MILCO (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2025

	Note	As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	**2**	4,092,284,939	4,337,984,890
Intangible assets		2,086,143	6,040,202
Right-of-Use Assets	**2.1**	-	-
Capital Work-In-Progress	**3**	12,878,832,015	12,881,046,984
Financial Instrument - Amortised cost	**4**	1,499,187,899	1,336,691,522
Long-term Advances	**5**	72,074,094	72,074,094
Total Non-Current Assets		18,544,465,090	18,633,837,693
Current Assets			
Inventories	**6**	2,301,436,306	2,847,816,884
Trade and Other Receivables	**7**	1,774,835,860	1,471,471,717
Income Tax Receivable	**8**	12,416,599	12,416,599
Cash and Cash Equivalents	**9**	60,912,974	78,899,464
Total Current Assets		4,149,601,739	4,410,604,664
Total Assets		22,694,066,829	23,044,442,357
EQUITY AND LIABILITIES			
Stated Capital and Reserves			
Stated Capital	**10**	8,488,488,240	8,488,488,240
Capital Reserve	**11**	25,000,000	25,000,000
Revaluation Reserve		336,454,462	336,454,462
Sinking Fund	**12**	1,689,978	1,689,978
Retained Earnings		(1,568,731,513)	(2,853,916,984)
Shareholders' Fund		7,282,901,167	5,997,715,696
Non-Current Liabilities			
Deferred Tax Liability	**13**	-	-
Non-interest Bearing Borrowings	**14.2**	2,108,063	2,108,063
Interest Bearing Borrowings - Long-Term	**14.1**	12,641,310,517	12,641,310,517
Retirement Benefit Obligations - Gratuity	**15**	871,674,259	827,461,613
Deferred Income - Government Grant	**16**	9,717,144	30,047,661
Total Non-Current Liabilities		13,524,809,983	13,500,927,854
Current Liabilities			
Trade and Other Payables	**17**	1,218,159,068	1,752,431,536
Interest Bearing Borrowings - Short Term	**14.1**	(0)	(0)
Bank Overdrafts	**18**	668,196,611	1,793,367,283
Total Current Liabilities		1,886,355,679	3,545,798,819
Total Equity and Liabilities		22,694,066,829	23,044,442,357

Figures in brackets indicate deductions.
The accounting policies and notes on pages 06 to 34 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

………………………………
D.M.D.N.B Dissanayake
Actg.Manager- Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board on 03.07.2026

……………………………… ………………………………
G.V.H Gotabhaya
Chairman **Director**

MILCO (PRIVATE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Note	For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
Revenue	**19**	19,434,522,271	15,988,443,418
Cost of Sales		(16,191,758,145)	(14,063,701,221)
Gross Profit		3,242,764,126	1,924,742,197
Other Operating Income	**20**	122,832,836	55,525,982
		3,365,596,962	1,980,268,178
Administrative Expenses		(1,340,612,373)	(1,282,022,324)
Distribution Expenses		(536,170,499)	(491,459,018)
Other Expenses		(26,616,506)	(27,416,361)
Profit/ (Loss) from Operations		1,462,197,585	179,370,475
Finance Income	**21**	87,226,540	143,535,976
Finance Expenses	**22**	(139,124,153)	(386,840,960)
Net Profit Before Taxation		1,410,299,971	(63,934,508)
Income Tax Expenses	**23**	-	-
Net Profit for the Year after Taxation		1,410,299,971	(63,934,508)
Other Comprehensive Income			
Item that will not be reclassified subsequently to profit or loss:			
Remessurement of Defined Benefit Plan, Net of Taxes		(4,469,166)	(5,355,797)
Total Other Comprehensive Income Net of Tax		(4,469,166)	(5,355,797)
Total Comprehensive Income		1,405,830,805	(69,290,306)
Basic Earning Per Share	**24**	1.66	(0.08)

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 34 form an integral part of these Financial Statements.

MILCO (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Stated Capital Rs.	**Capital Reserve Rs.**	**Revaluation Reserve Rs.**	**Sinking Fund Rs.**	**Retained Earnings Rs.**	**Total Rs.**
Balance as at 31st December 2023	8,488,488,240	25,000,000	336,454,462	1,689,978	(2,784,626,689)	6,067,006,001
Net Profit for the Year					(63,934,508)	(63,934,508)
Other Comprehensive Income					(5,355,797)	(5,355,797)
Balance as at 31st December 2024	8,488,488,240	25,000,000	336,454,462	1,689,978	(2,853,916,995)	5,997,715,696
Prior Year Adjustment					(120,645,323)	(120,645,323)
Net Profit for the Year					1,410,299,971	1,410,299,971
Other Comprehensive Income					(4,469,166)	(4,469,166)
Balance as at 31st December 2025	8,488,488,240	25,000,000	336,454,462	1,689,978	(1,568,731,513)	7,282,901,177

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 34 form an integral part of these Financial Statements.

MILCO (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER, 2025

Cash Flow from Operating Activities	**As at 31st December, 2025 Rs.**	**As at 31st December, 2024 Rs.**
Net Profit Before Taxation	1,410,299,971	(63,934,508)
Adjustments for ;		
Depreciation on Property, Plant and Equipment	382,887,099	432,089,400
Income from Investment	(78,763,952)	(135,230,702)
Interest Expense	139,124,153	241,983,786
Recognized Income on Deferred Grants	(20,330,517)	(42,301,948)
Reversal of Income Tax Provision	30,148,190	-
Provision for Inventory	(144,267,327)	-
Reversal of Overstated Sales	(6,526,186)	-
Exchange Gain	(85,940,259)	-
Provision for Defined Benefit Plans - Gratuity	132,005,048	139,019,826
Disposal gains	(17,317)	(7,611)
Exchange losses	-	144,857,174
Written off of capital work-in progress	477,500	995,491
Operating Profit Before Working Capital Changes	1,759,096,403	717,470,908
(Increase)/Decrease in Inventories	546,380,578	(1,183,786,113)
(Increase)/Decrease in Trade and Other Receivables	(303,364,142)	(532,731,313)
Increase/(Decrease) in Trade and Other Payables	(534,272,468)	914,743,294
Cash Generated from Operations	1,467,840,371	(84,303,225)
Interest Paid	(139,124,153)	(241,983,786)
Payment of Defined Benefit Plans - Gratuity	(92,261,568)	(81,032,292)
Net Cash From/ (Used In) Operating Activities	1,236,454,650	(407,319,304)
Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	(130,895,472)	(80,539,062)
Investments in Property, Plant and Equipment in the Course of Construction	(602,531)	(2,951,753)
Proceeds from disposal of Assets	19,700	112,224
Interest Received	78,763,952	135,230,702
New/ (Withdrawal) Short-Term and Long-Term Investment (Net)	(76,556,118)	170,987,421
Net Cash Used In Investing Activities	(129,270,468)	222,839,531
Cash Flow from Financing Activities		
Lease Rental Paid	-	-
Proceeds from long-term borrowings	-	-
Loans and Borrowings Repayments	-	-
Net Cash Used In Financing Activities	-	-
Net Increase in Cash and Cash Equivalents	1,107,184,182	(184,479,772)
Cash and Cash Equivalents at the Beginning of the Year (Note A)	(1,714,467,819)	(1,529,988,047)
Cash and Cash Equivalents at the End of the Year (Note B)	(607,283,637)	(1,714,467,819)

MILCO (PRIVATE) LIMITED
STATEMENT OF CASH FLOW - (Contd..)
FOR THE YEAR ENDED 31ST DECEMBER, 2025

	As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
Note A: At the Beginning of the Year		
Balances at Banks	74,637,035	19,375,381
Call deposits	11,002	11,639
Petty Cash in Hand	4,251,427	3,784,814
	78,899,464	23,171,834
Bank Overdrafts	(1,793,367,283)	(1,553,159,885)
	(1,714,467,819)	(1,529,988,051)
Note B: At the End of the Year		
Balances at Banks	57,512,731	74,637,035
Call deposits	7,062	11,002
Petty Cash in Hand	3,393,181	4,251,427
	60,912,974	78,899,464
Bank Overdrafts	(668,196,611)	(1,793,367,283)
	(607,283,637)	(1,714,467,819)

Figures in brackets indicate deductions.

The accounting policies and notes on pages 06 to 34 form an integral part of these Financial Statements.

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2025

2. PROPERTY, PLANT AND EQUIPMENT

a) Tangible assets

	Cost/Valuation					Depreciation					Written Down Value	
Description of Assets	**Balance As At 01.01.2025 Rs.**	**Additions Rs.**	**Disposals Rs.**	**Transfers Rs.**	**Balance As At 31.12.2025 Rs.**	**Balance As At 01.01.2025 Rs.**	**Charge for the Year Rs.**	**On Disposals Rs.**	**Transfers Rs.**	**Balance As At 31.12.2025 Rs.**	**As At 01.01.2025 Rs.**	**As At 31.12.2025 Rs.**
Freehold												
Land	3,250,000	-	-	-	3,250,000	-	-	-	-	-	3,250,000	3,250,000
Buildings	588,998,070	-	-	-	588,998,070	392,870,674	44,781,432	-	-	437,652,105	196,127,396	151,345,965
Plant and Machinery	7,639,250,182	31,801,636	-	-	7,671,051,818	3,675,090,770	246,308,198	-	-	3,921,398,967	3,964,159,413	3,749,652,851
Furniture and Fittings	67,444,594	3,807,619	-	-	71,252,213	57,814,362	3,590,403	-	-	61,404,766	9,630,232	9,847,448
Laboratory Equipment	97,679,421	5,986,736	-	-	103,666,156	84,969,962	3,246,815	-	-	88,216,777	12,709,459	15,449,379
Motor Vehicles	221,231,184	-	-	-	221,231,184	217,951,292	3,279,888	-	-	221,231,180	3,279,892	5
Tools and Equipment	429,858,734	14,993,030	-	-	444,851,765	386,756,405	19,755,531	-	-	406,511,936	43,102,330	38,339,828
Bottles and Crates	462,635,128	67,811,736	-	-	530,446,864	398,355,932	30,076,380	-	-	428,432,312	64,279,196	102,014,552
Computer Equipment	90,908,432	7,831,741	(177,000)	(126,667)	98,436,506	74,807,344	8,477,302	(177,000)	(24,293)	83,083,353	16,101,088	15,353,153
Bottle Coolers	249,442,567	129,236	-	-	249,571,804	234,005,696	14,667,765	-	-	248,673,461	15,436,871	898,342
Office Equipment	13,529,814	873,737	(35,843)	126,667	14,494,374	11,658,444	737,514	(33,460)	24,292	12,386,790	1,871,370	2,107,584
Milk Cans	100,241,660	-	-	-	100,241,660	92,204,015	4,011,812	-	-	96,215,828	8,037,644	4,025,832
	9,964,469,786	133,235,472	(212,843)	-	10,097,492,415	5,626,484,896	378,933,040	(210,460)	(0)	6,005,207,475	4,337,984,890	4,092,284,939
b) Intangible Assets												
Computer Software	19,179,164	-	-	-	19,179,164	13,138,962	3,954,060	-	-	17,093,022	6,040,202	2,086,143
Total	9,983,648,951	133,235,472	(212,843)	-	10,116,671,579	5,639,623,858	382,887,099	(210,460)	(0)	6,022,300,497	4,344,025,092	4,094,371,082

2.1 RIGHT-OF-USE ASSETS

	Value					Amortisation					Net value	
	Balance As At 01.01.2025	**Additions**	**Disposals**	**Transfers**	**Balance As At 31.12.2025**	**Balance As At 01.01.2025**	**Charge for the Year**	**On Disposals**	**Transfers**	**Balance As At 31.12.2025**	**As At 01.01.2025**	**As At 31.12.2025**
c) Leasehold Assets												
Motor Vehicles		-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

3.1 Following amounts related to right-of-use assets have been recognised in income statement during the year.

Amortization of right of use assets	-
Interest on lease liabilities	-

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2025

	Balance As At 01.01.2025 Rs.	Incurred During the Period Rs.	Charged to Income statement During the Period	Transfers During the Period Rs.	Capitalized During the Period Rs.	Balance As At 31.12.2025 Rs.
3. CAPITAL WORK-IN-PROGRESS						
Construction of New Milk Factory - Badalgama (Refer N	12,033,160,406					12,033,160,406
Construction of Gatabe Sales Outlet	150,000					150,000
Installation of Cup & Cone Filler at Digana Milk Factory	15,445,587					15,445,587
Modernization of Digana Milk Fcatory	809,899,705					809,899,705
Lorry Chasis Under Development	5,231,462	132,482				5,363,944
Invoicing system for Digana Milk Factory	150,000		(150,000)			-
Grass Chopping Machine - Dambulla MCC	327,500		(327,500)	-	-	-
Construction of insulated tank at Badalgama Factory	13,280,786					13,280,786
Butter Packing Machine modification	2,340,000	-			(2,340,000)	-
Developments of Invoicing System at Head Office	1,061,538					1,061,538
Construction of Vehicle yard	-	331,998			-	331,998
Van repair 58-9690		138,051				138,051
	-					-
	12,881,046,984	602,531	(477,500)	-	(2,340,000)	12,878,832,015

3.1 As detailed in note no 14 to these financial statements, construction of New Milk Factory - Badalgama have been financed by loans granted by the Treasury of the Government of Sri Lanka.

			As at 31st December, 2025	As at 31st December, 2024
			Rs.	Rs.
4	**FINANCIAL INSTRUMENT - AMORTISED COST**			
4.1	**Long-Term Fixed Deposits**			
	Fixed Deposits - BOC - US $		1,499,187,899	1,336,691,522
	Fixed Deposits - PB & BOC		-	
			1,499,187,899	1,336,691,522

Investments pledged as collaterals to obtain various financial assistance from the financial institutions are disclosed in note no. 29 to these financial statements.

5	**LONG TERM ADVANCES**			
	Advance to DESMI - Relocate CMF to Badalgama			
	Balance at the beginning of the year		72,074,094	72,074,094
	Transferred to Capital Work in Progress			
	Adjustment of exchange impact		-	-
	Balance at the end of the year		72,074,094	72,074,094

As detailed in note no 14 to these financial statements, establishment of a diary processing plant at Badalgama has been financed by a loan granted by the Treasury of the Government of Sri Lanka. On 22/10/2015, Treasury of Government of Sri Lanka made advance payment of an amount equivalent to EURO 19,180,692 (30% of the contract value)

6	**INVENTORIES**			
	Raw and Packing Materials	**6.1**	503,688,108	455,099,852
	Work-in-Progress		2,046,282	11,954,382
	Finished Goods		799,296,155	1,376,938,573
	Consumables	**6.2**	1,100,414,059	981,401,718
	Goods in Transit	**6.3**	42,546,746	24,647,289
	Kiri Sisilakaya mini cooler stock		9,808,645	9,871,432
	Provision for Inventory	**6.4**	(156,363,689)	(12,096,362)
			2,301,436,306	2,847,816,884

6.1	**Raw and Packing Materials**		
	Raw Materials - Dairy Production	90,809,482	107,234,216
	Packing Material	373,172,107	321,091,110
	Raw Milk Stock	39,687,080	23,214,896
	Bottle Cooler Stock	-	-
	Drugs and Other Stock	-	3,540,190
	Raw material- redundant items	19,439	19,439
		503,688,108	455,099,852

			As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
6.2	**Consumables**			
	General Stores		62,509,262	59,985,147
	Engineering Stores		937,189,612	822,042,642
	Motor Stores		16,863,928	17,366,327
	Fuel and Lubricant Stores		67,466,893	65,482,092
	Milk Can Stock		16,384,364	16,525,511
			1,100,414,059	981,401,718
6.3	**Goods In Transit**			
	Finished Goods in Transit		31,671,518	12,230,984
	Goods in Transit Lab Equipment		-	125,798
	Raw Milk In Transit		5,715,460	7,297,296
	Yogurt Culture		5,159,767	4,993,211
			42,546,746	24,647,289
6.4	**Provision For Inventory**			
	Packing Material		(42,072,454)	(10,144,367)
	General Stores		(332,731)	(332,731)
	Engineering Stores		(1,523,655)	(1,523,655)
	Fuel Stores		(76,170)	(76,170)
	Raw materials		(19,439)	(19,439)
	Finished Goods		(112,339,240)	-
			(156,363,689)	(12,096,362)

6.5 Inventories pledged as collaterals to obtain various financial assistance from the financial institutions are disclosed in Note No. 29 to these financial statements.

7	**TRADE AND OTHER RECEIVABLES**			
	Trade Receivables	**7.1**	1,323,264,234	1,027,402,925
	Receivable from the Government of Sri Lanka	**7.2**	7,073,868	9,473,868
	Other Debtors		64,294,186	88,890,767
	Advances, Deposits and Prepayments		108,941,753	105,732,217
	Staff Debtors		228,758,372	195,834,838
	Import Control		3,741,193	7,582,303
	Interest receivables on fixed deposits		38,762,255	36,554,800
			1,774,835,860	1,471,471,717

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2025

		As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
7.1	**Trade Receivables**		
	Total Debtors	1,379,054,677	1,083,193,368
	Less: Provision for Impairment	(55,790,443)	(55,790,443)
		1,323,264,234	1,027,402,925
7.2	**Receivable from the Government of Sri Lanka**		
	Receivable from the Ministry of Livestock and Development	6,979,534	9,379,534
	Receivable from Government of Sri Lanka - Milk Subsidiary	278,981,206	278,981,206
	Receivable from Parliament Affairs	94,333	94,333
		286,055,073	288,455,073
	Less: Provision for Impairment	(278,981,206)	(278,981,206)
		7,073,868	9,473,868
8	**INCOME TAX RECEIVABLE**		
	WHT Receivables	12,416,599	12,416,599
	ESC Receivables	-	0
		12,416,599	12,416,599
9	**CASH AND CASH EQUIVALENTS**		
	Balances at Banks	57,512,731	74,637,035
	Investments in call deposits	7,062	11,002
	Petty Cash in Hand	3,393,181	4,251,427
		60,912,974	78,899,464
10	**STATED CAPITAL**		
	Issued and fully paid — No of Shares 848,848,824	8,488,488,240	8,488,488,240

The cabinet paper "no: 21/0199/323/012 on Modernization project of Polonnaruwa, Ambewela and Digana dairy factories", dated 11.01.2021, which was presented by the Ministry of Agriculture was approved by the cabinet on 08.02.2021. Accordingly, it was approved to convert the loan on-lent to Milco (Pvt) Ltd amounting to Rs.8,169,034,183.39, as equity contribution of General Treasury.

The above share issue was completed during 2022 financial year.

11	**CAPITAL RESERVE**		
11.1	Acquisition and Upgrading of Plant and Machinery	25,000,000	25,000,000

The above Reserve is created from the Revenue Reserve during the year of 2008/2009 which would be utilized for acquisition of heavy plant and machinery such as power plant, sterilizer etc.

		As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
12	**SINKING FUND**		
	Transferred from Retained Earnings	1,689,978	1,689,978
		1,689,978	1,689,978

The Sinking Fund created from the proceeds of the cans sold to the farmers. The said fund will be utilized to meet the financial requirement of purchases intended to issue on recovery basis to farmers in the future.

		2025 Rs.	2024 Rs.
13	**DEFERRED TAX LIABILITY**		
	At the Beginning of the Year	-	-
	Charge (to)/from Statement of Comprehensive Income	-	-
	At the End of the Year	-	-
13.1	Tax effect on Temporary Difference on Property, Plant and Equipme	1,124,754,651	1,182,601,930
	Tax effect on Temporary Difference on Retirement Benefit Obligatio	(325,148,517)	(268,604,525)
	Less: Tax effect on Temporary Differences on Tax Losses	(1,013,566,755)	(1,787,980,130)
	Probable Deferred Tax Liability	(213,960,621)	(873,982,726)

Deferred tax assets amounting to LKR 213,960,621 have not been recognised in the financial statements as there are no sufficient taxable temporary differences or convincing evidence that sufficient taxable profits will be available against which the unrecognised deferred tax assets can be utilised by the Company.

			2025 Rs.	2024 Rs.
14	**LOANS AND BORROWINGS**			
14.1	**Interest Bearing Borrowings**			
	Payable within One Year	**15.1.1 to 15.1.4**	(0)	(0)
	Payable after One Year	**15.1.1 to 15.1.4**	12,641,310,517	12,641,310,517
			12,641,310,517	12,641,310,517
14.1.1	**Gross Lease Creditor**			
	Balance at the Beginning of the Year		0	-
	During the Year Additions		-	-
	During the Year Payments		-	-
	Balance at the end of the Year		0	0
	Interest in Suspense			
	Balance at the Beginning of the Year		0	-
	On Lease Facility Obtained During the Year		-	-
	Amount Transferred to Statement of Comprehensive Income		-	-
	Balance at the End of the Year		0	0
	Net Liability		0	0
	Current Maturity Portion		0	0
	Long-Term Maturity Portion		-	-
			0	0

	As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
14.1.2 Bank Loans and Borrowings		
Balance at the Beginning of the Year	(0)	44
Received During the Year	-	-
Less: During the Year Payments	-	(44)
Balance at the End of the Year	(0)	(0)
Current Maturity Portion	(0)	(0)
Long-Term Maturity Portion	-	-
	(0)	(0)

Assets pledged as collaterals to above loans and borrowings are disclosed in note no. 29 to these financial statements.

14.1.3 Borrowings From Treasury of The Government of Sri Lanka		
Balance at the Beginning of the Year	12,641,310,517	12,641,310,517
Granted During the Year	-	-
Impact of error correction		
Converted to equity during the year	-	-
Balance at the End of the Year	12,641,310,517	12,641,310,517
Current Maturity Portion	-	-
Long-Term Maturity Portion	12,641,310,517	12,641,310,517
	12,641,310,517	12,641,310,517

(a) Milco (Pvt) Limited, on 15th May 2015, entered into an agreement with Desmi Contracting A/S, a company incorporated in Denmark, for establishment of a diary processing plant at Badalgama (The Project) of the company at a cost of Euro 63.9Mn.

Cabinet paper No.14/1399/511/001-i (Dated 9th October 2014) presented by the Ministry of Livestock and Rural Community Development on “Establishment of a Dairy Processing Plant at Badalgama” was approved by the Cabinet on 17th December 2014. Accordingly, authorized to the Department of External Resources to Borrow Euro 63.9mn from Export Credit Fund (EKF) of Denmark on the terms agreed upon by the Ministry of Livestock and Rural Community Development (Ref:MLRCD/03/15).

Subsequently, the Government of Sri Lanka entered in to an on-lending agreement behalf of the Milco (Private) Limited with Hongkong and Shanghai Banking Limited (HSBC) for the borrowings of Euro 63.9mn from the aforesaid party under the following conditions.

i. Repayment of principal, interest, commitment fee, structuring fee and other costs shall be made in Rupees to the Treasury of Government of Sri Lanka.

ii. An amount equivalent to Euro 2,234,919 is payable up-front as (Eksport Kredit Fonden/Export Credit Fund) EKF Premium.

iii. An amount equivalent to Euro 19,180,692.30 (30% of the contract value) has been paid to Desmi Contracting A/S as an advance payment in 2015 pursuant to the terms of contract

iv. Over due chargers at 2% per annum, in the event of default of payments.

Milco (Private) Limited has not signed the subsidiary loan agreement with General Treasury to the Government of Sri Lanka as yet.

		As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
14.2	**Non-Interest Bearing Borrowings**		
	Long-Term Portion		
	National Milk Board	2,108,063	2,108,063
		2,108,063	2,108,063

15 RETIREMENT BENEFIT OBLIGATION - GRATUITY

	As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
Balance at the Beginning of the Year	827,461,613	764,118,281
Current Service Cost	40,984,271	39,684,449
Interest Cost	91,020,777	99,335,377
(Gain)/ Loss from Changes in Assumption	4,469,166	5,355,797
Payment Made During the Year	(92,261,568)	(81,032,292)
Balance at the End of the Year	871,674,259	827,461,613

Messrs. Actuarial & Management Consultants (Private) Limited Actuaries, carried out an actuarial valuation of the defined benefit plan gratuity using the projected unit credit method as at 31st December, 2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

The Principal Assumptions Used were as Follows:

Expected Salary Increment	10% p.a
Discount Rate	18.00% p.a
Staff Turnover Factor	5% p.a
Maximum Retirement Age	60 Years

Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employee benefits liability measurement.

The sensitivity of the statement of comprehensive income and statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Increase/ (Decrease) in Discount Rate	Increase/ (Decrease) in Salary Increment Rate	Effect on Change to Statement of Comprehensive Income Rs.	Effect on Employee Benefit Obligation Rs.
1%	*	54,912,985	816,761,274
-1%	*	(61,671,747)	933,346,006
**	1%	(66,831,903)	938,506,162
**	-1%	60,321,452	811,352,807

* Salary Increment Rate 10% for the Company

** Discount Rate 12.00%

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2025

		As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
16	**GOVERNMENT GRANT**		
16.1	Balance at the Beginning of the Year	30,047,661	60,463,044
	Grant Received During the Year	-	11,886,564
	Grant Recognized to the Statement of Comprehensive Income During the Year	(20,330,517)	(42,301,948)
	Balance at the End of the Year	9,717,144	30,047,661
16.2	**Deferred Government Grant**		
	Grant of Samanthurai	-	36,401
	Grant of Thimilathive	-	45,000
	Grant of Milk Cans	-	-
	Grant of 14 Sales Outlets	93,750	168,750
	Grant of LCRD	6,400,233	9,600,349
	Govt Granrs -Ministry - Milk chillers	600,000	1,200,000
	Grants of Bottle Coolers under DESMI Project	-	13,387,500
	Grant of Refrigerant Recovery Machine	234,411	354,411
	Grants of Milk Analysers	2,388,750	5,255,250
		9,717,144	30,047,661
17	**TRADE AND OTHER PAYABLES**		
	Trade Creditors	321,509,186	328,125,832
	Expense Creditors	692,698,164	1,009,323,242
	Other Payables	203,951,719	414,982,462
		1,218,159,068	1,752,431,536
18	**BANK OVERDRAFTS**		
	Bank of Ceylon	611,548,693	1,747,193,271
	People's Bank	56,647,918	46,174,012
		668,196,611	1,793,367,283

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025

		For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
19	**REVENUE**		
	Gross Sales	19,434,522,271	15,988,443,418
		19,434,522,271	15,988,443,418
20	**OTHER INCOME**		
	Surcharges on Returned Cheques	4,437,448	3,197,293
	Non Refundable Deposit	80,500	233,500
	Non Refundable tender Deposit	1,124,000	243,000
	Differed Income	20,330,517	42,301,948
	Registration of Suppliers	4,921,500	4,635,000
	Sundry Income	4,195,279	1,008,641
	Exchange Gain	85,940,259	-
	Fines & Surcharges	198,859	508,832
	Rental Income	1,328,225	1,127,119
	Sale of Unserviceable Items	375,200	2,340,961
	Disposal gain	17,317	7,611
	SSCL on Other Income	(116,268)	(77,923)
		122,832,836	55,525,982
21	**FINANCE INCOME**		
	Interest on Call/Fixed Deposit - Local	380	20,793,049
	Interest on Fixed Deposit - Foreign Currency (USD)	78,763,572	114,437,652
	Interest on Staff Loans	8,462,588	8,305,275
		87,226,540	143,535,976
22	**FINANCE COSTS**		
	Interest on Finance Lease	-	-
	Interest on Loans	-	-
	Interest on Bank Overdrafts	139,124,153	241,983,786
	Exchange losses	-	144,857,174
		139,124,153	386,840,960

23 INCOME TAX EXPENSES

		As at 31st December, 2025 Rs.	As at 31st December, 2024 Rs.
Current Income Tax Provision	24.1	-	-
Deferred Tax Charge for the Year	14	-	-
		-	-

		2025 Rs.	2024 Rs.
23.1	Accounting Profit Before Taxation	1,410,299,971	(63,934,508)
Less:	Income Considered Separately	(87,226,540)	(143,535,976)
	Profit from Trade or Business	1,323,073,431	(207,470,485)
Less:	Net allowable and Disallowable Eexpenses for Tax Purpose	146,093,141	465,470,882
	Business (Loss)/Profit Applicable Taxation	1,469,166,572	258,000,398
	Income Considered Separately		
	Exempt Other Income	78,763,572	114,437,652
	Liable Other Income	8,462,967	29,098,324
	Total Taxable income	1,477,629,539	287,098,722
	C/F Losses transferred	(1,477,629,539)	(287,098,722)
	Taxable income	-	
	Tax Rate	30%	30%
	Provision for the Year (Tax on Adjusted Income)	-	-

24 EARNINGS/(LOSS) PER ORDINARY SHARE

Basic Earning Per Share is calculated by dividing the net profit/(loss) attributable to equity holders of the company by the weighted average number of ordinary shares in issue.

	2025 Rs.	2024 Rs.
Net Profit/(loss) Attributable to Ordinary Shares	1,405,830,805	(69,290,306)
Weighted Average Number of Ordinary Share	848,848,824	848,848,824
	1.66	(0.08)

24.1 Diluted Earnings Per Share

There is no potentially diluted ordinary share of the company and as a result, the diluted earnings per share is the same as basic earnings (loss) per share as shown above.

25 UNRECOGNIZED CONTRACTUAL COMMITMENTS

There have been no capital commitments contracted but not provided for, or authorized by the board but not contracted for, outstanding as at the reporting date except as detailed below.

26 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

26.1 Contingent Liabilities

There are no contingent liabilities as at the reporting date, except following.

01. Certain employees have filed cases in the labor Tribunal against the Company Claiming back wages,re-instatement ...etc. for arbitration and also fundamental rights against the company.

    Since a reliable estimate of the amounts which will be resulting a future cash out flow can not be made and the out come is unknown, a provision had not been made in the accounts in respect of above contingencies.

02. Milco (Pvt) Ltd had contracted M/S Super Neat Technology (Pvt) Ltd for procurement of UPS (uninterrupted power supply) to Ambewela Milk Factory, for a consideration of Rs.94,906,281.25 in 2018. However, subsequently in 2019, the Board of Directors of Milco (Pvt) Ltd has decided to cancel the tender on the ground of inadequate funds to pay supplier and some flaws noted in the procurement process.

    In response to the cancellation, M/s Super Neat Technology (Pvt) Ltd initiated legal proceedings against Milco (Pvt) Ltd to recover losses incurred. The court ruled on 18.11.2025 to suspend the tender cancellation, ordering Milco (Pvt) Ltd to proceed with the original agreement and letter of award. The court further mandated a payment of Rs. 350,000.00 to M/s Super Neat Technology (Pvt) Ltd to cover legal costs. Following the court's decision, M/s Super Neat Technology (Pvt) Ltd has agreed to supply the UPS systems at the original bid price, adjusted for the current exchange rate. A new agreement has been signed to reflect these terms, and the UPS supply process is now proceeding.

26.2 Contingent Assets

There are no contingent assets as at the reporting date.

27 RELATED PARTY DISCLOSURE

27.1 Substantial Shareholding and Ultimate Ownership

The company is a wholly owned government enterprise, which holds 100% ordinary shares of the company.

27.2 Key Management Personnel Information

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company as well as its related parties, directly or indirectly, including any director (whether executive or otherwise) of the company.

The remunaration of directors and other members of key management during the year were as follows:

	For the Year Ended 31st December 2025	For the Year Ended 31st December 2024
Short-term employee benefits	4,991,297	2,748,167

27.3 Related Party Transactions

As per the declaration made by the directors of the company, there were no significant related party transactions taken place throughout the period which would require to be disclosed as per Sri Lanka Accounting Standards.

28 COMPARATIVE INFORMATION

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current year.

MILCO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2025

29 ASSETS PLEDGED AS COLLATERALS

Following assets have been pledged as security against loans

Nature of Liabilities ` Bank	Loan / Facility Granted Rs.	Balance Outstanding As At 31.12.2025 Rs.	Balance Outstanding As At 31.12.2024 Rs.	Repayment	Assets Pledged
Bank Overdraft facility provided by Bank of Ceylon	1,200,000,000	-	(985,140,802)	On Demand	Fixed Deposits Amounting US$ 4,894,498.11 of Bank of Ceylon.
Bank Overdraft facility provided by Bank of Ceylon	600,000,000	(492,423,359)	(600,000,000)	On Demand	Stock in trade movables and effect of the obligation including stocks of packing materials and finished goods and other moveable property lying in and upon or stored at No. 45, Nawala Road, Narahenpita in the district of Colombo, Western Province and present and or future book debts of the company.

30 EVENTS AFTER THE REPORTING DATE

There have been no material events that occurred between the reporting date and the date on which the financial statements were authorized for issue that require adjustments to, or disclosures in the Financial Statements.

31 FAIR VALUE OF FINANCIAL INSTRUMENTS

31.1 Fair Value of the Financial Instrument Carried at Amortized Cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and liabilities.

	Carrying Amount Rs.	Fair Value Rs.
Financial Assets		
Financial Instrument - Amortised cost	1,499,187,899	1,499,187,899
Trade and Other Receivables	1,774,835,860	1,774,835,860
Cash and Cash Equivalents	60,912,974	60,912,974
Total Financial Assets	3,334,936,732	3,334,936,732
Financial Liabilities		
Trade and Other Payables	1,218,159,068	1,218,159,068
Interest Bearing Loans and Borrowings	(0)	(0)
Payable to the Treasury of Government of Sri Lanka	12,641,310,517	12,641,310,517
Bank Overdraft	668,196,611	668,196,611
Total Financial Liabilities	14,527,666,197	14,527,666,197

31.2 Fair Value of Financial Assets and Liabilities Not Carried at Fair Value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements.

31.3 Assets for which fair Value Approximate Carrying Value

For the financial assets and financial liabilities that have a short-term maturity, it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits and call deposits without a specific maturity period.

32 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

32.1 Introduction

Risk is inherent in the company's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the company's continuing profitability and each individual within the company is accountable for the risk exposures relating to his or her responsibilities.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has delegated its authority to its key management personnel who are responsible for developing and monitoring company's risk management policies.

Principal Financial Instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

Instrument

- Trade Receivables
- Cash and Cash Equivalents
- Trade and Other Payables
- Bank Overdrafts
- Bank Loans

32.2 Credit Risk – Default Risk

Credit risk is risk arising due to the uncertainty in counterparty's ability to meet its obligations. The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meets a contractual obligation.

32.3 Liquidity Risk and Funding Management

Liquidity risk refers to the possibility of company not having sufficient cash to meet its payment obligations. This arises primarily due to mismatches in the maturity profile of company's assets and liabilities. Adequate liquidity is critical to meet the company's financial commitment and to accommodate additional funding needs of the growing business volumes.

The company's primary objective in liquidity risk management is to ensure adequate funding for its businesses throughout market cycles.

32.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

	On Demand	Less than 2 Months	2 to 12 Months	1 to 5 Years	Over 5 Years	Total
Company	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Financial Instrument - Held to Maturity	-	-	1,499,187,899	-	-	1,499,187,899
Trade and Other Receivables	-	1,774,835,860	-	-	-	1,774,835,860
Cash and Cash Equivalents	60,912,974	-	-	-	-	60,912,974
Total Financial Assets	60,912,974	1,774,835,860	1,499,187,899	-	-	3,334,936,732
Financial Liabilities						
Trade and Other Payables	-	1,218,159,068	-	-	-	1,218,159,068
Interest Bearing Loans and Borrowings	-	(0)	-	-	-	(0)
Payable to the Treasury of Government of Sri Lanka	-	-	-	-	12,641,310,517	12,641,310,517
Bank Overdraft	668,196,611	-	-	-	-	668,196,611
Total Financial Liabilities	668,196,611	1,218,159,068	-	-	12,641,310,517	14,527,666,197
Total Net Financial Assets/ (Liabilities)	(607,283,637)	556,676,792	1,499,187,899	-	(12,641,310,517)	(11,192,729,464)

32.4 Interest Rate Risk

Interest rate risk is a key constitute of the market risk exposure of the company due to adverse and unanticipated movements in future interest rate which arises from core business activities; granting of credit facilities, accepting deposits and issuing debt instruments.

As of the reporting date, the company has no interest rate sensitive financial assets or financial liabilities.

33. Prior Year Adjustment Note

The financial statements have been adjusted to reflect the accurate position of prior year's accounts. This includes the provisioning of previously unidentified stock balances for finished goods and packing materials. Furthermore, corrections have been made for over- or understated sales from prior years, and excess income tax provisions have been reversed to present a true and fair view of the company's financial standing.

	As disclosed	Adjusted	Net Amount
	Rs.	**Rs.**	**Rs.**
Statement of Financial Position			
Provision for Finished goods	-	112,339,240	(112,339,240)
Provision for Packing Material	10,144,367	42,072,454	(31,928,087)
Trade Receivables	1,083,193,368	1,076,667,182	(6,526,186)
Provision for Tax	30,148,190	-	30,148,189.85
Retained Earnings (As at 31st December 2024)	(2,853,916,995)	(2,974,562,318)	(120,645,323)
Statement of Comprehensive Income	(2,853,916,984)	(2,974,562,307)	(120,645,323)

MILCO (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Note	For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
Revenue		19,434,522,271	15,988,443,418
Cost of Sales	I	(16,191,758,145)	(14,063,701,221)
Gross Profit		3,242,764,126	1,924,742,197
Other Operating Income	II	122,832,836	55,525,982
		3,365,596,962	1,980,268,178
Administrative Expenses	III	(1,340,612,373)	(1,282,022,324)
Distribution Expenses	IV	(536,170,499)	(491,459,018)
Other Expenses	V	(26,616,506)	(27,416,361)
Profit/ (Loss) from Operations		1,462,197,585	179,370,475
Finance Income	VI	87,226,540	143,535,976
Finance Expenses	VII	(139,124,153)	(386,840,960)
Net Profit/ (Loss) Before Taxation		1,410,299,971	(63,934,508)
Income Tax Expenses		-	-
Net Profit/(Loss) for the Year after Taxation		1,410,299,971	(63,934,508)

MILCO (PVT) LTD
DETAIL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025

		For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
I.	**COST OF SALES**		
	Cost of Purchase of Raw Milk	8,983,612,350	8,763,648,037
	Chilling Cost	498,692,693	489,344,901
	Development Cost	594,637,905	471,487,508
	Bowser Cost	382,843,757	377,258,384
	Cost of Other Raw Materials	1,911,940,460	2,156,546,565
	Total Cost of Raw Materials	12,371,727,165	12,258,285,394
	Cost of Packing Materials	1,463,268,395	1,350,944,928
	Cost of Processing and Packing Labor	684,925,816	618,763,482
	Prime Cost	14,519,921,376	14,227,993,805
	Energy Cost		
	Furnace Oil	644,754,658	649,659,228
	Electricity	185,040,201	314,888,059
	Diesel	30,780,735	27,603,519
	Water	33,689,555	33,786,641
	Other Energy Cost	187,369	180,427
	Total Energy Cost	894,452,517	1,026,117,874
	Other Consumables		
	Lab Chemicals	15,632,428	16,936,067
	Detergent & Cleaning Material	76,413,823	65,606,302
	Wages and Staff Welfare of Factory Staff	579,772,703	535,075,208
	Marginal Cost	16,086,192,847	15,871,729,256
	Factory Overheads		
	Depreciation of Plant and Machinery	323,650,386	360,596,601
	Repairs and Maintenance of Plant and Machinery	281,554,378	226,891,767
	Repairs and Maintenance of Buildings	10,241,084	4,107,415
	Transport	445,315	432,600
	Sundry production overheads	6,600	7,489
	Insurance	24,655,439	33,895,135
	Total Factory Overheads	640,553,202	625,931,007
	Total Cost of Production	16,726,746,049	16,497,660,263
	Net Stock/ Transfer Adjustments on Finish Goods	(534,987,904)	(2,433,959,042)
		16,191,758,145	14,063,701,221

MILCO (PVT) LTD
DETAIL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025

		For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
II.	**OTHER INCOME**		
	Surcharges on Returned Cheques	4,437,448	3,197,293
	Non Refundable Deposit	80,500	233,500
	Non Refundable tender Deposit	1,124,000	243,000
	Differed Income	20,330,517	42,301,948
	Registration of Suppliers	4,921,500	4,635,000
	Sundry Income	4,195,279	1,008,641
	Exchange Gain	85,940,259	-
	Fines & Surcharges	198,859	508,832
	Rental Income	1,328,225	1,127,119
	Sale of Unserviceable Items	375,200	2,340,961
	Disposal gain	17,317	7,611
	SSCL on Other Income	(116,268)	(77,923)
		122,832,836	55,525,982
III.	**PERSONNEL EXPENSES**		
	Staff Salaries	304,279,709	314,543,110
	Staff Allowances	13,612,760	24,362,012
	Contributions to Employees' Provident Fund	37,056,741	34,261,834
	Contributions to Employees' Trust Fund	9,264,181	8,614,411
	Provision for Defined Benefit Plans - Gratuity	32,596,958	33,629,536
	Overtime	26,598,600	8,257,250
	Staff Bonus	-	-
	Casual Wages	20,654,284	11,953,123
	Incentives	21,711,537	1,566,532
	Leave Payment	967,533	1,144,996
	Transport Allowance	5,453,900	5,385,047
	Fuel Allowances	22,119,378	27,648,794
	Staff Training	2,466,033	1,749,407
	Medical expenses	2,306,663	2,126,162
	Death Donation	259,000	505,100
	Gift Vouchers	1,124,220	395,300
	Staff Welfare	73,942,862	80,376,692
	Mid day Meals Allowance	1,950,282	1,537,521
	Field Allowance	15,300	57,300
	Uniform	3,988,610	2,081,026
	Telephone Allowances	1,123,500	270,000
	Professional allowance	2,709,167	3,268,727
		584,201,218	573,997,910

MILCO (PVT) LTD
DETAIL NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2025

		For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
III.I	**ADMINISTRATION AND ESTABLISHMENT EXPENSES**		
	Repairs and Maintenance	32,852,445	35,053,778
	Directors Expense	4,991,297	2,748,167
	Travelling	5,060,916	4,568,541
	Garden Maintains	24,670,206	25,211,667
	Bank Charges	5,514,501	7,094,697
	Bungalow Expenses	4,013,761	2,453,412
	Quality Control Expenses	3,925,588	2,907,760
	Depreciation on Property, Plant and Equipment	38,218,757	49,025,530
	Legal Charges	5,369,842	4,618,244
	Printing and Stationary	12,935,414	13,960,572
	Security Charges	66,848,404	60,918,840
	Pest control	1,998,675	2,557,210
	Sundry Expenses	875,169	352,639
	Electricity expenses	19,908,126	24,846,663
	Water expenses	1,464,878	1,615,535
	Rent & Rates	23,633,265	21,204,700
	Stamp Expenses	-	174,425
	Postege Expenses	818,109	578,002
	Advertisment	2,878,680	2,691,640
	News Papers & Periodicals	907,690	886,570
	Vehicle License	223,342	302,190
	Vehicle Hiring	10,927,049	4,792,029
	Accounting & Auditing expenses	7,504,873	3,574,442
	Consultancy Charges	7,247,600	1,938,040
	Insurance	22,215,091	36,792,177
	Fuel Expenses	21,502,493	39,344,701
	DESMI Project Expenses	8,348,849	10,349,421
	Telephones Expenses	1,958,804	6,347,944
	ESC - Write Off	-	-
	Entertainment Expenses	-	-
	Charity and donations	-	-
	Social Security Contribution Levy (SSCL)	412,585,055	339,614,767
	Internet and network chargers	6,113,945	383,744
	Vehicle tracking system maintenance fee	712,150	686,250
		756,411,154	708,024,414
	Total Administration Expenses	1,340,612,373	1,282,022,324

MILCO (PVT) LTD DETAIL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2025		For the Year Ended 31st December, 2025 Rs.	For the Year Ended 31st December, 2024 Rs.
IV.	SELLING AND DISTRIBUTION EXPENSES		
	Advertisements and Sales Promotion	132,592,174	115,455,993
	Sales division salaries	5,813,720	15,457,877
	Transport Expenses	156,115,254	134,664,765
	Sales Commission/Discount	59,849,378	51,540,697
	Warehousing Chargers	4,377,297	972,308
	OutLet Expense	151,497,120	136,776,397
	Repair & Maintanance of Motor Vehicle	3,944,112	2,912,481
	Repairs & Maintenance of Bottle Coolers	-	283,745
	VAT reimbursement for Distributors	(43,512)	8,617,007
	Bad and Doubt Full Debts	-	4,876,819
	Fuel	15,186,196	8,800,983
	Free issues and replacement of Finish Goods	6,838,761	11,099,946
		536,170,499	491,459,018
V.	OTHER EXPENSES		
	Stock write-off/free issue- Finish goods	14,590,408	6,215,623
	Discarded Milk	11,936,745	10,039,208
	Stock write-off- Raw & packing materials	-	5,893,549
	Default Tax on Vat	-	5,058,800
	Expenses on Kiri Sisilakaya project	89,352	209,182
		26,616,506	27,416,361
VI.	FINANCE INCOME		
	Interest on call/fixed deposit	380	20,793,049
	Interest on Fixed Deposit - Foreign Currency (USD)	78,763,572	114,437,652
	Interest on Distress Loan	8,169,003	8,039,701
	Interest on Motor Cycle Loan	293,585	265,574
		87,226,540	143,535,976
VII.	FINANCE COSTS		
	Interest on Bank Overdrafts	139,124,153	241,983,786
	Lease Interest	-	-
	Exchange losses	-	144,857,174
		139,124,153	386,840,960