

ANNUAL REPORT

2024



Sri Lanka Tea Board

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SRI LANKA TEA BOARD

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VISION

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

MISSION

To increase the foreign exchange
earnings to the country through
sustainable development
of the industry and there by
ensuring the economic
development of the
plantation community

MEMBERS OF THE BOARD OF DIRECTORS AND KEY MANAGEMENT COMMITTEES

I. BOARD OF DIRECTORS

CHAIRMAN

Mr. Niraj de Mel
Chairman
Sri Lanka Tea Board

SECRETARY

Mr. E.A.J.K. Edirisinghe
Director General (Actg.) (Jan to Feb, 2024)
Dr. M.S. Anuruddha
Director General (Mar to Dec, 2024)
Sri Lanka Tea Board

MEMBERS

Mrs. W.M.D.T. Wickramasinghe
Addl. Secretary (Tea Development and Plantation Policy)
Ministry of Plantation & Community Infrastructure

Mrs. J.P.P. Liyanage
Director
Dept. of Public Enterprise, Ministry of Finance

Mr. D. Jeewanathan
Addl. Secretary (Jan to Jun, 2024)

Ms. Inoka de Alwis
Director (Aug to Dec, 2024)
Ministry of Trade

Mr. D.G. Mahipala
Chairman
Tea Small Holdings Development Authority

Mr. Senaka Alawattegama
Chairman
Ceylon Planter's Association

Mr. Anil Cook (Jan to May, 2024)
Mr. Naren Dambawinna (Jun to Dec, 2024)
Chairman
Colombo Broker's Association

Mr. Sanajaya Herath
Chairman
Colombo Tea Trader's Association

Mr. Lionel Herath
Chairman
Sri Lanka Tea Factory Owner's Association

Mr. J.S. Pathirana
Chairman
Sri Lanka Federation of Tea Small Holdings Development Societies

Mr. Ganesh Deivanayagam
Chairman
Tea Exporter's Association

Mr. W.H.S. Samarasena
Minister's Representative

OBSERVER

Mr. Anil Alwis
Director General
Pothatuwa Tea Factory (Pvt) Ltd

II. AUDIT COMMITTEE

CHAIRMAN

Mrs. J.P.P. Liyanage
Director
Ministry of Finance

MEMBERS

Mrs. W.M.D.T. Wickremasinghe
Addl. Secretary (Tea Development and Plantation Policy)
Ministry of Plantation & Community Infrastructure

Mr. D. Jeevanadan
Additional Secretary (from Jan to Aug 2024)

Mrs. Inoka De Alwis
Additional Secretary (from Aug to Dec 2024)
Ministry of Trade

Mr. Ganesh Deivanayagam
Chairman
Tea Exporter's Association

Mr. Sanjaya Herath
Chairman
Ceylon Tea Trader's Association

OBSERVER

Ms. V.D. Seetha
Senior Assistant Auditor General
National Audit Office

Mr. K.A.C. Shamantha
Chief Internal Auditor
Ministry of Plantation and
Community Infrastructure

CONVENER

Mr. K.P. Ranasinghe
Internal Auditor
Sri Lanka Tea Board

III. SENIOR MANAGEMENT COMMITTEE

Mr. E.A.J.K. Edirisinghe, *Director General(Actg.)*, (Up to 30th Jan)

Dr. M.S. Anuruddha, *Director General*, (From 20th Feb to 31st Dec)

Mr. E.A.J.K. Edirisinghe, *Tea Commisioner*, (Up to 30th Jan)

Mr. K.A.M.K. Jayawardane, *Tea Commisioner(Actg.)*, (From 31st Jan to 1st Jul)

Mr. K.A.M.K. Jayawardane, *Tea Commisioner*, (From 2nd Jul to 31st Dec)

Miss. H.L. Pavithri Peiris, *Director Promotion*, (Up to 08th Jul)

Mr. N.S.G. Karunarathne, *Director Promotion(Covering)*, (From 09th Jul to 10th Sep)

Mr. W.J.N.U. Priyantha Wimalasiri, *Director Promotion(Covering)*, (From 11th Sep to 31st Dec)

Ms. Thushara Guruge, *Director (Analytical Services)*

Mr. G.A. Hirosh Jayanga, *Director (Finance)*, (Up to 20th Sep)

IV. PROMOTION & MARKETING COMMITTEE

The Promotion and Marketing Committee (PMC) was set up inclusive of 3 Board Members and 3 officials from Secretariat in 1986 at the 124th Board Meeting held on 21st April 1986 for the purpose of working closely with the private sector and major importers overseas with a view to encouraging marketing of Ceylon Tea & the Committee continued till the year 2010 and there after has changed its composition from time to time.

The Promotion & Marketing Committee was reconstituted based on the directives of Minister of Plantation Industries, in order to formulate a strategic marketing plan for a five year period (2012-2016) based on the annual collection of Promotion & Marketing Levy for promotion of Ceylon Tea globally.

CHAIRMAN Mr. Niraj de Mel, *Chairman*
Sri Lanka Tea Board

MEMBERS

Mrs. W.M.D.T. Wickramasinghe,
Addl. Secretary (Tea Development and Plantation Policy)
Ministry of Plantation & Community Infrastructure

Dr. S.M. Anuruddha, *Director General*
Sri Lanka Tea Board

Miss. Pavithri Peiris, *Director (Promotion)*

Mr. Sanjaya Herath, *Chairman*
Colombo Tea Trader's Association

Mr. Tyeab Akbarally, *Managing Director*
Akbar Group

Mr. Avi De Silva, *Consultant*
Ekterra (Pvt) Ltd

Mr. Romesh Moraes, *Consultant*
Tea Marketing Specialist Finlays PLC

Mr. Ganesh Deivanayagam, *Chairman*
Tea Exporter's Association

Mr. Muffadal Jafferjee, *Member*
Tea Exporter's Association

Mr. Chaminda Jayawardena, *Managing Director*
Lumbini Tea Factory

Mr. Jayantha Karunaratne, *Member*
Colombo Tea Trader's Association

Mr. Dilhan C. Fernando, *Director*
MJF Group

Mr. Anil Cooke, *CEO*
Asia Siyaka Commodities PLC

Mr. Vish Govindasamy, *Managing Director*
Sunshine Holding PLC

OBSERVER Mr. Ajitha de Alwis, *Secretary General*
Sri Lanka Tea Factory Owner's Association

In August 2024, the committee reconstituted under a new name Tea Marketing & Promotion Committee (TPMC) & the composition of the TPMC as below,

Chairman, Sri Lanka Tea Board

Director General, Sri Lanka Tea Board

Director (Promotion), Sri Lanka Tea Board (Convener of the committee)

Additional Secretary, Line Ministry

Director General, Department of Commerce

Chairman, Tea Research Institute

Representative, Ceylon Tea Trader's Association

Representative, Tea Exporter's Association

Representative, Tea Small Holding Development Authority

Representative, Ceylon Planter's Association

Representative, Ceylon Broker's Association

CHAIRMAN'S REVIEW



The tea industry in Sri Lanka continues to play a pivotal role in the nation's economy, contributing significantly to export earnings and providing livelihoods for many people. As of 2024, the industry is navigating a complex landscape marked by both challenges and opportunities. Government interventions, such as subsidy programs played a crucial role in supporting the sector, while positioning Ceylon Tea as a premium product in the international market.

A Promising Turnaround

The year 2024 marked a significant turning point for Sri Lanka's tea industry, as it successfully reversed the negative trends of previous years and demonstrated resilience and growth. The annual tea production for 2024 reached 262 million kilos, an increase from the 256.09 million kilos recorded in 2023. This growth of 2.37% compared to the previous year is an indication of the industry's recovery and its ability to adapt to challenges. The upward trend in production signals a positive shift after years of stagnation and decline. Tea production continues to be dominated by Orthodox tea, which accounted for 90% of total production in 2024 while the CTC tea production held a share of 9%. The focus on Orthodox tea aligns with Sri Lanka's strategy to position Ceylon Tea as a premium product in the international market.

The export performance in 2024 was positive, with export earnings reaching Rs. 433 billion, surpassing the previous record of Rs. 428 billion achieved in 2023. In US dollar terms, the export revenue also saw a significant increase, rising to USD 1.44 billion from USD 1.31 billion in 2023. This growth in dollar terms is particularly encouraging, as it reflects the industry's ability to command higher prices and maintain its competitiveness in the global market. In terms of volume, Sri Lanka exported 245.79 Mn kg in 2024, a slight increase from the 241.91 Mn kg exported in 2023. This upward movement, though modest, is a positive sign of recovery and stability in the industry. The FOB price per kilo also saw an improvement, rising to USD 5.84 in 2024 from USD 5.41 in 2023. This increase in FOB prices underscores the growing demand for Ceylon Tea and its ability to fetch premium prices in the international market.

Subsidy Programs

To bolster the industry, the Sri Lanka Tea Board implemented several subsidy programs aimed at supporting growers. These programs were designed to address key challenges such as the rising production costs, labor shortages, and the need for technological modernization. Subsidies have been introduced for the adoption of mechanized plucking and processing equipment, reducing dependency on manual labor and increasing efficiency. As a renewable energy initiative, the solar power subsidy program which was introduced in 2021 continued throughout the year under review.

The fertilizer subsidy program was implemented during the year 2024 by the SLTB recognizing the critical role of fertilizer in maintaining soil fertility and ensuring high yields. The program was beneficial to all tea growers. The initial allocation was Rs 1.2Bn; with a subsidy of Rs. 2000.00 per 50 kg bag. The subsidy was subsequently increased to Rs. 4000 per bag increasing the total value to Rs. 2.2 Bn. The fertilizer distribution was done through the Tea Small Holdings Development Authority (TSHDA) under the supervision of the Sri Lanka Tea Board.

Ceylon Tea in the International Market

Ceylon Tea remains a globally recognized brand, renowned for its exceptional quality and rich tradition. In 2024, Sri Lanka's tea exports navigated a competitive and evolving international market. Ceylon Tea maintains its reputation as a premium product, catering to high-end markets in Europe, North America, and the Middle East. The unique flavor profiles and quality of Sri Lankan tea continues to command higher prices compared with its competitors. While traditional markets like Russia, the Middle East, and Europe remain important, Sri Lanka is exploring new markets in Asia, particularly China and Japan, where tea consumption is rising. Strategic marketing campaigns and participation in international trade fairs have helped to expand the global foot print of Ceylon Tea.

There is a growing demand for organic, specialty teas, single-origin and artisanal teas. The Sri Lanka Tea Board initiated a facilitation program to provide financial, technical and promotional support to increase the production of artisanal teas.

GI Project

The project to establish a Geographical Indication (GI) for Ceylon tea is a major initiative undertaken by the Sri Lanka Tea Board. Its goal is to enhance the value of Ceylon Tea through the development of GI and international quality certifications. Project partners, in collaboration with the Sri Lanka Tea Board, have successfully submitted the 'Ceylon Tea GI Application' to the European Commission in September 2024.

Tea for Oil Barter Scheme

Supply of tea under the tea for oil barter scheme between Sri Lanka and Iran continued successfully throughout the year under review.

The Way Forward

While the industry's performance in 2024 is somewhat commendable, challenges remain. Climate change, rising production costs, and labor shortages continue to pose challenges to sustain growth. However, the positive trends in production, export earnings, and FOB prices provide a strong foundation for future progress. By focusing on innovation, sustainability, and market diversification, Sri Lanka's tea industry can capitalize on this momentum and sustain its position as a leader in premium teas globally.

By leveraging its rich heritage, focusing on sustainability, and exploring new markets, Sri Lanka's tea industry is well-positioned for improvement in the years to come. I believe that the collaborative efforts and the successful initiatives planned for 2025 by the Sri Lanka Tea Board in collaboration with its stakeholders will be the key to ensuring that Ceylon Tea remains a symbol of excellence and a vital contributor to the nation's economy.

Acknowledgement

I extend my heartfelt gratitude to the staff of the Sri Lanka Tea Board and the stakeholders of the tea value chain for their unwavering commitment and tireless efforts in steering the tea industry towards this achievement. All your hard work, expertise and passion for Ceylon Tea have been instrumental in driving the industry's growth and maintaining its global reputation. Thank you for your invaluable contribution to this vital sector of our economy.



Raaj Obeyesekere
Chairman

KEY HIGHLIGHTS

Category	Unit	2022	2023	2024	Variance(%) 2023 Vs 2024
Tea Production					
Total Tea Production	Mn kg	251.84	256.09	262.16	2.37
High	Mn kg	56.95	58.64	55.72	(4.98)
Medium	Mn kg	39.72	42.34	47.62	12.48
Low	Mn kg	155.16	155.11	158.82	2.39
Classification by Processing Method					
Orthodox (Including Bio)	Mn kg	227.44	231.19	236.22	2.18
CTC	Mn kg	22.59	22.62	23.68	4.70
Green	Mn kg	1.81	2.28	2.26	(0.97)
Instant Tea Production	Mn kg	4.47	3.20	2.89	(9.97)
Tea Sales (including Public, Direct, Private)					
Total Sales Quantity	Mn kg	248.64	249.65	260.65	4.41
High	Mn kg	53.72	56.47	56.47	0.00
Medium	Mn kg	42.08	41.87	47.64	13.78
Low	Mn kg	152.84	151.31	156.53	3.45
Total Sales Prices	Rs/kg	1,234.24	1,171.29	1,225.17	4.60
High	Rs/kg	1,093.10	1,072.48	1,141.63	6.45
Medium	Rs/kg	1,030.82	1,012.35	1,064.48	5.15
Low	Rs/kg	1,339.86	1,252.15	1,304.38	4.17
Tea Exports					
Tea Exports Volume (Excluding Re exports)	Mn kg	241.65	231.46	230.42	(0.45)
Black	Mn kg	236.77	226.75	227.47	0.32
Green	Mn kg	1.85	1.99	2.04	2.58
Instant	Mn kg	3.02	2.72	0.91	(66.48)
Tea exports Value (Excluding Re exports)	Rs.Bn	389.50	401.84	397.29	(1.12)
Black	Rs Bn	374.22	384.56	387.08	0.66
Green	Rs Bn	7.25	8.02	7.63	(4.90)
Instant	Rs Bn	8.04	9.26	2.63	(71.63)
Total Tea Exports Volume (Including Re Ex.)	Mn kg	250.17	241.91	245.79	1.60
Total Tea Exports Value (Including Re Ex.)	Rs Bn	411.05	428.29	433.47	1.21

Source : Sri Lanka Tea Board & Sri Lanka Customs

1. KEY BUSINESS OF SLTB

1.1. CORPORATE BACKGROUND

Sri Lanka Tea Board was established in 01st January 1976 by amalgamating Tea Control Department-Tea Control Act No 51 of 1957, Tea Export Commissioner's Department-Tea (Tax and Control of Export)Act No 16 of 1959, Tea Research Institute of Ceylon-Tea Research Ordinance 1925 and Ceylon Tea Propaganda Board-Tea Propaganda Ordinance 1932 under the Sri Lanka Tea Board Law No.14 of 1975 as amended by Act No.17 of 1985, No.44 of 1990, No.29 of 2003, No 44 of 2006 and No.13 of 2018. In 1993 Tea Research Institute of Sri Lanka came under the management of the Tea Research Board Act No.52 of 1993. Amendments to Sri Lanka Tea Board Law and Tea Control Act are in progress based on industry requirements to align the current laws and regulations to fulfill the global needs. Prior to the establishment of Sri Lanka Tea Board, promotion of Sri Lanka Tea (Ceylon Tea) was handled by the Tea Propaganda Board in the global context, which was run by the private sector. In 1976 Tea Propaganda was voted out by the parliament and Tea Propaganda Board was converted to Sri Lanka Tea Board with the powers to the tea industry.

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

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

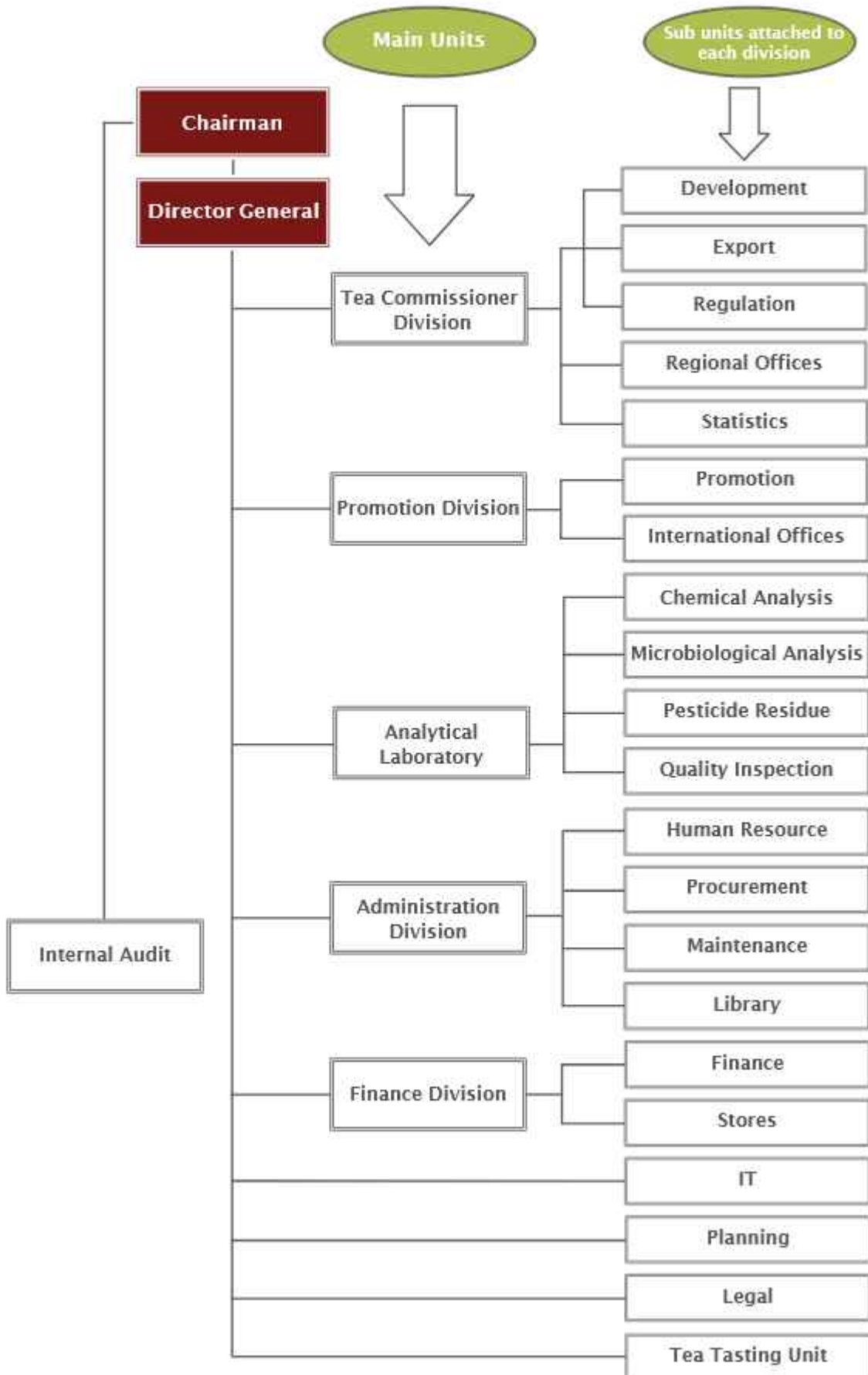
Evaluating of auction pre and post samples through the sensory and chemical analysis are conducted by Tea Tasting Unit. Issuance of quality certification for tea samples received through regulatory and development functions and industry stakeholders are covered by the Analytical laboratory of Sri Lanka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

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

As the apex body of the industry, SLTB provides tea statistics related to tea production, marketing, exports, global tea scenarios and forecast for the future. Policy decision are approved by the board which is represented by all major stakeholders asserted.

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

1.2. STRUCTURE AND ACTIVITIES UNDER TAKEN



2. ANALYSIS OF OPERATIONAL & FINANCIAL PERFORMANCES

2.1. TEA COMMISSIONER'S DIVISION

The Tea Commissioner's Division, headed by the "Tea Commissioner" appointed as per the provisions of Sri Lanka Tea Board Law No. 14 of 1975, is a principal division of the Sri Lanka Tea Board. This division administrates all matters related to the regulatory and development functions outlined in the Sri Lanka Tea Board Law No. 14 of 1975 and the Tea Control Act No. 51 of 1957.

The Tea Commissioner is responsible for regulating and developing the tea industry in Sri Lanka. The functions of the Tea Commissioner's division have been divided into three main sections; Regulatory, Development, and Exports. The functions of the Tea Commissioner's Division have also been decentralized to seven regional offices, located in Gampola, Bandarawela, Ratnapura, Matara, Baduraliya, Galle, and Nuwara Eliya.

2.1.1. Key Achievements of the Regulatory Functions

i). Registration & renewal of tea Manufacturers

As per the Tea Control Act No. 51 of 1957, the Tea commissioner has to maintain the Register of Manufacturers of made tea and the prescribed particulars relating to the tea factories. Manufacturers of tea should register with the SLTB for manufacturing and selling teas through approved channels of sales such as public auction, private sale, direct sale and forward contract.

All the manufacture of made tea has to maintain the minimum quality standards in buildings, equipments, and manner of operations of the factory for the manufacture of good quality made tea.

Table 2.1.1: Classification of Tea Factories by Operation

Status	High	Medium	Low	Total
No. of Tea Factories Registered with SLTB	206	248	579	1033
No of Tea factories in operation in 2024 (orthodox/CTC/Green)	129	111	359	599
No of Registered Hand Made Tea factories	6	9	38	53
No of Registered Refuse Tea factories	2	93	14	109
No of Tea Factories not in operation in 2024	69	35	168	272

Source : Sri Lanka Tea Board

Hand Made Tea producers registration scheme was initiated mainly to facilitate small scale tea producers, since these teas have a high demand in the world market at high prices. 53 artisanal tea producers have been formally registered under this specialized category.

ii). Registration and renewal of green tea leaf dealers and refuse tea processing centers

a). Licensing of Green Tea Leaf dealers

According to the Tea Control Act No. 51 of 1957, it is required to register green tea leaf dealers with SLTB and renew their registration annually. SLTB closely monitors the quality standards of collecting centers and vehicles used to transport green tea leaves.

Table 2.1.2: No. of Green tea licenses issued during 2024

ATC – Region	License dealers as at 01.01.2024	Renewals of Licenses	New Licenses issued	Licenses to deal in Green Tea Leaf as at 31.12.2024
Bandarawela	187	182	10	192
Gampola	177	178	10	188
Matara	250	237	3	240
Galle	244	238	4	242
Ratnapura	496	468	37	505
Baduraliya	227	217	8	225
Nuwara-Eliya	105	99	2	101
Total	1,686	1,619	74	1,693

Source : Sri Lanka Tea Board

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

Reprocessing reclaimable tea involves extracting consumable tea from reclaimable tea. All reclaimable tea dealers and processing centers must be registered with the Sri Lanka Tea Board (SLTB). Transport permits issued by the SLTB are mandatory for the movement of refused tea materials.

Table 2.1.3: No. of reclaimable tea processing centers & no. of permits & quantity Issued for 2024

Region	Registered Processors as at 01.01.2024	Renewals during the year	Newly issued during the year	No of Processing Centers as at 31.12.2024	No of Permit Issued as at 31.12.2024	Reclaimable tea Qty. bought by the dealers through the permits (kg)
Bandarawela	3	2	0	2	912	4,443,653
Gampola	106	91	-	91	911	4,093,629
Matara	4	4	-	4	779	2,449,229
Galle	2	2	-	2	688	1,965,764
Rathnapura	8	7	1	8	1,488	6,515,569
Baduraliya	9	2	-	2	908	4,740,607
Nuwara-Eliya	3	2	-	2	1,949	12,522,727
Total	135	110	1	111	7,635	36,731,178

Source : Sri Lanka Tea Board

The Sri Lanka Tea Board (SLTB) has implemented a Good Manufacturing Practice (GMP) program to elevate quality standards in reclaimable tea processing centers. To further regulate the sector, the SLTB has established an approval system for auction rights, exclusively granted to refused tea processors who meet stringent quality benchmarks (minimum 80% of the GMP standard). As of 2024, the Sri Lanka Tea Board has granted auction rights to 109 approved refused tea processing centers that meet the established GMP quality standards.

iii). Reasonable Price Payable for Bought Leaf

Under the provisions of the Tea Control Act, Factories which are engaging in bought leaf manufacture are required to pay for the bought leaf based on Reasonable Price Formula. Tea inspectors in the regions are inspecting the payment confirmation of the tea factories on a monthly basis and Assistant Tea Commissioners of the area are monitoring the process. Any complaints on defaulted payments and delayed payments are attended by the SLTB officers and the amounts will be recovered from the auction and paid to the leaf suppliers after having inquiries.

iv). Tea Quality Improvement Activities at Tea Factory level

Proper maintenance of a tea factory’s buildings, equipment, and machinery is essential for producing high-quality tea. Furthermore, the factory’s operational procedures must comply with the standard guidelines and directives issued by the Sri Lanka Tea Board. Failure to meet the requirements or standards determined by the Tea Commissioner can result in the suspension or cancellation of the factory’s registration.

Regional Assistant Tea Commissioners conduct inspections to monitor these requirements and make recommendations to the Tea Commissioner based on their field activities. Additionally, officials from the regional offices provide ongoing advisory services to ensure adherence to these requirements.

Consequently, the following activities are conducted to improve the conditions of tea factories and their manufacturing processes.

a). Establishment of Good Manufacturing Practices (GMP) in Tea Factories

This program has been designed to provide necessary guidance for improving the quality standards of the manufacturing process of the tea factories. Under this program, 578 assessments were done and necessary actions were taken to improve the standards of the tea manufacturing process accordingly.

Table 2.1.4: GMP Assessments were done at Regional wise

Region	No.of factories Assess the GMP	No. of factories in Grades			
		Excellent	Good	Average	Poor
Bandarawela	64	31	31	2	-
Gampola	130	46	39	4	-
Ratnapura	103	55	45	3	-
Matara	39	17	22	0	-
Galle	88	50	25	12	1
Baduraliya	51	27	21	3	-
Nuwara-Eliya	103	69	32	2	-
Total	578	295	215	26	1

Source : Sri Lanka Tea Board

b). Surprise Inspections (Task Team Operations-TTO)

Task Team Operations are being conducted to control the malpractices in the tea industry. A team of field officers headed by ATC is handling the operations and 91 surprise inspections were carried out at tea factories during the year 2024.

Table 2.1.5: Task Team Operations

Region	No of Inspections done
Bandarawela	4
Gampola	7
Ratnapura	25
Matara	4
Galle	4
Baduraliya	22
Nuwara-Eliya	25
Total	91

Source : Sri Lanka Tea Board

c). Rush Crop Management program during the festival season

To minimize crop losses during the festival season when tea factories traditionally halt operations-the Sri Lanka Tea Board (SLTB) implemented strategic measures, including reduced factory closure periods and pre-season harvesting advisories. These interventions have significantly enhanced productivity and reduced wastage during peak disruption periods.

v). Preserving the Green tea Leaf quality standards

a) The “B Leaf 60” program to improve the green tea leaf standards

Leaf standard is highly a decisive factor that determines the quality of teas that offers mainly to International tea consumers. The “B Leaf 60” program attempts to minimize postharvest losses, improve leaf plucking standards, consequently upgrade the Best grade leaf above 60% as weight basis. The project was designed during the year 2024 with the strategic approach and plan to be implemented successfully from 2025.

A series of awareness programs at different levels and periodical field inspections were undertaken during the year. Reduction of course leaf % (Poor leaf) and (Below best) damaged leaf plus improvement as Best leaf (B%) were measured other than leaf plucking, leaf transport and handing standards, maintained at estates and factory level.

Table 2.1.6: Regional-dealers green tea leaf standards.

Region	Best%	Below Best%	Poor %
Gampola	38	18	44
Galle	43	15	42
Baduraliya	34	20	46
Matara	40	17	43
Ratnapura	34	20	46
Nuwara-Eliya	37	24	39
Bandarawela	29	28	43

Source : Sri Lanka Tea Board

In addition to the above activities regulatory section perform below activities also,

- ✔ Collection and dissemination of data related to tea industry.
- ✔ Provide advisory and extension services for manufacturing of tea, green tea leaf collections and reprocessing of reclaimable tea in the regional tea growing areas.
- ✔ Implementing programs for improvements of Green Tea leaf standards and minimizing post-harvest losses.
- ✔ Sampling of tea at pre auction and pre-shipment points for organoleptic analysis and laboratory investigations.
- ✔ Collaborate with the Sri Lanka Custom, Sri Lanka Police and security forces in carrying out special investigations to cease malpractices in the tea industry.
- ✔ Registration of tea lands and maintain tea land registry.

2.1.2. Key Achievements of the Development Projects

i). **Direct planting and infilling scheme for the corporate sector and private sector estates more than 10 acres**

This productivity enhancement program is designed to rapidly improve land productivity and increase overall tea production through targeted financial incentives. The initiative provides Rs. 75 per high-quality tea plant, disbursed in two stages: Rs. 60 upon planting and the remaining Rs. 15 after one year of successful growth. To ensure optimal land utilization, the subsidy is capped at 12,000 plants per hectare. The program has successfully garnered active participation from tea growers.

Table 2.1.7: Direct planting Subsidy Scheme 2024

Region	No.of Applications received	Amount Paid (Rs.Mn)	Extent (.Hec)
Gampola	09	7.63	19.94
Bandarawela	04	0.54	0.81
Ratnapura	21	16.20	23.31
Baduraliya	32	16.60	22.13
Matara	46	13.97	20.58
Galle	18	10.32	14.12
Nuwaraeliya	04	5.74	7.68
Total	134	71	108.57

Source : Sri Lanka Tea Board

ii). **Infilling Subsidy scheme**

Tea infilling program was designed to minimize the gaps in tea lands while increasing the productivity of

tea land. This program encourage farmers to fill the gaps in tea lands and provided Rs.75 per high-quality tea plant, disbursed at once upon planting. To ensure optimal land utilization, the subsidy is capped at 12,000 plants per hectare.

Table 2.1.8: Infilling Subsidy Scheme 2024

Region	No.of Applications received	Amount Paid (Rs. Mn)	Extent (.Hec)
Gampola	21	4.31	57.60
Bandarawela	06	1.31	17.45
Ratnapura	21	4.17	55.60
Baduraliya	17	5.06	67.50
Matara	18	3.57	47.60
Galle	10	1.36	18.25
Nuwaraeliya	11	2.32	31.00
Total	104	22.1	295.00

Source : Sri Lanka Tea Board

iii). **Tea replanting and new planting with mechanization for the corporate sector and private sector estates more than 10 acres**

This mechanization initiative was launched to address two critical challenges in tea cultivation: enhancing land productivity and alleviating labor shortages. The project introduces comprehensive mechanization across all cultivation stages, from land preparation up to tea plucking to optimize production efficiency.

Table 2.1.9: Planting with Mechanization Subsidy Scheme 2024

Region	No.of Applications received	Amount Paid (Rs. Mn)	Extent (.Ac)	No of Lands paid
Baduraliya	09	8.05	32	04
Matara	19	5.13	26.25	06
Galle	07	1.42	9.46	03
Nuwaraeliya	09	0.45	3	01
Total	44	15.05	70.71	14

Source : Sri Lanka Tea Board

iv). **Establishment of standard tea nurseries with sprinkler irrigation for the corporate sector and private sector estates more than 10 acres**

The program specifically targets growers engaged in new plantings, replanting, and infilling activities, ensuring access to quality plants . This project offers a

financial assistance to nursery holders who establish and operate nurseries capable of producing 50,000 high-quality tea plants annually. The nursery holders are liable to produce 50,000 tea plants in three consecutive years and received installment relevant to plant issuance at each year.

Table 2.1.10: Establishment of Tea Nurseries 2024

Region	No. of Project Paid	Amount Paid (Rs)
Gampola	03	750,000.00
Bandarawela	03	750,000.00
Ratnapura	03	750,000.00
Baduraliya	06	1,500,000.00
Matara	02	500,000.00
Galle	04	1,000,000.00
Nuwaraeliya	02	500,000.00
Total	23	5,750,000.00

Source : Sri Lanka Tea Board

v). Establishment of irrigation systems in the private sector medium scale tea estates 10 -50 acres

This irrigation development project aims to enhance water supply for tea cultivation through modern technical solutions. The initiative focuses on implementing advanced irrigation systems, including sprinkler and drip irrigation technologies, to optimize water efficiency in tea-growing areas.

Table 2.1.11: Establishment of Irrigation systems 2024

Region	No. of Applications recieved	Amount Paid (Rs.Mn)	Extent (Ac)	No of Lands paid
Gampola	3	0.85	8.5	02
Ratnapura	13	0.1	10	01
Baduraliya	16	2.8	28	03
Matara	26	10.53	83.13	15
Total	58	14.28	129.63	21

Source : Sri Lanka Tea Board

vi). Financial assistance for green leaf crates/Indian (Nylon) bags for green leaf dealers and tea Factories

To enhance the quality of transported tea leaves and minimize post-harvest losses, SLTB introduced a new subsidy program in year 2024. The project provides subsidies to both tea factories and green leaf dealers to purchase plastic crates and Indian Bags for optimal green leaf handling and transportation.

Table 2.1.12: Plastic Crates and Nylon Bags Distribution 2024

Region	No of Applications received	No of crate distributed	No of Nylon Bags Distributed	No of Lands paid	No of Dealers paid
Gampola	47	-	325	03	04
Bandarawela	73	510	-	-	11
Ratnapura	149	371	305	05	10
Baduraliya	62	985	-	04	17
Matara	34	550	100	13	-
Galle	44	175	245	05	04
Nuwaraeliya	105	50	635	04	10
Total	514	2,641	1,610	34	56

Source : Sri Lanka Tea Board

vii). Subsidy assistance to form a factory based smart tea pluckers (dalu team) teams & renting machineries for holding, pruning & leaf plucking

To mitigate the impact of skilled labor shortages in the tea sector, the Sri Lanka Tea Board (SLTB) introduced a pilot subsidy program focused on workforce development and mechanization. The initiative supported to creation of trained 8 tea plucker teams while also providing subsidies for machinery rental services at the factory level. By addressing labor constraints through both skilled workforce training and improved equipment accessibility, this dual approach aims to enhance productivity and sustainability across the industry.

viii). Financial assistance for installation of “Roof top solar power system” for generation of electricity at tea factories / tea exporter warehouses

To encourage the use of environmentally friendly renewable energy sources, the Sri Lanka Tea Board initiated a subsidy scheme in 2021, to grant an interest subsidy of 3% on bank loans for registered manufacturers, exporters & brokers for establishment of solar panels at their factory roof tops. Maximum project period is seven years and payments are done in monthly basis. In the year 2024, Rs.15.78 million paid for 33 factories and 3 warehouses under this scheme.

ix). Subsidy assistance for food safety certifications. (ISO 22000/ HACCP) - for registered tea factories

The Sri Lanka Tea Board provided subsidy scheme to facilitate and encourage tea factories to implement and obtained certification for quality systems. For the year 2024, Sri Lanka Tea Board provided Rs 0.5 mn subsidy payments for 15 number of registered tea manufacturers to obtain food safety certifications.

2.1.3. Other Major Projects Carried Out Under the Tea Commissioner's Division

i). Installation of 10 Agro Met automatic weather stations in tea planting districts

Arthur C. Clarke Institute for Modern Technologies in collaboration with Tea Research Institute of Sri Lanka initiated to establish ten (10) weather stations covering the districts of Nuwara-Eliya, Kandy, Ratnapura, Kalutara and Matara.(Mandaramnuwara, Kalawana, Nuwara Eliya, Watawala, Thispane, Pedro estate, Loollekandura Estate, Pundaluoya, Welipenna, and Kotapola). The Sri Lanka Tea Board provided financial assistance for the program and the aim of this project is achieving carbon Neutrality for the tea industry. The periodically records gathered from wether stations are used to determine the status quo of soil, crop, areal and landscape structure in tea lands.

ii). Digitization of the Tea Value Chain - Online Platform and Mobile Application.(ADB Mobile App)

The Ministry of Plantation and Community Infrastructure, in collaboration with the Asian Development Bank (ADB), is implementing a digitization project to modernize Sri Lanka's tea industry through advanced ICT solutions. Aligned with international best practices in agriculture, the project introduces a comprehensive digital system designed to deliver significant benefits across the tea sector. Key components include two mobile applications **B-Leaf 60** and **CT Connect** which aim to enhance efficiency, transparency, and connectivity among stakeholders. Sri Lanka Tea Board (SLTB) plays a pivotal role in facilitating the development and deployment of these applications, ensuring they meet industry needs.

iii). Fertilizer Loan Scheme for tea manufactures

The Sri Lanka Tea Board initiated a fertilizer subsidy scheme with a view to providing tea fertilizer at a concessional price to all tea growers. The scheme planned to provide subsidies for the purchase of 30,000 metric tons of fertilizer. Tea growers were permitted to purchase a minimum of 150 kilograms (three 50kg bundles) of subsidized fertilizer per acre.

At the end of the year 2024, SLTB provided financial assistance (initially Rs.2000 per 50 kg of bag subsequently it was increased to Rs.4000.00 per 50kg of bag) to supply 7,904MT fertilizer through Tea Factories and 8,494.55MT of fertilizer through tea societies of Tea Small Holding Development Authority.

Table 2.1.13: Progress of fertilizer subsidy distribution in the year 2024

Organization	No. of Beneficiaries	Total Quantity (MT)	Subsidy paid (Rs. Mn)
SLTB	147 Tea Factories	7,904.00	542.05
TSHDA	59,987 Small holders	8,494.55	480.99
		16,398.55	1,023.04

Source : Sri Lanka Tea Board

iv). Assist to obtain Geographical Indication (GI) Registration for Ceylon Tea

Implementing of GI system is a collective effort of all key players and the whole scheme comprises a series of field visits, interactive awareness sessions, compiling of book of specifications (BOS). Registration of BOS by Collective Management Organization domestically, followed by laking International Certification under two types of legal framework , namely a trademark or certification mark and a Sui generies, a system that offers the most comprehensive protection for GI in addition to the promotion of reputation and integrity of the product in 2024. The following major activities were carried out to obtain this registration:

- Finalized the Book of Specifications, preparing the control plan and approved by the Authority
- Established National-level major associations, including Medium-scale Estate Owners Association and all island Green Tea Dealers Association
- Conducted awareness programs for tea exporters, tea manufacturers, green tea leaf dealers, and field officers attached to the relevant institutions in the tea sector

The application was submitted to the European Union, and registration is currently being processed by the EU

v). Issuing Quality Assurance Certificate for Iranian consignments

Iranian authorities are seeking an undertaking from the state bodies of tea producing countries on the quality of the final product exported to Iran. Iran expects a Certification of Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP)

for the assurance of the product being exported to Iran market. To comply with the requirement, SLTB conducted a program to issue GMP and GHP certification for prospective tea exporters who export made tea to Iran and the certification issued upon the satisfactory comprehensive audit.

vi). Implementation of Good Agricultural Practices (GAP)

The implementation of Good Agricultural Practices (GAP) at the tea field level is essential to raise awareness, provide guidance, and ensure that safety and hygiene standards are maintained throughout production, ultimately delivering quality products to consumers. This preventive approach is highly effective in mitigating or eliminating the risk of contaminants in the final product (i.e., made tea). Good Agricultural Practices (GAP) have been implemented to govern tea cultivation, harvesting, and green leaf transportation to processing factories, ensuring quality and safety throughout the supply chain. Several discussions were held among main stakeholder of tea and a manual of GAP implementation procedures has been developed, the manual is being further reviewed with public views.

vii). Fresh Tea Festival 2024

The Annual Fresh Tea festival (Naum Tea Mangallaya), which is the major cultural event of the tea industry in Sri Lanka, was consecutively celebrated the year 2024 at several religious places in all tea growing districts with representing of all religions in the country expecting the blessings for the prosperity of the tea industry.

Tea produced from the first harvest of tea plantations, after the new year festival of each year, in the aftermath of the Sinhala and Tamil New Year festivities, being offered to religious places such as temples, churches, mosques and kovils.

In 2024, The main ceremony was conducted at the historical Gatabaru Rajamaha Vihara in Kotapola with the participation of all tea stakeholders affiliated with the tea industry.

2.2. TEA EXPORT SECTION

The powers and functions of the Tea (Tax & Control of Exports) Act no. 16 of 1959 and regulations laid down under the Sri Lanka Tea Board Law no. 14 of 1975 are administered by the Tea Exports Section of the Sri Lanka Tea Board. The primary responsibilities under-

taken by this section encompass the registration of tea exporters, tea packers, warehouses, and importers, as well as the categorization of tea packs. Additionally, it involves the retrieval of tea, enforcement of minimum quality standards, authorization of tea exports, compilation of export statistics, and oversight of tea exports under bilateral Free Trade Agreements (FTAs) of Sri Lanka.

Furthermore, in a concerted effort to enhance the efficacy and efficiency of tea exports while upholding the esteemed reputation of Sri Lankan tea, the Sri Lanka Tea Board collaborates with Sri Lanka Customs to conduct joint investigations on tea consignments at the Sri Lanka Customs Exports Facilitation Center (EFC).

Furthermore, to ensure the safeguarding and enhancement of tea processing quality at all exporter warehouses, it was declared that the HACCP quality certification is a mandatory requirement for all warehouses to conduct their operations. Additionally, Good Manufacturing Practices (GMP) assessments are being carried out at exporter warehouses.

2.2.1. Registrations

All registered tea exporters are required to submit CUSDECs with other required documents to the Tea Exports Section through ASYCUDA System in order to obtain the authorization for export. A team of SLTB officers conducts inspections on tea consignments slated for export to ensure compliance with the requisite export standards with the Sri Lanka Tea Board functions in accordance with the provisions of the said regulations.

Table 2.2.1: Registration statuses of exporters, packers, warehouses, importers, and produce brokers

Registrations	As at 01.01.2024	New Registrations	Total No. as at 31.12.2024
Exporters	421	36	457
Packers	421	36	457
Local Packers	210	140	350
Warehouse	292	28	310
Importers	150	07	157
Produce Brokers	8	-	8

Source : Sri Lanka Tea Board

Retail containers which contain other origin specialty tea blended with Sri Lanka Teas would export under the Sri Lanka Tea Board Regulations (Import & Export)

1981. Such containers / packs should bear the narration "A Blend of Ceylon and other origin Teas packed in Sri Lanka" or "Other Origin Teas packed in Sri Lanka" only and all containers shall be registered with the Sri Lanka Tea Board.

2.2.2. Importation of Tea

The Sri Lanka Tea Board has issued 761 of import permits for Importation of 9,555,296.44 kgs of tea. However; the actual quantity of import was 8,342,184.49 kgs during the period under review.

Table 2.2.2: Actual Imports - January - December 2024

Country	Type	Qty. (kgs)	CIF Value (Rs.)	Value (Rs.)
China	Black Tea - CTC	500.00	4,275.00	2,137,500.00
	Black Tea - Special	33,395.00	2,120.75	70,822,458.00
	Green Tea - CTC	36,560.00	343.68	12,565,020.00
	Green Tea - Special	1,815,990.04	803.72	1,459,551,710.75
	Oolong Tea - Special	58,682.48	1,238.50	72,678,461.57
	Puerh Tea - Special	8,990.00	2,282.97	20,523,967.10
	White Tea - Special	22,867.00	1,403.94	32,103,923.12
	Sub Total	1,976,984.52	844.91	1,670,383,040.54
German	Black Tea - CTC	1,152.00	3,599.98	4,147,176.96
	Black Tea - Special	938.00	4,284.69	4,019,035.03
	Green Tea - Special	908.00	4,955.04	4,499,172.27
	Oolong Tea - Special	50.00	18,329.17	916,458.50
	White Tea - Special	105.00	17,464.17	1,833,738.87
	Sub Total	3,153.00	4,889.18	15,415,581.63
India	Black Tea - CTC	2,233,164.00	495.66	1,106,900,141.87
	Black Tea - Special	354,306.70	1,373.11	486,501,971.28
	Green Tea - Special	44,780.00	1,575.10	70,533,127.00
	Sub Total	2,632,250.70	632.13	1,663,935,240.15
Japan	Green Tea - Special	26,997.34	5,033.94	135,903,017.12
	Sub Total	26,997.34	5,033.94	135,903,017.12
Kenya	Black Tea - CTC	3,185,425.93	494.29	1,574,528,138.32
	Sub Total	3,185,425.93	494.29	1,574,528,138.32
Malawi	Black Tea - CTC	20,880.00	709.80	14,820,624.00
	Sub Total	20,880.00	709.80	14,820,624.00
Myanmar	Black Tea - CTC	1,503.50	1,216.28	1,828,674.50
	Sub Total	1,503.50	1,216.28	1,828,674.50
Taiwan	Oolong Tea - Special	30.00	18,513.09	555,392.70
	Sub Total	30.00	18,513.09	555,392.70
U.A.E.	Black Tea - CTC	453,860.50	1,087.97	493,787,171.77
	Sub Total	453,860.50	1,087.97	493,787,171.77
UK	Black Tea - CTC	3,247.00	2,167.63	7,038,325.74
	Black Tea - Special	5,220.00	3,318.62	17,323,214.40
	Sub Total	8,467.00	2,877.23	24,361,540.14
Vietnam	Green Tea - Special	32,632.00	371.46	12,121,610.00
	Sub Total	32,632.00	371.46	12,121,610.00
Grand Total		8,342,184.49	672.20	5,607,640,030.88

Source : Sri Lanka Tea Board

2.2.3. Maintenance of Minimum Quality Standard ISO 3720 for Made Tea

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

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

Type of sampling	No. of samples drawn	No. of cases detected as below ISO and contamination
Pre-auction sample drawn by export division	4,383	470
Pre-auction withdrawals (by the panel)	732	2,478
Pre-shipment	12,150	4

Source : Sri Lanka Tea Board

a). Denaturing of tea due to unsuitability for consumption

Made tea found to be unsuitable for human consumption at the levels of pre-auction, pre-shipment and special investigations is denatured under the supervision of the Export Section. This section has denatured 165,360 kg of made tea identified at all levels above in 2024.

b). Retrieval of Tea

If a consignment of tea is not accepted by the overseas buyer, the local exporter has to retrieve the same with the approval of the Sri Lanka Tea Board. The consignment is re-inspected by the SLTB prior to granting the authorization for export / Reuse.

c). Withdrawn tea lots

Only the tea lots with only high crude fiber level (more than 16.5%) will be released based on the compounding charge return to estate for upgrading and after upgrading, the manufacturer can re- catalogue from the same invoice number.

2.2.4. Performance of Exports under the FTAs

Sri Lanka enjoys preferential Tariff Rate Quota (TRQ) for tea under the Indo-Sri Lanka Free Trade Agreement

(ISFTA) and Pakistan-Sri Lanka Free Trade Agreement (PSFTA). However, a substantial utilization of TRQ has not been recorded in 2024.

Table: 2.2.4: Utilization of TRQ under the FTAs

FTA	Quota per annum(kg)	Total exports (kg.)
India – Lanka	15,000,000	43,935.49
Pakistan – Lanka	10,000,000	2.80

Source : Sri Lanka Tea Board

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

To Facilitate exporters, Sri Lanka Tea Board has launched an interest subsidy scheme which exporter entitled for an interest subsidy maximum 50% of the interest payable to the Exporter up to five million rupees per annum for a period of 5 years and the maximum sealing of a rate of 10% interest. The objectives of the subsidy scheme was to enhance product diversifications, quality improvements, high value addition and to fulfill consumer needs which prevailed in the global tea market.

2.3. TEA PROMOTION DIVISION

The Tea Promotion Division is responsible for executing Ceylon Tea promotional programs both locally and internationally, categorized into various broad categories.

- i. GI Registration
- ii. International Promotion Activities and Events
 - 2.1. Russia/CIS Region
 - 2.2. Middle East and Gulf
 - 2.3. Far East Region, Oceania Region, Japan Market
 - 2.4. TPU China
 - 2.5. Europe Region
 - 2.6. USA, North & South America Region
- iii. Brand Promotion Scheme
- iv. 5% Incentive Scheme
- v. IP Matter - Lion Logo & Ceylon Tea & Ozone Logo Registration
- vi. Local Promotions (Visit Journalist Program / Tourism Promotions & BIA / MRIA / Colombo Promotions / Trade Fairs / Events)
- vii. Promoting Ceylon Artisanal Teas
- viii. MOU between Sri Lanka & Iran – Tea for Oil Barter

2.3.1. GI Registration

The 'Sri Lanka Tea Board' (SLTB), the apex body in the country for regulatory development and promotional activities on tea, with the technical assistance of the 'French Agricultural Research Centre for International Development'(CIRAD), Institute of Policy studies of Sri Lanka (IPS) and the financial support of the "Agence française de développement" (AFD) is conducting the project on "Ceylon Tea Value Creation Through the Development of Geographical Indication (GI) and International Quality Certifications" since December 2021. The agreement was signed on 7th of December 2021 for a period of 4 years from the date of signing and financial grant received from AFD for this project is Euro 1M.

The global objective of this project is to support the establishment of a GI certification for "Ceylon Tea" and relevant quality and sustainability certification systems. The project aims to achieve the following outputs.

- Map practices and systematic constraints along the Ceylon Tea value chain towards a convergent strategy aimed at registering Ceylon Tea as a GI.
- Assist the collective definition of GI specifications and related practices and document them towards GI registration.
- Pilot the implementation of GI scheme, including documentation and operational readiness for the control of the product, production method and traceability.
- Upscale GI scheme implementation and launch marketing strategy and plan to strengthen the presence and value of GI Ceylon Tea in selected markets.

Accordingly, Sri Lanka Tea Board has successfully submitted Ceylon Tea GI application to the European Commission on 26th of September 2024.

Accomplishment of Certificate for Ceylon Tea will generate several benefits in terms of promotional and protective measures as listed below:

- The protection from misuses/frauds of Ceylon Tea in the global market.
- A guarantee for the origin of the product.
- A guarantee on the quality of the final product.
- A strong controlling and traceability mechanism to prevent the frauds and misuses.
- Development of industry spirit among all the stakeholders involved in the value chain.
- Opening up opportunities for new markets.
- Receipt of a higher price for a quality product will end up providing a higher price for the farmers (growers) who provide quality green leaves.

2.3.2. International Promotion Activities and Events

Russia/CIS Region

i. Prodexpo 2024

The 31st International Exhibition of Food Products, Beverages and Raw Materials - PROD EXPO 2024 - was held from 5th to 9th of February 2024 at Moscow's Expo center. As one of the largest industry events, this year's exhibition featured over 2,195 companies from 40 countries, showcasing specialties across key sectors, including meat, poultry, and fish products, dairy (milk, cheese, and ice cream), Tea, coffee, juices and other food industry segments.

The Tea Promotion Unit (TPU) of the Embassy of Sri Lanka in Russia, with the support of the Sri Lanka Tea Board, participated in the exhibition alongside TPU Moscow. Several Sri Lankan tea companies - namely Millennium Teas (Pvt) Ltd, Ceylon Tenny Teas, Samley Teas, Maltras International (Pvt) Ltd, and Ceylon Tea Land (Pvt) Ltd - showcased their products at adjacent booths.



ii. Uz food 2024

The 23rd edition of Uz Food 2024, the International Exhibition for Food and Raw Materials which was held at the NEC 'Uz expo center' in Tashkent, Uzbekistan, from 26th to 28th of March 2024. As the premier event for Uzbekistan's food industry, Uz Food attracts leading producers, suppliers, and distributors from both domestic and global markets, particularly across Central Asia.

The Tea Promotion Unit (TPU) in Moscow organized and set up a dedicated Ceylon Tea Pavilion at the exhibition. Two prominent Sri Lankan tea companies Ceylon Fresh Teas Pvt Ltd and HVA Foods PLC participated alongside the pavilion, showcasing their products in adjacent booths.



In addition to the exhibition, the Tea Promotion Unit (TPU) in Moscow organized a dedicated Ceylon Tea brand activation program. This initiative included free tea sampling sessions at 'Eco' Supermarket and 'Katartal Bazar', aiming to promote Ceylon Tea brands featuring the Lion Logo and enhance consumer awareness. For this campaign, TPU Moscow selected 'Impra', 'Dilmah', and 'Tudor' based on their market availability in the region.



iii. Inter food Azerbaijan- 2024

The 29th Azerbaijan International Food Exhibition, Inter Food Azerbaijan 2024, was held from 15th to 17th of May at Baku Expo Centre. As one of the most significant trade platforms for the Caspian region's food industry, the event attracted key industry players. Recognizing Azerbaijan's importance as a primary market for Ceylon Tea, the Tea Promotion Unit (TPU) in Moscow of the Sri Lanka Tea Board (SLTB) organized its annual Ceylon Tea Pavilion at the exhibition. Ceylon Tea Land (Pvt) Ltd joined the TPU Moscow initiative, showcasing their products in an adjacent booth.



Complementing the exhibition, the Tea Promotion Unit (TPU) in Moscow conducted a dedicated Ceylon Tea brand activation program. The initiative featured free wet tea sampling sessions at two leading super market chains in Baku - "Mega Store" and "Oken". This campaign specifically aimed to promote authentic Ceylon Tea brands carrying the Lion Logo certification, enhance consumer awareness about Ceylon Tea's quality and origin and strengthen brand recognition in the Azerbaijani market.



The FoodExpo Qazaqstan 2024 trade exhibition took place on 13th to 15th of November 2024 in Almaty, Kazakhstan. Two private sector tea companies: Basilur Tea Export (Pvt) Ltd and Premier Natural Teas (Pvt) Ltd, participated for the event.

Middle East and Gulf

i. Saudi HORECA in Saudi Arabia

The Saudi HORECA exhibition took place in Jeddah, Kingdom of Saudi Arabia, from 5th to 7th of February 2024. The Ceylon Tea pavilion featured four prominent Sri Lankan tea companies: LOLC Holdings PLC, Stassen Exports (Pvt) Ltd, Continental Tea (Pvt) Ltd, and Expo Teas Ceylon (Pvt) Ltd, showcasing their premium tea products to international buyers.

ii. GUL FOOD 2024 Exhibition

The Gul food 2024 exhibition, the largest food and beverage trade show in the Middle East and Gulf region, was held in Dubai from 19th to 23th of February 2024. The Sri Lanka Tea Board organized two dedicated Ceylon Tea pavilions at the event, accommodating a total of 21 tea companies to showcase their premium products.



iii. FOODEX Saudi 2024 in Riyadh

The Sri Lanka Tea Board organized a Ceylon Tea pavilion at the exhibition to accommodate five participating companies: Meezan & Company (Pvt) Ltd, Ceylon Tea Land (Pvt) Ltd, Expo teas Ceylon (Pvt) Ltd, Enrich Tea & Food Exports (Pvt) Ltd, and A.F. Jones Exporters Ceylon (Pvt) Ltd. The pavilion provided these companies with a platform to showcase their premium tea products and establish new business connections.



iv. Middle East Organic & Natural products Expo 2024 in Dubai

The Sri Lanka Tea Board organized a Ceylon Tea Pavilion at the exhibition, hosting four export companies: Gemi Teas Colombo (Pvt) Ltd, TDK Trade Links (Pvt) Ltd, Kandrick Tea Beverages Lanka and Forest Hill Tea (Pvt) Ltd.

v. Agro Pack Iraq in Erbil (25th – 28th of November, 2024)

The Sri Lanka Tea Board organized a Ceylon Tea Pavilion at Agro Pack Iraq in Erbil, featuring participation from two exporters: Divine Nature Teas (Pvt) Ltd and Expo Teas Ceylon (Pvt) Ltd.

Far East Region, Oceania Region

i. FOOD EX JAPAN 2024 Exhibition

This is the Japan's largest food and beverage exhibition, was held in Tokyo from 5th to 8th of March, 2024. The event featured participation from ten Ceylon tea exporters namely Nature Ceylon Trading (Pvt) Ltd, Expoteas Ceylon (Pvt) Ltd, Jafferjee Brothers, Tea Tang (Pvt) Ltd, Ceylon Leaf Estate (Pvt) Ltd, Stassen Exports (Pvt) Ltd, Ceyem Commodities (Pvt) Ltd, Empire Teas (Pvt) Ltd, Thalawakele Tea Estate PLC and Ceylon Tea Story (Pvt) Ltd.



ii. World Tea Festival 2024 in Osaka

The World Tea Festival 2024 was held in Hankyu Department Store in Osaka from 08th to 13th of May 2024. The event was organized by Hankyu Department Store in Osaka with participation of tea companies in Japan representing teas from Sri Lanka, India, China, Taiwan, Nepal & Kenya. This B2C event was consisted of educational program on tea in tea producing countries, talk-shows, seminars, tea tasting sessions and tea retailing. The Ceylon Tea seminar and seven regional tea tasting session were conducted for the selected 8 tea enthusiasts in the dedicated seminar area of the Art Stage of Hankyu Department Store. The exhibition organizers have given a pre-event publicity for the Ceylon Tea Seminar and tea tasting session in the event web-page for the tea enthusiasts to join the seminar by making a payment for it. The number of seats for the participants were limited to 08.

A Talk-Show was conducted on Ceylon Tea in general, Seven Regional Ceylon Tea, Ceylon Milk Tea Tradition and Ceylon Tea Tourism (SLTB Tea Sales Counter, Ceylon Tea Museum, Tea Houses, Tea FACTORIES, Pekoe Trial, Tea Plantations etc) joining with MITSUTEA in Japan.





iii. Food Taipei 2024 in Taiwan

Sri Lanka Tea Board organized a pavilion at Food Taipei exhibition and 06 tea companies (Venture Tea (Pvt) Ltd, Expoteas Ceylon (Pvt) Ltd, Tea Tang (Pvt) Ltd, Enrich Tea & Food Exports (Pvt) Ltd, Empire Teas (Pvt) Ltd and HVA Foods PLC) participated for the exhibition representing Ceylon tea. The exhibition was held in Taipei Nangang Exhibition Hall in Taiwan.



iv. Hong Kong International Tea Fair

Hong Kong International Tea Fair was held in Hong Kong from 13th to 18th of August 2024 and Sri Lanka Tea Board participated at the exhibition while organizing a pavilion for Ceylon Tea. 11 tea companies and the Sri Lanka Tea Board occupied the Ceylon Tea pavilion while promoting the wide range of Ceylon Tea products.

v. Fine Food Australia Exhibition in Melbourne, Australia

Sri Lanka Tea Board with the collaboration of the Consulate General Office in Melbourne organized a Ceylon Tea Pavilion at the Fine Food Australia Exhibition in Melbourne and four exporters participated for the event. (FBG Ceylon (Pvt) Ltd, Regency Teas (Pvt) Ltd, Ceylon Royal Teas (Pvt) Ltd and Tea Talk (Pvt) Ltd).

vi. Cafe Show 2024 in Seoul, South Korea

The Sri Lanka Tea Board, with support from the Embassy of Sri Lanka in South Korea, organized the Ceylon Tea Pavilion at Cafe Show Seoul from 6th to 9th of November 2024. This initiative aimed to promote Ceylon Tea and its specialty variants in the Korean market. The pavilion featured participation from the Sri Lanka Tea Board, Regency Teas (Pvt) Ltd, and Nature Ceylon Trading (Pvt) Ltd.



China Region

The Tea Promotion Unit in China has implemented a series of targeted marketing initiatives across multiple provinces to strengthen Ceylon Tea's market presence in China. These comprehensive promotional programs are strategically designed to increase brand awareness and market share for Ceylon Tea in this key growth market.

i. Tea Tourism Promotional Event 2024, Embassy of Sri Lanka in Beijing



iv. Beijing Tea Expo 2024 trade exhibition, Beijing - China (19th to 22nd of April 2024)



ii. World Digital Economy Forum 2024, Beijing-China (26th of January 2024)



v. FHC Guangzhou 2024 trade exhibition, Guangzhou city, Guangdong Province, China (09th to 12th of May 2024)



iii. Jingzhe Tea Festival 2024, Huzhou, Zhejiang Province, China. (4th of March 2024)



vi. SIAL Shanghai 2024 trade exhibition, Shanghai, China (28th to 30th of May 2024)



vii. East China Tea Industry Expo 2024, Ningbo City, Zhejiang Province, China (07th to 10th of June 2024)



exhibition, Shanghai, China (21st to 23rd of August 2024)



viii. Reception at the International Golf Club in Tianjin-China (18th of July 2024)



xi. SIAL Shenzhen 2024 trade exhibition, Shenzhen City, Guangdong Province, China (02nd to 04th Sep 2024)



ix. International Hotel Industry Development Forum 2024 Taiyuan City, Shanxi Province, China (25th to 26th of July 2024)



xii. HICOOL Global Entrepreneurs Summit 2024, Beijing - China (24th to 25th of August 2024)



Products Purchasing and Ordering Expo 2024 trade exhibition, Quanzhou city, Fujian Province, China (07th to 09th of September 2024)



(CIFTIS) 2024 trade exhibition, Beijing, China (12th to 16th of September 2024)



Expo 2024 trade exhibition, Luzhou city, Sichuan Province, China. (20th to 22nd of September 2024)



xvi. Xiamen International Tea Fair 2024 trade exhibition, Fujian Province, Xiamen City - China (10th to 14th of October 2024)



xvii. China International Import Expo (CIIE) 2024 trade exhibition, Shanghai-China (05th to 10th of November 2024)



xviii. The China International Supply Chain Expo (CISCE) 2024 trade exhibition, Beijing, China (26th to 30th of November 2024)



xix. The 5th Tea House Industry Conference, Beijing - China (26th to 27th of December 2024)



Europe Region

i. Alimentaria Exhibition in Barcelona, Spain

Alimentaria & Hostelco 2024, held in Barcelona from 18th to 21st of March, successfully convened the food, beverage, and hospitality equipment industries. The exhibition attracted over 3,200 exhibiting companies and nearly 107,900 trade visitors, solidifying its position as a premier international platform for industry networking and innovation.

The event provided a valuable opportunity to showcase Ceylon Tea in Spain and raise awareness among Spanish consumers, who are increasingly interested in tea and its health benefits. Several Sri Lankan tea companies also participated, including M/s Venture Teas (Pvt.) Ltd, M/s Empire Teas, M/s Regency Teas (Pvt.) Ltd, and M/s Gemi Teas Colombo (Pvt.) Ltd. These companies showcased their diverse product ranges and sought to expand their presence in the Spanish market.

Additionally, a successful Ceylon Tea presentation and tasting session was conducted by a Sri Lanka Tea Board, attracting around 50 attendees, including importers, tea shop owners, and tea enthusiasts:



ii. World Food Warsaw Exhibition

Sri Lanka Tea Board participated at the World Food Warsaw, Poland from 16th to 18th of April 2024 while organizing a pavilion for Ceylon Tea and accommodating the tea exporting companies namely Stassen Exports (Pvt) Ltd, Empire Teas (Pvt) Ltd, Maltras International (Pvt) Ltd, Ceylon Tea Land (Pvt) Ltd and Saya International (Pvt) Ltd



Besides the participation at the exhibition on, Ceylon Tea Awareness and Ceylon Tea Tasting sessions conducted by the Sri Lanka Tea Board to students at the Warsaw University in Poland with the assistance of the Sri Lanka Embassy in Poland.



iii. SIAL PARIS 2022 in Paris ,France

The Sri Lanka Tea Board organized the Ceylon Tea Pavilion at SIAL Paris 2024, one of the world's leading food and beverage exhibitions, held from 19th to 23rd of October 2024. The pavilion showcased Ceylon Tea, with participation from five private sector tea companies representing Sri Lanka's premium tea industry. This biennial event serves as a key platform to promote Ceylon Tea globally and establish connections with potential buyers.

In addition to the exhibition, the Sri Lanka Tea Board curated a dedicated Ceylon Tea service in the VIP Lounge at SIAL Paris 2024, offering attendees an exclusive opportunity to experience the finest Ceylon Tea products throughout the event.



v. Horeca Food & Beverage Trade Fair in Belgium

The Sri Lanka Tea Board organized the Ceylon Tea Pavilion at HORECA Belgium 2024, a premier food and beverage trade fair held from 17th to 20th November 2024. The pavilion featured participation from M/s Imperial Tea Exports (Pvt.) Ltd and M/s Lumbini Tea Valley Ceylon, highlighting the finest Ceylon Tea offerings from Sri Lanka.



iv. International Tea Day 2024 - Ceylon Tea Promotional Event in France

The millennium of tea culture and inter cultural dialogue was celebrated by 16 countries on the occasion of International Tea Day 2024 at UNESCO, Paris. Sri Lanka's Permanent Delegation to UNESCO highlighted and showcased its famous Ceylon Tea, renowned worldwide for its superior quality, taste, blends, sustainable practices, and unique characteristics.

This event provided an excellent platform to promote Ceylon Tea among international buyers, strengthen trade relationships, and explore new business opportunities in the European market.



vi. Sirha Budapest (Hungexpo) in Budapest, Hungary

The Sri Lanka Tea Board (SLTB) organized a Ceylon Tea Pavilion at SIRHA Budapest 2024, held at Hungexpo, Hungary, from 5th to 7th March 2024. The pavilion featured two booths, with one dedicated to SLTB's promotional activities and the other showcasing Stassen Exports (Pvt) Ltd.

As SLTB officials were unable to attend due to delayed approval, the Board facilitated an alternative arrangement by delegating the booth operations to the local representative of Euro Scan (Private) Company. The representative effectively managed the Melsna brand promotion and the SLTB information counter, ensuring continuous visibility for Ceylon Tea at the exhibition.



vii. IFE London Trade Exhibition in London, UK

The Sri Lanka Tea Board (SLTB) participated in IFE London 2024 (25th to 27th of March) with a delegation led by its Chairman, organizing a Ceylon Tea pavilion featuring five exporters: Millennium Teas, Samley Tea, Nature Ceylon Trading, Avenrich Tea, and Enrich Tea. During the visit the SLTB delegation conducted Ceylon Tea promotional events in Glasgow and Aberdeen to expand market reach in key UK regions.



viii. World Food Istanbul Trade Fair, Turkey

The Sri Lanka Tea Board (SLTB) partnered with the Turkey - Ceylon Tea Family to participate in World Food Istanbul 2024, held from 3rd to 6th of September. The event featured six prominent Ceylon tea exporters:

Imperial Tea Exports (Pvt) Ltd, Uni World Teas (Pvt) Ltd, Ceylon Tea Land (Pvt) Ltd, Divine Nature Teas (Pvt) Ltd, Tea Packs (Pvt) Ltd, and Vintage Teas Ceylon (Pvt) Ltd. This collaborative effort effectively promoted Ceylon Tea's premium quality and unique characteristics in the important Turkish market.

USA, North & South America Region

i. Espasio Food Service, Santiago, Chile

Sri Lanka Tea Board organized a Ceylon Tea pavilion consisting of 10 booths of private tea exporting companies namely - Bogawanthalawa Tea Ceylon (Pvt) Ltd, Venture Tea Pvt Ltd, Stassen Exports Pvt Ltd, UHE Exports Pvt Ltd, Mabroc Tea Pvt Ltd, Expo Teas Ceylon Pvt Ltd, Maltras International, Meezan & Company & Tea Trends Exports (PVT) Ltd displaying their value added Tea products at the Espasio Food Service, Chile (1st to 3rd of October 2024.)

ii. SIAL Canada Exhibition in Montreal

Sri Lanka Tea Board organized a Ceylon Tea Pavilion at the above exhibition to accommodate two companies, namely Nature Ceylon Trading (Pvt) Ltd and Regency Teas (Pvt) Ltd. Under Small Scale Category, Saya International Tea and Food Export Private Limited and Mingte Ceylon participated under the Ceylon Tea pavilion.



iii. Summer Fancy Food Show in New York

Sri Lanka Tea Board organized Ceylon Tea Pavilion at the Summer Fancy Food Show in New York and accommodated for U.H.E Exports (Pvt) Ltd and Finlay's Colombo Ltd and two small level exporters namely, Macksons Tea Exports (Pvt) Ltd and K.D.U Exports (Pvt) Ltd.



iv. Ceylon Tea at the Toronto Tea Festival, Canada. Sri Lanka Tea Board with the assistance of Sri Lanka Consulate in Toronto participated at Toronto Tea Festival in Canada from 28th to 29th of January 2024.



2.3.3. Brand Promotion Scheme

Sri Lanka Tea Board received the approval of Cabinet for the proposal to implement the financial assistance for Brand Promotion Scheme with Lion Logo certified Sri Lankan own brands. The required fund for the subsidy scheme is sourced from the Promotion & Marketing Levy established under SLTB. Further, Cabinet decision dated 04.10.2022 was received to do the settlement/ reimbursement of the payment in LKR equaling to the exchange rate based on the date which the transaction happened in USD terms.

Accordingly, 22 companies were eligible to undertake their brand promotional activities in 45 countries and agreements were signed for the 80 projects from 1st of January to 31st of December 2022 and targets were fixed on export volume basis. Considering the export

drop of the value added tea during the time period due to the national production drop in the county, the board has granted to extend three month period of time up to 31st of March 2022 only for the achieving target volumes for all applicants. Consequently the Financial Assistance for Brand Promotion scheme with lion logo for the year 2021/2022 has been completed and the summary is given below.

Table 2.3.1: Brand Promotion Scheme summary

Total Projects signed	80
Number of Projects Not submitted for Evaluation	57
Number of Projects Submitted for Evaluation	23
Number of Projects Rejected due to reasons of insufficient document or target not achieved	10
Number of Projects pending board approval for the reimbursement	02
Number of Projects Completed and Fund Released	11
Total reimbursement amount (including pending 2 projects)	Rs.127,334,750.47

2.3.4. IP Matter - Lion Logo & Ceylon Tea & Ozone Logo Registration



The Ceylon Tea Lion Logo Trade Mark is legally owned by Sri Lanka Tea Board. The Tea Board's Tea Promotion Division is responsible for registering and renewing the Ceylon Tea Lion Logo in Sri Lanka and other nations. As of 2024, the Lion Logo is registered in 103 nations. The right to use the Lion Logo as a franchise has only been given to branded, value-added tea products (tea packs and bags) that are pre-packed in Sri Lanka, contain 100% Ceylon tea, and comply with ISO 3720 standards, exceeding minimum reference standards for each destination.

During the period under review, SLTB has taken initiatives to register a new lion logo (Ceylon Tea Symbol of Quality and Lion Device) in Brazil. New Registration is completed in Azerbaijan, India and Bangladesh. Further, Instructions were given to

Renewal process of the lion logo device and currently they are ongoing in Liberia and UAE. Registration renewal is completed in Sierra Leone. Further, already taken initiatives to Trademark Watch Notice received from Iraq as have duly filed opposition against the published trademark.

2.3.5. Local Promotions

i. International Tea Day 2024



Ceylon Tea celebrated International Tea Day 2024 in Mathugama area on 21st of May 2024, highlighting its rich heritage, quality, and global significance. Originating from Sri Lanka, the tea has captivated tea enthusiasts for centuries.



The day serves as a reminder of the cultural and economic impact of tea on societies. Ceylon Tea producers reaffirmed their commitment to sustainability, community empowerment, and environmental stewardship.

The event also highlighted the diverse contributions of women in the tea sector, particularly in developing countries. Stakeholders united in celebrating the timeless tradition and enduring legacy of Ceylon Tea.



ii. Ceylon Tea Promotions with Airport & Aviation Services (AASL) at BIA, MRJA, Rathmalana Airport & Jaffna Airport

In 2024, the Sri Lanka Tea Board (SLTB) partnered with AASL (SriLankan Airlines) and private Ceylon Tea exporters to conduct multiple promotional campaigns targeting international arrivals, effectively promoting both Ceylon Tea and Sri Lankan tourism through coordinated initiatives that highlighted the country's premium tea offerings and unique visitor experiences.

- Valentine's Day Celebration
- Sinhala New Year Celebration
- Welcome the passengers of new flights arrived to SL with a hot cup of tea and Tea gift packs
- Airport branding during Colombo International Tea Convention 2024

iii. Liquid tea service, Selling SLTB range of packs, distribution of promotional material etc. were conducted at the SLTB booth

- Exhibition parallel to the 37th Session of the FAO Regional Conference for Asia and the Pacific (APRC 37) at Hotel Hilton (19th to 22nd of February 2024).



• Agri Tech 2024 Agriculture Exhibition at Bataatha (2nd to 5th of March 2024).



• Dakshina Jana Meheara 2024 - Elpitiya (Mobile service) 30th March 2024.
 • The NIPM Open Day Exhibition - 28th of March 2024.
 • Press Conference on International Tea Convention- 24th of April 2024.

- Sinhala & Tamil New year celebrations for the Colombo based diplomatic staff, organized by the Ministry of Foreign Affairs - 20th of April 2024.
- Wasath Siriya Sinhala & Tamil New year celebrations-2024 by Presidential Secretariat.
- Fresh Tea Festival - 2024 - Gatabaru (23rd - 24th of May 2024).
- Sri Lanka Tea Board Wesak Dansala 2024 - 28th of May.



- Sri Lanka Scout Association - District Commissioners conference in Malaysia (9th - 14th of June 2024)
- Industry Expo 2024 Exhibition at BMICH - (19th - 23rd of June 2024)
- Bon Odari Program - 2024 - National Youth service Council (13th of July 2024)
- Colombo International Tea Convention - (24th - 26th of July 2024)
- International Bazaar & Cultural Extravaganza by Ministry of Foreign Affairs - 7th December 2024

iv. Placement of Ceylon Tea Advertisements and article in following Magazines/Souvenirs and placed promotional Banners

- "Nidahas Arunalu" Annual Magazine for 76th Independence day celebrations.
- CA Members' Benevolent Society souvenir for Sinhala & Tamil New Year celebrations.
- 32nd Annual National Chamber of Exporters Award ceremony 2024.
- National Institute of Plantation Management Convocation - 2024.
- World Food Day supplements in Daily News, Dinamina, Thinakaran newspapers.
- Promotional Hoardings for Agri Tech Exhibition 2024 at Bataaththa.

v. Ceylon Tea Presentation / Demonstration was conducted to a Chinese Delegation (University students)

vi. Complimentary Tea giveaways to Sri Lanka Missions overseas

SLTB has issued tea & promotional materials on a Complimentary basis to 34 Sri Lanka Missions overseas.

vii. Ceylon Tea Promotions with the Tourist Board

- Distribution of Ceylon Tea gift packs and face masks among the passengers arrived to Sri Lanka through cruise lines.
- Issuing of Ceylon Tea packs and promotional materials to the officials of the Sri Lanka Tourist Board for their visit to foreign countries.

viii. Ceylon Tea Promotions on Tea Journey Magazine.

Sri Lanka Tea Board organized a tea tour for Ms. Diana Jendoubi, writer of Tea Journey Magazine in July/August 2024. It has been agreed by the magazine to publish 06 articles in the magazine on Ceylon Tea.

ix. Obtaining Membership of the European Specialty Tea Association (ESTA)

With respect to the proposal received through the Chairman - Colombo Tea Brokers Association for registering Sri Lanka Tea Board as a member of ESTA for three years from 25th of September 2024.

2.3.6. Promoting Ceylon Artisanal Teas

Having considered the demand available in the international markets and the special requests received from some of the Sri Lankan missions overseas, Sri Lanka Tea Board encouraged the Artisanal/Specialty tea manufacturers to participate at the International Exhibitions under the small scale category of SLTB to

explore the Opportunities Available in the International Markets for Artisanal/Specialty Tea Manufacturers.

Also samples from different manufacturers were sent to the Sri Lankan missions in other countries to be displayed at special events organized by them. Ex. Saudi Arabia, Brussels

2.4. TEA TASTING UNIT

The unit works as the one of major quality assurance body of Ceylon Tea. It is responsible for assessing the quality of tea prior to auction and export. Tea tasters use qualitative analysis to assess factors like flavor, aroma, appearance and mouth feel to evaluate the quality of different tea varieties. It is a skillful process that relies on sensory perception and experience. Tea tasters are doing a Organoleptic analysis involves using the sense of taste, sight, touch, smell sometimes hearing to evaluate the quality of tea. Tea tasters are known for their expertise in discerning the subtle flavours and qualities of different teas, allowing them to make efficient and professional decisions about the teas. Unsatisfactory samples are directed for the Analytical Laboratory for further analysis.

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

The Major activities of the unit :

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

2.4.1. Tea Tasting Concept and Methodology

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

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

- a). Pre-auction Teas
- b). Special investigation Teas
- c). Pre imported samples
- d). Direct Sales
- e). Daily Evaluation Pre-shipment monitoring, the panel decision on samples forwards to the Tea Commissioner division and Tea Export unit to further regulations.
- f). Private sales samples
- g). Forward contract samples

2.4.1. Details of tested and suspicious samples in 2024

Description	No of Samples Tested	No of Samples Suspected
Visual Examinations	254,265	1931
Pre-Auction samples		
Random Basis(BSL) Evaluation	4,383	470
Panel rejections for suspected liquor contamination		364
Siliceous matter		538
Crude fiber		936

Source: Sri Lanka Tea Board

a). Pre - Auction teas

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

b). Pre-Shipment Teas

Usage of Lion Logo, ISO 3720 for black tea & ISO 11287 for Green tea parameters or any other contamination prior to shipment are been tested under pre-shipment sample testing. A total of 12,150 pre-shipment samples examined under pre-shipment monitoring scheme during year 2024.

c). Pre-Import Teas and Post-Import Teas

Pre-Imported samples directed through Export unit of SLTB are accompanied with a form to evaluate its suitability for importation and line samples details about the origin, grade etc. are mentioned in each application. The tasting panel will evaluate the teas according to the guide lines of the SLTB circular no: OR/1/65 and its amendments. For the year 2024, TTU examined 1,609 applications as pre import samples and post -Import samples.

2.4.2. Ratification of Private Sale and Panel Valuation Certificate

a). Ratification of private sale

The samples accompanied with the panel have been forwarded for Tea tasting evaluations by the selling Brokers with the independent broker's approval. There are standard charges for the service and it charged Rs. 500 (VAT) per line as ratification fees. At present, the above scheme is scaled down to only for Green teas, Organic teas, and specialty teas and for small breaks which are not sold through the Colombo Auctions. Total no. of 16,611 Private sale lots examined and ratified for the year 2024.

b). Ratification of Forward Contracts

Ratification was done for few selected marks depending on the buyer's requirement for a period of time. Seller, buyer, broker and the Tea Board ratified the contract of sale. Ratification fees of Rs. 500 (VAT) per line as charges for the above service too. Total 2312 forward contracts lines were ratified during the year.

c). Ratification of Direct Sale

The above scheme permits to producer cum Exporter to sell their products directly to the overseas buyers. In exception Green tea, Organic tea and Specialty Tea could be sold to the local buyers. Panels held at Monday ratified the direct sales and for considered year, sales lines 543 are ratified and the ratified quantity was 0.505 Mn. kg.

2.4.3. Registration for Lion Logo

The Lion Logo - which is a symbol of quality and country of origin fully owned by the Sri Lanka Tea Board and Exporters who wish to depict the Lion Logo on branded consumer packs, has to forward the application and the branded products for evaluation, as according to the destination and market. The validation period of a Lion Logo certificate for Brands is three years. SLTB Grants franchise rights to use the

Lion Logo on retail packets. According to the process 487 applications were processed for new brands, renewals and additional packs for the year 2024.

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

2.4.4. Evaluating Tea Tasters for new export Companies

Evaluating the Skills, Knowledge & the Abilities of Identification different type/ elevations, origins of the appointed tea taster by the exporting companies. The candidate evaluated by the panel, and panel is consist of Head of Tea Tasting Unit, Three Panel Members of tea tasting team.

2.5. ANALYTICAL LABORATORY

The Analytical Laboratory of the Sri Lanka Tea Board (SLTB) plays a pivotal role in maintaining and enhancing the quality standards of Ceylon Tea in global markets. As an integral part of SLTB's quality assurance framework, the laboratory conducts extensive chemical and microbiological analyses of tea samples from both domestic production and export consignments. The laboratory's commitment to excellence is reflected in its ISO / IEC 17025:2017 accreditation, which it has maintained since 2013, positioning it as a trusted authority in tea quality assessment within the international tea trade.

2.5.1. Structure of the Laboratory

The Analytical Laboratory comprises three specialized testing units, supported by a dedicated Quality Assurance Unit:

a). Chemical Analysis Unit

Conducts tests to determine the chemical composition of tea, including moisture content, polyphenols, caffeine levels, and other key quality indicators.

b). Microbiological Analysis Unit

Performs microbiological assessments to detect potential contaminants such as bacteria, yeast, and mold.

c). Pesticide Residue Analysis Unit

Tests for pesticide residues to ensure compliance with international food safety regulations.

d). Quality Assurance Unit

The Quality Assurance Unit oversees compliance with ISO/IEC 17025:2017, ensuring that laboratory practices meet international accreditation requirements. Additionally, the unit coordinates inter-laboratory proficiency testing to benchmark performance and enhance reliability. It also manages quality management system documentation, ensuring consistency and adherence to established protocols.

2.5.2. Functions of the Laboratory

i). Regulatory Support

The laboratory provides essential support to Sri Lanka's tea industry by ensuring compliance with national and international food safety regulations. This includes;

- ✓ Conducting thorough analyses for pesticide residues and other contaminants to guarantee consumer safety.
- ✓ Assisting the Tea Commissioner's Division in regulatory enforcement & decision - making through timely testing services.
- ✓ Ensuring that black and green tea comply with ISO standards & SLTB's Minimum Quality Requirements, safeguarding the reputation of Ceylon Tea in global markets.

ii). Analytical Services for Stakeholders

SLTB's Analytical Laboratory offers comprehensive testing services to tea producers, exporters, and other industry stakeholders. Services include:

- ✓ Detailed chemical composition analysis, including polyphenol content and antioxidant levels, which influence tea quality.
- ✓ Microbiological testing to detect contaminants that could affect tea safety.
- ✓ Pesticide residue analysis to confirm compliance with stringent international regulations.

iii). Research and Development Support

The laboratory actively engages in research to improve analytical methodologies and develop new testing protocols. Collaboration with Sri Lanka Tea Research Institute and continuous updates to testing methods help align Sri Lankan tea quality assessments with evolving global standards. Additionally, the laboratory provides support to university students conducting academic research related to tea science.

iv). Certification and Documentation

SLTB's Analytical Laboratory issues internationally recognized test reports and certificates of analysis, which are critical for export documentation. These certifications facilitate seamless trade operations, ensuring that Ceylon Tea meets global quality expectations.

v). Technical Training and Expertise

As a center of excellence, the laboratory provides Industrial training opportunities for university students, offering hands-on experience in advanced laboratory practices.

Through its rigorous testing protocols, adherence to international standards, and commitment to innovation, the SLTB Analytical Laboratory plays a crucial role in preserving the legacy of Ceylon Tea as the world's finest tea.

2.5.3. Laboratory Performance and Enhancements during year 2024**a). Chemical Analysis Unit**

The Chemical Analysis Unit has recently expanded its testing capabilities by introducing new analytical methods and upgrading laboratory equipment. The following test methods have been introduced:

- **Determination of Polyphenols in Tea (ISO 14502-1:2005)** – This test provides valuable insights into the antioxidant properties of tea, contributing to quality assessment and health benefits.
- **Determination of Theanine in Tea (ISO 19563:2016)** - Theanine is a key amino acid influencing the taste and relaxing properties of tea. This test supports quality differentiation and product development.
- **Determination of Polyphenols in Tea (ISO 14502-1:2005)** - The method has successfully obtained ISO/IEC 17025:2017 accreditation, further strengthening the credibility of the laboratory's analytical services.

To support these expanded capabilities, the unit has acquired modern analytical instruments, including:

- **Agilent HPLC System**
(quaternary pump, degasser, auto sampler, column compartment, high-end computer, and software for existing detectors including DAD, ELSD, and IR). This system enables high-precision separation and quantification of tea compounds, improving testing accuracy and efficiency.
- **UV-VIS Spectrophotometer**
Essential for spectroscopic analysis, this instrument enhances the accuracy of polyphenol and colorimetric tests, contributing to better quality evaluation.
- **Semi-automated Crude Fiber Analyzer**
Facilitates accurate determination of crude fiber in tea, an important parameter in tea grading and classification.

b). Microbiological Analysis Unit

The Microbiological Analysis Unit continues to perform critical assessments for ensuring tea safety. Ensuring microbial quality is essential for both consumer safety and regulatory compliance in international markets. The unit employs advanced microbiological testing techniques to safeguard the reputation of Ceylon Tea.

To facilitate more efficient and reliable microbiological testing, the unit has acquired new instruments:

- **Hot Plate**
Enhances laboratory processes requiring controlled heating, improving sample preparation for microbiological analysis.
- **Autoclave**
A critical addition for sterilization of media and laboratory instruments, ensuring contamination-free testing environments.
- **Precision Balance**
Improves measurement accuracy for sample preparations, enhancing overall testing precision and consistency.

c). Pesticide Residue Analysis Unit

The Pesticide Residue Analysis Unit plays a vital role in ensuring that Sri Lankan tea meets stringent international food safety regulations. The unit has introduced new test methods to expand its pesticide screening capabilities, ensuring that tea exports comply with international maximum residue limits (MRLs). The introduction of these new methods enhances the laboratory's ability to detect a broader range of pesticide residues, thereby strengthening regulatory compliance and consumer trust.

- Determination of Caffeine & Catechins (+C, EC, EGC, ECG, and EGCG) in Green Tea (ISO 14502-2:2005)**
 This test allows precise measurement of key catechins and caffeine levels, which are crucial for quality control and health-related attributes of green tea.
- Determination of Glyphosate by LC-MS/MS**
 This test enhances the detection of glyphosate, a widely monitored herbicide, ensuring compliance with global residue limits and food safety standards. The implementation of new testing methods and state-of-the-art instruments significantly enhances the laboratory's efficiency, accuracy, and scope of analysis. The accreditation of the Polyphenol Determination test method further establishes the laboratory as a reliable authority in tea quality assurance. The improved analytical capabilities support Sri Lanka's tea industry by offering comprehensive quality assessment services that meet international standards. Through these enhancements, the SLTB Analytical Laboratory remains committed to maintaining the highest standards in tea quality assurance, scientific excellence, and global competitiveness.

2.5.4. Summary of Annual tests performed by the Analytical Laboratory

Table 2.5.1: Summary of tests performed by the Analytical Laboratory

Name of the Test	2023	2024
Chemical Analysis Unit		
Determination of Moisture in tea	327	832
Determination of Water Extract in tea	176	282
Determination of Total Ash in Tea	175	293
Determination of Water Soluble Ash in tea	174	282
Determination of Acid In-Soluble Ash in tea	174	282
Determination of Alkalinity of Water Soluble Ash in tea	176	284
Determination of Crude Fibre in tea	190	452
Grade identification tests/ Sieve Analysis	41	37
Basic Radiation Determination tests	242	204
Determination of Total Polyphenol Analysis in Tea	-	36
Microbiological Analysis Unit		
Determination of Total Plate Count	198	412
Determination of Yeast and Mould Count	204	417
Detection and Enumeration of Faecal Coliform & Escherichia coli (E.coli)	198	421
Detection and Enumeration of Total Coliform	198	423
Microscopical examination for dead or live insects and other Impurities/foreign matter in tea	37	32
Determination of Genetically Modified Organisms (GMO) in tea	113	149
Pesticide Residue Analysis Unit		
Sugar Analysis using HPLC RI Detector	1810(5430) ^a	1873(5619) ^a
Diuron Residue Analysis using LCMS/MS	354	421
MCPA & 2,4 D Residue Analysis using LCMS/MS	354	416
Multi Residual Analysis (Acephate, Imidacloprid, Dimethoate, Methidathion, Triazophos, Fipronil, Quinalphos, Propiconazole & Profenofos) using LCMS/MS	434(3906) ^b	963(8667) ^b
Glyphosate Residue Analysis	-	230
Total	5,573	8,741

Source : Sri Lanka Tea Board

The Analytical Laboratory of the Sri Lanka Tea Board conducted a substantial number of tests during the year, reflecting its ongoing commitment to ensuring the highest standards of tea quality and safety.

^a in 2023 number of test were calculated multiplying the number of samples by 3 since 3 compounds were testing using same test method.

^b in 2023 number of test were calculated multiplying the number of samples by 9 since 9 compounds were testing using same test method.

2.6. ADMINISTRATION DIVISION

Administration Division of SLTB is responsible for formulation, implementation, monitoring and evaluation of all Human Resources Management and Human Resources Development activities, Legal activities, Managing and Maintenance of SLTB Library, Procurement activities, Security and Transport activities of the Board.

Table 2.6.1: Staff Strength of SLTB as at 31st December 2024

Category	Male	Female	Total
Senior Level	02	02	4
Tertiary Level	18	13	31
Secondary Level	56	96	152
Primary Level	55	07	62
Total			249

Source:Sri Lanka Tea Board

Table 2.6.2: Human Resource Turnover for the year 2024

Details	No of Staff
Resignations	16
Retirements	05
Terminations	01
Vacation of Post	01
Total	23

Source:Sri Lanka Tea Board

Table 2.6.3: Human Resource Development Local Training (Individual)

Category	No of Employees Trained
Senior Level	07
Tertiary Level	40
Secondary Level	60
Primary Level	00
Total	107

Source:Sri Lanka Tea Board

2.6.1. In-House Training Programs

08 In-house programs were conducted for Executive Staff, Field staff and Management Assistant staff of Sri Lanka Tea Board during the year 2024. The objective was to empower the, Executive Staff, Field staff and Management Assistant staff in technically and provide an effective service to the Tea Industry in challenging environment.

Table 2.6.4: Training Summary

Level of Employees	No of In house trainings
HM, MM & JM Levels	47
MA(TEC) – Tea Inspectors/Instructors	40
MA(Non Tec) – Management Assistants	20

Source: Sri Lanka Tea Board

2.6.2. Local Development Opportunities - Academic (Individual)

As per the Training Policy of Sri Lanka Tea Board, reimbursed for 04 Officers who has completed higher education in the relevant subject area.

Table 2.6.5: Foreign Training (Individual)

Category	No of Employees Trained
Senior Level	00
Tertiary Level	08
Secondary Level	02
Primary Level	00
Total	10

Source: Sri Lanka Tea Board

2.7. INTERNAL AUDIT UNIT

Purpose of the Internal Audit Division is to enable the internal audit functions effectively to allocate its Financial, Administrative and Human Resources to meet the expectations of the key stakeholders such as Government of Sri Lanka Tea Factory Owners, Tea Estate Owners, tea sector workers and public of Sri Lanka.

The Audit Division has made significant strides in improving efficiency, accuracy, and compliance through the year 2024. Despite challenges, the division remains committed to enhancing its capabilities through technological integration, talent development, and proactive risk management. Moving forward, a concerted effort will be made to build upon these achievements and further strengthen the division's contribution to achieve organizational objectives and success.

Audit Committee met three times during the year under review and respective Heads of Divisions / Officers attended the meetings of the Committee by invitation on need basis. Recommendation were made to the Board of Directors along with the Minutes & followed-up to ensure that appropriate corrective action is taken.

2.8. INFORMATION TECHNOLOGY UNIT

The Information Technology division of the Sri Lanka Tea Board plays a pivotal role as a support division, continually striving to integrate cutting-edge technologies with the aim of streamlining processes and maximizing overall efficiency. Our current strategic priorities encompass the development and implementation of advanced systems, coupled with the fortification of both physical and virtual security protocols within the organizational framework. This multi-faceted approach ensures the confidentiality, integrity, and availability of sensitive data, while simultaneously enabling the seamless operation of critical business functions. By proactively embracing technological advancements and upholding robust security measures, the IT division is committed to fostering an environment of innovation and operational excellence within the Sri Lanka Tea Board.

i. Expansion of CCTV Infrastructure

This expansion will ensure comprehensive surveillance, providing real-time monitoring activities throughout the premises. A total of 11 CCTV cameras were installed at both internal and external premises at SLTB. It is expected to cover whole building & surrounding area of SLTB head office premises.

By increasing the number of cameras, the SLTB can improve oversight of both internal and external areas, preventing unauthorized access, theft, and ensuring the safety of employees and assets.

ii. Strengthening Firewall and Cybersecurity

As cyber threats continue to evolve and become more sophisticated, it is imperative to prioritize the strengthening of the SLTB's firewall and overall cybersecurity systems. Resolving any existing vulnerabilities should be a top priority, ensuring that the network and sensitive data are protected against cyber-attacks. Continuous monitoring of network traffic for suspicious activity will ensure a vigilant IT team that can recognize and prevent phishing attempts, malware, and other common security threats.

iii. Enhancing the TVCM System

IT staff collaborated extensively with the vendor throughout 2024 to complete TVCMS. This resulted in the project reaching 80% completion, including user acceptance testing for all processors across three iterations. This involves identifying and resolving any existing loopholes or inefficiencies in the system, ensuring that it provides seamless communication across various channels. SLTB management is willing to complete the total system by next year to optimize communication processes, improve decision-making, and enhance collaboration among stakeholders in the Tea industry.

3. INDUSTRY OVERVIEW

Sri Lanka's tea industry witnessed a considerable surge in 2024, with production reaching 262 million kilos, reflecting the country's sustained momentum toward economic recovery bolstered by positive developments throughout the year. Sri Lankan economy fell in to the severe economic crisis since late 2019 and economic indicators, market demand & supply, Exchange rates, foreign exchange earnings, Inflation, GDP Growth rates and internal political situations were behaved unfavorably.

However, with the dawn of 2024, a remarkable transformation unfolded - challenges began to ease, uncertainties faded, and a wave of optimism swept through nearly every aspect of life.

In particular, the tea industry experienced significant growth, driven by rising global demand, strategic export initiatives and increased investment in value - added products and sustainable production. Tea production in 2024 reported as 262 Mnkg, which was an increase of 6Mnkg compared to the 2023. Orthodox tea remained the dominant category of Ceylon tea, with production reaching 236 Mn.kg in 2024, up from 231 Mn.kg during the corresponding period in 2023. In 2024, CTC production demonstrated a notable growth of 5% compared to a previous year. On the other hand, green tea production recorded a marginal decrease of 1% in 2024.

In 2024, tea sales volumes at the local auction recorded a 4% growth compared to 2023, reflecting a positive trend in market demand. Additionally, the average sale price per kilogram increased by Rs 66, highlighting a rise in market value. Within the local sales, the price per kilogram was recorded at US\$ 4, contributing to total sales earnings (Including Public Private Direct) of US\$ 978 million (Rs 295 billion).

During the year total tea exports amounted to 246 million kilograms, compared to 242 million kilograms in 2023. Moreover, export receipts for the period from January to December 2024 reached Rs 433 billion, up from Rs 428 billion during the corresponding period in 2023. Export earnings in US dollars increased from USD 1.3 billion in 2023 to USD 1.4 billion in 2024, reflecting a 10% growth in US dollar earnings from Ceylon tea exports. Meanwhile, the average FOB price recorded in 2024 was Rs 1,764 per kilogram, slightly down from Rs 1,770 per kilogram in 2023.

Market diversification, driven by initiatives from stakeholders in both the public and private sectors, contributed to the expansion of export markets.

During the review period, Iraq emerged as the leading export destination for Ceylon tea, importing 34 Mn.kg, which accounted for 14% of the total export volume. Other key export destinations among the top five included Russia (25 Mn.kg), UAE (21 Mn.kg), Turkey (18 Mn Kg), and China (12 Mn Kg). Collectively, these top five markets contributed to 45% of total tea exports.

Considering the current market conditions and production-related factors, there is a positive outlook for the future of the tea industry. The ongoing diversification of export markets, alongside the growth in key regions, indicates that the industry is adapting well to global demand shifts. This progress is further supported by increased investments in production efficiency and quality, positioning the industry for sustained growth. With expanding opportunities in emerging markets and a solid foundation in established regions, the tea industry is poised for resilience and continued success in the years ahead.

3.1. DISTRIBUTION OF TEA LANDS

The Total Extent of cultivation in Sri Lanka is 269,875 Hec. (provisional) at present. The breakdown of tea lands along with their management criteria is private (74%) and state sector (26%). Tea cultivation is distributed within few districts in the country mainly in wet zone areas due to the suitable climate conditions for tea cultivation.

3.2. TEA PRODUCTION

Sri Lankan teas are being categorized into three based on the elevations where it grow and produced. Low country teas are produced up to 600m above mean sea level has a blackish appearance, strong cup color and taste which contributes more than two third (61% in 2024) of the national production.

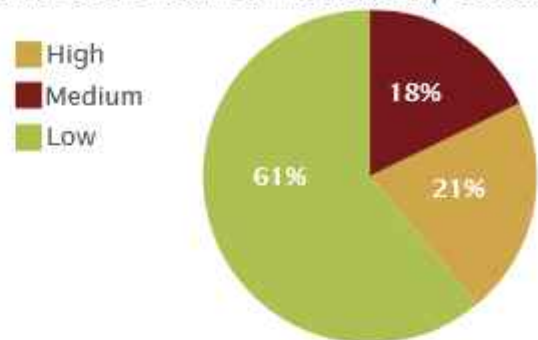
Teas produced over 1200m elevations are identified as high grown teas, considered as superior in quality gives unique taste with aroma. During the year 2024, high and medium elevation contribution for the national production was 21% and 18% respectively. Also Low Elevation contributed more than two third (61%) of national tea production.

Table 3.2.1: Total Tea Production by Elevation

Elevation	Qty kg
High	55,721,413
Medium	47,621,684
Low	158,816,178
Total	262,159,275

Source: Sri Lanka Tea Board

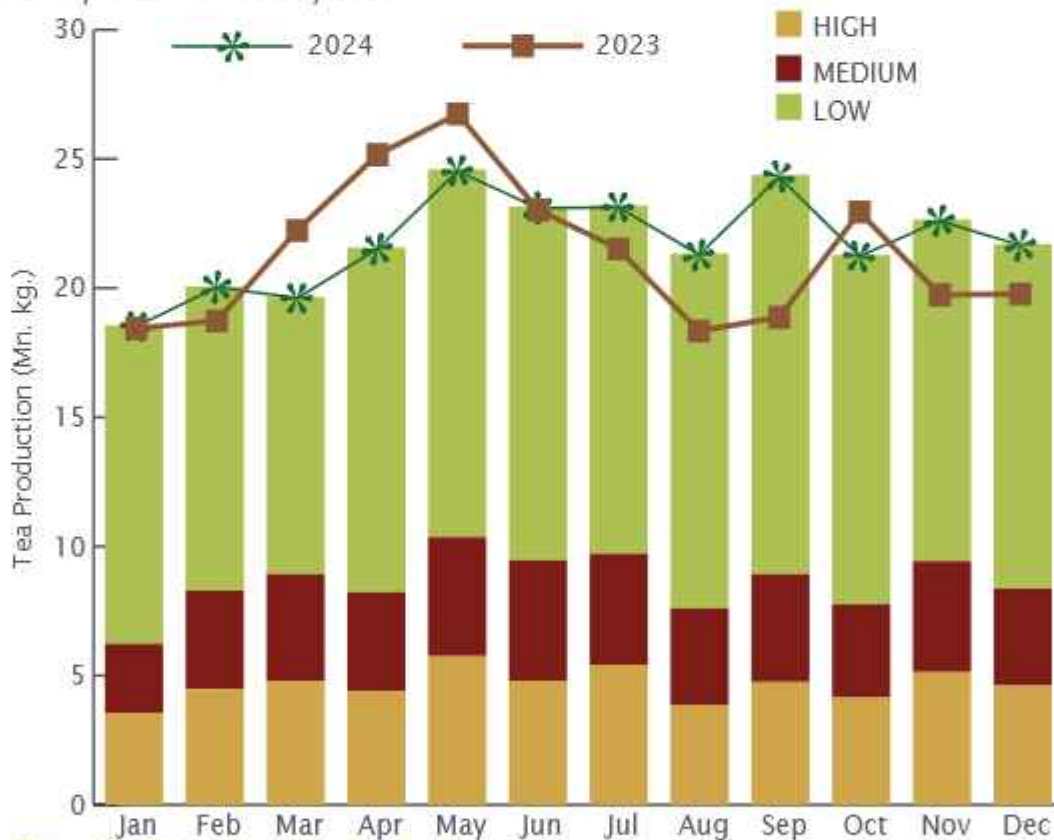
Chart 3.2.1: Total Tea Production by elevation



3.2.1. Monthly Tea Production

Throughout the year low grown production provided the major contribution to the national tea production. During 2024, the highest monthly tea production of 24 Mn. kg was recorded in the May and the lowest of 18 Mn. kg was recorded in January.

Chart 3.2.2: Monthly Tea Production by elevation



3.2.2. Agro Climatic District wise Analysis

The highest agro climatic district wise production of 40 Mn. kg was recorded from Rathnapura and the 2nd highest production of 37.7 Mn. kg was recorded from Galle.

Low grown has produced 148.3 Mn. kg during the year under review and it was 5.3 Mn.kg (3.7 %) above which was produced during the year 2023.

Table 3.2.2: Agro - Climatic District - wise Tea Production

Agro Climatic District	2024 Vs 2023			
	2024 (kg.)	2023 (kg.)	Change (kg.)	%
NuwaraEliya	3,040,493	3,269,242	(228,749)	(7.00)
Western				
Ramboda	1,765,961	1,930,540	(164,580)	(8.53)
Pundaluoya	4,522,591	4,288,813	233,778	5.45
Agarapathana	4,484,678	4,777,802	(293,124)	(6.14)
Nanuoya/Lindula/Talawakale	6,938,484	7,834,229	(895,745)	(11.43)
Patana/Kotagala	3,081,257	3,240,289	(159,033)	(4.91)
Hatton/Dickoya	6,479,885	6,633,112	(153,227)	(2.31)
Bogawantalawa	5,274,776	5,140,111	134,665	2.62
Upcot/Maskeliya	5,564,102	5,095,745	468,357	9.19
Total -Western	38,111,734	38,940,641	(828,909)	(2.13)
Medium				
Watawala/Ginigat/Notron Bridge	312,493	1,186,120	(873,627)	(73.65)
Pussellawa/Hewaheta	4,631,399	4,818,780	(187,381)	(3.89)
Kotmale	2,245,294	692,560	1,552,734	224.20
Gampola/Nawalapitiya/Dolosbage	17,646,480	17,147,414	499,066	2.91
Nilambe/Hantane/Galaha	1,983,125	1,564,196	418,929	26.78
Kadugannawa	3,261,348	4,513,099	(1,251,751)	(27.74)
Madulkelle/Knuckles/Rangala	2,234,136	2,895,633	(661,497)	(22.84)
Hunasgiriya/Matale/Yakdessa	1,270,863	1,061,677	209,186	19.70
Balangoda/Rakwana	7,399,452	6,611,832	787,620	11.91
Total -Medium	40,984,590	40,491,311	493,279	1.22
UdaPussellawa				
Udapussellawa/Halgranoy	3,344,888	3,715,557	(370,669)	(9.98)
Maturata	2,057,181	1,837,490	219,691	11.96
Total-UdaPussellawa	5,402,069	5,553,047	(150,978)	(2.72)
UVAS				
Koslanda/Haldumulla	773,649	698,485	75,164	10.76
Haputale	3,520,313	3,628,187	(107,874)	(2.97)
Bandarawela/Poonagalla	3,200,315	2,650,201	550,114	20.76
Malwatte/Welimada	2,768,767	2,443,630	325,137	13.31
Demodara/Haliella/Badulla	9,419,421	8,555,920	863,501	10.09
Ella / Namunukula	921,723	1,229,201	(307,479)	(25.01)
Passara/Lunugalla	3,346,667	3,287,497	59,170	1.80
Madulima	2,380,778	2,376,987	3,791	0.16
Total-Uvas	26,331,633	24,870,108	1,461,524	5.88
Low Grown				
Deniyaya	12,129,912	11,167,936	961,976	8.61
Galle	37,736,286	38,723,674	(987,388)	(2.55)
Kalutara	16,621,092	16,566,484	54,608	0.33
Kegalle	5,840,090	5,494,282	345,808	6.29
KelaniVelli	6,744,987	6,881,943	(136,956)	(1.99)
Kandy/Matale/Kurunegala	4,909,469	2,608,096	2,301,373	88.24
Matara	11,397,360	12,037,196	(639,836)	(5.32)
Morawake	5,142,127	5,763,878	(621,751)	(10.79)
Ratnapura	44,054,753	40,078,843	3,975,910	9.92
Balangoda	3,712,681	3,641,972	70,709	1.94
Total Low Grown	148,288,757	142,964,304	5,324,453	3.72
Total	262,159,276	256,088,653	6,070,623	2.37

*Provisional/ Source: Sri Lanka Tea Board

3.2.3. District wise Tea Production

During the year under review, the highest production of high grown was recorded for Nuwara Eliya followed by Badulla. For the low grown area, Rathnapura district recorded the highest production followed by Galle. Both districts were contributed to the national tea production by 21% & 14% respectively. Considering all three elevations, the highest production was recorded from Rathnapura District while the lowest from Monaragala districts.

Table 3.2.3: District wise Tea Production (in kgs)

Admin District	High	Medium	Low	Total
Badulla	12,884,346	14,112,789	-	26,997,135
Colombo	-	-	1,334,650	1,334,650
Galle	-	-	37,230,683	37,230,683
Hambantota	-	-	179,576	179,576
Kalutara	-	-	15,765,199	15,765,199
Kandy	-	22,287,534	8,135,180	30,422,714
Kegalle	-	167,370	10,859,164	11,026,534
Matale	-	687,880	389,044	1,076,924
Matara	-	-	29,213,758	29,213,758
Monaragala	-	188	-	188
Nuwara Eliya	42,837,068	8,632,288	1,674,185	53,143,541
Ratnapura	-	1,733,634	54,034,739	55,768,373
Total	55,721,414	47,621,683	158,816,178	262,159,275

Source: Sri Lanka Tea Board

3.2.4. Production Analysis by Green Leaf Collection Method

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

Table 3.2.4: District wise Green Leaf Production based on leaf collection method (in kgs)

Administrative District	Own Leaf	Bought Leaf	Total Annual Green Leaf Production
Badulla	72,144,302	53,392,374	125,536,677
Colombo	-	6,206,123	6,206,123
Galle	2,564,609	170,558,068	173,122,676
Hambantota	-	835,028	835,028
Kalutara	1,179,659	72,128,517	73,308,176
Kandy	25,007,153	116,458,467	141,465,620
Kegalle	3,933,821	47,339,560	51,273,381
Matale	689,134	4,318,562	5,007,696
Matara	6,707,324	129,136,653	135,843,977
Monaragala	358	516	874
Nuwara Eliya	190,175,339	56,942,127	247,117,466
Ratnapura	20,346,280	238,976,656	259,322,936
Total	322,747,979	896,292,651	1,219,040,630

Source: Sri Lanka Tea Board

3.2.5. Production Analysis by Processing Method

3.2.5.1. Black Tea and Green Tea Production

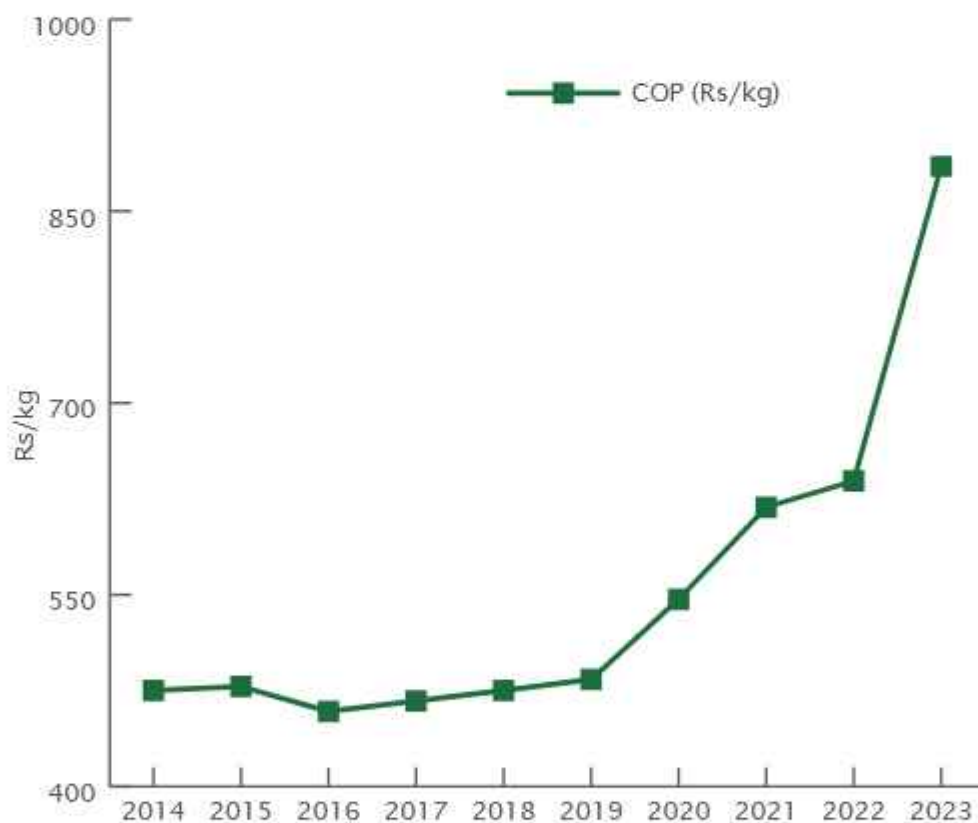
During the year 2024 Orthodox Tea production recorded an increase of 2% while CTC recorded 5%. During the year under review, overall Black tea production has increased by 6,071 kg (2.4%). Meanwhile Green tea production showed 1% decrease when compared to previous year instant tea and bio tea production.

3.2.6. Cost of Production of Made Tea.

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

The cost of production per kilogram of made tea has rapidly increased during the last decade. Increase in labor cost and higher prices of inputs had specially affected the production cost. The annual cost of tea production, compiled by the Department of Census and Statistics for 2022/2023, was Rs.885.00 per kg which is an increase of 38% against 2021/2022.

Chart 3.2.3: Total cost per kg of made tea



*Provisional/ Source : Dept. Of Censuses & Statistics

3.3. TEA SALES

When compared the net sales averages recorded in the tea auctions, annual to-date average in 2024 was Rs.1,225.17 per kg (minimum Rs.1,137 per kg, maximum Rs. 1,307.37 per kg) which is an increase of Rs.66 per kg when compared to the previous year annual average of Rs.1,159.26 per kg.

The highest sale average was recorded from the low grown of Rs.1,304 per kg. Annual sales quantity of 261 Mn. kg of tea was sold in 2024 against 255 Mn. kg in 2023 which recorded 5.8 Mn. kg increase (2.2%) for the year under review, including Public, Private and Direct sales.

During the month of February 2024, the highest selling average price recorded as Rs.1,307 perkg while the highest sales volume recorded as 26 Mn. kg in January 2024. During the reviewed year every months recorded the average selling price of tea kilo above Rs.1,100.

3.3.1 Mode of Sales

Public auction is the main mode of sales of tea manufactured in factories. A quantity of 249.5 Mn. kg was sold under the Colombo Tea Auction in 2024. Private sales accounted for 10.6 Mn. kg and the rest about 0.5 Mn kg sold through direct sales.

3.3.2. The Colombo Tea Auction

The Colombo Tea Auction conducted by Ceylon Chamber of Commerce under Colombo Tea Traders Association and during the 2024 they were handled 51 auctions. The public auction recorded an increase of 4.5 Mn. Kg (1.8%) while average price reported Rs.1,231.73 per kg at the Colombo Tea Auction during 2024. It was a 6% price increase compared to last year.

3.3.3. Elevation - wise Sales

Among all three elevations , high grown tea recorded 2% decrease of sales volume compared to 2023 while both medium & low grown recorded marginal increase of 7% & 2% respectively. All sales volume represented a marginal increase of 2% and composite national average increased by 6 % when compared to last year. Average prices of all three elevation recorded an increase compared to 2023.

Table 3.3.1: Elevation-wise Tea Sales

Elevation	2024	2023	Change	%	2024	2023	Change	%
	Sales Volume in Mn. Kgs				Gross Unit Price (Rs./kg.)			
High Grown	56.47	57.54	(1.07)	(2.00)	1,141.63	1,058.29	83.34	7.87
Medium Grown	47.64	44.37	3.27	7.00	1,064.48	998.56	65.92	6.60
Low Grown	156.53	152.94	3.59	2.00	1,304.38	1,243.92	60.46	4.86
All Sales	260.70	254.87	5.82	2.00	1,225.16	1,159.26	65.91	5.69

Source: Sale report-All sale Elevation wise - SLTB

3.4. TEA EXPORTS

Total tea exports (with Re exports) for the review year were 246Mn kg recording an increase of 4 Mn. kg vis-a-vis 242 Mn. kg recorded for the year 2023 .The export earnings of Rs 433 Bn recorded a growth of Rs. 5 Bn vis-a-vis Rs.428 Bn recorded at the end of 2024.The average annual unit FOB price was Rs.1, 764 per kilogram in 2024 and comparatively it was recorded as Rs.1,770 per kilograms in previous year by reflecting a decrease of Rs 6.

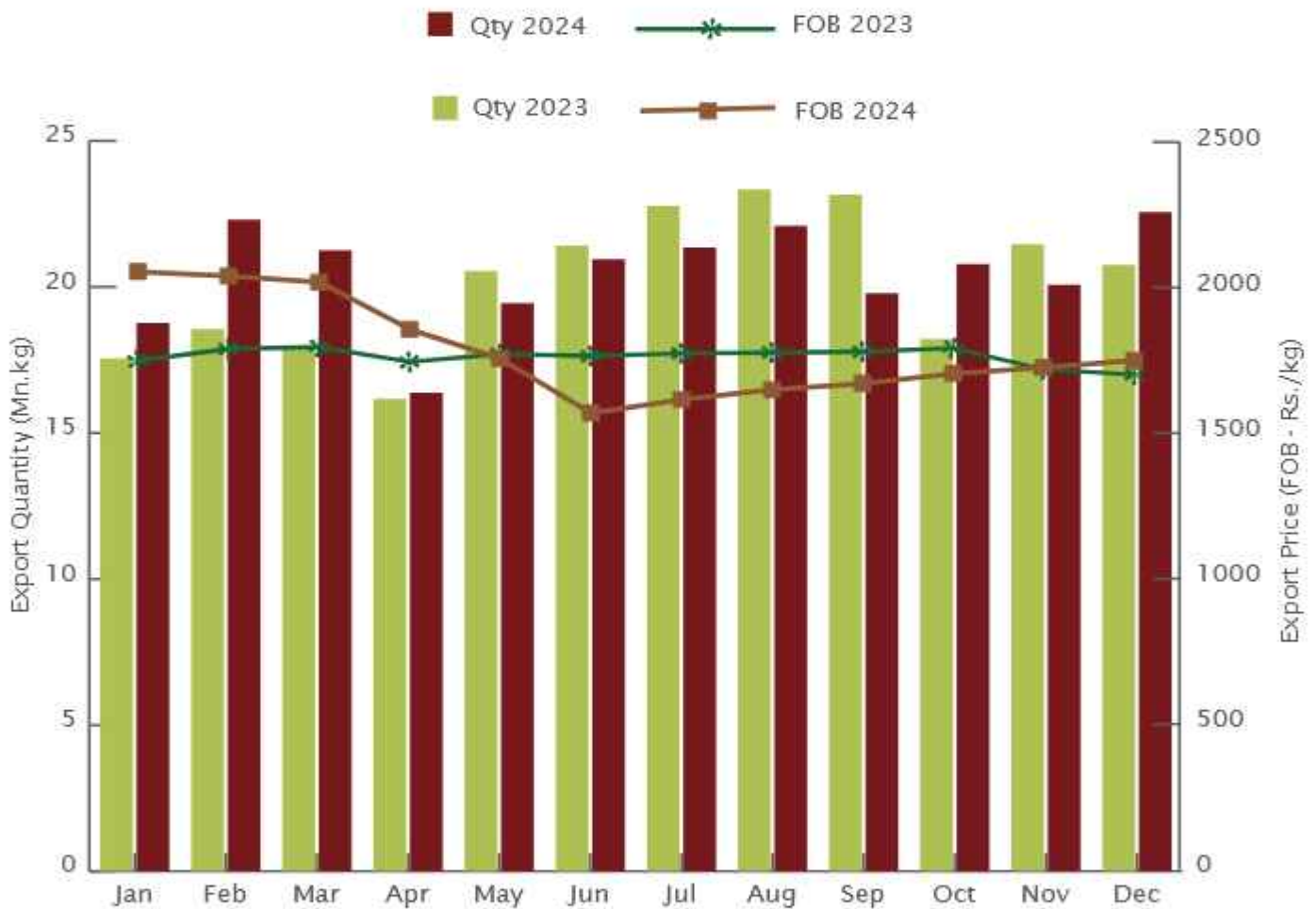
3.4.1. Tea Export analysis according to Categories

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

In 2024 total tea exports including re-exports in different categories of Black & Green tea showed an increase of its volume by 2% & 4% respectively. Nevertheless annual instant tea volume recorded 6% decrease when compare to 2023. However rupee earnings from Ceylon tea exports increased from Rs.Bn in 2023 to 433 Rs.Bn in the review year. Yearly black tea export percentage remains approx. 97%, green tea percentage is around 2% and instant teas remains at approx. 1% as a percentage of total tea exports.

Total export volume (with re export) showed 2% increase with 4 Mn. kg volume change compared to previous year. However separately export showed 0.4 % volume de growth and re-exports showed 47% volume increase respectively. Furthermore, exports earnings in rupees decreased by 1% & re-export values increased by 37%. However, cumulative exports earnings were ended up with US\$ 1,435.8 Million in 2024 relating to the US\$ 1,309.8 Million in 2023 accomplished a 10% increase.

Chart 3.4.1: Monthly Total tea exports 2024- Volume in Mn. kgs & Unit Value Rs/kg



Source: Custom Data

3.4.2. Annual Tea Exports -2024

A detailed illustration on category wise annual tea exports for the review year is given below with volume, value and FOB prices.

Table 3.4.1: Annual tea exports – 2024

Category	Qty (kg)	Value (Rs.)	Value (USD)	FOB Rs./kg	FOB US\$/kg
Export					
Black					
Bags	19,065,972	56,673,515,346	187,850,164	2,972.50	9.85
Packets (4g-1kg)	71,275,095	123,618,239,908	410,032,445	1,734.38	5.75
Packets (1kg-3kg)	2,218,335	4,070,528,779	13,500,496	1,834.95	6.09
Packets (3kg-5kg)	8,516,676	14,305,437,811	47,375,020	1,679.70	5.56
Packets (5kg-10kg)	17,735,957	23,867,986,294	78,726,556	1,345.74	4.44
Bulk	108,660,243	164,545,011,922	544,431,521	1,514.31	5.01
Black Total	227,472,278	387,080,720,060	1,281,916,202	1,701.66	5.64
Green					
Bags	849,615	4,553,038,719	15,086,025	5,358.94	17.76
Packets (4g-1kg)	751,195	2,308,813,705	7,650,716	3,073.52	10.18
Packets (1kg-3kg)	7,250	19,486,147	64,383	2,687.85	8.88
Packets (3kg-5kg)	3,976	15,139,187	50,153	3,807.85	12.61
Packets (5kg-10kg)	13,910	44,784,831	148,924	3,219.61	10.71
Bulk	412,514	684,711,805	2,265,162	1,659.85	5.49
Green Total	2,038,460	7,625,974,394	25,265,363	3,741.05	12.39
Instant					
Bags	675	5,022,363	16,834	7,440.54	24.94
Packets (4g-1kg)	75	564,215	1,874	7,522.87	24.98
Packets (>3kg)	910,219	2,623,076,519	8,533,816	2,881.81	9.38
Instant Total	910,969	2,628,663,097	8,552,524	2,885.57	9.39
Export Total	230,421,707	397,335,357,551	1,315,734,089	1,724.38	5.71
Re Export					
Black					
Bags	6,518,452	13,730,787,686	45,545,579	2,106.45	6.99
Packets (4g-1kg)	1,936,759	3,066,231,919	10,252,810	1,583.18	5.29
Packets (1kg-3kg)	55,028	84,965,431	280,772	1,544.05	5.10
Packets (3kg-5kg)	494	4,467,406	15,134	9,036.02	30.61
Packets (5kg-10kg)	79,810	132,347,489	441,782	1,658.28	5.54
Bulk	2,414,351	2,907,248,230	9,706,801	1,204.15	4.02
Black Total	11,004,894	19,926,048,161	66,242,878	1,810.65	6.02
Green					
Bags	1,372,134	8,037,325,621	26,660,261	5,857.54	19.43
Packets (4g-1kg)	680,906	1,614,209,009	5,367,879	2,370.68	7.88
Packets (1kg-3kg)	20,326	23,199,083	78,461	1,141.36	3.86
Packets (3kg-5kg)	255,574	559,966,871	1,858,775	2,191.01	7.27
Packets (5kg-10kg)	50,630	90,596,690	303,626	1,789.38	6.00
Bulk	269,110	322,184,647	1,063,007	1,197.23	3.95
Green Total	2,648,680	10,647,481,921	35,332,009	4,019.92	13.34
Instant					
Packets (4g-1kg)	636	1,604,076	5,322	2,522.13	8.37
Packets (1kg-3kg)	1,110	3,302,125	11,243	2,974.89	10.13
Packets (>3kg)	1,710,850	5,559,554,242	18,538,425	3,249.59	10.84
Instant Total	1,712,596	5,564,460,443	18,554,990	3,249.14	10.83
Re Export Total	15,366,170	36,137,990,525	120,129,877	2,351.79	7.82
Grand Total	245,787,877	433,473,348,076	1,435,863,966	1,763.61	5.84

Source: Custom Data

3.4.3. Value added Tea Exports

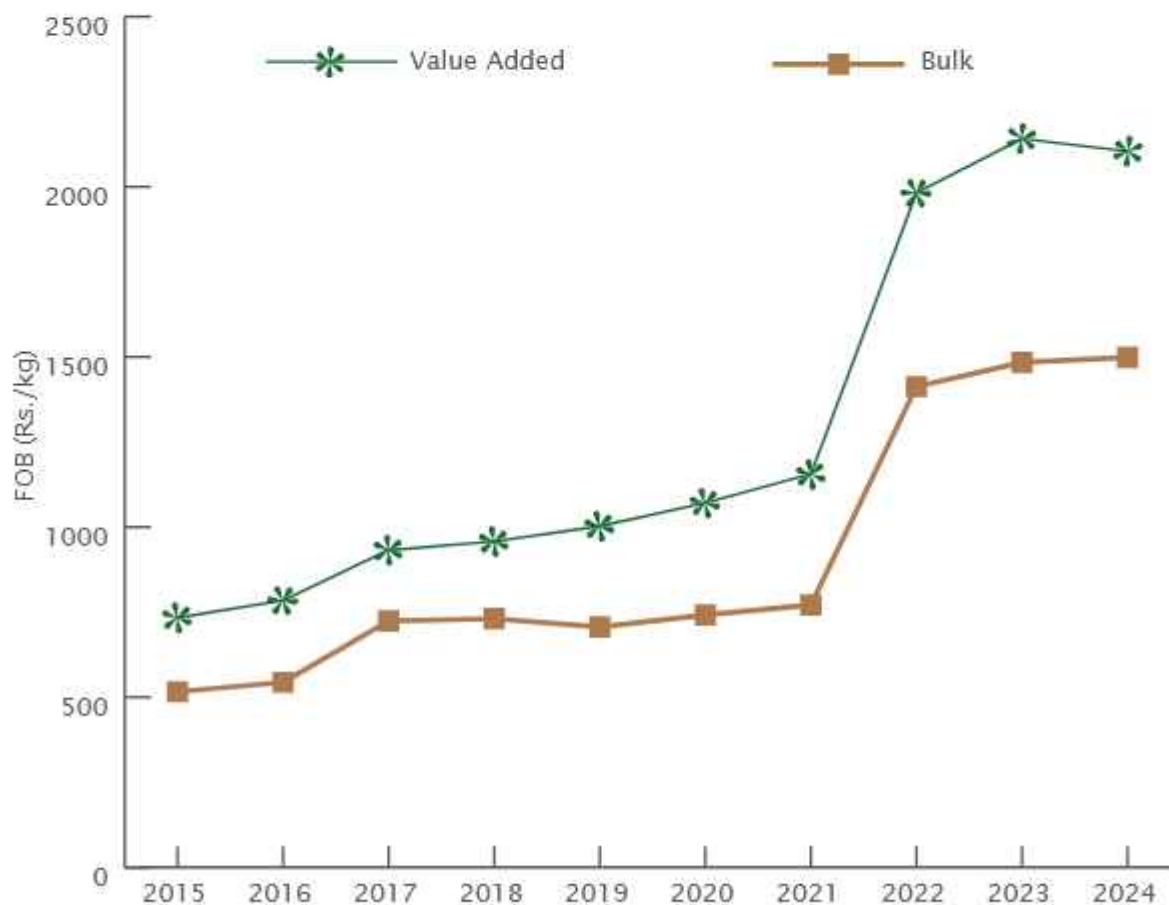
The global preferences are rapidly changing into value added tea categories. Tea Exports less than 3 kg in form of tea packets, tea bags and instant teas are considered as value added Tea Exports. Exports of value added tea volume recorded a share of 44% of the total export volume for the year 2024 and it generated Rs.226 Bn export income remarking the value share of 52%.

Table 3.4.2: Annual Value Added tea exports - 2024

Export type		Quantity (kg)	Value (Rs.)	FOB (Rs./kg)
Export	Black	92,559,402	184,362,284,033	1,991.83
	Green	1,608,060	6,881,338,571	4,279.28
	Instant	910,969	2,628,663,097	2,885.57
	Sub Total	95,078,431	193,872,285,701	2,039.08
Re-Export	Black	8,510,238	16,881,985,036	1,983.73
	Green	2,073,366	9,674,733,713	4,666.20
	Instant	1,712,596	5,564,460,443	3,249.14
	Sub Total	12,296,200	32,121,179,192	2,612.28
Total		107,374,631	225,993,464,893	2,104.72

FOB price for the value added tea shows higher price than Bulk tea prices. Further, promotions on value added tea exports will positively contribute to the export income than bulk tea exports.

Chart 3.4.2: FOB for value added exports & bulk tea exports 2015-2024



Source: Custom Data

3.4.4. Main Destinations of Sri Lanka Tea Exports

Sri Lanka's tea exports increased by 2% (5 Mn. kg) in 2024, with total tea exports reaching 246 Mn. kg, up from 241 Mn. kg in 2023. In 2024, tea is exported to a total of 147 countries worldwide. Below table depicted the top 10 tea exports destinations for Sri Lanka based on the quantity of tea exported to each country.

Table 3.4.3: Main Destinations of Sri Lankan Tea Exports 2024

Country	2024				2023				Volume Growth (%)
	Rank	Quantity (kg)	FOB Rs./ Kg	Export share (%)	Rank	Quantity (kg)	FOB Rs./ Kg	Export share (%)	
Iraq	1	34,260,353	1,332.98	13.94	1	32,751,246	1,203.06	13.54	4.6
Russia	2	24,987,458	1,679.73	10.17	3	22,617,599	1,754.35	9.35	10.5
UAE	3	21,132,763	1,756.73	8.60	4	18,460,239	1,715.30	7.63	14.5
Turkey	4	17,734,353	1,619.27	7.22	2	30,411,858	1,676.23	12.57	(41.7)
China	5	11,564,609	1,444.30	4.71	5	12,319,524	1,471.02	5.09	(6.1)
Azerbaijan	6	10,435,696	1,749.20	4.25	7	9,176,629	1,700.75	3.79	13.7
Iran	7	10,432,333	1,821.37	4.24	11	6,501,833	1,878.31	2.69	60.5
Libya	8	10,291,914	1,197.62	4.19	6	11,127,949	1,226.41	4.60	(7.5)
Saudi Arabia	9	9,138,453	2,364.78	3.72	10	7,012,587	2,476.85	2.90	30.3
Chile	10	8,638,014	1,328.02	3.51	8	7,887,268	1,323.77	3.26	9.5
Top 10 Total		158,615,946	1,594.09	64.53		158,266,732	1,574.07	65.42	0.2
Grand Total		245,787,876	1,763.61	100.00		241,912,705	1,770.44	100.00	1.6

Source: Custom Data

Accordingly Iraq stands out as the largest tea export destination with 34 Mn.kg, followed by Russia & UAE. In the review year, the second and third largest tea export destinations each exported over 20 Mn.kg, while the other top 10 export destinations each exported less than 20 million kilograms. It was also noticeable that in 2024, Iraq, Russia, and the UAE increased their share of the export market compared to 2023. Both Russia and the UAE have significantly increased their market share, with growth of 11% and 15%, respectively, while Iraq recorded a 5% growth.

Ceylon tea exports to Turkey have fallen sharply by 42%, with the volume decreasing from 30 Mn.kg in 2023 to just 18 Mn.kg in 2024. Furthermore, Turkey, which was the second-largest importer of Ceylon tea in 2023, has now slipped to the fourth position this year. Saudi Arabia has remained in the top 10 export destinations, holding 9th place in 2024, while recording a 30% increase in Ceylon tea imports.

Iran has significantly boosted its share of Ceylon tea imports by 61% in 2024 compared to 2023. However, the top 10 export destinations accounted for 65% of total Ceylon tea exports in 2024. Meanwhile, Iran and Saudi Arabia achieved the highest FOB prices within the top 10 export destinations in 2024.

Table 3.4.4: Tea exports quantities and Ranking for top 20 countries by package type - 2024

Country	Bags		Packets (4g-1kg)		Packets (1kg-3kg)		Packets (>3kg)		Packets (3kg-5kg)		Packets (5kg-10kg)		Bulk		Grand Total	
	Qty	Rank	Qty	Rank	Qty	Rank	Qty	Rank	Qty	Rank	Qty	Rank	Qty	Rank	Qty	Rank
Iraq	484,950	11	21,383,604	1	422,522	3	6	16	1,057,175	3	8,037,205	1	2,874,891	11	34,260,353	1
Russia	591,837	9	3,671,912	6	350	14	1,366	11	27,365	13	3,100	18	20,691,527	1	24,987,458	2
UAE	562,935	10	4,879,887	3	308,230	4	3,355	8	760,450	4	2,073,601	4	12,544,304	2	21,132,763	3
Turkey	287,810	12	4,441,799	4	452,063	2	-	-	3,067,700	1	2,230,785	3	7,254,196	5	17,734,353	4
China	226,456	13	422,486	16	54,819	7	94,217	2	33,100	12	540,128	5	10,193,403	3	11,564,609	5
Azerbaijan	9,660	20	458,304	14	-	-	14	15	40,210	10	3,675	17	9,923,832	4	10,435,696	6
Iran	27,377	19	675,854	13	63,050	6	-	-	336,420	5	2,580,504	2	6,749,128	7	10,432,333	7
Libya	35,017	18	10,241,697	2	15,200	9	-	-	-	-	-	-	-	-	10,291,914	8
Saudi Arabia	2,733,715	1	3,929,873	5	800	13	33,772	4	237,059	6	24,180	10	2,179,054	14	9,138,453	9
Chile	1,662,890	4	186,536	19	-	-	1,469	10	11,380	16	23,740	11	6,752,000	6	8,638,014	10
Syria	1,174,583	7	1,325,969	11	626,507	1	500	13	2,636,178	2	67,125	8	1,595,295	15	7,426,158	11
USA	1,651,919	5	2,274,429	9	-	-	165,523	1	79,153	8	14,546	13	2,216,565	13	6,402,136	12
Germany	223,496	14	1,965,195	10	9,320	11	32,100	5	5	17	4,616	16	4,116,965	9	6,351,697	13
Japan	814,511	8	53,879	20	6	15	22,200	6	39,662	11	108,799	6	4,386,042	8	5,425,099	14
Jordan	2,167,743	2	2,610,090	7	52,500	8	804	12	21,500	14	17,600	12	55,080	19	4,925,317	15
Taiwan	65,086	17	254,990	17	2,160	12	37,080	3	41,875	9	75,182	7	3,957,809	10	4,434,182	16
Poland	2,064,916	3	691,114	12	-	-	2,090	9	-	-	7,795	14	1,318,377	16	4,084,293	17
Hong Kong	110,326	16	213,921	18	236,550	5	29	14	114,123	7	5,155	15	2,775,145	12	3,455,249	18
Belgium	142,970	15	2,490,102	8	-	-	-	-	-	-	10	19	58,022	18	2,691,104	19
Australia	1,605,857	6	444,698	15	10,419	10	16,261	7	16,265	15	53,640	9	332,515	17	2,479,653	20
Top 20 Total	16,644,054		62,616,339		2,254,496		410,786		8,519,620		15,871,386		99,974,150		206,290,834	
Grand Total	27,806,848		74,644,667		2,302,049		2,621,068		8,776,721		17,880,307		111,756,217		245,787,876	

Source: Sri Lanka Tea Board

3.4.5. Exports of Black Tea

In 2024, black tea accounted for 97% of Sri Lanka's total tea exports, totaling 238.5 Mn.kg, and contributed 94% to the total export revenue, amounting to Rs. 407.0 billion. The top twenty export destinations for black tea represented 85% of the volume and 82% of the value. Iraq emerged as the leading importer of Ceylon black tea in 2024, importing 14% of the total volume, while Russia ranked second with 10% of ceylon black tea import.

Table 3.4.5: Top 20 Black tea exports destinations and market share 2024 (With Re exports)

Rank	Country	Quantity (Mn.kg)	Value (Rs.Bn)	FOB (Rs./kg)	Volume Share (%)	Value Share (%)	Qty Growth (24 Vs 23) (%)
1	Iraq	34.25	45.63	1,332.36	14.36	11.21	4.59
2	Russia	24.58	40.69	1,655.30	10.31	10.00	11.17
3	UAE	20.46	35.80	1,749.44	8.58	8.80	13.50
4	Turkey	17.72	28.68	1,618.64	7.43	7.05	(41.67)
5	China	11.40	16.27	1,427.47	4.78	4.00	(6.31)
6	Iran	10.43	19.00	1,821.17	4.37	4.67	60.45
7	Azerbaijan	10.42	18.21	1,747.60	4.37	4.47	13.64
8	Libya	10.05	11.97	1,191.52	4.21	2.94	(5.07)
9	Saudi Arabia	8.91	20.85	2,340.78	3.74	5.12	31.60
10	Chile	8.59	11.28	1,312.70	3.60	2.77	9.54
11	Syria	7.42	13.61	1,835.19	3.11	3.34	4.70
12	Germany	6.25	11.42	1,825.62	2.62	2.80	3.24
13	USA	5.56	9.89	1,777.96	2.33	2.43	22.03
14	Japan	5.39	10.88	2,019.43	2.26	2.67	13.67
15	Jordan	4.91	10.17	2,072.13	2.06	2.50	2.98
16	Taiwan	4.30	5.86	1,364.87	1.80	1.44	3.73
17	Poland	3.88	8.95	2,305.06	1.63	2.20	19.80
18	Hong Kong	3.44	5.23	1,521.15	1.44	1.28	(9.53)
19	Belgium	2.68	3.87	1,446.07	1.12	0.95	(23.57)
20	Australia	2.30	6.10	2,649.14	0.97	1.50	33.13
Top 20 Totals		202.94	334.36	1,647.65	85.09	82.14	1.51
Other countries		35.55	72.65	2,043.73	14.91	17.85	2.53
Grand Total		238.48	407.01	1,706.69	100.00	100.00	1.66

Source: Custom Data

3.4.6. Exports of Green Tea

In 2024, green tea accounted for 2% (5 Mn. kg) of total tea exports and contributed 4% (18 Rs. Bn) to the overall revenue. The top twenty green tea export destinations represented 81% of the export volume and 77% of the export value. Among these leading importers, the USA had a significant volume of 0.7 Mn. kg, while the France reported high FOB prices of Rs 8,654 per kg. Most of the top 20 destinations showed high FOB prices, with Libya, UAE and Taiwan being the exceptions, where prices were below Rs 2,000 per kg.

Table 3.4.6: Top-Twenty Destinations of Green Tea Exports 2024

Rank	Country	Quantity (kg)	Value (Rs.)	FOB (Rs./ kg)	Volume Share (%)	Value Share (%)	Qty Growth (%) (24 Vs 23)
1	USA	674,918	3,470,775,414	5,142.52	14.40	18.99	15.75
2	UAE	667,573	1,317,565,664	1,973.66	14.24	7.21	55.49
3	Russia	402,761	1,276,458,568	3,169.27	8.59	6.99	(19.57)
4	Ukraine	262,234	589,903,955	2,249.54	5.59	3.23	1.23
5	Libya	246,491	356,450,834	1,446.10	5.26	1.95	(54.85)
6	Netherland (Holand)	243,533	1,656,532,678	6,802.09	5.20	9.07	9.94
7	Poland	201,411	805,464,114	3,999.11	4.30	4.41	21.56
8	Saudi Arabia	196,085	634,610,200	3,236.40	4.18	3.47	(8.18)
9	Australia	159,620	787,346,304	4,932.64	3.41	4.31	53.24
10	Taiwan	101,863	201,243,307	1,975.63	2.17	1.10	0.16
11	Belarus	81,500	209,819,403	2,574.47	1.74	1.15	25.10
12	Nigeria	74,689	305,378,497	4,088.65	1.59	1.67	8.23
13	United Kingdom	70,996	586,327,846	8,258.65	1.51	3.21	(4.56)
14	China	70,476	240,739,144	3,415.90	1.50	1.32	(34.17)
15	Germany	66,335	224,630,978	3,386.30	1.42	1.23	13.63
16	Canada	60,911	308,882,948	5,071.10	1.30	1.69	(1.91)
17	Uzbekistan	60,663	150,652,596	2,483.42	1.29	0.82	(0.54)
18	France	54,223	469,245,725	8,653.97	1.16	2.57	(25.49)
19	Chile	46,770	191,718,384	4,099.14	1.00	1.05	7.10
20	New Zealand	43,209	220,764,766	5,109.25	0.92	1.21	28.32
Top 20 Totals		3,786,261	14,004,511,325	3,698.77	80.77	76.65	0.38
Other countries		900,879	4,268,944,990	4,738.64	19.22	23.36	19.52
Grand Total		4,687,140	18,273,456,315	3,898.64	100.00	100.00	3.57

Source: Custom Data

3.4.7. Exports of Instant Tea

Ireland plays a pivotal role in Sri Lanka's instant tea export market, serving as the leading importer with a substantial 2 Mn. kg, which accounts for 76% of Sri Lanka's total instant tea exports. Other major destinations for Sri Lankan instant tea include the USA, China, Pakistan, And Thailand though they hold relatively smaller positions in the export rankings.

In total, Sri Lanka exported 3 Mn. kg of instant tea in the review year, generating a vale of Rs 8 Bn. The average price for Sri Lankan instant tea sold to the top global demanders falls between Rs 3, 000 and Rs.4, 000 per kilo, reflecting the premium quality and strong market positioning.

However, the USA recorded an average FOB Prices of Rs.1,112 per kg for instant tea, which stands notably lower compared to other markets, indicating a price sensitivity or a difference in demand dynamics. Despite this, Ireland's dominance and Sri Lanka's continued export growth suggest that the global market for instant tea remains robust, driven by key partnerships and consistent demand from top markets.

3.4.8. Exports of Ready to Drink (RTD) Teas

Sri Lankan Ready – to-Drink (RTD) tea export market faced some fluctuations in 2024, with Maldives being a strong player in the sector, importing significant quantities and contributing to the revenue. Sri Lanka exported 20,460 Liters of total RTD tea in 2024, generating Rs.14.5 million in revenue.

- Maldives: A crucial market for RTD teas, importing 6,505 liters and bringing in Rs.3.9 million in earnings.
- USA and Canada: These countries followed as the second and third largest markets for Sri Lanka's RTD tea exports.

Despite growth in export markets, the domestic RTD tea market in Sri Lanka has been gradually declining over the last two years.

3.5. GLOBAL TEA INDUSTRY BACKGROUND

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

As main tea producing countries, China, India, Kenya, Turkey & Sri Lanka is playing a major role in the tea world. In the review year while Sri Lanka positioned in the 5th place turkey remain in the 4th place during the year 2024. Meanwhile Vietnam, Indonesia placed in the next positions of the major tea producers' list. These five countries account for 87.35% of world production and 75.4% of global exports. While China was mainly instrumental for the surge in world tea crop, African Continent particularly Kenya also registered a bumper harvest. However considering the Sri Lankan scenario in the global tea industry, the years 2022, 2023, 2024 performed was moderate with key performance indicators of exports, production, etc. However, in 2024 Ceylon tea market share in the global tea exports was 12.64% while Sri Lanka positioned in the 4th place among main tea exporting countries in the world.

3.5.1 Global Tea Cultivation

Table 3.5.1: Highest Tea Extent Records

Country	2018 (Ha)	2019 (Ha)	2020 (Ha)	2021 (Ha)	2022 (Ha)	2023 (Ha)	2024 (Ha)
China	2,985,800	3,065,500	3,165,130	3,264,060	3,330,270	3,433,170	3,495,220
India	636,560	636,560	636,560	636,560	619,770	634,600	635,360
Sri Lanka*	202,540	202,540	202,540	202,540	267,186	269,686	269,875
Kenya	234,300	269,430	269,430	269,430	276,258	227,777	227,125
Vietnam	130,000	130,000	130,000	130,000	128,000	127,000	127,500
Indonesia	115,300	114,300	113,500	113,400	111,900	101,200	101,149
Myanmar	81,000	81,400	81,400	81,600	82,000	95,828	95,780
Turkey	83,000	83,000	83,000	83,000	81,000	81,000	82,570
Bangladesh	59,300	61,000	65,429	65,972	66,000	66,468	65,987
Argentina	41,600	41,600	41,700	42,000	42,000	42,000	43,000

Source: Annual ITC Bulletin of Statistics – 2025

According to the International Tea Committee (ITC), largest tea extent is found in China (65%) and they are rapidly expanding their tea extent annually. The top-ten countries of tea growing are bearing 95% of total tea extent.

3.5.2. Global Tea Consumption

Annual tea consumption and triennial average per capita tea consumption during the three years period of 2022-2024 reveal that the consumption was highest in China, recording 3092 Mn. kg. Although the per capita consumption is low, this was recorded as 2.18 kg. Turkey showed the highest per capita consumption 3.17kg per head with 272.30 Mn. kg of annual consumption. Libiya also showed a high per capita consumption recording a 2.28 kg per head.

Table 3.5.2: Country-wise Tea Consumption Statistics

Country	2020-22		2021-23		2022-24	
	Total	p hd	Total	p hd (kg)	Total	p hd
China	2,632.67	1.86	2,738.33	1.94	3,092.78	2.18
India	1,140.00	0.83	1,172.40	0.82	1,148.74	0.80
Turkey	261.67	3.11	263.33	3.10	272.30	3.17
Pakistan	245.18	1.06	240.01	1.02	231.61	0.95
CIS	224.05	0.95	219.12	0.92	208.50	0.87
USA	113.34	0.34	112.87	0.34	115.75	0.34
Bangladesh	89.33	0.53	91.00	0.53	97.38	0.56
Indonesia	93.88	0.34	94.11	0.34	96.36	0.35
Egypt	92.93	0.85	95.09	0.86	94.26	0.83
United Kingdom (a)	100.74	1.50	91.66	1.36	94.18	1.38
Libya	14.37	2.13	16.00	2.35	16.00	2.28
Morocco	73.24	2.02	70.15	1.87	73.18	1.94
Hong Kong	14.63	1.97	15.32	2.06	14.28	1.92
Ireland Republic	8.92	1.77	7.82	1.52	8.13	1.55
Iraq	46.17	1.06	46.9	1.05	50.42	1.11

Source: Annual ITC Bulletin of Statistics – 2025

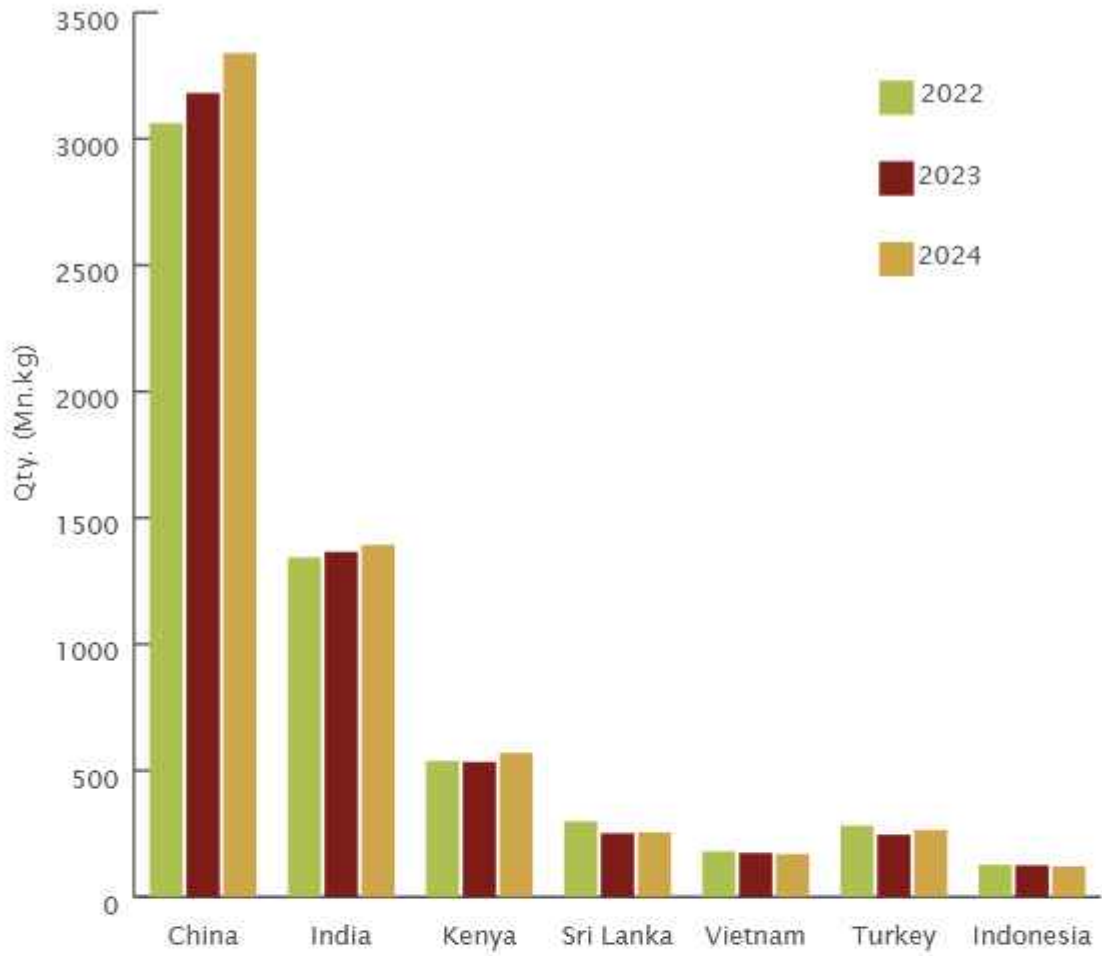
P hd : Per head Consumption

3.5.3. Global Tea Production

Global tea production reached up to 7,074 Mn.kg during the year 2024 and it showed 5.2% increase compared to year 2023. China, India, Kenya, Sri Lanka, Turkey, Vietnam and Indonesia represented around 92% of global tea production for year 2024. Although India and China are still the largest tea producers, these 2 nations' considerable domestic consumption has rendered and Kenya the largest global exporters of this commodity. Sri Lanka became the 5th largest tea producer in the global producer list with increasing annual production of Ceylon tea in year 2024 while Turkey remain their position in the 4th place. However sri lanka share of the global tea production is 3.7 % in year 2024.

China occupies the highest position with 3,740Mn.kg with a share of world production of 53% and India stayed at second with an annual production of 1,304 Mn.kg. with a share of 18% of world Tea Production in 2024. Kenya is placed as the third with its manufacturing level at 598 Mn. kg. and 8.5% share. As the fourth contributor to the world tea production Turkey produced 275 Mn. kg with a share of 4% in 2024.

Chart 3.5.1: World Tea Production Statistics



Source: Annual ITC Bulletin of Statistics – 2025

3.5.4. Global Tea Sales

Colombo Auctions handled 261 Mn. kg of tea for average price per kg at US\$ 4.08 for year 2024. However, volume traded in Mombasa Auctions also maintained about 483 Mn. kg and Kolkata Auctions had traded considerable volume of 140 Mn. kg in 2024. When considering the major auction centers in the world it is noticeable that the Colombo auction holds the record for the highest average price fetched for the last many years.

Table 3.5.3: Statistics of Major Tea Auctions (Qty. - in Mn.kg. Avg. Unit Price - in US\$/kg.)

Auction Centre	2020		2021		2022		2023		2024	
	Qty.	Price	Qty.	Price	Qty.	Price	Qty.	Price	Qty.	Price
Chittagong	82.99	2.05	88.13	2.32	87.21	2.09	87.79	1.71	89.65	1.62
Kochi	41.52	1.93	47.89	1.92	48.87	1.81	45.65	1.68	43.64	1.86
Colombo	268.24	3.39	295.79	3.09	248.64	3.82	249.65	3.56	260.65	4.08
Guwahati	162.52	2.69	169.95	2.46	142.64	2.43	142.32	2.28	164.23	2.71
Kolkata	132.60	2.91	169.34	2.85	156.65	2.96	150.02	2.52	140.34	2.99
Limbe	5.98	1.44	12.98	1.38	9.38	1.42	5.78	1.30	6.34	1.23
Mombasa	516.80	1.93	503.89	1.97	505.36	2.33	489.54	2.07	482.82	2.07
Siliguri	191.39	2.58	177.7	2.40	177.27	2.25	164.04	1.98	189.33	2.27

Source: Annual ITC Bulletin of Statistics - 2025

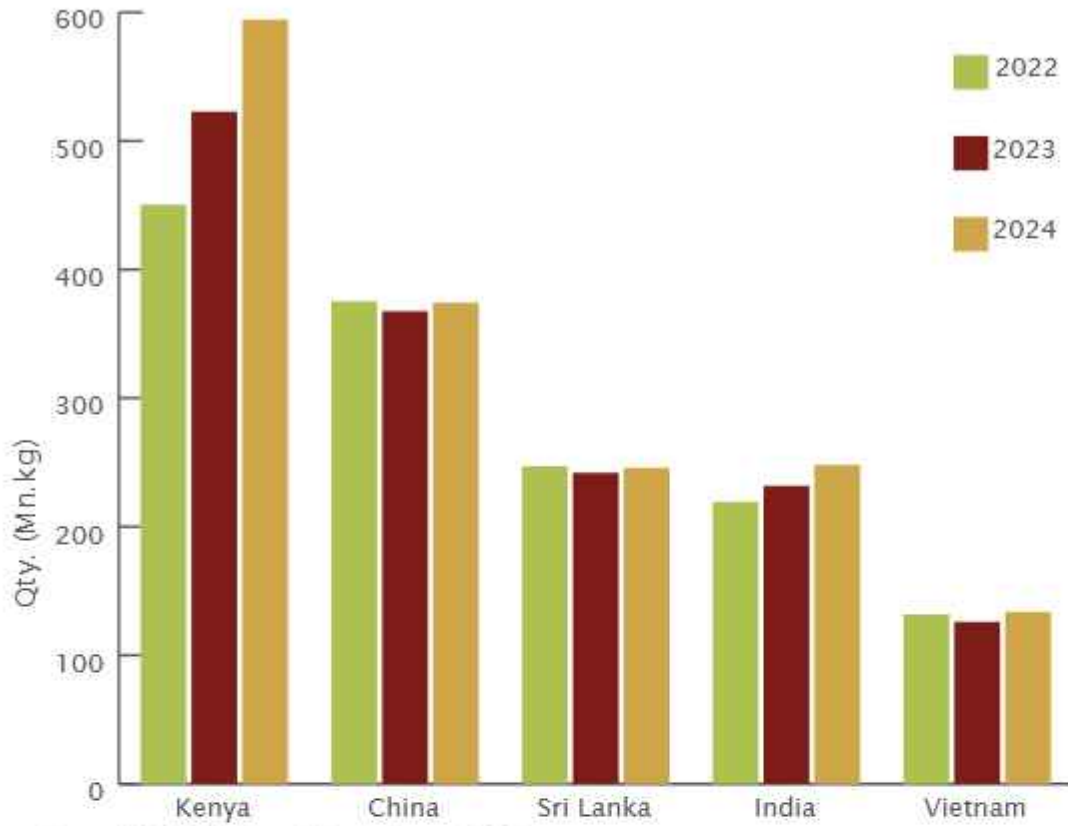
The Colombo auction center exceeds the average price USD 4.00 per kg. in year 2024 and it was able to keep the prices above US\$ 3 for last many years. During the review period Kolkata, Guwahati, Mombasa and Siliguri auction centers exceeded the 2 dollars per kg. and Kolkata holds the second largest average auction price while Guwahati holds the third position.

3.5.5. Global Tea Exports

Global tea exports during 2024 showed an increase of 69.8 Mn kg (4%) as against the previous year. India, Sri Lanka, China, Kenya & Vietnam showed a positive growth of its exports against last year. However Kenya showed a 14% volume increase of its export compared to the year 2023. The four largest exporters, viz, Kenya, China, India and Sri Lanka accounted for more than 75% of global exports.

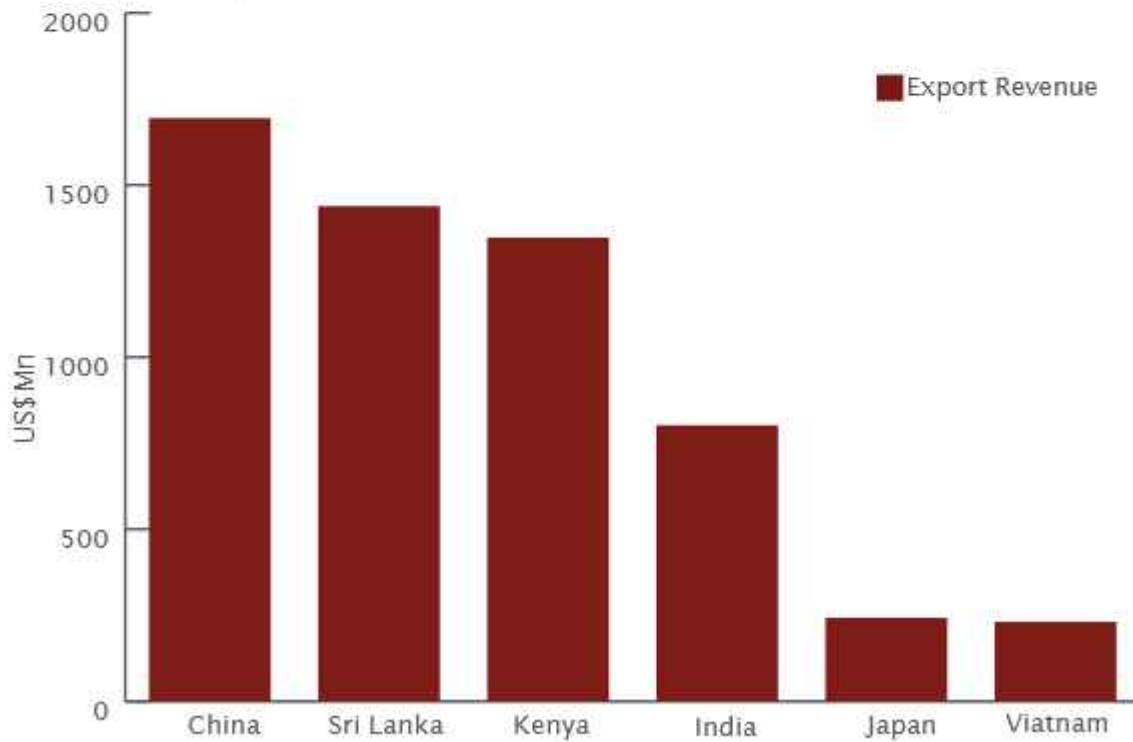
According to the export revenue, China recorded as largest income earner from tea exports and Kenya has earned as the third largest export earner. As the Second largest export revenue earner Sri Lanka was able to continue US dollar 1.4 billion industry status with its pure Sri Lankan tea exports.

Chart 3.5.2: Major Tea Exporters



Source: Annual ITC Bulletin of Statistics - 2025

Chart 3.5.3: Top Most Exports Revenue



Source: Annual ITC Bulletin of Statistics - 2025

4. APPROACH TO THE SUSTAINABLE DEVELOPMENT GOALS

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



Sustainable Development Goals and 169 targets part of transforming our world; the 2030 Agenda for Sustainable Development, which was adopted by 193 member states at the historic UN General Assembly Summit in September 2015, and came in to effect on 1st January, 2016. The SDGs have been developed through an unprecedented consultative process that brought national governments and millions of citizens from across the globe together to negotiate and adopt the ambitious agenda.

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

Sri Lanka Tea Board contributes “No Poverty” in implementing in regulating the tea industry

- Conducting awareness programs to tea growers to uplift the leaf quality standards.
- Constant supervision and monitoring mechanism to ensure green leaf standard and paying reasonable price for smallholders, thus trickling down the impact of export FOB price increase through registered manufacturers.
- Rs.293 Mn provided for TSHDA for implementation of direct planting program in small tea lands (less than 10 acres)



• Ensuring consumer health and safety is a paramount responsibility of the Sri Lanka Tea Board. To uphold the premium quality of Ceylon Tea, the SLTB implements robust quality assurance programs across multiple divisions. The Tea Tasting Unit conducts sensory evaluations, the Analytical Laboratory performs rigorous scientific testing, and the Tea Commissioner Division enforces regulatory compliance. Through these measures, the SLTB monitors and safeguards the quality of Ceylon Tea while actively encouraging industry stakeholders to adhere to established standards and regulations.

- All executive and non-executive staff members participated in training programs on office management and procurement practices. These initiatives were designed to enhance organizational effectiveness and improve knowledge of office procedures.





• The SLTB treats stakeholders of the industry without any gender bias. At the Sri Lanka Tea Board, employees engage in their work without any gender bias.



• In 2024, the Sri Lanka Tea Board continued its solar power subsidy scheme and disbursed Rs.15.78 million as interest subsidy payments.



- The Sri Lanka Tea Board (SLTB) allocated funding to support tea cultivation initiatives, including Rs. 74.3 million for the Direct Planting Subsidy Scheme, Rs. 25 million for the Replanting Subsidy Scheme, and Rs. 30 million for the Infilling Subsidy Scheme. These investments aim to enhance Sri Lanka's tea production capacity and sustain long-term industry growth.
- Tea nursery development program started in 2024 to enhance the availability of quality tea plant in the tea industry.
- The exporter machinery subsidy scheme (3% interest subsidy) started to support exporters to purchase new machineries with modern technologies to position Ceylon tea in a competitive international market. It continued for year 2024 and paid Rs.26 Million under the scheme.



- Implementation of irrigation subsidy scheme to establish proper irrigation system in tea lands.
- Implementation of High shade management project to improve the productivity of tea lands



• To settle a longstanding payment liability of \$250 million owed to Iran for oil purchased in 2012, Sri Lanka and Iran reached an agreement to offset the payment for crude oil against tea imports from Sri Lanka. The amount owed by the Ceylon Petroleum Corporation to the National Iranian Oil Company is covered by the Ceylon Tea export proceeds to Iran for at least 48 months. The SLTB pays tea exporters based on the value of tea.

5. FINANCIAL HIGHLIGHTS IN THE PRECEDING 10 YEARS

INCOME STATEMENTS				
	2015 (Rs.)	2016 (Rs.)	2017 (Rs.)	2018 (Rs.)
Income	7,256,493,650	444,769,549	554,825,938	446,787,082
Expenditure				
Tea Sector Development Expenditure	(6,817,116,865)	(86,381,964)	(128,769,009)	(56,921,866)
Administrative Expenses	(357,855,534)	(364,205,491)	(351,504,928)	(382,786,592)
Operating Surplus / (Deficit)	81,521,251	(5,817,906)	74,552,001	7,078,624
Finance Income	9,262,257	54,715,509	109,265,725	103,020,269
Finance Expenses	(251,537)	(35,223,182)	(80,863,240)	(57,486,825)
Surplus / (Deficit) Before Taxation	90,531,971	13,674,421	102,954,486	52,612,068
Tax paid on Interest Income	(4,274,997)	(8,996,887)	(12,986,594)	(8,631,034)
Surplus / (Deficit) After Taxation	86,256,974	4,677,534	89,967,892	43,981,034

STATEMENT OF OTHER COMPREHENSIVE INCOME				
	2015	2016	2017	2018
Surplus / (deficit) for the period	86,256,974	4,677,534	89,967,892	43,981,034
Actuarial valuation	-	-	-	-
Revaluation Surplus	-	-	-	(3,286)
Gratuity measurement adjustment	-	-	3,354,903	-
Other comprehensive income	(4,274,997)	-	-	-
Surplus / (Deficit) For The Period	81,981,977	4,677,534	93,322,795	43,977,748

2019 (Rs.)	2020 (Rs.)	2021 (Rs.)	2022 (Rs.)	2023 (Rs.)	2024 (Rs.)
474,268,570	455,013,177	616,447,345	797,122,462	1,020,941,560	2,153,107,579
(71,841,824)	(63,979,702)	(177,021,114)	(144,658,596)	(335,444,475)	(1,458,726,099)
(436,658,016)	(442,916,930)	(449,018,159)	(504,880,134)	(564,794,804)	(630,563,178)
(34,231,270)	(51,883,456)	(9,591,928)	147,583,732	120,702,281	63,818,302
82,771,112	47,487,608	22,916,904	75,129,356	112,610,616	111,913,253
(29,239,913)	(6,335,483)	(169,885)	(174,594)	(247,508)	(305,557)
19,299,929	(10,731,331)	13,155,091	222,538,494	233,065,389	175,425,998
(16,624,405)	(10,716,324)	(4,961,058)	(12,248,758)	(38,192,593)	(28,011,247)
2,675,523	(21,447,654)	8,194,034	210,289,736	194,872,796	147,414,751

2019	2020	2021	2022	2023	2024
2,675,523	(21,447,654)	8,194,034	210,289,737	194,872,796	147,414,751
	-	-	24,704,215	(10,674,728)	(21,504,923)
1,553,729	27,456,495	-	737,979,015	33,775,389	-
	-	-	-	-	-
	-	-	-	-	-
4,229,253	6,008,840	8,194,034	972,972,967	217,973,457	125,909,828

6. FINANCIAL STATEMENT

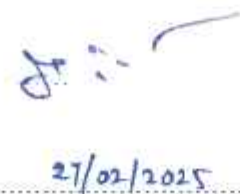
STATEMENT OF FINANCIAL POSITION

As at 31st December 2024

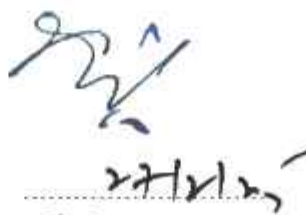
Assets	Notes	2024 (Rs.)	2023 (Rs.)
Non-current Assets			
Property, Plant and Equipment	F	1,632,218,829	1,607,420,541
Prepaid Leasehold Right to Land	G	2,274,567	2,350,952
Intangible Assets	H	26,267,453	28,627,801
		<u>1,660,760,849</u>	<u>1,638,399,294</u>
Current Assets			
Inventories	I	70,134,425	64,559,937
Trade and Other Receivables	J	328,021,757	241,154,800
Deposits and Prepayments	K	34,086,735	54,352,528
Other Financial Assets	L	10,843,100,426	13,640,954,803
Loans	M	1,134,474,632	1,096,820,125
Cash & Cash Equivalents	N	1,818,366,416	213,989,749
		<u>14,228,184,391</u>	<u>15,311,831,942</u>
Total Assets		15,888,945,240	16,950,231,236
Equity And Liabilities			
Contributed Capital		672,012,202	672,012,202
Retained Earnings		347,880,848	218,256,656
Promotion and Marketing Levy	O	9,166,394,969	10,050,041,235
Revaluation Reserve		1,308,731,937	1,308,977,885
Total Equity		11,495,019,956	12,249,287,978
Non-Current Liabilities			
Employee Benefit Obligations	P	61,083,178	43,822,237
		<u>61,083,178</u>	<u>43,822,237</u>
Current Liabilities			
Income Tax payable	Q	84,491,753	175,018,421
Trade and Other Payables	R	4,048,867,208	4,480,839,141
Bank Overdraft	S	199,483,145	1,263,459
Bank Loan		4,332,842,106	4,657,121,021
Total Equity and Liabilities		15,888,945,240	16,950,231,236


27/02/25

Director Finance
Date


27/02/2025

Director General
Date


27/2/25

Chairman
Date


28/2

Director
Date

The accounting policies on pages 68 to 77 and Notes on pages 78 to 93 form an integral part of these Financial Statements.

INCOME STATEMENT
As at 31st December 2024

		2024 (Rs.)	2023 (Rs.)
Income	A	2,153,107,579	1,020,941,560
Expenditure			
Tea Sector Development Expenditure	B	(1,458,726,099)	(335,444,475)
Administrative Expenses	C	(630,563,178)	(564,794,804)
Operating Surplus / (Deficit)		63,818,302	120,702,281
Finance Income	D	111,913,253	112,610,616
Finance Expenses	E	(305,557)	(247,508)
Surplus / (Deficit) Before Taxation		175,425,998	233,065,389
Tax paid on Interest Income	Q	(28,011,247)	(38,192,593)
Surplus / (Deficit) After Taxation		147,414,751	194,872,796

The accounting policies on pages 68 to 77 and Notes on pages 78 to 93 form an integral part of these Financial Statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME
Year ended 31st December 2024

		2024 (Rs.)	2023 (Rs.)
Surplus / (Deficit) for the period		147,414,751	194,872,796
Actuarial valuation		(21,504,923)	(10,674,728)
Revaluation surplus		-	33,775,389
Surplus / (Deficit) for the period		125,909,828	217,973,457

The accounting policies on pages 68 to 77 and Notes on pages 78 to 93 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31st December 2024

	Contributed Capital (Rs.)	Promotion & Marketing Levy (Rs.)	Revaluation Reserve (Rs.)	Retained Earnings (Rs.)	Total (Rs.)
Balance as at 01 st January 2022	672,012,202	9,476,026,219	537,223,481	(172,889,012)	10,512,372,889
Promotion and Marketing Levy (Note - O)	0	391,720,699	0	0	391,720,699
Adjustments	0	1,695,736	0	(20,504,369)	(18,808,633)
Acturial Gain	0	0	0	24,704,215	24,704,215
Surplus for the year 2022	0	0	737,979,015	210,289,737	948,268,752
Balance as at 31st December 2022	672,012,202	9,869,442,654	1,275,202,496	41,600,571	11,858,257,922
Balance as at 01 st January 2023	672,012,202	9,869,442,654	1,275,202,496	41,600,571	11,858,257,922
Promotion and Marketing Levy (Note - O)	0	213,600,964	0	0	213,600,964
Adjustments	0	(33,002,383)	33,775,389	(7,541,983)	(6,768,977)
Acturial Gain	0	0	0	(10,674,728)	(10,674,728)
Surplus for the year 2023	0	0	0	194,872,796	194,872,796
Balance as at 31st December 2023	672,012,202	10,050,041,235	1,308,977,885	218,256,656	12,249,287,977
Balance as at 01 st January 2024	672,012,202	10,050,041,235	1,308,977,885	218,256,656	12,249,287,977
Promotion and Marketing Levy (Note - O)	0		0	0	
Adjustments	0	1,557,739	(245,948)	3,714,364	5,026,155
Acturial Gain	0	0	0	(21,504,923)	(21,504,923)
Surplus for the year 2024	0	(885,204,005)	0	147,414,751	(737,789,254)
Balance as at 31st December 2024	672,012,202	9,166,394,969	1,308,731,937	347,880,848	11,495,019,955

The accounting policies on pages 68 to 77 and Notes on pages 78 to 93 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOW

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
Cash Flows From Operating Activities		
Net Profit from Operations	175,425,998	233,065,389
Adjustments for		
Depreciation of PPE	47,359,189	42,901,487
Profit or Loss disposal of PPE	-	(1,552,459)
Amortisation of Intangible Assets	2,360,348	2,385,811
Amortisation of Lease hold lands	76,386	76,385
Fixed asset Adjustments	10,465,651	1,611,300
Actuarial Gain	(21,504,923)	(10,674,728)
Revaluation Reserve	-	33,775,389
Gratuity Adjustment	29,213,999	7,212,000
Adjustments	4,993,743	(6,995,828)
Tax Adjustments	(28,011,247)	38,192,593
Finance Expenses	305,557	247,508
Finance Income	(111,913,253)	(112,610,616)
	(66,654,550)	(81,816,344)
Operating Profit before Working Capital Changes	108,771,448	151,249,045
Decrease /(Increase) in Inventories	(5,574,488)	(30,064,960)
Decrease /(Increase) in Trade and Other Receivables	(86,866,957)	(86,624,971)
Decrease /(Increase) in Deposit & Prepayment	20,265,793	5,315,740
Decrease /(Increase) in Trade & Other Payables	(431,971,932)	3,172,261,704
Decrease /(Increase) Income Tax Payables	(90,526,668)	(11,741,747)
Loan to RPC'S	(37,654,507)	280,608,639
	(632,328,759)	3,329,754,405
Cash Generated from Operations	(523,557,311)	3,481,003,449
Gratuity Paid	(11,953,058)	(17,763,813)
Net Expense for Promotional Activities	(885,204,005)	213,600,964
Net Cash From Operating Activities	(897,157,063)	195,837,151
Cash Flows (used in) Operating Activities	(1,420,714,374)	3,676,840,600
Cash Flows (used in) Investing Activities		
Finance Income	111,913,253	112,610,616
Acquisition of Property Plant & Equipment	(82,590,718)	(37,904,542)
Investments including P& M Levy	2,797,854,377	(3,759,758,116)
Net Cash Flows used in Investing Activities	2,827,176,913	(3,685,052,042)
Cash Flows Used in Financing Activities		
Finance Expenses	(305,557)	247,508
Bank Loan	-	166,666,666
Net Cash Flows / (Used in) Financing Activities	(305,557)	166,914,174
Net Increase / (Decrease) in Cash and Cash Equivalents	1,406,156,982	(175,125,615)
Cash and Cash Equivalents at the beginning of the year	212,726,290	387,851,905
Cash and Cash Equivalents at the end of the year	1,618,883,271	212,726,290

The accounting policies on pages 68 to 77 and Notes on pages 78 to 93 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

1). CORPORATE INFORMATION

General

The Sri Lanka Tea Board (SLTB) was established on the 1st of January 1976, under the Sri Lanka Tea Board Law No.14 of 1975, as amended by Act No. 17 of 1985, No. 44 of 1990, No. 29 of 2003 and No. 44 of 2006. The Head office is located at No. 574, Galle Road, Colombo 3. SLTB prepares financial Statements for the twelve months period ended 31st December 2024 and these financial statements are authorized by the board of directors on 27th February 2025.

Principal Activities

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

2). BASIS OF PREPARATION

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

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

2.2. Basis of Measurement

The financial statements have been prepared on a historical cost basis and presented in Sri Lankan Rupees which is the functional currency of Sri Lanka Tea Board. All financial information presented in Sri Lankan Rupees has been given to nearest rupee unless stated otherwise.

3). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

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

3.1. Property Plant and Equipment

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

3.2. Depreciation

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

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

3.3. Useful lifetime of the Property , Plant and Equipment

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

3.4. Revaluation**Land and Building**

Revaluation of Land and Building were assigned to Department of Valuations to revalue the Land and Buildings of Head Office, Campola, Nuwara Eliya, Ratnapura and Baduraliya. Regional Offices and Revaluation reports of Nuwara Eliya and Bandarawela were received in 2022. Valuation report of Rathnapura has not yet been received.

Laboratory Equipment

Revaluation of laboratory equipment conducted by internal approved Committee.

Other Assets

Revaluation of the other Assets including Regional Offices were not done in the period under review.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024**3.5. Capital work in progress**

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

3.6. Leasehold Land

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

3.7. Intangible assets

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

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

3.8. Income Tax

Current income tax assets and liabilities for the current prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities and Department of Inland Revenue. The tax rates and tax laws are used to compare the amount that are enacted or substantively enacted at the reporting date. The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

3.9. Inventories

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

3.10. Cash & Cash Equivalents

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

4). INCOME STATEMENT

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

Government Grants

A government grant under the recurrent vote is used for the payment of salaries to employees.

4.1. Revenue Recognition

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

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

Sale of goods

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

Rendering of services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed. Other income is recognized on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024**Interest income**

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

4.2. Expenses

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

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

5). LIABILITIES AND PROVISIONS**5.1. Retirement Benefit Obligations****5.1.1. Defined benefit plan – Retirement Gratuity**

SLTB is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983. The liability for gratuity to an employee arises only on completion of five years of continued service with SLTB. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the Financial Statements in respect of defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized as in retained earnings through other comprehensive income. Past service costs are recognized immediately in statement of profit or loss.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, Employee Benefits. However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Liability is externally funded in Bank of Ceylon. The key assumptions used in determining the retirement benefit obligations are given in Note P.

The principal assumptions used in the calculations are as follows.

Expected Annual average salary Increment rate	- 1.01% to 1.03%
Interest rate / discount rate	- 8.96%
Staff turnover factor	- 7.76%

Accordingly the present value of the Defined benefit obligation (PVD BO) as at 31st December 2024 with respect employees in service based on the assumptions and methodology explained amounting to Rs.61,083,177.88

5.1.2. Defined Contribution Plans- Employee**Provident Fund & Employee Trust Fund**

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

Employees' Provident Fund

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

Employees' Trust Fund

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

6). DESCRIPTION OF PENDING COURT CASES AS AT 31.12.2024

	Case No.	Court	Parties	Cause of Action	Present Status
1.	CA (Writ) 199/2020	Court of Appeal	Gatagahewala Plantation (pvt) Ltd	Interim order suspending - The operation of suspension/cancellation of registration of Gatagahewala Tea Factory & the operation of P2 & P3 (suspension letters) - Preventing tea brokers from purchasing made tea from the Petitioner Writ of Certiorari quashing the cancellation/suspension of registration of Gatagahewala Tea Factory & documents P2 & P3 Writ of Prohibition prohibiting the placing of restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from Gatagahewala Tea Factory, Grant Cost	Pending
2.	CA (Writ) 200/2020	Court of Appeal	H.M. Rumesh Rangana <i>-Petitioner</i> Sri Lanka Tea Board, Chairman, Director General & Tea Commissioner <i>-Respondents</i>	Interim order - Suspending the operation of suspension/cancellation of registration of New Fernland Tea Factory & the operation of P2 & P3 (suspension letters) - Preventing tea brokers from purchasing made tea from the petitioner Writ of Certiorari quashing the cancellation/suspension of registration of New Fernland Tea Factory Writ of Certiorari quashing documents P2 & P3 Writ of Prohibition prohibiting the restrictions on Licensed Tea Brokers pertaining to the purchase of made tea from New Fernland Tea Factory, Cost	Pending
3.	CA (Writ) 415/21	Court of Appeal	Tea Factory Owners Association- <i>Petitioner</i> Sri Lanka Tea Board & two others- <i>Respondents</i>	Writ of Certiorari quashing documents P2 & P3 (Circular Payment on Reasonable Price for Green Tea Leaf Purchased by a Tea Tea Factory issued on 29.06.2021) Writ of Prohibition prohibiting to take action on document marked P3 Interim order suspending P3 Cost	Pending
4.	CA (Writ) 272/23	Court of Appeal	B.V. Jayawardhana <i>-Petitioner</i> Sri Lanka Tea Board & seven others <i>-Respondents</i>	Interim Order/Writ of Certiorari quashing the decision in P29 (Letter by the 3rd Respondent to release Rs.80,580,427.77 to the 6,7 & 8 Respondents) Writ of Mandamus directing to file an inter pleader action and deposit Rs. 80,580,427.77 in an interest bearing account in DC Ratnapura in terms of Chapter XLIII of Civil Procedure Code	Pending

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

				Interim Order directing to deposit Rs. 80,580,427.77 in an interest bearing account until the final determination Interim Order calling for files maintained by the 1st to 4th Respondents with regard the decision contained in P29, Cost	
5.	CA (Writ) 679/23	Court of Appeal	Kothmale Enterprises, K.B. Mathavan <i>-Petitioner</i> E.A.J.K. Edirisinghe & Six others <i>-Respondents</i>	Interim Order -Suspending the decision in P14 (suspension of registration of Kubal Oluwa Tea Factory) & P19 (Letter calling documents to prove the ownership of Kubal Oluwa Tea Factory) Writ of Certiorari quashing the suspension of registration of Kubal Oluwa Tea Factory as in P14 Writ of Certiorari quashing document marked P12 (Letter calling documents to prove the ownership of kubal Oluwa Tea Factory) Writ of Certiorari quashing document marked P19 Cost	Pending
6.	CA (Writ) 149/24	Court of Appeal	Nawalakanda Tea Factory (pvt) Ltd B.R. Anura Peris <i>-Petitioner</i> Sri Lanka Tea Board & three others <i>-Respondents</i>	Call & inspect the record Interim Order - Suspending P15 (Letter on suspension of operation of Nawalakanda Tea Factory) - Suspending the operation of suspension of registration of the Tea Factory - Preventing the issuance of direction to the Produce Brokers to withdraw any tea line/sale of any tea line Writ of Certiorari quashing document marked P15 or decision therein Writ of Certiorari quashing Circular No. TC/CIR/(204)-07(01)-2023 dated 04.08.2023 (P4) Writ of Prohibition prohibiting respondents from placing restrictions on tea brokers pertaining to purchase tea from Nawalakanda tea factory, Cost	Pending
7.	CA (Writ) 437/24	Court of Appeal	Tea Exporters Association <i>-Petitioner</i> Mrs.G.R. Ranawaka, DG, NIPO Sri Lanka Tea Board & four others <i>-Respondents</i>	Writ of certiorari quashing the decision of the 1st respondent to accommodate tea exporters in class 35 of the NICE classification Writ of prohibition restraining the 1 st respondent registering tea exporters under class 35 Writ of prohibition restraining the registration/application of the marks 'O'Dura Ceylon', Do FIL TEA, CHRIASH and SURJIHAN, Cost (No relief has been claimed from SLTB)	Pending
8.	CA (Writ) 648/24	Court of Appeal	Etna Trade Link (pvt) Ltd <i>-Petitioner</i> Director General of customs, Sri Lanka Tea Board & eight others <i>-Respondents</i>	Interim Order - Staying P9 (Letter of SLTB to Customs to inform the quality of tea, sanction given to prosecute the petitioner and denature tea) - Staying to continue the customs inquiry - Staying any decision by the customs to impose penalty or forfeitures	Pending

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

				<p>Writ of certiorari quashing document marked P9</p> <p>Writ of certiorari quashing the decision to commence a customs inquiry/ to impose penalties and forfeitures/ inquire into the standard of tea</p> <p>Writ of prohibition prohibiting customs continuing with customs inquiry/ impose penalties and forfeitures/ inquire into the standard of tea</p> <p>Writ of Mandamus directing customs to release the petitioner/ petitioner's goods</p>	
9.	SC FR 333/18	Supreme Court	<p>K.B.P.S. Lakshman -Petitioner</p> <p>Sri Lanka Tea Board -Respondent</p>	<p>Quash the appointments of 21st-24th respondents</p> <p>Promote the petitioner to the ATC position</p> <p>Compensation of Rs. 1.5 Million, Cost</p>	Pending
10.	SC (SPL) LA 292/22	Supreme Court	<p>Sri Lanka Tea Board & 3 others -Petitioner</p> <p>-Respondent</p> <p>Kurugama Tea Factory (pvt) Ltd -Respondent</p> <p>-Petitioner</p>	<p>Grant Leave to Appeal</p> <p>Set aside the Judgment of the court of Appeal case No. CA (writ) 195/2020 dated 26.09.2022 by deciding P2 letter of suspension cancellation of registration of Kurugama Tea Factory and P3 are Ultra Vires,</p> <p>Costs</p>	Pending
11.	SC/SPL/ LA/170/ 2024	Supreme Court	<p>SLTB & 3 others -Respondents</p> <p>-Petitioners</p> <p>N.M.M. Brothers (pvt) Ltd. (Dehiwatte Tea Factory) -Petitioner</p> <p>-Respondent</p>	<p>- Grant Special Leave to Appeal from the judgment of the Court of Appeal dated 03.05.2024 in CA (writ) 196/2020</p> <p>- Grant a stay order staying the judgment dated 03.05.2024</p> <p>- Call for the Court of Appeal record CA (writ) 196/2020 set aside the said judgment dated 03.05.2024</p> <p>- Dismiss the petition of CA (Writ) 196/2020, Costs</p>	Pending
12.	SC/SPL/ LA/176/ 2024	Supreme Court	<p>SLTB & 3 others -Respondents</p> <p>Petitioners</p> <p>G. Savarimuthu Retty & Sons (pvt) Ltd. (Upland's Tea Factory) -Petitioner</p> <p>Respondent</p>	<p>- Grant Special Leave to Appeal from the judgment of the Court of Appeal dated 10.05.2024 in CA (writ) 198/2020</p> <p>- Grant a stay order staying the operation of the judgment of dated 10.05.2024</p> <p>- Call for the Court of Appeal record CA (writ) application 198/2020</p> <p>- Set aside the said judgment dated 10.05.2024</p> <p>Dismiss the petition of the petitioner</p> <p>-Respondent in CA (writ) 198/2020, Costs</p>	Pending

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

7). RELATED PARTY TRANSACTIONS

Transactions with State and State Controlled Entities

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

7.1. Fixed Assets purchased for Tea House (Tea Moment) were temporary transferred to Sri Lanka Cashew Corporation on return basis.**7.2. National Institute of Plantation Management.**

Sri Lanka Tea Board granted an interest free loan to the National Institute of Plantation Management for the purpose of constructing a new building in the premises own by the NIPM.

Loan Amount	Rs. 35 Mn.
Loan Period	- 18 th Oct 2023 to 17 th Oct 2029
Grace Period	- 18 th Oct 2023 to 17 th Nov 2024

7.3. Tea Small Holders Development Authority (TSHDA)**Memorandum of Understanding (MOU) for the Direct Planting Project**

The Sri Lanka Tea Board entered into a Memorandum of Understanding (MOU) with the Tea Small Holders Development Authority (TSHDA) for the implementation of a Direct Tea Planting Project, with a total project value of Rs.750 million. The project is funded through the Promotion and Marketing Levy.

As per the agreement, An advance of Rs.150 million was transferred in 2023 and 2024 Rs.291.8 Mn transferred.

TSHDA has settled Rs.291.5 Mn from the advance granted under the project during the year. The financial progress of the project will continue to be monitored, and subsequent settlement will be reflected in future financial statements.

7.4. Financial Assistance to wards Fertilizer to tea Smallholders

A tripartite agreement was signed between the State Fertilizer Company Ltd, the Sri Lanka Tea Board and the Tea Small Holders Development Authority (TSHDA) to support tea smallholders by reducing the cost of a 50kg fertilizer bag.

The project is funded through the Promotion and Marketing Levy, and during the year, total financial assistance granted under the project Rs.914.2 Mn from this amount 830.5 Mn include in the development expenses (Note B) are the balance amount of Rs.83.7 recorded in the note to the financial statement.

The financial and operational progress will be monitored accordingly. Further payments will be disclosed in subsequent financial statements as applicable.

7.5 General Treasury**7.5.1 Loan to General Treasury – Consolidated Fund**

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

7.5.2 Contribution to the consolidated fund

Rs. 1000 Mn. Contributed to the consolidated fund (General Treasury) interest income earned from Promotion & Marketing Levy investments in the year 2023.

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

Sri Lanka Tea Board has decided to grant loans to Tea factories through Central Bank who are facing working Capital difficulties. The outstanding amount of Rs. 0.75 Mn. as at 31st December was settled during the year.

7.7 Subsidy Scheme for establishment of standardized Tea Nurseries

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

2022 - Rs.	750,000/-
2023 - Rs.	5,400,000/-
2024 - Rs.	49,428,000/-

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31st December 2024****7.8 Temporary loan given to Janatha Estate Development Board**

Rs. 34 Mn. Temporary loan was granted to JEDB for to meet their working Capital difficulties. Decision was made to recover this loan with the interest but there were no recoveries during the year 2024.

7.9 Solar Power Subsidy/Scheme

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

Rs. 12.3 Mn. paid for solar power Subsidy Scheme for 35 factories during the year 2024.

8). KEY MANAGEMENT PERSONAL

SLTB key management personnel include the Board of Directors.

9). PROMOTION & MARKETING LEVY

Sri Lanka Tea Board collected Rs. 3.50 on every kg of tea Shall be levied from every registered exporter of tea at the time at which CUSDEC is authorized according to the Gazette No. 167714 of 27th Oct. 2010 and subsequently it has been reduced to Rs. 3/- with Gazette No. 2258/15 dated 14th December 2021 and it was on operation up to 05th August 2023.

10). PERMIT FEE

A permit fee of Rs. 3/- on every Kilogram of made tea paid by every registered exporter of tea at the time of which the Custom Goods Declaration is approved by the Tea Commissioner with effect from 05th August 2023 according to the extraordinary Gazette 2343/63 dated 05th August 2023 and the permit fee collection for the year is Rs. 758,905,630.00 and Rs. 379,452,815.00 transferred for promotional expenses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

11). ADDITIONAL DISCLOSURES

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

Leasehold Premises	Region	Building Owner/ Payee	Agreement Date	Monthly Rental
Mathugama	Baduraliya	S. Nanayakkara	2023.03.01 - 2025.02.28	Rs.15,000.00
Ingiriya		B.A. Seetha	2024.01.01 - 2025.12.31	Rs.15,000.00
Elpitiya		M.H. Nandawathi	2023.04.01 - 2025.03.31	Rs.15,000.00
Hali Ela	Bandarawela	V.M.N.R. Kumaradasa	2022.05.01 - 2024.04.30	Rs.15,000.00
Passara		H.M. Wijesuriya	2024.08.01 - 2026.07.31	Rs.15,000.00
Welimada		W.M. Miran Anuradha	2025.01.22 - 2027.01.21	Rs.15,000.00
Gampola	Gampola	H.M.T.M. Herath	2024.08.01 - 2026.07.31	Rs.15,000.00
Udunuwara		K.D.S.K.Senadeera	2024.08.08 - 2026.08.07	Rs.15,000.00
Mathale		R.P. Karunasekara	2024.04.23 - 2026.04.22	Rs.15,000.00
Yakkalamulla	Galle	N.G. Jayathilaka	2024.01.01 -2025.12.31	Rs.15,000.00
Galle		I.S. Weedagama Arachchi	2024.06.20 - 2026.06.19	Rs.15,000.00
Hiniduma		W.K. Dimuthu Sachith	2024.01.01 - 2025.12.31	Rs.15,000.00
Nagoda		W. Lal Jayantha	2025.01.03 - 2027.01.02	Rs.15,000.00
Baddegama		U.L. Kanthi Sriya	2024.08.01 - 2025.07.31	Rs.15,000.00
Deniyaya	Mathara	N.G.C. Pushpakumara	2024.03.01 - 2026.02.28	Rs.15,000.00
Morawaka		B.L. Nadeesha Lakmali	2024.11.01 - 2026.10.31	Rs.15,000.00
Akuressa		P. Nalini Priyanka	2024.11.01 - 2026.10.31	Rs.15,000.00
Kotapola		B.G. Sanka Madurasath	2023.07.01 - 2025.06.30	Rs.15,000.00
Urubokka		W.S. Malkanthi	2024.03.01 - 2026.02.28	Rs.15,000.00
Thalawakele	Nuwara Eliya	W.V. Dhanapala	2024.08.13 - 2026.08.12	Rs.15,000.00
Kothmale		D.M.P.G.P.A.K. Dasanayaka	2023.05.01 - 2025.04.30	Rs.15,000.00
Noorwood		L.M. Pathmanathan	2023.08.01 - 2025.07.31	Rs.15,000.00
Walapane		J.M. Deepa Priyangani	2024.01.01 - 2025.12.31	Rs.15,000.00
Ginigathhena		H.R. Susantha Somaweera	2024.03.01 - 2026.02.28	Rs.15,000.00
Pelmadulla	Rathnapura	G.W. Dayawansha	2025.01.01 - 2025.12.31	Rs.15,000.00
Rakwana		H.M.P. Kumudu Kumari	2023.05.16 - 2025.05.15	Rs.15,000.00
Balangoda		H.K.H. Sri Priyal	2023.06.01 - 2025.05.31	Rs. 7,500.00
Rathnapura		Y. Sumana Kanthi	2023.04.01 - 2025.03.31	Rs.15,000.00
Karawanella		K.D. Ajith Kumara	2024.03.01 - 2024.02.28	Rs.15,000.00
Trico Logistic Pvt Ltd			2023.11.26 - 2025.11.25	Rs. 66,275.00
Mr.G.J. Amaratunga Matara Regional Office			2025.01.01 - 2024.12.31	Rs.140,000.00
Tea Small Holding Development Authority, Walahanduwa Waththa,Walahanduwa, Galle.			2023.03.01 - 2026.02.28	Rs.110,000.00
Mr.H.k. Leelarathne ATC Quarters, (Galle RO) No. 20, Senanayaka Mawatha,Walahanduwa, Galle.			2024.06.12 - 2025.06.11	Rs. 25,000.00

NOTES TO THE FINANCIAL STATEMENTSYear ended 31st December 2024**12). TEA FOR OIL AGREEMENT**

The Ministry of Plantation Industries of Sri Lanka and the Ministry of Industries, Mines and Trade of Iran formulate a Scheme for settlement of a sum of US\$ 250,925,169 outstanding from Ceylon Petroleum Corporation to Iranian Government by means of utilizing the said sum to facilitate the export of Ceylon Tea to Iran approved by the Cabinet Minister at its Meeting held on 21st Dec 2020.

Accordingly Ceylon Petroleum Corporation and Sri Lanka Tea Board enter into an agreement to formulate a Scheme for the above given fact.

The Scheme came into force on 01st August 2023 and until then Ceylon Petroleum Corporation transferred funds equivalent to USD 20,000,000 to SLTB at the exchange rate prevailing at the date of transaction. The total amount received to pay for registered tea exporters is Rs. 6,402,111,500/- in 2023 and Rs. 27,232,059,500.00 in 2024.

All the transaction need to be audited by the M/S. Ernest & Young Consulting Services (Pvt) Ltd. prior to releasing payments to the Tea Exporters.

Sri Lanka Tea Board utilized the spot rate on the date Ceylon Petroleum Corporation fund transfer to Sri Lanka Tea Board settle the payments for tea exporters under this Scheme.

	Rs. (Mn)
Funds Received from Ceylon Petroleum Corporation	27,232,059,500.00
Funds released to the exporters up to 31.12.2024	24,165,417,816.26
Prov : for audit fees to the E & Y Consultancy Service	2,314,157.61
Amount to be released to the exporters as at 31.12.2024	3,066,641,683.74
Administrative Income	2,100,000.00

13). CAPITAL COMMITMENT AND CONTINGENCIES

Capital commitments and contingent liabilities of the Sri Lanka Tea Board have been disclosed in the respective notes to the Financial Statements.

13.1 Incentive Scheme for Tea Exporters for the years 2022/2023

A budget allocation of Rs. 1,725 million has been made for the project in the year 2024. The project has been approved by the Board; however, Treasury approval is yet to be obtained. As of 31st December 2024, no funds have been disbursed under this scheme. The project will be funded through the Promotion and Marketing Levy and disbursements will commence upon receiving the necessary approvals. Future financial statements will reflect updates on fund utilization and project progress.

14). EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

All material events after the Statements of Financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

		2024 (Rs.)	2023 (Rs.)
A. Income			
Grant from Treasury - Recurrent		-	180,000,000
Permit Fees	Note 1	379,452,815	154,483,798
P & M Levy transferred for development activities		1,123,577,432	212,786,346
Income from laboratory	Note 2	52,431,050	31,589,500
Interest transferred from P & M Levy		268,198,323	150,000,000
Registration and Renewal Income	Note 3	289,877,296	256,474,785
Net Profit from Commercial Activities	Note 4	24,421,608	21,812,366
NuwaraEliya Sales counter & Circuit Bungalow	Note 5	2,183,410	1,867,305
Other Income	Note 6	12,965,647	11,927,460
		2,153,107,580	1,020,941,560
B. Tea Sector-Development Expenses			
Tea Factory Modernization Subsidy Scheme		5,321,406	16,984,932
Tea Replanting Subsidy Scheme		24,988,950	52,473,750
Subsidy Scheme For High Shades Tree		11,000	286,500
GMP - HACCP Certification		3,723,190	926,900
Development of Tea Nursery		9,100,000	-
Model Tea Land Expenses		100,000	7,115,000
GMP - Moisture Meter Subsidy Scheme		1,067,763	3,076,875
B-Leaf 60 Program		6,483,820	8,393,978
Subsidy Scheme For New Planting With Mechanization		32,173,350	13,112,100
Subsidy Scheme For Bio Fertilizer Project		5,300,000	1,900,000
Subsidy Scheme For Installation Of Solar Power System		15,782,168	14,076,271
Subsidy Scheme For Exporters Machinery Component		26,082,728	39,369,528
Subsidy For Nursery Development		5,150,000	14,650,000
Establishment of Standard Tea Nursery with Sprinkler system - TSHDA		49,428,000	7,576,891
Sprinkler System For Large & Medium Scale Growers - ISSS		-	5,198,800
Productivity Improvement Program		2,145,000	282,950
Dealer deposit Refund		-	20,000
Direct Tea Planting Program - TSHDA		293,057,432	150,000,000
Assistance Towards Reduction of Bag of Fertilizer To the Smallholders		830,520,000	-
Installation of Agrometers		2,400,000	-
Implementation of Tea infilling project		29,987,775	-
Increase labour productivity		11,722,500	-
Direct Tea Planting Program		74,311,508	-
Productivity Improvement program-plastic crates		29,869,509	-
		1,458,726,099	335,444,475

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

C. Administration Expenses		2024 (Rs.)	2023 (Rs.)			
Personnel Emoluments	Note 7.1	239,473,892	219,356,534			
Other Administrative Expenses	Note 7.2	92,744,956	92,900,469			
Travelling Expenses	Note 8	38,417,403	26,617,391			
Supplies and Requisites	Note 9	26,370,219	21,664,531			
Repairs and Maintenance	Note 10	50,475,993	46,582,637			
Depreciation of PPE	Note F	47,359,189	42,901,487			
Amortisation of Intangible Assets	Note H	2,360,348	2,385,811			
Amortisation of Leasehold Properties	Note G	76,386	76,385			
Utilities and Other Expenses	Note 11	133,284,793	112,309,559			
		630,563,179	564,794,804			
D. Finance Income						
Interest on Investments		91,425,441	112,610,616			
Interest on ZAB accounts		20,487,812	-			
		111,913,253	112,610,616			
E. Financial Expenses						
Bank charges		305,557	247,508			
		305,557	247,508			
F. Property, Plant And Equipment						
F.1 Head Office & Regional Offices						
	Cost or Valuation as at 01.01.2024	Additions/TR Ansfers	Re-Value:	Disposals Transfers	Revalue Adjustment	Cost or Valuation as at 31.12.2024
Free Hold Land	1,051,560,000	-	-	-	-	1,051,560,000
Buildings	402,878,999	-	-	-	-	402,878,999
Motor & Other Vehicles	38,938,612	-	-	-	-	38,938,612
Plant & Machinery	71,766,148	3,241,922	-	1,499,042	-	73,509,028
Office Equipment	28,917,174	1,967,089	-	160,276	-	30,723,987
Water Electricity & Telephone	1,802,445	-	-	33,940	-	1,768,505
Decoration & Display Items	1,026,607	-	-	-	-	1,026,607
Furniture & Fittings	41,925,819	11,349,394	-	2,162,210	-	51,113,003
Library Books	452,889	-	-	-	-	452,889
Computer -Hardware	49,511,109	13,656,612	-	4,698,403	-	58,469,318
Laboratry Equipments	139,924,858	29,825,927	-	7,340,741	118,477	162,291,567
	1,828,704,660	60,040,944	-	15,894,612	118,477	1,872,732,515
Work in progress						
Building/Other	7,173,679	22,549,774	-	-	2,809,863	26,913,591
	1,835,878,338	82,590,718	-	15,894,611	2,928,340	1,899,646,105

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

Provision For Depreciation	Accumulated Depreciation as at 01.01.2024	Charge For The Year	Revalue Adjustment	Disposals	Adjustments	Accumulated Depreciation as at 31.12.2024
Buildings	18,381,925	8,060,755	-	-	-	26,442,680
Motor & Other Vehicles	7,368,591	7,359,002	-	-	-	14,727,593
Plant & Machinery	38,703,226	5,727,050	-	1,499,042	-	42,931,234
Water Electricity & Telephone	1,495,478	22,559	-	33,940	-	1,484,097
Office Equipment	24,013,164	1,926,837	-	160,276	-	25,779,725
Decoration & Display Items	1,024,274	500	-	-	-	1,024,774
Furniture & Fittings	31,253,898	2,738,691	-	1,446,643	5,391,124	37,937,070
Library Books	452,096	660	-	-	-	452,755
Computer - Hardware	39,542,407	4,705,821	-	4,521,566	-	39,726,662
Laboratory Equipments	71,861,147	16,784,904	-	7,340,741	-	81,305,310
	234,096,206	47,326,779	-	15,002,208	5,391,124	271,811,900
Net Book Value	1,601,782,133					1,627,834,204

F.2 Oversease Offices

	Cost or Valuation as at 01.01.2024	Additions/ Transfers	Re-Value:	Disposals Transfers	Revalue Adjustment	Cost or Valuation as at 31.12.2024
Motor & Other Vehicles	11,875,583	-	-	-	-	11,875,583
Office Equipment	1,874,090	-	-	-	-	1,874,090
Furniture & Fittings	822,786	-	-	-	-	822,786
Computer -Hardware	336,457	-	-	-	-	336,457
	14,908,916	-	-	-	-	14,908,916

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

Provision For Depreciation	Accumulated Depreciation as at 01.01.2024	Charge For The Year	Revalue Adjustment	Disposals	Adjustments	Accumulated Depreciation as at 31.12.2023
Motor & Other Vehicles	6,459,387	1,187,558	-	-	-	7,646,945
Office Equipment	1,821,418	12,726	-	-	-	1,834,144
Furniture & Fittings	681,284	25,462	-	-	-	706,745
Computer - Hardware	308,419	28,037	-	-	-	336,456
	9,270,508	1,253,783	-	-	-	10,524,290
Net Book Value	5,638,408					4,384,625

G. Lease Hold Property

	Cost or Valuation as at 01-01-2024	Additions	Revalue:	Write off	Adjustments	Cost or Valuation as at 31.12.2024
Lease Hold Property - HO	3,819,280	-	-	-	-	3,819,280
	3,819,280	-	-	-	-	3,819,280
Provision For Depreciation	Accumulated amortisation as at 01.01.2024	Amortization for the year	Revalue:	Write off	Adjustments	Accumulated amortisation as at 31.12.2024
Lease Hold Property - HO	1,468,328	76,385	-	-	-	1,544,713
	1,468,328	76,385	-	-	-	1,544,713
Net Book Value	2,350,952					2,274,567

H. Intangible Assets

	Cost or Valuation as at 01.01.2024	Additions	Revalue:	Disposals/Transfers	Adjustments	Cost or Valuation as at 31.12.2024
Computer Software- HO	31,927,213	-	-	-	-	31,927,213
Computer Software Work	18,169,899	-	-	-	-	18,169,899
	50,097,112	-	-	-	-	50,097,112
Provision For Depreciation	Accumulated Depepreciation as at 01.01.2024	Charge For The Year	Revalue	Disposals	Adjustments	Accumulated Depepreciation as at 31.12.2024
Computer Software- HO	21,469,311	2,360,348	-	-	-	23,829,659
	21,469,311	2,360,348	-	-	-	23,829,659
Net Book Value	28,627,801					26,267,453

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

		2024 (Rs.)	2023 (Rs.)
I. Inventories			
Laboratory Consumables	Note 12.1	14,292,908	15,938,448
Promotion Materials & Others	Note 12.2	11,591,589	20,499,745
Tea & Other Stocks	Note 12.3	17,312,243	27,011,150
Others	Note 12.4	26,937,686	1,110,594
		70,134,426	64,559,937
J. Trade and Other Receivables			
Receivables	Note 13	126,604,097	58,085,783
Embassy Account	Note 13.1	132,574	8,832,138
Tea Promotion unit-Current Accounts	Note 13.2	10,297,260	34,242,858
Staff Receivables & Other Advances	Note 14	190,987,825	139,994,022
		328,021,756	241,154,800
K. Deposits & Prepayments			
Deposits & Prepayments	Note 15	34,086,735	54,352,528
		34,086,735	54,352,528
L. Other Financial Assets			
Investments	Note 16	10,843,100,426	13,640,954,803
		10,843,100,426	13,640,954,803
M. Loan Receivable			
General Treasury		1,000,000,000	1,000,000,000
Fund facility granted to Tea Brokers		100,057,966	61,070,125
Loan To NIPM		34,416,666	35,000,000
Loan to Central Bank		-	750,000
		1,134,474,632	1,096,820,125
N. Cash in Hand and At Bank			
Cash in hand and at Bank	Note 17	1,818,366,416	213,989,748

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
O. Promotion & Marketing Levy		
Amount Collected From Exporters (January 2023 to August 2023)	-	212,786,346
Permit Fees Transferred for promotion activities	379,452,815	154,483,683
Interest On Investment	859,701,513	1,628,518,470
Interest on Fertilizer loan	-	9,383,230
Sale Of Promotional Items	9,100	22,900
	1,239,163,428	2,005,194,629
Complementary Tea Services & Tea Sampling Gift	3,391,161	912,178
Social Media	-	54,287
Local Promotion Campaign	21,033,005	9,797,812
Production Cost Of Communication Material (ATL/BTL)	2,337,880	4,884,419
Participation At International Trade Fairs & Exhibitions	157,742,603	191,329,550
Foreign Travelling	15,147,768	1,631,846
Overseas Travelling Trade Fair	3,114,685	6,038,562
Events	30,500,026	13,144,208
Intellectual Property Matters	5,061,430	8,879,831
Maintenance Of Overseas Offices	34,781,674	40,465,758
Generic Promotion	7,246,250	7,905,811
Market Research & Other Marketing Support Services	2,739,901	9,020,222
Bank Charges	29,045	39,190
Grants To Tea Museum	564,999	3,000,000
Difference In Exchange	5,710,047	7,287,163
Promotional Entertainment (Foreign Delegations/Events)	268,090	1,206,984
Complementary Teas To Mission Overseas	2,274,270	4,539,233
Through The Line Advertising	15,000,913	7,161,978
Country Promotion Campaign	2,631,801	6,000,000
Visits of Foreign Delegations	257,260	77,140
Program With Embassies	1,855,099	6,344,043
Media Publication & Promotions	181,425	-
marketing cell	81,000	-
Contingencies	-	5,482,000
Annual Estate Tea Of The Year	574,427	1,018,000
Public Relations Campaigns	-	559,892
grants to treasury	-	1,000,000,000
Interest Exp On Fertilizer Loan -Bank	-	3,263,677
Brand Promotion	127,334,750	-
ITPF	8,776	-
Total Expenditure	439,868,285	1,340,043,784
Tax Paid On Interest Income	292,723,395	451,549,882
P& M Levy transferred for development activities	1,123,577,432	-
Transferred to development activities	268,198,323	-
	(885,204,005)	213,600,964

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

P. Employee Benefit Obligations	2024 (Rs.)	2023 (Rs.)
PV-DBO as at 1-1-2024	43,822,236	43,699,322
Current Service Cost	3,782,604	2,549,075
Interest Cost	3,926,472	4,662,925
Actuarial (Gain)/Loss on PV - DBO	21,504,923	10,674,728
Payment during the year	(11,953,058)	(17,763,813)
PV-DBO as at 31-12-2024	61,083,177	43,822,237

Q. Income Tax Payable	SLTB (Rs.)	P&M LEVY (Rs.)	CPC	TOTAL (Rs.)
Balance as at 01-01-2024	2,878,774	172,139,646	-	175,018,420
Provision for the Year	28,011,247	290,246,310	75,228,409	393,485,965
LESS: Tax Payments	(23,965,669)	(403,390,204)	(56,656,760)	(484,012,633)
Balance as at 31-12-2024	6,924,352	58,995,752	18,571,649	84,491,752

R. Trade And Other Payable		2024 (Rs.)	2023 (Rs.)
Trade Payables	Note 18.1	30,951,367	6,309,262
Other Payables	Note 18.2	365,484,563	370,153,512
Receipt in Advance	Note 18.3	180,167,455	153,844,428
Accrued Expenses	Note 18.4	67,125,825	65,072,000
Other Provisions	Note 18.5	241,375,010	153,433,734
Tea for oil arrangement-Receipt in advance	Note 19	3,163,762,989	3,732,026,204
		4,048,867,209	4,480,839,140

S. Bank Balances -BOC	2024 (Rs.)	2023 (Rs.)
Collection A/C -Galle	20,100	199,675
Rathnapura	-	-
Matara	-	76,999
Collection A/C -Bandarawela	-	-
Collection A/C -N'Eliya	-	-
Tea Subsidy	84,908,030	-
Corporate (TCD)	69,304,610	-
Kollupitiya 2nd	38,966,434	-
Bambalapitiya	5,638,187	-
Gampola C/A	316,789	643,355
Collection A/C-Rathnapura	237,764	-
Collection A/C-Nuwaraeliya	91,231	343,430
	199,483,145	1,263,459

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Contributed Capital

Contributed Capital is made up by government grants amounting to Rs. 672,012,201.85 as at 31 December 2024

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
1. Permit Fees		
Collection during the year	758,905,630	154,483,798
Transferred to to tea promotion and activities	379,452,815	-
	1,138,358,445	154,483,798
2. Laboratory Income		
ISO 3720 Standard Test	3,312,850	3,107,750
Chemical Analysis Test	12,000	-
Physical Examination Test	738,650	774,500
Microbiological Analysis Test	1,283,500	2,611,000
Other Tea Sample Test	-	15,000
Pesticide Residual Analysis test	37,084,000	23,166,000
Issue of quality Certificate and Other	12,050	4,250
Lion Logo Testing (Chemical & Microbiological)	9,988,000	1,911,000
	52,431,050	31,589,500
3. Registration & Revenewal Income		
Dealers License Fees	8,678,400	9,108,350
Penalties	8,033,203	6,840,034
License Fees For Produce Brokers	1,750,000	1,265,000
Refuse Tea Registration Fees	1,010,000	1,202,500
Registration of Tea Exporters	957,500	1,415,000
Registration of Tea Packers	1,011,000	1,345,000
Renewal Fee of Tea Exporters	42,260,000	44,097,500
Renewal Fee of Tea Packers	3,975,000	3,895,000
Private Sale Panel Valuation	9,461,500	7,271,500
Direct Sale Ratification Fees	271,500	320,000
Issue of Permit For Importation of Tea	58,945,973	34,927,124
Sale of Import Application Forms	22,460	14,240
Factory Registration	767,500	-
Registration & Renewal of Warehouse	3,335,000	2,530,000
Registration of Tea Manufacturers	3,495,000	480,000
Permit For Refuse Tea Purchase	134,199,283	130,969,457
Registration of Tea Importers	50,000	30,000
Permit for Release of Bank Guarantee	640,000	514,000
Income From Tasting of Tea Samples	1,023,259	878,250
Reg. of Tea Pack / Other Origin Tea	610,640	771,100
Tea Factory Registration Renewal	5,790,300	4,460,000
Renewal of Tea Importers	535,000	605,000
Local Packer Registration	804,650	790,000
Local Packer Renewal	908,650	731,325
GMP Certification Fee	923,500	1,250,000
Tea Sample Testing Fees	297,978	578,405
Late Penalties (Registration & Non-Operational)	120,000	186,000
	289,877,296	256,474,785

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
4. Net Profit from Commercial activities		
Tea Sales	37,029,072	26,267,873
Commission on Exporter Pack Sales	16,143,676	13,589,764
Sale Of Tea & Health/Tea For Health Book	96,925	125,120
Sale of Cloth Bag	147,970	87,130
Difference In Exchange	-	347
Income on promotional item	31,192	23,215
	53,448,835	40,093,449
Cost of Tea	(23,216,377)	(12,838,576)
Incentives To Staff	(3,273,572)	(3,328,146)
Commission on Credit Card	(2,537,280)	(2,114,361)
Net Profit From Commercial Activities	24,421,607	21,812,366
5. Nuwara Eliya Sales Counter & Circuit Bungalow		
Sales Counter -Rent Income & Sales Commission	1,481,260	1,337,955
Circuit Bungalow	702,150	529,350
	2,183,410	1,867,305
6. Other Income		
Interest on Staff Loans	1,554,881	1,586,828
Sundry Income	1,483,765	8,657,185
Sale of Statistical Summary	56,850	94,249
Registration of Suppliers	354,000	287,000
Penalty Interest	6,365,750	-
News Letter	162,000	252,000
Admin Income on fertilizer loan	2,825,273	-
Sale of Posters, Directories & Others	20,010	19,065
Fixed Assets Disposal Profit	141,117	1,031,133
Reg. Of Tea Exporters Directory / Ads	2,000	-
	12,965,646	11,927,460
7. Administration Expenses		
7.1. Personnel Emoluments		
Salaries	115,844,997	121,604,104
Other Allowance (Interim / Other)	19,893,602	21,730,887
Overtime & Holiday Pay	9,679,354	10,830,771
Daily Paid Wages	7,946,283	8,780,806
COL Allowance	48,378,526	22,864,434
EPF Contributions	24,805,699	21,897,745
ETF Contributions	4,961,004	4,435,788
Staff Gratuity	7,709,077	7,212,000
W & OP Contribution	255,350	-
	239,473,892	219,356,535

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
7.2. Other Administration Expenses		
Membership Subscription (Professional)	56,000	32,000
Bonus To Staff	6,125,000	6,375,000
Medical Benefits/Personal Acci. Claims	43,087,822	42,485,202
Liquid Tea To Staff	5,691,115	5,477,652
Supply of Packeted Tea To Staff	10,573,230	9,074,235
Staff Welfare	3,503,753	3,439,986
Death Donation	750,000	750,000
Sports / Recreation Facilities	500,000	500,000
Interest On Staff Property Loan	457,479	702,603
Staff Training / Seminars / Workshops	5,155,066	13,094,140
Fees To Board / Committee Members	1,257,100	1,866,800
Board Meeting Expenses	334,330	155,240
Analytical Laboratory - Consumables	14,948,110	8,803,310
Examination Fees	-	118,729
Consultancy Fees	305,950	7,000
Interview Panel Fees	-	18,570
	92,744,955	92,900,467
8. Travelling Expenses		
Travelling Expenses (Local)	38,417,403	26,617,391
	38,417,403	26,617,391
9. Supplies & Requisites		
Print Stationery & Office Requisites	11,293,328	2,169,440
Fuel & Lubricants	10,416,847	12,691,509
Mechanical,Electrical & General Goods	520,937	2,284,305
Books,Periodicals & Newspapers	598,320	776,714
Uniform	3,540,787	3,742,564
	26,370,219	21,664,532
10. Repair & Maintenance of Capital Assets		
R/M of Vehicles	4,428,521	4,329,943
R/M of Plant & Machinery	6,797,411	4,063,724
R/M of Buildings	5,999,444	7,127,765
R/M of Office Equipment	18,677,175	19,827,854
R/M of Furniture & Fittings	849,032	44,400
Other Utility Services	703,354	958,410
Janitorial Service	8,484,330	7,282,171
Software Maintenance	3,237,402	-
Lab. Accreditation & Instruments Maintenance	1,299,324	2,948,371
	50,475,993	46,582,638

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
11. Utilities & Other Expenses		
Press Notice	16,705,242	16,105,067
Telephone, Fax & Internet	10,186,880	7,429,792
Postage	2,184,385	2,611,160
Electricity	21,997,777	19,551,505
Rates & Taxes	1,905,000	1,842,995
Rent	13,110,421	8,546,678
Insurance - Buildings, Vehicles, Etc.	1,625,104	859,982
Security Services	12,170,193	12,205,657
Audit Fees	1,500,000	1,500,000
Legal Fees	5,301,050	1,986,560
Other Fees	533,893	581,290
Tea Sample Testing Fees	1,738,474	2,311,692
Water Supply & Heating	2,846,531	4,818,783
Tea Tasting Panel Fees	2,850,060	3,207,300
Sundry Expenses	3,332,026	2,099,892
Lease Rental For Vehicles	32,806,755	25,709,832
Lease Rental For Land	480,000	480,000
Tea Tasting Unit Requisite	154,975	199,000
WHT	-	100,000
Nuwara Eliya Expenses	215,765	162,373
Loss on disposal	1,640,262	-
	133,284,793	112,309,558
12. Stocks		
12.1. Laboratory		
Laboratory Consumables	14,292,908	15,938,448
	14,292,908	15,938,448
12.2. Consumables		
Stationery	8,313,560	16,508,776
Promotional Materials	3,278,029	4,115,963
	11,591,589	20,624,739
12.3. Tea & Other Stocks		
Tea - Main Stores	2,276,118	6,781,662
Tea - Sales Counter	565,196	776,862
Staff Tea	352,457	539,484
Empty Cartons	14,118,472	18,788,148
	17,312,243	26,886,156
12.4. Goods In Transit	26,937,686	1,110,594
	70,134,425	64,559,937

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
13. Receivables		
Receivable from Exporters - Trade fair	5,039,587	-
Sundry Receivable	36,940,532	38,428,556
Debtors Control	73,009,106	16,408,725
Income Receivable	1,424,910	1,535,770
Packeted Tea Sales	309,678	329,632
Ceylon Tea Museum	-	960,998
Admin Income Receivable	2,825,273	-
Penalty Interest	6,365,750	-
Shortages	689,263	422,103
	126,604,099	58,085,784
13.1. Embassy Account		
China	84,764	84,764
Moscow	-	8,699,564
Australia	47,810	47,810
	132,574	8,832,138
13.2. Tea Promotion unit-Current Accounts		
UAE	8,237,377	8,237,377
Moscow	251,531	24,782,144
China	1,808,352	1,223,337
	10,297,260	34,242,858
14. Loans & Advances		
Loans And Advances Moscow	11,459	11,459
Consolidated Loans - TCD	-	5,552,660
Ceylon Tea Museum	3,997	-
Advance for fuel	100,000	-
Staff Tea Recoveries	125,801	200,429
Payments in Advance Direct Planting -TSHDA	319,225	-
Staff Debtors	324,747	30,775
Advance - Festival	434,400	383,150
Advance for promotional expenses	607,500	-
Consolidated Loans - HO	37,201,363	31,346,263
Advance -Tea Small Holdings Development Authority	83,700,000	33,470,665
Payments in Advance - Trade Fair	40,923,378	67,820,442
Payments in Advance	27,235,955	1,178,179
	190,987,825	139,994,022

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
15. Deposits & Pre - Payments		
Deposits	6,087,511	5,707,511
Stamp Deposit	160,000	160,000
Parcel Postage Deposit	44,940	44,940
Deposits & Prepayment - China	2,030,068	2,176,602
Pre - Payments	11,930,497	7,766,434
Mobilization Advance	13,833,718	38,497,041
	34,086,734	54,352,528
16. Investments	2024 (Rs.)	2023 (Rs.)
Investment SLTB	1,024,021,843	1,122,898,927
Interest Receivable - SLTB	50,022,299	29,417,656
Investment P & M Levy	8,099,999,824	12,217,313,503
Interest Receivable - P & M Levy	184,695,362	271,324,717
Investment CPC funds	1,476,865,500	-
Interest Receivable	7,495,598	-
	10,843,100,426	13,640,954,803
17. Cash & Cash Equivalents	2024 (Rs.)	2023 (Rs.)
17.1. Cash		
Petty Cash Imprest - Stamp & RO	56,138	10,000
Collection On Sales In Hand	511,244	2,170,561
	567,382	2,180,561
17.2. Bank Balances		
BOC- Tea Subsidy	-	19,236,911
BOC- Corporate (TCD)	-	16,515,721
BOC- Kollupitiya 2nd	-	39,389,444
BOC- Bambalapitiya	-	91,283,607
BOC- Independence Square	963,100	3,495,374
BOC- Corporate (HO)	1,000,000	22,413,375
Peoples Bank	60,881,269	2,776,729
Peoples Bank	-	981,593
	62,844,369	196,092,754
17.3. Bank Balances ZAB		
BOC- Kollupitiya 2nd	54,124,078	-
BOC - Bambalapitiya (1484)	1,465,101,703	-
BOC- Corporate (HO)	64,650,466	-
BOC- Bambalapitiya	57,609,131	-
BOC- Independence Square	15,327,998	-
BOC- Tea Subsidy	88,660,492	-
	1,745,473,868	-

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
17.4. BOC Regional Office Current Accounts		
Galle	183,726	213,385
Matara	117,795	121,447
Rathnapura	308,085	818,885
Mathugama	98,475	265,893
Bandarawela	432,312	50,937
Gampola	-	168,518
Nuwaraeliya	998,324	148,641
	2,138,717	1,787,706
17.5. BOC Regional Office Collection Accounts		
Rathnapura	-	3,947,879
Nuwaraeliya	-	-
Galle	-	-
Matara	3,480	-
Gampola	289,303	-
Bandarawela	2,340,513	2,610,565
Mathugama	4,176,475	7,370,282
	6,809,771	13,928,726
17.6. Regional Office Current Accounts		
Matugama	102,065	-
Rathnapura	71,401	-
Galle	139,626	-
Nuwara Eliya	219,216	-
	532,308	-
	1,818,366,416	213,989,748
18. Creditors & Provisions		
18.1. Trade Payables		
Payables	29,288,466	6,102,598
Credit Tea Order	24,642	24,642
Creditors & Provisions - China	-	177,865
Creditors & Provisions - Moscow	1,638,259	4,157
	30,951,367	6,309,262

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
18.2. Other Payables		
General Deposits	220,306,440	228,064,247
Retention Monies Deposits	37,840,294	33,799,915
SLTB Official Packer	2,491,008	6,396,186
Staff Creditors	6,316,656	6,375,000
Arrears - Green Leaf Deposit	92,049,848	90,304,143
Cusdec Deposit	161,400	161,400
Refundable Tender Deposit	10,000	10,000
Retention Incentive - Sales Counter	456,234	334,860
Credit Suppliers	-	-
VAT Payable	5,852,682	4,707,761
	365,484,562	370,153,512
18.3. Receipt in Advance		
Nuwara Eliya-Sales Center	1,620,000	1,620,000
Trade Fair	42,600,000	58,033,810
Licence Fee	8,127,700	6,985,000
Refused Tea	51,620	850,000
Renewal of Warehouse	1,830,000	1,560,000
License Fee For Produce Brokers	1,750,000	1,750,000
Registration of Tea Factory	100,000	-
Registration of Tea Packer	40,000	155,000
Renewal of Tea Exporter	32,357,500	30,565,000
Renewal of Tea Packer	2,512,500	2,375,000
Registration of Tea Warehouse	50,000	50,000
Registration of Exporters	80,000	155,000
Registration of Local Packer	40,000	5,000
Renewal of Tea Importer	455,000	415,000
Medical Deposit SLTB - Staff	1,294,600	1,125,100
Tea Factory Reg. Renewal	3,590,000	3,820,000
Registration Of Tea Importers	5,000	-
Local Packer Renewal	270,000	280,000
Receipts In Advance other	76,125	-
Promotional & Marketing Levy	42,582,517	43,754,775
Fertilizer to medium scale growers	40,294,300	-
Deposit - BMF	440,593	345,743
	180,167,455	153,844,428
18.4. Accrued Expenses		
Accrued Expenses	40,116,724	46,058,429
Accrued Expenses - P & M Levy	27,009,101	19,013,571
	67,125,825	65,072,000

DETAILED SCHEDULES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2024

	2024 (Rs.)	2023 (Rs.)
18.5. Other Provisions		
Travelling	8,128,683	6,010,664
Audit Fees	2,778,223	2,555,700
Printing Stationery & Office Requisition	867,368	106,000
Fuel & Lubricants	980,937	1,058,481
Periodicals & Newspapers	36,540	135,620
Maintenance Expenditures	776,145	1,621,005
Postal & Communication	1,175,056	1,028,029
Electricity & Water	229,861	1,995,920
Rent & Local Taxes	672,542	675,000
Janitorial Services	1,347,741	592,515
Security Services	-	1,034,374
Medical Benefits	2,815,084	2,944,979
Overtime & Daily Paid Wages	2,314,674	2,090,581
APIT Payable	8,116	878
Legal & Other Fees	1,761,910	41,500
Sprinkler System For Large & Medium Scale Growers	35,540,000	-
Subsidy Scheme For Bio Fertilizer Project	52,216,000	49,316,000
Subsidy Scheme For Installation Of Solar Power System	4,288,834	39,509
Subsidy Scheme For New Planting With Mechanization	14,212,900	12,297,900
Press Notice and Advertisement	1,581,740	277,680
Subsidy Scheme Model Tea Garden Subsidy Scheme	19,107,961	20,357,961
GMP -Moisture Meter Subsidy Scheme	200,000	-
Subsidy For Tea Nursery Development Expenses	39,779,000	43,029,000
Subsidy Scheme For Exporters Machinery Component	1,781,174	-
Provision Tea Infilling	4,100,625	-
Subsidy Scheme For Tea Replanting & Direct Planting	19,873,897	6,224,439
Subsidy Scheme GMP - HACCP	3,150,000	-
Provision for Productivity Impro. Plastic rack & bags	21,650,000	-
	241,375,011	153,433,735

7. THE AUDITOR GENERAL'S REPORT – 2024

(ENGLISH VERSION OF AUDITOR GENERAL REPORT)

Chairman
Sri Lanka Tea Board

The Auditor General's Report on financial statements and other legal regulatory requirements of Sri Lanka Tea Board as per the Section 12 of National Audit Act No.19 of 2018 for the year ended 31st December 2024.

1. Financial Statements

1.1. Qualified Opinion

The audit of the financial statements of the the Sri Lanka Tea Board for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the income statement, other extended income statements, statement of changes in equity and cash flow statement for the year then ended and the notes to the financial statements, including material accounting policy information was carried out under my direction as per the provisions of National Audit Act No.19 of 2018 and Finance Act No.38 of 1971 that should be read in combination with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in the Parliament in due course as per the Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the section of Basis for Qualified Opinion in my report, the accompanying financial statements of the Board give a true and fair view of the financial position of the Board as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Opinion

(a) Although the assets at a cost of Rs. 167,519,802 fully depreciated by the Board as at the end of the year under review were being further used, the effective life time of the said assets had not been re-estimated and accounted or revealed in the accounts in accordance with the paragraph no. 51 of the Sri Lanka Accounting Standard 16.

(b) Although the 11.47 percentage of long-term Treasury bills interest rate should be used as the discount rate in accounting the pension benefit commitment as per the Sri Lanka Accounting Standard 19, the Board has used the 8.96 percentage of short-term Treasury bills interest rate. Consequently, the pension benefit cost had been devalued by Rs.384,779 at the end of the financial year, and the present value of the determined employee benefit commitment and the actual loss on pension benefit had been overstated by Rs.9,130,758 and Rs. 9,515,537 respectively.

(c) Even if the laboratory revenue was Rs.52,431,050 as per the financial statements, the said value as per the reports presented by the laboratory was Rs.55,591,150. Consequently, a discrepancy of Rs.3,160,100 was observed.

(d) Although the Board had decided in the year 2022 not to perform 06 creative tasks in the global promotional and marketing program for "Ceylon Tea", the expenditure amounting to Rs.9,414,411 allocated from the fund in the year 2017 for the said purpose had not been re-adjusted. Consequently, the current liabilities in the year under review had been overstated and the promotional and marketing deposits had been understated.

(e) A sum of Rs.6,396,185 paid to the made tea packer of the Board (SLTB Official Packer) for the stocks received in the previous financial year had been deducted from the cost of sales. Consequently, the cost of sales had been devalued by that amount.

(f) Although the fixed deposit interest balance of the Board receivable as at the end of the year under review as per the financial statements was Rs. 38,741,610, the said balance as per the Ledger was Rs.50,022,298. Consequently, a difference of Rs.11,280,688 was observed.

(g) Even if the deduction of withholding tax for the interest received on the fixed deposits owned by the Board was Rs.3,077,643 as at the end of the year under review according to the financial statements, the said value as per the schedule of tax calculation on the self-assessment was Rs.4,251,665. Consequently, a difference of Rs.1,174,022 was observed.

(h) Since a sum of Rs.4,678,853 had been accounted by the Board as withholding tax for the interest value received on the treasury bills amounting to Rs.126,997,434 from which the withholding taxes were not deducted, the interest revenue had been overstated by that amount and the income tax expense had been devalued.

(i) The sum of Rs.9,628,606 to be credited to the Promotion and Marketing Deposit Account deducting from the interest received in the previous year by investing the fund received from the Ceylon Petroleum Corporation under the Tea and Oil Agreement being implemented between Iran and Sri Lanka had been accrued as an expenditure of the Board. As the said note was not accurate in the year under review, the accrued expenses had been overstated by a sum of Rs.9,628,606, and the promotion and marketing deposits and retained earnings had been devalued by the said amount.

(j) When the amount of Rs.7,360,900 accrued in relation to the previous year was paid in the year under review, the said amount had been debited to the promotion and marketing tax investment interest income account instead of debiting to the accrued expense account. Consequently, the promotion and marketing investment interest income had been devalued by Rs.7,360,903 and the accrued expenses had been overstated.

(k) Since the interest income amounting to Rs.3,186,800 received in the year under review for the funds received from the Ceylon Petroleum Corporation was identified in the financial statements as an interest income received for the funds of the Board, the surplus of the year had been overstated by the said amount and the value to be paid to the Ceylon Petroleum Corporation had been devalued.

(l) As the interest income amounting to Rs.13,901,940 received for the fixed deposits owned by the Board was identified in the financial statements as an interest income received for the funds from the Ceylon Petroleum Corporation, the surplus of the Board in the year under review had been devalued by the said amount and the value to be paid to the Ceylon Petroleum Corporation had been overstated.

(m) As an amount of Rs.20,178,561 was debited to the debtors by journal entries without executing any transaction and credited to the interest deposit to be paid to the Ceylon Petroleum Corporation, the said accounts had been overstated by that amount.

(n) Since the Administration Income of Rs.1,800,000 and Bank Charges of Rs.40,000 that should be collected by the Board for the administration of funds of the Tea and Oil agreement being implemented between Iran and Sri Lanka had not been identified as an income, the surplus of the Board had been devalued by Rs. 1,840,000 and the value to be paid to the Ceylon Petroleum Corporation had been overstated.

(o) As the income source for the amounts of Rs.27,305,276 directly deposited by the customers in the bank accounts of the Board had not been identified and accounted, the said amounts had not been included in the financial statement.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAUSS). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3. Other particulars included in the Annual Report 2024 of the Board

Other details mean the details that have been included in the annual report 2023 of the Sri Lanka Tea Board expected to be handed over to me after the date of this audit report, but not included in financial statements and my audit report on those statements. The management is responsible for these other details.

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

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

If I conclude; based on the other details obtained by me prior to the date of this audit report and the tasks performed by me, that these other details have been mentioned quantitatively erroneous manner, such matter should be reported by me. I do not have anything to report in this connection.

1.4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so Those charged with governance are responsible for overseeing the financial reporting process of the Board.

As per Section 16 (1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of its internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of using the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on other Legal and Regulatory Requirements

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

2.1.1. All details and clarifications required for the audit was obtained by me except the impact caused by the particulars described in "Basis for Qualified Opinion" in my report as per the requirements specified in the Section 12(a) of the National Audit Act No.19 of 2018, and the due financial reports had been maintained by the Board as revealed by my examination.

2.1.2. The financial statements of the Board are compatible with the previous year in line with the requirement of the Section 6(1) (d) (iii) of the National Audit Act No.19 of 2018.

2.1.3. The recommendations made by me in the previous year as per the requirement of the Section 6(1) (d) (iv) of the National Audit Act No.19 of 2018 have been included in the financial statements presented except the observations stated in "a" and "d" under the section "basis for qualified opinion" in my report.

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

2.2.1. A certain member of the Governing Board of the Sri Lanka Tea Board has a connection directly or by other means outside the normal business condition regarding an agreement related to the Board as per the requirement stated in the Section 12(d) of the National Audit Act No.19 of 2018.

2.2.2. It has been proceeded in contrast to a certain relevant written law or other general or special provisions issued by the Board of Governance on the Sri Lanka Tea Board other than the following observations as per the requirement mentioned in the Section 12 (f) of the National Audit Act No.19 of 2018.

Reference to laws, rules/orders

(a) Paragraph 3 of Public Enterprises Circular No.01/2021 dated 16 November 2021

(b) The Gazette No.2343/63 dated 05 August 2023 of the Democratic Socialist Republic of Sri Lanka and the Cabinet Decision No. CP/24/0152/612/014 dated 13 February 2024.

Non-compliance

Even though the Operational Manual on the operational process and the controls including the human resources management of the board should be prepared, the Operational Manual had not been prepared by the Board

Although the value of permit fee transferred to the marketing promotion fund should be used for tea marketing promotion activities, the Board had given a sum of Rs.1,000,000 from the tea promotion fund to the Welfare Society of the President's Office and a sum of Rs.35,000,000 for the construction activities of a building of the National Institute of Plantation Management.

2.2.3. The proceedings have been done incompatibly to the powers, duties and functions of the Board as per the requirement stipulated in the section 12 (g) of the National Audit Act No.19 of 2018.2.2.4. As per the requirement stipulated in the section 12 (h) of the National Audit Act No.19 of 2018, the resources of the Board had not been used thriftily, efficiently and effectively; except the following observations, subsequent to the procurement made in accordance with the rules and regulations within time frames.

(c) The contract had been awarded to a private company for a sum of Rs.2,902,817 to repair the ceiling of the Director Board Room of the Board, and even if the advances should be paid subject to the maximum of 20% from the contract amount as per the 5.4.4 of the Procurement Guideline, a sum of Rs.1,643,327; that is 50%, had been paid as advances.

2.3. Other Particulars

(a) It was observed as per the Supplement to Annual Bulletin of Statistics 2024 that the world prod share for the tea in Sri Lanka; which was a 7.4 percent and the global tea production share; which was a 17.1 percent, in the year 2011 had been decreased to 3.7 percent and 13 percent respectively in the year under review since the total tea production and exportation of Sri Lanka were not gradually grown-up, and even if the Sri Lanka Tea Board has spent Rs.10,127,936,991 and Rs.5,439,616,283 for tea production and promotion activities respectively from 2011 to 2024, it was observed that the place and the market entitled for Sri Lankan Tea in the global context had been gradually missed.

(b) An expenditure of Rs.174,332,138 had been incurred from the year 2016 to 2020 to use television for traditional high level advertising under the global promotion and marketing program for "Ceylon Tea", create TV advertisement in English language, and translate the said advertisement into Chinese, Japan, Arab, Ukraine, German and Turkey languages. However, as the media buying required to advertise in the television media; which was the main objective of creating said advertisement, and preparing the plans regarding that matter had not been done, no advertising had been done on the television media. Also, it was observed that 31 creative tasks done at a cost of Rs.39,832,808 had not been utilized for the relevant task even as of the end of the year under review.

(c) As per the main website www.pureceylontea.com under the creative works of the global promotion and marketing program for "Ceylon Tea" implemented by the Sri Lanka Tea Board and the data of other translated websites, about 29,228 foreign user accesses were observed in the year under review and it was also observed that the website created at a cost of Rs.172,939,768 during the period from 2019 to 2021 had not received an adequate customer/user attraction internationally.

(d) Although a sum of Rs.107,088,740 had been spent within the period from 2019 to 2023 in terms of preparing media surveys and media plans for the promotion of Sri Lanka Tea globally, the said tasks had not been implemented until the end of the year under review. Further, the time frame stated in the prepared media plans had expired by the end of the year under review.

(e) A subsidy of Rs.597,688,264 had been given to tea exporters by the tea promotion tax fund to promote the Lion Logo brand of Ceylon Tea, and a specific method had not been identified by the Board so far to determine the quantity of export of the value-added tea with lion logo in order to verify whether the quantitative targets of the projects have been achieved.

(f) Even if there was a Preferential Tariff Rate Quota for tea under the India – Sri Lanka Free Trade Agreement (ISFTA) and Pakistan – Sri Lanka Free Trade Agreement (PSFTA), a considerable utilization of it had not been reported from 2021 to 2024 and it was observed in the audit that the tea had not been exported to Pakistan under the Trade Agreement.

(g) Although an amount of Rs.92,049,849 has been deposited in the Board by Tea Factory Owners to make payments for the complaints made due to non-payment of a due price for the tea leaves, no action had been taken to pay for tea leaf owners until the end of the year under review.

h) A total of Rs. 15,716,148 had been paid to a private institution by the end of the year under review with a confirmation from Assistant Director (Information Technology) of the Board based on a contract value of Rs. 53,964,995 for the preparation of an information technology system for the tea industry. The system had not been prepared even if a period of nearly 04 years had passed, and a contract of Rs.2,822,400 had been awarded on 01 September 2022 to the same private institution mentioned above outside the aforesaid initial agreement. All 02 contract awards had not been completed and although the validity period of the performance securities given by the private institution had been expired, no action had been taken to extend it as per the agreement even as of the date of audit.

(i) The Board had not taken actions from a period of 01 – 05 years to recruit the officers for 04 posts titled Deputy Director (Marketing), Director (Promotion), Director (Finance) and Director (Administration) which belonged to the top management level.

(j) The loss of Rs.62,603,006 had been experienced by the Board from the Colombo Tea Sales Centre named "Tea Moment" started in the year 2014, and even if the Chairman had been informed by the letter dated 06 December 2016 from the Secretary, Ministry of Plantation Industry that the suitable actions should be taken against the officers who acted carelessly in this connection, no actions had been taken so far.

(k) Although it had been decided; as per the Directive No.11 of the Committee on Public Enterprises of the Sri Lanka Tea Board held on 19 June 2012, to transfer the ownership of "Ceylon Tea Museum" located in Hanthana belonged to Janatha Estate Development Board in lieu of a loan amount worth Rs.25,000,000 given in the year 2003 by the Board to the Janatha Estate Development Board, no actions had been taken so far to take over the ownership of the properties or levy the loan amount though a period more than 10 years has passed to date. Also, a loan amount of Rs.10,000,000 had been given to the Janatha Estate Development Board in the year 2020 by the Sri Lanka Tea Board with the approval of the Board of Directors, and only a sum of Rs.1,000,000 out of that amount had been collected as at the end of the year under review.

(l) The amount not settled out of the advance amount of Rs.125,000,000 given to the Tea Small Holdings Development Authority by the Board on 14 July 2021 for the special project of 25 million of tea plants was Rs.26,369,363. Even though the period of the Memorandum of Understanding entered into with the Authority had been expired by 31 December 2023, the actions had not been taken to settle the advance amount.

G.H.D. Dharmapala
Auditor General (Actg)

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