FINANCIAL STATEMENT 2025

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

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STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

STATEMENT OF FINANCIAL POSITION

As at 31st December	NOTE	2025 Rs.	2024 (Restated) Rs.
ASSETS			
Property Plant and Equipment	16	2,106,596,882	2,104,735,674
Right-of-use Assets	17	132,221,600	88,810,046
Lease Assets paid in Advance	18	18,954,326	19,731,800
Capital Work in Progress		62,010,880	38,016,321
Intangible Assets -Software	19	7,458,527	8,880,084
Deferred Tax Assets	20	568,616,468	394,894,508
Total Non- Current Assets		**2,895,858,683**	**2,655,068,433**
Current Assets			
Inventories - SPC	21	4,130,352,524	4,479,239,824
Stock in Transit - DHS	22	935,575,558	357,093,423
Trade & Other Receivables	23	40,364,544,360	37,620,668,882
Prepayments	24	136,716,355	101,206,021
Cash and Cash Equivalents	25	11,239,225,340	9,087,579,645
Total Current Assets		**56,806,414,137**	**51,645,787,795**
Total Assets		**59,702,272,820**	**54,300,856,228**
EQUITY AND LIABILITIES			
Contributed Capital	31	59,055,258	59,055,258
Retained Earnings		14,889,516,753	13,351,355,789
Revaluation Reserves	32	71,350,931	71,350,931
Building Reserve	32	1,500,000,000	300,000,000
General Reserves	32	66,061,447	66,061,447
Total Equity		**16,585,984,389**	**13,847,823,425**
Non- Current Liabilities			
Retirement Benefit Obligation	26	692,385,928	679,507,396
Lease Liabilities	17.1	95,286,530	68,991,891
Long Term Loan	27	1,489,977,753	3,550,522,197
Total Non- Current Liabilities		**2,277,650,211**	**4,299,021,483**
Current Liabilities			
Trade and Other Payables	28	18,782,710,938	13,878,394,942
Income tax Payable		536,127,872	391,734,432
Lease Liabilities	17.1	53,373,221	32,046,834
Current Financial Liabilities	29	19,405,881,745	19,872,901,778
Long Term Loans	27	2,060,544,444	1,978,933,333
Total Current Liabilities		**40,838,638,220**	**36,154,011,320**
Total Equity & Liabilities		**59,702,272,820**	**54,300,856,228**

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

Approved and signed for and on behalf of the Board of Directors.

Dr. Indika Wanninayake Chairman - Acting	K.V.C. Dilrukshi Director 14/08/2026	P.D.S. Cooray Actg.General Manager	Nishathi Devasurendra Actg. D.G.M. - Finance

The accounting policies and notes on pages 05 to 49 form an integral part of the financial statements.

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

STATEMENT OF CHANGES IN EQUITY

	Contributed Capital Rs.	General Reserves Rs.	Revaluation Reserve Rs.	Renovation Reserve Rs.	Accumulated Profit Rs.	Total Rs.
Balance as at 01st January 2023	59,055,258	66,061,447	71,350,931	-	11,646,235,559	11,842,703,194
Total Comprehensive Income for the year						
Net Profit for the year 2023			-	-	773,534,817	773,534,817
Gain/ losses on defined benefit plan (Note 26.3)			-	-	112,091,686	112,091,686
Correction of incorrectly understated software amortization (Net) -Note (a)i					(1,540,005)	(1,540,005)
VAT paid for the Y/A 2020/2021 and 2021/2022 - Note (a)ii					(41,243,572)	(41,243,572)
Correction of overstated supplier claims due to an error during 2020 (Net) - Note (a)iii					(1,472,488)	(1,472,488)
Correction of incorrectly understated DHS service charges (income) (Net) - Note (a)iv					956,329	956,329
Correction of incorrectly overstated desputed stock (Net) - Note (a)v					9,563,677	9,563,677
Journalizing prior period impact on bad debt provision (Net) - Note (a)vi					(1,067,474)	(1,067,474)
Correction of overstated purchase value and clearing charges in 2022/2023 (Net) - Note (a)viii					621,842	621,842
Balance as at 31st December 2023	**59,055,258**	**66,061,447**	**71,350,931**	**-**	**12,497,680,371**	**12,694,148,007**
Balance as at 01st January 2024	59,055,258	66,061,447	71,350,931	-	12,497,680,371	12,694,148,007
Total Comprehensive Income for the year						
Building Reserve	-	-	-	300,000,000	(300,000,000)	-
Treasury Levy Paid	-	-	-	-	(232,060,445)	(232,060,445)
Net Profit for the year	-	-	-	-	1,623,407,149	1,623,407,149
Gain/ losses on defined benefit plan (Note 26.3)		-	-	-	(224,901,049)	(224,901,049)
Correction of overstated supplier claims due to an error, (net) - Note (a) iii					(17,183,500)	(17,183,500)
Correction of incorrectly understated software amortization. (Net)- Note (a)i				-	(793,261)	(793,261)
Correction of incorrectly understated computer maintenance (Net)- Note (a)vii					(2,048,480)	(2,048,480)
Correction of understated direct settlements made by the World Bank, ADB, and NHDF (Net)- Note (a) ix					(6,081,330)	(6,081,330)
The provision for bad debts was adjusted to correct the overstatement of receivables in (ix) above. (Net)- Note (a) x					13,336,333	13,336,333
Balance as at 31st December 2024	**59,055,258**	**66,061,447**	**71,350,931**	**300,000,000**	**13,351,355,789**	**13,847,823,425**
Balance as at 01st January 2025	59,055,258	66,061,447	71,350,931	300,000,000	13,351,355,789	13,847,823,425
Total Comprehensive Income for the year						
Building Reserve	-	-	-	1,200,000,000	(1,200,000,000)	-
Treasury Levy Paid	-	-	-	-	(487,022,145)	(487,022,145)
Net Profit for the year	-	-	-	-	3,172,283,167	3,172,283,167
Gain/ losses on defined benefit plan (Note 26.3)		-	-	-	52,899,942	52,899,942
Balance as at 31st December 2025	**59,055,258**	**66,061,447**	**71,350,931**	**1,500,000,000**	**14,889,516,753**	**16,585,984,389**

Note (a)

	Following adjustments have been made by restating the financial statement 2024 as given below:	**Value Rs.**	**Tax effect @ 30% Rs.**	**Net Balance Rs.**
i	Correction of understated software amortization due to non recording of software amounting to Rs. 1.8 million and adjusting amortization according to the commissioning dates.	3,333,237	(999,971)	2,333,266
ii	Value-added tax (VAT) liability arises for the years 2020/2021 and 2021/2022 due to corrections to the tax computations for those years. The corporation settles all tax dues after negotiating with the Inland Revenue Department.	41,243,572	-	41,243,572
iii	Correction of overstated supplier claims due to an error during 2020 and 2024,	26,651,411	(7,995,423)	18,655,988
iv	Correction of incorrectly understated DHS service charges (income) in 2023, due to a unrecorded Debit Note and the relevant direct cost and customs duty	(1,366,185)	409,855	(956,329)
v	Correction of incorrectly overstated desputed items, due to an unrecorded replacement sent by the Supplier in 2023	(13,662,396)	4,098,719	(9,563,677)
vi	The provision for bad debts arises upon increasing the receivables from DHS due to an unrecorded Debit Note in (v) above	1,524,962	(457,489)	1,067,474
vii	Correction of incorrectly understated computer maintenance due to an unrecorded purchase value for MS Office Professional Plus 2021, 62 nos.during the year 2024.	(2,926,400)	877,920	(2,048,480)
viii	Correction of overstated purchase value of Rs. 519,905.50 and clearing charges of Rs. 369,519.50 during the year 2022/2023	888,345	(266,504)	621,842
ix	Recording of foreign exchange losses incurred on direct settlements made by the World Bank, ADB, and NHDF, relevant to 2023 and 2024, which were recorded in 2025. No adjustment has been made for 2023 in this statement considering the materiality of the transaction.	(8,687,614)	2,606,284	(6,081,330)
x	Recording of bad debt adjustment relevant to 2023 and 2024 based on the settlement said in (ix) above, which was recorded in the year 2025.	19,051,904	(5,715,571)	13,336,333
		66,050,836	**(7,442,179)**	**58,608,657**

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December	Note	SPC OPERATIONS 2025 Rs.	DHS OPERATIONS 2025 Rs.	TOTAL OPERATIONS 2025 Rs.	TOTAL OPERATIONS 2024 Rs.
Income	**7**	**11,043,525,362**	**64,198,441,350**	**75,241,966,712**	**62,087,499,199**
Less					
Direct Expenses - MSD	**8**		59,619,435,353	59,619,435,353	47,031,918,139
Cost of Sales - SPC	**9**	8,219,400,362	-	8,219,400,362	7,955,603,067
Cost of Production - ORS	**10**	168,884,445	-	168,884,445	150,640,791
Gross Profit/ Surplus		**2,655,240,555**	**4,579,005,997**	**7,234,246,552**	**6,949,337,202**
Add: Other Operating Income	**11**	201,091,902	1,841,345,323	2,042,437,226	844,337,314
Less					
Administrative Expenses	**12**	2,103,685,621	1,003,563,844	3,107,249,465	2,890,044,564
Other Operating Expenses	**13**	1,003,135,347	208,212,203	1,211,347,550	678,013,014
Operating Profit		**(250,488,511)**	**5,208,575,273**	**4,958,086,762**	**4,225,616,937**
Less: Finance Expenses	**14**	23,816,345	1,238,842,761	1,262,659,106	1,758,387,463
Add: Finance Income (Staff Loan)		7,104,714	-	7,104,714	7,181,360
Profit Before Tax		**(267,200,142)**	**3,969,732,513**	**3,702,532,370**	**2,474,410,834**
Income Tax Expenses	**15**	86,226,090	444,023,115	530,249,204	851,003,685
Profit After Tax		**(353,426,232)**	**3,525,709,398**	**3,172,283,167**	**1,623,407,149**
Other Comprehensive Income:					
Building Reserve		-	-	(1,200,000,000)	(300,000,000)
Gain/ Losses on defined benefit plan	**26**	-	-	52,899,942	(224,901,049)
Total comprehensive income for the year		**-**	**-**	**2,025,183,109**	**1,098,506,100**

STATE PHARMACEUTICALS CORPORATION OF SRI LANKA

STATEMENT OF CASH FLOW

For the year ended 31st December	NOTE	2025 Rs.	2024 Restated Rs.
Cash flow from operating activities			
Net profit before taxation,		**3,702,532,370**	**2,474,410,834**
Adjustments for:			
Depreciation	**16**	117,674,414	96,050,475
Adj. Demolishing of Building (Colombo 4)	**16**	-	3,331,556
Gratuity provision for the year	**26.3**	117,736,977	91,761,334
Lease amortisation	**18**	777,474	777,474
Profit/loss on disposal of fixed assets		(1,680,335)	-
Assets Impairment/ Adjustment		258,352	-
Amortisation charges (software)	**19**	3,334,046	2,369,616
Unrealized profit	**7**	25,720,407	63,203,497
Lease Interest (Osusala)		22,325,879	15,850,879
Amortisation of (ROU) Assets		52,699,143	32,602,791
Bad debt recoveries -SPC	**11**	(20,097,626)	7,559,838
Provision for bad debts -DHS	**11**	(1,841,345,323)	(61,166,178)
Stock losses	**13**	310,706	311,147
Provision for damaged & outdated stock - SPC	**13**	826,858,508	277,002,116
Provision for damaged & outdated stock DHS	**13**	9,208,081	-
Interest expenses	**14**	1,237,600,100	1,739,789,215
Operating profit before working capital changes		**4,253,913,175**	**4,743,854,595**
Increase/Decrease in trade and other receivable	**23**	(882,432,528)	1,053,588,133
Increase/Decrease in deposit & prepayments	**24**	(35,510,334)	11,173,073
Increase/Decrease in inventories		(504,002,321)	2,100,087,992
Increase/Decrease in Goods in Transit	**22**	(587,690,217)	2,012,502,146
Increase/Decrease in trade & Other payables	**28**	4,901,661,408	(3,314,086,758)
Cash generated from operations		**7,145,939,183**	**6,607,119,181**
Income tax paid		(559,577,723)	(102,121,069)
Surcharge tax paid		-	(75,000,000)
Treasury Levy/ Dividend paid		(487,022,145)	(232,060,445)
Gratuity paid	**26**	(49,303,914)	(44,527,079)
Interest paid	**14**	(1,237,600,100)	(1,739,789,215)
Cash flow before extraordinary items		**(2,333,503,882)**	**(2,193,497,809)**
Net cash from operating activities		**4,812,435,301**	**4,413,621,372**
Cash flow from investing activities			
Purchase of property, plant and equipment	**16**	(120,746,785)	(149,508,943)
Increase/Decrease in work in progress		(23,994,559)	54,224,104
Computer Software	**19**	(1,912,489)	(2,886,190)
Disposal/Transfers of fixed assets		2,633,144	
Net cash used in investing activities		**(144,020,689)**	**(98,171,029)**
Cash flow from financing activities			
Repayment of long term loan	27	(1,978,933,333)	(1,978,933,344)
Payments of Lease rent		(70,815,550)	(46,029,465)
Net cash used in financing activities		**(2,049,748,883)**	**(2,024,962,809)**
Net increase in cash and cash equivalents		2,618,665,728	2,290,487,534
Cash and cash equivalents at beginning of period		**(10,785,322,133)**	**(13,075,809,667)**
Cash and cash equivalents at end of period (Note A)		**(8,166,656,405)**	**(10,785,322,133)**

Note A : Cash and cash equivalents		2025 Rs.	2024 Rs.
Cash in hand & at bank	**25**	11,076,351,400	8,836,812,142
Treasury bill investment	**25**	162,873,940	250,767,504
Bank overdraft	**29**	(19,405,881,745)	(19,872,901,778)
Cash and cash equivalents		**(8,166,656,405)**	**(10,785,322,133)**

ACCOUNTING POLICIES

01. REPORTING ENTITY

1.1 Domicile & Legal Form

State Pharmaceuticals Corporation is a Government Corporation incorporated in 1971 under the State Industrial Corporations Act No. 49 of 1957 and domiciled in Sri Lanka. It is a Government Corporation located at No 75, Sir Baron Jayathilake Mawatha, Colombo 01. Presently operating its functions at "Mehewara Piyasa" No 41. Kirula Road, Colombo 05.

1.2.Financial period

The financial period of the Corporation represents a twelve month period from 1 January 2025 to 31 December 2025.

1.3. Principal activities and nature of operations

The main functions are,

a) Import, Purchase, Sales & Distribution of Pharmaceuticals and Health Care Items in the open market
b) Import & Supply Pharmaceuticals and Health Care Items to the Department of Health Services
c) Manufacturing and Marketing range of items including Jeevanee, Glucose & Benzyl Benzoate Cream
d) Providing sample tests and laboratory services

2. BASIS OF PREPARATION

2.1. Statement of compliance

The principle accounting policies adopted in preparing Financial Statements are given under Note 3-6 & such policies have been consistently applied unless otherwise stated. The financial statements of the Corporation have been prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS") laid down by the Institute of Chartered Accountants of Sri Lanka. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes thereto.

2.2. Responsibility for financial statements

The Board of Directors of the Corporation acknowledges their responsibility for the financial statements. Any amendment to Financial Statements after issue lies with Board of Directors.

2.3 Approval of financial statements

The financial Statements were approved by the Board of Directors of the Corporation and authorized for issue on 25.02.2026.

2.4. Basis of measurement

The Financial Statements of the Corporation have been prepared on the historical cost basis and applied consistently except for the following material items stated in the Statement of Financial Position.

- Equipment, Furniture, Computers and Motor Vehicles which are measured at revalued amounts being the fair value of revaluation.
- Retirement benefit obligations measured based on actuarial valuation.

Where appropriate, the specific policies are explained in the succeeding notes.

2.5 Functional and Presentation Currency

The Corporation's financial statements are presented in Sri Lankan Rupees which is the organization's functional and presentation currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Corporation, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re measurement of monetary items denominated in foreign currency at period-end exchange rates are recognized in profit or loss.

2.6. Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements, in order to enhance the understanding of the financial statements of the current period and to improve comparability. The comparative information has been reclassified where ever necessary to conform with the current year's classification in order to provide a better presentation.

2.7. Statement of Cash flows

The Statement of Cash Flows has been prepared by using the indirect method in accordance with the Sri Lanka Accounting Standard – LKAS 7 (Statement of Cash Flows), whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized.

2.8. Significant Accounting Judgments, Estimates and Assumptions.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Corporation accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods effected.

Information about assumptions and estimation uncertainties that have significant effect on the amounts recognized in the financial statements is included in following notes;

Note 20 - Recognition of deferred tax assets/liabilities
Note 21 - Provisions for impairment.
Note 26 - Measurement of retirement benefit obligations; key actuarial--assumptions.
Note 18 - Leases
Note 16 - Fare value measurement of Equipment, Furniture, Computers and Motor Vehicles

Provisions: Provisions are recognized when Corporation has present legal or constructive obligation as a result of past event considering probability & based on reliable estimation.

2.9. Measurement of Fair Values

A number of the Corporation's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

The Corporation regularly reviews significant unobservable inputs and valuation adjustments when applicable. If third party information is used to Measure fair values, The Corporation assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRSs/LKASs, including the level in the fair value hierarchy in which such valuations should be classified.

Further, the external valuers are involved for valuation of significant assets; Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Corporation decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets.

When measuring the fair value of an asset or liability, the Corporation uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement. Transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The Corporation does not hold any assets require fair value through P&L or fair value through OCI at present.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant Accounting Policies

The Accounting Policies applied by the Corporation are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been rearranged, wherever necessary, to conform to the current year's presentation.

3.2 Going Concern

Financial Statements of the Corporation have been prepared on the basis of going concern.

3.3. New Accounting Standards issued during the year/Changes to already existing Accounting Standards

The amendments to the following existing Sri Lanka Accounting Standard which were effective from 01st January 2026 did not have a material impact on the Financial Statements.

- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements: (W.e.f. 01.01.2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures: (W.e.f. 01.01.2027)

3.4 Property Plant and Equipment

3.4.1 Basis of recognition

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

3.4.2. Basis of measurement

Items of property, plant and equipment are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs.

Subsequent costs

The cost of replacing a component of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognized in the income statement as incurred.

Cost model

The Corporation applies the cost model to the land and buildings and records at cost of purchase together with any incidental expenses thereon less any accumulated depreciation and accumulated impairment losses.

Revaluation model

The Corporation revalues its motor vehicles which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation, any increase in the revaluation amount is credited to the revaluation reserve in equity unless it off sets a previous decrease in value of the same asset that was recognised in the statement of profit or loss. A decrease in value is recognised in the statement of profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Equipment, Furniture and Computers are measured at fair value. Furniture, Equipment and Computers were re-valued by Mr. J.M. Senanayaka Bandara, Govt. Deputy Chief Valuer (Rtd.) as at 31.12.2015.

3.4.3. Depreciation

Depreciation is recognized in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of an item of property, plant & equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of Property, Plant and Equipment are as follows.

Buildings	20- 40 years
Plant & Machinery	8 years
Motor Vehicles	10 years
Bicycles	6 to 7 years
Furniture & Fittings	10 years
Computers	4 years
Equipment	5 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted in accordance with LKAS 8.

Accordingly, the residual value and useful life of the Furniture Fittings, Equipment, and Computers were reviewed, and the carrying value was adjusted prospectively as stated in section 37 of LKAS 8.

The effect of the depreciation account is given below,

Current period	Rs.	2.3	Million
Future periods	Rs.	5.8	Million

3.4.4. De-recognition

An item of property, plant & equipment is de-recognized upon disposal of or when no future economic benefits are expected from its use or disposal. Gains and losses arising on de-recognition of assets are determined by comparing the proceeds from the disposal with the carrying amount of property, plant & equipment and are recognized net within "Other Income" in profit or loss.

3.4.5 Impairment of non-financial assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount.

3.5 Capital work in progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The Corporation's intangible assets are amortized using the straight-line method to write down the cost over its estimated useful economic lives.

My pos Software Solution (CPU and ROS's)	5 years
GPS Tracking system & Ultrasonic fuel Sensor	10 Years

3.7 Leases

Leases are recognized as right-of-use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Corporation. The Corporation has leases for the Osusala buildings, Stores facilities and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

(a) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(b) **Lease liabilities**

In accordance with provisions of SLFRS 16, lease liabilities were recognised and measured at the present value of the remaining lease payments, discounted using the lessee's increment borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, Security and conditions.

The Corporation presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in comprehensive income.

(c) Re-measurement of lease liabilities

The Corporation is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rates take effect, the lease liability is re measured and adjusted against the ROU assets.

(d) **Lease payments not recognized as a liability**

The Corporation has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

3.8 Taxation

3.8.1 Current taxation

Current tax assets and liabilities consist of amounts expected to be recovered from or paid to the Taxation Authorities in respect of the current as well as prior years. The tax rate and tax laws used to compute the amounts are those that are enacted or substantially enacted by the Balance Sheet date. Accordingly, provision for taxation is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provision of the Inland Revenue Act No: 24 of 2017 and the Amendments thereto, the rates specified in the act. Provision for the current year taxation made according to the accounting profit subject to the rate specified by act.

3.8.2 Deferred taxation

In respective of each type of temporary differences recognized in the Balance Sheet, were considered for the Deferred Tax Liabilities and Assets. Mainly, in Financial Statements Fixed Assets, Provision for Retiring Gratuity, Impairment on debtors, Provision for disputed items were considered. Deferred Tax Assets & Liabilities are measured at the Income Tax Rate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

3.9 Inventories

Inventories are recognized at cost or net realizable value, whichever is lower after making due allowance for obsolete and slow-moving items which are valued on a 'First in first out' basis. Stocks at Osusala outlets were measured, excluding the stock transfer margin which was worked out using an average margin of stock transferred from the Main stores to the Osusala outlet.

The Corporation's Pricing Committee decides the price of drugs based on formula while considering market prices.

3.9.1 Measurement of inventories

Cost of Inventories – ORS

Raw Materials

Cost of purchases together with any incidental expenses.

Work In progress

Raw material cost and variable manufacturing expenses in full.

Finished Goods

Raw material cost and variable manufacturing expenses in full.

3.10 Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank, Treasury bill investments, other short-term highly liquid investments with original maturities of twelve months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

3.11 Research costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss when incurred.

4 LIABILITIES AND PROVISIONS

4.1 Retirement Benefit Obligations

4.1.1 Defined benefit plan – Retirement Gratuity

The Corporation is liable to pay Gratuity in terms of the Payment of Gratuity Act No.12 of 1983.The liability for gratuity to an employee arises only on completion of five years of continued service with the Corporation. This Liability recognized in the balance sheet represents the present value of the defined benefit obligations at the balance sheet date estimated using the projected unit credit method. These benefits are not externally funded.

The Corporation recognizes all actuarial gains and losses arising from defined benefit plans immediately in the other comprehensive income.

The assumptions based on which the results of the actuarial valuation were determined, are included in Note 26 to the financial statements.

4.1.2 Defined Contribution Plans- Employee Provident Fund & Employee Trust Fund

The Corporation contributes to Employees' Provident Fund contribution and Employees' Trust Fund contribution is covered by relevant contribution funds in line with respective regulation. Obligations for contributions to the plans covering the employees are recognized as an expense in the income statement.

Employees' Provident Fund

The Corporation and Employees contribute to provident fund at 12% and 10% respectively on fixed salary except travelling allowance.

Employees' Trust Fund

The Corporation contributes 3% on fixed salary except travelling allowance, to the Employees' Trust Fund.

5. INCOME STATEMENT

For the purpose of presentation of the Income Statement, the function of expenses method is adopted as it represents fairly the elements of corporation performance.

5.1 Revenue Recognition

The Corporation recognizes and measures revenue under five step approaches as per SLFRS 15- Revenue from Contracts with customers. Measurement of revenue is based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Corporation recognizes revenue when the performance obligations are satisfied.

In the comparative period, revenue is recognized on an accrual basis when it is probable that the economic benefits will flow to the Corporation and the revenue and associated costs incurred or to be incurred can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

5.1.1 Nature of goods and service

The following is a description of the principal activities from which the Corporation generates its revenue and the respective revenue recognition policies.

i. **Revenue from importing and trading pharmaceutical and health care items**

The Corporation recognizes revenue from following sources;

Customer	Nature, Timing of satisfaction of performance obligation and significant payment terms
Distributors/ Franchises	The Corporation recognized revenue monthly at the point the customer takes possession of the products. The products are sold to the Distributors at W/S prices determined by the Corporation will be notified to the Distributor from time to time. The products once sold to the Distributor will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued to the Distributor by an error. An irrevocable unconditional Bank Guarantee for a sum equivalent to the value of products intended to purchase should be provided in favour of the State Pharmaceuticals Corporation. The Bank Guarantee should be valid from the date of commencement of the agreement and it should be in full force during the continuance of this agreement.
Forces/ Government Hospitals/ Private Hospitals	The Corporation recognized revenue monthly at the point the customer is delivered with the products. The products are sold at prices determined by the Corporation which will be notified to the customer from time to time. The products once sold will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued by an error.

ii. **Revenue from supply of Pharmaceuticals and health care items to the Department of Health services.**

Revenue is recognized when the products are transferred to the Department of Health Services at the time the GRN is issued by DHS. The products, once sold, will not be taken back by the Corporation or exchanged for other products unless they are spoiled or discolored at the time of issue, or if the wrong products were issued due to an error.

iii. Production of Pharmaceuticals and health care items

The Corporation mainly engages in manufacturing and marketing of pharmaceuticals items namely,

- Jeevani
- Glucose
- Benzyl Benzoate Cream

based on requirement Corporation may repack certain other items.

The sales of manufacture goods are recognized at the point the products are transferred to the customers. The products once sold will not be taken back by the Corporation or exchanged for other products unless they are spoilt or discolored at the time of issue or where the wrong products were issued by an error.

The following specific recognition criteria are also evaluated by the Corporation before revenue is recognized:

5.1.2 Sale with a right of return

The Corporation transfers the control of the product to customers with the right to return if:

- The products sold are close to expiry
- Products are spoilt or discolored at the time of issue
- Issue of wrong products due to an error

Such sale of products with a right to return shall be recognized by the Corporation as;

- Revenue for the transferred products in the amount of consideration to which the Corporation expects to be entitled a refund liability; and
- An asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.

At the end of each reporting period, the Corporation shall update its assessment of amounts for which it expects to be entitled in exchange for the transferred products and a corresponding change is made to the transaction price if necessary.

The Corporation shall update the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds. The Corporation recognizes corresponding adjustments as revenue (or reductions of revenue).

An asset recognized for the Corporation's right to recover products from a customer on settling a refund liability shall initially be measured by reference to the former carrying amount of the less any expected costs to recover those products. At the end of each reporting period, the Corporation shall update the measurement of the asset arising from changes in expectations about products to be returned.

5.2 Other Income

Other income is recognized on an accrual basis.

5.3 Claims Receivable from Suppliers

Claims receivable from suppliers for Short Supplies and Damages have not been recognized in the Financial Statement due to uncertainty of the outcome. However, when the realization of income is virtually certain, the claim is recognized in the income statement.

There were pending supplier claims worth Rs 1,467 million at the end of the year 2025. (From 01.01.2023 to 31.12.2025)

5.4 Expenses

All expenditures incurred in the running of the business have been charged to income in arriving at the profit for the year. Repairs and renewals are charged to profit and loss in the year in which the expenditure is incurred.

5.4.1 Financial Expenses

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. The corporation's finance expenses comprise of overdraft interest, letter of credit opening expenses, lease interest charges & credit facility agreement charges.

5.4.2 Allocation between overheads

Overheads have been allocated between SPC & DHS based on percentage after analyzing the activities involved.

In the Financial Statements, Overheads allocation method is as follows.

	DHS	SPC
(a) Personnel emoluments	56%	44%
(b) Travelling expenses	10%	90%
(c) Supplies and requisites	25%	75%
(d) Repairs and maintenance	50%	50%
(e) Transportation, communication utilities & other services	50%	50%
(f) Research cost	65%	35%
(g) OD interest	Actual	Actual

6 FINANCIAL INSTRUMENTS- INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

6.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Corporation commits to purchase or sell the asset.

At initial recognition, the Corporation measures a financial asset or financial liability at its fair value plus or minus in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

6.1.1 Financial Assets

6.1.1.1 Classification and subsequent measurement

The Corporation classifies its financial assets in the following measurement categories

- Fair Value through Profit and Loss (FVPL)
- Fair Value through Other Comprehensive Income (FVOCI); or
- Amortized cost.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on:

i. The Corporation's business model for managing the asset; and

ii. The cash flow characteristics of the asset.

Based on these factors, the Corporation classifies its debt instruments into one of the following three measurement categories:

6.1.1.1.1 Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. Interest income from these financial assets is included in the "Other Operating Income" using the effective interest rate method. The Corporation currently holds cash in hand and bank, staff loans, trade receivables and short term treasury bills under this category.

6.1.1.1.2 Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in the profit or loss statement. Interest income from these financial assets is included in "Other Operating income" using effective interest rate method. Currently the Corporation does not hold any financial asset under this category.

6.1.1.1.3 Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of a hedging relationship is recognized in profit or loss presented in the profit or loss statement in the period which it arises, unless it arises from debt

instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in the profit and loss statement. Interest income from these financial assets is included in "Other Operating income" using effective interest rate method. Currently the Corporation does not hold any financial asset under this category.

- **Business model:**

The business model reflects how the Corporation manages the assets in order to generate cash flows. That is, whether the Corporation's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Corporation in determining the business model for a group of assets include past experience on how cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

- **Solely Payments of Principal and Interest (SPPI):**

Where the business model is to hold assets to collect contractual cash flow or to collect contractual cash flows and sell, the Corporation assesses whether the financial instruments cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Corporation considers whether the contractual cash flows are consistent with the basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Corporation reclassifies debt investments when and only when its business model for managing those assets changes. The re classification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

6.1.1.2 Impairment

The Corporation assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. The Corporation recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating range of possible outcomes
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Probability of default (PD),loss rate & thereon the average impairment rate has been considered in order to worked out the incurred loss balance as at 31.12.2025 .Thereby, considering the Economic factor Adjustment (EFA) based on the latest available GDP growth rate (as given in the web site www.CBSL.gov.lk) ,it is arrived the Economic Factor Adjustment (EFA) considered in the computation have led to decrease such provision significantly.

Impairment of trade receivables have been calculated based on the advisory services provided by the ''Moore Stephan Aiyar" in adoption of SLFRS 09. Accordingly, incurred loss on provision for impairment of trade receivables are calculated, based on loss rate derived from probability of default (PD) & accordingly, expected credit loss (ECL) is calculated by adjusting economic factor Adjustment (EFA).
Debt balances for impairment have been fully provided, if such balances are long outstanding & its recoveries are highly doubtful. EFA has not been adjusted for such provision.
Impairment calculations have been done based on significant impairment & collective impairment under 4 categories given below.

- Significant collective impairment - (Government sector debtors – Forces, Government Hospitals)
- Other collective impairment- (Government Sector others & Private sector debtors)
- Highly significant Customers (Debtors with long outstanding dues & under litigation)
- Specific impairment on MSD debts.

The probability of default (PD) is calculated considering MSD debt balance as a ratio of the total MSD sales for a given year & use historical data (yearly balance) for this purpose. Loss rate is derived based on the outstanding balance. When obtaining the outstanding balance, it has been considered the term loan receivable (as per note 27 to the financial statements) & the cabinet decision confirming the settlement of DHS dues (2018 -2023: Rs.23 bn) within the year 2026, as a receipt.

6.1.1.2.1 Measurement of the Expected Credit Loss (ECL) allowance

The measurement of expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward looking scenarios for each type of product/ market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The judgements and estimates made by the Corporation for ECL measurement is as follows;

- Expected credit loss is the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Economic Factor Adjustment (EFA). PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.
- LGD represents the Corporation's expectation of the extent of loss on a defaulted exposure. LGD is computed on lifetime basis, where Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.
- The Corporation forecasts the economic growth for 5 years basing historical Economic growth data for 11 years and the economic factor adjustment (EFA) is arrived by using a weighted probability of the impact of growth on the Corporation. The economic growth of Sri Lanka is used for EFA as the main factor impacting growth of the Corporation due to the nature of the major customers.

6.1.1.3 De-recognition

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) Corporation transfers substantially all the risks and rewards of ownership, or (ii) the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and the control of assets.

The Corporation enters into transactions where it retains the contractual rights to receive cash flows from the assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as "pass through" transfers that result in de-recognition if the Corporation:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from other assets without material delay.

6.1.2 Financial Liabilities

6.1.2.1 Classification and subsequent measurement

In both current and prior period, financial liabilities are classified as subsequently measured at amortized cost, except for Financial Liabilities at fair value through profit and loss. This classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially in profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge an accounting mismatch in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss. The Corporation's financial liabilities include trade and other payables, bank overdrafts.

6.1.2.2 De-recognition

A financial liability is de-recognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

6.2 Measurement methods

Amortized cost and Effective Interest Rate

The amortized cost is the amount at which the financial asset or financial liability is measure at initial recognition less the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability

NOTES TO THE FINANCIAL STATEMENTS

7 REVENUE

For the year ended 31st December	2025 Rs.	2024 Rs.
Revenue - SPC		
Bulk trading	2,122,372,969	3,149,733,107
ORS sales	343,770,781	272,719,881
Osusala sales (Note 30)	8,268,876,884	7,490,666,686
Unrealized Profit adj.*	(25,720,407)	(63,203,497)
Claims Received	334,225,136	219,483,799
Total	**11,043,525,362**	**11,069,399,976**
Revenue - DHS		
Import supplies	29,661,600,282	27,823,216,748
Local supplies	32,304,386,426	20,555,221,475
Additional charges	28,343,108	205,304,593
Claims Received	2,204,111,534	2,434,356,406
Total	**64,198,441,350**	**51,018,099,222**
Total Revenue	**75,241,966,712**	**62,087,499,199**

*SPC transfers stocks to its Outlets, retaining a margin to cover direct expenses. Unrealized profit adjusts by reversing the margin in the closing stocks at Osusala outlets at the end of the year.

7.1 SALE WITH A RIGHT OF RETURN

The Sales returns experienced by the Corporation are immaterial in comparison to sales generated. However, the Corporation shall monitor the probability of occurrence of sales returns and the requirement to adjust any material impact of such.

8 COST OF SALES / DIRECT EXPENSES - DHS

For the year ended 31st December	2025 Rs.	2024 Rs.
Revenue	**64,198,441,350**	**51,018,099,222**
DIRECT COST		
C & F value of DHS supplies	27,026,063,040	24,723,593,354
Custom duties & taxes	909,581,974	981,324,211
Cost of local supplies	31,088,386,824	19,791,775,899
Deductions for short supplies, quality failure, administration charges, etc.	837,638,432	1,085,219,921
Total	**59,861,670,270**	**46,581,913,386**
OTHER DIRECT COST		
Clearing charges (Bank charges, Stamp fee , Commission & LC chg.	558,086,265	663,874,730
Landing charges	26,377,297	36,370,599
Import licenses fee	91,478,654	103,633,044
Total	**675,942,217**	**803,878,373**
TOTAL COST	**60,537,612,487**	**47,385,791,758**
Less: Stock in transit	918,177,133	353,873,620
Direct expenses/ Cost of sales	59,619,435,353	47,031,918,139
Gross profit/surplus	**4,579,005,997**	**3,986,181,084**

NOTES TO THE FINANCIAL STATEMENTS

9 COST OF SALES -SPC

For the year ended 31st December	BULK TRADING Rs.	OSUSALA TRADING Rs.	TOTAL TRADING SPC-2025 Rs.	TOTAL TRADING SPC-2024 Rs.
Stock In trade at the beginning of the year	2,353,821,539	2,109,282,202	4,463,103,741	6,846,509,505
Add :				
Imported drugs	2,200,495,414		2,200,495,414	1,301,561,217
Consumables for the laboratory	3,111,284		3,111,284	21,754,252
Local purchases (SPC tenders)	2,064,615,830		2,064,615,830	769,522,046
C.P.U - Purchases	351,295,049		351,295,049	187,530,436
Local purchases (Osusalas) (Note 30.1)	-	4,031,272,520	4,031,272,520	3,567,963,720
Transfers (Note 30.1)	(2,956,254,028)	2,956,254,028	-	-
STOCK AVAILABLE FOR SALES	**4,017,085,088**	**9,096,808,750**	**13,113,893,838**	**12,694,841,176**
Less: Stock In trade at end of the year	2,550,751,001	2,343,742,475	4,894,493,476	4,739,238,108
COST OF SALES & TRANSFERS	**1,466,334,087**	**6,753,066,275**	**8,219,400,362**	**7,955,603,067**

10 COST OF MANUFACTURING GLUCOSE, JEEWANEE AND BB CREAM

For the year ended 31st December	2025 Rs.	2024 Rs.
Opening stock of raw materials	2,379,997	4,615,220
Add: purchases of raw materials	64,449,236	65,321,306
Less: closing stock of raw materials	1,865,641	2,857,357
Cost of raw materials consumed	**64,963,592**	**67,079,168**
Add: Manufacturing cost (Note 10.1)	101,041,863	87,415,958
Production cost of goods	**166,005,455**	**154,495,126**

ORS TRADING

For the year ended 31st December	2025 Rs.	2024 Rs.
Opening stock (finished goods)	4,478,850	624,515
Add: Production cost of goods	166,005,455	154,495,126
Less: Closing stock (finished goods)	1,599,860	4,478,850
Cost of sale	**168,884,445**	**150,640,791**
Sales	343,770,781	272,719,881
Less: Cost of sale	168,884,445	150,640,791
Gross profit	**174,886,335**	**122,079,090**

NOTES TO THE FINANCIAL STATEMENTS

10.1 MANUFACTURING COST

For the year ended 31st December	2025	2024
	Rs.	Rs.
Salaries & wages	36,417,097	34,917,784
Overtime.	3,450,376	2,970,006
Uniforms.	570,223	18,700
Insurance for staff	213,019	396,978
Provident fund (EPF & ETF).	4,497,918	4,313,366
Annual bonus	583,382	477,000
Attendance bonus	459,450	424,950
Annual incentive bonus	7,496,629	7,110,256
Staff welfare	1,581,121	1,514,782
Medical expenses	374,435	382,813
Power	2,946,131	3,148,907
Depreciation	6,241,003	5,698,275
Repairs & maintenance	2,814,794	1,792,292
Packing materials used	33,396,286	24,249,850
Total	**101,041,863**	**87,415,958**

11 OTHER OPERATING INCOME

For the year ended 31st December	2025	2024
	Rs.	Rs.
SPC		
Sales of tender forms.	129,688,200	86,469,255
Rent received	1,019,700	1,201,921
Treasury bill interest	18,867,989	15,653,840
Scrap sales	1,444,650	1,744,680
Interest income - USD accout	4,111,479	6,276,554
Miscellaneous income	7,876,704	9,208,920
Pre qualification charges	3,511,000	-
Stock excesses	533,419	4,874,262
Bad debt over provision - SPC	20,097,626	-
Foreign exchange gain/loss	12,193,566	22,531,200
Profit on disposal of fixed assets	1,680,335	-
Int. on returned cheques/ delays	67,234	417,405
Total	**201,091,902**	**148,378,036**
DHS		
Bad debt recoveries- DHS	1,841,345,323	61,166,178.20
Foreign exchange gain		634,793,099
Total	**1,841,345,323**	**695,959,278**
Grand Total	**2,042,437,226**	**844,337,314**

NOTES TO THE FINANCIAL STATEMENTS

12 ADMINISTRATIVE EXPENSES

For the year ended 31st December	SPC TRADING OSUSALAS	SPC TRADING O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2025	TOTAL TRADING 2024
PERSONNEL EMOLUMENTS	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Salaries, Wages & Allowances.	651,189,074	-	413,736,100	1,064,925,174	526,573,218	1,591,498,392	1,481,975,741
Overtime.	48,605,660	-	14,813,105	63,418,765	9,875,403	73,294,168	65,608,610
Staff training expenses.	-	-	3,608,926	3,608,926	4,593,178	8,202,104	13,911,785
Uniforms.	5,301,848	-	1,354,593	6,656,440	1,724,027	8,380,467	7,868,792
Insurance for staff	6,656,652	-	5,960,813	12,617,465	7,586,490	20,203,955	17,477,871
Provident fund (EPF & ETF).	78,510,375	-	49,192,085	127,702,459	62,608,108	190,310,567	182,394,832
Annual bonus	8,104,447	-	5,825,136	13,929,582	7,413,809	21,343,391	16,827,485
Monthly attendance bonus.	9,372,650	-	5,056,194	14,428,844	6,435,156	20,864,000	19,417,050
Sports club expenses	-	-	686,611	686,611	873,869	1,560,480	1,132,305
Annual per inc. bonus.	114,034,884	-	76,125,611	190,160,495	96,887,141	287,047,636	299,880,314
Gratuity. (Note 26.3)	-	-	51,804,270	51,804,270	65,932,707	117,736,977	91,761,334
Land/ Housing loan interest	2,975,436	322,160	2,220,519	5,518,115	2,826,116	8,344,231	10,435,361
SPC Anniversary payment	-	-	3,755,011	3,755,011	4,779,105	8,534,116	7,431,831
Death gratuity	-	-	1,016,057	1,016,057	1,293,163	2,309,220	-
Total	**924,751,026**	**322,160**	**635,155,030**	**1,560,228,215**	**799,401,489**	**2,359,629,705**	**2,216,123,312**
TRAVELING EXPENSES							
Overseas travelling expenses- others.	-	-	-	-	-	-	270,556
Local travelling expenses - others.	2,354,154	37,070	2,840,166	5,231,391	315,574	5,546,965	4,948,091
Total	**2,354,154**	**37,070**	**2,840,166**	**5,231,391**	**315,574**	**5,546,965**	**5,218,647**
SUPPLIES & REQUISITES							
Printing & stationery.	15,442,504	1,100,925	23,995,295	40,538,724	7,998,432	48,537,156	33,058,490
Board meeting expenses.	-	-	332,933	332,933	110,978	443,910	188,815
Entertainment - others.	-	-	1,704,247	1,704,247	568,082	2,272,329	2,741,510
Repairs to motor vehicles.	-	-	18,536,874	18,536,874	6,178,958	24,715,833	20,665,673
Fuel & lubricants.	-	-	18,383,597	18,383,597	6,127,866	24,511,462	23,854,964
License fees of motor vehicles.	-	-	209,959	209,959	69,986	279,946	253,842
Total	**15,442,504**	**1,100,925**	**63,162,905**	**79,706,334**	**21,054,302**	**100,760,635**	**80,763,294**
REPAIRS & MAINTENANCE							
Buildings.	7,546,924	-	8,732,324	16,279,249	8,732,324	25,011,573	31,156,730
Furniture, fittings & equipment	6,949,650	-	2,391,836	9,341,486	2,391,836	11,733,322	14,967,397
Computer	2,262,504	-	5,140,980	7,403,484	5,140,980	12,544,465	16,136,786
Total	**16,759,078**	**-**	**16,265,140**	**33,024,219**	**16,265,140**	**49,289,359**	**62,260,914**

NOTES TO THE FINANCIAL STATEMENTS

12 ADMINISTRATIVE EXPENSES

For the year ended 31st December	SPC TRADING OSUSALAS	SPC TRADING O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2025	TOTAL TRADING 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES							
Rent/Amortization of ROU Assets (Note 17.2	59,857,358	-	1,036,399	60,893,757	-	60,893,757	47,441,635
Rent - "Mehewarapiyasa"	-	-	6,039,638	6,039,638	6,039,638	12,079,276	13,396,000
Lease rent amortization	618,474	-	160,000	778,474	-	778,474	778,474
Rates & taxes.	1,557,905	-	1,984,190	3,542,095	1,984,190	5,526,285	5,002,399
Water bills	1,754,365	179,323	1,086,536	3,020,224	1,086,536	4,106,761	4,045,778
Electricity.	38,948,361	-	19,544,965	58,493,326	19,544,965	78,038,291	90,529,110
Fuel for Generator	764,443	-	177,321	941,764	177,321	1,119,085	1,253,617
Postage, Telegrams & Telephones.	3,311,612	55,408	16,937,517	20,304,537	16,937,517	37,242,055	28,790,843
Trade subscriptions, Periodicals & Publicatio	578,595	1,900	242,937	823,432	242,937	1,066,370	1,068,357
Professional charges.	-	-	5,485,448	5,485,448	5,485,448	10,970,896	6,672,454
Insurance.	-	-	3,824,572	3,824,572	3,824,572	7,649,143	8,139,837
Press notification.	-	-	5,913,954	5,913,954	13,799,226	19,713,180	19,533,380
Security services.	61,999,395	704,418	13,299,136	76,002,949	13,299,136	89,302,084	60,503,585
Depreciation	40,911,893	-	35,207,071	76,118,964	35,207,071	111,326,035	90,352,200
Demolishing of Bldg. (Net book value)			-	-	-	-	3,331,556
Amortisation- Computer Software	2,070,278	-	1,263,769	3,334,046	-	3,334,046	2,369,616
License fees for drugs.	3,421,875	-	7,909,060	11,330,934	-	11,330,934	25,267,338
Sundry expenses.	340,429	22,850	73,219	436,498	34,456	470,954	397,735
Directors fees.	-	-	779,724	779,724	779,724	1,559,448	1,030,380
Audit fees.	-	-	1,500,900	1,500,900	1,500,900	3,001,800	2,464,500
Tender board expenses.	-	-	9,590,203	9,590,203	22,377,141	31,967,344	16,288,464
Staff welfare.	35,459,747	-	15,670,863	51,130,610	19,944,735	71,075,346	62,529,146
Staff medical expenses.	5,125,690	-	3,348,576	8,474,266	4,261,825	12,736,091	12,761,355
Donations	-	-	16,735,145	16,735,145	-	16,735,145	21,730,639
Total	**256,720,419**	**963,899**	**167,811,144**	**425,495,462**	**166,527,338**	**592,022,801**	**525,678,398**
TOTAL ADMINISTRATIVE Ex	**1,216,027,181**	**2,424,055**	**885,234,385**	**2,103,685,621**	**1,003,563,844**	**3,107,249,465**	**2,890,044,564**

NOTES TO THE FINANCIAL STATEMENTS

13 OTHER OPERATING EXPENSES

For the year ended 31st December	OSUSALAS	SPC TRADING O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2025	TOTAL TRADING 2024
SELLING & DISTRIBUTION EXPENSES	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Sales promotion expenses.	-	-	30,651,110	30,651,110	-	30,651,110	27,048,945
Prescriber	-		101,125	101,125	-	101,125	799,794
Transport charges.	-	-	7,955,560	7,955,560	-	7,955,560	7,057,847
Provision for bad debts	-		-	-	-	-	7,559,838
Discount on osusala sales	-	-	28,536,287	28,536,287	-	28,536,287	22,977,657
Additional discounts	-		71,091,590	71,091,590		71,091,590	133,989,181
Value Added Tax	-		8,807,957	8,807,957	26,423,870	35,231,826	53,468,524
Stock losses	-	-	310,706	310,706	-	310,706	311,147
Pro. for outdated & damaged drugs	18,751,246	362,449	807,744,814	826,858,508	-	826,858,508	277,002,116
Pro. for outdated & damaged drugs - DHS	-	-	-	-	9,208,081	9,208,081	-
Stamp fee	-		464,740	464,740	-	464,740	399,312
Setting up expenses	-	-	9,552,140	9,552,140	-	9,552,140	16,696,671
Storage charges	-		-	-	11,474,863	11,474,863	19,158,147
Destruction charges	-	-	-	-	10,752,253	10,752,253	-
Foreign exchange gain/loss	-	-	-	-	105,853,643	105,853,643	-
Sundry packing materials.	18,186,294	-	267,625	18,453,919	-	18,453,919	24,441,780
TOTAL	**36,937,540**	**362,449**	**965,483,654**	**1,002,783,643**	**163,712,710**	**1,166,496,353**	**590,910,959**
RESEARCH & DEVELOPMENT							
Drugs for testing	-	-	-	-	-	-	25,743
Testing charges for samples DHS	-	-	-	-	-	-	415,459
Testing charges for samples	-	-	343,709	343,709	-	343,709	-
Drugs for sample	-	-	7,995	7,995	-	7,995	951
TOTAL	**-**	**-**	**351,704**	**351,704**	**-**	**351,704**	**442,152**
(c) Legal Compensation	-	-	-	-	44,499,493	44,499,493	86,659,903
TOTAL OTHER OPERATING EXPENSES	**36,937,540**	**362,449**	**965,835,358**	**1,003,135,347**	**208,212,203**	**1,211,347,550**	**678,013,014**

14 FINANCE EXPENSES

For the year ended 31st December	OSUSALAS	SPC TRADING O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2025	TOTAL TRADING 2024
	Rs.	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
O/D interest	-	-	-	-	1,237,600,100	1,237,600,100	1,739,789,215
Lease interest charge for the year (Note 17.2)	-	-	21,083,219	21,083,219	1,242,661	22,325,879	15,850,879
Bank charges			2,733,127	2,733,127	-	2,733,127	2,747,368
TOTAL FINANCE COST	**-**	**-**	**23,816,345**	**23,816,345**	**1,238,842,761**	**1,262,659,106**	**1,758,387,463**

NOTES TO THE FINANCIAL STATEMENTS

15 MAJOR COMPONENT OF TAX EXPENSES

For the year ended 31st December	2025 SPC Rs.	2025 DHS Rs.	2025 Total Rs.	2024 Total Rs.
Current tax expenses (Note 15.1)	122,099,369	628,753,343	750,852,711	855,553,937
Over/Under provision in respect of previous years	(7,623,609)	(39,257,939)	(46,881,548)	151,474,484
Adj. Deferred tax Income/Expenses relating to the origination -		-	-	-
- and reversal of temporary differences (Note 20)	(28,249,670)	(145,472,289)	(173,721,959)	(156,024,736)
Tax expenses	**86,226,090**	**444,023,115**	**530,249,204**	**851,003,685**

15.1 RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSES

For the year ended 31st December	2025 SPC Rs.	2025 DHS Rs.	2025 Total Rs.	2024 Total Rs.
Profit Before Tax	(267,200,142)	3,969,732,513	3,702,532,370	2,474,410,834
Disallowable expenses	944,705,330	114,667,483	1,059,372,813	665,638,555
Qualifying payments	(270,507,292)	(1,988,555,520)	(2,259,062,812)	(288,202,933)
Taxable Income	**406,997,896**	**2,095,844,475**	**2,502,842,371**	**2,851,846,456**
Income Tax @ 30%	122,099,369	628,753,343	750,852,711	855,553,937
Income tax on current year profit	**122,099,369**	**628,753,343**	**750,852,711**	**855,553,937**
Over/Under provision in respect of previous years	(7,623,609)	(39,257,939)	(46,881,548)	151,474,484
Adj. Deferred tax Income/Expenses relating to the origination -				
and reversal of temporary differences (Note 20)	(28,249,670)	(145,472,289)	(173,721,959)	(156,024,736)
Tax expenses	**86,226,090**	**444,023,115**	**530,249,204**	**851,003,685**
Effective Tax Rate %			**21.19**	**29.84**

NOTES TO THE FINANCIAL STATEMENTS

16 PROPERTY, PLANT AND EQUIPMENT

COST OF DEEMED COST	Freehold land Rs.	Buildings Rs.	Motor Vehicles Rs.	Furniture & Fittings Rs.	Equipment Rs.	Plant & Machinery Rs.	Computers Rs.	Total Rs.
At 1 January 2024	**1,199,639,630**	**735,899,982**	**173,550,000**	**122,303,247**	**232,733,360**	**48,121,870**	**153,331,896**	**2,665,579,984**
Additions	-	731,500	-	78,956,624	49,427,562	-	20,393,258	149,508,943
Adjustments	-	(6,442,970)	-	-	-	-	-	(6,442,970)
At 31 December 2024	**1,199,639,630**	**730,188,511**	**173,550,000**	**201,259,871**	**282,160,921**	**48,121,870**	**173,725,154**	**2,808,645,957**
At 1 January 2025	1,199,639,630	730,188,511	173,550,000	201,259,871	282,160,921	48,121,870	173,725,154	2,808,645,957
Additions	-	265,750	-	13,000,183	62,148,766	6,542,921	38,789,165	120,746,785
Adjustments	-	-	-	-	(296,700)	-	(69,030)	(365,730)
Disposals	-	-	-	(3,770,117)	(3,469,647)	-	(7,757,980)	(14,997,744)
At 31 December 2025	**1,199,639,630**	**730,454,261**	**173,550,000**	**210,489,937**	**340,543,341**	**54,664,791**	**204,687,308**	**2,914,029,269**
DEPRECIATION & IMPAIRMENT								
At 1 January 2024	**-**	**178,740,517**	**34,710,000**	**68,916,325**	**179,635,916**	**43,173,208**	**105,795,256**	**610,971,222**
Depreciation charge for the year	-	18,763,335	17,355,000	15,062,121	21,427,022	1,679,364	21,763,633	96,050,475
Adjustments		(3,111,414)	-		-	-	-	(3,111,414)
At 31 December 2024	**-**	**194,392,438**	**52,065,000**	**83,978,446**	**201,062,938**	**44,852,573**	**127,558,889**	**703,910,283**
At 1 January 2025	-	194,392,438	52,065,000	83,978,446	201,062,938	44,852,573	127,558,889	703,910,283
Disposals	-	-	-	(2,979,439)	(3,458,329)	-	(7,607,167)	(14,044,935)
Depreciation charge for the year		18,510,195	17,355,000	18,571,566	30,283,229	2,322,792	30,631,633	117,674,414
Adjustments		-	-	-	(105,674)	-	(1,702)	(107,376)
At 31 December 2025	**-**	**212,902,633**	**69,420,000**	**99,570,573**	**227,782,164**	**47,175,364**	**150,581,653**	**807,432,387**
NET BOOK VALUE								
At 31 December 2025	1,199,639,630	517,551,628	104,130,000	110,919,364	112,761,177	7,489,427	54,105,656	2,106,596,882
At 31 December 2024	1,199,639,630	535,796,073	121,485,000	117,281,425	81,097,984	3,269,297	46,166,265	2,104,735,674
At 31 December 2023	1,199,639,630	557,159,465	138,840,000	53,386,922	53,097,443	4,948,662	47,536,640	2,054,608,762

*Fully Depreciated and not in Use -

The cost of fully depreciated, damaged and unusable property, plant and equipment is Rs. 82,642,940/- as of the end of 2025. Steps are being taken to dispose of these items in 2026.

NOTES TO THE FINANCIAL STATEMENTS

17 Right-of -use Assets

As at 31st December	Land and Building 2025 RS.	Land and Building 2024 RS.
Carrying amount at the bigining of the year	88,810,046	49,721,211
Contracts terminated during the year	(4,186,411)	(2,429,033)
Additions during the year	100,297,108	74,120,659
Amortization during the year (Note No 17.2)	(52,699,143)	(32,602,791)
Carrying amount at the end of the year	**132,221,600**	**88,810,046**

17.1 Lease Liability

Obligation to Make the Lease Payments

As at 31st December	2025 RS.	2024 RS.
Gross Lease Liabilities - Minimum Lease Payments	**201,039,501**	**147,137,836**
Obligations under Lease		
No later than One Year	70,985,686	45,349,418
Later than one year but no later than five years	111,845,735	75,769,777
Later than five years	18,208,080	26,018,641
	201,039,501	**147,137,836**
Future finance charges on leases	(52,379,749)	(46,099,110)
The present value of lease liabilities	**148,659,752**	**101,038,725**
The present value of lease liabilities is classified as:		
Current Liabilities	53,373,221	32,046,834
Non-current Liabilities	95,286,530	68,991,891

17.2 Amounts recognized in profit & loss

	2025 Rs.	2024 Rs.
Amortization of "Right-of-Use" (ROU) Assets for the Year	52,699,143	32,602,791
Expenses not included in the measurement of lease liabilities - short-term lease,variable lease payments,low-value assets etc.	20,273,891	14,838,845
Administration Expenses (Note 12)	**72,973,034**	**47,441,635**
Interest paid/payable for lease liabilities (Note 14)	**22,325,879**	**15,850,879**

NOTES TO THE FINANCIAL STATEMENTS

18 Lease Assets paid in advance

As at 31st December		2025 RS.	2024 RS.
Ratmalana Land	99 year	8,600,000	8,760,000
Osusala Badulla (Bus Stand)	50 year	2,876,250	2,991,300
Osusala Badulla (CWE)	33 year	3,101,515	3,310,606
Osusala Nugegoda	30 year	4,376,561	4,669,894
Total paid in advance		**18,954,326**	**19,731,800**

Lease rentals paid in advance represents operating leases stated at cost/revaluation less accumulated amortisation. Such carrying amounts are amortised over the remaining lease period or useful life of the leasehold property whichever is shorter.

19 Intangible Assets - Computer Software

	2025 Rs.	2024 Rs.
Cost		
As at the bigining of the year	8,880,084	9,668,474
Acquisition/Incurred during the year	1,912,489	2,886,190
As at the end of the year	**10,792,573**	**12,554,664**
Amortisation		
Amortisation charge for the year	3,334,046	3,674,580
As at the end of the year	**7,458,527**	**8,880,084**

20 DEFERRED TAX ASSETS/ LIABILITIES

	Balance 1st January 2025	Recognised in profit & loss	Balance 31st December 2025	Balance 1st January 2024	Recognised in profit & loss	Balance 31st December 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
On Property plant & equipment	**151,548,590**	1,034,069	152,582,659	145,859,567	5,689,023	151,548,590
Deferred tax liability	**151,548,590**	**1,034,069**	**152,582,659**	**145,859,567**	**5,689,023**	**151,548,590**
On Retirement benefit obligation	(203,852,219)	(3,863,559)	(207,715,777)	(125,239,095)	(78,613,124)	(203,852,218)
Provision for disputed items	(342,590,880)	(170,892,469)	(513,483,349)	(259,490,245)	(83,100,635)	(342,590,879)
Deferred tax Assets	**(546,443,099)**	**(174,756,028)**	**(721,199,127)**	**(384,729,340)**	**(161,713,759)**	**(546,443,098)**
Net Deferred Tax Assets/ Liability	**(394,894,508)**	**(173,721,959)**	**(568,616,468)**	**(238,869,772)**	**(156,024,736)**	**(394,894,508)**

Deferred income tax is provided using a principal tax rate of - 30%

NOTES TO THE FINANCIAL STATEMENTS

21 TRADING STOCK

As at 31st December	2025 Bin Balance	2025 Stock Adj.	2025 Trading Stock in Hand	2025 Prov. for Damaged & Outdated Stock	2025 Prov. for Unrealized Profit	2025 Stock (as at 31st Dec)	2024 Bin Balance	2024 Stock Adj.	2024 Trading Stock in Hand	2024 Prov. for Damaged & Outdated Stock	2024 Prov. for Unrealized Profit	2024 Stock (as at 31st Dec)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock in Transit	124,127,620	-	124,127,620	-	-	**124,127,620**	26,079,116	-	26,079,116	-	-	**26,079,116**
Bulk Stores	2,550,751,001	(236,079)	2,550,514,923	1,410,943,106	-	**1,139,571,817**	2,617,615,860	2,740,648	2,620,356,508	767,549,585	1,455,239	**1,851,351,685**
Trading Stock Osusala (NOTE 30.4)	2,343,742,475	769,498	2,344,511,973	18,751,246	167,899,368	**2,157,861,358**	2,121,622,248	2,133,614	2,123,755,862	10,724,091	140,723,722	**1,972,308,048**
Finished Products- ORS	1,599,860	-	1,599,860	-	-	**1,599,860**	4,478,850	-	4,478,850	-	-	**4,478,850**
Raw Materials -ORS	1,865,641	-	1,865,641	362,448.50	-	**1,503,192**	2,857,357	-	2,857,357	477,360.00	-	**2,379,997**
Total	**5,022,086,597**	**533,419**	**5,022,620,016**	**1,430,056,800**	**167,899,368**	**3,424,663,847**	**4,772,653,432**	**4,874,262**	**4,777,527,694**	**778,751,036**	**142,178,961**	**3,856,597,697**
SUNDRY STOCKS												
Printing Stationery	41,365,212	-	41,365,212	-	-	**41,365,212**	48,933,162	-	48,933,162	-	-	**48,933,162**
Packing Materials	55,948,890	-	55,948,890	-	-	**55,948,890**	74,318,303	-	74,318,303	-	-	**74,318,303**
Miscellaneous Stocks	5,184,278	-	5,184,278	-	-	**5,184,278**	2,125,614	-	2,125,614	-	-	**2,125,614**
Total	**102,498,380**	**-**	**102,498,380**	**-**	**-**	**102,498,380**	**125,377,079**	**-**	**125,377,079**	**-**	**-**	**125,377,079**
Disputed items	603,190,297		603,190,297			603,190,297	497,265,048		497,265,048			497,265,048
Total	**5,727,775,274**	**533,419**	**5,728,308,693**	**1,430,056,800**	**167,899,368**	**4,130,352,524**	**5,395,295,559**	**4,874,262**	**5,400,169,821**	**778,751,036**	**142,178,961**	**4,479,239,824**

NOTES TO THE FINANCIAL STATEMENTS

22 STOCKS IN TRANSIT - DHS

As at 31st December	2025	2024
	Rs.	Rs.
Stock in Transit	918,177,133	353,873,620
Add: Disputed Items - DHS		
Disputed stock as at 31.12.25	284,349,044	338,172,226
Disputed balances as at 31.12.25	14,603,745	14,603,745
Total Transit Value	**1,217,129,923**	**706,649,591**
Less: Provision for unsalable		
Carrying amount at the biginning	349,556,168	349,556,168
Provision for the period	9,208,081	-
Amount used/Charged against the provision	(77,209,885)	-
Carrying amount at the end of the period	281,554,364	349,556,168
Goods in Transit - DHS	**935,575,558**	**357,093,423**

The Corporation made 100% provision for disputed items when they were rejected by DHS due to quality failure, damage, and short self-life and remained in the stores with no movement for more than 12 months.

23 TRADE AND OTHER RECEIVABLES

As at 31st December		2025	2024
		Rs.	Rs.
Total Dues From DHS	(Note 23.1)	39,062,409,304	38,145,987,985
Trade Debtors	(Note 23.1)	638,038,940	1,069,146,516
Staff Loans	(Note 23.1)	114,589,990	89,397,232
Other Staff Advances	(Note 23.1)	5,428,683	4,331,054
Deposits and Advances	(Note 23.1)	787,249,219	373,214,874
Other Receivables & Recoverable	(Note 23.1)	166,460,030	209,665,977
Total		**40,774,176,167**	**39,891,743,638**
Less: Provision for bad & doubtful debts		409,631,807	2,271,074,756
Trade and Other Receivables		**40,364,544,360**	**37,620,668,882**

23.1 DEBTORS ANALYSIS

As at 31st December	2025	2024
	Rs.	Rs.
TOTAL DUES FROM DHS		
Local Purchase on DHS Tenders	920,317	920,317
DHS Turnover Tax & Custom Duty	51,927,472	51,927,472
Purchase Clearing - DHS	158,744,103	158,744,103
Department of Health Services *	38,850,817,412	37,934,396,093
Total	**39,062,409,304**	**38,145,987,985**

*As per the Cabinet decision taken on 12 January 2026 (Cabinet paper No. 26/0009/815/003 dated 27 December 2025). It was decided to settle dues of Rs. 23,867 million for the period of 2018-2023, in stages (Installment basis) from the allocated budget to MOH & MM for the year 2026. which has been considered when calculating the debt impairment. The proposed installment plan by SPC has been submitted to the Secretary of the MOH & MM.

NOTES TO THE FINANCIAL STATEMENTS

23.1 DEBTORS ANALYSIS - Cont.

As at 31st December	2025 Rs.	2024 Rs.
TRADE DEBTORS		
Distributors	244,262,415	254,884,592
Private Sector Organizations	79,544,770	89,861,461
Forces	169,399,067	514,114,504
Franchise Osusalas	19,670,520	24,550,041
Authorized retailer	1,286,123	883,155
Hospitals- Government	58,930,725	96,117,109
Hospitals- Private	7,166,394	25,656,244
Government Dept. & Corporations	28,481,642	33,677,844
Disputed Debtors - Government Sector	16,947,075	16,940,475
Disputed Debtors - Private Sector	1,910,159	2,021,042
Debtors under litigation	10,440,051	10,440,051
Total	**638,038,940**	**1,069,146,516**
STAFF LOANS		
Welfare loan receivable	2,430,337	-
Staff Loan	112,159,653	89,397,232
Total	**114,589,990**	**89,397,232**
OTHER STAFF ADVANCES		
Overseas Traveling Advance	5,363,683	1,345,499
Festival Advance	65,000	93,000
Recoverble Performance Incentive	-	2,892,555
Total	**5,428,683**	**4,331,054**
DEPOSITS AND ADVANCES		
Advance and balances to be recovered	143,667,339	345,512,946
General Advance	1,391,435	4,339,152
Marginal Deposit	642,190,445	23,362,777
Total	**787,249,219**	**373,214,874**
OTHER RECEIVABLES & RECOVERABLE		
General Treasury - Term Loan Interest	120,422,468	100,776,450
Sundry Debtors	10,152,036	12,165,035
E Channeling control A/c	25,556	25,556
Insurance Claim Receivables	2,265,158	293,517
Claim receivable from supplier	20,219,490	82,967,434
Agency Commission Receivable	13,375,322	13,437,985
Total	**166,460,030**	**209,665,977**
TOTAL DEBTORS AND OTHER RECEIVABLES	**40,774,176,167**	**39,891,743,638**

* Welfare loan receivable - The Board of Directors approved the recovery of the welfare loan receivable of Rs. 2,430,337/- in 36 monthly installments, as per BP /825/BP/22/1/26 dated January 28, 2026.

NOTES TO THE FINANCIAL STATEMENTS

23.2 DEBTORS ANALYSIS - Cont.

(Rs.Million)

Age Analysis -DHS

	Over 5 Years	4 to 5 Years	3 to 4 Years	2 to 3 Years	1 to 2 Years	Less Than 1 Year	Total
DHS - Outstanding	31,078	18,310	(7,627)	(5,098)	1,443	916	39,022
Deductions -Claim from Suppliers	-	-	-	-	-	-	-
Import, Local & Custom duty	211	-	-	-	-	-	211
	31,289	**18,310**	**(7,627)**	**(5,098)**	**1,443**	**916**	**39,233**

Age Analysis -SPC

	OVER 5 YEARS	1 TO 5 YEARS	184 - 365 Days	93 - 184 Days	32 - 92 Days	O - 31 Days	Grand Total
Trade Debtors	**38.7**	**46.2**	**6.5**	**19.3**	**194.7**	**332.6**	**638.0**

NOTES TO THE FINANCIAL STATEMENTS

24 PREPAYMENTS

As at 31st December	2025 Rs.	2024 Rs.
Pre- Payments	82,166,045	56,552,507
Employee Security Investments	441,636	441,636
Deposits - Postal Franking Machine	654,752	561,077
Pre paid Staff Expenses	6,603,640	11,535,752
Advance Payments to Port Authority	130,176	144,523
Miscellaneous Deposits	33,942,796	20,851,470
Container Deposits - SPC	2,136,340	2,194,019
Container Deposits - DHS	10,640,970	8,925,036
Total	**136,716,355**	**101,206,021**

25 CASH AND CASH EQUIVALENTS

As at 31st December		2025 Rs.	2024 Rs.
People's Bank	A/C 90210892	2,114,949,397	1,927,734,894
Commercial Bank	A/C 150701	57,615,782	15,005,747
Bank of Ceylon	A/C -1438	3,511,336,260	2,660,303,053
Bank of Ceylon	A/C -1425	1,717,696,559	947,471,057
Bank of Ceylon	A/C -70556680	3,216,892,972	2,498,510,105
Bank of Ceylon	A/C -84740710	14,354,282	25,146,866
Standard Chartered Bank	A/C 1171968 01	18,059,004	24,368,921
Commercial bank	A/C -150401	55,007	55,007
Sampath Sanhida	A/C 10218	4,112,856	1,888,126
Bank of Ceylon	A/C -0087595324	87,229,117	78,975,603
People's bank	A/C -07-0204137	332,853,427	319,841,142
National Savings Bank	A/C-100640401196	43,839	42,657
Bank of Ceylon - Margin Account		-	336,357,770
Investments			
Treasury Bill - Credit Insurance Scheme		110,552,010	102,110,521
Treasury Bill - Supplier Convention		52,321,930	48,656,983
Treasury Bill - Building Renovation Reserve		-	100,000,000
Petty Cash Impress - Control		1,152,899	1,111,195
Total		**11,239,225,340**	**9,087,579,645**

26 RETIREMENT BENEFIT OBLIGATION

As at 31st December	2025 Rs.	2024 Rs.
Gratuity opening balance	679,507,396	417,463,650
Interest Cost (Note 26.3)	71,888,096	54,270,274
Current Service Cost (Note 26.3)	45,848,881	37,491,060
Actuarial Gain /Loss (Note 26.3)	(52,899,942)	224,901,049
Benefit paid/ payables during the year	(51,958,502)	(54,618,637)
Total	**692,385,928**	**679,507,396**

An actuarial valuation was carried out by Units Actuaries & Consultants (pvt) Ltd, a firm of professional actuaries as at 31st December 2025.

NOTES TO THE FINANCIAL STATEMENTS

26.1 The principal actuarial valuation assumptions used are as follows:

As at 31st December	2025	2024
Discount %	**10.5% p.a.**	**11% p.a.**
Future gross salary increase %	**9% p.a.**	**10% p.a.**
Retiring age	**60 Years**	**60 Years**
Staff Turnover Factor		

Age	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59
2025	5%	12%	5%	3%	2%	1%	1%	0%
2024	12%		4%	3%	2%		0%	

26.2 Sensitivity Analysis

A one percentage change in the assumptions would have the following effects to employee defined benefit plan - gratuity

As at 31 December	Present Value of Defined Benefit Obligation 2025	Present Value of Defined Benefit Obligation 2024
Discount Rate:	**Rs.**	**Rs.**
1% Increase	635,309,845	622,060,935
1% Decrease	758,199,541	745,929,266
Salary Escalation Rate (Including Allowances):		
1% Increase	761,754,256	745,757,547
1% Decrease	631,355,119	621,245,851

26.3 The amounts recognized in the Income Statement are as follows,

As at 31st December	2025 Rs.	2024 Rs.
Current service cost	45,848,881	37,491,060
Interest charges for the year	71,888,096	54,270,274
Gratuity include in the staff cost (Note 12)	**117,736,977**	**91,761,334**
Actuarial gain/loss - OCI	(52,899,942)	224,901,049
Total	**64,837,035**	**316,662,383**

27 LONG TERM LOANS

As at 31st December	Bank of Ceylon Rs.	People's Bank Rs.	Total value Rs.
Loan amount	**5,876,000,000**	**6,000,000,000**	**11,876,000,000**
Balance as at 01.01.2025	2,611,555,530	2,917,900,000	5,529,455,530
Total Paid	979,333,333	999,600,000	1,978,933,333
Balance as at 31.12.2025	1,632,222,197	1,918,300,000	3,550,522,197
Balance to be paid			
Not later than one year	1,060,944,444	999,600,000	2,060,544,444
Later than one year	571,277,752	918,700,000	1,489,977,753

The Government Treasury has arranged the above Term loans in enabling SPC to maintain its liquidity within the already approved overdraft facility limits and undertake to settle the same with interest. The Corporation repaid the loan as the settlements received from the Treasury.

NOTES TO THE FINANCIAL STATEMENTS

28 TRADE AND OTHER PAYABLES

As at 31st December	2025 Rs.	2024 Rs.
Accrued charges & provision	530,378,427	718,443,059
Creditors control	3,566,000,724	2,256,328,287
Special order advance	982,510	982,510
Advance received from debtors - SPC	1,803,049	2,317,823
Security deposits	650,001	646,001
Salaries control	6,233,576	774,152
Bank bills payable - SPC	196,109,036	60,127,653
Bank bills payable - DHS	13,976,149,829	10,367,031,865
Interest on cash security deposits	122,618	119,765
Tender deposits	4,700,227	10,792,840
Loans & other recoveries (staff)	24,070,518	24,060,940
Gratuity payable	5,446,867	12,659,794
P.A.Y.E	805,840	3,832,280
Seva Vanitha	103,280	103,280
Sports festival excess	298,827	-
Advance received from debtors - DHS	23,952,260	23,952,260
Welfare fund	-	236,701
Withholding tax control	462,783	279,518
Contributed Staff welfare	7,947,745	7,947,745
Fund for Evaluation of Sinopharm Vaccine *	3,693,550	3,693,550
Fund for Covid 19 relief assistance**	8,027,301	8,027,301
Cash Deposit in lieu of Bank Guarantee	11,188,198	16,868,624
Agency commission	74,803,599	63,077,186
Value added tax	338,780,174	296,091,808
Total	**18,782,710,938**	**13,878,394,942**

* The balance from Rs 7.5 million granted by Ceyoka Pvt Ltd, to conduct Sinopharm post-marketing surveillance research and related activities.

**The Government of Pakistan granted Rs. 8 million to utilize as relief assistance for Covid 19. Both funds will be utilized for future requirements as directed by the Management .

29 CURRENT FINANCIAL LIABILITIES

As at 31st December		2025 Rs.	2024 Rs.
Bank of Ceylon	A/C -1435	9,539,064,233	10,012,630,170
People's bank	A/C -90210929	9,866,817,511	9,860,271,607
Total		**19,405,881,745**	**19,872,901,778**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2025	OSU SALA TRADING Col.07	OSU SALA TRADING Col .01	OSU SALA TRADING KANDY	OSU SALA TRADING NUGEGODA	OSU SALA TRADING AVISS.	OSU SALA TRADING RATNAPURA	OSU SALA TRADING PANADURA	OSU SALA TRADING GALLE	OSU SALA TRADING MATARA	OSU SALA TRADING KURUNEGALA	OSU SALA TRADING AMPARA	OSU SALA TRADING HAMBANTOTA	OSU SALA TRADING A'PURA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	1,251,697,181	87,649,692	366,575,388	172,001,177	82,396,613	143,467,704	184,528,367	161,687,725	113,856,475	282,115,363	124,516,408	113,996,485	153,041,554
Cost of Sales (Note 30.1)	1,035,972,301	70,621,010	301,421,744	141,601,267	64,636,067	116,456,454	151,423,809	134,189,829	92,612,779	229,310,429	100,613,190	94,906,800	124,133,705
Gross Profit on Sales & Trnsfers	**215,724,880**	**17,028,682**	**65,153,643**	**30,399,910**	**17,760,546**	**27,011,250**	**33,104,558**	**27,497,895**	**21,243,696**	**52,804,934**	**23,903,218**	**19,089,686**	**28,907,849**
ADMINISTRATIVE EXPENSES (Note 30.2)													
Personnel Expenses	114,108,984	7,464,918	33,173,171	21,511,624	12,986,916	21,590,973	21,262,152	20,381,489	16,551,800	29,413,085	12,663,149	13,983,359	17,030,280
Travelling Expenses	141,447	26,880	44,746	9,495	47,898	93,660	29,640	23,850	24,060	8,080	55,760	18,700	19,300
Supplies & Requisites	2,862,259	343,744	455,508	79,569	37,484	449,847	274,152	152,980	226,442	519,933	299,683	43,543	334,574
Repairs & Maintenance	3,491,988	23,450	385,422	420,069	162,003	262,912	358,305	420,564	316,956	372,954	880,272	216,557	219,836
Transportation, Communication, Utilities & Other	25,619,377	885,756	5,599,473	4,354,660	3,478,511	4,576,148	3,934,545	4,142,982	4,362,526	10,054,049	3,705,185	3,219,402	3,978,538
OTHER OPERATING EXPENSES (Note 30.3)													
Selling & Distribution Expenses	2,196,445	444,991	2,123,400	806,318	590,850	1,416,153	1,439,275	1,420,409	1,204,393	1,046,309	133,660	384,941	200,385
TOTAL OVERHEADS	**148,420,500**	**9,189,740**	**41,781,720**	**27,181,734**	**17,303,662**	**28,389,693**	**27,298,069**	**26,542,274**	**22,686,176**	**41,414,410**	**17,737,709**	**17,866,503**	**21,782,913**
NET PROFIT/(LOSS)	**67,304,380**	**7,838,943**	**23,371,923**	**3,218,175**	**456,884**	**(1,378,443)**	**5,806,489**	**955,621**	**(1,442,480)**	**11,390,524**	**6,165,509**	**1,223,182**	**7,124,937**

30.1 COST OF SALES

Stock in Trade - at the bigining of the year	273,219,780	94,704,654	70,362,745	51,709,125	17,619,205	33,225,728	49,941,484	26,773,824	38,368,632	59,788,229	24,844,620	33,940,827	15,475,267
Local purchases	868,526,219	(14,303,049)	208,826,879	92,094,439	28,742,155	74,641,902	95,636,295	95,833,100	57,047,712	123,691,279	22,525,901	54,110,260	56,050,888
Transfers	198,307,211	(9,349,285)	107,613,790	47,564,211	39,379,070	49,849,079	42,525,105	50,282,332	31,539,278	107,849,802	87,069,522	38,098,891	78,630,992
STOCKS AVAILABLE FOR SALE	**1,340,053,210**	**71,052,321**	**386,803,414**	**191,367,775**	**85,740,429**	**157,716,709**	**188,102,884**	**172,889,256**	**126,955,622**	**291,329,310**	**134,440,043**	**126,149,978**	**150,157,147**
Stock in trade at year end (Note 30.4)	304,080,909	431,311	85,381,670	49,766,508	21,104,363	41,260,256	36,679,075	38,699,426	34,342,843	62,018,881	33,826,854	31,243,178	26,023,442
COST OF SALES & TRANSFERS	**1,035,972,301**	**70,621,010**	**301,421,744**	**141,601,267**	**64,636,067**	**116,456,454**	**151,423,809**	**134,189,829**	**92,612,779**	**229,310,429**	**100,613,190**	**94,906,800**	**124,133,705**

***The Osusala Colombo 01 retail outlet was closed down in May 2025, due to the dilapidated condition of the building. The trading stocks were transferred to the main stores and the Osusala outlets after considering their requirements.**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2025	OSU SALA TRADING MAHARAGAMA	OSU SALA TRADING J. PURA	OSU SALA TRADING KARAPITIYA	OSU SALA TRADING NEGOMBO	OSU SALA TRADING BADULLA- CWE	OSU SALA TRADING DIYATHALAWA	OSU SALA TRADING JAFFNA	OSU SALA TRADING POLONNARUWA	OSU SALA TRADING TANGALLE	OSU SALA TRADING RAGAMA	OSU SALA TRADING BANDARAGAMA	OSU SALA TRADING FORT	OSU SALA TRADING BORELLA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	186,908,968	384,476,707	165,568,339	161,626,235	168,662,270	66,534,509	93,097,329	155,573,287	201,307,105	166,661,994	74,374,445	103,332,178	46,923,484
Cost of Sales (Note 30.1)	151,255,030	311,345,542	137,134,622	134,101,695	139,008,086	53,471,298	79,984,847	128,847,337	170,422,114	137,073,273	60,309,365	82,640,584	36,750,986
Gross Profit on Sales & Trnsfers	**35,653,938**	**73,131,165**	**28,433,717**	**27,524,540**	**29,654,185**	**13,063,211**	**13,112,482**	**26,725,950**	**30,884,991**	**29,588,721**	**14,065,080**	**20,691,594**	**10,172,498**
ADMINISTRATIVE EXPENSES (Note 30.2)													
Personnel Expenses	22,798,942	48,791,823	14,197,130	18,384,402	24,934,044	9,943,755	10,549,421	18,015,503	16,095,513	17,818,634	10,763,860	10,173,606	6,993,713
Travelling Expenses	1,515	55,506	56,770	5,850	100,515	27,665	149,150	50,519	25,110	71,740	9,340	29,220	1,500
Supplies & Requisites	160,162	671,430	249,500	465,597	391,744	297,258	107,155	163,610	220,066	87,901	328,359	303,185	63,677
Repairs & Maintenance	649,042	854,108	150,710	480,056	665,450	8,230	247,891	283,966	1,734,523	238,479	137,022	110,854	260,908
Transportation, Communication, Utilities & Other	4,815,979	6,536,843	4,472,363	3,828,334	4,774,143	1,296,967	2,402,263	4,746,044	3,544,052	4,766,312	1,848,870	3,639,502	1,612,756
OTHER OPERATING EXPENSES (Note 30.3)													
Selling & Distribution Expenses	434,401	627,719	791,007	284,076	1,289,793	300,542	148,959	414,684	848,814	8,877	212,578	1,008,057	285,631
TOTAL OVERHEADS	**28,860,041**	**57,537,428**	**19,917,480**	**23,448,315**	**32,155,690**	**11,874,416**	**13,604,839**	**23,674,326**	**22,468,077**	**22,991,943**	**13,300,028**	**15,264,424**	**9,218,184**
NET PROFIT/(LOSS)	**6,793,897**	**15,593,737**	**8,516,237**	**4,076,225**	**(2,501,506)**	**1,188,795**	**(492,357)**	**3,051,624**	**8,416,913**	**6,596,778**	**765,052**	**5,427,170**	**954,313**

30.1 COST OF SALES

Stock in Trade - at the bigining of the year	59,666,709	57,610,982	40,480,661	34,270,534	56,025,294	13,855,483	30,331,681	31,667,132	42,872,127	30,122,622	15,407,278	24,465,098	13,800,676
Local purchases	97,513,167	286,798,942	79,932,247	68,422,097	59,315,419	34,235,225	39,513,131	37,953,451	25,970,958	64,878,057	28,785,517	44,556,549	18,073,776
Transfers	49,495,178	70,606,966	85,545,409	67,650,902	69,371,342	27,318,436	28,088,457	103,939,293	159,927,030	75,593,709	28,023,142	43,611,316	14,027,736
STOCK AVAILABLE FOR SALE	**206,675,053**	**415,016,890**	**205,958,316**	**170,343,534**	**184,712,055**	**75,409,145**	**97,933,269**	**173,559,877**	**228,770,115**	**170,594,388**	**72,215,937**	**112,632,964**	**45,902,189**
Stock In trade at year end (Note 30.4)	55,420,023	103,671,348	68,823,694	36,241,839	45,703,970	21,937,846	17,948,422	44,712,540	58,348,000	33,521,116	11,906,572	29,992,379	9,151,202
COST OF SALES & TRANSFERS	**151,255,030**	**311,345,542**	**137,134,622**	**134,101,695**	**139,008,086**	**53,471,298**	**79,984,847**	**128,847,337**	**170,422,114**	**137,073,273**	**60,309,365**	**82,640,584**	**36,750,986**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2025	OSU SALA TRADING EMBILIPITIYA	OSU SALA TRADING KDY-RAILWAY	OSU SALA TRADING GAMPAHA	OSU SALA TRADING NAGODA	OSU SALA TRADING BERUWALA	OSU SALA TRADING PILIYANDALA	OSU SALA TRADING NINTHAVUR	OSU SALA TRADING AKKARAIPATTU	OSU SALA TRADING MONARAGALA	OSU SALA TRADING PERADENIYA	OSU SALA TRADING ANAMADUWA	OSU SALA TRADING DAMBULLA	OSU SALA TRADING MATALE
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	67,790,847	79,473,938	216,019,498	98,238,205	77,152,181	88,641,031	39,564,077	53,263,629	101,944,044	143,319,609	37,955,383	89,605,839	106,941,751
Cost of Sales (Note 30.1)	54,844,413	65,597,965	178,228,541	82,286,775	62,897,256	75,260,329	32,265,042	44,476,204	80,379,329	116,163,144	30,265,658	71,071,047	88,615,260
Gross Profit on Sales & Trnsfers	**12,946,434**	**13,875,972**	**37,790,958**	**15,951,430**	**14,254,925**	**13,380,702**	**7,299,036**	**8,787,426**	**21,564,715**	**27,156,464**	**7,689,724**	**18,534,791**	**18,326,491**
ADMINISTRATIVE EXPENSES (Note 30.2)													
Personnel Expenses	12,459,781	10,065,145	21,968,524	13,554,245	11,463,231	11,444,745	6,379,130	7,163,083	10,765,884	14,356,326	5,949,594	11,360,708	13,181,444
Travelling Expenses	91,623	8,650	169,721	5,910	1,100	4,500	41,970	78,430	13,250	57,200	18,802	55,218	13,440
Supplies & Requisites	268,077	94,594	396,132	48,289	12,937	157,431	232,370	66,849	249,152	132,618	185,644	155,273	318,634
Repairs & Maintenance	246,543	126,598	148,755	84,576	113,136	105,968	67,480	75,990	22,003	89,567	8,650	75,050	224,509
Transportation, Communication, Utilities & Other	3,245,296	2,610,028	6,978,163	2,972,019	3,706,656	5,045,423	2,668,529	2,900,931	2,985,374	2,693,320	2,667,525	3,268,201	3,638,549
OTHER OPERATING EXPENSES (Note 30.3)													
Selling & Distribution Expenses	405,782	283,448	1,197,786	137,353	504,877	389,953	390,575	263,918	188,435	609,123	637,314	593,481	1,702,942
TOTAL OVERHEADS	**16,717,102**	**13,188,464**	**30,859,081**	**16,802,393**	**15,801,938**	**17,148,021**	**9,780,054**	**10,549,200**	**14,224,098**	**17,938,154**	**9,467,529**	**15,507,931**	**19,079,517**
NET PROFIT/(LOSS)	**(3,770,668)**	**687,509**	**6,931,877**	**(850,963)**	**(1,547,013)**	**(3,767,319)**	**(2,481,018)**	**(1,761,775)**	**7,340,617**	**9,218,310**	**(1,777,805)**	**3,026,860**	**(753,026)**

30.1 COST OF SALES

Stock in Trade - at the bigining of the year	18,245,253	17,267,017	75,460,584	32,396,427	17,805,254	18,998,165	13,317,866	12,706,619	22,597,594	22,941,765	18,879,084	27,493,059	40,703,211
Local purchases	20,044,979	28,661,168	95,487,720	32,794,008	30,804,614	50,053,279	9,089,268	8,875,442	32,532,206	43,414,222	13,455,865	24,736,749	37,943,067
Transfers	30,995,037	36,658,696	73,672,459	50,169,519	31,549,829	26,826,114	33,556,032	38,160,109	50,123,039	75,819,952	10,121,990	52,990,812	36,554,587
STOCK AVAILABLE FOR SALE	**69,285,269**	**82,586,882**	**244,620,763**	**115,359,954**	**80,159,697**	**95,877,558**	**55,963,166**	**59,742,170**	**105,252,838**	**142,175,939**	**42,456,940**	**105,220,620**	**115,200,865**
Stock In trade at year end (Note 30.4)	14,440,856	16,988,916	66,392,223	33,073,179	17,262,441	20,617,228	23,698,124	15,265,966	24,873,509	26,012,795	12,191,281	34,149,573	26,585,605
COST OF SALES & TRANSFERS	**54,844,413**	**65,597,965**	**178,228,541**	**82,286,775**	**62,897,256**	**75,260,329**	**32,265,042**	**44,476,204**	**80,379,329**	**116,163,144**	**30,265,658**	**71,071,047**	**88,615,260**

***The Osusala at Kothalawala Defence University retail outlet was closed down in 2025, due to continuous losses recorded during the past years. The trading stocks were transferred to the main stores and the Osusala outlets after considering their requirements.**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2025	OSU SALA TRADING MATHUGAMA	OSU SALA TRADING NARAHENPITA	OSU SALA TRADING MADAWACHCHIYA	OSU SALA TRADING PITAKOTTE	OSU SALA TRADING HORANA	OSU SALA TRADING HOMAGAMA	OSU SALA TRADING NITTAMBUWA	OSU SALA TRADING MENIKHINNA	OSU SALA TRADING PILIMATHALAWA	OSU SALA TRADING AMBALANGODA	OSU SALA TRADING COLOMBO 06.	OSU SALA TRADING BADDEGAMA	OSU SALA TRADING HIKKADUWA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	83,096,616	68,776,086	46,476,495	122,998,121	77,097,558	110,361,307	69,859,273	31,814,328	66,971,223	75,461,775	333,899,540	49,427,243	55,064,080
Cost of Sales (Note 30.1)	67,659,672	55,796,500	37,522,779	100,004,050	62,844,558	90,443,073	59,454,703	24,938,113	53,457,894	65,631,820	276,640,094	40,236,871	45,789,625
Gross Profit on Sales & Trnsfers	**15,436,944**	**12,979,585**	**8,953,716**	**22,994,071**	**14,253,000**	**19,918,235**	**10,404,570**	**6,876,215**	**13,513,329**	**9,829,955**	**57,259,446**	**9,190,373**	**9,274,454**
ADMINISTRATIVE EXPENSES (Note 30.2)													
Personnel Expenses	9,733,622	10,917,076	6,537,867	14,412,134	8,789,085	11,065,509	9,264,442	6,119,423	8,075,495	8,779,618	22,483,423	6,476,192	8,720,269
Travelling Expenses	24,300	41,425	95,570	6,300	-	5,330	11,920	14,195	50,273	35,950	104,019	26,840	3,500
Supplies & Requisites	245,635	188,126	40,680	213,288	343,431	62,169	177,137	121,746	369,254	23,575	190,001	185,367	176,928
Repairs & Maintenance	58,796	110,881	169,285	88,500	135,903	140,592	235,337	23,130	61,559	23,105	345,373	43,545	64,732
Transportation, Communication, Utilities & Other	4,029,095	4,361,563	3,090,048	4,506,410	2,834,027	4,493,523	4,367,687	2,673,009	3,215,572	4,335,335	6,571,356	3,323,528	4,713,487
OTHER OPERATING EXPENSES (Note 30.3)													
Selling & Distribution Expenses	416,538	60,983	72,404	343,093	498,447	802,922	1,355,741	214,347	219,877	844,360	1,343,573	152,923	602,719
TOTAL OVERHEADS	**14,507,987**	**15,680,055**	**10,005,853**	**19,569,725**	**12,600,892**	**16,570,046**	**15,412,264**	**9,165,851**	**11,992,029**	**14,041,944**	**31,037,744**	**10,208,395**	**14,281,635**
NET PROFIT/(LOSS)	**928,957**	**(2,700,470)**	**(1,052,137)**	**3,424,346**	**1,652,107**	**3,348,189**	**(5,007,694)**	**(2,289,636)**	**1,521,300**	**(4,211,989)**	**26,221,701**	**(1,018,023)**	**(5,007,180)**

30.1 COST OF SALES

Stock in Trade - at the bigining of the year	32,249,250	4,182,181	12,359,807	39,680,104	25,635,044	22,425,157	26,217,651	8,991,930	17,571,356	44,511,607	135,539,106	18,126,468	38,207,502
Local purchases	40,111,477	79,168,835	8,326,711	75,467,942	39,735,370	50,546,839	30,576,393	14,272,758	32,187,809	27,121,049	208,569,216	21,678,000	16,548,466
Transfers	23,981,913	22,060,638	25,288,979	50,586,194	13,559,070	36,016,886	30,978,693	15,236,178	27,160,233	20,174,380	56,651,304	18,752,041	20,350,602
STOCK AVAILABLE FOR SALE	**96,342,641**	**105,411,654**	**45,975,497**	**165,734,239**	**78,929,485**	**108,988,882**	**87,772,738**	**38,500,866**	**76,919,398**	**91,807,036**	**400,759,626**	**58,556,509**	**75,106,570**
Stock In trade at year end (Note 30.4)	28,682,969	49,615,153	8,452,718	65,730,189	16,084,926	18,545,809	28,318,035	13,562,754	23,461,504	26,175,216	124,119,532	18,319,638	29,316,945
COST OF SALES & TRANSFERS	**67,659,672**	**55,796,500**	**37,522,779**	**100,004,050**	**62,844,558**	**90,443,073**	**59,454,703**	**24,938,113**	**53,457,894**	**65,631,820**	**276,640,094**	**40,236,871**	**45,789,625**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2025	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	OSU SALA TRADING MT LAVINIA	OSU SALA TRADING KIRIBATHGODA	OSU SALA TRADING KEGALLE	OSU SALA TRADING BATTICALOA	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.
Sales	41,299,847	41,871,273	37,251,758	21,701,607	190,510,512	74,526,166	17,055,414	5,308,625	235,561,022	8,268,876,884
Cost of Sales (Note 30.1)	35,697,189	34,573,578	30,530,358	17,244,909	158,513,212	61,323,040	14,207,854	4,047,749	153,913,506	6,753,066,275
Gross Profit on Sales & Trnsfers	**5,602,658**	**7,297,695**	**6,721,400**	**4,456,698**	**31,997,300**	**13,203,126**	**2,847,560**	**1,260,877**	**81,647,516**	**1,515,810,609**
ADMINISTRATIVE EXPENSES (Note 30.2)										
Personnel Expenses	5,387,402	7,996,005	7,865,618	4,864,492	13,453,749	10,969,180	4,538,160	1,327,399	15,280,781	924,751,026
Travelling Expenses	7,680	15,320	37,202	54,140	57,231	8,750	9,898	347	56,235	2,354,154
Supplies & Requisites	99,691	113,699	42,250	134,613	281,442	208,731	93,933	102,197	121,248	15,442,504
Repairs & Maintenance	14,900	30,519	16,076	21,905	105,388	58,418	157,062	6,480	106,238	16,759,078
Transportation, Communication, Utilities & Other	2,808,259	3,763,386	4,062,232	2,266,939	5,652,398	4,866,483	2,356,222	726,061	6,128,208	256,720,419
OTHER OPERATING EXPENSES (Note 30.3)										-
Selling & Distribution Expenses	174,840	137,391	366,611	50,351	208,296	411,224	35,103	131,182	357,462	36,168,042
TOTAL OVERHEADS	**8,492,771**	**12,056,319**	**12,389,989**	**7,392,440**	**19,758,504**	**16,522,786**	**7,190,378**	**2,293,666**	**22,050,172**	**1,252,195,223**
NET PROFIT/(LOSS)	**(2,890,113)**	**(4,758,624)**	**(5,668,590)**	**(2,935,742)**	**12,238,796**	**(3,319,659)**	**(4,342,818)**	**(1,032,790)**	**59,597,344**	**263,615,386**

30.1 COST OF SALES

Stock in Trade - at the bigining of the year	8,369,746	15,334,350	14,300,077	7,573,317	33,024,301	-	-	-	25,620,956	2,109,282,202
Local purchases	18,188,569	19,575,866	10,678,667	11,791,524	147,771,430	77,715,799	19,317,083	4,657,609	-	4,031,272,520
Transfers	18,011,525	18,486,263	19,038,526	10,914,572	50,125,806	35,770,092	28,453,971	13,783,188	161,115,881	2,956,254,028
STOCK AVAILABLE FOR SALE	**44,569,840**	**53,396,479**	**44,017,270**	**30,279,413**	**230,921,537**	**113,485,892**	**47,771,055**	**18,440,798**	**186,736,837**	**9,096,808,750**
Stock In trade at year end (Note 30.4)	8,872,651	18,822,901	13,486,912	13,034,504	72,408,325	52,162,851	33,563,201	14,393,049	32,823,331	2,343,742,475
COST OF SALES & TRANSFERS	**35,697,189**	**34,573,578**	**30,530,358**	**17,244,909**	**158,513,212**	**61,323,040**	**14,207,854**	**4,047,749**	**153,913,506**	**6,753,066,275**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2025	OSU SALA TRADING Col.07	OSU SALA TRADING Col .01	OSU SALA TRADING KANDY	OSU SALA TRADING NUGEGODA	OSU SALA TRADING AVISSAWELLA.	OSU SALA TRADING RATNAPURA	OSU SALA TRADING PANADURA	OSU SALA TRADING GALLE	OSU SALA TRADING MATARA	OSU SALA TRADING KURUNEGALA	OSU SALA TRADING AMPARA	OSU SALA TRADING H, TOTA	OSU SALA TRADING A,PURA
A. ADMINISTRATIVE Ex	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
PERSONNEL EMOLUMENTS													
Salaries, Wages & Allowances.	78,742,605	6,073,128	23,253,783	14,776,312	9,538,355	15,706,688	15,556,108	14,996,947	11,866,802	20,593,351	8,957,268	9,566,227	11,963,364
Overtime.	6,957,454	313,611	1,484,778	1,364,269	409,387	1,118,750	735,601	606,325	491,029	1,726,964	628,543	921,821	968,641
Uniforms.	720,905	3,756	190,927	140,952	83,121	140,691	111,697	120,300	111,457	175,104	80,574	67,778	104,060
Insurance for staff	871,080	94,500	408,306	275,580	53,388	50,898	69,113	158,503	213,440	124,188	34,569	357,793	118,177
Provident fund (E.P.F & E.T.F)	9,532,669	783,978	2,773,813	1,725,614	1,147,024	1,931,972	1,866,150	1,829,111	1,436,096	2,432,065	1,056,909	1,174,307	1,470,961
Annual bonus	1,057,083	20,833	300,000	200,000	102,083	150,000	156,328	150,000	150,000	264,583	125,000	125,000	106,333
Annual per inc. bonus.	14,962,511	100,111	4,367,875	2,707,146	1,516,759	2,042,607	2,490,503	2,225,490	1,998,363	3,733,896	1,637,036	1,642,182	1,984,684
Housing loan interest	265,228	-	90,840	78,150	-	211,616	44,852	71,013	61,413	26,634	-	-	166,910
Attendance bonus	999,450	75,000	302,850	243,600	136,800	237,750	231,800	223,800	223,200	336,300	143,250	128,250	147,150
Total	**114,108,984**	**7,464,918**	**33,173,171**	**21,511,624**	**12,986,916**	**21,590,973**	**21,262,152**	**20,381,489**	**16,551,800**	**29,413,085**	**12,663,149**	**13,983,359**	**17,030,280**
TRAVELLING EXPENSES													
Local travelling expenses	141,447	26,880	44,746	9,495	47,898	93,660	29,640	23,850	24,060	8,080	55,760	18,700	19,300
Total	**141,447**	**26,880**	**44,746**	**9,495**	**47,898**	**93,660**	**29,640**	**23,850**	**24,060**	**8,080**	**55,760**	**18,700**	**19,300**
SUPPLIES & REQUISITES													
Printing & stationery.	2,862,259	343,744	455,508	79,569	37,484	449,847	274,152	152,980	226,442	519,933	299,683	43,543	334,574
Total	**2,862,259**	**343,744**	**455,508**	**79,569**	**37,484**	**449,847**	**274,152**	**152,980**	**226,442**	**519,933**	**299,683**	**43,543**	**334,574**
REPAIRS & MAINTENANCE													
Buildings.	2,393,864	23,250	55,928	94,612	22,198	73,814	56,403	225,712	28,841	80,355	547,165	31,624	20,256
Furniture, fittings & equipment	1,017,045	200	249,637	325,457	139,805	94,220	222,424	109,008	157,237	213,120	232,389	104,655	199,580
Computer	81,079	-	79,858	-	-	94,878	79,478	85,844	130,878	79,478	100,718	80,278	-
Total	**3,491,988**	**23,450**	**385,422**	**420,069**	**162,003**	**262,912**	**358,305**	**420,564**	**316,956**	**372,954**	**880,272**	**216,557**	**219,836**
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES													
Rent/Amortization of ROU Assets	-	-	433,782	-	593,515	232,427	900,299	1,130,265	1,418,345	4,875,000 (	345,600	689,400	828,760
Lease rent amortization	-	-	-	294,333	-	-	-	-	-	-	-	-	-
Rates & taxes.	447,060	173,250	106,982	282,625	16,447	8,350	25,293	19,992	52,988	-	3,000	11,638	26,089
Water bills	260,077	-	113,535	28,322	36,617	50,260	41,889	32,096	54,080	154,002	31,307	25,349	43,259
Electricity.	5,864,663	-	915,149	1,099,507	424,010	1,207,162	726,046	646,219	579,669	990,783	828,865	540,357	655,065
Fuel for Generator	6,578	-	11,800	7,620	12,300	61,017	4,800	-	16,610	47,000	15,540	15,500	4,500
Postage, Telegrams & Telephones.	217,357	20,159	61,085	47,270	45,507	54,882	51,812	49,936	66,831	88,450	68,897	48,301	77,843
Depreciation	6,105,422	-	533,429	836,746	777,000	859,550	569,610	299,091	368,703	578,541	825,805	376,452	496,626
Amortisation- Computer Software	-	-	-	24,511	29,484	-	-	-	-	-	-	-	41,029
Trade subscriptions, Periodicals & Publications.	131,330	6,180	37,640	42,850	33,670	12,090	18,460	29,910	15,470	-	1,100	-	-
Security services.	7,046,507	281,775	2,087,167	843,125	843,125	889,946	811,529	840,796	840,369	1,989,924	835,630	837,053	782,455
License fees for drugs.	40,588	-	41,612	39,919	38,088	119,330	118,381	120,781	126,390	41,821	41,216	41,448	41,645
Sundry expenses.	74,191	805	2,020	-	3,825	5,214	7,150	11,090	2,010	23,869	5,135	6,361	4,345
Staff welfare.	4,764,908	336,708	1,067,621	687,833	530,863	967,020	533,076	887,805	716,060	1,150,694	598,090	552,544	871,272
Staff medical expenses.	660,697	66,879	187,651	120,000	94,060	108,900	126,200	75,000	105,000	113,965	105,000	75,000	105,650
Total	**25,619,377**	**885,756**	**5,599,473**	**4,354,660**	**3,478,511**	**4,576,148**	**3,934,545**	**4,142,982**	**4,362,526**	**10,054,049**	**3,705,185**	**3,219,402**	**3,978,538**
TOTAL ADMINISTRATIVE COST	**146,224,055**	**8,744,748**	**39,658,320**	**26,375,416**	**16,712,812**	**26,973,540**	**25,858,794**	**25,121,865**	**21,481,784**	**40,368,102**	**17,604,049**	**17,481,562**	**21,582,528**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2025	OSU SALA TRADING MAHARAGAMA	OSU SALA TRADING J,PURA	OSU SALA TRADING KARAPITIYA	OSU SALA TRADING NEGOMBO	OSU SALA TRADING BADULLA-CWE	OSU SALA TRADING DIYATHALAWA	OSU SALA TRADING JAFFNA	OSU SALA TRADING POLONNARUWA	OSU SALA TRADING TAGALLE	OSU SALA TRADING RAGAMA	OSU SALA TRADING BANDARAGAMA	OSU SALA TRADING FORT	OSU SALA TRADING BORELLA
A. ADMINISTRATIVE COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
PERSONNEL EMOLUMENTS													
Salaries, Wages & Allowances.	16,370,238	33,240,642	10,062,539	12,973,272	17,232,902	6,912,759	7,847,349	12,812,880	11,316,698	12,557,077	7,655,597	7,232,056	5,191,578
Overtime.	743,995	2,927,776	733,837	1,046,054	1,286,651	635,115	458,898	746,212	652,922	990,648	452,689	380,049	103,338
Uniforms.	148,636	281,819	85,364	95,771	116,911	54,378	78,974	122,357	126,629	92,664	50,622	56,572	38,352
Insurance for staff	284,715	570,926	120,902	70,642	233,725	30,017	-	130,203	171,773	140,355	93,274	136,585	109,211
Provident fund (E.P.F & E.T.F)	1,933,315	3,989,731	1,225,000	1,538,836	2,082,711	799,185	937,608	1,531,408	1,402,891	1,504,413	899,382	881,786	595,515
Annual bonus	200,000	475,000	125,000	131,017	231,250	100,000	50,000	175,000	141,250	150,000	88,935	100,000	56,250
Annual per inc. bonus.	2,858,693	6,466,148	1,670,638	2,333,360	3,131,461	1,278,651	1,077,441	2,332,443	2,001,774	2,188,328	1,414,911	1,277,958	838,270
Housing loan interest	-	288,381	-	-	372,284	-	-	-	124,676	16,499	-	-	-
Attendance bonus	259,350	551,400	173,850	195,450	246,150	133,650	99,150	165,000	156,900	178,650	108,450	108,600	61,200
Total	**22,798,942**	**48,791,823**	**14,197,130**	**18,384,402**	**24,934,044**	**9,943,755**	**10,549,421**	**18,015,503**	**16,095,513**	**17,818,634**	**10,763,860**	**10,173,606**	**6,993,713**
TRAVELLING EXPENSES													
Local travelling expenses	1,515	55,506	56,770	5,850	100,515	27,665	149,150	50,519	25,110	71,740	9,340	29,220	1,500
Total	**1,515**	**55,506**	**56,770**	**5,850**	**100,515**	**27,665**	**149,150**	**50,519**	**25,110**	**71,740**	**9,340**	**29,220**	**1,500**
SUPPLIES & REQUISITES													
Printing & stationery.	160,162	671,430	249,500	465,597	391,744	297,258	107,155	163,610	220,066	87,901	328,359	303,185	63,677
Total	**160,162**	**671,430**	**249,500**	**465,597**	**391,744**	**297,258**	**107,155**	**163,610**	**220,066**	**87,901**	**328,359**	**303,185**	**63,677**
REPAIRS & MAINTENANCE													
Buildings.	353,170	475,826	15,656	82,144	335,351	2,580	57,488	133,422	1,501,779	42,251	22,730	15,525	153,519
Furniture, fittings & equipment	215,743	276,534	55,575	318,434	243,221	5,650	110,925	71,065	149,965	116,050	29,314	12,051	27,910
Computer	80,128	101,748	79,478	79,478	86,878	-	79,478	79,478	82,778	80,178	84,978	83,278	79,478
Total	**649,042**	**854,108**	**150,710**	**480,056**	**665,450**	**8,230**	**247,891**	**283,966**	**1,734,523**	**238,479**	**137,022**	**110,854**	**260,908**
TRANSPORTATION, COMMUNICATION, UTILITIES & OTHER SERVICES													
Rent.	1,980,643	1,440,000	1,336,063	1,171,644	-	524,882	-	-	-	437,035	-	1,200,000	-
Lease rent amortization	-	-	-	-	324,141	-	-	-	-	-	-	-	-
Rates & taxes.	3,068	-	13,703	8,052	92,668	-	6,990	86,006	16,335	1,000	4,371	-	-
Water bills	26,052	-	28,902	25,506	60,052	10,460	-	54,362	24,160	70,196	27,590	14,662	-
Electricity.	871,409	770,156	999,757	868,680	869,203	50,149	704,642	982,058	1,187,897	810,034	401,057	313,376	-
Fuel for Generator	6,000	-	24,020	7,060	51,040	-	-	24,495	5,723	8,280	26,000	5,990	-
Postage, Telegrams & Telephones.	41,490	54,663	69,897	57,218	100,238	41,343	86,084	91,991	84,810	45,912	29,789	24,776	27,380
Depreciation	232,342	528,465	467,323	155,936	1,170,626	263,775	71,826	779,282	700,716	207,220	81,744	623,075	703,323
Amortisation- Computer Software	-	-	-	-	44,049	64,830	-	-	-	-	-	-	-
Trade subscriptions, Periodicals & Publications.	37,810	21,230	-	-	-	-	40,360	-	4,240	-	18,060	-	-
Security services.	785,745	2,071,987	794,853	752,073	984,330	-	816,166	2,093,239	830,115	2,093,239	827,945	838,635	700,924
License fees for drugs.	41,238	41,577	40,071	48,888	59,066	85,153	85,575	41,840	41,821	29,741	41,488	41,178	41,606
Sundry expenses.	4,675	10,690	2,873	4,285	20,880	1,575	100	2,915	6,027	3,370	155	42,300	-
Staff welfare.	646,855	1,296,786	599,045	620,188	862,268	196,070	515,519	484,857	522,409	955,285	330,672	490,510	109,518
Staff medical expenses.	138,652	301,289	95,856	108,802	135,583	58,730	75,000	105,000	119,800	105,000	60,000	45,000	30,004
Total	**4,815,979**	**6,536,843**	**4,472,363**	**3,828,334**	**4,774,143**	**1,296,967**	**2,402,263**	**4,746,044**	**3,544,052**	**4,766,312**	**1,848,870**	**3,639,502**	**1,612,756**
TOTAL ADMINISTRATIVE COST	**28,425,640**	**56,909,709**	**19,126,472**	**23,164,239**	**30,865,897**	**11,573,874**	**13,455,880**	**23,259,642**	**21,619,263**	**22,983,066**	**13,087,451**	**14,256,367**	**8,932,553**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2025	OSU SALA TRADING EMBILIPITIYA	OSU SALA TRADING KDY- RAILWAY	OSU SALA TRADING GAMPAHA	OSU SALA TRADING NAGODA	OSU SALA TRADING BERUWALA	OSU SALA TRADING PILIYANDALA	OSU SALA TRADING NINTHAVUR	OSU SALA TRADING AKKARAIPATTU	OSU SALA TRADING MONARAGALA	OSU SALA TRADING PERADENIYA	OSU SALA TRADING ANAMADUWA	OSU SALA TRADING DAMBULLA	OSU SALA TRADING MATALE
A. ADMINISTRATIVE COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**			**Rs.**
PERSONNEL EMOLUMENTS													
Salaries, Wages & Allowances.	9,133,446	6,924,730	14,848,242	9,708,109	8,093,418	7,975,295	4,287,835	4,732,360	7,493,522	10,172,847	4,331,140	8,186,831	9,428,721
Overtime.	391,474	787,702	1,695,382	530,304	741,236	801,067	424,401	561,591	683,287	636,022	296,169	573,266	628,559
Uniforms.	52,875	65,452	157,719	68,768	81,671	75,471	57,325	36,763	59,228	80,867	27,386	85,861	65,671
Insurance for staff	175,097	122,484	54,887	112,999	16,685	77,089	-	32,191	40,939	57,056	-	-	-
Provident fund (E.P.F & E.T.F)	1,100,598	862,349	1,752,702	1,109,801	992,207	962,984	544,485	586,893	934,253	1,211,145	549,520	1,006,960	1,144,370
Annual bonus	118,750	85,417	165,833	125,000	100,000	100,000	75,000	73,608	100,000	130,394	50,000	100,000	125,000
Annual per inc. bonus.	1,381,640	1,085,339	2,884,570	1,744,108	1,316,064	1,303,440	899,634	1,096,776	1,229,591	1,917,845	653,229	1,290,341	1,680,823
Housing loan interest	-	32,072	188,838	12,807	-	-	-	-	123,515	-	-	-	-
Attendance bonus	105,900	99,600	220,350	142,350	121,950	149,400	90,450	42,900	101,550	150,150	42,150	117,450	108,300
Total	**12,459,781**	**10,065,145**	**21,968,524**	**13,554,245**	**11,463,231**	**11,444,745**	**6,379,130**	**7,163,083**	**10,765,884**	**14,356,326**	**5,949,594**	**11,360,708**	**13,181,444**
TRAVELLING EXPENSES													
Local travelling expenses	91,623	8,650	169,721	5,910	1,100	4,500	41,970	78,430	13,250	57,200	18,802	55,218	13,440
Total	**91,623**	**8,650**	**169,721**	**5,910**	**1,100**	**4,500**	**41,970**	**78,430**	**13,250**	**57,200**	**18,802**	**55,218**	**13,440**
SUPPLIES & REQUISITES													
Printing & stationery.	268,077	94,594	396,132	48,289	12,937	157,431	232,370	66,849	249,152	132,618	185,644	155,273	318,634
Total	**268,077**	**94,594**	**396,132**	**48,289**	**12,937**	**157,431**	**232,370**	**66,849**	**249,152**	**132,618**	**185,644**	**155,273**	**318,634**
REPAIRS & MAINTENANCE													
Buildings.	19,855	24,840	24,129	21,938	14,054	36,502	43,090	7,800	20,378	16,020	6,250	31,750	12,924
Furniture, fittings & equipment	147,210	101,758	39,647	62,639	99,082	69,466	24,390	42,820	1,625	56,437	2,400	35,100	195,985
Computer	79,478	-	84,978	-	-	-	-	25,370	-	17,110	-	8,200	15,600
Total	**246,543**	**126,598**	**148,755**	**84,576**	**113,136**	**105,968**	**67,480**	**75,990**	**22,003**	**89,567**	**8,650**	**75,050**	**224,509**
TRANSPORTATION, COMMUNICATION,UTILITIES & OTHER SERVICES													
Rent.	717,867	219,576	1,425,514	505,648	1,032,257	2,072,027	533,729	671,926	615,270	1,179,334	667,171	948,561	1,215,013
Lease rent amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	23,986	-	3,000	-	6,700	-	-	-	-	24,769	3,000	2,063	6,400
Water bills	20,066	4,251	7,191	27,405	23,455	27,671	18,081	-	11,540	-	15,283	34,289	25,864
Electricity.	538,326	345,762	840,646	639,954	493,242	738,080	348,236	437,429	433,775	174,239	272,969	556,498	285,938
Fuel for Generator	13,540	7,432	21,156	19,475	8,980	20,960	42,830	35,120	16,500	1,500	28,500	6,180	22,950
Postage, Telegrams & Telephones.	50,868	36,286	90,150	53,001	29,520	36,935	48,080	64,686	86,578	42,954	51,505	45,708	46,040
Depreciation	193,787	537,684	815,740	382,209	594,814	682,050	292,546	415,598	433,666	533,411	390,679	404,580	470,581
Amortisation- Computer Software	-	31,793	30,550	33,570	34,991	26,820	46,003	46,180	43,694	31,793	41,029	36,411	36,234
Trade subscriptions, Periodicals & Publications.	-	-	6,000	500	-	-	-	-	-	31,960	16,440	-	36,740
Security services.	825,509	843,155	2,762,188	834,498	840,119	816,939	846,110	802,799	838,743	-	830,981	748,151	840,089
License fees for drugs.	143,213	40,265	84,575	57,571	41,380	58,727	108,773	54,967	42,057	74,704	41,612	39,919	119,202
Sundry expenses.	860	650	3,865	5,540	4,475	350	1,230	525	210	1,315	-	365	6,015
Staff welfare.	634,473	484,608	791,650	373,514	536,723	505,686	296,553	326,700	403,340	522,341	279,631	340,925	452,482
Staff medical expenses.	82,800	58,567	95,937	39,135	60,000	59,178	86,358	45,000	60,000	75,000	28,725	104,551	75,000
Total	**3,245,296**	**2,610,028**	**6,978,163**	**2,972,019**	**3,706,656**	**5,045,423**	**2,668,529**	**2,900,931**	**2,985,374**	**2,693,320**	**2,667,525**	**3,268,201**	**3,638,549**
TOTAL ADMINISTRATIVE COST	**16,311,320**	**12,905,015**	**29,661,294**	**16,665,040**	**15,297,061**	**16,758,068**	**9,389,479**	**10,285,283**	**14,035,663**	**17,329,031**	**8,830,215**	**14,914,450**	**17,376,575**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2025	OSU SALA TRADING MATHUGAMA	OSU SALA TRADING NARAHENPITA	OSU SALA TRADING MADAWACHCHIYA	OSU SALA TRADING PITAKOTTE	OSU SALA TRADING HORANA	OSU SALA TRADING HOMAGAMA	OSU SALA TRADING NITTAMBUWA	OSU SALA TRADING MENIKHINNA	OSU SALA TRADING PILIMATHALAWA	OSU SALA TRADING AMBALANGODA	OSU SALA TRADING COLOMBO 06.	OSU SALA TRADING BADDEGAMA	OSU SALA TRADING HIKKADUWA
A. ADMINISTRATIVE COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
PERSONNEL EMOLUMENTS													
Salaries, Wages & Allowances.	7,186,778	6,751,580	4,773,709	10,071,054	6,357,576	8,027,319	6,509,126	4,257,050	5,741,097	6,128,719	15,653,543	4,700,977	6,812,447
Overtime.	263,620	920,758	324,390	701,704	416,465	626,582	721,379	277,210	417,318	591,322	1,496,204	349,601	133,888
Uniforms.	36,279	69,275	33,886	65,768	56,725	58,175	37,365	24,386	35,582	40,679	169,828	40,279	46,178
Insurance for staff	29,632	261,683	46,860	29,530	3,000	107,898	29,811	-	26,429	34,956	121,274	32,723	94,712
Provident fund (E.P.F & E.T.F)	861,687	787,217	597,117	1,175,768	787,473	1,010,274	808,194	504,955	712,583	776,634	1,838,244	563,471	819,604
Annual bonus	75,000	150,000	50,000	150,000	75,000	100,000	75,000	50,000	56,743	50,000	175,000	50,000	50,000
Annual per inc. bonus.	1,080,407	1,851,614	651,154	1,846,659	963,765	1,023,962	1,001,066	753,848	1,008,944	1,088,008	2,558,113	671,041	698,640
Housing loan interest	112,470	-	-	188,802	15,831	-	-	188,074	-	-	223,117	-	-
Attendance bonus	87,750	124,950	60,750	182,850	113,250	111,300	82,500	63,900	76,800	69,300	248,100	68,100	64,800
Total	**9,733,622**	**10,917,076**	**6,537,867**	**14,412,134**	**8,789,085**	**11,065,509**	**9,264,442**	**6,119,423**	**8,075,495**	**8,779,618**	**22,483,423**	**6,476,192**	**8,720,269**
TRAVELLING EXPENSES													
Local travelling expenses	24,300	41,425	95,570	6,300	-	5,330	11,920	14,195	50,273	35,950	104,019	26,840	3,500
Total	**24,300**	**41,425**	**95,570**	**6,300**	**-**	**5,330**	**11,920**	**14,195**	**50,273**	**35,950**	**104,019**	**26,840**	**3,500**
SUPPLIES & REQUISITES													
Printing & stationery.	245,635	188,126	40,680	213,288	343,431	62,169	177,137	121,746	369,254	23,575	190,001	185,367	176,928
Total	**245,635**	**188,126**	**40,680**	**213,288**	**343,431**	**62,169**	**177,137**	**121,746**	**369,254**	**23,575**	**190,001**	**185,367**	**176,928**
REPAIRS & MAINTENANCE													
Buildings.	16,286	10,555	12,926	20,547	9,109	8,548	14,993	21,495	17,559	10,000	47,505	29,620	27,171
Furniture, fittings & equipment	35,430	66,660	156,359	67,954	122,794	132,044	217,194	1,635	44,000	13,105	297,868	13,925	36,762
Computer	7,080	33,666	-	-	4,000	-	3,150	-	-	-	-	-	800
Total	**58,796**	**110,881**	**169,285**	**88,500**	**135,903**	**140,592**	**235,337**	**23,130**	**61,559**	**23,105**	**345,373**	**43,545**	**64,732**
TRANSPORTATION, COMMUNICATION,UTILITIES &													
Rent.	1,500,000	2,349,053	916,176	1,509,009	425,330	1,439,265	1,555,169	396,939	873,267	1,203,707	3,380,103	714,937	1,429,874
Lease rent amortization	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	7,900	-	16,700	-	9,426	-	3,000	-	1,150	3,000	-	3,000	-
Water bills	-	13,902	26,028	-	11,745	21,971	29,133	-	-	7,214	111,481	-	20,964
Electricity.	529,357	549,258	359,493	863,035	333,424	759,990	635,820	189,636	260,145	581,413	698,288	370,624	648,506
Fuel for Generator	14,950	-	23,030	5,500	5,999	7,535	7,525	-	19,074	6,000	-	9,100	6,100
Postage, Telegrams & Telephones.	28,795	61,991	36,927	34,668	57,845	22,951	34,939	29,565	31,121	66,212	73,552	55,586	47,167
Depreciation	453,316	420,753	466,414	552,261	479,969	701,435	744,394	841,557	836,095	1,009,348	384,329	894,581	1,228,060
Amortisation- Computer Software	40,674	64,830	64,830	64,830	64,830	64,830	64,830	76,500	76,500	76,500	-	76,500	76,500
Trade subscriptions, Periodicals & Publications.	-	-	-	1,800	-	-	-	125	-	1,030	-	-	-
Security services.	836,462	404,454	765,420	822,274	848,607	864,197	808,180	838,635	787,318	894,184	833,323	848,607	806,668
License fees for drugs.	40,686	32,790	48,809	42,249	42,057	41,072	41,821	97,967	40,588	41,219	119,194	41,072	26,266
Sundry expenses.	6,265	770	1,770	1,250	470	3,550	1,080	310	1,600	3,638	7,715	3,545	11,050
Staff welfare.	525,689	412,951	334,450	547,933	483,542	527,860	411,795	186,775	258,714	403,329	803,781	275,977	367,473
Staff medical expenses.	45,000	50,810	30,000	61,600	70,784	38,868	30,000	15,000	30,000	38,541	159,588	30,000	44,859
Total	**4,029,095**	**4,361,563**	**3,090,048**	**4,506,410**	**2,834,027**	**4,493,523**	**4,367,687**	**2,673,009**	**3,215,572**	**4,335,335**	**6,571,356**	**3,323,528**	**4,713,487**
TOTAL ADMINISTRATIVE COST	**14,091,449**	**15,619,071**	**9,933,449**	**19,226,632**	**12,102,446**	**15,767,124**	**14,056,524**	**8,951,504**	**11,772,153**	**13,197,583**	**29,694,172**	**10,055,473**	**13,678,916**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2025	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	OSU SALA TRADING MT LAVINIA	OSU SALA TRADING KIRIBATHGODA	OSU SALA TRADING KEGALLE	OSU SALA TRADING BATTICALOA	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
A. ADMINISTRATIVE COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
PERSONNEL EMOLUMENTS										
Salaries, Wages & Allowances.	3,860,796	5,627,034	5,661,460	3,693,049	9,205,236	7,463,910	3,188,131	807,704	10,397,759	651,189,074
Overtime.	295,742	476,889	323,841	302,158	780,986	644,483	315,939	40,199	549,167	48,605,660
Uniforms.	14,693	14,793	31,489	14,093	18,293	88,616	23,605	2,799	63,633	5,301,848
Insurance for staff	-	-	28,985	-	24,510	84,227	-	7,500	81,632	6,656,652
Provident fund (E.P.F & E.T.F)	478,257	704,043	709,897	493,784	1,046,845	885,631	389,541	94,851	1,223,587	78,510,375
Annual bonus	50,000	75,000	75,000	25,000	150,000	114,869	41,667	11,221	175,000	8,104,447
Annual per inc. bonus.	631,664	1,033,897	990,846	304,008	2,100,980	1,589,494	529,028	351,425	2,543,689	114,034,884
Housing loan interest	-	-	-	-	-	-	-	-	71,414	2,975,436
Attendance bonus	56,250	64,350	44,100	32,400	126,900	97,950	50,250	11,700	174,900	9,372,650
Total	**5,387,402**	**7,996,005**	**7,865,618**	**4,864,492**	**13,453,749**	**10,969,180**	**4,538,160**	**1,327,399**	**15,280,781**	**924,751,026**
TRAVELLING EXPENSES										
Local travelling expenses	7,680	15,320	37,202	54,140	57,231	8,750	9,898	347	56,235	2,354,154
Total	**7,680**	**15,320**	**37,202**	**54,140**	**57,231**	**8,750**	**9,898**	**347**	**56,235**	**2,354,154**
SUPPLIES & REQUISITES										
Printing & stationery.	99,691	113,699	42,250	134,613	281,442	208,731	93,933	102,197	121,248	15,442,504
Total	**99,691**	**113,699**	**42,250**	**134,613**	**281,442**	**208,731**	**93,933**	**102,197**	**121,248**	**15,442,504**
REPAIRS & MAINTENANCE										
Buildings.	2,850	25,514	7,656	5,365	16,125	12,167	61,424	6,000	38,518	7,546,924
Furniture, fittings & equipment	6,050	5,005	8,420	16,540	2,988	15,315	45,631	480	67,720	6,949,650
Computer	6,000	-	-	-	86,275	30,936	50,007	-	-	2,262,504
Total	**14,900**	**30,519**	**16,076**	**21,905**	**105,388**	**58,418**	**157,062**	**6,480**	**106,238**	**16,759,078**
TRANSPORTATION, COMMUNICATION,UTILITIES & OTHER SERVICES										
Rent.	730,118	1,168,391	1,651,967	-	2,039,002	2,219,844	1,128,997	147,953	1,736,704	59,857,358
Lease rent amortization	-	-	-	-	-	-	-	-	-	618,474
Rates & taxes.	11,425	3,000	6,400	-	-	-	-	-	17,080	1,557,905
Water bills	5,380	-	16,649	-	-	12,592	-	6,099	43,374	1,754,365
Electricity.	169,147	325,587	122,459	-	769,459	593,819	185,188	83,491	509,215	38,948,361
Fuel for Generator	12,541	7,491	15,137	-	-	2,940	7,525	2,000	5,000	764,443
Postage, Telegrams & Telephones.	52,244	45,937	44,880	42,246	48,988	28,650	53,397	21,310	56,411	3,311,612
Depreciation	878,079	1,022,658	920,933	852,293	1,307,437	799,430	317,603	163,475	877,500	40,911,893
Amortisation- Computer Software	76,500	76,500	76,500	76,500	76,500	55,960	31,019	12,994	132,680	2,070,278
Trade subscriptions, Periodicals										-
& Publications.	-	-	-	-	3,300	-	-	-	30,300	578,595
Security services.	722,492	832,821	814,178	805,385	849,761	662,922	356,064	156,269	2,093,239	61,999,395
License fees for drugs.	41,187	41,821	41,072	41,380	41,821	41,072	42,057	84,818	33,428	3,421,875
Sundry expenses.	-	-	1,085	1,656	1,860	8,900	1,199	5,105	6,350	340,429
Staff welfare.	109,146	239,180	320,974	432,480	465,520	374,048	209,015	42,545	483,471	35,459,747
Staff medical expenses.	-	-	30,000	15,000	48,750	66,307	24,158	-	103,456	5,125,690
Total	**2,808,259**	**3,763,386**	**4,062,232**	**2,266,939**	**5,652,398**	**4,866,483**	**2,356,222**	**726,061**	**6,128,208**	**256,720,419**
TOTAL ADMINISTRATIVE COST	**8,317,931**	**11,918,928**	**12,023,378**	**7,342,089**	**19,550,208**	**16,111,562**	**7,155,275**	**2,162,484**	**21,692,710**	**1,216,027,181**

NOTES TO THE FINANCIAL STATEMENTS

30.3 OTHER OPERATING EXPENSES

For the year ended 31st December 2025	OSU SALA TRADING Col.07	OSU SALA TRADING Col .01	OSU SALA TRADING KANDY	OSU SALA TRADING NUGEGODA	OSU SALA TRADING AVISS.	OSU SALA TRADING RATNAPURA	OSU SALA TRADING PANADURA	OSU SALA TRADING GALLE	OSU SALA TRADING MATARA	OSU SALA TRADING KURUNEGALA	OSU SALA TRADING AMPARA	OSU SALA TRADING HAMBANTOTA	OSU SALA TRADING A'PURA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage)- **Note 30.4**	(174,342)	(29,106)	(4,549)	(18,125)	(7,509)	(315,372)	(78,501)	(5,522)	(27,736)	205	(50,794)	(25,867)	1,121
Outdated & damages **Note 30.4**	951,314	460,417	1,189,933	204,504	212,482	1,298,648	778,268	913,452	1,051,385	243,767	29,882	66,723	-
Sundry packing materials.	1,419,472	13,681	938,016	619,938	385,877	432,878	739,508	512,479	180,744	802,337	154,572	344,085	199,264
Total	**2,196,445**	**444,991**	**2,123,400**	**806,318**	**590,850**	**1,416,153**	**1,439,275**	**1,420,409**	**1,204,393**	**1,046,309**	**133,660**	**384,941**	**200,385**

For the year ended 31st December 2025	OSU SALA TRADING MAHARAGAMA	OSU SALA TRADING J, PURA	OSU SALA TRADING KARAPITIYA	OSU SALA TRADING NEGOMBO	OSU SALA TRADING BADULLA- CWE	OSU SALA TRADING DIYATHALAWA	OSU SALA TRADING JAFFNA	OSU SALA TRADING POLONNARUWA	OSU SALA TRADING TANGALLE	OSU SALA TRADING RAGAMA	OSU SALA TRADING BANDARAGAMA	OSU SALA TRADING FORT	OSU SALA TRADING BORELLA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(76,250)	(134,425)	(54,104)	(50,176)	43,702	14,011	(1,375)	2,758	(29,417)	(39,014)	(3,132)	897,681	(7,624)
Outdated & damages Note 30.4	49,775	6,569	501,543	-	630,550	114,852	-	4,852	606,172	4,404	5,577	-	146,645
Sundry packing materials.	460,876	755,574	343,569	334,253	615,541	171,679	150,335	407,075	272,059	43,487	210,132	110,376	146,611
Total	**434,401**	**627,719**	**791,007**	**284,076**	**1,289,793**	**300,542**	**148,959**	**414,684**	**848,814**	**8,877**	**212,578**	**1,008,057**	**285,631**

For the year ended 31st December 2025	OSU SALA TRADING EMBILIPITIYA	OSU SALA TRADING KDY-RAILWAY	OSU SALA TRADING GAMPAHA	OSU SALA TRADING NAGODA	OSU SALA TRADING BERUWALA	OSU SALA TRADING PILIYANDALA	OSU SALA TRADING NINTHAVUR	OSU SALA TRADING AKKARAIPATTU	OSU SALA TRADING MONARAGALA	OSU SALA TRADING PERADENIYA	OSU SALA TRADING ANAMADUWA	OSU SALA TRADING DAMBULLA	OSU SALA TRADING MATALE
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(11,137)	4,117	(162,098)	(144,856)	(5,207)	25,158	3,624	3,430	(16,579)	(2,846)	27,364	(12,521)	4,633
Outdated & damages Note 30.4	159,714	114,547	671,443	196,974	315,566	184,758	240,916	214,767	-	27,299	466,305	317,285	1,387,602
Sundry packing materials.	257,204	164,784	688,441	85,236	194,517	180,038	146,035	45,720	205,014	584,670	143,645	288,717	310,707
Total	**405,782**	**283,448**	**1,197,786**	**137,353**	**504,877**	**389,953**	**390,575**	**263,918**	**188,435**	**609,123**	**637,314**	**593,481**	**1,702,942**

NOTES TO THE FINANCIAL STATEMENTS

30.3 OTHER OPERATING EXPENSES

For the year ended 31st December 2025	OSU SALA TRADING MATHUGAMA	OSU SALA TRADING NARAHENPITA	OSU SALA TRADING MADAWACHCHIYA	OSU SALA TRADING PITAKOTTE	OSU SALA TRADING HORANA	OSU SALA TRADING HOMAGAMA	OSU SALA TRADING NITTAMBUWA	OSU SALA TRADING MENIKHINNA	OSU SALA TRADING PILIMATHALAWA	OSU SALA TRADING AMBALANGODA	OSU SALA TRADING COLOMBO 06.	OSU SALA TRADING BADDEGAMA
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(12,722)	(40,980)	(365)	(18,410)	(20,536)	108,827	(15,821)	4,027	(924)	64,215	(51,545)	(6,964)
Outdated & damages Note 30.4	248,461	25,945	-	62,562	154,066	417,664	1,338,554	95,690	-	490,758	808,209	6,521
Sundry packing materials.	180,799	76,019	72,769	298,940	364,917	276,431	33,007	114,630	220,801	289,387	586,909	153,366
Total	**416,538**	**60,983**	**72,404**	**343,093**	**498,447**	**802,922**	**1,355,741**	**214,347**	**219,877**	**844,360**	**1,343,573**	**152,923**

For the year ended 31st December 2025	OSU SALA TRADING HIKKADUWA	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	OSU SALA TRADING MT LAVINIA	OSU SALA TRADING KIRIBATHGODA	OSU SALA TRADING KEGALLE	OSU SALA TRADING BATTICALOA	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
	Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(1,942)	(11,147)	(17,822)	30,397	(168,503)	(55,107)	(89,861)	(3,248)	-	(686)	(769,498)
Outdated & damages Note 30.4	440,971	20,254	39,004	110,213	46,866	-	330,864	-	-	345,755	18,751,246
Sundry packing materials.	163,690	165,734	116,209	226,002	171,988	263,403	170,222	38,351	131,182	12,394	18,186,294
Total	**602,719**	**174,840**	**137,391**	**366,611**	**50,351**	208,296	411,224	35,103	131,182	**357,462**	**36,168,042**
							* Excess				769,498
							Balance with out excess				**36,937,540**

30.4 OSUSALA TRADING STOCK

As at 31st December	2025						2024					
	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock
Location	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Colombo 07	304,080,909	174,342	304,255,251	951,314	7,959,452	**295,344,484**	273,296,721	500,642	273,797,363	577,583	8,721,809	**264,497,971**
Colombo 01	431,311	29,106	460,417	460,417	-	**-**	94,939,637	27,408	94,967,045	262,391	4,147,115	**90,557,540**
Kandy	85,381,670	4,549	85,386,219	1,189,933	6,753,722	**77,442,564**	71,155,893	10,197	71,166,089	803,345	5,658,072	**64,704,673**
Nugegoda	49,766,508	18,125	49,784,633	204,504	3,219,431	**46,360,697**	52,009,560	(144,640)	51,864,920	155,796	2,264,359	**49,444,766**
Avissawella	21,104,363	7,509	21,111,872	212,482	2,316,518	**18,582,872**	17,682,022	41,396	17,723,418	104,213	1,572,435	**16,046,769**
Rathnapura	41,260,256	315,372	41,575,628	1,298,648	3,187,722	**37,089,258**	33,420,328	94,619	33,514,947	289,219	2,597,279	**30,628,449**
Minuwangoda	-	-	-	-	-	**-**	24,019,703	2,791	24,022,494	110,350	2,074,428	**21,837,716**
Panadura	36,679,075	78,501	36,757,576	778,268	2,966,472	**33,012,837**	50,229,601	68,746	50,298,347	356,863	4,188,802	**45,752,682**
Galle	38,699,426	5,522	38,704,948	913,452	3,432,230	**34,359,266**	27,038,095	50,570	27,088,665	314,841	1,799,395	**24,974,428**
Matara	34,342,843	27,736	34,370,579	1,051,385	1,861,588	**31,457,607**	40,407,309	821,354	41,228,662	2,860,030	2,604,082	**35,764,550**
Kurunegala	62,018,881	(205)	62,018,676	243,767	5,504,089	**56,270,821**	60,165,248	(5,629)	60,159,619	371,390	4,347,825	**55,440,404**
Ampara	33,826,854	50,794	33,877,647	29,882	4,336,377	**29,511,389**	24,822,881	23,265	24,846,146	1,526	3,168,013	**21,676,607**
Hambantota	31,243,178	25,867	31,269,045	66,723	2,245,373	**28,956,949**	33,989,476	66,619	34,056,096	115,269	1,997,274	**31,943,553**
Anuradhapura	26,023,442	(1,121)	26,022,322	-	2,909,297	**23,113,024**	15,473,196	2,071	15,475,267	-	1,579,117	**13,896,150**
Maharagama	55,420,023	76,250	55,496,273	49,775	3,638,089	**51,808,410**	59,598,386	73,242	59,671,628	4,919	3,509,733	**56,156,976**
Jayawardanapura	103,671,348	134,425	103,805,772	6,569	3,729,649	**100,069,554**	57,597,317	38,922	57,636,240	25,258	3,027,056	**54,583,926**
Karapitiya	68,823,694	54,104	68,877,798	501,543	6,883,264	**61,492,991**	40,581,829	1,676	40,583,505	102,844	3,698,976	**36,781,685**
Negombo	36,241,839	50,176	36,292,015	-	3,591,901	**32,700,114**	34,216,585	53,949	34,270,534	-	2,852,020	**31,418,515**
Badulla - CWE	45,703,970	(43,702)	45,660,267	630,550	3,885,664	**41,144,053**	30,143,570	(46,975)	30,096,596	172,977	2,523,466	**27,400,153**
Diyathalawa	21,937,846	(14,011)	21,923,835	114,852	1,934,075	**19,874,909**	13,884,161	12,622	13,896,782	41,299	1,221,805	**12,633,678**
Jaffna	17,948,422	1,375	17,949,797	-	1,782,718	**16,167,079**	30,326,846	4,835	30,331,681	-	3,235,230	**27,096,451**
Polonnaruwa	44,712,540	(2,758)	44,709,782	4,852	5,944,000	**38,760,930**	31,691,566	(1,667)	31,689,899	22,766	3,262,123	**28,405,009**
Ratmalana	-	-	-	-	-	**-**	11,298	-	11,298	11,298	-	**-**
Tangalle	58,348,000	29,417	58,377,417	606,172	7,433,751	**50,337,494**	42,911,224	16,475	42,927,699	55,573	5,604,117	**37,268,009**
Ragama	33,521,116	39,014	33,560,130	4,404	3,309,365	**30,246,360**	30,095,555	30,185	30,125,740	3,118	2,792,629	**27,329,993**

NOTES TO THE FINANCIAL STATEMENTS

30.4 OSUSALA TRADING STOCK

As at 31st December	2025 Bin Balance	2025 Stock Adj.	2025 Trading Stock in Hand	2025 Prov. for Damaged & Outdated Stock	2025 Prov. for Unrealized Profit	2025 Stock	2024 Bin Balance	2024 Stock Adj.	2024 Trading Stock in Hand	2024 Prov. for Damaged & Outdated Stock	2024 Prov. for Unrealized Profit	2024 Stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bandaragama	11,906,572	3,132	11,909,704	5,577	1,470,923	**10,433,204**	15,394,869	14,513	15,409,382	2,104	1,713,325	**13,693,953**
Fort - Station	29,992,379	(897,681)	29,094,698	-	1,912,165	**27,182,533**	24,446,960	18,138	24,465,098	-	1,096,331	**23,368,767**
Borella	9,151,202	7,624	9,158,827	146,645	735,065	**8,277,117**	13,824,664	7,179	13,831,842	31,166	805,384	**12,995,293**
Embilipitiya	14,440,856	11,137	14,451,993	159,714	1,556,145	**12,736,134**	18,287,752	8,406	18,296,158	50,905	1,781,593	**16,463,660**
KDY-Railway	16,988,916	(4,117)	16,984,799	114,547	1,240,039	**15,630,213**	17,349,345	(1,084)	17,348,261	81,244	1,369,803	**15,897,214**
Gampaha	66,392,223	162,098	66,554,320	671,443	4,563,736	**61,319,141**	51,545,600	22,124	51,567,723	19,284	4,594,022	**46,954,418**
Nagoda	33,073,179	144,856	33,218,035	196,974	3,628,043	**29,393,018**	32,402,028	22,788	32,424,816	28,389	3,590,731	**28,805,696**
Beruwala	17,262,441	5,207	17,267,648	315,566	1,622,067	**15,330,015**	17,822,020	9,701	17,831,721	26,467	1,202,274	**16,602,980**
Piliyandala	20,617,228	(25,158)	20,592,070	184,758	913,963	**19,493,350**	19,138,408	(5,813)	19,132,595	134,430	1,333,364	**17,664,800**
Ninthavur	23,698,124	(3,624)	23,694,500	240,916	2,820,229	**20,633,355**	13,688,811	(9,369)	13,679,442	361,576	1,391,232	**11,926,634**
Akkaraipattu	15,265,966	(3,430)	15,262,536	214,767	1,770,217	**13,277,552**	12,746,181	1,469	12,747,650	41,031	1,085,689	**11,620,930**
Monaragala	24,873,509	16,579	24,890,088	-	2,810,968	**22,079,120**	22,554,052	43,541	22,597,594	-	1,940,282	**20,657,312**
Peradeniya	26,012,795	2,846	26,015,641	27,299	2,330,227	**23,658,115**	22,937,172	4,593	22,941,765	-	983,913	**21,957,852**
Anamaduwa	12,191,281	(27,364)	12,163,918	466,305	1,001,367	**10,696,245**	19,062,047	(8,621)	19,053,425	174,342	1,315,777	**17,563,307**
Kotalawala defence Academy	-	-	-	-	-	**-**	37,128,376	99,899	37,228,275	454,406	1,257,653	**35,516,217**
Dambulla	34,149,573	12,521	34,162,093	317,285	4,367,092	**29,477,716**	27,717,175	1,458	27,718,633	225,573	3,098,491	**24,394,568**
Matale	26,585,605	(4,633)	26,580,972	1,387,602	1,821,466	**23,371,904**	40,881,350	28,623	40,909,973	206,762	2,338,531	**38,364,680**
Badulla Bus stand	-	-	-	-	-	**-**	26,325,704	66,800	26,392,504	290,829	2,248,125	**23,853,550**
Mathugama	28,682,969	12,722	28,695,691	248,461	2,046,571	**26,400,659**	32,408,111	(43,763)	32,364,348	115,098	2,282,149	**29,967,101**
Narahenpita	49,615,153	40,980	49,656,133	25,945	2,210,145	**47,420,043**	4,206,265	1,777	4,208,041	25,860	310,490	**3,871,691**
Medawachchiya	8,452,718	365	8,453,084	-	1,123,013	**7,330,070**	12,850,711	2,971	12,853,682	493,874	1,498,204	**10,861,603**
Pitakotte	65,730,189	18,410	65,748,598	62,562	4,489,210	**61,196,826**	39,712,445	7,224	39,719,669	39,565	2,169,419	**37,510,685**
Horana	16,084,926	20,536	16,105,462	154,066	891,296	**15,060,100**	25,634,840	38,417	25,673,257	38,213	1,882,340	**23,752,704**
Homagama	18,545,809	(108,827)	18,436,983	417,664	1,408,448	**16,610,871**	22,540,165	(41,732)	22,498,433	73,276	1,873,244	**20,551,914**
Nittambuwa	28,318,035	15,821	28,333,855	1,338,554	2,104,673	**24,890,628**	26,869,865	(11,201)	26,858,664	641,013	1,673,109	**24,544,542**

30 OSUSALA TRADING STOCK

As at 31st December	2025 Bin Balance	2025 Stock Adj.	2025 Trading Stock in Hand	2025 Prov. for Damaged & Outdated Stock	2025 Prov. for Unrealized Profit	2025 Stock	2024 Bin Balance	2024 Stock Adj.	2024 Trading Stock in Hand	2024 Prov. for Damaged & Outdated Stock	2024 Prov. for Unrealized Profit	2024 Stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Menikhinna	13,562,754	(4,027)	13,558,727	95,690	1,511,318	**11,951,718**	8,983,218	24,690	9,007,908	15,978	998,161	**7,993,769**
Pilimathalawa	23,461,504	924	23,462,428	-	1,590,272	**21,872,156**	17,571,724	(368)	17,571,356	-	1,045,986	**16,525,370**
Ambalangoda	26,175,216	(64,215)	26,111,000	490,758	1,400,985	**24,219,258**	44,488,062	27,235	44,515,297	3,690	2,094,484	**42,417,123**
Colombo 06.	124,119,532	51,545	124,171,077	808,209	3,698,899	**119,663,969**	135,710,857	18,230	135,729,087	189,981	4,596,256	**130,942,850**
Baddegama	18,319,638	6,964	18,326,602	6,521	1,615,331	**16,704,750**	18,094,467	32,001	18,126,468	-	1,260,628	**16,865,840**
Hikkaduwa	29,316,945	1,942	29,318,886	440,971	2,351,532	**26,526,383**	38,205,444	29,652	38,235,096	27,594	3,400,626	**34,806,876**
Bibile	8,872,651	11,147	8,883,798	20,254	1,141,257	**7,722,288**	8,376,416	(1,004)	8,375,413	5,667	710,222	**7,659,524**
Elpitiya	18,822,901	17,822	18,840,723	39,004	1,403,937	**17,397,782**	15,328,406	6,379	15,334,785	435	1,387,805	**13,946,546**
Nuwara Eliya	13,486,912	(30,397)	13,456,516	110,213	1,612,231	**11,734,072**	14,324,752	(23,985)	14,300,767	690	1,142,433	**13,157,644**
Pottuvil	13,034,504	168,503	13,203,007	46,866	1,129,240	**12,026,900**	7,573,317	-	7,573,317	-	804,488	**6,768,829**
Mt Lavinia	72,408,325	55,107	72,463,433	-	3,765,665	**68,697,768**	-	-	-	-	-	-
Kiribathgoda	52,162,851	89,861	52,252,713	330,864	3,165,983	**48,755,867**	-	-	-	-	-	-
Kegalle	33,563,201	3,248	33,566,449	-	3,845,644	**29,720,805**	-	-	-	-	-	-
Batticaloa	14,393,049	-	14,393,049	-	2,005,260	**12,387,789**	-	-	-	-	-	-
Regional Stores Kandy	32,823,331	686	32,824,017	345,755	-	**32,478,262**	25,782,663	72	25,782,735	161,779	-	**25,620,956**
Total	**2,343,742,475**	**769,498**	**2,344,511,973**	**18,751,246**	**167,899,368**	**2,157,861,358**	**2,121,622,248**	**2,133,614**	**2,123,755,862**	**10,724,091**	**140,723,722**	**1,972,308,048**

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL

There is no change in the Authorized Capital during the year ended 31st December 2025

CONTRIBUTED CAPITAL

Contributed Capital is made up by government grants amounting to Rs 59,055,258 as at 31 Dec 2025.

32. GENERAL RESERVE

General Reserve	**2025**	**2024**
Balance as at 31st December	**Rs.** 66,061,447/-	**Rs.** 66,061,447/-

General Reserve of the Corporation has been created out of the profits prior to year 1992, so as to meet future contingencies and not create for any specific purpose.

REVALUATION RESERVE

Revaluation reserve consists of the surplus on the revaluation of Motor Vehicles as of 31st December 2022.

BUILDING RESERVE

The Corporation's Building reserve has been created out of the profit to meet the requirements of the future Head office building of the Corporation.

33. LIABILITIES AND PROVISIONS

The following legal cases are pending as of 31st December 2025, and the Corporation has been advised by the legal counsel that it is only possible, but not probable that the action will succeed. Accordingly, no provision has been made in these financial statements.

33.1. Contingent liabilities

The Corporation is a defendant in 13 cases where legal actions instituted by stakeholders of entities involved, claiming LKR 238,540,100.408. These cases are being contested by the corporation and no provision has been made in the financial statements.

33.1.1. LT Application No. LT4/G/28/2016 (Labour Tribunal Galle – Mr. H.C.R Pieris)

A case was filed in Labour Tribunal by an employee against the dismissal of his employment. Since a criminal case has filled in MC Galle against the plaint if by SCIB of Galle Police Station LT case has been laid by.

33.1.2. Case No: CA/Writ/403/2024 Kish International (Pvt) Ltd Vs SPC and Others

Above mentioned supplier has filled a case in Court of Appeal for an Interim Order regarding the deductions from pending orders and forfeiting the performance bond. This case has been filed without a claim for damages.

33.1.3. Case No: 99/2024 Transparency International Sri Lanka Vs Minister of Finance, Minister of public Administration and others

Above mentioned petitioner filed a case for violating human rights of the petitioner by the respondents. This case has been filed without a claim for damages.

33.1.4. Case No: DMR 01384 -24 and DMR 01385 -24 (Slim Pharmaceuticals Vs SPC)

Above mentioned supplier has filed two cases for an injunction order prohibiting the decision of suspension of dealings against them until finalizing the Arbitration process. In these cases, the Plaintiff prays for judgment in a sum of LKR 40,439,875 and LKR. 39,187,500 in respect of its claim.

33.1.5. SCFR 82/2023 - Lionel Guruge & Others Vs Ranil Wickemasinghe & Others

This case has been filed without a claim for damages

33.1.6. CA (Writ) 107/2025 - Hiranya Sammandapperuma Vs SPC & Others

This case has been filed by the Petitioner praying for a mandate in the nature of a writ of Mandamus, compelling the Respondents, their successors in office and/or any person acting under them, to restore and/or reinstate all conditions of employment that were available and/or applicable to the Petitioner prior to the imposition of the Disciplinary Order dated 25.09.2024 and the letter dated 25.09.2024, including but not limited to the cancellation of the Petitioner's transfer and the restoration of salary and perquisites. This case has been filed without a claim for damages

33.1.7. CA (Writ) 201/2025 - Slim Pharmaceuticals (Pvt) Ltd Vs SPC & Others

This case was filed by Slim Pharmaceuticals against the tender award decision made by the Procurement Committee in relation to Tender No. DHS/P/WW/419/25. This case has been filed without a claim for damages.

33.1.8. CA (Writ) 585/2025 Intermediq Holdings Vs. SPC

This case was filed by the supplier against the NMRA and other respondents, seeking an interim order against the decision of the NMRA regarding the registration of their item. This case has been filed without a claim for damages.

33.1.9. DSP/254/25 - Kish Intenational (Pvt) Ltd Vs SPC & Others

The Petitioner has instituted this action seeking an injunction order to restrain the Respondents from taking action pursuant to the letter dated 11.07.2025 issued by SPC to the supplier, and from recovering the amount under the Performance Guarantee. In this case, the Plaintiff prays for judgment in a sum of LKR 10,000,000 in respect of its claim.

33.1.10. LT 01/26/2025 - K.M.Dinusha Ruwanga Dasanayake Vs SPC & Chairman (SPC)

The Applicant filed this case requesting an order to declare that his service termination constitutes constructive termination and seeking further relief. This case has been filed with a claim for damages, however, the actual value of such damages has not been specified.

33.1.11. CA (Writ) 1100/25 - Swiss Parenterals Limited & Swiss Exports (Pvt) Ltd Vs SPC & Others

The case was filed by the supplier challenging the decision of the State Pharmaceuticals Corporation (SPC) to blacklist the supplier due to the non-settlement of the debit note. This case has been filed without a claim for damages.

33.1.12. DMR/982/25 - Softlogic Pharmaceuticals (Pvt) Ltd Vs SPC

The case arises out of a quality failure in the supplied goods, in respect of which SPC has made a claim amount LKR.5,286,120.00The supplier has thereafter filed a case claiming LKR.5,286,120/- In this case, the Petitioner prays for judgment in a sum of LKR 5,286,120/- in respect of its claim.

33.1.13. CHC/209/2025/MR - Eureka Life Sciences (Pte) Ltd & Yaden International (Pvt) Ltd Vs SPC

The Petitioner has instituted this action seeking an order directing the Respondent to pay a sum of USD 463,320 to the Petitioner. The Petitioner has filed this case alleging that the Respondent has breached the conditions by failing issue the Letter of Credit (LC) in accordance with the applicable terms and conditions after issuing the indent. In this case, the Petitioner prays for judgment in a sum of USD 463,320 or its rupee equivalent of LKR. 143,626,605.40 together with legal interest.

33.2. The Corporation is a Respondent in 28 cases where Arbitrations instituted by stakeholders of entities involved, claiming LKR.546,469,663.88 These cases are being contested by the corporation

33.2.1. Yaden International (Pvt) Ltd Vs SPC (7 Cases)

Above mentioned supplier has initiated Arbitration against SPC to recover the due payments from SPC in respect of the supply made by them. Initiated an arbitration proceeding claiming LKR 155,731,875.00

33.2.2. Centurion Laboratories (Pvt) Ltd Vs SPC

Initiated an arbitration proceeding claiming USD 58,800 (LKR 18,227,670.72) for non-payment the supply made by the claimant.

33.2.3. Slim Pharmaceuticals (Pvt) Ltd Vs SPC (15 cases)

Above mentioned supplier has initiated Arbitration against the debit notes raised by SPC deducting forth coming payment vouchers of the claimant.

Initiated an arbitration proceeding claiming USD 494,588.73 (LKR 153,319,736.60)

33.2.4. Eureka Life Science Vs SPC

Above mentioned supplier has initiated Arbitration against SPC to recover the due payments from SPC in respect of the supply made by them Initiated an arbitration proceeding claiming USD 240,659.92 (LKR 74,603,227.50)

33.2.5. Kish international Vs SPC (2 cases)

Above mentioned supplier has initiated Arbitration against SPC to recover the due payments from SPC in respect of the supply made by them.

33.2.6. Sunrise International Labs Ltd (2 cases)

Above mentioned supplier has initiated Arbitration against SPC to recover the due payments from SPC in respect of the supply made by them. Initiated an arbitration proceeding claiming USD 466,418.60 (LKR 144,587,154.05)

33.3. The corporation is the plaintiff in five cases claiming LKR 22,084,741.36 with legal interest for the damages.

33.3.1. Osusala – Negombo (Case No: L 30202)

Rs. 3,863,609.77 cash loss reported at Rajya Osusala Negombo as a result of misappropriation of Osusala funds by the cashier. This contingent asset was not recognized in the financial report as the realization was not certain.

33.3.2. SPC Vs Chanaka – CA (Writ 401/24)

Above mentioned case has been filed by SPC against the arbitration decision held by the Labour Department to pay compensation to the claimant. In this case, the SPC, as the petitioner, is praying for an order directing the 3rd Respondent to release the sum of Rs. 1,946,177.60 deposited by the petitioner.

33.3.3. SPC Vs Nuwan Nayanajith – HCALT/69/24

Above mentioned case has been filed by SPC against the order delivered by the Labour Tribunal for the reinstatement of an employee who dismissed from his employment. This case has been filed without a claim for damages.

33.3.4. SPC Vs Nestor Pharmaceuticals Limited, India

A case has been filed by SPC against the M/s Nestor Pharmaceuticals Limited, India for not settling the Debit Note value USD 41,896 (LKR 12,987,525.38) against quality failures reported in their supplies.

33.3.5. SPC Vs Unibios Laboratories Ltd, India and Others

This case has been filed by SPC against the above - mentioned supplier for not settling the Debit Note value USD 10,604.80 (LKR 3,287,428.61) against quality failures reported in their supplies.

33.4 Financial Commitments

Document credit established for purchases of pharmaceuticals as at 31.12.2025 amounts to Rs.27,745 million

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Corporation's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Corporation's operations. The Corporation has trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The Corporation is exposed to credit risk and liquidity risk. The Corporation's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Credit risk

Trade receivables

Customer credit risk is managed by each business unit.

		2025		2024
SPC	Rs.	638,038,940	Rs.	1,069,146,516
DHS	Rs.	39,062,409,304	Rs.	38,145,987,985

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The Corporation obtains bank guarantees as security for distributors, Franchised Osusalas & Authorized Retailers. In addition, a premium is charged from clients who wish to buy on credit in excess of the bank guarantee limit.

Liquidity risk

The Corporation's objective is to maintain a balance between continuity of funding and flexibility through the use of bank. The table below summarizes the maturity profile of the Corporation's financial liabilities based on contractual undiscounted payments.

Year ended 31 December 2025:	**(Rs)**	**Maturity**
Interest-bearing loans and borrowings	19,405,881,745	OD – Payable on demand
Long Term Loans	3,550,522,197	Repayable within 60 months
Trade and other payables	18,782,710,938	Usually 03 months

Year ended 31 December 2024:	(Rs)	Maturity
Interest-bearing loans and borrowings	19,872,901,778	OD – Payable on demand
Long Term Loans	5,529,455,530	Repayable within 60 months
Trade and other payables	13,878,394,942	Usually 03 months

	2025 Rs.	2024 Rs
Interest-bearing loans and borrowings	19,405,881,745	19,872,901,778
Long Term Loans	3,550,522,197	5,529,455,530
Trade and other payables	18,782,710,938	13,878,394,942
Less: cash and short-term deposits	(11,239,225,340)	(9,087,579,645)
Net debt	30,499,889,540	30,193,172,605
Equity		
Capital and net debt	30,558,944,798	30,252,227,863

35. RELATED PARTY TRANSACTIONS

35.1 Transactions with State and State Controlled Entities

In the normal course of its operations, the Corporation enters into transactions with related parties. Related parties include the Government of Sri Lanka (State: as the ultimate owner of the Corporation), various government departments, and State controlled entities. Particulars of transactions, and arrangements entered into by the Corporation with the State and State controlled entities which are individually significant and for other transactions that are collectively, but not individually significant are as follows:

Nature of the Transaction	2025	2024
Transactions:	**Rs**	**Rs**
Sales -	64,198,441,350	51,018,099,222
Outstanding Balances:		
Receivable from Medical Supplies Division	39,062,409,304	38,145,987,985
Receivable from Forces	169,399,067	514,114,504
Receivable from Government hospitals	58,930,725	96,117,109
Receivable from Other Government Institutions	28,481,642	33,677,844

35.2 Key Management Compensation

The Corporation's key management personnel include the Board of Directors, Minister of Health Sri Lanka and the Secretary to the Ministry of Health.

	2025 Rs	2024 Rs
Short term employment benefits	11,489,448/-	4,550,493/-

36. EVENTS AFTER THE BALANCE SHEET DATE

All the material events after the balance sheet date have been considered and appropriate adjustment and disclosures have been made in to the financial statement, where necessary.