

# Statement of Comprehensive Income

For the Year ended 31<sup>st</sup> December 2025

(All amounts in Sri Lankan Rupees)

|                                 | Note | 2025                 | 2024                 |
|---------------------------------|------|----------------------|----------------------|
| Revenue                         | 1    | 24,625,850,449       | 28,202,081,820       |
| Cost of Sales                   | 2    | (21,946,150,358)     | (25,219,748,291)     |
| <b>Gross Profit</b>             |      | <b>2,679,700,091</b> | <b>2,982,333,529</b> |
| Other Operating Income          | 3    | 42,239,861           | 38,588,212           |
| Administrative Expenses         | 4    | (442,622,422)        | (418,617,627)        |
| Selling & Distribution Expenses | 5    | (99,920,577)         | (86,936,746)         |
| Other Operating Expenses        | 6    | (18,173,585)         | (13,526,232)         |
| <b>Operating Profit</b>         |      | <b>2,161,223,368</b> | <b>2,501,841,136</b> |
| Finance Cost                    | 7    | (11,597,746)         | (25,015,940)         |
| Finance Income                  | 8    | 521,801,669          | 606,178,870          |
| <b>Profit Before Tax</b>        |      | <b>2,671,427,292</b> | <b>3,083,004,066</b> |
| Tax Expenses                    | 9    | (819,148,250)        | (926,973,991)        |
| <b>Profit for the Year</b>      |      | <b>1,852,279,041</b> | <b>2,156,030,075</b> |

## Statement of Comprehensive Income

|  |           |                      |                      |
|--|-----------|----------------------|----------------------|
| Profit for the Year  |           | <b>1,852,279,041</b> | <b>2,156,030,075</b> |
| (+/-) Actuarial Gain / (Loss) on Retirement Benefit Obligation         |           | (81,273,191)         | (23,168,613)         |
| Income Tax on Actuarial Gain / (Loss) on Retirement Benefit Obligation | 9 (B) (i) | 24,381,957           | 6,950,584            |
|  |           | <b>(56,891,234)</b>  | <b>(16,218,029)</b>  |
| (+) Actuarial Gain on Plan Asset                                       |           | (4,971,291)          | 1,268,505            |
| Income Tax on Actuarial Gain on Plan Asset                             | 9 (A)     | 1,491,387            | (380,552)            |
|  |           | <b>(3,479,904)</b>   | <b>887,954</b>       |
| <b>Total Comprehensive Income for the Year, Net of Tax</b>             |           | <b>1,791,907,904</b> | <b>2,140,700,000</b> |

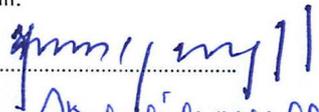
# Statement of Financial Position

As at 31.12.2025

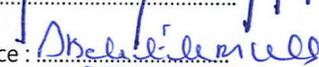
(All amounts in Sri Lankan Rupees)

|   | Note | As at 31.12.2025<br>Rs. | As at 31.12.2024<br>Rs. |
|---|------|-------------------------|-------------------------|
| <b>ASSETS</b>   |      |                         |                         |
| <b>Non Current Assets</b>   |      |                         |                         |
| Property, Plant and Equipment   | 10   | 3,897,532,412           | 3,899,215,130           |
| Intangible Assets   | 11   | 2,993,053               | 4,496,126               |
| Other Non Current Assets  | 14   | 5,604,823               | 6,365,333               |
| Right-of-use Assets   | 13   | 312,466,717             | 315,772,340             |
| Work in Progress - Construction   |      | 238,009,991             | 156,344,956             |
| <b>Current Assets</b>   |      |                         |                         |
| Inventories   | 15   | 5,130,029,080           | 4,112,406,987           |
| Trade and Other Receivables   | 16   | 2,806,818,911           | 2,136,050,687           |
| Prepayments   | 17   | 73,575,728              | 47,406,275              |
| Other Financial Assets  | 18   | 8,030,035,574           | 8,193,471,634           |
| Cash In Hand & At Bank  | 19   | 1,085,239               | 782,355                 |
|   |      | 16,041,544,532          | 14,490,117,937          |
| <b>Total Assets</b>   |      | <b>20,498,151,528</b>   | <b>18,872,311,823</b>   |
| <b>EQUITY AND LIABILITIES</b>   |      |                         |                         |
| <b>Authorised Capital</b>   |      | <b>850,000,000</b>      | <b>850,000,000</b>      |
| Stated Capital  | 20   | 3,106,173,044           | 3,106,173,044           |
| Retained Earnings   |      | 10,331,370,117          | 9,186,271,235           |
| Revaluation Reserve   |      | 557,996,541             | 557,996,541             |
| Grant - World Bank - Health System<br>Preparedness Project                  | 21 A | 413,903,971             | 412,818,155             |
| - Asian Dev. Bank - Energy Efficient<br>Centralized Air Conditioning System | 21 B | 27,776,530              | 29,872,980              |
| <b>Total Equity</b>   |      | <b>14,437,220,204</b>   | <b>13,293,131,956</b>   |
| <b>Non Current Liabilities</b>  |      |                         |                         |
| Net Retirement Benefit Obligation   | 22   | 78,690,202              | (6,329,472)             |
| Deferred Tax Liability  | 23   | 322,086,335             | 355,370,389             |
|   |      | 400,776,537             | 349,040,917             |
| <b>Current Liabilities</b>  |      |                         |                         |
| Trade and Other Payables  | 24   | 5,310,858,616           | 4,689,869,255           |
| Tax Payable   |      | 349,296,171             | 540,269,694             |
|   |      | 5,660,154,787           | 5,230,138,950           |
| <b>Total Equity and Liabilities</b>   |      | <b>20,498,151,528</b>   | <b>18,872,311,823</b>   |

The Accounting Policies on Pages 05 to 17 form an integral part of these Financial Statements. The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements are presented to National Audit Office with Board of Directors approval and signed on their behalf.

Chairman : 

Director : 

DGM - Finance : 

Date : 26.02.2026

## Statement of Changes in Equity

For the Year ended 31<sup>st</sup> December 2025

(All amounts in Sri Lankan Rupees)

|                                 | <u>Stated Capital</u> | <u>Profit &amp; Loss</u> | <u>Revaluation Reserve</u> | <u>Grant - World Bank Health System Preparedness Project</u> | <u>Grant - Energy Efficient Centralized A/C System</u> | <u>Total</u>          |
|---------------------------------|-----------------------|--------------------------|----------------------------|--|--|-----------------------|
| Balance as at 01.01.2025        | 3,106,173,044         | 9,186,271,235            | 557,996,541                | 441,686,435  | 29,872,980   | 13,322,000,236        |
| Amortization for the year       | -                     | -                        | -                          | (27,782,463)   | (2,096,450)  | (29,878,913)          |
| Profit for the Year             | -                     | 1,852,279,041            | -                          | -  | -  | 1,852,279,041         |
| Other Comprehensive Income      | -                     | (60,371,137)             | -                          | -  | -  | (60,371,137)          |
| Treasury Levy                   | -                     | (646,809,022)            | -                          | -  | -  | (646,809,022)         |
| Prior Year Adjustment           | -                     | -                        | -                          | -  | -  | -                     |
| <b>Balance as at 31.12.2025</b> | <b>3,106,173,044</b>  | <b>10,331,370,117</b>    | <b>557,996,541</b>         | <b>413,903,972</b>   | <b>27,776,530</b>                                      | <b>14,437,220,205</b> |

|   | <u>Stated Capital</u> | <u>Profit &amp; Loss</u> | <u>Revaluation Reserve</u> | <u>Grant - World Bank Health System Preparedness Project</u> | <u>Grant - Energy Efficient Centralized A/C System</u> | <u>Total</u>          |
|---|-----------------------|--------------------------|----------------------------|--|--|-----------------------|
| Balance as at 01.01.2024                            | 3,106,173,044         | 7,376,658,041            | 557,996,541                | 438,146,336  | -  | 11,478,973,962        |
| Project for Energy Efficient Centralized A/C System | -                     | -                        | -                          | -  | 31,446,753   | 31,446,753            |
| Amortization for the year                           | -                     | -                        | -                          | (25,328,181)   | (1,573,774)  | (26,901,955)          |
| Profit for the Year                                 | -                     | 2,156,030,075            | -                          | -  | -  | 2,156,030,075         |
| Other Comprehensive Income                          | -                     | (15,330,076)             | -                          | -  | -  | (15,330,076)          |
| Treasury Levy                                       | -                     | (300,000,000)            | -                          | -  | -  | (300,000,000)         |
| Prior Year Adjustment                               | -                     | (31,086,805)             | -                          | -  | -  | (31,086,805)          |
| <b>Balance as at 31.12.2024</b>                     | <b>3,106,173,044</b>  | <b>9,186,271,235</b>     | <b>557,996,541</b>         | <b>412,818,155</b>   | <b>29,872,979</b>                                      | <b>13,293,131,955</b> |

# Statement of Cash Flow for the Year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

**2025**

**2024**

|  | 2025                 | 2024                   |
|--|----------------------|------------------------|
| <b>Cash Flows from Operating Activities</b>                          |                      |                        |
| Net Profit/(Loss) before taxation & extraordinary items              | 2,671,427,292        | 3,083,004,066          |
| Prior year Adjustment  | -                    | (31,052,305)           |
| <b>Adjustments for :</b>   |                      |                        |
| Depreciation on Fixed Assets   | 300,620,934          | 288,078,275            |
| Current Service Cost   | 18,599,782           | 13,411,030             |
| Employee Interest Cost   | 22,316,654           | 23,072,704             |
| Expected Return on Plan Asset  | (24,010,109)         | (24,965,201)           |
| Unrealized Exchange Loss of Creditors                                | 432,287              | 332,038                |
| Profit / (Loss) on Disposal  | (679,193)            | 429,134                |
| Grant Income   | (29,878,914)         | (26,901,955)           |
| Cost of Damaged & Unused   | 14,179,974           | 4,651,566              |
| Interest Income  | (514,335,945)        | (587,396,153)          |
| <b>Operating Profit before Working Capital Changes</b>               | <b>2,458,672,761</b> | <b>2,742,663,199</b>   |
| <b>Changes in items of Working Capital</b>                           |                      |                        |
| (Increase) / Decrease in Inventories                                 | (1,017,622,093)      | (201,025,381)          |
| (Increase) / Decrease in Debtors & Receivables                       | (670,768,224)        | (513,166,888)          |
| (Increase) / Decrease in Deposits & Prepayments                      | (26,169,453)         | (4,786,872)            |
| Increase / (Decrease) in Liabilities                                 | 620,557,074          | 637,172,362            |
| <b>Cash generated from operations</b>                                | <b>1,364,670,066</b> | <b>2,660,856,420</b>   |
| Gratuity paid  | (18,131,134)         | (25,190,440)           |
| Tax paid   | (1,017,532,483)      | (1,025,162,475)        |
| <b>Net cash from operating activities</b>                            | <b>329,006,449</b>   | <b>1,610,503,505</b>   |
| <b>Cash Flows from Investing Activities</b>                          |                      |                        |
| Short term Investments (Note A)                                      | 217,078,593          | (2,356,183,374)        |
| Acquisition of Fixed Assets  | (361,402,035)        | (147,819,472)          |
| Proceeds from the sale of Disposal of Property                       | 974,978              | 269,632                |
| Interest received  | 460,693,412          | 724,662,252            |
| Increasing Other Non Current Assets                                  | 760,510              | 453,503                |
| <b>Net cash used in investing activities</b>                         | <b>318,105,457</b>   | <b>(1,778,617,459)</b> |
| <b>Cash Flows from Financing Activities</b>                          |                      |                        |
| Treasury Levy  | (646,809,022)        | (300,000,000)          |
| <b>Net cash used in Financing activities</b>                         | <b>(646,809,022)</b> | <b>(300,000,000)</b>   |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>      | <b>302,884</b>       | <b>(468,113,954)</b>   |
| <b>Cash &amp; Cash Equivalents at the beginning of the period</b>    | <b>782,355</b>       | <b>468,896,309</b>     |
| <b>Cash &amp; Cash Equivalents at the end of the period (Note B)</b> | <b>1,085,239</b>     | <b>782,355</b>         |

**Note A - Cash flow from investing activities**

|                                 |                      |                      |
|---------------------------------|----------------------|----------------------|
| Cash Inflows during the period  | (256,594,996,983)    | (327,743,972,955)    |
| Cash Outflows during the period | 256,377,918,390      | 330,100,156,329      |
| <b>Net Cash Flow</b>            | <b>(217,078,593)</b> | <b>2,356,183,374</b> |

**Note B - Cash & Cash Equivalents**

|                                   |                  |                |
|-----------------------------------|------------------|----------------|
| Bank of Ceylon - Ratmalana Branch | 24,543           | 149,855        |
| Bank of Ceylon - Corporate Branch | 678,554          | 288,586        |
| Peoples Bank - Ratmalana Branch   | 136,565          | 136,565        |
| Peoples Bank - Corporate Branch   | 136,184          | 87,349         |
| Cash Balance                      | 89,393           | 100,000        |
| Petty Cash                        | 20,000           | 20,000         |
| <b>Total</b>                      | <b>1,085,239</b> | <b>782,355</b> |

# Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

| <u>Note - 1</u>      |                     | <u>For the year 2025</u> |                              | <u>For the year 2024</u> |                              |
|----------------------|---------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| <b>Revenue</b>       |                     |                          |                              |                          |                              |
| Sales - MSD          | SPMC                | 5,759,396,299            |                              | 6,365,874,163            |                              |
|                      | Joint Venture       | <u>16,809,258,670</u>    | 22,568,654,969               | <u>19,922,270,452</u>    | 26,288,144,615               |
| Sales - Distribution | SPMC -1-A           | 1,859,636,274            |                              | 1,687,127,841            |                              |
|                      | Joint Venture - 1-B | <u>197,559,205</u>       | 2,057,195,479                | <u>226,809,364</u>       | 1,913,937,205                |
|                      |                     |                          | <u><b>24,625,850,449</b></u> |                          | <u><b>28,202,081,820</b></u> |

| <u>Note - 1 A</u>                  |  | <u>For the year 2025</u> |                             | <u>For the year 2024</u> |                             |
|------------------------------------|--|--------------------------|-----------------------------|--------------------------|-----------------------------|
| <b>Sales - Distribution - SPMC</b> |  |                          |                             |                          |                             |
| Gross Sales                        |  |                          | 2,052,487,551               |                          | 1,862,390,335               |
| (-) Discount - 6%                  |  |                          | (74,364)                    |                          | (51,988)                    |
| (-) Discount - 7%                  |  |                          | (30,491)                    |                          | (3,033)                     |
| (-) Discount - 9%                  |  |                          | (107,353,095)               |                          | (94,176,374)                |
| (-) Discount - 10%                 |  |                          | <u>(85,393,327)</u>         |                          | <u>(81,031,099)</u>         |
| Net Sales                          |  |                          | <u><b>1,859,636,274</b></u> |                          | <u><b>1,687,127,842</b></u> |

| <u>Note - 1 B</u>                           |  | <u>For the year 2025</u> |                           | <u>For the year 2024</u> |                           |
|---|--|--------------------------|---------------------------|--------------------------|---------------------------|
| <b>Sales - Distribution - Joint Venture</b> |  |                          |                           |                          |                           |
| Gross Sales                                 |  |                          | 218,246,221               |                          | 249,932,883               |
| (-) Discount - 9%                           |  |                          | (10,361,466)              |                          | (12,204,174)              |
| (-) Discount - 10%                          |  |                          | <u>(10,325,550)</u>       |                          | <u>(10,919,345)</u>       |
| Net Sales                                   |  |                          | <u><b>197,559,205</b></u> |                          | <u><b>226,809,364</b></u> |

| <u>Note - 2</u>      |               | <u>For the year 2025</u> |                              | <u>For the year 2024</u> |                              |
|----------------------|---------------|--------------------------|------------------------------|--------------------------|------------------------------|
| <b>Cost of Sales</b> |               |                          |                              |                          |                              |
| Cost of Sales - MSD  | SPMC          | 4,233,778,940            |                              | 4,394,327,713            |                              |
|                      | Joint Venture | <u>15,863,058,547</u>    | 20,096,837,487               | <u>18,822,743,554</u>    | 23,217,071,267               |
| Cost of Sales - SPMC | SPMC          | 1,045,254,378            |                              | 1,147,410,416            |                              |
|                      | Joint Venture | <u>184,725,971</u>       | 1,229,980,349                | <u>212,105,750</u>       | 1,359,516,166                |
| Production Expenses  |               |                          | <u>619,332,522</u>           |                          | <u>643,160,857</u>           |
|                      |               |                          | <u><b>21,946,150,358</b></u> |                          | <u><b>25,219,748,290</b></u> |

**Note 2 A****Production Cost**

|   | <b><u>Unabsorbed<br/>Cost</u></b> | <b><u>Absorbed Cost<br/>to the<br/>Cost of Sales</u></b> | <b><u>Total<br/>2025</u></b> | <b><u>Total<br/>2024</u></b> |
|---|-----------------------------------|--|------------------------------|------------------------------|
| <b><u>Direct Labour(Production)</u></b> |                                   |  |                              |                              |
| Salaries & Wages                        | -                                 | 77,425,690   | 77,425,690                   | 60,503,964                   |
| Casual Salaries                         | 1,153,000                         | 5,220,150  | 6,373,150                    | 2,172,847                    |
| Cost of Living                          | 97,935                            | 31,749,000   | 31,846,935                   | 29,349,791                   |
| Travelling Incentive                    | 828,886                           | 9,635,347  | 10,464,234                   | 10,818,071                   |
| E.P.F. & E.T.F. - 18%                   | 18,293,908                        | 3,481,717  | 21,775,625                   | 18,223,272                   |
| Overtime                                | 2,242,855                         | 22,380,009   | 24,622,864                   | 22,539,812                   |
| Attendance Incentive                    | 3,847,829                         | 8,110,041  | 11,957,870                   | 10,237,209                   |
| Performance Incentive                   | 8,881,026                         | 45,970,782   | 54,851,808                   | 53,190,006                   |
| Annual Bonus                            | 15,486,889                        | 1,610,788  | 17,097,677                   | 10,197,160                   |
| Current & Past Service Cost             | 6,414,770                         | 1,380,824  | 7,795,595                    | 5,523,298                    |
| Employee Interest Cost                  | (547,721)                         | -  | (547,721)                    | (749,713)                    |
| Shift Incentive                         | 3,702,700                         | 1,216,400  | 4,919,100                    | 4,422,700                    |
| Staff Medical Expenses                  | 8,183,307                         | 1,492,289  | 9,675,596                    | 6,676,642                    |
| Housing Loan Int.Reimb.                 | 2,673,551                         | 407,327  | 3,080,878                    | 4,060,473                    |
| Supervisor Allowance                    | 543,747                           | -  | 543,747                      | 570,629                      |
| Difficult Working Condition Allowance   | 4,208,640                         | 1,286,400  | 5,495,040                    | 5,291,640                    |
| Professional Allowance                  | 938,786                           | -  | 938,786                      | 132,000                      |
| Retirement Benefit                      | -                                 | -  | -                            | 276,000                      |
| Monthly Allowance                       | 1,786                             | 2,150,645  | 2,152,431                    | 8,934,315                    |
| Staff Cost                              | 2,343,345                         | -  | 2,343,345                    | 7,431,634                    |
|   | <b>79,295,237</b>                 | <b>213,517,412</b>                                       | <b>292,812,649</b>           | <b>259,801,749</b>           |

**Indirect Manufacturing Cost (O/C,F/D,Plan/Main)**

|                                       |                    |                    |                      |                      |
|---------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Salaries & Wages                      | 50,032,860         | 3,252,609          | 53,285,469           | 42,618,289           |
| Casual Salaries                       | 4,954,202          | -                  | 4,954,202            | 4,114,255            |
| Cost of Living                        | 18,694,356         | 1,157,616          | 19,851,971           | 18,299,596           |
| Travelling Incentive                  | 7,159,535          | -                  | 7,159,535            | 7,363,991            |
| E.P.F. & E.T.F. - 18%                 | 14,243,370         | -                  | 14,243,370           | 12,537,883           |
| Overtime                              | 13,844,174         | 5,821,812          | 19,665,986           | 21,050,119           |
| Attendance Incentive                  | 6,927,197          | 1,167,190          | 8,094,387            | 9,304,445            |
| Performance Incentive                 | 18,670,043         | 15,011,322         | 33,681,364           | 32,469,004           |
| Annual Bonus                          | 11,348,590         | -                  | 11,348,590           | 6,334,438            |
| Current & Past Service Cost           | 5,234,246          | 128,494            | 5,362,739            | 4,039,711            |
| Employee Interest Cost                | (649,539)          | -                  | (649,539)            | (540,664)            |
| Shift Incentive                       | 1,414,500          | -                  | 1,414,500            | 1,398,300            |
| Staff Medical Expenses                | 5,605,967          | -                  | 5,605,967            | 4,683,076            |
| Housing Loan Int.Reimbursement        | 2,245,953          | -                  | 2,245,953            | 1,909,273            |
| Supervisor Allowance                  | 120,000            | -                  | 120,000              | 108,000              |
| Difficult Working Condition Allowance | 2,273,200          | -                  | 2,273,200            | 2,239,235            |
| Retirement Benefit                    | 124,000            | -                  | 124,000              | 260,000              |
| Professional Allowance                | 1,895,834          | -                  | 1,895,834            | 323,313              |
| Monthly Allowance                     | 1,322,403          | -                  | 1,322,403            | 5,753,162            |
| Staff Cost                            | 1,462,357          | -                  | 1,462,357            | 4,691,602            |
| Special Acting Allowance              | -                  | -                  | -                    | -                    |
| Communication Allowance               | 285,104            | -                  | 285,104              | 215,292              |
| Insurance of Health Ins.Scheme        | 927,414            | 15,491,513         | 16,418,927           | 11,145,925           |
| Staff Welfare                         | 12,170,287         | 77,844,103         | 90,014,389           | 82,580,715           |
| Staff Training                        | 1,560,330          | 3,010,000          | 4,570,330            | 7,995,750            |
| Uniforms & Shoes                      | 1,055,004          | 3,661,321          | 4,716,325            | 4,527,563            |
| Water Charges                         | 595,122            | 7,170,686          | 7,765,808            | 9,758,618            |
| Rates & Taxes                         | 14,712             | 1,271,824          | 1,286,536            | 1,275,920            |
| Electricity                           | -                  | 59,363,974         | 59,363,974           | 90,714,864           |
| Insurance - General                   | -                  | 4,975,790          | 4,975,790            | 5,241,297            |
| Security Charges - Production         | 5,532,808          | 2,450,491          | 7,983,300            | 7,618,576            |
| Maintenance of Equipment              | 138,304            | 5,391,555          | 5,529,859            | 4,963,956            |
| Maintenance-Production                | 1,361,598          | 29,411,166         | 30,772,764           | 22,394,275           |
| Maintenance of Building               | 140,020            | 8,369,498          | 8,509,518            | 11,445,140           |
| Depreciation                          | 255,889,224        | -                  | 255,889,224          | 244,703,184          |
| Transport Charges                     | 63,616             | -                  | 63,616               | 1,410,991            |
| Consumption - Spare Parts             | 269,432            | 74,094,876         | 74,364,307           | 50,524,246           |
| Consumption - Fuel & Lubricants       | 1,267,982          | 43,332,806         | 44,600,788           | 44,482,086           |
| Repairs & Maintenance - P & M         | 27,282,891         | -                  | 27,282,891           | 24,587,515           |
| Quality Control Expenses              | 29,663,606         | -                  | 29,663,606           | 31,455,449           |
| R/M Destruction Chrges                | 5,690,529          | -                  | 5,690,529            | 1,357,161            |
| Cost of Rejected Raw Materials        | 14,104,791         | -                  | 14,104,791           | 2,352,642            |
| Cost of Rejected Packing Materials    | 5,291,755          | -                  | 5,291,755            | 1,036,545            |
| Cost of Rejected Work in Progress     | 15,807,017         | -                  | 15,807,017           | 20,869,052           |
| Raw Material Adj-General Drugs        | (3,386,574)        | -                  | (3,386,574)          | (1,628,638)          |
| Raw Material Adj-Penicillin Drugs     | 19,667             | -                  | 19,667               | 312,397              |
| Raw Material Adj-Stock Take           | (495,381)          | -                  | (495,381)            | (1,498,900)          |
| Packing Material Adj-Stock Take       | (271,497)          | -                  | (271,497)            | (1,856,429)          |
| Packing Material Adj.                 | 812,443            | -                  | 812,443              | 248,175              |
| Stock Take Adjustment - Main          | 309,038            | -                  | 309,038              | 81,946               |
| Work-in-Progress Adj-Stock Take       | -                  | -                  | -                    | 968,107              |
| Cost of Sales Invoice Variance        | (2,985,203)        | -                  | (2,985,203)          | 3,229,540            |
|                                       | <b>619,332,522</b> | <b>575,896,054</b> | <b>1,195,228,577</b> | <b>1,121,271,736</b> |

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

| <u>Note - 3</u>                      | <u>For the year 2025</u> | <u>For the year 2024</u> |
|--------------------------------------|--------------------------|--------------------------|
| <b><u>Other Operating Income</u></b> |                          |                          |
| Miscellaneous Income (Note 3-A)      | 10,980,220               | 11,353,816               |
| Grant Income                         | 29,878,914               | 26,901,955               |
| Raw Material Sales                   | 701,534                  | 332,442                  |
| Profit on Disposal                   | 679,193                  | -                        |
|                                      | <u>42,239,861</u>        | <u>38,588,212</u>        |

| <u>Note 3- A</u>                   | <u>For the year 2025</u> | <u>For the year 2024</u> |
|------------------------------------|--------------------------|--------------------------|
| <b><u>Miscellaneous Income</u></b> |                          |                          |
| Scrap Sales                        | 8,049,671                | 4,610,222                |
| Registration of Suppliers          | 879,000                  | 883,000                  |
| Tender Document Fee                | 1,581,513                | 4,697,350                |
| General                            | 470,035                  | 1,163,243                |
|                                    | <u>10,980,220</u>        | <u>11,353,816</u>        |

| <u>Note - 4</u>                         | <u>For the year 2025</u> | <u>For the year 2024</u> |
|---|--------------------------|--------------------------|
| <b><u>Administration Expenses</u></b>   |                          |                          |
| Salaries & Wages                        | 56,311,411               | 43,200,362               |
| Casual Salaries                         | 3,653,460                | 2,526,899                |
| Cost of Living                          | 20,455,828               | 17,268,252               |
| Travelling Incentive                    | 13,010,718               | 13,598,224               |
| E.P.F. & E.T.F. - 18%                   | 14,067,340               | 11,407,027               |
| Overtime                                | 16,234,350               | 17,412,126               |
| Attendance Incentive                    | 7,425,375                | 8,387,569                |
| Performance Incentive                   | 35,041,267               | 31,187,732               |
| Annual Bonus                            | 12,233,872               | 5,834,500                |
| Current & Past Service Cost             | 5,441,448                | 3,848,021                |
| Employee Interest Cost                  | (496,195)                | (602,120)                |
| Shift Incentive                         | 650,081                  | 615,400                  |
| Staff Cost                              | 1,298,512                | 4,345,881                |
| Staff Medical Expenses                  | 6,411,392                | 5,977,738                |
| Housing Loan Int.Reimbursement          | 3,313,668                | 3,499,898                |
| Supervisor Allowance                    | 318,097                  | 285,968                  |
| Difficult Working Condition Allowance   | 824,495                  | 729,285                  |
| Professional Allowance                  | 2,182,576                | 904,782                  |
| Special Acting Incentive                | 816,132                  | 1,183,479                |
| Monthly Allowance                       | 1,399,397                | 5,281,932                |
| Retirement Benefit                      | 124,000                  | 360,000                  |
| Communication Allowance                 | 446,266                  | 456,498                  |
| Ins.of Health Insurance Scheme          | 5,908,661                | 4,056,913                |
| Staff Welfare                           | 33,355,995               | 28,296,729               |
| Staff Training                          | 3,015,120                | 1,545,231                |
| Uniforms & Shoes                        | 1,425,920                | 1,081,407                |
| Travelling - Overseas                   | 1,008,632                | -                        |
| Directors Fees                          | 977,500                  | 296,000                  |
| Other Incentives                        | 4,836,614                | 5,631,800                |
| Rates & Taxes                           | 549,163                  | 545,068                  |
| Electricity                             | 19,403,561               | 28,550,974               |
| Water Charges                           | 3,358,485                | 3,315,649                |
| Insurance - General                     | 1,327,186                | 730,041                  |
| Insurance - Vehicles                    | 404,766                  | 361,911                  |
| Rapairs & Maintenance of Motor Vehicles | 11,950,915               | 13,698,978               |
| Fuel & Lubricants for Vehicles          | 12,710,216               | 13,433,062               |
| Maintenance of Equipment                | 2,681,324                | 3,136,818                |
| Maintenance-Administration              | 6,240,355                | 7,528,263                |
| Maintenance of Building                 | 361,133                  | 2,148,410                |
| Depreciation                            | 44,731,709               | 43,375,091               |
| Transport Charges                       | 1,407,042                | 1,718,651                |
| Postage & Fax                           | 1,548,256                | 1,504,372                |
| Telephone Charges                       | 847,891                  | 1,069,521                |
| Security Charges                        | 3,123,682                | 3,894,395                |
| Donations                               | 1,123,500                | 709,415                  |
| Licence Fee - Vehicles                  | 125,730                  | 132,341                  |
| Licence Fee - Drugs                     | 9,489,698                | 7,539,777                |
| Licence Fee - Others                    | 283,253                  | 344,628                  |
| Printing & Stationery                   | 12,142,579               | 11,356,947               |
| Office Expenses                         | 1,657,637                | 2,528,546                |
| Audit Fee                               | 2,621,360                | 2,300,000                |
| Rent Charges                            | 29,639,612               | 30,775,599               |
| Advertisements                          | 3,649,780                | 5,616,165                |
| Trade Subs. & Periodicals               | 137,450                  | 144,920                  |
| Legal & Inquiry Expenses                | 2,283,198                | 520,000                  |
| Professional Charges                    | 1,917,220                | 5,230,802                |
| Entertainment                           | 45,970                   | 2,906,796                |
| Refreshments                            | 736,443                  | -                        |
| Annual Subscription                     | 195,000                  | 173,000                  |
| Stamp Fee                               | 56,400                   | 55,975                   |
| Cost of Damaged & Unused                | 14,179,974               | 4,651,566                |
| Stationary Adj-Stock take               | -                        | 2,414                    |
|   | <u>442,622,422</u>       | <u>418,617,627</u>       |

(All amounts in Sri Lankan Rupees)

**Note - 5**

**Selling & Distribution Expenses**

|                                 | <b><u>For the year 2025</u></b> | <b><u>For the year 2024</u></b> |
|---------------------------------|---------------------------------|---------------------------------|
| Promotional Discounts           | 91,867,501                      | 78,005,017                      |
| Sales Promotion Expenses        | 7,119,220                       | 4,397,045                       |
| Cost of Rejected Finished Goods | 79,723                          | 2,521,736                       |
| Doubtful Debt                   | -                               | 4,806,807                       |
| Finished Goods Adj-Stock Take   | -                               | (2,793,859)                     |
| SPC finished Goods Adj.         | 854,133                         | -                               |
|                                 | <b><u>99,920,577</u></b>        | <b><u>86,936,746</u></b>        |

**Note - 6**

**Other Operating Expenses**

|                                 | <b><u>For the year 2025</u></b> | <b><u>For the year 2024</u></b> |
|---------------------------------|---------------------------------|---------------------------------|
| Formulation & Research Expenses | 18,168,959                      | 12,670,936                      |
| Stock Take Adjustments - FD     | 4,626                           | 426,163                         |
| Loss on Disposal                | -                               | 429,134                         |
|                                 | <b><u>18,173,585</u></b>        | <b><u>13,526,232</u></b>        |

**Note - 7**

**Finance Cost**

|               | <b><u>For the year 2025</u></b> | <b><u>For the year 2024</u></b> |
|---------------|---------------------------------|---------------------------------|
| Bank Charges  | 2,583,628                       | 714,558                         |
| O.D.Interest  | 19,905                          | 36,970                          |
| Exchange Loss | 8,994,213                       | 24,264,412                      |
|               | <b><u>11,597,746</u></b>        | <b><u>25,015,940</u></b>        |

**Note - 8**

**Finance Income**

|                              | <b><u>For the year 2025</u></b> | <b><u>For the year 2024</u></b> |
|------------------------------|---------------------------------|---------------------------------|
| Staff Loan Interest          | 2,361,510                       | 2,313,600                       |
| Treasury Bill Interest       | 514,335,945                     | 587,396,153                     |
| Interest Income - Staff Loan | 5,104,214                       | 16,469,116                      |
|                              | <b><u>521,801,669</u></b>       | <b><u>606,178,870</u></b>       |

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

| <b>Note - 9</b>                          | <b>For the year 2025</b> | <b>For the year 2024</b> |
|--|--------------------------|--------------------------|
| <b><u>Income Tax Expense</u></b>         |                          |                          |
| Current Tax Expense      Note - 9 A      | 828,050,347              | 954,145,028              |
| Deferred Tax Expense      Note - 9 B (i) | (8,902,097)              | (27,171,037)             |
|  | <b>819,148,250</b>       | <b>926,973,991</b>       |

| <b>Note - 9 A</b>                                     | <b>For the year 2025</b> | <b>For the year 2024</b> |
|---|--------------------------|--------------------------|
| <b><u>Current Tax Expense</u></b>                     |                          |                          |
| Income Tax on Profit for the year      Note - 9 A (i) | 826,558,960              | 954,525,578              |
| Over / Under Provision for Income Tax                 | -                        | -                        |
| Income Tax on Actuarial Gain on Plan Asset            | 1,491,387                | (380,552)                |
|   | <b>828,050,347</b>       | <b>954,145,027</b>       |

| <b>Note - 9 A (i)</b>  | <b>For the year 2025</b> | <b>For the year 2024</b> |
|--|--------------------------|--------------------------|
| <b><u>Income Tax on Profit for the year</u></b>              |                          |                          |
| Net Profit before Taxation                                   | 2,671,427,292            | 3,083,004,066            |
| <u>(-) Income which does not part of Trading Profit</u>      |                          |                          |
| Interest on Treasury Bills                                   | (538,346,054)            | (612,361,354)            |
| Net Profit from Trading Activities                           | 2,133,081,238            | 2,470,642,712            |
| (+) Disallowable Expenses                                    | 357,877,018              | 338,153,329              |
| (-) Allowable Expenses                                       | (269,136,486)            | (240,673,972)            |
| <b>Taxable Income</b>  | <b>2,221,821,770</b>     | <b>2,568,122,069</b>     |
| Income Tax rate on Operational Income                        | 30%                      | 30%                      |
| Income Tax rate on Interest Income                           | 30%                      | 30%                      |
| Income Tax on Operational Income      30%      2,221,821,770 | 666,546,531              | 30%      2,568,122,069   |
| Income Tax on Interest Income      30%      533,374,763      | 160,012,429              | 30%      613,629,859     |
| Total Income Tax   | <b>826,558,960</b>       | <b>954,525,578</b>       |

| <b>Note - 9 B</b>   | <b>For the year 2025</b> | <b>For the year 2024</b> |
|---|--------------------------|--------------------------|
| <b><u>Deferred Tax</u></b>                                      |                          |                          |
| <b><u>Charge/(Reversal) as Deferred Tax during the year</u></b> |                          |                          |
|   | <b><u>Temporary</u></b>  | <b><u>Temporary</u></b>  |
| Deferred Tax on Deferred Tax Liabilities - Note - 9 B (vi)      | 2,505,695,583            | 751,708,675              |
| Deferred Tax on Deferred Tax Assets - Note - 9 B (vii)          | (1,432,074,459)          | (429,622,338)            |
| Deferred Tax Liability at the end of the year                   | 322,086,337              | 355,370,391              |
| Deferred Tax Liability at the beginning of the year             | 355,370,391              | 389,492,011              |
| Charge/(Reversal) as Deferred Tax during the year               | <b>(33,284,054)</b>      | <b>(34,121,621)</b>      |

| <b>Note - 9 B (i)</b>                   | <b>For the year 2025</b> | <b>For the year 2024</b> |
|---|--------------------------|--------------------------|
| <b><u>Deferred Tax Adjustment</u></b>   |                          |                          |
| Charged to P & L      - Note - 9 B (ii) | (8,902,097)              | (27,171,037)             |
| Charged to OCI      - Note - 9 B (iii)  | (24,381,957)             | (6,950,584)              |
|   | <b>(33,284,054)</b>      | <b>(34,121,621)</b>      |

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

### Note - 9 B (ii)

#### Deferred Tax Adjustment - Charged to P & L

Origination & reversal of Temporary Differences  
Adjustment to opening Deferred Tax Liability resulting from  
increasing of Tax rate

|               | For the year 2025  | For the year 2024   |
|---------------|--------------------|---------------------|
| Note 9 B (iv) | (8,902,097)        | (27,171,037)        |
| Note 9 B (v)  | -                  | -                   |
|               | <b>(8,902,097)</b> | <b>(27,171,037)</b> |

### Note - 9 B (iii)

#### Deferred Tax Adjustment - Charged to OCI

Deferred tax attributable to Revaluation Surplus of P,P & E  
Tax on Actuarial (Gain)/Loss of Provision for Employee Benefit  
Liability

|                                      | For the year 2025   | For the year 2024   |
|--------------------------------------|---------------------|---------------------|
|                                      | -                   | -                   |
|                                      | (24,381,957)        | (6,950,584)         |
|                                      | <b>(24,381,957)</b> | <b>(6,950,584)</b>  |
| <b>Total Deferred Tax Adjustment</b> | <b>(33,284,054)</b> | <b>(34,121,621)</b> |

### Note - 9 B (iv)

#### Deferred Tax Expense/ (Income) related to the origination & reversal of Temporary Differences

Total Net Deferred Tax for the year  
(-) Opening Deferred Tax Liability  
Adjustment to opening Deferred Tax Liability resulting from  
increasing of tax rate  
Tax on Actuarial (Gain)/Loss of Provision for Employee Benefit  
Liability

|  | For the year 2025  | For the year 2024   |
|--|--------------------|---------------------|
|  | 322,086,337        | 355,370,391         |
|  | (355,370,391)      | (389,492,011)       |
|  | -                  | -                   |
|  | 24,381,957         | 6,950,584           |
|  | <b>(8,902,097)</b> | <b>(27,171,037)</b> |

### Note - 9 B (v)

#### Adjustment to opening Deferred Tax Liability resulting from increasing of tax rate

Net Temporary Difference at the beginning  
Adjustment to opening deferred tax liability

|  | For the year 2025 | For the year 2024 |
|--|-------------------|-------------------|
|  | 1,184,567,971     | 1,298,306,703     |
|  | -                 | -                 |

### Note - 9 B (vi)

#### Deferred Tax Liability Types of Temporary Differences

Accelerated Depreciation of P,P & E for Tax purposes  
Net Deferred Tax Liability

|  | For the year 2025            |                       | For the year 2024            |                       |
|--|------------------------------|-----------------------|------------------------------|-----------------------|
|  | <u>Temporary Differences</u> | <u>Tax effect 30%</u> | <u>Temporary Differences</u> | <u>Tax effect 30%</u> |
|  | 2,505,695,583                | 751,708,675           | 2,512,483,689                | 753,745,107           |
|  |                              | <b>751,708,675</b>    |                              | <b>753,745,107</b>    |

### Note - 9 B (vii)

#### Deferred Tax Assets Types of Temporary Differences

Employee Benefit Liability that are deducted for Tax purposes only  
when paid  
Provision for Doubtful Debts  
Foreign Exchange Loss - Unrealized  
Net Deferred Tax Asset

|  | For the year 2025            |                       | For the year 2024            |                       |
|--|------------------------------|-----------------------|------------------------------|-----------------------|
|  | <u>Temporary Differences</u> | <u>Tax effect 30%</u> | <u>Temporary Differences</u> | <u>Tax effect 30%</u> |
|  | (316,002,735)                | (94,800,821)          | (211,944,243)                | (63,583,273)          |
|  | (1,115,639,437)              | (334,691,831)         | (1,115,639,437)              | (334,691,831)         |
|  | (432,287)                    | (129,686)             | (332,038)                    | (99,611)              |
|  |                              | <b>(429,622,338)</b>  |                              | <b>(398,374,715)</b>  |

(All amounts in Sri Lankan Rupees)

**Note - 10 - Property, Plant & Equipments - Depreciable Assets**

| <b>Cost</b>               |   |                              |                           |                          |  |   |
|---------------------------|---|------------------------------|---------------------------|--------------------------|--|---|
| <b>2025</b>               |   |                              |                           |                          |  |   |
| Description               | Cost / Revaluation Value As At 01.01.2025 | Acquisitions During the Year | Disposals During the Year | Balance As at 31.12.2025 | Damaged & Unused Adjustments (Note - 12) | Balance After Adj. of Damaged & Unused As At 31.12.2025 |
| <b>Depreciable Assets</b> |   |                              |                           |                          |  |   |
| Land Scaping Expenses     | 6,113,388                                 | -                            | -                         | 6,113,388                | -  | 6,113,388   |
| Land                      | 49,471,918                                | -                            | -                         | 49,471,918               | -  | 49,471,918  |
| Buildings                 | 1,409,121,023                             | 12,123,487                   | -                         | 1,421,244,510            | -  | 1,421,244,510   |
| Plant & Machinery         | 2,787,040,422                             | 215,752,703                  | (19,000)                  | 3,002,774,125            | (27,686,350)                             | 2,975,087,775   |
| Motor Vehicles            | 63,450,000                                | 25,552,000                   | -                         | 89,002,000               | -  | 89,002,000  |
| Motor Bicycle             | 185,000                                   | -                            | -                         | 185,000                  | -  | 185,000   |
| Equipment                 | 298,613,477                               | 50,638,800                   | (349,050)                 | 348,903,227              | (4,435,362)                              | 344,467,865   |
| Computer Accessories      | 39,376,005                                | 3,775,319                    | (294,500)                 | 42,856,824               | (361,100)                                | 42,495,724  |
| Furniture & Fittings      | 34,894,463                                | 762,970                      | (380,103)                 | 35,277,331               | (528,252)                                | 34,749,079  |
| Bicycle & Carts           | 3,364,532                                 | -                            | -                         | 3,364,532                | -  | 3,364,532   |
| Tools                     | 3,458,825                                 | -                            | -                         | 3,458,825                | (15,000)                                 | 3,443,825   |
| Vehicle Parking Shed      | 3,200,000                                 | -                            | -                         | 3,200,000                | -  | 3,200,000   |
| <b>Total</b>              | <b>4,698,289,054</b>                      | <b>308,605,279</b>           | <b>(1,042,653)</b>        | <b>5,005,851,680</b>     | <b>(33,026,064)</b>                      | <b>4,972,825,616</b>                                    |

| <b>Cost</b>               |                                |                                       |                                    |                                   |                                       |  |
|---------------------------|--------------------------------|---------------------------------------|------------------------------------|-----------------------------------|---------------------------------------|--|
| <b>2024</b>               |                                |                                       |                                    |                                   |                                       |  |
| Description               | Cost As At 01.01.2024 Restated | Acquisitions During the Year Restated | Disposals During the Year Restated | Balance As at 31.12.2024 Restated | Damaged & Unused Adjustments Restated | Balance After Adj. of Damaged & Unused As At 31.12.2024 Restated |
| <b>Depreciable Assets</b> |                                |                                       |                                    |                                   |                                       |  |
| Land Scaping Expenses     | 6,113,388                      | -                                     | -                                  | 6,113,388                         | -                                     | 6,113,388  |
| Land                      | 49,471,918                     | -                                     | -                                  | 49,471,918                        | -                                     | 49,471,918   |
| Buildings                 | 1,391,070,033                  | 18,050,990                            | -                                  | 1,409,121,023                     | -                                     | 1,409,121,023  |
| Plant & Machinery         | 2,677,578,644                  | 109,961,778                           | (500,000)                          | 2,787,040,422                     | (6,288,349)                           | 2,780,752,073  |
| Motor Vehicles            | 63,450,000                     | -                                     | -                                  | 63,450,000                        | -                                     | 63,450,000   |
| Motor Bicycle             | 185,000                        | -                                     | -                                  | 185,000                           | -                                     | 185,000  |
| Equipment                 | 257,581,191                    | 41,372,786                            | (340,500)                          | 298,613,477                       | (3,982,571)                           | 294,630,906  |
| Computer Accessories      | 28,008,254                     | 12,286,801                            | (919,050)                          | 39,376,005                        | (281,600)                             | 39,094,405   |
| Furniture & Fittings      | 31,081,453                     | 3,815,510                             | (2,500)                            | 34,894,463                        | (495,304)                             | 34,399,159   |
| Bicycle & Carts           | 3,364,532                      | -                                     | -                                  | 3,364,532                         | -                                     | 3,364,532  |
| Tools                     | 3,458,825                      | -                                     | -                                  | 3,458,825                         | (6,750)                               | 3,452,075  |
| Vehicle Parking Shed      | 3,200,000                      | -                                     | -                                  | 3,200,000                         | -                                     | 3,200,000  |
| <b>Total</b>              | <b>4,514,563,238</b>           | <b>185,487,865</b>                    | <b>(1,762,050)</b>                 | <b>4,698,289,054</b>              | <b>(11,054,574)</b>                   | <b>4,687,234,480</b>   |

| <b>Depreciation</b>       |                                   |                           |                                |                              |                          |
|---------------------------|-----------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------|
| Description               | Accumulated Dep. As at 01.01.2025 | Depreciation For the Year | Acc. Dep. Related to Disposals | Damaged & Unused Adjustments | Balance As at 31.12.2025 |
| <b>Depreciable Assets</b> |                                   |                           |                                |                              |                          |
| Land Scaping Expenses     | 2,344,530                         | 60,788                    | -                              | -                            | 2,405,318                |
| Land                      | -                                 | -                         | -                              | -                            | -                        |
| Buildings                 | 186,091,377                       | 71,433,162                | -                              | -                            | 257,524,539              |
| Plant & Machinery         | 457,601,411                       | 172,180,595               | (16,607)                       | (7,430,143)                  | 622,335,256              |
| Motor Vehicles            | 32,959,484                        | 9,062,215                 | -                              | -                            | 42,021,699               |
| Motor Bicycle             | 79,286                            | 26,429                    | -                              | -                            | 105,714                  |
| Equipment                 | 78,802,295                        | 30,400,620                | (157,946)                      | (281,607)                    | 108,763,363              |
| Computer Accessories      | 16,773,985                        | 7,437,126                 | (251,778)                      | (69,592)                     | 23,889,741               |
| Furniture & Fittings      | 9,920,982                         | 4,087,269                 | (301,775)                      | (33,858)                     | 13,672,618               |
| Bicycle & Carts           | 939,388                           | 327,416                   | -                              | -                            | 1,266,805                |
| Tools                     | 1,706,610                         | 541,475                   | -                              | (6,600)                      | 2,241,485                |
| Vehicle Parking Shed      | 800,000                           | 266,667                   | -                              | -                            | 1,066,667                |
| <b>Total</b>              | <b>788,019,350</b>                | <b>295,823,761</b>        | <b>(728,106)</b>               | <b>(7,821,800)</b>           | <b>1,075,293,204</b>     |

| <b>Depreciation</b>       |                                   |                           |                                |                              |                          |
|---------------------------|-----------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------|
| Description               | Accumulated Dep. As at 01.01.2024 | Depreciation For the Year | Acc. Dep. Related to Disposals | Damaged & Unused Adjustments | Balance As at 31.12.2024 |
| <b>Depreciable Assets</b> |                                   |                           |                                |                              |                          |
| Land Scaping Expenses     | 2,283,742                         | 60,788                    | -                              | -                            | 2,344,530                |
| Land                      | -                                 | -                         | -                              | -                            | -                        |
| Buildings                 | 115,995,325                       | 70,096,052                | -                              | -                            | 186,091,377              |
| Plant & Machinery         | 294,569,067                       | 164,195,245               | (123,858)                      | (1,286,759)                  | 457,601,411              |
| Motor Vehicles            | 24,102,619                        | 8,856,865                 | -                              | -                            | 32,959,484               |
| Motor Bicycle             | 52,857                            | 26,429                    | -                              | -                            | 79,286                   |
| Equipment                 | 51,698,755                        | 28,373,005                | (185,913)                      | (1,455,378)                  | 78,802,295               |
| Computer Accessories      | 11,673,099                        | 5,870,106                 | (651,476)                      | (117,744)                    | 16,773,985               |
| Furniture & Fittings      | 6,169,124                         | 3,786,679                 | -                              | (34,821)                     | 9,920,982                |
| Bicycle & Carts           | 611,972                           | 327,416                   | -                              | -                            | 939,388                  |
| Tools                     | 1,163,277                         | 543,333                   | -                              | -                            | 1,706,610                |
| Vehicle Parking Shed      | 533,333                           | 266,667                   | -                              | -                            | 800,000                  |
| <b>Total</b>              | <b>508,853,170</b>                | <b>282,402,587</b>        | <b>(961,247)</b>               | <b>(2,894,702)</b>           | <b>788,019,350</b>       |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2025 |
| <b>Depreciable Assets</b> |                          |
| Land Scaping Expenses     | 3,708,070                |
| Land                      | 49,471,918               |
| Buildings                 | 1,163,719,971            |
| Plant & Machinery         | 2,352,752,518            |
| Motor Vehicles            | 46,980,301               |
| Motor Bicycle             | 79,286                   |
| Equipment                 | 235,704,503              |
| Computer Accessories      | 18,605,983               |
| Furniture & Fittings      | 21,076,461               |
| Bicycle & Carts           | 2,097,728                |
| Tools                     | 1,202,340                |
| Vehicle Parking Shed      | 2,133,333                |
| <b>Total</b>              | <b>3,897,532,412</b>     |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2024 |
| <b>Depreciable Assets</b> |                          |
| Land Scaping Expenses     | 3,768,858                |
| Land                      | 49,471,918               |
| Buildings                 | 1,223,029,646            |
| Plant & Machinery         | 2,323,150,662            |
| Motor Vehicles            | 30,490,516               |
| Motor Bicycle             | 105,714                  |
| Equipment                 | 215,828,611              |
| Computer Accessories      | 22,320,420               |
| Furniture & Fittings      | 24,478,177               |
| Bicycle & Carts           | 2,425,144                |
| Tools                     | 1,745,464                |
| Vehicle Parking Shed      | 2,400,000                |
| <b>Total</b>              | <b>3,899,215,130</b>     |

**Notes to the Financial Statements for the year ended 31.12.2025**

(All amounts in Sri Lankan Rupees)

**Note - 11 - Intangible Assets**

| <b>Cost</b>       |   |                              |                           |                          |  |   |
|-------------------|---|------------------------------|---------------------------|--------------------------|--|---|
| Description       | <b>2025</b>                             |                              |                           |                          |  |   |
|                   | Cost/Revaluation Value As at 01.01.2025 | Acquisitions During the Year | Disposals During the Year | Balance As At 31.12.2025 | Damaged & Unused Adjustments (Note - 02 A) | Balance After Adj. of Damaged & Unused As At 31.12.2025 |
| Computer Software | 11,486,830                              |                              | (87,500)                  | 11,399,330               | (6,000)                                    | 11,393,330  |
| <b>Total</b>      | <b>11,486,830</b>                       | <b>-</b>                     | <b>(87,500)</b>           | <b>11,399,330</b>        | <b>(6,000)</b>                             | <b>11,393,330</b>                                       |

| <b>Depreciation</b> |                                   |                           |                                |                              |                          |
|---------------------|-----------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------|
| Description         | <b>2025</b>                       |                           |                                |                              |                          |
|                     | Accumulated Dep. As at 01.01.2025 | Depreciation For the Year | Acc. Dep. Related to Disposals | Damaged & Unused Adjustments | Balance As at 31.12.2025 |
| Computer Software   | 6,990,704                         | 1,491,549                 | (76,809)                       | (5,167)                      | 8,400,277                |
| <b>Total</b>        | <b>6,990,704</b>                  | <b>1,491,549</b>          | <b>(76,809)</b>                |                              | <b>8,400,277</b>         |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2025 |
| Computer Software         | 2,993,053                |
| <b>Total</b>              | <b>2,993,053</b>         |

| <b>Cost</b>       |                       |                              |                           |                          |                              |   |
|-------------------|-----------------------|------------------------------|---------------------------|--------------------------|------------------------------|---|
| Description       | <b>2024</b>           |                              |                           |                          |                              |   |
|                   | Cost As At 01.01.2024 | Acquisitions During the Year | Disposals During the Year | Balance As at 31.12.2024 | Damaged & Unused Adjustments | Balance After Adj. of Damaged & Unused As At 31.12.2024 |
| Computer Software | 10,777,455            | 780,375                      | (71,000)                  | 11,486,830               | -                            | 11,486,830  |
| <b>Total</b>      | <b>10,777,455</b>     | <b>780,375</b>               | <b>(71,000)</b>           | <b>11,486,830</b>        | <b>-</b>                     | <b>11,486,830</b>                                       |

| <b>Depreciation</b> |                                   |                           |                                |                              |                          |
|---------------------|-----------------------------------|---------------------------|--------------------------------|------------------------------|--------------------------|
| Description         | <b>2024</b>                       |                           |                                |                              |                          |
|                     | Accumulated Dep. As at 01.01.2024 | Depreciation For the Year | Acc. Dep. Related to Disposals | Damaged & Unused Adjustments | Balance As at 31.12.2024 |
| Computer Software   | 5,289,015                         | 1,750,525                 | (48,836)                       | -                            | 6,990,704                |
| <b>Total</b>        | <b>5,289,015</b>                  | <b>1,750,525</b>          | <b>(48,836)</b>                | <b>-</b>                     | <b>6,990,704</b>         |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2024 |
| Computer Software         | 4,496,126                |
| <b>Total</b>              | <b>4,496,126</b>         |

**Note - 12**

| <b>Damaged &amp; Unused Adjustment</b> |                          |   |                                |                          |
|--|--------------------------|---|--------------------------------|--------------------------|
| <b>2025</b>                            |                          |   |                                |                          |
| Description                            | Balance as at 01.01.2025 | Damaged & Unused identified during the year | Disposals During the Year 2025 | Balance as at 31.12.2025 |
| Plant & Machinery                      | 6,288,349                | 21,398,001                                  | -                              | 27,686,350               |
| Equipment                              | 3,982,571                | 452,789                                     | -                              | 4,435,360                |
| Computer Accessories                   | 281,600                  | 79,500                                      | -                              | 361,100                  |
| Furniture & Fittings                   | 495,304                  | 62,400                                      | (29,452)                       | 528,252                  |
| Tools                                  | 6,750                    | 8,250                                       | -                              | 15,000                   |
| Computer Software                      | -                        | 6,000                                       | -                              | 6,000                    |
| <b>Total</b>                           | <b>11,054,574</b>        | <b>22,006,940</b>                           | <b>(29,452)</b>                | <b>33,032,062</b>        |

| <b>Damaged &amp; Unused Adjustment</b> |                          |   |                           |                       |                          |
|--|--------------------------|---|---------------------------|-----------------------|--------------------------|
| <b>2024</b>                            |                          |   |                           |                       |                          |
| Description                            | Balance as at 01.01.2024 | Damaged & Unused identified during the year | Disposals during the year | Reuse during the year | Balance as at 31.12.2024 |
| Plant & Machinery                      | 1,116,600                | 5,171,749                                   | -                         | -                     | 6,288,349                |
| Equipment                              | 1,853,119                | 2,156,952                                   | (27,500)                  | -                     | 3,982,571                |
| Computer Accessories                   | 181,800                  | 162,000                                     | (62,200)                  | -                     | 281,600                  |
| Furniture & Fittings                   | 439,737                  | 55,567                                      | -                         | -                     | 495,304                  |
| Tools                                  | 6,750                    | -   | -                         | -                     | 6,750                    |
| Computer Software                      | -                        | -   | -                         | -                     | -                        |
| <b>Total</b>                           | <b>3,598,006</b>         | <b>7,546,268</b>                            | <b>(89,700)</b>           | <b>-</b>              | <b>11,054,574</b>        |

**Note - 13**

**Right-of-use Assets**

| <b>Cost</b>    |                       |                              |                           |                       |
|----------------|-----------------------|------------------------------|---------------------------|-----------------------|
| Description    | <b>2025</b>           |                              |                           |                       |
|                | Cost As At 01.01.2025 | Acquisitions During the Year | Disposals During the Year | Cost As At 31.12.2025 |
| Leasehold Land | 327,327,643           | -                            | -                         | 327,327,643           |
| <b>Total</b>   | <b>327,327,643</b>    | <b>-</b>                     | <b>-</b>                  | <b>327,327,643</b>    |

| <b>Depreciation</b> |                                   |                           |                                |                          |
|---------------------|-----------------------------------|---------------------------|--------------------------------|--------------------------|
| Description         | <b>2025</b>                       |                           |                                |                          |
|                     | Accumulated Dep. As at 01.01.2025 | Depreciation For the Year | Acc. Dep. Related to Disposals | Balance As at 31.12.2025 |
| Leasehold Land      | 11,555,303                        | 3,305,623                 | -                              | 14,860,926               |
| <b>Total</b>        | <b>11,555,303</b>                 | <b>3,305,623</b>          | <b>-</b>                       | <b>14,860,926</b>        |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2025 |
| Leasehold Land            | 312,466,717              |
| <b>Total</b>              | <b>312,466,717</b>       |

| <b>Cost</b>    |                       |                              |                           |                          |
|----------------|-----------------------|------------------------------|---------------------------|--------------------------|
| Description    | <b>2024</b>           |                              |                           |                          |
|                | Cost As At 01.01.2024 | Acquisitions During the Year | Disposals During the Year | Balance As at 31.12.2024 |
| Leasehold Land | 327,327,643           | -                            | -                         | 327,327,643              |
| <b>Total</b>   | <b>327,327,643</b>    | <b>-</b>                     | <b>-</b>                  | <b>327,327,643</b>       |

| <b>Depreciation</b> |                                   |                           |                                |                          |
|---------------------|-----------------------------------|---------------------------|--------------------------------|--------------------------|
| Description         | <b>2024</b>                       |                           |                                |                          |
|                     | Accumulated Dep. As at 01.01.2024 | Depreciation For the Year | Acc. Dep. Related to Disposals | Balance As at 31.12.2024 |
| Leasehold Land      | 8,249,680                         | 3,305,623                 | -                              | 11,555,303               |
| <b>Total</b>        | <b>8,249,680</b>                  | <b>3,305,623</b>          | <b>-</b>                       | <b>11,555,303</b>        |

| <b>Written Down Value</b> |                          |
|---------------------------|--------------------------|
| Description               | Balance As at 31.12.2024 |
| Leasehold Land            | 315,772,340              |
| <b>Total</b>              | <b>315,772,340</b>       |

**Lease of Land 99 Years**

The State Pharmaceuticals Corporation had obtained a Land from the Urban Development Authority on a 99 year lease on 11.09.1981. Out of this Land , an extent of 3 acres, 3 roods and 8.29 perches was allocated to the State Pharmaceuticals Manufacturing Corporation through a lease agreement bearing number 60, dated 29.06.1984 for the purpose of establishing a factory. The portion of the relevant lease amount had been paid to the State Pharmaceuticals Corporation at the time, the land was allotted and the acquisition of the lease land is in progress. Lease amount has been accounted for on straight line basis over the lease period of 99 years.

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

### **Note - 14**

#### **Other Non Current Assets**

|                   | <b><u>As at 31.12.2025</u></b> | <b><u>As at 31.12.2024</u></b> |
|-------------------|--------------------------------|--------------------------------|
| Deposits          | 5,106,360                      | 5,906,360                      |
| Security Deposits | 498,463                        | 458,973                        |
|                   | <b><u>5,604,823</u></b>        | <b><u>6,365,333</u></b>        |

### **Note - 15**

#### **Inventories**

|   | <b><u>As at 31.12.2025</u></b> | <b><u>As at 31.12.2024</u></b> |
|---|--------------------------------|--------------------------------|
| Raw Materials                                 | 1,340,383,463                  | 1,856,288,021                  |
| Packing Materials                             | 237,480,944                    | 264,752,480                    |
| Finished Goods                                | 2,942,499,217                  | 1,322,020,581                  |
| Work-in-Progress                              | 234,163,781                    | 251,177,281                    |
| Goods in Transits - R/M                       | 46,260,991                     | 124,328,349                    |
| Inventory - Formulation, Research & Dev.      | 15,101,623                     | 23,348,477                     |
| Spare Parts - Plant & Machinery & Consumables | 304,915,622                    | 247,419,422                    |
| Fuel & Lubricants                             | 4,712,720                      | 4,610,371                      |
| Inventory - Stationery                        | 4,510,719                      | 4,478,607                      |
| Inv.Control - Loan Given                      | -                              | 13,983,400                     |
|   | <b><u>5,130,029,080</u></b>    | <b><u>4,112,406,987</u></b>    |

### **Note - 16**

#### **Trade Debtors & Receivables**

|                                  | <b><u>As at 31.12.2025</u></b> | <b><u>As at 31.12.2024</u></b> |
|----------------------------------|--------------------------------|--------------------------------|
| Debtors - SPC                    | -                              | 2,030,400                      |
| Debtors - MSD                    | 3,675,087,893                  | 2,885,941,368                  |
| (-) Provision for Doubtful Debts | (1,115,639,437)                | (1,115,639,437)                |
| Debtors - Distributors           | 156,141,554                    | 166,710,560                    |
| Distress Loans                   | 64,567,463                     | 57,235,143                     |
| Receivables                      | 14,472,311                     | 125,757,864                    |
| Cycle Loans                      | 9,639,587                      | 10,742,191                     |
| Paye Tax                         | 610,040                        | 1,128,599                      |
| Festival Advance                 | 1,494,000                      | 1,499,000                      |
| Import Deposits Refunds          | 445,500                        | 645,000                        |
|                                  | <b><u>2,806,818,911</u></b>    | <b><u>2,136,050,687</u></b>    |

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

### Note - 17

| <u>Pre-Payments</u>                        | <u>As at 31.12.2025</u> | <u>As at 31.12.2024</u> |
|--|-------------------------|-------------------------|
| Advance Payments                           | 5,704,513               | 1,422,044               |
| Advance Payments - Machinery & Spare Parts | 46,816,788              | 32,078,710              |
| Prepayments                                | 13,131,939              | 6,607,683               |
| Prepaid Staff Cost                         | 7,922,487               | 7,297,838               |
|  | <u>73,575,728</u>       | <u>47,406,275</u>       |

### Note - 18

| <u>Other Financial Assets</u> | <u>As at 31.12.2025</u> | <u>As at 31.12.2024</u> |
|-------------------------------|-------------------------|-------------------------|
| Treasury Bills                | 8,030,035,574           | 8,193,471,634           |
|                               | <u>8,030,035,574</u>    | <u>8,193,471,634</u>    |

### Investment in Treasury Bills

REPOs are classified as current assets measured at amortised cost. The Corporation limits its exposure to credit risk by investing only in REPOs with Government Banks ( Bank of Ceylon , People's Bank and National Saving Bank ) with Board Approval.

### Note - 19

| <u>Cash In Hand &amp; at Bank</u> | <u>As at 31.12.2025</u> | <u>As at 31.12.2024</u> |
|-----------------------------------|-------------------------|-------------------------|
| Bank of Ceylon - Ratmalana        | 24,543                  | 149,855                 |
| Bank of Ceylon - Corporate        | 678,554                 | 288,586                 |
| Peoples Bank - Ratmalana          | 136,565                 | 136,565                 |
| Peoples Bank - Corporate          | 136,184                 | 87,349                  |
| Cash in Hand                      | 89,393                  | 100,000                 |
| Petty Cash                        | 20,000                  | 20,000                  |
|                                   | <u>1,085,239</u>        | <u>782,355</u>          |

### Note - 20

#### Stated Capital

Stated Capital is made up by Grant amounting to JY. 2,564 million converted at the average rate of Rs. 0.186 amounting to Rs. 476,904,000/= and the funds contributed by the General Treasury amounting to Rs. 208,375,000.00 & Rs.2,416,094,044.00 as a Government Capital Investment and also the value of land amounting to Rs. 4,800,000.00 transferred from the State Pharmaceuticals Corporation.

### Note 21 A

#### World Bank - Health System Preparedness Project

This project, approved on 7th May 2023, has been implemented through two separate procurements. The first tender focused on acquiring pharmaceutical manufacturing machinery, while the second tender was dedicated to expanding the existing Penicillin Zone. SPMC capitalized the following categories with their respective amounts for the year 2023.

|   | <u>Amount (Rs.)</u> |
|---|---------------------|
| Mixing Machine                              | 18,664,577          |
| Capsule Filling Machine                     | 57,516,992          |
| Bulk Packing Line for small bottles         | 82,522,795          |
| Tablet Compression Machine                  | 60,070,988          |
| Blister Packing Machine with Carton Packing | 38,262,566          |
| Penicillin Zone Refurbishment               | 209,976,697         |
|   | <u>467,014,614</u>  |

#### Amortization of the Grant

| <u>Description</u>                          | <u>Balance as at 01.01.2025 (Rs.)</u> | <u>Adjustment for 2024 (Rs.)</u> | <u>Amortization during the year (Rs.)</u> | <u>Balance as at 31.12.2025 (Rs.)</u> |
|---|---------------------------------------|----------------------------------|---|---------------------------------------|
| Mixing Machine                              | 16,343,446                            | 1,153,742                        | 1,276,758                                 | 16,220,430                            |
| Capsule Filling Machine                     | 50,364,167                            | 3,555,385                        | 3,934,473                                 | 49,985,078                            |
| Bulk Packing Line for small bottles         | 72,260,243                            | 5,101,106                        | 5,654,165                                 | 71,707,184                            |
| Tablet Compression Machine                  | 52,600,548                            | 3,713,259                        | 4,073,479                                 | 52,240,328                            |
| Blister Packing Machine with Carton Packing | 34,102,515                            | 2,365,182                        | 1,979,657                                 | 34,488,040                            |
| Penicillin Zone Refurbishment               | 187,147,236                           | 12,979,606                       | 10,863,931                                | 189,262,911                           |
|   | <u>412,818,155</u>                    | <u>28,868,280</u>                | <u>27,782,463</u>                         | <u>413,903,971</u>                    |

### Note 21 B

#### Asian Development Bank - Energy Efficient Centralized Air Conditioning System

The Asian Development Bank has provided funding as a pilot project for the construction of centralized air conditioning systems for energy efficiency under the supervision of the Sri Lanka Sustainable Energy Authority.

#### Amortization of the Grant

| <u>Description</u>                      | <u>Balance as at 01.01.2025 (Rs.)</u> | <u>Grant Received during the year (Rs.)</u> | <u>Amortization during the year (Rs.)</u> | <u>Balance as at 31.12.2025 (Rs.)</u> |
|---|---------------------------------------|---|---|---------------------------------------|
| Energy Efficient Centralized A/C System | 29,872,980                            | -   | 2,096,450                                 | 27,776,530                            |
|   | <u>29,872,980</u>                     | <u>-</u>                                    | <u>2,096,450</u>                          | <u>27,776,530</u>                     |

**Note - 22****Net Retirement Benefit Obligation**

|   | <u>As at 31.12.2025</u>  | <u>As at 31.12.2024</u>   |
|---|--------------------------|---------------------------|
| Present value of Defined Benefit Obligation | 316,002,735              | 211,944,242               |
| Fair value of Plan Asset                    | (237,312,533)            | (218,273,714)             |
| <b>Net Retirement Benefit Obligation</b>    | <b><u>78,690,202</u></b> | <b><u>(6,329,472)</u></b> |

**Movement of the Retirement Benefit Obligation**

|  | <u>As at 31.12.2025</u>   | <u>As at 31.12.2024</u>   |
|--|---------------------------|---------------------------|
| Balance as at 01st of January                      | 211,944,242               | 177,482,335               |
| Interest Cost for the period                       | 22,316,654                | 23,072,704                |
| Current Service Cost for the period                | 18,599,782                | 13411030                  |
| Benefits paid for those who left during the period | (18,131,134)              | (25,190,440)              |
| Actuarial (Gain) / Loss on PV-DBO                  | 81,273,191                | 23,168,613                |
| Balance as at 31st December                        | <b><u>316,002,735</u></b> | <b><u>211,944,242</u></b> |

**Movement of the Plan Asset**

|  | <u>As at 31.12.2025</u>   | <u>As at 31.12.2024</u>   |
|--|---------------------------|---------------------------|
| Fair Value of Plan Asset as at 01st of January | 218,273,714               | 192,040,008               |
| Expected Return on Plan Asset                  | 24,010,109                | 24,965,201                |
| Actuarial Gain / (Loss) on the Plan Asset      | (4,971,291)               | 1,268,505                 |
| Fair Value of Plan Asset as at 31st December   | <b><u>237,312,533</u></b> | <b><u>218,273,714</u></b> |

**Plan Asset consist of the following**

|                                    | <u>As at 31.12.2025</u>   | <u>As at 31.12.2024</u>   |
|------------------------------------|---------------------------|---------------------------|
| Investment in Treasury Bill at NSB | 237,312,533               | 218,273,714               |
|                                    | <b><u>237,312,533</u></b> | <b><u>218,273,714</u></b> |

**Amounts recognised in the Income Statement**

|                               | <u>As at 31.12.2025</u>  | <u>As at 31.12.2024</u>  |
|-------------------------------|--------------------------|--------------------------|
| Current and Past Service Cost | 18,599,782               | 13,411,030               |
| Interest Cost                 | 22,316,654               | 23,072,704               |
| Expected Return on Plan Asset | (24,010,109)             | (24,965,201)             |
| Net Amount                    | <b><u>16,906,327</u></b> | <b><u>11,518,533</u></b> |

**Amounts recognised in the Other Comprehensive Income**

|                                       | <u>As at 31.12.2025</u>  | <u>As at 31.12.2024</u>    |
|---------------------------------------|--------------------------|----------------------------|
| Actuarial Gain / (Loss) on PV - DBO   | 81,273,191               | (23,168,613)               |
| Actuarial Gain / (Loss) on Plan Asset | 4,971,291                | 1,268,505                  |
| Total                                 | <b><u>86,244,481</u></b> | <b><u>(21,900,108)</u></b> |

Details of actuarial assumptions of the SPMC is as follows

**Actuarial Assumptions**

|                         | <u>As at 31.12.2025</u> | <u>As at 31.12.2024</u> |
|-------------------------|-------------------------|-------------------------|
| Discount Rate           | 10.00 %                 | 11.00 %                 |
| Future Salary Increases | 9.00 %                  | 9.00 %                  |
| Staff Turnover Rate     | 4.00 % - 6.00 %         | 4.00 %                  |

The changes in Actuarial assumptions are due to the changes in market rates and changes in expected salary increases. There are no changes to the method and assumptions used in the sensitivity analysis performed in 2025 and 2024.

**Note - 22 .....Contd****Mortality & Disability**

| Mortality and Disability |      |          |          |          |          |          |          |          |          |
|--------------------------|------|----------|----------|----------|----------|----------|----------|----------|----------|
| Mortality Rates          | Age  | 20       | 25       | 30       | 35       | 40       | 45       | 50       | 55       |
|                          | Rate | 0.00089  | 0.00098  | 0.00106  | 0.00128  | 0.00180  | 0.00287  | 0.00495  | 0.00789  |
| Disability Rates         | Age  | 20       | 25       | 30       | 35       | 40       | 45       | 50       | 55       |
|                          | Rate | 0.000089 | 0.000098 | 0.000106 | 0.000128 | 0.000180 | 0.000287 | 0.000495 | 0.000789 |

**Sensitivity of assumptions employed in Gratuity Liability Valuation**

The following table demonstrates the impact on the Defined Benefit Obligation and Statement of Comprehensive Income of the changes in the significant actuarial assumptions employed with all other variables held constant in the Employee Benefit Liability measurement.

| Variable changed (while all other assumptions remain unchanged) | Present Value of Defined Benefit Obligation<br>Rs. |
|---|--|
| (+1%) in the Discount rate                                      | 294,116,977  |
| (-1%) in the Discount rate                                      | 341,080,863  |
| (+1%) in the Salary Increment rate                              | 342,627,343  |
| (-1%) in the Salary Increment rate                              | 292,390,926  |
| (by 10% up) in the Employee Turnover rate                       | 316,520,099  |
| (by 10% down) in the Employee Turnover rate                     | 315,454,736  |

**Employee Data**

Summary of the active Employee data is set out below

| Age Group    | No. of Employees | Average Age (Years) | Average Service (Years) | Total Basic Salary | Total Other      |
|--------------|------------------|---------------------|-------------------------|--------------------|------------------|
| 20 to 24     | 17               | 23                  | 1.6                     | 602,729            | 124,600          |
| 25 to 29     | 40               | 27                  | 4                       | 1,668,001          | 623,000          |
| 30 to 34     | 65               | 32                  | 5.9                     | 2,892,677          | 1,121,400        |
| 35 to 39     | 60               | 37                  | 10.6                    | 2,852,398          | 1,068,000        |
| 40 to 44     | 42               | 42                  | 13.9                    | 2,117,140          | 747,600          |
| 45 to 49     | 32               | 47                  | 17.5                    | 2,009,437          | 569,600          |
| 50 to 54     | 42               | 53                  | 25.4                    | 3,004,727          | 747,600          |
| 55 to 59     | 28               | 57                  | 28.9                    | 2,099,156          | 498,400          |
| <b>Total</b> | <b>326</b>       | <b>39</b>           | <b>13.0</b>             | <b>17,246,265</b>  | <b>5,500,200</b> |

## Notes to the Financial Statements for the year ended 31.12.2025

(All amounts in Sri Lankan Rupees)

### **Note - 23**

#### **Deffered Tax Liability**

|   | <b>As at 31.12.2025</b> | <b>As at 31.12.2024</b> |
|---|-------------------------|-------------------------|
| Balance at the Beginning of the Year              | 355,370,389             | 389,492,010             |
| Charge/(Reversal) as Deferred Tax during the year | (33,284,054)            | (34,121,620)            |
|   | <b>322,086,335</b>      | <b>355,370,389</b>      |

### **Note - 24**

#### **Trade and Other Payables**

|   | <b>As at 31.12.2025</b> | <b>As at 31.12.2024</b> |
|---|-------------------------|-------------------------|
| Creditors Control - Packing Materials     | 16,955,148              | 12,123,396              |
| Creditors Control - Raw Materials         | 47,965,322              | 48,487,562              |
| Creditors Control - Stationery            | 883,719                 | 1,464,522               |
| Creditors Control - Equipment & Machinery | 4,808,785               | 3,318,380               |
| Creditors Control - Chemicals             | 84,422                  | 2,423,081               |
| Creditors Control - Welfare               | 31,040                  | -                       |
| Creditors Control - General               | 92,564,686.09           | 504,300,492             |
| Creditors Control - Bank                  | 124,940,016             | 103,359,305             |
| Creditors Control - Employees             | 6,593,460               | 5,700,062               |
| Creditors Control - Services              | 8,796,325               | 10,447,358              |
| Creditors Control - Joint Ventures        | 4,969,402,359           | 3,961,173,602           |
| Employee Security Guarantee - Finance     | 14,322                  | 11,490                  |
| Employee Security Guarantee - Stores      | 484,141                 | 447,483                 |
| Bid Bonds Payable                         | 36,895,126              | 36,487,144              |
| Salaries Control                          | 49,089                  | -                       |
| Inventory Control - Loan taken            | 390,650                 | 125,375                 |
|   | <b>5,310,858,611</b>    | <b>4,689,869,251</b>    |

### **Note 25**

#### **Related Party Disclosures**

Details of significant related party disclosures are as follows.

#### **Organization**

|                            | <b>Relationship</b> | <b>Nature</b> | <b>Sales During the year</b> |
|----------------------------|---------------------|---------------|------------------------------|
| Medical Suppliers Division | Customer            | Sale of       | 22,568,654,969               |
| Distribution               |                     |               | 2,057,195,479                |
|                            |                     |               | <b>24,625,850,449</b>        |