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## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No.

PWR/A/CEB/FA/01/25/03

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

14 August 2026



The Chairman, Electricity Generation Lanka (Pvt) Ltd

The Chairman, National Transmission Network Service Provider (Pvt) Ltd

The Chairman, Electricity Distribution Lanka (Pvt) Ltd

The Chairman, National System Operator (Pvt) Ltd

The Chairman, Energy Ventures Lanka (Pvt) Ltd

**Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Ceylon Electricity Board for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act No. 19 of 2018.**

The English version of the above mentioned report along with a copy of certified financial statements signed by the Auditor General is sent herewith.

*P.K.M.P. Nonis*

P.K.M.P. Nonis

Deputy Auditor General

For Auditor General

**P.K.M.P. Nonis**  
Deputy Auditor General  
National Audit Office

*21/08*  
*CFD*  
*OK*

**Eng. K.S.I. Kumara**  
Chief Executive Officer  
Electricity Distribution Lanka (Pvt.) Ltd.

*CEO-EDL*  
*ju-ph*

*20/08/2026*  
**Eng. R.R. Jayaratne**  
Chairman  
Electricity Distribution Lanka (Private) Ltd.

Copies:

1. Secretary, Ministry of Energy

- f.i.pl.

2. Secretary, Ministry of Finance, Planning and Economic Development

- f.i.pl.

DCF

*PI do needful*

*28/8/26*







# ජාතික විගණන කාර්යාලය

## தேசிய கணக்காய்வு அலுவலகம்

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Chairman, Electricity Generation Lanka (Pvt) Ltd  
Chairman, National Transmission Network Service Provider (Pvt) Ltd  
Chairman, Electricity Distribution Lanka (Pvt) Ltd  
Chairman, National System Operator (Pvt) Ltd  
Chairman, Energy Ventures Lanka (Pvt) Ltd



### Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Ceylon Electricity Board for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

#### 1. Financial Statements

##### 1.1 Qualified Opinion

The audit of the financial statements of the Ceylon Electricity Board ("Board") for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.





## 1.2 Basis for Qualified Opinion

- (a) Expenses amounting to Rs.66.55 million relating to the Employee Provident Fund (EPF), which is operated as a separate entity, were recognized as expenses of the Board during the year under review in contrary to the paragraph 15 of Sri Lanka Accounting Standard on Presentation of Financial Statements (LKAS-01).
- (b) Contrary to paragraphs 66 and 69 of LKAS 01, debit balances of stock adjustments amounting to Rs.108.48 million and stock shortages amounting to Rs.317.97 million were presented under other debtors while credit balances of stock adjustments amounting to Rs.50.46 million and stock surpluses amounting to Rs.144.15 million were presented under other payables resulting in the overstatement of current assets and current liabilities.
- (c) Thambapawani Wind Power Project operates on 112 land lots (145.7 hectares), of which only one land lot valued at Rs. 7.97 million had been recognized in the financial statements. Similarly, although only 82 land plots were recorded in the fixed asset register of the Samanalawewa Power Plant, audit verification identified 1,046 land plots, while the cost of 13 quarters had also not been recorded. Consequently, land and related assets had not been properly identified, valued, and recognized in the financial statements, contrary to Paragraph 15 of LKAS – 01. The financial impact could not be verified due to the lack of sufficient information.
- (d) Both debit balances of Trade & other payables amounting to Rs.12.22 million and credit balance of finalized customer account (ordinary) amounting to Rs.190.76 million in distribution divisions respectively had been offset against credit & debit balances of such accounts in contrary to paragraph 32 of Sri Lanka Accounting Standards LKAS 1.
- (e) The Board had applied the standard cost method for valuing overhead costs of its capital and maintenance jobs, instead of being applied the actual costs in line with the requirements of the LKAS -02 and LKAS-16. As a result, it was revealed that there were favourable overhead rate and material price variances aggregating to Rs.3,342.59 million and Rs.5,111.27 million respectively. And also, there was an unfavourable stores price variance aggregating Rs.5,563.12 million. Accordingly,



the impact occurred thereon to the operating results, and assets and equity in the financial statements could not be properly ascertained due to required information relating to those jobs were not made available to audit.

- (f) As per paragraph 51 of the Sri Lanka Accounting Standard on Property, Plant & Equipment (LKAS 16), the useful life of the asset shall be reviewed at least at each financial year end and if expectations differ from previous estimates, the changes shall be accounted in accordance with LKAS 08. However, useful lives of the fully depreciated assets amounting to Rs.258,582 million as at end of the year under review which are still in use had not been reviewed and accounted accordingly.
- (g) As per default tax report of the Board as at 31 December 2025, the corporate income tax, PAYE Tax and Value added tax of the Board from the year of assessments commencing from 2015/2016 to the end of the year 2024 an amount aggregating to Rs.1,102.08 million, Rs.1,867.31 million and Rs.344.21 million respectively and appeals have been lodged by the Board. However it had not been disclosed in the financial statements of the Board in terms of the Section 88 of LKAS -12.
- (h) No provision for differed tax liability had been made in the financial statements for taxable temporary differences of Property, Plant and Equipment in terms of the paragraphs 15 and 16 of the standard and section 2.4.3 of the accounting policies to the financial statements, even though the carrying amount of the assets of the Board had exceeded its tax base value at the end of the year under review.
- (i) A sum of Rs.1,024.11 million incurred on the replacement of four damaged blades of the Mannar Wind Power Project had been erroneously recognized as other debtors instead of being capitalized as property, plant and equipment. Further, the cost of the existing four blades had not been derecognized upon capitalization of the replacement blades, and depreciation had not been adjusted accordingly, contrary to LKAS-16.
- (j) As at the end of the year, the total interest-bearing loans and borrowings amounted to Rs.291,272.01 million, of which the General Treasury had provided guarantees aggregating to Rs.16,557.31 million. However, the related guarantee disclosures had not been made in the financial statements, contrary to paragraph 31 of SLFRS -07.



- (k) The other debtors outstanding for one to five years in Distribution Divisions amounted to Rs.156.24 million. However, contrary to the provisions of Accounts Circular No.651 dated 21 January 2025, only Rs.103.64 million had been provided as impairment for other debtors. Further, no impairment provision had been made for other debtor balances amounting to Rs.10.05 million in Distribution Division 03, which remained outstanding for one to five years. Similarly, only Rs.19.38 million had been provided for impairment of other debtors amounting to Rs.53.57 million outstanding for over five years, without adequately recognizing expected credit losses in accordance with Sri Lanka Financial Reporting Standard (SLFRS 9) – Financial Instruments. Further, the impairment policy had not been disclosed in the accounting policies as required by the above standard.
- (l) Physical verification at the Samanalawewa Hydro Power Station revealed that spare parts valued at Rs.243 million, capitalized during the year 2024, remained unused and in stores as at 30 October 2025. It was further observed that a substantial quantity of spare parts available at the station had not been recognized in the financial statements as inventory, while costs of spare parts had been inconsistently accounted for, being either capitalized as property, plant and equipment or charged to expenses upon receipt.
- (m) An amount of Rs.746.59 million relating to inter-division transactions had not been eliminated from the financial statements as at the end of the year under review and remained included under “other debtors” and “other payables,” resulting in the overstatement of both assets and liabilities by the same amount.
- (n) As at 31 December 2025, the Capital Work in Progress balance amounted to Rs.226,515 million, of which Rs.128,248.49 million had remained under work in progress for more than three years. Audit test checks further revealed that expenditure amounting to Rs.37,729 million relating to completed projects had continued to be classified as Capital Work in Progress despite the respective projects having been completed during the period from 2021 to 2024. In addition, 291 jobs valued at Rs.159.54 million under Distribution Division 02 could not be physically verified due to the non-availability of supporting documents and relevant information. Further, the cost of a building located at Pandaura City amounting to Rs.46.53 million under Distribution Division 04 had not been



capitalized although the construction had been completed and the building is in use since 2019.

- (o) According to the bank balance confirmation, the Special Foreign Currency Account maintained under the Project Division had a balance of USD 2,936,232.60 as at 31 December 2025. However, the balance had been translated using the Euro exchange rate instead of the applicable USD indicative exchange rate issued by the Central Bank of Sri Lanka. As a result, the cash and bank balance reported in the financial statements had been overstated by Rs.158.47 million at the end of the year under review.
- (p) According to the internal valuation report of the Board, transformers removed from the corporate division of Distribution Division 04 more than 3 years ago amounting Rs.570.60 million had been debited and credited to stocks and other payables respectively for the year under review. However, respective cost and accumulated depreciation of those transformers had not been derecognised from the books of accounts and the audit could not be ascertained the impact to financial statements due to lack of information.
- (q) The cost of electrical energy amounting to Rs.4,380 million supplied by the Board to the West Coast Power (Pvt) Ltd at 220kv during the period from 2020 to June 2025 had been deducted from each monthly invoice received for the purchase of electrical energy from the Company to the Board and net invoice value had been accounted as the cost of electrical energy purchased. However said amount had not been identified as sales income for the year instead of that it had been credited to sundry creditors. Therefore, retained earnings as at 01 January 2025 and profit for the year under review had been understated by Rs.3,786 million and Rs. 594 million respectively and sundry creditors had been overstated by Rs.4,380 million.
- (r) Further, the cost of electrical energy amounting to Rs.114 million supplied by the Board to the Company during the month of June 2025 had been erroneously recognized as Purchased Power – Thermal and credited to Sundry Creditors, in addition to recognizing the related electricity sales to the Transmission Customer. As a result, the Cost of Sales and Sundry Creditors were overstated by Rs.114 million in the financial statements.



- (s) The physical coal stock at the coal yard as at 15 September 2023 was 27,171.39 MT, including coal remaining in the bunkers and newly unloaded quantity. However, a negative deaf coal balance of 14,964.71 MT, arising from the prior consumption of deaf coal for electricity generation, was required to be adjusted against the physical stock since deaf coal and thermal coal could not be physically distinguished. Accordingly, the actual thermal coal stock was determined at 12,206.68 MT, resulting in a shortage of 24,251 MT valued at Rs. 1,778.6 million including the deaf coal negative balance of 14,964.71 MT. Therefore, thermal coal stock had been understated by 14,964.71 MT valued at Rs.924.3 million as at 31 December 2023. The said shortage had not been adjusted even as at 31 December 2025, resulting in coal inventory being understated by the same amount.
- (t) A sum of Rs.141.86 million collected from debtors during the period from 1998 to 2024 had been included in the suspense accounts of Distribution Divisions without taking appropriate action to identify, reconcile, and clear the balances. Out of this amount, Rs.28.83 million had remained outstanding over five years.
- (u) Six vehicles costing Rs.124.30 million procured for the Puttalam Coal Power Project (Phase II) had not been capitalized even after completion of the project in 2014 and had been continuously shown under work in progress. Further, no action had been taken to take over and assume custody of these six vehicles and 11 vehicles of Puttalam Coal Power Project (Phase I by the Board), although their costs had already been included in the respective project costs.
- (v) Consumable stock items valued at Rs.55.03 million at the Lakvijaya Power Plant were physically identified during verification; however, these items had not been recorded in the inventory management system, although they were reflected in bin cards, resulting in understatement of inventory in the financial statements by the same amount.
- (w) Physical verification of stock in Transmission Construction Projects for 2025 revealed a shortage of Rs.61.21 million, for which no explanations had been received and no adjustments had been made as at 30 April 2026, resulting in an overstatement of inventory in the financial statements by the same amount.
- (x) As per the records of Ceylon Electricity Board a sum of Rs.6,570.16 million and Rs.35,506.78 million remained receivable from related parties and payable to



related parties respectively. However, as per financial statements and confirmations received from respective companies a sum of Rs.8,790.86 million and Rs.39,482.42 million had remained payable to the Board and receivable from the Board respectively. Hence the differences aggregating to Rs.2,506.44 million and Rs.3,975.64 million in receivable from related parties and payable to related parties respectively were observed.

- (y) As at 31 December 2025, the Collection Control Account reflected debit and credit balances of Rs.522.54 million and Rs. 1,387.76 million, respectively. However, reconciliations for unsettled debit balances of Rs.704.95 million and credit balances of Rs.1,105.91 million were not made available for audit. Further, unidentified opening balances, including debit balances of Rs.179.85 million at the Headquarters and DD04 and credit balances of Rs.196.47 million of DD01, had remained un cleared for more than five years, while other opening debit balances of Rs.392.65 million of DD01, DD03 & DD04 and credit balances of Rs.493.54 million of DD01, DD03 & DD04 had remained outstanding for more than one year without clear.
- (z) According to the financial statements of the Board, the amount receivable from Ceylon Petroleum Corporation (CPC) was Rs.26.97 million and as per the confirmation received from CPC, the corresponding receivable balance was Rs.343.23 million. Thereby a difference of Rs.370.2 million was observed and this matter had not been resolved even at the end of the year under review.
- (aa) An unidentified debtor balance of Rs.423.76 million had remained outstanding since 2012 in Distribution Division 01. However, a sum of Rs.185.41 million had been transferred to debtors' control accounts and other liability accounts of Distribution Divisions during the period from 2015 to 2024 without proper investigation and adjustment to the respective individual debtor accounts.
- (ab) The Board of Survey reports for property plant and equipment with a net book value of Rs.102,300.26 million in the Distribution division 02 physical verification sheets for spare parts valued at Rs.10,074.82 million, physical stock verification sheets for consumable stocks valued at Rs.2,113.49 million, and supporting documents to verify the favourable work-in-progress (non-capital) balance of Rs.165.21 million and the negative balance of Rs.152.31 million were not furnished for audit.



I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **1.3 Emphasis of Matter**

I draw attention to Note 38 to the financial statements, which describes the restructuring of the Ceylon Electricity Board (CEB), which previously operated as a single statutory entity, into six successor companies. As at the date of authorization of these financial statements for issue, all six successor companies had been duly incorporated. This restructuring indicates significant uncertainty regarding the continued existence of CEB as a separate legal entity. Nevertheless, the generation, transmission and distribution of electricity in Sri Lanka continue to be carried out through the six successor companies, which collectively continue the functions previously performed by CEB. Accordingly, the financial statements have continued to be prepared on going concern basis. My opinion is not modified in respect of this matter.

### **1.4 Other information included in the Board's 2025 Annual Report**

The other information comprises the information included in the Board's 2025 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

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

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

When I read the Board's 2025 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed



those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

### **1.5 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

### **1.6 Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide



a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **2. Report on Other Legal and Regulatory Requirements**

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

**2.1.1** Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all relevant information and explanation that required for the audit and as far as appears from my examination, proper accounting records have



been kept by the Board as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 1.2(a), 1.2(b), 1.2(e), 1.2(f), 1.2(g), 1.2(h), 1.2(i), 1.2(p), 1.2(q), 1.2(s), 1.2(u), 1.2(aa) described in the basis for Qualified Opinion section of my report.

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

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

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

| Reference to Law/Direction                                                                                     | Description                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Operational Manual for State Owned Enterprises of Department of Public Enterprises dated 16 November 2021. |                                                                                                                                                                                                                                                                            |
| (i) Section 3.2(i)                                                                                             | Relevant approvals for the Scheme Of Recruitment (SOR) of the Board had not been obtained so far since its establishment from the year 1969.                                                                                                                               |
| (ii) Section 3.2(v) and PED Circular No 95 dated 14 June 1994                                                  | Although the audit committee meeting held on 25 September 2020 at the ministry of Power, it was decided to obtain the approval of the Department of Public Enterprises for the payment of leave encashment and at the audit committee meeting held on 02 February 2021, it |



was decided to stop the payment of leave encashment immediately as it is informal payment, for the year 2021 and 2024. For the year 2025 Rs.2,864 million had been provided as leave encashment.

(iii) Section 3.4

The Board had not prepared a proper succession plan by identifying its human resource requirements, including existing vacancies, new positions to be created, and the specific skills required for each post.

(iv) Section 3.4 (viii),(ix)

Even though the thirteen months had lapsed since the retirement of the Chief Internal Auditor from 30 November 2024, the board had not appointed a permanent officer for the post even by the date of this report.

(v) Section 3.5

The Board had paid a sum of Rs.30.38 million as salaries, allowances, incentives, bonuses, and other payments to seventeen employees who had been released to the Ministry of Energy during the period from 01 January 2025 to 30 September 2025. Accordingly, the Ministry of Energy should reimburse Rs.340.17 million to the Board in respect of salaries, allowances, incentives, and other related payments made for employees released during the period from 2021 to 2025 as at 31 December 2025.

(vi) Section 7.7 and Public Enterprises Circular No.01/2021 (ii) dated 27 September 2023

A Subsidiary Reviewing Policy had not been established by the Board of Directors even at the end of March 2026 even though Board of Directors has a fiduciary duty to establish a structure that facilitate oversight of the performance of subsidiaries coming under its purview and discuss the performance of the



subsidiaries at least quarterly.

- (b) Section 4.3 of the Guideline on Even though a risk committee should meet at Corporate Governance for State least quarterly, only one meeting had been held Owned Enterprises of Department of for the year 2025. Public Enterprises dated 16 November 2021.
- (c) Section 12 of Ministry of Finance Lakvijaya Complex had spent Rs.21.23 million Economic Stabilization and National without any approval of the Hon. Minister of Policies circular No. 01/2024 dated 28 Finance as CSR expenses for the year under February 2024 “Expenditure review. Management and Business Sustainability of State Owned Enterprise

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

- (a) The Cabinet of Ministers, on 09 April 2008, approved the implementation of recommendations of the National Salaries and Cadres Commission relating to the payment of allowances to employees of the Ceylon Electricity Board, subject to the conditions stipulated in its report dated 31 March 2008. However, contrary to the said approval, a sum of Rs.1,341.59 million had been paid during the year under review for various allowances that were not included in the list of approved allowances, without obtaining the approval of the National Salaries and Cadres Commission and the Department of Management Services. Further, although exodus allowance should not be paid to officers entitled to professional allowance, Rs.138.07 million had been paid as exodus allowance to 538 officers. Moreover it was observed that officers appointed to posts had been paid allowances for performing duties of those posts, contrary to the Cabinet decision. In addition, a performance-based incentive scheme for officers recruited after 01 April 2008 had not been introduced even by the end of the year under review.
- (b) Without the approval of the General Treasury, the board had reimbursed 2/3 of the interest charged on property loans taken by employees under the subsidized



housing loan scheme. The interest amount reimbursed from the year 2013 to 2025 was Rs.22, 389.63 million.

- (c) In terms of Clause 2 of Annexure A to Schedule 9 of the Power Purchase Agreement (PPA) entered into between the Board and West Coast Power (Pvt) Ltd, the parties had agreed to review the combined cycle parameters at the end of the first year of the agreement based on the actual performance of the plant to determine any beneficial adjustments to the Board. However, although the Board of Directors approved revised parameter values on 15 February 2019 for the certification of monthly invoices, the revisions were made without the concurrence of the Company. Consequently, the Company continued to submit invoices based on the original PPA parameters, while the Board certified them using the revised values, resulting in an un reconciled difference of Rs.3,679 million between the Board's payable balance of Rs.16,125 million and the Company's confirmed balance of Rs.19,804 million as at 31 December 2025. Both parties failed to reach a final agreement to reconcile the difference and settle them even at the end of the year under review. Subsequently, both parties had agreed to reduce the values for some parameters on 12 August 2024. Hence the opportunity to get any beneficial adjustments to the CEB from the end of first year of the Term (10 May 2011) had deprived to the CEB since both parties had not come with an agreement to reduce the values for some parameters based on the actual performance of the facility up to 12 August 2024. Further, the CEB had failed to finalize the calculation of actual over payment and recover the same along with delayed interest even up to 31 December 2025.
- (d) According to the Least Cost Long Term Generation Expansion Plans (LTGEPs) 2022–2041, 2023–2042, and 2025–2044, renewable energy power plants other than solar power plants with aggregate capacities of 204 MW, 196 MW, and 35 MW, respectively, were planned to be commissioned during the relevant periods. However, only 35 MW, 40 MW, and 6 MW, respectively, had been commissioned in the year 2022, 2024, and 2025. Accordingly, the commissioning of renewable energy power plants other than solar power plants had fallen significantly behind the targets stipulated in the LTGEPs.
- (e) It was observed that the total system losses during the year under review and previous year were 1,409 GWh or 7.8 per cent from the net generation of the year and 1,406 GWh or 8.4 per cent from the net generation of the year respectively. A



direction had been given to present a plan to reduce transmission and distribution losses over the next five years under the conditions imposed at the time of granting approval by the Public Utilities Commission (PUCSL) to revise the electricity tariff made effective from 20 October 2023 and 05 March 2024, and the Board had stated that the plans for the said purpose have been included in the Long-Term Transmission Development Plan and Medium Voltage Distribution Development Plans of the Board. According to the Long Term Transmission Development Plan 2018-2027, number of 188 proposals had been identified for the years 2018 to 2025. Out of them, number of 37 and 36 proposals had been completed on time and with a delay respectively. Number of another 09 proposals had been initiated with a delay and number of 69 proposals had not been initiated even up to 30 June 2025.

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

- (a) The contract for the construction of a three-storey Deputy Power Plant Manager's building and a two-storey workshop building at the Lakvijaya Power Plant, valued at Rs.335.64 million and scheduled for completion by 26 April 2022, had been suspended by the contractor from 24 August 2022 due to adverse economic conditions, after completing only 40 per cent of the work. Although a mobilization advance of Rs.42.39 million remained unrecovered, no action had been taken by the Board to resume or complete the project. Consequently, the project had remained incomplete for over three years, rendering the expenditure of Rs.78.94 million incurred thereon unproductive.
- (b) A sum of Rs.1,510.69 million relating to the construction of the proposed Ceylon Electricity Board Headquarters Building Complex had remained in the Capital Work-in-Progress account for more than five years. Although the pile foundation was completed in 2015 and the building contract, valued at Rs.4,774.60 million, was awarded on 02 August 2021 with an expected completion date of 15 August 2023, the contract was terminated on 14 March 2023 upon completion of only the first-floor level following the suspension of construction activities. Despite the suspension, the Board had incurred recurrent expenditure amounting to Rs.25.61



million up to the end of the year under review, while no definitive decision had been taken regarding the recommencement of the project. Consequently, the expenditure of Rs.1.51 billion incurred on the project had remained unproductive without achieving the intended objectives. Further, cracks in the first-floor slab and water sump, together with water leakages, observed during the physical inspection had not been rectified as at the date of audit.

- (c) The contract of consultancy service for development of an integrated Enterprise Resource Planning (ERP) for the Board had been awarded to KPMG (consultancy firm) on 17 May 2017 for the contract sum of Rs.164.93 million. As part of the project, 80 workshops were conducted for approximately 1,800 employees. However, the implementation of the ERP system was not carried out due to funding constraints faced at that time. As a result, expenditure amounting to Rs.143.07 million incurred on consultancy services has become uneconomical, as the project has not been implemented or brought into beneficial use by the Board up to the end of the year under review.
- (d) Procurement procedure should be followed for Non-Conventional Renewable Energy (NCRE) projects after 6 August 2013 as per the Sri Lanka Electricity Act, No.20 of 2009 as amended. However, only 7 procurements for NCRE projects with aggregating capacity of 390 MW had been initiated up to 31 December 2021 and out of the said capacity, power plants with aggregating capacity of 122 MW had only been commissioned up to 31 December 2025.
- (e) As per the Electricity (Amendment) Act, No. 16 of 2022, the requirement to submit a tender on the publication of a notice shall not be applicable in respect of any new generation plant or to the expansion of any existing generation plant that is being developed or to be developed on a permit issued by the Sri Lanka Sustainable Energy Authority (SLSEA) for the generation of electricity through renewable energy sources. Accordingly, out of the requests received from SLSEA with aggregating capacity of 2,730.8 MW during the period from 28 June 2022 to 31 December 2025, Grid concurrences/No objection letters and letter of intent for the projects with aggregating capacity of 1,839 MW had only been issued and Power purchase agreements for the projects with aggregating capacity of 605 MW had only been signed up to 31 December 2025. Further, power plants with aggregating capacity of 110.1 MW had only been commissioned up to 31 December 2025.



- (f) The Seethawaka Ganga Hydropower Project, identified in the Board's Master Generation Plan in 1988, was set to be commissioned by 2022 which was initially managed by Sri Lanka Energies (Pvt) Ltd and transferred to the Board after incurring Rs.1.3 million as preliminary expenses. By 30 September 2021, the Board had spent Rs.301.19 million on preliminary activities and ultimately decided to wind up the project and transfer it back to Sri Lanka Energies (Pvt) Ltd to develop two mini hydro plants of 7 MW. This decision rendered the Board's expenditures uneconomical, and no efforts were made to recover these costs or account for them appropriately.
- (g) The tender for the sale of fly ash, a by-product of coal combustion at Units 01, 02, and 03 of the Lakvijaya Power Plant (LVPP), was approved by the Technical Evaluation Committee and Cabinet Appointed Tender Board for a period of three years. Accordingly, Cabinet approval was sought through Cabinet Paper No. 23/1179/621/051 dated 20 June 2023 to sell fly ash to selected bidders from June 2023 to May 2026. However, after considering relevant recommendations and observations, the Cabinet Sub Committee on Public Expenditure Management recommended approval for only one year. The following observations were made in this regard.
- (i) The initially selected bidder had agreed to purchase 299,700 MT of Quality No.01 fly ash per annum at Rs. 13,200 per MT for a period of three years. However, based on the Cabinet decision dated 17 July 2023, the contract was awarded only for one year and subsequently extended by two months. A fresh bidding process was then conducted for another three years; however, the previous highest bidder did not participate. Consequently, the Board lost the opportunity to sell Quality No. 01 fly ash at the highest rate of Rs. 13,200 per MT. Instead, agreements were entered into to sell 286,324.8 MT per annum at rates ranging from Rs.8,050 to Rs.2,950 per MT, of which 208,927.2 MT per annum was to be sold at Rs. 2,950 per MT, resulting in a potential loss to the Board.
- (ii) Assuming the suppliers selected in 2023 had purchased the originally requested quantities, the expected revenue for the year under review would have been approximately Rs.9,381.73 million. However, actual revenue from the re-tendered suppliers amounted to Rs.4,393.57 million, resulting in a shortfall of Rs.4,988.16 million. Further, fly ash sales



revenue decreased by Rs.1,354.98 million (59 per cent) compared with the previous year.

### 3. Other Matters

- (a) A Power Purchase Agreement (PPA) entered into between CEB and AES Kelanitissa (Pvt) Ltd.in 2000 and transferred to Sojitz Kelanitissa (Pvt) Ltd. (SKPL) in 2016 was terminated in 2022 due to CEB's non-compliance with key contractual obligations, including delays in settling outstanding payments and failure to establish Letter of Credits as stipulated in the PPA. SKPL exercised the Buy-Out provisions and the plant was transferred to CEB on 28 March 2023, approximately 11 months prior to the scheduled expiry of the PPA,for USD 1,290,000 (Rs.425.57 million), whereas the Buy-Out price at expiry would have been USD 1. During the year under review, CEB also paid Rs.2.5 billion under an arbitration settlement, which included compound delayed interest of Rs. 399.8 million in rupee portion and USD45,936 (Rs.14.05 million) in dollar portion arising from delayed settlement of contractual claims up to the Buy-Out date. In addition, CEB withdrew its claim of Rs. 86.9 million relating to imported energy and the security deposit.
- (b) The trade debtor balance as at 31 December 2025 was amounted to Rs.44,626.59 million (excluding inter-divisional sales). Out of that an amounting to Rs.3,630.58 million had been categorized as finalized due to not recovering outstanding for long period of time. Further as per the audit test check, 43 electricity supply connections accounts given to quarters of parliamentary representatives had been finalized due to non-payment of outstanding electricity bills amounting to Rs.11.87 million for a long time.
- (c) Other debtor balance as at 31 December 2025 was amounted to Rs. 20.44 billion and the corresponding balance in the preceding year amounted to Rs.20.32 billion. Following observations were made in this regard.
- (i) Out of the other debtors balance as at 31 December 2025, Rs. 345.28 million remained outstanding from 96 government organizations in respect of the supply of lifts, air conditioners, and power generators and out of this, Rs.80.29 million had remained outstanding for more than five years. Further, external confirmations relating to these debtor balances had not been made available for audit even as at the date of this report.



- (ii) A sum of Rs.39.17 million had remained as sundry debtors in headquarters as at the end of the year under review and out of that a sum of Rs.7.6 million had remained outstanding from security lights given for parliamentarians over 5 years. However, supporting documents were not made available to audit to verify these balances.
- (iii) A sum of Rs.17.09 million remained outstanding for more than five years from sacred places on the supply of electricity at the end of the year under review in relation to the Distribution Division 01.
- (iv) Amounts of Rs.14.76 million, Rs.110.53 million, and Rs.2.66 million relating to consumer bulb loans, temporary electricity supply for institutions, and cash shortages at the Colombo City revenue counter respectively, had remained receivable for more than five years. Further, the outstanding balance of Rs.197.37 million relating to temporary electricity connections provided to government institutions by the Colombo City Province of Distribution Division 01 had remained unrecovered over one year as at 31 December 2025.
- (v) A sum of Rs.136.66 million had remained outstanding from consumers loans at the end of the year under review and out of that, a sum of Rs.44.33 million or 32 per cent had remained outstanding for over 5 years period.
- (d) Stock shortages aggregated to Rs.91.48 million relating to Distribution Divisions, Generation Division and Asset Management had remained in the books for more than 5 years without being taken any action to investigate and settle.
- (e) Out of the total Advances and prepayment balance of Rs.6,227.86 million, a sum of Rs.139.77 million had remained more than 5 years. Out of that amount, a sum of Rs.126.36 million and Rs.7.13 had remained as unrecovered for more than five years from Project division and DD3 respectively.
- (f) The audit of rent income charged for quarters maintained under 26 power plants of the Generation Division revealed that, in terms of paragraph 1 of the General Manager's Circular No.2000/GM/41/HRD dated 25 September 2000, a rent equivalent to 5 per cent of the individual salary step should be deducted from both married and unmarried employees who are entitled to and occupy scheduled



quarters. However, a total sum of Rs.56.84 million had been charged less than the rent required to be deducted from 1,252 officers residing in 25 quarters during the period from January 2025 to September 2025. In addition, the Board had incurred expenditure on LP Gas amounting to Rs. 20.59 million in 2025 and Rs.21.37 million in 2024 for employee quarters. However, no reimbursement had been recovered from the respective employees for these expenses.

- (g) During the audit of Thambapavani Wind Power Station (TWPS), it was observed that a sum of USD 960,000 had been allocated in the WOM (Warranty, Operation & Maintenance Service Contract) contract as base cost per year including personnel training and training services. However, due to the absence of a mutually agreed written arrangement on personnel and on-the-job training prior to contract signing, this provision could not be utilized. Consequently, CEB incurred an additional cost of Rs.22.5 million to provide external training to its staff on the operation and maintenance of the wind power plant.
- (h) The value of consumable stocks and spares as at 31 December 2025 amounted to Rs.81,176.24 million. However, an inventory aging report could not be generated from the system, and only Rs.2,597.03 million had been provided for obsolete and unserviceable items. Therefore, the accuracy of inventory balances and adequacy of provisions could not be verified due to insufficient audit evidence. An audit test check revealed a difference of Rs. 4.7 million between the provision for stocks made in the financial statements and the provision recalculated by the audit as at 31 December 2025 in respect of Distribution Division 02.
- (i) Consumable stock of Rs.46,797.14 million in all Distribution Divisions had been shown as slow moving, non-moving, obsolete and damaged stocks as at 31 December 2025 which may result to stock damages, increasing of holding cost and creating an opportunity for frauds. However, appropriate action had not been taken by the Board thereon.
- (j) A total amount of Rs.27.57 million, relating to losses identified in all four Distribution Divisions and the Asset Management Division, for which the responsible officers had already been identified, had remained recorded under sundry debtors for more than five years without initiating recovery action against the responsible parties.



- (k) As at the end of the year under review, the Board had provided Rs.8,831 million as compensation under the Voluntary Retirement Scheme (VRS) for 2010 employees as part of the restructuring process. According to the Gazette Notifications published on 26 August 2025, no maximum age limit had been specified for employees eligible to apply for the VRS. Accordingly, 416 employees aged 58 years and above had applied for the scheme and Rs.1,982.09 million had been provided as compensation. Out of these employees, 160 were due to reach the mandatory retirement age of 60 years on or before 31 December 2026, and Rs.763.62 million had been allocated as compensation. Out of them, 135 employees were eligible for the maximum compensation limit of Rs. 5 million. Accordingly, granting substantial compensation to employees who were already close to retirement raises concerns regarding the economy and cost-effectiveness of the VRS programme.
- (l) The total retention payable as at 31 December 2025 amounted to Rs.7,592 million. Out of this retention balances of Rs.3,104 million in the Project Division, Rs.38.99 million in DD03, and Rs.23.43 million in DD04 had remained outstanding over five years without being action to clear them.
- (m) According to the financial statements, the goods in transit balance as at 31 December 2025 amounted to Rs.1,781.94 million. Of this, Rs. 946.73 million had remained with suppliers for more than one year without action to clear them, including Rs.35.11 million in Distribution Division 01 outstanding for more than five years. Further, Rs.287.05 million (16 per cent) of the balance related to unserviceable aluminium stock issued to Sri Lanka Energies (Pvt) Ltd., which had not been recognized as a receivable despite instructions issued through an internal circular.
- (n) Based on the information furnished by the Board regarding the approved and actual cadre position as at 30 June 2025, it was revealed that the actual cadre had exceeded the approved cadre by 2798 employees, while 7775 vacancies remained unfilled across all categories of employees, namely Executive, Non-Executive, and junior levels. Further, although approval had been granted at the meeting of the Cabinet of Ministers held on 19 February 2025 to recruit 102 employees for essential vacancies, recruitment had not been completed even as at 30 September 2025.



- (o) A sum of Rs.20.5 million had been maintained in certain bank accounts as Point of Sale (POS) counter deposits for collection purposes. However, bank confirmations and supporting documents relating to these balances had not been made available for audit verification as at the date of this report. Further, no action had been taken to transfer unutilized balances to active Board accounts for operational use.
- (p) Lands located at Ampara Area Office, Batticaloa Area Office, and relevant customer service centres, valued at Rs.17.24 million as per the financial statements, had not been legally owned by the Board. Necessary steps had not been taken by the Board to finalize the acquiring process as at the date of audit even though board had incurred significant cost for various constructions on those lands. Further, land valued at Rs.63.32 million and buildings valued at Rs.225.34 million relating to the Area Electrical Engineers Office, located at Jaffna, was not legally owned by the Board.

*LSI Jayaratna*

L S I Jayaratna  
Auditor General



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இலங்கை மின்சார சபை  
CEYLON ELECTRICITY BOARD



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2025

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



**CEYLON ELECTRICITY BOARD**
**STATEMENT OF COMPREHENSIVE INCOME** (All amounts in Sri Lanka Rupees Thousands)

**FOR THE YEAR ENDED 31 ST DECEMBER**

|                                                            |             | <b>2025</b>         | <b>2024</b>        |
|------------------------------------------------------------|-------------|---------------------|--------------------|
|                                                            | <b>Note</b> |                     | <b>Restated</b>    |
| Revenue                                                    | 4           | 422,205,056         | 547,010,057        |
| Cost of Sales                                              | 5           | (448,368,332)       | (437,099,990)      |
| <b>Gross Profit / (Loss)</b>                               |             | <b>(26,163,276)</b> | <b>109,910,067</b> |
| Other Income & Gains                                       | 6           | 21,812,637          | 64,463,439         |
| Administrative Expenses                                    | 7           | (21,775,175)        | (14,543,016)       |
| <b>Operating Profit / (Loss)</b>                           |             | <b>(26,125,815)</b> | <b>159,830,490</b> |
| Finance Income                                             | 8           | 3,519,121           | 3,545,160          |
| Finance Cost                                               | 9           | (16,133,254)        | (21,770,841)       |
| Finance Cost-Net                                           |             | (12,614,133)        | (18,225,681)       |
| Profit / (Loss) after Net Finance Cost                     |             | <b>(38,739,948)</b> | <b>141,604,809</b> |
| Profit / (Loss) Before Income Tax                          |             | <b>(38,739,948)</b> | <b>141,604,809</b> |
| Income Tax Expense                                         | 10          | -                   | -                  |
| <b>Profit/(Loss) for the Year</b>                          |             | <b>(38,739,948)</b> | <b>141,604,809</b> |
| <b>Other Comprehensive Income</b>                          |             |                     |                    |
| Actuarial Gain/(Loss) on Defined Benefit Obligatio         | 11          | 2,666,097           | 4,181,788          |
| <b>Other Comprehensive Income for the Year, net of Tax</b> |             | <b>2,666,097</b>    | <b>4,181,788</b>   |
| <b>Total Comprehensive Income/ (Loss) for the Year</b>     |             | <b>(36,073,851)</b> | <b>145,786,597</b> |

the notes on pages 05 through 44 from an integral part of the financial statement



**CEYLON ELECTRICITY BOARD**  
**STATEMENT OF FINANCIAL POSITION**

(All amounts in Sri Lanka Rupees Thousands)

| AS AT 31 DECEMBER                                  |             | 2025                 | 2024<br>Restated     | 1st January 2024<br>Restated |
|----------------------------------------------------|-------------|----------------------|----------------------|------------------------------|
| <b>ASSETS</b>                                      | <b>Note</b> |                      |                      |                              |
| <b>Non-Current Assets</b>                          |             |                      |                      |                              |
| Property, Plant & Equipment                        | 12          | 954,338,403          | 930,380,621          | 906,308,450                  |
| Intangible Assets                                  | 13          | 129,758              | 116,747              | 166,018                      |
| Investment in Subsidiaries                         | 14          | 814,913              | 814,913              | 911,813                      |
| Investment In Associate                            | 15          | 53,825               | 53,825               | -                            |
| Investment in Joint Venture                        | 16          | 498,506              | 348,606              | 348,606                      |
| Investments of Insurance Reserves Fund             | 17          | 18,066,748           | 16,799,291           | 15,111,471                   |
| Other Non Current Financial Assets                 | 18          | 12,071,267           | 8,075,817            | 6,078,733                    |
| Other Non-Current Assets                           | 19          | 2,038,811            | 2,331,913            | 3,094,503                    |
|                                                    |             | <b>988,012,231</b>   | <b>958,921,733</b>   | <b>932,019,594</b>           |
| Non Current Assets Held For sale                   | 20          | 57                   | 57                   | 76                           |
| <b>Current Assets</b>                              |             |                      |                      |                              |
| Inventories                                        | 21          | 100,959,823          | 117,283,246          | 97,213,147                   |
| Trade and Other Receivables                        | 22          | 59,411,989           | 65,470,863           | 89,602,107                   |
| Other Current Financial Assets                     | 18          | 14,123,170           | 5,527,662            | 2,958,920                    |
| Cash and Cash Equivalents                          | 31          | 32,784,608           | 48,527,962           | 19,907,019                   |
|                                                    |             | <b>207,279,590</b>   | <b>236,809,733</b>   | <b>209,681,193</b>           |
| <b>Total Assets</b>                                |             | <b>1,195,291,878</b> | <b>1,195,731,523</b> | <b>1,141,700,863</b>         |
| <b>EQUITY AND LIABILITIES</b>                      |             |                      |                      |                              |
| <b>Capital &amp; Reserves</b>                      |             |                      |                      |                              |
| Contributed Capital                                | 23          | 986,111,538          | 986,111,538          | 986,111,538                  |
| Reserves                                           | 24          | 54,291,450           | 51,428,118           | 48,203,518                   |
| Retained Earnings/ (Loss)                          |             | (462,541,283)        | (425,014,636)        | (569,365,672)                |
| <b>Total Equity</b>                                |             | <b>577,861,705</b>   | <b>612,525,020</b>   | <b>464,949,384</b>           |
| <b>Non-Current Liabilities and Deferred income</b> |             |                      |                      |                              |
| Interest Bearing Loans & Borrowings                | 25          | 230,580,336          | 240,088,857          | 251,559,491                  |
| Consumer Deposits                                  | 26          | 18,094,027           | 17,500,508           | 17,080,993                   |
| Provisions & Other Deferred Liabilities            | 27          | 33,925,994           | 34,447,647           | 36,809,065                   |
| Government Grants                                  | 28          | 177,024              | 200,959              | 224,894                      |
| Contract Liabilities                               | 29          | 128,425,048          | 116,713,562          | 107,622,267                  |
|                                                    |             | <b>411,202,429</b>   | <b>408,951,533</b>   | <b>413,296,710</b>           |
| <b>Current Liabilities</b>                         |             |                      |                      |                              |
| Trade and Other Payables                           | 30          | 145,535,989          | 123,943,671          | 199,492,513                  |
| Income Tax Liabilities                             |             | -                    | -                    | 123,842                      |
| Interest Bearing Loans & Borrowings                | 25          | 60,691,755           | 50,311,299           | 63,838,414                   |
|                                                    |             | <b>206,227,744</b>   | <b>174,254,970</b>   | <b>263,454,769</b>           |
| <b>Total Equity and Liabilities</b>                |             | <b>1,195,291,878</b> | <b>1,195,731,523</b> | <b>1,141,700,863</b>         |

the notes on pages 05 through 44 form an integral part of the financial statement

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

Chairman

Vice Chairman

General Manager

Finance Manager

Date: 2026/02/26



**CEYLON ELECTRICITY BOARD**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2025**

(All amounts in Sri Lanka Rupees Thousands)

|                                              | Contributed Capital | Other Capital Reserves | RHCP Reserve | Loan Redemption Reserve | Depreciation Reserves | Self Insurance Reserve | Retained Earnings | Total        |
|----------------------------------------------|---------------------|------------------------|--------------|-------------------------|-----------------------|------------------------|-------------------|--------------|
|                                              |                     |                        |              |                         |                       |                        |                   |              |
| <b>Balance as at 01.01.2024</b>              | 991,430,291         | 165,446                | 1,020,206    | 17,447,063              | 28,000                | 29,542,803             | (549,758,744)     | 489,875,065  |
| <b>Prior year Adjustment During the Year</b> | (5,318,753)         |                        |              |                         |                       |                        | (19,606,928)      | (24,925,681) |
|                                              | 986,111,538         | 165,446                | 1,020,206    | 17,447,063              | 28,000                | 29,542,803             | (569,365,672)     | 464,949,384  |
| <b>Profit/(Loss) for the Year</b>            | -                   | -                      | -            | -                       | -                     | -                      | 145,786,597       | 145,786,597  |
| Interest income from Insurance Reserve Fund  | -                   | -                      | -            | -                       | -                     | 1,788,326              | -                 | 1,788,326    |
| Transferred to Depreciation reserve          | -                   | -                      | -            | -                       | 1,000                 | -                      | (1,000)           | -            |
| Transfer to self insurance reserve           | -                   | -                      | -            | -                       | -                     | 1,434,561              | (1,434,561)       | -            |
| Interest received from customers             | -                   | -                      | 713          | -                       | -                     | -                      | -                 | 713          |
| <b>Balance as at 31.12.2024</b>              | 986,111,538         | 165,446                | 1,020,919    | 17,447,063              | 29,000                | 32,765,690             | (425,014,636)     | 612,525,020  |
| <b>Balance as at 01.01.2025</b>              | 986,111,538         | 165,446                | 1,020,919    | 17,447,063              | 29,000                | 32,765,690             | (425,014,636)     | 612,525,020  |
| <b>Profit/(Loss) for the Year</b>            | -                   | -                      | -            | -                       | -                     | -                      | (36,073,851)      | (36,073,851) |
| Interest income from Insurance Reserve Fund  | -                   | -                      | -            | -                       | -                     | 1,410,178              | -                 | 1,410,178    |
| Transferred to Depreciation reserve          | -                   | -                      | -            | -                       | 1,000                 | -                      | (1,000)           | -            |
| Transfer to self insurance reserve           | -                   | -                      | -            | -                       | -                     | 1,451,796              | (1,451,796)       | 0            |
| Interest received from customers             | -                   | -                      | 358          | -                       | -                     | -                      | -                 | 358          |
| <b>Balance as at 31.12.2025</b>              | 986,111,538         | 165,446                | 1,021,277    | 17,447,063              | 30,000                | 35,627,664             | (462,541,283)     | 577,861,705  |

the notes on pages 05 through 44 form an integral part of the financial statement



**CEYLON ELECTRICITY BOARD**  
**CASH FLOW STATEMENT**

(All amounts in Sri Lanka Rupees Thousands)

| FOR THE YEAR ENDED 31 ST DECEMBER                             | 2025                | 2024                |
|---------------------------------------------------------------|---------------------|---------------------|
| <b>Cash Flows From / (Used in) Operating Activities</b>       |                     |                     |
| Profit/(loss) before tax                                      | (38,739,948)        | 141,604,809         |
| <b>Adjustments for</b>                                        |                     |                     |
| Depreciation and Amortization                                 | 38,310,887          | 36,345,651          |
| Consumer Contribution                                         | (5,215,357)         | (5,108,020)         |
| Government Grant                                              | (23,935)            | (23,935)            |
| Income from Investments                                       |                     |                     |
| Electric Vehicle Charging Card utilization                    | (1,552)             | (6,603)             |
| WHT Expense on Dividends                                      | -                   | 31,411              |
| (Profit)/Loss on sales of Property, Plant and Equipment       | (475,697)           | (987,966)           |
| Finance Income                                                | (3,519,121)         | (3,545,161)         |
| Dividend Income                                               | (2,297,812)         | (1,598,064)         |
| Foreign Currency Gain/Loss                                    | 5,474,962           | (11,756,054)        |
| Lease Interest                                                | 748                 | 2,368               |
| Finance Costs                                                 | 16,132,503          | 21,768,473          |
| Damaged Stock Account                                         | -                   | -                   |
| Provision for Obsolete & Unserviceable Cost                   | 237,833             | 361,121             |
| Provision for price Variance                                  | 451,851             | 735,102             |
| Stores Discrepancies Accounts                                 | -                   | -                   |
| Provision for Impairment of Debtors                           | (151,829)           | 1,662,832           |
| Bad debt written off                                          | 131,547             | 1891.8              |
| Bad debt written off Except Electricity Account               | -                   | -                   |
| Provision for Impairment of Other Debtors                     | -                   | -                   |
| Defined Benefit Plans                                         | 1,671,226           | 1,726,263           |
| Personnel cost on pension fund                                | 1,462,535           | 1,070,187           |
| Property, Plant and Equipment write-off                       | -                   | -                   |
| Prepaid staff cost                                            | 1,461,232           | 1,678,594           |
| (Gain)/ Loss from Disposal of Shares                          | -                   | (26,038,085)        |
| Provision for Voluntary Retirement Scheme (VRS)               | 8,831,011           | -                   |
| <b>Operating Profit/(Loss) before Working Capital Changes</b> | <b>23,741,084</b>   | <b>157,924,815</b>  |
| (Increase)/ Decrease in Inventories                           | 15,913,659          | (20,901,936)        |
| (Increase)/ Decrease in Trade and Other Receivables           | (915,177)           | 27,909,017          |
| Increase/ (Decrease) in Trade and Other Payables              | 12,085,453          | (52,140,950)        |
| <b>Cash Generated from Operations</b>                         | <b>50,825,018</b>   | <b>112,790,946</b>  |
| Finance Cost paid                                             | (16,132,503)        | (21,768,473)        |
| Retirement Benefit Obligation                                 | (989,317)           | (976,081)           |
| <b>Net Cash From/(Used in) Operating Activities</b>           | <b>33,703,199</b>   | <b>90,046,392</b>   |
| <b>Cash Flows from / (Used in) Investing Activities</b>       |                     |                     |
| Acquisition of Property, Plant & Equipment                    | (3,873,243)         | (3,844,724)         |
| Capital work in progress incurred                             | (61,683,902)        | (62,963,196)        |
| Re-Investment in Insurance reserves Fund                      | (1,267,457)         | (1,687,820)         |
| Investment in Joint Venture                                   | (149,900)           | -                   |
| Interest Income on Insurance Escrow Fund                      | 1,410,178           | 1,788,327           |
| Dividend received                                             | 548,442             | 1,566,653           |
| Interest Received                                             | 2,057,889           | 1,866,567           |
| Sale Proceeds of Fixed Assets Disposals                       | 833,436             | 1,004,015           |
| <b>Net Cash Flows from/(Used in) Investing Activities</b>     | <b>(62,168,504)</b> | <b>(62,270,178)</b> |
| <b>Cash Flows from (Used in) Financing Activities</b>         |                     |                     |
| Received from Customers for Capital Jobs                      | 16,871,069          | 13,661,699          |
| Electric Vehicle E-card Prepayments                           | 834                 | 6,865               |
| Fund Received for ADB-RHCP projects                           | 358                 | 713                 |
| Consumer Deposit Received                                     | 744,718             | 617,461             |
| Consumer Deposit Refund                                       | (151,199)           | (197,947)           |
| Lease Rentals Payment                                         | (148,691)           | (31,222)            |
| Proceeds From Interest Bearing Loans & Borrowings             | 66,676,730          | 36,580,054          |
| Repayment of Interest Bearing Loans & Borrowings              | (72,454,618)        | (34,641,125)        |
| <b>Net Cash Flows from/(Used in) Financing Activities</b>     | <b>11,539,201</b>   | <b>15,996,498</b>   |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>   | <b>(16,926,104)</b> | <b>43,772,712</b>   |
| <b>Cash and Cash Equivalents at the beginning of the year</b> | <b>31,832,065</b>   | <b>(11,940,647)</b> |
| <b>Cash and Cash Equivalents As at 31.12.2025</b>             | <b>14,905,961</b>   | <b>31,832,065</b>   |

the notes on pages 05 through 44 form an integral part of the financial statement



**CEYLON ELECTRICITY BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in Sri Lanka Rupees Thousands)

**FOR THE YEAR ENDED 31 ST DECEMBER**

**2025**

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**4. REVENUE**

|                                                         |                    |                    |
|---------------------------------------------------------|--------------------|--------------------|
| Electricity Sales Heavy Supply                          | 168,962,105        | 229,444,583        |
| Electricity Sales Heavy Supply - LECO                   | 45,258,239         | 56,186,375         |
| Electricity Sales Transmission - Transmission Customers | 619,207            | 94,465             |
| Electricity Sales Ordinary Supply                       | 161,185,587        | 214,163,149        |
| Fixed Charge on Electricity Bills                       | 46,179,918         | 47,121,485         |
|                                                         | <b>422,205,056</b> | <b>547,010,057</b> |

**5. COST OF SALES**

**Generation**

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Fuel                          | 62,712,934         | 81,898,641         |
| Coal                          | 87,053,005         | 108,295,410        |
| Direct O&M                    | 24,006,465         | 19,645,595         |
| Indirect O&M                  | 1,570,760          | 1,377,439          |
| Depreciation                  | 16,885,042         | 16,015,486         |
| <b>Generation - Sub Total</b> | <b>192,228,206</b> | <b>227,232,571</b> |

**Transmission**

|                                                                           |                    |                    |
|---------------------------------------------------------------------------|--------------------|--------------------|
| Purchased Power - IPP Thermal                                             | 75,257,470         | 56,329,876         |
| Renewable Energy                                                          | 39,911,919         | 38,132,947         |
| Net Accounting /Net Plus /Net Plus- Plus/ Variable tariff(Ordinary/ Bulk) | 44,691,592         | 20,830,139         |
| Direct O&M                                                                | 3,698,994          | 5,516,204          |
| Indirect O&M                                                              | 3,051,392          | 3,308,418          |
| Depreciation                                                              | 5,326,599          | 5,271,417          |
| <b>Transmission- Sub Total</b>                                            | <b>171,937,966</b> | <b>129,389,002</b> |

**Distribution**

|                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| O&M                            | 63,472,135         | 59,927,697         |
| Indirect O&M                   | 4,950,689          | 5,776,099          |
| Depreciation                   | 15,779,336         | 14,774,621         |
| <b>Distribution- Sub Total</b> | <b>84,202,160</b>  | <b>80,478,418</b>  |
|                                | <b>448,368,332</b> | <b>437,099,990</b> |



**CEYLON ELECTRICITY BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in Sri Lanka Rupees Thousands)

**FOR THE YEAR ENDED 31 ST DECEMBER**

**2025**

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**6. OTHER INCOME & GAINS**

|                                                              |                   |                   |
|--------------------------------------------------------------|-------------------|-------------------|
| Dividend Income - LTL                                        | 1,749,370         | 1,049,622         |
| Dividends Income - LECO                                      | 548,442           | 548,442           |
| Recoveries on House Rent                                     | 26,300            | 24,346            |
| Recoveries on Telephone                                      | 118               | 21                |
| Recoveries on Use of Motor Vehicle                           | 950               | 910               |
| Recoveries on Circuit Bungalow                               | 25,048            | 20,574            |
| Recoveries of Damages to the CEB Assets                      | 221,369           | 197,277           |
| Sale of Fixed Assets (Disposal)                              | 688,917           | 1,014,391         |
| Sale of Scrap                                                | 356,411           | 618,979           |
| Profit on Stock Disposal                                     | 4,850             | 41                |
| Miscellaneous Income                                         | 370,525           | 489,809           |
| Processing fee of IPP's account                              | 803               | -                 |
| G.D. Income / G.I. Income                                    | 281,578           | 269,661           |
| Liquidated Damages                                           | 228,634           | 201,769           |
| Rental Income Generated from hiring mobile Diesel Generators | 105,431           | 130,791           |
| Income from providing Testing Services to Third Parties      | 15,603            | 423,303           |
| Re-usable Material                                           | 522,145           | 931,852           |
| Sale Of Ash                                                  | 942,616           | 2,297,593         |
| Tender Fee/Non Refundable Deposits/ Forfeiture of Guarantees | 175,124           | 112,306           |
| Penalty on illicit Electricity Consumption                   | 6,481             | 7,858             |
| Income on Cost Recovery Jobs                                 | 3,783,327         | 3,276,023         |
| Income on Meter Damage Job                                   | 240               | -                 |
| Income on Temporary Connection / Illumination                | 108,707           | 223,529           |
| Income on Meter Testing                                      | 16,499            | 59,314            |
| Income on Re- connection / Processing Net Metering           | 1,469,486         | 1,567,574         |
| Net Metering Application Fee                                 | 366,911           | 498,819           |
| Income on Pole Shifting                                      | 68                | 3,096             |
| Service Main Application Fee                                 | 21,168            | 18,669            |
| Surcharge on Electricity Bill                                | 2,148,004         | 3,586,496         |
| Deferred Income - Consumer Contribution                      | 5,215,357         | 5,108,020         |
| Deferred Income - Government Grant                           | 23,935            | 23,935            |
| Income on Cost Recovery Training                             | 4,162             | 4,729             |
| Income for Hostel Fee                                        | 1,489             | 1,554             |
| Income From Recreational Activities On Reservoir             | 7,502             | 6,587             |
| Foreign Exchange Gain                                        | 1,258,881         | 15,702,752        |
| Gain On Share Disposal                                       | -                 | 26,038,085        |
| Fine Charges                                                 | 1,038             | 4,712             |
| Over Provision Adjustment                                    | 1,115,148         | -                 |
|                                                              | <b>21,812,637</b> | <b>64,463,439</b> |



**CEYLON ELECTRICITY BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in Sri Lanka Rupees Thousands)

**FOR THE YEAR ENDED 31 ST DECEMBER**

**2025**

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**7. ADMINISTRATIVE EXPENSES**

|                                    |                   |                   |
|------------------------------------|-------------------|-------------------|
| Personnel Expenses                 | 6,556,968         | 6,348,030         |
| Material Cost                      | 14,735            | 9,316             |
| Accommodation Expenses             | 319,813           | 300,254           |
| Transport & Communication Expenses | 693,927           | 540,394           |
| Depreciation                       | 319,910           | 284,126           |
| Other Expenses                     | 13,869,823        | 7,060,896         |
|                                    | <b>21,775,175</b> | <b>14,543,016</b> |

**Provision for Voluntary Retirement Scheme**

A provision amounting to LKR 8,831 Mn has been recognized in the financial statements as at 31 December 2025 in respect of the Voluntary Retirement Scheme (VRS), in accordance with the applicable accounting standards on employee benefits and provisions. The related expense has been charged to the other cost of administrative expenses. The provision represents the estimated obligation arising from eligible employees who have formally accepted the approved scheme.

**FINANCE INCOME AND COST**

**8. FINANCE INCOME**

|                                                                                |                  |                  |
|--------------------------------------------------------------------------------|------------------|------------------|
| Interest on Samurdhi loan                                                      | 2,429            | 5,422            |
| Interest on Staff Loans                                                        | 695,050          | 601,249          |
| Interest on Fair Valuation of Staff Loans                                      | 1,461,232        | 1,678,594        |
| Interest on Investment                                                         | 1,351,066        | 1,256,306        |
| Interest on Domestic Service Connection Loan                                   | 104              | 2,177            |
| Interest on Industrial & Commercial Business Loan                              | 264              | 937              |
| Interest on Small & Medium Scals Industries & Business Loan ( Ordinary & Bulk) | 7,887            | 262              |
| Interest on Related Party Loans                                                | -                | -                |
| Interest income on 2% retention deposited for solar variable tariff scheme.    | 1,089            | 213              |
| <b>Finance Income</b>                                                          | <b>3,519,121</b> | <b>3,545,160</b> |

**9. FINANCE COST**

|                                                       |                     |                     |
|-------------------------------------------------------|---------------------|---------------------|
| Overdraft Interest                                    | 572,328             | 1,373,547           |
| Long / Short Term Interest                            | 6,075,637           | 11,637,218          |
| Interest on Project loans                             | 4,983,251           | 3,513,689           |
| Debenture Interest Account                            | 2,440,949           | 1,826,695           |
| Lease Interest                                        | 748                 | 2,368               |
| Delayed Interest on IPP Payments                      | 563,967             | 721,288             |
| Delayed Interest on NCRE Payments                     | 29,625              | 787,866             |
| Interest Payment for Bulk Customers                   | 739,711             | 1,134,205           |
| Interest Payment for Retail Customers                 | 727,037             | 773,965             |
| Interest Payment for Distribution /Transmission Loans | -                   | -                   |
| <b>Total Finance Cost</b>                             | <b>16,133,254</b>   | <b>21,770,841</b>   |
| <b>Net Finance Cost</b>                               | <b>(12,614,133)</b> | <b>(18,225,681)</b> |



**CEYLON ELECTRICITY BOARD**

**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts in Sri Lanka Rupees Thousands)

**FOR THE YEAR ENDED 31 ST DECEMBER**

**2025**

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**9. LOSS BEFORE TAX**

**Stated after charging /(crediting)**

|                                                          |             |             |
|----------------------------------------------------------|-------------|-------------|
| Auditor's Remuneration -Current Year Fees & Expenses     | 10,944      | 10,921      |
| Directors Emoluments                                     | 2,740       | 4,157       |
| Depreciation                                             | 38,310,887  | 36,345,651  |
| Personnel Cost includes-                                 |             |             |
| - Defined benefit plan costs- Gratuity                   | 1,671,226   | 1,726,263   |
| - Defined contribution plan costs - EPF& ETF             | 4,894,982   | 4,563,210   |
| - Other staff costs                                      | 57,375,006  | 52,102,848  |
| (Profit) /Loss on disposal of Property Plant & Equipment | (475,697)   | (987,966)   |
| Amortised Consumer Contribution                          | (5,215,357) | (5,108,020) |
| Amortised Grant                                          | (23,935)    | (23,935)    |
| Provision for impairment of other debtors                | 154,354     | 371,173     |

**10. INCOME TAX**

|                                                       |          |          |
|-------------------------------------------------------|----------|----------|
| Current Income Tax Charge                             | -        | -        |
| Under / (Over) Provision in Respect of Previous years | -        | -        |
| <b>statement</b>                                      | <b>-</b> | <b>-</b> |

Reconciliation between current tax expenses and the product of Accounting Profit multiplied by the statutory tax rate is as follows.

**10.1 Reconciliation between current tax expenses and Accounting Profit**

|                                                    |                     |                    |
|----------------------------------------------------|---------------------|--------------------|
|                                                    | -                   | -                  |
| Profit/(Loss) before tax                           | (38,739,948)        | 144,394,478        |
| Disallowable Expenses / (Income) for Taxation      | 35,847,363          | 25,453,010         |
| Net impact of Pension Fund                         | 1,462,535           | 1,070,187          |
| Allowable Expenses / (Income) for Taxation         | (45,100,460)        | (66,542,872)       |
| Non business income/Exempted income                | (3,660,653)         | (28,901,467)       |
| <b>Adjusted Business Profit/ Loss for the Year</b> | <b>(50,191,163)</b> | <b>75,473,336</b>  |
| Other sources of Income - Investment Income        | 2,819,300           | 29,314,335         |
| <b>Total Statutory Income / Loss</b>               | <b>(47,371,863)</b> | <b>104,787,671</b> |
| Qualifying Payments                                | -                   | -                  |
| Tax loss utilized during the year                  | (2,819,300)         | (104,787,671)      |
| <b>Taxable Profit</b>                              | <b>-</b>            | <b>-</b>           |
| Income tax expense at 30%                          |                     |                    |
| <b>Current Tax Charge</b>                          | <b>-</b>            | <b>-</b>           |
| <b>11. OTHER COMPREHENSIVE INCOME</b>              |                     |                    |
| Actuarial Loss on Defined Benefit Obligation       | 2,666,097           | 4,181,788          |
|                                                    | <b>2,666,097</b>    | <b>4,181,788</b>   |



CEYLON ELECTRICITY BOARD

NOTES TO THE STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025

12 PROPERTY, PLANT & EQUIPMENT

12.1 Gross Carrying Amounts

| Freehold Assets                   | Balance as at<br>01.01.2025 | Prior Year<br>Adjustments | Balance as at<br>01.01.2025<br>(Restated) | Additions/<br>Transfers/<br>Acquisitions | Transfer from<br>held for sale | Additions<br>Adjustments | Disposals/<br>Transfers | Disposals/<br>Adjustments | Transfer to<br>asset held for<br>sale | Balance as at<br>31.12.2025 |
|-----------------------------------|-----------------------------|---------------------------|-------------------------------------------|------------------------------------------|--------------------------------|--------------------------|-------------------------|---------------------------|---------------------------------------|-----------------------------|
| At Cost or Valuation              |                             |                           |                                           |                                          |                                |                          |                         |                           |                                       |                             |
| Land                              | 10,506,310                  | -                         | 10,506,310                                | 39,166                                   | -                              | 69,650                   | -                       | -                         | -                                     | 10,615,126                  |
| Building                          | 24,187,987                  | -                         | 24,187,987                                | 1,638,965                                | -                              | -                        | -                       | -                         | -                                     | 25,826,952                  |
| Civil works                       | 253,411,843                 | -                         | 253,411,843                               | 410,966                                  | -                              | -                        | (36,103,354)            | -                         | -                                     | 217,719,455                 |
| Plant & Machinery                 | 790,048                     | -                         | 790,048                                   | -                                        | -                              | 0                        | -                       | -                         | -                                     | 790,048                     |
| Generation power plant            | 344,532,180                 | 357,460                   | 344,889,640                               | 7,674,298                                | -                              | -                        | -                       | -                         | -                                     | 352,563,938                 |
| Solar Systems                     | 156,122                     | -                         | 156,122                                   | 14,548                                   | -                              | -                        | -                       | -                         | -                                     | 170,670                     |
| Transmission & distribution lines | 769,783,992                 | -                         | 769,783,992                               | 41,686,960                               | -                              | 28,524                   | (1,331,454)             | (30,432)                  | -                                     | 810,137,590                 |
| Motor Vehicles                    | 14,619,899                  | -                         | 14,619,899                                | 739,750                                  | -                              | 32,580                   | (378,424)               | -                         | -                                     | 15,013,805                  |
| Office & Other Equipment          | 4,690,761                   | -                         | 4,690,761                                 | 719,232                                  | -                              | 4,075                    | (53,668)                | (379)                     | -                                     | 5,360,021                   |
| Furniture and Fittings            | 625,381                     | -                         | 625,381                                   | 23,799                                   | -                              | (814)                    | (110)                   | -                         | -                                     | 648,257                     |
| Machinery and Tools               | 8,830,087                   | 118,241                   | 8,948,328                                 | 788,860                                  | -                              | 168,458                  | (6,322)                 | (846)                     | -                                     | 9,898,478                   |
|                                   | 1,432,134,611               | 475,701                   | 1,432,610,311                             | 53,736,544                               | -                              | 302,473                  | (37,873,332)            | (31,657)                  | -                                     | 1,448,744,339               |
| 12.2 Project Assets               |                             |                           |                                           |                                          |                                |                          |                         |                           |                                       |                             |

12.2 Project Assets

| Gross Carrying Amounts                   | Balance as at<br>01.01.2025 | Prior Year<br>Adjustment | Balance as at<br>01.01.2025<br>(Restated) | Additions/<br>Transfers/<br>Acquisitions | Transfer from<br>held for sale | Additions/<br>Adjustments | Disposals/<br>Transfers | Disposals/<br>Adjustments | Transfer to<br>asset held for<br>sale | Balance as at<br>31.12.2025 |
|------------------------------------------|-----------------------------|--------------------------|-------------------------------------------|------------------------------------------|--------------------------------|---------------------------|-------------------------|---------------------------|---------------------------------------|-----------------------------|
| <b>At Cost or Valuation</b>              |                             |                          |                                           |                                          |                                |                           |                         |                           |                                       |                             |
| Land                                     | 214,297                     | -                        | 214,297                                   | 1,111,708                                | -                              | 10                        | (7,966)                 | (87,726)                  | -                                     | 1,230,323                   |
| Building                                 | 193,237                     | -                        | 193,237                                   | 81,640                                   | -                              | -                         | (193,237)               | -                         | -                                     | 81,640                      |
| Civil works                              | -                           | -                        | -                                         | -                                        | -                              | -                         | -                       | -                         | -                                     | -                           |
| Plant & Machinery                        | -                           | -                        | -                                         | -                                        | -                              | -                         | -                       | -                         | -                                     | -                           |
| Generation power plant                   | -                           | -                        | -                                         | -                                        | -                              | -                         | -                       | -                         | -                                     | -                           |
| Solar Systems                            | -                           | -                        | -                                         | -                                        | -                              | -                         | -                       | -                         | -                                     | -                           |
| Transmission & distribution lines        | -                           | -                        | -                                         | 3,187,211                                | -                              | -                         | (3,187,211)             | -                         | -                                     | -                           |
| Motor Vehicles                           | 1,886,205                   | -                        | 1,886,206                                 | 319,354                                  | -                              | -                         | (596,144)               | -                         | -                                     | 1,609,416                   |
| Office & Other Equipment                 | 110,815                     | -                        | 110,814                                   | 13,852                                   | -                              | 18,076                    | (27,929)                | (3,406)                   | -                                     | 111,407                     |
| Furniture and Fittings                   | 6,691                       | -                        | 6,691                                     | 1,665                                    | -                              | -                         | (1,914)                 | -                         | -                                     | 6,442                       |
| Machinery and Tools                      | 14,716                      | -                        | 14,717                                    | 113                                      | -                              | 105                       | (113)                   | -                         | -                                     | 14,822                      |
|                                          | 2,425,962                   | -                        | 2,425,962                                 | 4,715,543                                | -                              | 18,191                    | (4,014,514)             | (91,132)                  | -                                     | 3,054,050                   |
| <b>Total Value of Depreciable Assets</b> | <b>1,434,560,573</b>        | <b>475,701</b>           | <b>1,435,036,273</b>                      | <b>58,452,087</b>                        | <b>-</b>                       | <b>320,664</b>            | <b>(41,887,846)</b>     | <b>(122,789)</b>          | <b>-</b>                              | <b>1,451,798,389</b>        |

12.3 Capital Work in Progress

|                                    | Balance as at<br>01.01.2025<br>(Restated) | Prior Year<br>Adjustment | Incurred<br>During the<br>Year | Transfer to<br>PPE | Reclassified/<br>Transferred | Balance as at<br>31.12.2025 |
|------------------------------------|-------------------------------------------|--------------------------|--------------------------------|--------------------|------------------------------|-----------------------------|
| Capital Work in Progress           | 218,186,140                               | (357,460)                | 61,836,025                     | (3,709,813)        | (49,439,027)                 | 226,515,865                 |
| <b>Total Gross Carrying Amount</b> | <b>218,186,140</b>                        | <b>(357,460)</b>         | <b>61,836,025</b>              | <b>(3,709,813)</b> | <b>(49,439,027)</b>          | <b>226,515,865</b>          |



CEYLON ELECTRICITY BOARD  
NOTES TO THE STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025

(All amounts in Sri Lanka Rupees Thousands)

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

12.4 Depreciation

| Freehold Assets                   | Balance as at<br>01.01.2025 | Prior Year<br>Adjustment<br>made during | Restated balance<br>as at 01.01.2025 | Charge for the<br>year | Adjustments | Disposals/<br>Transfers | Adjustments | Balance as at<br>31.12.2025 |
|-----------------------------------|-----------------------------|-----------------------------------------|--------------------------------------|------------------------|-------------|-------------------------|-------------|-----------------------------|
| Building                          | 9,842,947                   | -                                       | 9,842,947                            | 681,079                | -           | -                       | -           | 10,524,026                  |
| Civil works                       | 97,695,969                  | -                                       | 97,695,969                           | 3,396,196              | -           | (13,531,585)            | -           | 87,560,580                  |
| Plant & Machinery                 | 726,594                     | -                                       | 726,594                              | 41,661                 | -           | -                       | -           | 768,255                     |
| Generation power plant            | 226,433,795                 | 47,661                                  | 226,481,456                          | 12,649,008             | -           | -                       | -           | 239,130,464                 |
| Solar Systems                     | 37,130                      | -                                       | 37,130                               | 8,878                  | -           | -                       | -           | 46,008                      |
| Transmission & distribution lines | 343,163,231                 | -                                       | 343,163,231                          | 19,693,036             | 1,087       | (693,974)               | (1,087)     | 362,162,293                 |
| Motor Vehicles                    | 9,834,574                   | -                                       | 9,834,574                            | 1,109,840              | 11,233      | (269,279)               | -           | 10,686,368                  |
| Office & Other Equipment          | 3,695,714                   | -                                       | 3,695,714                            | 437,706                | 3,998       | (17,409)                | -           | 4,120,009                   |
| Furniture and Fittings            | 560,617                     | -                                       | 560,617                              | 29,021                 | -           | (13)                    | -           | 589,625                     |
| Machinery and Tools               | 7,039,603                   | 51,238                                  | 7,090,841                            | 681,978                | -           | (2,169)                 | (536)       | 7,770,114                   |
|                                   | 699,030,174                 | 98,899                                  | 699,129,073                          | 38,728,403             | 16,318      | (14,514,429)            | (1,623)     | 723,357,742                 |

Depreciation

| Project Assets            | Balance as at<br>01.01.2025 | Prior Year<br>Adjustment<br>made during | Restated balance<br>as at 01.01.2025 | Charge to WIP<br>/Transfers | Adjustments   | Disposals/<br>Transfers | Adjustments    | Balance as at<br>31.12.2025 |
|---------------------------|-----------------------------|-----------------------------------------|--------------------------------------|-----------------------------|---------------|-------------------------|----------------|-----------------------------|
| Building                  | 14,492                      | -                                       | 14,492                               | 3,083                       | -             | (17,236)                | -              | 339                         |
| Motor Vehicles            | 944,339                     | -                                       | 944,339                              | 310,601                     | -             | (346,011)               | -              | 908,928                     |
| Office & Other Equipment  | 90,688                      | -                                       | 90,688                               | 31,414                      | (6)           | (17,643)                | (3,573)        | 100,880                     |
| Furniture and Fittings    | 5,642                       | -                                       | 5,642                                | 1,959                       | -             | (1,641)                 | -              | 5,960                       |
| Machinery and Tools       | 10,866                      | -                                       | 10,866                               | 1,818                       | -             | (99)                    | -              | 12,585                      |
|                           | 1,066,027                   | -                                       | 1,066,027                            | 348,875                     | (6)           | (382,630)               | (3,573)        | 1,028,693                   |
| <b>Total Depreciation</b> |                             |                                         | <b>700,195,100</b>                   | <b>39,077,278</b>           | <b>16,312</b> | <b>(14,897,059)</b>     | <b>(5,196)</b> | <b>724,386,435</b>          |

12.6 Net Book Values

| At Cost or Valuation                                            | 2025               | 2024               |
|-----------------------------------------------------------------|--------------------|--------------------|
| Land                                                            | 11,845,450         | 10,720,607         |
| Building                                                        | 15,384,228         | 14,523,786         |
| Civil works                                                     | 130,158,875        | 133,144,104        |
| Plant & Machinery                                               | 21,793             | 63,454             |
| Generation power plant                                          | 113,433,474        | 118,408,176        |
| Solar Systems                                                   | 124,662            | 118,992            |
| Transmission & distribution lines                               | 447,975,297        | 426,620,761        |
| Motor Vehicles                                                  | 5,027,925          | 5,727,192          |
| Office & Other Equipment                                        | 1,250,539          | 1,015,173          |
| Furniture and Fittings                                          | 59,113             | 65,813             |
| Machinery and Tools                                             | 2,130,601          | 1,861,339          |
| Lease hold Motor Vehicles                                       | -                  | -                  |
|                                                                 | <b>727,411,944</b> | <b>712,269,396</b> |
| <b>Capital Work-In-Progress</b>                                 | <b>226,515,865</b> | <b>217,828,680</b> |
| <b>Total Carrying Amount of Property, Plant &amp; Equipment</b> | <b>953,927,809</b> | <b>930,098,076</b> |

12.7 Capital Work in Progress

| Capital Work in Progress represents the following                                           | 2025               | 2024               |
|---------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>Project</b>                                                                              |                    |                    |
| Generation Projects                                                                         | 8,581,472          | 8,204,952          |
| Transmission projects                                                                       | 669,868            | 812,432            |
| Distribution Projects                                                                       | 29,182,111         | 32,442,483         |
| Green Power Dev. & Energy Efficiency Improvement Project -TII                               | 45,750,490         | 45,929,848         |
| Puttalam Coal power Project -Phase 11                                                       | 124,303            | 124,303            |
| Habarana Veyangoda Transmission Line Project                                                | 17,249,401         | 16,845,095         |
| Uma oya multi purpose development project                                                   | 807,123            | 738,738            |
| Clean Energy & Network Efficiency Project - 132kv Tansmission Infrastructure Project - PII  | 1,711,696          | 1,711,651          |
| Clean Energy & Network Efficiency Project - 220kv Tansmission Infrastructure Project - PIII | -                  | 3,429,712          |
| Green power Development & Energy Efficiency Improvement Project- TI                         | 7,327,288          | 7,321,613          |
| Seethawaka hydro power project                                                              | 301,191            | 301,191            |
| National Transmission Development, Network Development & Efficiency Improvement Project     | 48,904,834         | 44,620,668         |
| Mannar wind power project                                                                   | 440,490            | 654,468            |
| Liquid Natural Gas (LNG) Project                                                            | 169,816            | 148,456            |
| Transmission Construction Projects                                                          | 9,629,421          | 10,229,479         |
| Moragolla Hydro Power Project                                                               | 28,786,653         | 26,421,857         |
| Broadland Hydro Power Project                                                               | 1,315,503          | 845,558            |
| Power System Reliability Strengthening Project                                              | 1,587,558          | 999,077            |
| New Coal Power Plant                                                                        | 167,618            | 167,618            |
| Greater Colombo Transmission and Distribution loss reduction Project                        | 2,037,738          | 86,678             |
| Clean Eney Absorption Transmission Project- PMU 1                                           | 357,781            | 189,970            |
| Clean Eney Absorption Transmission Project- PMU 2                                           | 49,025             | 44,112             |
| Enterprise Resource Planning System                                                         | 155,724            | 155,385            |
| Projects in Asset Management Division                                                       | 28,500             | 27,563             |
| Power System Reliability Strengthening Project Phase- II Package 2 - PMU 1                  | 168,951            | 54,357             |
| Power System Reliability Strengthening Project Phase- II Package 2 - PMU 2                  | 96,188             | 55,550             |
| Power System Reliability Strengthening Project Phase- II Package 2 - PMU 3                  | 253,331            | 172,536            |
| Supporting Electricity Supply Reliability Improvement Project SESRIP (Package 4)            | 16,167,028         | 12,122,728         |
| Vidulakpaya Project                                                                         | 1,510,686          | 1,496,579          |
| SCADA Supported Advance Distribution Control Center for WPS                                 | 1,644,080          | 1,342,432          |
| Sampur Kaappalthurai Transmission Development Project                                       | 1,328,302          | 131,592            |
| Mullikulam Wind Power Transmission Project                                                  | 11,694             | -                  |
| <b>Total Value of Capital Work-In-Progress</b>                                              | <b>226,515,864</b> | <b>217,828,680</b> |



**CEYLON ELECTRICITY BOARD**  
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**AS AT 31 DECEMBER 2025**

(All amounts in Sri Lanka Rupees Thosands )

**12.8 Right of Use Assets**

**12.8.1 Cost**

|                | Balance as at 01.01.2025 | Additions /<br>Adjustments | Terminations/<br>Adjustments | Balance as at<br>31.12.2025 |
|----------------|--------------------------|----------------------------|------------------------------|-----------------------------|
| Land           | 205,311                  | 170,120                    | -                            | 375,431                     |
| Motor Vehicles | 114,909                  | -                          | (49,002)                     | 65,908                      |
|                | <u>320,220</u>           | <u>170,120</u>             | <u>(49,002)</u>              | <u>441,338</u>              |

**12.8.2 Depreciation**

|                | Balance as at 01.01.2025 | Charge for<br>the year | Terminations<br>/ Adjustments | Balance as at<br>31.12.2025 |
|----------------|--------------------------|------------------------|-------------------------------|-----------------------------|
| Land           | -                        | 821                    | 7,377                         | 8,198                       |
| Motor Vehicles | 37,676                   | 6,426                  | (21,554)                      | 22,548                      |
|                | <u>37,676</u>            | <u>7,247</u>           | <u>(14,177)</u>               | <u>30,746</u>               |

**12.8.3 Net Book Values**

|                | 2025           | 2024           |
|----------------|----------------|----------------|
| Land           | 367,234        | 205,311        |
| Motor Vehicles | 43,360         | 77,233         |
|                | <u>410,594</u> | <u>282,544</u> |

**12.9 Property, Plant & Equipment including Right of Use Assets**

|                                                                                    | 2025                      | 2024                      |
|------------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Net Book Values</b>                                                             |                           |                           |
| Property, Plant & Equipment (12.6)                                                 | 727,411,944               | 712,269,396               |
| Capital Work in Progress (12.3)                                                    | 226,515,865               | 217,828,680               |
| Right of use Assets (12.7.3)                                                       | 410,594                   | 282,544                   |
| <b>Total Value of Property Plant &amp; Equipment including Right-of-Use Assets</b> | <u><b>954,338,403</b></u> | <u><b>930,380,621</b></u> |

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

**12.11** Total Gross Carrying value of fully depreciated Property Plant and equipment as at 31.12.2025 Rs 258,582 Mn.  
(31.12.2024 Rs 213,362 Mn.)



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

**AS AT 31 DECEMBER**

|                                                                 | Balance as at<br>01.01.2025 | Additions/<br>Transfers | Disposals/ Transfers | Balance as at<br>31.12.2025 |
|-----------------------------------------------------------------|-----------------------------|-------------------------|----------------------|-----------------------------|
| <b>13. INTANGIBLE ASSETS</b>                                    |                             |                         |                      |                             |
| At Cost                                                         |                             |                         |                      |                             |
| Software                                                        | 437,257                     | 43,947                  | -                    | 481,204                     |
| Total                                                           | 437,257                     | 43,947                  | -                    | 481,204                     |
| Amortization                                                    |                             |                         |                      |                             |
| Software                                                        | (320,510)                   | (30,936)                | -                    | (351,447)                   |
| Total                                                           | (320,510)                   | (30,936)                | -                    | (351,447)                   |
| <b>Net Book Value</b>                                           |                             |                         | <b>129,758</b>       | <b>116,747</b>              |
| <b>14. INVESTMENT IN SUBSIDIARIES</b>                           |                             | <b>Holding</b>          | <b>2025</b>          | <b>2024 ( Restated)</b>     |
| Lanka Coal Company (Pvt) Ltd                                    |                             | 60%                     | 12,000               | 12,000                      |
| Lanka Electricity Company (Pvt) Ltd                             |                             | 55.2%                   | 628,003              | 628,003                     |
| Sri Lanka Energy (Pvt) Ltd                                      |                             | 100%                    | 174,910              | 174,910                     |
|                                                                 |                             |                         | <b>814,913</b>       | <b>814,913</b>              |
| <b>15. INVESTMENT IN ASSOCIATE</b>                              |                             | <b>Holding</b>          |                      |                             |
| LTL Holdings Ltd                                                |                             | 35%                     | 53,825               | 53,825                      |
|                                                                 |                             |                         | <b>53,825</b>        | <b>53,825</b>               |
| <b>16. INVESTMENT IN JOINT VENTURE</b>                          |                             |                         |                      |                             |
| Trincomalee Power Company Ltd                                   |                             |                         | 498,506              | 348,606                     |
|                                                                 |                             |                         | <b>498,506</b>       | <b>348,606</b>              |
| <b>17. INVESTMENTS OF INSURANCE RESERVES</b>                    |                             |                         |                      |                             |
| Balance at the Beginning of the Year                            |                             |                         | 16,799,291           | 15,111,471                  |
| Interest Received During the Year                               |                             |                         | 1,267,457            | 1,687,820                   |
| Withdrawals During the Year                                     |                             |                         | -                    | -                           |
| Balance as at the end of the Year                               |                             |                         | <b>18,066,748</b>    | <b>16,799,291</b>           |
| <b>18. OTHER FINANCIAL ASSETS</b>                               |                             |                         |                      |                             |
| Loans to CEB Employees (18.1)                                   |                             |                         | 16,429,463           | 13,471,836                  |
| Loans to consumers (18.2)                                       |                             |                         | 136,663              | 131,642                     |
| Investment in Fixed Deposits                                    |                             |                         | 40,000               | -                           |
| Investment In Debenture Redemption Fund                         |                             |                         | 9,588,311            | -                           |
|                                                                 |                             |                         | <b>26,194,437</b>    | <b>13,603,478</b>           |
| <b>18.1 Loans to CEB Employees</b>                              |                             |                         |                      |                             |
| Distress Loan                                                   |                             |                         | 15,754,010           | 14,146,988                  |
| Transport Loan                                                  |                             |                         | 2,049,608            | 1,196,460                   |
| Other Staff Loans                                               |                             |                         | 616,401              | 422,807                     |
| Advances                                                        |                             |                         | 48,255               | 37,495                      |
| Total Staff Loans and Advances                                  |                             |                         | <b>18,468,274</b>    | <b>15,803,750</b>           |
| Less: Fair Value Adjustment on Loans Granted Below Market Rates |                             |                         | (2,038,811)          | (2,331,913)                 |
| Staff Loan Balance at Amortized Cost                            |                             |                         | <b>16,429,463</b>    | <b>13,471,837</b>           |
| <b>18.2 Loans to Consumers</b>                                  |                             |                         |                      |                             |
| Samurdhi Loan I                                                 |                             |                         | 16,873               | 16,612                      |
| Samurdhi Loan II                                                |                             |                         | 15,443               | 14,701                      |
| Domestic Service Connection Loan                                |                             |                         | 5,862                | 5,866                       |
| Industrial & Commercial Business Loan                           |                             |                         | 9,592                | 15,542                      |
| Small & Medium Scales Industries & Business Loan - Ordinary     |                             |                         | 72,279               | 49,636                      |
| Small & Medium Scales Industries & Business Loan - Bulk         |                             |                         | 305                  | 11,378                      |
| RHCP Loan                                                       |                             |                         | 16,360               | 16,913                      |
| LED Bulb Loan                                                   |                             |                         | (51)                 | 994                         |
|                                                                 |                             |                         | <b>136,663</b>       | <b>131,642</b>              |



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**AS AT 31 DECEMBER**
**CEB Inter Divisional Loans**
**18.3.1 Loan Given to Generation Division**

|                                 | 2025             | 2024 ( Restated) |
|---------------------------------|------------------|------------------|
| Loan From DD1                   | 2,000,000        | -                |
| Loan From DD2                   | 500,000          | -                |
| Loan From DD4                   | -                | -                |
| <b>Total Loan</b>               | <b>2,500,000</b> | <b>-</b>         |
| Inter Company Adjustment        | (2,500,000)      | -                |
| <b>Balance as at 31.12.2025</b> | <b>-</b>         | <b>-</b>         |

**18.3.2 Loan Given to Transmission Division**

|                                 |                  |          |
|---------------------------------|------------------|----------|
| Loan From DD1                   | 2,500,000        | -        |
| <b>Total Loan</b>               | <b>2,500,000</b> | <b>-</b> |
| Inter company Adjustment        | (2,500,000)      | -        |
| <b>Balance as at 31.12.2025</b> | <b>-</b>         | <b>-</b> |

**Other Non current Financial Assets**

|                             |                   |                  |
|-----------------------------|-------------------|------------------|
| Loans to CEB Employees      | 11,975,844        | 8,045,939        |
| Loans to Consumers          | 55,423            | 29,878           |
| Investment In Fixed Deposit | 40,000            | -                |
|                             | <b>12,071,267</b> | <b>8,075,817</b> |

**Other Current Financial Assets**

|                                         |                   |                  |
|-----------------------------------------|-------------------|------------------|
| Loans to CEB Employees                  | 4,453,619         | 5,425,898        |
| Loans to Consumers                      | 81,240            | 101,764          |
| Investment In Debenture Redemption Fund | 9,588,311         | -                |
|                                         | <b>14,123,170</b> | <b>5,527,662</b> |

**19.OTHER NON-CURRENT ASSETS**
**Prepaid Staff Cost**

|                                                   |                  |                  |
|---------------------------------------------------|------------------|------------------|
| Balance at the Beginning of the Year              | 2,331,913        | 3,094,503        |
| Fair value adjustment on loans granted/terminated | 1,168,891        | 916,196          |
| Amortization of staff cost                        | (1,461,993)      | (1,678,786)      |
| Closing Balance at the End of the Year            | <b>2,038,811</b> | <b>2,331,913</b> |

**20.NON CURRENTS ASSET HELD FOR SALE**

|                                        |           |           |
|----------------------------------------|-----------|-----------|
| Balance at the Beginning of the Year   | 57        | 76        |
| Disposal during the Year               | -         | (19)      |
| Closing Balance at the End of the Year | <b>57</b> | <b>57</b> |

**21. INVENTORIES**

|                                                      |                    |                    |
|------------------------------------------------------|--------------------|--------------------|
| Consumables                                          | 60,472,163         | 68,040,966         |
| Spares                                               | 20,704,081         | 18,098,755         |
| Fuel                                                 |                    |                    |
| - Coal                                               | 14,970,320         | 25,094,741         |
| -Naptha                                              | 621,219            | 467,991            |
| - Diesel                                             | 3,732,246          | 4,622,408          |
| - Heavy Fuel                                         | 986,493            | 940,684            |
| -Lube Oil                                            | 288,393            | 299,666            |
| Goods in Transit                                     | 1,781,944          | 2,142,103          |
| Provision for Obsolete & Unserviceable Stocks (21.1) | (2,597,036)        | (2,424,068)        |
|                                                      | <b>100,959,823</b> | <b>117,283,246</b> |

**21.1 Provision for Obsolete & Unserviceable Stock**

|                                                      |                  |                  |
|------------------------------------------------------|------------------|------------------|
| Balance at the Beginning of the Year                 | 2,424,068        | 2,268,444        |
| Additional Provision/(Reversal) made During the Year | 230,126          | 369,992          |
| Transfer to other division                           | -                | (8,330)          |
| Charged Against the Provision During the Year        | (57,158)         | (206,038)        |
| Closing Balance at the end of the Year               | <b>2,597,036</b> | <b>2,424,068</b> |



**CEYLON ELECTRICITY BOARD**
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**AS AT 31 DECEMBER**

| <b>22. TRADE AND OTHER RECEIVABLES</b>                  | <b>2025</b>       | <b>2024 ( Restated)</b> |
|---------------------------------------------------------|-------------------|-------------------------|
| Trade Debtors (22.1)                                    | 38,971,040        | 45,145,743              |
| Other Debtors (22.2)                                    | 20,440,949        | 20,325,120              |
|                                                         | <u>59,411,989</u> | <u>65,470,863</u>       |
| <b>22.1 Trade Debtors</b>                               |                   |                         |
| Electricity Debtors (22.1.1)                            | 44,626,585        | 51,063,124              |
| Less:                                                   |                   |                         |
| Provision for Impairment of Trade debtors (22.1.2)      | (5,655,545)       | (5,917,381)             |
|                                                         | <u>38,971,040</u> | <u>45,145,743</u>       |
| <b>22.1.1 Electricity Debtors</b>                       |                   |                         |
| Related Party - Lanka Electricity Company (Pvt) Ltd     | 5,274,619         | 4,707,763               |
| Other Electricity Debtors                               | 39,284,337        | 46,342,316              |
| Electricity Trade Debtors- Transmission Customers       | 67,629            | 13,045                  |
|                                                         | <u>44,626,585</u> | <u>51,063,124</u>       |
| <b>22.1.2 Provision for impairment of Trade debtors</b> |                   |                         |
| Balance at the Beginning of the Year                    | 5,917,381         | 4,625,868               |
| Additional Provision/(Reversal) made During the Year    | (261,582)         | 1,253,383               |
| Written off During the Year                             | (254)             | 38,130                  |
| Reversal of Provision During the Year                   |                   |                         |
| Closing Balance at the end of the Year                  | <u>5,655,545</u>  | <u>5,917,381</u>        |
| <b>22.2 Other Debtors</b>                               |                   |                         |
| Related Party - Ante LECO Metering Company (Pvt) Ltd    | 490,749           | 335,599                 |
| Lanka Coal Company Ltd                                  | 716,215           | 714,965                 |
| Trincomalee Power Company Ltd                           | -                 | 58,938                  |
| Sri Lanka Energies (Pvt) Ltd                            | 88,579            | 28,290                  |
| Mobilization Advance                                    | 1,837,413         | 2,224,455               |
| Advance & Prepayments                                   | 6,227,863         | 9,055,191               |
| Deposits                                                | 2,439,684         | 2,486,179               |
| Street Lighting                                         | 32,345            | 32,345                  |
| Collection Control                                      | (865,221)         | (1,584,236)             |
| Rebate on Religious Tariff                              | 11                | 11                      |
| Dues from Sacred Places                                 | 17,098            | 126,544                 |
| Receivable from Sri Lanka Sustainable Energy Authority  | 32,731            | 29,700                  |
| Assets Management Debtors                               | 348,008           | 348,296                 |
| Tax Receivable                                          | 609,366           | 435,388                 |
| Dividend Receivable                                     | 1,749,370         | -                       |
| Interest Receivable                                     | 12,848            | -                       |
| Receivable for Free Services Connection                 | 787               | 52,589                  |
| Sundry Debtors                                          | 2,921,938         | 2,473,684               |
| Cash Given to Treasury in Lieu of Treasury Bills        | 500,000           | 1,000,000               |
| WIP Non Capital                                         | 2,574,734         | 2,503,920               |
| Stock Shortage                                          | 317,967           | 365,678                 |
| Stock adjustment                                        | 108,483           | 111,091                 |
| Receivable from Distribution Divisions                  | 746,597           | -                       |
| Less:                                                   |                   |                         |
| Provision for Impairment of Other Debtors (22.2.1)      | (466,616)         | (473,507)               |
|                                                         | <u>20,440,949</u> | <u>20,325,120</u>       |



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| <b>22.2.1 Provision for Impairment of Other Debtors</b> | <b>2025</b> | <b>2024 ( Restated)</b> |
|---------------------------------------------------------|-------------|-------------------------|
| Balance at the Beginning of the Year                    | 473,507     | 4,351,923               |
| Additional Provision/(Reversal) made During the Year    | 154,354     | 371,173                 |
| Written off During the Year                             | (161,245)   | (4,249,589)             |
| Balance at the End of the Year                          | 466,616     | 473,507                 |

**23.CONTRIBUTED CAPITAL**

|                                             |             |             |
|---------------------------------------------|-------------|-------------|
| Balance at the Beginning of the Year        | 986,111,538 | 991,430,291 |
| Adjustment for Assets Derecognition         | -           | (5,318,753) |
| Contributions received for capital Projects | -           | -           |
| Balance as at the End of the Year           | 986,111,538 | 986,111,538 |

**24. Reserves**

|                                |            |            |
|--------------------------------|------------|------------|
| Capital Reserves ( 24.1)       | 18,633,786 | 18,633,428 |
| Depreciation Reserves (24.2)   | 30,000     | 29,000     |
| Self Insurance Reserves (24.3) | 35,627,663 | 32,765,689 |
|                                | 54,291,450 | 51,428,118 |

**24.1 Capital Reserves**

|                            |            |            |
|----------------------------|------------|------------|
| Loans Redemption Reserve   | 17,447,063 | 17,447,063 |
| Other Capital Reserves     | 165,446    | 165,446    |
| ADB- RHCP Reserve (24.1.1) | 1,021,277  | 1,020,919  |
|                            | 18,633,786 | 18,633,428 |

**24.1.1 ADB-RHCP Reserve**

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Balance at the Beginning of the Year | 1,020,919 | 1,020,206 |
| Funds received from ADB              | -         | -         |
| Interest received from customers     | 358       | 713       |
| Balance as at the End of the Year    | 1,021,277 | 1,020,919 |

**ADB - RHCP Loan Reserve**

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

**24.2 Depreciation Reserve**

|                                      |        |        |
|--------------------------------------|--------|--------|
| Balance at the Beginning of the Year | 29,000 | 28,000 |
| Transfers During the Year            | 1,000  | 1,000  |
| Balance as at the End of the Year    | 30,000 | 29,000 |

**Depreciation Reserve**

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

**24.3 Self insurance Reserve**

|                                      |            |            |
|--------------------------------------|------------|------------|
| Balance at the Beginning of the Year | 32,765,689 | 29,542,802 |
| Transfers from the Retained Earnings | 1,451,796  | 1,434,561  |
| Income Received from Investment      | 1,410,178  | 1,788,327  |
| Damages Charged During the Year      | -          | -          |
| Balance as at the end of the Year    | 35,627,663 | 32,765,689 |

**Self insurance Reserve**

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



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25. INTEREST BEARING LOANS & BORROWINGS

(All amounts in Sri Lanka Rupees Thousands)

|                                                                         | Original Loan Amount<br>Term Loans* | Granted Date | Interest rate Per annum | As At 01.01.2025 | 2025 Repayable        |               |             | 2024 Repayable              |                            |                           |
|-------------------------------------------------------------------------|-------------------------------------|--------------|-------------------------|------------------|-----------------------|---------------|-------------|-----------------------------|----------------------------|---------------------------|
|                                                                         |                                     |              |                         |                  | New Loans<br>Obtained | Enhanced Loan | Repayment   | Balance as at<br>31.12.2025 | Repayable Within<br>1 Year | Repayable After 1<br>Year |
|                                                                         |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Bank Loans (25.1)                                                       |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Project Loans (25.2)                                                    |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Debentures (25.3)                                                       |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Lease Creditors (25.4)                                                  |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| CEB Inter Divisional Loan (25.5)                                        |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Loans From Samurdhi Authority (24.6)                                    |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| Bank Over Draft (31.2)                                                  |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
|                                                                         |                                     |              |                         |                  | 17,878,647            | -             | -           | 16,695,897                  | -                          | 16,695,897                |
|                                                                         |                                     |              |                         |                  | 60,691,755            | 230,580,336   | 291,272,091 | 50,311,299                  | 240,088,857                | 290,400,156               |
| <b>25.1 Bank Loans</b>                                                  |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
|                                                                         |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| People's Bank (Rs. 10,000 Mn - CPC Payments)                            |                                     | 2018.01.24   | 10.11%                  | 200,000          | -                     | -             | 200,000     | -                           | -                          | -                         |
| People's Bank - OD Loan                                                 |                                     | 2018.02.01   | 10.11%                  | 197,000          | -                     | -             | 197,000     | -                           | -                          | -                         |
| Bank of Ceylon (Rs. 15,000Mn)                                           |                                     | 2019.06.30   | 9.94%                   | 6,172,000        | -                     | -             | 3,556,000   | 2,616,000                   | 2,616,000                  | -                         |
| Seylan Bank (Rs.2,000 Mn)                                               |                                     | 2019.10.04   | 10.28%                  | 666,000          | -                     | -             | 666,000     | -                           | -                          | -                         |
| Peoples Bank (Rs.35,000 Mn)                                             |                                     | 2019.05.30   | 10.11%                  | 22,700,000       | -                     | -             | 22,700,000  | -                           | -                          | -                         |
| Bank of Ceylon (Rs.5,000 Mn)                                            |                                     | 2020.03.03   | 9.94%                   | 4,280,000        | -                     | -             | 4,165,812   | 114,188                     | 114,188                    | -                         |
| Peoples Bank (Rs.10,000 Mn)                                             |                                     | 2020.04.01   | 10.22%                  | 6,758,333        | -                     | -             | 6,758,333   | -                           | -                          | -                         |
| NSB Loan (Rs.5,000 Mn)                                                  |                                     | 2020.12.09   | 10.62%                  | 4,000,000        | -                     | -             | 1,000,000   | 3,000,000                   | 1,000,000                  | 2,000,000                 |
| NTB Loan (Rs.3 Bn)                                                      |                                     | 2023.01.31   | 9.50%                   | 875,000          | -                     | -             | 750,000     | 125,000                     | 125,000                    | -                         |
| People's Bank (Rs. 17 Bn )                                              |                                     | 2023.02.03   | 10.11%                  | 11,687,500       | -                     | -             | 11,687,500  | -                           | -                          | -                         |
| Seylan Bank                                                             |                                     | 2023.03.16   | 9.79%                   | 1,625,000        | -                     | -             | 500,000     | 1,125,000                   | 500,000                    | 625,000                   |
| Bank of Ceylon (Rs.3 Bn)                                                |                                     | 2023.06.26   | 10.11%                  | 1,778,544        | 240,601               | -             | 2,019,145   | -                           | -                          | -                         |
| Nation Trust Bank (Rs. 2 Bn)                                            |                                     | 2023.06.27   | 10.50%                  | 1,11,111         | -                     | -             | 1,497,000   | -                           | -                          | -                         |
| Nation Trust Bank ( Rs.3 Bn)                                            |                                     | 2024.02.29   | 9.62%                   | 1,497,000        | -                     | -             | 664,000     | -                           | -                          | -                         |
| Nation Trust Bank (Rs.1 Bn)                                             |                                     | 2024.06.04   | 9.50%                   | 664,000          | -                     | -             | 535,500     | 1,964,500                   | 714,000                    | -                         |
| Selan Bank (Rs.110 Mn)                                                  |                                     | 2024.09.26   | AWPLR (monthly) +1.5%   | 2,500,000        | -                     | -             | 4,873,750   | 0.00                        | -                          | 1,250,500                 |
| Bank of Ceylon (Term Loan)                                              |                                     | 2024.09.26   | AWPLR (monthly) +2%     | 2,978,750        | -                     | -             | 1,823,994   | 1,000,000                   | 1,000,000                  | 823,994                   |
| Bank of Ceylon (Term Loan)                                              |                                     | 2024.09.26   | AWPLR (monthly) +2%     | 355,374          | -                     | -             | 1,000,000   | 14,062,500                  | 1,875,000                  | 12,187,500                |
| Commercial Bank (Rs.15 Bn )                                             |                                     | 2025.06.24   | 9.44%                   | -                | 15,000,000            | -             | 937,500     | 29,062,500                  | 3,632,813                  | 25,429,688                |
| Sampath Bank Syndicate (Rs. 30 Bn)                                      |                                     | 2025.08.29   | 9.44%                   | -                | 30,000,000            | -             | 73,684      | 3,426,316                   | 442,105                    | 2,984,211                 |
| Sampath Bank Syndicate (Rs. 3.5 Bn)                                     |                                     | 2025.09.30   | 9.44%                   | -                | 3,500,000             | -             | 31,093      | 897,578                     | 185,734                    | 711,844                   |
| Commercial Bank (Term Loan)                                             |                                     | 2025.09.24   | AWPLR (monthly) +1%     | -                | 928,671               | -             | -           | 3,000,000                   | 3,000,000                  | -                         |
| Seylan Bank (Rs 4 Bn)                                                   |                                     | 2025.12.26   | AWPLR (monthly) +1.5%   | -                | 3,000,000             | -             | -           | 61,217,575                  | 15,204,840                 | 46,012,737                |
|                                                                         |                                     |              |                         | 69,045,612       | 57,032,891            | -             | 64,860,928  |                             |                            |                           |
| <b>25.2 Projects Loans</b>                                              |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| <b>25.2.1 Loans from Treasury</b>                                       |                                     |              |                         |                  |                       |               |             |                             |                            |                           |
| National Transmission & Distribution Network Development                | JICA                                |              | Not Finalized           | 30,844,345       | 2,273,594             | -             | -           | 33,117,939                  | -                          | 33,117,939                |
| Habarana Veyangoda Transmission Line Project                            | JICA                                |              | Not Finalized           | 1,634,391        | 434,646               | -             | -           | 2,069,037                   | -                          | 2,069,037                 |
| Green Power Dev. & Energy Efficiency Improvement Project                | ADB                                 |              | Not Finalized           | 31,512,139       | 1,096,730             | -             | -           | 32,608,869                  | -                          | 32,608,869                |
| Green Power Dev. & Energy Efficiency Improvement Project                | AFD                                 |              | Not Finalized           | 3,793,638        | -                     | -             | -           | 3,793,638                   | -                          | 3,793,638                 |
| Construction of four grid Substation                                    | AFD                                 |              | Not Finalized           | 4,450,099        | -                     | -             | -           | 4,450,099                   | -                          | 4,450,099                 |
| Green Power Dev. & Energy Efficiency Improvement Project<br>(Tranche 2) | AFD                                 |              | 10%                     | 5,258,343        | -                     | -             | -           | 5,258,343                   | -                          | 5,258,343                 |
|                                                                         |                                     |              |                         | 77,492,955       | 3,804,970             | -             | -           | 81,297,925                  | -                          | 81,297,925                |



CEYLON ELECTRICITY BOARD

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| 25.2.2 Loans From Banks                                                  | Granted Date | Interest rate Per annum                   | As At 01.01.2025 | New Loans Obtained | Exchange gains/(Losses) | Repayment | Balance as at 31.12.2025 | Repayable Within 1 Year | Repayable After 1 Year |
|--------------------------------------------------------------------------|--------------|-------------------------------------------|------------------|--------------------|-------------------------|-----------|--------------------------|-------------------------|------------------------|
| Broadland Hydro Power Project (HNB)                                      | 2013.06.06   | 6 month SOFR+ 6.3%                        | 423,526          | -                  | 11,858                  | 435,384   | (0)                      | -                       | (0)                    |
| Broadland Hydro Power Project ( PB)                                      | 2021.10.03.  | AWPLR+1.5%                                | 5,785,341        | -                  | -                       | 650,000   | 5,135,341                | 1,200,000               | 3,935,341              |
| Broadlands Hydropower Project (ICBC)                                     | 2013.01.16   | 6 month SOFR+ 3.2%                        | 7,762,327        | -                  | 461,922                 | -         | 8,224,249                | -                       | 8,224,249              |
| Green Power Dev. & Energy Efficiency Improvement Project (ADB)           | 2016.12.27   | 6 month SOFR + 0.6% - 0.1% + Premium 0.1% | 23,963,913       | 315,738            | 1,082,033               | 1,465,248 | 23,896,436               | 1,465,248               | 22,431,188             |
| Green Power Dev. & Energy Efficiency Improvement Project (ADB)           | 2016.12.27   | 2%(Fixed)                                 | 11,845,275       | -                  | 690,913                 | 724,267   | 11,811,921               | 724,267                 | 11,087,654             |
| Supporting Elec supply reliability improvement project (ADB)             | 2016.12.19   | 6 month SOFR+0.60% - 0.1%+Premium 0.1%    | 18,436,826       | 2,621,219          | 591,480                 | 1,225,730 | 20,423,795               | 1,121,822               | 19,301,973             |
| Mannar Wind Power Generation Project (ADB)                               | 2017.11.22   | 6 month SOFR+0.60%-0.1%                   | 38,936,723       | 809,976            | 2,564,189               | 3,093,060 | 39,217,828               | 3,093,060               | 36,124,768             |
| Moragolla Hydro Power Project - 4579 SEFF                                | 2024.12.19   | 2%                                        | -                | 2,042,889          | 71,445                  | -         | 2,114,334                | -                       | 2,114,334              |
| Power System Strengthening & Renewable Energy Integration Project (4548) | 2024.12.19   | 6 month SOFR+0.60% - 0.1%+Premium 0.1%    | -                | -                  | -                       | -         | -                        | -                       | -                      |
|                                                                          |              |                                           | 107,153,931      | 49,046             | 1,121                   | -         | 50,167                   | -                       | 50,167                 |
|                                                                          |              |                                           | 5,838,868        | 5,838,868          | 5,474,961               | 7,593,689 | 110,874,071              | 7,604,397               | 103,269,674            |
|                                                                          |              |                                           | 184,646,887      | 9,643,838          | 5,474,961               | 7,593,689 | 192,171,996              | 7,604,397               | 184,567,599            |
| <b>Total Project Loans</b>                                               |              |                                           |                  |                    |                         |           |                          |                         |                        |

| 25.3 Debentures                                       | Issue Date | Interest per annum (%) | As At 01.01.2025 | Debenture Issued | Repayment | Balance as at 31.12.2025 | Repayable Within 1 Year | Repayable After 1 Year | Total 2024 |
|-------------------------------------------------------|------------|------------------------|------------------|------------------|-----------|--------------------------|-------------------------|------------------------|------------|
| 2 Bn Senior Secured Listed Redeemable Rated debenture | 2021.04.16 | 9.35%                  | 20,000,000       | -                | -         | 20,000,000               | 20,000,000              | -                      | 20,000,000 |
|                                                       |            |                        | 20,000,000       | -                | -         | 20,000,000               | 20,000,000              | -                      | 20,000,000 |

|                      | 2025 Repayable<br>Within 1 Year | 2025 Repayable After<br>1 Year | Total 2025 | Total 2024 |
|----------------------|---------------------------------|--------------------------------|------------|------------|
| 25.4 Lease Creditors | 3,871                           | -                              | 3,871      | 11,760     |
| Lease Creditors      | 3,871                           | -                              | 3,871      | 11,760     |

| Division | Granted Date | Interest rate Per annum | As At 01.01.2025 | New Loans Obtained | Exchange gains/(Losses) | Repayment  | Balance as at 31.12.2025 | Inter company Adjustment | Balance |
|----------|--------------|-------------------------|------------------|--------------------|-------------------------|------------|--------------------------|--------------------------|---------|
| DD1      | 24.01.2025   | (AMMIR+0.5%)            | -                | 10,500,000         | -                       | 6,000,000  | 4,500,000                | (4,500,000)              | -       |
| DD2      | 24.01.2025   | (AMMIR+0.5%)            | -                | 4,000,000          | -                       | 3,500,000  | 500,000                  | (500,000)                | -       |
| DD4      | 18.02.2025   | (AMMIR+0.5%)            | -                | 1,500,000          | -                       | 1,500,000  | -                        | -                        | -       |
|          |              |                         | -                | 16,000,000         | -                       | 11,000,000 | 5,000,000                | (5,000,000)              | -       |



## AS AT 31 DECEMBER

**26.CONSUMER DEPOSITS**

|                                     | 2025       | 2024 ( Restated) |
|-------------------------------------|------------|------------------|
| Balance as at Beginning of the Year | 17,500,508 | 17,080,993       |
| Deposits Received During the Year   | 744,718    | 617,461          |
| Refund made During the Year         | (151,199)  | (197,946)        |
| Balance as at the End of the Year   | 18,094,027 | 17,500,508       |

**27.PROVISIONS & OTHER DEFERRED LIABILITIES****Retirement Benefits Obligation-Gratuity & Pension**

|                                     |            |             |
|-------------------------------------|------------|-------------|
| Balance as at Beginning of the Year | 34,447,647 | 36,809,066  |
| Charge for the Year                 | 467,664    | (1,385,337) |
| Payments made during the Year       | (989,317)  | (976,081)   |
| Balance as at the End of the Year   | 33,925,994 | 34,447,647  |

|                                               |            |            |
|-----------------------------------------------|------------|------------|
| - Pension benefits                            | 23,007,881 | 25,060,601 |
| - Commuted Pension Fund Liability- non funded | 30,000     | 30,000     |
| - Gratuity Benefits                           | 10,888,113 | 9,357,046  |

**Liability in the Balance Sheet****Income statement charge for**

|                     |           |           |
|---------------------|-----------|-----------|
| - Pension benefits  | 4,460,176 | 3,115,526 |
| - Gratuity benefits | 1,671,226 | 1,726,263 |
|                     | 6,131,402 | 4,841,789 |

|                                                  |             |             |
|--------------------------------------------------|-------------|-------------|
| Actuarial (gains)/losses recognised              |             |             |
| - in the statement of other comprehensive income | (2,666,097) | (4,181,787) |

|                                            |           |         |
|--------------------------------------------|-----------|---------|
| Cumulative actuarial losses recognised     |           |         |
| - in the statement of comprehensive income | 3,465,305 | 660,002 |

**27.2 Pension benefit**

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

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

|                                       |            |            |
|---------------------------------------|------------|------------|
| Present value of obligations (27.2.1) | 62,093,894 | 60,214,651 |
| Fair value of plan assets (27.2.2)    | 39,086,013 | 35,154,050 |
| Deficit of funded plans               | 23,007,881 | 25,060,602 |
| Liability/ Asset in the Balance Sheet | 23,007,881 | 25,060,602 |

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

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| Balance as at Beginning of the Year | 60,214,651  | 59,765,593  |
| Current service cost                | 2,339,616   | 2,082,901   |
| Interest cost                       | 5,249,284   | 5,378,903   |
| Actuarial (Gain)/Losses             | (1,931,104) | (4,080,767) |
| Benefit paid                        | (3,778,553) | (2,931,979) |
| Balance as at End of the Year       | 62,093,894  | 60,214,651  |

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

|                                          |             |             |
|------------------------------------------|-------------|-------------|
| Balance as at Beginning of the Year      | 35,154,050  | 31,678,223  |
| Expected return on plan assets           | 3,128,724   | 4,346,278   |
| Actuarial gain/ (loss)                   | 1,584,151   | 16,189      |
| Contributions paid (Employee + Employer) | 2,997,641   | 2,045,339   |
| Benefit paid                             | (3,778,553) | (2,931,979) |
| Balance as at End of the Year            | 39,086,013  | 35,154,050  |

The amounts recognised in the income statement are as follows;



|                                       | 2025             | 2024 ( Restated) |
|---------------------------------------|------------------|------------------|
| Current service cost                  | 2,339,616        | 2,082,901        |
| Interest cost                         | 5,249,284        | 5,378,903        |
| expected return on plan assets        | (3,128,724)      | (4,346,278)      |
| <b>Recognised in income statement</b> | <b>4,460,176</b> | <b>3,115,526</b> |

**The principle actuarial assumptions were as follows;**

|                                |     |     |
|--------------------------------|-----|-----|
| Discount rate                  | 10% | 9%  |
| Expected return on plan assets | 9%  | 9%  |
| Future salary increases        | 25% | 25% |
| Future pension increases       | 0%  | 0%  |
| Retirement age                 | 60  | 60  |

**Plan assets are comprised as follows;**

|                |                   |                   |
|----------------|-------------------|-------------------|
| Fixed deposits | 38,015,810        | 32,631,588        |
| Other          | 1,070,206         | 2,792,464         |
| <b>Total</b>   | <b>39,086,016</b> | <b>35,424,052</b> |

**27.3 Gratuity benefits**

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

|                                      |                   |                  |
|--------------------------------------|-------------------|------------------|
| Balance as at Beginning of the Year  | 9,357,046         | 8,691,695        |
| Current service cost                 | 696,363           | 596,343          |
| Interest cost                        | 974,863           | 1,129,920        |
| Actuarial loss/(Gain)                | 849,158           | (84,831)         |
| Benefit paid                         | (989,317)         | (976,081)        |
| <b>Balance as at End of the Year</b> | <b>10,888,113</b> | <b>9,357,046</b> |

The amounts recognised in the income statement are as follows;

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Current service cost                  | 974,863          | 1,129,920        |
| Interest cost                         | 696,363          | 596,343          |
| <b>Recognised in Income Statement</b> | <b>1,671,226</b> | <b>1,726,263</b> |

The principle actuarial assumptions were as follows;

|                           |     |     |
|---------------------------|-----|-----|
| Discount rate             | 11% | 11% |
| Inflation Rate            | 0%  | 0%  |
| Future salary increases   | 25% | 25% |
| Future gratuity increases | 0%  | 0%  |
| Retirement age            | 60  | 60  |

**28.GOVERNMENT GRANTS**

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Balance at the Beginning of the Year  | 200,959        | 224,894        |
| Amount amortized During the Year      | (23,935)       | (23,935)       |
| Transfer from Other Division          | -              | 198,229        |
| Transfer to Other Division            | -              | (198,229)      |
| <b>Balance at the End of the Year</b> | <b>177,024</b> | <b>200,959</b> |

**29.CONTRACT LIABILITIES**

|                                                  |                    |                    |
|--------------------------------------------------|--------------------|--------------------|
| Consumer Contribution(29.1)                      | 128,423,892        | 116,711,688        |
| Prepaid Electric Vehicle charging Revenue (29.2) | 1,156              | 1,874              |
|                                                  | <b>128,425,048</b> | <b>116,713,562</b> |

**29.1 Consumer Contribution**

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Balance at the Beginning of the Year  | 116,711,688        | 107,620,655        |
| Consumer Contribution During the Year | 16,927,561         | 14,199,053         |
| Amount Amortised During the Year      | (5,215,357)        | (5,108,020)        |
| <b>Balance at the End of the Year</b> | <b>128,423,892</b> | <b>116,711,688</b> |

**29.2 Prepaid Electric Vehicle Charging Revenue**

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Balance at the beginning of the Year  | 1,874        | 1,612        |
| Cash received for prepaid e-Cards     | 834          | 6,865        |
| Utilization for the year              | (1,552)      | (6,603)      |
| <b>Balance at the end of the Year</b> | <b>1,156</b> | <b>1,874</b> |



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

**AS AT 31 DECEMBER**

|                                                                                                                     | 2025                | 2024 ( Restated)    |
|---------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>30. TRADE &amp; OTHER PAYABLES</b>                                                                               |                     |                     |
| Trade Payables (30.1)                                                                                               | 64,390,567          | 55,201,041          |
| Other Payables (30.2)                                                                                               | 81,145,422          | 68,742,631          |
|                                                                                                                     | <b>145,535,989</b>  | <b>123,943,671</b>  |
| <b>30.1 Trade Payables</b>                                                                                          |                     |                     |
| Related Parties (30.1.1)                                                                                            | 35,537,251          | 34,968,974          |
| IPP - Thermal                                                                                                       | 16,496,676          | 7,886,046           |
| - Renewable Energy                                                                                                  | 6,249,091           | 3,746,239           |
| Delayed Interest IPP                                                                                                | 256,580             | 1,306               |
| Delayed Interest NCRE                                                                                               | 17,131              | 1,325,717           |
| Payables to CPC                                                                                                     | 344                 | 176,486             |
| Trade Payables - Others                                                                                             | 5,833,494           | 7,096,273           |
|                                                                                                                     | <b>64,390,567</b>   | <b>55,201,041</b>   |
| <b>30.1.1 Related Parties</b>                                                                                       |                     |                     |
| LTL Holdings Ltd (Including IPP)                                                                                    | 81,003              | 42,729              |
| LTL Transformers (Pvt) Ltd                                                                                          | 714,401             | 511,088             |
| LTL Galvanizers (Pvt) Ltd                                                                                           | 126,519             | 91,231              |
| Lanka Electricity Company (Pvt) Ltd                                                                                 | 7,218,427           | 4,782,605           |
| Ante LECO Metering Company (Pvt) Ltd                                                                                | 588,216             | 358,715             |
| Lanka Coal Company Ltd                                                                                              | 21,303,409          | 27,824,247          |
| Kumbalgamuwa Mini Hydro (Pvt) Ltd                                                                                   | 11,728              | 13,759              |
| Deduru Oya Mini Hydro (Pvt) Ltd                                                                                     | 18,744              | 12,467              |
| Bio Med Hydro ( Pvt) Ltd                                                                                            | -                   | 4,140               |
| Sri Lanka Energies HR (Pvt) Ltd                                                                                     | 3,221               | 1,907               |
| Sri Lanka Energies (Pvt) Ltd                                                                                        | 47,223              | 26,687              |
| Sobhadanavi Ltd                                                                                                     | 5,424,360           | 1,299,399           |
|                                                                                                                     | <b>35,537,251</b>   | <b>34,968,974</b>   |
| <b>30.2 Other Payables</b>                                                                                          |                     |                     |
| Retention                                                                                                           | 7,592,718           | 6,611,353           |
| Debenture Interest Payable                                                                                          | 1,324,579           | 1,324,579           |
| Sundry Creditors                                                                                                    | 19,796,901          | 15,651,756          |
| Accrued expenses                                                                                                    | 18,116,779          | 12,383,469          |
| Tax Payable                                                                                                         | 1,044,748           | 1,132,976           |
| Deposits (30.2.1)                                                                                                   | 32,328,484          | 31,172,537          |
| Stock Surplus                                                                                                       | 144,154             | 410,534             |
| Stock Adjustment                                                                                                    | 50,462              | 55,426              |
| Current Account                                                                                                     | 746,597             | -                   |
|                                                                                                                     | <b>81,145,422</b>   | <b>68,742,631</b>   |
| <b>30.2.1 Deposits</b>                                                                                              |                     |                     |
| Deposits against Capital Jobs                                                                                       | 20,050,533          | 20,107,025          |
| Tender Deposits                                                                                                     | 851,345             | 720,698             |
| Security Deposits                                                                                                   | 40,295              | 72,160              |
| Other Deposits                                                                                                      | 11,386,311          | 10,272,654          |
|                                                                                                                     | <b>32,328,484</b>   | <b>31,172,537</b>   |
| <b>31. CASH AND CASH EQUIVALENTS</b>                                                                                |                     |                     |
| Cash & Cash equivalent of board and the cash & cash equivalent for the cash flow statement includes the followings. |                     |                     |
| <b>31.1 Favorable Cash &amp; Cash Equivalent</b>                                                                    |                     |                     |
| Petty Cash & Cash in Hand                                                                                           | 115,572             | 120,729             |
| Repo Investment                                                                                                     | 153,887             | 8,195,417           |
| Cash at Bank (collection A/C)                                                                                       | 718,039             | 1,140,838           |
| Cash at Bank (Current A/C)                                                                                          | 2,498,464           | 2,098,302           |
| Cash AT Bank (Online PIV Collection A/C)                                                                            | 616,116             | 766,836             |
| Bank Savings account                                                                                                | 26,725,446          | 36,204,801          |
| Samurdhi Special Bank AC                                                                                            | -                   | 1,038               |
| Bank Disbursement A/c ( Bulk Supply)                                                                                | 1,957,084           | -                   |
|                                                                                                                     | <b>32,784,608</b>   | <b>48,527,962</b>   |
| <b>31.2 Unfavorable Cash &amp; Cash Equivalent</b>                                                                  |                     |                     |
| Bank Disbursement A/c                                                                                               | (17,878,647)        | (16,693,743)        |
| Cash at Bank (Current A/C)                                                                                          | -                   | (2,154)             |
|                                                                                                                     | <b>(17,878,647)</b> | <b>(16,695,897)</b> |
|                                                                                                                     | <b>14,905,961</b>   | <b>31,832,065</b>   |

Note

Cash at Bank balance inclusive a balance of LKR 68.75 Mn which is pledge for LC payments in Bank of Ceylon



## 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 32.1 Overview

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

Credit Risk  
Liquidity Risk  
Market Risk

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

### 32.2 Risk Management Framework

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

### 32.3 Credit risk

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

#### The credit policy of the Board is as follows:

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

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

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

### 32.4 Liquidity risk

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

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

### 32.5 Market risk

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

#### 32.5.1 Foreign currency risk

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

#### 32.5.2 Interest rate risk

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



**33. PRIOR YEAR ADJUSTMENT MADE DURING THE YEAR**

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

**01) Being Recording Enegrey Sales on UNT adjustment applicable for the Year of 2023 and 2024 ( Nominal Entry)**

|                                          | DR        | CR        |
|------------------------------------------|-----------|-----------|
| Trade & Other Receivable Before 2024     | 6,838,521 |           |
| Trade & Other Receivable In- 2024        | 4,248,907 |           |
| Energy Sales/ Retain Earning Before 2024 |           | 6,838,521 |
| Energy Sales/ Retain Earning In- 2024    |           | 4,248,907 |

**02) Being Recording Enegrey Cost on UNT adjustment applicable for the Year of 2023 and 2024 ( Nominal Entry)**

|                                                                |           |           |
|----------------------------------------------------------------|-----------|-----------|
| Energy Purchase from Transmission to Distribution- Before 2024 | 6,838,521 |           |
| Energy Purchase from Transmission to Distribution- In 2024     | 4,248,907 |           |
| Trade & Other Payable Before 2024                              |           | 6,838,521 |
| Trade & Other Payable In- 2024                                 |           | 4,248,907 |

**03) Being recognized the unrecored Cost of the Machinery and Tools purchased in year 2022**

|                                                              |         |         |
|--------------------------------------------------------------|---------|---------|
| Property Plany & Equipment ( machinery & Tools)/ Before 2024 | 118,241 |         |
| Trade & other Receivable - Before 2024                       |         | 118,241 |

**04) Being the recognition of depreciation on machinery and tools purchased in the year 2022 for the relevant accounting period.**

|                                                                |        |        |
|----------------------------------------------------------------|--------|--------|
| Depreciation/ Retain Earning Before 2024                       | 27,590 |        |
| Depreciation/ Retain Earning for 2024                          | 23,648 |        |
| Accumelated Depreciation on Machinery & Tools/ PPE before 2024 |        | 27,590 |
| Accumelated Depreciation on Machinery & Tools/ PPE for 2024    |        | 23,648 |

**05) Being Recording Enegrey Cost on UNT adjustment applicable for the Year of 2023 and 2024 ( Nominal Entry)**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Trade & Other Receivable In- 2024     | 3,168,115 |           |
| Energy Sales/ Retain Earning In- 2024 |           | 3,168,115 |

**06) Being Recording Enegrey Cost on UNT adjustment applicable for the Year of 2023 and 2024 ( Nominal Entry)**

|                                                            |           |           |
|------------------------------------------------------------|-----------|-----------|
| Energy Purchase from Transmission to Distribution- In 2024 | 3,168,115 |           |
| Trade & Other Payable In- 2024                             |           | 3,168,115 |

**07) Being Recognition of Annual Levy applicable for the Year of 2024**

|                                       |       |       |
|---------------------------------------|-------|-------|
| Annual Levy/ Retain Earning- For 2024 | 6,943 |       |
| Trade & Other Payable - For 2024      |       | 6,943 |

**08) Being Accounted for amount receivable from two CEB Employees of CEB**

|                                                                  |        |        |
|------------------------------------------------------------------|--------|--------|
| Trade & Other Receivable In- 2024                                | 14,335 |        |
| Public Relation ( Advertising ) Account/ Retain Earning In- 2024 |        | 14,335 |

**09) Being Recognition of Annual Regulatory Levy applicable for the Year of 2014-2016**

|                                                              | DR   | CR   |
|--------------------------------------------------------------|------|------|
| Annual Regulatory Levy ( PUCSL)/ Retain Earning- Before 2024 | 9720 |      |
| Trade & Other Payable- Before 2024                           |      | 9720 |

**10) Being Recording UNT adjustment applicable for the Year of 2024 ( Adjustment to Energy Sales)- Nominal Entry**

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Energy Sales/ Retain Earning- In 2024 | 5,365,000 |           |
| Trade & Other Receivable-In 2024      |           | 5,365,000 |



**11) Being Recording UNT adjustment applicable for the Year of 2024 ( Adjustment for Energy Cost)- Nominal Entry**

|                                                            |           |           |
|------------------------------------------------------------|-----------|-----------|
| Trade & Other Payable In 2024                              | 5,365,000 |           |
| Energy Purchase from Transmission to Distribution- In 2024 |           | 5,365,000 |

**12) Derecognition of Cost of Dam in Mahaweli Complex**

|                                                               |            |            |
|---------------------------------------------------------------|------------|------------|
| Contributed Capital- Before 2024                              | 5,318,753  |            |
| Retain Earning / Revaluation Reserve- Before 2024             | 30,784,601 |            |
| Dam Account/ Property Plant & Equipments Account- Before 2024 |            | 36,103,354 |

**13) Derecognition of Accumulated Depreciation of Derecognized Dam in Mahaweli Complex**

|                                                      |            |            |
|------------------------------------------------------|------------|------------|
| Accumulated Depreciation/ Property Plant & Equipment | 13,531,585 |            |
| Derpriciation/ Retain Earning Before 2024            |            | 13,170,552 |
| Depreciation / Retain Earning In 2024                |            | 361,034    |

**14) Being Recognition of Demurrage Payments applicable for 2023-2024 Season and 2022-2023 Season**

|                                                 |         |         |
|-------------------------------------------------|---------|---------|
| Demurrage Payment / Retain Earning- Before 2024 | 164,055 |         |
| Trade & Other Payable- Before 2024              |         | 164,055 |

**15) Being Recognition of LECO Solar Prosumers related to the Energy Cost for the year 2021 to 2024**

|                                                  |           |           |
|--------------------------------------------------|-----------|-----------|
| Energy Purchase Cost/ Retain Earning Before 2024 | 4,352,683 |           |
| Energy Purchase Cost/ Retain Earning In 2024     | 3,086,785 |           |
| Related Party Payable LECO - Before 2024         |           | 4,352,683 |
| Related Party Payable LECO - In 2024             |           | 3,086,785 |

**18) Being Reconcile the Payables to Lanka Coal Company**

|                                                           |         |         |
|-----------------------------------------------------------|---------|---------|
| Payable to Related Party- Lanka Coal Company- Before 2024 | 119,510 |         |
| Retain Earnig/ Power Station Coal Account- Before 2024    |         | 119,510 |

**19) Being Recording Enegrey Sales on UNT adjustment applicable for the Year 2024- Nominal Entry**

|                                       |         |         |
|---------------------------------------|---------|---------|
| Energy Sales/ Retain Earning In- 2024 | 746,296 |         |
| Trade & Other Receivable In 2024      |         | 746,296 |

**20) Being Recording Enegrey Cost on UNT adjustment applicable for the Year 2024- Nominal Entry**

|                                                            |         |         |
|------------------------------------------------------------|---------|---------|
| Trade & Other Payable In- 2024                             | 746,296 |         |
| Energy Purchase from Transmission to Distribution- In 2024 |         | 746,296 |

**21) Being Correcting accounting records for Dividend tax for Heladanavi Limited**

|                             |         |         |
|-----------------------------|---------|---------|
| Retain Earning Before -2024 | 215,203 |         |
| IPP Payable - Before 2024   |         | 215,203 |

**22) Being Correcting presentation error in Income Tax Payable Liability Account**

|                                        |         |         |
|----------------------------------------|---------|---------|
| Income Tax Liability Accounts- In 2024 | 123,842 |         |
| Other Payable Account- In 2024         |         | 123,842 |

**23) Being Capitalization of 5 nos Frame V Machineries from WIP**

|                                                            |         |         |
|------------------------------------------------------------|---------|---------|
| Property Plant & Equipment- Genaration Power Plant In 2024 | 357,460 |         |
| Capital Working Progress- In 2024                          |         | 357,460 |

**24) Being Recognition of Depreciation for capitalized 5 nos Frame V Machineries from WIP**

|                                      |        |        |
|--------------------------------------|--------|--------|
| Depreciation/ Retain Earning In 2024 | 47,661 |        |
| Accumelated Depreciation In 2024     |        | 47,661 |

**25) Being Recognition of LECO Solar Prosumers related to the Energy Sales for the**

|                                                              |           |           |
|--------------------------------------------------------------|-----------|-----------|
| Related Party Payable- LECO Account Before-2024              | 2,656,863 |           |
| Electricity Sales- LECO Accounts/ Retain Earning Before 2024 |           | 2,656,863 |



**33.1 Impact of the prior year adjustment for the Board as at 31 December 2024**

| Statement of Financial Position                    | 2024<br>Before Restatement | Adjustments         | 2024<br>After Restatement |
|----------------------------------------------------|----------------------------|---------------------|---------------------------|
| <b>ASSETS</b>                                      |                            |                     |                           |
| <b>Non-Current Assets</b>                          |                            |                     |                           |
| Property, Plant & Equipment -Cost                  | 952,933,047                | (22,552,427)        | 930,380,621               |
| Intangible Assets                                  | 116,747                    |                     | 116,747                   |
| Investment in Subsidiaries                         | 814,913                    |                     | 814,913                   |
| Investment in Associate                            | 53,825                     |                     | 53,825                    |
| Investment in Joint Venture                        | 348,606                    |                     | 348,606                   |
| Investments of Insurance Reserves Fund             | 16,799,291                 |                     | 16,799,291                |
| Other Financial Assets                             | 8,075,817                  |                     | 8,075,817                 |
| Other Non current Assets                           | 2,331,913                  |                     | 2,331,913                 |
|                                                    | <b>981,474,159</b>         | <b>(22,552,427)</b> | <b>958,921,733</b>        |
| Non Current Assets Held For sale                   | 57                         |                     | 57                        |
| <b>Current Assets</b>                              |                            |                     |                           |
| Inventories                                        | 117,283,246                |                     | 117,283,246               |
| Trade and Other Receivables                        | 65,574,771                 | (103,906)           | 65,470,863                |
| Other Financial Assets                             | 5,527,662                  |                     | 5,527,662                 |
| Cash and Cash Equivalents                          | 48,527,962                 |                     | 48,527,962                |
|                                                    | <b>236,913,641</b>         | <b>(103,906)</b>    | <b>236,809,733</b>        |
| <b>Total Assets</b>                                | <b>1,218,387,857</b>       | <b>(22,656,333)</b> | <b>1,195,731,523</b>      |
| <b>EQUITY AND LIABILITIES</b>                      |                            |                     |                           |
| <b>Capital &amp; Reserves</b>                      |                            |                     |                           |
| Contributed Capital                                | 991,430,291                | (5,318,753)         | 986,111,538               |
| Reserves                                           | 51,428,118                 |                     | 51,428,118                |
| Accumulated Profit                                 | (402,618,040)              | (22,396,597)        | (425,014,636)             |
| <b>Total Equity</b>                                | <b>640,240,368</b>         | <b>(27,715,350)</b> | <b>612,525,020</b>        |
| <b>Non-Current Liabilities and Deferred income</b> |                            |                     |                           |
| Interest Bearing Loans & Borrowings                | 240,088,857                |                     | 240,088,857               |
| Consumer Deposits                                  | 17,500,508                 |                     | 17,500,508                |
| Provisions & Other Deferred Liabilities            | 34,447,647                 |                     | 34,447,647                |
| Government Grants                                  | 200,959                    |                     | 200,959                   |
| Contract Liabilities                               | 116,713,562                |                     | 116,713,562               |
|                                                    | <b>408,951,533</b>         | <b>-</b>            | <b>408,951,533</b>        |
| <b>Current Liabilities</b>                         |                            |                     |                           |
| Trade and Other Payables                           | 118,760,815                | 5,182,858           | 123,943,671               |
| Income Tax Liabilities                             | 123,842                    | (123,842)           | -                         |
| Interest Bearing Loans & Borrowings                | 50,311,299                 | -                   | 50,311,299                |
|                                                    | <b>169,195,957</b>         | <b>5,059,017</b>    | <b>174,254,970</b>        |
| <b>Total Equity and Liabilities</b>                | <b>1,218,387,857</b>       | <b>(22,656,333)</b> | <b>1,195,731,523</b>      |

**33.2 Impact of the prior year adjustment for the Board as at 31 December 2024**

| Statement of Comprehensive Income                            | 2024<br>Before Restatement | Adjustments        | 2024<br>After Restatement |
|--------------------------------------------------------------|----------------------------|--------------------|---------------------------|
| Revenue                                                      | 547,010,057                |                    | 547,010,057               |
| Cost of Sales                                                | (434,295,986)              | (2,804,004)        | (437,099,990)             |
| <b>Gross Profit / (Loss)</b>                                 | <b>112,714,071</b>         | <b>(2,804,004)</b> | <b>109,910,067</b>        |
| Other Income                                                 | 64,463,439                 |                    | 64,463,439                |
| Administrative Expenses                                      | (14,557,351)               | 14,335             | (14,543,016)              |
| <b>Operating Profit / (Loss)</b>                             | <b>162,620,158</b>         | <b>(2,789,669)</b> | <b>159,830,490</b>        |
| Finance Income                                               | 3,545,160                  | -                  | 3,545,160                 |
| Finance Costs                                                | (21,770,841)               |                    | (21,770,841)              |
| Finance Cost-Net                                             | (18,225,681)               | -                  | (18,225,681)              |
| <b>Profit / (Loss) Before Income tax</b>                     | <b>144,394,478</b>         | <b>(2,789,669)</b> | <b>141,604,809</b>        |
| Income & Deferred Tax Expense                                | -                          |                    | -                         |
| <b>Profit/(Loss) for the period</b>                          | <b>144,394,478</b>         | <b>(2,789,669)</b> | <b>141,604,809</b>        |
| <b>Other comprehensive income</b>                            |                            |                    |                           |
| Actuarial gain/(loss) on Defined benefit obligations         | 4,181,788                  |                    | 4,181,788                 |
| <b>Other comprehensive income for the period, net of tax</b> | <b>4,181,788</b>           | <b>-</b>           | <b>4,181,788</b>          |
| <b>Total comprehensive income for the period</b>             | <b>148,576,266</b>         | <b>(2,789,669)</b> | <b>145,786,597</b>        |



33.3 Impact of the prior year adjustment for the Board as at 1st January 2024

| Statement of Financial Position                    | 1st January 2024<br>Before Restatement | Adjustments         | 1st January 2024<br>After Restatement |
|----------------------------------------------------|----------------------------------------|---------------------|---------------------------------------|
| <b>ASSETS</b>                                      |                                        |                     |                                       |
| <b>Non-Current Assets</b>                          |                                        |                     |                                       |
| Property, Plant & Equipment -Cost                  | 929,150,601                            | (22,842,151)        | 906,308,450                           |
| Intangible Assets                                  | 166,018                                |                     | 166,018                               |
| Investment in Subsidiaries                         | 911,813                                |                     | 911,813                               |
| Investment in Joint Venture                        | 348,606                                |                     | 348,606                               |
| Investments of Insurance Reserves Fund             | 15,111,471                             |                     | 15,111,471                            |
| Other Financial Assets                             | 6,078,733                              |                     | 6,078,733                             |
| Other Non current Assets                           | 3,094,503                              |                     | 3,094,503                             |
|                                                    | <b>954,861,745</b>                     | <b>(22,842,151)</b> | <b>932,019,594</b>                    |
| Non Current Assets Held For sale                   | 76                                     |                     | 76                                    |
| <b>Current Assets</b>                              |                                        |                     |                                       |
| Inventories                                        | 97,213,147                             |                     | 97,213,147                            |
| Trade and Other Receivables                        | 89,720,348                             | (118,241)           | 89,602,107                            |
| Other Financial Assets                             | 2,958,920                              |                     | 2,958,920                             |
| Cash and Cash Equivalents                          | 19,907,019                             |                     | 19,907,019                            |
|                                                    | <b>209,799,434</b>                     | <b>(118,241)</b>    | <b>209,681,193</b>                    |
| <b>Total Assets</b>                                | <b>1,164,661,255</b>                   | <b>(22,960,392)</b> | <b>1,141,700,863</b>                  |
| <b>EQUITY AND LIABILITIES</b>                      |                                        |                     |                                       |
| <b>Capital &amp; Reserves</b>                      |                                        |                     |                                       |
| Contributed Capital                                | 991,430,291                            | (5,318,753)         | 986,111,538                           |
| Reserves                                           | 48,203,518                             |                     | 48,203,518                            |
| Accumulated Profit                                 | (549,758,744)                          | (19,606,928)        | (569,365,672)                         |
| <b>Total Equity</b>                                | <b>489,875,065</b>                     | <b>(24,925,681)</b> | <b>464,949,384</b>                    |
| <b>Non-Current Liabilities and Deferred income</b> |                                        |                     |                                       |
| Interest Bearing Loans & Borrowings                | 251,559,491                            |                     | 251,559,491                           |
| Consumer Deposits                                  | 17,080,993                             |                     | 17,080,993                            |
| Provisions & Other Deferred Liabilities            | 36,809,065                             |                     | 36,809,065                            |
| Government Grants                                  | 224,894                                |                     | 224,894                               |
| Contract Liabilities                               | 107,622,267                            |                     | 107,622,267                           |
|                                                    | <b>413,296,710</b>                     | <b>-</b>            | <b>413,296,710</b>                    |
| <b>Current Liabilities</b>                         |                                        |                     |                                       |
| Trade and Other Payables                           | 197,527,224                            | 1,965,289           | 199,492,513                           |
| Income Tax Liabilities                             | 123,842                                |                     | 123,842                               |
| Interest Bearing Loans & Borrowings                | 63,838,414                             |                     | 63,838,414                            |
|                                                    | <b>261,489,480</b>                     | <b>1,965,289</b>    | <b>263,454,769</b>                    |
| <b>Total Equity and Liabilities</b>                | <b>1,164,661,255</b>                   | <b>(22,960,392)</b> | <b>1,141,700,863</b>                  |



**34. Related Party Disclosures**

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

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

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

|                                  | Nature of Transaction | 2025         | 2024       |
|----------------------------------|-----------------------|--------------|------------|
| Ceylon Petroleum Corporation     | Purchase of Fuel      | 61,317,505   | 81,782,204 |
| Department of Public Enterprises | Obtain Project Loans  | 3,804,970    | 15,261,170 |
| Bank Of Ceylon                   | Obtain Bank Loans     | 4,604,219.85 | 1,234,662  |

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

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

**34.2 Related Party Transactions with the related companies of CEB**

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

|                                   | Nature of the Transaction |                 | 2025       | 2024       |
|-----------------------------------|---------------------------|-----------------|------------|------------|
| Lanka Electricity Company         | Sale of Electricity       | Subsidiary      | 45,258,239 | 56,186,375 |
|                                   | Dividend Income           |                 | 548,442    | 548,442    |
|                                   | Dividend receipt          |                 | 548,442    | 517,031    |
| LTL Holdings Ltd                  | Dividend Income           | Associate       | 1,749,370  | 1,049,622  |
|                                   | Dividend receipt          |                 | -          | 1,049,622  |
| ANTE LECO Metering Co (Pvt) Ltd   | Purchase of Goods         | Sub- Subsidiary | 2,592,057  | 3,239,582  |
| Lanka Coal Company (Pvt) Ltd      | Purchase of Coal          | Subsidiary      | 74,066,329 | 94,169,921 |
| Sri Lanka Energies (Pvt) Ltd      |                           | Subsidiary      | 360,587    | 409,626    |
| LTL Transformers Ltd              | Purchase of Goods         | Related Party   | 3,946,948  | 5,834,029  |
| LTL Galvanizers (Pvt) Ltd         | Receipt of Services       | Related Party   | 317,585    | 814,544    |
| Nividu (Pvt) Ltd                  | Energy Purchase           | Related Party   | 92,385     | 88,253     |
| Nividu Assupinella (Pvt) Ltd      | Energy Purchase           | Related Party   | 66,016     | 122,398    |
| Pawan Danavi Limited              | Energy Purchase           | Related Party   | 141,684    | 274,216    |
| Reimbursement of SLE              |                           |                 |            |            |
| Sri Lanka Energies HR (Pvt) Ltd   | GM Salary                 | Sub- Subsidiary | 7,466      | 4,348      |
|                                   |                           |                 |            |            |
| Sri Lanka Energies HR (Pvt) Ltd   | Man Power Services        | Sub- Subsidiary | 9,323      | 1,124      |
| Kumbalgamuwa Mini hydro (Pvt) Ltd | Energy Purchase           | Related Party   | 53,577     | 72,998     |
| Deduruoya Mini Hydro (Pvt) Ltd    | Energy Purchase           | Related Party   | 81,004     | 90,524     |
| Biomed Hydro Power (Pvt) Ltd      | Energy Purchase           | Related Party   | 35,691     | 12,784     |
| Sabadanavi Ltd                    | Energy Purchase           | Related Party   | 7,436,430  | 4,330,528  |



**34.3 Transaction with Key Management Personnel of the Group**

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

**a) Key Management personnel Compensation**

|                               | <b>2025</b>  | <b>2024</b>  |
|-------------------------------|--------------|--------------|
| Short- term employee benefits | 2,740        | 4,157        |
|                               | <u>2,740</u> | <u>4,157</u> |

**35.ASSETS PLEDGED**

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

**36.EVENTS OCCURING AFTER THE BALANCE SHEET DATE**

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

**37.CONTINGENCIES**

The contingent liability arising with regard to the litigation matters pending in the labour tribunal and other courts including court of appeal and supreme courts as at 31.12.2025, the CEB is defendant respondent. The contingent liability in the unlikely event that all these cases are adversely decided is estimated at Rs 1.3 Bn.



**CEYLON ELECTRICITY BOARD**  
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**38. Corporate Restructuring and Basis of Preparation (Going Concern)**

**1. General Information**

The Ceylon Electricity Board (“CEB” or “the Board”) was incorporated under the Ceylon Electricity Board Act No. 17 of 1969 and is domiciled in Sri Lanka. The registered office of the Board is situated at No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.

The Board is currently undergoing a restructuring process in accordance with the provisions of the Sri Lanka Electricity Act No. 36 of 2024 (certified on 27 June 2024 and its subsequent amendment, the Sri Lanka Electricity (Amendment) Act No. 14 of 2025 (collectively referred to as “the Act”).

**2. Restructuring of the Board**

In terms of the Act, the CEB, which previously operated as a single statutory entity, is to be restructured into six separate successor companies. As at the date of authorization for issue of these financial statements, all six successor companies have been duly incorporated in accordance with the restructuring framework, namely:

- Electricity Distribution Lanka Limited (Pvt) Ltd
- National Transmission Service Provider (Pvt) Ltd
- Electricity Generation Lanka (Pvt) Ltd
- National System Operator (Pvt) Ltd
- Energy Ventures Lanka (Pvt) Ltd
- CEB Employees Fund (Pvt) Ltd

A Preliminary Transfer Plan (“PTP”), detailing the proposed transfer of assets, liabilities, rights, obligations and employees to the successor entities, was approved by the Cabinet of Ministers and Board approval have been granted the approval to transfer the assets, liabilities, duties, functions and activities of the CEB to the successor companies in accordance with the Preliminary Transfer Plan.

A provisional opening balance sheets for the successor companies were prepared by PricewaterhouseCoopers, India with the support of Finance Team of CEB using the audited financial statements of the CEB as at 31 December 2024. These provisional balances formed a part of the Cabinet-approved Preliminary Transfer Plan. As at the reporting date, implementation of the Preliminary Transfer Plan is in progress.

**3. Voluntary Retirement Scheme (VRS)**

As part of the restructuring process, the Board offered a Voluntary Retirement Scheme (VRS) to eligible employees. As at the date of authorization of the financial statements, a total of 2,010 employees has accepted the VRS. The estimated cost of the scheme amounts to approximately LKR 8,831 million.

**4. Appointed Date and Legal Transfer**

As at 31 December 2025, being the financial reporting date, and as at 24 February 2026, being the date on which these financial statements were authorized for issuance, the “appointed date” for the legal transfer of assets, liabilities, rights, and obligations to the successor companies has not yet been announced, as it remains subject to the formal declaration of the appointed date by the Minister of Energy.



**CEYLON ELECTRICITY BOARD**  
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Accordingly, no statutory vesting or legal transfer has taken place as at the reporting date. The Ceylon Electricity Board continues to operate as a single legal and reporting entity, and all assets, liabilities, rights, and obligations remain legally vested in the CEB as at 31 December 2025, as a state-owned enterprise.

**5. Basis of Preparation – Going Concern**

These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS), including LKAS 1 – *Presentation of Financial Statements*.

Management has assessed the Board's ability to continue as a going concern as at 31 December 2025 and has considered the following factors:

- The Board continues to carry out its statutory functions and operations in the ordinary course of business.
- The appointed date for the transfer to successor companies has not yet been declared.
- No legal dissolution, cessation of operations, or statutory vesting has occurred as at the financial reporting date.

Although the restructuring process is ongoing, there is no present intention or requirement to liquidate or materially curtail the operations of the Board prior to the formal appointed date. Accordingly, the financial statements have been prepared on a basis of going concern.

**6. Events After the Reporting Date**

Any declaration of the appointed date or formal transfer of assets and liabilities occurring after the reporting date will be assessed in accordance with LKAS 10 – *Events after the Reporting Period*.

Unless such declaration provides evidence of conditions existing at the reporting date, it will be treated as a non-adjusting event and disclosed in the financial statements for the period in which the declaration is made.