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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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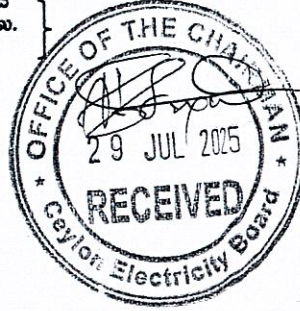
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My No.

PWR/A/CEB/FA/01/24/03

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Your No.

දිනය
திகதி
Date

28 July 2025



The Chairman

Ceylon Electricity Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Ceylon Electricity Board for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018

The above mentioned report is sent herewith.

H.M.U.S.A. Wijekoon

Deputy Auditor General

For Auditor General

Copies to: 01. Secretary, Ministry of Finance Planning and Economic Development
02. Secretary, Ministry of Energy

GIM/FM

As instructed by
Chairman, fo. for
n.a. pl.

H.R.P. Pathberiya
Board Secretary





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தேசிய கணக்காய்வு அலுவலகம்

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28 July 2025

The Chairman
Ceylon Electricity Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Ceylon Electricity Board for the year ended 31 December 2024 in terms of Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

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

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements 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 Qualified Opinion

- (a) The Ceylon Electricity Board Employee Provident Fund (EPF) is operated under the Board as a separate entity. However, the expenses of the Employee Provident Fund amounting to Rs.56.17 million had been recognised as expenses of the Board in the income statement for the year under review in contrary to the paragraph 15 of the Sri Lanka Accounting Standard on Presentation of Financial Statements (LKAS - 01).
- (b) Contrary to the paragraph 69 of LKAS 01, the debit balance of stock adjustment account amounting to Rs.476.77 million and credit balance amounting to Rs.465.96 million had been shown under the other debtors and trade & other payables respectively instead of showing under the balance of Inventory. Further, out of the above stock adjustment balances, debit balance relating to stock shortage amounting to Rs. 142.38 million and a credit balance relating to stock excess amounting to Rs.89.2 million had been remained in the stock adjustment account over one year without being cleared.
- (c) The Board had applied the standard cost method for valuing overhead costs of its capital and maintenance jobs, instead of being applied the actual costs in line with the provisions in the Sri Lanka Accounting Standard on Inventories (LKAS -02) and Property, Plant and Equipment (LKAS 16).As a result, it was revealed that there were favourable overhead rate and material price variances aggregating to Rs.3,075.31 million and Rs.6,955.76 million respectively and also an unfavourable stores price variance aggregating to Rs.7,690.87 million. However, the impact of the above variances to the operating results, assets and equity in the financial statements could not be properly ascertained due to required information relating to those jobs were not made available to audit.
- (d) As per paragraph 51 of LKAS 16, the useful life of the asset shall be reviewed at least at each financial year end and if expectations differ from previous estimates, the changes shall be accounted in accordance with Sri Lanka Accounting Standard on Accounting Policies, Changes in Accounting Estimates and errors (LKAS- 08). However, useful lives of the fully depreciated assets with a cost of Rs.213,362

million as at end of the year under review, which are still in use, had not been reviewed and accounted accordingly.

- (e) Contrary to the paragraph 41 and 42 of LKAS- 08 , a sum of Rs.563.53 million paid as demurrages for coal shipments imported during 2019 to 2023 and Corporate Income Tax amounting to Rs.40.58 million settled by the Board for the year of Assessment 2015/16 on behalf of China Machinery Engineering Corporation (CMEC) in terms of the provisions in the contract agreement of Puttalam Coal Project Phase II had been identified as an expense for the year under review without being adjusted them retrospectively.
- (f) The Social Security Contribution Levy (SSCL) amounting to Rs.1,224 million had been charged by the Board on the supply of electricity to the Lanka Electricity Company Limited from the fourth quarter of the year 2022 to August 2023. However, Lanka Electricity Company (Pvt) Ltd (LECO) had refused to pay the said taxes based on the provisions laid down in the part 2 of the first schedule in terms of the paragraph 3(2) (c) of the Social Security Contribution Levy Act No.25 of 2022 and the Board had paid the said taxes during the year under review. Nevertheless, it had been charged to the profit for the year under review without being adjusted them retrospectively in terms of the paragraph 41 and 42 of LKAS-08. Hence, the profit for the year under review and retained loss at the beginning of the year under review had been understated by similar amount. Further, a sum of Rs.349.7 million had been charged by the Department of Inland Revenue as penalties on this tax and it had not been disclosed in the financial statements in terms of the Section 88 of the Sri Lanka Accounting Standard on Income Tax (LKAS -12).
- (g) As per the default tax report of the Board as at 31 December 2024, the corporate income tax, PAYE Tax and Value added tax payable from the year of assessment 2015/2016 to the end of the year 2024 was Rs.36.62 million, Rs.621.57 million and Rs.70.64 million respectively and appeals have been lodged by the Board. However, no final determination had been received at the end of the year under review. Nevertheless, it had not been disclosed in the financial statements of the Board in terms of the Section 88 of LKAS -12.

- (h) No provision for differed tax liability had been made in the financial statements for taxable temporary differences of Property, Plant and Equipment in terms of the paragraphs 15 and 16 of LKAS -12 and section 2.4.3 of the accounting policies to the financial statements, even though the carrying amount of the assets of the Board had exceeded its tax base at the end of the year under review.
- (i) The process of restructuring is currently executed in terms of the Sri Lanka Electricity Act No.36 of 2024 which has been certified on 27 June 2024 and in terms of the schedule 01 to the section 17 to the act, it is proposed to incorporate 12 companies under the Companies Act No.07 of 2007. However, no adequate disclosures had been made in this regard in the financial statements as required by the Sri Lanka Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets (LKAS -37) for the year under review.
- (j) As per the information received, the court decisions for four legal cases filed at Supreme Court and High court had been declared as at 31 December 2024. As per court decision it was directed to pay a compensation aggregating to Rs.1,387.95 million to the two companies (Heladhanavi Limited and Maeda Nishimatsu Joint Venture Company) and to construct an auditorium at Thalawakelle Tamil Maha Vidyalaya as per the specification promised by the Board. However, no provisions had been made in this regard in the financial statements in terms of the paragraph 14 of LKAS -37.
- (k) As per the decision given by the International Centre for Settlement of Investment Dispute on 12 January 2024 for legal case of KLS Energy Lanka Sdn.Bhd. and KLS Energy Lanka (Pvt) Ltd Vs. Government of Sri Lanka, it was decided to pay a compensation amounting to Rs.59,234 million to the Government of Sri Lanka. However, it was erroneously disclosed as a contingent liability in the financial statements for the year under review. Further, as per the cabinet decision taken on 29 April 2024, it was decided to reimburse the expenditure incurred by the Board as arbitration charges, consultancy charges and other operational expense out of the claim received. However, no action had been taken to recover the amount so incurred by the Board or disclose it in the financial statements even at the end of the year under review.

- (l) As per the cabinet meeting held on 14 October 2024, it was decided to hand over a portion of land belonging to the Sri Lanka Broadcasting Corporation to the Board for the construction of proposed Ekala Grid Substation by charging Rs.320 million based on the valuation of the chief valuer of the government. Further, as per the Board decision taken on 18 September 2023, a sum of Rs.80 million (25% of the estimated value of the land) had been paid as an advance payment to the office of the Divisional Secretary (Ja-Ela). However, no provision had been made in the financial statements for the balance Rs.240 million to be paid for the acquisition of the land even at the end of the year in terms of the Section 14 of LKAS -37. Further, the land had not been acquired even at the end of March 2025 for the said purpose.
- (m) A sum of Rs. 1,024.23 million incurred by the Ceylon Electricity Board on replacement of 04 damage blades of the wind power farm had been recognized as other debtors in the financial statements instead of being capitalized in the respective assets as per LKAS -16.
- (n) The other debtors (sundry debtors and free service connection) remained outstanding over one to five years in Distribution Division 04 was Rs.82.13 million. However, contrary to the provisions in the Accounts Circular No.651 dated 21 January 2025, an amount equivalent to Rs.31.49 million had only been provided for provision for impairment. Similarly, the other receivables remained outstanding over five years in Distribution Division 3 and Distribution Division 4 was Rs. 58.86 million and Rs.53.78 million respectively. However, an amount equivalent to Rs.20.91 million and Rs.11.79 million had only been provided for impairment. Further, the other receivables balance outstanding over one to five years in distribution division 01 and asset management division was Rs.96.06 million and Rs.41.17 million respectively. However, no provision had been made for impairment in the financial statements after recognising the expected credit loss in terms of the Sri Lanka Financial Reporting Standard on Financial Instruments (SLFRS-09). Due to these observations, the accuracy of carrying value of financial assets in the financial statement cannot be ascertained in audit.
- (o) Contrary to the paragraph 25 (b) and section (b) (iii) of application guidance B 98 of the Sri Lanka Financial Reporting Standard on Consolidated Financial

Statement (SLFRS -10) and paragraph 18 of the Sri Lanka Financial Reporting Standard on Business Combination (SLFRS -03), the value of 1,148,982,200 number of shares retained in the LTL Holdings Ltd after transferring 919,517,200 number of shares to West Coast Power (Pvt) Ltd had not been recognised at its fair value at the date when the control is lost and instead of that it had been shown at the cost in the financial statements at the end of the year under review.

- (p) The cost of electrical energy amounting to Rs.3,786 million supplied by the Board to the West Coast Power (Pvt) Ltd at 220kv during the period from 2020 to 2024 had been deducted from each monthly invoice received for the purchase of electrical energy from the Company to the Board and net invoice value had been accounted as the cost of electrical energy purchased. However, the said amount had not been identified as sales income for the year instead of that it had been credited to the sundry creditors. Therefore, retained earnings as at 01 January 2024 and profit for the year under review had been understated by Rs.2,849 million and Rs. 937 million respectively and creditors had been overstated by Rs.3,786 million.
- (q) According to the internal valuation report of the Board, the transformers removed from the corporate division of distribution division 04 in 3 years back amounting Rs.495.18 million have been debited and credited to stocks and other payables accounts respectively during the year under review. However, the respective cost and accumulated depreciation of those transformers had not been derecognised from the books of accounts and the audit could not be ascertained the impact to the financial statements due to lack of information.
- (r) According to the sample audit test check conducted in relation to movements of transformers in Southern Province (i) & (ii) and Western Province South (i), it was observed that 112 numbers of transformers had been removed during the year under review. However, the carrying value of such transformers amounting to Rs.91.79 million had not been adjusted in the books of accounts. Further, 69 numbers of transformer had been fixed in Southern Province (i) and (ii) during the year under review. However, the value of such transformers amounting to Rs. 217.85 million had not been recorded in the fixed asset registers and the books of

accounts. As a result, carrying value of transformers at the end of the year under review had been understated by Rs.126.05 million in the financial statements.

- (s) The Book balance of the thermal coal stock at coal yard as at 15 September 2023 was 12,206.68 MT after adjusting thermal coal stock shortage of 24,251 MT valued at Rs.1,778.6 million including the dead coal negative balance of 14,964.71 MT. However, on this specific date, the thermal coal stock balance had gathered up to 27,171.39 MT due to remaining coal at bunkers and newly unloaded quantity. Therefore, thermal coal stock valued at Rs.924.3 million had been understated by 14,964.71 MT as at 31 December 2023. Accordingly, thermal coal stock had also been understated by 14,964.71 MT valued at Rs.924.3 million as at 31 December 2024.
- (t) As per the financial statements, the capital work in progress balance as at 31 December 2024 was Rs.218,186 million. Out of that, a sum of Rs.89,788.64 million had remained as work in progress over 3 years. Further, in random audit check, it was revealed that 295 completed jobs valued at Rs.176.9 million in distribution division 02, 45 completed jobs valued at Rs. 118.1 million in distribution division 04, cost incurred on construction of two buildings in Distribution Division 04 amounting to Rs.119.68 million and seven completed non capital jobs at a cost of Rs.17.71 million related to work shop, ancillary services section and capital jobs mounting to Rs.101.4 million in transmission division, which were fully completed as at 31 December 2024, had remained as working progress without being capitalized. Further, a sum of Rs. 40.15 million had remained in distribution division 04 over 5 years as jobs done using ministry funds. However, action had not been taken to clear them even at the end of the year under review.
- (u) Six vehicles with a cost of Rs. 124.30 million purchased for the Puttalam Coal Power Project (Phase ii) had not been capitalised even after the Project completed in 2014, and shown as work in progress. Further, no action had been taken to take over these six vehicles and another 11 vehicles of Puttalam Coal Power Project (Phase i) to the Board even though cost of these vehicles had already been included in the cost of respective projects.

- (v) According to the financial statements, the balance of goods in transit in distribution divisions as at 31 December 2024 was Rs. 2,142.10 million. Out of that, the value of stock with suppliers amounting to Rs. 431.55 million had remained over one year without being cleared and Rs.35.83 million had remained over 5 years in distribution division 01 without being cleared. In addition, a sum of Rs. 407.81million of unserviceable aluminium stock issued to Sri Lanka Energies Pvt Ltd had not been accounted as a receivable in terms of the provisions of the circular No.20/21/GM/40/DCC dated 23 September 2021.
- (w) An abnormal credit balance of Rs.162.94 million in age analysis of pre-payments in the distribution division 01 and an abnormal debit balance of Rs.7.88 million in trade payables of Generation Head Quarters were observed in audit. However, action had not been taken to clear them even at the end of the year under review.
- (x) The Board had established a Project Management Unit (PMU) for the Lakwijaya Power Plant Extension Project as per Cabinet Decision No. 19/2622/113/074 dated 24 September 2019. Subsequently, the Board of Directors had taken a decision to close the Project on 26 October 2021 based on the decision taken by the Cabinet of Ministers on 13 September 2021 even after spending a sum of Rs.167.31 million on that Project. Accordingly, a sum of 167.62 million had shown as capital work in progress as at 31 December 2024 without being cleared.
- (y) Dam Works and Tunnel Works relating generation division of the Board valued at Rs. 36,103.35 million had been shown under the civil works of Property, Plant and Equipment of Mahaweli Complex. However, the accuracy of the said amount and the ownership of the respective assets to the Board could not be verified in the Audit.
- (z) The lands purchased at a cost of Rs.171 million during 2021 and 2022 for the construction of Grid Substations in Kalawana, Negombo and Peliyagoda under Power System Reliability Strengthening Project had not been accounted as lands even at the end of the year under review.
- (aa) As per the balance confirmation received from the China Development Bank, a default interest amounting USD 2.6 million had been charged on outstanding loan

balance relating to the Broadland Hydro Power Project. However, no provision had been made in financial statements for the year under review.

- (ab) No provision had been made by asset management division for the non-moving inventory valued at Rs.13.68 million and slow- moving inventory valued at Rs.6.46 million in terms of the Finance Manager Circular No.644 dated 12 September 2024. As a result, the profit for the year under review had been overstated by Rs.14.32 million. Further, an over provision of Rs.7.96 million had been made in distribution division 01 & 04 and an under provision of Rs. 177.15 million had been made in distribution division 02 & 03 for slow moving and non- moving stocks. As a result, the profit for the year had been overstated by Rs.169.19 million.
- (ac) According to the financial statements of the Board, the amount payable to Ceylon Petroleum Corporation (CPC) was Rs. 176.49 million. However, as per the financial statements of the CPC, the corresponding receivable balance was Rs. 838.22 million and the difference between two balances was Rs.661.73 million. However, this matter had not been resolved even at the end of the year under review.
- (ad) As per the clause No.02 of the annexure A to the schedule 09 of the power purchase agreement (PPA), entered between the Board and West Coast Power (Pvt) Ltd ,the parties agreed to meet at the end of the first year of the term to analyse the combined cycle values of table A:2 “agreed parameters and values” to explore the possibility of passing any beneficial adjustments to Board based on the actual performance of the plant (Facility). However, the board of directors of the Board had granted approval to modify values of some combined cycle parameters as an intermediate solution with immediate effect for certification of monthly invoices at its meeting held on 15 February 2019 without concurrence of the company. Accordingly, the monthly invoices submitted by the company since February 2019 had been certified by the Board using the reduced values for parameters even the company had submitted their monthly invoices based on the values for parameters specified in the PPA continuously. Due to this dispute, the payable balance to the company as at 31 December 2024 as per the books of accounts of the Board was Rs. 7,452 million and the corresponding values as per the books of accounts of the Company was Rs.30,323 million. Hence, a

difference of Rs. 22,871 million was observed between two balances and action had not been taken to reconcile the difference and settle them even at the end of the year under review.

- (ae) An unidentified debtor balance of Rs.423.76 million had remained outstanding since 2012 in distribution division 1 and out of that, a sum of Rs.185.41 million had been transferred to debtors control accounts, other liability account etc. of distribution divisions from 2015 to 2024 without investigating and adjusting to the relevant ledger accounts.
- (af) Debtors' collection control account had a debit balance of Rs.415.19 million and a credit balance of Rs.1,999.29 million as at 31 December 2024. However, reconciliation of unsettled debit balances of Rs.273.41 million and credit balance of Rs.1.56 billion was not made available for audit. Hence, the accuracy of the collection control account balances could not be satisfactorily verified in audit. Further, an unidentified opening debit balance of Rs.12.75 million in headquarters had remained over 5 years and aggregating opening credit balance of Rs.103.85 million in WPS (ii), corporate office of distribution division 01 and sabaragamuwa province had remained over 1 year without being cleared. Apart from that, an unidentified opening debit balance of Rs.6.35 million in Sabaragamuwa Province and Rs. 131.64 million in Southern Province (i) had remained over 3 years and 01 year respectively without being cleared.
- (ag) A sum of Rs.64.02 million collected from debtors during the year 1998 to 2024 had been included in the suspense account of distribution divisions without being cleared.
- (ah) An aggregate difference of Rs.121.09 million had been observed between the balance confirmations of three mini hydro companies and the balance shown in the financial statements of the Board. However, action had not been taken to resolve the difference between two balances even at the end of the year under review.
- (ai) As per the records of Ceylon Electricity Board a sum of Rs. 5,786.62 million and Rs.30,275.52 remained receivable from related parties and payable to related parties respectively. However, as per the financial statements and

confirmations received from respective companies a sum of Rs.7,015.65 million and Rs.32,336.20 million had remained payable to the Board and receivable from the Board respectively. Hence, differences aggregating to Rs 1,229.03 million and Rs. 2,060.68 million in receivable from related parties and payable to related parties respectively were observed.

- (aj) The board of survey reports for the fixed assets with a carrying value of Rs. 96,929.08 million in headquarters, asset management division & distribution division 02 and bank balance confirmation for the money market investment and point of sales counter deposits (POS) amounting to Rs.8.8 million and Rs.17 million respectively had not been furnished to audit.

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 information included in the Board's 2024 Annual Report

The other information comprises the information included in the Board's 2024 Annual Report but does not include in the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Board's 2024 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged

with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

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 Board'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 intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

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 scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of 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 communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit matters of 1.2(a), (b), (c),(d), (g), (n), (s), (t), (u), (v), (x), (y), (ac), (ae), (af), (ag), (ai) described in the basis for Qualified Opinion section of my report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained which limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of section 12(f) of the National Audit Act, No. 19 of 2018 except for

Reference to Law/ Direction	Description
(a) Section 7(1) and 43(1) of Sri Lanka Electricity Act, No. 20 of 2009 as amended.	Without obtaining the authorization from the regulator, 24.93 Gwh of energy valued at Rs.1.72 billion had been purchased during the year under review from 2 retired Independent Power Producers (IPPs) while having expired generation license.
(b) Operational Manual for State Owned Enterprises of Department of Public Enterprises dated 17 November 2021.	
(i) Section 3.2 (v) and PED Circular No 95 dated 14 June 1994	The Board had paid leave encashment amounting to Rs. 5,780 million during the year 2013 to 2019. At the audit committee meeting held on 25 September 2020 at the Ministry of Power, it was decided to obtain the approval of the Department of Public Enterprises for the payment of leave encashment and at the audit committee meeting held on 02 February 2021, it was decided to stop the payment of leave encashment immediately as it is informal payment. However, contrary to that, an amount of Rs.1,201 million had been paid as leave encashment for the year 2020 and Rs. 1,542 million and Rs. 1,641 million had been paid during the year 2024 and 2025 as leave encashment for the year 2021 and 2024 respectively.
(ii) Section 3.5	During the year under review, the Board had paid a sum of Rs.34.75 million as salaries, allowances and incentives of seventeen employees released to the Line Ministry and total amount paid during 2020 to 2024 was Rs.323.41 million. However, it had not been recovered from the Line Ministry.
(iii) Section 7.7 and Public Enterprises Circular No.01/2021 (ii) dated 27 September 2023	A subsidiary reviewing policy had not been established by the Board of Directors even at the end of March 2025 even though Board of Directors has a fiduciary duty to establish a structure that facilitate oversight of the performance of subsidiaries coming

- under its purview and discuss the performance of the subsidiaries at least quarterly.
- (c) Section 4.3 of the Guideline on Corporate Governance for State Owned Enterprises of Department of Public Enterprises dated 16 November 2021 Even though a risk committee had been appointed on 12 July 2022, only one meeting had been held even as at the end of the year under review.
- (d) Public Enterprises Circular No. 130 dated 08 March 1998. Vehicle loans should be granted at the interest rate ranging from 10 per cent to 14 per cent. However, contrary to that, the Board had granted vehicle loans to its employees at the interest rate of 4.2 per cent.
- (e) Ministry of Finance Economic Stabilization and National Policies circular No. 01/2024 dated 28 February 2024 “Expenditure Management and Business Sustainability of State-Owned Enterprises”
- (i) Section 12 Lakvijaya Complex of the Board had spent Rs.39.4 million without any approval of the Hon. Minister of Finance as CSR expenses during the year.
- (ii) Section 8.1 Even though the foreign training had been suspended, Board had spent a sum of Rs.23.5 million on Vestas Wind Turbine O & M training programme during the year under review.
- (f) Section 34 (1) of value added tax act, No.14 of 2002 The Board has not submitted three appeals against the Value Added Tax assessments of Rs.10.96 million.

2.2.3 to state that the Board has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act, No. 19 of 2018, except for

- (a) Cabinet Memorandum No. 07/1955/332/045 dated 31 October 2007 submitted by the Minister of Power and Energy on “Payment of Allowances to Employees of the

Ceylon Electricity Board” was considered by the Cabinet of Ministers on 09 April 2008 along with the Report of the National Salaries and Cadres Commission dated 31 March 2008 and approval was granted to implement the recommendations of the Committee appointed for the purpose, subject to the conditions stipulated by the National Salaries and Cadres Commission in its report. However, without the approval of Salaries and Cadres Commission and the Department of Management Services, a sum of Rs. 1,060.02 million had been paid for the year under review for various allowances not included in the list of allowances approved by the Cabinet of Ministers on 09 April 2008. Further, a sum of Rs.191.3 million had been paid as exodus allowance for the year under review for 601 officers who are entitled to the professional allowance and officers appointed to a post are also paid allowances for performing the duties of that post contrary to above Cabinet decision. In addition to that, contrary to above Cabinet decision, no performance-based incentive scheme had been introduced for officers recruited after 01 April 2008 even at the end of the year under review.

- (b) Without approval of the General Treasury, the Board had reimbursed 2/3 of the interest cost amounting to Rs.19,384.8 million for the property loans taken by employees under the subsidized housing loan scheme during the year 2013 to 2024.
- (c) According to the Section 24(1) (c) of Sri Lanka Electricity Act, No. 20 of 2009 as amended, the Board should ensure that there is sufficient capacity from generation plants to meet reasonable forecasted demand. According to the least cost long term generation expansion plan of 2022 – 2041, renewable energy capacity additions of 544MW was planned to be implemented in the year 2022 and new renewable energy power plants with aggregating capacity of 211 MW had only been commissioned. Further, according to the approved least cost long term generation expansion Plan of 2023 – 2042, power plants with aggregating capacity of 607 MW and 1094 MW were planned to be commissioned in 2023 and 2024 respectively with aggregated of new additional capacity of 1,701 MW. However, the actual commissioned capacity was 1,052 MW as at 31 December 2024. As a result, 24.93 Gwh of energy valued at Rs. 1.72 billion had to be purchased as additional power during the year under review and average cost per unit of the additional power purchased was Rs.68.97 while overall average cost per unit was Rs.19.71.

- (d) One transmission proposal identified in the year 2019, six transmission proposals identified in the year 2021 and three transmission proposals identified in the year 2023 for immediate implementation under the long-term transmission development plan 2018 – 2027 had not been commenced even as at 31 December 2024. Further, ten new Grid Substations proposals and eleven Transmission Lines and Underground Cables proposals identified for the year 2023 in the Long-Term Transmission Development Plan of 2018 – 2027 had not been commenced even as at 31 December 2024.
- (e) Sri Lanka Electricity Act, No. 36 of 2024 had been certified on 27 June 2024 and the provisions of section 1, 2, 3, 4, 9, subsection (1) of section 10, paragraph(b) of subsection (2) of section 10, subsection (3) of section 10, subsection (5) of section 10, section 14, section 15, section 17, section 18, section 38 and section 39 shall come into operation on the date on which the bill becomes an Act of Parliament. Other provisions of this Act shall come into operation on such date as shall be appointed by the Minister by order published in the Gazette or if no appointed date is published in the Gazette, upon the expiry of twelve months from the date on which the bill becomes an Act of Parliament. However, even at 30 April 2025, the Board had not acted according to the above provisions of the act which shall come into operation on the date on which the Bill becomes an Act of Parliament.
- (f) As per the clause 2 of Annex A to the scheduled 9 of Power Purchase Agreement (PPA) between the Board and the West Coast Power (Pvt) Ltd, both parties should come with an agreement on the combined cycle values based on the actual performance of the facility at the end of first year of the Term. However, both parties had not come with such agreement up to 12 August 2024, even the combined cycle operation date of the Power Plant was 10 May 2010. (Both parties had agreed to reduce the values for some parameters on 12 August 2024). Hence the opportunity to get any beneficial adjustments to CEB from the end of first year of the Term (10 May 2011) had deprived to the CEB since both parties had not come with an agreement to reduce the values for some parameters based on the actual performance of the facility up to 12 August 2024. Therefore, CEB had to pay more amounts for energy charges, startup charges and delayed interest up to January 2019. Further, it was observed that at the Board meeting held on 15 February 2019, the Board had also instructed General Manager of the Board to calculate the actual

amount over paid (Estimated amount was Rs. 8.6 billion) to the Company as at to date since the Combined Cycle Operation Date of 10 May 2010 based on the reduced values for some parameters as an intermediate solution by the Board Decision on 15 February 2019 and take immediate action to recover same along with the delayed interest charges. However, CEB had not taken actions to calculate the actual over payment and recover the same along with delayed interest as at 31 December 2024.

2.2.4 to state that the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018, except for,

(a) In terms of the directive issued by the Cabinet of Ministers dated 01 March 2021, authority limits relating to procurement guideline reference 2.14.1 (only for open competitive bidding procedure, direct contracting procedure or repeat order procedure) stipulated under the supplement 35 to Procurement Manual 2006 had been enhanced exclusively to the Board by the Ministry of Finance its letter dated 24 September 2021 to carry out the projects to be implemented within the period of year 2021-2023 by the Board. Accordingly, the Board had revised authorities limits with effect from 08 October 2021. The following observations are made in this regard.

(i) Even though enhanced procurement authority limits were expired by December 2023, they had been continued up to 29 Augusts 2024 as per the decision taken by the Board of directors at its meeting held on 03 April 2024 instead of complying with the procurement authority limits stipulated under the supplement 35 up to 24 June 2024 and the supplement 40 since 25 June 2024. As per random audit check it was observed that, procurements with aggregate estimated cost of Rs.1,976.7 million had been initiated by the distribution division 03, Information Technology section and Transmission Construction Project during the period from 01 January 2024 to 29 August 2024 contrary to the provisions supplement 35 and 40.

(ii) When shopping procedure is followed for the procurement of goods, works and services other than consultancy, procurement authority limits stipulated under the supplement 35 up to 24 June 2024 and the supplement 40 since 25 June 2024 shall

be applied. However, contrary to the supplement 35 to Procurement Manual 2006, authority limits of individual officers of the Board for works, goods and services had been enhanced by the Board of directors at its meeting held on 12 October 2021 with effect from 02 November 2021. Even though authority limit for Head of department, Project Director and Chief Accounting Officer was up to Rs. 1 million as per the supplement 35 and up to Rs. 2 million as per the supplement 40, the enhanced authority limits of individual officers of the Board for works, goods and services is up to Rs. 04 million. Accordingly, as the random audit check conducted, procurements with an aggregated estimated cost of Rs. 55.43 million had been initiated by the Board during the period from 02 November 2021 to 31 December 2024 contrary to the supplement 35 and 40.

- (b) The contract for the piling work of proposed headquarters building for the Board had been awarded on 12 March 2012 and the construction contract of the building had been awarded on 02 August 2021 for a contract sum of Rs.4,774.6 million and expected to be completed on 15 August 2023. However, as per the Board decision taken on 14 March 2023, it had been decided to terminate the contract based on the instruction given by Minister of Power at the meeting held on 07 December 2022 at the Ministry. Accordingly, the contract had been terminated on 15 August 2023 whilst the physical progress of the project was remained as 13.2 per cent. After, substantial completion of the contract, engineer had informed to the contractor regarding to the identified defects in the 1st floor slab, ramp and sump areas should be completed on or before 08th February 2025. Even though, the contractor is exclusively responsible to complete the defects, he had failed to complete the said defects items even as at 08 April 2025. Since 15 August 2023 a sum of Rs.11.5 million incurred for the recurrent expenses (salary, fuel, vehicle repairs and etc.) for the project. Accordingly, sum of Rs.1,496.6 million had remained in the balance of work in progress at the end of the year. Hence, it was observed that the amount incurred by the Board for the development activities of the project had become uneconomical at the end of the year under review.
- (c) The contract of consultancy service for development of an integrated Enterprise Resource Planning (ERP) for the Board had been awarded to KPMG company on 17 May 2017 for the contract sum of Rs.164.93 million and 80 workshops had been conducted for 1800 employees. However, the implementation of ERP system had

not executed due to funding issues faced at that time. Therefore, a sum of Rs.155.38 incurred on above consultancy service had become uneconomical and the implementation of the project had not been executed as such a way beneficial to the Board even at the end of the year under review.

- (d) The Seethawaka Ganga Hydropower Project, identified in the Board's Master Generation Plan in 1988, was set to be commissioned by 2022. Initially managed by Sri Lanka Energies (Pvt) Ltd, it was later transferred to the Board after incurring Rs. 1.3 million in preliminary expenses. By 30 September 2021, the Board had spent Rs. 301.19 million on preliminary activities but ultimately decided to wind up the project and transfer it back to Sri Lanka Energies (Pvt) Ltd to develop two mini hydro plants of 7 MW. This decision rendered the Board's expenditures uneconomical, and no efforts were made to recover these costs or account for them appropriately.
- (e) It was observed that 16 lands purchased at a cost of Rs.162.01 million for project activities, for the construction of regional engineer offices, consumer service centres and Grid Substations during the period from 2000 had not been utilized for the expected purposes even at the end of the year 2024. Out of those lands, 2 lands valued at Rs.1.98 million had not been included in the fixed asset registers of the distribution division 2 (CP2) and distribution division 4 (SP 1).
- (f) As per the Electricity (Amendment) Act, No. 16 of 2022, the requirement to submit a tender on the publication of a notice shall not be applicable in respect of any new generation plant or to the expansion of any existing generation plant that is being developed or to be developed on a permit issued by the Sri Lanka Sustainable Energy Authority (SLSEA) for the generation of electricity through renewable energy sources. Accordingly, out of the projects with aggregating capacity of 2,115.4 MW received from SLSEA during the period from 28 June 2022 to 02 December 2024, letters of intent for the projects with aggregating capacity of 762.6 MW had only been issued and Power purchase agreements for the projects with aggregating capacity of 467.5 MW had only been signed up to 31 December 2024. Further, power plants with aggregating capacity of 23.6 MW had only been commissioned up to 31 December 2024.

(g) Procurement on sale of Fly Ash produced as a By-product of Combustion of Coal of Unit 01, 02, & 03 of Lakvijaya Power Plant (LVPP). The following observations are made in this regard.

(i) It was observed that the previous bid had been called for the sale of fly ash for a period of 05 years and the said contract had expired at the end of February 2023. By considering the possible price variations of raw materials over a period of 05 years, CATB had proposed to limit the contract at this instance only for a period of 03 years. Later based on the recommendation of the TEC and the approval of CATB, the approval of the Cabinet of Ministers had been sought to sell the Fly Ash for a period of 03 years from June 2023 to May 2026 to the selected bidders by the Minister of Power and Energy via the Cabinet Paper No. 23/1179/621/051 dated 20 June 2023. The said Cabinet paper and the report of Procurement Appeal Board date 09 May 2023 had been considered by the Cabinet Sub Committee on Public Expenditure Management at its meeting held on 12 July 2023 along the observation of the Minister of Finance, Economic Stabilization and National Policies and the letter dated 22 June 2023 by the Secretary, Ministry of Power and Energy addressed to the Secretary to the Cabinet. However, the Cabinet Sub Committee had recommended to the Cabinet of Ministers to grant approval to sell Fly Ash only for a period of one year to the selected bidders. (Instead of a period of 03 years) Accordingly, the Cabinet of Ministers had granted approval for the same at its meeting held on 17 July 2023. However, the rationale for arriving at the said recommendation (Reducing the three years to one year) had not been explained in the Cabinet decision.

(ii) As per the bids submitted by the selected bidders, a total quantity of 1,161,000 Mt of fly ash with the total expected invoice value of Rs.12.53 billion had been agreed to purchase for a period of three years. However, the Board had entered into agreements with the selected bidders on 12 December 2023 to sell fly ash only for a period of one year from 01 August 2023 to 31 July 2024 based on the above cabinet decision dated 17 July 2023. Accordingly, it had been decided to award contracts to sell fly ash quantity of 387,000 MT at the total expected invoiced value of Rs. 4,178 million (excluding taxes) for a period of one year.

(iii) However, during the period from 01 August 2023 to 30 September 2024 (14 months), total fly ash quantity of 233,991.39 MT or only 60.46 percent of the

maximum agreed quantity for purchasing for a period of one year had been sold with the total invoiced value of Rs. 2,728 million. The Cabinet of Ministers had granted covering approval to extend the fly ash selling contracts for 2 months period from 01 August 2024 at its meeting held on 26 August 2024 since the existing contracts had expired on 31 July 2024. Further, it was observed that fly ash quantity of 8.3 MT per Rs. 1,500 per MT had been sold on 12 August 2023 to the Central Cultural Fund who had not submitted a bid for the contract.

- (iv) The selected bidder, Mahaweli Marine Cement (Pvt) Ltd who was quoted highest quantity at highest price under Quality No. 01, 90% had submitted an appeal to the CATB on the grounds of unilaterally revising the contractual period from three years to a significantly reduced period of one year and copied to the National Procurement Commission via letter dated 25 September 2023. Accordingly, as per the letter of the National Procurement Commission dated 30 November 2023, it was observed that the National Procurement Commission had decided that these modifications to conditions following the bid closure could give rise to legal implications.
- (v) Even though a request had been made by the selected bidder, Mahaweli Marine Cement (Pvt) Ltd to restore the original three years tenure for the Fly Ash Tender at the agreed upon fly ash volumes or a fair and transparent renegotiation of prices and terms in light of the new one-year duration at the reduced quantity, it had not been fulfilled by the Board. Therefore, Mahaweli Marine Cement (Pvt) Ltd had not submitted the Performance Bond for a sum of Rs.466.6 million being 10 percent of the total contract amount as per the terms and conditions of the tender document No.01-b and the company had not entered into an agreement with the Board, even though the company had started to purchase fly ash from 01 August 2023. Accordingly, the Board had sold aggregating fly ash delivery of 195,906 MT invoiced at Rs. 2,586 million (excluding taxes) to the Mahaweli Marine Cement (Pvt) Ltd during the period from 01 August 2023 to 30 September 2024 under the price of Rs.13,200 per MT without obtaining the Performance Bond and without entering into an agreement with the company.
- (vi) Subsequent to the above contract, the cabinet ministers had granted approval to award a new contract to 17 bidders at its meeting held on 26 August 2024 and

agreements had been entered into to sell aggregating fly ash quantity of 286,324.8 MT per annum under the quality No.01 fly ash with the bidders who had submitted unit rate ranging from Rs. 8,050 to Rs. 2,950 per MT. However, it was observed that out of the quantity of 286,324.8 MT, majority quantity of 208,927.2 MT per annum will be sold at the unit rate of Rs. 2,950.

- (vii) The selected main buyer of the previous awarded tender had been agreed to purchase maximum fly ash quantity of 299,700 MT per annum under quality No.01 at unit rate of Rs. 13,200 per MT for a period of three years. However, the Board had awarded the contract to the buyer to purchase fly ash only for a period of one year based on the cabinet decision dated 17 July 2023 and it was extended to further two months. Therefore, Lakvijaya power plant had lost the opportunity to sell fly ash quality No. 01 at highest price of Rs. 13,200 over the further one years and 10 months. Instead of, the agreements had been entered into to sell aggregating fly ash quantity of 286,324.8 MT per annum under fly ash quality No.01 with the unit rate ranging from Rs. 8,050 to Rs. 2,950 per MT for a period of three years. Out of the quantity of 286,324.8 MT, majority quantity of 208,927.2 MT per annum will be sold at the unit rate of Rs. 2,950, which in turn contributes to a loss to the Board.
- (h) A sum of Rs.787.87 million had been incurred during the year under review as delay interest on power purchases for Non- Conventional Renewable Energy (NCRE) sources.
- (i) The Board had paid Rs. 358.55 million and Rs.109.93 respectively as delay Charges to the contractors of National Transmission Distribution Network Development and Efficiency Improvement Project and Habarana Veyangoda Transmission Line Project during the year under review for delayed contract payments.
- (j) Procurement procedure should be followed for Non-Conventional Renewable Energy (NCRE) projects after 6 August 2013 as per the Sri Lanka Electricity Act, No. 20 of 2009 as amended. However, only 7 procurements for NCRE projects with aggregating capacity of 390 MW had been initiated up to 31 December 2021 and out of the said capacity, power plants with aggregating capacity of 116 MW had only been commissioned up to 31 December 2024.

- (k) The contract to construct a monument in Kelanithissa Power Station by using Turbines disposed from Lakshapana Hydropower station had been awarded in 2017 after a delay of 04 years from the commencement of its procurement activities. The contract had been awarded for Rs.25.12 million and scheduled to be completed on 05 January 2018 with a contract period of 180 days. However, it had been failed to complete the construction activities even by the end of the year under review due to poor performance of the contractor. Hence, the contract had been mutually terminated during 2023 whilst the physical progress of the construction activities was remained only 43 percent as at that date and no contract had been awarded to complete the balance works of the monument. Hence, a sum of Rs.18.6 million, which had been incurred, had become uneconomical at the end of the year under review.

2.3 Other Matters

- (a) Trade debtor balance as at 31 December 2024 amounted to Rs. 51,063.12 million (excluding interdivisional sale) and the corresponding balance in the preceding year was amounted to Rs. 70,019.07 million. Out of that, a sum of Rs.2,343.91 million had remained outstanding over 5 years and provision for impairment of trade debtors made by the Board as at 31 December 2024 was Rs.5,917.38 million. Following further observations are made in this regard.
- i. Out of the above total debtor balance, Rs.3,099.83 million had been categorised as finalised due to not recovering outstanding for long period of time and out of which, Rs.1,196.76 million was related to the Distribution Division 01. Further, out of the finalised debtors in distribution divisions, Rs.2,263.16 million represents outstanding finalised debtors more than 3 years period.
 - ii. As per the audit test check, 43 electricity supply connections accounts given to quarters of parliamentary representatives had been finalized due to non-payment of outstanding electricity bills amounting to Rs.11.87 million for a long time. Out of that, a sum of Rs.6.17 million had remained outstanding between one year to five years without being recovered and another Rs.5.69 million had remained outstanding over five years without being recovered.

(b) Out of other debtor balance of Rs.20,429.02 million, a sum of Rs.10,546.2 million had remained outstanding over one year as at the end of the year under review. Following observations were made further in this regard.

- i. A sum of Rs.126.54 million remained outstanding from sacred places on the supply of electricity at the end of the year under review and out of that, a sum of Rs.23.86 million had remained outstanding over five years period without taking any action to recover.
- ii. Out of other debtor balance, a sum of Rs.2,577.59 million had remained outstanding from sundry debtors as at 31 December 2024. Out of that a sum of Rs.787.37 million had remained outstanding over one year and a sum of Rs.252.75 million had remained outstanding over five years. However, no action had been taken to recover them even at the end of the year under review.
- iii. Out of total receivables of Rs.348.29 million, a sum of Rs.344.96 million had remained outstanding from 101 government institutions for the supply of Lifts, air conditioners and power generators by the Asset Management Division of the Board as at 31 December 2024. Out of the above receivables from government institutions, a sum of Rs.80.42 million had remained outstanding over five years without taking any actions to recover.
- iv. A sum of Rs. 714.96 million due from Lanka Coal Company through Taurian Iron and Steel Company (Rs. 478.18 million) and Liberty Commodities Ltd (Rs 236.78 million) had remained outstanding over ten years without being taken proper actions to recover.
- v. A sum of Rs. 275.24 million had remained outstanding from temporary electricity connections given by the Board as at 31 December 2024. Out of that, a sum of Rs. 223.13 million had remained outstanding over one year for temporary electricity connections given to government institutions by Colombo city province.
- vi. A sum of Rs.650.2 million had remained as sundry debtors in transmission division as at 31 December 2024. Out of that a sum of Rs.220.5 million had remained outstanding over 2 years. However, no provision had been made for impairment even at the end of the year under review.

(c) A sum aggregated to Rs.28.03 million related to stock losses identified with the responsible officers had been accounted as sundry debtors over a period of one year

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இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2024

Finance Division
50, Sir Chittampalam A. Gardiner Mawatha,
Colombo 02.

CEYLON ELECTRICITY BOARD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2024

(All amounts in Sri Lanka Rupees Thousands)

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	NOTE	2024	2023 Restated
Revenue	4	547,010,057	606,627,159
Consession provided to Domestic Customers		-	(113)
Cost of Sales	5	(434,295,986)	(507,372,571)
Gross Profit / (Loss)		112,714,071	99,254,475
Other Income & Gains	6	64,463,439	31,579,488
Administrative Expenses	7	(14,557,351)	(12,300,916)
Operating Profit / (Loss)		162,620,159	118,533,047
Finance Income	8	3,545,160	2,230,917
Finance Cost	8	(21,770,841)	(63,131,136)
Finance Cost-Net		(18,225,681)	(60,900,219)
Profit / (Loss) after Net Finance Cost	9	144,394,478	57,632,828
Profit / (Loss) Before Income tax		144,394,478	57,632,828
Income Tax Expense	10	-	-
Profit/(Loss) for the period		144,394,478	57,632,828
Other Comprehensive Income			
Actuarial gain/(loss) on defined benefit obligations	11	4,181,788	(3,154,172)
Other Comprehensive Income for the period, net of tax		4,181,788	(3,154,172)
Total Comprehensive Income/ (Loss) for the period		148,576,266	54,478,656

The notes on pages 05 through 38 form an integral part of the financial statements

*****Note**

The above profit includes Rs. 26,038,084,746.00 which was gained from the transfer of a 28% shareholding in LTL Holdings from CEB to West Coast Power Company Limited.



CEYLON ELECTRICITY BOARD
STATEMENT OF FINANCIAL POSITION

AS AT 31 ST DECEMBER 2024

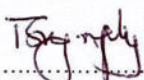
(All amounts in Sri Lanka Rupees Thousands)

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	Note	2024	2023	As At 1st January
				2023
ASSETS			Restated	Restated
Non-Current Assets				
Property, Plant & Equipment	12	952,933,047	929,150,601	894,511,845
Intangible Assets	13	116,747	166,018	141,626
Investment in Subsidiaries	14	814,913	911,813	911,813
Investment In Associate	15	53,825	-	-
Investment in Joint Venture	16	348,606	348,606	348,606
Investments of Insurance Reserves Fund	17	16,799,291	15,111,471	12,460,351
Other Financial Assets	18	8,075,817	6,078,733	5,782,582
Other Non-Current Assets	19	2,331,913	3,094,503	2,495,752
		<u>981,474,159</u>	<u>954,861,745</u>	<u>916,652,575</u>
Non Current Assets Held For sale	20	<u>57</u>	<u>76</u>	<u>76</u>
Current Assets				
Inventories	21	117,283,246	97,213,147	67,026,536
Trade and Other Receivables	22	65,574,771	89,720,348	79,201,216
Other Financial Assets	18	5,527,662	2,958,920	2,358,209
Cash and Cash Equivalents	31	48,527,962	19,907,019	9,147,367
		<u>236,913,641</u>	<u>209,799,434</u>	<u>157,733,328</u>
Total Assets		<u>1,218,387,857</u>	<u>1,164,661,256</u>	<u>1,074,385,979</u>
EQUITY AND LIABILITIES				
Capital & Reserves				
Contributed Capital	23	991,430,291	991,430,291	865,159,372
Reserves	24	51,428,118	48,203,517	44,077,096
Retained Earnings/ (Loss)		(402,618,040)	(549,758,744)	(602,867,131)
Total Equity		<u>640,240,369</u>	<u>489,875,065</u>	<u>306,369,337</u>
Non-Current Liabilities and Deferred income				
Interest Bearing Loans & Borrowings	25	240,088,857	251,559,491	245,221,304
Consumer Deposits	26	17,500,508	17,080,993	16,719,938
Provisions & Other Deferred Liabilities	27	34,447,647	36,809,065	33,001,021
Government Grants	28	200,959	224,894	240,579
Contract Liabilities	29	116,713,562	107,622,268	102,613,053
		<u>408,951,533</u>	<u>413,296,711</u>	<u>397,795,895</u>
Current Liabilities				
Trade and Other Payables	30	118,760,815	197,527,224	282,837,061
Income Tax Liabilities		123,842	123,842	123,842
Interest Bearing Loans & Borrowings	25	50,311,299	63,838,414	87,259,844
		<u>169,195,957</u>	<u>261,489,480</u>	<u>370,220,747</u>
Total Equity and Liabilities		<u>1,218,387,857</u>	<u>1,164,661,256</u>	<u>1,074,385,979</u>

The notes on pages 05 through 38 form an integral part of the financial statements

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


Chairman


Vice Chairman


General Manager


Finance Manager

Date: 25.02.2025

CEYLON ELECTRICITY BOARD

CEYLON ELECTRICITY BOARD
STATEMENT OF CHANGES IN EQUITY
AS AT 31 ST DECEMBER 2024

(All amounts in Sri Lanka Rupees Thousands)

	Reserves					Total
	Contributed Capital	Other Capital Reserves	RHCP Reserve	Loan Redemption Reserve	Self Insurance Reserve	
Balance as at 01.01.2023	865,159,372	165,446	1,018,783	17,447,062	27,000	311,189,293
Prior year adjustment during the period	865,159,372	165,446	1,018,783	17,447,062	27,000	(4,819,956)
Profit/(Loss) for the period	-	-	-	-	-	306,369,337
Additional Equity Investment for CPC payments	126,270,920	-	-	-	-	54,478,656
Interest income from Insurance Reserve Fund	-	-	-	-	2,754,729	126,270,920
Transferred to Depreciation reserve	-	-	-	1,000	-	2,754,729
Transfer to self insurance reserve	-	-	-	-	1,369,269	-
Interest received from customers	-	-	1,423	-	-	1,423
Balance as at 31.12.2023	991,430,291	165,446	1,020,206	17,447,062	28,000	489,875,065
Balance as at 01.01.2024	991,430,291	165,446	1,020,206	17,447,062	28,000	489,875,065
Profit/(Loss) for the period	-	-	-	-	-	148,576,266
Additional Equity Investment for CPC payments	-	-	-	-	-	-
Puttalam Coal Power Project	-	-	-	-	-	-
Debt to Equity Conversion	-	-	-	-	-	-
Interest income from Insurance Reserve Fund	-	-	-	-	1,788,327	1,788,327
Transferred to Depreciation reserve	-	-	-	1,000	-	-
Transfer to self insurance reserve	-	-	-	-	1,434,561	-
Interest received from customers	-	-	713	-	-	713
Balance as at 31.12.2024	991,430,291	165,446	1,020,919	17,447,062	29,000	640,240,368



CEYLON ELECTRICITY BOARD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST DECEMBER 2024

(All amounts in Sri Lanka Rupees Thousands)

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	2024	2023
Cash Flows From / (Used in) Operating Activities		
Profit/(loss) before tax	144,394,477	57,632,828
Adjustments for		
Depreciation and Amortization	36,635,375	35,357,492
Consumer Contribution	(5,108,020)	(4,548,194)
Government Grant	(23,935)	(15,685)
Electric Vehicle Charging Card utilization	(6,603)	(3,517)
WHT Expense on Dividends	31,411	131,626
(Profit)/Loss on sales of Property, Plant and Equipment	(987,966)	(414,814)
Finance Income	(3,545,161)	(2,230,916)
Dividend Income	(1,598,064)	(877,507)
Foreign Currency Gain/Loss	(11,756,054)	(13,733,478)
Lease Interest	2,368	6,685
Finance Costs	21,768,473	63,124,451
Provision for Obsolete & Unserviceable Cost	361,121	865,136
Provision for price Variance	735,102	(10,323,742)
Provision for Impairment of Debtors	1,662,832	4,170,283
Bad debt written off	1,892	1,389,331
Defined Benefit Plans	1,726,263	1,688,012
Personnel cost on pension fund	1,070,187	174,174
Property, Plant and Equipment write-off	-	2,636
Prepaid staff cost	1,678,594	1,503,387
(Gain)/ Loss from Disposal of Shares	(26,038,085)	-
Operating Profit/(Loss) before Working Capital Changes	161,004,207	133,894,669
(Increase)/ Decrease in Inventories	(20,901,936)	(20,591,243)
(Increase)/ Decrease in Trade and Other Receivables	24,836,568	(56,289,747)
Increase/ (Decrease) in Trade and Other Payables	(52,147,893)	(51,949,295)
Cash Generated from Operations	112,790,946	5,064,383
Finance Cost paid	(21,768,473)	(59,928,208)
Retirement Benefit Obligation	(976,081)	(1,208,315)
Income Tax Paid	-	-
Net Cash From/(Used in) Operating Activities	90,046,392	(56,072,139)
Cash Flows from / (Used in) Investing Activities		
Acquisition of Property, Plant & Equipment	(3,844,724)	(3,000,191)
Acquisition of Intangible Assets	-	(76,970)
Capital work in progress incurred	(62,963,196)	(66,886,260)
Re-Investment in Insurance reserves Fund	(1,687,820)	(2,651,120)
Interest Income on Insurance Escrow Fund	1,788,327	2,754,729
Dividend received	1,566,653	745,881
Interest Received	1,866,567	727,529
Sale Proceeds of Fixed Assets Disposals	1,004,015	480,584
Net Cash Flows from/(Used in) Investing Activities	(62,270,178)	(67,905,818)
Cash Flows from (Used in) Financing Activities		
Proceeds From Contributed capital	-	126,270,920
Consumer Contribution	13,661,699	11,502,413
Electric Vehicle E-card Prepayments	6,865	3,972
Fund Received for ADB-RHCP projects	713	1,423
Consumer Deposit Received	617,461	514,919
Consumer Deposit Refund	(197,946)	(153,864)
Lease Rentals Payment	(31,222)	(140,679)
Proceeds From Interest Bearing Loans & Borrowings	36,580,054	51,047,908
Repayment of Interest Bearing Loans & Borrowings	(34,641,125)	(50,236,608)
Net Cash Flows from/(Used in) Financing Activities	15,996,499	138,810,404
Net Increase/(Decrease) in Cash and Cash Equivalents	43,772,714	14,832,447
Cash and Cash Equivalents at the beginning of the year	(11,940,648)	(26,773,096)
Cash and Cash Equivalents As at 31.12.2024	31,832,065	(11,940,648)

The notes on pages 05 through 38 form an integral part of the financial statements

CEYLON ELECTRICITY BOARD

CEYLON ELECTRICITY BOARD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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1. CORPORATE INFORMATION

1.1. Reporting Entity

Ceylon Electricity Board ("Board") was incorporated under Ceylon Electricity Board Act No.17 of 1969 and domiciled in Sri Lanka. The Head Office of the Board is situated at No.50, Sir Chittampalam A Gardiner Mawatha, Colombo 02. "However, the process of restructuring is currently underway in accordance with the provisions of Act No. 36 of 2024, which was certified on June 27, 2024."

1.2. Principal Activities and Nature of Operations

During the year, the principal activities of Board were generation, transmission, effective distribution and sale of electricity.

1.3. Parent Entity and the ultimate parent of the Board

The Board is under the purview of the Ministry of Power. In the opinion of the Directors, the Board's ultimate parent undertaking and controlling party is the Government of Sri Lanka.

1.4. Date of Authorization for Issue

The Financial statements of the Ceylon Electricity Board, for the period ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 2025.02.25

2. Basis of Preparation and Significant Accounting Policies

2.1 Basis of Preparation

The Financial statements have been prepared on an accrual basis under the historical cost convention. The financial statements are presented in Sri Lanka Rupees and all values are rounded to the nearest thousand (Rs.000), except where indicated otherwise.

The financial statements provide comparative information in respect of the previous period. In addition, the Board presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective restatement in financial statements. An additional statement of financial position as at 1 January 2023 is presented in these financial statements due to the reasons disclosed in Note 33.

2.2 Statement of Compliance

The financial statements which comprise the Statement of Profit or Loss, the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash flows together with the accounting policies and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

2.3 Going Concern

The directors have made an assessment of the Board's ability to continue as a going concern as the Board is the country's monopoly electricity transmitter, holding around 75% of power generation and accounting for more than 90% of electricity distribution, there is a very strong likelihood of support from its parent, Government of Sri Lanka.

2.4 Summary of Significant Accounting Policies

The Principal Accounting Policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.4.1 Current versus non-current classification

The Board presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Board classifies all other liabilities as non-current.

2.4.2 Foreign Currency Translation, Foreign Currency transactions and Balances

a) Functional and presentation currency

The financial statements are presented in Sri Lanka Rupees (LKR), which is the Board's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entity operates.

b) Transactions and balances

Foreign currency transactions are initially recorded by the Board at the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (Translation differences on items whose gain or loss is recognised in Other Comprehensive Income



or Statement of Profit or Loss is also recognised in Other Comprehensive Income or Profit or Loss respectively).

In terms of sub-section 6 of section 42 of the Ceylon Electricity Board Act No.17 of 1969, Board does not account for any profits or losses arising from foreign exchange fluctuations, in respect of the capital and interest on foreign currency loans obtained by the treasury on behalf of the Board, as the exchange rate risk is borne by the Government of Sri Lanka. With respect to those loans, the outstanding balances are valued at the agreed exchange rate at the time of receipt of the loan by the Board.

2.4.3 Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date the Board generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss.

Provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, effective from 01 April 2018 and the subsequent amendments there to.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences except,

- (i) Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of taxable temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except,

- (i) Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a

business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) In respect of deductible temporary differences associated with investments in Subsidiaries, Associates and interests in Joint Ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit or Loss is recognised outside the Statement of Profit or Loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax on Dividend income

Tax on dividend income from subsidiaries is recognised as an expense in the Statement of Profit or Loss.

Unutilised tax losses

The carried forward unutilized tax loss of the Board as at 31st December 2024 is Rs. Rs.306,110,913,131.51

Applicable tax rates

As per the Inland Revenue Act No.24 of 2017 and amendments thereto, the Board was liable to Income Tax for the year ended 31st December at 30%.

2.4.4 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:



Inventory which are mostly used and listed in the annual price list are valued at Standard Prices in the Distribution Divisions and others (Generation and Transmission Divisions) such as consumables and spares are valued at First in First out valuation method.

However, the Board is in the process of making a provision for unrealized profit of the inventory which is valued at Standard Prices to enable to bring down the value to cost.

2.4.5 Financial assets and liabilities

Financial assets

2.4.5.1 Initial Recognition and Measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Board's business model for managing them. The Board has classified its financial assets, at initial recognition, as subsequently measured at amortized cost.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2.4.5.2 Subsequently measured at amortized cost

The Board measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Board's Financial Assets subsequently measured at amortized cost comprise of Trade and other Receivables, Loans to Customers and Loans to Employees

2.4.5.3 De- recognition

Financial assets are de-recognized when the right to receive cash flows from the investments have expired or have been transferred and the Board has transferred substantially all the risks and rewards of ownership.

2.4.5.4 Impairment of Financial Assets

Impairment of financial assets subsequently measured at amortized cost



The Board recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Board expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Board applies a simplified approach in calculating ECLs. Therefore, the Board does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors to the economic environment.

Financial liabilities

2.4.5.5 Initial Recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Board's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

2.4.5.6 Subsequent measurement

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. The EIR amortisation is included as finance costs in the statement of profit or loss.

2.4.5.7 Off Setting Financial Instruments

Financial Assets and Liabilities are offset and the net amount reported in the Statement of Financial Position when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the asset and settle the liability simultaneously.

2.4.6 Property, Plant and Equipment

a) Basis of recognition

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Board and the cost of the asset can be reliably measured.

b) Basis of measurement

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Construction in progress is stated at cost net of impairment losses, if any. Such cost includes the cost of replacing component parts of

CEYLON ELECTRICITY BOARD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2024

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the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Board derecognises the net book value of replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

c) Capital Work in Progress

Capital expenditure incurred in relation to fixed assets which are not completed as at the reporting date are shown as capital work-in progress and is stated at cost. On completion, the related assets are transferred to Property, Plant and Equipment.

d) De-recognition

An Item of Property, Plant & Equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the year the asset is de-recognised.

e) Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets. The depreciation of the asset ceases at the earlier of the date that the asset is classified as held for sale as described under 2.4.8 and the date that the asset is derecognised.

The estimated useful lives of the property, plant and equipment is as follows:

Freehold Buildings & Lease hold Land & Buildings	40 Years
Civil Works:	
Spillway & Dams	100 Years
Steel water pipes & pen stock	40 Years
Substation & Switch Yard	35 Years
Generation Plants:	
Power Stations including Plant (Hydro)	35 Years
Power Stations including Plant (Thermal)	25 Years
Power Stations including Plant (Diesel)	12-15 Years
Power Stations including Plant (Gas Turbine)	12 Years
Power Stations including Plant (Coal)	30 Years
Power Stations including Plant (Wind)	20 Years
Transmission Lines at 220kV, 132kV and 66kV	35 Years
Distribution Lines:	
HT Underground -33kV	50 Years
HT Underground -132 kV	50 Years
HT Underground -11kV	40 Years



HT Overhead Lines	35 Years
LT Underground	40 Years
LT Overhead Lines	35 Years
LT Feeder Pillar	35 Years
Consumer Sub Station	35 Years
HT Switchgear	35 Years
Primary and Grid Substation	35 Years
Service Main - Overhead	35 Years
Service Main - Underground	40 Years
SCADA (Central Facilities) and communications equipment	15 Years
Vehicles-Passenger Transport – Two or three wheelers	15 Years
Vehicles-Passenger Transport – Other	14 Years
Heavy Vehicles	20 Years
Motor Boats	07 Years
Machinery and Tools	05 Years
Office Equipment	05 -15 Years
Furniture & Fittings	05 Years
Solar PV Plant	10 – 25 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

2.4.7 Borrowing Costs

Borrowing costs consist of interest and other costs that the Board incurs in connection with the borrowing of funds. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.4.8 Non-current Assets Held for Sale

The Board classifies non-current assets as held for sale if the carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable on the approval granted by the management (Board of Directors) and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within six months from the date of the classification.

The Depreciation is ceased upon the classification of the Property Plant and equipment as held for sale.

Asset and liabilities classified as held for sale are presented separately from other assets in the statement of financial position.

De-recognition

The failure to dispose the assets which are classified as “non-current assets held for sale” within six months from the Board decision, to be reclassified again under Property Plant & Equipment (PPE) along with the depreciation adjustment for the period cease for depreciation.

2.4.9 Impairment of Non-Financial Assets

Board assesses at each reporting date whether there is an indication that an asset may be impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or Cash-Generating Unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset.

For the purposes of assessing impairment, Board as a whole is considered as a separate Cash Generating Unit.

Impairment losses of continuing operations are recognised in the statement of profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the assets is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the assets in prior years. Such reversal is recognised in the Statement of profit or loss.

2.4.10 Investment in Subsidiaries

Investments in Subsidiaries are initially recognised at cost in the financial statements of the Board. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognized in the income statement. After initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.

2.4.11 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Trincomalee Power Company Limited is a jointly controlled entity between Ceylon Electricity Board and NTPC Limited of India (National Thermal Power



Corporation). The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

2.4.12 Leases

At inception of a contract, the Board assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Board uses the definition of a lease in SLFRS 16.

Board as a Lessee

The Board applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Board recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of Use Assets

The Board recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Board is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets is depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

The Board's Right of Use Assets are included in the Property, Plant & Equipment.

Lease Liabilities

At the commencement date of the lease, the Board recognises Lease Liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Board uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of Lease Liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of Lease Liabilities is re measured if there is a modification, a change in the lease term, a change in the substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Board's Lease Liabilities are included in Interest-Bearing Loans and Borrowings.

2.4.13 Intangible Assets

Basis of Recognition

Intangible Assets are recognised if it is probable that the future economic benefits associated with the asset will flow to the Board and the cost of the asset can be reliably measured.

Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

Amortisation/Impairment

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embedded in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets. Software is amortised over a useful life of 5 years and Licenses are amortized over the useful life time stipulated in the term of agreements.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss when the asset is derecognised.

2.4.14 Provisions

Provisions are recognised when the Board has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the passage of time is recognised as finance cost.

All contingent liabilities are disclosed as a note to the financial statements (Note 37) unless the outflow of resources is remote.

2.4.15 Employee Benefits

a) Defined Benefit Plan – Pension Obligation

An employee will receive the pension benefit on retirement, usually dependent on one or more factors such as age, years of service and remuneration.

The liability recognised in the statement of Financial Position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past –service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds in the absence of high quality deep corporate bond market in Sri Lanka. The government bonds are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

Past service cost are recognised immediately in statement of profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service cost are amortised on a straight line basis over the vesting period.

b) Defined Benefit Plan – Gratuity

Defined benefit plan – gratuity defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as years of service and remuneration. The defined benefit plan comprises the gratuity provided under the Act, No 12 of 1983.

The gratuity liability recognised in the statement of financial position, is the present value of the defined benefit obligation at the date of the statement of financial position measured using the projected unit credit method by independent actuaries.

Any actuarial gains or losses arising are recognised immediately in other comprehensive income.

The gratuity liability is not externally funded.

c) Defined Contribution Plans -

Ceylon Electricity Board Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund Contributions in line with the respective Statutes and Regulations. The Board contributes 15% and 3% of gross emoluments of employees to Ceylon Electricity Board Provident Fund and Employees' Trust Fund respectively.

2.4.16 Self Insurance Reserve

Board transfers to a self-Insurance Reserve each year, at the rate of 0.1% of the gross re-valued fixed assets at the end of the year. Losses and damages to Property, Plant and

Equipment of the Board are charged to this Insurance reserve. The funds for this purpose are met from the monies invested in a separate account at a Bank.

2.4.17 Government Grant

Government Grant received for acquisition of Plant & Machinery are treated deferred income. Government grant in note 28 represent the value of Grid substation and Transmission lines located at Seethawaka Industrial Park received from the Ministry of Industrial development which is to be amortised over 35 years based on the income approach.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.4.18 Cash and Cash Equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and deposits in banks net of outstanding bank overdrafts.

2.4.19 Revenue from contracts with customers

The Board recognises revenue from contracts with customers when it satisfies a performance obligation by transferring the control of the promised service to the customer at the amount of consideration to which the Board expects to be entitled in exchange for those services.

Accordingly, the Board recognizes Revenue as follows.

2.4.19.1 Sale of Electricity

Board's performance obligation of delivering electricity represents a promise to deliver a series of distinct services that should be accounted for as a single performance obligation. The performance obligation is satisfied over time. The Board recognizes the Revenue from Sale of Electricity when the customers use the electricity through the service connections provided by the Board. The price at which the revenue is recognized will be decided based on the tariff category and the rates gazetted by the Public Utility Commission of Sri Lanka.

Board measures the progress of performance obligations using the output method. Output method recognised revenue is based on direct measurements of value transferred to the customer. Accordingly, Board records turnover on a monthly basis, based on the amount of KWh of electricity delivered.

2.4.19.2 Consumer Contribution

The consideration received from the customers at the inception to create the asset which facilitate the provision of electricity over the period is recognized as revenue over time, since the customers simultaneously receive and consume the benefit of the asset provided by the Board in consuming electricity over the period. Hence, the consideration received is recognized as revenue over the useful life of the asset.

2.4.19.3 Electric Vehicle Charging Revenue

The electricity consumed by the customers who charge their electric vehicles in the Electric Vehicle Charging Stations established by the Board through the use of prepaid e-cards provided for the same are recognized as revenue once the electric vehicles are charged.

2.4.19.4 Contract Liabilities

A contract liability is an obligation to transfer services to a customer to whom the Board has already received consideration. Hence, the remaining prepaid balance in the e-card for electric vehicle charging and the un-amortized balance in the consumer contribution for service connections are considered as contract liabilities of the Board. Contract liabilities are recognised as revenue when the Board performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4.20 Finance cost and Income

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

2.4.21 Dividend Income

Dividend income recognised when the shareholders' right to receive the payment is established.

2.4.22 Other Operating income and expenses

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments in subsidiaries, joint ventures and associates, are accounted in the statement of profit or loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Other income and expenses

Other income and expenses are recognised on an accrual basis.

2.4.23 Expenditure Recognition

- a) Expenses including expenses arising on power purchase agreement (PPA) are recognized in the Statement of comprehensive income on the basis of a direct association between, the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to the statement of profit or loss.

- b) For the purpose of presentation of Statement of profit or loss the directors are of the opinion that "Function of Expenses" method present fairly the element of the Board's performance and hence such presentation method is adopted.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements of the Board require the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Board's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed below;

a) Estimated impairment of non-current assets

The Board tests annually the indicators to ascertain whether non-current assets have suffered any impairment, in accordance with the accounting policy stated in Note 2.4.9 The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Management believes that any reasonably possible change in the estimated future cash flows of the operations on which the recoverable amounts of the cash-generating units is based would not cause the cash-generating units' carrying on amount to exceed its recoverable amount.

b) Defined benefit plans

The present value of the defined benefit plan depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefit plan include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit plan.

The Board determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit plan. Other key assumptions for defined benefit plan are based in part on current market conditions. Additional information is disclosed in Note 26.

c) Estimated useful lives of Property, Plant and Equipment (PPE)

The Board reviews the estimated useful lives of PPE based on factors such as business plan and strategies, expected level of usage and future developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

4. REVENUE	2024	2023
Electricity Sales Heavy Supply	229,444,583	249,823,040
Electricity Sales Heavy Supply - LECO	56,186,375	57,947,990
Electricity Sales Transmission - Transmission Customers	94,465	-
Electricity Sales Ordinary Supply	214,163,149	246,237,964
Fixed Charge on Electricity Bills	47,121,485	52,618,165
	<u>547,010,057</u>	<u>606,627,159</u>

5. COST OF SALES	2024	2023
<u>Generation</u>		
Fuel	81,898,641	120,961,374
Coal	108,295,410	158,207,509
Direct O&M	19,638,652	16,374,579
Indirect O&M	1,377,439	1,162,902
Depreciation	16,328,859	15,901,471
<u>Transmission</u>		
Purchased Power - IPP Thermal	56,329,876	80,504,224
Renewable Energy	38,132,947	35,603,097
Net Accounting /Net Plus /Net Plus- Plus/ Variable tariff		
Ordinary/ Bulk) (note 5.1)	17,743,354	11,896,840
Direct O&M	5,516,204	6,321,987
Indirect O&M	3,308,418	41,524
Depreciation	5,271,417	5,126,400
<u>Distribution</u>		
O&M	59,927,697	39,520,536
Indirect O&M	5,776,099	1,687,211
Depreciation	14,750,973	14,062,917
	<u>434,295,986</u>	<u>507,372,571</u>

6. OTHER INCOME & GAINS	2024	2023
Dividend Income - LTL	1,049,622	-
Dividends Income - LECO	548,442	877,507
Recoveries on House Rent	24,346	23,687
Recoveries on Telephone	21	3
Recoveries on Use of Motor Vehicle	910	836
Recoveries on Circuit Bungalow	20,574	13,850
Recoveries of Damages to the CEB Assets	197,277	198,808
Sale of Fixed Assets (Disposal)	1,014,391	452,859
Sale of Scrap	618,979	529,460
Profit on Stock Disposal	41	-
Miscellaneous Income	489,809	442,025
G.D. Income / G.I. Income	269,661	227,980
Liquidated Damages	201,769	192,262
Rental Income Generated from hiring mobile Diesel Generators	130,791	35,209
Income from providing Testing Services to Third Parties	423,303	122,494
Re-usable Material	931,852	1,000,117
Sale Of Ash	2,297,593	1,149,180
Tender Fee/Non Refundable Deposits/ Forfeiture of Guarantees	112,306	431,610
Penalty on illicit Electricity Consumption	7,858	5,374
Income on Cost Recovery Jobs	3,276,023	1,608,660
Income on Meter Damage Job	-	35
Income on Temporary Connection / Illumination	223,529	47,420
Income on Meter Testing	59,314	25,041
Income on Re-connection / Processing Net Metering	1,567,574	2,164,509
Net Metering Application Fee	498,819	176,684
Income on Pole Shifting	3,096	58
Service Main Application Fee	18,669	9,685
Surcharge on Electricity Bill	3,586,496	1,304,290
Deferred Income - Consumer Contribution	5,108,020	4,548,194
Deferred Income - Government Grant	23,935	15,685
Income on Cost Recovery Training	4,729	2,608
Income for Hostel Fee	1,554	1,254
Income From Recreational Activities On Reservoir	6,587	3,565
Deposit confiscated on Finalised Debtors	-	156
Foreign Exchange Gain	15,702,752	15,968,383
Gain On Share Disposal	15 26,038,085	-
Fine Charges	4,712	-
	<u>64,463,439</u>	<u>31,579,488</u>



CEYLON ELECTRICITY BOARD
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AS AT 31 ST DECEMBER 2024

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7. ADMINISTRATIVE EXPENSES

	2024	2023
Personnel Expenses	6,362,365	6,102,078
Material Cost	9,316	14,395
Accommodation Expenses	300,254	264,639
Transport & Communication Expenses	540,394	545,148
Depreciation	284,126	266,703
Other Expenses	7,060,896	5,107,953
	<u>14,557,351</u>	<u>12,300,916</u>

8. FINANCE INCOME AND COST
FINANCE INCOME

	2024	2023
Interest on Samurdhi loan	5,422	15,670
Interest on Staff Loans	601,249	531,369
Interest on Fair Valuation of Staff Loans	1,678,594	1,503,387
Interest on Investment	1,256,306	174,131
Interest on Domestic Service Connection Loan	2,177	4,225
Interest on Industrial & Commercial Business Loan	937	2,135
Interest on Small & Medium Scals Industries & Business Loan (Ordinary & Bulk)	262	-
Interest income on 2% retention deposited for solar variable tariff scheme	213	-
Finance income	<u>3,545,160</u>	<u>2,230,917</u>

FINANCE COST

	2024	2023
Overdraft Interest	1,373,547	4,909,672
Long / Short Term Interest	11,637,218	27,055,556
Interest on Project loans	3,513,689	3,571,937
Debenture Interest Account	1,826,695	1,871,507
Lease Interest	2,368	6,685
Delayed Interest on IPP Payments	721,288	12,097,926
Delayed Interest on CPC Payments	-	5,620,636
Delayed Interest on NCRE Payments	787,866	6,876,418
Interest Payment for Bulk Customers	1,134,205	546,396
Interest Payment for Retail Customers	773,965	574,403
Total Finance Cost	<u>21,770,841</u>	<u>63,131,136</u>
Net Finance Cost	<u>(18,225,681)</u>	<u>(60,900,219)</u>

9. LOSS BEFORE TAX

	2024	2023
Stated after charging /(crediting)		
Auditor's Remuneration -Current Year Fees & Expenses	10,921	3,062
Directors Emoluments	4,157	3,498
Depreciation	36,635,375	34,928,235
Personnel Cost includes-		
- Defined benefit plan costs- Gratuity	1,726,263	1,688,012
- Defined contribution plan costs - EPF& ETF	4,563,210	4,272,236
- Other staff costs	52,102,848	40,583,256
(Profit)/Loss on disposal of Property Plant & Equipment	(987,966)	(414,814)
Amortised Consumer Contribution	(5,108,020)	(4,548,194)
Amortised Grant	(23,935)	(15,685)
Provision for impairment of other debtors	371,173	4,155,497

10. INCOME TAX

	2024	2023
Current Income Tax Charge	-	-
Under / (Over) Provision in Respect of Previous years	-	-
Income tax expense reported in the comprehensive income statement follows.	<u>-</u>	<u>-</u>

10.1 Reconciliation between current tax expenses and Accounting Profit

	2024	2023
Profit/(Loss) before tax	144,394,478	61,235,680
Disallowable Expenses / (Income) for Taxation	25,453,010	23,600,161
Net impact of Pension Fund	1,070,187	174,174
Allowable Expenses / (Income) for Taxation	(66,542,872)	(56,446,265)
Non business income/Exempted income	(28,901,467)	(1,073,667)
Statutory Profit / (Loss) from Board	<u>75,473,336</u>	<u>27,490,083</u>
Other sources of Income - Investment Income	29,314,335	5,074,977
Total Statutory Income	<u>104,787,671</u>	<u>32,565,060</u>
Qualifying Payments		
Tax loss utilized during the year	<u>(104,787,671)</u>	<u>(32,565,060)</u>
Taxable Profit / (Loss)		
Income tax expense at 30%		
Current Tax Charge	<u>-</u>	<u>-</u>
11. OTHER COMPREHENSIVE INCOME	2024	2023
Actuarial loss on defined benefit Obligation	4,181,788	(3,154,172)
	<u>4,181,788</u>	<u>(3,154,172)</u>

CEYLON ELECTRICITY BOARD

CEYLON ELECTRICITY BOARD
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12 PROPERTY, PLANT & EQUIPMENT

12.1 Gross Carrying Amounts

Freehold Assets

At Cost or Valuation	Balance as at 2024.01.01	Additions/ Transfers/ Acquisitions	Additions Adjustments	Disposals/ Transfers	Disposals Adjustments	Transfer to asset held for sale	Balance as at 31.12.2024
Land	10,506,303	7	-	-	-	-	10,506,310
Building	23,721,466	532,730	-	(66,209)	-	-	24,187,987
Civil works	252,461,021	950,822	-	-	-	-	253,411,843
Plant & Machinery	790,048	-	-	-	-	-	790,048
Generation power plant	343,995,875	1,636,103	(1,093,212)	(6,586)	-	-	344,532,180
Solar Systems	147,978	13,836	-	(5,692)	-	-	156,122
Transmission & distribution lines	732,424,804	37,985,421	1,784	(627,225)	(792)	-	769,783,992
Motor Vehicles	13,664,338	1,446,245	79,083	(569,767)	-	-	14,619,899
Office & Other Equipment	4,168,852	579,538	-	(56,330)	(1,299)	-	4,690,761
Furniture and Fittings	610,238	24,514	62	(9,257)	(176)	-	625,381
Machinery and Tools	7,989,262	1,062,792	(250)	(221,646)	(71)	-	8,830,087
	1,390,480,185	44,232,008	(1,012,533)	(1,562,712)	(2,338)	-	1,432,134,610

12.2 Project Assets

Gross Carrying Amounts

At Cost or Valuation	Balance as at 2024.01.01	Additions/ Transfers/ Acquisitions	Additions Adjustments	Disposals/ Transfers	Disposals Adjustments	Transfer to asset held for sale	Balance as at 31.12.2024
Land	206,331	11,680	-	(3,714)	-	-	214,297
Building	193,237	-	-	-	-	-	193,237
Civil works	-	-	-	-	-	-	-
Plant & Machinery	-	-	-	-	-	-	-
Generation power plant	-	24,555,358	-	(24,555,358)	-	-	-
Solar Systems	-	-	-	-	-	-	-
Transmission & distribution lines	-	-	-	-	-	-	-
Motor Vehicles	2,398,581	1,431,365	61,409	(1,977,950)	(27,199)	-	1,886,206
Office & Other Equipment	104,315	43,696	-	(37,188)	(9)	-	110,814
Furniture and Fittings	6,304	1,483	-	(1,096)	-	-	6,691
Machinery and Tools	16,055	5,734	-	-	(7,072)	-	14,717
	2,924,823	26,049,316	61,409	(26,575,307)	(34,280)	-	2,425,962
Total Value of Depreciable Assets	1,393,405,008	70,281,324	(951,125)	(28,138,020)	(36,618)	-	1,434,560,572

12.3 Capital Work in Progress

	Balance As at 2024.01.01	Prior Year Adjustment made during Year	Incurred During the Year	Transfer to PPE	Reclassified/ Transferred	Balance as at 31.12.2024
Capital Work in Progress	222,875,340	(23,860,045)	63,117,727	(6,276,802)	(37,670,081)	218,186,140
Total Gross Carrying Amount	222,875,340	(23,860,045)	63,117,727	(6,276,802)	(37,670,081)	218,186,140

12 PROPERTY, PLANT AND EQUIPMENT (Contd....)

12.4 Depreciation	Balance as at 01.01.2024	Charge for the year	Adjustments	Disposals/ Transfers	Adjustments	Balance as at 31.12.2024
Freehold Assets						
Building	9,265,351	585,502	-	(7,906)	-	9,842,947
Civil works	93,954,466	3,741,503	-	-	-	97,695,969
Plant & Machinery	697,811	28,783	-	-	-	726,594
Generation power plant	214,623,893	12,055,267	(245,358)	-	-	226,433,803
Solar Systems	30,403	6,727	-	-	-	37,130
Transmission & distribution lines	324,681,246	18,763,851	-	(281,865)	-	343,163,231
Motor Vehicles	8,699,802	1,519,665	24,472	(409,365)	-	9,834,574
Office & Other Equipment	3,438,651	302,492	(696)	(43,930)	(803)	3,695,714
Furniture and Fittings	527,186	41,710	(447)	(7,656)	(176)	560,617
Machinery and Tools	6,430,873	692,012	(484)	(82,778)	(20)	7,039,603
	662,349,682	37,737,512	(222,513)	(833,498)	(999)	699,030,182

Depreciation	Balance as at 01.01.2024	Charge to WIP	Adjustments	Disposals/ Transfers	Adjustments	Balance as at 31.12.2024
12.5 Project Assets						
Building	9,663	4,831	-	(2)	-	14,492
Motor Vehicles	1,120,245	724,311	61,409	(934,427)	(27,199)	944,339
Office & Other Equipment	85,242	35,900	-	(30,446)	(8)	90,688
Furniture and Fittings	5,153	2,003	-	(1,514)	-	5,642
Machinery and Tools	12,439	6,054	-	(555)	(7,072)	10,866
	1,232,742	773,099	61,409	(966,944)	(34,279)	1,066,027
Total Depreciation	663,582,424	38,510,611	(161,105)	(1,800,443)	(35,278)	700,096,209

12.6 Net Book Values	2024	2023
At Cost or Valuation		
Land	10,720,607	10,712,634
Building	14,523,786	14,639,688
Civil works	155,715,873	158,506,555
Plant & Machinery	63,454	92,237
Generation power plant	118,098,377	129,371,981
Solar Systems	118,992	117,575
Transmission & distribution lines	426,620,761	407,743,559
Motor Vehicles	5,727,192	6,242,871
Office & Other Equipment	1,015,173	749,274
Furniture and Fittings	65,813	84,203
Machinery and Tools	1,794,335	1,562,004
	734,464,363	729,822,581
Capital Work-In-Progress	218,186,140	199,015,296
Total Carrying Amount of Property, Plant & Equipment	952,650,503	928,837,877

12.7 Capital Work in Progress

Capital Work in Progress represents the following Project	2024	2023
Generation Projects	8,562,411	5,405,064
Transmission projects	812,432	402,255
Distribution Projects	32,442,483	38,117,922
Renewable Energy Absorption Transmission Development Project	-	14,128
Green Power Dev & Energy Efficiency Improvement Project -TII	45,929,848	41,743,686
Puttalam Coal Power Project	124,303	124,303
Habarana Veyangoda Transmission Line Project	16,845,095	17,067,589
Uma oya multi purpose development project	738,738	665,002
Clean Energy & Network Efficiency Project - 132kv Transmission Infrastructure Project - PII	1,711,651	1,850,582
Clean Energy & Network Efficiency Project - 220kv Transmission Infrastructure Project - PIII	3,429,712	3,331,223
Green power Development & Energy Efficiency Improvement Project- TI	7,321,613	7,339,672
Seethawaka hydro power project	301,191	301,192
National Transmission Development, Network Development & Efficiency Improvement Project	44,620,668	46,277,271
Mannar wind power project	654,468	1,793,180
Liquid Natural Gas (LNG) Project	148,456	124,662
Mannar Nadukuda and Embilipitiya Grid Sub Aug Project	-	75,252
Transmission Construction Projects	10,229,479	8,821,357
Moragolla Hydro Power Project	26,421,857	13,946,547
Broadland Hydro Power Project	845,558	24,171,062
Power System Reliability Strengthening Project	999,077	867,809
New Coal Power Plant	167,618	167,618
Greater Colombo Transmission and Distribution loss reduction Project	86,678	87,539
Clean Energy Absorption Transmission Project- PMU 1	189,970	142,966
Clean Energy Absorption Transmission Project- PMU 2	44,112	22,232
Enterprise Resource Planning System	155,385	155,337
Projects in Asset Management Division	27,563	11,015
Power System Reliability Strengthening Project Phase- II Package 2 - PMU 1	54,357	23,782
Power System Reliability Strengthening Project Phase- II Package 2 - PMU 2	55,550	22,064
Power System Reliability Strengthening Project Phase- II Package 2 - PMU 3	172,536	140,731
SESRIIP (Package 4)	12,122,728	8,126,422
Vidulakpaya Project	1,496,579	1,484,939
SCADA Supported Advance Distribution Control Center for WPS	1,342,432	377
Sampur Kaappalthurai Transmission Development Project	131,592	50,563
Total Value of Capital Work-In-Progress	218,186,140	222,875,340

CEYLON ELECTRICITY BOARD
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(All amounts in Sri Lanka Rupees Thosands)

12.8 Right of use assets

12.8.1 Cost

	Balance As At 01.01.2024	Additions / Adjustments	Terminations/ Adjustments	Balance as at 31.12.2024
Land	128,332	76,979	-	205,311
Motor Vehicles	256,138	-	(141,229)	114,909
	384,470	76,979	(141,229)	320,220

12.8.2 Depreciation

	Balance As At 01.01.2024	Charge for the year	Terminations / Adjustments	Balance as at 31.12.2024
Land	-	-	-	-
Motor Vehicles	71,741	3,948	(38,013)	37,676
	71,741	3,948	(38,013)	37,676

12.8.3 Net Book Values

	2024	2023
Land	205,311	128,332
Motor Vehicles	77,233	184,397
	282,544	312,729

12.9 Property, Plant & Equipment including Right of Use Assets

Net Book Values

	2024	2023
Property, Plant & Equipment (12.6)	734,464,363	729,822,581
Capital Work in Progress (12.3)	218,186,140	199,015,296
Right of use Assets (12.8.3)	282,544	312,724
Total Value of Property Plant & Equipment including Right-of-use Assets	952,933,047	929,150,601

12.10 Property plant equipments were not pledged for any liabilities of the board.

12.11 Total Gross Carrying value of fully depreciated Property Plant and equipment as at 31.12.2024 Rs 213,362 Mn.
(31.12.2023 Rs 214,809 Mn.)



CEYLON ELECTRICITY BOARD
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(All amounts in Sri Lanka Rupees Thousands)

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	Balance as at 01.01.2024	Additions/ Transfers	Disposals/ Transfers	Balance as at 31.12.2024
13. INTANGIBLE ASSETS				
At Cost				
Licenses	-			-
Enterprise Resource Planning System (ERP)				-
Software	437,257	20,809	(20,809)	437,257
Total	437,257	20,809	(20,809)	437,257
Amortization				
Licenses	-			-
Enterprise Resource Planning System (ERP)				-
Software	(271,239)	(42,277)	7,801	(320,510)
Total	(271,239)	(42,277)	7,801	(320,510)

	2024	2023
Net Book Value	116,747	166,018

	Holding	2024	2023
14. INVESTMENT IN SUBSIDIARIES			
Lanka Coal Company (Pvt) Ltd	60%	12,000	12,000
Lanka Electricity Company (Pvt) Ltd	55.2%	628,003	628,003
LTL Holdings (Pvt) Ltd		-	96,900
Sri Lanka Energy (Pvt) Ltd	100%	174,910	174,910
		814,913	911,813

	Holding	2024	2023
15. INVESTMENT IN ASSOCIATE			
LTL Holdings (Pvt) Ltd	34.99%	53,825	-
		53,825	-

The Divestment of LTL shareholding

"Twenty-eight percent (28%) of share ownership of CEB within LTL Holding's equity capital has been transferred to West Coast Power Company Limited for a total consideration of Rs. 26,081,160,000 as part of a partial settlement of outstanding dues to the West Coast Power Company Limited. This transaction resulted in a net gain of Rs. 26,038,084,746, which has been recognized and reflected in the 'Gain from Share Disposal' account."

16. INVESTMENT IN JOINT VENTURE

	2024	2023
Trincomalee Coal Power Co. Ltd	348,606	348,606
	348,606	348,606

17. INVESTMENTS OF INSURANCE RESERVES

	2024	2023
Balance at the Beginning of the Period	15,111,471	12,460,351
Interest Received During the Period	1,687,820	2,651,120
Withdrawals During the Period	-	-
Balance as at the end of the Period	16,799,291	15,111,471

18. OTHER FINANCIAL ASSETS

	2024	2023
Loans to CEB Employees (18.1)	13,471,837	8,968,977
Loans to consumers (18.2)	131,642	68,654
	13,603,479	9,037,631

18.1 Loans to CEB Employees

	2024	2023
Distress Loan	14,146,988	11,140,565
Transport Loan	1,196,460	902,809
Other Staff Loans	422,807	13,772
Advances	37,495	6,334
Total Staff Loans and Advances	15,803,750	12,063,480
Less: Fair value adjustment on loans granted below market rates	(2,331,913)	(3,094,503)
Staff Loan balance at amortized cost	13,471,837	8,968,977

18.2 Loans to Consumers

	2024	2023
Samudhi Loan I	16,612	16,018
Samudhi Loan II	14,701	13,760
Domestic Service Connection Loan	5,866	2,434
Industrial & Commercial Business Loan	15,542	13,495
Small & Medium Scales Industries & Business Loan - Ordinary	49,636	-
Small & Medium Scales Industries & Business Loan - Bulk	11,378	-
RHCP Loan	16,913	20,211
LED Bulb Loan	994	2,736
	131,642	68,654

Other Financial Assets - Non-current

	2024	2023
Loans to CEB Employees	8,045,939	6,021,092
Loans to Consumers	29,878	57,641
	8,075,817	6,078,733

Other Financial Assets - current

	2024	2023
Loans to CEB Employees	5,425,898	2,947,906
Loans to Consumers	101,764	11,014
	5,527,662	2,958,920

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19. OTHER NON-CURRENT ASSETS

Prepaid Staff Cost

	2024	2023
Balance at the Beginning of the Period	3,094,503	2,495,752
Fair value adjustment on loans granted/terminated	916,196	2,041,929
Amortization of staff cost	(1,678,786)	(1,443,178)
Closing Balance at the end of the Period	2,331,913	3,094,503

20. NON CURRENTS ASSET HELD FOR SALE

	2024	2023
Balance at the Beginning of the Period	76	76
Disposal during the period	(19)	-
Re- Classified to PPE	-	-
Closing Balance at the end of the Period	57	76

21. INVENTORIES

	2024	2023
Consumables	68,040,966	59,540,518
Spares	18,098,755	9,695,467
Fuel		
- Coal-	25,094,741	21,686,211
- Naptha	467,991	507,392
- Diesel	4,622,408	3,401,434
- Heavy Fuel	940,684	1,700,991
- Lube Oil	299,666	346,373
Goods in Transit	2,142,103	2,603,205
Provision for Obsolete & Unserviceable Stocks (21.1)	(2,424,068)	(2,268,444)
	117,283,246	97,213,147

21.1 Provision for Obsolete & Unserviceable Stock

	2024	2023
Balance at the Beginning of the Period	2,268,444	1,601,585
Additional Provision/(Reversal) made During the Year	369,992	865,073
Transfer to other division	(8,330)	-
Charged Against the Provision During the Period	(206,038)	(198,214)
Closing Balance at the end of the Period	2,424,068	2,268,444

22. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade Debtors (22.1)	45,145,743	65,393,205
Other Debtors (22.2)	15,825,550	24,327,142
	60,971,293	89,720,348



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22.1 Trade Debtors	2024	2023
Electricity Debtors (22.1.1)	51,063,124	70,019,073
Less		
Provision for impairment of Trade debtors (22.1.2)	(5,917,381)	(4,625,868)
	<u>45,145,743</u>	<u>65,393,205</u>
22.1.1 Electricity Debtors	2024	2023
Related Party - Lanka Electricity Company (Pvt) Ltd	4,707,763	6,661,875
Other Electricity Debtors	46,342,316	63,357,198
Electricity Trade Debtors- Transmission Customers	13,045	-
	<u>51,063,124</u>	<u>70,019,073</u>
22.1.2 Provision for impairment of Trade debtors	2024	2023
Balance at the Beginning of the Period	4,625,868	4,611,698
Additional Provision/(Reversal) made During the Period	1,253,383	14,785
Written off During the Period	38,130	(615)
Closing Balance at the end of the Period.	<u>5,917,381</u>	<u>4,625,868</u>
22.2 Other Debtors	2024	2023
Related Party - Ante LECO Metering Company (Pvt) Ltd	335,599	406,934
Lanka Coal Company Ltd	714,965	1,506,486
Trincomalee Power co Ltd	58,938	58,938
Sri Lanka Energies (Pvt) Ltd	28,290	23,941
Mobilization advance	2,224,455	3,713,353
Advance & Prepayments	9,055,191	9,575,636
Deposits	2,486,179	2,441,522
Street Lighting	32,345	32,345
Collection Control	(1,584,236)	(1,826,180)
Rebate on Religious Tariff	11	11
Dues from Sacred places	126,544	256,914
Receivable from Sri Lanka Sustainable Energy Authority	29,700	-
Government Institution Receivables	348,296	4,684,571
Tax Receivable	435,388	
Receivable for Free Services Connection	52,589	258,804
Sundry Debtors	2,577,591	3,261,858
Cash given to Treasury in lieu of Treasury Bills	1,000,000	1,500,000
Less		
Provision for impairment of other Debtors (22.2.1)	(473,507)	(4,351,923)
WIP Non capital	2,503,920	2,335,274
Stock Shortage (L 6010)	365,678	448,658
Stock adjustment	111,091	-
	<u>20,429,028</u>	<u>24,327,142</u>
22.2.1 Provision for impairment of other Debtors	2024	2023
Balance at the Beginning of the Period	4,351,923	196,989
Additional Provision/(Reversal) made During the Year	371,173	4,155,497
Written off During the Year	(4,249,589)	(563)
Balance at the end of the Period.	<u>473,507</u>	<u>4,351,923</u>
23.CONTRIBUTED CAPITAL	2024	2023
Balance at the Beginning of the Period	991,430,291	865,159,371
Additional Equity Investment for CPC payments	-	126,270,920
Balance as at the end of the Period	<u>991,430,291</u>	<u>991,430,291</u>



24. Reserves	2024	2023
Capital Reserves (24.1)	18,633,428	18,632,715
Depreciation Reserves (24.2)	29,000	28,000
Self insurance Reserves (24.3)	32,765,689	29,542,802
	<u>51,428,118</u>	<u>48,203,517</u>

24.1 Capital reserves	2024	2023
Loans Redemption Reserve	17,447,063	17,447,063
Other Capital Reserves	165,446	165,446
ADB- RHCP Reserve (23.1.1)	1,020,919	1,020,206
Balance as at the end of the Period	<u>18,633,428</u>	<u>18,632,715</u>

24.1.1 ADB-RHCP Reserve	2024	2023
Balance at the Beginning of the Period	1,020,206	1,018,783
Funds received from ADB	-	-
Interest received from customers	713	1,423
Balance as at the end of the Period	<u>1,020,919</u>	<u>1,020,206</u>

ADB - RHCP Loan Reserve

This reserve represents the funds retained for the continuation of the RHCP (Rural Household Connections Project) loan scheme.

24.2 Depreciation Reserve	2024	2023
Balance at the Beginning of the Period	28,000	27,000
Transfers During the Period	1,000	1,000
Balance as at the end of the Period	<u>29,000</u>	<u>28,000</u>

Depreciation Reserve

Depreciation Reserve has been established under the provisions of Section 47 (2) (a) of the CEB Act No.17 of 1969 . The nature and the purpose of the fund is to cover the depreciation of movable and immovable property of the Board.

24.3 Self insurance Reserve	2024	2023
Balance at the Beginning of the Period	29,542,802	25,418,804
Transfers from the Retained Earnings	1,434,561	1,369,269
Transferred from other division	-	-
Income Received from Investment	1,788,327	2,754,729
Damages Charged During the Period	-	-
Balance as at the end of the Period	<u>32,765,689</u>	<u>29,542,802</u>

Self insurance Reserve

Insurance Reserve has been established under the provisions of Section 47 (1) (a) of the CEB Act No.17 of 1969 . The nature and the purpose of the fund is to cover the insurance of movable and immovable property of the Board to meet third party risks and liabilities arising under the Workmen's Compensation Ordinance. Up to year 2000 , Investment in Insurance Reserve balance was equal to the Reserve Balance. No additional investment made other than reinvestment of interest due to adverse financial conditions of the CEB throughout the period.

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25. INTEREST BEARING LOANS & BORROWINGS

(All amounts in Sri Lanka Rupees Thousands)

	2024 Repayable			2023 Repayable		
	Within 1 Year	After 1 Year	2024 Total	Within 1 Year	After 1 Year	2023 Total
	22,405,568	46,640,045	69,045,613	23,184,663	61,852,870	85,037,533
Bank Loans (25.1)	11,201,810	173,445,076	184,646,886	8,776,809	169,695,282	178,472,092
Project Loans (25.2)	-	20,000,000	20,000,000	-	20,000,000	20,000,000
Debentures (25.3)	8,024	3,737	11,760	29,275	11,339	40,614
Lease Creditors (25.4)	-	-	-	-	-	-
Loans from Related Party (25.5)	-	-	-	-	-	-
Bank Over Draft (31.2)	16,695,897	-	16,695,897	31,847,666	-	31,847,666
	50,311,299	240,084,867	290,400,156	63,838,414	251,559,491	315,397,904
25.1 Bank Loans						
Original Loan Amount						
Term Loans*						
People's Bank (Rs 10000 Mn - CPC Payments)				Balance as at 31.12.2024	Repayable Within 1 Year	Repayable After 1 Year
People's Bank - Old Loan	As At 01.01.2024	Interest rate Per	Granted Date			
National Savings Bank - Sampath - Seylan (Rs 10 000 Mn)	1,740,000	11.60%	2018 01 24	200,000	200,000	-
Bank of Ceylon (15000Mn)	1,241,000	11.60%	2018 02 01	197,000	197,000	-
Seylan Bank 2000 Mn	742,665	17.54%	2019 02 25	-	-	-
Peoples Bank (Rs 35000 Mn)	9,240,000	10.64%	2019 06 30	6,172,000	3,556,000	2,616,000
Bank of Ceylon (Rs 5000 Mn)	1,296,000	10.91%	2019 10 04	666,000	666,000	-
Peoples Bank (Rs 10000 Mn)	27,800,000	11.60%	2019 05 30	5,100,000	6,000,000	16,700,000
NSB Loan (5000 Mn)	4,580,000	10.64%	2020 03 03	300,000	213,000	4,067,000
NTB Loan (3Bn)	9,058,333	10.64%	2020 04 01	2,300,000	1,300,000	5,458,333
Peoples Bank (Rs 17B)	5,000,000	12.68%	2020 12 09	1,000,000	1,000,000	3,000,000
Seylan Bank	1,625,000	10.71%	2022 01 31	875,000	750,000	125,000
NTB Loan (3Bn) - 2023	15,937,500	11.60%	2022 02 03	4,250,000	4,250,000	7,437,500
ROC 3BN	2,000,000	11.14%	2023 03 16	1,625,000	500,000	1,125,000
NTB 3BN	1,666,667	11.05%	2023 04 06	-	-	-
NTB 1BN (2024)	1,665,923	11.11%	2023 06 26	1,778,544	600,000	1,178,544
NTB 1BN (2024)	1,444,444	10.50%	2023 06 27	111,111	111,111	-
Selan Bank (110Mn)	-	10.37%	2024 02 29	1,497,000	1,497,000	-
Bank of ceylon (Term Loan)	-	10.50%	2024 06 04	664,000	664,000	-
Bank of ceylon (Term Loan)	-	(monthly)	2024 09 26	-	-	-
Bank of ceylon (Term Loan)	-	+1.5%	2024 09 26	-	-	-
	85,037,533	(monthly)		2,500,000	416,500	2,083,500
	10,839,662	(monthly)		2,978,750	129,583	2,849,167
	-	(monthly)		355,374	355,374	-
	-			69,045,613	22,405,568	46,640,045
25.2 Projects Loans						
25.2.1 Loans from Treasury						
National Transmission & Distribution Network Development	As At 01.01.2024	Interest per annum (%)	Provider of funds	Balance as at 31.12.2024	Repayable Within 1 Year	Repayable After 1 Year
Green Power Dev. & Energy Efficiency Improvement Project	28,832,545	Not Finalized	JICA	32,478,736	-	32,478,736
Green Power Dev. & Energy Efficiency Improvement Project	19,885,922	Not Finalized	ADB	31,512,139	-	31,512,139
Green Power Dev. & Energy Efficiency Improvement Project	3,793,638	Not Finalized	AFD	3,793,638	-	3,793,638
Construction of four grid Substation	4,450,099	Not Finalized	AFD	4,450,099	-	4,450,099
Green Power Dev. & Energy Efficiency Improvement Project (Tranche 2)	5,279,581	10%	AFD	5,258,343	-	5,258,343
	62,231,785			77,492,955	-	77,492,955

The minus disbursement during the year of AFD loan no CLK 1022 01K is an adjustment entry for the difference in ERD statement and CIEB estimated value for drawdown request for initial advance no 04 dated 16 03 2022



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25.2.2 Loans From Banks	Granted Date	Interest rate Per annum	As At 01.01.2024	New Loans Obtained	Exchange gains/(Losses)	Repayment	Balance as at 31.12.2024	Repayable Within 1 Year	Repayable After 1 Year
Broadland Hydro Power Project (HNB)	2013.06.06	6 month SOFR+ 6.3%	951,843	-	(79,034)	449,283	423,526	423,526	(0)
Broadland Hydro Power Project (PB)	2021.10.03	AWPLR+1.5%	5,444,762	940,579	-	600,000	5,785,341	600,000	5,185,341
Broadlands Hydropower Project (ICBC)	2013.01.16	6 month SOFR+ 3.2%	8,722,594	-	(960,267)	-	7,762,327	3,881,163	3,881,163
Green Power Dev. & Energy Efficiency Improvement Project (ADB)	2016.12.27	6 month SOFR + 0.6% - 0.1% + Premium 0.1%	26,081,480	1,184,129	(1,894,092)	1,407,604	23,963,913	1,453,788	22,510,125
Green Power Dev. & Energy Efficiency Improvement Project (ADB)	2016.12.27	2%(Fixed)	11,888,271	3,265,996	(2,489,354)	819,638	11,845,275	904,141	10,941,134
Supporting Elec supply reliability improvement project (ADB)	2016.12.19	6 month SOFR+0.60% - 0.1%+Premium 0.1%	19,107,997	2,613,171	(1,746,868)	1,537,473	18,436,826	948,489	17,488,336
Mannar Wind Power Generation Project (ADB)	2017.11.22	6 month SOFR+0.60% - 0.1%	44,043,359	2,475,348	(4,586,439)	2,995,546	38,936,723	2,990,702	35,946,020
Total Project Loans			116,240,307	10,479,222	(11,756,054)	7,809,544	107,153,930	11,201,810	95,952,120
			178,472,092	25,740,392	(11,756,054)	7,809,544	184,646,886	11,201,810	173,445,076
25.3 Debentures			As At 01.01.2024	Debt Issued	Repayment	Balance as at 31.12.2024	2024 Repayable Within 1 Year	2024 Repayable After 1 Year	Total 2023
2 In Senior Secured Listed Redeemable Rated debenture	2021.04.16	9.35%	20,000,000	-	-	20,000,000	-	20,000,000	20,000,000
			20,000,000	-	-	20,000,000	-	20,000,000	20,000,000
25.4 Lease Creditors							2024 Repayable Within 1 Year	Total 2024	Total 2023
Lease Creditors						8,024	3,737	11,760	40,614
						8,024	3,737	11,760	40,614

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26.CONSUMER DEPOSITS	2024	2023
Balance as at Beginning of the Period	17,080,993	16,719,938
Deposits Received During the Period	617,461	514,919
Refund made During the Period	(197,946)	(153,864)
Balance as at the End of the Period	17,500,508	17,080,993

27.PROVISIONS & OTHER DEFERRED LIABILITIES

Retirement Benefits Obligation-Gratuity		
Opening Balance	36,809,065	33,001,021
Charge for the Period	(1,385,337)	5,016,359
Payments made during the Period	(976,081)	(1,208,315)
Commutated Pension Liability	-	-
Balance as at the end of the Period	34,447,647	36,809,065

	2024	2023
- Pension benefits	25,060,601	28,087,370
- Commuted Pension Fund Liability- non funded	30,000	30,000
- Gratuity benefits	9,357,046	8,691,695
Liability in the balance sheet	34,447,647	36,809,065
Income statement charge for		
- Pension benefits	3,115,526	2,035,865
- Gratuity benefits	1,726,263	1,688,012
	4,841,789	3,723,877
Actuarial (gains)/losses recognised		
- in the statement of other comprehensive income	(4,181,787)	3,154,173
Cumulative actuarial losses recognised		
- in the statement of other comprehensive income	660,002	6,878,050

27.2 Pension benefit

The Board operates defined benefit pension plan on employee pensionable remuneration and length of service. The board pays contributions to a separately administrated fund and such monies are invested. The pension obligation is actuarially valued by an external party

The amounts recognised in the balance sheet are determined as follows;

	2024	2023
Present value of obligations (27.2.1)	60,214,651	59,765,593
Fair value of plan assets (27.2.2)	35,154,050	31,678,223
Deficit of funded plans	25,060,601	28,087,370
Liability/ asset in the balance sheet	25,060,601	28,087,370

27.2.1 The movement in the pension fund liability over the year is as follows;

	2024	2023
At beginning of year	59,765,593	53,968,380
Current service cost	2,082,901	1,967,819
Interest cost	5,378,903	4,857,154
Actuarial (Gain)/Losses	(4,080,767)	1,835,324
Benefit paid	(2,931,979)	(2,863,084)
At end of year	60,214,651	59,765,593

27.2.2 The movement in the fair value of planned assets of the year is as follows;

	2024	2023
At beginning of year	31,678,223	27,884,438
Expected return on plan assets	4,346,278	4,789,108
Actuarial gain/ (loss)	16,189	6,070
Contributions paid (Employee + Employer)	2,045,339	1,861,691
Benefit paid	(2,931,979)	(2,863,084)
At end of year	35,154,050	31,678,223

The amounts recognised in the income statement are as follows;

	2024	2023
Current service cost	2,082,901	1,967,819
Interest cost	5,378,903	4,857,154
expected return on plan assets	(4,346,278)	(4,789,108)
Recognised in income statement	3,115,526	2,035,865

The principle actuarial assumptions were as follows;

	2024	2023
Discount rate	9%	9%
Future salary increases	25%	24%
Future pension increases	0%	0%
Retirement age	60	60

Plan assets are comprised as follows;

	2024	2023
Fixed deposits	32,631,588	26,428,513
Other	2,792,464	5,249,712
Total	35,424,052	31,678,225

27.3 Gratuity benefits

The movement in the gratuity liability over the year is as follows;

	2024	2023
At beginning of year	8,691,695	6,887,079
Current service cost	596,343	448,338
Interest cost	1,129,920	1,239,674
Actuarial loss/(Gain)	(84,831)	1,324,919
Benefit paid	(976,081)	(1,208,315)
At end of year	9,357,046	8,691,695

The amounts recognised in the income statement are as follows;

	2024	2023
Current service cost	1,129,920	1,239,674
Interest cost	596,343	448,338
Recognised in income statement	1,726,263	1,688,012

The principle actuarial assumptions were as follows;

	2024	2023
Discount rate	11%	13%
Future salary increases	25%	24%
Future gratuity increases	0%	0%
Retirement age	60	60

28.GOVERNMENT GRANTS

	2024	2023
Balance at the beginning of the Period	224,894	240,579
Government contribution During the Period	-	-
Amount amortized During the Period	(23,935)	(15,685)
Transfer from Other Division	198,229	-
Transfer to Other Division	(198,229)	-
Balance at the end of the Period	200,959	224,894

29.CONTRACT LIABILITIES

Consumer Contribution(29.1)	116,711,688	107,620,656
Prepaid Electric Vehicle charging Revenue (29.2)	1,874	1,612
	116,713,562	107,622,268

29.1 Consumer Contribution

	2024	2023
Balance at the beginning of the Period	107,620,655	102,611,896
Consumer Contribution During the Period	14,199,053	9,556,954
Amount Amortised During the Period	(5,108,020)	(4,548,194)
Balance at the end of the Period	116,711,688	107,620,656

29.2 Prepaid Electric Vehicle Charging Revenue

	2024	2023
Balance at the beginning of the Period	1,612	1,157
Cash received for prepaid e-Cards	6,865	3,972
Utilization for the year	(6,603)	(3,517)
Refund made during the period	-	-
Balance at the end of the Period	1,874	1,612



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30. TRADE & OTHER PAYABLES	2024	2023
Trade Payables (30.1)	50,322,743	124,179,285
Other Payables (30.2)	68,438,072	73,347,939
	<u>118,760,815</u>	<u>197,527,224</u>

30.1 Trade Payables

Related Parties (30.1.1)	30,305,879	33,682,665
IPP - Thermal	7,670,843	46,505,597
- Renewable Energy	3,746,239	25,439,943
Delayed Interest IPP	1,306	6,160,432
Delayed Interest NCRE	1,325,717	6,293,318
Payables to CPC	176,486	308,056
Trade Payables - Others	7,096,273	5,789,274
	<u>50,322,743</u>	<u>124,179,285</u>

30.1.1 Related Parties

	2024	2023
LTL Holdings Ltd (Including IPP)	42,729	552,971
LTL Transformers (Pvt) Ltd	511,088	927,295
LTL Galvanizers (Pvt) Ltd	91,231	1,027,859
Ante LECO Metering Company (Pvt) Ltd	358,715	484,696
Lanka Coal Company Ltd	27,943,757	30,330,803
Kumbalgamuwa Mini Hydro (Pvt) Ltd	13,759	144,446
Deduru Oya Mini Hydro (Pvt) Ltd	12,467	120,941
Bio Med Hydro (Pvt) Ltd	4,140	
Sri Lanka Energies HR (Pvt) Ltd	1,907	796
Sri Lanka Energies (Pvt) Ltd	26,687	92,858
Sobhadanavi LTD	1,299,399	
	<u>30,305,879</u>	<u>33,682,665</u>

30.2 Other Payables

Retention	6,611,353	12,773,064
Street Lighting	-	-
Debenture Interest Payable	1,324,579	1,324,579
Sundry Creditors	15,651,756	13,985,657
Accrued expenses	12,078,911	11,815,968
Tax Payable	1,132,976	3,192,869
Deposits (30.2.2)	31,172,537	29,831,606
Stock Surplus	410,534	424,196
Stock Adjustment	55,426	
	<u>68,438,072</u>	<u>73,347,939</u>

30.2.2 Deposits

	2024	2023
Deposits against Capital Jobs	20,107,025	20,644,380
Tender Deposits	720,698	643,663
Security Deposits	72,160	40,594
Other Deposits	10,272,654	8,502,969
	<u>31,172,537</u>	<u>29,831,606</u>

31. CASH AND CASH EQUIVALENTS

Cash & Cash equivalent of board and the cash & cash equivalent for the cash flow statement includes the

31.1 Favourable Cash & Cash Equivalent

	2024	2023
Petty Cash & Cash in Hand	120,729	418,401
Repo Investment	8,195,417	400,529
Cash at Bank (collection A/C)	1,140,838	2,381,735
Cash at Bank (Current A/C)	2,098,302	5,049,390
Cash AT Bank (Online PIV Collection A/C)	766,836	1,157,006
Bank Savings account	36,204,801	10,499,958
	<u>48,527,962</u>	<u>19,907,019</u>

31.2 Unfavourable Cash & Cash Equivalent

Bank Disbursement A/c	(16,693,743)	(28,589,982)
Cash at Bank (Current A/C)	(2,154)	(3,256,379)
Samurdhi Special Bank AC	(0)	(1,306)
	<u>(16,695,897)</u>	<u>(31,847,666)</u>

31,832,065 (11,940,647)

The Bank Saving account include a Saving account balance of Euro 549,817/- and USD 1,336,975/- as at 31.12.2024



32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

32.1 Overview

The Board has exposure to the following risks from its use of financial instrument.

Credit Risk
Liquidity Risk
Market Risk

This note presence information about the Board's objectives, procedures and processes for measuring and managing risk.

32.2 Risk Management Framework

The Board of directors has the overall responsibility for the establishment and effective oversight of the Board's risk management framework. The primary objectives of establishing a risk management policy is to identify and analyse the risk faced by the Board, to set appropriate risk limits and controls and to monitor risk and adherence to limits.

32.3 Credit risk

Credit risk is the risk that one party to a financial instrument will causes a financial loss for the other party by failing to discharge an obligation.

The credit policy of the Board is as follows:

For bulk consumers 15 days credit period is allowed to settle the bill and thereafter, a disconnection notice will be issued and further 10 days granted from the day of notice, if not acceded to this, supply will be disconnected.

Ordinary consumers will be given 30 days credit period to settle the bill. Subsequent to this a red notice will be issued and further 10 days given after 40 days if not accede to this, a disconnection order will be issued for the disconnection of supply.

The Board has implemented an effective credit control process, whereby age wise analysis of outstanding debtors are carried-out for effective control and timely recovery.

32.4 Liquidity risk

The liquidity risk of the Board arises from having insufficient cash resources to meet its obligations as they arise. Insufficient liquidity resources could have an adverse impact on the main operation of the CEB which is providing uninterrupted power supply to the nation.

The Board has implemented a strategic working capital management plan whereby the receivable are closely monitored and debtors' periods is minimized. Careful vendor evaluations and procurement strategies ensure that correct prices are paid for inputs and maximum credit periods are negotiated with vendors to optimize the working capital cycle.

32.5 Market risk

'Market risk' is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises Currency risk and Interest rate risk. The financial instruments affected by the market risk includes loans & borrowings.

32.5.1 Foreign currency risk

The Board is exposed to currency risk on foreign currency borrowings and IPP payments that are denominated in a currency other than the respective functional currencies of the Board. The currency in which these transactions primarily are denominated in U.S.Dollars or Euro currencies. Devaluation of foreign currencies over the period has been resulted in incurring additional cost for CEB.

32.5.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board's exposure to risk of changes in market interest rates primarily to the Board's long-term debt obligations with floating interest rates and overdraft rates. Ceylon Electricity Board, being a government organization negotiates with banks for favourable interest rates to minimise the exposure in interest rates.



33. PRIOR YEAR ADJUSTMENT MADE DURING THE YEAR

Following adjustments were made in the financial statements which are relevant to the prior periods.

	Dr	Cr
01) Being correcting bank loan interest payment recognized as capital repayment		
Interest Bearing Loans & Borrowings In 2023	50,000	
Finance/ Interest Cost/ Retain Earning - In 2023		50,000
(02) Being recording unrecorded loan interest cost on Tambapawani Wind Power Project		
Finance Cost/Retained Earnings - In 2023	591,921	
Trade and Other Payable - In 2023		591,921
03) Being capitalized the cost of Broadlands Hydrow Power Project		
Property Plant & equipment - Civil Works (In 2023)	18,070,914	
Property Plant & equipment - Generation Power Plant (In 2023)	4,706,057	
Property Plant & equipment - Transmission & Distribution (In 2023)	653,720	
Capital Working Progress (In 2023)		23,430,691
04) Being Recognition of unrecorded depreciation expenditure on Broadlands Hydrow Power Project		
Depreciation/ Retain Earning In- 2023	303,796	
Accumulated Depreciation Account (Civil Works)		128,390
Accumulated Depreciation Account (Generation Power Plant)		161,398
Accumulated Depreciation Account (Transmission & Distribution)		14,008
05) Being Recognition of unrecorded Renewable Energy Cost and Delayed interest on long outstanding Renewable Energy Payables		
Purchased Power - Renewable Account-/ Retain Earning Before 2023	310,106	
Delayed Interest on NCRE Payable-/ Retain Earning Before 2023	3,328,890	
Delayed Interest on NCRE Payable-/ Retain Earning In 2023	2,654,322	
Trade & Other Payable- In 2023		2,654,322
Trade & Other Payable- Before 2023		3,638,996
(06) Being a accounting of Tax credit due to recalculation of Deemed Divident tax based on accounting profit and adjusting for under provision of tax liability for the previous Y/E		
Trade & Other Payables - Before 2023	1,146,924	
Income Tax Expenditure/ Retain Earning - Before 2023		1,146,924
(06) Being a adjusting for unsettled inter divisional payable and receivable as at 31.12.2023		
Trade & Other Payable- In 2023	39,121,517	
Trade & Other Receivable- In 2023		39,121,517
07) Being accounting for un recorded non sick leave incenitive allowance for the year 2021		
Non Sick Leave Incentive Account/Retain Earning - Before 2023	1,542,029	
Accrued/ Trade & Other Payable - Before 2023		1,542,029
08) Being Accounting for Un-Recorded Annual Regulatory levy (PUCSL) Releting to the year 2014/2015		
Annual Regulatory Levy (PUCSL) Account / Retaining Earning- Before 2023	62,768	
Accrued/ Trade & Other Payable - Before 2023		62,768
9) Being Correction of Stock Adjustment balance arisen from price variance		
Stock Adjustment- In 2023	22,649	
Retain Earning/ Favorable Price Variance Account In 2023		22,649
10) Being Accounting for Unrecorded VAT expenditure for on Coal Purchases for the Retain Earning- Before 2023		
Trade & Other Payable - Before 2023	561,311	
		561,311
11) Being Capitalization of KPS Frame V gas Turbine Project		
Property Plant & Equipment (Generation Power Plant)- Before 2023	705,660	
Capital Working Progress- Before 2023		705,660
12) Being Recognition of unrecorded depreciation expenditure on KPS Frame V gas Turbine project		
Depreciation/ Retain Earning In 2023	125,461	
Depreciation/ Retain Earning Before 2023	438,083	
Accumulated Depreciation Account (Generation Power Plant) - In 2023		125,461
Accumulated Depreciation Account (Generation Power Plant)- Before 2023		438,083
13) Being Reversal of Depreciation expenditure chaged to P&L on KPS frame V Gas Turbine Project Duding the period 2018-2022		
Capital Working Progress- Before 2023	276,307	
Depreciation/ Retain Earning Before 2023		276,307

33.1 Impact of the prior year adjustment for the Board as at 31 December 2023

Statement of Financial Position	2023 Before Restatement	Adjustments	2023 After Restatement
ASSETS			
Non-Current Assets			
Property, Plant & Equipment -Cost	929,741,640	(591,033)	929,150,607
Intangible Assets	166,018	-	166,018
Investment in Subsidiaries	911,813		911,813
Investment in Joint Venture	348,606		348,606
Investments of Insurance Reserves Fund	15,111,471		15,111,471
Other Financial Assets	6,078,732		6,078,732
Other Non current Assets	3,094,503		3,094,503
	<u>955,452,783</u>	<u>(591,033)</u>	<u>954,861,750</u>
Non Current Assets Held For sale	76		76
Current Assets			
Inventories	97,213,145	-	97,213,145
Trade and Other Receivables	128,841,862	(39,121,517)	89,720,345
Other Financial Assets	2,958,920		2,958,920
Cash and Cash Equivalents	19,907,019		19,907,019
	<u>248,920,946</u>	<u>(39,121,517)</u>	<u>209,799,429</u>
Total Assets	<u>1,204,373,805</u>	<u>(39,712,550)</u>	<u>1,164,661,255</u>
EQUITY AND LIABILITIES			
Capital & Reserves			
Contributed Capital	991,430,291		991,430,291
Reserves	48,203,517	-	48,203,517
Accumulated Profit	(541,335,938)	(8,422,807)	(549,758,745)
Total Equity	<u>498,297,870</u>	<u>(8,422,807)</u>	<u>489,875,063</u>
Non-Current Liabilities and Deferred income			
Interest Bearing Loans & Borrowings	251,559,491	-	251,559,491
Consumer Deposits	17,080,993		17,080,993
Provisions & Other Deferred Liabilities	36,809,065		36,809,065
Government Grants	224,894		224,894
Contract Liabilities	107,622,267		107,622,267
	<u>413,296,710</u>	<u>-</u>	<u>413,296,710</u>
Current Liabilities			
Trade and Other Payables	227,620,042	(30,092,819)	197,527,223
Income Tax Liabilities	1,270,766	(1,146,924)	123,842
Interest Bearing Loans & Borrowings	63,888,414	(50,000)	63,838,414
	<u>292,779,222</u>	<u>(31,289,743)</u>	<u>261,489,479</u>
Total Equity and Liabilities	<u>1,204,373,802</u>	<u>(39,712,550)</u>	<u>1,164,661,252</u>

33.2 Impact of the prior year adjustment for the Board as at 31 December 2023

Statement of Comprehensive Income	2023 Before Restatement	Adjustments	2023 After Restatement
Revenue	606,627,159		606,627,159
concession Provided to Domestic Customers	(113)		(113)
Cost of Sales	(506,965,962)	(406,608)	(507,372,570)
Gross Profit / (Loss)	<u>99,661,084</u>	<u>(406,608)</u>	<u>99,254,476</u>
Other Income	31,579,488		31,579,488
Administrative Expenses	(12,300,916)	-	(12,300,916)
Operating Profit / (Loss)	<u>118,939,656</u>	<u>(406,608)</u>	<u>118,533,048</u>
Finance Income	2,230,917	-	2,230,917
Finance Costs	(59,934,893)	(3,196,243)	(63,131,136)
Finance Cost-Net	(57,703,976)	(3,196,243)	(60,900,219)
Profit / (Loss) Before Income tax	<u>61,235,680</u>	<u>(3,602,851)</u>	<u>57,632,829</u>
Income & Deferred Tax Expense	-		-
Profit/(Loss) for the period	<u>61,235,680</u>	<u>(3,602,851)</u>	<u>57,632,829</u>
Other comprehensive income			
Actuarial gain/(loss) on Defined benefit obligations	(3,154,172)		(3,154,172)
Other comprehensive income for the period, net of tax	<u>(3,154,172)</u>	<u>-</u>	<u>(3,154,172)</u>
Total comprehensive income for the period	<u>58,081,507</u>	<u>(3,602,851)</u>	<u>54,478,657</u>

33.3 Impact of the prior year adjustment for the Board as at 1st January 2023

Statement of Financial Position	1st January 2023 Before Restatement	Adjustments	1st January 2023 After Restatement
ASSETS			
Non-Current Assets			
Property, Plant & Equipment -Cost	894,673,621	(161,776)	894,511,845
Intangible Assets	141,626		141,626
Investment in Subsidiaries	911,813		911,813
Investment in Joint Venture	348,606		348,606
Investments of Insurance Reserves Fund	12,460,351		12,460,351
Other Financial Assets	5,782,582		5,782,582
Other Non current Assets	2,495,752		2,495,752
	<u>916,814,351</u>	<u>(161,776)</u>	<u>916,652,575</u>
Non Current Assets Held For sale	<u>76</u>		<u>76</u>
Current Assets			
Inventories	67,026,536		67,026,536
Trade and Other Receivables	79,201,216	-	79,201,216
Other Financial Assets	2,358,209		2,358,209
Cash and Cash Equivalents	9,147,367		9,147,367
	<u>157,733,328</u>	<u>-</u>	<u>157,733,328</u>
Total Assets	<u>1,074,547,755</u>	<u>(161,776)</u>	<u>1,074,385,979</u>
EQUITY AND LIABILITIES			
Capital & Reserves			
Contributed Capital	865,159,372		865,159,372
Reserves	44,077,096		44,077,096
Accumulated Profit	(598,047,175)	(4,819,956)	(602,867,131)
Total Equity	<u>311,189,293</u>	<u>(4,819,956)</u>	<u>306,369,337</u>
Non-Current Liabilities and Deferred income			
Interest Bearing Loans & Borrowings	245,221,304		245,221,304
Consumer Deposits	16,719,938		16,719,938
Provisions & Other Deferred Liabilities	33,001,021		33,001,021
Government Grants	240,579		240,579
Contract Liabilities	102,613,053		102,613,053
	<u>397,795,895</u>	<u>-</u>	<u>397,795,895</u>
Current Liabilities			
Trade and Other Payables	277,031,957	5,805,104	282,837,061
Income Tax Liabilities	1,270,766	(1,146,924)	123,842
Interest Bearing Loans & Borrowings	87,259,844		87,259,844
	<u>365,562,567</u>	<u>4,658,180</u>	<u>370,220,747</u>
Total Equity and Liabilities	<u>1,074,547,755</u>	<u>(161,776)</u>	<u>1,074,385,979</u>



34. Related Party Disclosures

34.1 Transactions with the Government of Sri Lanka and its related entities.

Since the Government of Sri Lanka directly controls the CEB, the Group has considered the Government of Sri Lanka and other government related entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka as related parties according to LKAS 24, "Related Party Disclosures".

The Group and the Board entered into transactions, arrangements and agreements with the Government of Sri Lanka and its other related entities and significant transactions have been reported in follows.

	Nature of Transaction	2024	2023
Ceylon Petroleum Corporation	Purchase of Fuel	81,782,204	119,776,753
Department of Public Enterprises	Obtain Project Loans	15,261,170	7,779,809
Peoples Bank	Obtain Bank Loans	-	15,000,000
Bank Of Ceylon	Obtain Bank Loans	1,234,662.00	1,965,923

Further, transaction as detailed below, relating to the ordinary course of business, are entered into with the Government of Sri Lanka and its related entities:

- Maintaining bank accounts and obtaining Bank Loans from Peoples Bank
- Payments of statutory rates, taxes.
- Payment for employment retirement benefit - ETF
- Payment for utilities mainly comprising of telephone and water
- Payments for Motor Vehicle insurance premiums to Sri Lanka Insurance Corporation

34.2 Related Party Transactions with the related companies of CEB

Related party transactions carried out by the Board with its related entities during the course of the business is listed below.

	Nature of the Transaction		2024	2023
Lanka Electricity Company	Sale of Electricity	Subsidiary	56,186,375	57,947,990
	Dividend Income		548,442	877,507
	Dividend receipt		517,031	745,881
LTL Holdings Ltd	Dividend Income	Subsidiary	1,049,622	-
	Dividend receipt		1,049,622	-
ANTE LECO Metering Co (Pvt) Ltd	Purchase of Goods		3,239,582	1,860,659
Lanka Coal Company (Pvt) Ltd	Purchase of Coal		94,169,921	158,207,509
Sri Lanka Energies (Pvt) Ltd		Subsidiary	409,626	825,009
LTL Transformers Ltd	Purchase of Goods	Sub- Subsidiary	5,834,029	4,845,359
LTL Galvanizers (Pvt) Ltd	Receipt of Services	Sub- Subsidiary	814,544	820,044
Lakdhanavi Ltd				
Nividu (Pvt) Ltd	Energy Purchase		88,253	81,798
Nividu Assupinella (Pvt) Ltd	Energy Purchase		122,398	122,112
Pawan Danavi Limited	Energy Purchase		274,216	283,506
			-	
Sri Lanka Energies HR (Pvt) Ltd	Reimbursement of SLE GM Salary		4,348	3,838
Sri Lanka Energies HR (Pvt) Ltd		Sub- Subsidiary	1,124	
Kumbalgamuwa Mini hydro (Pvt) Ltd	Energy Purchase		72,998	114,778
Deduruoya Mini Hydro (Pvt) Ltd	Energy Purchase		90,524	69,824
Biomed Hydro Power (Pvt) Ltd	Energy Purchase		12,784	-
Sabadanavi Ltd	Energy Purchase		4,330,528	-

34.3 Transaction with Key Management Personnel of the Group

The Key Management Personnel's (KMPs) of the Board are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Board. Such key management personal of the Board are the members of its Board of Directors.

a) Key Management personnel Compensation

	2024	2023
Short-term employee benefits	4,157	3,498
	4,157	3,498

35. ASSETS PLEDGED

There were no assets pledged as at the balance sheet date.

36. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

There were no material events occurred after the Balance Sheet date that require adjustments to or disclosure in the financial statements

37. CONTINGENCIES

The contingent liability arising with regard to the litigation matters pending in the labour tribunal and other courts including court of appeal and supreme courts as at 31.12.2024, the CEB is defendant respondent. The contingent liability in the unlikely event that all these cases are adversely decided is estimated at Rs 59,456 Mn.