

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

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

Source – 05 Year Strategic Plan of the Ministry of Plantations

\*Information on tea production of Tea Board

## 2.4 Action Plan and the Allocation of Provisions of the Institution

The Action Plan for the year 2023 is as follows.

As per the national requirement, based on the necessity in maintaining the annual tea replanting ratio at the level of 2%, the Annual Action Plan for the year 2023 was prepared for 750 million Rupees.

### Development Activities

To secure the productivity of tea lands and to continuously maintain it, it is 281.07 million Rupees, that means 37.47% of the provision allocations on tea replanting, new planting and planting desolates.

### Other Development Activities

In order to increase the productivity of the employees and officers in societies in Tea Small Holdings Development Authority and to manage, 8.07 million Rupees or 1.07% from total allocations was assigned.

### Extension Activities

13.85 million Rupees, that means 1.85% of the total allocations had been allocated on conducting research introduced to the tea industry, on analytical extension consultancy services that educate in strengthening the tea sector and publicity related activities.

### Institutional Activities

In order to strengthen institutional purposes through the cost of capital in the 2023 Action Plan, 6.7

million Rupees or 0.89% from total allocations was estimated.

### Institutional Capital Activities

Apart from achieving development outcomes aimed by the Action Plan of the Tea Small Holdings sector for the year 2023, 4 million Rupees was assigned from the Action Plan prepared for the year 2023 for institutional capital purposes and it was 0.53% from the total provisions.

## 2.5 Employee activities contributing to long-term development

Even though the expectation of the institute was to annually maintain staff vacancies at a minimum level of less than 5% as a short-term outcome, by the end of the year 2023, the percentage of staff vacancies was 10.9%.

Targeted at improving the positive attitudes within the institutional staff regarding the duties, 13 local training programs were scheduled to be conducted in the year 2023 and 6 were held with the representation of several grades of the institute. 2 training programs for staff officers of the Institute, a Human Resource capacity development training program for all the employees, 2 training programs on psychological attitude development and office procedures for Management Assistants, and a training program for primary employees were also held.

### 3. Development Activities

**3.1**

**Tea Replanting**

**3.2**

**Tea New Planting**

**3.3**

**Crop  
Rehabilitation**

**3.4**

**Performance of  
Tea Small  
Holdings  
Development  
Societies**

**3.5**

**Special Projects  
(Development)**

**3.6**

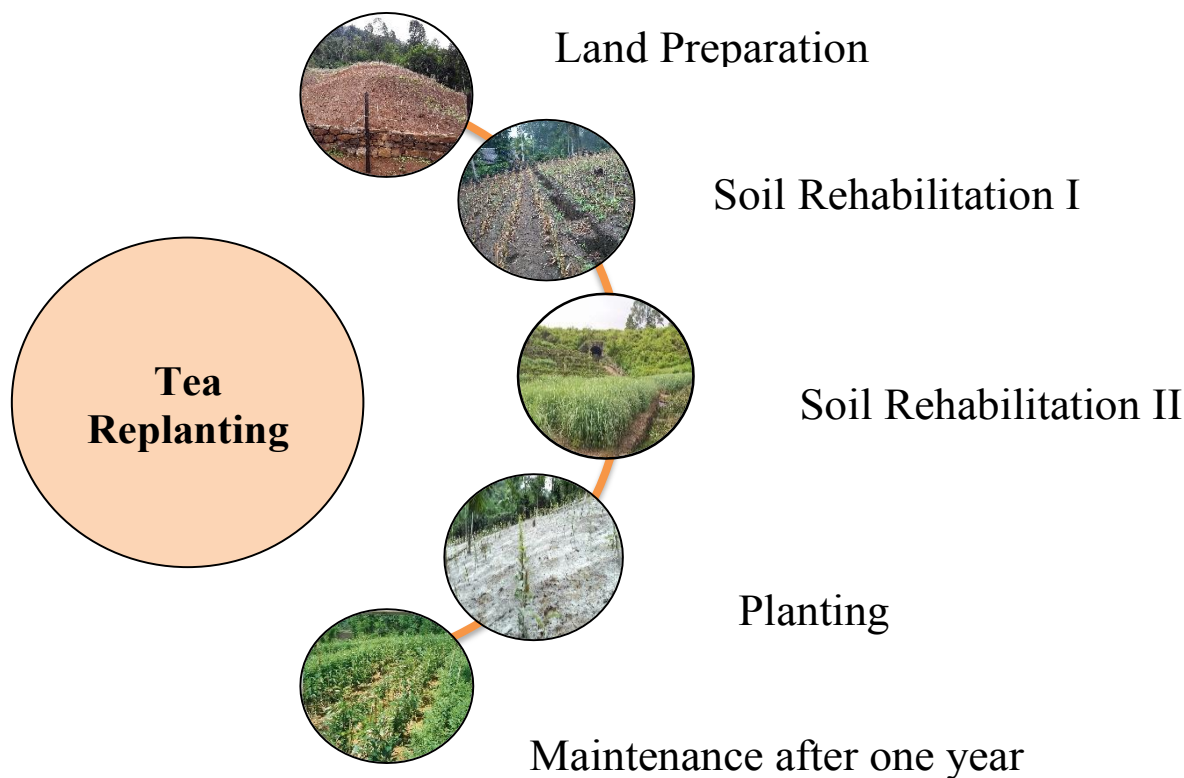
**Tea Shakthi  
Insurance Benefit  
Scheme**

**3.7**

**Special Loan  
Scheme of the  
Asian Development  
Bank**

**3.8**

**Smallholders Tea  
& Rubber  
Revitalization  
Project  
(2016 -2023)  
(STaRR Project)**



### 3. Development Activities

#### 3.1 Tea Replanting

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

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

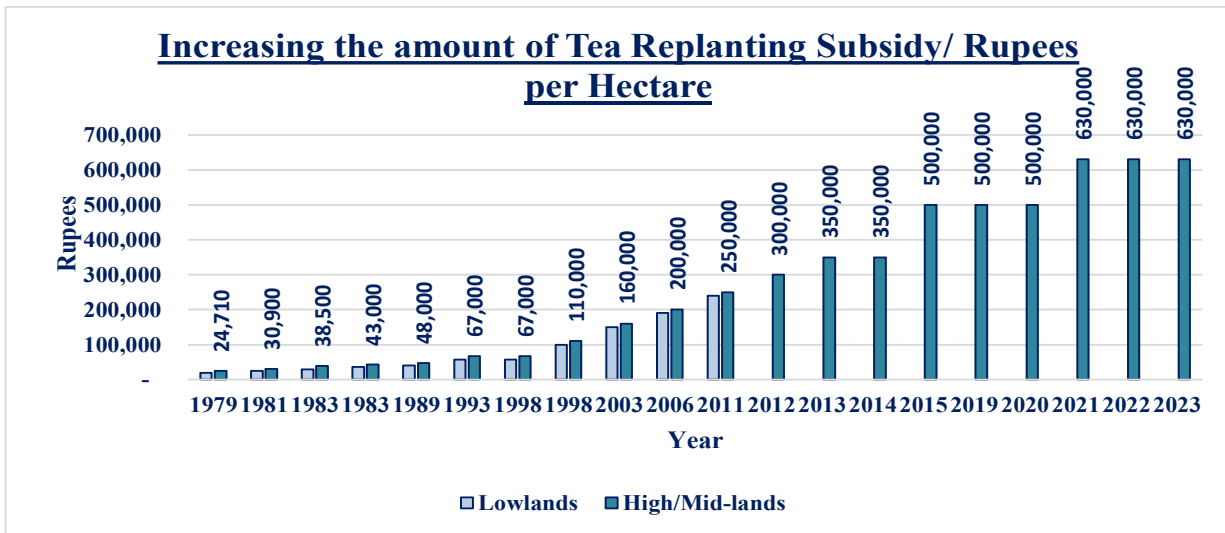
To increase the tea production and the productivity of tea small holdings, tea replanting is implemented to promote replanting approved tea shoots in the old seedling tea lands with low yields and in the lands on which replanting is required based on other reasons.

The amount of the subsidy given on tea replanting to provide concession for the excessive cost incurred in replanting had been increased up to 500,000 Rupees per hectare from the year 2015. However, due to the high cost of cultivation, as the amount of subsidy increased in the year 2015 to reach the target of the national tea production of

360 million Kilograms in the five-year plan up to 2025 is not sufficient, the amount of subsidy was increased up to 630,000 Rupees per hectare in the year 2021. Detailed information on this is given in Diagram No. 2.

In addition to that, targeted at encouraging the farmers on tea new planting, tea new planting lands with the extent of 20 Perches and 1 Acre (including the Acre) were given to the tea small holders those who do not have a permanent employment in the public or private sector or other permanent source of income after planting seedlings, and in proportion with the extent of replanting lands, a monthly incentive of 5,000 Rupees was paid for a maximum of half an Acre for a period of up to 24 months.

### Diagram No. 02



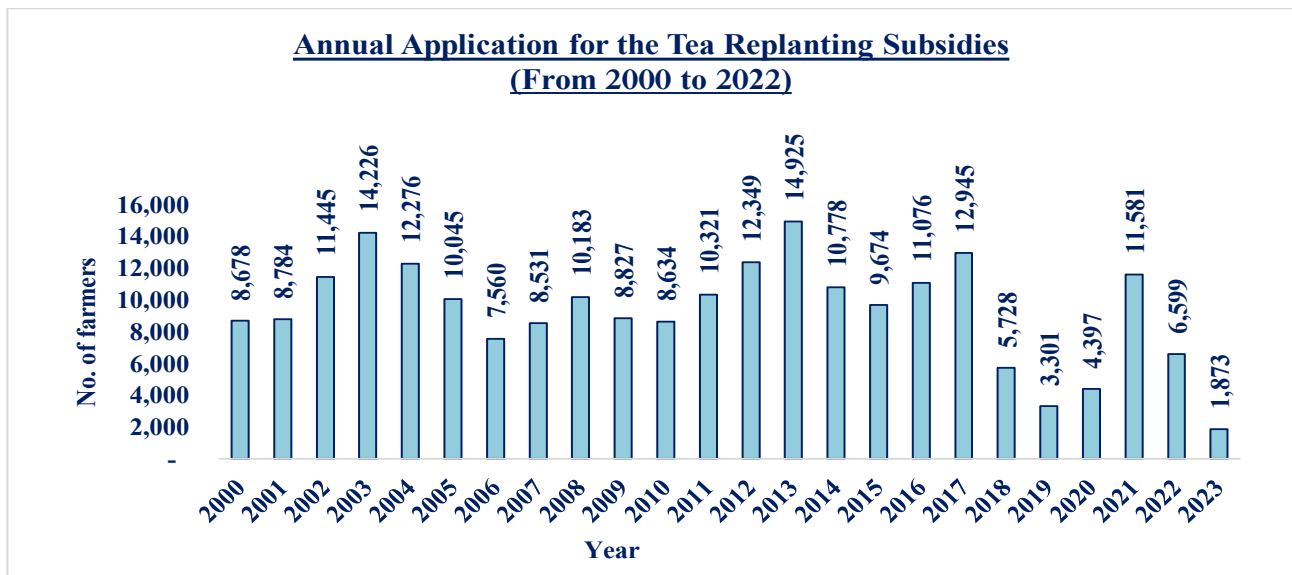
Source – Increased in 2021 as per the Tea Small Holdings Development Authority Plantation Subsidy Circular No. 87

### 3.1.2 Annual Application for the Tea Replanting

Receiving applications from 4,620 farmers for tea replanting was targeted through the Action Plan for the year 2023.

Accordingly, 1,873 farmers had applied for tea replanting and from that amount, permits had been issued for 1,675 farmers. The detailed information on this is given in Diagram No. 03.

### Diagram No. 03



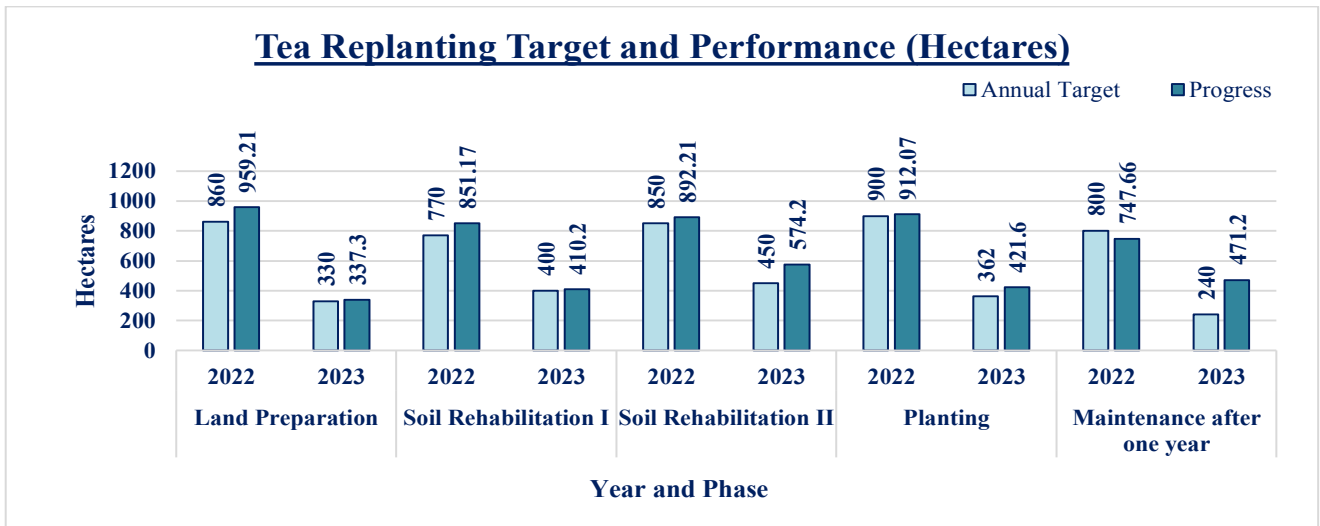
Source – The Progress Report – Tea Small Holdings Development Authority

### The Achievement

In the year 2022, the extent of hectares applied by the permit holders to uproot old tea was 6,599. It was reduced to 1,873 in the year 2023. At the end

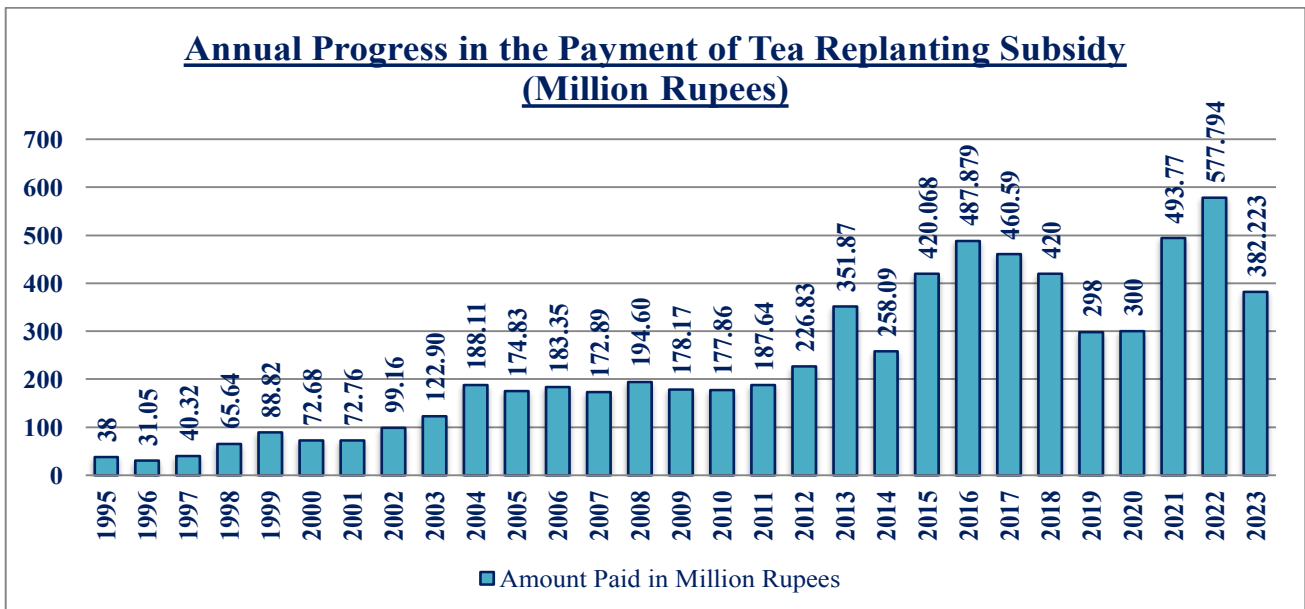
of the year, 382.223 million Rupees was paid from the amount of 234.69 million Rupees allocated for five installments in tea replanting. Table No. 08 indicates the respective payment details, and Diagram No. 04 indicates the details related to the performance.

Diagram No. 04



Source – The Progress Report – Tea Small Holdings Development Authority

Diagram No. 05



Source – Final accounts of the Tea Small Holdings Development Authority

**Table No. – 08**  
**Tea Replanting- The physical achievements in the year 2022/2023 (Hectares)**

No.	Cultivation Task	Year	Lowlands						Highlands and Mid Lands				Total	Annual Target	Percentage of decrease/increase in progress compared to the previous year
			Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva					
1	No. of Applications received	2022	1,428	349	1,488	945	468	649	514	758	6,599	8,450	-43%		
		2023	258	144	455	345	111	183	165	212	1,873	4,620	-72%		
2	No. of permits issued	2022	1,379	344	1,443	894	397	623	488	732	6,300	12,402	-45.1%		
		2023	245	144	423	318	86	153	131	175	1,675	3,960	-73%		
3	Extent of lands covered through permits	2022	375	136	398	321	188	230	168	206	2,022	2,100	-37%		
		2023	77	59	113	131	30	62	41	35	548	330	-73%		
4	Land Preparation	2022	199	66	200	203	79	76	56	81	960	860	-27%		
		2023	46	12	116	64	22	33	20	24	337	330	-65%		
5	Soil Rehabilitation – Installment I	2022	164	50	203	170	81	82	40	61	851	770	8%		
		2023	68	32	115	58	40	36	20	41	410	400	-52%		
6	Soil Rehabilitation – Installment II	2022	180	62	226	169	67	80	36	72	892	850	116%		
		2023	112	39	133	88	59	68	24	51	574	450	-36%		
7	Tea Replanting	2022	171	56	233	185	66	67	49	85	912	900	7%		
		2023	90	30	127	54	36	47	20	17	421	362	-54%		
8	Maintenance after one year	2022	145	77	127	168	52	75	42	62	748	800	-100%		
		2023	82	33	160	72	40	34	30	20	471	240	-37%		
9	Amount of Planting Subsidies paid (Million Rupees)	*2022	123.51	39.02	131.99	115.85	43.30	46.99	30.78	46.35	577.79	580.96	2.4%		
		*2023	73.37	22.47	103.52	67.38	38.22	33.49	16.78	26.99	382.22	234.69	-34%		

\*Inclusive of the costs of special projects operated under the provisions allocated through the budget speech on land preparation and soil rehabilitation I under tea replanting in the year 2022.

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

Source – The Progress Report – Tea Small Holdings Development Authority

**Table No. – 09**  
**Execution of Tea Replanting (1983 – 2023)**

Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1983	1,758	826	454	379	11.2	11.5
1984	2,404	1,317	466	340	11.8	13
1985	1,160	823	615	414	16.4	8.1
1986	662	442	547	464	20.3	16.3
1987	630	390	346	349	14	22.8
1988	501	321	308	277	10.3	18.5
1989	758	455	246	330	18.9	17.4
1990	4,827	2,439	478	362	19.2	22.59
1991	3,109	1,423	581	304	20.49	33.91
1992	1,348	526	662	409	20.33	27
1993	3,699	1,147	507	516	29.79	32.24
1994	2,627	906	770	553	31.62	60.46
1995	3,465	1,267	1,390	533	38	41.75
1996	4,475	1,319	724	508	31.05	43.41
1997	6,235	1,580	923	435	40.32	68.91
1998	5,507	1,586	674	635	65.64	61.69
1999	3,660	955	861	767	88.82	77.95
2000	6,930	1,796	722	519	72.68	92.84
2001	7,093	1,952	841	574	77.76	98.85
2002	9,983	2,565	991	736	99.17	106.57
2003	11,928	2,892	1,179	765	122.82	150.11
2004	10,618	2,621	1,398	891	188.1	179.07
2005	9,291	2,127	1,306	1,058	174.83	182.13
2006	6,755	1,578	927	1,001	183.34	181.9
2007	5,274	1,030	1,008	1,024	172.89	214.75
2008	6,945	1,337	1,128	881	194.59	190.59
2009	6,493	1,610	925	777	178.17	190.17
2010	7,781	1,895	1,015	847	177.85	153
2011	8,033	2,170	947	772	187.64	156.26
2012	11,889	2,647	1,087	889	226.83	300.17
2013	13,802	2,928	1,188	1,165	351.87	236.75
2014	10,134	2,540	810	720	258.09	391.75
2015	9,006	2,278	1,173	806	420.07	464.69
2016	11,076	2,597	1,356	733	487.87	546
2017	12,945	3,053	899	748	460.59	466.1
2018	5,624	1,480	909	1,027	422.69	443.1
2019	3,308	2,751	376	639	298.31	303.72
2020	4,408	1,215	682	649	300.4	340.5
2021	11,478	3,306	1310	849	493.77	567.5
2022	6,300	2,022	960	912	*577.794	580.96
2023	1,675	548	337	422	* 382.223	234.69

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

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

Source – The Progress Report – Tea Small Holdings Development Authority

**Table No. – 10** Cost of Production Estimate for Tea Replantation in High and Mid-lands – 2023  
(From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees Daily wage of 1,500.00 Rupees

Sub No.	Description	Quantity	Expenditure	Uprooting First year		Soil Rehabilitation Second year		Tea Planting Third year		First Year Maintenance Fourth year		Second Year Maintenance Fifth year		Total Cost		Percentage of the Total cost %
				Units of Labour	Cost of raw materials	Units of Labour	Cost of raw materials	Units of Labour	Cost of raw materials	Units of Labour	Cost of raw materials	Units of Labour	Cost of raw materials	Units of Labour	Cost of raw materials	
1	Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants)			132	198,000									132	198,000	3.62
2	Forking, levelling & taking-off roots			200	300,000									200	300,000	5.49
3	Preparing slopes, drains & lines			100	150,000	40	60,000	10	15,000	5	7,500	5	7,500	160	240,000	4.39
4	Applying Dolomite (1 Kilogram per 9.00 Rupees)	3952	35,568	2	35,568									2	35,568	0.71
5	Planting Gauthamala (500 shoots per day)			54	81,000									54	81,000	1.48
6	Applying fertilizer for grass (As 1 Kilogram for 300.00 Rupees for 989 Kilograms)	1350	405,000	4	111,000	4	186,000	1	90,000					9	387,000	7.32
7	Trimming grass (1 unit of labour per year)			14	21,000	56	84,000							70	105,000	1.92
8	Weeding (10 units of labour per year)			30	45,000	20	30,000	100	150,000	120	180,000	120	180,000	390	585,000	10.70
9	Planting shade trees (As 3.00 Rupees per 1 shoot for 750 Accessia and Dadep shoots) and as 3.00 Rupees for 1 shoot for 370 Kilograms of Dolomite	750	5,580	6	5,580	1	242	1,742						7	5,822	0.30
10	Planting tall shade trees (As 55.00 Rupees for 100 Gravella & 100 Kilograms of Dolomite)	100	7,723	4	7,723	1	108	1,608						5	7,831	0.28
11	Removing grass							20	30,000					20	30,000	0.55
12	Digging holes, lining & pegging							180	270,000					180	270,000	4.94
13	Tea planting (35.00 Rupees per plant)	12500	437,500					60	437,500					60	437,500	9.65
14	Managing shade trees (Two times per year)					6	9,000	12	18,000	15	22,500	15	22,500	48	72,000	1.32
15	Suppressing Blister Blight (280 - 420 Grams of Copper Oxide .3000.00 Rupees per 1 round)	3	24,000					40	24,000	40	24,000	40	14,000	120	62,000	4.43
16	Shaping tea plants in a way that it suits for plucking green tea leaves									12	18,000	15	22,500	27	40,500	0.74
17	Mulching							100	150,000	75	112,500			175	262,500	4.80
18	Applying tea fertilizer (T. 200 Third year)	1300	390,000					20	390,000	20	720,000			40	1,110,000	21.40
19	Fourth year	2500	750,000					60	90,000	60	90,000	32	48,000	152	228,000	4.17
20	T.750 Fifth year	1800	540,000									525,000	585,000	18	22,500	0.91
21	Infilling	2000	25					12	11,250	29,250	6	11,250	20,250	18	22,500	0.91
22	Suppressing threat from roundworms (As 40 Milliliters of Yelam chemical per plant)		40,000					4	40,000					4	40,000	0.84
23	For pest control and equipment (Forking, levelling & taking-off roots)				5,000		5,000		5,000		5,000		5,000		3,000	0.46
	<b>Total</b>			<b>546</b>	<b>1,648,711</b>	<b>128</b>	<b>1,913,550</b>	<b>607</b>	<b>986,500</b>	<b>359</b>	<b>760,250</b>	<b>233</b>	<b>555,250</b>	<b>1,873</b>	<b>2,636,221</b>	<b>100</b>

The cost estimate is in conformity with the recommendations of the Tea Research Institute and cost of raw materials is also included.

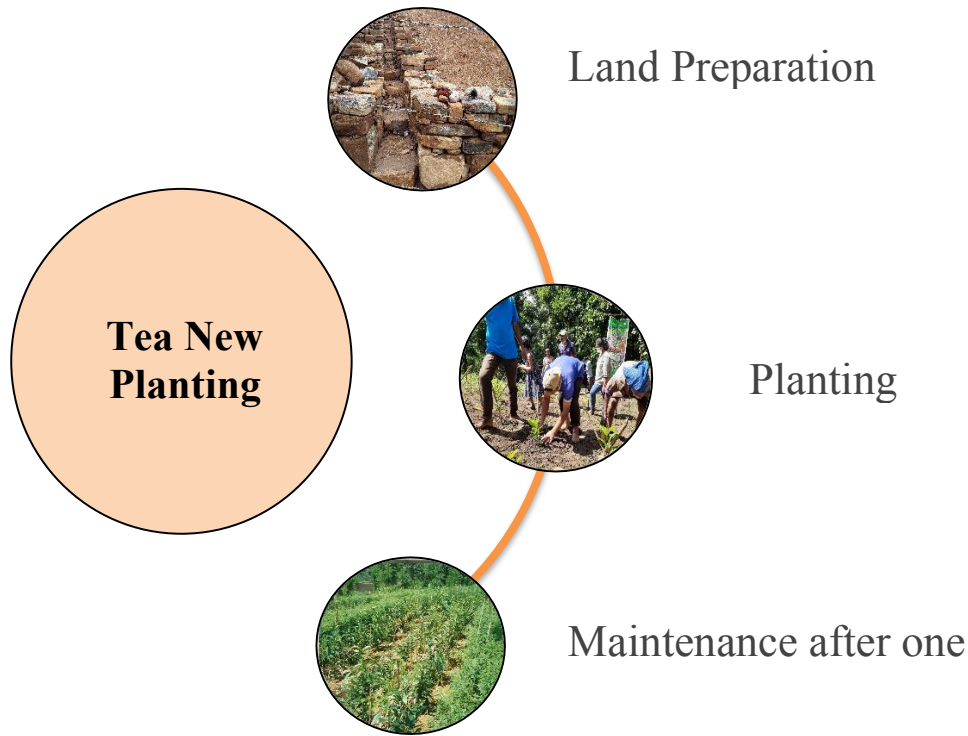
**Dolomite** 9000 9  
**U 625** 300000 300  
**T 750** 300000 300  
**T 200** 300000 300

**Table No. – 11**  
**Cost of Production Estimate for Tea Replantation in Lowlands - 2023**  
**(From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees Daily wage of 1,500.00 Rupees**

Sub No.	Description	Quantity	Expenditure	Uprooting			Soil Rehabilitation			Tea Planting			First Year Maintenance			Second Year Maintenance			Total Cost			Percentage of the Total cost %
				Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	Units of Labour	Cost of raw materials	Total cost	
1	Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants)					156,000													104		156,000	2.96
2	Forking, levelling & taking-off roots					187,500													125		187,500	3.56
3	Preparing slopes, drains & lines					150,000	60,000	10	15,000	5	7,500	5	7,500						160		240,000	4.55
4	Applying Dolomite (1 Kilogram per 9.00 Rupees)	1976	17784			20,784													2	17,784	20,784	0.39
5	Planting Gauthamala (500 shoots per day)					81,000													54		81,000	1.54
6	Applying fertilizer for grass (As 1 Kilogram for 300.00 Rupees for 989 Kilograms)	1610	483000			117,000	285,000	4	93,000	1	94,500								9	483,000	496,500	9.42
7	Trimming grass (1 unit of labour per year)					21,000	84,000	56											70		105,000	1.99
8	Weeding (10 units of labour per year)					45,000	30,000	20			150,000	120	180,000	120	180,000				390		585,000	11.10
9	Planting shade trees (For 100 Accasia and Dadap shoots) and as 3 00 Rupees for 1 shoot for 150 Kilograms of Dolomite	300	4230			16,230	423	1	1,923										9	4,653	18,153	0.34
10	Planting tall shad trees (As 55.00 Rupees for 100 Gravelia & 100 Kilograms of Dolomite)	100	7723			16,723	3,862	1	5,362										7	11,585	22,085	0.42
11	Removing grass										30,000	20							20		30,000	0.57
12	Digging holes, lining & pegging										270,000	180							180		270,000	5.12
13	Tea planting (35.00 Rupees per plant)	12500	437500								527,500	60	437,500	527,500					60	437,500	527,500	10.01
14	Managing shade trees (Two times per year)							6	9,000	12	18,000	15	22,500	22,500					48		72,000	1.37
15	Suppressing Blisier Blight (280 - 420 Grams of Coper Oxide, 3000.00 Rupees per 1 round)	4	12000								42,000	20	12,000	42,000	20	12,000			60	36,000	126,000	2.39
16	Shaping tea plants in a way that it suits for plucking green tea leaves																					
17	Mulching										150,000	75	112,500	112,500					175		262,500	4.98
18	Applying tea fertilizer (T. 200 Third year)	1200	355000								385,000	20	724,000	754,000					40	1,079,000	1,139,000	21.61
	Fourth year	2430	724000								90,000	60	90,000	90,000	32	48,000			152	228,000	4.33	
	T.750 Fifth year	1750	525000													525,000	525,000			525,000	9.96	
19	Infilling	2000	25									12	15,000	33,000	12	15,000	33,000	24	30,000	66,000	1.25	
20	Suppressing threat from roundworms (As 40 Milliliters of Velam chemical per plant)	1	40000								46,000	4							4	40,000	46,000	0.87
21	For pest control and equipment (Forking, levelling & taking-off roots)					5,000	5,000		5,000		5,000		5,000	5,000						25,000	25,000	0.47
	<b>Total</b>			447	145,737	816,237	128	288,285	480,285	587	942,500	339	756,000	1,264,500	219	557,000	885,500	1720	2,689,522	5,269,522	100	

\* The cost estimate is in conformity with the recommendations of the Tea Research Institute and cost of raw materials and cost of transportation are also included.

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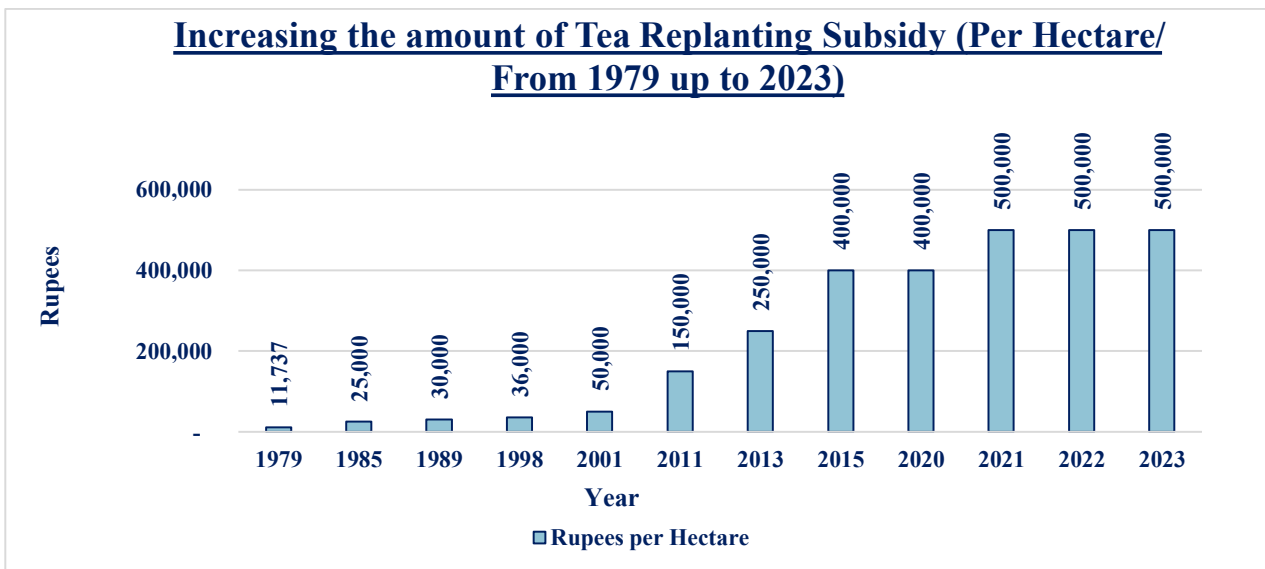


### 3.2 Tea New Planting

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

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

Diagram No. 06



Source – The Progress Report – Tea Small Holdings Development Authority

## The Achievement

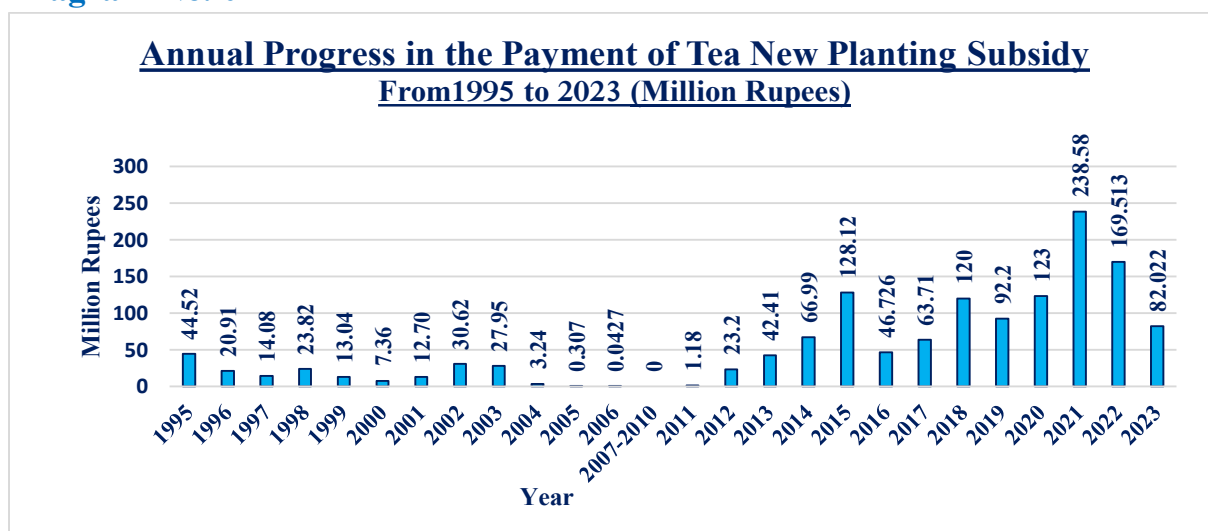
In the year 2023, the number of applications received for tea new planting was 312 and the targeted number of applications was 588. Considering limited provisions for the year, permits were issued to 181 individuals.

It was targeted in the year 2023 to perform land preparation in an extent of 42 hectares and land preparation had been completed in an extent of 43.9 hectares. Accordingly, that extent is a progress of 104.5% as compared to the target. In the year 2023,

42 hectares were targeted to be cultivated for tea new planting installment and 47.02 hectares was able to be cultivated. Compared to that target, it was a progress percentage of 111.9%. In the year 2023, the total amount paid on tea new planting was 82.022 million Rupees.

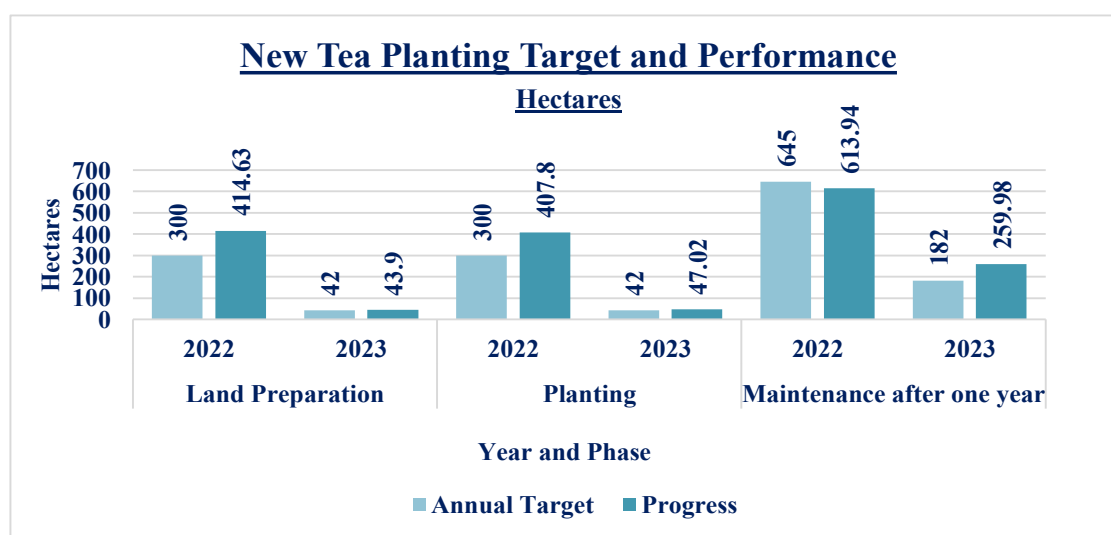
Table No. 12 indicates the respective payment details, and Diagram No. 08 indicates the details related to the performance.

Diagram No. 07



Source – The Progress Report – Tea Small Holdings Development Authority

Diagram No. 08



Source – The Progress Report – Tea Small Holdings Development Authority  
The Tea New Planting Subsidy Scheme had not been implemented from the year 2006 to the year 2010.

**Table No. – 12**  
**Tea New Planting- The physical achievements in the year 2022/2023 (Hectares)**

No.	Activity	Year	Lowlands					High and Mid Lands			Total	Targets	Percentage of decrease/increase in progress compared to the previous year
			Galle	Kalutara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1	No. of Applications received	2022	612	420	440	431	901	239	193	396	3632	6901	49%
		2023	25	32	25	6	161	12	43	8	312	546	-91%
2	No. of permits issued	2022	607	421	433	393	654	217	185	302	3212	7186	55%
		2023	17	32	21	3	75	7	17	9	181	504	-94%
3	Land Preparation	2022	75	73	56	61	84	23	13	29	414	300	65%
		2023	9.80	9.50	9.50	4.20	6.50	3.70	0.33	0.05	43.58	42	-89%
4	Planting	2022	75	73	56	61	84	83	13	23	468	300	66%
		2023	9.8	9.5	10.0	4.3	6.5	3.8	0.5	2.6	47.01	42	-90%
5	Maintenance	2022	95	159	88	73	126	29	14	31	615	645	-32%
		2023	38	75	36	30	54	13	6	8	260	182	-58%
6	Amount of Subsidy paid (Million Rupees)	*2022	29.6	34.06	24.66	24.25	33.59	9.46	5.32	8.52	169.5	168.89	-40.73%
		*2023	16.99	15.40	12.69	12.70	12.32	5.69	1.14	5.09	82.02	23.38	-107%

Source – The Progress Report – Tea Small Holdings Development Authority

\*Inclusive of the costs of special projects operated under the provisions allocated through the budget speech on land preparation and soil rehabilitation I under tea replanting in the year 2022.

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

**Table No. – 13**  
**Execution of New Tea Planting 1982 - 2023**

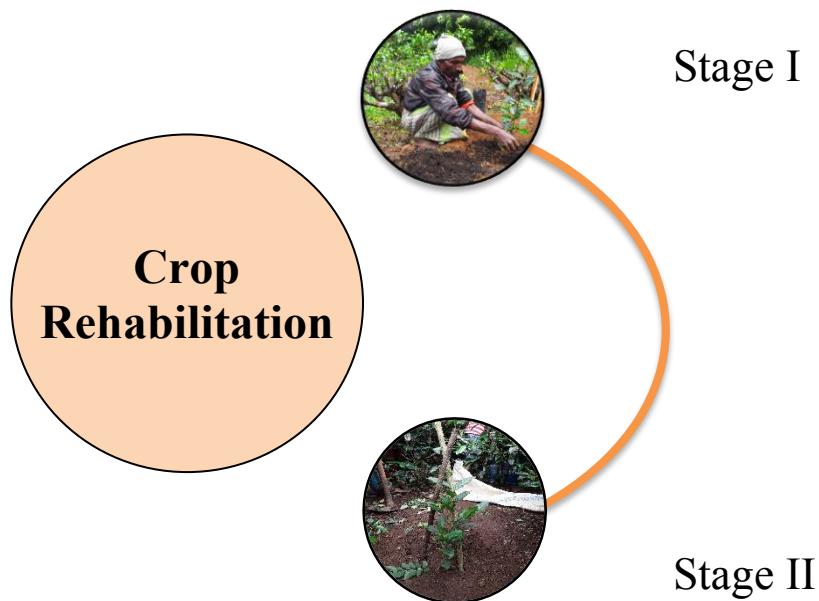
Year	Number of Permits issued	Extent of Lands Covered by Permits (Hectares)	Extent of Uprooted Lands (Hectares)	Extent of Cultivated Lands (Hectares)	Annual Expenditure (Million Rupees)	Annual Provisions (Million Rupees)
1982	1,992	-	388	316	2.9	2.4
1983	2,757	866	393	264	2.7	4
1984	7,754	2,667	461	279	2.4	3.2
1985	7,754	1,764	857	599	9.5	6.3
1986	4,999	1,982	1,586	1,430	30.5	9.3
1987	3,939	1,375	1,218	1,183	26.5	13.5
1988	3,737	1,323	814	878	19.7	29.7
1989	4,532	1,837	1,013	1,011	34.9	34.2
1990	12,680	3,937	1,676	1,647	44.6	39.9
1991	3,785	1,120	2,088	1,843	57.8	42
1992	10,533	4,163	1,954	1,948	52.2	58
1993	12,318	2,720	1,753	1,622	51.57	50.57
1994	8,106	1,803	2,339	1,661	50.95	66.5
1995	5,822	134	2,407	1,237	44.52	49.8
1996	2,176	378	486	450	20.91	18.78
1997	3,797	576	340	293	14.08	9.08
1998	4,284	632	315	381	23.82	13.5
1999	6,694	952	484	405	13.04	12.24
2000	3,674	671	433	256	7.36	9.03
2001	6,353	1,084	419	399	15.58	11.91
2002	12,338	2,542	567	562	30.62	20.86
*2003	-	654	647	642	27.95	24.94
2004	-	-	-	12	3.25	7.94
2005	-	-	1.42	8	0.3	2.42
2006	-	-	0.33	0.83	0.042	0.37
2011	430	45	28.14	28.38	1.18	2.08
2012	2,990	517	260	239	23.2	24
2013	2,872	543	258	263	42.41	3.6
2014	5,315	1,034	426	401	66.98	51.5
2015	4,239	846	475	479	128.12	128.88
2016	458	75	103	109	46.72	49.77
2017	2,324	349	211	202	63.71	71.12
2018	3,899	681	443	435	12.168	117
2019	2,887	567	29	295	91.69	92
2020	3,304	661	422	424	123.4	117
2021	4,968	1,076	681	678	238.56	237.3
2022	3,212	694	414	408	*169.513	168.89
2023	181	36	44	47	* 82.02	23.38

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

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

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

Source – The Progress Report – Tea Small Holdings Development Authority



### 3.3 Crop Rehabilitation

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

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

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

plucking tea plantations on which the infillings those which are assembled from place to place and scattered individually, are provided.

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

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

**Table No. – 14**  
**Crop Rehabilitation - The physical achievements in the year 2022/2023 (Hectares)**

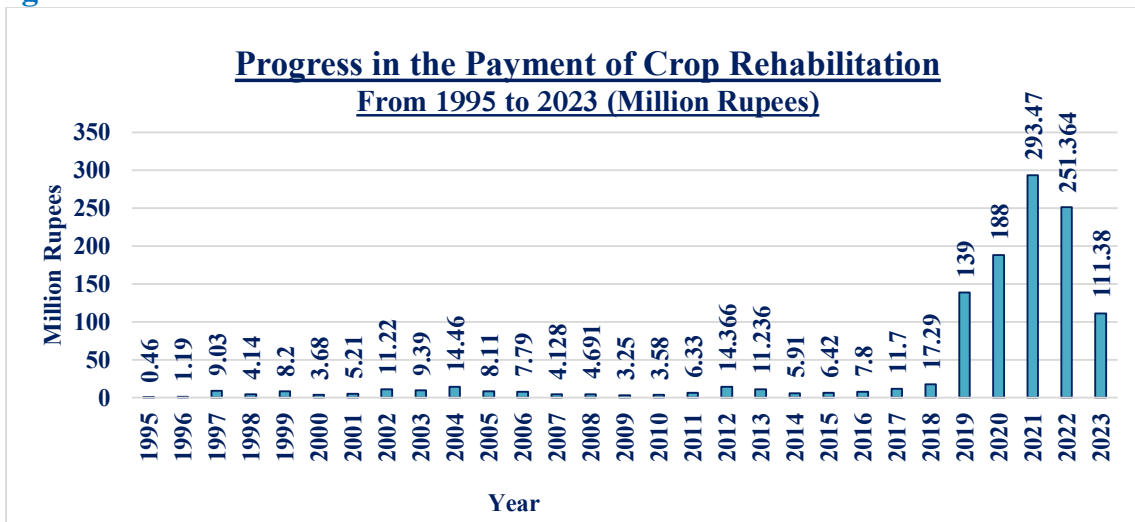
No.	Activity	Year	Lowlands					High and Mid Lands			Total	Targets	Percentage of decrease/inc rease compared to the previous year
			Galle	Kaluthara	Matara	Rathnapura	Kegalle	Kandy	Nuwara Eliya	Uva			
1	No. of Applications received	2022	1,071	344	1,148	859	636	1,033	765	1,075	6,931	13,169	-16%
		2023	82	107	36	221	55	353	120	38	1,012	5000	-85%
2	No. of permits issued	2022	1,051	343	1,117	823	460	954	668	706	6,122	11,020	-19%
		2023	69	107	23	196	26	288	56	10	775	2,000	-87%
3	Targeted No. of plants	2022	445,000	217,000	445,000	415,000	215,000	355,000	185,000	223,000	2,500,000	2,500,000	-17%
		2023	48,679	11,150	24,349	48,091	6,738	25,993	16,500	18,500	200,000	200,000	-92%
4	No. of plants on which the first installment was paid	2022	409,281	145,317	440,732	432,480	184,498	395,918	170,299	252,741	2,431,266	2,500,000	-27%
		2023	48,589	11,315	24,609	49,441	8,621	28,985	16,906	18,145	206,611	200,000	-92%
5	No. of plants on which the second installment was paid	2022	525,891	122,354	474,866	452,243	148,612	469,914	176,909	296,677	2,667,466	3,000,000	42%
		2023	159,781	38,788	122,992	115,940	43,604	101,812	31,244	44,525	658,686	320,000	-75%
6	Amount of Subsidy paid (Million Rupees)	*2022	37.76	14.9	44.58	43.73	17.58	48.18	17.96	26.64	251.33	337.5	-16.75%
		*2023	19.74	6.74	23.05	24.83	4.36	13.98	9.48	9.20	111.38	23.00	-56%

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

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

Source – The Progress Report – Tea Small Holdings Development Authority

Diagram No. 09



Source – The Progress Report – Tea Small Holdings Development Authority

### The Achievement

In the year 2023, the number of individuals applied for the Crop Rehabilitation was 1012. From this amount, permits were issued for 775 individuals. Compared to the year 2022, the number of applications received declined by 85% and the number of permits issued had also been declined by 87%.

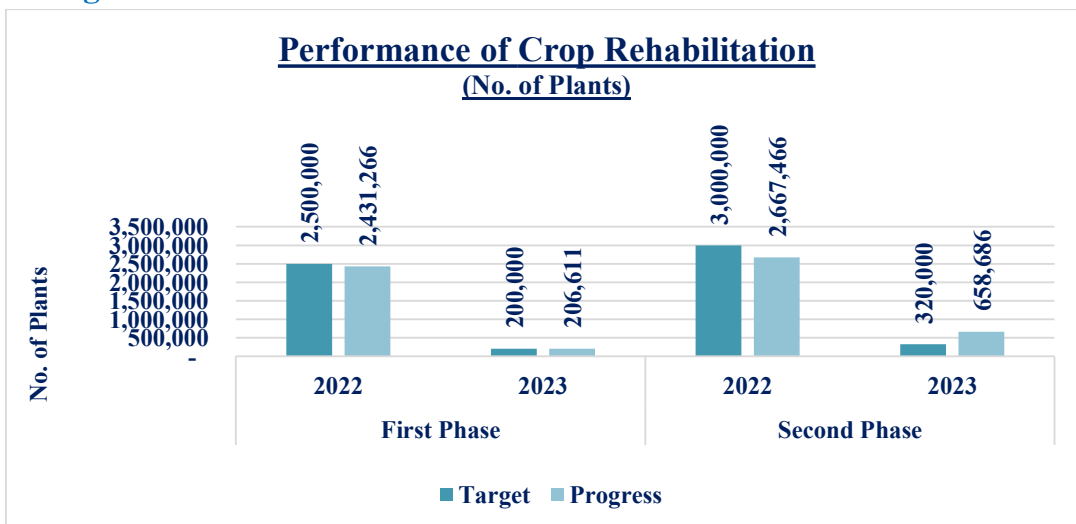
The first installment was paid on 206,611 plants during the year, and it was a progress of 103% from the targeted number of 2,000,00 plants. Compared to the previous year, the number of plants on which the first installment paid declined by 92%. After one year of

maintenance, as the second installment, the targeted number of plants was 320,000. Compared to the targeted amount, it was a progress of 205% from the targeted number of 658,686 plants.

Compared to the previous year, the number of plants on which the second installment paid was declined by 75.3%.

In the year 2023, 111.38 million Rupees was paid for Crop Rehabilitation. The corresponding payment details are shown in Table No. 14 and the achievement related details are shown in Diagram No. 10.

Diagram No. 10



Source – The Progress Report – Tea Small Holdings Development Authority

**Table No. – 15**  
**Execution of Crop Rehabilitation Subsidy Scheme 1988-2023**

Year	Number of Plants on which permits were issued	Number of Plants on which the first installment was paid	Number of Plants on which the second installment was paid	Total amount of the Subsidy paid (Million Rupees)	Annual Provisions (Million Rupees)
1988	5,121,825	3,861,892	2,496,705	10	19.37
1989	3,903,899	4,257,670	3,377,046	13.3	19.6
1990	3,847,466	2,986,998	2,975,849	9.32	7.2
1991		1,029,987	3,528,586	8.95	9.04
1992		235,404	1,148,371	2.49	5
1993		6,607	1,658	0.3	
1994		16,432	46,030	0.12	
1995		20,298	7,073	0.46	2.45
*1996		13,278	3,181	1.19	15.2
**1996	5,600,900	3,867,981			
**1997	6,965,923	5,301,839		9.03	12
1998		1,707,845		4.14	15.02
*1999			14,012	8.2	11.16
**1999	617,120	2,454,895	1,846,445		
2000	2,713,972	812,174	389,248	3.68	11.54
2001	1,412,860	1,078,708	209,534	5.68	11.54
2002	4,031,727	2,522,872	486,948	11.22	10.38
2003	3,012,892	1,636,901	380,013	9.38	12
2004	2,303,061	1,489,167	593,906	14.46	12.99
2005	1,566,327	1,242,648	776,661	8.11	12.37
2006	972,913	520,610	540,819	7.79	8.58
2007	1,092,856	516,471	308,325	4.13	6
2008	836,729	519,607	404,331	4.84	3
2009	995,822	431,699	232,217	3.25	3.59
2010	769,104	424,227	254,715	3.58	5
2011	1,379,734	504,322	182,401	6.32	9.24
2012	1,902,051	766,991	345,152	14.35	8.66
2013	1,060,634	497,592	420,611	11.24	6
2014	776,271	271,015	232,034	5.91	17.5
2015	754,170	308,950	199,923	6.43	6
2016	981,075	367,876	246,339	7.8	10.48
2017	1,290,408	564,145	297,068	11.7	17.29
2018	1,648,390	797,530	442,296	15.69	2
2019	4,699,796	1,921,568	465,084	138.99	190.09
2020	4,000,609	2,137,450	1,605,865	187.86	190.59
2021	4,737,358	3,324,024	1,876,058	293.47	275
2022	3,341,919	2,431,266	2,667,466	*251.364	337.5
2023	466,338	206,611	658,686	*111.38	23.00

\*\* Infillings Supply Scheme through societies

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

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

Source – The Progress Report – Tea Small Holdings Development Authority

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

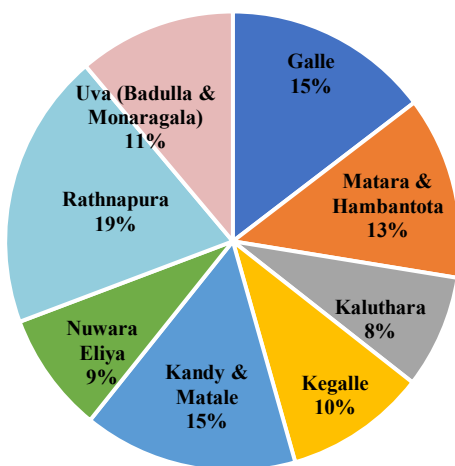
**“Strengthening Community-based organizations by 50% within 03 years.”**

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

The system of societies operates with 08 district organizations and an All-Island Federation under a common constitution. 1,484 Tea Small Holding Development Societies were registered at the end of the year 2022, and the number of members belonged to those societies was 305,736. Accordingly, compared to the year 2022, the number of members in the year 2023 had decreased by 1.64%.

#### Diagram No. 11

**Regional Expansion of Societies  
2023**



Source – Tea Small Holdings Development Authority

Compared to the year 2022, in the year 2023, overall 8 societies including 2 societies from Galle, 3 societies from Kaluthara, 2 societies from Kegalle and 1 society from Uva were newly registered. To strengthen the tea small holdings development societies to be executed effectively, in the year 2023, 26 different programs were planned as a target and 11 programs were completed. Overall, to strengthen the community-based organizations, an amount of 1.39 Million Rupees had been spent by the Institute in the year 2023.

#### Table No. – 16

**Extension of Tea Small Holdings Development Societies**

Regional Office	No. of Societies		No. of Members	
	2022	2023	2022	2023
Galle	217	219	49,230	43,714
Matara and Hambantota	192	192	53,978	54,263
Kaluthara	116	119	23,217	23,464
Kegalle	148	150	28,903	29,589
Kandy and Matale	227	227	22,231	22,306
Nuwara Eliya	127	127	14,837	14,137
Rathnapura	291	291	88,893	88,893
Uva (Badulla and Monaragala)	166	167	24,447	24,340
<b>Total</b>	<b>1,484</b>	<b>1,492</b>	<b>305,736</b>	<b>300,706</b>

Source – The Progress Report – Tea Small Holdings Development Authority

### 3.5 Special Projects (Development)

#### 3.5.1 Enhancing the financial literacy of tea small holders

Targeted at enhancing the financial literacy of tea small holders, the Tea Small Holdings Development Authority in association with Bank of Ceylon has launched this program to encourage tea small holders to invest through inspiring them on saving.

Accordingly, this program was launched all over the country on December 02, 2023 centralizing the 08 regional offices of the Tea

Small Holdings Development Authority, and actions were taken to open bank accounts for the members of tea small holdings development societies by the branch representatives of Bank of Ceylon. The special feature of these bank accounts is that the number of the green tea leaves book is included in the bank account. This enables the tea small holders to apply for special privileges offered by the bank in the future.

**Table No. – 17**

**Project on enhancing the financial literacy of tea small holders – Progress as at 31.12.2023**

Regional Offices	Venue where the programs were held	Number of Beneficiaries Attended	Number of accounts opened	Number of Officers Attended	
				TSHDA	BOC
Kaluthara	Jagath Reception Hall - Baduraliya	101	.	10	26
Kandy	Tea Factory - Manikdiwela	72	45	6	6
Matara	Sumindarama Temple – Pitabaddara	357	40	7	25
Nuwara Eliya	Helsirigama Sri Gunarathana Temple - Mawela	54	45	6	6
Uva	Haliela	278	165	5	15
	Welimada	114	25	3	3
	Bandarawela	109	86	4	6
Kegalle	Rajasinghe Central College – Ruwanwella	562	268	16	12
Rathnapura	Extension Centre - Sannasgama	82	48	8	6
Galle	Divisional Secretariat – Neluwa	200	54	10	25
<b>Total</b>		<b>1929</b>	<b>776</b>	<b>75</b>	<b>130</b>



### 3.5.2 Direct Tea Planting (750 Million Rupees)

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

purchasing compost by tenders from the compost production companies registered in the Fertilizer Secretariat, and purchasing tea plants from the tea nurseries registered in the Authority were performed.

Through the execution of this project, it is expected to increase the income of tea small holders by increasing the productivity of tea lands, and to make the tea framers familiarized with good agricultural practices, and the physical and financial progress of this project as at 31.12.2023 is shown in Table No. 19.

**Table No. – 18**  
**Estimate of the Direct Tea Planting (750 Million Rupees) Project**

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



**Table No. – 19**  
**Direct Tea Planting (750 Million Rupees) Project – Progress as at 31.12.2023**

Regional Office	Applications Received		Issuance of Permits		Digging Pits (Land Preparation)				Applying Compost				Planting					
	Quantity	Hectares	Quantity	Hectares	Target (Hectares)	Progress (Hectares)	(%)	Target (No. of Pits)	Progress (No. of Pits)	Financial Target (Million Rupees)	Financial Progress (Million Rupees)	Target (Kilograms)	Progress (Hectares)	Target (No. of plants)	Progress (Hectares)	Progress (No. of plants)	Financial Target (Million Rupees)	Financial Progress (Million Rupees)
1	2383	392.73	2352	371.75	205.5	102.90	50%	2,568,750	1,266,249	5138	25.32	2,568,750	1362	1,549,056	4519	2568750	89.91	19.04
Payments																		
>>>																		
2	1581	312.18	1565	271.94	146.0	190.04	130%	1,825,000	2,335,452	3650	46.71	1,825,000	1224	1,223,530	52.24	1825000	63.88	22.70
Payments																		
>>>																		
3	1051	301.84	979	252.67	148.0	184.36	125%	1,850,000	2,280,564	3700	45.61	1,850,000	1203	1,202,846	35.08	1850000	64.75	15.11
Payments																		
>>>																		
4	404	108.59	373	81.53	47.0	53.59	114%	587,500	663,471	1175	13.27	587,500	390	481,000	54.67	587500	20.56	23.09
Payments																		
>>>																		
5	300	19.47	207	42.34	210	20.54	98%	262,500	248,404	525	4.97	262,500	132	248,400	12.88	262500	9.19	5.46
Payments																		
>>>																		
6	460	200.42	357	64.84	450	47.23	105%	562,500	574,284	1125	11.49	562,500	598	597,500	47.05	562500	19.69	19.80
Payments																		
>>>																		
7	463	115.54	447	105.40	65.0	55.02	85%	812,500	678,871	1625	13.58	812,500	410	410,000	18.37	812500	28.44	7.94
Payments																		
>>>																		
8	705	172.42	568	114.24	65.0	89.07	137%	812,500	1,100,827	1625	22.22	812,500	510	678,000	43.39	812500	28.44	18.69
Payments																		
>>>																		
Total	7347	1723.2	6848	1304.71	742.50	742.75	100.0%	9,281,250	9,158,122	185,63	183.17	9,281,250	5829	6,390,322	308.87	9,281,250	324.86	131.83
Payments >>>						319.60	43.0%		3,926,190		78.52		12.20	154,602	2.678			11.16

### 3.6 Tea Shakthi Insurance Benefit Scheme

The Welfare section of the Tea Shakthi Fund that was commenced by 2000 Act No.47 was assigned to the Tea Small Holdings Development Authority with effect from 01/10/2016 through a decision taken by the Cabinet on 09/08/2016.

1. For full/partial passivity occurred from accidents.
2. For full/partial passivity occurred from paralysis.

3. For heart surgeries, brain surgeries & kidney surgeries.
4. For Accidents and Natural Deaths.

The benefits corresponding to this benefit scheme are provided on the request made by the beneficiary. Accordingly, in the year 2023, an amount of 6.595 million Rupees was paid for 411 beneficiary members.

The insurance benefits paid by the Welfare division for the affected tea small holders in the year 2023 is presented in the Table below.

**Table No. – 20**

#### Execution of the payment of Tea Shakthi Insurance Benefit Scheme.

Regional Office	Natural Deaths		Accidental Deaths		Elderly Grants in Natural Deaths		Surgeries		Paralysis		Full & Partial passivity occurred from accidents		Total No. of payments	The amount paid Rs.
	Payments	Amount Rs.	Payments	Amount Rs.	Payments	Amount Rs.	Payments	Amount Rs.	Payments	Amount Rs.	Payments	Amount Rs.		
Galle	24	600,000.00	0		85	425,000.00	1	200,000.00	1	100,000.00			111	1,325,000.00
Matara	25	625,000.00	1	100,000.00	29	145,000.00	1	25,000.00	-	-			56	895,000.00
Kaluthara	15	375,000.00	-		13	65,000.00	0	-	-	-			28	440,000.00
Bandarawela	21	525,000.00	1	100,000.00	23	115,000.00	1	5,000.00	-	-			46	745,000.00
Kegalle	13	325,000.00	1	100,000.00	17	85,000.00	0	-	-	-			31	510,000.00
Nuwara Eliya	26	650,000.00	-		11	55,000.00	0	-	-	-			37	705,000.00
Rathnapura	26	650,000.00	-		23	115,000.00	1	200,000.00	-	-	1	100,000.00	51	1,065,000.00
Kandy	28	700,000.00	1	100,000.00	22	110,000.00	0	-	-	-			51	910,000.00
<b>Total Payments</b>	<b>178</b>	<b>4,450,000.00</b>	<b>4</b>	<b>400,000.00</b>	<b>223</b>	<b>1,115,000.00</b>	<b>4</b>	<b>430,000.00</b>	<b>1</b>	<b>100,000.00</b>	<b>1</b>	<b>100,000.00</b>	<b>411</b>	<b>6,595,000.00</b>

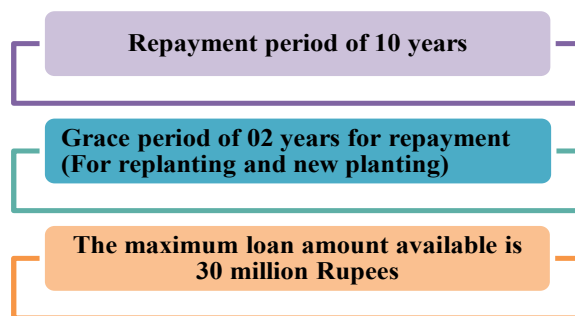
#### From 01.01.2023 to 31.12.2023

- An amount of 4,450,000.00 Rupees was paid for 178 natural deaths in the age between 18 -70 years.
  - An amount of 400,000.00 Rupees was paid for 04 accidental deaths in the age between 18 -70 years.
  - An amount of 1,115,000.00 Rupees was paid for 223 natural deaths in the age above 70 years.
  - No payment was made for accidental deaths in the age above 70 years.
  - An amount of 100,000.00 Rupees was paid for 01 paralyzed patients.
  - An amount of 430,000.00 Rupees was paid for 04 heart surgeries in the age between 18 -70 years.
  - An amount of 100,000.00 Rupees was paid for 01 case of passivity in the age between 18 -70 years.
- An amount of 6,595,000.00 Rupees was paid for 411 Insurance beneficiaries by the Ministry from 01.01.2023 to 31.12.2023.

### 3.7 Loan Scheme of the Asian Development Bank

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

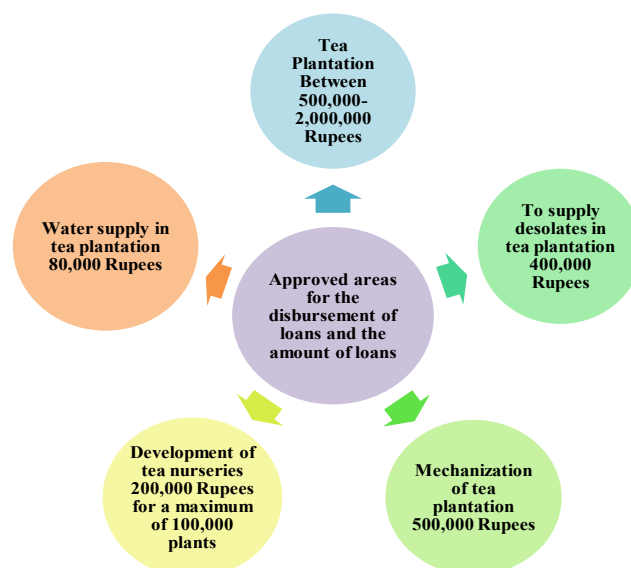
In order to empower the small and medium enterprise sector through the loan scheme of the Asian Development Bank, it is targeted to improve the productions of the tea small holdings sector and to increase the standard of living of the community of tea small holdings. For this purpose, steps were taken to provide loan facilities through 13 financial institutions.



**Table No. – 21**

**Loan Scheme of the Asian Development Bank  
Financial institutions providing loans and Progress of providing loan recommendations as at 31.12.2023**

Bank Name	No. of Beneficiaries	Total amount paid in relevance with the beneficiaries (Million Rupees)
Bank of Ceylon	1335	1,260.74
Commercial Bank	496	581.19
DFCC Bank	252	445.80
Hatton National Bank	374	551.30
National Development Bank	74	255.243326
Nations Trust Bank	14	58.22
Pan Asia Bank	23	68.43
People's Bank	811	793.12
Regional Development Bank	1702	1,736.55
Sampath Bank	105	233.48
SANASA Development Bank	129	158.52
Seylan Bank	420	734.69
Union Bank PLC	85	175.81
<b>Total</b>	<b>5820</b>	<b>7,053.10</b>



### 3.8 Smallholders Tea & Rubber Revitalization (STaRR) Project (2016 – 2023)

From the total investment of 8,502 million Rupees of this project being implemented in the year 2016, the investment cost for the Tea Small Holdings Sector is 5,777 million Rupees. Thereby, 68% of the total investment has been allocated for the Tea Small Holdings Sector.

The general objectives of the project are enhancing food security in districts of the project and empowering tea small holders through improving the income. The project would be implemented for the Tea Small Holdings sector in 06 districts, Galle, Matara, Kandy, Nuwara Eliya, Rathnapura and Badulla.

Therefore, it is proposed to develop the Tea Small Holdings sector through the following key objectives. Those are, strengthening the Tea Small Holdings Development Societies regarding the production and marketing of tea leaves, the production assistance operated through the tea leaves market, and the diversification of the income and market for tea small holders. It is targeted to replant tea to an extent of 4,500 hectares of tea small holdings and supplying infillings for up to a percentage of 15% for those tea lands. From the overall target of an extent of 4,500 hectares of uprooting for tea replanting project, a target of an extent of 794 hectares was remained to be performed in the year 2023. The descriptive details of its progress are indicated in Table No. 22

**Table No. – 22**  
**Smallholders Tea & Rubber Revitalization Project (STaRR Project) – Progress as at 31.12.2023**

Progress as at 31.12.2023	Total Target	Applications		Issuance of permits 2023		Land preparation 2023			Soil Rehabilitation I 2023			Soil Rehabilitation II 2023			Planting 2023			After one year 2023		
		No.	Extent of lands	No.	Hectares	No.	Hectares	Amount Million Rupees	No.	Hectares	Amount Million Rupees	No.	Hectares	Amount Million Rupees	No.	Hectares	Amount Million Rupees	No.	Hectares	Amount Million Rupees
<b>Galle</b>	1,400	6,288	1,560.01	10,409	2,002.28	7,975	1164.59	230.28	4,099	755.537	37.78	4065	748.88	149.78	7335	1038.56	185.245	2,533	436.11	22.061
<b>Matara</b>	1,200	7,876	1,719.36	9,599	1,859.45	8,086	1225.83	190.75	6,436	1,044.70	52.27	6400	1039.34	207.87	7539	1120.36	126.136	4,327	690.81	34.73
<b>Rathnapura</b>	1,200	6,496	1,876.37	8,204	2,088.69	5,805	1119.88	173.36	4,658	989.5042	49.48	4543	962.04	192.41	4669	848.57	97.509	1868	380.29	19,104
<b>Kandy</b>	100	2,472	671.05	3,263	581.72	2,353	332.4	61.97	1,403	245.6992	12.28	1393	243.73	48.75	2111	288.6	44.414	857	132	6.601
<b>Nuwara Eliya</b>	200	1,745	425.19	1,217	231.77	758	103.97	13.54	736	100.6117	5.03	714	97.77	19.55	550	74.67	5.246	356	49.62	2.483
<b>Uva</b>	450	3,051	760.47	3,539	586.06	2,919	381.54	66.03	2,040	300.5215	15.03	2003	294.88	58.98	2624	355.97	46.914	1010	141.73	7.11
<b>Total</b>	<b>4,550</b>	<b>27,928</b>	<b>7,012</b>	<b>36,231</b>	<b>7,350</b>	<b>27,896</b>	<b>4,328</b>	<b>736</b>	<b>19,372</b>	<b>3,437</b>	<b>172</b>	<b>19,118</b>	<b>3,387</b>	<b>677</b>	<b>24,828</b>	<b>3,727</b>	<b>505</b>	<b>10,951</b>	<b>1,831</b>	<b>92</b>

## 4. Extension Activities



## 4. Extension Activities

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

### 4.1 Execution of Tea Nurseries

#### 4.1.1 Commercial Tea Nurseries

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

Accordingly, 1106 commercial tea nurseries were registered through regional offices for the year 2022/2023. From those nurseries, the recommendations had been given by Sri Lanka Tea Research Institute to 15.24 million plants in 689 nurseries at the first inspection, 10.08 million plants in 490 nurseries at the second inspection and 0.47 million plants in 37 nurseries at the third inspection.

At the end of the year, 363 commercial nurseries had been registered for the cultivation season in 2023/2024. The descriptive details on the number of plants in certified nurseries during the year for the cultivation seasons in 2022/2023 and 2023/2024 are as follows



**Table No. – 23**  
**Execution of Commercial Tea Nurseries - Cultivation season in 2022/2023**

Regional Office	Issuance of permits		First Inspection (CN – 04)		Second Inspection (CN – 05)		Third Inspection (CN – 06)	
	No. of Nurseries	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings	No. of Active Nurseries	No. of Planted Seedlings	No. of Nurseries	No. of certified plants
Galle	308	10,793,750	245	2,751,292	167	2,393,754	3	44,500
Matara	168	6,175,500	98	1,307,857	59	916,162	-	-
Kaluthara	14	1,855,000	19	127,500	4	89,000	-	-
Rathnapura	148	17,565,950	44	2,616,950	23	1,058,500	-	-
Kegalle	47	2,575,000	24	868,338	13	698,550	-	-
Kandy	121	5,578,000	33	746,000	22	641,000	10	45,250
Nuwara Eliya	56	2,100,000	45	1,773,000	43	1,431,800	-	-
Uva	244	7,780,500	181	5,055,550	159	2,853,300	24	385,500
<b>Total</b>	<b>1106</b>	<b>54,423,700</b>	<b>689</b>	<b>15,246,487</b>	<b>490</b>	<b>10,082,066</b>	<b>37</b>	<b>475,250</b>

Source – The Progress Report – Tea Small Holdings Development Authority

**Table No. – 24**  
**Execution of Commercial Tea Nurseries - Cultivation season in 2023/2024**

Regional Office	Issuance of permits		First Inspection (CN – 04)	
	No. of Nurseries	Capacity of Plants	No. of Active Nurseries	No. of Planted Seedlings
Galle	112	4,116,000	2	25,190
Matara	-	-	-	-
Kaluthara	38	3,615,000	16	1,415,000
Rathnapura	60	4,856,950	-	-
Kegalle	-	-	-	-
Kandy	34	1,781,000	14	718,500
Nuwara Eliya	55	1,860,000	35	881,000
Uva	64	2,260,000	10	261,000
<b>Total</b>	<b>363</b>	<b>18,488,950</b>	<b>77</b>	<b>3,300,690</b>

Source – The Progress Report – Tea Small Holdings Development Authority

### 4.1.2 Institutional Tea Nurseries

Institutional Tea Nurseries were commenced targeted at keeping the market prices stable under control when purchasing tea seedlings that tea small holders need, providing a quality tea seedling, and maintaining model nurseries for farmers. Also, 11 institutional nurseries are maintained to ensure the production of quality seedlings producing with the usage of enhanced high-quality cultivars (shoots) to plant them in the lands of tea small holders.

Accordingly, in order to produce 1,020,978 tea cutting plants through 11 nurseries for the 2022/2023 South-West and North-East cropping seasons, shoots were planted.

The details on the status of stock as at 01.01.2023, total number of seedlings traded and market price of a seeding at nursery level are shown in Table No. 25.

**Institutional Tea Nurseries (Targeted Number of Plants)**

<b>Walahanduwa</b> 150,000 plants	<b>Hanthana</b> 200,000 plants	<b>Hingula</b> 185,700 plants	<b>Hadigalla</b> 90,000 plants	<b>Wogan</b> 175,000 plants	<b>Thispane</b> 165,000 plants	<b>Sooriyagoda</b> 10,000 plants	<b>Rahathungoda</b> 110,000 plants	<b>Nelligolla</b> 100,000 plants	<b>Wewakale</b> 50,000 plants	<b>Mawarala</b> 100,000 plants
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**Table No. – 25**  
**Execution of Institutional Tea Nurseries – 2023 (Rupees)**

Description	Hanthana	Rahathungoda	Walahuwa	Hingula	Hadigalla	Wogan	Thispane	Mawarala	Nelligolla	Wewakale	Sooriyagoda	Total
	Status of Stock as at 01.01.2023	149,391	120,801	41,493	114,560	-	-	106,009	20,003	97,861	20215	3,606
	3,421,164	3,290,619	1,067,738	3,310,495	422,952	758,549	2,662,946	824,377	3,268,644	329504.5	145,804	19,502,793
Planted during the Year	89,962	100,010	108,250	167,741	40,000	100,000	165,000	106,100	17,571	28,000	-	922,634
	3,203,362	3,397,744	3,287,767	3,709,726	1,184,914	2,639,242	4,704,629	3,503,169	1,638,805	567,290	-	27,836,647
No. of dead plants	48,558	41,490	41,572	53,331	-	-	134,023	27,729	31,861	2985	712	382,261
	39,223	68,263	15,824	55,763	8,446	22,340	38,381	53,562	25,909	21,474	2,530	351,715
Status of Stock as at 31.12.2023	1,361,430	2,546,210	637,153	1,709,694	339,501	759,066	2,064,130	2,356,233	1,522,154	425,829	127,461	13,848,862
	151,572	111,058	92,347	173,207	31,554	77,660	98,605	44,812	57,662	23,756	364	862,597
Cost of sale	5,263,096	4,142,153	3,718,352	5,310,527	1,475,029	2,395,749	5,303,445	1,971,314	3,385,295	470,965	18,342	33,454,266
Production cost of a plant (Estimated)	34.72	37.30	40.26	30.66	46.75	30.85	53.78	43.99	58.71	19.83	50.39	
	151,572	111,058	92,347	173,207	31,554	77,660	98,605	44,812	57,662	23,756	364	862,597
Plants sold	5,305,020	3,887,030	3,232,145	6,062,245	1,104,390	2,718,100	3,451,175	1,491,315	2,018,170	831,460	12,740	30,113,790
Cost of a plant based on sale	35.00	35.00	35.00	35.00	35.00	35.00	35.00	33.28	35.00	35.00	35.00	
Profit / Loss	41,924	-255,123	-486,207	751,718	-370,639	322,351	-1,852,270	-479,999	-1,367,125	360,495	-5,602	-3,340,476

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

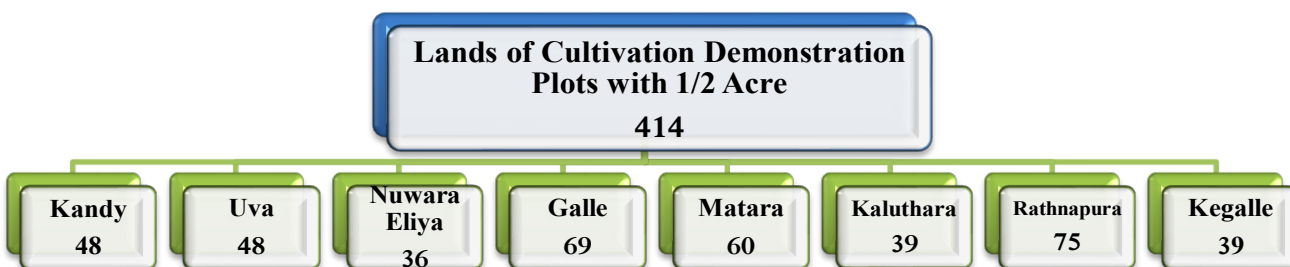
**“Achieving a higher yield by adopting good agricultural practices in selected tea land demonstrations”**

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

**4.2 Cultivation Demonstration Plots**

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

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



**4.3 Institutional Mother Bush Cultivations**

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

Accordingly, actions were taken by the institute to provide tea small holders, commercial tea nursery operators and the institutional nurseries with 124,268 shoots through maintaining quality mother bush cultivations with highly improved cultivar. Out of these, saplings were issued as 7.20% to tea mall holders, 12.42% to commercial tea nursery operators, and 80.37% to institutional tea nurseries.

**4.4 Extension and Advisory Training Programs**

3,185 Extension and Advisory Training Programs were scheduled for the year under review. The targeted number of participatory farmers for these programs was 72,445. 15.05 Million Rupees was allocated for that purpose and the amount spent was 12.32 Million Rupees.

The descriptive details of the progress of the Extension and Advisory Training Programs are indicated in Table No. 27.



Table No. – 26

## Issuing New Cultivar of Shoots from Mother Bush Cultivations -2023

District	Location	Target	Commercial Nurseries	%	Tea Small Holders	%	Societies and other	%	Institutional Nurseries	%	Total production	%
Galle	Walahanuwa	22,000	400	1.73%	7,500	32.45%	-	-	15,210	65.82%	23,110	18.60%
Hanthana	Hanthana	60,000	-	-	-	-	-	-	26,860	100.00%	26,860	21.61%
Kandy	Nelligolla and Sooriyagoda	45,000	2,300	12.78%	1,450	8.06%	-	-	14,250	79.17%	18,000	14.48%
Nuwara Eliya	Rahathungoda and Thispane	41,000	-	-	-	-	-	-	43,558	100.00%	43,558	35.05%
Uva	Bandarawela and Hali Ela	24,000	12,740	100%	-	-	-	-	-	-	12,740	10.25%
<b>Total</b>		<b>192,000</b>	<b>15,440</b>	<b>12.42%</b>	<b>8,950</b>	<b>7.2%</b>	<b>-</b>	<b>-</b>	<b>99,878</b>	<b>80.37%</b>	<b>124,268</b>	<b>100%</b>

Source – The Progress Report – Tea Small Holdings Development Authority

**Table No. – 27**  
**Extension and Advisory Services – The Productivity Growth (Number of Training Programs and the Participation)**

Regional Office	Galle		Matara		Kaluthara		Rathnapura		Kegalle		Kandy		Nuwara Eliya		Uva		Total	
	Number	Participation	Number	Participation	Number	Participation	Number	Participation	Number	Participation	Number	Participation	Number	Participation	Number	Participation	Number	Participation
Training program on the Quality of Leaves	69	1890	58	1090	38	2123	93	1944	36	838	18	686	31	773	80	2054	423	11,398
Training program on Tea Leaves Plucking	53	1298	41	588	29	546	71	1450	20	486	28	656	22	423	52	1002	316	6,449
Training program on the Awareness of Nurseries	11	187	44	661	12	117	25	404	24	499	31	799	7	142	19	277	173	3,086
Training program on the Usage of Machines	29	590	15	318	19	400	42	726	12	283	15	417	8	140	19	409	159	3,283
Training program on Diseases and Pests	48	1043	47	809	14	255	44	942	23	494	18	449	15	282	42	1002	251	5,276
Training program on the Awareness of Permit Holders	41	1145	85	2,206	18	364	63	1267	31	728	36	993	36	887	53	1050	363	8,640
Training program on Tea Planting	48	1312	63	1,440	21	359	51	980	48	1152	65	1,745	23	599	21	372	340	7,959
Training program on the Awareness of pH	52	1425	56	1251	9	271	30	628	26	547	77	2,355	21	877	68	1693	339	9,047
Training program on Shade Management	35	760	41	690	38	751	34	530	50	1086	16	542	21	477	12	176	247	5,012
Training program on the Awareness of Sprinkler Water System	37	715	32	470	12	194	17	323	27	524	11	388	8	137	24	565	168	3,316
Training program on Application of Fertilizer	27	670	42	807	21	434	56	1383	28	533	36	1101	17	263	46	1004	273	6,195
Farm-based Training program	26	663	17	339	10	169	22	443	7	192	15	340	11	250	25	388	133	2,784
<b>Total</b>	<b>476</b>	<b>11,698</b>	<b>541</b>	<b>10,669</b>	<b>241</b>	<b>5,983</b>	<b>548</b>	<b>11,020</b>	<b>332</b>	<b>7,362</b>	<b>366</b>	<b>10,471</b>	<b>220</b>	<b>5,250</b>	<b>461</b>	<b>9,992</b>	<b>3,185</b>	<b>72,445</b>

Source – The Progress Report – Tea Small Holdings Development Authority

## 4.5 Soil Sample Testing and Individual Extension Activities

### Soil Sample Testing

As the soil acidity should be maintained in the range as appropriate for tea cultivation due in accordance with improving the production and the productivity of tea small holdings, it was targeted to annually test 41,400 soil samples in order to test the soil acidity and 21,729 (52%) soil samples had been tested within the year.

30 farmers have been selected from every Tea Inspector/Extension Officer division and instructions were provided after inspecting the land 6 times a year. Accordingly, 20,678 individual meetings were conducted under the direct supervision of Tea Inspector/Extension Officers.

In this way, the instructions required to follow good agricultural instructions and to increase the level of income of the farmers through improving the productivity are provided by directly visiting the lands.

### Individual Extension Activities

#### Table No. – 28

#### Individual Extension Activities and Number of Soil Tests – 2023 Progress

Regional Office		Galle	Matara	Kaluthara	Kegalle	Kandy	Nuwara Eliya	Rathnapura	Uva	Total
Soil Test	Target	6,900	6,000	3,900	3,900	4,800	3,600	7,500	4,800	41,400
	Progress	510	1,384	218	2,002	3,482	2,034	7,676	4,423	21,729
Individual Extensions	Target	4,140	3,600	2340	2340	2,880	2160	4,500	2880	24,840
	Progress	3,578	3,391	1,580	2,724	2,491	878	3,647	2,389	20,678

Source – The Progress Report – Tea Small Holdings Development Authority

## 4.6 Improving the quality of green tea leaves up to 60%.

**“Improving the quality of green tea leaves up to 60% at the factory level within 03 years.”**

### 4.6.1 Special awareness programs on the quality of green tea leaves

In order to increase quality and quantifiable production of green tea leaves through extensively providing the farmers with extension services, 08 programs were effectively planned to be implemented in the last quarter covering 08 regional offices together with the Tea Small Holdings Development Authority, Sri Lanka Tea Research Institute, Tea Small Holdings Development Societies, Factories and all the other related institutes. Programs were held centering Jasmine Valley Tea Factory by Galle Regional

Office, centering Nilgiri Tea Factory by Matara Regional Office, centering RTS Tea Factory by Rathnapura Regional Office, centering Meesha Tea Factory by Kegalle Regional Office, centering Harangala Tea Factory by Nuwara Eliya Regional Office, centering Brombill Tea Factory by Kaluthara Regional Office, Dartry Valley Tea Factory by Kandy Regional Office, and centering Ulu Gedara Tea Factory by Uva Regional Office.

Centering Harangala Tea Factory, 03 programs were conducted related to the quality of green tea leaves, and the number lands selected and number of farmers participated are indicated in Table No. 29 below. Efforts were made to educate the tea small holders supplying green tea leaves for respective factories and it was executed as a practical program.

**Table No. – 29**

**The series of awareness programs related to the quality of green tea leaves – Performance 2023/2024**

No. of programs	No. of green tea leaf paths	No. of tea small holdings selected	No. of tea small holders participated
2023.11.10	5	25	358
2023.12.01	5	18	243
2023.12.22	5	14	228

Source – Extension Division of Tea Small Holdings Development Authority

The Harangala Tea Factory had reported on the quality of green tea leaves of the above tea small holders after checking, and it is reported in Table No. 30 about a change in the quality

of green tea leaves supplied to those factories after the respective programs. This program is planned to be implemented more widely in the year 2024.

**Table No. – 30**

**The series of awareness programs related to the quality of green tea leaves – Performance 2023/2024**

No. of programs	At the end of October 2023 (Before the program)	At the end of November 2023	At the end of December 2023
The quality of green tea leaves	31%	35%	44%

Source – Extension Division of Tea Small Holdings Development Authority

#### 4.7 Special Project of 25 Million Tea Plants - Tea Nursery Project

The Special Project of 25 million plants was commenced in the year 2020 to fulfill the necessity of the annual vegetative propagated tea plants needed for the tea sector. This project is implemented through the absolute involvement of our Authority that carries the responsibility of the tea small holders those who borne 75% of contribution to the tea production and through the provisions of the Sri Lanka Tea Board.

The core objective of this project is to encourage the nurserymen to produce quality & standardized vegetative propagated tea plants while minimizing the production of vegetative propagated tea plants with no standard.

By the end of the year 2023, the benefits of the special project of 25 million tea plants implemented under the provisions of the Sri Lanka Tea Board, were provided to 955 nurseries, and among those nurseries, plants were actively produced in 563

nurseries. Accordingly, 4.3 million plants were produced in the year 2021, and respectively, 13.2 million plants in the year 2022 and 16.5 million plants in the year 2023. An amount of 187.9 million Rupees was borne on this under the provisions of the Sri Lanka Tea Board.

**Table No. – 31**

**The progress of Special Project of 25 million plants as at 31.12.2023**

Regional Office	No. of Nurseries currently functioning
Galle	119
Kaluthara	28
Kandy	74
Kegalle	65
Matara	109
Nuwara Eliya	30
Rathnapura	105
Uva	33
<b>Total</b>	<b>563</b>

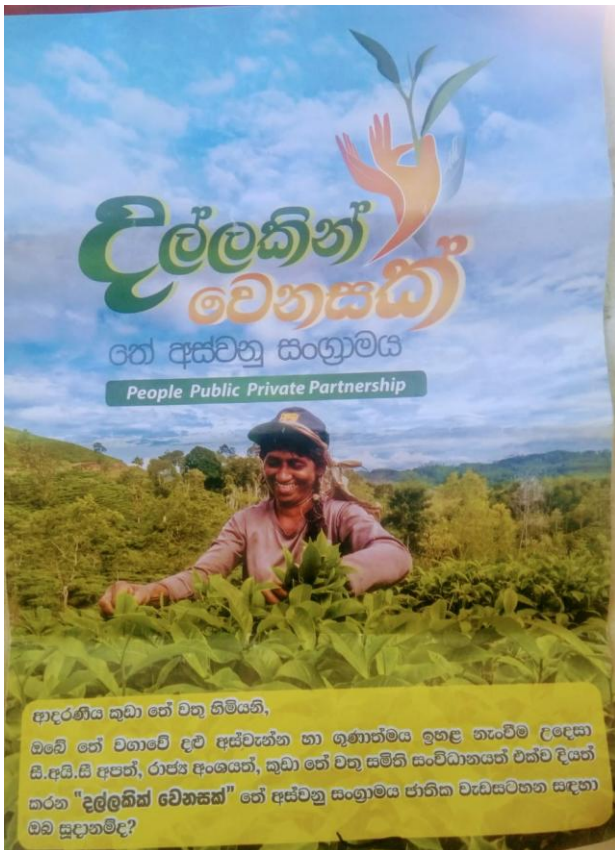
Source – The Progress Report – Tea Small Holdings Development Authority

#### 4.8 “A change from a green tea leaf”, the land development program proposed to be implemented by the Tea Small Holdings Development Authority in collaboration with the C.I.C fertilizer company.

In collaboration with the C.I.C fertilizer company, the activities of the initial phase required to implement a land development program for tea small holders has been started mainly in regional offices of Galle, Matara and Rathnapura. It is expected to develop 4,000 tea small holdings as cultivation demonstration plots, and the extension instructions are provided by the Tea Small Holdings Development Authority and the material assistance is given by the C.I.C fertilizer company.

This program is executed with the involvement of the Tea Small Holdings Development Authority and with the financial support of the C.I.C fertilizer company, and Sri Lanka Tea Research Institute and Sri Lanka Tea Board are also involved as associates. This is implemented as a program executed under Public Private Partnership.

Clusters of farmers are formed here through grouping 20 tea small holders together and appointing a farmer leader for each of those groups. Accordingly, clusters were formed as 75 in Galle, 50 in Matara and 75 in Rathnapura. This project will be executed in the year 2024.



**Table No. – 32**  
**4.9 Key Performance Indicators for Managing Development Outcomes - 2023**

No.	Mid-Term Outcomes	Key Performance Indicators	Base Year 2008	Performance Indicators		Special Remarks	
				Targets & Progress - 2023	Progress		
1	Long-term Outcome Enhancing the standard of living of tea small holders	I Progress of developing assets of household units				Socio Economic Surveys	
		II Progress of the secondary education of the children					
	Per Year/ Per 01 Hectare within 03 years Increasing the quantity of made tea in Kilograms	1.1 Developing the unit productivity at district level and at elevation level					
		Lowlands up to 2,500	2,085	2,500	1,117		Statistical Data of the Sri Lanka Tea Board
		Midlands up to 1,700	1,050	1,700	1,747		
		Uva up to 1,600	1,055	1,600	1,634		
2	Improving the quality of green tea leaves at the factory level within 03 years	1.2 Improving the production of tea small holdings (Million Kilograms)	215	245	190.6		
3	Strengthening 50% of community-based organizations within 03 years	2.1 Progress of good tea leaves at the factory level	35%		44%	Data of the Tea Commissioner Section of Sri Lanka Tea Board - Socio Economic Survey Census	
		3.1 Improving the asset value	NA				
		3.2 No. of societies monitoring the identified roles	100		1492		
		3.3 Attitudes of the members regarding the productivity	NA				
		4.1 Percentage of accomplishing targets					
4	Strengthening the institute to execute more productively within a year	<b>Tea Replanting Subsidy Scheme</b>					
		a. Financial	102%	234.69	*370.118		
		b. Physical	92%	1,782	2,214.5		
		4.2 The Audit Opinion		True & Reasonable			
		4.3 Percentage of Deviation from the budget (Developmental Capital)	13%				
		4.4 Attitudes of the staff on the productivity of the institution	NA				
5	Directing 10% of the lands on additional income earning activities within 03 years	5.1 Percentage of lands with other crops	35%			Socio Economic Survey Censuses	
		Percentage of lands with animal husbandry	NA				
<b>Total</b>							

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

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

**5.1**

**Tea Small Holdings**

**5.2**

**Production of Tea  
Small Holdings  
Sector**

**5.3**

**Production  
Composition and  
Productivity of Tea  
Small  
Holdings**

**5.4**

**Contribution and  
Productivity Review  
of the Tea Small  
Holdings Sector**

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

### 5.1 Tea Small Holdings

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

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

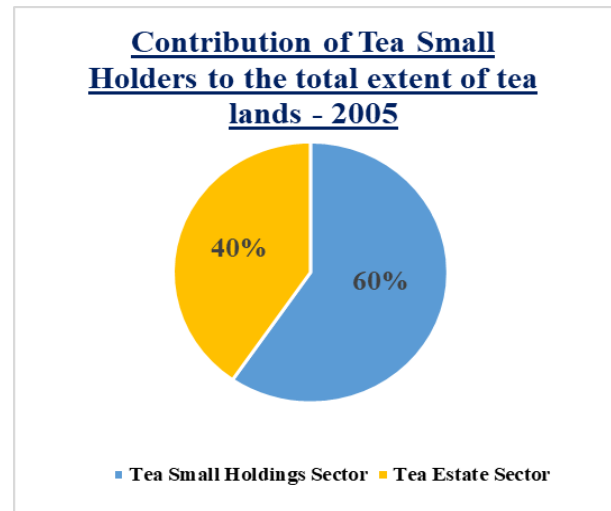
#### 5.1.1 Extent of Tea Small Holdings

The total amount of the tea small holdings in Sri Lanka is about 221,968 hectares comprising with the extent of 132,329 hectares of tea small holdings (including lands with less than 20 perches) as per the census on tea small holdings held in the year 2005. Accordingly, from the total amount of tea lands in Sri Lanka, 60% of lands are under the Tea Small Holdings sector. The corresponding description is shown in Diagram No.12.

As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on those details, the updated extent of lands in the year 2023 was 158,221 hectares. The contribution percentage is shown in Diagram No. 13.

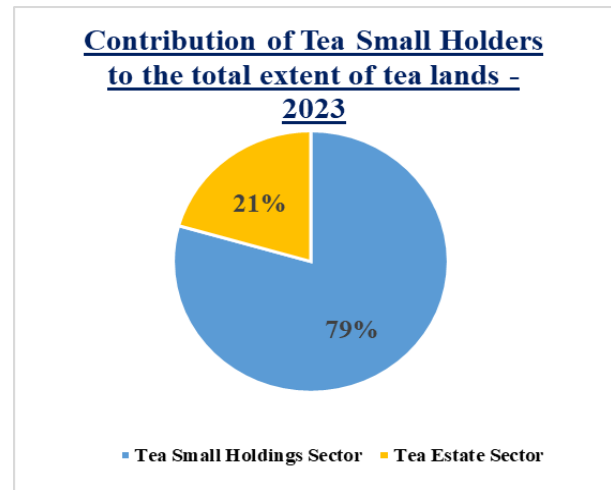
The detailed information of this are stated in Table No. 34, 35, and 36.

Diagram No. 12



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

Diagram No. 13



Source - As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated tea lands in 2023.

#### 5.1.2 Tea Small Holders

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

As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the number of tea small holders was 418,262. Based on those details, the updated number of tea small holders in the year 2023 was 418,938.

### 5.1.3 Number of Tea Small Holdings

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

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

### Table No. – 33

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

District	Data of 2005 Census on Tea Small Holdings		As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated data in 2023	
	Number of Tea Small Holders*	Hectares*	Number of Tea Small Holders**	Hectares**
Colombo	1,345	246	1,236	404
Gampaha	319	2	278	100
Kaluthara	48,752	7,823	43,984	17092
Kandy	31,635	16,058	29,039	11388
Matale	1,656	1,672	1,551	740
Nuwara Eliya	19,361	7,205	16,801	5857
Galle	92,578	27,427	85,210	30193
Matara	73,907	25,417	65,238	25733
Hambanthota	2,833	546	2,542	1004
Kurunegala		180	-	0
Badulla	33,093	9,020	30,151	9449
Monaragala	600	199	572	293
Rathnapura	118,444	30,441	108,475	43077
Kegalle	37,842	6,093	33,861	12891
<b>Total</b>	<b>462,365</b>	<b>132,329</b>	<b>418,938</b>	<b>158,221</b>

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

\*\* Updated in 2023 as per the tea land registration of Sri Lanka Tea Board in 2016

### 5.1.4 Classification of Tea Small Holdings

Actions were taken in since 2021 to update the data provided through the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority in the year 2016. Those updated data were utilized in institutional development planning activities in 2022. As per the census reports – 2005 on tea small holdings in Sri Lanka, From the extent of tea small holdings, 113,190 acres (34.6%) of tea lands are lands with less than one acre and 198,70 acres (60.8%) of tea lands are lands with less than two acres. The extent of tea lands with more than 10 acres is 59,731 acres (18.3%) and as shown in

Table No. 34 below, the extent of tea lands with less than 10 acres is 267,253 acres (108,200 hectares).

In accordance with the land registration of Sri Lanka Tea Board in the year 2016, from the extent of tea small holdings, 191,592 acres (49%) are the tea lands with less than one acre and 305,095 acres (78%) are the tea lands with less than two acres. The extent of tea lands more than 10 acres is 101,447 acres and it is 21% of the extent of total tea lands. As per the Table No. 35 below, 390,805 acres (158,221 hectares) were the tea lands with less than 10 acres.

**Table No. – 34**

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

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

Source – Census Reports on Tea Small Holdings in Sri Lanka – 2023

**Table No. – 35**

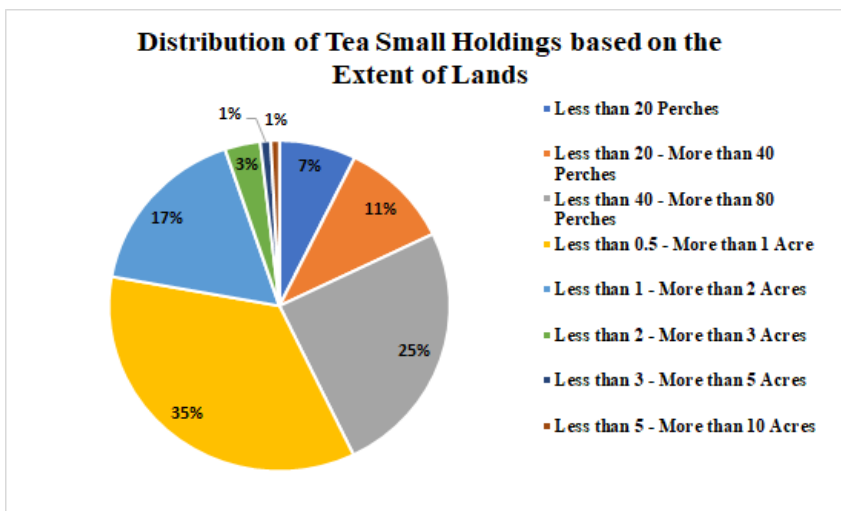
**Classification of Tea Small Holdings in Sri Lanka in accordance with the extent of lands and number of plots of lands**

Classification	Extent of Lands (Acres)	Percentage %	Number of Plots of Lands	Percentage %
Less than 20 Perches	1,083	0.2%	30,737	7.3%
Less than 20 Perches – More than 40 Perches	10,437	2.1%	44,573	10.6%
Less than 40 Perches – More than 80 Perches	48,435	9.8%	102,906	24.4%
More than 0.5 Acres – Less than 1 Acre	131,637	26.7%	144,943	34.3%
More than 1 Acre – Less than 2 Acres	113,502	23.1%	71,711	17.0%
More than 2 Acres – Less than 3 Acres	35,570	7.2%	14,205	3.4%
More than 3 Acres – Less than 5 Acres	25,867	5.3%	6,458	1.5%
More than 5 Acres – Less than 10 Acres	24,274	4.9%	3,391	0.8%
<b>Total of Tea Small Holdings Sector</b>	<b>390,805</b>		<b>418,924</b>	
More than 10 Acres – Less than 50 Acres	59,221	12.0%	2,798	0.7%
More than 50 Acres	42,226	8.6%	252	0.1%
<b>Total of overall Tea Holdings sector</b>	<b>492,252</b>		<b>421,974</b>	

Source – Census Reports on Tea Small Holdings in Sri Lanka  
Updated in 2023 as per the tea land registration of Sri Lanka Tea Board in 2016.

**Diagram No. 14**

**Distribution of Tea Small Holdings based on the Extent of Lands (Hectares)**



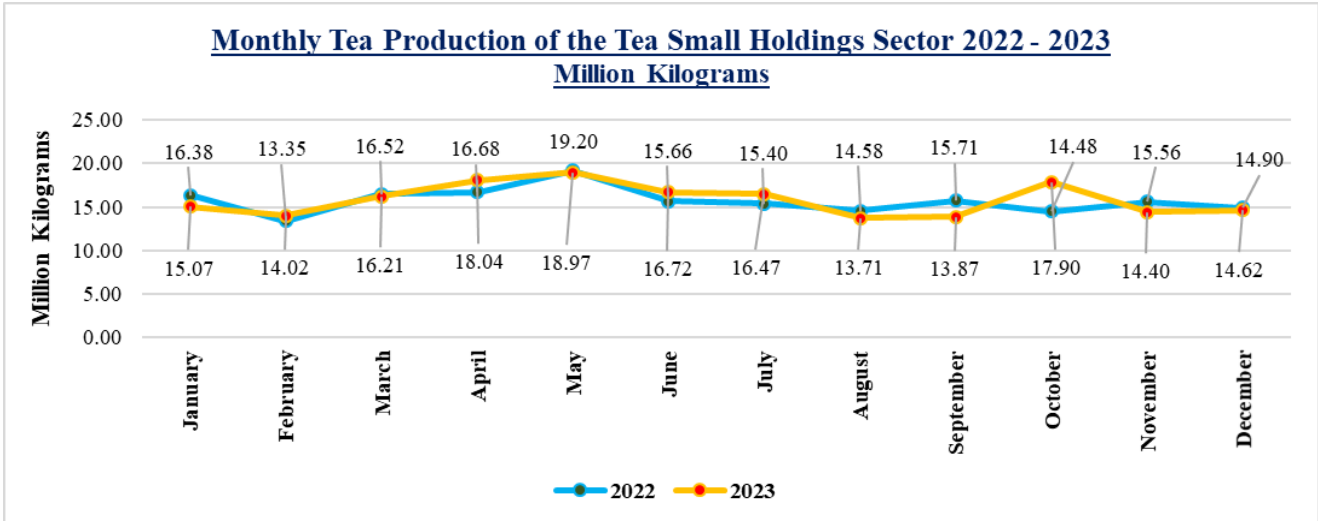
Source – Updated data in 2023 as per the tea land registration of Sri Lanka Tea Board in 2016.

## 5.2 Production of the Tea Small Holdings Sector

The national tea production in the year 2023 was 256.039 million kilograms. Compared to the previous year, it was an increase of 4.59 million kilograms, or 1.82% of the national production.

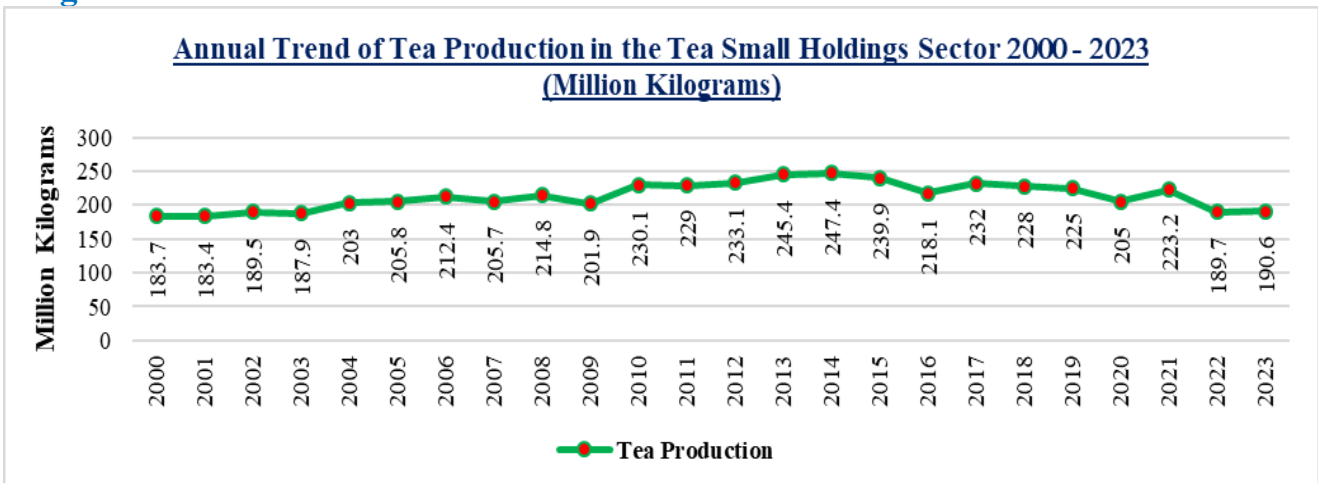
Similarly, the overall production of the tea small holdings sector had also been increased by 0.928 million kilograms and it was 0.48% of the production.

Diagram No. 15



Source – Production data of Sri Lanka Tea Board

Diagram No. 16



Source – Sri Lanka Tea Board

## 5.3 Production Composition and Productivity of Tea Small Holdings

In the year 2023, from the overall production of tea small holdings, the Lowland tea production was 79%, the Midland tea production was 14.97%, and the Highland tea production was 6.03%. (Table No. 36)

Compared to the year 2022, in the year 2023, the tea production of the Tea Small Holdings Sectors had increased by 0.09% from the Lowland tea production and 4.61% from Midland tea production while it had been declined by 3.91% from Highland tea production.

**Table No. – 36**  
**Tea Production and Production Contribution of the Tea Small Holdings Sector**  
**(Based on location) 2020-2023**

		Year	Highlands	Midlands	Lowlands	Total
Extent of Tea Small Holdings	(Hectares)	2005	5,913	21,403	89,176	116,492
	Percentage of contribution		5%	18%	77%	
	(Hectares)	2023	7,033	16,344	134,843	158,220
	Percentage of contribution		4%	10%	85%	
National Production	Metric Tons	2020	62,202	46,553	169,733	278,488
	Percentage		22%	17%	61%	
	Metric Tons	2021	65,270	50,905	183,161	299,336
	Percentage		22%	17%	61%	
	Metric Tons	2022	56,320	40,183	154,994	251,497
	Percentage		22%	16%	62%	
	Metric Tons	2023	58,639	42,337	155,061	256,037
	Percentage		23%	17%	61%	
Production of Tea Small Holdings	Metric Tons	2020	11,846	30,353	163,467	205,666
	Percentage		6%	15%	79%	
	Metric Tons	2021	12,339	33,631	177,225	223,195
	Percentage		6%	15%	79%	
	Metric Tons	2022	11,958	27,287	150,488	189,733
	Percentage		6%	14%	79%	
	Metric Tons	2023	11,490	28,546	150,625	190,661
	Percentage		6%	15%	79%	
Contribution to the National Production	Percentage	2020	24%	14%	81%	
		2021	19%	66%	97%	
		2022	21%	68%	97%	
		2023	20%	67%	97%	

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

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

\*\* Extent of lands by the year 2023

## 5.4 Contribution and Productivity Review of the Tea Small Holdings Sector.

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

As per the data on the tea production in the Sri Lanka Tea Board, the average productivity of the Tea Small Holdings Sector in the year 2023 was 1,205 Kilograms of made tea per hectare. The average productivity of the Tea Small Holdings Sector in the year 2022 was 1,200 Kilograms of made tea per hectare.

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

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

**Table No. – 37**  
**Productivity of Tea Small Holdings Sector based on Administrative Districts - 2023 (Made Tea/ Kilograms)**

Administrative District	Extent of Tea Small Holdings (Hectares) **	Production Highlands	Production Midlands	Production Lowlands	Production Total	Productivity (Made Tea Kilograms per Hectare) *
Badulla, Monaragala	9,743	4,460,043	6,077,358		10,537,401	1,082
Galle	30,193			37,710,347	37,710,347	1,249
Hambanthota	1,004			82,564	82,564	82
Kaluthara	17,091			15,597,053	15,597,053	913
Colombo	404			1,233,378	1,233,378	3,053
Kandy	11,388	54,673	14,175,126	9,446,287	23,676,086	2,079
Kegalle, Gampaha	12,991		86,735	7,586,615	7,673,350	591
Matale	740		1,168,323	364,724	1,533,047	2,072
Matara	25,733		61,170	28,223,544	28,284,714	1,099
Nuwara Eliya	5,857	6,975,582	6,401,401	793,643	14,170,626	2,419
Rathnapura	43,077		576,354	49,587,227	50,163,581	1,165
<b>Total</b>	<b>158,221</b>	<b>11,490,298</b>	<b>28,546,467</b>	<b>150,625,382</b>	<b>190,662,147</b>	<b>1,205</b>
Extent of lands (Hectares) in accordance with the tea small holdings registration of Tea Board in 2023		7,033	16,344	134,844	<b>158,221</b>	
Estimated Average Productivity /per Hectare	2018	2,029	1,449	2,075	1,958	-
	2019	1,954	1,462	2,051	1,938	-
	2020	2,003	1,418	1,833	1,766	-
	2021	1,787	2,068	1,316	1,414	-
	2022	1,540	1,773	1,115	1,200	-
	2023	1,634	1,747	1,117	1,205	-

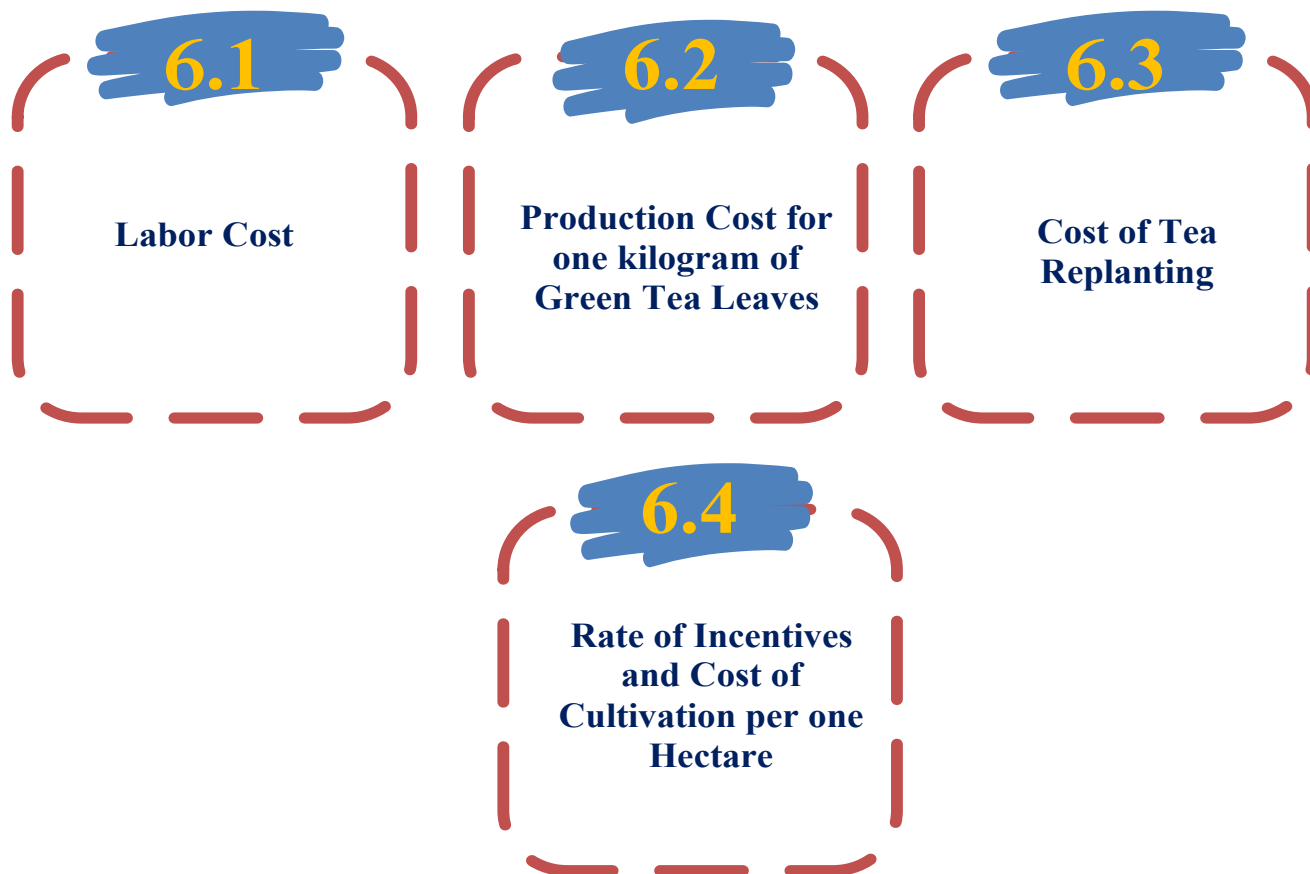
Source – Updated data in 2023 as per the tea land registration of Sri Lanka Tea Board in 2016.

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

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

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

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



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

#### 6.1 Labor Cost

In accordance with the annual details obtained at field level on the Tea Small Holdings Sector, when considering the labor shortage for plucking tea leaves, pruning & weeding and the level of daily wages in the Tea Small Holdings Sector, the

revealing factor that caused in increasing the labor cost is that the payment of a high amount of wages higher than the standard level of wages confirmed by the Wages Boards Ordinance. Therefore, compared to the wage level in the organized Tea Small Holdings Sector, since the wage level of daily laborers in the unorganized Tea Small Holdings Sector remains high, it had been reported as the price of labor.

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

wages were paid depending on the extent of kilograms of the leaves plucked. The instances where an additional price was paid when it exceeds the average of the daily leaves plucked; and a daily

## 6.2 Production Cost for one kilogram of Green Tea Leaves

Accordingly, with the data of Sri Lanka Tea Board, the estimated production cost of one kilogram of green tea leaves as per the prices received from the Colombo Tea Auction based on the location and the average paying price of one kilogram of leaves are mentioned in the Table No. 38.

Compared to the year 2022, the average price paid for one kilogram of green tea leaves had been declined by 19.41 Rupees or by 10.66 %. The cost of production had been declined up to 136.09 Rupees.

**Table No. – 38**  
**The Price received for one kilogram of green tea leaves and the Production Cost**

Year	Average Paying Price (Rupees per Kilogram)	Average Production Cost (Rupees per Kilogram)
2006	29.18	21.87
2007	40.88	30.64
2008	45.45	36.24
2009	52.71	37.24
2010	54.11	38.56
2011	52.63	44.43
2012	57.27	49.5
2013	64.99	51.4
2014	67.54	54.54
2015	58.8	55.08
2016	68.53	64.52
2017	90.69	71.65
2018	85.48	71.86
2019	80.15	56.28
2020	92.55	59.94
2021	90.57	65.2
2022	182.07	136.33
2023	162.66	136.09

Source – Sri Lanka Tea Board

wage higher than the daily wage of plucking tea leaves was paid for the trained labor tasks such as pruning.

## Prices of Green Tea Leaves and the Estimated Cost been in the year 2023

Accordingly, with the data of the Sri Lanka Tea Board, compared to the year 2022, the average price of one kilogram of made tea for all the elevations had been declined in the year 2023. Compared to the year 2022, the price paid for one kilogram of Highland green tea leaves had been declined up to 3.99%, the price paid for Midlands up to 2.33% and the price paid for Lowlands up to 6.9%. The total average price paid for one kilogram of green tea leaves in the year 2022 had been declined up to 162.66 Rupees from 182.07 Rupees in the year 2023. Further details of it are indicated in the Table No. 39.

**Table No. – 39**  
**Price paid for one kilogram of green tea leaves.**

Green tea leaves by altitude	Year of 2020 (Rupees)	Year of 2021 (Rupees)	Year of 2022 (Rupees)	Year of 2023 (Rupees)	The amount of the Price Change (Rupees) Compared to 2022
Highlands	86.76	87.47	163.36	156.84	-6.52
Midlands	81.42	80.77	151.58	148.04	-3.54
Lowlands	97.69	94.44	196.70	183.11	-13.59
Total Average Price per one Kilogram of tea leaves	92.55	90.57	182.07	162.66	-19.41

Source – Data from Sri Lanka Tea Board

## 6.3 Cost of Tea Replanting

The high rate of labor cost on tea replanting due to the shortage of labor, the removal of the amount of financial subsidy for fertilizer and the limitation in importing chemical fertilizers caused in increasing the market price of fertilizer and that specially influenced in the high cost of cultivation. From the total cost, an amount of 80% had to be spent as cost of labor. The estimate on the Cost of Replanting per hectare is revealed in the Table No. 40 below.

**Table No. – 40****Estimate on the Cost of Replanting per Hectare 2022/2023  
(Rupees) (From the phase of Uprooting to Tea leaves Plucking)**

Activity	2022		2023	
	Highlands and Midlands	Lowlands	Highlands and Midlands	Lowlands
	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Uprooting (First Year)	981,871	814,231	983,871	816,237
Soil Rehabilitation (Second Year)	381,350	478,285	383,350	480,285
Tea Planting (Third Year)	1,853,840	1,725,340	1,897,000	1,823,000
First Year Maintenance (Fourth Year)	1,290,750	1,264,500	1,298,750	1,264,500
Second Year Maintenance (Fifth Year)	902,750	885,500	904,750	885,500
<b>Total</b>	<b>5,410,561</b>	<b>5,167,856</b>	<b>5,467,721</b>	<b>5,269,522</b>

Source – The Progress Report – Tea Small Holdings Development Authority

**6.4 Percentage of Incentives per hectare and Cost of Cultivation**

When considering the amounts of incentives and cost of cultivation in the year 2023, it can be clearly

seen from the following Table No. 41 that approximately 12% from the cost of cultivation was able to be covered from the incentives of replanting.

**Table No. – 41****Percentage of Incentives per hectare and Cost of Cultivation**

Year	* Cost of Cultivation(Rupees)		Cultivation Subsidy Ratio		Percentage covered by Cost of Cultivation (%)	
	Highlands and Midlands	Lowlands	Highlands and Midlands	Lowlands	Highlands and Midlands	Lowlands
1996	297,622	270,767	67,000	57,000	22%	21%
1997	361,643	327,769	67,000	57,000	18%	17%
1998	411,564	347,456	*110000	*100000	27%	29%
1999	445,504	377,068	110,000	100,000	25%	27%
2000	485,894	396,186	110,000	100,000	23%	25%
2001	550,744	513,866	110,000	100,000	20%	19%
2002	653,463	589,916	110,000	100,000	17%	17%
2003	712,815	643,451	160,000	150,000	22%	23%
2004	796,315	717,351	160,000	150,000	20%	20%
2005	1,026,322	1,009,427	160,000	150,000	16%	15%
2006	1,031,377	1,024,287	200,000	190,000	19%	19%
2007	1,148,177	1,125,494	200,000	190,000	17%	17%
2008	1,458,989	1,420,360	200,000	190,000	14%	13%
2009	1,516,332	1,452,292	200,000	190,000	13%	13%
2010	1,704,051	1,625,290	200,000	190,000	12%	12%
2011	1,836,280	1,724,904	250,000	240,000	14%	14%
2012	1,836,280	1,724,904	300,000	300,000	16%	17%
2013	1,929,930	1,810,904	350,000	350,000	18%	19%
2014	1,929,930	1,810,904	350,000	350,000	18%	19%
2015	2,304,530	2,154,904	500,000	500,000	22%	23%
2016	2,823,735	2,648,442	500,000	500,000	18%	19%
2017	3,393,454	3,177,175	500,000	500,000	15%	16%
2018	3,441,019	3,222,744	500,000	500,000	15%	16%
2019	3,471,171	3,224,282	500,000	500,000	14%	15%
2020	3,520,931	3,268,212	500,000	500,000	14%	15%
2021	3,525,561	3,280,562	630,000	630,000	17%	19%
2022	5,410,561	5,167,162	630,000	630,000	11.6%	12%
2023	5,467,721	5,269,522	630,000	630,000	12%	12%

Source – Based on the details from Tea Research Institute

**Schedule No.- 01****Estimate on the Production Cost of a Kilogram of Green Tea Leaves 2023 (Lowland) 5,185 Kilograms of Green Leaves per Hectare /Year (As 1,115 Kilograms of Prepared Tea)**

Sub No.	Functionality	Frequency of Practice	Units of Labor	Cost of Raw Materials	Total Cost	%
1	Leaves Plucking (25 Kilograms per person per day)	1/2 labor for 45 times	207		186651	26.8%
2	Suppression of Weeds	10 laborers per month	58		68150	10%
3	Fertilizer mixture and application					
	i Applying matured tea fertilizer mixture	8 laborers each (For 2-4 times)	24	296400	324600	47%
	ii Applying Dolomite	4 laborers each (For 2 times cycle)	2	6003	8353	1.2%
	iii Applying Zinc Sulfate	5 laborers each (For 2 times)	5	3300	9175	1.3%
4	Shade Tree Management	5 laborers each (For 2 times)	10		11750	1.7%
5	Pruning	30-40 laborers each (For 2 times cycle)	20		30000	4.3%
6	Moss Removal	12-20 laborers each	6		7050	1.01%
7	Trimming Levels	12-20 laborers (For 2 times cycle)	6		7050	1.01%
8	Draining	36 laborers each (For 2 times cycle)	18		21150	3.0%
9	Infilling	16 laborers for 375 plants	8	13125	22525	3.2%
			364	318828	696454	
<b>Average Production Cost for One Kilogram of Green Tea Leaves</b>			<b>134.09</b>			
	Transportation Expenses (Rupees)		2.00			
	<b>Cost of Production (Rupees)</b>		<b>136.09</b>			
*	2-year time cycle has been used for Lowlands					
*	Fertilizer mixtures and volumes are in accordance with the recommendations of Tea Research Institute and the prices are that existed within the year					
*	The price of a tea shoot plant is 35 Rupees					
*	The transportation cost has been included in the cost of raw materials					
			<b>Rupees</b>			
*	Daily wage of a laborer		1175			
*	Daily wage for pruning		1500			
*	1 Metric Ton of Dolomite		9000			
*	1 Kilogram of Zinc Sulfate		300			
*	1 Metric Ton of UT-397/VPLC/U709/UT752		300000			
*	Tea Leaves Plucking		1500			

**Schedule No.- 02**  
**Tea Production of the Tea Small Holdings Sector**  
**1983 - 2023 Million Kilograms**

Year	National Production	Production of the Tea Small Holdings Sector		Contribution to the National Production
		Production	Growth Percentage	
1983	179.28	62.4	-	34.8
1984	208.05	77.4	6.9	37.2
1985	214.09	82	120.4	38.3
1986	211.27	83	1.2	39.3
1987	213.32	91.1	9.75	42.7
1988	226.95	100.2	9.99	44.2
1989	206.98	92.2	-8.98	44.5
1990	223.16	113.7	23.3	48.7
1991	240.74	121.1	6.51	50.3
1992	178.86	94.9	-21.63	53
1993	231.87	125.3	32.02	54
1994	242.21	139.8	11.57	57.7
1995	245.96	140	0.14	56.9
1996	258.42	147.8	5.57	57.2
1997	276.86	149.3	1.01	53.9
1998	280.05	165.9	11.12	59.2
1999	283.76	164	-1.11	57.8
2000	305.84	183.7	12.01	60
2001	295.09	183.4	-0.06	62.1
2002	310.03	189.5	3.33	61.1
2003	303.23	187.9	-0.84	61.9
2004	308.08	203	8.04	65.9
2005	317.19	205.8	2.95	64.9
2006	310.82	212.4	3.2	68.3
2007	304.61	205.7	-3.1	67.5
2008	318.69	214.8	4.4	67.4
2009	291.13	201.9	-6	69.3
2010	331.42	230.1	13.98	69.4
2011	327.53	229	-0.48	69.9
2012	326.27	233.1	1.78	71.4
2013	340.22	245.4	5.3	72.2
2014	338.03	247.4	0.8	73.1
2015	328.96	239.86	-3	72.9
2016	292.57	218.06	-9	74.5
2017	307.72	232.42	6.6	75.5
2018	303.94	228.05	-1.9	75
2019	300.13	225.73	-1.02	75.2
2020	278.49	205.67	-8.08	73.8
2021	299.33	223.2	8.52	74.6
2022	251.44	189.73	-14.99	75.4
2023	256.03	190.66	0.005	74.4

Source - Tea Production Data from Sri Lanka Tea Board

### Schedule No.- 03

#### Tea Exports and Foreign Exchange Revenues 1995 – 2023

Year	**Exported Amount	*Export Revenues	Percentage of the Contribution of Total Export Revenues (%)
	(Million Kilograms)	(Million Rupees)	
1995	240	24,638	12.62
1996	244	34,068	15.02
1997	269	42,533	15.51
1998	272	50,280	16.19
1999	269	43,728	13.44
2000	288	53,133	12.06
2001	294	61,602	14.31
2002	291	63,105	14
2003	298	65,937	13.3
2004	300	74,890	12.08
2005	309	81,480	12.7
2006	***315	***86,337	12.8
2007	***294	***106,217	13.2
2008	320	137,585	15.6
2009	280	136,183	16.7
2010	315	155,608	16.6
2011	323	164,869	14.1
2012	320	180,430	14.48
2013	319.6	199,446	14.8
2014	327.3	212,588	14.6
2015	306.9	182,054	12.8
2016	288.7	184,778	12.3
2017	288.9	233,338	13.5
2018	282.4	231,750	12
2019	292.65	240,636	13.41
2020	265.56	230,170	12.35
2021	285.871	263,353	12.5
2022	250.171	411,054	10
2023	241.91	428,291	10.9

\* With re-export revenues included

\*\* Including imported tea

\*\*\*Excluding re-export revenues

Source – The Progress Report – Tea Small Holdings Development Authority 2023

Economical Research Department – Central Bank of Sri Lanka

## **7. Final Accounts and Auditor General’s Report of Tea Small Holdings Development Authority as as 31.12.2023.**

**7.1**

**Final Accounts as at  
31.12.2023**

**7.2**

**Notes to the Final  
Accounts**

**7.3**

**Auditor General’s  
Report**

**Tea Small Holding Development Authority**  
Statement Of Financial Position as at 31 December 2023

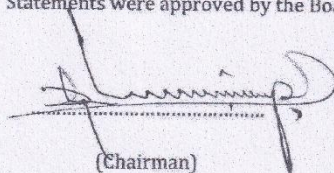


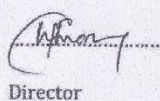
TSHDA

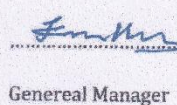
(Expressed in Sri Lanka Rupees )

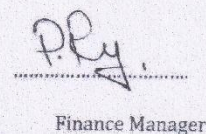
	Note No	2023	2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	1	298,661,215	305,804,528
Receivables	2	126,601,072	116,043,299
Inventories	3	71,929,699	109,536,281
Prepayments	4	466,831	1,179,599
		497,658,817	532,563,706
<b>Non- Current Assets</b>			
Investments (Fixed Deposit)	5	23,127,357	19,968,826
Other financial assets	6	4,947,105	7,331,796
Property, Plant and Equipment	7	929,222,081	903,851,632
Less: Acc. Depreciation		(253,127,053)	(200,962,268)
<b>Total Assets</b>		<b>1,201,828,307</b>	<b>1,262,753,692</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	165,109,445	269,615,467
Accrued Expenses	9	133,123,256	123,188,876
		298,232,701	392,804,343
<b>Non - Current Liabilities</b>			
Employee benefits (Gratuity)	10	176,451,793	191,766,183
<b>Total Liabilities</b>		<b>474,684,494</b>	<b>584,570,526</b>
<b>Net Assets</b>		<b>727,143,813</b>	<b>678,183,166</b>
<b>NET ASSETS/EQUITY</b>			
Capital contributed by governm	11	322,890,842	294,481,845
Revaluation Surplus	12	232,935,807	232,935,807
Accumulated surplus/(deficits)		171,317,164	(10,268,536)
Grants	13		517,149,116
<b>Total Net Assets / Equity</b>		<b>727,143,813</b>	<b>678,183,166</b>

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

  
(Chairman)

  
Director


  
General Manager

  
Finance Manager


Figures in brackets indicate deductions

Notes to the Financial Statements on pages 03 to 06 form an integral part of these Financial Statements

**Financial Statements 2023**

<b>Tea Small Holding Development Authority</b>				
<b>Statement Of Financial Performance as at 31/12/2023</b>				
				 <b>TSHDA</b>
				(Expressed in Sri Lanka Rupees )
	<b>Sh.No</b>		<b>2,023</b>	<b>2022</b>
<b>Tresury Funds</b>	1			
Development Capital			735,953,071	109,651,288
Recurrent			428,883,397	443,556,000
<b>Other Income</b>	2			
Interest - F/D		12,186,390		8,219,550
Interest - C/D		15,058,177		15,546,164
Interest on Loan to Employees		4,073,967		2,976,113
Miscellaneous Income		9,654,025		3,982,465
<b>Income Over Expenditure Hanthana</b>	3	3,661,426		5,104,817
<b>Surplus (Deficit) in Tea Field &amp; M.B</b>	4	(1,122,419)		(2,194,511)
<b>Surplus (Deficit) in Nurseries</b>	5	2,599,289	46,110,855	4,455,451
			<b>1,210,947,323</b>	<b>591,297,337</b>
<b>Development Expenditure</b>	6			
Subsidies		(711,761,263)		(462,811,589)
Extension		(13,345,928)		(27,564,407)
Society Development		(1,391,260)		(2,689,833)
Institutional Development		(2,019,552)		(4,938,336)
			<b>(728,518,003)</b>	<b>(498,004,165)</b>
<b>OPERATING EXPENCES</b>	7			
Salaries,EPF,ETF & Other Allowances		(306,622,098)		(329,063,142)
Overtime & Holiday Payments		(2,830,273)		(4,844,522)
Travelling & Subsistence		(7,848,754)		(7,185,493)
Repairs & Maintainance		(35,529,542)		(34,049,839)
Supplies		(10,514,578)		(11,330,122)
Communication		(7,764,794)		(6,530,020)
Rates, Tax & Utilities		(9,758,415)		(6,876,784)
Other Operating Expences		(38,542,415)		(36,637,527)
<b>Total Operating Expences</b>			<b>(419,410,869)</b>	<b>(436,517,449)</b>
<b>Surplus/(Deficit) from operating activities</b>			<b>63,018,451</b>	<b>(343,224,277)</b>
Gratuity		(13,069,966)		(13,931,912)
Depreciation and amortization expenses		(52,928,727)		(56,753,106)
Provisions for Bad Debt/written off debtors		(527,354)		(905,088)
Provision of Contingency		-		2,243,938
Provision Adjustment			<b>(66,526,046)</b>	97,547,250
<b>Net surplus / (Deficit) before extra ordinary items</b>			<b>(3,507,595)</b>	<b>(315,023,195)</b>
Deferred Income	8		21,697,932	31,824,643
Capital Grants			161,034,051	
<b>Net surplus / (Deficit) for the period</b>			<b>179,224,388</b>	<b>(283,198,552)</b>
Figures in brackets indicate deductions				

Financial Statements 2023

<b>Tea Small Holding Development Authority</b>		
<b>Cash Flow Statement as at 31/12/2023</b>		
		<b>TSHDA</b>
		(Expressed in Sri Lanka Rupees)
<b>Cash Flow from Operating Activities</b>	<b>2023</b>	<b>2022</b>
Surplus/(deficit) from ordinary activities	179,224,388	(274,168,553)
<b>Non-cash movements</b>		
Deferred Income	(21,697,932)	(31,824,643)
Depreciation	52,928,727	56,753,106
Provision For Gratuity	13,069,966	13,931,912
Gratuity Paid	(28,384,357)	(6,081,490)
Increase/decrease in provision for doubtful debts	527,354	905,088
Capital Grants	(161,034,051)	
Provision of Contingency	-	(2,243,938)
Interest Income	(31,318,534)	(26,741,827)
Increase /decrease in payables	(92,210,330)	(125,705,076)
Revaluation Loss		
(Gains)/losses on sale of property, plant and equipment	(45,819)	(147,781)
Increase /decrease in other assets	(773,839)	90,487,310
Increase /decrease in receivables	(19,743,057)	9,588,025
Increase /decrease in Inventory Item	37,606,583	72,020,062
<b>Net cash flows operating activities</b>	<b>(71,850,901)</b>	<b>(223,227,805)</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(29,320,702)	(160,679,770)
Proceeds from sale of plant and equipment/cost disposals	3,232,130	195,373
<b>Net cash flows investing activities</b>	<b>(26,088,572)</b>	<b>(160,484,398)</b>
<b>Cash flow from financing activities</b>		
Interest received	40,689,232	18,946,354
Government Grant for Development Ex.		
Capital Grants		97,927,635
Revaluation Surplus		
Government Contribution	50,106,928	46,348,712
<b>Net Cash flow from financing activities</b>	<b>90,796,160</b>	<b>163,222,701</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,143,312)</b>	<b>(220,489,502)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>305,804,527</b>	<b>526,294,029</b>
<b>Cash and cash equivalents at end of period</b>	<b>298,661,215</b>	<b>305,804,527</b>
Figures in brackets indicate deductions		

*Financial Statements 2023*

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. Reporting Entity**

#### **1.1. Corporate information**

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

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

#### **1.2. Financial Statements**

Financial Statements of the Tea Small Holding Development Authority are prepared as at for the year ended 31 December 2023

### **2. Accounting Policies**

#### **2.1. Basis of Accounting**

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

#### **2.2. Comparative Information**

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

#### **2.3. Events after the Reporting Date**

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

### **3. Property, Plant and Equipment**

#### **3.1. Recognition**

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

#### **3.2. Measurement**

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

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

### 3.3. Depreciation

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

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

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

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

### 4. Investment

Investments include fixed deposits & gratuity fund.

### 5. Other Financial Assets

The expenditure builds a net house cost for the material use in Institutional Nurseries has been categorized in to useful lifetime and the relevant cost for the period has been brought forward as straggled cost. The balance Rs 4.95 Mn has been shown as at 31.12.2023

### 6. Stocks & Inventories

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

The plant stock as at 31.12.2023 of Rs.25 Mn has shown under inventories. The plant stock is valued on accumulated cost of production up to 31<sup>st</sup> December 2023

### 7. Trade Debtors & Receivables

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

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

### 8. Other Receivables

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

### 9. Cash & Cash Equivalent

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits. Cash balances as at 31.12.2023 is Rs 298.6 million.

### 10. Cash Flow

Cash Flow statement has been prepared using the indirect method.

**11. Accounting for Funds Received**

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

Description	Amount
Total treasury funds received	1,214,943,397.00
Recurrent Imprest	428,883,397.00
Capital Imprest	786,060,000.00

**12. Liabilities**

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

**13. Provision for Gratuity**

Every employee who has been completed one year of service period will be provided for gratuity payments. Provision for the year is Rs.176.4 million.

**14. Taxation**

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

**15. Government Grant**

Government Grant (Institutional Capital) for the year 2023 as follows

Description	Amount
Capital Imprest	786,060,000.00
Institutional Capital	50,106,929.00
Total Development Capital	735,953,071.00

**16.** Action plan for the year has been prepared align with the national requirements of tea

**17.** Even if Provision for contingency has been recognized to P&L in year 2022, the amount of clear obligation to outflow of financial resources could not identify. Therefore, provision for contingency has been reverse in year 2023

**18.** Capital Assets which were purchased through the Capital Grants (Treasury Fund) have been indicated as the additions of the PPE schedule & Assets which were purchased through the Capital Grants of the Treasury Funds have been amortized over the useful lifetime & remaining balances have been brought forward to amortize for future years. Differed income has been charged to P&L against Treasury Capital Grants.

**19.** As per the “Sri Lanka Accounting Standards No 11” Capital Grants received from 1981 to 2022 for IRDP, SHTDP, TDP & other projects has been fully charged to P&L in order to aligned with the new edition of the Standard instead of amortized over the useful life time of the assets & differed income has been recognized to P&L.

**20.** Following legal cases are still hearing in courts. Liability has not been identified quantitatively.

- Legal case against the complaint of the employees who were recruited illegally under the categories of temporarily basis, Casual basis & Daily basis.
- Legal case against the complaint of the Tea Inspectors for Promotion.
- Legal case against the complaint of G.M.P.K.S Marasinghe for service terminated.

**Tea Small Holding Development Authority**  
**Statement Of Changes In Net Asset/Equity as at 31 December 2023**



TSHDA

(Expressed in Sri Lanka Rupees )

Attributable To Owners of the Controlling Entity					
Description	Contributed Capital	Other Reserves	Revaluation Reserves	Accumulated Surpluses (Deficits)	Total Net Assets/Equity
<b>Balance as @ 01/01/2023</b>	<b>294,481,845</b>	<b>161,034,051</b>	<b>232,935,807</b>	<b>(10,268,536)</b>	<b>678,183,166</b>
Surplus/(Deficit) for the year				179,224,388	179,224,388
Grants -P&L Adjust		(161,034,051)			(161,034,051)
Government Grant for the year	50,106,929				50,106,929
Deferred Income for the year	(21,697,932)				(21,697,932)
Prior Year Adjustment				<b>2,361,312</b>	2,361,312
<b>Balance as at 31/12/2023</b>	<b>322,890,842</b>	<b>-</b>	<b>232,935,807</b>	<b>171,317,164</b>	<b>727,143,813</b>

Figures in brackets indicate deductions

**TEA SMALL HOLDING DEVELOPMENT AUTHORITY**

**NOTE NO. 01**

**CASH AND BANK BALANCES**

Description	Total
Cash In Transit	-
Cash in Hand & at Bank	68,295,716
Call Deposits	230,365,499
<b>Total</b>	<b>298,661,215</b>

<b>NOTE NO. 02</b>	Rs.
<b>RECEIVABLES</b>	
<b>Description</b>	<b>Total</b>
<b>DEBTORS</b>	
Staff Debtors	827,963
Debtors -DTPC Project	5,343,815
Starr Debtors	1,157,273
Colour Separator	5,916,590
Sundry Debtors	2,102,710
Tea Shakthi Fund - Fertilizer	1,941,774
T.R.I	343,192
N.I.P.M	149,953
T.S.H.S.- Fertilizer	3,896,683
- Sprayers	348,348
- Scales	31,500
Input Debtors VP Plants	1,366,661
Input Debtors Polythine	2,941,074
Input Debtors Shoots	48,069
Input Debtors Fertilizer/Basamid	122,106
Input Debtors- Nursery Material	396,179
Debtor plucking seciers/basket	182,180
Debtor Fertilizer	41,200
KurugamaTea Factory	64,728
Ministry of Tea	9,723,750
Compot Debtors	268,280
Internal Debtors -Regional Office	712,500
<b>Sub Total</b>	<b>37,926,528</b>

Description	Total
<b>LOAN AND ADVANCES</b>	
Distress Loan	41,816,547
Debt Relief Loan	14,654
Housing Loan	44,588,724
Motor Cycle Loan	2,120,427
Motor Cycle Loan TI	624,393
Re shedule vehicle Loan	6,664,321
Special Salary Advance	825,350
Festival Advance	178,526
Sundry Advance	631,497
T.R.I	512,461
Advance (ADB/IRDP)	136,854
Deer Wood Tea Factory	50,551
Batalanda Tea Factory	269,321
Sub Total	98,433,624
<b>DEPOSITS AND ADVANCES</b>	
Fuel	643,000
Telephone	27,500
Gas Cylinders	10,600
Sundry Advance	7,823
Labour Department	408,216
Sub Total	1,097,139
<b>OTHER BALANCES</b>	
Interest Receivable	1,516,731
STaRR Project	1,165,774
Death Society	554,967
Sundry Deductions	842,830
T.S.H.S. Dev. Fund	53,426
Dolomite Incentive.	290,930
Plucking Basket	160,590
Compost Project	196,350
DTPC project Receivables	1,182,086
Nursary 500 Project	73,000
Other	871,167
Sub Total	6,907,851
Total	144,365,142
<b>BAD DEBTS</b>	
Provision for Bad Debts	(17,764,070)
Total	(17,764,070)
<b>Grand Total</b>	<b>126,601,072</b>

<b>NOTE NO 03</b>	
<b>INVENTORIES</b>	
Description	Total
Plants Stocks	25,066,010
Stationary	10,982,287
Sundry Stocks	12,378,727
Tea	306,443
Fertilizer	30,000
Basamid/Methum sodiam/glyfoset/copper	170,175
Zink Sulphate	183,516
Polythene	1,867,554
Tyre& tubes	162,380
Nursery Equipment	2,560,116
Rural Development Project stock	550,111
Plucking Seizers/Basket/ Scales	172,904
Aid Package	5,687,415
Training Equipments	3,025
Forks	479,800
Nursary 500 project stock	3,534,202
Michanization Project stock	1,388,170
Good In Transist	150,800
Sprayers &Water Pumps	6,256,063
<b>Total</b>	<b>71,929,699</b>
<b>NOTE NO. 04</b>	
<b>PRE-PAYMENTS</b>	
Description	Total
IPVVP Bill	102,286
Insurance	84,340
Nursary	166,551
Postal Franking Machine	94,204
Other	19,450
<b>Total</b>	<b>466,831</b>
<b>NOTE NO. 05</b>	
<b>INVESTMENTS</b>	
Description	Total
Fixed Deposit - Gratuity	23,127,357
<b>Total</b>	<b>23,127,357</b>
<b>NOTE NO. 06</b>	
<b>OTHER FINANCIAL ASSETS</b>	
Description	Total
Staggered Cost	4,947,105
<b>Total</b>	<b>4,947,105</b>

**Tea Small Holdings Development Authority | Annual Report 2023**

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY																			
NOTE NO. 07	PROPERTY, PLANT & EQUIPMENT	COST AS AT		ADDITIONS		TRANSFER		DISPOSAL		COST AS AT		Rs.							
		01.01.2023	01.01.2023	FOR THE YEAR	FOR THE YEAR	(TRANSFER)	TRANSFER	AS AT 01.01.2023	31.12.2023	DEPRECIATION FOR THE YEAR	DEPRECIATION AS AT 01.01.2023		DEPRECIATION FOR THE YEAR	TRANSFER	(TRANSFER)	DISPOSAL	ACCUMULATED DEPRECIATION	WRITTEN DOWN VALUE	
	<b>Head Office</b>																		
	Land	74,141,228.57	74,141,228.57	-	-	-	-	-	-	74,141,228.57	-	-	-	-	-	-	-	-	74,141,228.57
	Buildings	565,490,893.47	25,663,981.20	25,663,981.20	-	-	(3,017,377.56)	588,137,497.11	77,117,363.60	11,610,104.03	77,117,363.60	11,610,104.03	-	-	-	88,727,467.63	499,410,029.48	499,410,029.48	
	Motor Vehicles	108,901,953.47	245,997.00	245,997.00	19,548,884.34	(19,548,884.34)	-	109,147,950.47	45,815,246.57	19,697,590.69	55,29,553.74	55,29,553.74	-	(5,529,553.74)	-	65,512,837.26	43,635,113.21	43,635,113.21	
	Project Motor Vehicle	2,054,275.00	-	-	-	-	-	2,054,275.00	2,054,275.00	-	-	-	-	-	-	2,054,275.00	-	-	
	Furniture Fittings & Office Equip.	62,729,937.34	2,473,633.79	2,473,633.79	-	-	(362,465.00)	64,841,106.13	25,644,262.11	6,929,843.29	31,409,945.76	7,069,628.99	-	-	(194,198.33)	32,379,907.07	32,461,199.06	32,461,199.06	
	Computer	46,331,680.31	821,740.00	821,740.00	-	-	(570,410.00)	46,583,010.31	31,409,945.76	7,069,628.99	31,409,945.76	7,069,628.99	-	-	(569,743.33)	37,909,831.50	8,673,178.81	8,673,178.81	
	Training Equipment	5,231,890.54	-	-	-	-	-	5,231,890.54	3,327,090.36	616,843.37	3,327,090.36	616,843.37	-	-	-	3,943,933.73	1,287,956.81	1,287,956.81	
	Plant & Machinery	37,161,132.00	115,350.00	115,350.00	-	-	-	37,276,482.00	14,222,448.43	6,878,814.60	14,222,448.43	6,878,814.60	-	-	-	21,101,263.03	16,175,218.97	16,175,218.97	
	Other (Utility)	1,293,974.00	-	-	-	-	-	1,293,974.00	1,143,244.41	115,608.39	1,143,244.41	115,608.39	-	-	-	1,258,852.80	35,121.20	35,121.20	
	Road- Hallela	514,666.82	-	-	-	-	-	514,666.82	228,391.65	10,293.34	228,391.65	10,293.34	-	-	-	238,684.99	275,981.83	275,981.83	
	<b>Total</b>	<b>903,851,631.52</b>	<b>29,320,701.99</b>	<b>29,320,701.99</b>	<b>19,548,884.34</b>	<b>(19,548,884.34)</b>	<b>(3,950,252.56)</b>	<b>929,222,080.95</b>	<b>200,962,267.89</b>	<b>52,928,726.71</b>	<b>552,953.74</b>	<b>552,953.74</b>	<b>(5,529,553.74)</b>	<b>(763,941.66)</b>	<b>253,127,053.02</b>	<b>676,095,027.93</b>	<b>676,095,027.93</b>	<b>676,095,027.93</b>	

<b>TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY</b>	
<b>NOTE NO. 08</b>	(Rs.)
<b>PAYABLES</b>	
Description	Total
<b>CREDITORS</b>	-
Sundry Creditors	15,361,700
Nursary owners payables	2,624,555
Creditor -Fertilizer ( Uria/Dolomite..)	3,782,462
Tea Shakthi Fertilizer	1,273,877
Hantana Training center	230,157
Regional Office payable	73,339
Plant Creditors	759,569
Haragama Farm	3,325,122
Compost (Green force)	2,007,330
Sub Total	29,438,111
<b>DEPOSITS PAYABLE</b>	
Deposits for Fertilizer	483,487
Deposits for VP Plants & Shoots	1,427,114
Tender Deposits	3,138,157
Nursary fund	700,000
Other Deposits	691,760
Sub Total	6,440,518
Description	Total
<b>OTHER PROVISIONS</b>	
Travelling & Subsistence	568,583
Rate & Taxes	50,736
Telephone	97,489
Annual Trip	47,000
Motor Cycle Maintain TI/EO	150,250
Salaries/Holiday Payments/ OT	61,752
Seminar & Conference	96,905
Repair & Services	93,100
Library	12,000
Uniforms & Boots	5,000
Medical	264,529
Stationary	5,950
Glyposet	120,930
Electricity & Water	47,069
Security	913,799
Mother Bush TRI 500	1,348,222
Transportation	6,300
Extention	129,731
Provision Expenditure	391,708
Sub Total	4,411,053

Description	Total
OTHER BALANCES	
Retention Payable	823,225
Unclaimed Cheques	6,735,842
Welfare	599,500
Fertilizer Incentive	67,032
Tea Shakthi	101,300
T.S. Welfare Insurance	2,325,100
STaRR Project	185,251
Divinaguma	2,540,086
Soil Conservation	13,812,614
Fertilizer	7,058,035
Society Uria project	5,094,680
IFAD Project	65,602
Flood Incentive	6,589,251
Glyposet	4,827,478
CO3 Multifunction Plots	67,660
Tea Nursery 500 Project	11,804,790
Sprayers & Water Pumps	6,237,384
Compost Project	8,290,952
Special Project for Compost Project	9,317,706
High Shade Special Project	15,475,080
Mechanization Project	3,070,710
Improve Economic Viability Of TSH	2,067,434
Special Project Direct Tea Planting	2,566,605
DTPC Machine Maintenance Fund	2,716,699
Samurdhi project	740,974
Jambo Plant	1,550,760
Society Vehicle Sale	9,155,483
Other	932,531
Sub Total	124,819,763
<b>Total</b>	<b>165,109,445</b>

<b>NOTE NO. 09</b>	
<b>ACCRUED EXPENDITURE</b>	
Description	Total
Building Cleaning / Maintenance	250,245
DTP/Sprinkler	1,031,520
Crop Rehabilitation	13,920,041
Dolomite	92,160
Electricity & Water	658,776
EPF & ETF	6,506,574
Extension Program	72,878
Free Cup Of Tea	29,910
Fuel	941,500
Holiday Payments	77,737
IPVPN bill	54,085
Lassana Tea Land Programe	461,881
Maintenance of Computer	138,350
Medical Care	559,745
Motor Cycle Maintenance	284,747
New Planting Subsidy	10,154,904
News Paper Advertising	1,127,717
Nursary & Mother Bush	34,945
Office Equipment Maintenance	56,597
Overtime	269,072
Postage	11,500
Rain coat & Umbrella	23,000
Rates & Taxes	293,342
Re Planting Subsidy	88,893,128
Rent	134,787
Salaries / Wages	1,344,674
Security	1,089,821
Seminar & conference	3,600
Stamp Duty	122,020
Stationery	157,674
Sundry	13,072
Telephone	260,337
Training	324,400
Transport Charges	165,546
Travelling & Subsistence	1,122,804
TRI 5000	309,000
Uniforms & Boots	39,800
Union	7,994
Vehicle Maintenance	848,373
Welfare	85,000
Audit fees	950,000
Legal	160,000
Board Mem & Administration	40,000
<b>Total</b>	<b>133,123,256</b>
<b>NOTE NO. 10</b>	
<b>GRATUITY PROVISION</b>	
Description	Total
Gratuity	176,451,793
<b>Total</b>	<b>176,451,793</b>

<b>TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY</b>	
<b>NOTE NO 11</b>	
<b>CAPITAL CONTRIBUTED BY GOVERNMENT</b>	
<b>Description</b>	<b>Amount</b>
Building	288,222,633
Office Equip.	18,158,869
Computer	6,831,730
Motor Vehicle	5,668,227
Training Equip/Plant & Mschinery	-
Nursary Modanization	4,009,383
<b>Total</b>	<b>322,890,842</b>
<b>NOTE NO 12</b>	
<b>REVALUATION SURPLUS</b>	
	(Rs.)
<b>Description</b>	<b>Amount</b>
Land	63,955,883
Building	408,939
Furniture Fittings	20,563,085
Motor Vehicle	146,807,900
Plant & machinary	1,200,000
<b>Total</b>	<b>232,935,807</b>
<b>NOTE NO 13</b>	
<b>GRANT</b>	
	(Rs.)
<b>Description</b>	<b>Amount</b>
I.R.D.P. Badulla	349,860
S.H.T.D.P.	43,756,247
compost Project	9,559,173
Michanization Project	19,535,051
Walahanduwa Building	43,620,153
Dehiovita Building	43,594,717
Starr Project	376,430
Seed Garden	242,419
<b>Total</b>	<b>161,034,051</b>

NATIONAL AUDIT OFFICE

My No.: PAL/D/TSHDA/1/2023/08

Your No.:

Date: 05 July 2024

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2023 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

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Herewith enclosed the above report.

Sgd. Illegibly

W. P. C Wickramrathne

Auditor General

Edition –

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

My No: PAL/D/TSHDA/1/2023/08

Your No.:

Date: 05 July 2024

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2023 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

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## **1. Financial Statements**

### **1.1. Qualified Opinion**

The Financial Quality Statement of the Tea Small Holdings Development Authority for the year ended on 31 December 2023 and the Financial Performance Statement for the year then ended, Statement of change in claim & Cash Flow Statement for the year then ended and corresponding notes on financial statements containing information respective to quantitative accounting policies for the year ended on 31 December 2023, were audited under my direction in pursuance in accordance with the provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of National Audit Act No. 19 of 2018, and Finance Act No. 38 of 1971. In due course, my report would be presented to the Parliament in accordance with the Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis section for the statistical opinion in my report, the financial position of the Tea Small Holdings Development Authority as of 31 December 2023 and its financial performance & cash flow for the year then ended, are true and impartial in accordance with Sri Lanka Public Sector Accounting Standards.

## **1.2. Basis for Qualified Opinion**

- (a) As per Paragraph 46 of Sri Lanka Public Sector Accounting Standards 11<sup>th</sup>, the capital grant of 50,106,929 Rupees received in the year under review was not adjusted to the revenue of the existing year.
- (b) By the end of the year under review, even though the balance of the Capital Contribution Account was valued at 322,890,842 Rupees in accordance with the financial statements, as per the schedules, that balance was valued at 326,336,199 Rupees. Accordingly, a discrepancy of 3,445,357 Rupees was observed.
- (c) In order to recuperate the financial loss of 1,392,446 Rupees incurred to the Authority in the year 2017 by an officer made compulsorily retired in the year 2023, in the year under review, an amount of 1,285,876 Rupees from the Gratuity Account Payable and an amount of 106,571 Rupees from the Salary Account were debited, and as an amount of 1,392,446 Rupees was credited to the Individual Payroll Account in the year under review, the expenses of the year had been reduced and the surplus had been surpassed by that amount.

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

## **1.3. Other Details included in the 2023 Annual Report of the Authority**

My opinions regarding the financial statements do not cover other details and I do not express any kind of certification or an opinion regarding that.

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

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

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

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

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

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

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

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

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

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

- In procuring a basis for the published audit opinion, opportunistic appropriate audit procedures were scheduled and implemented to identify and to verify the risks of faulty material misstatements in financial statements caused due to fraud or error. The impact of a fraud is more advanced than an impact of faulty material misstatements caused by misrepresentation, as a fraud may result from collusion, forgery, intentional omissions, misrepresentations or from disregarding internal control.
- Even though it is not for the intention of stating an opinion on the efficacy of the internal control, an understanding on the internal control of the Authority over the preparation of opportunistic appropriate audit procedures has been taken.
- The compatibility of accounting policies applied, the impartiality of accounting estimates, and the associated revelations performed by the management were evaluated.

- Based on the audit evidence gathered from examining whether a material uncertainty caused by incidents or conditions, occurs on the Institute's continuity; the relevance of applying the basis of the Authority's continuity on accounting was determined. If I conclude that a material uncertainty exists, it is expected to focus on the associated revelations in financial statements, and, if those revelations are inadequate, my opinion should be revised. However, the continuity could be discontinued due to upcoming incidents or conditions.
- The associated transactions & incidents based for the structure & the content of the financial statements that had been appropriately & impartially included in financial statements and the overall presentation of financial statements with disclosures were evaluated.

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

## **2. Report on Other Legal and Regulatory Requirements**

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

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

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

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

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

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

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

<b>Reference to Rules/Directives</b>	<b>Observations</b>
No. PED/RED/01/01/2020/01 of the Secretary of the Treasury and Paragraph 9.1 (a) of the Public Finance Circular No. 01/2020.	Even though up to a maximum amount of 25,000 Rupees can be provided as a petty cash interim advance for any officer serving under the supervision of a staff officer, an amount of 3,617,974 Rupees of advance had been provided in 62 instances exceeding the maximum amount.

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

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

### 2.3 Other Information

- (a) Even though the Kegalle Regional Office building of the Authority had been constructed in a land not owned by the Authority spending 44,484,405 Rupees, as of December 31, 2023, the Authority had not yet taken over its ownership.

- (b) From the loan given to tea small holdings societies to purchase fertilizer, sprayers and scales under the fertilizer loan scheme in the year 1998, no effective step had been taken to charge the outstanding loan balance of 4,276,531 Rupees from the societies at the end of the year under review even though 25 years had passed and that had been accounted under current assets.
- (c) The amount of 13,716,586 Rupees left from the amount of 9,155,483 Rupees received from selling 23 vehicles provided to tea small holdings development societies in the year 1998 and from the amount provided to farmers to reimburse a subsidy allowance by the Treasury in the year 2020 had been accounted under current liabilities without using it on any purposeful productive activity or taking actions to remit it to the Treasury by the Authority for a period of 3 to 25 years.
- (d) An amount of 5,916,589 Rupees given as loans to four private tea factories under the program of the distributing color separators in the year 1998, and legal actions were taken only on the amount of 2,436,449 Rupees receivable from the factory in Iriyagolla. Due to deficiencies in the agreement, it was unable to take respective legal actions on the balance of 3,480,140 Rupees.
- (e) The project materials purchased for an amount of 3,534,203 Rupees in the year 2020, and the sprayers and water pumps valued at 6,256,063 Rupees received to be distributed among the tea small holders in the years of 2020 and 2021 were inactively remained in the storage.
- (f) A contract valued at 4,905,500 Rupees was offered to a private company on December 20, 2021 to perform “procuring interior equipment fixture of the mobile advertising vehicle belonged to the extension division” as per Institutional Technical Appraisal Committee recommendation dated December 16, 2021, and as per its agreement, even though an electrical generator should be installed to get the electric supply of the advertising vehicle, the electrical generator was not installed even by the date of audit, and amongst the purchased equipment, the digital screen (LG Panel 55 Video Wall) valued at 1,800,000 Rupees was kept inactive and unused at the auditorium of the Authority even by the date of audit.

Sgd. Illegibly

W. P. C Wickramathne

Auditor General