

CHILAW PLANTATIONS LTD

*Financial Statements
For the year ended
31st December, 2025*

Unaudited Financial Statements 2025

CHILAW PLANTATIONS LTD
STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 31st December,	Notes	2025	2024
		Rs.	Rs.
Revenue	19	1,594,226,476	957,558,932
Cost of Sales	20	(824,795,562)	(722,205,190)
Gross Profit		769,430,915	235,353,741
Gain/(loss) on fair value of Biological Assets	7.3	40,661,069	51,653,001
Other Operating Income and Gains	21	101,713,874	72,094,993
Administration and General expenses	22	(284,765,912)	(179,497,864)
Profit from Operations		627,039,945	179,603,872
Finance Income	23	108,237,012	118,297,996
Finance Expenses	23.1	(85,037,455)	(78,695,020)
Profit Before Tax		650,239,502	219,206,847
Tax Expense (Provisions)/Reversal	24	(218,859,135)	(357,581,903)
Profit for the Year		431,380,367	(138,375,056)
Other comprehensive Income			
Defined Benefit Plan Actuarial Gains/(losses)	16	(2,654,447)	(13,490,348)
Revaluation Gain of Motor Vehicle	8	134,438,729	
Deferred tax Adjustment on Asset Revaluation		(40,332,208)	(6,230,688)
Total Comprehensive Income for the year, Net of Tax		522,832,441	(158,096,092)
Basic Earning Per Share	25.1.2	21.57	(6.92)

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 06 to 44 form an integral part of these Financial Statements.

Chilaw
March 19, 2026

CHILAW PLANTATIONS LTD
STATEMENT OF FINANCIAL POSITION

As at 31st December,	Notes	2025 Rs.	2024 Rs.
ASSETS			
Non Current Assets			
Leasehold Right to Bare Land of JEDB Estates	04	96,735,476	101,054,986
Leasehold Property Plant & Equipment of JEDB Estates (Other than Right-to-Use-Land and Leased bearer biological assets)	05	769,468	769,468
Leased Bearer Biological Assets of JEDB Estates	05.1	22,143,265	24,652,692
Improvements to Leasehold property	6	1,172,071,984	1,123,389,973
Biological Assets -Livestock	7.1	38,011,208	27,356,775
Consumable Biological Assets	7.2	188,510,693	179,127,287
Freehold Property Plant & Equipment	08	335,867,013	193,357,895
Other finance assets	11.1	14,300,723	18,220,532
		<u>1,868,409,830</u>	<u>1,667,929,607</u>
Current Assets			
Produce on Bearer Biological Assets	9.1	43,457,840	33,852,934
Inventories	9.2	127,032,054	76,577,005
Assets Held for Sale	9.3	873,093	16,004
Trade and Other Receivables	10	134,288,416	91,453,072
Income Tax Receivable		-	737,324
Financial facility to State Enterprises	11		
Other finance assets	11.1	7,616,724	8,045,509
Other Current Assets		1,843,569	1,321,706
Short Term Investment	12	1,589,608,094	1,094,477,282
Cash in Hand and at Bank		12,052,521	12,501,332
		<u>1,916,772,311</u>	<u>1,318,982,168</u>
Total Assets		<u>3,785,182,141</u>	<u>2,986,911,775</u>
EQUITY & LIABILITIES			
Capital and Reserves			
Stated Capital	13	200,000,010	200,000,010
Retained Earnings		1,984,643,055	1,623,093,272
Revaluation Reserves (Timber revaluation & Vehicle revaluation)		479,695,557	368,412,899
Total Equity		<u>2,664,338,622</u>	<u>2,191,506,181</u>
Non Current Liabilities & Deferred Income			
Deferred Tax Liability	14	380,189,666	329,623,171
Deferred Grants and Subsidies	15	11,377,378	11,967,009
Retirement Benefit Obligations	16	117,324,058	112,425,621
Liability to Make Lease Payment for the JEDB Estates	17	150,978,849	154,178,498
		<u>659,869,951</u>	<u>608,194,299</u>

Current Liabilities

Trade and Other Payables	18	296,250,377	184,146,558
Income tax Payable		161,523,542	-
Liability to Make Lease Payment for the JEDB Estates	17	3,199,649	3,064,737
		<u>460,973,568</u>	<u>187,211,295</u>
Total Equity and Liabilities		<u>3,785,182,141</u>	<u>2,986,911,775</u>

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 06 to 44 form an integral part of these Financial Statements.

Certification

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

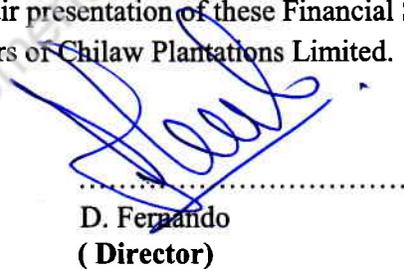


Mr. R.M.R.B. Ratnayake
AGM Finance

The Board of Directors is responsible for the preparation and fair presentation of these Financial Statements.
Approved and signed for and on behalf of the Board of Directors of Chilaw Plantations Limited.



Chandana Disanayake
(Chairman/CEO)
Chilaw



D. Fernando
(Director)

March 19, 2026

CHILAW PLANTATIONS LTD
STATEMENT OF CHANGES IN EQUITY
For the Year ended 31st December, 2025

Description	Stated Capital Rs.	Timber Reserve Rs.	Revaluation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 1 January 2024	200,000,010	237,845,824	97,038,490	1,844,717,949	2,379,602,273
Final Dividend for year 2023				(30,000,000)	(30,000,000)
Profit for the Year	-			(138,375,056)	(138,375,056)
Other Comprehensive Income			-	(19,721,036)	(19,721,036)
Transferred to Timber Reserve (7.2)		39,759,273		(39,759,273)	-
Deferred tax adjustment transfer to Motor Vehicle Revaluation reserve			(6,230,688)	6,230,688	
Balance as at 31st December 2024	200,000,010	277,605,098	90,807,802	1,623,093,272	2,191,506,181
Final Dividend for year 2024				(50,000,000)	(50,000,000)
Profit for the Year	-			431,380,367	431,380,367
Other Comprehensive Income			134,438,729	(42,986,655)	91,452,074
Transferred to Timber Reserve (7.2)		17,176,137		(17,176,137)	-
Deferred tax adjustment transfer to Motor Vehicle Revaluation reserve			(40,332,208)	40,332,208	-
Total Comprehensive Income	200,000,010	294,781,234	184,914,323	1,984,643,055	2,664,338,622
Balance as at 31st December 2025	200,000,010	294,781,234	184,914,323	1,984,643,055	2,664,338,622

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 06 to 44 form an integral part of these Financial Statements.

Chilaw
March 19, 2026

CHILAW PLANTATIONS LTD
STATEMENT OF CASH FLOW

For the Year ended 31st December,	2025 Rs.	2024 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	650,239,502	219,206,847
Adjustments for;		
- Depreciation/Amortization	78,340,118	70,390,555
- Amortization of Grants	(589,631)	(604,017)
- Finance Expenses	85,037,455	78,695,020
- Finance Income	(108,237,012)	(118,297,996)
- Provision For Defined Benefit Plan Costs	20,762,633	20,062,472
- Profit on Disposal of Property, Plant and Equipment	(7)	-
- Gain/(loss) on fair value of Biological Assets	(40,661,069)	(47,618,767)
- Profit on disposal of Timber Trees	(4,447,079)	853,095
- Profit on disposal of Coconut Trees	(14,582,510)	(22,934,948)
- Provision For Incentive/Bonus to the Staff and Workers	151,214,496	42,849,206
- Other Expenses Adjustment	(198,075)	-
- WIP Transfer out & Other Adjustment	141,065	6,200,946
	<u>817,019,887</u>	<u>248,802,413</u>
Changes in:		
- Inventories	(50,455,049)	72,357,882
- Dairy Livestock	3,225,593	(1,811,960)
- Trade and other Receivables	(36,690,864)	7,943,257
- Other Current Assets	(521,863)	(5,362)
- Trade and other Payables	33,329,480	(11,346,066)
Cash generated from operating activities	<u>765,907,182</u>	<u>315,940,163</u>
- Interest paid on government lease	(78,954,728)	(72,200,322)
- Defined Benefit Plan Costs paid	(18,518,643)	(13,152,742)
- Finance costs Paid	(54,151)	(47,551)
- Finance Income Received	93,308,782	135,347,584
- Income Tax Paid	(39,523,917)	(74,150,333)
- Incentive and Bonus Payment to the Staff and Workers	(43,987,860)	(55,044,533)
- Cash received from sales of valuable trees	9,981,810	10,684,417
Net Cash from Operating Activities	<u>688,158,474</u>	<u>247,376,684</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
- Additions of Property, Plant & Equipment	(56,753,501)	(32,005,943)
- Field Development Expenditure	(72,862,228)	(79,454,711)
- Cash received from sales of coconut trees	14,582,510	22,934,948
- Staff loan Granted	(7,673,900)	(12,873,000)
- Staff loan recovered	12,022,494	11,457,611
- Short Term Investment	(356,067,720)	(62,318,886)
- Cash received from Disposal of Property, Plant and Equipment	45,000	111,031
Net Cash used in Investing Activities	<u>(466,707,345)</u>	<u>(152,148,949)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
- Dividends Paid	(80,000,000)	(185,000,000)
- Arrears/prepayment Installment and capital settlement of	(2,836,848)	(2,088,896)
- Grant received for capital expenditure	-	2,482,500
Net Cash Flows used in Financing Activities	<u>(82,836,848)</u>	<u>(184,606,396)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>138,614,281</u>	<u>(89,378,661)</u>
A. Cash & Cash Equivalents at the Beginning of the Year	<u>513,100,760</u>	<u>602,479,421</u>
B. Cash & Cash Equivalents at the End of the Year	<u>651,715,041</u>	<u>513,100,760</u>
NOTE A		
Cash & Cash Equivalents at the beginning of the Year		
Short term Investments	500,599,427	558,684,521
Cash in Hand and at Bank	12,501,332	43,794,899
	<u>513,100,760</u>	<u>602,479,421</u>
NOTE B		
Cash & Cash Equivalents at the end of the Year		
Short term Investments	639,662,520	500,599,427
Cash in Hand and at Bank	12,052,521	12,501,332
	<u>651,715,041</u>	<u>513,100,760</u>

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 06 to 44 form an integral part of these Financial Statements.

Chilaw

March 19, 2026

1 CORPORATE INFORMATION

1.1 Reporting Entity

1.1.1 Domicile and Legal Form

Chilaw Plantations Limited (the Company) is a limited liability Company incorporated and domiciled in Sri Lanka, under the Companies Act No. 17 of 1982 (The Company re-registered under the companies Act No 07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government Own Business Undertaking into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 165, Puttalam Road, Chilaw and the Plantations are situated in the planting districts of Puttalam, Kurunegala, Gampaha and Kilinochchi.

1.1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Company were cultivation of coconut, manufacture of copra and sale of green nuts, copra.

1.1.3 Parent enterprise and Ultimate parent Enterprise

The company's parent undertaking is the Government of Sri Lanka.

1.2 Date of Authorization for Issue

The Financial Statements of Chilaw Plantations Ltd. for the year ended December 31, 2025 was authorized for issue in accordance with a resolution of the Board of Directors on 19th March 2026.

Unaudited Financial Statements 2025

2 BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRS/LKAS) promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act No. 07 of 2007.

2.2 Basis of Measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than leased assets of JEDB/SLSPC estates, which have been revalued as described in Note 04, 05 and 06 to the Financial Statements. Where appropriate, specific policies are explained in the succeeding notes and no adjustments have been made for inflationary factors in the Financial Statements.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees (Rs.), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest rupee.

2.4 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLFRS/LKAS requires Management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

2.5 Going Concern

The Management of the company has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.6 Comparative Information

The accounting policies have been consistently applied by the company and, are consistent with those used in the previous year unless otherwise stated and previous year's figures and phrases have been rearranged wherever necessary to conform to the current year's presentation.

Reconciliation of Revenue and Gain/(loss) on fair value of Biological Assets for the year ended 31/12/2024

	2024 Revenue	2024 Gain on fair value
In 2024 as previously reported	961,593,165	47,618,767
Adjust- Gain on fair value of livestock (previously credited to livestock Revenue)	(4,034,234)	4,034,234
Adjusted Revenue / Gain on fair value of livestock	957,558,931	51,653,001

2.7 Events occurring after the Reporting date

All material Events occurring after the Reporting date have been considered and where appropriate adjustments to or disclosures have been made in the Financial Statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Assets and Bases of their Valuation

Assets classified as current assets in the Statement of Financial Position are cash and those which are expected to realize in cash, during the normal operating cycle of the Company's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond a period of one year from the reporting date.

3.1.1 Property, Plant & Equipment

3.1.1.1 Recognition and Measurement

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

Items of Property, Plant & Equipment are measured at cost (or at valuation in the case of Leasehold Right to Bare Land), less accumulated depreciation and accumulated impairment losses, if any.

(a) Owned Assets

The cost of Property, Plant & Equipment includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as apart of that equipment.

When significant parts of Property, Plant & Equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in the Statement of comprehensive income as incurred.

Capital work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned.

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.

Where motor vehicles are subsequently revalued, the entire class of such assets is revalued at fair value as at 31 December 2020, and subsequently revalued again at fair value as at 31 December 2025.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

As per the valuation report of Mr. Lakmal Kuranage Licensed auto Motive and PMV Valuer, Revaluation of the motor vehicles as at 31st December 2025 as follows.

Description	Net Carrying Value as at 31.12.2025 Rs.	Revalued Amount As at 31.12.2025	Revaluation Reserves Rs.
Motor Vehicle (Revalued)	39,286,271.00	173,725,000.00	134,438,729.00

Net book value of the above revalued assets as at 31st December 2025 are shown under the note no. 8 to the financial statements.

However, one motorcycle was not revalued by the valuer since the interdicted Assistant Superintendent has not handed over the motorcycle to the office. Accordingly, this motorcycle has been recognized in the accounts at its previous valuation less accumulated depreciation.

(b) Leased Assets

Assets obtained under the finance lease, (which effectively transfer substantial risks and benefits incidental to ownership of the leased item) are capitalized at an amount equal to the lower of their fair value and the present value of minimum lease payments at the inception and depreciated/amortized over the period the Company is expected to benefit from the use of the leased assets.

The corresponding principal amount payable to the lessor is shown as a liability. The interest element of the rental obligation applicable to each financial year is charged to the Statement of Comprehensive Income over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The cost of improvements to the leased property is capitalized and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements whichever is shorter.

3.1.1.2 Subsequent Cost

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of those parts that are replaced is de-recognized in accordance with the de-recognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in profit or loss as incurred.

3.1.1.3 De-recognition

The carrying amount of an item of Property, Plant & Equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized in profit or loss and gains are not classified as revenue.

3.1.1.4 Depreciation and Amortization

(a) Depreciation

Depreciation is recognized in Statement of Comprehensive Income using a straight-line method on cost or valuation over the estimated useful economic lives of each part of an item of Property, Plant & Equipment. The estimated useful lives for the current and comparative periods are as follows:

	No. of Years	Rate (%)
Buildings	40	2.50
Plants & Machinery	15	6.67
Furniture & Fittings	10	10.00
Motor Vehicles	05	20.00
Equipment	08	12.50
Permanent Land development	30	3.33
Fencing	03	33.33
Water Supply	20	5.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is de-recognized. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate.

(b) Amortization

Assets held under finance leases are amortized over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Company will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in the year 2045.

The leasehold rights of assets taken over from JEDB/SLSPC are amortized in equal amounts over the shorter of the remaining lease periods and the useful lives and the estimated useful lives for the current and comparative periods are as follows:

	No. of Years	Rate (%)
Leasehold right to bare Land	53	1.89
Improvements to Land	30	3.33
Other Vested Assets	30	3.33
Buildings	25	4.00
Machinery	15	6.67
Water Supply	20	5.00

3.1.2 Biological Asset

3.1.2.1 Immature and Mature Plantations

A) Immovable Leased Bearer Biological Assets (Immature and Mature Plantations)

In terms of the ruling of the UITF of Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, Immovable Leased Bearer Biological Assets (Immature and Mature Plantations) in the JEDB/SLSPC estates under finance leases have been taken into the books of the Company retroactive with effect from 11th June 1992.

Amortization on Immovable Leased Bearer Biological Assets is recognized in Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of the asset and the estimated useful life for the current and comparative periods is as follows:

	No. of Years	Rate (%)
Mature Plantations	30	3.33

B) Improvements to Leasehold Property (Immature and Mature Plantations)

The cost of land preparation, rehabilitation, new planting, replanting, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity after 8 years), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (i.e. Coconut) which comes into bearing during the year, is transferred to mature plantations.

Depreciation on Improvements to Leasehold Property is recognized in Statement of Comprehensive Income on a straight-line basis over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

The expenditure incurred on immature plantations which comes into bearing during the year, is transferred to mature plantations at the end of the year and is depreciated over their useful lives as follows.

The immature period and estimated useful life span for the current and comparative periods are as follows:
(useful life span is counted after immature period)

	Immature Period No. of Year	Lifespan No. of Years	Depreciation Rate (%)
Coconut	08	50	2.00
Cashew	08	25	4.00
Dragon Fruit	03	20	5.00
Cinnamon	04	20	5.00
Pepper	06	20	5.00
Rambutan	06	20	5.00
Mango	05	20	5.00

C) Consumable Biological Assets

Consumable timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period are immaterial. The fair value of timber trees are measured using DCF method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer.

The gain or loss arising on initial recognition of Consumable Biological assets at fair value less cost to sell and from a change in fair value less cost to sell of Consumable Biological assets are included in profit or loss for the period in which it arises all other assumptions are given in Note 7.2

The main variables in DCF model concerns.

Variable	Comment
Currency valuation	Sri Lankan Rupees (Rs.)
Timber content	Estimate based on physical verification of girth, height and considering the growth of each species in different geographical regions. Factor all the prevailing statutory regulations enforced for harvesting of timber coupled with forestry plan of the Company.
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees in to saleable condition.

Discount Rate Future cash flows are discounted at following discount rates:

- Age to harvest 5 or below years 10%
- Age to harvest 6 -15 years 11%
- Age to harvest 15 years or above 12%

3.1.2.2 Dairy Live Stock

Dairy Live Stocks are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

3.1.3 Non-Current Assets Held for Sale

Non-current assets, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets are classified as held for sale only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Property, Plant & Equipment once classified as held for sale are not depreciated or amortized.

3.1.4 Inventories

Inventories are valued at lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business after allowing for cost of realization and/or cost of conversion from their existing state to saleable condition.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formula.

Input Material Consumables & Spares	At actual cost on FIFO basis.
Growing Crop – Nurseries	At the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads.
Harvested Crop	Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.
Live Stocks	Dairy Live Stocks are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

3.1.4.1 Harvestable Agricultural Produce Growing on Bearer Biological Assets

In accordance with LKAS 41, company recognize agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce ascertained based on harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further 50% of the crop in that harvesting cycle considered for the valuation. For the valuation of the harvestable agricultural produce, the company uses the following price formulas.

Coconut – fair value less cost of picking & Transport ect.

3.1.5 Financial Instruments

3.1.5.1 Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not an FVTPL, 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.

3.1.5.2 Classification and subsequent measurement

3.1.5.2.1 Financial assets

i) Policy applicable from 1st January 2018

On initial recognition, a financial asset is classified as measured at; amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequently to their recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

On the initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial assets that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

a) Business model assessment:

The Company makes an assessment of the objectives of the business model in which a financial asset is held as a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes;

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management.
- The risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
- The frequency, volume and timing of sales of financial assets in prior periods, the reason for such sale and expectation about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

b) Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3.1.5.2.2 Financial liabilities

i) Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de recognition is also recognised in profit or loss.

3.1.5.3 De recognition

3.1.5.3.1 Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3.1.5.3.2 Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of

the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.1.5.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.1.5.5 Impairment - Financial Assets

Non-derivative financial assets

3.1.5.5.1 Financial instruments and contract assets

Loss allowances for trade receivables are always measured at an amount equal to lifetime Expected Credit Loss (ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 365 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- the financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3.1.5.5.2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

3.1.5.5.3 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset occurred.

Evidence that a financial asset is credit-impaired includes the following observable data;

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

3.1.5.5.4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

3.1.5.5.5 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.2.1. Financial Risk Management Objectives and Policies

The Company principal financial liabilities comprise trade and other payables, and income tax payables. The main purpose of these financial liabilities is to finance the Company operations. The Company has loans provided to state enterprises and Trade and other receivables and cash and short-term deposits that arrive directly from its operations.

Accordingly the Company has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

3.2.1.1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Company's receivable from customers.

3.2.1.2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

3.2.2. Employees' Benefits

(a) Defined Contribution Plans - Provident Fund and Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an expense in profit and loss in the periods during which services are rendered by employees.

The Company contributes 12% on consolidated salary of such employees to Employees' Provident Fund (EPF) and 3% on the consolidated salary of such employees to the Employees' Trust Fund.

(b) Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and staff turnover. Due to the long-term nature of these obligations, such estimates are subject to significant uncertainty. Details of the key assumptions used in the estimates are contained in Note 16.

The liability is externally funded in fixed deposits with Bank of Ceylon.

3.3. Deferred Income

Grants and Subsidies

Government grants are recognized 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 recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Grants related to Property, Plant & Equipment are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows:

Assets are amortized over their useful lives or unexpired lease period, whichever is less.

Buildings	40 years
Water Supply	20 years
Motor Vehicles	05 years
Furniture and Fittings	10 years
Equipments	08 years

3.4. Income and Expenses

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

3.4.1. Revenue Recognition

SLFRS 15 provides a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced LKAS 18 Revenue, LKAS 11 Construction Contracts and related interpretations. Under SLFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when or as an entity transfers control of goods and services to a customer at the amount at which the entity expects to be entitled. Revenue principally comprises of Coconut and copra sales.

As per SLFRS 15, which became effective from January 1, 2018, the Company adopts principles based five step model for revenue recognition. Accordingly, revenue is recognized only when all of the following criteria are met.

- The parties to the contract have approved the contract/s;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance;
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

There is no significant impact on the Financial Statement of the Company resulting from the application of SLFRS 15

- a) **Gains and losses on disposal of an item of Property, Plant & Equipment** are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant & Equipment and are recognized within 'other operating income' in the Income Statements.
- b) **Other Incomes** are recognized on accrual basis.

3.4.2. Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.5. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustments to tax payable in respect of previous years.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act and amendments thereto.

(b) Deferred Tax

Deferred tax is recognised using the Balance Sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax withheld on dividend income from subsidiaries and Associates is recognised as an expense in the Consolidated Income Statement at the same time as the liability to pay the related dividend is recognised.

3.6 Segment Reporting

Segmental information is provided for the different business segments of the Company. Business segmentation has been determined based on the Geographical area of Plantations are situated. The activities of the segments are described in the Note 27 to the Financial Statements and Geographical area of Plantations are as follows,

Group I Estates

Chilaw Area Estate
Palugaswewa Estate
Thambapanni Area Estate
Mangala Eliya Area Estate
Pallai Estate

Group II Estates

Bingiriya Area Estate
Divulapitiya Area Estate
Madampe Area Estate

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

04. LEASEHOLD RIGHT TO BARE LAND OF JEDB ESTATES

		2025 Rs.	2024 Rs.
Leasehold Right to bare land of JEDB Estate	04.1	52,174,973	54,857,770
Leasehold Right to bare land of JEDB Pallai Estates	04.2	44,560,503	46,197,216
		<u>96,735,476</u>	<u>101,054,986</u>

04.1 LEASEHOLD RIGHT TO BARE LAND OF JEDB ESTATES

Leases have been executed for all estates for a period of 53 years. All of these leases are retroactive with effect from June 11, 1992 the date of formation of the Company. The leasehold right to the land on all these estates have been taken into the books of the Company on June 11, 1992 immediately after the formation of the Company, in terms of the ruling on this matter obtained from the Urgent Issue Task Force (UITF) of the Institute of Chartered Accountants of Sri Lanka. For this purpose the Board decided at its meeting on 08th March 1995 that this bare land would be revalued at the value established for this land by valuation specialist, D.R.Wickramasinghe just prior to the formation of the company.

These assets are taken into the Balance Sheet as at 11th June 1992 and amortized by equal amounts over a 53 year period and the unexpired period of the lease as at the Reporting date is 19.5 years.

	Gross Carrying Value		
	as at 31.12.2025 Rs.	Addition/ (Disposal) Rs.	as at 31.12.2024 Rs.
	Leasehold Right to Bare land	142,188,257	-

	Amortization			
	as at 31.12.2025 Rs.	Disposal for the year Rs.	for the Year Rs.	as at 01.01.2025 Rs.
	Leasehold Right to Bare land	90,013,284	-	2,682,797

	Net Carrying Value	
	as at 31.12.2025 Rs.	as at 31.12.2024 Rs.
	Leasehold Right to Bare land	<u>52,174,973</u>

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

04.2 LEASEHOLD RIGHT TO BARE LAND OF JEDB PALLAI ESTATES

(a) Lease have been executed for Pallai Estate for a period of 30 years. The leasehold right to the land on Pallai Estate has been taken in to the books of the Company on 9th February 2023.

These assets are taken into the Balance Sheet as at 9th February 2023 and amortized by equal amount over a period of 30 years of lease period.

(b) Lease have been executed for Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate for a period of 30 years. The leasehold right to the land on all these estates have been taken in to the books of the Company on 26th April 2023, subsequent to the signing of the indenture of lease agreements.

These assets are taken in to the Balance Sheet as at 26th April 2023 and amortized by equal amounts over a 30 year lease period and the remaining period of the lease as at the reporting date is 27 years and 4 months.

However, when transferring the said assets, book value of the same were not available to be taken in to the accounts. Therefore value of these bare land of Pallai estates, Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate have been assessed based on total lease rental and estimated Future discount rate of 12.5%.

	Gross Carrying Value	
	2025	2024
	Rs.	Rs.
At the beginning of the year	49,101,423	49,101,423
Addition		
At the end of the year	49,101,423	49,101,423

	Amortization		
	as at	for the	as at
	31.12.2025	Year	01.01.2025
	Rs.	Rs.	Rs.
Leasehold Right to Bare land	4,540,920	1,636,713	2,904,207

	Carrying Value	
	as at	as at
	31.12.2025	31.12.2024
	Rs.	Rs.
Leasehold Right to Bare land	44,560,503	46,197,216

CHILAW PLANTATIONS LTD**NOTES TO THE DRAFT FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

05. IMMOVABLE LEASED ASSETS OF JEDB ESTATES**(OTHER THAN RIGHT-TO-USE LAND AND LEASED BEARER BIOLOGICAL ASSETS)**

In terms of the ruling of the UITF of Institute of Chartered Accountants of Sri Lanka prevailed at the time of privatization of plantation estates, all immovable Assets in the JEDB/SLSPC estates under finance leases have been taken into the books of the Company retroactive with effect from 22nd June 1992. For this purpose the Board decided at its meeting on March 08, 1995 that these assets would be taken at their book values as they appear in the books of the JEDB/SLSPC, on the day immediately preceding the date of formation of the Company. These assets are taken into the 11th June 1992 Balance Sheet and the amortization of immovable estate assets up to 31st December 2025 are as follows.

At Valuation	Improvements to Land		Buildings		Machinery		Water Supply		Other Vested Assets	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Capitalized Value	841,193	1,002,944	25,356,498	530	4,026,236	31,227,401	31,227,401			
Amortization										
As at 1 January	71,725	1,002,944	25,356,498	530	4,026,236	30,457,933	30,457,933			
Amortization for the Year	-	-	-	-	-	-	-			
As at 31 December	71,725	1,002,944	25,356,498	530	4,026,236	30,457,933	30,457,933			
Carrying Amount	769,468	-	-	-	-	769,468	769,468			

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

05.1. LEASED BEARER BIOLOGICAL ASSETS OF JEDB ESTATES

	2025	2024
	Rs.	Rs.
05.1.1 Leased Bearer Biological Assets of JEDB Estates	5,275,547	7,163,374
05.1.2 Leased Bearer Biological Assets OF JEDB PALLAI Estate	16,867,718	17,489,318
	<u>22,143,265</u>	<u>24,652,692</u>

05.1.1 LEASED BEARER BIOLOGICAL ASSETS OF JEDB ESTATES

<u>Revaluation</u>	2025	2024
	Rs.	Rs.
Mature Plantation	77,318,640	77,848,235
Disposal Adjustment	(310,868)	(529,596)
	<u>77,007,772</u>	<u>77,318,640</u>
As at 01 January	70,155,266	68,797,035
Amortization for the Year	1,887,827	1,887,827
Disposal Adjustment	(310,868)	(529,596)
As at 31 December	<u>71,732,225</u>	<u>70,155,266</u>
Carrying Amount	<u>5,275,547</u>	<u>7,163,374</u>

Investment in plantation assets which were immature at the time of handing over to the company by way of estate leases are shown under immature plantations (revalued as at 11th June, 1992), all of which have been transferred to mature plantations as at the reporting date. Investment by the Company on mature and immature plantations is shown separately under Improvements to Leasehold Property (Mature / Immature Plantation) in Note 6. These Mature/Immature plantations were classified as bearer biological assets in terms of LKAS 41 - Agriculture.

05.1.2. LEASED BEARER BIOLOGICAL ASSETS OF JEDB PALLAI ESTATES

The value of leased bearer biological assets (Mature plantations) at Pallai estate have been taken into the books of the Company on 9th February 2023 after signing of the lease agreement by the Company with JEDB and amortized by equal amounts over a 30 year lease period.

However, when transferring the said assets, book value of the same were not available to be taken in to accounts .Therefore value of this Biological asset of pallai estates has been assessed based on total lease rental and estimated Future discount rate of 12.5%.

<u>Pallai coconut land value</u>	2025	2024
	Rs.	Rs.
At the beginning of the year	18,666,656	18,666,656
Addition		
At the end of the year	<u>18,666,656</u>	<u>18,666,656</u>
As at 01 January	1,177,338	555,738
Amortization for the Year	621,600	621,600
Disposal Adjustment		
As at 31 December	<u>1,798,938</u>	<u>1,177,338</u>
Carrying Amount	<u>16,867,718</u>	<u>17,489,318</u>

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

06 IMPROVEMENTS TO LEASEHOLD PROPERTY (Bearer Biological Assets)

Cost	Immature Plantation	Mature Plantation			2025	2024
		Coconut	Cashew	Other		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At the beginning of the - Year	216,127,206	962,687,164	100,026,612	13,839,135	1,292,680,118	1,212,074,715
Additions	73,059,446		-		73,059,446	80,605,403
Transferred from Immature		44,062,071	-	-	44,062,071	105,088,397
Transferred to Mature	(44,062,071)	-	-	-	(44,062,071)	(105,088,397)
Impairment/Disposal	-	-	-	-	-	-
At the end of the Year	245,124,581	1,006,749,235	100,026,612	13,839,135	1,365,739,563	1,292,680,118
Depreciation						
At the beginning of the - Year		110,721,209	56,519,602	3,115,144	170,355,956	148,317,995
Charge for the Year		19,178,195	4,001,064	691,957	23,871,216	22,037,961
Impairment/Disposal of assets		-	-	-	-	-
At the end of the Year		129,899,404	60,520,666	3,807,101	194,227,172	170,355,956
Net Value	245,124,581	876,849,831	39,505,946	10,032,034	1,171,512,391	1,122,324,162
Capital Work-in-progress						
As at 1 January					1,065,811	10,058,485
Additions during the Year					559,593	1,065,811
Transfer to immature plantation & other Transfer out					1,065,811	10,058,485
As at 31 December					559,593	1,065,811
Carrying amount					1,172,071,984	1,123,389,973

Note :

These are investments in immature/mature plantations since the formation of the Company. The assets (including plantations assets) taken over by way of estate leases are set out in Notes 4, and 5 to the Financial Statements. Further investment in immature plantations taken over by way of leases are shown in this Note. When such plantations become mature, the additional investments since taken over to bring them to maturity will be moved from immature to mature under this Note. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the lease will be carried out under Note No. 5.1

The requirement of recognition of bearer biological assets at its fair value less cost to sell under LKAS 41 was superseded by the ruling issued on 02 March 2012, by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Company has elected to measure the bearer biological assets at cost using LKAS 16 - Property Plant & Equipment.

Specific borrowings have not been obtained to finance the planting expenditure. Hence, borrowing costs were not capitalized during the year under Immature Plantations (2025 - Nil)

07.1 BIOLOGICAL ASSETS - LIVESTOCK

	2025	2024
	Rs.	Rs.
Dairy Livestock	19,687,379	12,151,415
Other Livestock	18,323,829	15,205,360
	38,011,208	27,356,775

07.1.1 DAIRY LIVESTOCK

	Immature Cows (Calves / Heifers)		Mature Cows (Milking and Dry cows)	
	Rs.	Rs.	Rs.	Rs.
As at 1 st January	1,202,280	10,949,135	12,151,415	10,221,915
Value Increase on birth	663,922		663,922	587,576
Gain/(Loss) on fair value for the Year	969,639	3,915,180	4,884,819	27,124
Transfer in/(out) other estates	(121,316)	2,636,400	2,636,400	2,393,179
Death/Sales		(527,861)	(649,177)	(1,078,380)
As at 31 st December	<u>2,714,525.20</u>	<u>16,972,854</u>	<u>19,687,379</u>	<u>12,151,415</u>

Livestock are measured at their fair value less costs to sell. The fair value of livestock is determined in accordance with the circulars issued by the National Livestock Development Board.

07.1.2 Other Livestock (Bearer Biological Assets)

	Buffalos		Cart Bull		Stud Bulls		Sheep/Goat		Neat Cattle	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 1 st January	5,733,760.00	2,772,950	320,750	6,233,900	144,000	15,205,360	15,322,900	831,160	700,025	700,025
Value increase on birth	494,680		-	336,480				831,160		700,025
Purchase			655,100					655,100		
Transfer in/(Out)	(2,849,250)		212,850					(2,636,400)		(1,632,670)
Death/Sales	(960,506)	(346,050)	(320,750)	(1,604,210)	184,000	7,500,125	3,246,600	(3,231,516)	(2,431,495)	(2,431,495)
Gain/Loss on fair Value for the year	1,364,170	1,347,600	806,050	3,798,305	184,000	7,500,125	3,246,600	7,500,125	3,246,600	3,246,600
	<u>3,782,854</u>	<u>3,774,500</u>	<u>1,674,000</u>	<u>8,764,475</u>	<u>328,000</u>	<u>18,323,829</u>	<u>15,205,360</u>	<u>18,323,829</u>	<u>15,205,360</u>	<u>15,205,360</u>

7.2 Consumable Biological Assets- Timber Plantations

	2025. Rs			2024. Rs		
	Immature	Mature	Total	Immature	Mature	Total
Balance as at 1 st January	1,125,705	178,001,582	179,127,287	1,044,264	138,253,656	139,297,920
Increase due to development/ Investment	309,000		309,000	81,441		81,441
Trans In/(Out)		-	-		-	-
Changes in fair value less cost to sell		17,176,137	17,176,137		39,759,273	39,759,273
Decrease due to harvest		(8,101,731)	(8,101,731)		(11,347)	(11,347)
Balance as at 31st December	1,434,705	187,075,988	188,510,693	1,125,705	178,001,582	179,127,287

Consumable Biological assets include timber trees grown in estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material.

The valuation was carried by Mr. A.A.M. Fathihu, Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber a physical verification was carried out covering all the estates.

Key assumption used in Valuation

1. Based on the price list of the state timber corporation of timber logs
2. The Prices adopted are net of expenditure.
3. Discount rate - Age to harvest 5 or below years 10%
Age to harvest 6 -15 years 11%
Age to harvest 15 years or above 12%
4. Time period of maturity estimated at 30 years

The valuations, as presented in the external valuation models based on net present values, take into accounts the long term exploitation of the timber trees. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realizable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable

The company is exposed to the following risks relating to its timber trees.

Regulatory and environmental risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Supply and demand risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of timber. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

Climate and other risks

The Company's timber trees are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces.

7.3 Change in Fair Value of Biological Assets

	2025 Rs.	2024 Rs.
Changes in fair value of consumable biological assets (Note 7.2)	17,176,137	39,759,273
Changes in fair value of Produce on bearer biological Assets (Note 9.1)	9,604,906	7,859,494
Gain/Loss on fair value of Livestock (Note 7.1.1, 7.1.2)	13,880,026	4,034,234
	40,661,069	51,653,001

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December, 2025

08 FREEHOLD PROPERTY PLANT & EQUIPMENTS

	Buildings	Plant & Machinery	Motor Vehicles	Equipment	Furniture & Fittings	Fencing	Water Supply	2025	2024
	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..	Rs..
Cost/ Valuation									
As at 1 January	58,139,528	8,902,837	126,030,421	89,531,117	15,750,404	51,612,581	83,638,148	433,605,037	400,072,329
Additions	403,898	-	37,018,910	4,375,214	1,249,753	11,262,884	1,211,906	55,522,565	33,733,008
Transfers/(Disposal)	-	-	402,500	(484,000)	-	-	-	(81,500)	(200,300)
Transf. to held for sale	-	-	(18,346,961)	-	-	-	-	(18,346,961)	-
Transferred due to revaluation	-	-	(105,468,599)	-	-	-	-	(105,468,599)	-
Revaluations	-	-	134,438,729	-	-	-	-	134,438,729	-
As at 31 December	58,543,426	8,902,837	174,075,000	93,422,331	17,000,157	62,875,465	84,850,055	499,669,271	433,605,037
Depreciation									
As at 1 January	17,641,136	6,209,480	94,704,389	60,484,450	11,423,261	38,019,178	13,183,474	241,665,367	200,230,980
Charge for the Year	1,456,024	560,469	28,201,582	5,697,281	758,511	6,895,762	4,070,336	47,639,965	41,523,657
Transfers/Disposal	-	-	402,500	(439,007)	-	-	-	(36,507)	(89,269)
Transferred due to revaluation	-	-	(105,468,599)	-	-	-	-	(105,468,599)	-
Transf. to held for sale	-	-	(17,489,872)	-	-	-	-	(17,489,872)	-
As at 31 December	19,097,160	6,769,949	350,000	65,742,724	12,181,772	44,914,939	17,253,810	166,310,355	241,665,367
Net Value	39,446,266	2,132,888	173,725,000	27,679,606	4,818,385	17,960,526	67,596,245	333,358,916	191,939,669
Capital Work-in-progress									
As at 1 January	-	-	-	-	-	-	-	1,418,226	1,585,697
Additions during the Year	-	-	-	-	-	-	-	1,438,647	1,277,161
Capitalized during the year & Transfer out	-	-	-	-	-	-	-	348,776	1,444,632
As at 31 December	-	-	-	-	-	-	-	2,508,097	1,418,226
Carrying amount									
								335,867,013	193,357,895

Note :

The assets shown above are those movable assets vested in the Company by Gazette notification on the date of formation of the Company (11.06.1992) and all investment in tangible assets by the company since its formation. The assets taken over by way of estate leases are set out in Notes 4 and 5.

Further, the valuation of immovable JEDB / SLSPC estate assets on finance lease (other than leasehold property) and tangible assets other than immature / mature plantations taken over on 11 June 1992 is based on net book values obtained from the State Plantations Corporation and Janatha Estate Development Board as at such date. These values were not made available to us by individual asset.

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31 December, 2025

09. PRODUCE ON BEARER BIOLOGICAL ASSETS AND INVENTORIES**09.1 PRODUCE ON BEARER BIOLOGICAL ASSETS**

	2025	2024
	Rs.	Rs.
At the beginning of the year/ as previously reported	33,852,934	25,993,440
Change in fair value less cost to sell	9,604,906	7,859,494
At the end of the year	<u>43,457,840</u>	<u>33,852,934</u>

09.2 INVENTORIES

	2025	2024
	Rs.	Rs.
Input Materials	22,761,906	7,219,206
Growing Crop - Nurseries	18,038,561	4,511,288
Harvested Crop	56,181,020	40,853,549
Consumables and Spares	30,050,567	23,992,962
	<u>127,032,054</u>	<u>76,577,005</u>

9.3 ASSETS HELD FOR SALE

	2025	2024
	Rs.	Rs.
Gross Carrying Value	18,787,411	440,450
Less; Accumulated Depreciation	17,914,318	424,446
Carrying Value	<u>873,093</u>	<u>16,004</u>

9.3.1 Carrying Value of Assets Held for Sale

Description	Vehicle No.	Cost	Depreciation	Carrying Value
Isszu Trooper	32-4266	4,356,961	3,499,872	857,089
BMW X1	NW KV 4068	6,000,000	6,000,000	-
BMW X2	NW KV 4071	4,490,000	4,490,000	-
X Trial	NW GQ 6095	3,500,000	3,500,000	-
Hand Tractor	NW SC 1610	104,000	103,999	1
Hand Tractor and trailer	NW SC 1611	145,500	145,498	2
Motor Cycle	NW GB 7012	150,950	150,949	1
Hand Tractor	NW SC 1609	40,000	24,000	16,000
		<u>18,787,411</u>	<u>17,914,318</u>	<u>873,093</u>

10. TRADE AND OTHER RECEIVABLES

	2025	2024
	Rs.	Rs.
Produce Debtors	77,545,238	37,359,333
Staff Debtors	11,011,737	6,045,331
Other Debtors	51,473,070	49,416,315
Wair-Coir Project	13,325,233	13,325,233
	153,355,278	106,146,212
Impairment allowances for Wair-Coir Project	(13,325,233)	(13,325,233)
Impairment allowances for Bad Debts	(5,741,629)	(1,367,907)
	<u>134,288,416</u>	<u>91,453,072</u>

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31 December, 2025

11. FINANCIAL FACILITY TO STATE ENTERPRISES	Amount	2025	2024
	Granted		
	Rs.	Rs.	Rs.
Loan Receivables			
Elkaduwa Plantations Ltd	20,000,000	23,519,452	23,519,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000	10,000,000	10,000,000
Sri Lanka State Plantations Corporation	20,000,000	23,610,959	23,610,959
Ministry of State Resources & Enterprise Development	15,000,000	15,000,000	15,000,000
Janatha Estate Development Board	40,000,000	47,627,397	47,627,397
	<u>105,000,000</u>	<u>119,757,808</u>	<u>119,757,808</u>
Less:			
Impairment Loss	(105,000,000)	(119,757,808)	(119,757,808)
	<u>-</u>	<u>-</u>	<u>-</u>

The Company has granted temporary financial facility to the above government enterprises amounting to LKR 105 Million in the year 2010. However, the outstanding dues were not settled up to the 31 December 2014 by the respective parties and the amount with accumulated interest totaling to LKR 119,757,808/-. The Board of Directors of Chilaw Plantation Limited resolved to make a full provision for impairment for the year ended 2014.

Considering the fact that the company was unable to recover the interest income due from above state organizations, from the year 2010 to 2012, the board of directors of chilaw plantations ltd decided not to recognize the unrecoverable interest income to the accounts of chilaw plantation limited from the year 2013. Subsequently the Board of Directors of Chilaw Plantations Limited resolved to make a full provision for impairment of financial assets for the year ended 2014. However, if interest income from 2013 to 2025 is taken in to the accounts, total loan receivable balance would be Rs. 202,957,808 as details given below.

Elkaduwa Plantations Ltd	44,319,452
Sri Lanka Rubber Manufacturing & Export Corporation Ltd	10,000,000
Sri Lanka State Plantations Corporation	44,410,959
Ministry of state Resources & Enterprise Development	15,000,000
Janatha Estate Development Board	89,227,397
	<u>202,957,808</u>

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31 December, 2025

11.1 OTHER FINANCIAL ASSETS

	Loan Given to Employees Rs.	Pre-Paid staff Benefit Rs.	Total Rs.
Balance as at 01/01/2024	19,711,636	5,139,016	24,850,652
Loan Granted During the Year 2024	10,125,450	2,747,550	12,873,000
Loan Recovered During the year 2024	(8,204,129)	(3,253,482)	(11,457,611)
Balance as at 31/12/2024	21,632,957	4,633,084	26,266,041
Loan Granted During the year 2025	6,211,319	1,462,581	7,673,900
Loan Recovered During the year 2025	(9,167,820)	(2,854,674)	(12,022,494)
Balance as at 31/12/2025	18,676,456	3,240,991	21,917,447
Non- Current Balance as at 31/12/2024	15,794,193	2,426,338	18,220,532
Current Balance as at 31/12/2024	5,838,763	2,206,746	8,045,509
Balance as at 31/12/2024	21,632,957	4,633,084	26,266,041
Non- Current Balance as at 31/12/2025	12,706,241	1,594,483	14,300,723
Current Balance as at 31/12/2025	5,970,215	1,646,509	7,616,724
Balance as at 31/12/2025	18,676,456	3,240,991	21,917,447

The company provides loans to employees at concessionary rate of 4% per annum. These loans are recognized on fair value at their initial recognition. The fair value of the loans given to employees are determined by discounting expected future cash flows using market rates related to the similar loans. The difference between cost and fair value of loans given to employees is recognized as prepaid staff benefits. The loans given to employees are classified as loans and receivables and subsequently measured at amortized cost. The loans given to employees are secured and interest is charged at the following rates.

	Market rate	Concessionary rate
2020	9.25%	5%
2021	10.25%	4% (w.e.f 1/9/2021)
2022	27.25%	4%
2023	18%	4%
2024	14.5%	4%
2025	13%	4%

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December, 2025

	2025 Rs.	2024 Rs.
12. SHORT TERM INVESTMENTS		
Fixed Deposit - BOC (Over three months)	635,925,015	593,877,855
Fixed Deposit- Peoples Bank (Over three months)	89,020,560	-
Fixed Deposit- NSB (Over three months)	225,000,000	-
Total short term investment over Three months	949,945,575	593,877,855
Fixed Deposit - BOC (Below three months)	268,863,503	247,883,620
Treasury Bills and REPO (Below three months)	370,799,017	252,715,807
Total short term investment Below Three months	639,662,520	500,599,427
Grand Total	1,589,608,094	1,094,477,282

Short-term deposits are made for varying periods of between one month and twelve months, depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The above fixed deposits with Bank of Ceylon represent ,Plan assets in respect of gratuity liability amounting to Rs. 117,324,058 /=

13. STATED CAPITAL

Ordinary shares including one golden Shares held by the Treasury which have Special rights	20,000,001	20,000,001
Value of Issued and Fully Paid Shares		
Ordinary shares including one golden Shares held by the Treasury which have Special rights	200,000,010	200,000,010

Stated Capital represents the amount paid to the company in respect of issuing 20,000,001 ordinary shares including one Golden share which has special rights. With the enactment of the Companies Act No. 07 of 2007 which is applicable with effective from 03 May 2007, the concept of authorized share capital and par value is no longer

	2025 Rs.	2024 Rs.
14. DEFERRED TAX LIABILITY/ASSETS		
At the beginning of the Year	329,623,171	93,175
Charged / (reversal) during the year	10,234,287	323,299,308
Deferred Tax adjustment on assets revaluation	40,332,208	6,230,688
At the end of the Year	380,189,666	329,623,171

	Temporary Difference Rs.	Tax Effect	
		2025 Rs.	2024 Rs.
-Property, Plant and Equipment	(232,177,417)	(69,653,225)	(31,061,551)
-Mature and Immature Plantation	(1,171,512,391)	(351,453,717)	(336,697,249)
-Consumable Biological Assets	-	-	-
-Impairment allowances for Bad Debts	19,066,862	5,720,059	4,407,942
-Retirement Benefit Obligation	117,324,058	35,197,217	33,727,686
Carried forward Tax Losses		-	-
Carried forward Tax Credit		-	-
Deferred Tax Assets / (Liability)	(1,267,298,888)	(380,189,666)	(329,623,171)
Applicable Tax Rate for all temporary differences.		30%	30%

The effective tax rate used to calculate deferred tax liability for all temporary difference as at 31/12/2025 is 30%.

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

15. DIFERRED GRANTS AND SUBSIDIES

	2025 Received from PHDT	Rs. Received from CRI	2025 Rs.	2024 Rs.
At the beginning of the Year	5,445,901	6,521,107	11,967,009	10,088,526
Grant Received			-	2,482,500
Less : Amortization for the Year Transfer out	(237,228)	(352,403)	(589,631)	(604,017)
At the end of the Year	5,208,673	6,168,704	11,377,378	11,967,009

i) Grants were received from the Plantation Human Development Trust for the development of facilities of workers such as re-roofing of Line rooms, Latrines, Water supply and Sanitation etc.

The amount spent is capitalized under relevant classification of Property, Plant & Equipment. Corresponding grant component is reflected under Deferred Grants and Subsidies and amortized over the useful life span of the asset.

ii) During the year 2021,2022,2023 and 2024 grant were received from Coconut Research Institute for installation of irrigation system in kinyama seed garden and other capital work .

The amount spent is capitalized under relevant classification of Property, Plant and Equipment. Corresponding grant component is reflected under Deferred Grants and Subsidies and amortized over the useful life span of the asset.

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

16. RETIREMENT BENEFIT OBLIGATIONS

	2025	2024
	Rs.	Rs.
At the beginning of the year	112,425,621	92,025,543
Interest Cost	11,260,659	11,503,193
Current Services Cost	9,501,974	8,559,279
Gratuity Payments for the Year	(18,518,643)	(13,152,742)
Actuarial (Gain) / Loss	2,654,447	13,490,348
At the end of the Year	117,324,058	112,425,621

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the Projected Unit Credit Method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure.

the actuarial present value of promised retirement benefits amounted to Rs.117,324,058. If the company had provided for gratuity on the basis of 14 days wages and half months salary for each completed year of service, the liability would have been Rs. 127,955,178.67. Hence, there is a contingent liability of Rs. 10,631,120.44 which would crystallise only if the company ceases to be a going concern.

The key assumptions used by Messrs Actuarial & Management Consultants (Pvt) Ltd. include the following:

- | | | | |
|----------------------|-----------|------------------------------|---------|
| (i) Rate of Discount | 10% p.a. | (ii) Rate of Salary Increase | |
| (iii) Retirement Age | | Monthly paid Staff | 9% p.a. |
| Monthly paid | 60 years | Daily Paid Staff | 9% p.a. |
| Daily Paid Staff | 60 years | | |
| (iv) Daily Wage Rate | Rs. 951/- | (v) Staff turnover rate | 5% |

Sensitivity Analysis

In order to illustrate the significance of the salary/wage escalation rate and discount rate assumed in this valuation as at 31 December 2025, a sensitivity analysis was conducted for all employees assuming the following salary/ wage escalation rate and discount rate

Discount Rate	Salary /wage Escalation Rate	Present Value of defined Benefit Obligation	
		Monthly paid	Daily paid
One Percentage point increase	As given in report	74,870,093	34,653,102
One Percentage point increase	As given in report	87,610,084	38,587,915
As given in report	One Percentage point increase	87,766,001	38,656,373
As given in report	One Percentage point increase	74,633,927	34,559,191

Weighted average duration of the defined benefit obligation : Monthly paid - 8.6 Years

Daily Paid - 5.8 Years

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December, 2025

17. LIABILITY TO MAKE LEASE PAYMENT FOR THE JEDB ESTATES

	2025			2024
	Repayable within 1 year Rs	Repayable after 1 year Rs.	Total Rs.	Rs.
17.1 Liability to Make Lease Payment to the Treasury for the JEDB Estates	3,036,568	83,742,134	86,778,702	89,698,479
17.2 Liability to Make Lease Payment for the JEDB PLLAI Estates	163,081	67,236,715	67,399,796	67,544,756
Net Finance Lease liability-2025	3,199,649	150,978,849	154,178,498	157,243,235
Net Finance Lease liability-2024	3,064,737	154,178,498	157,243,235	

17.1 LIABILITY TO MAKE LEASE PAYMENT TO THE TREASURY FOR THE JEDB ESTATES

	Repayable within 1 Year Rs.	Repayable after one Year		Sub Total Rs.	Total Rs.
		Repayable within two to five Years Rs.	Repayable after five Years Rs.		
Gross Finance Lease Liability	6,508,000	26,032,000	93,982,652	120,014,652	126,522,652
Less : Future Finance Charges	(3,471,432)	(12,621,538)	(23,650,980)	(36,272,518)	(39,743,950)
Net Finance Lease liability-2025	3,036,568	13,410,462	70,331,672	83,742,134	86,778,702
Net Finance Lease liability-2024	2,919,777	12,894,675	73,884,027	86,778,702	89,698,479

The leases of the estates have been amended, with effect from 11th June 1996 to an amount substantially higher than the previous lease rental of Rs. 500/= per estate per annum. The rental payable under the revised basis is Rs. 6.508 million per year. This amount is to be inflated annually by the Gross Domestic Product (GDP) deflator, and is in the form of a contingent rental.

The contingent rental during the current year charged to the Income Statement amounted to Rs. 75,366,505/- which is based on GDP deflator of 3.8% (2024 - Rs. 68,499,800/- 17%)

The Statement of Recommended Practice (SoRP) for Right-to-use of Land on Lease was approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19 December 2012. Subsequently, the amendments to the SoRP along with the modification to the title as Statement of Alternative Treatment (SoAT) were approved by the Council on 21 August 2013. The Company has not reassessed the Right-to-use of Land because this is not a mandatory requirement. However, if the liability is reassessed according to the alternative treatment (SoAT) on the assumption that the lease rent is increased constantly by GDP deflator of 4% and

Gross Liability	=	2,434,443,440
Finance Charges	=	(1,437,761,892)
Net Liability	=	996,681,548

The above reassessed liability is not reflected in these Financial Statements.

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

17.2 LIABILITY TO MAKE LEASE PAYMENT FOR THE JEDB PALLAI/KILINCHCHI ESTATES

	Repayable within 1 Year Rs.	Repayable after one Year		Sub Total Rs.	Total Rs.
		Repayable within two to five Years Rs.	Repayable after five Years Rs.		
Gross Finance Lease Liability	4,008,000	16,032,000	170,151,143	186,183,143	190,191,143
Less : Future Finance Charges	(3,844,919)	(15,148,716)	(103,797,711)	(118,946,428)	(122,791,347)
Net Finance Lease liability-2025	163,081	883,284	66,353,432	67,236,715	67,399,796
Net Finance Lease liability-2024	144,960	785,141	66,614,654	67,399,796	67,544,756

a). Lease has been executed for Pallai estate for a period of 30 years commencing from 9th February 2023. Lease shall be paid for the coconut cultivated extent which is 92 Acres in extent at the rate of Rs.12,000/= per acre per annum. For the remaining bare land of 208 acres in extent, the annual lease rental is Rs 6,000 per acre. This lease rentals will be increased by 50% from 11th to 15th year and 20% annual rent increment will be applied every 05 years from 16th to 30th year thereafter

b). Lease have been executed for Muhamalai Ayanankal estate, Visuwalingam Thottam estate and Kasipallaikani estate for a period of 30 years commencing from 26th April 2023. Lease shall be paid for the bare land in extent of 276 Acres at the rate of Rs 6,000/= per acre per annum with 50% annual rent increment from 11th to 15th year and 20% annual rent increment every 05 years from 16th to 30th year thereafter as per the indenture of lease.

18. TRADE AND OTHER PAYABLES

	2025 Rs.	2024 Rs.
Trade Creditors	3,625,604	481,893
Others (Fertilizer, Contractors etc.)	131,559,620	93,822,384
Holiday Pay	4,076,634	3,502,794
Accrued Expenditure	12,755,774	14,364,446
Audit Fee	1,273,392	1,868,384
Incentive payable to Employee	137,000,000	30,300,000
Dividend /Lease rental Payable to Treasury	4,825,366	34,742,436
Vat Payable	1,133,987	5,064,221
	296,250,377	184,146,558

	2025	2024
	Rs.	Rs.
19. REVENUE		
Coconut (Note 19.1)	1,483,803,731	868,920,605
Cashew	64,769,820	41,663,037
Livestock project (Note 19.2)	19,628,098	19,306,067
Dragon Fruit	511,915	643,021
Seedlings & Nursery	14,839,120	4,766,515
Pepper	473,580	154,500
Cinnamon	3,040,389	2,113,733
Rambuttan	3,125,000	2,290,050
Coconut Oil	10,962,242	9,309,216
Cashew processing	11,073,555	10,306,710
Mango	3,141,658	4,399,275
Others	958,557	4,512,205
Gross Revenue	1,616,327,664	968,384,933
Less:-Divisional Revenue (Inter Department)	(22,101,187)	(10,826,001)
Revenue from out side	1,594,226,476	957,558,932
19.1 Revenue from Coconut		
Green Nuts	1,471,746,563	855,993,049
Copra	12,057,168	12,927,555
	1,483,803,731	868,920,605
Production (Nuts)	10,762,223	10,359,584
Net Sales Average (per 1000 nuts)	140,385	82,962
19.2 Revenue from livestock		
Income from Dairy livestock project	16,985,073	14,432,571
Other livestock	2,643,025	4,873,496
	19,628,098	19,306,067
20 Cost Of Sale		
Coconut and Copra	752,444,133	609,716,021
Cashew	31,738,138	17,469,590
Livestock project	20,746,472	17,427,699
Dragon Fruit	95,038	158,095
Seedlings & Nursery	11,064,694	59,742,169
Pepper	261,835	421,045
Cinnamon	629,729	1,142,623
Rambuttan	92,979	258,093
Coconut Oil	10,891,399	10,550,475
Cashew processing	13,132,424	9,686,077
Mango	2,850,303	2,173,770
Others	2,949,606	4,285,533
	846,896,749	733,031,191
Less:-Divisional Purchase (Inter Department)	(22,101,187)	(10,826,001)
Cost of Sales	824,795,562	722,205,190

20.1 During the year ended 31 December 2025, the Company identified a coconut inventory shortage amounting to Rs. 3,700,900.10. A provision has been made for the estimated loss and recognized within cost of sales in accordance with LKAS 2 – Inventories. An internal inquiry is currently in progress to identify the officers responsible for the shortage.

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December,

21. OTHER INCOME AND GAINS	2025	2024
	Rs.	Rs.
Amortization of Grant	589,631	604,017
Gain /(Loss) on Timber sale	4,447,079	(853,095)
Coconut Palms	14,582,510	22,934,948
Coconut Husks & Shells	10,030,312	4,414,478
Penalty on delay payment and removal of coconut	3,375,602	2,443,403
Paddy	5,923,235	3,502,149
Fire wood	4,839,871	1,282,492
Desilting Tank/Leveling of land (sale of Mud soil and sand)	2,302,081	9,492,605
Income from Land subleased for cultivation (21.1)	8,810,552	8,270,178
Income from coconut treacle project	3,914,530	3,900,164
Copra income from immature rejection coconut	33,636,692	12,410,759
Others	9,261,778	3,692,895
	101,713,874	72,094,993
21.1 The land leasing programme is implemented by leasing out minimum 5 acres of land for outside parties for cultivation of short-term crop for a maximum period of five years on a minimum rental of Rs.1,000/- per acre per month after entering into an agreement.		
22. ADMINISTRATION & GENERAL EXPENSES (Details P 41- P 42)		
Personal Direct expenses	57,842,835	53,403,912
Personal Indirect expenses	26,852,180	24,342,097
Office expenses	46,219,119	56,665,059
Other expenses (Details P-42)	152,379,635	45,086,796
Provision for loss of general inventories	1,472,142	-
	284,765,912	179,497,864
22.2 PROFIT BEFORE TAX IS STATED AFTER CHARGING	2025	2024
Depreciation	Rs	Rs
- Leasehold Right to bare land	4,319,510	4,319,510
- Freehold Property, Plant and Equipments	47,639,965	41,523,657
- Biological Assets	26,380,643	24,547,388
Directors Remuneration	3,099,033	2,648,400
Auditors Remuneration	1,269,888	2,529,478
Defined Benefit Plan Costs	20,762,633	20,062,472
Defined Contributions Plan Costs - EPF & ETF	37,927,391	35,991,663
Salaries & Wages	310,745,386	294,152,428
Employees' Bonus	14,214,496	12,549,206
Employees' Incentive payment	137,000,000	30,300,000
	603,358,945	468,624,201
23. FINANCE INCOME		
Interest on Fixed Deposits	79,629,035	86,867,559
Interest on Treasury bill/REPO	24,350,531	26,349,089
Interest income on Savings Account	1,153,352	1,509,846
Interest on Loan given to Staff	938,558	1,003,501
Unwinding of Pre-paid Staff Benefits	2,165,535	2,568,000
	108,237,012	118,297,996
23.1 FINANCE COST		
Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	75,366,505	68,499,800
Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	3,588,223	3,700,522
Lease interest payment on JEDB Pallai/ Kilinochchi Estates	3,863,040	3,879,147
Interest Expense and Bank Charges	54,151	47,551
Amortization of Staff Cost	2,165,535	2,568,000
	85,037,455	78,695,020
Net Finance Income/(Expenses)	23,199,557	39,602,975

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

24. INCOME TAX EXPENSE

The major components of income tax expenses for the year ended 31 December 2025 are as follows.

	2025	2024
	Rs.	Rs.
Current Tax Expenses		
Current Income Tax (Note 24.2)	208,219,632	34,282,595
Previous year Income Tax adjustment	405,216	
Deferred taxation Provision / (Reversal) (Note 14)	10,234,287	323,299,308
Income tax expense reported in the Income statement	218,859,135	357,581,903

- 24.1** In terms of item (1) (d) of paragraph 4 of the First schedule to the Inland Revenue Act, No. 24 of 2017 (As amended by Act, No. 45 of 2022), the gains and profits from the agro farming is taxable at the rate of 30%, with effect from April 01, 2024

24.2 Reconciliation Between Tax Expenses and the Product of Accounting Profit

	2025	2024
	Rs.	Rs.
Accounting Profit before tax	650,239,502	219,206,847
Income not subject to tax	(168,517,307)	(170,555,013)
	481,722,195	48,651,834
Aggregate disallowable items	341,736,506	207,591,451
Aggregate allowable items	(260,057,757)	(259,573,434)
Adjusted Business profit / (Loss)	563,400,944	(3,330,149)
Assessable Charge or (Balancing Allowance) on depreciable assets	28,700	45,271
Gain from unprocessed exempt income		(737,802)
Sale proceed form sales of biological assets	24,564,320	
Assessable Income from Business	587,993,964	(4,022,680)
Brought forward Tax loss utilized		
Other income liable for Taxation	106,071,476	118,297,995
	694,065,440	114,275,315
Statutory Tax rate 30%	208,219,632	34,282,595
Current Income Tax Expenses	208,219,632	34,282,595
Tax loss Brought forward		
Tax loss utilized/sddition	-	-
Loss claimed against Taxable Income	-	-
	-	-

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December, 2025

25.1 EARNINGS PER SHARE

25.1.1 The calculation of the basic earnings per share is based on after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.

25.1.2 The following reflects the income and share data used in the computation of basic earnings per share.

Amounts used as the Numerator :	2025	2024
Net profit applicable to ordinary share holders for basic earnings per share	Rs. 431,380,367	Rs. (138,375,056)
	<u>431,380,367</u>	<u>(138,375,056)</u>
Amounts used as the Denominator :	Number	Number
Weighted average number of ordinary shares in issue applicable to basis earnings per share	20,000,001	20,000,001
	<u>20,000,001</u>	<u>20,000,001</u>
Basic Earning per share	21.57	(6.92)

25.2. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments or disclosures in the Financial Statements.

26. RELATED PARTY DISCLOSURES

Details of significant Related Party Disclosures are as follows.

26.1 Transactions with the key management personnel of the company.

LKAS 24 'Related party Disclosures', Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non- Executive Directors) as key management personnel of the Company have been classified as Key Management Personnel

	2025	2024
	Rs.	Rs.
Salaries and other Employment Benefits	<u>3,099,033</u>	<u>2,648,400</u>

26.2. Related Party Transactions

There are no related party transaction during the year.

CHILAW PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 31st December, 2025

27 Segment Information

Geographical Segment Results	Group 01			Group 02			Unallocated			Total		
	2025	2024	2025	2025	2024	2025	2025	2024	2025	2024	2025	2024
	Rs.											
Revenue	866,865,532	522,387,409	727,360,944	439,205,756	-	-	-	-	1,594,226,476	957,558,932		
Revenue Expenditure	(435,565,155)	(386,674,196)	(336,348,218)	(283,493,547)					(771,913,372)	(670,167,743)		
Depreciation	(27,453,935)	(27,763,933)	(25,428,254)	(24,273,515)					(52,882,189)	(52,037,447)		
Segment Results	403,846,442	107,949,281	365,584,472	131,438,694					769,430,915	235,353,741		
Gain/(loss) on fair value of Biological Assets											40,661,069	51,653,001
Other Income and Gain											101,713,874	72,094,993
Unallocated Expenses											(284,765,912)	(179,497,864)
Finance Cost											(85,037,455)	(78,695,020)
Finance Income											108,237,012	118,297,996
Profit before Income Tax											650,239,502	219,206,847
Income Tax Expenses											(218,859,135)	(357,581,903)
Net Profit for the Year											431,380,367	(138,375,056)
As at 31st December												
Segment Assets												
Non Current Assets	929,085,533	807,423,245	869,752,393	827,429,714	69,571,904	33,076,648	1,868,409,830	1,667,929,607				
Current Assets	160,932,150	114,541,872	109,431,661	53,210,322	1,646,408,499	1,151,229,974	1,916,772,311	1,318,982,168				
Total Assets	1,090,017,683	921,965,117	979,184,055	880,640,036	1,715,980,403	1,184,306,622	3,785,182,141	2,986,911,775				
Segment Liabilities												
Non Current Liabilities	55,608,482	54,291,853	49,374,348	49,516,390	554,887,121	504,386,056	659,869,951	608,194,299				
Current Liabilities	67,999,914	40,946,975	53,233,963	33,761,084	339,739,691	112,503,236	460,973,568	187,211,296				
Total Liabilities	123,608,396	95,238,828	102,608,310	83,277,474	894,626,812	616,889,292	1,120,843,520	795,405,594				

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December, 2025

28. COMMITMENTS AND CONTINGENCIES**28.1 Capital Commitments**

There have been no significant Capital Commitment as at the reporting date.

28.2 Contingent Liabilities

There were no contingent liabilities other than disclosed in Note No. 16 and as following as at the reporting date.

- i) Colombo office of chilaw plantations ltd is located at JEDB premises at Vaxuall street since October 2019 to November 2025 and there is no lease /rent agreement finalized for the said premises. Due to this an exact liability for lease/rent cannot be ascertained. However if an agreement is reached in the future a liability will have to be accounted.

ii) Legal case filed

No.	Case No.	Description	Present Situation
1	DMR/03137/15 District Court - Aluthkade	CPL is claiming Rs. 2,963,522.15 as the cost for Coconuts from Bee Pee & David Pvt. Ltd.	Matter is Pending
2	IR/22/17/2013 Labour Department - Narahenpita	Mrs. K.D.N Rajapaksha Claiming Payment arrears for Rs. 1,250/-.	Matter is Pending
3	IR/COM/04/2023/116	Mr. M. M. Merly a Manager Estate Claiming Salary Increment.	Matter is Pending
4	350/RE - Marawila	Kahatawilla B - Land Case	Matter is Pending
5	New No. 76/2024	Division Secretariat, Katana Divisional Secretariat, Demanhandiya	Matter is Pending
6	3746	Imbulgaswadiya Land Matter- Requesting compensation for land acquired by katana divisional secretariat	Matter is Pending
7	3835 - Special	Imbulgaswadiya Land Matter- Requesting compensation for land acquired by katana divisional secretariat	Matter is Pending
8	1224 L	There are 2 Cases on Same Number - Land & Surveyor - Case lodged by the surveyor - Nithalawa estate	Matter is Pending
9	5971/M	Marawila lake II - Violating the agreement in desilting Ruwaneliya Tank	Matter is Pending
10	1023/L	Case pertaining to marawila II tank in Ruwaneliya estate	Matter is Pending
11	04/LA (Marawila D/C)	Land acquisition	Matter is Pending
12	1683/25/SPL	A case was filed at the District Court of Mount Lavinia for the illegal planting of Mango trees by Mr. Senaka Saman at Thambapanni Division.	Matter is Pending
13	1684/25/SPL	A case was filed at the District Court of Mount Lavinia for the illegal planting of Mango trees by Ms. Puttalam Agro Farm (Pvt) Ltd. at Thammanna Division.	Matter is Pending
14	4384/SPL	Galwagara Tank 03 Case	Matter is Pending
15	4370/SPL	Sembukattiya Lane Case	Matter is Pending

CHILAW PLANTATIONS LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the Year ended 31st December 2025

	Notes	2025 Rs.	2024 Rs.
REVENUE	(i)	1,594,226,476	957,558,932
COST OF SALES	(ii)	(824,795,562)	(722,205,190)
GROSS PROFIT		769,430,915	235,353,741
GAIN/(LOSS) ON FAIR VALUE OF BIOLOGICAL ASSETS		40,661,069	51,653,001
OTHER INCOME	(iii)	101,713,874	72,094,993
ADMINISTRATIVE EXPENSES	(iv)	(130,914,135)	(134,411,067)
OTHE EXPENSES	(v)	(153,851,777)	(45,086,796)
FINANCE COST	(vi)	(85,037,455)	(78,695,020)
FINANCE INCOME		108,237,012	118,297,996
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		650,239,502	219,206,847

CHILAW PLANTATIONS LTD
NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December,		2025	2024
		Rs.	Rs.
(i) REVENUE			
Coconut		1,483,803,731	868,920,605
Cashew		64,769,820	41,663,037
Livestock project		19,628,098	19,306,067
Dragon Fruit		511,915	643,021
Seedlings & Nursery		14,839,120	4,766,515
Pepper		473,580	154,500
Cinnamon		3,040,389	2,113,733
Rambuttan		3,125,000	2,290,050
Coconut Oil		10,962,242	9,309,216
Cashew processing		11,073,555	10,306,710
Mango		3,141,658	4,399,275
Others		958,557	4,512,205
		1,616,327,664	968,384,933
Less:- Inter Department Revenue		(22,101,187)	(10,826,001)
Revenue from out side		1,594,226,476	957,558,932
(ii) COST OF SALE			
Coconut and Copra			
General Charges		394,215,955	354,065,128
Field Work & Cultivation		247,943,970	112,774,198
Harvesting		105,136,993	95,698,847
Manufacture		5,575,435	5,778,581
Transport		773,537	1,140,588
Other Expenses		14,660,580	14,217,414
Cost Of Production		768,306,471	583,674,756
Opening Stock	31,923,559.48		42,663,545
Less- shortage of opening stock	<u>(2,789,160)</u>	29,134,399	
Closing Stock Adjustment		<u>(53,092,597)</u>	<u>(31,923,559)</u>
		744,348,273	594,414,741
Provision for shortage of coconuts		3,700,900	-
Coconut sales commission		4,394,960	15,301,280
Cost of Sales Coconut		752,444,133	609,716,021
Cashew		31,738,138	17,469,590
Livestock project		20,746,472	17,427,699
Dragon Fruit		95,038	158,095
Seedlings & Nursery		11,064,694	59,742,169
Pepper		261,835	421,045
Cinnamon		629,729	1,142,623
Rambuttan		92,979	258,093
Coconut Oil		10,891,399	10,550,475
Cashew processing		13,132,424	9,686,077
Mango		2,850,303	2,173,770
Others		2,949,606	4,285,533
		846,896,749	733,031,191
Less:- Inter Department Purchase		(22,101,187)	(10,826,001)
Cost of sales		824,795,562	722,205,190

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December 2025

	Year Ended 2025	Year Ended 2024
	Rs	Rs
(iii) OTHER INCOME		
Amortization of Grant	589,631	604,017
Gain /(Loss) on Timber sale	4,447,079	(853,095)
Coconut Palms	14,582,510	22,934,948
Coconut Husks & Shells	10,030,312	4,414,478
Penalty on delay payment and removal of coconut	3,375,602	2,443,403
Paddy	5,923,235	3,502,149
Fire wood	4,839,871	1,282,492
Desalting Tank (sale of Mud soil)	2,302,081	9,492,605
Income on Land provided for cultivation	8,810,552	8,270,178
Coconut treacle projec income	3,914,530	3,900,164
Copra income from immature rejection coconut	33,636,692	12,410,759
Other	9,261,778	3,692,895
	101,713,874	72,094,993

(iv) ADMINISTRATIVE EXPENSES

PERSONAL DIRECT EXPENDITURE

Chairman /CEO and Executive Staff Salaries/Allowances	24,647,382	22,508,280
Clerical & Other Staff Salaries & Allowances	29,754,732	26,644,315
Attendance Incentives	40,499	44,100
Retiring Gratuity	1,701,230	1,500,203
Over Time	1,323,395	2,163,191
Travelling & Subsistence	275,272	305,670
Payment for Unutilized Annual Leave for Retired Officers	100,325	238,154
	57,842,835	53,403,912

PERSONAL INDIRECT EXPENDITURE

Staff Welfare	5,171,976	4,726,491
Staff Uniform	236,450	317,099
Sports expenses	200,000	200,000
Non Executive Medical Scheme	1,993,481	1,793,820
Chairman/CEO and Executives Staff Bungalow Expenses	18,428,855	15,603,080
Staff Quarters Maintenance	46,277	110,831
Canteen Expenses	628,929	1,057,790
Employee transport	94,300	102,580
Transport Allowance for MM category employees	51,913	430,405
	26,852,180	24,342,097

CHILAW PLANTATIONS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31st December 2025

	Year Ended 2025	Year Ended 2024
	Rs	Rs
(iv) ADMINISTRATIVE EXPENSES		
OFFICE EXPENDITURE (Contd...)		
Electricity	848,552	1,250,034
Postage & Telegram	386,605	266,400
Telephone	1,048,915	1,035,209
Rates Assessment Tax and water	224,961	276,655
Building Upkeep	849,535	745,669
Equipment Upkeep	763,831	480,346
Computers Expenses	272,310	234,721
Furniture & Fitting Upkeep A/C	1,640	36,925
Conference Expenses	113,751	264,000
Printing & Stationery	2,474,848	2,288,224
Book, Periodicals and News Papers	38,475	65,955
Supervisory Field Vehicles-Fuel Costs	6,454,838	12,224,983
Supervisory Field Vehicles - Other Costs (Repairs & Maintenance)	5,374,702	8,825,712
Legal Expenses (Labour Tribunal, Lands)	3,040,779	984,880
Professional & Technical Consultancy Fees	3,004,147	2,177,606
Audit Fees	120,000	1,763,686
Insurance (Field Vehicles, Buildings, Medical)	2,047,474	2,469,294
Official meeting, Progress Reviews, Workshops, Exp	374,414	1,020,173
Paper Advertisement (Papers - Procurements, Tenders, Recruitments)	387,370	298,528
Sundry Expenses	87,027	186,055
Junior Executive Development Program (NIPM, Workshops)	353,664	1,154,987
Business Promotion & CSR (Estate Temple, Kovil, Church, Schools)	2,207,966	3,363,806
Subscription	-	36,766
Depreciation	13,332,760	12,462,588
Other Board Meeting Expenses (Fees, Refreshments)	2,410,557	2,751,856
Total office Expenditure	46,219,119	56,665,059
Grand Total	130,914,135	134,411,067
(v) OTHER EXPENSES		
Annual Bonus	14,214,496	12,549,206
Previous year and other Adjustments	620,639	1,599,890
Staff & Labour Performance Incentives	137,000,000	30,300,000
Estate labour welfare Activities	544,500	637,700
	152,379,635	45,086,796
Provision for loss of general inventories	1,472,142	
	153,851,777	45,086,796
(vi) FINANCE COSTS		
Lands & Buildings (JEDB) Lease Rental Interests to PMD(MPI) Treasury	3,588,223	3,700,522
Land & Buildings (JEDB) Variable Lease Rental to PMD(MPI) Treasury	75,366,505	68,499,800
Lease interest payment on JEDB Pallai/ Kilinochchi Estates	3,863,040	3,879,147
Amortization of Staff Cost	2,165,535	2,568,000
Interest Expenses and Bank Charges	54,151	47,551
	85,037,455	78,695,020