CONSOLIDATED FINANCIAL STATEMENTS 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD
CONSOLIDATED FINANCIAL STATEMENT
STATEMENT OF FINANCIAL POSITION

	Notes	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP) 31.12.2025 Rs.	31.12.2024 Rs.	AGRICULTURE INSURANCE SCHEME 31.12.2025 Rs.	31.12.2024 Rs.
ASSETS					
Non- Current Assets					
Property, Plant & Equipment	1	415,834,837	295,956,724	405,451,396	283,845,231
Intangible Asset-WIP ERP System		72,002,970	72,002,970	72,002,970	72,002,970
		487,837,807	367,959,694	477,454,366	355,848,201
Financial Instruments					
Treasury Bond		6,324,789,819	5,657,249,551	3,579,643,674	3,319,257,408
		6,324,789,819	5,657,249,551	3,579,643,674	3,319,257,408
Current Assets					
Stocks	2.1	38,662,016	35,195,530	29,916,072	26,899,915
Receivables	2.2	191,436,682	149,863,972	1,035,983,536	993,153,254
Receivable Premium	2.3	1,185,390	1,826,970	553,893	810,790
Deposits & Pre Payments	2.4	15,889,836	23,882,944	15,889,836	23,882,944
Advances	2.5	10,687,617	29,781,785	10,687,617	29,781,785
Financial Instruments at amortized cost	2.6	5,935,430,315	4,795,234,411	3,931,744,859	3,467,937,002
Cash and Cash Equivalents	2.7	43,252,240	56,711,051	22,909,818	37,965,764
Total current Assets		6,236,544,097	5,092,496,662	5,047,685,631	4,580,431,453
TOTAL ASSETS		**13,049,171,723**	**11,117,705,908**	**9,104,783,671**	**8,255,537,063**
EQUITY & LIABILITIES					
Capital & Reserve					
Initial Capital Contributed by the Treasury		50,000,000	50,000,000	50,000,000	50,000,000
A.A.I.B. Accumulated Fund	3	(93,328,021,802)	(93,318,413,051)	5,133,742,803	4,479,043,840
Government Grant - Capital	4	91,882,835	10,654,285	91,882,835	10,654,285
A.A.I.B Reserve Fund	5	648,817,048	588,524,391	648,817,048	588,524,391
Farmer's Death Gratuity Fund	6	1,616,228,942	1,527,083,863	1,577,918,847	1,490,350,049
Staff Medical Insurance Fund		44,799,954	36,274,241	44,799,954	36,274,241
Kethata Aruna Compulsory Insurance Fund		706,503,600	706,503,600	706,503,600	706,503,600
Revaluation Reserve		255,524,821	214,006,925	246,477,321	206,206,925
Product Promotion and Incentive Fund		46,639,435	38,361,464	46,639,435	38,361,464
Government Grant for Farmers Pension		1,081,488,000	1,081,488,000	-	-
Capital Grant-GIZ		88,404,556	88,404,556	88,404,556	88,404,556
		(88,697,732,611)	(88,977,111,726)	8,635,186,399	7,694,323,350
Non - Current Liabilities					
Provision for Gratuity		161,784,887	90,459,417	64,437,437	39,032,761
Pension Liability		98,149,339,648	97,122,025,950	-	-
		98,311,124,535	97,212,485,368	64,437,437	39,032,761
Current Liabilities					
Provision for Printing		1,656,082	1,845,812	700,000	700,000
Pre Premium Receipts	7.1	73,127,038	116,164,521	73,127,038	116,164,521
Other Payables	7.2	3,179,059,858	2,528,330,730	154,938,437	175,229,578
Accrued Expenses	7.3	35,383,185	38,374,728	29,840,723	32,470,377
Provision for Indemnity	7.4	146,553,637	197,616,476	146,553,637	197,616,476
Total Current Liabilities		3,435,779,800	2,882,332,266	405,159,835	522,180,952
TOTAL EQUITY & LIABILITIES		**13,049,171,723**	**11,117,705,908**	**9,104,783,671**	**8,255,537,063**

Unaudited Financial Statements 2025

These financial statements are in compliance with the requirements of the Sri Lanka Accounting Standards.

S. M. U. G. S. K. Subasingha
Director Finance (Acting)
Agricultural and Agrarian Insurance Board
No: 117, Subadrarama Road,
Gangodawila, Nugegoda.

Head of Finance

Director General

I.U. Kalum Kaluarachchi
Director General
Agricultural and Agrarian Insurance Board
No: 117, Subadrarama Road,
Gangodawila, Nugegoda.

The Board of Directors are responsible for the preparation and presentation of these financial statements.
Signed for on behalf of the Board by:

Member of Director Board
Agricultural & Agrarian Insurance Board

Member of Director Board
Agricultural & Agrarian Insurance Board

Pemasiri Jaysingarachchi
Chairman
Agricultural and Agrarian Insurance Board
No: 117, Subadrarama Road,
Gangodawila, Nugegoda
Sri Lanka

M. A. S. H. PERERA
Additional Director General
Department of Treasury Operations
General Treasury
Colombo - 01.

CamScanner

AGRICULTURAL & AGRARIAN INSURANCE BOARD
CONSOLIDATED FINANCIAL STATEMENT
STATEMENT OF COMPREHENSIVE INCOME

		AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
REVENUE	**Notes**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Premium and Contribution	8.1	638,309,613	623,351,504	637,938,187	623,284,487
Insurance Premium-Treasury Contribution		626,000,000	1,000,000,000	626,000,000	1,000,000,000
Grants for Indemnities - NITF Crop Levy		1,095,498,379	1,282,703,785	1,095,498,379	1,282,703,785
Interest	8.2	1,090,126,559	1,107,874,664	686,224,469	785,952,802
TOTAL REVENUE		**3,449,934,552**	**4,013,929,953**	**3,045,661,035**	**3,691,941,074**
OPERATING EXPENSES					
Indemnity	9.1	(1,719,672,545)	(1,780,680,767)	(1,719,672,545)	(1,780,680,767)
Operating Expenses	9.2	(141,770,775)	(129,694,540)	(120,135,341)	(111,497,555)
Pension Payments		(5,174,620,005)	(4,933,473,726)	-	-
Refund of Net Contribution & Interest		(18,832,101)	(17,769,003)	-	-
Group Insurance Premium		(17,150,820)	(17,721,420)	-	-
Disablement Gratuity Payment		(813,662)	(1,046,127)	-	-
Increase of Pension Liability		(2,923,835,138)	(4,691,231,548)	-	-
		(9,996,695,046)	**(11,571,617,132)**	**(1,839,807,885)**	**(1,892,178,323)**
OPERATING SURPLUS/(DIFICIT)		**(6,546,760,494)**	**(7,557,687,179)**	**1,205,853,150**	**1,799,762,752**
Govt. Grant for Pension Payment		5,043,000,000	4,762,000,000	-	-
Govt. Grant for Admin Expenses		283,627,000	249,630,000	2,757,000	-
Other Income	10	35,789,679	22,214,226	25,810,240	17,207,153
		5,362,416,679	**5,033,844,226**	**28,567,240**	**17,207,153**
		(1,184,343,815)	**(2,523,842,953)**	**1,234,420,390**	**1,816,969,905**
EXPENSES					
Administrative Expenses	11	(679,127,568)	(611,377,838)	(381,581,026)	(353,558,609)
Finance & Other Expenses	12	(43,074,207)	(46,964,427)	(211,638)	(346,723)
TOTAL EXPENSES		**(722,201,775)**	**(658,342,265)**	**(381,792,664)**	**(353,905,331)**
NET SURPLUS/ (DEFICIT)		**(1,906,545,590)**	**(3,182,185,218)**	**852,627,726**	**1,463,064,574**
Income tax expense	13	(121,339,946)	(124,226,159)	(121,339,946)	(124,226,159)
PROFIT AFTER TAX		**(2,027,885,537)**	**(3,306,411,377)**	**731,287,780**	**1,338,838,415**
Provision For A.A.I.B Reserve Fund		(60,292,658)	(89,988,138)	(60,292,658)	(89,988,138)
NET SURPLUS/ (DEFICIT) AFTER PROVISION		**(2,088,178,194)**	**(3,396,399,515)**	**670,995,122**	**1,248,850,277**
OTHER COMPREHENSIVE INCOME					
Gratuity Gain/(Loss)		(66,906,262)	(31,961,267)	(25,447,098)	(15,059,774)
		(66,906,262)	(31,961,267)	(25,447,098)	(15,059,774)
Revaluation surplus of property, plant and equipment		41,517,896	41,476,578	40,270,396	40,526,578
NET SURPLUS/ (DEFICIT) AFTER OTHER COMPREHENSIVE INCOME		**(2,113,566,560)**	**(3,386,884,204)**	**685,818,420**	**1,274,317,081**

Unaudited Financial Statements 2025

AGRICULTURE & AGRARIAN INSURANCE BOARD

STATEMENT OF CHANGES IN EQUITY

GROUP

Description	Initial Capital Contributed by the Treasury Rs.	Accumulated Surplus/ (Deficit) Rs.	Govt. Grant for Capital Rs.	AAIB Reserve Fund Rs.	Farmer's Death Gratuity Fund Rs.	Staff Medical Insurance Fund Rs.	Kethata Aruna Compulsory Insurance Fund	Revaluation Reserve Rs.	Product Promotion and Incentive Fund Rs.	Government Grant on Treasury Bond Rs.	Capital Grant-GIZ Rs.	Total Rs.
Balance as at 01st January 2024	**50,000,000**	**(90,041,219,155)**	**17,330,189**	**498,536,253**	**1,427,193,842**	**27,313,478**	**706,503,600**	**172,530,347**	**30,686,023**	**1,081,488,000**	**65,792,100**	**(85,963,845,323)**
Prior Year Adjustment		7,600,000										7,600,000
Addition during the year:	-	143,566,886	9,150,000	89,988,138	17,721,420	5,221,150	-	-	18,056,415	-	22,612,456	306,316,465
Interest Income	-				84,137,602	5,876,906	-	-	-	-	-	90,014,507
Amortization Gov. Grant	-	-	(15,825,905)	-	-	-	-	-	-	-	-	(15,825,905)
Benefit paid	-				(1,969,000)	(2,137,293)	-	-	(10,380,974)	-	-	(14,487,267)
Net Surplus /(Deficit)	-	(3,428,360,782)	-	-	-			41,476,578	-	-	-	(3,386,884,204)
Balance as at 31st December 2024	**50,000,000**	**(93,318,413,051)**	**10,654,285**	**588,524,391**	**1,527,083,864**	**36,274,240**	**706,503,600**	**214,006,925**	**38,361,464**	**1,081,488,000**	**88,404,556**	**(88,977,111,727)**
Addition during the year:	-	239,803,325	106,343,000	60,292,658	17,150,820	5,293,350	-	-	18,553,661	-	-	447,436,814
Prior Year Adjustment		1,905,672,380	-	-	-	-	-	-	-	-	-	1,905,672,380
Interest Income	-	-	-	-	73,123,259	5,880,500	-	-	-	-	-	79,003,758
Amortization Gov. Grant Farmers Pension	-	-	(25,114,449)	-	-	-	-	-	-	-	-	(25,114,449)
Benefit paid	-	-	-	-	(1,129,000)	(2,648,137)	-		(10,275,690)	-	-	(14,052,827)
Net Surplus /(Deficit)	-	(2,155,084,456)	-	-	-	-	-	41,517,896		-	-	(2,113,566,560)
Balance as at 31st December 2025	**50,000,000**	**(93,328,021,802)**	**91,882,835**	**648,817,048**	**1,616,228,942**	**44,799,953**	**706,503,600**	**255,524,821**	**46,639,435**	**1,081,488,000**	**88,404,556**	**(88,697,732,611)**

Unaudited Financial Statements 2025

STATEMENT OF CHANGES IN EQUITY
AGRICULTURE INSURANCE SCHEME

Description	Initial Capital Contributed by the Treasury Rs.	Accumulated Surplus/ (Deficit) Rs.	Govt. Grant for Capital Rs.	AAIB Reserve Fund Rs.	Farmer's Death Gratuity Fund Rs.	Staff Medical Insurance Fund Rs.	Kethata Aruna Compulsory Insurance Fund	Revaluation Reserve Rs.	Product Promotion and Incentive Fund Rs.	Government Grant on Treasury Bond Rs.	Capital Grant-GIZ Rs.	Total Rs.
Balance as at 01st January 2024	**50,000,000**	**3,237,653,337**	**17,330,189**	**498,536,253**	**1,391,994,627**	**27,313,478**	**706,503,600**	**165,680,347**	**30,686,023**	**-**	**65,792,100**	**6,191,489,954**
Addition during the year:	-		9,150,000	89,988,138	15,977,820	5,221,150	-	40,526,578	18,056,415	-	22,612,456	201,532,557
Interest Income	-				84,137,602	5,876,906	-	-	-	-	-	90,014,507
Amortization Gov. Grant	-	-	(15,825,905)	-	-	-	-	-	-	-	-	(15,825,905)
Prior Year Adjustment	-	7,600,000	-	-	-	-	-	-	-	-	-	7,600,000
Benefit paid	-	-	-	-	(1,760,000)	(2,137,293)	-	-	(10,380,974)	-	-	(14,278,267)
Net Surplus /(Deficit)	-	1,233,790,503	-	-	-			-	-	-	-	1,233,790,503
Balance as at 31st December 2024	**50,000,000**	**4,479,043,840**	**10,654,285**	**588,524,391**	**1,490,350,049**	**36,274,240**	**706,503,600**	**206,206,925**	**38,361,464**	**-**	**88,404,556**	**7,694,323,350**
Addition during the year:	-	-	106,343,000	60,292,658	15,402,540	5,293,350	-	40,270,396	18,553,661	-	-	246,155,605
Prior Year Adjustment	-	9,150,939	-	-	-	-	-	-	-	-	-	9,150,939
Interest Income	-	-	-	-	73,123,259	5,880,500	-	-	-	-	-	79,003,758
Amortization Gov. Grant Farmers Pension	-	-	(25,114,449)	-	-	-	-	-	-	-	-	(25,114,449)
Benefit paid	-	-	-	-	(957,000)	(2,648,137)	-	-	(10,275,690)	-	-	(13,880,827)
Net Surplus /(Deficit)	-	645,548,024	-	-	-	-	-	-	-	-	-	645,548,024
Balance as at 31st December 2025	**50,000,000**	**5,133,742,803**	**91,882,835**	**648,817,048**	**1,577,918,847**	**44,799,953**	**706,503,600**	**246,477,321**	**46,639,435**	**-**	**88,404,556**	**8,635,186,399**

AGRICULTURAL & AGRARIAN INSURANCE BOARD

CASH FLOW STATEMENT

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating Activities				
Net Surplus / (Deficit) before tax	(1,906,545,590)	(3,182,185,218)	852,627,726	1,463,064,574
Adjustment for				
Depreciation	59,526,861	43,690,621	56,524,610	41,644,775
Amortization of Government Grant	(25,114,449)	(15,825,905)	(25,114,449)	(15,825,905)
Increase of Pension Liability	2,923,835,138	4,691,231,548	-	-
Accrued /Provision for Indemnity	97,098,343	151,252,512	97,098,343	151,252,512
Administration Expenditure paid by AIB	-	-	(255,944,923)	(241,024,034)
Government Grant for Recurent Expenditure	-	-	280,870,000	249,630,000
Staff Incentive & Promotion Fund	18,553,661	18,056,415	18,553,661	18,056,415
Death Gratuity Premium	17,150,820	17,721,420	-	-
Interest Expenses	42,831,809	46,482,878		
	3,133,882,183	**4,952,609,491**	**171,987,241**	**203,733,764**
Profit / loss on disposal of Property, Plant & Equip.	(330,084)	(49,715)	(318,197)	(49,715)
Provision for Retiring Gratuity	18,022,668	10,187,207	10,135,162	5,324,589
Operating Surplus before working capital changes	**1,245,029,177**	**1,780,561,765**	**1,034,431,933**	**1,672,073,211**
(Increase)/ Decrease in Inventories	(3,466,486)	3,342,609	(3,016,157)	6,371,563
(Increase)/ Decrease in Receivables	(41,572,710)	313,546,506	17,899,642	337,624,005
(Increase)/ Decrease Receivable Premium	668,279	(538,790)	256,897	(439,056)
(Increase)/ Decrease in Deposits & Prepayments	7,993,108	6,654,082	7,993,108	6,654,082
(Increase)/ Decrease in Advances	19,094,167	(29,112,437)	19,094,167	(29,112,437)
Increase /(Decrease) Provision For Indemnity	(146,862,381)	(919,404,690)	(146,862,381)	(919,404,690)
Increase /(Decrease) Provision For Printing	(189,730)	(76,888)	-	100,000
Increase /(Decrease) Pre-premium advance	(43,037,484)	478,203	(43,037,484)	478,203
Increase /(Decrease) Other Payables	668,675,880	612,168,072	(27,281,353)	(37,623,517)
Increase /(Decrease) Accrued expenses	(2,991,542)	(1,039,688)	(2,629,653)	(2,915,524)
	458,311,101	**(13,983,020)**	**(177,583,213)**	**(638,267,370)**
Cash Generated from Operations	**1,703,340,278**	**1,766,578,745**	**856,848,719**	**1,033,805,841**
Income Tax Paid	(129,699,872)	(347,270,504)	(129,699,872)	(347,270,504)
Retiring Gratuity - Paid	(13,603,460)	(7,152,010)	(13,603,460)	(7,152,010)
Net Cash Flows from Operating Activities	**1,560,036,946**	**1,412,156,230**	**713,545,387**	**679,383,327**
Cash Flows from Investing Activities				
Medical Fund	8,525,713	8,960,763	8,525,713	8,960,763
Farmer's Death Gratuity Fund	29,162,449	35,685,723	30,291,449	37,654,723
Staff Incentive & Promotion Fund	(10,275,690)	(10,380,974)	(10,275,690)	(10,380,974)
Investments during the year	(1,807,736,172)	(1,541,699,169)	(724,194,123)	(685,409,788)
Purchases of Property, Plant & Equipment	(33,337,135)	(52,761,756)	(33,310,436)	(47,270,065)
Proceeds from sale of Property, Plant & Equipment	361,753	50,620	361,753	50,620
Net Cash Flows from Investing Activities	**(1,813,299,082)**	**(1,560,144,792)**	**(728,601,333)**	**(696,394,720)**
Cash Flows from Financing Activities				
Grant for Capital expenditure	-	22,612,456	-	22,612,456
New Pension Scheme Fund	114,461,625	54,818,394	-	-
Old Pension Scheme Fund	125,341,700	88,748,492	-	-
Net Cash Flows from Financing Activities	**239,803,325**	**166,179,342**	**-**	**22,612,456**
Net Increase / (Decrease) in Cash & Cash Equivalents	**(13,458,811)**	**18,190,780**	**(15,055,946)**	**5,601,062**
Cash & cash equivalents at the beginning of the year	**56,711,052**	**38,520,272**	**37,965,764**	**32,364,702**
Cash & cash equivalents at the end of the year	**43,252,241**	**56,711,052**	**22,909,818**	**37,965,764**

Unaudited Financial Statements 2025

Agricultural and Agrarian Insurance Board

Significant Accounting Policies

For the Year Ended 31st December 2025

1. Corporate Information

1.1 Reporting Entity

Agricultural and Agrarian Insurance Board of Sri Lanka (hereafter referred to as the 'Board') was incorporated by Act No.20 of 1999.The registered office of the Board is situated at No.117, Subadhararama Road, Gangodawila, Nugegoda and the principal place of business is located at this address. Further, all powers and duties conferred or imposed on the Agricultural Insurance Board established by the relevant law, as well as those outlined in the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987, and the Fisherman's Pension and Social Security Benefit Scheme Act, No. 23 of 1990, shall, with effect from the appointed date, be deemed to be powers and duties conferred or imposed on the Board.

1.2 Parent Entity and Ultimate Parent Entity

The Board parent and ultimate parent entity is the Government of Sri Lanka

1.3 Principal Activities and Nature of Operations

The board is primarily engaged in the Agricultural Insurance including agricultural and horticultural crops, medical plants, livestock, fisheries and forestry, agricultural equipment and implements and the storage and preservation of agricultural & horticultural produce and the products of medicinal plants, fisheries and forest produce. Further the board is also engaging in providing medical benefits, operating social security schemes and fertilizer insurance scheme for agriculturists & Third-Party insurance for vehicle who owned by the agriculturists. There were no significant changes in the nature of the principal activities of the board during the financial year under review.

1.4 Responsibility for Financial Statements

The Board of Directors are Responsible for preparation and presentation of these Financial Statements.

Unaudited Financial Statements 2025

1.5 Number of Employees

The staff strength of the Board as at 31st December 2025 was 352

1.6 Approval of financial statements by the Board of Directors

The financial statements of the Board for the year ended 31st December 2025 were approved and authorized for issuance on 26th February 2026

2. Basis of Preparation and Significant Accounting Policies

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Financial Statements for the year ended 31st December 2025 comprise the following components.

- A Statement of Financial Position providing the information on the financial position of the Board as at 31st December 2025. [Page 01]
- A Statement of Comprehensive Income Providing the information on the financial performance of the Board for the year under review. [Page 02]
- Statement of Changes in Equity depicting all changes in equity. [Page 03]
- Statement of Cash Flows providing the information to the users, on the ability of the Board to generate cash and cash equivalents and utilization of those cash flows [Page 04]
- Notes to the Financial Statements comprising accounting policies and other explanatory information. [Page 05-29]

Unaudited Financial Statements 2025

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes.

2.3 Presentation of Financial Statements

The Board presents its statement of financial position broadly in order that reflects their relative liquidity. No adjustments have been made for inflationary factors affecting the Financial Statements.

2.4 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees, which is the functional and presentation currency of the board. All financial information presented in Sri Lankan Rupees has been rounded to the nearest Rupee, except when otherwise indicated.

2.5 Materiality and Aggregation

Each material class of similar items is presented separately. Items of a dissimilar nature or function are also presented separately unless they are immaterial.

2.6 Reporting Period

The reporting period is from January to December 2025. Where applicable, the accounting policies are explained in the in the succeeding notes

2.7 Significant Accounting Judgements, Estimates and Assumption

The preparation and presentation of financial statements in conformity with SLFRS/LKAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgments used.

Accounting Judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the notes to the financial statements.

2.7.1 Going Concern

The management has made an assessment of the board's ability to continue as a going concern and is satisfied as that the Board has the resources to continue in business for the foreseeable future. Therefore, the financial statements continue to be prepared on the going concern basis.

Unaudited Financial Statements 2025

2.7.2 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the financial statements of the current period and to improve the inter- period comparability.

When the presentation or classification of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current year in order to provide a better presentation.

2.7.3 Amortized cost of a Financial Assets

As per the SLFRS 9 the board is recognized the financial asset at amortized cost if both of the following conditions are met.

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in government securities and in fixed deposits have been classified under the method of Amortized cost of a Financial Assets.

Unaudited Financial Statements 2025

2.7.4 Fair value of financial instruments

The determination of fair values for financial assets and financial liabilities recorded on the statement of financial position, for which there is no observable market price, is carried out using a variety of valuation techniques, including the application of mathematical models. The inputs to these models are typically derived from observable market data when available. However, in the absence of such data, judgment is required to establish the fair values of these financial instruments.

2.7.5 Provision for Liabilities and Contingencies

The Board receives legal claims against it in the normal course of business. Management has made judgement as to the likelihood of any claim succeeding in making provisions. The time of concluding the legal claim is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions. The Board decided to

provide 15% of total legal claims for litigation provision for Third party legal claims. It is recognized weighted average rate of 15% from three consecutive year's income. Out of 15% rate proportionated 7%, 5%, 3% for current year income, previous year income and year after previous year respectively.

2.8 Impairment of Financial Assets

The board assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the assets carrying amount and the present value of estimated future cash flow.

3 Assets and the Basis of their Valuation

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

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

All items of property, plant and equipment are initially recorded at cost less accumulated depreciation and accumulated impairment losses. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. All other repair and maintenance costs are recognized in the income statement as incurred.

Fully depreciated assets with a total historical cost of Rs. 37,246,534.60 has been included in property plant and equipment in consolidated financial statements.

3.1.2 Cost

Measurement an item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

Unaudited Financial Statements 2025

Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or increase the earning capacity of the assets has been treated as capital expenditure.

Repairs and Maintenance are charged to the statement of profit and loss during the financial period in which they are incurred. Cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the board and the renovation, replaces and identifiable part of the asset.

3.1.3 Revaluation

After recognition as an asset, lands and buildings whose fair value can be measured reliably, have been carried at revalued amount at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Valuations are being performed to ensure that the fair value of a revalued asset does not materially differ from its carrying amount as at the reporting date.

Motor Vehicle revaluation is performed by professionally qualified external valuers using the open market value. The revaluation surplus is recognized on the net carrying value of the asset and is transferred to a revaluation reserve after restating the asset at the revalued amount. On revaluation of motor vehicle, any increase in the revaluation amount is credited to the revaluation reserve in equity unless it off sets a previous decrease in value of the same asset that was recognized in the Statement of profit or loss. A decrease in value is recognized in the Statement of profit or loss where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Unaudited Financial Statements 2025

3.1.4 Depreciation

Depreciation is charged to the statement of comprehensive income on the straight-line method at the following rates per annum in order to write off the cost of such assets over their estimated useful lives. Depreciation charge begins when an asset is available for use.

Building	4%
Motor Vehicle	20%
Furniture & Fitting	10%
Office Equipment	10%

Publicity Equipment	10%
Loss Preventive Equipment	10%
Crop Cutting Equipment	10%
Bicycles	20%
Survey Equipment	10%
Weighing Scale	10%
Welfare Equipment	10%
Telephone	20%
Computer	20%
Motor Bicycles	20%

3.2 Intangible Assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38 – Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization and any accumulated impairment loss.

The Board intangible asset include the value of acquired computer software. Computer software is amortized over a period of 5 years on the straight-line method.

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

3.4 Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Board determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Unaudited Financial Statements 2025

The Board initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Board becomes a party to the contractual provisions of the instrument.

The Board derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset is transferred. Any interest in transferred financial assets that is created or retained by the Board is recognized as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position only when the Board has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The financial assets of the Board include cash and short-term investments and trade and other receivables.

Unaudited Financial Statements 2025

3.4.1 Financial Assets at Fair Value through Profits or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets measured at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recognized as finance income or finance expense in the statement of comprehensive income.

3.4.2 Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs.

Loans and receivables comprise trade receivables, employee loans, deposits, advances, other receivables and cash and cash equivalents.

3.4.3 Amortized cost of a Financial Assets

As per the SLFRS 9 the board is recognized the financial asset at amortized cost if both of the following conditions are met.

(c) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(d) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in government securities and in fixed deposits have been classified under the method of Amortized cost of a Financial Assets.

3.4.4 Available-for-Sale Financial Investment

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented in the fair value reserved in funds and reserves. Interest income on available-for-sale debt securities is calculated using the effective interest rate method (EIR) and is recognized in profit or loss. When an investment is derecognized, the gain or loss accumulated in funds and reserves reclassified to profit or loss.

The board has not designated any financial asset upon initial recognition as available-for sale investment.

3.4.5 Impairment of Financial Assets

The board assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the assets carrying amount and the present value of estimated future cash flow.

Unaudited Financial Statements 2025

4. Liabilities and Provisions

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Board has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.1 Provision for Claims

Liability for outstanding claims is recognized based on the risk factors of crop and insured subject matter. Following table shows the indemnity provision made for the financial year 2025

Insured Subject	**Provision for Indemnity (Rs.)**
Kethata Aruna	83,848,178
Livestock	5,900,000
Suwasetha Insurance	50,000
Personal Accidents	100,000
Subsidiary Crops	4,520,400
Moveable Property	52,135,059
	146,553,637

Unaudited Financial Statements 2025

4.2 Provision for third party Insurance indemnity

Management has made judgement as to the likelihood of any claim succeeding in making provisions. The time of concluding the legal claim is uncertain, as is the amount of possible outflow of economic benefits. Timing and cost ultimately depend on the due process in respective legal jurisdictions. The Board decided to provide 15% of total legal claims for litigation provision for Third party legal claims. It is recognized weighted average rate of 15% from three consecutive year's income. Out of 15% rate proportionated 7%, 5%, 3% for current year income, previous year income and year after previous year respectively.

4.3 Provision for Doubtful Debts

5% provisions have been made from the total staff loan as the Provision for Doubtful Debts.

4.4 Income Tax Payable

The income tax expense for the year ended 31 December 2025 has been recognized in the Statement of Comprehensive Income. For the Year of Assessment 2025/2026, the Board has incurred a total income tax liability of **Rs. 121,339,946.45** As at 31 December 2025, a sum of **Rs. 59,742,668.69** has been paid in respect of the first two quarters, and a provision of **Rs. 51,635,435.80** has been made in the financial statements for the remaining two quarters.

Business Income	
Investment Income	1,090,126,559.12
Diversion of income by overriding the title	- 114,400,000.00
Expenses connected with Investment Income	- 109,012,655.91
Total Assessable Income	**866,713,903.21**
Computation of Tax Liability	
Tax Rate	14%
Total Tax payable for the Year of Assesment 2025/2026	**121,339,946.45**

Unaudited Financial Statements 2025

4.5 Retirement Benefits

A Provision has been made for retiring gratuities from the completion of the first year of service for all permanent employees in conformity with Sri Lanka Accounting Standard 19 (LKAS 19) Retirement Benefits costs. However, according to the Payment of Gratuity Act No.12 of 1983 the liability to an employee arises only on completion of five years of continued service. The liability is not externally funded.

4.6 Capital Commitments and Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitments and contingent liabilities of the Board are disclosed in the respective notes to the financial statements.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Board has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

4.7 Pension Liability

As stated in paragraph 15 of Sri Lanka Accounting Standard SLFRS 4, Insurance contracts, an insurer shall assess at the end of each reporting period whether its recognized insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities (less related deferred acquisition costs and related intangible assets) is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognized in profit or loss.

The pension liability has been increased by considering the changes in the market interest rates and a deficiency has been recognized in other comprehensive income in the statement of profit and loss and other comprehensive income to the financial statements.

Therefore, recognizing the said increase in pension liability for the farmers and fishermen under other comprehensive is in compliance with the requirement of the above standard.

Unaudited Financial Statements 2025

5. Statement of Comprehensive Income

5.1 Revenue

1. The revenue of the board represents the income from insurance premium, interest income from treasury bills and fixed deposit, loans of employees, and other miscellaneous income.
2. All income has been recognized on accrual basis.
3. Insurance Premium have been received from the Government as subsidy on behalf of the farmers.
4. Government Grants received for capital expenditure has been recognized as income on systematic basis.

5.2 Revenue Recognition

1. Insurance premium revenue has been recognized based on the time of insured.
2. The above revenue is on accrual basis & matched with related expenditure.
3. Interest income is accrued on time basis.

5.3 Receivable Premium

Pursuant to the budget proposals and decisions of the Cabinet of Ministers, the Board has conducted its accounting operations commencing from the fiscal year 2018, with funding allocations duly provided by the Treasury. However, subsequent to the fiscal years of 2018 and 2019, the allocation of funds based on the premium amount calculated with respect to cultivated acreage, as accounted for by the Board, ceased to be included within the annual budget allocations.

5.4 Accounting for Government Grants

Grants that compensate the Board for expenses incurred are recognized as revenue in the statement of comprehensive income in the same period in which the expenses are recognized. Grants that compensate the Board for the cost of an asset are recognized in the statement of comprehensive income on a systematic basis over the useful life of the related asset.

The government provides annual grants for the compulsory insurance scheme to cover indemnity payments. Under this scheme, farmers receive compensation of Rs. 40,000 per acre for damages caused by natural disasters such as floods, droughts, and wild elephant attacks. The insurance coverage extends up to a maximum of 5 acres for paddy cultivation and up to 2.5 acres for other crops, including soybeans, chili, onions, maize, and potatoes.

Furthermore, the government provides an initiative grant for the Farmers' Pension, aimed at ensuring financial security for farmers during their retirement years. This grant offers a fixed monthly income to eligible farmers once they reach the age of 60.

Unaudited Financial Statements 2025

5.5 Expenditure

Expenses are recognized in the statement of comprehensive income on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the board and in maintaining the capital assets in a state of efficiency has been charged against revenue in arriving at the surplus for the year.

The indirect expenses of the board apportioned on the following rates by the board paper No: 401/4 - 2008.10.15.

Expenditure	Rates
Salaries, EPF, ETF, Gratuity	50%
Medical Expenses	50%
Consultancy Fees	60%
Welfare	50%
Uniform	50%
Entertainment	60%
Printing	60%
Legal Fees	40%
Allowances to B/Members	60%
Rent	55%
Telephone	55%
Postage	40%
Electricity	55%
Travelling, Over Time	50%
Water Bill	55%
Daily Pay	50%
Security	75%
Maintenance Office Equipment	75%
Maintenance of Motor Vehicles	57%
Computer Expenses	75%
Fuel Expenses	68%
Stationery	50%
Main. Building	55%
Publicity & Training	80%

Unaudited Financial Statements 2025

5.6 Surplus

The surplus will be computed after making provisions for all the liabilities, bad and doubtful debts and depreciation for property, plant and equipment.

5.7 Reserve Fund

A contingency reserved fund was created year in the 2002 & the policy is to provide 5% from the operational surplus.

5.8 Pre-Premium

Insurance premium receipts for livestock and compulsory insurance have been treated as pre-premium, if received in advance.

6. Statement of Cash Flows

The cash flow statement of the scheme has been presented using the indirect method, in accordance with the LKAS 7.

7. Events After the Reporting Date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorized for issue. All material events after the reporting date have been considered and where appropriate, adjustments or disclosures have been made in the respective Notes to the Financial Statements.

8. Related Party Transactions

Famers Pension Scheme and the Fisheries Pension Scheme are considered as related parties of Agricultural Insurance Scheme. The transactions carried out with these related parties are been disclosed based on fair value. Agricultural Insurance Scheme has granted a loan amounting to Rs. 295,230,441.79 to Farmers Pension Scheme.

9. Prior Year Adjustments

9.1 Provision for Suwasetha Insurance & Personal Accidents Indemnity payments

The Board has allocated a provision of Rs.1,500,000 for Suwasetha & Personal accident Insurance indemnity payments from prior years, has been adjusted the over-provision of Rs.499,400 and 799,400 respectively in the 2025 financial statements.

9.2 Provision for Payable Incentive

The Board had previously recognized a provision for the incentive payable in respect of following insurance schemes relating to prior years. The excess provision identified has been duly adjusted in the financial statements for the year ended 31 December 2025.

Unaudited Financial Statements 2025

Description	Adjusted Over Provision
Payable Crop Insurance Incentive	683,8342.20
Payable Livestock Operational Expenditure	98,400
Payable Personal Accident & Suwasetha Incentive	457,559.55
Payable Livestock Incentive	457,837.45
Total	**7,852,139.20**

10. Actuaries Valuation for Liability valuation of Farmer's and Fisherman's Pension Schemes and other services.

The Board has engaged Actuarial Valuer in accordance with the Guidelines on the Selection and Employment of Consultants issued under the Consultancy Procurement Guidelines. Until the completion of the most recent actuarial valuation, liability adjustments have been made based on the actuarial valuation carried out in 2007.The current actuarial valuation done in 2025 covers the following schemes and activities:

1. Old Farmers' Pension Scheme
2. New Farmers' Pension Scheme
3. Fishermen's Pension Scheme
4. Premium calculation for the New Farmers' Pension Plan

The results of the latest actuarial valuation have been incorporated into the financial statements for the year ended 31 December 2025. The consultancy ensured an accurate assessment of liabilities under the aforementioned pension schemes, evaluated the fund balances, calculated death and disability liabilities, and recommended appropriate discount and interest rates. The Net Premiums are calculated actuarially, based on 9% interest.

Unaudited Financial Statements 2025

11. Contingencies

One Hundred Twenty-six cases have been examined and the current status of the cases are disclosed in the following table. Six cases were settled based on the Decision of the Risk Committee negotiate with petitioner in 2025 paid Rs.1,500,000/-. Two cases were settled based on the Decision of the Risk Committee (Compensation via the Alternative Method for Third-Party Victims of Motor Vehicle Accidents) in 2025 paid Rs 1,000,000/-

Final Report 2025 – Cases filed by and against the AAIB

Court	No of Case	Parties	Cause of Action	Current Situation
Worker's Compensation Court -A'pura	01 WC/NF/1149/2019 (ANU)	M.M. Senavirathne Banda VS AAIB	Action file against the board claiming insurance money for accident that occurred during office hours	The case is being heard
High court Anuradhapura	02 HC/233 & HC/234	Police VS Sandagomi Maheshika	1. Fraud of money which need to be given to farmers 2. forgery	The case is being heard
Magistrate court Anuradhapura	01 B/2171/2002	Police VS Mr. K. A. Heenbandara	Fraud of money which need to be received to the board	Keep down the case since 2005
Colombo High Court	01 3/8/2 මෝ.ඇ / 2006	Police VS AAIB	Mavil Aru cultivation compensation	Case referred to attorney General's Department for further instruction
District Courts (Island wide)	121 cases	3rd party Damage claimers Vs AAIB	Damages claim under 3rd party insurance	The cases are being heard

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD
NOTES TO THE ACCOUNTS

NOTE 1 - NON CURRENT ASSETS
PROPERTY, PLANT & EQUIPMENT
GROUP

Rs.

ASSETS	Cost/Valuation as at 01.01.2025	Disposal	Cost Addition	Revaluation Assets 31-12-2025	Transfers to revaluation reserve	Cost/Valuation as at 31.12.2025	Accum.Dep as at 01.01.2025	Disposal	Accumulated depreciation transfers to revaluation reserve	Depreciation for the year	Accum.Dep as at 31.12.2025	W.D.V as at 31.12.2025
Land	-	-	106,343,000	-	-	106,343,000	-	-	-	-	-	106,343,000
Furniture & Fittings	27,396,547	(658,741)	1,686,267	-	-	28,424,074	14,100,496	(648,915)	-	2,012,445	15,464,026	12,960,048
Office Equipment	30,527,670	(737,664)	6,865,740	-	-	36,655,746	13,197,451	(731,497)	-	2,692,861	15,158,815	21,496,931
Motor Vehicle	164,082,300	-	8,900,000	(172,982,300)	178,335,000	178,335,000	8,124,750	-	(30,415,607)	34,179,857	11,889,000	166,446,000
Welfare Equipment	2,317,857	(87,075)	107,399	-	-	2,338,181	764,530	(74,578)	-	190,163	880,115	1,458,066
Computer Equipment	130,437,129	(4,309,371)	131,814	-	-	126,259,572	62,315,561	(4,306,192)	-	18,157,411	76,166,779	50,092,792
Computer Software	1,475,000	-	-	-	-	1,475,000	1,475,000	-	-	-	1,475,000	-
Telephone	1,510,808	-	-	-	-	1,510,808	1,510,808	-	-	-	1,510,808	-
Motor Bicycle	56,350	89,950	-	-	-	146,300	56,350	89,950	-	-	146,300	-
Building	10,828,779	-	41,725,299	(8,629,015)	12,766,000	56,691,063	6,279,073	-	(1,395,405)	1,941,794	6,825,462	49,865,600
Air Conditioners	1,051,273	-	-	-	-	1,051,273	993,925	-	-	43,011	1,036,936	14,337
Publicity Equipment	3,105,817	(105,199)	-	-	-	3,000,618	2,508,962	(105,199)	-	92,120	2,495,883	504,735
Bicycle	135,414	(3,950)	-	-	-	131,464	135,414	(3,950)	-	-	131,464	-
Crop Cutting Equipment	60,371	(250)	-	-	-	60,121	60,371	(250)	-	-	60,121	-
Loss Preventive Equip:	41,280	-	-	-	-	41,280	41,280	-	-	-	41,280	-
Survey Equipment	4,099	(1,800)	-	-	-	2,299	4,099	(1,800)	-	-	2,299	-
Weighing Scale	1,036	(700)	-	-	-	336	1,036	(700)	-	-	336	-
Norad Equipment	344,424	-	-	-	-	344,424	344,424	-	-	-	344,424	-
Work In Progress-Buildings	34,494,099	-	(27,840,771)	-	-	6,653,328	-	-	-	-	-	6,653,328
	407,870,252.36	**(5,814,800.08)**	**137,918,747.71**	**(181,611,315.24)**	**191,100,999.99**	**549,463,884.78**	**111,913,528.19**	**(5,783,130.70)**	**(31,811,011.38)**	**59,309,661.26**	**133,629,047.40**	**415,834,837.37**

Note :Property, plant & equipment includes fully depreciated assets that are still in use having a gross amount of Rs.63,166,209.37 as at 31st December 2025

PROPERTY, PLANT & EQUIPMENT
AGRICULTURE INSURANCE SCHEME

ASSETS	Cost/Valuation as at 01.01.2025	Disposal	Cost Addition	Revaluation Assets 31-12-2025	Transfers to revaluation reserve	Cost/Valuation as at 31.12.2025	Accum.Dep as at 01.01.2025	Disposal	Accumulated depreciation transfers to revaluation reserve	Depreciation for the year	Accum.Dep as at 31.12.2025	W.D.V as at 31.12.2025
Land	-	-	106,343,000	-	-	106,343,000	-	-	-	-	-	106,343,000
Furniture & Fittings	25,933,574	(632,585)	1,686,267	-	-	26,987,256	12,825,604	(622,759)	-	1,941,854	14,144,699	12,842,558
Office Equipment	28,744,435	(687,624)	6,865,740	-	-	34,922,551	11,514,934	(681,457)	-	2,666,527	13,500,005	21,422,547
Motor Vehicle	159,732,300	-	8,900,000	(168,632,300)	173,535,000	173,535,000	7,907,250	-	(29,835,607)	33,497,357	11,569,000	161,966,000
Welfare Equipment	2,282,706	(82,375)	80,700	-	-	2,281,031	745,578	(69,878)	-	188,133	863,833	1,417,198
Computer Equipment	99,256,606	(3,508,206)	131,814	-	-	95,880,213	38,751,685	(3,505,028)	-	16,197,125	51,443,782	44,436,431
Telephone	1,510,808	-	-	-	-	1,510,808	1,510,808	-	-	-	1,510,808	-
Motor Bicycle	56,350	89,950	-	-	-	146,300	56,350	89,950	-	-	146,300	-
Building	10,828,779	-	41,725,299	(8,629,015)	12,766,000	56,691,063	6,279,073	-	(1,395,405)	1,941,794	6,825,462	49,865,600
Publicity Equipment	2,682,980	(105,199)	-	-	-	2,577,781	2,086,125	(105,199)	-	92,120	2,073,046	504,735
Bicycle	135,414	(3,950)	-	-	-	131,464	135,414	(3,950)	-	-	131,464	-
Crop Cutting Equipment	60,371	(250)	-	-	-	60,121	60,371	(250)	-	-	60,121	-
Loss Preventive Equip:	41,280	-	-	-	-	41,280	41,280	-	-	-	41,280	-
Survey Equipment	4,099	(1,800)	-	-	-	2,299	4,099	(1,800)	-	-	2,299	-
Weighing Scale	1,036	(700)	-	-	-	336	1,036	(700)	-	-	336	-
Norad Equipment	344,424	-	-	-	-	344,424	344,424	-	-	-	344,424	-
Work In Progress-Buildings	34,494,099		(27,840,771)	-	-	6,653,328		-	-		-	6,653,328
	366,109,261	**(4,932,740)**	**137,892,049**	**(177,261,315)**	**186,301,000**	**508,108,255**	**82,264,030**	**(4,901,071)**	**(31,231,011)**	**56,524,910**	**102,656,858**	**405,451,396**

Note -
Property, plant & equipment includes fully depreciated assets that are still in use having a gross amount of Rs. 37,246,534.60 as at 31st December 2025

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

		AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		Rs.	Rs.	Rs.	Rs.
NOTE 2 - CURRENT ASSETS					
Note 2.1 - Stock					
Printing Materials		26,608,022	25,358,463	18,028,161	17,236,720
Stationary		12,053,994	9,837,067	11,887,911	9,663,195
		38,662,016	**35,195,530**	**29,916,072**	**26,899,915**
Note 2.2 - Receivables					
Staff Loans & Advance		61,087,716	42,049,874	61,087,716	42,049,874
Motor cycle loan		379,408	146,791	379,408	146,791
Salary Receivables		171,011	171,011	171,011	171,011
Staff Special Loan - 2004		4,800	4,800	4,800	4,800
Sundry Debtors		762,278	774,462	75,299	87,483
Receivables from C. W. E		256,520	256,520	256,520	256,520
Motor cycle Expenses (Staff) -		2,567	2,567	2,567	2,567
Amount Due From Related Party	***2.2.1***	-	-	976,894,064	943,312,248
Provision for bad debtors		(2,887,848)	(1,999,744)	(2,887,848)	(1,999,744)
Death Gratuity		5,000	5,000	-	-
Receivable from Postal Department		131,655,231	99,330,987	-	-
With Holding Tax-WHT		-	9,121,703	-	9,121,703
		191,436,682	**149,863,972**	**1,035,983,536**	**993,153,254**
Note 2.2.1 Amount Due From Related Parties					
Life insurance premium Receivable		-	-	323,093,177	308,647,637
Current Account (Admin)		-	-	78,469,779	74,051,579
Farmers Pension Scheme (Capital)		-	-	5,884,331	7,944,528
Farmers Pension Advance		-	-	569,446,776	552,668,504
		-	**-**	**976,894,064**	**943,312,248**
Note 2.3 Receivable Premium					
Livestock		-	105,254	-	105,254
Movable Property		553,893	705,535	553,893	705,535
Farmers Contribution for Pension		631,497	1,016,180	-	-
		1,185,390	**1,826,970**	**553,893**	**810,790**
NOTE 2.4 - Deposits & Pre Payment					
Deposit - (Fuel)		250,000	150,000	250,000	150,000
Deposit - (Transport)		5,000	5,000	5,000	5,000
Insurance		908,202	1,220,869	908,202	1,220,869
Rent		6,475,332	8,086,546	6,475,332	8,086,546
Cloud Server		8,251,303	14,420,529	8,251,303	14,420,529
		15,889,836	**23,882,944**	**15,889,836**	**23,882,944**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Rs.	Rs.	Rs.	Rs.
Note 2.5 - Advances				
Traveling Advance	7,970	7,970	7,970	7,970
Fuel Advance	69,196	69,645	69,196	69,645
Salary Advance	50,261	50,261	50,261	50,261
Miscellaneous Advance	-	9,108,783	-	9,108,783
Capital Advance	10,557,581	20,545,125	10,557,581	20,545,125
District Admin.acct	2,608	-	2,608	-
	10,687,617	**29,781,785**	**10,687,617**	**29,781,785**
Note 2.6 - Financial Instruments Held to Maturity				
Treasury Bills & Repo	1,991,660,570	3,330,753,063	1,185,812,406	2,549,650,271
Fixed Deposit-Peoples Bank	1,313,698,706	1,065,675,398	459,574,993	525,646,203
Fixed Deposit-Bank Of Ceylon	2,477,756,212	271,740,254	2,134,042,631	265,574,832
Fixed Deposit-Regional Development Bank	152,314,828	127,065,696	152,314,828	127,065,696
	5,935,430,315	**4,795,234,411**	**3,931,744,859**	**3,467,937,002**
Note 2.7 - Cash and Cash Equivalents				
Bank Of Ceylon A/C -164811	352,976	428,566	352,976	428,566
Bank Of Ceylon A/C -164667	2,972,813	2,583,191	2,972,813	2,583,191
Bank Of Ceylon A/C -164693	1,028,489	763,270	1,028,489	763,270
Bank Of Ceylon A/C -1622	2,651,478	4,263,949	2,651,478	4,263,949
Bank Of Ceylon A/C -1616	383,291	236,252	383,291	236,252
Bank Of Ceylon A/C -8600879	508,309	789,827	508,309	789,827
Bank Of Ceylon A/C -8600818	118,554	324,617	118,554	324,617
Bank Of Ceylon A/C -164790	861,984	190,525	-	-
Bank Of Ceylon A/C -164795	1,355,328	711,056	-	-
Bank Of Ceylon A/C -91071672	372,845	24,000		
Peoples Bank A/C -335100280112349	76,896	47,945		
Bank Of Ceylon A/C -8403704	1,147,051	29,346	-	-
Bank Of Ceylon A/C -87144457	140,697	32,100	-	-
Bank Of Ceylon A/C -87649201	1,632,232	520,062	-	-
Peoples Bank A/C -112352	675,509	1,215,643	675,509	1,215,643
Peoples Bank A/C -112343	643,602	651,184	643,602	651,184
Peoples Bank A/C -100440112349	428,399	851,721	-	-
Peoples Bank A/C -100260112349	226,106	92,770	226,106	92,770
Peoples Bank A/C -100350112349	25,894	464,110	25,894	464,110
Peoples Bank A/C -100170112349	1,801,837	1,446,646	1,801,837	1,446,646
Peoples Bank A/C -335100190008791	1,955,656	11,863,696	1,955,656	11,863,696
Peoples Bank A/C -335100280008791	2,075,443	3,752,015	2,075,443	3,752,015
Peoples Bank A/C -100530112349	163,158	163,258	163,158	163,258
Peoples Bank A/C -335100190112349	415,577	2,285,396	415,577	2,285,396
Peoples Bank A/C -100180112344	1,588,174	849,025	-	-
Peoples Bank A/C -100150112345	694,942	552,175	-	-
Peoples Bank A/C -100110112347	11,072,811	12,860,045	-	-
Peoples Bank A/C -100130112351	710,584	1,327,251	-	-
Peoples Bank A/C -100370008791	138,827	635,597	-	-
Regional Development Bank A/C- 134010103277	6,451,127	6,206,375	6,451,127	6,206,375
Collection Accounts	581,653	549,438	460,000	435,000
	43,252,240	**56,711,051**	**22,909,818**	**37,965,764**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	Rs.	**Rs.**	**Rs.**	**Rs.**
NOTE 3 - A.A.I.B. ACCUMULATED SURPLUS				
Balance as at 01 January	(93,318,413,051)	(90,041,219,155)	4,479,043,840	3,237,653,337
Prior Year Adjustment	1,905,672,380	7,600,000	9,150,939	7,600,000
Adjusted Balance	**(91,412,740,671)**	**(90,033,619,155)**	**4,488,194,780**	**3,245,253,337**
Add:				
New Pension Scheme	114,461,625	54,818,394	-	-
Old Pension Scheme	125,341,700	88,748,492		
Surplus(Deficit) for the year	(2,155,084,456)	(3,428,360,782)	645,548,023	1,233,790,503
Balance as at 31 December	**(93,328,021,802)**	**(93,318,413,051)**	**5,133,742,803**	**4,479,043,840**

NOTE 4 - GOVERNMENT GRANT - CAPITAL				
Govt. Grant For Capital				
Balance as at 01 January	10,654,285	17,330,189	10,654,285	17,330,189
Add:				
Grant for the year-Other	106,343,000	9,150,000	106,343,000	9,150,000
Less:				
Amortizations Gov. Grant	(25,114,449)	(15,825,905)	(25,114,449)	(15,825,905)
Balance as at 31 December	**91,882,835**	**10,654,285**	**91,882,835**	**10,654,285**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	**31.12.2024**	**31.12.2025**	**31.12.2024**
	Rs.	**Rs.**	**Rs.**	**Rs.**
NOTE 5 - A.A.I.B. RESERVE FUND				
Balance as at 01 January	588,524,391	498,536,253	588,524,391	498,536,253
Add:				
Provision for the year	60,292,658	89,988,138	60,292,658	89,988,138
Balance as at 31 December	**648,817,048**	**588,524,391**	**648,817,048**	**588,524,391**

NOTE 6 - FARMERS DEATH GRATUITY FUND				
Balance as at 01 January	1,527,083,863	1,427,193,842	1,490,350,049	1,391,994,627
Add :				
Death Gratuity Premium	17,150,820	17,721,420	15,402,540	15,977,820
Interest Income	73,123,259	84,137,602	73,123,259	84,137,602
	90,274,079	101,859,022	88,525,799	100,115,422
Less :				
Death Gratuity Payment	1,129,000	1,957,000	957,000	1,748,000
Disablement Gratuity Payment	-	12,000	-	12,000
	1,129,000	1,969,000	957,000	1,760,000
Balance as at 31 December	**1,616,228,942**	**1,527,083,863**	**1,577,918,847**	**1,490,350,049**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE ACCOUNTS

		AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		Rs.	Rs.	Rs.	Rs.
NOTE 7 - CURRENT LIABILITIES					
Note 7.1 - Pre - Premium Receipts					
Livestock Insurance Premiums		3,259,387	2,121,678	3,259,387	2,121,678
Kethata Aruna Insurance Premiums		69,867,650	114,042,843	69,867,650	114,042,843
		73,127,038	**116,164,521**	**73,127,038**	**116,164,521**
Note 7.2 - Other Payables					
Provision for Employee Allowance		21,855,834	14,587,500	21,855,834	14,587,500
Value Added Tax-VAT		6,165,922	4,721,181	6,165,922	4,721,181
Income tax		51,635,435	79,078,905	51,635,434.81	79,078,905.18
Social Security Contribution leavy-SSCL		991,597	909,813	991,597	909,813
Unclaimed Indemnities		-	70,800,200	-	70,800,200
Amount Due to Related Party	**7.2.1**	-	-	-	-
Net Contribution & Interest		325,522	229,298	-	-
Death & Disable Gratuity		153,000	169,000	-	-
Pension Payment		3,005,577,106	2,351,056,557	-	-
General Treasury		70,800,200	-	70,800,200	-
Pension Commission		16,288,552	1,255,674	-	-
Agency Commission		1,581,191	1,580,823	796,250	1,332,500
Staff Security Deposit		142,300	142,300	-	-
Retention from Piece Rate employees		2,693,199	2,064,791	2,693,199	2,064,791
Actuaries Fees		850,000	-		
Payable to vendors		-	1,734,688	-	1,734,688
		3,179,059,858	**2,528,330,730**	**154,938,437**	**175,229,578**
Note 7.3 - Accrued Expenses					
Admin. Expenses	**7.3.1**	16,326,340	20,506,035	10,783,878	14,601,684
Incentive - Crop Insurance		11,129,500	8,881,128	11,129,500	8,881,128
Incentive - Movable Property		7,008,901	6,446,035	7,008,901	6,446,035
Personal Accident & Suwasetha		254,105	597,381	254,105	597,381
Operational Expenditure		664,340	1,944,148	664,340	1,944,148
		35,383,185	**38,374,728**	**29,840,723**	**32,470,377**
Note 7.4 - Provision For Indemnity					
Livestock		5,900,000	5,500,000	5,900,000	5,500,000
Suwasetha Insurance/ Personal Accidents		150,000	1,500,000	150,000	1,500,000
Movable Property		52,135,059	49,435,717	52,135,059	49,435,717
Subsidiary Crops		4,520,400	5,020,400	4,520,400	5,020,400
Kethata Aruna (Compulsory Crop Insurance)		83,848,178	136,160,359	83,848,178	136,160,359
		146,553,637	**197,616,476**	**146,553,637**	**197,616,476**

Unaudited Financial Statements 2025

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Rs.	Rs.	Rs.	Rs.
Note 7.3.1 - Accrued Admin Expenses				
Electricity	95,026	553,686	95,026	553,686
Security Charges	-	422,130	-	422,130
Rent	660,036	1,759,352	660,036	1,759,352
Maintenance of Motor Vehicles	600,620	805,622	600,620	805,622
Traveling & Subsistence	2,209,932	2,165,822	2,209,932	2,165,822
Salaries	4,097,299	3,094,319	4,097,299	3,094,319
E.P.F	339,929	299,925	339,929	299,925
E.T.F	67,986	59,985	67,986	59,985
Overtime	2,570	2,218	2,570	2,218
Publicity	116,717	92,940	116,717	92,940
Stationary	108,400	895,505	108,400	895,505
Telephone	456,490	941,733	456,490	941,733
Water Bill	14,851	23,965	14,851	23,965
Audit Fees	2,066,564	3,360,845	1,191,564	2,131,625
Fuel	286,284	324,100	286,284	324,100
Uniform	-	8,100	-	8,100
Welfare	12,300	6,465	12,300	6,465
Labour Charges	44,000	114,490	44,000	114,490
Payable Computer Expenses	17,450	15,950	6,000	4,500
Transport Expenses	35,824	14,925	35,824	14,925
Bank Charges	-	-	-	-
Payable Main Building	7,170	88,678	7,170	88,678
Payable Printing	-	537,651	-	472,851
Payable Postage	2,386,990	3,693,631	9,760	15,060
Sundry Creditors	2,441,652	1,083,180	162,870	162,870
Payable Office Equipment	6,000	37,900	6,000	37,900
Payable Entertainment	34,360	2,550	34,360	2,550
Payable Newspapers	-	9,100	-	9,100
Payable Legal fees	217,890	91,270	217,890	91,270
	16,326,340	**20,506,035**	**10,783,878**	**14,601,684**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE INCOME STATEMENT

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Rs.	Rs.	Rs.	Rs.
NOTE 8 - REVENUE				
Note 8.1 - Premium and Contribution				
Livestock	26,225,344	19,633,412	26,225,344	19,633,412
Suwasetha Insurance/ Personal Accidents	38,335,757	56,004,193	38,335,757	56,004,193
Subsidiary Crops	11,244,784	9,994,179	11,244,784	9,994,179
Movable Property	371,073,218	358,848,527	371,073,218	358,848,527
Kethata Aruna (Compulsory Crop Insurance)	191,059,084	178,804,176	191,059,084	178,804,176
Farmers Contribution for Pension	371,426	67,017	-	-
	638,309,613	**623,351,504**	**637,938,187**	**623,284,487**
Note 8.2- Interest Income				
Interest - Investment	1,088,390,607	1,106,258,452	684,488,517	784,336,590
- Loans to employees	1,735,952	1,616,213	1,735,952	1,616,213
	1,090,126,559	**1,107,874,664**	**686,224,469**	**785,952,802**
NOTE 9 - OPERATIONAL EXPENDITURE				
Note 9.1 - Indemnity - Insurance				
Livestock	9,354,855	7,072,416	9,354,855	7,072,416
Suwasetha Insurance/ Personal Accidents	150,000	100,000	150,000	100,000
Movable Property	5,199,343	4,092,153	5,199,343	4,092,153
Subsidiary Crops	4,583,807	4,446,330	4,583,807	4,446,330
Kethata Aruna (Compulsory Crop Insurance)	1,700,384,541	1,764,969,868	1,700,384,541	1,764,969,868
	1,719,672,545	**1,780,680,767**	**1,719,672,545**	**1,780,680,767**
Note 9.2 - Other Operational Expenses				
Insurance Incentive	18,130,533	13,515,399	17,833,522	13,042,496
Movable Property-Third party Insurance Incentive	77,924,508	67,101,840	72,737,633	65,393,400
Movable Property-Product Promotion and Incentive	18,553,661	18,056,415	18,553,661	18,056,415
Suwasetha Incentive	405,810	402,715	405,810	402,715
Crop Assessment	7,427,395	9,863,370	7,427,395	9,863,370
Livestock	3,177,320	4,739,160	3,177,320	4,739,160
Commission for Pension Payments	16,151,548	16,015,642	-	-
	141,770,775	**129,694,540**	**120,135,341**	**111,497,555**
NOTE 10 - OTHER INCOME				
Disposal Of Fixed Assets	330,084	49,715	318,197	49,715
Amortization Of Government Grant	25,114,449	15,825,905	23,027,553	14,615,200
Sundry Income	2,041,714	2,038,434	2,015,990	1,930,351
Bad Debts Over Provision	-	56,587	-	56,587
Service Fees From Bank	448,500	555,300	448,500	555,300
Government Grant	1,500,000	1,500,000	-	-
Administration Income	6,354,932	2,188,285	-	-
	35,789,679	**22,214,226**	**25,810,240**	**17,207,153**

Unaudited Financial Statements 2025

AGRICULTURAL & AGRARIAN INSURANCE BOARD

NOTES TO THE INCOME STATEMENT

	AGRICULTURAL & AGRARIAN INSURANCE BOARD (GROUP)		AGRICULTURE INSURANCE SCHEME	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Rs.	Rs.	Rs.	Rs.
NOTE 11 - ADMINISTRATIVE EXPENSES				
Salaries & Wages	309,056,411	271,939,434	153,815,087	135,547,011
Contribution E.P.F.	40,941,023	34,220,931	20,397,128	17,052,147
Contribution E.T.F.	8,186,167	6,845,104	4,078,407	3,410,888
Traveling & Subsistence	23,170,857	23,906,622	11,583,649	11,953,311
Overtime	11,211,907	8,592,507	5,254,348	4,141,154
Daily Pay	1,054,296	1,058,921	486,485	504,341
Medical Expenses	3,524,900	3,470,700	1,762,450	1,735,350
Allowance to Board Members	595,000	677,000	357,000	406,200
Gratuity	18,022,668	10,187,207	10,135,162	5,324,589
TAC and other Committee Allowances	297,300	451,000	157,000	383,000
Welfare	3,557,061	3,532,798	1,778,531	1,766,399
Allowance to employees	7,605,849	7,828,879	7,268,334	7,345,000
Staff Education	1,229,600	-	1,229,600	-
Fuel	18,701,568	24,935,762	12,653,075	16,956,318
Stationery	18,591,975	18,189,594	8,637,699	8,634,249
Entertainment Allowance	1,008,325	1,131,122	482,691	676,895
Legal Fees	1,504,460	2,132,524	1,504,460	2,132,524
Transport	830,767	983,709	783,610	983,709
Printing	20,124,606	19,937,130	17,331,860	18,737,824
Publicity & Training	11,930,849	16,176,284	8,820,910	12,848,687
Uniform	562,526	1,568,700	281,263	784,350
Rent	29,004,181	28,596,711	15,952,300	15,728,191
Telephone	15,472,275	17,919,351	8,500,044	9,847,970
Postage	25,648,313	10,371,544	1,902,430	1,855,585
Water	1,043,161	1,156,013	573,739	635,807
News paper & Advertisement	1,313,890	891,530	1,313,890	891,530
Security	3,674,073	3,480,463	2,755,555	2,610,347
Electricity	7,141,770	7,475,525	3,927,974	4,111,539
Vehicles Rent & Maintenance	19,998,954	27,107,243	11,395,984	15,451,128
Maintenance - Buildings	2,840,339	3,432,072	1,562,187	1,887,640
Maintenance - Office Equipment's	1,267,319	1,843,412	950,489	1,316,147
Labour Charges	2,150,085	1,890,310	2,121,785	1,890,310
Translation Fees	64,449	91,493	64,449	91,493
Computer Expenses	1,954,756	2,339,741	766,374	1,478,640
Miscellaneous Expenses	2,471,519	64,526	2,471,519	64,526
Depreciation	59,526,861	43,690,621	56,524,610	41,644,775
Bad Debts	1,086,029	-	1,086,029	-
Audit Fees	1,836,715	1,428,650	838,159	896,330
Foreign Travelling	74,764	-	74,764	-
Consultation and Actuaries Fees	850,000	1,832,703	-	1,832,703
	679,127,568	**611,377,838**	**381,581,026**	**353,558,609**
NOTE 12 - FINANCE CHARGES				
Bank Charges	242,398	481,549	211,638	346,723
Interest on loan	42,831,809	46,482,878	-	-
	43,074,207	**46,964,427**	**211,638**	**346,723**
NOTE 13 - INCOME TAX				
Income Tax Liability	121,339,946	124,226,159	121,339,946	124,226,159
	121,339,946	**124,226,159**	**121,339,946**	**124,226,159**

Unaudited Financial Statements 2025