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இலங்கை ஆயுள்வேத மருந்துகள் கூட்டுத்தாபனம்
Sri Lanka Ayurvedic Drugs Corporation



2025

FINANCIAL STATEMENT FOR YEAR ENDING/YEAR OF ASSESSMENT

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ISO 9001 : 2015 Certified Company

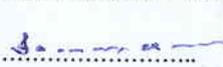
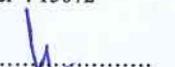


SRI LANKA AYURVEDIC DRUGS CORPORATION
STATEMENT OF FINANCIAL POSITION

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
ASSETS				
Non Current Assets				
Property, Plant and Equipment	04	1,075,599,454	1,068,596,377	1,080,561,174
Work in Progress	05	12,144,410	12,144,410	12,778,376
Staff Loans	06.A	13,994,017	11,827,064	12,647,221
Deferred Tax Assets	17	21,759,954	2,479,479	-
		<u>1,123,497,835</u>	<u>1,095,047,330</u>	<u>1,105,986,771</u>
Current Assets				
Inventories	07	427,532,268	455,862,230	612,798,291
Gold Stocks	14	1,841,645	1,841,645	1,841,645
Staff Loans	06.B	16,133,958	17,012,359	18,224,190
Miscellaneous Deposits	08	8,477,725	3,396,765	3,756,765
Short Term Investments in Fixed Deposits	09	235,224,001	190,065,223	112,189,375
Trade Debtors	10	273,226,006	187,796,981	81,173,248
Receivable Amount-Financial Fraud	32.A	31,323,199	16,915,307	-
Pre payments & Advances	11	32,268,163	22,242,252	14,752,864
Margin Account		26,989,398	26,989,398	105,908,646
Cash & Cash Equivalents	12	206,750,354	120,680,059	132,099,419
		<u>1,259,766,717</u>	<u>1,042,802,218</u>	<u>1,082,744,442</u>
Total Assets		<u>2,383,264,552</u>	<u>2,137,849,549</u>	<u>2,188,731,212</u>
FUNDS & LIABILITIES				
Contributions				
Subscribed Capital		5,000,000	5,000,000	5,000,000
		<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
External Contributory				
General Treasury	13	163,337,446	220,392,653	281,375,386
W.H.O.		-	-	3,994,341
Ayurvedic Experimental Institute		-	-	761,274
		<u>163,337,446</u>	<u>220,392,653</u>	<u>286,131,001</u>
Reserves				
Capital Reserves	14	-	1,923,741	1,923,741
Revaluation Reserves		834,047,524	834,232,183	834,232,183
Other Reserves		(70,799,309)	(33,472,593)	(20,510,938)
Foreign Exchange Escalations Reserves		23,318	-	18,323
Retained Earnings		967,302,757	736,880,266	590,502,061
		<u>1,730,574,290</u>	<u>1,539,563,598</u>	<u>1,406,165,370</u>
Total Funds		<u>1,898,911,736</u>	<u>1,764,956,251</u>	<u>1,697,296,370</u>
Liabilities				
Non-Current Liabilities				
Allocation for Provisions	15	19,132,123	16,905,818	23,967,056
Bank Loans- People's Bank		4,000,001	8,000,001	12,000,000
Retirement Benefit Obligations	16	101,076,564	54,820,763	44,495,114
Sales Agent Assurance Fund - Local		3,903,612	3,903,612	3,903,612
Sales Agent Assurance Fund - Foreign		190,730	190,730	130,768
Deferred Tax Liabilities	17	-	-	6,736,400
		<u>128,303,029</u>	<u>83,820,923</u>	<u>91,232,950</u>
Current Liabilities				
National Health Development Fund		-	11,733,414	12,296,720
Bank Loan - People's Bank		4,000,000	4,000,000	4,000,000
Trade Creditors		167,723,722	123,680,025	245,096,925
Excess Cash Received From Trade Debtors		516,698	513,547	512,633
Accrued Expenses	18	55,059,399	57,826,289	38,193,071
Other Current Liabilities	19	39,121,231	31,071,666	26,693,918
Provision for Taxation	20	89,628,737	60,247,433	73,408,625
		<u>356,049,787</u>	<u>289,072,375</u>	<u>400,201,892</u>
Total Funds & Liabilities		<u>2,383,264,552</u>	<u>2,137,849,549</u>	<u>2,188,731,212</u>

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

Signed on behalf of the Board. Board of directors approved accounts on 25th February 2026 with decision number : 15072

 Chairman	 Managing Director	 Board Member	 General Manager	 AGM Finance (Acting)
Date: 25/02/2026				

The Significant Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

SRI LANKA AYURVEDIC DRUGS CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December 2025

	Note	2025 Rs.	2024 Rs.	2023 Rs.
Sales	23	1,678,462,242	1,519,775,447	1,215,283,637
Less: Cost of Sales	24	<u>1,093,356,162</u>	<u>1,072,811,020</u>	<u>756,212,888</u>
Gross Profit		585,106,081	446,964,427	459,070,750
Other Income	25	<u>33,990,116</u>	<u>41,756,696</u>	<u>42,226,122</u>
		619,096,196	488,721,123	501,296,871
Less: Administration & Establishment Expenses	26	<u>231,692,333</u>	<u>206,529,624</u>	<u>177,499,487</u>
Selling & Distribution Expenses	27	<u>133,227,957</u>	<u>122,151,569</u>	<u>121,898,062</u>
		364,920,290	328,681,193	299,397,549
Surplus from Operating Activities		254,175,906	160,039,930	201,899,322
Add: Financial Income	28	<u>24,451,200</u>	<u>25,760,891</u>	<u>19,864,257</u>
Less: Financial Expenses	29	<u>2,279,492</u>	<u>2,875,525</u>	<u>3,677,297</u>
Net Surplus Before Tax		276,347,614	182,925,296	218,086,282
Less: Income Tax Expenses	30	<u>67,432,936</u>	<u>46,020,549</u>	<u>76,884,979</u>
Net Surplus after Tax		208,914,678	136,904,747	141,201,303
Other Comprehensive Income				
Actuarial Gain / (Loss) of Gratuity Provision	16	<u>(37,326,716)</u>	<u>(12,961,654)</u>	<u>(20,510,938)</u>
Total Other Comprehensive Income for the year		(37,326,716)	(12,961,654)	(20,510,938)
Total Comprehensive Income for the year		<u>171,587,962</u>	<u>123,943,093</u>	<u>120,690,365</u>
Earning Per Share	31	418	274	282

The Significant Accounting Policies and Notes form an Integral part of these Financial Statements.

Figures in brackets indicate deductions.

SRI LANKA AYURVEDIC DRUGS CORPORATION

STATEMENT OF CASH FLOWS

For the year ended 31st December 2025

	2025 Rs.	2024 Rs.	2023 Rs.
Cash Flow From Operating Activities			
Net Surplus Before Taxation	276,347,614	182,925,296	218,086,282
Adjustments for			
Allocations for Provisions	2,226,305	(7,061,238)	7,193,755
Depreciation of PPE	56,353,703	56,738,566	63,131,002
Amortization Treasury Funds (Depreciation)	(18,975,928)	(18,622,341)	(19,452,999)
Employee Benefit Provision	14,203,217	9,012,864	7,140,077
Prior Year Adjustments on Retained Earnings	21,735,194	5,351,809	(4,052,793)
Provision for Bad & Doubtful debts	1,294,025	319,929	(9,132)
Interest Income	(21,396,413)	(21,700,135)	(16,126,082)
Investment in Fixed Deposits- Non Cash Amount	2,383,656	-	2,506,031
Prior Year Adjustments on Capital Reserve	(1,923,741)	-	-
Prior Year Adjustments on Revaluation Reserve	(184,659)	-	-
	<u>332,062,974</u>	<u>206,964,750</u>	<u>258,416,141</u>
Profit Before Changing The Working Capital			
(Increase) / Decrease Inventories	28,329,963	156,936,061	(291,529,744)
(Increase) / Decrease Staff Loans	(1,288,552)	2,031,988	2,541,895
(Increase) / Decrease Pre-payments & Advances	(10,025,911)	(4,819,757)	(5,233,882)
(Increase) / Decrease Miscellaneous Deposits	(5,080,960)	360,000	(435,000)
(Increase) / Decrease Trade Debtors	(86,723,051)	(106,943,662)	64,439,721
(Increase) / Decrease Margin Account	-	78,919,248	(74,662,854)
(Increase) / Decrease Excess Cash received from Trade Creditors	-	-	273
(Increase) / Decrease Receivable Amount-Financial Fraud	(14,407,893)	(16,915,307)	-
Increase / (Decrease) Trade Creditors	44,043,697	(121,416,900)	95,423,662
Increase / (Decrease) Other Current Liabilities	8,049,565	4,377,748	8,129,671
Increase / (Decrease) Accrued Expenses	(2,766,890)	19,633,218	6,157,310
Increase / (Decrease) Excess Cash received from Trade Debtors	3,150	914	13,347
Increase/ (Decrease) Sales Agent Assurance Fund - Local	-	-	(1,797,388)
Increase/ (Decrease) Sales Agent Assurance Fund - Foreign	-	59,962	130,768
Increase / (Decrease) Foreign Currency Reconciliation Reserves	23,318	(18,323)	(1,200)
Increase / (Decrease) National Development Health Fund	(11,733,414)	(563,306)	-
	<u>280,485,996</u>	<u>218,606,634</u>	<u>61,592,721</u>
Less: Gratuity Paid	(5,274,132)	(11,648,870)	(18,617,608)
Tax & AIT Paid	(57,332,107)	(68,397,620)	(2,846,664)
Net Cash Flows From Operating Activities	<u>217,879,757</u>	<u>138,560,145</u>	<u>40,128,449</u>
Cash Flows From Investment Activities			
Acquisition of PPE	(63,356,780)	(45,407,736)	(4,554,344)
(Investment) / Capitalization in Work in Progress	-	633,966	3,658,145
Investment in Fixed Deposits	(45,158,778)	(77,875,848)	(2,563,595)
Interest Received	19,012,757	19,030,504	15,364,402
Net Cash flow from Investment Activities	<u>(89,502,801)</u>	<u>(103,619,114)</u>	<u>11,904,608</u>
Cash Flow From Financial Activities			
Treasury Levy payment	(38,306,660)	(42,360,391)	-
Obtained / (Repayments) Bank Loan	(4,000,000)	(4,000,000)	(4,000,000)
Net cash flow from Financial Activities	<u>(42,306,660)</u>	<u>(46,360,391)</u>	<u>(4,000,000)</u>
Net Increase / (Decrease) in Cash & Cash Equivalents	<u>86,070,296</u>	<u>(11,419,360)</u>	<u>48,033,058</u>
Cash & Cash Equivalent at Beginning of Year	<u>120,680,059</u>	<u>132,099,419</u>	<u>84,066,361</u>
Cash & Cash Equivalent at End of Year	<u>206,750,354</u>	<u>120,680,059</u>	<u>132,099,419</u>
As at 31st December			
	2025 Rs.	2024 Rs.	2023 Rs.
Peoples' Bank- Gangodawila- A/C No. 097-1001-82315453	71,278,467	50,178,136	29,548,576
Peoples' Bank- Gangodawila- A/C No. 097-1002-72315453	36,100,908	17,135,839	12,267,723
Peoples' Bank- Gangodawila- A/C No. 097-1003-62315453	50,357,875	15,031,921	45,107,253
Peoples' Bank- Gangodawila- A/C No. 097-2004-32315453	7,892,179	2,660,593	23,770,220
People's Bank-Gangodawila- Saving A/C	18,295,429	15,376,451	14,452,333
People's Bank- Gangodawila - A/C No. 097-4023-62315453	417,879	389,462	129,568
Bank of Ceylon- Corporate - A/C No.1209	21,512,617	19,012,656	5,928,747
Bank of Ceylon- Corporate Branch- A/C No.87653784	895,000	895,000	895,000
	<u>206,750,354</u>	<u>120,680,059</u>	<u>132,099,419</u>

The Significant Accounting Policies and Notes form an Integral part of these Financial Statements.

Figures in brackets indicate deductions.

SRI LANKA AYURVEDIC DRUGS CORPORATION
STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2025

	Rs.	Prior Year Adjustments	Foreign Currency Escalations Reserves	Amortization of Treasury fund- (Note 13.1)	Treasury Levy Amount	Actuarial Gain/(Loss)	Net Surplus for the year	Balance as at 31.12.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stated Capital	5,000,000	-	-	-	-	-	-	5,000,000
General Treasury	220,392,653	227,382	-	(18,975,928)	(38,306,660)	-	-	163,337,446
Capital Reserves	1,923,741	(1,923,741)	-	-	-	-	-	-
Revaluation Reserve - Land	517,677,685	-	-	-	-	-	-	517,677,685
Revaluation Reserve - Building	161,457,187	(184,659)	-	-	-	-	-	161,272,529
Revaluation Reserve - Machinery Equipments	53,431,185	-	-	-	-	-	-	53,431,185
Revaluation Reserve - Water Supply Equipments	14,678,456	-	-	-	-	-	-	14,678,456
Revaluation Reserve - Laboratory Equipments	476,874	-	-	-	-	-	-	476,874
Revaluation Reserve - Motor Vehicles	82,772,470	-	-	-	-	-	-	82,772,470
Revaluation Reserve - Inventory	1,927,561	-	-	-	-	-	-	1,927,561
Revaluation Reserve - Before Year 2017	1,810,765	-	-	-	-	-	-	1,810,765
Foreign Currency Escalation Reserves	-	-	23,318	-	-	-	-	23,318
Other Reserves	(33,472,593)	-	-	-	-	(37,326,716)	-	(70,799,309)
Retained Earnings (Note A)	736,880,266	21,507,813	-	-	-	-	208,914,678	967,302,757
Total	1,764,956,251	19,626,795	23,318	(18,975,928)	(38,306,660)	(37,326,716)	208,914,678	1,898,911,736

Note A-Prior Year Adjustments of Rs 21,507,813 composed due to following summarized adjustments.

	Rs.
Work in Progress Adjustment	576,100
Finished Goods Stock Adjustment	2,786,299
Raw Materials Stock Adjustment	(591,082)
Stationery Stock Adjustment	(3,936)
Debtor Related Adjustments	(1,980,516)
Treasury Fund Adjustment	(227,382)
Capital Reserve Adjustment	1,923,741
National Health Development Fund Adjustment	11,733,414
Damaged & Expired Goods Adjustment	(814,361)
Payable Deposit Adjustment	1,003,187
Depreciation Adjustment	960,942
Expenses Related Adjustments	6,141,405
Total	21,507,813

SRI LANKA AYURVEDIC DRUGS CORPORATION

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2024

Restated

	Balance as at 01.01.2024		Prior Year Adjustments		Foreign Currency Escalations Reserves		Amortization of Treasury fund- (Note 13.1)		Treasury Levy Amount		Actuarial Gain/(Loss)		Net Surplus for the year		Balance as at 31.12.2024		
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		
Stated Capital	5,000,000		-		-		-		-		-		-		-		5,000,000
General Treasury	281,375,386		-		-		(18,622,341)		(42,360,391)		-		-		-		220,392,653
W.H.O	3,994,341		(3,994,341)		-		-		-		-		-		-		-
Ayurvedic Experimental Institute	761,274		(761,274)		-		-		-		-		-		-		-
Capital Reserves	1,923,741		-		-		-		-		-		-		-		1,923,741
Revaluation Reserve - Land	517,677,685		-		-		-		-		-		-		-		517,677,685
Revaluation Reserve - Building	161,457,187		-		-		-		-		-		-		-		161,457,187
Revaluation Reserve - Machinery Equipments	53,431,185		-		-		-		-		-		-		-		53,431,185
Revaluation Reserve - Water Supply Equipments	14,678,456		-		-		-		-		-		-		-		14,678,456
Revaluation Reserve - Laboratory Equipments	476,874		-		-		-		-		-		-		-		476,874
Revaluation Reserve - Motor Vehicles	82,772,470		-		-		-		-		-		-		-		82,772,470
Revaluation Reserve - Inventory	1,927,561		-		-		-		-		-		-		-		1,927,561
Revaluation Reserve - Before Year 2017	1,810,765		-		-		-		-		-		-		-		1,810,765
Foreign Currency Escalation Reserves	18,323		-		(18,323)		-		-		(12,961,654)		-		-		(33,472,593)
Other Reserves	(20,510,938)		-		-		-		-		-		-		-		736,880,266
Retained Earnings (Note A)	590,502,061		9,473,458		-		-		-		-		136,904,747		-		736,880,266
Total	1,697,296,370		4,717,843		(18,323)		(18,622,341)		(42,360,391)		(12,961,654)		136,904,747		(33,472,593)		1,764,956,251

Note A - Prior Year Adjustments of Rs 9,473,458 composed due to following summarized adjustments.

	Rs.
Debtor Related Adjustments	72,821
Raw Material Related Adjustments	91,525
Adjustment for Damaged Goods	3,185,743
Work in Progress Adjustment	6,550
WHO Funds Adjustment	(3,994,341)
Ayurvedic Research Adjustment	(761,274)
Capital Working Progress Advance to WHO Adjustment	3,000,000
Expenses Related Adjustments	895,016
Refund Fine Payment & Import Raw Materials Related Adjustments	(11,969,498)
Total	(9,473,458)

SRI LANKA AYURVEDIC DRUGS CORPORATION
NO 94, OLD KOTTAWA ROAD, NAWINNA, MAHARAGAMA.
NOTES TO THE FINANCIAL STATEMENTS – 2025

1. GENERAL INFORMATION

Sri Lanka Ayurvedic Drugs Corporation (SLADC) was incorporated in 1969 by the government extra ordinary gazette notification No.14853/1 dated 11 May 1969 under the provision of State Industrial Corporation Act.No. 49 of 1957. The registered office of the Corporation is located at No.94,Old Kottawa Road,Nawinna,Maharagama.

Principal Activities and Nature of Operations

The principal activities of the Corporation is manufacturing of Ayurvedic Drugs and Pharmaceuticals and Marketing those to government hospitals, Ayurvedic Physicians and the private sector.

The staff strength of the SLADC as at 31st December 2025 is 322 (2024-329)

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (“financial statements”) have been prepared in accordance with new Sri Lanka Accounting Standards (SLFRS / LKAS) as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the Financial Regulations formulated by Sri Lankan Government.

The financial statements were authorized for issue by the board of directors on the 25th February 2026 (Board decision number: 15072)

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis.

No adjustments have been made for inflationary factors in the financial statements.

2.3 Going Concern

Board of Directors have made an assessment of the SLADC’s ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of Corporation’s activities.

2.4 Comparative Information

The presentation and classification of the financial statements of the previous years have been amended where relevant for better presentation and to be comparable with those of the current year.

2.5 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses.

Judgments and estimates are based on historical experience, trends and other factors including expectations that are believed to be reasonable under the circumstances. Accordingly, the actual results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis to ensure the validity of the same. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes:

Note 16- Measurement of Defined Benefit Obligation.

Note 17 - Deferred Taxation

2.6 Foreign Currency Transaction

(a) Functional and Presentation Currency

Items included in these financial statements of the corporations are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sri Lanka Rupees (LKR), which is the Corporation's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

03. SIGNIFICANT ACCOUNTING POLICIES.

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

3.1 Assets and the Bases of their Valuation

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

3.1.1 Property, Plant and Equipment

3.1.1.1 Recognition and Measurement

The cost of an item of property, plant and equipment comprise its purchase price and, any directly attributable costs of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Carrying amounts of property plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of an item of property, plant and equipment are determined as different between the proceeds from disposal and the carrying amount of property, plant and equipment, and are recognized under other income in the statement of comprehensive income.

3.1.1.2 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3.1.1.3 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognised within other income in profit & loss.

3.1.1.4 Bad and doubtful debt

Bad Debt

Bad debt recognizes as an expense in the profit and loss account when certain that amount cannot be recovered

Doubtful debt

Doubtful debts provision made if outstanding balances remain more than previous five years.

3.1.1.5 Borrowing Cost

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalized as a part of the asset. The amounts of the borrowing costs which are eligible for capitalization are determined in accordance with the in LKAS 23 - Borrowing Costs.

Borrowing costs that are not capitalized are recognized as expenses in the period in which they are incurred and charged to the Statement of Comprehensive Income.

3.1.1.6 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Corporation will obtain ownership by the end of the lease term. Land is not depreciated. There are no leased assets relating to this corporation.

The estimated useful lives and rates of depreciation for the current and comparative periods are as follows:

Assets Category	Useful Life (Years)	Depreciation Rate (%)
Building	20 Years	5%
Machinery	06.66 Years	15%
Water Supply Equipments	06.66 Years	15%
Laboratory Equipments	06.66 Years	15%
Office Equipments	10Years	10%
Motor Vehicles	05 Years	20%
Tools & Equipments	03 Years	33.33%

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3.1.1.7 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital work - in - progress whilst, the capital assets which have been

completed during the year and put to use have been transferred to Property, Plant and Equipment.

3.1.1.8 Financial Instruments - Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortized cost (debt instruments)
2. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
3. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
4. Financial assets at fair value through profit or loss.

However, the classification of the financial assets of the company is limited to financial assets at amortized cost (debt instruments) and financial assets designated at FVOCI (equity instruments).

Financial Assets at Amortized Cost (Debt Instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

*The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

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

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade and other receivables, cash and bank and loans granted to related parties.

Financial Assets Designated at Fair Value through OCI (Equity Instruments)

Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as Finance income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognized (i.e., removed from the Company's statement of financial position) when:

*The rights to receive cash flows from the asset have expired, Or

*The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either

(a) The Company has transferred substantially all the risks and rewards of the asset, or

(b)The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of Financial Assets

The Company recognizes an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and other financial liabilities.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 as finance costs in the statement of profit or loss.

Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of Profit or Loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial Risk Management

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and related parties.

The Corporation establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

3.1.1.9 Inventories

Inventories are measured at the lower of cost and net realizable value. Company did not value the stocks by using the NRV. Because company did not sell produces less than the market value during the year. The cost of inventories includes expenditure incurred in acquiring the inventories, Production or conversion cost and other costs incurred in bringing them to their existing location and condition. Company uses FIFO formula for value the raw materials and finished goods in the head office and Sales centers.

3.1.1.10 Trade Receivables

The Corporation recognizes trade receivables as financial assets in its statement of financial position when, and only when, the Corporation has a contractual right to receive cash or another financial asset.

Trade receivables are amounts due from customers for commodities sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business) they are classified as current assets. If not, they are presented as non-current assets.

Trade receivable is carried at anticipated realizable value and estimates are made for doubtful receivable based on a review of all outstanding amounts at the yearend after considering outstanding period more than one year. Bad debts are written off during the year in which they are identified.

A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the contractual right.

3.1.1.11 Cash & Cash Equivalents

Cash & Cash Equivalent are defined as cash in hand, demand deposits and short term highly liquid investments. For the purpose of Cash Flow Statement, Cash & Cash Equivalent consist of Cash in hand, deposits in banks & net of outstanding bank overdrafts.

3.2 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 reporting date. Non-current liabilities are those balances that fall due for payment after one year from reporting date. All known liabilities have been accounted for in preparing these Financial Statements.

A provision is recognized if, as a result of a past event the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

All known provisions have been accounted for in preparing the financial statement.

3.2.1 Contributions Received from General Treasury

The accumulated fund includes the total of all amounts received from Government in respect of the financing of Fixed Assets.

3.2.2 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of

comprehensive income over the period of the borrowings using the effective interest method. However, no borrowings as at the reporting date.

3.2.3 Employee Benefits

(a) Defined Benefit Plan

Defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Corporation has adopted a defined benefit plan as required under the Payment of Gratuity Act No. 12 of 1983 for all eligible employees.

The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized past service cost. The defined benefit obligation is calculated annually by the Company using the projected unit credit method prescribed in Sri Lanka Accounting Standard 19; Employees Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of comprehensive income, unless the changes to the plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

Under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The key assumptions used in determining the Retirement Benefit Obligations are given in Note 13.

(a). I

Assumption related to calculation of retirement benefits

Discount rate is 11%

Staff turnover is 9.66%

Salary increment rate is 8%

Retirement age is 60 years

(b) Defined Contribution Plan – EPF & ETF

All employees who are eligible for the Employee Provident Fund (EPF) and Employees Trust Fund (ETF) contribution are covered by relevant contribution fund in line with respective statutes and Regulation.

EPF & ETF covering the employees are recognized as expenses in the statement of comprehensive income in the period in which it is incurred.

3.2.4 Government Grants

Government grants are recognized where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, the grant is deducted in arriving the carrying amount of the asset. When the grants related to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that are intended to compensate.

3.2.5 Trade Payables

The Corporation recognizes trade payables as financial liabilities in its statement of financial position when, and only when, the Corporation has a contractual obligation to deliver cash or another financial asset.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business) if longer, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value.

3.2.6 Capital Commitments and Contingencies

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non occurrence of uncertain future events, which are beyond the Company's control.

All material Capital Commitments and Contingent Liabilities are disclosed in Note 30.

3.3 Statement of Comprehensive Income

For the purpose of presentation of the Statement of Comprehensive Income the directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted in line with the provisions of LKAS 1 – Presentation of Financial Statements.

3.3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognized.

(a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(b) Rendering of Services

Revenue of the rendering of services are recognized in the accounting period in which the services are rendered or performed.

- (c) **Interest Income**
Interest income is recognized on effective interest method.
- (d) **Other Income**
Other income is recognized on an accrual basis.
- (e) **Disposal of Property, Plant and Equipments**
Profit / (loss) from sale of property, plant and equipment is recognised in the period in which the sale occurs and the delivery order is issued.

3.3.2 Expenditure Recognition

(a) Revenue Expenditure

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

(b) Capital Expenditure

Expenditure incurred for the purpose of squaring, extending or improving Assets of a permanent nature by means of which to carry on the business or for the purpose of increasing capacity of the business has been treated as capital expenditure.

(c) Net Finance Income / Expenses

Finance income comprises interest income on funds invested and staff loans, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(d) Tax Expense

Income Tax expense comprises current and deferred tax. Income tax expense is recognized in Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

Current Taxes

Current tax expense for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on taxable income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act No 24 of 2017 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

Component	2025
Tax Rate	30%

Deferred Taxation

Deferred taxation is recognized using the Balance Sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The relevant details are disclosed in the Note 18 & 30 to the Financial Statements.

3.4 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is being charged or not.

Transactions with related entities

There are no any related entities of Sri Lanka Ayurvedic Drugs Corporation.

3.5 Statement of Cash Flows

Statement of cash flows has been prepared using "Indirect Method".

3.6 Earnings per Share

The Company presents Basic Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.7 Events after the Reporting Date

Events after the reporting date are events, favorable and unfavorable, that occur between the end of the reporting period and the date the financial statements were authorized for issue.

Those events have been considered and where necessary appropriate adjustments or disclosures have been made in the financial statements. There are no any events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

3.8 Responsibility for the Financial Statements

The Board of Directors of SLADC is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and marking accounting estimates that are reasonable in the circumstances.

3.9 Related party Disclosers

The corporation stated transactions in the ordinary course of business with the parties who are defined as related parties in Sri Lanka Accounting Standard – LKAS 24(Related Party Disclosures), the details of which are as follows.

3.9.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standards LKAS 24 - Related Party Disclosures, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Chairman, Managing Director & other Board Members have been classified as Key Management Personnel of the corporation.

(i) Loans to the Board Members

No loans have been granted to the Board Members of the Corporation.

(ii) Compensation Paid to Key Management Personnel

Name of Director Board Member	Position	Emoluments (Rs.)
Mrs.G.C.Karunaratna	Chairman	1,918,570
Mr.M.J.Marasinghe	Managing Director	1,738,570
Mrs.W.A.H.Wimalajeewa	Member	121,500
Mr.S.A.Jagath Chaminda	Member	123,000
Mr.M.D.P.Jayasundara	Member	137,000
Mr.K.H.C.A.Abeydeera	Member	242,000
Mrs.Samanthi Ranasinghe	Member	81,500
Mr.O.V.Chandana Thilakarathne	Member	10,000

(iii) Other Transactions with Key Management Personnel

There were no other transactions with key management personnel other than those disclosed in Note 3.9.1 (ii) to these Financial Statements.

SRI LANKA AYURVEDIC DRUGS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - 2025
NOTE 04 - PROPERTY, PLANT & EQUIPMENT

	Land	Building	Machinery	Water Supply Equipments	Laboratory Equipments	Office Equipments	Motor Vehicles	Tools & Equipments	Total Assets
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost									
Balance as at 1st January 2025	636,000,000	477,975,875	177,574,820	16,595,636	2,310,612	60,713,016	59,736,967	10,641,387	1,441,548,312
Additions	-	45,910,704	2,898,640	-	1,398,300	6,571,692	-	6,577,444	63,356,780
Balance as at 31st December 2025	636,000,000	523,886,580	180,473,461	16,595,636	3,708,912	67,284,707	59,736,967	17,218,831	1,504,905,093
Accumulated Depreciation									
Balance as at 1st January 2025	-	157,955,750	135,516,595	16,301,237	889,420	25,684,573	28,084,558	8,519,803	372,951,935
Charge for the Year 2025	-	24,785,224	10,625,067	122,450	421,159	6,370,266	11,947,393	2,082,143	56,353,703
Balance as at 31st December 2025	-	182,740,975	146,141,662	16,423,687	1,310,579	32,054,838	40,031,951	10,601,946	429,305,638
Carrying Value as at 31st December 2024	636,000,000	320,020,125	42,058,225	294,399	1,421,192	35,028,443	31,652,409	2,121,584	1,068,596,377
Carrying Value as at 31st December 2025	636,000,000	341,145,605	34,331,798	171,949	2,398,333	35,229,869	19,705,016	6,616,884	1,075,599,454

Note 01 : Following Herbal Gardens have been cultivated by our organization but ownership has not been transferred up to now.

- Nikawaratiya Herbal Garden
- Dangolla Herbal Garden
- Medawachchiya Herbal Garden

Note 02: Nine Vehicles have not been revaluated in the year 2022 as per the Management decision . The respective number of the vehicles, Which was not revaluated are 32-3256 , 150-1601, 26 SRI 7911 , 67-1213 , RV-9467 , Tailor with bowser -738452 , Tailor with bowser 738453, Tailor & Bowser.

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 05 - WORK IN PROGRESS			
New Store Complex-Pathiragoda	12,144,410	12,144,410	12,144,410
Other Work in Progress Expenses	-	-	633,966
	<u>12,144,410</u>	<u>12,144,410</u>	<u>12,778,376</u>
NOTE .06 - STAFF LOANS			
06.1- Loans given to employees			
	Rs.	Rs.	Rs.
Balance at the beginning of the year	28,839,423	30,871,411	33,413,306
Add: Loans granted during the year	22,598,240	19,410,172	19,750,000
Less: Loans recovered during year	21,309,688	21,442,159	22,291,895
	<u>30,127,975</u>	<u>28,839,423</u>	<u>30,871,411</u>
Transfer to prepaid staff benefits	(1,914,576)	(1,510,665)	(1,617,104)
Balance at the end of the year	<u>28,213,400</u>	<u>27,328,758</u>	<u>29,254,307</u>
06.2-Prepaid Staff Benefits			
Balance at the beginning of the year	1,510,665	1,617,104	-
Additions the during the year	2,365,845	2,768,304	4,156,127
Amortization	(1,961,934)	(2,874,744)	(2,539,023)
Balance at the end of the year	<u>1,914,576</u>	<u>1,510,665</u>	<u>1,617,104</u>
06.A-NON CURRENT ASSETS			
Loans Given to Employees	13,575,787	11,650,611	12,458,336
Pre Paid Staff Benefit	418,230	176,453	188,885
	<u>13,994,017</u>	<u>11,827,064</u>	<u>12,647,221</u>
06.B-CURRENT ASSETS			
Loans Given to Employees	14,637,612	15,678,147	16,795,970
Pre Paid Staff Benefit	1,496,346	1,334,212	1,428,219
	<u>16,133,958</u>	<u>17,012,359</u>	<u>18,224,190</u>
Total	<u>30,127,975</u>	<u>28,839,423</u>	<u>30,871,411</u>

The Corporation provides loans to employees at concessionary rates. These loans are fair valued at initial recognition using level 2 inputs. The fair value of the employee loans are determined by discounting expected future cash flows using market related rates for the similar loans.

The difference between the cost and fair value of employee loans is recognized as prepaid staff benefits. The employee loans are classified as loans and receivables and subsequently measured at amortized cost. The loans given to employees are secured and interest is charged at the following rates.

	Distress	Distress	Distress
Sri Lanka Ayurvedic Drugs Corporation	4.2%	4.2%	4.2%
Market Interest Rate	12%	12%	12%

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 07 - INVENTORIES			
Raw Materials Stock	111,439,873	123,885,566	97,935,062
Finished Drugs Stock	234,887,816	262,641,057	452,862,514
Packing Material	34,853,579	36,914,549	28,099,379
Work in Progress	35,858,253	21,645,286	21,234,120
Stationary Stock	3,999,278	1,917,277	2,305,647
Store 13- Other Stock	1,992,124	2,425,605	2,558,727
Burn Oil Stock	174,600	1,407,600	1,624,950
Machinery Spare Parts Stock	4,326,744	5,025,291	6,177,893
	<u>427,532,268</u>	<u>455,862,230</u>	<u>612,798,291</u>
	Rs.	Rs.	Rs.

NOTE 08 - MISCELLANEOUS DEPOSITS

Sales Centre Rent Deposits	8.1	2,451,000	2,081,000	2,441,000
Store Rent Deposits	8.2	292,500	292,500	292,500
Telephone Deposits		26,765	26,765	26,765
Fuel Deposits	8.3	700,000	700,000	700,000
Legal Deposits	8.4	4,972,960	262,000	262,000
Other Deposits	8.5	10,500	10,500	10,500
Electricity Deposits		24,000	24,000	24,000
		<u>8,477,725</u>	<u>3,396,765</u>	<u>3,756,765</u>
		Rs.	Rs.	Rs.

NOTE 08.1 - SALES CENTRE RENT DEPOSITS

Galle Sales Centre		195,000	195,000	195,000
Monaragala Poshana Mandiraya -(COA)		36,000	36,000	36,000
Embilipitiya Sales Centre		330,000	330,000	330,000
Kiribathgoda Sales Centre		1,040,000	1,040,000	1,040,000
Kandy Sales Centre		180,000	180,000	180,000
Anuradhapura Sales Centre		660,000	300,000	660,000
Borella Sales Centre		10,000	-	-
		<u>2,451,000</u>	<u>2,081,000</u>	<u>2,441,000</u>
		Rs.	Rs.	Rs.

NOTE 08.2 - STORE RENT DEPOSITS

No.007 Store- Mr.Chaminda Jayanath		100,000	100,000	100,000
No.006 Store- Mrs. G.T.Pemawathi		96,500	96,500	96,500
Beruwala Sales Centre-Beruwala Multy Corporative Society		96,000	96,000	96,000
		<u>292,500</u>	<u>292,500</u>	<u>292,500</u>
		Rs.	Rs.	Rs.

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 08.3 - FUEL DEPOSITS			
Corporative Society Limited-Maharagama	300,000	300,000	300,000
Corporative (Pvt) Ltd-Anuradhapura	50,000	50,000	50,000
Corporative Society Limited-Nikawaratiya	150,000	150,000	150,000
Maharagama Auto Care Centre	200,000	200,000	200,000
	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>

	Rs.	Rs.	Rs.
NOTE 08.4 -LEGAL DEPOSITS			
District Court- Colombo	252,000	252,000	252,000
Paul & Rathnayaka Company	10,000	10,000	10,000
Labour Court - Homagama	4,710,960	-	-
	<u>4,972,960</u>	<u>262,000</u>	<u>262,000</u>

	Rs.	Rs.	Rs.
NOTE 08.5 -OTHER DEPOSITS			
Ceylon Electricity Board (Sales Centre- Jaffna)	1,500	1,500	1,500
Ceylon Electricity Board (Sales Centre- Monaragala)	1,500	1,500	1,500
National Water Supply & Distribution Board	2,500	2,500	2,500
Ceylon Electricity Board (Floating Market)	3,000	3,000	3,000
Ceylon Electricity Board (Railway Station)	2,000	2,000	2,000
	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>

	Rs.	Rs.	Rs.
NOTE 09- SHORT TERM INVESTMENTS IN FIXED DEPOSITS			
People's Bank-097-6001-000258857	-	25,000,000	25,000,000
People's Bank-097-6001-000258795	-	25,000,000	25,000,000
People's Bank-097-6001-000258802	32,000,000	32,000,000	32,000,000
People's Bank-097-6001-000272760	-	75,000,000	-
BOC-89224367 (Note 09.1)	35,384,160	33,065,223	30,189,375
People's Bank-097-6001-000289306	25,000,000	-	-
People's Bank-097-6001-000292329	25,781,907	-	-
People's Bank-097-6001-000292310	25,781,907	-	-
People's Bank-097-6001-000295530	76,276,027	-	-
People's Bank-097-6001-000303656	15,000,000	-	-
	<u>235,224,001</u>	<u>190,065,223</u>	<u>112,189,375</u>

Note 09.1-Fixed Deposit of Bank of Ceylon (AC-89224367) have been kept for the Gratuity Purpose.

	Rs.	Rs.	Rs.
NOTE 10 - TRADE DEBTORS			
Trade Debtors	277,347,033	190,623,982	83,680,320
Less- Provision for Bad and Doubtful Debts	4,121,026	2,827,001	2,507,072
	<u>273,226,006</u>	<u>187,796,981</u>	<u>81,173,248</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	Note	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
NOTE 11 - PRE PAYMENTS & ADVANCES				
General Advances	11.1	633,403	297,059	292,171
Rent Advances		271,126	271,126	271,126
Sales Income Receivable	11.2	291,379	2,088,082	72,782
Petty Cash Advances		234,150	139,991	115,739
Festival Advances		194,250	196,750	193,000
Capital Work in Progress - Advances to WHO		-	-	3,000,000
General Expenses Advance		25,047,230	14,174,725	8,362,165
Salary Advance		5,000	5,000	5,000
Receivable Interest Income - Fixed Deposits		2,383,656	3,431,312	761,681
Employee Deposits		1,710,296	1,638,207	1,679,200
Ceylon Petroleum Corporation		52,800	-	-
Prepayment - Beruwala Sales Center		828,921	-	-
Prepayment-Diyathalawa Sales Center		615,952	-	-
		<u>32,268,163</u>	<u>22,242,252</u>	<u>14,752,864</u>

NOTE 11.1 - GENERAL ADVANCES

	Rs.
1110 - Mr.P.Sarath Ananda Paranawithana	15,000
1112 - Mrs.H.M.Pathmalatha	9,500
1175 - Mrs.V.Krishanthi Liyanage	100,000
1307 - Mr.K.G.Thilakarathne	15,000
1387 - Mr.H.B.Tharanga Deshappriya	3,055
1409 - Mr.V.Charith Neranjan	90,000
1413 - Mr.Sriyantha Thisera	48,139
1422 - Mr.Y,C.Asanka Keerthirathne	90,000
1427 - Mr.Ramidu Wijerathne	14,899
1459 - Mr.H.M.D.Dinusha Dananjaya	75,390
1490 - Mr.M.Chinthaka Chathuranga	15,000
1513 - Mr.V.M.L.S.Nimalarathne	20,150
1514 - Mr.H.W.Wijewardana	29,816
1534 - Mr.D.Shehan Rasad De Silva	59,955
1616 - Miss. T.G Hansamali Wehalla	47,500
	<u>633,403</u>

Rs.

Rs.

Rs.

NOTE 11.2 - SALES INCOME RECEIVABLE

Wijerama Sales Centre	-	-	93
Anuradhapura Sales Centre	-	542,446	-
Galle Sales Centre	63,577	-	-
Badulla Sales Centre	25,300	73,195	12,059
Nawinna Sales Centre	116,665	105,755	2,015
Monaragala Sales Centre	-	-	31
Rathnapura Sales centre	-	150,000	-
<i>C/F to next page</i>	<u>205,542</u>	<u>871,396</u>	<u>14,197</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
NOTE 11.2 - SALES INCOME RECEIVABLE			
<i>B/F from Previous page</i>	205,542	871,396	14,197
Matara Sales Centre	-	916,612	53,422
Borella Sales Centre	-	-	-
Ja-Ela Sales Centre	34,700	-	4,100
Beruwala Sales Centre	-	300,074	990
Jaffna Sales Centre	50,637	-	-
Embilipitiya Sales Centre	500	-	73
	<u>291,379</u>	<u>2,088,082</u>	<u>72,782</u>

	Rs.	Rs.	Rs.
NOTE 12 - CASH & CASH EQUIVALENTS			
People's Bank- Gangodawila - A/C No. 097-1001-8231545	71,278,467	50,178,136	29,548,576
People's Bank- Gangodawila - A/C No. 097-1002-7231545	36,100,908	17,135,839	12,267,723
People's Bank- Gangodawila - A/C No. 097-1003-6231545	50,357,875	15,031,921	45,107,253
People's Bank- Gangodawila - A/C No. 097-2004-3231545	7,892,179	2,660,593	23,770,220
People's Bank- Gangodawila - A/C No. 097-4023-6231545	417,879	389,462	129,568
Bank of Ceylon- Corporate - A/C No.1209	21,512,617	19,012,656	5,928,747
Bank of Ceylon- Corporate - A/C No.87653784	895,000	895,000	895,000
Savings Account-People's Bank	18,295,429	15,376,451	14,452,333
	<u>206,750,354</u>	<u>120,680,059</u>	<u>132,099,419</u>

NOTE 13 - EXTERNAL CONTRIBUTORIES

General Treasury

The accumulated fund includes the total of all amounts received from Government in respect of the financing of fixed assets less the amortized value of the depreciable assets purchased from such grants. Government grants is recognize as per capital approach.

	Rs.	Rs.	Rs.
NOTE 13.1 - AMORTIZATION OF GRANTS			
Building	12,024,358	12,103,364	12,231,826
Machinery	6,942,165	6,515,140	7,217,335
Laboratory Equipment	9,405	3,838	3,838
	<u>18,975,928</u>	<u>18,622,341</u>	<u>19,452,999</u>

World Health Organization (WHO) & Ayurvedic Experimental Institute

This includes grants received for advancement of operations of the Corporation.

NOTE 14 - RESERVES

Revaluation of Gold Stock

Gold Stock value is based on Cost or NRV which ever is lower method. As per the details of Central Bank , Market value of the Gold Stock is Rs.33,551,514 /- as at 31/12/2025. (772g x Rs.43,461/-)

Revaluation of Motor Vehicles

Motor vehicle had been revaluated in the year 2022. Few Motor Vehicles did not revaluated as per the Management decision.

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

Capital Reserves

Corporation held Capital Reserves for the purpose of maintain high level of financial position and to recover losses due to sale of asset with a loss.

Foreign Exchange Reserves

Foreign Exchange Reserve held to recover for the foreign currency losses .During the year Foreign exchange loss has been transferred to income statement.

Other Reserves

Other Reserves solely comprises the Actuarial (Gain) / Loss arisen from the Actuarial Valuation of the Employee Benefits.

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 15- ALLOCATION FOR PROVISIONS			
Audit Fees	1,497,420	1,434,408	7,540,800
Expired & Damaged Goods	17,327,724	14,908,104	15,640,683
HNDF 10% Contribution	306,979	563,306	785,573
	<u>19,132,123</u>	<u>16,905,818</u>	<u>23,967,056</u>
	Rs.	Rs.	Rs.

NOTE 16 -RETIREMENT BENEFIT OBLIGATIONS

The amounts recognized in the statement of financial position are determined as follows:

Balance at the beginning of the year	54,820,763	44,495,114	35,461,706
Add-Provision for the year	51,529,933	21,974,519	27,651,015
Less-Payments during the year	5,274,132	11,648,870	18,617,608
Liability in the Statement of Financial Position	<u>101,076,564</u>	<u>54,820,763</u>	<u>44,495,114</u>

The movement in the defined benefit obligation over the year is as follows:

	Rs.	Rs.	Rs.
Balance at the beginning of the year	54,820,763	44,495,114	35,461,706
Current Service Cost	8,172,933	4,118,402	2,884,672
Interest Cost	6,030,284	4,894,463	4,255,405
Actuarial Loss /(Gain)	37,326,716	12,961,654	20,510,938
Payments / Payable during the year	(5,274,132)	(11,648,870)	(18,617,608)
Balance as at the end of the year	<u>101,076,564</u>	<u>54,820,763</u>	<u>44,495,114</u>
	Rs.	Rs.	Rs.

The amounts recognized in the statement comprehensive income are as follows:

Current Service Cost	8,172,933	4,118,402	2,884,672
Interest Cost	6,030,284	4,894,463	4,255,405
Total Included in the Staff Cost	<u>14,203,217</u>	<u>9,012,864</u>	<u>7,140,077</u>
Actuarial Loss /(Gain)	37,326,716	12,961,654	20,510,938
Total included in Statement Comprehensive Income	<u>51,529,933</u>	<u>21,974,519</u>	<u>27,651,015</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

NOTE 16 -RETIREMENT BENEFIT OBLIGATIONS

The key assumptions used by the managements are as follows.

As at	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
Financial Assumptions			
Rate of Interest (net of tax)	11.00%	11.00%	12.00%
Expected Salary Increment	8.00%	2.00%	2.00%
Demographic Assumptions			
Staff Turnover Factor	9.66%	9.66%	9.66%
Retirement age	60 Years	60 Years	60 Years

Sensitivity Analysis

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

	Rs.	Rs.	Rs.
1% Increase in Discount Rate	95,641,278	51,991,825	42,404,340.00
1% Decrease in Discount Rate	106,955,834	57,874,307	46,747,377.00
1% Increase in Salary Increment Rate	107,068,122	58,121,483	46,952,337.00
1% Decrease in Salary Increment Rate	95,446,175	51,723,198	42,185,791.42

The Corporation will continue in business as a going concern.

NOTE 17 -DEFERRED TAX LIABILITIES / (ASSETS)

	Rs.	Rs.	Rs.
The amounts recognized in the statement of financial position are determined as follows:			
Balance at the beginning of the year	(2,479,479)	6,736,400	(1,804,601)
Charged / (Reversed) during the year (30.3)	<u>(19,280,475)</u>	<u>(9,215,879)</u>	<u>8,541,001</u>
Balance at the end of the year	<u><u>(21,759,954)</u></u>	<u><u>(2,479,479)</u></u>	<u><u>6,736,400</u></u>

17.1 Recognized Deferred Tax Assets & Liabilities/ (Assets)

Deferred Tax assets and liabilities are attributable to the following originations of temporary differences

	Rs.	Rs.	Rs.
Taxable/ (Deductible) Temporary Differences:			
Property, Plant & Equipment.	28,543,384	46,555,833	66,949,781
Retirement Benefit Obligations	<u>(101,076,564)</u>	<u>(54,820,763)</u>	<u>(44,495,114)</u>
	(72,533,180)	(8,264,930)	22,454,667
Applicable Tax Rate	30%	30%	30%
Net Deferred Tax Liabilities / (Assets)	<u><u>(21,759,954)</u></u>	<u><u>(2,479,479)</u></u>	<u><u>6,736,400</u></u>

The Corporation recognized Deferred Tax Assets of Rs 30,322,969/- (2024 - Rs. 16,446,228/-) as at the reporting date, as the management is confident that the Deferred Tax assets would be realized in the future due to the availability of Taxable Profits in the future. Moreover, Deferred Tax Liabilities recognized as at reporting date is Rs.8,563,015/- (2024 - Rs. 13,966,749/-). Accordingly Net Deferred Tax Assets as at December 31st, 2025 is Rs.21,759,954/- (Net Deferred Tax Assets as at 31.12.2024 - Rs.2,479,479/-).

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 18 - ACCRUED EXPENSES			
Vehicle Maintenance Expenses	1,278,911	1,450,335	973,117
Telephone Expenses	171,289	86,920	108,674
Electricity Expenses	1,052,138	1,146,051	1,408,770
Fuel Expenses	1,742,857	969,306	719,357
Consultancy Charges for Sale Centers	704,100	330,400	249,900
Welfare Expenses	10,500,912	624,491	3,022,150
Advertisement & Notice Expenses	244,924	45,029	189,750
Medical Leave Payments	9,749,270	6,281,941	6,877,453
Stamp Duty	359,464	328,289	346,489
Water Expenses	240,347	449,834	195,533
Travelling & Subsistence	171,061	50,250	15,400
Rent Expenses of Sales Centers	1,327,464	405,500	3,519,322
EPF	3,851,071	3,157,869	2,547,938
ETF	577,661	473,680	382,191
Cleaning Charges	402,500	238,345	205,259
General Expenses	2,119,720	1,014,579	1,549,648
Repairs & Maintenance of Machinery	1,288,385	599,940	419,326
PAYE/APIIT	27,328	38,761	17,457
Herbal Garden Expenses	1,325,213	1,440,200	1,422,228
Stock Verification Expenses	103,780	83,082	113,233
Attendance Allowances	813,300	830,100	855,900
Overtime Expenses	2,640,128	1,798,586	1,798,956
Production Allowances	7,887,561	7,756,618	6,523,362
Salaries & Wages	1,640,690	1,425,417	2,776,794
Maintenance for Office Building	85,657	49,800	157,380
Postage Expenses	48,545	71,598	-
Newspaper Expenses	15,780	16,720	233,573
Laboratory Expenses	-	15,000	-
Tender Board Expenses	242,500	140,500	539,000
Security Fees Administration	3,421,516	1,299,029	751,569
Purchase of Empty Bottles	16,764	60,407	18,408
Electricity Expenses of Sales Centers	63,313	37,672	128,402
Water Expenses of Sales Centers	19,138	600	41,257
Welfare Expenses of Sales Centers	35,980	48,309	75,680
Director Board Expenses	6,000	-	9,596
Bonus Expenses	-	126,673	-
Maintenance of Office Equipments	-	27,531	-
Ministry of Finance Payable	-	24,906,927	-
Legal Fee	18,600	-	-
Sales Promotion Expenses	570,765	-	-
Event Expenses	172,273	-	-
Insurance Expenses	22,496	-	-
Donation Expenses	100,000	-	-
	55,059,399	57,826,289	38,193,071

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

As at	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 19 - OTHER CURRENT LIABILITIES			
Tender Security Deposits	32,032,476	25,867,571	21,631,366
Payable Deposits	114,683	1,041,015	1,064,472
Payable Employee Security Deposits	1,710,296	1,638,207	1,679,200
Payable Festival Advance Over Recovered	10,845	10,845	10,845
Payable 10% Retention on LC	5,228,694	1,894,902	1,894,902
Suspense AC of Distress Loan Advance	24,238	24,238	24,238
Withholding Tax-WHT-Payable	-	115,050	85,656
Prepayment-Beruwala Sales Centre	-	479,839	303,240
	<u>39,121,231</u>	<u>31,071,666</u>	<u>26,693,918</u>

	Rs.	Rs.	Rs.
NOTE 20 - PROVISION FOR TAXATION			
Dividend Tax as at 01.01.2023	-	-	(12,673,956)
Provision for Income Tax as at 01.01.2025	<u>60,247,433</u>	<u>73,408,625</u>	<u>20,585,267</u>
	60,247,433	73,408,625	7,911,311
Income Tax for the year (Note 30.2)	<u>86,713,411</u>	<u>55,236,428</u>	<u>68,343,978</u>
	146,960,844	128,645,053	76,255,289
Tax Paid			
Income Tax	(55,785,112)	(67,446,304)	(1,948,990)
Withholding Tax	(1,546,995)	(951,316)	(897,674)
Provision for Income Tax as at 31.12.2025	<u>89,628,737</u>	<u>60,247,433</u>	<u>73,408,625</u>

For the year ended	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.

NOTE 21 - DIRECT LABOUR EXPENSES			
Salaries & Wages	96,114,592	89,796,975	76,534,920
Overtime Expenses	17,638,997	11,788,768	10,630,520
Attendance Allowances	4,272,900	4,128,700	4,510,786
Production Allowances	37,353,066	27,561,249	31,683,086
Bonus Expenses	3,259,950	1,951,655	-
Employee Retirement Benefits	5,578,716	3,448,764	2,885,885
Medical Leave Salaries	3,751,686	1,963,566	2,309,085
EPF	10,631,466	9,161,723	7,708,304
ETF	2,657,898	2,291,736	1,905,591
	<u>181,259,271</u>	<u>152,093,137</u>	<u>138,168,177</u>

NOTE 22- INDIRECT EXPENSES			
Salaries & Wages	26,885,950	25,048,469	20,494,590
Overtime Expenses	4,874,624	4,566,933	3,205,211
Attendance Allowances	1,346,700	1,980,600	1,632,100
Production Allowances	11,068,618	13,424,249	11,797,883
Bonus Expenses	870,000	1,157,662	-
<i>C/F to next page</i>	<u>45,045,892</u>	<u>46,177,913</u>	<u>37,129,784</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	Note	31.12.2025 Rs.	31.12.2024 Rs.	31.12.2023 Rs.
NOTE 22- INDIRECT EXPENSES				
<i>B/F from Previous page</i>				
EPF		45,045,892	46,177,913	37,129,784
ETF		2,902,097	2,539,785	1,867,806
Telephone Expenses		725,524	635,336	505,027
Welfare Expenses		38,261	68,992	44,385
Building Maintenance Expenses		7,449,654	4,025,960	4,105,841
Machinery Mainte. & Repair Cost	22.1	2,592,909	4,929,720	4,174,758
Electricity Expenses		13,990,038	8,350,066	8,077,922
Depreciation for Building		6,029,664	8,637,068	10,299,116
Depreciation for Machinery		24,942,538	23,641,918	23,309,420
Depreciation for Water Supply Equipment		11,428,695	13,911,539	20,256,286
Depreciation for Laboratory Equipment		122,450	221,551	1,725,984
Depreciation for Tools & Equipment		421,159	93,709	93,921
Water Expenses		2,082,143	1,725,073	1,432,019
General Expenses		2,144,085	2,427,934	2,239,246
Rates Expenses		3,664,196	4,195,776	2,012,439
Employee Retirement Benefits		364,732	377,527	410,127
Medical Salary Expenses		2,416,742	1,330,325	1,044,889
Insurance Expenses of Building		1,143,292	1,373,357	1,130,098
Fuel M/V 49-9077		668,812	651,840	349,049
Cleaning Charges		87,272	60,813	114,480
Vehicle Maintenance - M/V 49-9077		-	-	50,130
Vehicle Maintenance - M/V RA-8819		-	137,491	3,600
License Expenses Of Motor vehicle		-	94,695	-
Insurance Expenses- Motor Vehicles		660	660	-
Maintenance of Laboratory Equipments		19,145	32,032	35,135
Maintenance of Tools & Equipments		210,620	198,952	238,207
Telephone Charges - New Factory Pathiragoda		145,836	474,291	552,908
Water Expenses - New Factory Pathiragoda		37,019	23,551	38,593
Electricity Charges - New Factory Pathiragoda		347,996	326,091	261,440
General Expenses-New Factory Pathiragoda		2,468,226	2,868,788	2,887,877
Usage of Other Item - Store 13-14		15,500	90,800	460,098
Anuradhapura Raw Material Collecting Centre Expense		432,315	133,122	4,801,012
		854,233	-	-
		<u>132,791,706</u>	<u>129,756,676</u>	<u>129,651,595</u>

	Rs.	Rs.	Rs.
NOTE 22.1 -MACHINERY MAINTENANCE & REPAIR COST			
Opening Stock (Machine Spare Parts)	5,025,291	6,177,893	2,490,087
Less : Opening Stock Adjustment	41	-	-
	<u>5,025,250</u>	<u>6,177,893</u>	<u>2,490,087</u>
Machine Maintenance	13,291,532	7,197,465	11,765,728
	<u>18,316,782</u>	<u>13,375,357</u>	<u>14,255,815</u>
Less: Closing Stock (Machine Spare Parts)	4,326,744	5,025,291	6,177,893
Total Consumption of Machinery Spare Parts	<u>13,990,038</u>	<u>8,350,066</u>	<u>8,077,922</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 23 - SALES			
Credit Sales	1,319,294,510	1,123,572,974	824,948,760
Mobile Sales	-	-	30,951
Credit Sales-Anuradhapura-Mobile	-	-	5,822,127
Credit Sales-Online (8IOC)	-	77,348	17,424
Store No.07-Cash Sales	166,889,828	160,779,235	132,685,316
Store No.08-Cash Sales (By Agent)	-	20,726,199	43,538,581
Sales for Empty Bottles (7INB)	872,418	937,018	995,633
Cash Sales - Diyathalawa	4,608,704	4,226,125	4,826,475
Cash Sales - Kandy	12,232,827	12,420,905	9,091,443
Cash Sales - Anuradhapura	15,182,320	15,088,175	14,218,040
Cash Sales - Wijerama	11,331,257	14,728,533	13,327,387
Cash Sales - Nawinna	39,495,179	37,007,944	37,859,780
Cash Sales - Badulla	5,350,482	5,656,639	5,999,834
Cash Sales - Rathnapura	7,592,800	8,333,812	9,857,006
Cash Sales - Jaffna	20,695,743	20,159,433	15,827,045
Cash Sales - Galle	4,414,436	10,274,757	14,274,854
Cash Sales - Monaragala	6,397,457	7,237,016	6,428,236
Cash Sales - Matara	11,698,720	13,534,281	14,051,918
Cash Sales - Borella	15,553,191	17,187,610	14,179,317
Cash Sales - Ja-Ela	7,702,848	7,902,445	8,096,700
Cash Sales - Beruwala	14,693,993	18,498,113	10,570,179
Cash Sales - Narahenpita	-	2,659,600	6,217,515
Cash Sales - Embilipitiya	7,006,728	8,358,189	8,251,860
Cash Sales - Kiribathgoda	1,933,895	6,713,493	9,376,450
Cash Sales - Polwaththa Suwa Sewa	1,433,807	532,475	-
Credit Sales of Sales Centre	4,081,100	3,163,129	4,790,810
	<u>1,678,462,242</u>	<u>1,519,775,447</u>	<u>1,215,283,637</u>
	Rs.	Rs.	Rs.
NOTE 24 - COST OF SALES			
Opening Stocks	262,641,057	452,862,514	151,251,372
Add: Opening Stock Adjustment	2,786,299	-	-
	<u>265,427,356</u>	<u>452,862,514</u>	<u>151,251,372</u>
Add: Cost of Production (Note 24.1)	<u>1,064,160,734</u>	<u>883,735,041</u>	<u>1,059,361,507</u>
	<u>1,329,588,090</u>	<u>1,336,597,555</u>	<u>1,210,612,879</u>
Less: Donations (Note 24.2)	1,344,112	1,145,478	1,537,478
Less: Closing Stocks	234,887,816	262,641,057	452,862,514
Cost of Sales	<u>1,093,356,162</u>	<u>1,072,811,020</u>	<u>756,212,888</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	2025	2024	2023
	Rs.	Rs.	Rs.
NOTE 24.1 STATEMENT OF COST OF PRODUCTION			
Consumption of Raw Materials			
Opening Stock	123,885,566	97,935,062	96,004,550
Less : Opening Stock Adjustment	591,082	91,525	-
	<u>123,294,484</u>	<u>97,843,537</u>	<u>96,004,550</u>
Add:Purchases	622,032,414	519,032,176	653,026,763
	<u>745,326,899</u>	<u>616,875,713</u>	<u>749,031,312</u>
Less: Closing Stock	111,439,873	123,885,566	97,935,062
	<u>111,439,873</u>	<u>123,885,566</u>	<u>97,935,062</u>
Cost of Consumption of Raw Materials	633,887,026	492,990,147	651,096,251
Consumption of Packing Material			
Opening Stock	36,914,549	28,099,379	39,356,268
Add: Purchases	78,641,228	73,961,787	60,613,803
	<u>115,555,777</u>	<u>102,061,167</u>	<u>99,970,072</u>
Less: Closing Stock	34,853,579	36,914,549	28,099,379
	<u>34,853,579</u>	<u>36,914,549</u>	<u>28,099,379</u>
Cost of Consumption of Packing Material	80,702,198	65,146,618	71,870,693
Cost of Consumption of Burn Oil			
Opening Stock	1,407,600	1,624,950	2,568,000
Add: Purchases	48,500,500	43,942,280	68,174,213
	<u>49,908,100</u>	<u>45,567,230</u>	<u>70,742,213</u>
Less: Closing Stock	174,600	1,407,600	1,624,950
	<u>174,600</u>	<u>1,407,600</u>	<u>1,624,950</u>
Cost of Consumption of Burn Oil	49,733,500	44,159,630	69,117,263
Direct Labor Expenditure	21 181,259,271	152,093,137	138,168,177
Prime Cost	945,581,995	754,389,531	930,252,383
Factory Overhead Cost			
Indirect Expenses	22 132,791,706	129,756,676	129,651,595
Add: Opening Unfinished	21,645,286	21,234,120	20,691,648
Less: Closing Unfinished	35,858,253	21,645,286	21,234,120
	<u>118,578,739</u>	<u>129,345,510</u>	<u>129,109,123</u>
Total Manufacturing Cost of the year carried forward to the Statement of Comprehensive Income	1,064,160,734	883,735,041	1,059,361,507
	Rs.	Rs.	Rs.
NOTE 24.2 - DONATIONS			
Selling Price of Donations	2,882,117	2,277,141	2,326,651
Cost of Donations	1,344,112	1,145,478	1,537,478

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	Note	31.12.2025	31.12.2024	31.12.2023
		Rs.	Rs.	Rs.
NOTE 25- OTHER INCOME				
Service Income-Wijerama		1,184,600	1,456,200	1,658,400
Service Income-Kandy		552,000	585,000	616,800
Service Income-Rathnapura		5,437,000	3,829,500	3,583,800
Service Income-Galle		-	3,900	38,000
Service Income-Embilipitiya		215,500	203,000	126,000
Service Income-Kiribathgoda		67,500	256,000	298,200
Kola Keda Income- Wijerama		91,500	-	-
Sundry Income General		2,143,239	7,315,858	1,991,681
Late Fees Income from Suppliers		1,121,911	1,857,475	4,591,256
Stocks Shortage Income from Store Keeper		-	301,600	18,652
Non Operational Income-Herbal Garden	25.1	3,128,820	6,364,264	9,087,085
Non Refundable Supplier Registration Fees		847,000	717,558	644,500
Rental Income- Wijerama Sales Centre		201,117	220,000	116,750
Rental Income- Anuradhapura Sales Centre		24,000	24,000	2,000
Differed Income - Amortization of Grant / Fixed Assets	13.1	18,975,928	18,622,341	19,452,999
		<u>33,990,116</u>	<u>41,756,696</u>	<u>42,226,122</u>

NOTE 25.1- Non Operational Income -Herbal Garden

	Rs.	Rs.	Rs.
Nikawaratiya Herbal Garden	1,752,014	3,202,443	4,474,083
Dangolla Herbal Garden	1,376,806	3,065,821	4,588,490
Medawachchiya Herbal Garden	-	96,000	24,512
	<u>3,128,820</u>	<u>6,364,264</u>	<u>9,087,085</u>

NOTE 26- ADMINISTRATION & ESTABLISHMENT EXPENSES

	Rs.	Rs.	Rs.
Salaries & Wages	91,563,205	77,868,368	68,584,123
Employee Retirement Benefits	4,607,588	2,727,180	2,015,144
Overtime Expenses	3,619,779	1,810,544	991,662
Attendance Allowances	2,565,600	2,540,100	2,565,600
Production Allowances	20,168,686	15,776,882	17,021,646
Bonus Expenses	1,839,217	1,460,999	-
EPF	9,126,554	7,319,086	5,967,481
ETF	2,281,628	1,828,118	1,485,830
Travelling & Subsistence	396,683	47,920	190,597
Directors Secretary Fees	72,000	66,000	32,000
Legal Fees	1,047,350	503,880	486,497
<i>C/F to next page</i>	<u>137,288,289</u>	<u>111,949,077</u>	<u>99,340,580</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	Note	31.12.2025	31.12.2024	31.12.2023
		Rs.	Rs.	Rs.
NOTE 26- ADMINISTRATION & ESTABLISHMENT EXPENSES				
<i>B/F from Previous page</i>		137,288,289	111,949,077	99,340,580
Stationery Expenses	26.1	2,794,118	4,362,086	2,973,830
Advertisement & Notice Expenses		1,171,182	673,389	1,149,786
Insurance Expenses of Motor Vehicles		267,870	384,348	583,656
Welfare Expenses		24,625,388	25,097,713	14,218,361
Fuel Expenses of Motor Vehicles		4,856,792	7,731,605	6,951,647
Maintenance of Motor Vehicles		5,791,090	6,948,440	4,100,623
General Expenses		1,075,211	1,122,553	1,654,387
Maintenance of Office Equipment		2,416,239	1,775,861	1,295,839
Courses & Seminars Fees		44,055	1,576,111	510,250
Professional Service Charges		849,198	360,961	79,086
Newspaper Expenses		190,990	158,770	206,268
Postage Expenses		1,266,154	1,110,403	620,145
Telephone Expenses		841,728	681,814	636,710
Audit Fees		1,497,420	1,434,408	1,352,400
License Expenses of Motor Vehicles		79,160	185,097	93,494
Maintenance of Office Building		413,972	230,925	437,697
Depreciation of Office Equipment		6,370,266	5,197,383	4,365,979
Stock Verification Allowances		216,501	186,913	394,242
Medical Leave Expenses		3,192,717	1,864,001	2,156,664
Expenses of Audit & Mgt. Committee Meeting		277,500	466,500	161,500
Directors' Transport Expenses		227,500	120,500	145,600
Board Of Directors' Allowances		493,000	482,000	506,500
Cleaning Expenses		5,155,432	4,674,178	3,162,875
Electricity Expenses		3,093,667	3,654,597	3,189,878
Printing Expenses		80,480	590,172	118,361
Administrative Security Expenses	26.2	10,792,211	8,252,955	9,747,695
Tender Board Meeting Expenses		1,747,410	1,699,450	1,180,000
Stamp Fees		16,750	17,025	38,405
Directors' Board Meeting Expenses		119,229	143,893	126,603
Maintenance of Computers		2,469,073	2,529,324	2,007,228
Payments for Earn Leave		46,785	233,671	142,335
Events Expenses		172,273	770,036	5,447,500
Compensation Expenses		-	-	148,000
Security Fee-Rakna Rakshaka Lanka		8,425,200	6,532,056	4,578,062
Insurance Expenses - Others		204,615	150,390	604,252
Fuel Expenses of Generator		200,375	306,274	534,026
Un-Winding of Pre -Paid Staff Benefits		1,961,934	2,874,744	2,539,023
Donation Expenses		960,560	-	-
		231,692,333	206,529,624	177,499,487

NOTE 26.1 - CONSUMPTION OF STATIONERY

Opening Balance	1,917,277	2,305,647	1,546,884
Less: Opening Stock Adjustment	2,730	-	-
	1,914,547	2,305,647	1,546,884
Purchases During the year	4,878,849	3,973,716	3,732,593
	6,793,396	6,279,363	5,279,477
Less: Closing Balance	3,999,278	1,917,277	2,305,647
Stationery Consumption	2,794,118	4,362,086	2,973,830

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	Note	31.12.2025	31.12.2024	31.12.2023
		Rs.	Rs.	Rs.
NOTE 26.2 - ADMINISTRATIVE SECURITY EXPENSES				
Salaries & Wages		4,803,115	3,744,913	4,659,530
Overtime Expenses		2,231,466	1,755,582	2,405,946
Attendance Allowances		233,400	208,200	213,600
Production Allowances		1,976,616	1,381,496	1,585,935
EPF		532,709	382,954	455,808
ETF		133,173	92,774	113,952
Bonus Expenses		172,917	111,666	-
Medical Leave Expenses		271,261	99,501	138,776
Employee Retirement Benefits		437,554	475,869	174,148
		<u>10,792,211</u>	<u>8,252,955</u>	<u>9,747,695</u>

NOTE 27 - SELLING & DISTRIBUTION EXPENSES

		Rs.	Rs.	Rs.
Salaries & Wages (Stores)		8,354,204	6,512,604	4,562,375
Attendance Allowances		491,400	524,700	412,500
Production Allowances		4,008,805	3,238,001	2,642,665
Overtime Expenses		8,594,665	9,103,591	7,893,800
Medical Leave Payments		434,609	259,810	248,241
Bonus Expenses		342,500	266,330	-
EPF (Stores)		931,539	662,032	437,463
ETF (Stores)		232,885	165,481	111,603
Motor Vehicle Maintenance		5,053,800	2,751,762	3,111,809
Motor Vehicle Insurance		170,096	259,019	290,949
Travelling Expenses		1,706,953	2,010,694	1,555,550
Motor Vehicle Fuel Expenses		4,680,602	5,932,830	6,302,744
General Expenses		1,306,162	933,414	1,538,136
Advertisement Expenses		2,042,828	2,368,768	1,592,019
Transport Expenses		14,850	40,234	11,400
Employee Retirement Benefits		1,162,617	1,030,725	1,020,011
Donations		1,344,112	1,145,478	1,567,478
Depreciation - Motor Vehicles		11,947,393	11,947,393	11,947,393
Welfare Expenses		-	-	5,850
Telephone Expenses		76,317	285,779	121,186
Motor Vehicle License Fees		41,530	52,880	30,320
Laboratory Expenses		743,942	146,423	273,881
Legal Fees - S/D		18,600	187,100	102,800
Damaged & Expired goods		1,605,259	-	6,969,858
Selling & Distribution - Sales Centre Expenses	27.1	51,329,356	47,526,826	48,168,120
Sales Promotion Expenses		3,803,066	969,910	724,986
Non Operational Expenses-Herbal Garden	27.2	22,482,886	23,829,785	20,254,924
Payment of National Health Development Fund		306,979	-	-
		<u>133,227,957</u>	<u>122,151,569</u>	<u>121,898,062</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

For the year ended	31.12.2025	31.12.2024	31.12.2023
	Rs.	Rs.	Rs.
NOTE 27.1 - Selling and Distribution -Sales Centre Expenses			
Salaries & Wages	19,924,108	19,753,097	18,324,798
Attendance Allowances	893,400	976,500	1,130,400
Production Allowances	6,818,581	3,747,887	7,257,211
Medical Leave Expenses	766,006	584,791	776,565
Overtime Expenses	747,911	650,196	944,622
Rent Expenses	11,822,701	12,408,411	11,016,128
Building Maintenance	720,674	615,952	248,722
EPF	2,211,261	2,002,133	1,854,537
ETF	552,798	503,467	452,103
Welfare Expenses	371,425	466,340	573,473
Consultancy Expenses	4,597,900	3,900,300	3,828,200
Traveling & Meal Allowances	29,392	23,459	251,109
Telephone Expenses	343,793	207,809	264,415
General Expenses	66,445	59,733	280,845
Water Expenses	178,139	278,556	199,485
Electricity Expenses	514,065	508,983	523,823
Cleaning Expenses	21,000	54,000	61,200
Stationery Expenses	109,644	107,257	71,970
Bonus Expenses	575,000	551,818	-
Postage	7,838	56,100	40,440
Rates & Taxes	39,950	16,946	38,652
Transport Expenses	17,326.00	53,089	29,423
	<u>51,329,356</u>	<u>47,526,826</u>	<u>48,168,120</u>
	Rs.	Rs.	Rs.

NOTE 27.2 - Non Operational Expenses-Herbal Garden

Nikawaratiya Herbal Garden	11,138,728	12,018,720	9,506,480
Dangolla Herbal Garden	10,168,624	10,680,310	9,400,424
Medawachchiya Herbal Garden	1,175,534	1,130,756	1,348,021
	<u>22,482,886</u>	<u>23,829,785</u>	<u>20,254,924</u>
	Rs.	Rs.	Rs.

NOTE 28- FINANCIAL INCOME

Interest on Fixed Deposits & Savings Accounts	21,396,413	21,700,135	16,126,082
Interest on Staff Loan	1,092,853	1,186,012	1,199,152
Unwinding of Prepaid Staff Benefits (Note 06.2)	1,961,934	2,874,744	2,539,023
	<u>24,451,200</u>	<u>25,760,891</u>	<u>19,864,257</u>
	Rs.	Rs.	Rs.

NOTE 29 - FINANCIAL EXPENSES

Bank Charges	164,562	103,604	256,878
Bank Loan Interest	1,829,589	2,557,151	3,269,589
Electronic Card Commission Charges	285,341	214,770	150,831
	<u>2,279,492</u>	<u>2,875,525</u>	<u>3,677,297</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

NOTE 30 - INCOME TAX EXPENSES

30.1 Current Taxes

The Corporation in terms of the Inland Revenue Act No 24 of 2017 profit & income from ordinary course of business is liable at the rate of 30% as per the first schedule to this act.

For the year ended 31st December	2025	2024	2023
	Rs.	Rs.	Rs.
On the Current year Income Tax (Note 30.2)	86,713,411	55,236,428	68,343,978
Deferred Tax Expenses / (Reversal) (Note 30.3 & 17)	(19,280,475)	(9,215,879)	8,541,001
	<u>67,432,936</u>	<u>46,020,549</u>	<u>76,884,979</u>
	Rs.	Rs.	Rs.

30.2 Reconciliation between Accounting Profit to Income Tax

Accounting Profit Before Taxation	276,347,614	182,925,296	218,086,282
Income from Other Sources & Exempt Income	(40,372,341)	(40,322,477)	(36,778,233)
	235,975,273	142,602,819	181,308,049
Aggregate Disallowable Items	75,288,404	67,604,919	79,584,117
Aggregate Allowable Items	(43,615,386)	(47,786,446)	(50,404,141)
Business Income	<u>267,648,291</u>	<u>162,421,292</u>	<u>210,488,025</u>
Investment Income	21,396,413	21,700,135	17,325,234
Assessable Income	<u>289,044,704</u>	<u>184,121,427</u>	<u>227,813,260</u>
Taxable Income	<u>289,044,704</u>	<u>184,121,427</u>	<u>227,813,260</u>
Income Tax for the year	<u>86,713,411</u>	<u>55,236,428</u>	<u>68,343,978</u>

30.3 Deferred Tax

Provision has been made for deferred taxation under the liability method in respect of temporary differences arising from carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose as described in Note 30. Difference arising from the deferred tax liability has been recognized in the Financial Statements during the year.

	Rs.	Rs.	Rs.
Deferred Tax Expense / (Income) arises from :			
Accelerated Depreciation for Tax Purpose	(5,403,735)	(6,118,185)	23,798,982
Employee Benefit Liability	(13,876,740)	(3,097,695)	(15,257,981)
	<u>(19,280,475)</u>	<u>(9,215,879)</u>	<u>8,541,001</u>

NOTE 31 - EARNINGS PER SHARE

The calculation of the earnings per share is based on Profit attributable to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding during the year.

31.1 Basic Earnings per Share

	Rs.	Rs.	Rs.
Profit attributable to Ordinary Shareholders (Rs.)	208,914,678	136,904,747	141,201,303
Weighted Average Number of Ordinary Shares	500,000	500,000	500,000
Earnings Per Shares (Rs.)	<u>418</u>	<u>274</u>	<u>282</u>

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

31.2 Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year ended 31st December 2025. Therefore diluted earnings per share is same as basic earnings per share reported above.

NOTE 32 - CAPITAL COMMITMENTS & CONTINGENCIES

The Corporation had no Material Capital Commitments & Contingencies outstanding as at the Reporting date except for below mentioned items.

The outcome of following Litigation cases are pending as at the reporting date.

Complainer	Other party of Case	Case Number	Court
Wijaya News Papers Limited	SLADC	DMR 06125/19	District Court - Colombo
SLADC	D.A.P.Premarathne	37705M	District Court - Rathnapura
W.W.S.R.Wijesundara	SLADC	23/KU/10296/2018	Labor Court-Kurunagala
SLADC	M.K.B.Lenad	B 1815/2022	Magistrate Court -Jaffna
SLADC	W.W.S.R.Wijesundara,N.D .Madushanka,A.M.S.K.Ath apaththu,D.M.M.Kumara	36830/PC	Magistrate Court- Nikawaratiya
R.J.R.Rajapaksha	SLADC	33/1748/2025	Labor Court-Homagama
H.M.L.G.M.S.Herath	SLADC	33/1755/2025	Labor Court-Homagama
U.S.M.T.Perera	SLADC	33/1756//2025	Labor Court-Homagama
SLADC	R.A.P.Niroshana	B/45421/25	Magistrate Court - Gangodawila
SLADC	H.R.B.S.Thisera	HC/ALT/07/2025	High Court - Homagama
SLADC	H.D.S.N.Hettithanthri	B/3303/2024	Magistrate Court - Kadawatha
SLADC	D.M.R.B.Disanayaka	SCIB/288/08	Magistrate Court - Monaragala
SLADC	S.P.B.S.K.Sirimewan	SCIB/228/77	Magistrate Court - Kaluthara

Note 32.A - Receivable Amount-Financial Fraud

An Employee of SLADC Involved Financial Fraud was Revealed during the year of 2024 and amount ascertained as at 31.12.2025 is Rs.31,323,199. SLADC has filed a legal case in Magistrate Court - Gangodawila bearing a Case Number of B/45421/25 & Legal Proceedings is still on going.

NOTE 33 - FINANCIAL RISK MANGEMENT

Overview

The Corporation has exposure to the following risks from its use of financial instruments:

- * Credit risk
- * Liquidity risk

SRI LANKA AYURVEDIC DRUGS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS - 2025

This note presents qualitative and quantitative information about the Corporation's exposure to each of the above risks, the corporation's objectives, policies and procedures for measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Corporations' risk management framework. The corporation's risk management policies are established to identify and analyze the

Credit Risk

Credit risk is the risk of financial Loss to the Corporation if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the corporation's receivables from

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows,

As at	2025 Rs.	2024 Rs.	2023 Rs.
Receivables			
Staff Loans	16,133,958	17,012,359	18,224,190
Gold Stocks	1,841,645	1,841,645	1,841,645
Margin Account	26,989,398	26,989,398	105,908,646
Miscellaneous Deposits	8,477,725	3,396,765	3,756,765
Short Term Investments in Fixed Deposits	235,224,001	190,065,223	112,189,375
Trade Debtors	273,226,006	187,796,981	81,173,248
Pre-payments & Advances	32,268,163	22,242,252	14,752,864
Cash and Cash Equivalents	206,750,354	120,680,059	117,647,086
	<u>800,911,250</u>	<u>570,024,681</u>	<u>455,493,818</u>

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal or stressed conditions, without incurring unacceptable losses or damage to the corporation's reputation.

To measure and mitigate liquidity risk, the Corporation closely monitored its net operating cash flow, maintained a level of cash and cash equivalents and secured committed funding facilities from financial intuitions.

As at	Rs.	Rs.	Rs.
Non-derivative financial liabilities			
Bank Loan	8,000,001	12,000,000	16,000,000
Trade Creditors	167,723,722	123,680,025	245,096,925
Accrued Expenses	55,059,399	57,826,289	38,193,071
Tender Security Deposit	32,032,476	25,867,571	21,631,366
Payable Deposits	114,683	1,041,015	1,064,472
Payable Employee Security Deposits	1,710,296	1,638,207	1,679,200
	<u>264,640,576</u>	<u>222,053,108</u>	<u>323,665,034</u>