

ලංකා විදුලිබල මණ්ඩලය
இலங்கை மின்சார சபை
CEYLON ELECTRICITY BOARD



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025

Unaudited Financial Statements 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		2025	2024
	Note		Restated
Revenue	4	422,205,056	547,010,057
Cost of Sales	5	(448,368,332)	(437,099,990)
Gross Profit / (Loss)		(26,163,276)	109,910,067
Other Income & Gains	6	21,812,637	64,463,439
Administrative Expenses	7	(21,775,175)	(14,543,016)
Operating Profit / (Loss)		(26,125,815)	159,830,490
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		(38,739,948)	141,604,809
Profit / (Loss) Before Income Tax		(38,739,948)	141,604,809
Income Tax Expense	10	-	-
Profit/(Loss) for the Year		(38,739,948)	141,604,809
Other Comprehensive Income			
Actuarial Gain/(Loss) on Defined Benefit Obligatio	11	2,666,097	4,181,788
Other Comprehensive Income for the Year, net of Tax		2,666,097	4,181,788
Total Comprehensive Income/ (Loss) for the Year		(36,073,851)	145,786,597

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

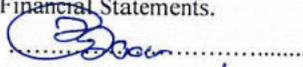
CEYLON ELECTRICITY BOARD
STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees Thousands)

AS AT 31 DECEMBER		2025	2024	1st January 2024
			Restated	Restated
ASSETS	Note			
Non-Current Assets				
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
		988,012,231	958,921,733	932,019,594
Non Current Assets Held For sale	20	57	57	76
Current Assets				
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
		207,279,590	236,809,733	209,681,193
Total Assets		1,195,291,878	1,195,731,523	1,141,700,863
EQUITY AND LIABILITIES				
Capital & Reserves				
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)
Total Equity		577,861,705	612,525,020	464,949,384
Non-Current Liabilities and Deferred income				
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
		411,202,429	408,951,533	413,296,710
Current Liabilities				
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
		206,227,744	174,254,970	263,454,769
Total Equity and Liabilities		1,195,291,878	1,195,731,523	1,141,700,863

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)

	Reserves						Total
	Contributed Capital	Other Capital Reserves	RHCP Reserve	Loan Redemption Reserve	Depreciation Reserves	Self Insurance Reserve	
Balance as at 01.01.2024	991,430,291	165,446	1,020,206	17,447,063	28,000	29,542,803	489,875,065
Prior year Adjustment During the Year	(5,318,753)						
	986,111,538	165,446	1,020,206	17,447,063	28,000	29,542,803	(24,925,681)
Profit/(Loss) for the Year	-	-	-	-	-	-	-
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
Balance as at 31.12.2024	986,111,538	165,446	1,020,919	17,447,063	29,000	32,765,690	(425,014,636)
Balance as at 01.01.2025	986,111,538	165,446	1,020,919	17,447,063	29,000	32,765,690	612,525,020
Profit/(Loss) for the Year	-	-	-	-	-	-	(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)
Interest received from customers	-	-	358	-	-	-	358
Balance as at 31.12.2025	986,111,538	165,446	1,021,277	17,447,063	30,000	35,627,664	(462,541,283)

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
Cash Flows From / (Used in) Operating Activities		
Profit/(loss) before tax	(38,739,948)	141,604,809
Adjustments for		
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	-
Operating Profit/(Loss) before Working Capital Changes	23,741,084	157,924,815
(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)
Cash Generated from Operations	50,825,018	112,790,946
Finance Cost paid	(16,132,503)	(21,768,473)
Retirement Benefit Obligation	(989,317)	(976,081)
Net Cash From/(Used in) Operating Activities	33,703,199	90,046,392
Cash Flows from / (Used in) Investing Activities		
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
Net Cash Flows from/(Used in) Investing Activities	(62,168,504)	(62,270,178)
Cash Flows from (Used in) Financing Activities		
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)
Net Cash Flows from/(Used in) Financing Activities	11,539,201	15,996,498
Net Increase/(Decrease) in Cash and Cash Equivalents	(16,926,104)	43,772,712
Cash and Cash Equivalents at the beginning of the year	31,832,065	(11,940,647)
Cash and Cash Equivalents As at 31.12.2025	14,905,961	31,832,065

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

2024

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
	422,205,056	547,010,057

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
Generation - Sub Total	192,228,206	227,232,571

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
Transmission- Sub Total	171,937,966	129,389,002

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
Distribution- Sub Total	84,202,160	80,478,418
	448,368,332	437,099,990

CEYLON ELECTRICITY BOARD

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees Thousands)

FOR THE YEAR ENDED 31 ST DECEMBER

2025

2024

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	-
	21,812,637	64,463,439

CEYLON ELECTRICITY BOARD

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees Thousands)

FOR THE YEAR ENDED 31 ST DECEMBER

2025

2024

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
	21,775,175	14,543,016

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
Finance Income	3,519,121	3,545,160

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	-	-
Total Finance Cost	16,133,254	21,770,841
Net Finance Cost	(12,614,133)	(18,225,681)

CEYLON ELECTRICITY BOARD

NOTES TO THE FINANCIAL STATEMENTS

(All amounts in Sri Lanka Rupees Thousands)

FOR THE YEAR ENDED 31 ST DECEMBER

2025

2024

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	-	-
statement	-	-

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)
Adjusted Business Profit/ Loss for the Year	(50,191,163)	75,473,336
Other sources of Income - Investment Income	2,819,300	29,314,335
Total Statutory Income / Loss	(47,371,863)	104,787,671
Qualifying Payments	-	-
Tax loss utilized during the year	(2,819,300)	(104,787,671)
Taxable Profit	-	-
Income tax expense at 30%	-	-
Current Tax Charge	-	-
11. OTHER COMPREHENSIVE INCOME		
Actuarial Loss on Defined Benefit Obligation	2,666,097	4,181,788
	2,666,097	4,181,788

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 & EQUIPMENT

12.1 Gross Carrying Amounts

Freehold Assets	Balance as at 01.01.2025	Prior Year Adjustments	Balance as at 01.01.2025 (Restated)	Additions/ Transfers/ Acquisitions	Transfer from held for sale	Additions Adjustments	Disposals/ Transfers	Disposals/ Adjustments	Transfer to asset held for sale	Balance as at 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

Gross Carrying Amounts	Balance as at 01.01.2025	Prior Year Adjustment	Balance as at 01.01.2025 (Restated)	Additions/ Transfers/ Acquisitions	Transfer from held for sale	Additions/ Adjustments	Disposals/ Transfers	Disposals/ Adjustments	Transfer to asset held for sale	Balance as at 31.12.2025
At Cost or Valuation										
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
Total Value of Depreciable Assets	1,434,560,573	475,701	1,435,036,273	58,452,087	-	320,664	(41,887,846)	(122,789)	-	1,451,798,389

12.3 Capital Work in Progress

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

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

12.4 Depreciation

Freehold Assets	Balance as at 01.01.2025	Prior Year Adjustment made during	Restated balance as at 01.01.2025	Charge for the year	Adjustments	Disposals/ Transfers	Adjustments	Balance as at 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 01.01.2025	Prior Year Adjustment made during	Restated balance as at 01.01.2025	Charge to WIP /Transfers	Adjustments	Disposals/ Transfers	Adjustments	Balance as at 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
Total Depreciation			700,195,100	39,077,278	16,312	(14,897,059)	(5,196)	724,386,435

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	-	-
	727,411,944	712,269,396
Capital Work-In-Progress	226,515,865	217,828,680
Total Carrying Amount of Property, Plant & Equipment	953,927,809	930,098,076

12.7 Capital Work in Progress

Capital Work in Progress represents the following

Project	2025	2024
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 Transmission Infrastructure Project - PII	1,711,696	1,711,651
Clean Energy & Network Efficiency Project - 220kv Transmission 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 Energy Absorption Transmission Project- PMU 1	357,781	189,970
Clean Energy 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	-
Total Value of Capital Work-In-Progress	226,515,864	217,828,680

CEYLON ELECTRICITY BOARD
NOTES TO THE STATEMENTS OF FINANCIAL POSITION
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 / Adjustments	Terminations/ Adjustments	Balance as at 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 the year	Terminations / Adjustments	Balance as at 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
Net Book Values		
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
Total Value of Property Plant & Equipment including Right-of-Use Assets	<u>954,338,403</u>	<u>930,380,621</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.)

AS AT 31 DECEMBER

13. INTANGIBLE ASSETS	Balance as at 01.01.2025	Additions/ Transfers	Disposals/ Transfers	Balance as at 31.12.2025
At Cost				
Software	437,257	43,947	-	481,204
Total	<u>437,257</u>	<u>43,947</u>	<u>-</u>	<u>481,204</u>
Amortization				
Software	(320,510)	(30,936)	-	(351,447)
Total	<u>(320,510)</u>	<u>(30,936)</u>	<u>-</u>	<u>(351,447)</u>
Net Book Value			129,758	116,747
			2025	2024 (Restated)
14. INVESTMENT IN SUBSIDIARIES		Holding		
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
			<u>814,913</u>	<u>814,913</u>
15. INVESTMENT IN ASSOCIATE		Holding		
LTL Holdings Ltd		35%	53,825	53,825
			<u>53,825</u>	<u>53,825</u>
16. INVESTMENT IN JOINT VENTURE				
Trincomalee Power Company Ltd			498,506	348,606
			<u>498,506</u>	<u>348,606</u>
17. INVESTMENTS OF INSURANCE RESERVES				
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			<u>18,066,748</u>	<u>16,799,291</u>
18. OTHER FINANCIAL ASSETS				
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	-
			<u>26,194,437</u>	<u>13,603,478</u>
18.1 Loans to CEB Employees				
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			<u>18,468,274</u>	<u>15,803,750</u>
Less: Fair Value Adjustment on Loans Granted Below Market Rates			(2,038,811)	(2,331,913)
Staff Loan Balance at Amortized Cost			<u>16,429,463</u>	<u>13,471,837</u>
18.2 Loans to Consumers				
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
			<u>136,663</u>	<u>131,642</u>

CEYLON ELECTRICITY BOARD

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees Thousands)

AS AT 31 DECEMBER

	2025	2024 (Restated)
CEB Inter Divisional Loans		
18.3.1 Loan Given to Generation Division		
Loan From DD1	2,000,000	-
Loan From DD2	500,000	-
Loan From DD4	-	-
Total Loan	2,500,000	-
Inter Company Adjustment	(2,500,000)	-
Balance as at 31.12.2025	-	-
18.3.2 Loan Given to Transmission Division		
Loan From DD1	2,500,000	-
Total Loan	2,500,000	-
Inter company Adjustment	(2,500,000)	-
Balance as at 31.12.2025	-	-
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	-
	12,071,267	8,075,817
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	-
	14,123,170	5,527,662
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	2,038,811	2,331,913
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	57	57
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)
	100,959,823	117,283,246
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	2,597,036	2,424,068

CEYLON ELECTRICITY BOARD

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees Thousands)

AS AT 31 DECEMBER

22. TRADE AND OTHER RECEIVABLES	2025	2024 (Restated)
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>
22.1 Trade Debtors		
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>
22.1.1 Electricity Debtors		
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>
22.1.2 Provision for impairment of Trade debtors		
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>
22.2 Other Debtors		
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>

CEYLON ELECTRICITY BOARD

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees Thousands)

AS AT 31 DECEMBER

	2025	2024 (Restated)
22.2.1 Provision for Impairment of Other Debtors		
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	<u>466,616</u>	<u>473,507</u>

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	<u>986,111,538</u>	<u>986,111,538</u>

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
	<u>54,291,450</u>	<u>51,428,118</u>

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
	<u>18,633,786</u>	<u>18,633,428</u>

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	<u>1,021,277</u>	<u>1,020,919</u>

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	<u>30,000</u>	<u>29,000</u>

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	<u>35,627,663</u>	<u>32,765,689</u>

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.

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

25. INTEREST BEARING LOANS & BORROWINGS

(All amounts in Sri Lanka Rupees Thousands)

	2025 Repayable		2024 Repayable	
	Within 1 Year	After 1 Year	Within 1 Year	After 1 Year
Bank Loans (25.1)	15,204,840	46,012,737	22,405,568	46,640,045
Project Loans (25.2)	7,604,397	184,567,599	11,201,810	173,445,076
Debentures (25.3)	20,000,000	-	8,024	20,000,000
Lease Creditors (25.4)	3,871	-	-	3,737
CEB Inter Divisional Loan (25.5)	-	-	-	-
Loans From Samurdhi Authority (24.6)	17,878,647	-	16,695,897	-
Bank Over Draft (31.2)	60,691,755	230,580,336	50,311,299	240,088,857
25.1 Bank Loans	60,691,755	230,580,336	50,311,299	240,088,857

Original Loan Amount Term Loans*	Granted Date	Interest rate Per annum	As At 01.01.2025	New Loans Obtained	Enhanced Loan	Repayment	Balance as at 31.12.2025	2024 Repayable	
								Repayable Within 1 Year	Repayable After 1 Year
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	-	-
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)	2023.03.16	10.11%	1,778,544	240,601	-	2,019,145	-	-	-
Nation Trust Bank (Rs. 2 Bn)	2023.06.27	10.50%	1,111,111	-	-	1,497,000	-	-	-
Nation Trust Bank (Rs.3 Bn)	2024.02.29	9.62%	1,497,000	-	-	1,497,000	-	-	-
Nation Trust Bank (Rs.1 Bn)	2024.06.04	9.50%	664,000	-	-	664,000	-	-	-
Selan Bank (Rs. 110 Mn)	2024.09.26	AWPLR (monthly) +1.5%	2,500,000	-	-	535,500	1,964,500	714,000	1,250,500
Bank of Ceylon (Term Loan)	2024.09.20	AWPLR (monthly) +2%	2,978,750	1,895,000	-	4,873,750	0.00	0.00	0.00
Commercial Bank (Rs.15 Bn)	2025.06.24	9.44%	355,374	2,468,619	-	1,000,000	1,823,994	1,000,000	823,994
Sampath Bank Syndicate (Rs. 30 Bn)	2025.08.29	9.44%	-	15,000,000	-	937,500	14,062,500	1,875,000	12,187,500
Sampath Bank (Term Loan)	2025.09.30	9.44%	-	30,000,000	-	937,500	29,062,500	3,632,813	25,429,688
Commercial Bank (Term Loan)	2025.09.24	AWPLR (monthly) +1%	-	3,500,000	-	73,684	3,426,316	442,105	2,984,211
Seylan Bank (Rs 4 Bn)	2025.12.26	AWPLR (monthly) +1.5%	-	928,671	-	31,093	897,578	185,734	711,844
			69,045,612	57,032,891	-	64,860,928	61,217,575	15,204,840	46,012,737

25.2 Projects Loans

25.2.1 Loans from Treasury	Provider of funds	Interest per annum (%)	As At 01.01.2025	Loan Disbursed During The Year	Repayment During The Year	Transferred to Equity	Balance as at 31.12.2025	Repayable Within 1 Year	Repayable After 1 Year
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 (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
NOTES TO THE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

(All amounts in Sri Lanka Rupees Thousands)

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 Power System Strengthening & Renewable Energy Integration Project (4548)	2024.12.19	2% 6 month SOFR+0.60% - 0.1%+Premium 0.1%	-	2,042,889	71,445	-	2,114,334	-	2,114,334
Total Project Loans			107,153,931	49,046	1,121	-	50,167	-	50,167
			184,646,887	5,838,868	5,474,961	7,593,689	110,874,071	7,604,397	103,269,674
				9,643,838	5,474,961	7,593,689	192,171,996	7,604,397	184,567,599

25.3 Debentures	Issue Date	Interest per annum (%)	As At 01.01.2025	Debtenture 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

25.4 Lease Creditors

Lease Creditors	2025 Repayable Within 1 Year	2025 Repayable After 1 Year	Total 2025	Total 2024
	3,871	-	3,871	11,760
	3,871	-	3,871	11,760

25.5 Loan From Distribution Division

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

	2025	2024 (Restated)
26.CONSUMER DEPOSITS		
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	<u>18,094,027</u>	<u>17,500,508</u>
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	<u>33,925,994</u>	<u>34,447,647</u>
- 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	<u>33,925,994</u>	<u>34,447,647</u>
Income statement charge for		
- Pension benefits	4,460,176	3,115,526
- Gratuity benefits	1,671,226	1,726,263
	<u>6,131,402</u>	<u>4,841,789</u>
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	<u>3,465,305</u>	<u>660,002</u>

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)	<u>39,086,013</u>	<u>35,154,050</u>
Deficit of funded plans	23,007,881	25,060,602
Liability/ Asset in the Balance Sheet	<u>23,007,881</u>	<u>25,060,602</u>

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	<u>62,093,894</u>	<u>60,214,651</u>

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	<u>39,086,013</u>	<u>35,154,050</u>

The amounts recognised in the income statement are as follows;

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

(All amounts in Sri Lanka Rupees Thousands)

	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)
Recognised in income statement	4,460,176	3,115,526

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
Total	39,086,016	35,424,052

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)
Balance as at End of the Year	10,888,113	9,357,046

The amounts recognised in the income statement are as follows;

Current service cost	974,863	1,129,920
Interest cost	696,363	596,343
Recognised in Income Statement	1,671,226	1,726,263

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)
Balance at the End of the Year	177,024	200,959

29.CONTRACT LIABILITIES

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

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)
Balance at the End of the Year	128,423,892	116,711,688

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)
Balance at the end of the Year	1,156	1,874

CEYLON ELECTRICITY BOARD

NOTES TO THE STATEMENT OF FINANCIAL POSITION

(All amounts in Sri Lanka Rupees Thousands)

AS AT 31 DECEMBER

	2025	2024 (Restated)
30. TRADE & OTHER PAYABLES		
Trade Payables (30.1)	64,390,567	55,201,041
Other Payables (30.2)	81,145,422	68,742,631
	145,535,989	123,943,671
30.1 Trade Payables		
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
	64,390,567	55,201,041
30.1.1 Related Parties		
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
	35,537,251	34,968,974
30.2 Other Payables		
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	-
	81,145,422	68,742,631
30.2.1 Deposits		
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
	32,328,484	31,172,537
31. CASH AND CASH EQUIVALENTS		
Cash & Cash equivalent of board and the cash & cash equivalent for the cash flow statement includes the followings.		
31.1 Favorable Cash & Cash Equivalent		
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	-
	32,784,608	48,527,962
31.2 Unfavorable Cash & Cash Equivalent		
Bank Disbursement A/c	(17,878,647)	(16,693,743)
Cash at Bank (Current A/C)	-	(2,154)
	(17,878,647)	(16,695,897)
	14,905,961	31,832,065

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- Generation 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 Before Restatement	Adjustments	2024 After Restatement
ASSETS			
Non-Current Assets			
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
	981,474,159	(22,552,427)	958,921,733
Non Current Assets Held For sale	57		57
Current Assets			
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
	236,913,641	(103,906)	236,809,733
Total Assets	1,218,387,857	(22,656,333)	1,195,731,523
EQUITY AND LIABILITIES			
Capital & Reserves			
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)
Total Equity	640,240,368	(27,715,350)	612,525,020
Non-Current Liabilities and Deferred income			
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
	408,951,533	-	408,951,533
Current Liabilities			
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
	169,195,957	5,059,017	174,254,970
Total Equity and Liabilities	1,218,387,857	(22,656,333)	1,195,731,523

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

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

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

Statement of Financial Position	1st January 2024 Before Restatement	Adjustments	1st January 2024 After Restatement
ASSETS			
Non-Current Assets			
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
	954,861,745	(22,842,151)	932,019,594
Non Current Assets Held For sale	76		76
Current Assets			
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
	209,799,434	(118,241)	209,681,193
Total Assets	1,164,661,255	(22,960,392)	1,141,700,863
EQUITY AND LIABILITIES			
Capital & Reserves			
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)
Total Equity	489,875,065	(24,925,681)	464,949,384
Non-Current Liabilities and Deferred income			
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
	413,296,710	-	413,296,710
Current Liabilities			
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
	261,489,480	1,965,289	263,454,769
Total Equity and Liabilities	1,164,661,255	(22,960,392)	1,141,700,863

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
Sri Lanka Energies HR (Pvt) Ltd	Reimbursement of SLE			
	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

	2025	2024
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.

Unaudited Financial Statements 2025

CEYLON ELECTRICITY BOARD
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2025

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
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2025

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.