SenFin SECURITIES
Associate Company of SENKADAGALA FINANCE PLC

SRI LANKA BUDGET STRATEGIC REVIEW 2027



Budget Speech · 12 November 2026

Revenue Rs. 6,180bn · Public investment Rs. 2,000bn · Deficit 3.8% of GDP (4.5% with Ditwah) · 254 listed companies assessed

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SenFin view Built on the full Budget Speech 2027 text and annexures, the Citizens' Budget, the Appropriation Bill, Budget 2026 and 254 listed-company reports.

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Abbreviations used in this review

A/L Advanced Level (examination)
ADB Asian Development Bank
AG Attorney General
AI Artificial Intelligence
AML Anti-Money Laundering
ASPI All Share Price Index
BESS Battery Energy Storage System
BIA Bandaranaike International Airport
BOI Board of Investment
BOT Build-Operate-Transfer
Capex Capital expenditure
CBSL Central Bank of Sri Lanka
CCPI Colombo Consumer Price Index
CEPA Comprehensive Economic Partnership Agreement
CESS Cess levy on imports
CGT Capital Gains Tax
CPC Ceylon Petroleum Corporation
CSE Colombo Stock Exchange
DCS Department of Census and Statistics
EU European Union
EV Electric Vehicle
FBA Finance Business Act
FC Finance Company
FDI Foreign Direct Investment
FMCG Fast-Moving Consumer Goods
FTA Free Trade Agreement
FTR Financial Transactions Reporting
FX Foreign Exchange
GDP Gross Domestic Product
IMF International Monetary Fund
IPP Independent Power Producer
JICA Japan International Cooperation Agency
JV Joint Venture
LGC Lanka Government Cloud
LKR Sri Lankan Rupee
MoF Ministry of Finance
MSME Micro, Small and Medium Enterprises
MTFF Medium-Term Fiscal Framework
NBFI Non-Bank Financial Institution
NCPI National Consumer Price Index
NHDA National Housing Development Authority
NIM Net Interest Margin
OPR Overnight Policy Rate
P&L Profit and Loss
PAL Ports and Airports Development Levy
PAYE Pay As You Earn
PBV Price-to-Book Value
PC Provincial Council
PD Primary Dealer
PER Price-to-Earnings Ratio
PFMA Public Financial Management Act
PIT Personal Income Tax
PMI Purchasing Managers' Index
PPP Public-Private Partnership
QoS Quality of Service
R&D Research and Development
RCEP Regional Comprehensive Economic Partnership
RFP Request for Proposals
RPC Regional Plantation Company
Rs. Sri Lankan Rupees
S&P Standard & Poor's
SCL Special Commodity Levy
SLTB Sri Lanka Transport Board
SME Small and Medium Enterprises
SOE State-Owned Enterprise
SSCL Social Security Contribution Levy
STATCOM Static Synchronous Compensator
TDL Tourism Development Levy
TEU Twenty-foot Equivalent Unit
TIEP Temporary Importation for Export Processing
TRC Telecommunications Regulatory Commission
UAE United Arab Emirates
US$ United States Dollar
VASP Virtual Asset Service Provider
VAT Value Added Tax
VTMS Vessel Traffic Management System
WB World Bank
WCT-II West Container Terminal II
WHT Withholding Tax
YoY Year on Year

Company stock codes (tickers) are not listed. SenFin Securities Research · Budget 2027 Strategic Review

Budget 2027: from stabilisation towards transformation

- The 81st National Budget was presented to Parliament on 12 November 2026 by President Anura Kumara Dissanayake, Minister of Finance, Planning and Economic Development, setting out fiscal priorities for 2027.
- It is framed around seven strategic objectives that move the economy "from economic stability towards transformation", in the last year of the IMF-supported Extended Fund Facility (ends March 2027).
- **Three priorities:** keep the deficit below 5% of GDP (3.8%; 4.5% with the Rs. 260bn Cyclone Ditwah supplementary); lift public investment to a record Rs. 2,000bn (5.1% of GDP); and give targeted relief – a higher income-tax threshold, CESS cuts and the end of the Tourism Development Levy.
- This report analyses the major policy measures and allocations, compares Budget 2027 with Budget 2026, and sets out what they mean for companies listed on the Colombo Stock Exchange by sector and by counter.
- It also looks at fiscal trends, the revenue strategy, rates and inflation, risk scenarios and the IMF benchmarks that frame the market outlook for 2027.

Rs. 6,180bn
Revenue & grants
15.8% of GDP

Rs. 7,933bn
Total expenditure
Incl. Ditwah supplementary
20.3% of GDP

4.5%
Budget deficit, % of GDP
3.8% before Ditwah

Rs. 2,000bn
Public investment
5.1% of GDP

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexure III; Citizens' Budget 2027; SenFin Securities Research.

From stabilisation to transformation – with the purse strings still tight

Rs. 6,180bn
Revenue & grants 2027
15.8% of GDP · +3.3% on 2026R

3.8% / 4.5%
Budget deficit, % of GDP
Without / with Rs. 260bn Ditwah supplementary

Rs. 2,000bn
Public investment
5.1% of GDP. A record (Rs. 1,750bn + Ditwah)

2.9% / 2.3%
Primary surplus, % of GDP
Target lowered to 2.3% for Ditwah

–Rs. 28bn
Net tax giveaway in 2027
PIT relief, CESS –25%, VAT on books

Rs. 162,500
New tax-free monthly salary
From Rs. 150,000

Five things that matter

- **Discipline holds:** spending of Rs. 7,673bn (Rs. 7,933bn with Ditwah) is below the Fiscal Strategy Statement; interest falls to 6.8% of GDP and 2026 is now a 3.7% deficit not 5.1% budgeted.
- **Investment-led:** Rs. 487bn for roads, expressways & rail (incl. Rs. 80bn rail electrification), Rs. 77bn each for water and irrigation, Rs. 26.5bn grid, Rs. 2,000bn total public investment.
- **Small, targeted tax relief:** income-tax threshold to Rs. 1.95mn a year, wider slabs, CESS cut on 800 lines, Tourism Development Levy abolished, books VAT-free, 200% capital allowance for BOI exporters & tourism.
- **Credit to SMEs:** Rs. 67.7bn of interest subsidies to unlock Rs. 174bn of concessionary loans through banks; capital-market push via "A Share for Everyone".
- **Market read-across:** 142 of 254 listed counters see a positive impact and none a negative one Budget 2026 left 46 counters negative (plantations, leasing, excise).

SenFin view Positive for equities: Credible consolidation, declining interest costs, and a record investment pipeline support growth, with construction, building materials, energy, and tourism emerging as the leading sectors.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII; Citizens' Budget 2027; SenFin Securities Research workings.

What the President announced – by theme

Infrastructure

- Roads, expressways & rail Rs. 487bn (Rs. 251bn budget + Rs. 146bn new + Rs. 90bn Ditwah)
- Kadawatha–Mirigama Rs. 53.5bn; Kurunegala–Galewela Rs. 30bn; Ruwanpura Rs. 27bn
- Rail electrification phase 1 Rs. 80bn
- Rural roads about Rs. 100bn; District Development Rs. 50bn

Energy

- Grid stability Rs. 26.5bn (condensers, STATCOM, WAMS)
- Battery storage 160MW → 560MW (2027) → 1,245MW (2029)
- Rooftop battery subsidy Rs. 25,000/kW; PAL removed
- Floating solar 500MW RFP Jan-27; refinery PPP to 100k bpd

Tax

- PIT tax-free Rs. 1.95mn/yr; slabs 6–36% widened
- CESS −25% on 800 lines; Tourism Development Levy abolished
- Books VAT-exempt; Social Security Contribution Levy off bunker fuel
- 200% capital allowance – BOI exporters & tourism ≥US$3mn

Credit & markets

- Rs. 67.7bn subsidies → Rs. 174bn SME loans
- Women-headed (3%), rural (4%), fisheries (5%), home-stay (3%) schemes
- "A Share for Everyone" & SME listing support
- Microfinance & Credit Regulatory Authority in 2027

People

- Final pay-revision phase Rs. 110bn; allowance hikes (forces, police, health)
- Kidney & disability allowance Rs. 10,000 → 12,500
- 70,000-house programme (10,000 in 2027, Rs. 1.5mn each)
- Water Rs. 77bn; health capex Rs. 131bn; education Rs. 35bn

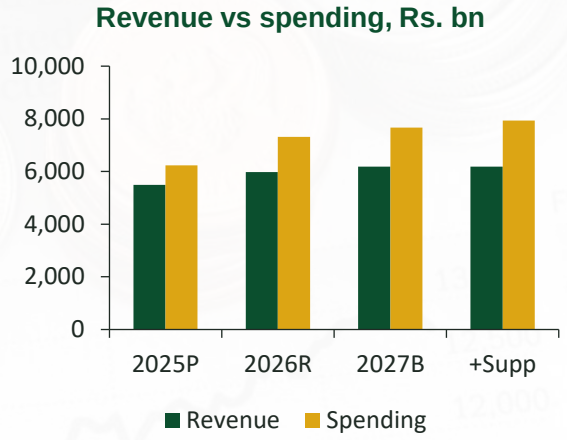
Reform & external

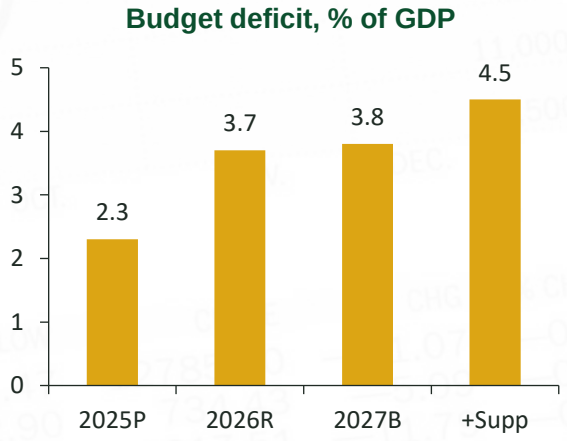
- PPP Act early 2027; Investment Protection & SOE holding-company bills
- FTAs: India upgrade, China, Regional Comprehensive Economic Partnership , UAE/Oman; EU Rs. 3.43bn
- IMF EFF ends Mar-27; committee on next programme
- Mannar basin bids open 2-Feb-2027

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII.

The official fiscal framework (Annexure III)

Rs. bn	2025P	2026R	2027B	2027B + Supp.	% GDP 2027*
Revenue & grants	5,486	5,981	6,180	6,180	15.8%
Tax revenue	5,049	5,478	5,687	5,687	14.6%
Income tax	1,139	1,311	1,341	1,341	
Goods & services	3,198	3,454	3,592	3,592	
External trade	712	713	754	754	
Grants	36	30	30	30	
Total expenditure	6,230	7,309	7,673	7,933	20.3%
Salaries & wages	1,164	1,289	1,410	1,410	
Other Goods and Services	335	370	409	409	
Interest	2,501	2,617	2,643	2,643	6.8%
Subsidies & transfers	1,233	1,572	1,472	1,482	
Public investment	1,016	1,480	1,750	2,000	5.1%
Primary balance	1,756	1,289	1,150	890	2.3%
Budget deficit	(745)	(1,328)	(1,493)	(1,753)	(4.5%)
% of GDP	(2.3%)	(3.7%)	(3.8%)	(4.5%)	





SenFin view Spending grows only 5% while investment jumps 18% – the mix, not the size, of the budget is what changes.

Source: Budget Speech 2027, Annexure III. *% of GDP for the budget including the Ditwah supplementary.

The policy frame: "from economic stability towards transformation"

1 **Macro stability & resilience**
Debt 95% → 87% by 2032; strong reserves; fiscal–monetary coordination

2 **Investment, production & exports**
FDI, export diversification, value chains, SME finance

3 **Technology, innovation & skills**
Education, R&D (Rs. 23.8bn), digital transformation

4 **Rural economy & inclusive growth**
Productivity over broad subsidies; land, water, storage, markets

5 **Stable energy markets**
Renewables, transmission, storage, diverse fuel routes

6 **Climate-disaster resilience**
El Niño reserve Rs. 5bn; early warning; resilient standards

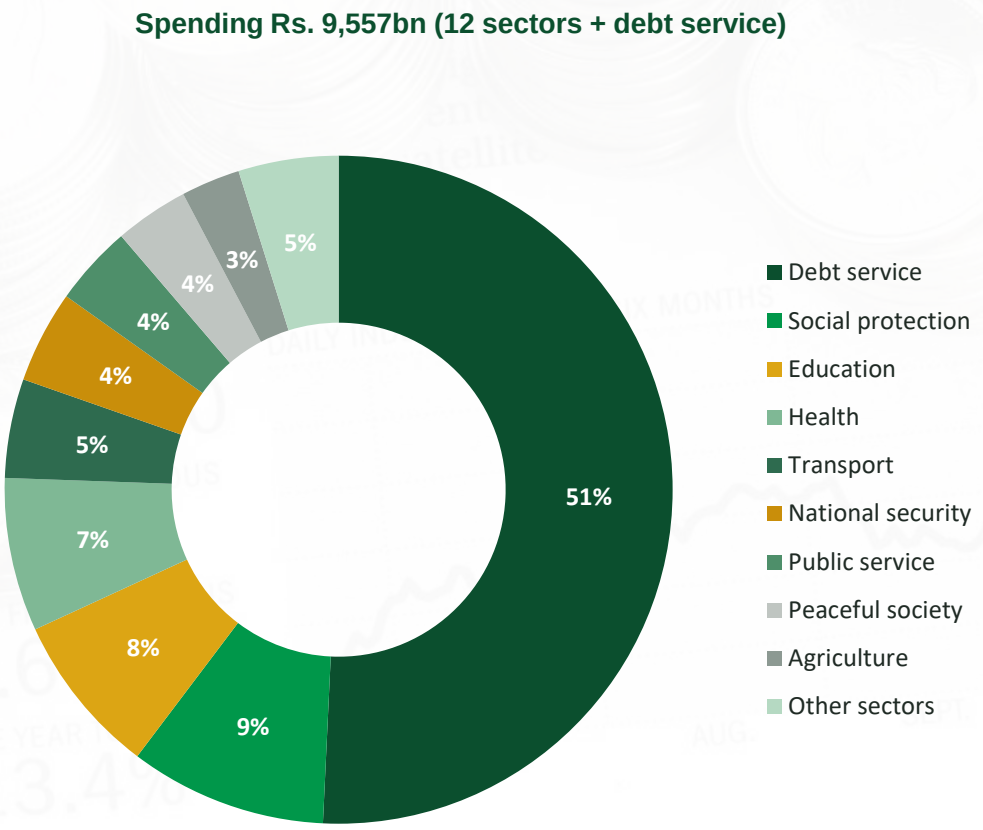
7 **Modern government**
PFM, SOE & asset management, tax administration, procurement

Medium-term target	Level
Growth	7%+
Primary surplus	2.3% of GDP
Deficit	< 5% of GDP
Revenue	≥16% → about 20% of GDP
Primary spending	≤13% (13.6% in 2027 only)
Public investment	> 4% of GDP

SenFin view Every concession and investment is to be judged on economic return – a clear signal that the IMF-era rules stay after the EFF ends.

Source: Budget Speech 2027, sections 2–3.

Where each Rs. 100 of 2027 spending goes – and where it comes from



Rs. 51 of Rs. 100

goes to debt service

Interest + amortisation Rs. 4,850bn

Rs. 78 of Rs. 100

of revenue is pre-committed to debt

Debt service ÷ revenue Rs. 6,180bn

Rs. 92 of Rs. 100

of revenue is tax

Tax Rs. 5,687bn · non-tax & grants Rs. 493bn

Rs. 31 of Rs. 100

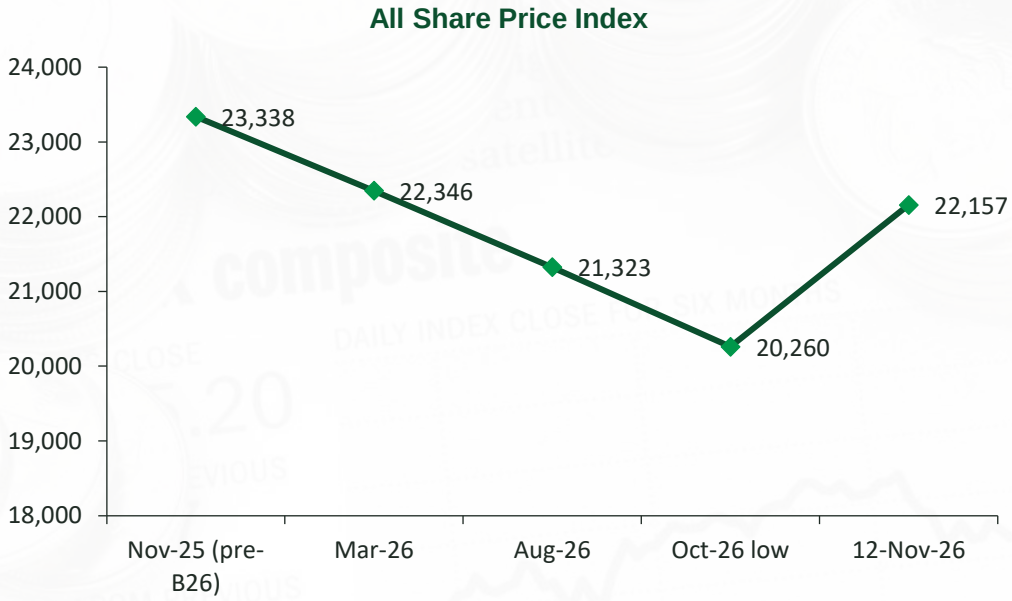
of programme spending is capital

Capital Rs. 1,442bn of Rs. 4,707bn sectors

SenFin view Half of all spending services debt; the remaining half is mostly salaries, pensions and transfers – capex is the scarce, market-moving slice.

Source: MoF Citizens' Budget 2027. Other sectors = decent living, economic services, environment, energy.

Equities go into the budget 5.06% below last year's level



Indicator	Pre-Budget 2026	Pre-Budget 2027	Change
ASPI	23,338	22,157	−5.06%
S&P SL20	6,381	6,366	−0.24%
12m T-bill	8.04%	9.95%	+191bp
OPR	7.75%	8.75%	+100bp
USD/LKR	304.8	332.4	−8.3%
CCPI inflation	2.1%	8.3%	+6.2pp

- The market has rebounded about 9% from the October low after the Fitch B- upgrade, the IMF 7th-review deal and the dollar bond, but still sits below November 2025.
- Higher yields (12m bill 9.95%; 5-yr bonds about 11%) raise the equity hurdle rate: the budget must deliver earnings growth, not just stability.
- Turnover is thin (Rs. 0.5bn mid-day on Budget day) positioning is light ahead of the tax details.

SenFin view A credible budget plus a falling inflation path in H1-2027 is the setup for a re-rating; the risk is rates staying high.

Sources: EconomyNext (12-Nov-2026 mid-day); SenFin DDB note (Oct-2026); workbook "Macro Context" (Nov-2025 values); CBSL.

A year on: growth slower, inflation and rates up, equities slightly lower

Indicator	A year ago	Latest	Change
Real GDP growth	5.0% (2025)	4.2% (Q2-26)	−0.8pp
CCPI headline inflation	2.1% (Oct-25)	8.3% (Oct-26)	+6.2pp
CCPI core inflation	2.3% (Jan-26)	5.6% (Oct-26)	+3.3pp
NCPI headline inflation	2.7% (Oct-25)	8.1% (Sep-26)	+5.4pp
Overnight Policy Rate	7.75%	8.75%	+100bp
91-day T-bill	7.52%	9.30% (Oct-26)	+178bp
364-day T-bill	8.04%	9.95% (Nov-26)	+191bp
USD/LKR	304.8	332.4	LKR −8.3%
PMI – manufacturing	61.0 (Oct-25)	53.0 (Sep-26)	−8.0
PMI – services	66.0 (Oct-25)	60.5 (Sep-26)	−5.5

Market	Pre-Budget 2026	Pre-Budget 2027	Change
ASPI	23,338	22,157	−5.06%
S&P SL20	6,381	6,366	−0.24%
Market cap, Rs. bn	8,332	7,731 (Aug-26)	−7.2%
Market PER	10.3x	11.2x (Aug-26)	+0.9x
Market PBV	1.54x	1.30x (Aug-26)	−0.24x

- **Growth:** still above 4% despite Ditwah and the oil shock.
- **Prices & rates:** the oil-led inflation spike pushed the OPR up 100bp and bills up about 190bp.
- **Activity:** PMIs are lower than a year ago but still above 50 – expansion, at a slower pace.
- **Equities:** valuations are cheaper on book value; the market needs earnings growth to re-rate.

- Pre-Budget 2026 = November 2025 values used in last year's review; latest = most recent release before 12-Nov-2026.

SenFin view The macro backdrop is tighter than a year ago - the budget lands with inflation above target, so rate relief is a 2027 story, not an immediate one.

Sources: CBSL (PMI Sep-2026 & Oct-2025, CCPI, OPR); DCS (NCPI); EconomyNext (12-Nov-2026); CSE; workbook "Macro Context".

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FISCAL POLICY FRAMEWORK

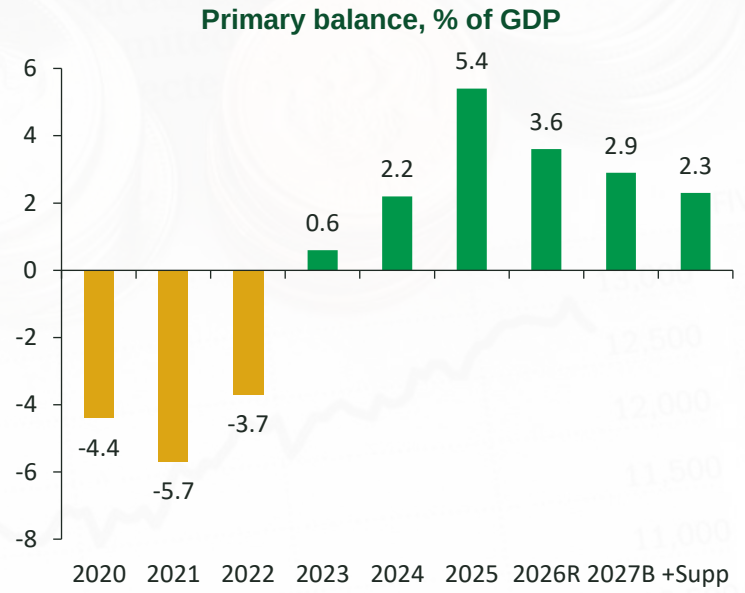


12TH NOVEMBER 2026

SENFIN SECURITIES RESEARCH

Fiscal anchors: deficit and investment met, primary rules flexed for Ditwah

Anchor	Target	+ Supp.	2025P	2026R	2027B	Status
Primary surplus	2.3%	2.3%	5.4%	3.6%	2.9%	Meets
Primary spending	≤ 13% (PFMA)	13.6%	11.4%	13.0%	12.9%	Escape clause
Budget deficit	< 5%	4.5%	2.3%	3.7%	3.8%	Meets
Revenue & grants	≥ 16% medium term	15.8%	16.7%	16.6%	15.8%	Below goal
Tax revenue	–	14.6%	15.4%	15.2%	14.6%	Softer
Public investment	> 4%	5.1%	3.1%	4.1%	4.5%	Meets
Interest	≤ 7.1% (memo)	6.8%	7.6%	7.3%	6.8%	Meets
Debt (2032)	≤ 95%		95%		87% projected	Meets



- The speech lowers the primary-surplus target to 2.3% of GDP and lets primary spending rise to 13.6% in 2027 only, returning to 13% from 2028 - the Ditwah exception.
- Revenue of 15.8% of GDP is below the new ≥16% medium-term goal – tax relief is funded by 2026 over-performance (16.6%), not by new taxes.

SenFin view Rules are bent openly and temporarily, not broken – credibility intact for the IMF and rating agencies.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII; primary spending 2027B and 2026R computed on implied GDP; 2027 + Supp. as stated in the speech.

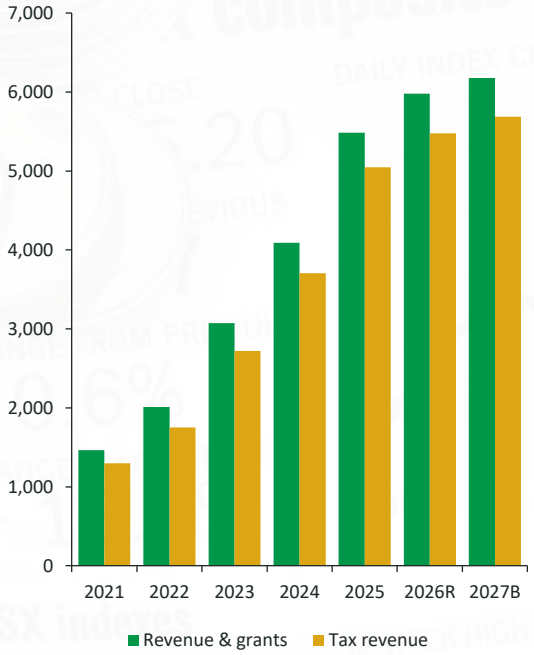
Budget 2027 targets revenue of Rs. 6.2trn and spending of Rs. 7.9trn

Revenue: revenue and grants rise to Rs. 6,180bn (+3.3% on 2026R) – slower growth after two record years, as tax relief costs about Rs. 21bn.

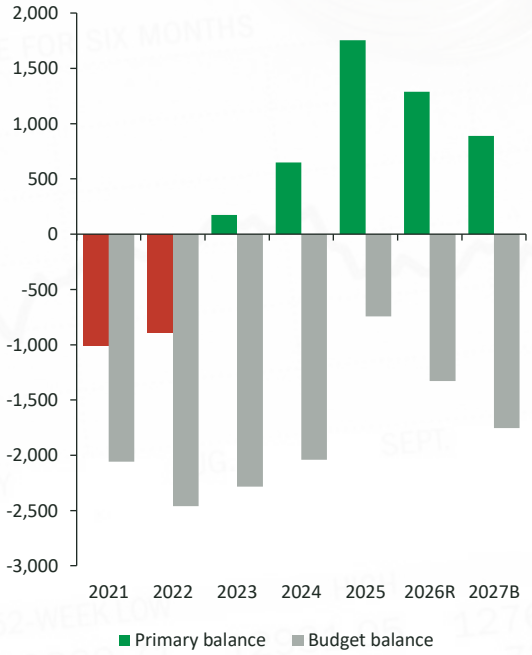
Balances: the primary surplus falls to Rs. 890bn (2.3% of GDP) and the deficit widens to Rs. 1,753bn (4.5%) – mainly the Ditwah rebuild.

Spending: total spending of Rs. 7,933bn (+8.5%) is led by public investment of Rs. 2,000bn (+35%), while recurrent spending grows only 1.6%.

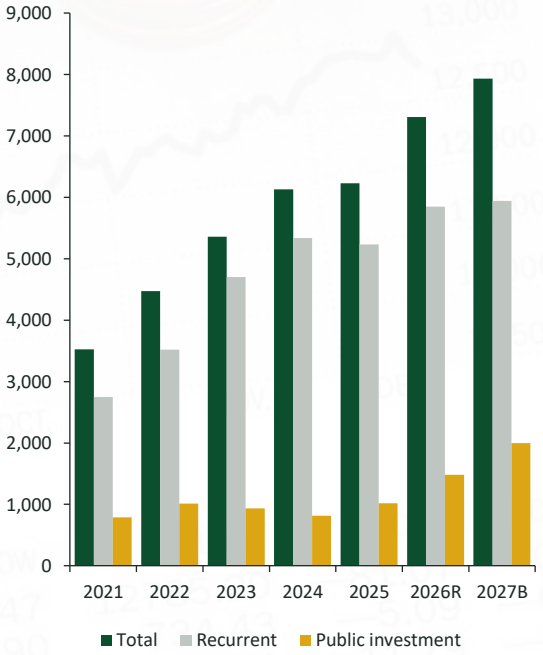
Revenue, Rs. bn



Balances, Rs. bn



Expenditure, Rs. bn



SenFin view Consolidation pauses for reconstruction, not for consumption – the extra spending in 2027 is almost all capital.

Sources: CBSL / MoF actuals 2021–2024; Budget Speech 2027 Annexure III (2025P, 2026R, 2027B incl. Ditwah supplementary).

Where Budget 2027 sits against IMF and fiscal-rule benchmarks

Fiscal anchor	Benchmark	Budget 2027 position	Status	Assessment
Primary balance	≥2.3% of GDP (MTFF 2027–31)	2.9% (2.3% with Ditwah)	Achieved	Meets the target even after the supplementary
Overall deficit	<5% of GDP (PFM Act)	3.8% (4.5% with Ditwah)	Achieved	Headroom of 0.5pp of GDP
Revenue	≥16% of GDP medium term; ~20% long term	15.8% of GDP	Below goal	Slightly below the 16% goal; 2026R was 16.6%
Primary expenditure	≤13% of GDP (PFM Act)	13.6% in 2027 (temporary)	Flexed	Ditwah exception; back to 13% from 2028
Public debt	≤95% of GDP by 2032	95% at end-2025 → 87% by 2032 (IMF 6th Review)	On track	Declining path in the IMF review
FX debt service	≤4.5% of GDP	US$2,986mn in 2027	Achieved	Down from US$3,591mn in 2026; US$3,574mn in 2028
Social spending floor	Protect cash transfers	Rs. 230bn for social protection allowances, incl. Aswesuma	Met	Floor maintained
SOE & governance reforms	Structural benchmarks	PPP Act gazetted (to Parliament early 2027); Investment Protection Bill and State Owned Business Enterprises Management Bill with the Attorney General	In progress	Laws due early 2027

The EFF ends in March 2027; a committee is advising on a successor arrangement.

SenFin view Budget 2027 stays inside the IMF guard-rails – the one flex (primary spending) is temporary and explained.

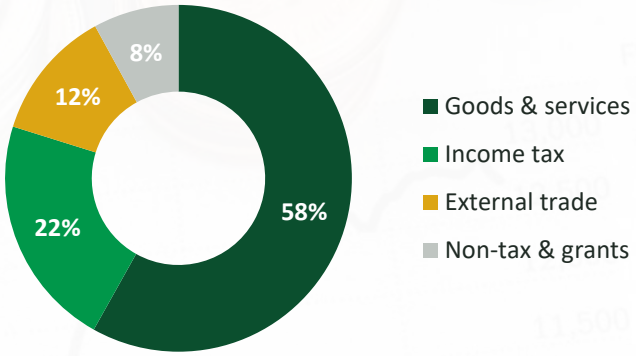
Sources: Budget Speech 2027 and Annexure III; FSS 2027; IMF EFF review path (workbook "Debt & Financing").

Revenue Rs. 6,180bn: modest growth on a much stronger 2026 base

Revenue & grants vs tax, Rs. bn



2027 revenue mix



+3.3%
Revenue growth vs 2026R
Rs. 5,981bn → Rs. 6,180bn

16.6%
2026R revenue & grants, % GDP / Falls to 15.8% in 2027B
FSS had 15.8% – base is higher

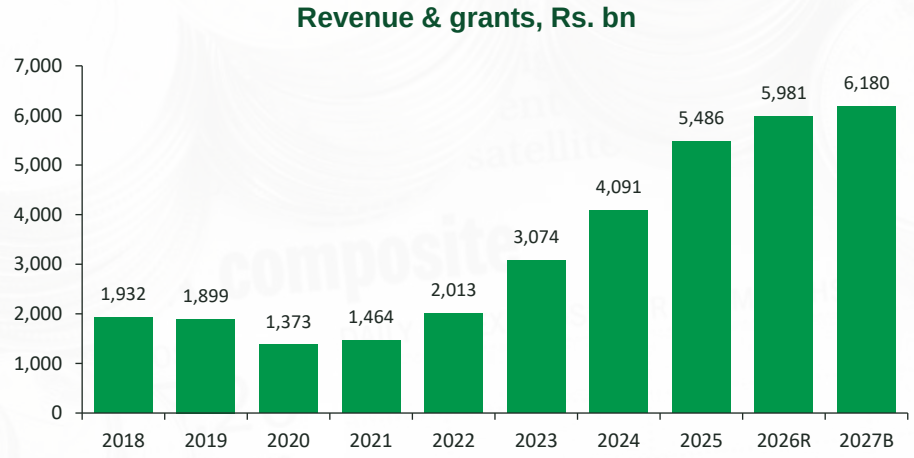
+5.7%
Trade taxes growth
Despite CESS cut (Rs. 10bn)

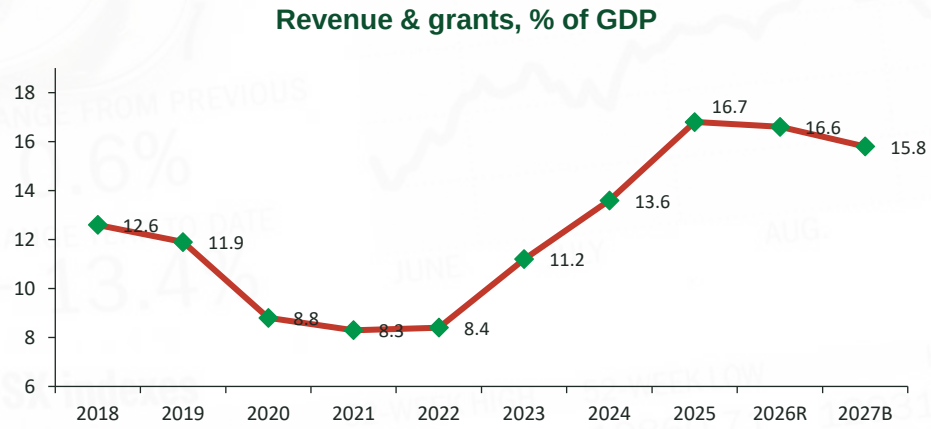
23.6%
Income-tax share of tax
Indirect taxes are still 76% of tax revenue

SenFin view Conservative revenue: the ratio dips to 15.8% after giveaways – upside if compliance and imports hold.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (Annexure III); CBSL/MoF actuals 2020–24.

Revenue eases to 15.8% of GDP in 2027 from 16.6% in 2026





Reasons for the lower ratio

- **Windfall fades**: 2025–26 revenue was lifted by the reopening of vehicle imports. Budget 2027 does not assume a repeat.
- **Net tax relief of about Rs. 28.4bn:** Tax relief costs Rs. 28.4bn a year (Rs. 21.2bn in 2027): income-tax threshold to Rs. 162,500 a month (Rs. 16bn), CESS −25% on 800 lines (Rs. 10bn), VAT revisions incl. VAT-free books (Rs. 3bn), PAL removal and the end of the Tourism Development Levy.
- **No new major taxes:** the 2027 strategy relies on compliance, digital tax administration and a wider capital-gains base rather than rate rises.
- **Slower than GDP:** revenue grows 3.3% while nominal GDP grows about 9%, so the ratio falls 0.8pp – just below the 16% medium-term goal.

SenFin view A deliberate pause: revenue holds near a 23-year high while the government hands back some of the 2025–26 windfall.

Sources: CBSL (2018–2024); Budget Speech 2027 Annexure III (2025, 2026R, 2027B). GDP for 2026R/2027B implied by the published % of GDP.

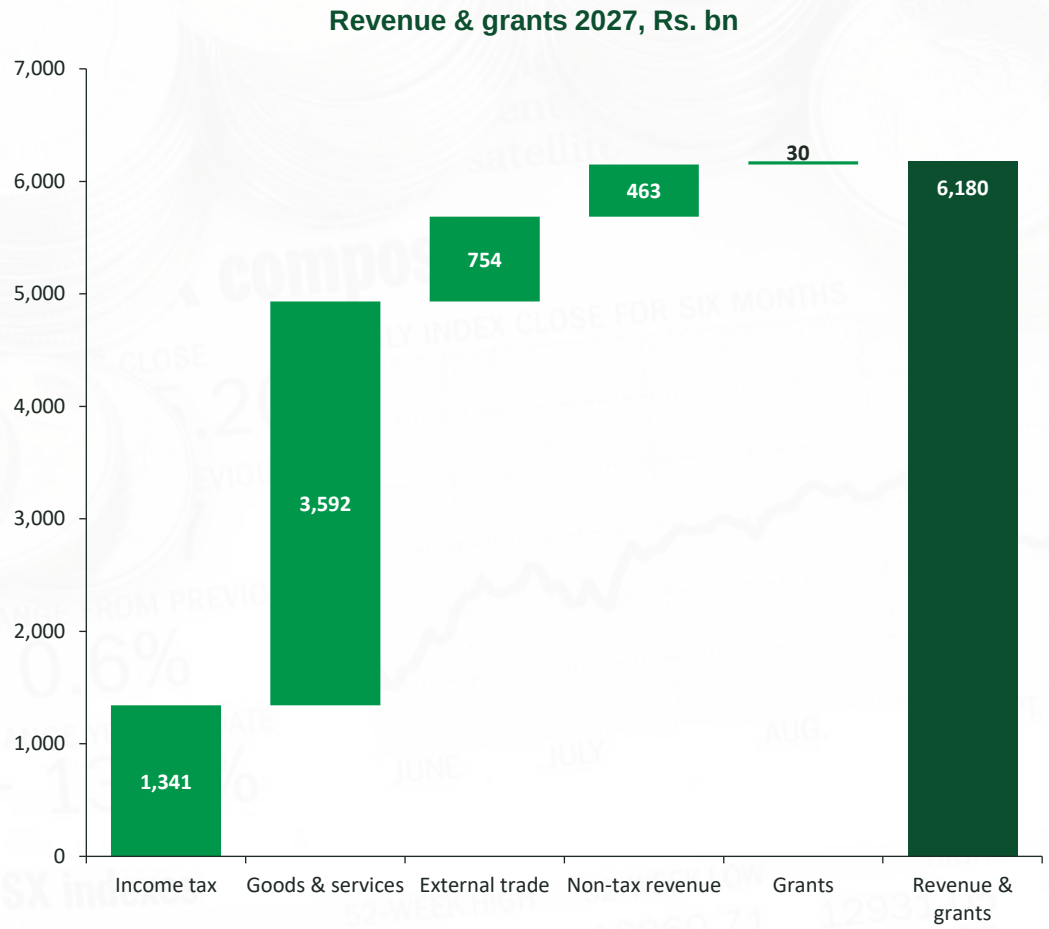
Revenue strategy: 2026 consolidated, 2027 gives a little back

Aspect	Budget 2026 strategy	Budget 2027 strategy
Policy focus	Revenue-based consolidation under the IMF programme; no new major taxes	Hold revenue near 16% of GDP; return about Rs. 21bn in targeted relief
Personal income tax	No change to slabs or the Rs. 150,000 monthly threshold	Threshold to Rs. 162,500 a month; wider slabs; Rs. 16bn cost
VAT	Registration threshold Rs. 36mn; e-invoicing; VAT replaces SCL on edible oils and CESS on fabric	Books VAT-free; coir pith & artemia now VATable; exporter-status and e-invoice rules
Trade taxes	National Tariff Policy: duty bands 0/10/20/30%; para-tariffs to be phased out	CESS –25% on 800 lines; PAL removed on solar batteries & newsprint; SCL cuts on food
Investment incentives	Enhanced capital-allowance threshold cut to US$250,000	200% capital allowance for BOI exporters & tourism ≥US$3mn
Excise & levies	Excise indexation continues; SSCL 2.5% on vehicle imports & sales	Excise law simplified, no rate rise; TDL abolished; SSCL off bunker fuel
Capital gains	No change	CGT extended to crypto, telecom licences and gems
Tax administration	Digital tax administration and compliance drive	Anti-avoidance on amalgamations; digital-services source rule; WHT 14% only for non-residents without a PE

SenFin view Budget 2026 built the base; Budget 2027 starts to share the gains – relief is small, targeted and largely paid for by compliance.

Sources: Budget Speech 2026 (7-Nov-2025) as summarised in workbook "Budget 2026 Impact"; Budget Speech 2027 section 36 and Annexures I & V.

Where Rs. 6,180bn of 2027 revenue comes from



- **Goods & services Rs. 3,592bn:** 58% of the revenue – VAT is the backbone of the system.
- **Income tax Rs. 1,341bn:** 22% of revenue (24% of tax) – only +2.3% on 2026R after the PAYE relief.
- **External trade Rs. 754bn:** +5.7%, despite the CESS cut, as import volumes stay high.
- **Non-tax Rs. 463bn:** slightly lower than 2026R; SOE dividends and fees.
- **Mix Unchanged:** indirect taxes still carry about three-quarters of tax revenue.

SenFin view Consumption taxes fund the budget – good news for collections while demand holds, but a regressive mix.

Source: Budget Speech 2027 Annexure III (2027 estimate).

Tax measures: relief for earners, importers, exporters and tourism

Measure	Effective	Revenue effect	Who it moves	Impact
Personal income tax relief	Apr-2027	Rs. 16.0bn cost	Consumer & retail, banks/FCs (personal loans)	+
Enhanced capital allowance (BOI)	Apr-2027	Not costed	Export manufacturers, hotels, conglomerates	+
Capital gains tax – wider base	Apr-2027	Revenue gain	Crypto holders, telecom licence transfers, gem traders	–
VAT – books exempt	Apr-2027	Part of Rs. 3.0bn VAT cost	Printers/publishers, education	+
VAT – exemptions removed	Apr-2027	Small gain	Coir exporters (HEXP)	–
VAT – cinema tickets; eligible exporters; FX rate; e-invoices accepted as valid tax invoices	Apr-2027	Neutral	Exporters, cinemas	+
SSCL – bunker fuel exempted	Apr-2027	Small cost	LIOC, bunker suppliers, maritime hub	+
Special Commodity Levy	13-Nov-2026	Rs. 0.95bn gain	Food importers, consumers; sugar importers (–)	±
CESS – phased reduction	Apr-2027	Rs. 10.0bn cost	Importers, manufacturers using imported inputs	+
PAL removed	Jan-2027	Rs. 0.35bn cost	Solar installers, publishers	+
Tourism Development Levy abolished	Apr-2027	Rs. 0.04bn cost	Hotels & leisure	+
Betting & gaming tax review	2027	Revenue-neutral aim	Integrated resorts / casinos (JKH)	+

–Rs. 28.4bn
Annual net cost

–Rs. 21.2bn
Cost in 2027

0.05%
of GDP (2027 Cost)

No hikes
on excise, VAT rate or CIT

SenFin view A light-touch tax budget: no new taxes on companies, excise left alone, CGT widened only at the margins.

Source: Budget Speech 2027, section 36, Annexure I (revenue impact) and Annexure V (technical notes).

Corporates – what changes in tax for listed companies

1. Corporate income tax

- **Headline rate:** no change announced.
- **Incentive:** 200% enhanced capital allowance for BOI export manufacturing and tourism projects ≥US$3mn (3 years; hotels 5).
- **Rules:** anti-avoidance on amalgamations; source rule for digital services; WHT 14% only on non-residents without a PE.

P&L impact: Positive for investing exporters & hotels; neutral otherwise

2. Indirect taxes

- **VAT:** books exempt; coir pith & artemia eggs VATable; faster "eligible exporter" status; e-invoices valid.
- **Trade:** CESS −25% on 800 lines; PAL off solar batteries & newsprint; SCL cut on sprats, Maldive fish, chillies; sugar +Rs. 10/kg.
- **SSCL:** exempt on bunker fuel.

P&L impact: Positive for importers & manufacturers; negative for coir (HEXP)

3. Sector-specific

- **Tourism:** Tourism Development Levy abolished from April 2027.
- **Excise:** ordinance simplified with no rate change – liquor and tobacco risk eased.
- **Gaming:** tax review under the new regulator.
- **CGT:** now covers crypto, telecom licences and gems – a cost for DIAL/SLTL on licence transfers.

P&L impact: Positive for hotels; neutral for excise names; mild negative for telcos

SenFin view A light, pro-investment package for corporates – no rate rises, and the capital allowance rewards new capacity.

Source: Budget Speech 2027 section 36 and Annexures I & V. Most measures effective 1-Apr-2027; PAL 1-Jan-2027; SCL 13-Nov-2026.

Households gain from wider tax bands; investors face no new taxes.

1. Personal income tax

- **Threshold:** Rs. 1.80mn → Rs. 1.95mn a year (Rs. 150,000 → Rs. 162,500 a month).
- **Slabs:** 6%, 12%, 18%, 24%, 30%, 36% with wider bands, top rate now from Rs. 433,000 a month (was Rs. 358,000).
- **Relief:** Rs. 750 - 15,750 a month, Rs. 16bn a year; from April 2027.

2. Withholding tax (WHT)

- **Changes:** none announced on dividends or interest.
- **Rule:** 14% WHT on service fees and insurance premiums applies only to non-residents without a permanent establishment.
- **Watch:** Inland Revenue Act amendments for the detail.

3. Capital gains & market

- **CGT:** extended to crypto/virtual assets, telecom licenses and gems above a threshold - no change announced for listed shares.
- **Stamp duty:** no change announced.
- **Market:** "A Share for Everyone" Rs. 10,000 portfolios for A/L students, SME listing support.

Household impact: Positive – more disposable income

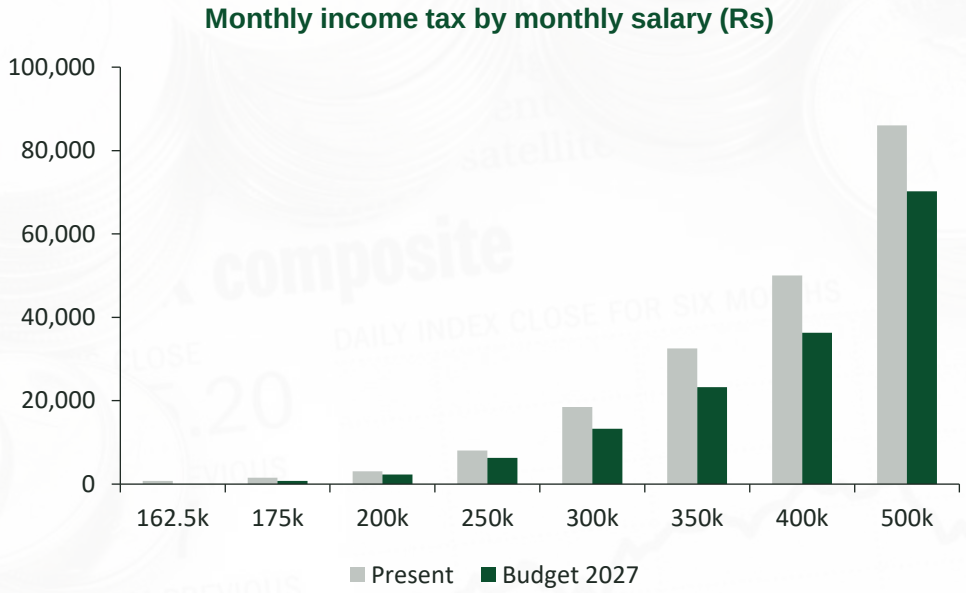
Investor impact: Neutral

Market impact: Neutral to positive – supports retail participation

SenFin view Pay and allowance increases put about Rs. 190bn of extra income in household hands during 2027, on top of about Rs. 16bn of income-tax relief.

Source: Budget Speech 2027 section 36 and Annexures I & V.

Income-tax relief: up to Rs. 15,750 a month more in pockets



Annual band (Rs)	Present	Rate	Budget 2027	Rate
Tax-free threshold	1,800,000	-	1,950,000	-
Band 1	1,000,000	6%	850,000	6%
Band 2	500,000	18%	600,000	12%
Band 3	500,000	24%	600,000	18%
Band 4	500,000	30%	600,000	24%
Band 5	-	-	600,000	30%
Balance		36%		36%

Rs. 162,500
Tax-free monthly income
Rs. 150,000 (2025)
Rs. 100,000 (2024)

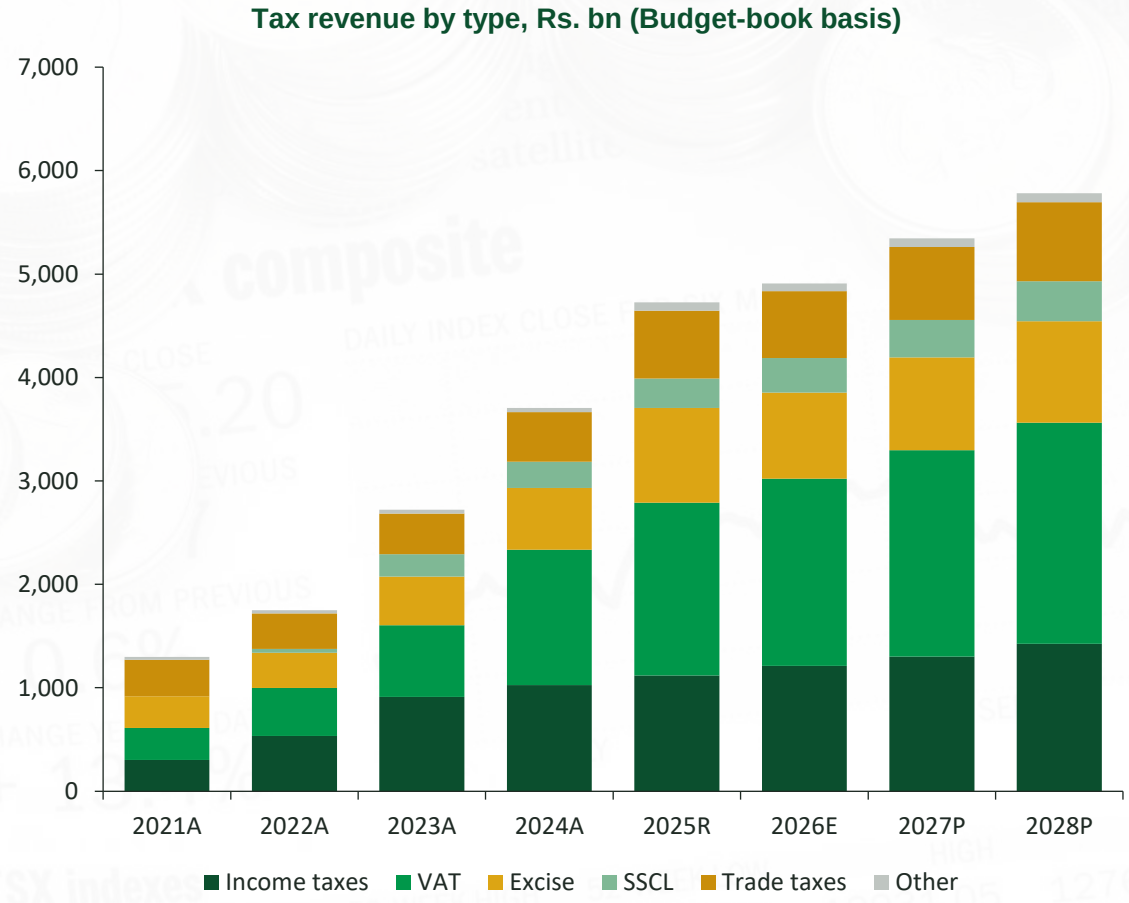
Rs. 433,000
Top rate now starts at
Was Rs. 358,000 a month

Rs. 16bn
Annual revenue cost
Effective April 2027

SenFin view Middle-income relief from Q2-2027 supports discretionary spending, credit card and personal loan demand – positive for retail, banks and FCs.

Source: Budget Speech 2027 s.36.1 & Annexure V.

VAT is now the backbone of the tax system

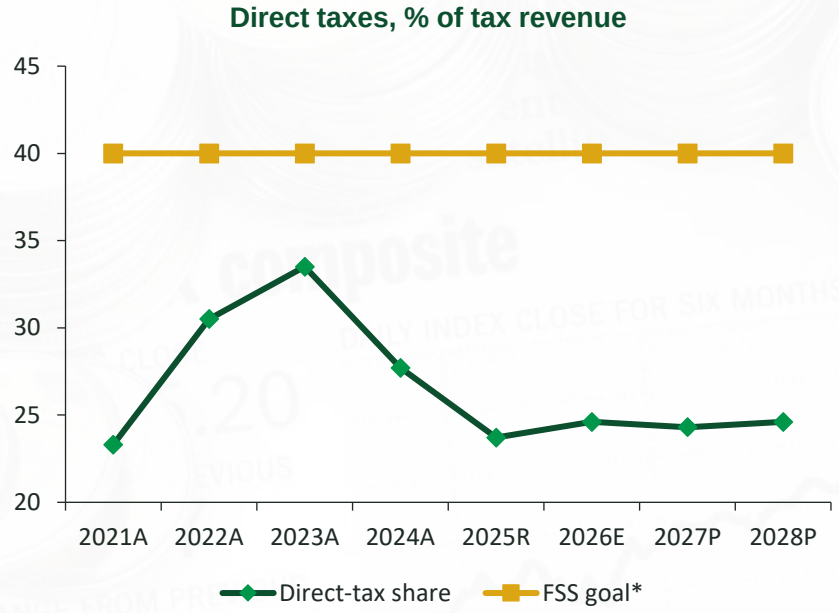


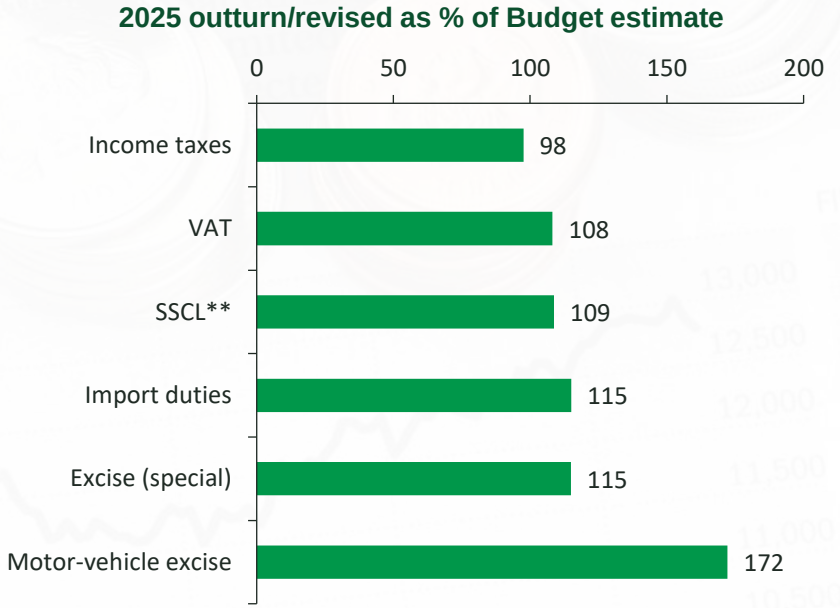
- **VAT 37%** of 2027P tax, up from 24% in 2021 after the 18% rate.
- **Income taxes about 24%:** direct-tax share stuck far below the 40% goal.
- **Excise falls back** in 2026 as the vehicle-import windfall (Rs. 396bn in 2025) fades.
- **Trade taxes** +67% between 2023 and 2025 as imports reopened.
- **Citizens' Budget** tax Rs. 5,687bn is Rs. 343bn above the 2027P line - the gap must come from compliance or new measures.

SenFin view A VAT-heavy base is regressive but resilient; phased VAT relief would need direct-tax gains to replace it.

Source: Budget Estimates 2023–2026 & Budget Speech 2027

Tax mix and forecast accuracy: the vehicle windfall was the big surprise





Motor-vehicle excise, Rs. bn	2024A	2025R	2026E	2027P
Collections	58.6	396.0	266.0	287.0
Share of all tax	1.6%	8.4%	5.4%	5.4%

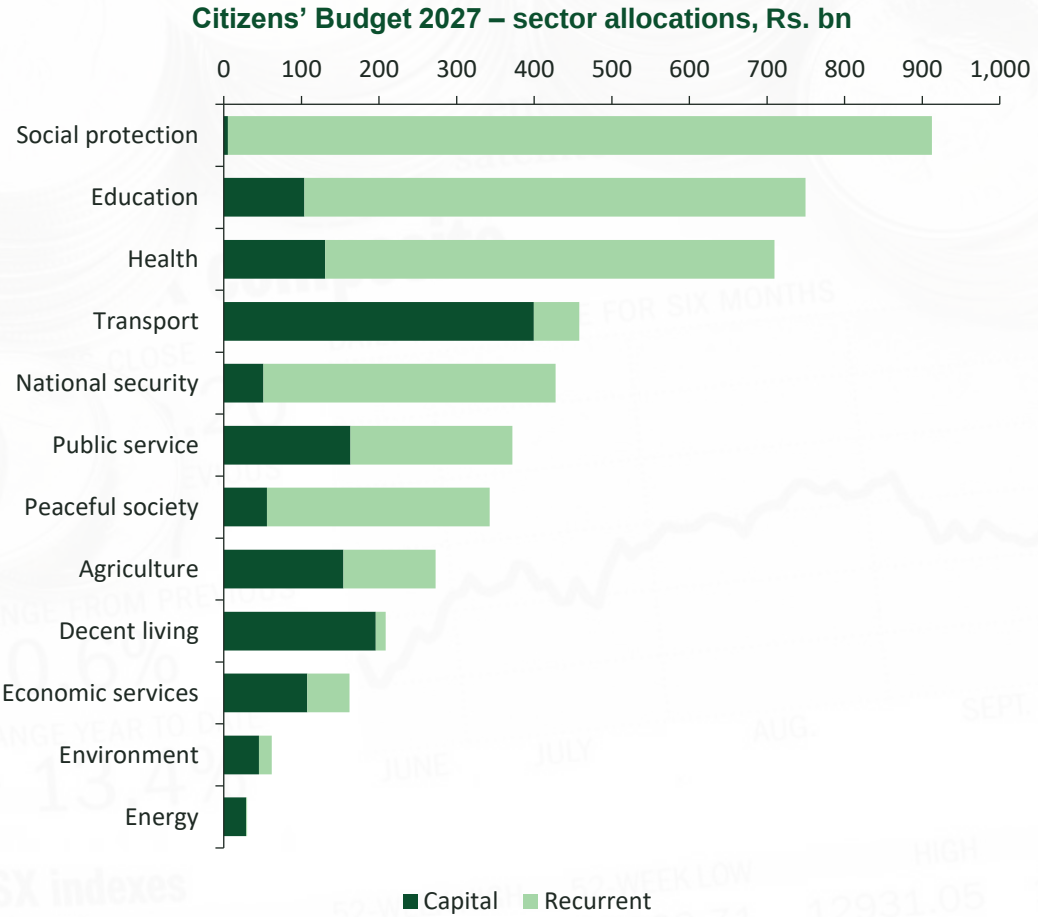
*FSS – FISCAL STRATEGY STATEMENT

** SSCL – SOCIAL SECURITY CONTRIBUTION LEVY

SenFin view Revenue beat the 2025 budget on one-offs, 2027 needs structural gains (income tax, compliance) to keep the 15.8% ratio without vehicle help.

Sources: Budget Estimates 2025 Vol. I vs MoF Final Budget Position Report 2025

Where the Rs. 4.7trn of programme spending goes



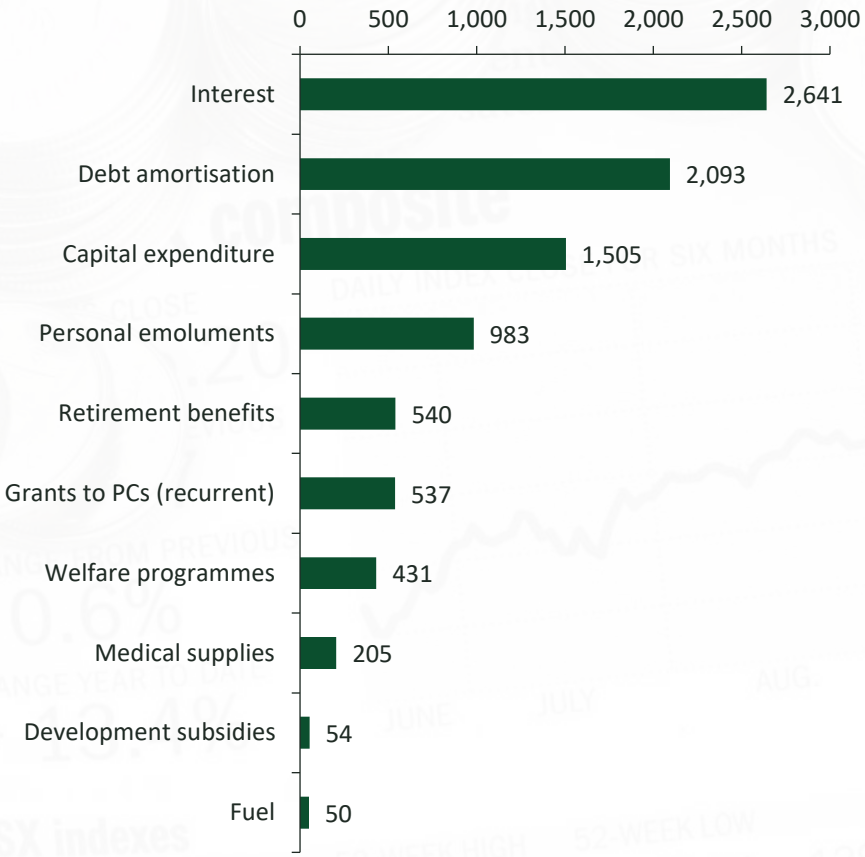
- **Social protection Rs. 913bn:** pensions Rs. 630bn + Aswesuma Rs. 230bn - supports mass consumption.
- **Transport Rs. 458bn, 87% capital:** roads Rs. 295bn (Central Expressway Rs. 111bn across four sections), railway Rs. 96bn, import 600 air-conditioned buses.
- **Health Rs. 710bn:** medical supplies Rs. 191bn, hospital development Rs. 105bn.
- **Agriculture Rs. 273bn:** irrigation Rs. 77bn, fertiliser subsidy Rs. 44bn.
- **Capex of Rs. 1,442bn** in the 12 sectors + Rs. 308bn National Budget reserve = Bill capital Rs. 1,750bn.
- **Salaries Rs. 1,571bn** (+7.3%) include Provincial Councils & state-owned enterprises – 25% of revenue.

SenFin view Capital-heavy sectors (transport, housing & water, energy) are where listed contractors and materials suppliers earn.

Source: National Budget Speech 2027

What the state buys: interest, people and transfers dominate

Budget book 2027P by object, Rs. bn



Public-sector salaries 2012 - 2027, Rs. bn

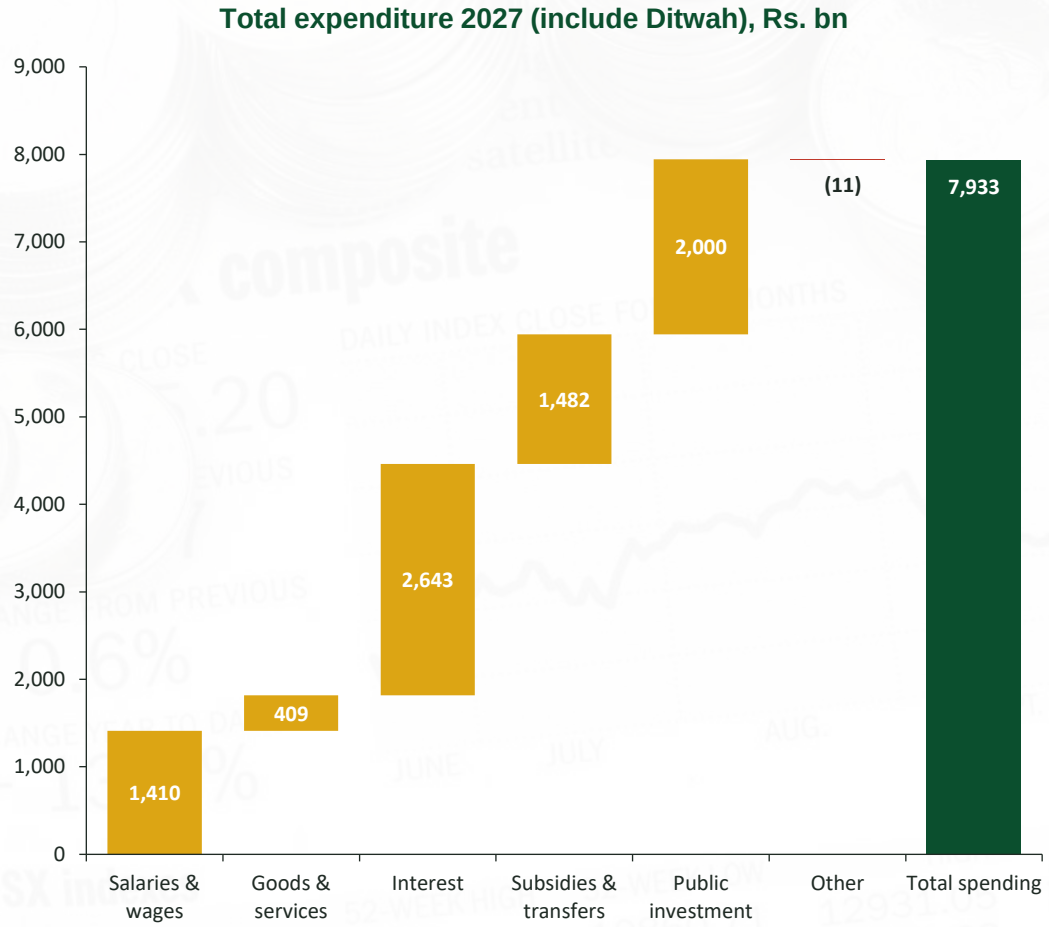


- Salaries Rs. 1,571bn (+7.3%) include Provincial Councils & state-owned enterprises = 25% of revenue. (central government Rs. 1,410bn, +9.4%), Salaries + pensions & gratuity = 36% of the revenue.
- Final phase of the 3 year pay revision: Rs. 110bn in 2027 (Rs. 330bn in total).
- About 0.9mn listed cadre: teachers 225k, development officers 100k, police 81k.

SenFin view The pay bill is the main recurrent driver after interest – supportive for consumption, but it limits room for capex if revenue disappoints.

Sources: Budget Estimates 2026 (2027P Objective)

How Rs. 7,933bn of 2027 spending builds up

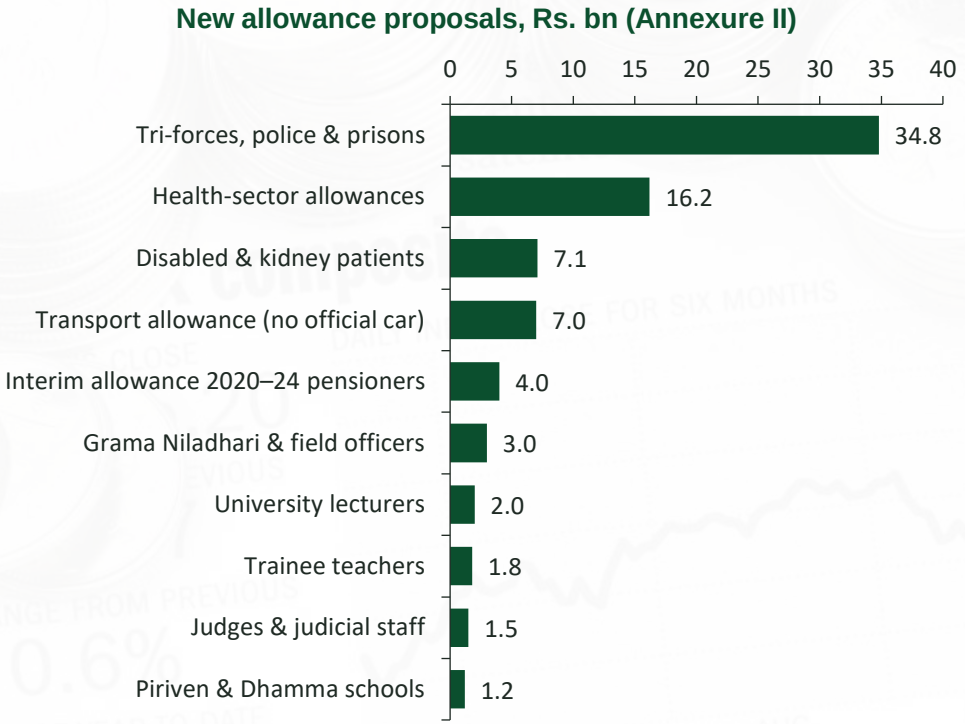


- **Interest Rs. 2,643bn:** 33% of spending and 43% of revenue- down from 79% of revenue in 2022.
- **Public investment Rs. 2,000bn:** the biggest single increase (+Rs. 520bn), including Rs. 250bn of Ditwah reconstruction.
- **Transfers Rs. 1,482bn:** pensions, Aswesuma and allowances; lower than 2026R, which carried Ditwah relief.
- **Salaries Rs. 1,410bn:** +9.4% for the final phase of the pay revision.
- **Recurrent spending:** up only 1.6% as subsidies & transfers fall Rs. 90bn, goods & services rise 10.5%.

SenFin view One rupee in three still goes on interest, but the marginal rupee in 2027 goes into capital works.

Source: Budget Speech 2027 Annexure III

Public pay: final revision phase plus targeted allowance increases



Rs. 110bn
Final pay-revision phase
Rs. 330bn over 3 years

+9.4%
Salaries & wages 2027
Rs. 1,410bn

Rs. 95,000
Doctors' DAT allowance
From Rs. 70,000, 50% Jul-27

110,000
More recruits planned
148,940
vacancies approved

- Forces ration +Rs. 315 - 332/day, police food & lodging +Rs. 10,000/month (Jul-27).
- Pensioners: final conversion phase, Rs. 2,500 interim allowance for 2020 - 24 retirees.

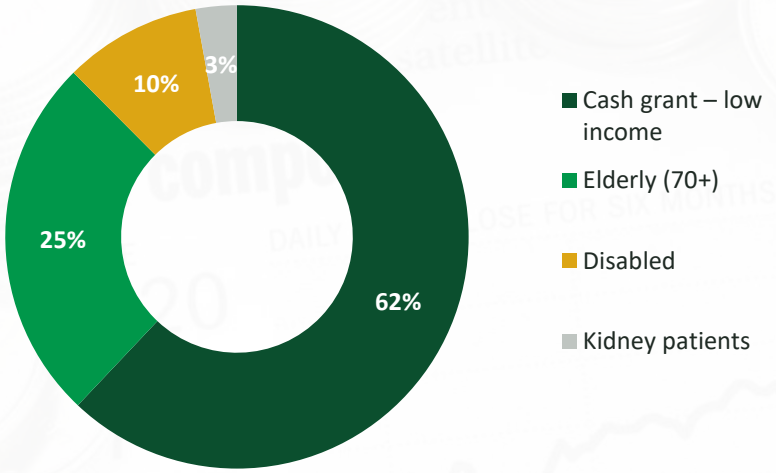
- Health, university and judicial allowances are paid 50/50 over July 2027 and 2028, so their full cost lands in 2028, most other increases apply in full from July 2027.

SenFin view Around Rs. 190bn of extra income for public employees, pensioners and allowance recipients in 2027 – supportive for consumer staples, retail and personal lending.

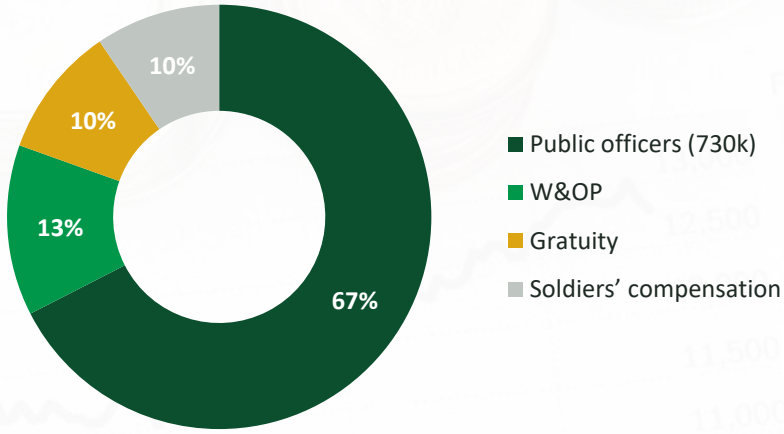
Source: Budget Speech 2027 Annexures I–VII (section 35, Annexures II & VI).

Safety net: Rs. 230bn Aswesuma plus higher allowances for the vulnerable

Safety net aswesuma & allowances Rs. 230bn



Pensions & gratuity Rs. 630bn



Rs. 12,500
Kidney & disability allowance
From Rs. 10,000 a month

Rs. 25bn
Praja Shakthi rural programme
Poverty eradication

Rs. 4.5bn
Family empowerment
ADB/World Bank piloted model

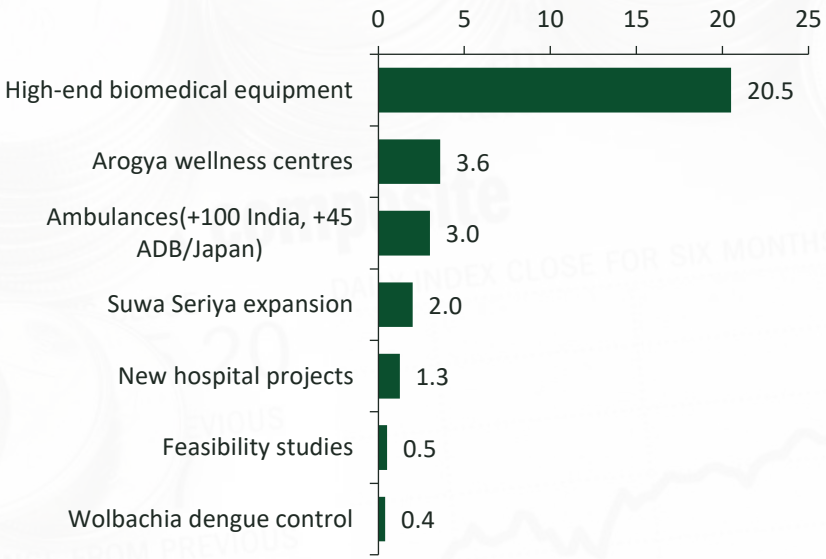
Rs. 5mn
Migrant worker housing up to Rs. 5mn per loan
10%/5% interest subsidy

SenFin view Transfers flow straight into food, FMCG and mass retail – steady volume support for CARG, CCS, HHL and SWAD.

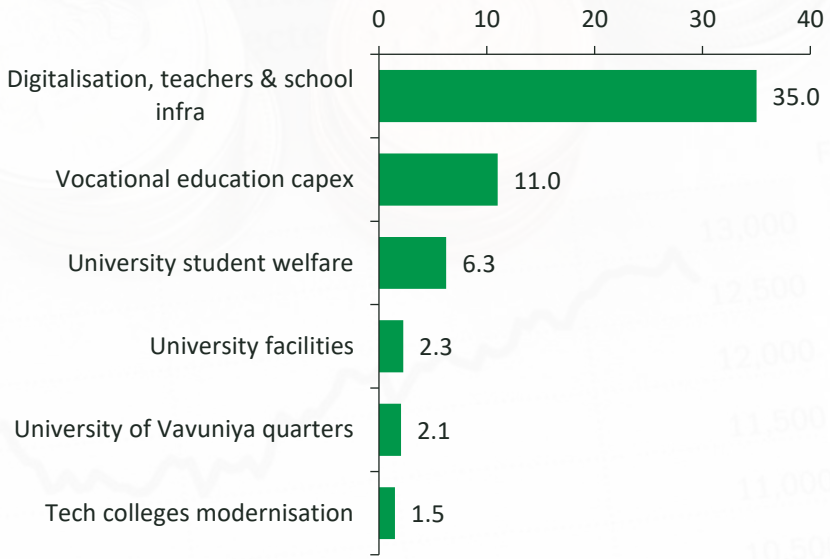
Sources: Budget Speech 2027 section 20.

Health capex Rs. 131bn, schools & teachers Rs. 35bn

Health – selected 2027 items, Rs. bn



Education – selected 2027 items, Rs. bn



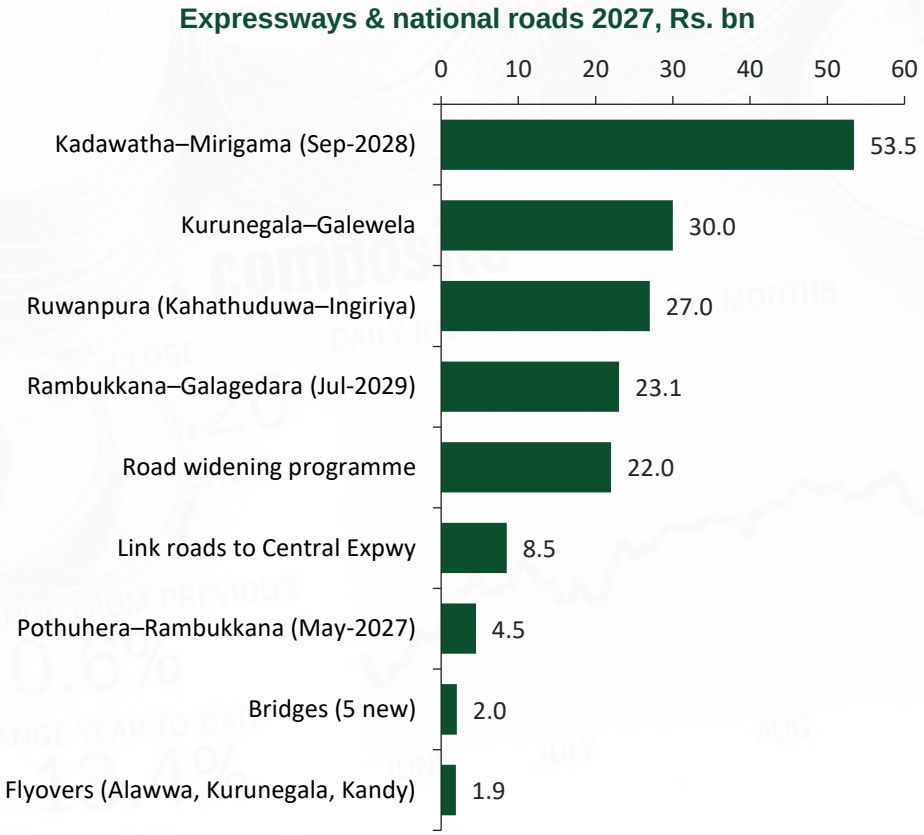
- Recruited 1,797 doctors and 3,441 nurses, six district hospitals move to central government, 1,000 Arogya centres by 2029 (Rs. 17.4bn).

- 6,225 schools connected, 750 to go, Rs. 96.5bn 5 year school digital plan, private university loan stipend Rs. 6,250 → 10,000, R&D Rs. 23.8bn.

SenFin view Equipment and ambulance procurement favours DIMO, SUN and HHL, connectivity favours SLTL and DIAL. Private hospitals stay neutral.

Source: Budget Speech 2027 and Annexures I–VII (sections 8-9, 22).

Roads & expressways: the Central Expressway is back in full swing



Rs. 487bn
Roads, expressways & rail
Incl. Rs. 146bn new + Rs. 90bn Ditwah

Rs. 251bn
In the core budget
Largest ever

About Rs. 80.5bn
Rural roads & bridges
Rs. 55bn + 5.5 + PC roads 20 + districts

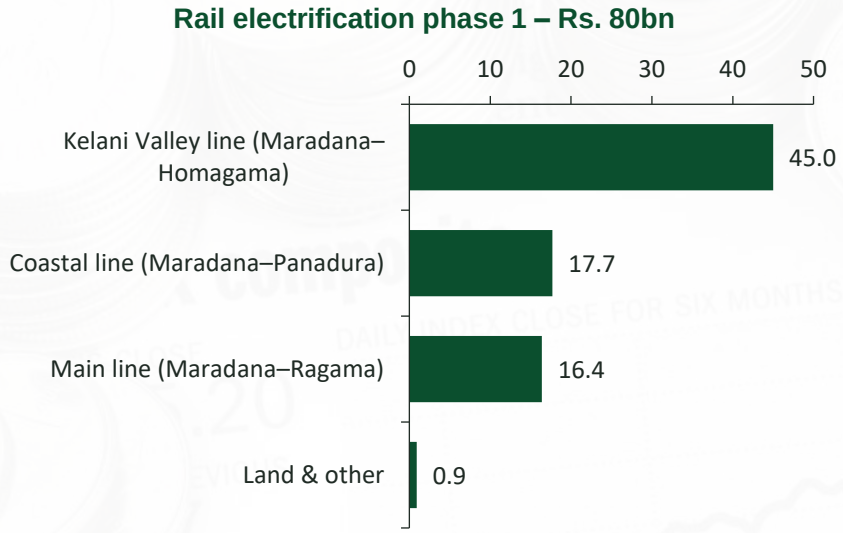
Rs. 50bn
District Development
Rs. 2bn per district

- Feasibility studies (Rs. 0.68bn): Ratnapura, Kahawatta and Kiribathgoda bypasses; Katunayake–Chilaw expressway.
- Ditwah rail repairs: Up-country line to Kandy by Q1-27, Badulla by mid-27.

SenFin view Four Central Expressway sections running at once is the strongest order pipeline for AEL, TKYO and asphalt/steel suppliers since 2019.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 10, 25, 34).

Rail electrification, ports and airports: building the logistics hub



Port & aviation project	Detail
West Terminal II	3.2km breakwater (ADB/WB); 3.2mn containers
Port logistics centre	PPP – RFP within 2 months
Bunkering	+50,000t BOT; Galle & Trinco hubs
Vessel traffic system	Rs. 3.58bn (Japan)
BIA Terminal 1	6mn → 9mn passengers (Rs. 15bn)
BIA Terminal 2	JICA – starting soon
Mattala airport	RFP – Rs. 70bn accumulated loss
Ratmalana runway	Rs. 6bn extension

Rs. 1,200bn+
Rail electrification
3 lines; Rs. 80bn in 2027

Rs. 96bn
Rail & bus modernization
Record

250
New mini-buses (Rs. 5bn)
+600 AC buses imported

30mn TEU
Port capacity goal 2040
Colombo ranks 20th

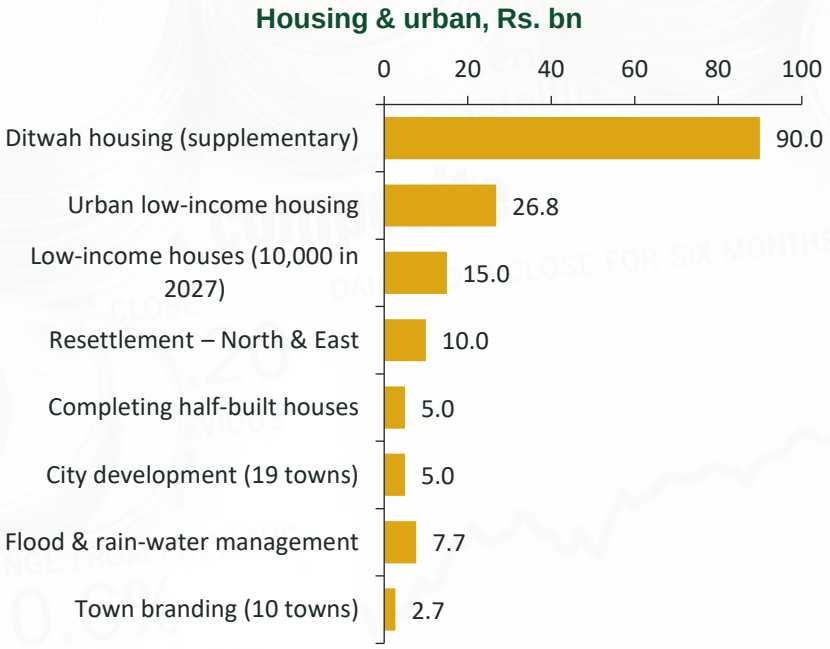
- Metro buses to Kandy, Galle, Jaffna; 100 Chinese-donated e-buses (Rs. 4.5bn depots/charging); 5 new trains (Rs. 5bn); station repairs Rs. 2bn.

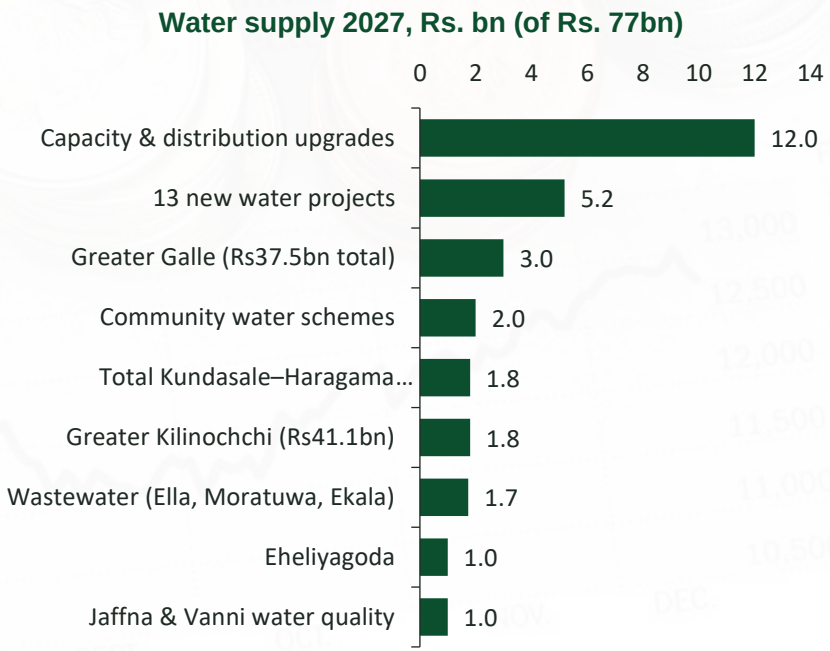
* TEU stands for **twenty-foot equivalent unit**, the standard way to measure container shipping capacity.

SenFin view Electrification is a decade-long cable, civil and power opportunity; port PPPs favour JKH, SPEN and logistics names.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 11, 13, 14, 25).

Housing and water: Rs. 77bn for water, 70,000 homes for low-income families



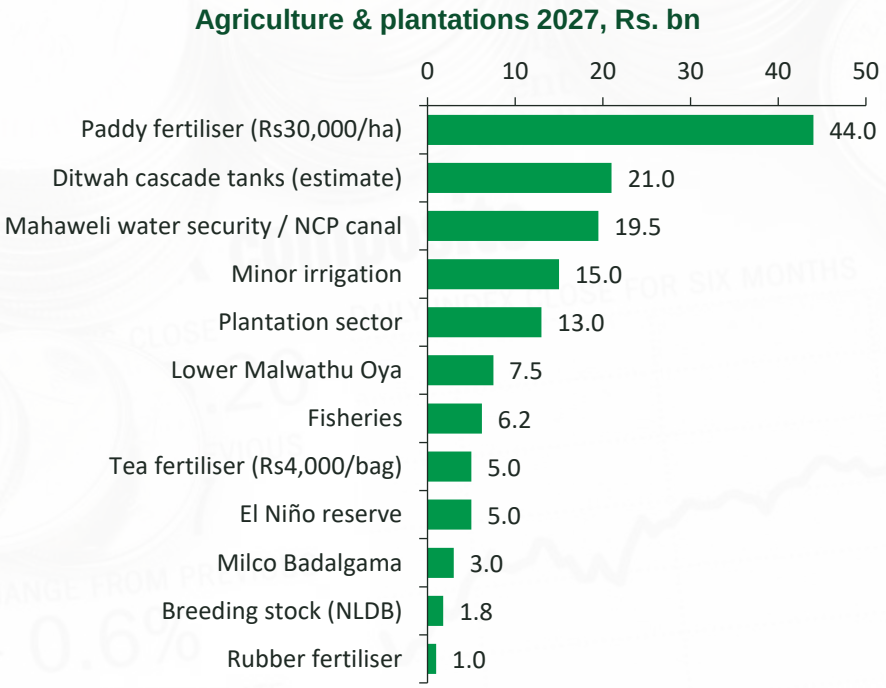


- Per-house grant raised from Rs. 1mn to Rs. 1.5mn; 10,000 apartments to be built with banks and finance companies over 5 years; two middle-income NHDA projects on pre-sale.
- Large multi-year water schemes (Rs. 140bn+ total cost) start in 2027 – a long pipeline for pipes and civil works.

SenFin view CIND (pipes), TKYO (cement), TILE/RCL (tiles), ALUM, LALU (aluminium) and housing lenders (HDFC) gain; developers MHDL and PLR benefit from the apartment scheme.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 26–27).

Agriculture: Rs. 77bn irrigation, Rs. 50bn fertiliser support, a shift to productivity



- **Productivity shift:** paddy land freed for other crops, "Yaya" collective farming, Agrarian Service Centres as one-stop shops.
- **Plantations:** Rs. 13bn; 500 tea villages; Rs. 200/day estate incentive continues; committee to review RPC leases expiring 2045.
- **Exports:** plantation US$3bn → US$5bn and fisheries US$300mn → US$600mn by 2030.
- **El Niño:** Forecast to peak in February 2027 (further the speech).

Positive

AGST, CIC, TSML

Fertiliser subsidies Rs. 50bn

Mixed

RPCs

Lease review adds uncertainty

8.4%

Agriculture share of GDP

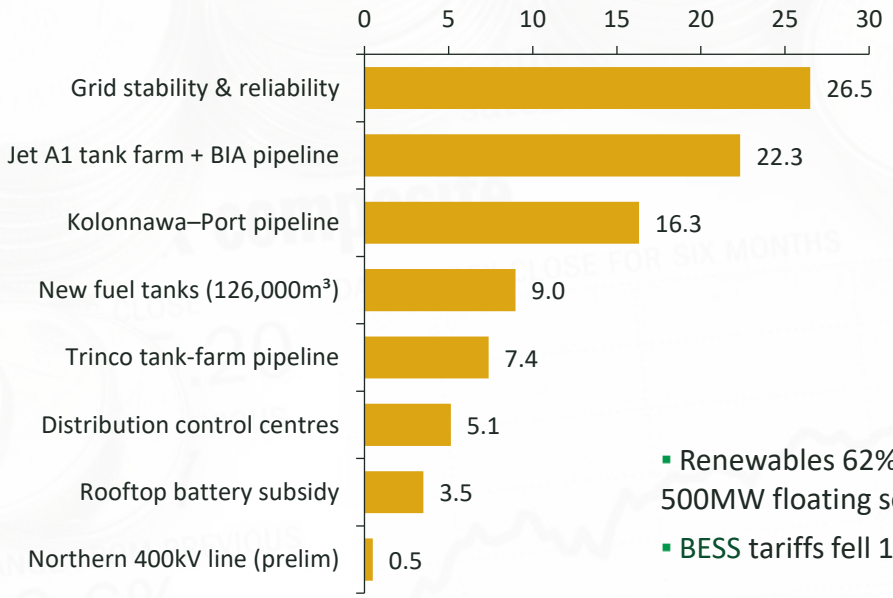
23.9% of workforce

SenFin view Agri inputs are the cleanest play; RPC valuations now carry a lease-review overhang.

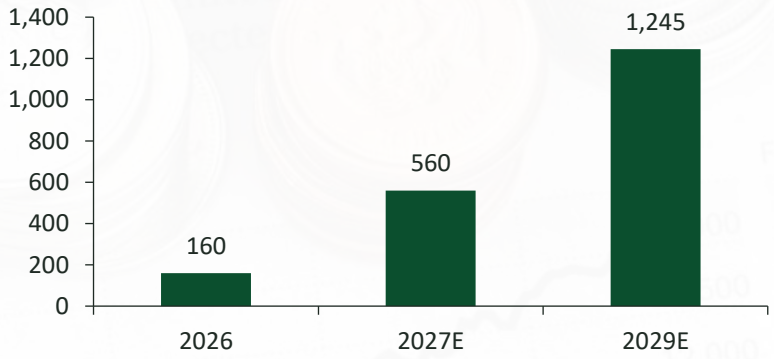
Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (preamble, sections 16–18, 24; Annexure II).

Energy: storage, grid stability and fuel resilience

Energy projects, Rs. bn



Battery storage on the grid (MW)



- Renewables 62% of capacity → 69% by 2029; wind +370MW (50MW in 2027); 500MW floating solar RFP Jan-2027.
- BESS tariffs fell 11% in 2026 bids; refinery PPP to 100k bpd.

45 days
Fuel storage target

300,000
Free smart meters
ADB US$12mn grant

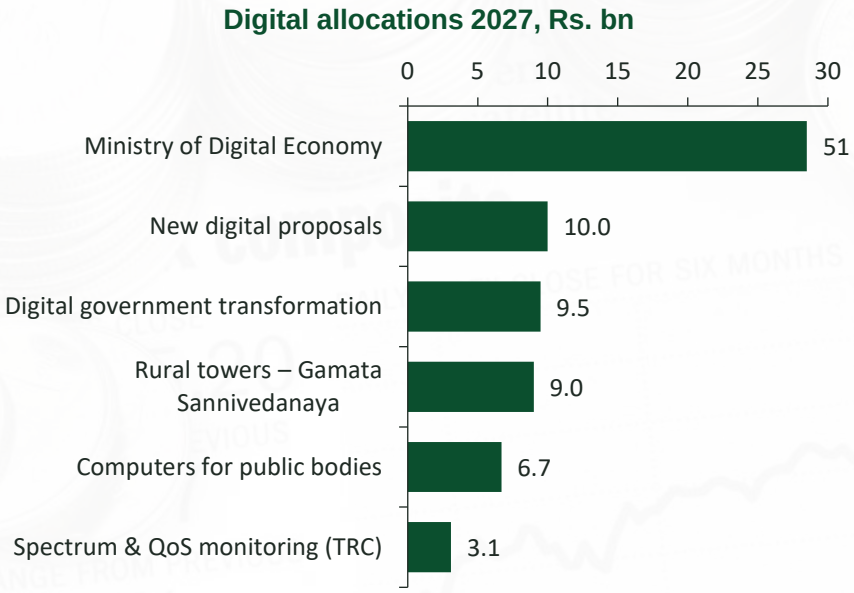
US$4.49bn
Fuel imports to Sep-2026
vs US$4.04bn in 2025

2-Feb-27
Mannar basin bids open
4 offshore blocks

SenFin view Storage and grid capacity cut curtailment for WIND, VLL, LPL; bunkering and Trinco PPPs add upside for LIOC; batteries open a market for MEL and LITE.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (preamble, section 6).

Digital economy: Rs. 28.5bn for the ministry, new laws and rural broadband



Measure	Detail
Digital Economy Bill	Q1-2027: Authority & Council
Cyber Security Bill	Authority in 2027
Data protection	Authority operational
AI Centre of Excellence	Wijerama Mawatha
Cloud	LGC 2.0 → 3.0 (sovereign AI base)
Data centres	Electricity-tariff concessions
Payments	GovPay & QR; VASP framework
Students	750,000 broadband vouchers

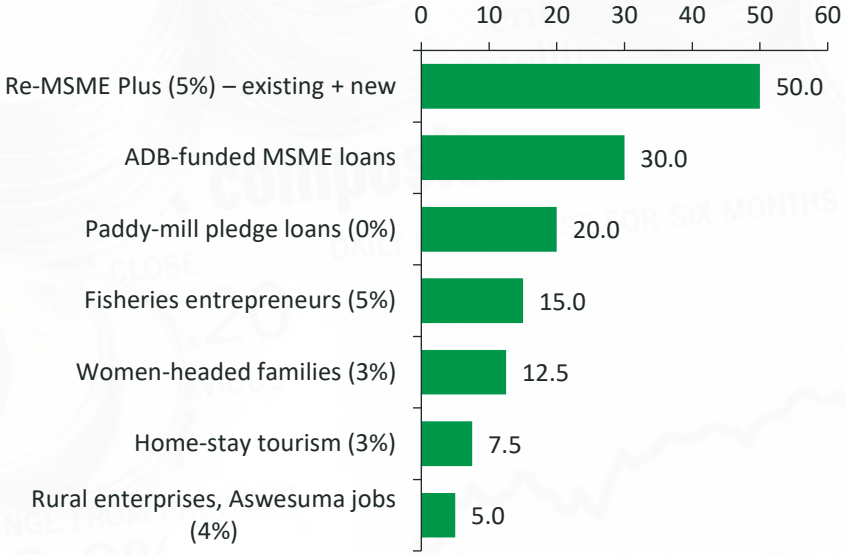
- Tower grant: 75% of cost or Rs. 35mn per tower + Rs. 5mn for power; 573 towers by 2028 (700–800 needed by 2030); 5-year cellular-tower levy holiday continues.
- Regulatory risk: automated QoS monitoring and spectrum management from 2027; CGT now covers telecom licences.

SenFin view SLTL and DIAL gain on towers, data centres and government cloud; HBS on e-government; tighter QoS rules are a cost to watch.

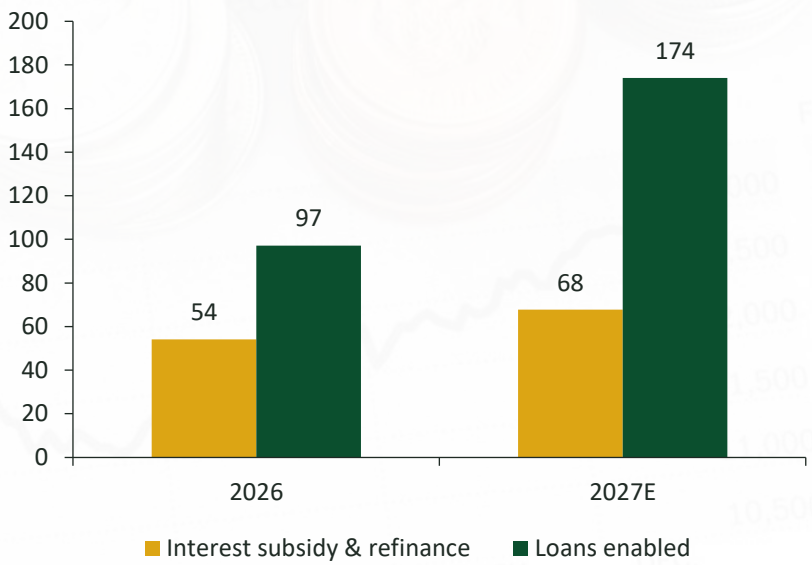
Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (section 7, Annexures V and VII).

Rs. 67.7bn of subsidies to unlock Rs. 140bn of concessionary loans

Concessionary loan schemes, Rs. bn of lending



Subsidy vs lending enabled, Rs. bn



- Delivered through state and private banks (Samurdhi Bank for women-headed and rural schemes); hotline 1819; fisheries eligibility now by turnover only.
- Microfinance & Credit Regulatory Authority starts in 2027; Finance Business Act to be amended for supervision and winding up.

SenFin view Banks with SME franchises (COMB, HNB, SAMP, NDB, DFCC, SDB) get subsidised volume; micro-lenders face a new regulator.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 4, 12).

Capital market and investment: new laws, incentives and a retail push

Capital market

- "A Share for Everyone": up to Rs. 10,000 share portfolio for A/L students aged 18+
- Only 0.7% of adults trade today
- SME Listing Support Mechanism
- CSE Rs. 250mn + Treasury Rs. 500mn

Investment incentives

- 200% capital allowance – BOI export/tourism ≥US$3mn
- Treasury-owned investment-promotion company
- Faster land release for investors (under review)
- Permanent residency for investors (law drafting)

Laws & institutions

- Passed: Insolvency Act, Anti-Money Laundering (AML) /Financial Transactions Reporting (FTR) amendments, Microfinance Act
- Coming: Public-Private Partnership (PPP) Act, Investment Protection, SOE holding co. (34 SOEs), Port City amendment
- Customs Ordinance (H1-27); Excise Special Provisions
- Gambling Regulatory Authority in place

Trade

- Expand India Free Trade Agreement (FTA); new China FTA
- Applied to join RCEP
- CEPAs with UAE and Oman
- National Single Window: exporters H1-27, importers H2-27

SenFin view Supportive for companies operating in the capital market (CALH, CFVF, FCT, WLTH) and conglomerates with BOI projects; passing the new laws is the real test in 2027.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 4–5, 15, 28, 36.2).

Financial-sector laws are passed; investment and digital bills come in 2027

1. Investment & SOEs

- **PPP Act:** gazetted; to Parliament in early 2027.
- **SOE Management Bill:** with the Attorney General; holding company for 34 SOEs.
- **With the AG:** Investment Protection Bill; Port City Commission (Amendment) Bill.
- **Business climate:** Customs Ordinance amendment H1-2027; labour-law and investor-land committees.

2. Financial sector

- **Passed in 2026:** Insolvency Act; AML, financial-transactions reporting and terrorist-financing amendments.
- **Microfinance:** Credit Regulatory Authority set up in 2027 (Act No. 9 of 2026).
- **Finance Business Act:** tighter supervision, action on unlicensed lenders, wind-up rules.
- **Reporting:** accounting and auditing standards formalised; new Actuaries Act.

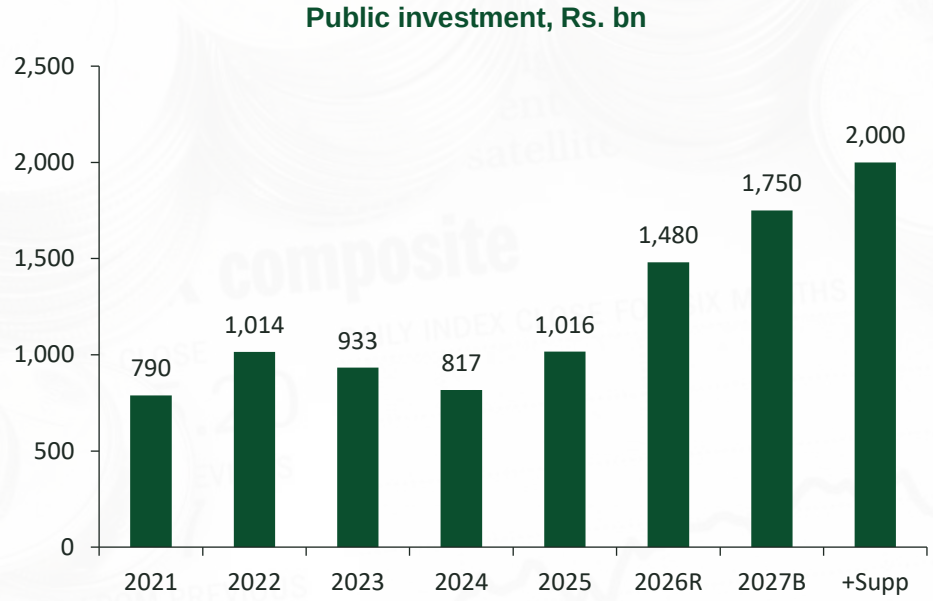
3. Digital, gaming & other

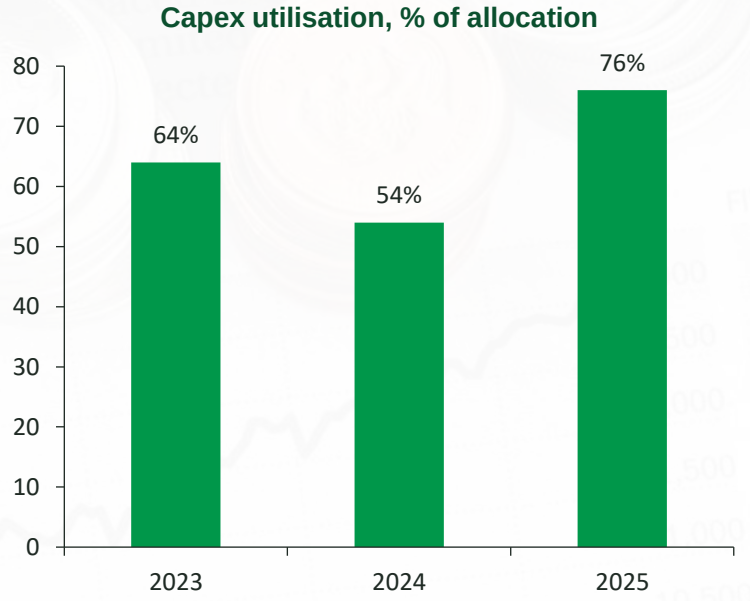
- **Digital Economy Bill:** to pass in Q1-2027; Cyber Security Bill with the AG.
- **Data:** Data Protection Authority operating; legal framework for virtual-asset providers.
- **Gaming:** Gambling Regulatory Authority in place; regulations finalised.
- **Also:** Excise (Special Provisions) amendment; Statistics, Public Asset Management and Dam Safety Acts.

SenFin view The financial-sector laws are already in force; the PPP, SOE and investment-protection bills still need Parliament, so passing them in 2027 is the test for foreign investment.

Source: Budget Speech 2027 (MoF, 12-Nov-2026), legal and institutional reforms and digital economy sections.

Rs. 2,000bn public investment: 5.1% of GDP, execution decides the payoff





5.12%
of GDP in 2027
4.48% budget + 0.64% Ditwah

+18%
Budget capex vs 2026R
Rs. 1,480bn → Rs. 1,750bn

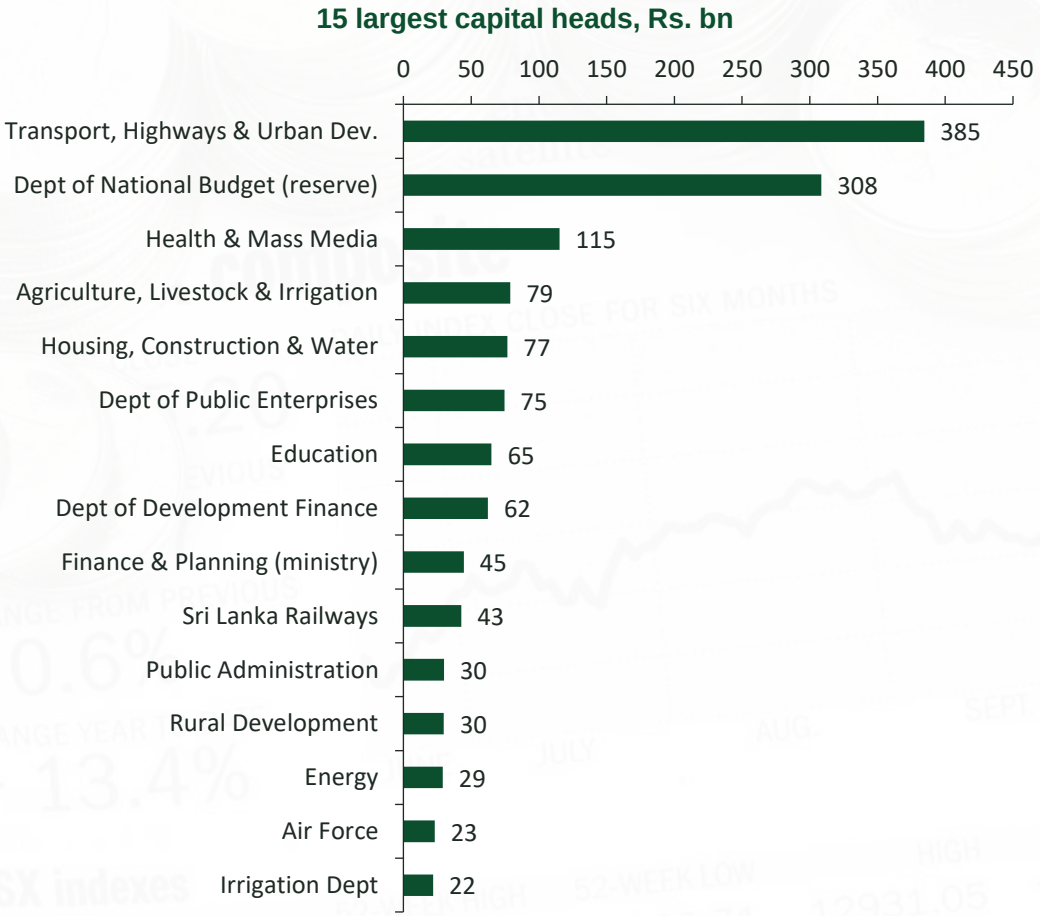
Rs. 250bn
Ditwah capital in 2027
Of Rs. 260bn supplementary

About Rs. 1.5trn
Likely actual at about 75% of Rs. 2,000bn
Still a record

SenFin view Every 10pp of extra execution equals about Rs. 200bn of orders – the swing factor for construction, cement, cables and pipes.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (Annexure III); EconomyNext (utilisation 2023–25).

Where the capital money sits in the Appropriation Bill



84%

of voted capital in 20 heads

Rs. 1,464bn of Rs. 1,753bn

22%

Transport ministry share

Rs. 384.5bn – the largest

Rs. 308bn

Unallocated reserve

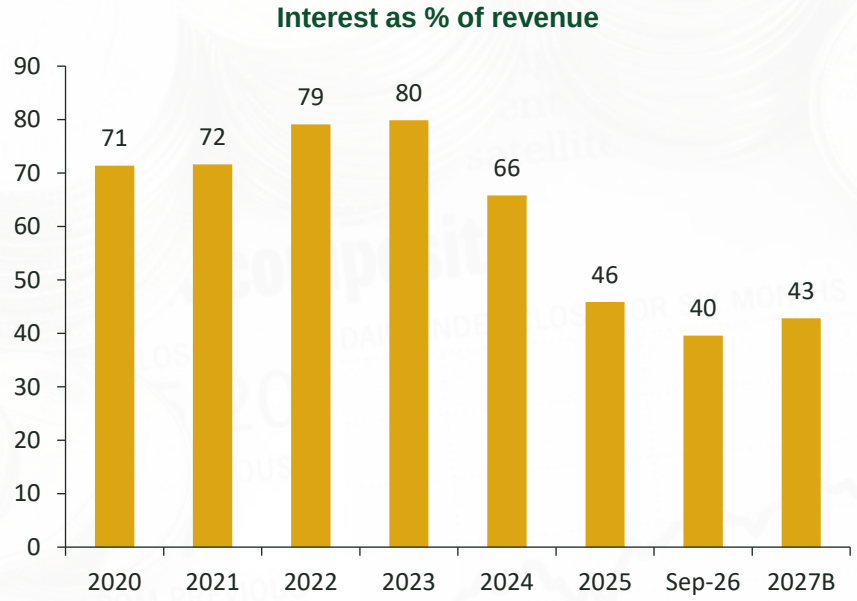
Released to projects in-year

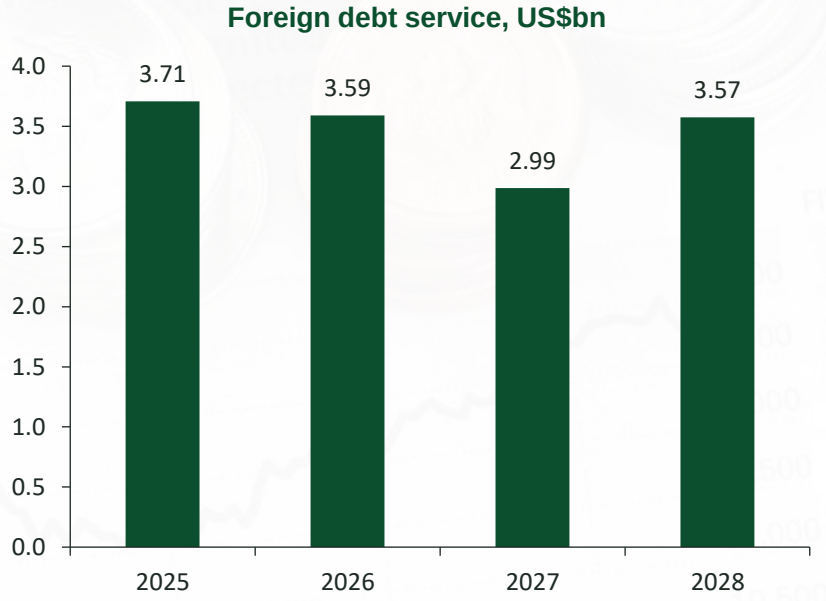
- Public Enterprises & Development Finance heads (Rs. 137bn) fund SOE equity and on-lending.

SenFin view Concentration helps tracking: watch transport and the National Budget reserve releases for contractor order flow.

Source: Appropriation Bill 2027 (Gazette 18-Sep-2026), First Schedule. Workbook "Appropriation Bill 2027" section D.

Debt service Rs. 4,850bn – interest down to 39.6% of revenue by Sep-2026





Rs. 4,850bn
Debt service 2027
Interest 2,643 + repayment 2,207

Rs. 3,800bn
Gross borrowing requirement
= Appropriation Bill limit

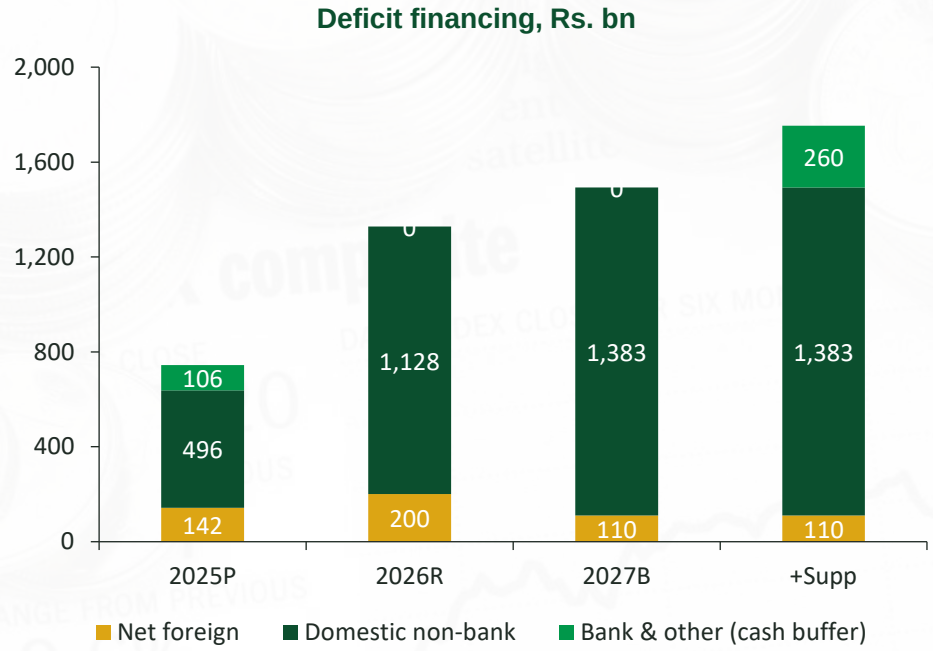
114% → 95%
Debt/GDP 2022 → 2025
IMF: 87% by 2032

6.8%
Interest, % of GDP 2027
7.6% in 2025

SenFin view Falling interest burden and a 2027 dip in FX debt service give room for capex without new taxes – supportive for the rupee and yields.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 1–2, Annexures III–IV).

Financing: 93% of the deficit funded at home (94% from Ditwah)



Gross borrowing requirement 2027	Rs. bn
Receipts other than borrowing	6,230
Primary expenditure	5,070
Recurrent	3,320
Capital	1,750
Debt service	4,850
Interest	2,643
Repayments	2,207
Advance accounts & book/cash adj.	110
Gross borrowing requirement	3,800

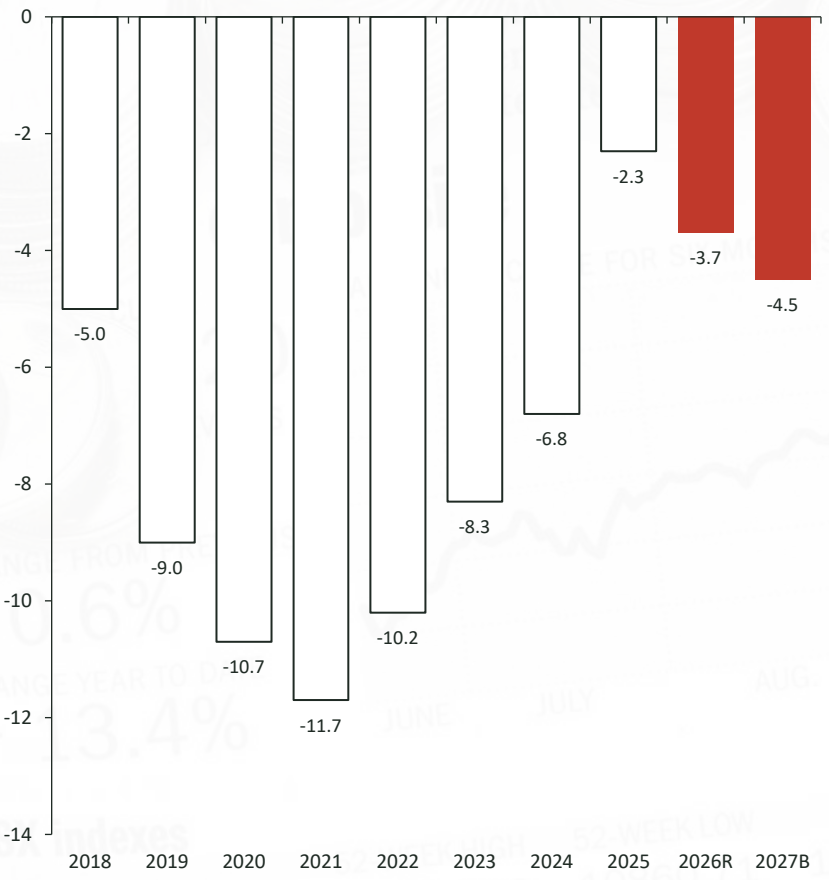
- Foreign gross borrowing Rs. 700bn vs repayments Rs. 590bn – net foreign financing only Rs. 110bn; the Rs. 260bn Ditwah supplementary comes from the cash buffer, not new borrowing.

SenFin view Heavy reliance on the rupee market keeps T-bill and bond supply high – carry for banks, but limits room for rate cuts.

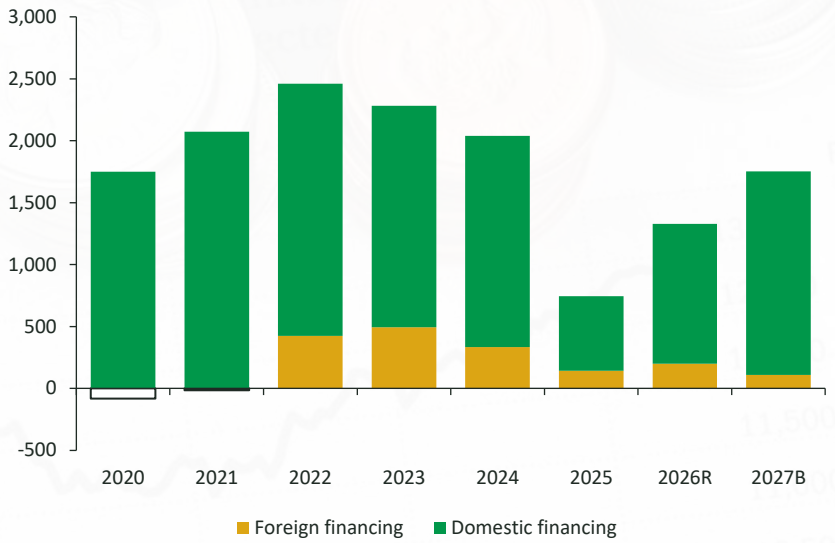
Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (Annexures III & IV).

A deficit of Rs. 1,753bn (4.5% of GDP) in 2027, funded mostly at home

Budget deficit, % of GDP



Deficit financing, Rs. bn

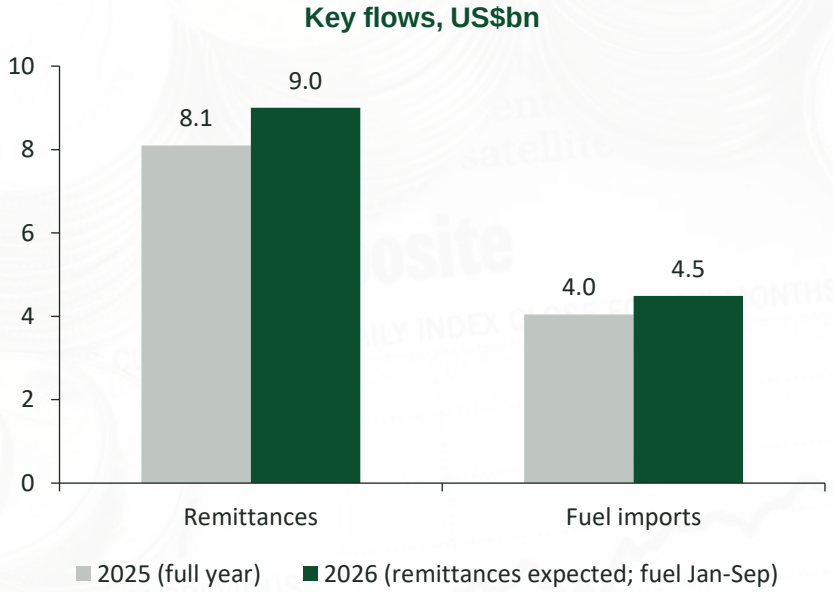


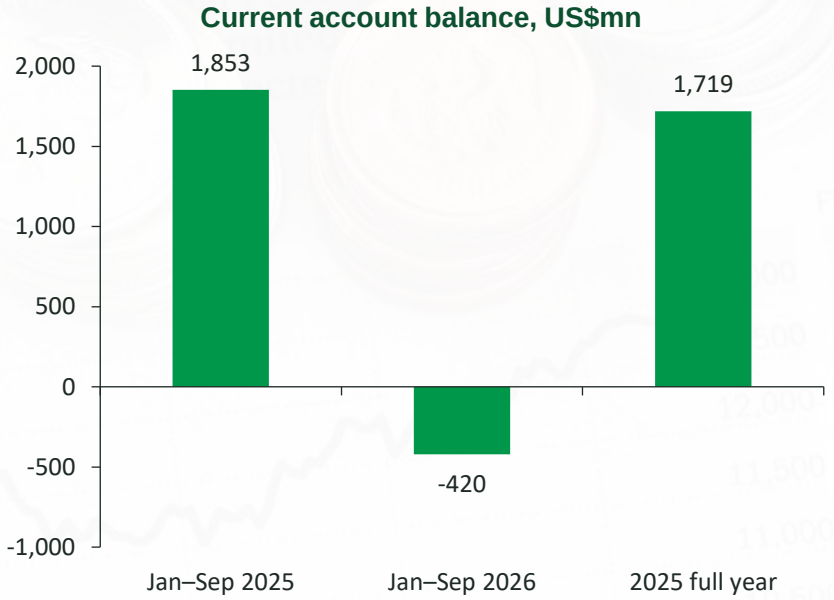
- Domestic borrowing funds 94% of the 2027 deficit with Ditwah (93% before) – Rs. 1,643bn incl. Rs. 260bn from the cash buffer.
- Net foreign financing falls to Rs. 110bn: Rs. 700bn gross borrowing less Rs. 590bn repayment.
- Only 2025, 2026 had deficit since 1997 ; 1977 match it 4.5% of GDP.

SenFin view Heavy domestic financing keeps bill and bond supply high – supportive for bank and dealer carry, a cap on how far yields fall.

Sources: CBSL (2018–2024); Budget Speech 2027 Annexure III. 2018–19 deficit from CBSL fiscal history; 2026R/2027B % of GDP as published.

External sector: record remittances, but the current account has turned negative.





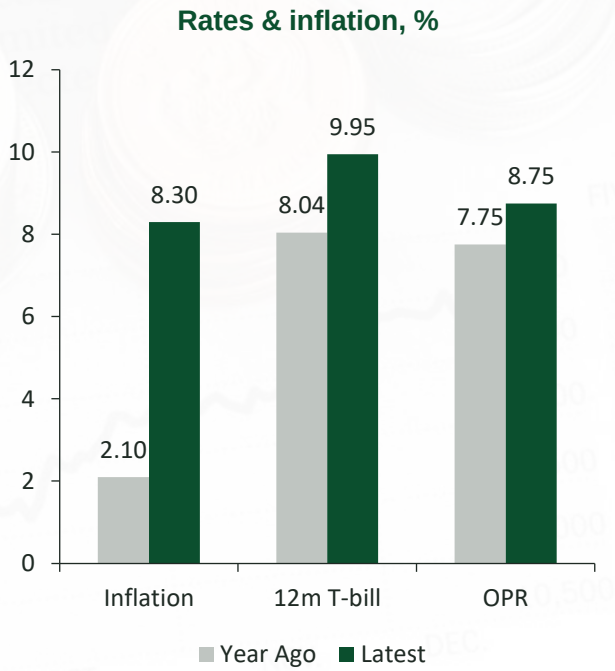
- Remittances US$8.1bn in 2025 (record) and US$7.6bn to October 2026 – over US$9bn expected; reserves above US$7bn (Oct-2026).
- Oil: fuel imports US$4.49bn to September vs US$4.04bn in all of 2025; Rs. 147bn spent cushioning fuel prices. Tourism earnings US$2.25bn to September.
- The speech flags the external sector as the weak link: fiscal gains must now fund export-led transformation.

SenFin view Exporters and FX earners are the policy priority for 2027 – BOI capital allowances, FTAs and the trade single window target this gap.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII. 2026 remittances = speech expectation (>US$9bn); fuel imports 2026 = Jan–Sep.

Assumptions vs reality: inflation is the stretch

Indicator	Budget 2027 assumption	Latest	Read
Real GDP growth	4.0–5.0%	4.2% (Q2-2026)	Achievable
Inflation	5% target by Q2-2027	8.3% (Oct-2026)	Stretch
Unemployment	below 5.0%	3.9% (2025)	Achievable
Revenue, % GDP	15.8%	16.6% (2026R)	Lower ratio
Deficit, % GDP	3.8% (4.5% with Ditwah)	3.7% (2026R)	Ditwah-driven
12-month T-bill	–	9.95% (Nov-2026) vs 8.04% (Nov-2025)	+191bp
USD/LKR	–	332.4 vs 304.8 a year ago	−8.3%
Fuel import bill	–	US$4.49bn Jan–Sep	Oil shock

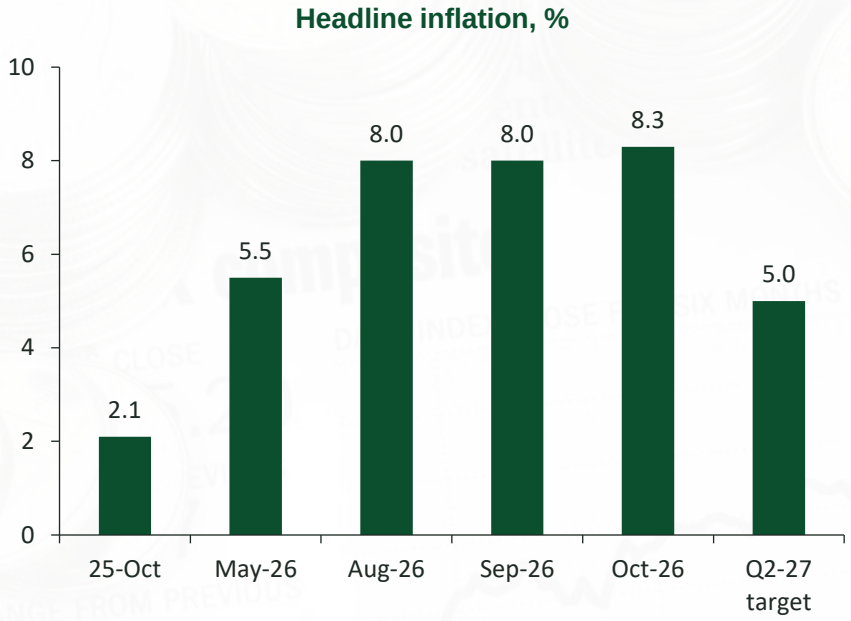


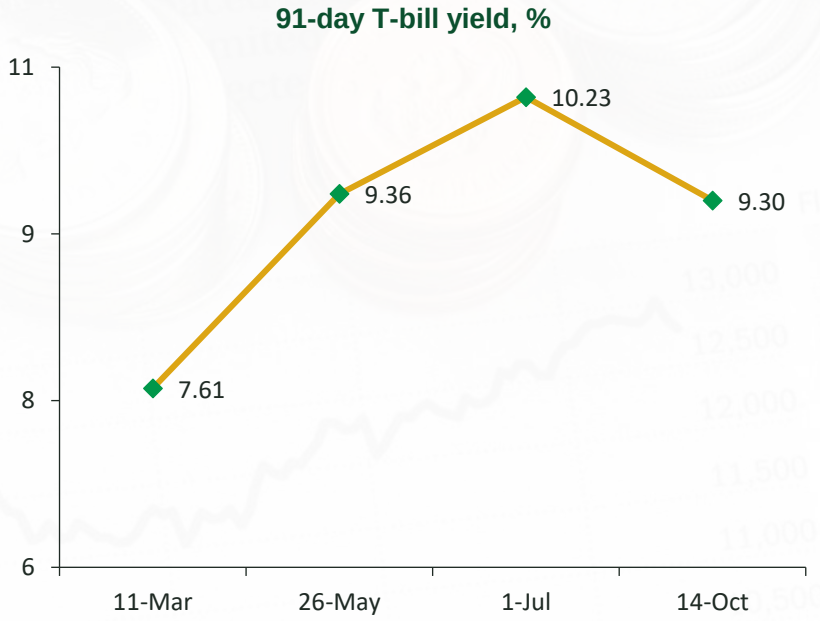
- Middle East conflict pushed oil and the import bill up; CBSL raised the OPR 100bp to 8.75% in May-2026 and yields have repriced.
- The EFF ends in March 2027 – a successor programme (panel appointed) would anchor policy credibility beyond the budget year.

SenFin view Macro assumptions are reasonable on growth, ambitious on inflation; higher yields lift banks' NIMs but pressure leveraged corporates.

Sources: Citizens' Budget 2027 p.4; CBSL; EconomyNext 12-Nov-2026 (T-bills, LKR, fuel bill); Budget Speech (inflation Oct-2026). OPR: 7.75% (Nov-2025), 8.75% after the May-2026 hike.

Inflation overshoot: the budget assumes a fast return to 5%



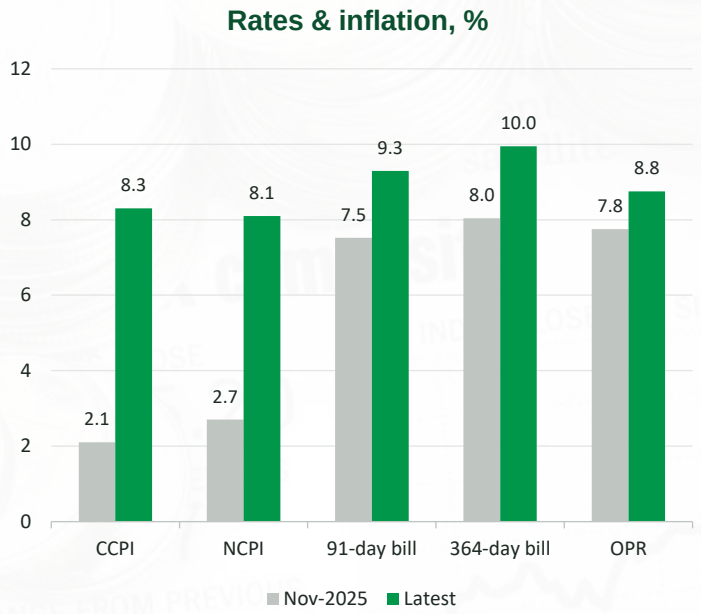


- New Monetary Policy Framework Agreement (1-Oct-2026) keeps 5% ±2pp to Oct-2029; Q4-2026 likely the 2nd quarter above 7% → report to Parliament.
- Core inflation 5.6% (Oct) vs 2.3% in January; diesel +40% Mar–Aug; OPR 8.75% – next CBSL review 20-Nov-2026.
- Budget demand impulse (pay revision, PAYE relief) lands while inflation is above target – limits room for rate cuts.

SenFin view Base effects should pull inflation inside 3–7% by Q2-2027; until then rates stay high – a headwind for leveraged and consumer names.

Sources: SenFin Inflation Target Review (Oct-2026); SenFin DDB note; Budget Speech (Oct-2026 inflation 8.3%); CBSL.

Interest rate, credit and inflation implications for 2027



Indicator	Directional view 2027	Analytical insight
T-bill / T-bond yields	— Stable, easing in H2	Yields are about 190bp above a year ago. Domestic financing of Rs. 1,643bn keeps supply heavy; falling inflation from Q2-2027 opens room for lower yields late in the year.
Policy rate (OPR 8.75%)	— On hold, then cuts	CBSL is likely to hold until inflation peaks; cuts depend on a return towards the 5% target.
Private credit growth	▼ Slower but positive	After +25% in 2025, higher rates cool lending; SME schemes, the apartment scheme and pay rises support demand.
Inflation	▼ Peaking, easing in 2027	8.3% in October (core 5.6%). Base effects should bring it back inside 3–7% by Q2-2027; pay and tax relief add demand.
Exchange rate	▼ LKR under pressure	LKR −8.3% in a year; the current account turned to a US$420mn deficit (Jan–Sep 2026) on fuel imports.

Rs. 174bn
Concessionary loans
Supports credit demand

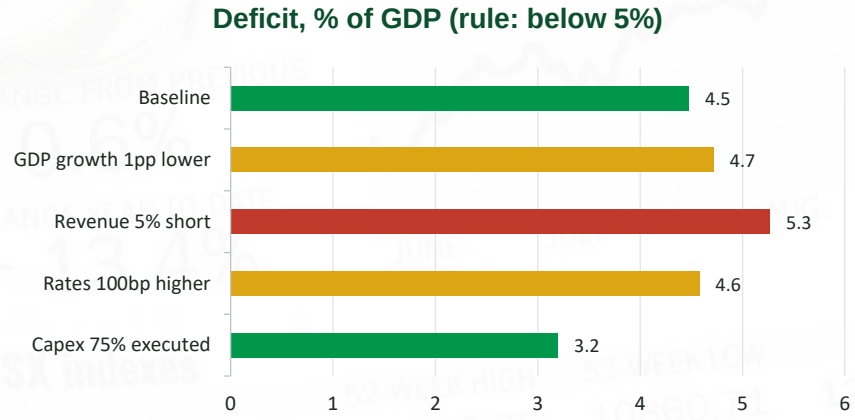
+25.2%
Private credit growth 2025
Rs. 8,156bn → Rs. 10,212bn

SenFin view Rates are the main swing factor for 2027 earnings: banks gain from higher margins now, leveraged and consumer names when cuts come.

Sources: CBSL; DCS; Budget Speech 2027 (credit, current account, inflation); EconomyNext (T-bills, 12-Nov-2026); SenFin Inflation Target Review (Oct-2026).

Scenario analysis: what could move the 2027 deficit

Scenario	Assumption	Revenue	Spending	Deficit	% of GDP	Read
Baseline	Budget 2027 incl. Ditwah	6,180	7,933	1,753	4.5%	Inside the 5% rule
GDP growth 1pp lower	Nominal GDP −1%; revenue buoyancy 1.2	6,106	7,933	1,827	4.7%	Small slippage; borrowing about Rs. 74bn higher
Revenue 5% short	Tax collections miss, as in 2020–23	5,871	7,933	2,062	5.3%	Breaches 5% – spending cuts likely
Rates 100bp higher	On about Rs. 3.8trn of refinancing	6,180	7,971	1,791	4.6%	Interest bill up about Rs. 38bn
Capex 75% executed	Recent execution rate	6,180	7,433	1,253	3.2%	Deficit lower, growth impulse smaller



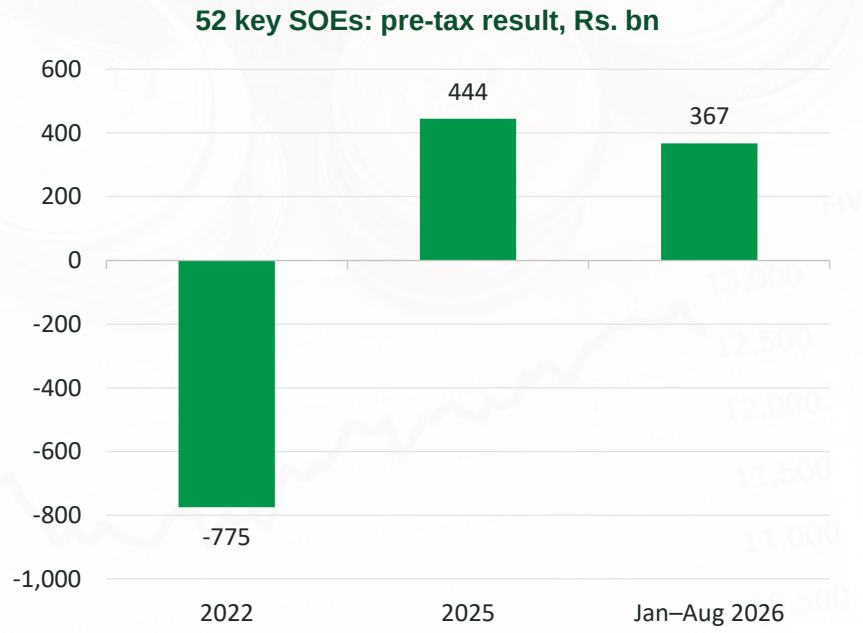
- **Market read-through:** a revenue miss is the real risk – it would push borrowing and yields up and put capex at risk (AEL, TKYO, cables).
- **Growth shock:** manageable on its own; the larger effect is on bank credit growth and consumer demand.
- **Under-spending:** protects the deficit but delays contractor earnings – the pattern of 2023–25.

SenFin view The fiscal plan can absorb a growth or rate shock; a 5% revenue miss is the scenario that breaks the deficit rule.

SenFin estimates on Budget Speech 2027 Annexure III. Nominal GDP 2027 implied at Rs. 39,114bn (revenue ÷ 15.8%). Illustrative, one shock at a time.

IMF programme ends in March 2027 – SOEs and reforms carry the baton

Date	Milestone
Mar-2023	IMF EFF approved (17th programme)
2025	Deficit 2.3% (68-year low); primary surplus 5.4%
Sep-2026	Fitch upgrades to B-
2026	World Bank: upper-middle income again
12-Nov-2026	Budget 2027: deficit 3.8% (4.5% with Ditwah)
Mar-2027	EFF ends; committee on a successor
2032	Debt 87% of GDP (IMF 6th review)



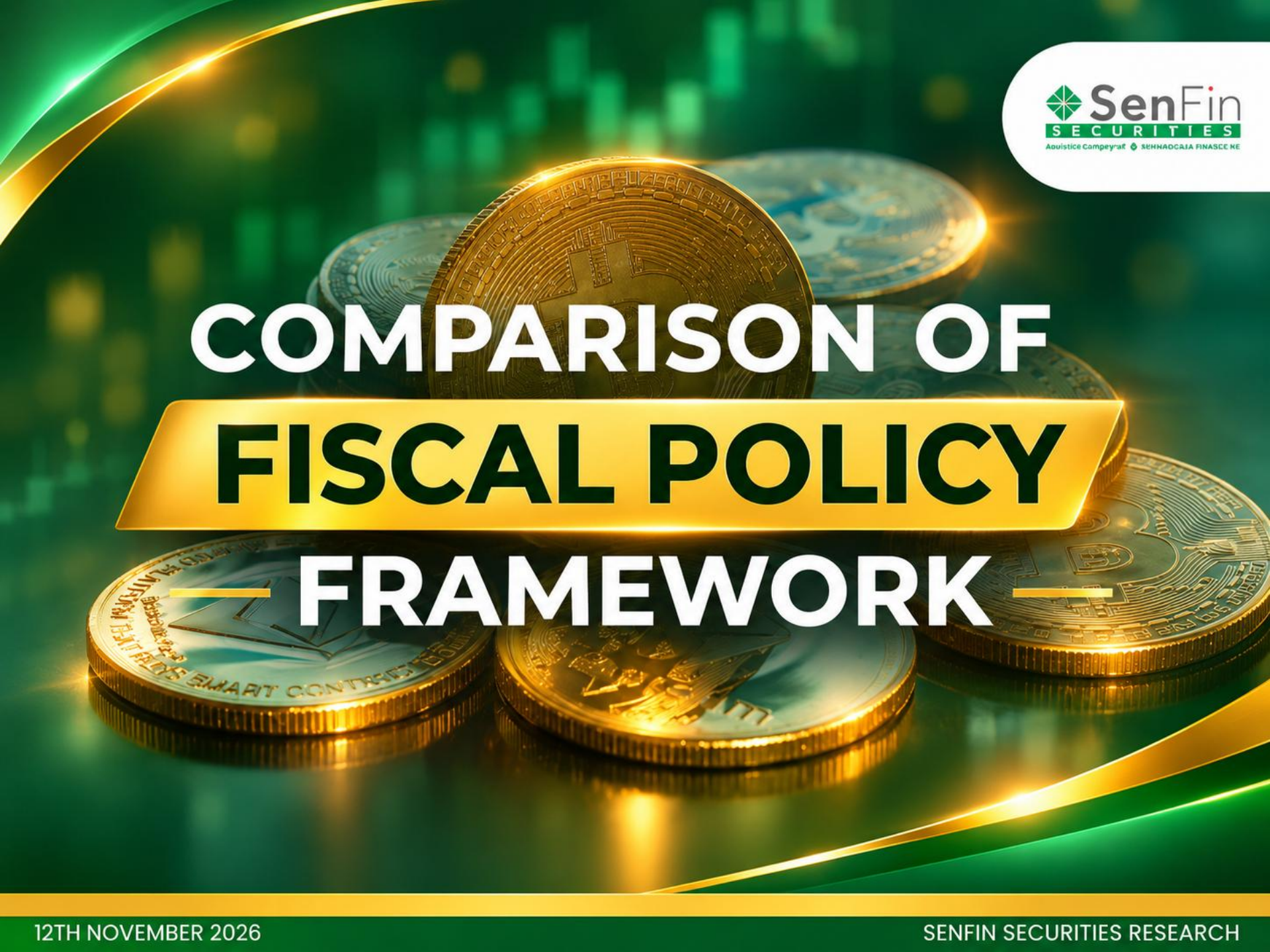
Rs. 444bn
SOE profit 2025
From Rs. 775bn loss in 2022

Rs. 528bn
SriLankan Airlines losses
Expert committee appointed

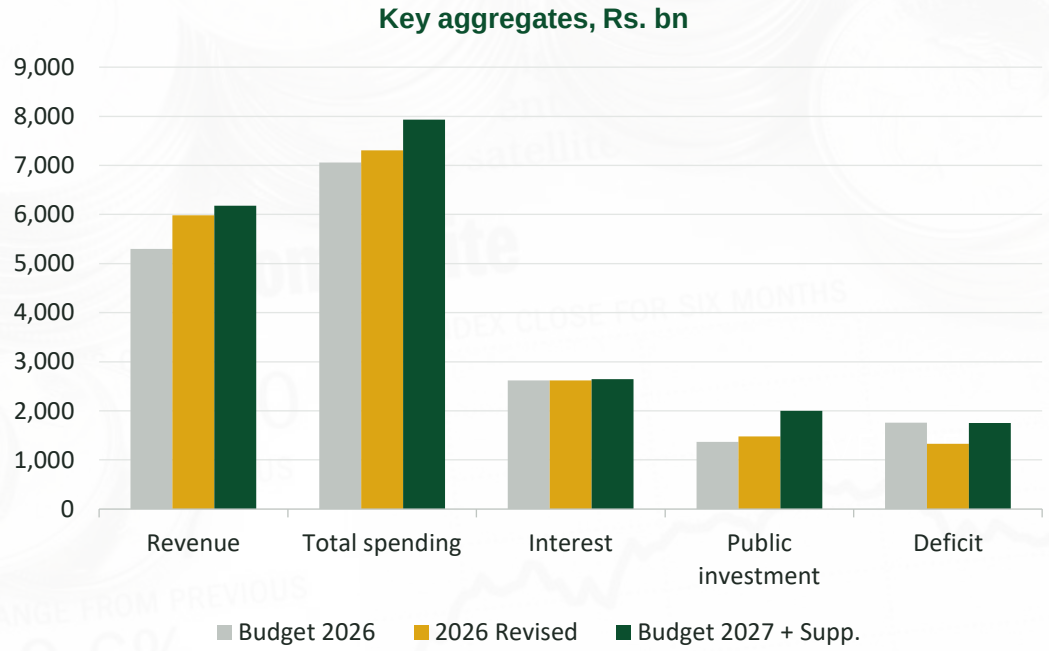
34 SOEs
For a state holding company
Bill with Attorney General Department

SenFin view SOE turnaround is now a fiscal asset; a successor IMF arrangement would lock in the rules beyond 2027.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII (sections 1–4).


SenFin
SECURITIES
COMPARISON OF
FISCAL POLICY
FRAMEWORK
12TH NOVEMBER 2026
SENFIN SECURITIES RESEARCH

Budget 2027 vs Budget 2026: 2026 ended far better than planned



% of GDP	B2026	2026R	B2027*
Revenue & grants	15.4%	16.6%	15.8%
Total spending	20.5%	20.3%	20.3%
Interest	7.6%	7.3%	6.8%
Public investment	4.0%	4.1%	5.1%
Primary balance	2.5%	3.6%	2.3%
Overall deficit	5.1%	3.7%	4.5%

- 2026 revenue beat the budget by Rs. 681bn and the deficit came in at 3.7% of GDP vs 5.1% planned, despite Ditwah and the oil shock – Rs. 260bn of the Ditwah money rolls into 2027.
- The 2027 deficit with the supplementary (4.5%) is higher than 2026R – it is the delayed reconstruction, not looser policy.

SenFin view Continuity with a stronger base: revenue has outperformed for two years running.

Budget 2026 (7-Nov-2025); Budget Speech 2027 Annexure III. *B2027 including the Ditwah supplementary.

Fiscal progress & expectation analysis – 2026

Rs. bn	Budget 2026	2026 Revised	Difference	Comment	Status
Total revenue & grants	5,300	5,981	681	Revenue beat the budget by Rs. 681bn – vehicle imports, VAT and compliance.	Achieved
Tax revenue	4,910	5,478	568	All three tax heads above budget.	Achieved
Total expenditure	7,057	7,309	252	Above budget, but within the Rs. 7,557bn ceiling after the Rs. 500bn Ditwah supplementary.	Partly
Interest payments	2,617	2,617	0	In line with budget.	Achieved
Public investment	1,380	1,480	100	Rs. 100bn above budget as reconstruction began.	Achieved
Revenue surplus / (deficit)	(418)	103	521	A revenue surplus instead of a Rs. 418bn deficit.	Achieved
Primary surplus	860	1,289	429	Primary surplus 3.6% of GDP vs 2.5% planned.	Achieved
Budget deficit	(1,757)	(1,328)	429	Deficit 3.7% of GDP vs 5.1% budgeted.	Achieved
Foreign financing	235	200	(35)	Slightly below plan.	Partly
Domestic financing	1,522	1,128	(394)	Rs. 394bn less domestic borrowing than budgeted.	Achieved

Achieved = met or beat the budget · Partly = close to, or explained deviation · Missed = target not met

SenFin view 2026 ended far better than planned: higher revenue and a smaller deficit give Budget 2027 a stronger starting point.

Sources: Budget 2026 estimates (SenFin Budget Review 2026); Budget Speech 2027 Annexure III (2026 revised).

2027 expectation analysis: 2026 revised vs Budget 2027

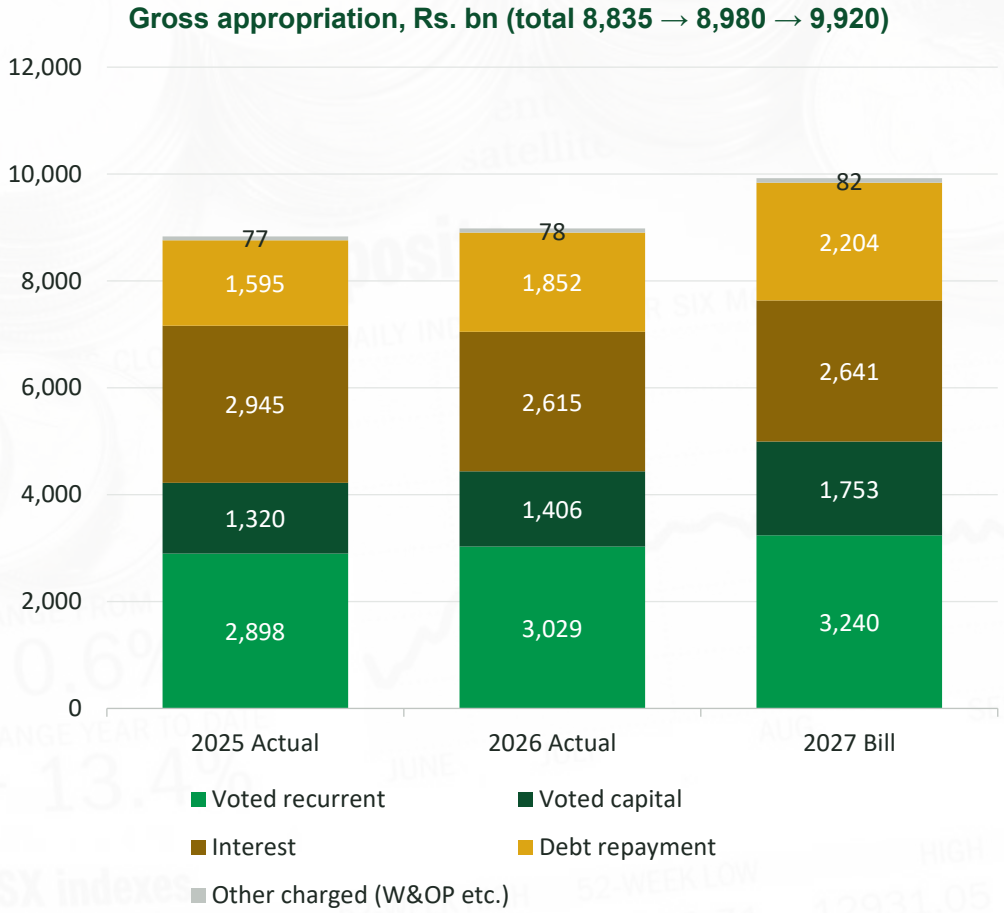
Rs. bn	2026 Revised	Budget 2027	YoY change	Comment
Total revenue & grants	5,981	6,180	+3.3%	Slower growth after two record years; tax relief of about Rs. 21bn.
Tax revenue	5,478	5,687	+3.8%	VAT and trade taxes carry the increase; income tax +2.3% after PAYE relief.
Total expenditure	7,309	7,933	+8.5%	Driven by capital spending and the Ditwah supplementary.
Recurrent expenditure	5,848	5,944	+1.6%	Held almost flat: salaries up, transfers down from the 2026 relief peak.
Interest payments	2,617	2,643	+1.0%	Broadly stable – interest falls to 6.8% of GDP.
Public investment	1,480	2,000	+35.1%	Record Rs. 2,000bn: roads, rail, water, irrigation and housing.
Primary surplus	1,289	890	-31.0%	Lower surplus (2.3% of GDP) to make room for reconstruction.
Budget deficit	(1,328)	(1,753)	+32.0%	Wider deficit (4.5% of GDP), still below the 5% rule.
Foreign financing	200	110	-45.0%	Lower net foreign financing as repayments rise.
Domestic financing	1,128	1,643	+45.7%	Domestic market carries the extra borrowing.

Budget 2027 includes the Rs. 260bn Ditwah supplementary. Deficit change = change in the size of the deficit.

SenFin view Revenue growth slows to 3% while capital spending jumps 35% – execution of the capex plan is the key number to track in 2027.

Source: Budget Speech 2027 Annexure III.

Appropriations 2025–2027: debt repayment drives the gross total



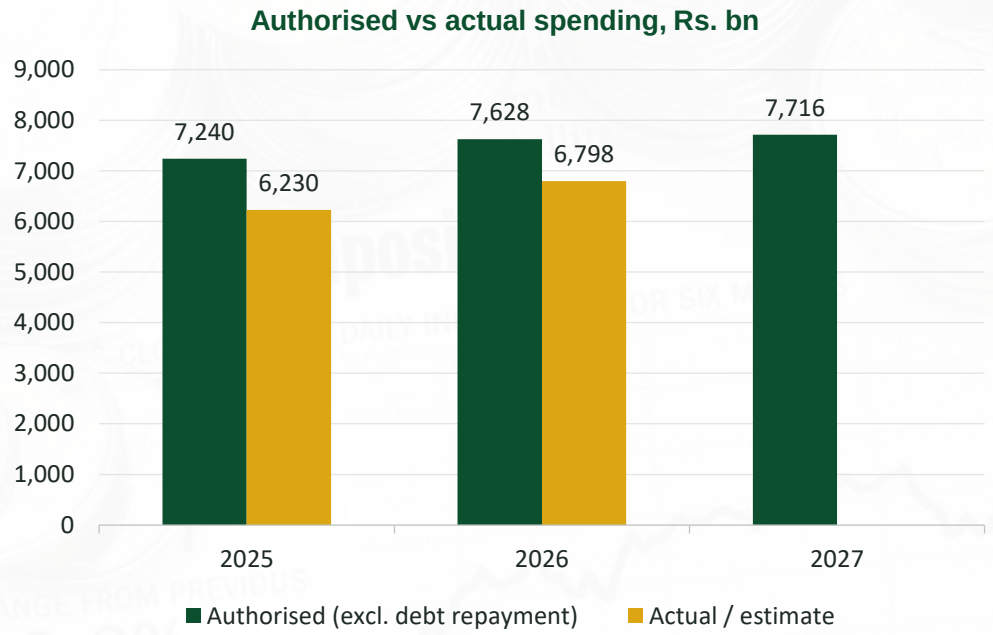
Change 2027 vs 2026 Actual	Rs. bn	%
Voted recurrent	+211	+7.0%
Voted capital	+347	+24.7%
Interest	+26	+1.0%
Debt repayment	+352	+19.0%
Gross total	+940	+10.5%

- 2026 also had a Rs. 500bn Ditwah supplementary (Rs. 150bn recurrent, Rs. 350bn capital) – vs Actual + supplementary, 2027 capital is flat.
- Interest authorisation is stable as yields normalised after restructuring.

SenFin view Headline "record" capital is +25% on the original 2026 Actual but flat on the post-cyclone total – momentum, not acceleration.

Sources: Appropriation Acts No. 3 & 23 of 2025; Appropriation Bill 2027. Workbook "Bill vs Act vs Actual".

What Parliament authorises vs what actually gets spent



Execution	2025	2026E
Total	86%	89%
Recurrent excl. interest	92%	95%
Interest	85%	91%
Capital	76%	75%

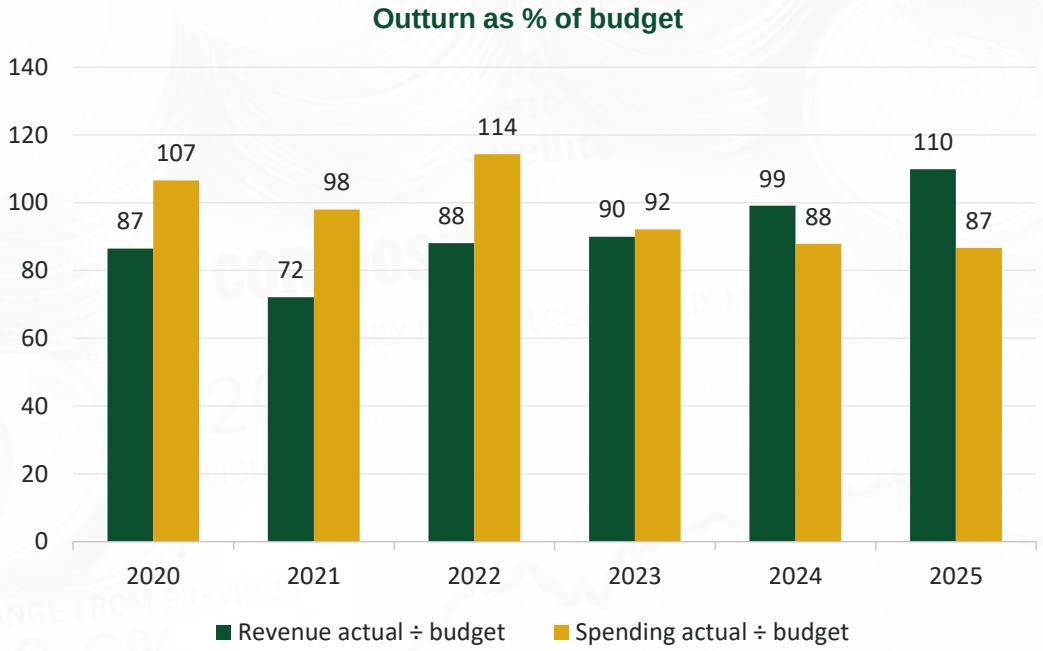
- 2025 & 2026 Acts passed exactly as the Bills; only borrowing limits were cut (Rs. 4,400→4,000bn; Rs. 3,800→3,740bn).
- 2027 Bill borrowing limit: Rs. 3,800bn.

- Capital is the most under-spent line (about 75%), recurrent the least – a structural pattern that budget headlines overstate.
- Applying 2025–26 execution to 2027 Bill capital (Rs. 1,750bn) implies about Rs. 1,300–1,350bn of actual capex, still the highest on record.

SenFin view Discount headline capex by about 25% when sizing order books; the trend in execution, not the allocation, drives earnings.

Sources: Appropriation Acts No. 3 & 23 of 2025; Appropriation Bill 2027; CBSL 2025 outturn; MoF Jan–Aug 2026 review (2026 full-year extrapolated). Workbook "Bill vs Act vs Actual".

How reliable are budget numbers? 2020–2025 track record



Average 2020–25	Act ÷ Bud
Revenue & grants	91%
Expenditure	98%
Tax revenue	91%
Public investment	84%

- Revenue under-shot every year 2020–23, then over-shot in 2025 on vehicle imports.
- Public investment chronically under-executed.

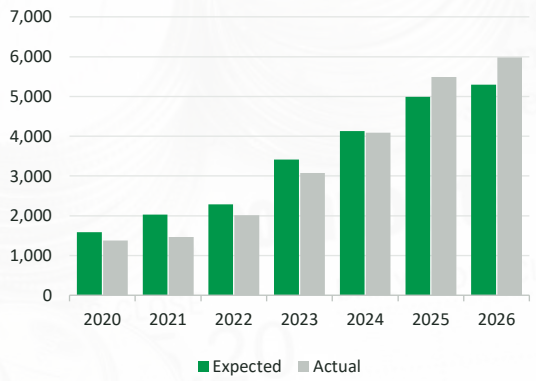
- 2027 revenue target (Rs. 6,180bn) needs only +12.7% on 2025 actual – modest vs recent growth – but without the vehicle windfall.
- Applying the 84% average capex execution to Bill capital gives about Rs. 1,470bn of actual 2027 public investment.

SenFin view Recent budgets have become more credible on revenue; execution of capital remains the gap to close.

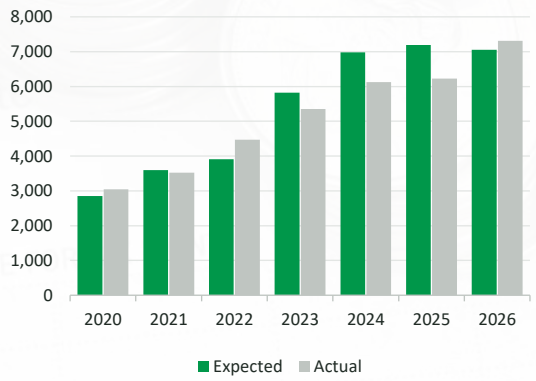
Sources: annual Budget documents; CBSL/MoF outturns; FSS 2027 Table 2. Workbook "Budget Credibility".

Fiscal progress: budget expectations vs outturns, 2020–2026

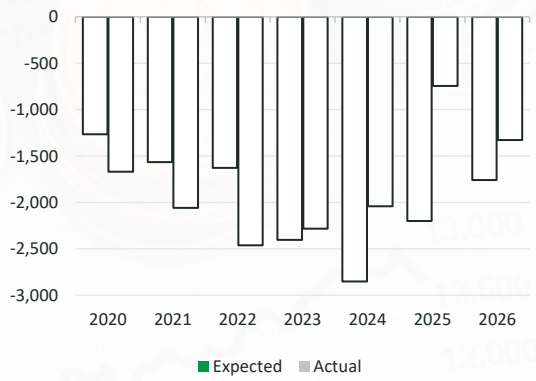
Total revenue & grants, Rs. bn



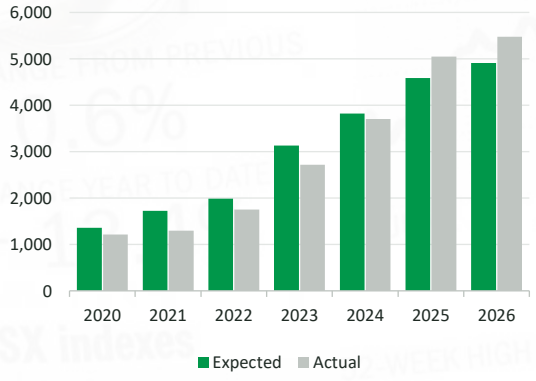
Total expenditure, Rs. bn



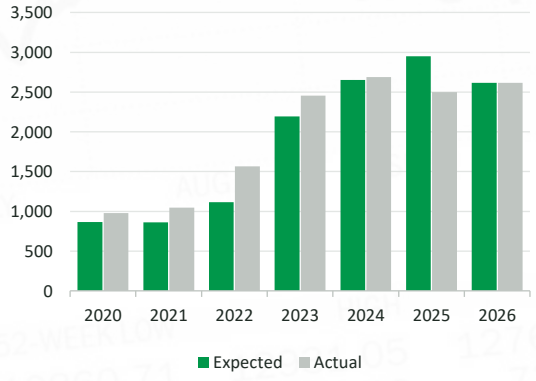
Budget deficit, Rs. bn



Tax revenue, Rs. bn



Interest payments, Rs. bn

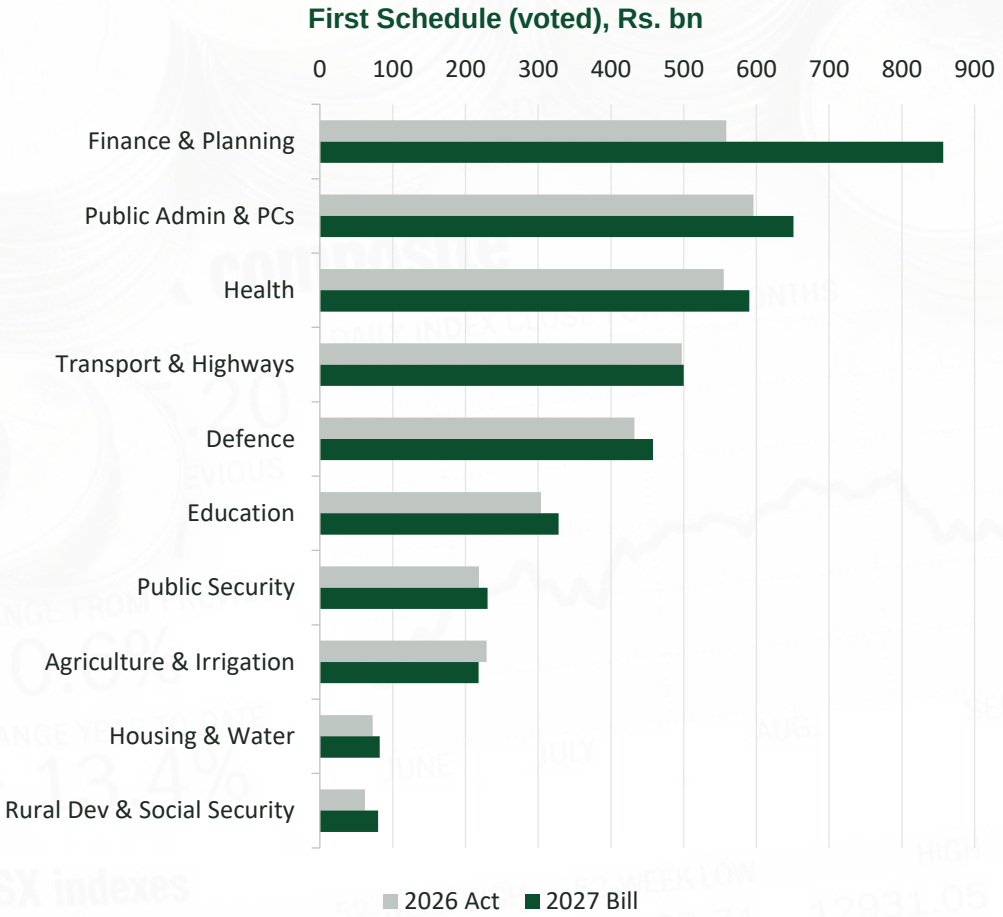


Reading

- Revenue fell short of the budget every year to 2024, then beat it in 2025–26.
- Spending under-ran the budget in 2023–25 – mostly capital.
- The deficit has beaten the budget four years running (2023–26).

Sources: original Budget estimates and CBSL/MoF actuals (workbook "Budget Credibility"); 2026 = Budget 2026 vs 2026 revised (Budget Speech 2027 Annexure III).

Ministry allocations: 2026 Act vs 2027 Bill



Biggest movers	Change
Digital Economy	+58%
Finance & Planning*	+53%
Energy	+35%
Rural Dev & Social Security	+29%
Housing & Water	+14%
Public Security	+5%
Agriculture & Irrigation	−5%
Transport & Highways	+1%

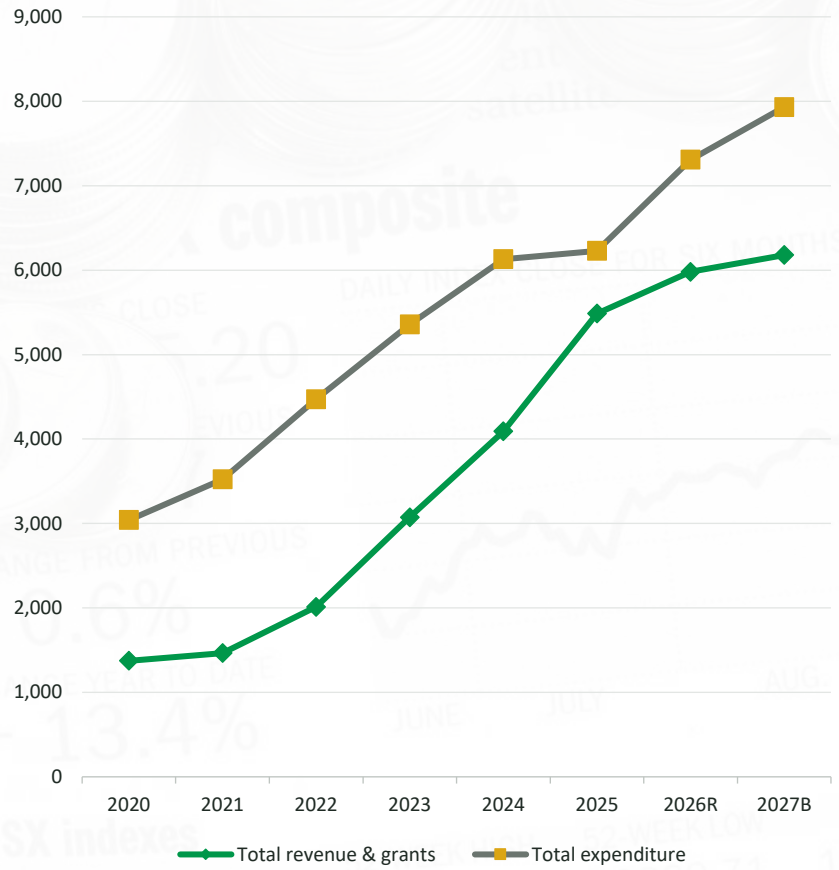
- *Finance includes the Rs. 308bn National Budget capital reserve – projects released in-year.
- Total voted: Rs. 4,993bn, +12.6% vs 2026 Act.

SenFin view The growth is in energy, digital and the unallocated reserve – the reserve is where 2027 capex surprises (good or bad) will come from.

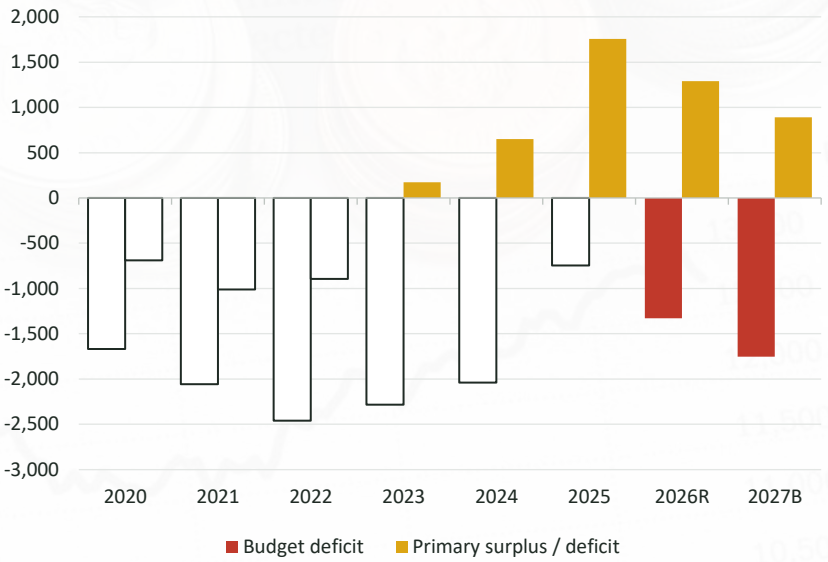
Sources: Appropriation Act No. 23 of 2025 (First Schedule by ministry); Appropriation Bill 2027. Workbook "Bill vs Act vs Actual" section D.

Fiscal trends and deficit outlook, 2020–2027

Revenue and expenditure, Rs. bn



Budget and primary balance, Rs. bn

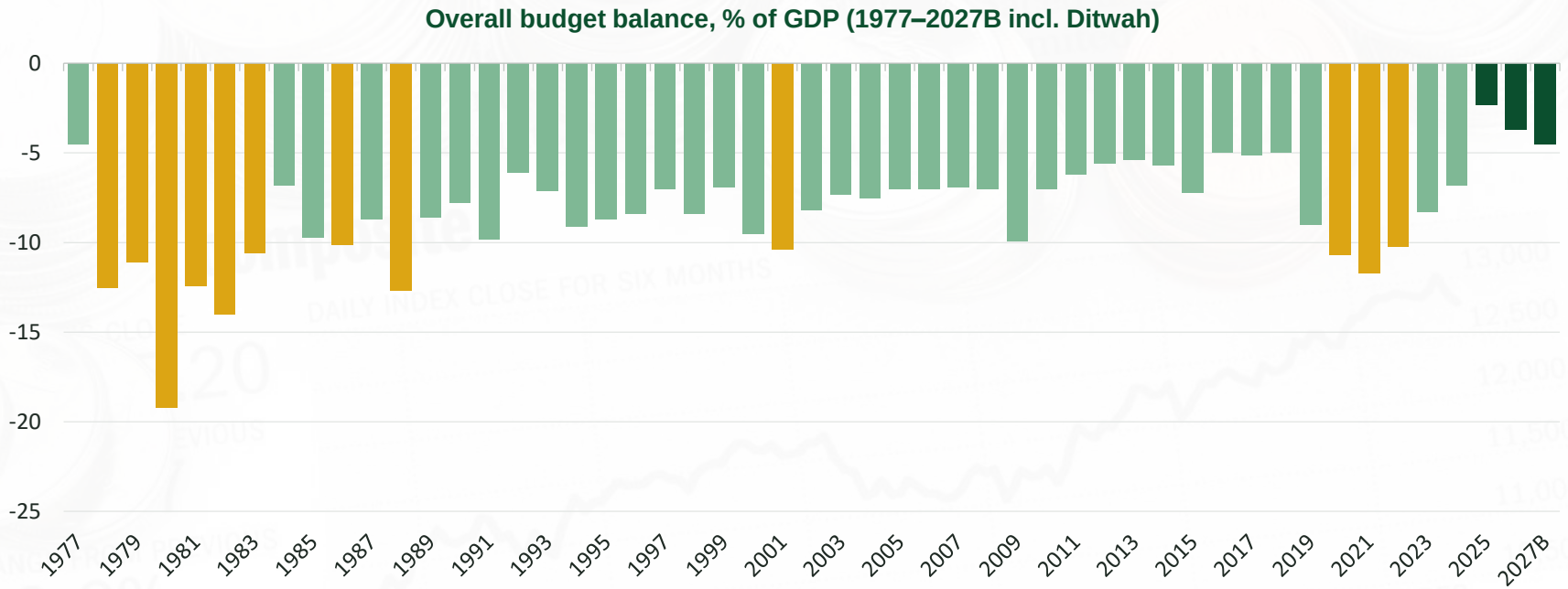


- The revenue–spending gap narrowed from Rs. 2,460bn (2022) to Rs. 745bn (2025).
- It widens again in 2026–27 for reconstruction – but primary surpluses continue for a fifth year.

SenFin view Five straight primary surpluses (2023–2027) – the clearest sign the fiscal turnaround is holding.

Sources: CBSL / MoF (2020–2024); Budget Speech 2027 Annexure III (2025A, 2026R, 2027B incl. Ditwah).

Fifty years of deficits – 2025–27 is the best run on record



−11.0%
Average deficit 1977–88
Peak −19.2% in 1980

−2.3%
2025 deficit
Lowest in 68 years

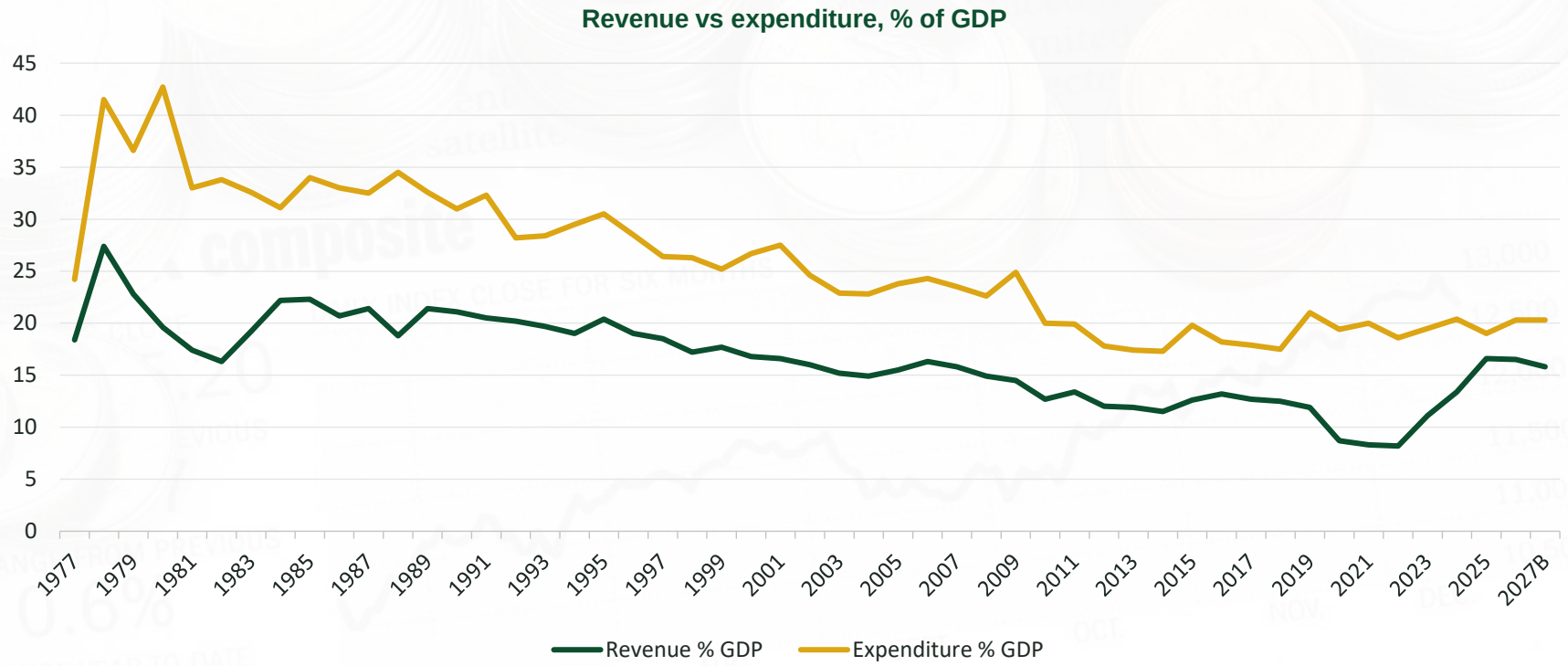
−3.7%
2026 revised
Despite Ditwah & oil

−3.8% / −4.5%
2027 Budget
Without / with Ditwah

SenFin view Three consecutive years below 5% is unprecedented since 1977 – the structural break is real.

Source: CBSL Annual Economic Review 2025 (Special Statistical Appendix); Budget Speech 2027 Annexure III.

Revenue and expenditure, % of GDP – 1977 to 2027



8.2%
Revenue low (2022)
Per the speech

16.6%
Revenue 2025
Highest in 23 years

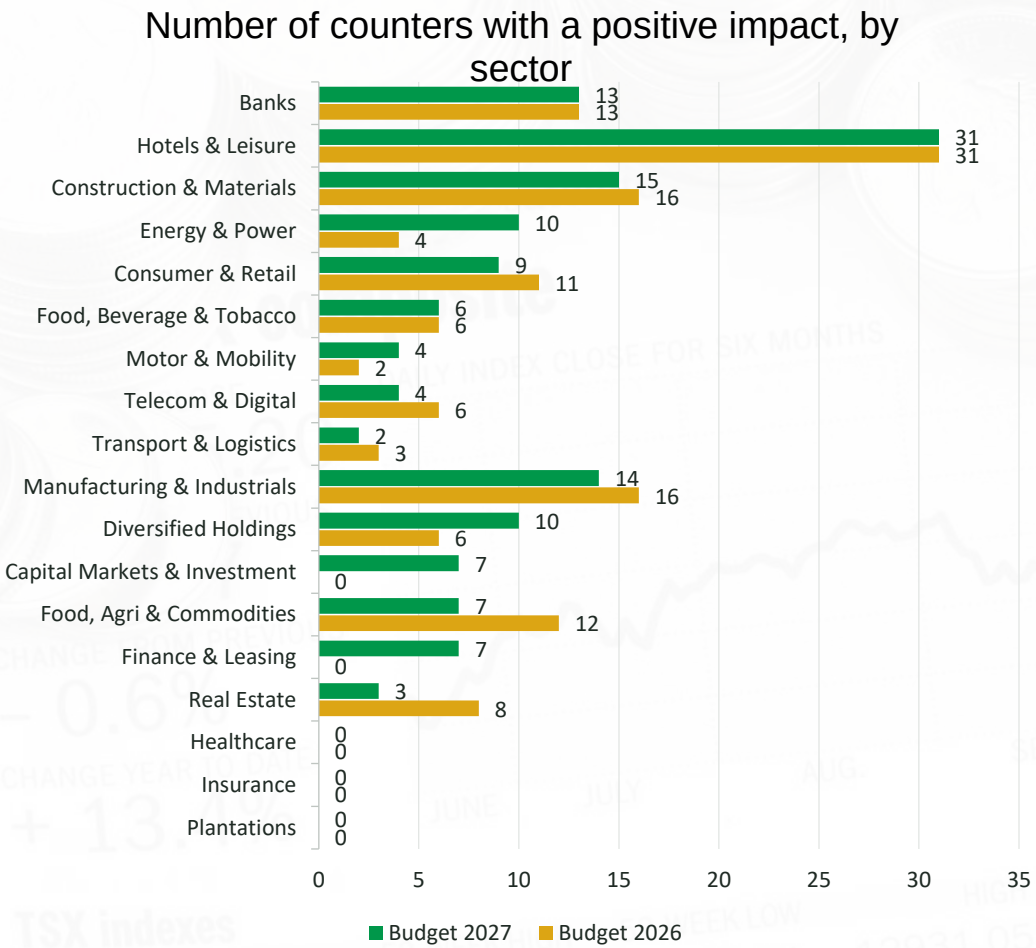
About 19–20%
Spending since 2015
vs 30%+ in the 1980s

4.5pp
Gap 2027B
vs 19pp in 1980

Source: CBSL Annual Economic Review 2025 (Fiscal Table 6); Budget Speech 2027 Annexure III.


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SECURITIES
Associate Company of SENKADAGALA FINANCE PLC
IMPACT ON
LISTED ENTITIES
12TH NOVEMBER 2026
SENFIN SECURITIES RESEARCH

Budget 2027 vs 2026: 142 counters positive, 13 hit indirectly



Budget 2027 – counters by impact

142	112	13
Positive	Neutral	Indirect negative

Budget 2026 – counters by impact

134	74	46
Positive	Neutral / mixed	Negative

- **Positive both years:** construction (AEL, TKYO, CIND, ACL, KCAB), all 31 hotels, all 13 banks, consumer staples (CARG, CCS).
- **Turned positive in 2027:** energy IPPs (WIND, VLL, LPL), companies operating in the capital market (CALT, FCT, CFVF), ASHO, UML, LOLC.
- **No longer negative** plantations (2026 wage hike), finance companies (vehicle SSCL), excise names (CTC, DIST, LION).
- **Neutral:** hospitals, insurers, RPCs and most property developers.
- **Indirect negatives (13):** DIAL, SLTL (licence CGT, spectrum fees), HEXP (coir VAT), CWM (sugar SCL), LIOC (refinery PPP), LMF, LAMB and six RPCs (lease review).

SenFin view Budget 2027 keeps last year's winners and removes every Budget 2026 negative: The 46 counters that were hurt last year move to neutral or positive. Thirteen counters still carry indirect negatives from specific measures, but none is large enough to tum its overall call negative.

SenFin assessment of 254 listed companies against Budget 2026 (7-Nov-2025) and Budget 2027 (12-Nov-2026). Workbook "Budget 2026 Impact", "Budget 2027 Impact".

Sector heatmap: policy stance and earnings impact of Budget 2027

Sector	Policy Stance	Earnings Impact	Timing	Key Highlights
Construction & Materials	Strongly supportive	High	2027	Rs. 2,000bn public investment; Rs. 487bn roads & rail; water & irrigation Rs. 154bn
Energy & Power	Strongly supportive	Medium–High	2027–29	Storage to 1,245MW, wind +370MW, floating solar 500MW, grid Rs. 26.5bn
Hotels & Leisure	Supportive	Medium	From Apr-27	TDL abolished; 200% capital allowance; Sigiriya airport; Colombo Fort zone
Banks	Supportive	Medium	2027	Rs. 174bn concessionary loans; heavy domestic borrowing supports carry
Consumer & Retail	Supportive	Medium	H2-2027	PIT relief, pay revision, CESS 25% cut; inflation still erodes real income
Agri Inputs	Supportive	Medium	2026/27 Maha	Fertiliser Rs. 50bn; Rs. 77bn irrigation; El Niño risk
Telecom & Digital	Supportive	Low–Medium	2027–28	Tower grants; government cloud; CGT on licences & QoS rules
Exporters & Apparel	Supportive	Low–Medium	From Apr-27	200% capital allowance; trade deals; no energy-cost relief
Motor & Mobility	Supportive	Low	2027	SLTB & 250 mini buses, EV buses, ambulances
Finance Companies	Neutral	Low	2027	New regulator; no vehicle-tax change; rates still high
Property	Neutral	Low	5 years	10,000-apartment scheme with banks & FCs (MHDL, PLR)
Plantations	Neutral	Low	–	RPC lease review; smallholder support; no new wage cost
Healthcare & Insurance	Neutral	Low	–	State health spending; no tax change for private hospitals or insurers

SenFin view The budget favours builders, power producers and tourism; finance companies, property and plantations get little direct help.

SenFin Securities Research assessment. Earnings impact = expected effect of budget measures on 2027–28 earnings, not a forecast.

Top 5 Budget 2027 winners

Theme	Budget Drivers	Beneficiary Stocks
CAPEX & Construction	Rs. 2,000bn public investment; Central Expressway sections; rail electrification Rs. 80bn; water Rs. 77bn; irrigation Rs. 77bn; Ditwah housing Rs. 90bn	AEL, TKYO, CIND, ACL, KCAB, ALUM, JAT, SIRA
Renewables & Grid	Battery storage to 1,245MW; wind +370MW; floating solar 500MW (RFP Jan-2027); grid Rs. 26.5bn; rooftop battery subsidy	WIND, VLL, LPL, HPWR, PAP, VPEL, MEL, LITE
Tourism	TDL abolished; 200% capital allowance (5 years for hotels); Sigiriya airport; Colombo Fort heritage zone; BIA expansion	All Hoteliers
SME Credit & Banks	Rs. 67.7bn of interest subsidies → Rs. 174bn concessionary loans; apartment, student and migrant housing loans	COMB, HNB, SAMP, NDB, DFCC, HDFC, SDB
Household Income	PIT relief Rs. 16bn; final pay-revision phase; Aswesuma Rs. 230bn; CESS −25%; SCL cuts on food	CARG, CCS, HHL, SINS, SWAD, LMF

- Agri inputs (AGST, CIC) and port & logistics names (JKH, SPEN) are the next tier of beneficiaries.

SenFin view Own the CAPEX cycle and the policy winners in energy and tourism; size positions for execution risk.

Source: Budget Speech 2027 and Annexures II & VII; SenFin Securities Research. Not a recommendation to buy or sell.

Budget 2027: sectors facing headwinds

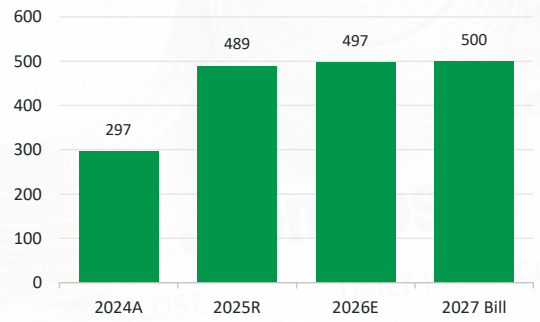
Sector / Theme	Headwind	Expected Impact	Stocks to Watch
Plantations (RPCs)	Review of RPC leases expiring in 2045; El Niño peak in Feb-2027	Valuation Overhang	KGAL, WATA, AGAL, KOTA, BALA, TPL
Telecom	CGT on telecom licences; automated QoS monitoring & spectrum fees	Higher Compliance Cost	DIAL, SLTL
Coir & Niche Exporters	VAT exemption removed on coir pith and artemia eggs	Margin Pressure	HEXP, HAYL
Sugar & Food Importers	Sugar SCL +Rs. 10/kg	Higher Input Cost	CWM
Fuel Retail	Sapugaskanda refinery PPP to 100,000 bpd; new entrants	Competition	LIOC
Leveraged Lenders & Durables	High rates and inflation persist into H1-2027	Slower Credit, Higher Funding Cost	LOFC, CDB, PLC, VFIN
Importers	LKR −8.3% in a year; current account in deficit	Imported Cost Inflation	DIMO, UML, SINS
Contractors (Execution)	Capex historically about 75% executed; payment delays	Earnings Timing Risk	AEL, TKYO, ACL, KCAB

SenFin view No sector is a net loser from Budget 2027 – the headwinds are specific measures and the rate backdrop, not the budget as a whole.

Source: Budget Speech 2027 and Annexures I, II & V; SenFin Securities Research.

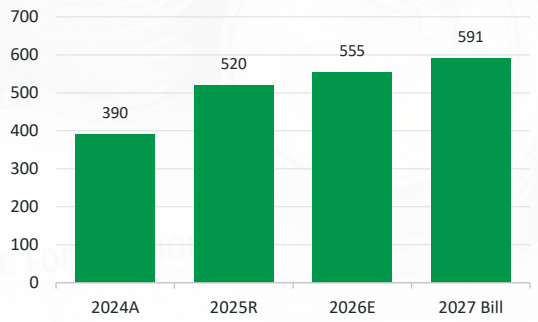
Allocation trends by ministry, 2024–2027 – and the listed entities exposed

Transport & highways, Rs. bn



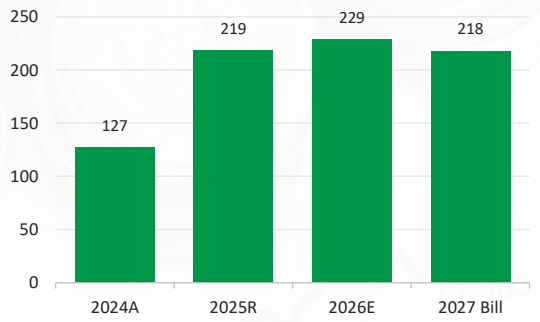
6.5% of 2027 spending · +1% vs 2026E
AEL, TKYO, ACL, KCAB, ASHO

Health, Rs. bn



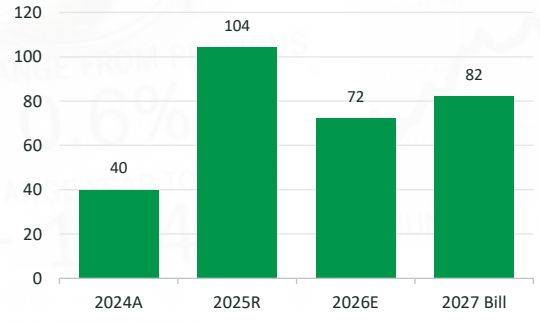
7.7% of 2027 spending · +6% vs 2026E
SUN, HHL, MULL, DIMO

Agriculture, Rs. bn



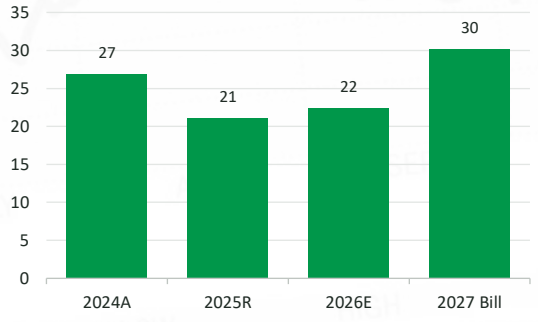
2.8% of 2027 spending · -5% vs 2026E
AGST, CIC, CHMX, TSML

Housing & construction, Rs. bn



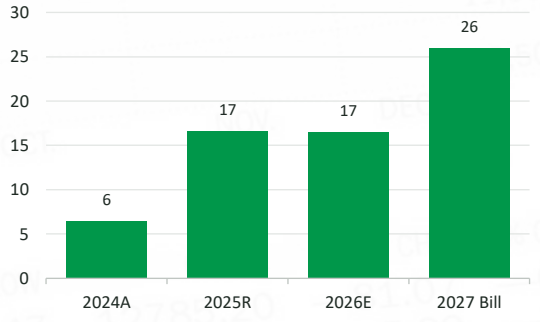
1.1% of 2027 spending · +14% vs 2026E
TKYO, TILE, RCL, ALUM, JAT

Energy, Rs. bn



0.4% of 2027 spending · +35% vs 2026E
WIND, VLL, LPL, HPWR, PAP

Digital economy, Rs. bn



0.3% of 2027 spending · +58% vs 2026E
SLTL, DIAL, HBS, ECL

Sources: Budget Estimates 2026 (2024A, 2025R, 2026E – recurrent + capital by ministry); Appropriation Bill 2027. Share = of total spending excl. debt repayment.

Counters with the strongest positive impact after the Budget Speech

Ticker	Company	Sector	Main link
ACL	ACL Cables	Construction	Cables – grid Rs. 26.5bn, rail electrification
AEL	Access Engineering	Construction	Central Expressway sections, rural roads, water, rail electrification
CIND	Central Industries	Construction	Pipes – water Rs. 77bn, irrigation Rs. 77bn
KCAB	Kelani Cables	Construction	Cables – grid, rail electrification, towers
TKYO	Tokyo Cement Company (Lanka)	Construction	Cement for Rs. 487bn roads/rail, 70,000 houses, irrigation
JKH	John Keells Holdings	Diversified	Port logistics PPP, gaming tax, BOI tourism allowance
SPEN	Aitken Spence	Diversified	Logistics PPP, bunkering, hotels
VLL	Vidullanka	Energy & Power	Floating solar 500MW, battery storage
WIND	WindForce	Energy & Power	Wind +370MW, storage, grid
AGST	AgStar	Agri	Fertiliser subsidies Rs. 50bn (paddy, tea, rubber)
CIC	CIC Holdings	Agri	Fertiliser, livestock, pharma
TSML	Tea Smallholder Factories	Agri	Tea fertiliser & tea villages
HSIG	Hotel Sigiriya	Hotels & Leisure	TDL abolished, Sigiriya airport
SIGV	Sigiriya Village Hotels	Hotels & Leisure	TDL abolished, Sigiriya airport
HAYC	Haycarb	Manufacturing	Water projects, BOI export allowance
ASHO	Lanka Ashok Leyland	Motor & Mobility	SLTB & 250 mini buses
SLTL	Sri Lanka Telecom (SLT-Mobitel	Telecom & Digital	Digital Rs. 28.5bn, towers, government cloud

SenFin view Own the CAPEX cycle (AEL, TKYO, cables, pipes) and the policy winners in energy and tourism; size positions to execution risk.

SenFin Securities Research. Not a recommendation to buy or sell; see disclaimer. Workbook “Budget 2027 Impact”.

Follow the money: which tickers each allocation reaches

Programme (2027)	Rs. bn	Listed companies (tickers)
Roads, expressways & rail	487.0	AEL, TKYO, ACL, KCAB, SIRA, JAT
Rural roads & District Development	About 100	AEL, TKYO, regional suppliers
Water supply & drainage	84.7	CIND, AEL, HAYC, EML
Irrigation	77.0	AEL, TKYO, BRWN
Housing & urban (incl. Ditwah)	About 150	TKYO, TILE, LWL, RCL, ALUM, LALU, JAT, PARQ, MHDL, PLR
Fertiliser subsidies (paddy, tea, rubber)	50.0	AGST, CIC, CHMX, LCEY, HAYL, BRWN
Medical supplies & equipment	211.4	SUN, HHL, MULL, CIC, DIMO
Energy grid, storage & fuel	About 90	WIND, VLL, LPL, HPWR, PAP, MEL, EBCR, LIOC, ACL, KCAB
Digital & rural towers	About 51	SLTL, DIAL, HBS, ECL
SME concessionary loans	174.0	COMB, HNB, SAMP, NDB, DFCC, SDB, HNBF, SDF
Buses, ambulances & trains	About 19	ASHO, DIMO, UML, SMOT
Tourism (TDL abolished, capital allowance)	–	AHUN, KHL, JETS, CONN, TRAN, AHPL, HSIG, SIGV
Food programmes & forces rations	About 120	BFL, TAFL, GRAN, KFP, LMF, CARG
Transfers, pay & tax relief	About 1,050	CARG, CCS, HHL, SINS, SWAD, LOFC
Exports: TIEP upgrade & new/updated FTAs	–	TJL, MGT, HAYC, DIPD, CHMX, REXP, BPPL, ALUM

SenFin view The biggest cheques go to roads, housing, water and energy – AEL, TKYO, CIND and the cable makers sit at the centre of the flows.

Sources: Budget Speech 2027; Citizens' Budget 2027. Some programmes overlap; "about" figures aggregate several lines. Workbook "Speech Proposals", "Budget 2027 CSE Map".

Speech measures and the tickers they move

Speech measure	Tickers	Effect
Rs. 2,000bn public investment; roads & rail Rs. 487bn; water & irrigation Rs. 154bn	AEL, TKYO, ACL, KCAB, CIND, SIRA, TILE, ALUM	+ Positive
TDL abolished; 200% capital allowance for tourism; Colombo Fort zone	AHUN, KHL, JETS, CONN, TRAN, AHPL, SERV, HSIG, SIGV, JKH, SPEN	+ Positive
Income-tax relief Rs. 16bn; pay revision Rs. 110bn; allowances	CARG, CCS, HHL, SINS, SWAD; COMB, HNB, LOFC	+ Positive
CESS −25% on 800 lines; SCL cuts on food	CARG, CCS, HARI, CWM, LITE, SINS	+ Positive
BESS, wind, floating solar, grid Rs. 26.5bn	WIND, VLL, LPL, HPWR, PAP, VPEL, MEL, LITE	+ Positive
SSCL off bunker fuel; bunkering BOT; Trinco PPP	LIOC, SPEN, DOCK, CWL	+ Positive
200% capital allowance for BOI exporters	TJL, MGT, DIPD, HAYC, BPPL, REXP, CSLK, DPL, ALUM	+ Positive
Rs. 174bn SME loans; Microfinance regulator; FBA amendment	COMB, HNB, SAMP, NDB, DFCC, SDB (+); LOFC, COCR, AAF (watch)	± Mixed
Excise simplification – no rate change	CTC, DIST, LION, MELS	± Risk removed
RPC lease review; CGT on telecom licences; VAT on coir pith	KGAL, WATA, AGAL, KOTA; DIAL, SLTL; HEXP	− Watch

SenFin view No sector is a net loser from Budget 2027; the watch items are plantations (lease review) and telecom (licence CGT).

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII. SenFin Securities Research assessment.

Roads, expressways and rail: who builds and supplies

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Central Expressway – Kadawatha–Mirigama	53.5	Works through 2027; completion Sep-2028	AEL, TKYO, ACL, KCAB, ALUM, CIND, ASPH, LALU	Positive
Central Expressway – Kurunegala–Galewela (phase 4)	30.0	New start in 2027	AEL, TKYO, ALUM, CIND, KCAB, ASPH, LALU	Positive
Ruwanpura Expressway (Kahathuduwa–Ingiriya)	27.0	Rs. 18.7bn in 2026; main works 2027	AEL, TKYO, ALUM, CIND, KCAB, ASPH, LALU	Positive
Central Expressway – Rambukkana–Galagedara	23.1	Started 2026; completion Jul-2029	AEL, TKYO, ALUM, CIND,KCAB, ASPH, LALU	Positive
Central Expressway – Pothuhera–Rambukkana	4.5	Completion May-2027	AEL, TKYO, ALUM, CIND, KCAB, ASPH, LALU	Positive
Road widening & development	22.0	Selected sections, 2027	AEL, TKYO, JAT, ALUM, CIND, KCAB, ASPH, LALU	Positive
Link roads to the Central Expressway	8.5	2027	AEL, TKYO, ALUM, CIND, KCAB, ASPH, LALU	Positive
Rail electrification – phase 1 (3 lines)	80.0	Starts 2027; Rs. 1,200bn+ programme	ACL, KCAB, SIRA, LUMX, AEL, ALUM, CIND	Positive
Rural roads & bridges 55.0; rural bridges 5.5; PC roads 20.0	80.5	About Rs. 100bn with District Development; 2027	Materials: TKYO, CIND, ALUM, ASPH; capital goods: AEL, ACL, KCAB	Positive
District Development Programme	47.8	District projects; Rs. 50bn incl. decentralised budget	TKYO, TILE, ALUM, JAT	Positive
250 minibuses; Metro EV buses; 5 new trains	14.5	Procurement in 2027	AUTOMOBILE COUNTERS	Positive
Bridges (Kokkilai, Kiran, Verugal…) & flyovers	3.9	2027 starts (Rs. 10.6bn total)	AEL, TKYO, ALUM, KCAB, ACL	Positive

SenFin view Four Central Expressway sections plus rail electrification in one year – the strongest civil-works pipeline since 2019.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Housing, water, irrigation and urban: materials demand

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Drinking water supply (13 new schemes + upgrades)	77.0	Greater Galle, Kundasale–Haragama, Kilinochchi start 2027	CIND, AEL, HAYC	Positive
Irrigation (Mahaweli/NCP canal 19.5, Malwathu Oya 7.5)	77.0	Ongoing + new projects, 2027	AEL, TKYO, BRWN, CIND, ALUM, LALU	Positive
Ditwah housing (supplementary)	90.0	Supplementary tabled 12-Nov-2026	TKYO, TILE, LWL, RCL, ALUM, LCEY, LALU	Positive
70,000 low-income houses (10,000 in 2027; Rs. 1.5mn each)	15.0	Grant raised from Rs. 1mn	TKYO, TILE, RCL, PARQ, JAT	Positive
Urban low-income housing (Meethotamulla, Wilgoda)	26.8	Complete 7 projects in 2027	TKYO, AEL, TILE, ALUM, LALU	Positive
10,000 apartments with banks & finance companies	–	Over 5 years; NHDA pre-sale projects 2027	MHDL, PLR, HDFC, COMB, HNB	Positive
Resettlement North & East; half-built houses	15.0	Within 2 years	TKYO, materials	Positive
City development (19 towns) + town branding (10)	7.7	2027	AEL, TKYO, JAT	Positive
Flood control & rain-water management	7.7	Mudun Ela, St Sebastian & Kirulapana canals	CIND, AEL	Positive
Wastewater (Ella, Moratuwa, Ekala)	1.7	2027	CIND, HAYC	Positive

SenFin view Cement (TKYO), pipes (CIND), tiles (TILE/RCL) and aluminium (ALUM, LALU) gain from volume; MHDL/PLR from the apartment scheme.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Energy, fuel, ports and aviation

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Grid stability – condensers, STATCOM, WAMS	26.5	2027–2029 (World Bank)	ACL, KCAB, SIRA; all IPPs	Positive
Battery storage 160 → 560MW (2027) → 1,245MW	–	Competitive bids; tariff −11% in 2026	WIND, VLL, LPL, HPWR, PAP	Positive
Wind +370MW by 2029 (50MW in 2027)	–	2027–2029	WIND	Positive
Floating solar 500MW on 10 reservoirs	–	Private RFP January 2027	VLL, WIND, LPL, PAP, HPWR	Positive
Rooftop battery subsidy Rs. 25,000/kW; PAL removed	3.5	PAL off from 1-Jan-2027	MEL, LITE	Positive
Fuel pipelines & tanks (Kolonnawa–Port, Jet A1, BIA)	38.7	Tenders called; 18-month build	AEL (civil)	Positive
Bunkering +50,000t BOT; SSCL off bunker fuel; Trinco tank-farm PPP	7.4	RFP 2027 (CPC–LIOC JV)	LIOC, SPEN, JKH	Positive
Sapugaskanda refinery PPP to 100k bpd	–	RFP 2027	LIOC (competitive watch)	Mixed
West Terminal II: 3.2km breakwater (ADB & World Bank)	–	Development to handle 3.2mn containers	AEL, TKYO (civil); JKH, SPEN	Positive
Port: WCT-II breakwater, logistics-centre PPP, VTMS	0.6	Logistics RFP in 2 months; VTMS Rs. 3.6bn total	JKH, SPEN, DOCK, HAYL	Positive
BIA Terminal 1 6→9mn pax; T2 (JICA); Mattala RFP	15.0	Works under way; investors 2027	AEL, All Hoteliers	Positive

SenFin view Storage, wind and floating solar are new revenue pools for WIND and VLL; LIOC gains from bunkering and the Trinco PPP.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Agriculture, plantations, fisheries and food

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Paddy fertiliser subsidy Rs. 30,000/ha (now other crops too)	44.0	From 2026/27 Maha season	AGST, CIC, CHMX, LCEY, HAYL	Positive
Tea fertiliser Rs. 4,000/bag (smallholders)	5.0	2027	AGST, CIC, TSML	Positive
Rubber fertiliser Rs. 4,000/bag; rubber replanting	1.7	2027	AGST, CIC; KGAL, NAMU, MASK	Positive
Untapped rubber revival	0.5	Water, wood research, labs	KGAL, AGPL	Positive
500 tea villages; tea replanting	1.6	2027; smallholders (~70% of tea)	TSML; ASIY, CTBL, JKL (brokers)	Positive
Coconut rehab (low-yield estates)	2.5	2027	MCPL, COCO, RAL	Positive
Estate worker facilities	3.0	Rest rooms, toilets, Praja Shakthi	KGAL, WATA, AGAL, KOTA, BALA, TPL	Positive
Palmyrah value chain and SMEs	0.1	N, E, Hambantota, Puttalam	No listed exposure	Neutral
RPC lease review (leases expire 2045); Rs. 200/day estate incentive	–	Officials' committee appointed	KGAL, WATA, AGAL, KOTA, BALA, TPL	Mixed
Livestock breeding stock; poultry export-zone study	1.8	2027	BFL, TAFL, GRAN, CIC, LMF	Positive
Milco Badalgama milk factory	3.0	Completion 2027	LMF, LAMB (state competition)	Mixed
Fisheries harbours + 5% loans (Rs. 15bn)	6.2	2027	TESS	Positive
SCL cuts: sprats, Maldive fish, chillies; sugar +Rs. 10/kg	0.95	From 13-Nov-2026	CARG, HARI ; CWM	Mixed
El Niño reserve	5.0	Peak Feb-2027	AGST, CIC; hydro IPPs VPEL, HPWR (risk)	Mixed

SenFin view Agri-input names (AGST, CIC) are the cleanest beneficiaries. The Rs. 13bn plantation package targets exports of US$5bn by 2030 (US$3bn now); RPCs gain worker facilities but carry the lease-review overhang.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Tax measures: which counters gain or lose

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Personal income tax: threshold Rs. 162,500/month, wider slabs	–16.0	Effective 1-Apr-2027	CARG, CCS, SINS, HHL, SWAD; COMB, HNB, SAMP, LOFC	Positive
CESS −25% on 800 HS lines	–10.0	1-Apr-2027	SINS, CARG, HARI, CWM, LITE, DIMO	Positive
200% capital allowance – BOI exporters/tourism ≥US$3mn	–	From Apr-2027; 3 yrs (hotels 5)	TJL, MGT, DIPD, HAYC, BPPL, REXP; AHUN, KHL, JETS	Positive
Tourism Development Levy abolished	–0.04	1-Apr-2027	All hotels: AHUN, KHL, JETS, CONN, TRAN, AHPL, SERV…	Positive
VAT exemption on books, exercise books, printed matter	–3.0	1-Apr-2027	CPRT, PARA, ACME	Positive
VAT exemption removed on coir pith, artemia eggs	gain	1-Apr-2027	HEXP, HAYL	Negative
SSCL exemption on bunker fuel	small	1-Apr-2027	LIOC	Positive
PAL removed on solar batteries & newsprint	–0.35	1-Jan-2027	MEL, LITE	Positive
CGT widened: crypto, telecom licences, gems	gain	1-Apr-2027	DIAL, SLTL (licence transfers)	Negative
Excise Ordinance simplified – no rate change	–	2027	CTC, DIST, LION, MELS	Mixed

SenFin view A light, pro-consumer and pro-export tax package; only coir exporters and telcos face mild new tax costs.

Source: Budget Speech 2027 s.36, Annexures I & V (Rs. bn = annual revenue effect). Impact = general direction for the counters listed.

Credit, capital market and digital

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Re-MSME Plus 5% refinance (+Rs. 20bn lending)	0.2	2027; existing Rs. 30bn scheme	COMB, HNB, SAMP, NDB, DFCC, PABC	Positive
ADB-funded MSME loans	30.0	2027	COMB, HNB, SAMP, DFCC, NDB	Positive
Fisheries 5%, home-stay 3%, women-headed 3%, rural 4% loans	40.0	Lending volume; subsidies Rs. 1.5bn	Banks; SDB; TESS; hotels (home-stay)	Positive
Microfinance & Credit Regulatory Authority	–	Authority set up in 2027	COCR, AAF, ALLI, LOFC	Mixed
Finance Business Act amendment	–	Tighter supervision; action on unlicensed lenders; wind-ups	LOFC, CDB, PLC, VFIN, HNBF, SDF	Mixed
"A Share for Everyone" + SME Listing Support	0.75	2027 launch	CALH, CFVF, FCT, WLTH	Positive
Ministry of Digital Economy + new digital proposals	38.5	2027; Digital Economy Bill Q1-2027	SLTL, DIAL, HBS, ECL	Positive
Rural towers grant (75% / Rs. 35mn + Rs. 5mn power)	9.0	573 towers by 2028	DIAL, SLTL; ACL, KCAB	Positive
Data-centre electricity-tariff concessions	–	Selected investors	SLTL, DIAL	Positive
Spectrum management & QoS monitoring	3.1	From 2027 (TRC)	DIAL, SLTL (compliance cost)	Negative
School connectivity & digital classrooms	35.0	Rs. 96.5bn 5-year plan	SLTL, DIAL, SHL, HBS	Positive
Broadband vouchers – 750,000 students	–	2027	DIAL, SLTL	Positive

SenFin view Banks distribute the Rs. 174bn of concessionary credit; SLTL is the most direct digital winner; companies operating in the capital market gain from the retail push.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Pay, social, health, education and tourism

Proposal / plan	Rs. bn 2027	Catalyst & timing	Counters impacted	Impact
Pay revision final phase (Rs. 110bn) + allowances	About 189	Basic +Rs. 15,750, increment +80%; Jan-2027	Retail: CARG, CCS, SINS, SWAD; health: HHL, NHL, LHCL, ASIR	Positive
Aswesuma; kidney & disability allowance to Rs. 12,500	230.0	2027	CARG, HHL, SWAD, RWSL	Positive
Forces ration +Rs. 315–332/day; police food allowance +Rs. 10,000	34.8	July 2027	BFL, TAFL, KFP, CARG	Positive
High-end biomedical equipment	20.5	2027 (Rs. 65.6bn need over 3 yrs)	DIMO (medical), SUN, HHL	Positive
Ambulances (+100 Indian, +45 ADB/Japan)	3.0	2027	DIMO, UML	Positive
Arogya wellness centres (1,000 by 2029)	3.6	Rs. 17.4bn programme	AEL, TKYO, TILE	Positive
University buildings & new hospital projects	3.9	2027 starts	AEL, TKYO, ALUM, AFS, LALU	Positive
Colombo Fort heritage tourism zone	–	World Bank US$77mn (about Rs. 25.6bn), multi-year	AHPL, TRAN, GHLL, TAJ, JKH	Positive
Port City Commission (Amendment) Bill	–	Draft with Attorney General	BIL	Positive
Sigiriya airport; cruise terminals; Dutch forts PPP	0.6	2027	HSIG, SIGV, AHUN, JETS	Positive
Migrant-worker housing loans (10%/5% subsidy)	1.0	2027	HDFC, COMB, HNB	Positive
Private-university student loans: stipend Rs. 10,000	–	April 2027	Banks (state & private)	Positive

SenFin view Around Rs. 190bn of extra household income lands mostly from mid-2027 – staples first, discretionary retail later.

Source: Budget Speech 2027 (12-Nov-2026) and Annexures II, VII; SenFin Securities Research. Impact = general direction for the counters listed.

Budget 2026 vs Budget 2027: what changed for each sector

Sector	Budget 2026 – key measure	2026	Budget 2027 – key measure	2027
Banks	SME, youth, women & agri loans routed via banks	Positive	Rs. 67.7bn subsidies → Rs. 174bn concessionary loans; apartment & student loans	Positive
Construction & materials	Capex about 4% of GDP; Rs. 342bn roads; Ditwah rebuild	Positive	Rs. 2,000bn public investment; Rs. 487bn roads & rail; Rs. 154bn water & irrigation	Positive
Hotels & Leisure	Tourism push: 4mn-arrival target, BIA restart	Positive	TDL abolished; 200% capital allowance; Sigiriya airport; Colombo Fort zone	Positive
Energy & Power	Energy framework only; no tariff or tax change	Selective +	BESS to 1,245MW, wind +370MW, floating solar 500MW, grid Rs. 26.5bn	Positive
Consumer & Retail	Pay revisions, Aswesuma, VAT-threshold formalisation	Positive	PIT relief Rs. 16bn, CESS −25%, SCL cuts on food, pay & allowances	Positive
Food, beverage & tobacco	Income support, but excise indexation continued	Mixed	Excise law simplified with no rate rise; pay & allowances	Positive
Manufacturing & industrials	Tariff bands 0/10/20/30%; capital-allowance threshold cut	Positive	200% capital allowance for BOI exporters ≥US$3mn; books VAT-free	Positive
Telecom & Digital	5-year tower tax holiday; Digital Economy Authority	Positive	Tower grants 75% / Rs. 35mn; government cloud; CGT on licences	Positive
Motor & Mobility	SSCL on vehicles raises prices; bus fleet	Selective +	SLTB & 250 mini buses, EV buses, ambulances	Positive
Capital markets & investment	No direct measure; lower borrowing need	Neutral	"A Share for Everyone"; Rs. 3.8trn gross borrowing for PDs	Selective +
Finance & Leasing	Vehicle SSCL slows leasing growth	Negative	FBA amendment & micro-credit regulator; tax relief lifts repayment	Selective +
Food, agri & commodities	Agri loans, Rs. 91.7bn irrigation, edible-oil tax change	Positive	Rs. 50bn fertiliser, Rs. 77bn irrigation; no repeat of edible-oil gain	Selective +
Plantations	Estate wage Rs. 1,350 → Rs. 1,550 a day	Negative	No new wage cost; smallholder fertiliser; RPC lease review	Neutral

SenFin view Budget 2027 keeps the 2026 winners and drops 2026's three big negatives – estate wages, vehicle SSCL and excise indexation.

Sources: Budget Speech 2026 (7-Nov-2025); Budget Speech 2027 (12-Nov-2026); Citizens' Budget 2027. Selective + = some counters in the sector gain, the rest are neutral.

Banks: positive in both budgets – Rs. 174bn of subsidised credit in 2027

Rs. 67.7bn
Interest subsidies & refinance
Budget 2027

Rs. 174bn
Concessionary loans unlocked
Routed through banks

93%
Deficit financed domestically
Supports bill & bond carry

13 of 13
Bank counters positive
In both Budget 2026 and 2027

Channel	Budget 2026	Budget 2027	Impact
SME credit	Concessionary SME loans up to Rs. 50mn; NCRCS 5% subsidy	Re-MSME Plus 5% refinance; ADB MSME loans Rs. 30bn; Rs. 40bn fisheries, home-stay, women & rural loans	Positive
Housing & students	Migrant-worker housing loans	10,000 apartments with banks & FCs; private-university student loans; migrant housing	Positive
Government borrowing	Gross borrowing Rs. 3,740bn	Gross borrowing about Rs. 3.8trn; 93% of the deficit financed at home	Positive
Household income	Pay revision, Aswesuma	PIT threshold to Rs. 162,500 a month; final pay phase; allowances	Positive

- **Positive counters (2027):** ABL, CBNK, COMB, DFCC, HDFC, HNB, NDB, NTB, PABC, SAMP, SDB, SEYB, UBC.
- **Most direct:** COMB, HNB, SAMP, NDB and DFCC distribute the SME schemes; HDFC and SDB gain from housing and rural lending.
- **Watch:** subsidy money must be released on time for the Rs. 174bn to reach borrowers; the 2027 deficit with the Ditwah supplementary is 4.5% of GDP.

SenFin view Banks are the one large sector positive in both budgets – the core large-cap holding.

Sources: Budget Speech 2026 (7-Nov-2025); Budget Speech 2027 sections 4 & 12 and Annexure VII; SenFin assessment.

Banks in 2027: what the budget means for margins, credit and asset quality

Key Budget 2027 measures

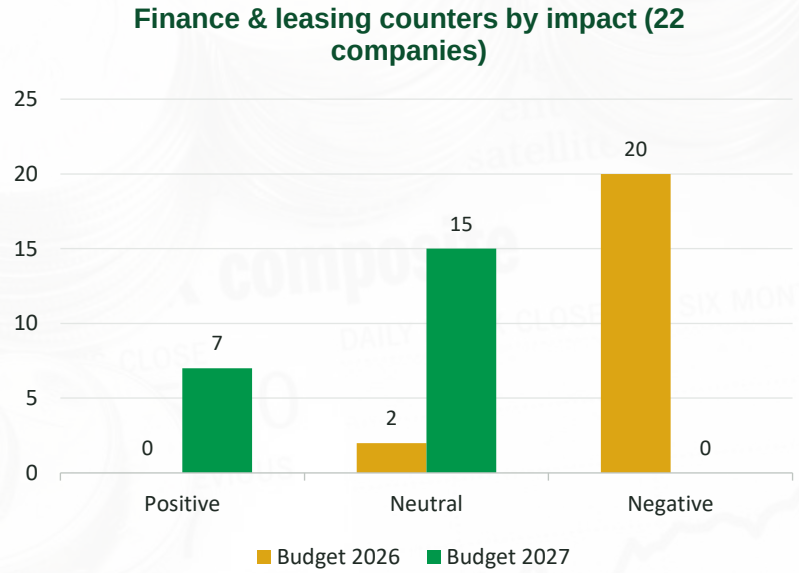
- Rs. 67.7bn of interest subsidies and refinance to unlock Rs. 174bn of concessionary loans through banks (Re-MSME Plus, ADB MSME, fisheries, home-stay, women-headed and rural loans).
- 10,000 apartments with banks and finance companies; private-university student loans; migrant-worker housing loans.
- No new bank-specific taxes announced; 93% of the deficit financed domestically.

Metric	Direction	Commentary
Net interest margin (NIM)	▲ Firm in H1, easing later	Higher yields lift margins now; margins narrow if CBSL cuts rates in H2-2027.
Credit growth	— Moderate	Slower than 2025's +25% as rates bite; subsidised SME and housing schemes add volume.
Asset quality (Stage 3)	— Stable	Tax relief and pay revisions support repayment; high rates and Ditwah-hit borrowers are the risk.
Fee income	▲ Higher	Transfer payments, GovPay and scheme administration flow through bank accounts.
Investment income	▲ Higher	Heavy domestic borrowing (Rs. 1,643bn) keeps bill and bond yields attractive.

SenFin view Banks remain the core large-cap holding: COMB, HNB and SAMP distribute the schemes and earn the carry.

Sources: Budget Speech 2027 sections 4 & 12 and Annexure VII; SenFin Securities Research.

Finance companies: negative in Budget 2026, neutral-to-positive in 2027



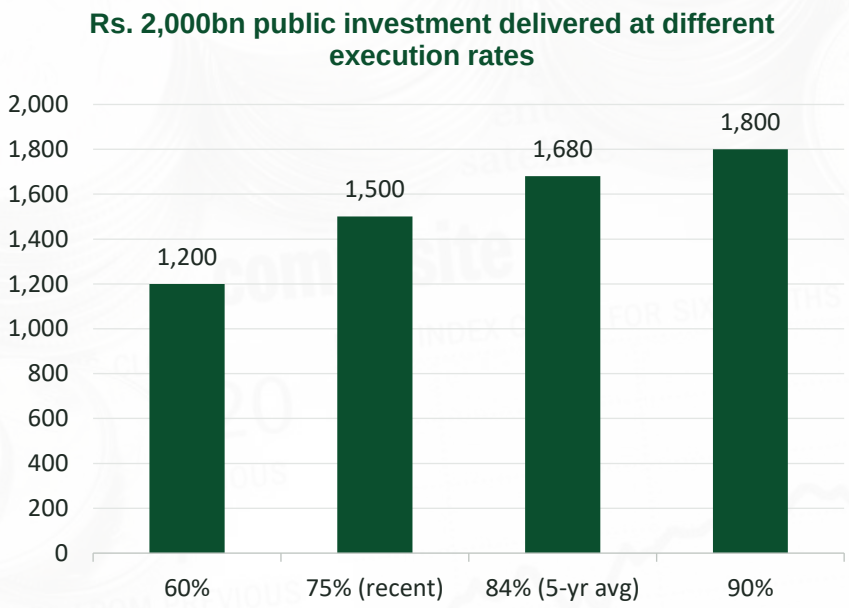
Measure	Budget 2026	Budget 2027
Vehicles	SSCL 2.5% on vehicle imports & sales – slows leasing	No vehicle-tax change
Regulation	–	Finance Business Act amendment; Microfinance & Credit Regulatory Authority
Housing	–	FCs invited into the 10,000-apartment scheme
Borrowers	Pay revision, Aswesuma	PIT relief and allowances lift repayment capacity
Overall	Negative	Selectively positive

- **Neutral (2027):** BFN, CALF, CDB, CFIN, CRL, LCBF, MBSL, MERC, PLC, PMB, SEMB, SFCL, SFIN, UBF and VFIN. The SSCL drag from Budget 2026 has been removed, but these companies receive no new direct support.
- **Primary dealers:** CALT, FCT and WLTH turn positive, as the government plans about Rs. 3.8trn of gross borrowing in 2027.

SenFin view With the 2026 vehicle-tax drag removed, we prefer lenders that gain directly from the new microfinance and SME measures (LOFC, COCR, HNBF) over companies that rely mainly on vehicle leasing.

Sources: Budget Speech 2026 (7-Nov-2025); Budget Speech 2027 section 4; SenFin assessment of 22 finance & leasing counters.

Construction & materials: the budget's clearest winners



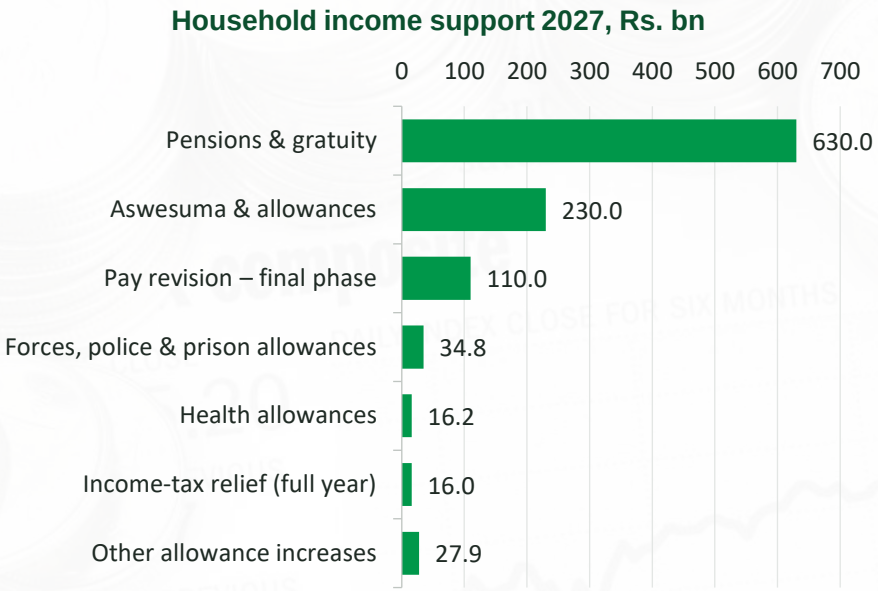
Ticker	Impact	Main budget link
AEL	Positive	Expressways, rural roads, water, rail
TKYO	Positive	Cement – roads, housing, irrigation
CIND	Positive	Pipes – water Rs. 77bn, irrigation
ACL / KCAB	Positive	Cables – grid, rail electrification
TILE/LWL/RCL	Positive	Tiles – 70,000 houses, hospitals
ALUM/LALU	Positive	Aluminium – housing, public buildings
JAT / LCEY	Positive	Paints – rehabilitation, housing

- **Pipeline:** roads/expressways/rail Rs. 487bn, rural roads about Rs. 100bn, water Rs. 77bn, irrigation Rs. 77bn, housing Rs. 50bn+ (excl. Rs. 90bn Ditwah housing), District Development Rs. 50bn.
- **Risks:** payment delays, high interest rates, imported input costs with LKR −8.3%; about 25% of allocations historically unspent; tri-forces consultancy unit for state projects.

SenFin view Positive in both Budget 2026 and Budget 2027 – 15 of 16 counters gain; AEL and TKYO are the most direct ways to own the capex cycle.

Sources: Budget Speech 2027; Citizens' Budget 2027; Appropriation Bill 2027; SenFin assessment.

Consumer & retail: more take-home pay from Q2-2027



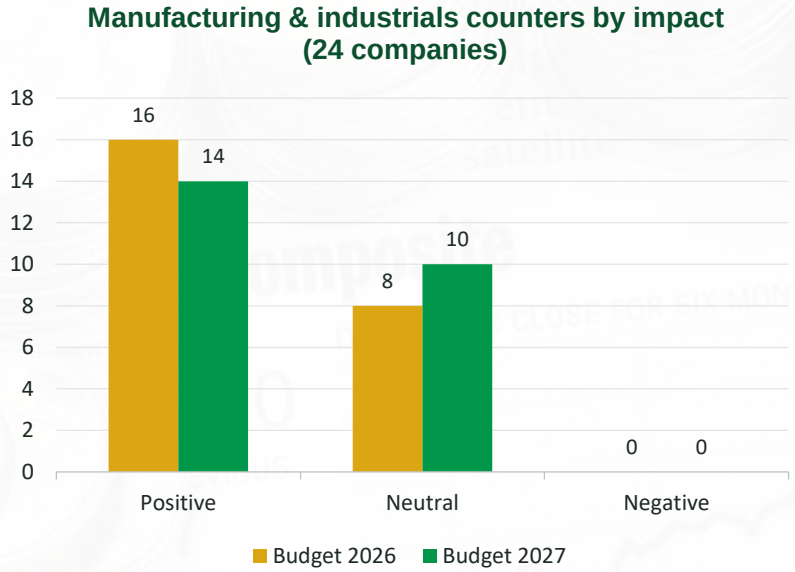
Ticker	Impact	Channel
CARG	Positive	Supermarkets, dairy – transfers
CCS	Positive	Beverages, Keells – pay & tax relief
HHL	Positive	FMCG + pharma distribution
SINS	Positive	Durables on credit – tax relief
LMF / LAMB	Positive	Dairy – nutrition, transfers
CTC / DIST / LION	Neutral	No excise rise (negative in 2026)

- SCL cuts on sprats, Maldive fish and chillies (from 13-Nov) and CESS −25% on 800 lines ease food and goods prices; sugar SCL +Rs. 10/kg.
- Inflation at 8.3% still erodes real gains; most allowance increases start July 2027.

SenFin view Volume support for staples now, discretionary upside from H2-2027 as tax relief and allowances flow.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII; Citizens' Budget 2027; SenFin assessment.

Apparel & exporters: capital allowance in both budgets, bigger in 2027



Measure	Budget 2026	Budget 2027
Capital allowance	Threshold cut from US$3mn to US$250,000	200% allowance for BOI exporters investing ≥US$3mn
Tariffs & inputs	Duty bands 0/10/20/30%; VAT replaces CESS on fabric	CESS –25% on 800 lines
Exports	Export Development Plan; trade single window	Faster exporter VAT status; TIEP upgrade; EU Rs. 3.43bn project; trade deals
New costs	Para-tariff phase-out for local makers	VAT exemption removed on coir pith (HEXP)
Overall	Positive	Positive

- **Positive (2027):** APLA, BPPL, CHMX, CPRT, CSLK, DIPD, DPL, HAYC, LCEY, LUMX, MGT, PARA, REXP, TJL.
- **Apparel:** TJL and MGT move to positive on the 200% allowance; most other exporters were positive in 2026 on tariff reform and are neutral this year.
- **Negative / watch:** HEXP – coir pith loses its VAT exemption from April 2027.

SenFin view Export companies that are building new capacity gain the most, as the 200% allowance cuts tax on new investment; it does little for the profit margins they earn on current sales.

Sources: Budget Speech 2026 (7-Nov-2025); Budget Speech 2027 sections 5 & 36, Annexures I & V; SenFin assessment of 24 counters.

Energy, telecom and hotels: specific measures, broad winners

Energy & power – Positive

- WIND, VLL: wind +370MW, floating solar 500MW, BESS 1,245MW by 2029
- LPL, HPWR, PAP, VPEL, HPFL, LVEF: grid Rs. 26.5bn cuts curtailment
- LIOC: SSCL off bunker fuel, Trinco PPP
- MEL, LITE: rooftop battery subsidy & PAL removal
- LGL, LLUB: neutral

Telecom & digital – Positive

- SLTL: government cloud, digital Rs. 28.5bn
- DIAL: tower grants 75%/Rs. 35mn, levy holiday
- HBS, ECL: e-government, digital health
- KPHL, PKME: neutral
- Watch: QoS monitoring, CGT on licences

Hotels & leisure – Positive

- HSIG, SIGV: TDL abolished + Sigiriya airport
- AHUN, KHL, JETS, CONN, SHOT, TRAN, AHPL, CITH, CITW, EDEN
- TDL (Finance Act No. 25 of 2003) abolished from 1-Apr-2027, lowering costs for all hotels and tourism operators
- 200% capital allowance for tourism ≥US$3mn
- Tourism earnings US$2.25bn to Sep-2026

SenFin view Hotels stay positive and gain more than in Budget 2026 (TDL abolished); energy turns broadly positive on storage and grid; telecom on towers and cloud.

Impact = general direction for the sector's counters under Budget 2027. Source: Budget Speech 2027; Budget 2026; SenFin assessment.

Sector-wise impact on counters: Budget 2026 vs Budget 2027

Sector	Budget 2026	Budget 2027	Key Positive Counters (2027)	Negative / Watch
Banks	Positive	Positive	ABL, CBNK, COMB, DFCC, HDFC, HNB, NDB, NTB, PABC +4 more	–
Hotels & Leisure	Positive	Positive	AHPL, AHUN, BERU, BRR, CHOT, CITH, CITW, CONN, EDEN +22 more	–
Construction & Materials	Positive	Positive	ACL, AEL, AFS, ALUM, CIND, EML, JAT, KCAB, LALU +6 more	–
Energy & Power	Selectively Positive	Positive	HPFL, HPWR, LIOC, LPL, LVEF, MEL, PAP, VLL, VPEL +1 more	LIOC – refinery PPP competition; hydro IPPs – El Niño
Consumer & Retail	Positive	Positive	CARG, CWM, EBCR, HARI, HHL, LITE, MULL, SINS, SWAD	CWM – sugar SCL +Rs. 10/kg
Food, Beverage & Tobacco	Mixed	Positive	CCS, KFP, LAMB, LMF, RWSL, SOY	LMF, LAMB – Milco Badalgama plant
Motor & Mobility	Selectively Positive	Positive	ASHO, DIMO, SMOT, UML	–
Telecom & Digital	Positive	Positive	DIAL, ECL, HBS, SLTL	DIAL, SLTL – CGT on licences, QoS rules
Transport & Logistics	Positive	Positive	CWL, DOCK	–
Manufacturing & Industrials	Positive	Positive	APLA, BPPL, CHMX, CPRT, CSLK, DIPD, DPL, HAYC, LCEY +5 more	HEXP – VAT on coir pith
Diversified Holdings	Mixed	Positive	BRWN, CFLB, HAYL, JKH, LOLC, RICH, SHL, SPEN, SUN +1 more	–
Capital Markets & Investment	Neutral	Selectively Positive	CALH, CALT, CFVF, FCT, WLTH	–
Food, Agri & Commodities	Positive	Selectively Positive	AGST, BFL, CIC, GRAN, TAFL, TESS, TSML	–
Finance & Leasing	Negative	Selectively Positive	AAF, ALLI, COCR, HNBF, LFIN, LOFC, SDF	New microfinance regulator (compliance)
Real Estate	Selectively Positive	Selectively Positive	MHDL, OSEA, PLR, ASCO	–
Healthcare	Neutral	Neutral	–	–
Insurance	Neutral	Neutral	–	–
Plantations	Negative	Neutral	–	KGAL, WATA, AGAL, KOTA, BALA, TPL – RPC lease review

SenFin view Overweight CAPEX, energy and tourism winners; banks as the core holding; plantations and finance companies are no longer budget losers.

Positive = most counters gain; Selectively positive = some gain, the rest neutral; Mixed = gainers and losers. Full list of counters on slide 89.

Catalysts, risks and the calendar – with the tickers exposed

Upside catalysts

- Ditwah supplementary spent: AEL, TKYO, CIND, TILE
- PPP & Investment Protection laws: JKH, SPEN, HAYL, VONE
- Floating-solar & logistics RFPs: VLL, WIND, LPL; JKH, SPEN, CWL
- IMF successor / rating upgrade: COMB, HNB, SAMP, CALT
- Mannar basin awards: LIOC

Risks

- Capex execution about 75%: AEL, TKYO, ACL, KCAB
- Oil prices: LIOC, transport, plantations
- Rates stay high: LOFC, CDB, PLC, VFIN, SINS
- Current-account deficit / LKR: importers (DIMO, UML, SINS)
- El Niño: AGST, CIC, RPCs (KGAL, WATA), hydro IPPs (VPEL, HPWR)

Date	Event	Tickers
13 Nov 2026	SCL cuts on food; sugar +Rs. 10/kg	CARG, CCS, HARI
20 Nov 2026	Second-reading vote · CBSL policy review	Banks, PDs (CALT, FCT, WLTH, CFVF)
14 Dec 2026	Third reading	All
1 Jan 2027	PAL off newsprint & solar batteries	MEL,
Jan 2027	Floating-solar RFP	VLL, WIND, LPL
2 Feb 2027	Mannar basin bids	LIOC
Mar 2027	IMF EFF ends	Banks, CALT
1 Apr 2027	PIT, VAT, CESS, TDL, capital allowance	Hotels, CARG, SINS, TJL, MGT
Jul 2027	Allowance increases start	CARG, CCS, HHL

SenFin view Execution and The inflation path decide 2027 returns; the counter map and the changes vs Budget 2026 follow.

Source: Budget Speech 2027 (MoF, 12-Nov-2026) and Annexures I–VII; Parliament of Sri Lanka (budget timetable); CBSL.

Every counter by sector: positive, neutral or on watch (Budget

Sector	Positive	Neutral	Watch
Banks	ABL, CBNK, COMB, DFCC, HDFC, HNB, NDB, NTB, PABC, SAMP, SDB, SEYB, UBC	–	–
Hotels & Leisure	AHPL, AHUN, BERU, BRR, CHOT, CITH, CITW, CONN, EDEN, GHLL, HSIG, HUNA, JETS, KHC, KHL, MARA, MRH, NEH, PALM, RCH, REEF, RENU, RFL, RHTL, SERV, SHOT, SIGV, STAF, TAJ, TANG, TRAN	–	–
Construction & materials	ACL, AEL, AFS, ALUM, CIND, EML, JAT, KCAB, LALU, LWL, PARQ, RCL, SIRA, TILE, TKYO	CERA	–
Energy & Power	HPFL, HPWR, LIOC, LPL, LVEF, MEL, PAP, VLL, VPEL, WIND	LGL, LLUB	LIOC
Consumer & Retail	CARG, CWM, EBCR, HARI, HHL, LITE, MULL, SINS, SWAD	EXT, GEST, ODEL	CWM
Food, beverage & tobacco	CCS, KFP, LAMB, LMF, RWSL, SOY	CTC, DIST, LION	LMF, LAMB
Motor & Mobility	ASHO, DIMO, SMOT, UML	AUTO, TYRE	–
Telecom & Digital	DIAL, ECL, HBS, SLTL	KPHL, PKME	DIAL, SLTL
Transport & Logistics	CWL, DOCK	MSL	–
Manufacturing & industrials	APLA, BPPL, CHMX, CPRT, CSLK, DIPD, DPL, HAYC, LCEY, LUMX, MGT, PARA, REXP, TJL	ACME, BOGA, CARE, GLAS, HEXP, JFP, LPRT, PACK, SIL, UCAR	HEXP
Diversified Holdings	BRWN, CFLB, HAYL, JKH, LOLC, RICH, SHL, SPEN, SUN, VONE	BIL, COLO, GREG, LDEV, MELS, RHL, SHAW, TAP	–
Capital markets & investment	CALH, CALT, CFVF, FCT, LVEN, SCAP, WTS	ASPH, CFI, CINV, CIT, GUAR, KZOO, SING, WAPO	–
Food, agri & commodities	AGST, BFL, CIC, GRAN, TAFL, TESS, TSML	ASIY, COCO, CTBL, CTEA, EMER, HVA, JKL, MCPL, MFPE, RAL	–
Finance & Leasing	AAF, ALLI, COCR, HNBF, LFIN, LOFC, SDF	BFN, CALF, CDB, CFIN, CRL, LCBF, MBSL, MERC, PLC, PMB, SEMB, SFCL, SFIN, UBF, VFIN	New microfinance regulator (compliance)
Real Estate	MHDL, OSEA, PLR	ASCO, CABO, CLND, COMD, CSD, CTLD, EAST, ETWO, MDL, ONAL, PHAR, RIL, SLND, YORK	–
Healthcare	–	AMSL, ASIR, CHL, LHCL, NHL, SINH	–
Insurance	–	AAIC, ATL, ATLL, CINS, COOP, HASU, JINS, LGIL, PINS, UAL	–
Plantations	–	AGAL, AGPL, BALA, BOPL, ELPL, HAPU, HOPL, HPL, KAHA, KGAL, KOTA, MADU, MAL, MASK, NAMU, TPL, WATA	KGAL, WATA, AGAL, KOTA, BALA, TPL

No counter has a negative overall impact from Budget 2027; "Watch" = counters facing a specific negative measure. Rationale per ticker: workbook "Budget 2027 Impact".

Counters whose impact changed from Budget 2026 to Budget 2027

▲ Improved – 74 counters better placed than under Budget 2026

Sector	Counters	Change	Why
Plantations	AGAL, AGPL, BALA, BOPL, ELPL, HAPU, HOPL, HPL, KAHA, KGAL, KOTA, MADU, MAL, MASK, NAMU, TPL, WATA	Negative → Neutral	No repeat of the 2026 estate-wage rise
Finance & Leasing	BFN, CDB, CFIN, CRL, LCBF, MBSL, MERC +7 more; AAF, ALLI, COCR, HNBF, LFIN, LOFC, SDF	Negative → Neutral / Positive	Vehicle SSCL not repeated; regulator & tax relief
Energy & Power	HPFL, HPWR, LPL, LVEF, PAP, VLL, VPEL, WIND	Neutral → Positive	Storage, wind, floating solar, grid Rs. 26.5bn
Capital Markets	CALH, CALT, CFVF, FCT, LVEN, SCAP, WTS	Neutral → Positive	"A Share for Everyone"; Rs. 3.8trn borrowing
Diversified	LOLC, SUN, VONE, SPEN, CFLB; BIL, LDEV, MELS	Negative / Neutral → Positive / Neutral	Plantation wage drag gone; logistics PPP
Food, Bev & Tobacco	CTC, DIST, LION	Negative → Neutral	Excise simplified with no rate rise
Manufacturing	CPRT, DIPD, DPL, LUMX, PARA	Neutral → Positive	Books VAT-free; BOI allowance; rail electrification
Motor & Others	ASHO, SMOT, UML; LITE; TSML	Neutral → Positive	Buses & ambulances; CESS cut; tea fertiliser

▼ Softer – 29 counters positive in 2026 but neutral in 2027 (none turn negative)

Sector	Counters	Change	Why
Food, Agri	COCO, CTEA, EMER, HVA, MFPE, RAL	Positive → Neutral	2026 edible-oil tax change & export push not repeated
Manufacturing	ACME, BOGA, CARE, HEXP, PACK, SIL, UCAR	Positive → Neutral	2026 tariff reform one-off; HEXP loses coir VAT exemption
Real Estate	CSD, EAST, MDL, ONAL, RIL	Positive → Neutral	2026 housing-loan & investment-law support not extended
Consumer & Other	EXT, GEST, ODEL; KPHL, PKME; AUTO, CERA, LGL, LLUB, MSL, RHL	Positive → Neutral	No 2027 measure linked to their business

SenFin view Budget 2027 is a broader positive than Budget 2026: more counters gain, and the only losers are names that lose a one-off 2026 tailwind.

SenFin assessment of 254 counters under Budget 2026 (7-Nov-2025) and Budget 2027 (12-Nov-2026). Workbook "Budget 2026 Impact", "Budget 2027 Impact".


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Associate Company of SENKADAGALA FINANCE PLC
ANNEXURES

ANNEXURE A

Citizens' Budget 2027 – sector allocations (Rs. bn)

#	Sector	Total	Capital	Recurrent	Capital %
1	A Healthier Sri Lanka	710.0	130.8	578.8	18%
2	Better Education System	749.0	104.0	645.4	14%
3	Safe, Reliable & Efficient Transport	458.0	399.5	58.6	87%
4	Support for Decent Living	208.6	195.7	12.9	94%
5	Stronger Agriculture	273.0	154.2	118.8	56%
6	Towards an Evergreen Life	62.2	45.5	16.5	73%
7	Peaceful & Fair Society	342.0	55.7	286.7	16%
8	National Security	427.6	51.2	376.3	12%
9	Economic Services & Entrepreneurship	162.0	107.4	54.6	66%
10	Reliable, Affordable & Sustainable Energy	30.2	29.0	1.2	96%
11	People-Friendly Public Service	371.8	163.2	208.7	44%
12	Universal Social Protection	912.5	5.4	907.1	1%
	Total – 12 sectors	4,706.9	1,441.6	3,265.6	31%
	Debt service	4,850.0			
	Government revenue (tax 5,687; non-tax & grants 493)	6,180.0			

Source: Ministry of Finance, Planning and Economic Development – National Budget 2027, Citizens Budget.

Fiscal operations 2023–2027 (Rs. bn and % of GDP)

Rs. bn	2023A	2024A	2025P	2026B	2026R	2027B	2027B+S
Revenue & grants	3,074	4,091	5,486	5,300	5,981	6,180	6,180
Tax revenue	2,721	3,705	5,049	4,910	5,478	5,687	5,687
Total expenditure	5,357	6,131	6,230	7,057	7,309	7,673	7,933
Interest	2,456	2,690	2,501	2,617	2,617	2,643	2,643
Public investment	933	817	1,016	1,380	1,480	1,750	2,000
Primary balance	173	650	1,756	860	1,289	1,150	890
Overall balance	(2,283)	(2,040)	(745)	(1,757)	(1,328)	(1,493)	(1,753)
% of GDP							
Revenue & grants	11.2%	13.6%	16.7%	15.4%	16.6%	15.8%	15.8%
Total expenditure	19.5%	20.4%	19.0%	20.5%	20.3%	19.7%	20.3%
Public investment	3.4%	2.7%	3.1%	4.0%	4.1%	4.5%	5.1%
Primary balance	0.6%	2.2%	5.4%	2.5%	3.6%	2.9%	2.3%
Overall balance	(8.3%)	(6.8%)	(2.3%)	(5.1%)	(3.7%)	(3.8%)	(4.5%)

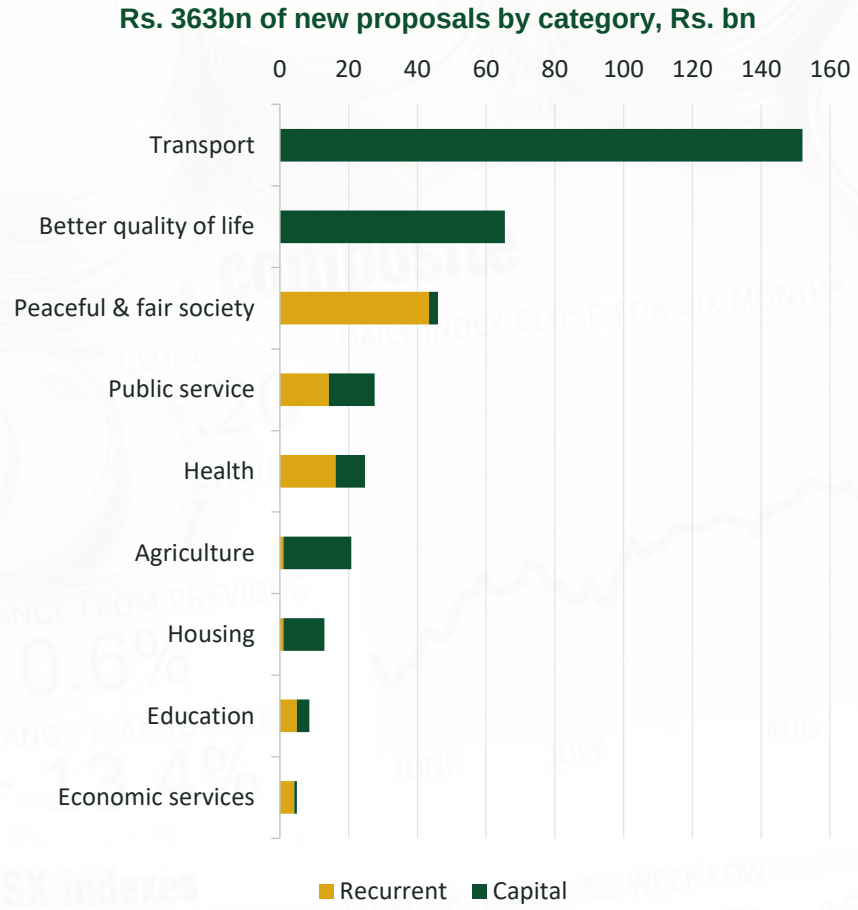
Sources: CBSL, MoF; Budget 2026; Budget Speech 2027 Annexure III. 2027B+S includes the Rs. 260bn Ditwah supplementary.

Summary of budget estimates 2027 (Rs. bn)

Rs. bn	2024 Actual	2025 Est.	2025 Actual	Diff.	2026 Budget	2026 Rev.	Diff.	2027 Budget	2027 + Ditwah
Total revenue & grants	**4,091**	**5,100**	**5,486**	**386**	**5,300**	**5,981**	**681**	**6,180**	**6,180**
Total revenue	4,031	5,075	5,449	374	5,270	5,951	681	6,150	6,150
Tax revenue	3,705	4,725	5,049	324	4,910	5,478	568	5,687	5,687
Income tax	1,026	1,120	1,139	19	1,210	1,311	101	1,341	1,341
Goods & services	2,201	2,953	3,198	245	3,056	3,454	398	3,592	3,592
External trade	477	652	712	60	644	713	69	754	754
Non-tax revenue	326	350	400	50	360	473	113	463	463
Grants	60	25	36	11	30	30	0	30	30
Total expenditure	**6,131**	**6,548**	**6,230**	**(318)**	**7,057**	**7,309**	**252**	**7,673**	**7,933**
Recurrent	5,340	5,530	5,232	(298)	5,688	5,848	160	5,934	5,944
Salaries & wages	1,066	1,220	1,164	(56)	1,323	1,289	(34)	1,410	1,410
Other goods & services	351	380	335	(45)	401	370	(31)	409	409
Interest	2,690	2,650	2,501	(149)	2,617	2,617	0	2,643	2,643
Subsidies & transfers	1,234	1,280	1,233	(47)	1,347	1,572	225	1,472	1,482
Public investment	817	1,033	1,016	(17)	1,380	1,480	100	1,750	2,000
Other	(26)	(15)	(18)	(3)	(11)	(19)	(8)	(11)	(11)
Revenue surplus / (deficit)	**(1,309)**	**(455)**	**217**	**672**	**(418)**	**103**	**521**	**216**	**206**
Primary surplus / (deficit)	**650**	**1,202**	**1,756**	**554**	**860**	**1,289**	**429**	**1,150**	**890**
Budget surplus / (deficit)	**(2,040)**	**(1,448)**	**(745)**	**703**	**(1,757)**	**(1,328)**	**429**	**(1,493)**	**(1,753)**
Total financing	**2,040**	**1,448**	**745**	**(703)**	**1,757**	**1,328**	**(429)**	**1,493**	**1,753**
Foreign financing	333	200	142	(58)	235	200	(35)	110	110
Domestic financing	1,707	1,248	602	(646)	1,522	1,128	(394)	1,383	1,643

Sources: SenFin Budget Review 2026 (2024 actual, 2025 estimate made in Nov-2025, Budget 2026); Budget Speech 2027 Annexure III (2025 actual, 2026 revised, 2027).

New expenditure proposals in the Budget Speech (Annexure II)



Largest new proposals	Rs. bn
Colombo suburban rail electrification	80.0
District Development Programme	47.8
Allowances – tri-forces, police, prisons	34.8
Central Expressway – Kurunegala–Galewela	30.0
Ruwanpura Expressway	27.0
Health-sector allowances	16.2
Digital economic transformation	10.0
Link roads to Central Expressway	8.5
Allowances – disabled & kidney patients	7.1
Transport allowance in lieu of official vehicles	7.0
Medical equipment for hospitals	5.0
250 mini buses – rural & up-country	5.0

Source: Budget Speech 2027, Annexure II (Rs. 85bn recurrent, Rs. 278bn capital). Full list in workbook sheet "Speech Proposals".

Methodology, sources and disclaimer

Methodology

- **Company impact:** each of 254 CSE-listed companies is assessed as Positive, Neutral or Negative by linking Budget 2027 allocations (procurement, contracts, demand, credit) and Budget Speech measures (tax, incentives, regulation) to its operations.
- **Programme map:** 27 programme codes (P01–P27) linked to sectors and named companies.
- **Fiscal data:** official Budget Speech Annexure III; % of GDP as published; primary spending computed on implied GDP where not published.
- **Previous budget:** the same assessment applied to Budget 2026 (7-Nov-2025) measures, so each counter's impact can be compared year on year.

Sources

- Budget Speech 2027 and Annexures I–VII (MoF, 12-Nov-2026)
- National Budget 2027 – Citizens Budget; Appropriation Bill 2027
- Budget Speech 2026 (7-Nov-2025); FSS 2027; CBSL Annual Economic Review 2025
- 254 listed-company annual reports; CSE interims to Jun-2026
- SenFin Budget 2027 workbook

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