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இலங்கை அரச மருந்தகக் கூட்டுத்தாபனம்
State Pharmaceuticals Corporation of Sri Lanka

2024
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வருடாந்த அறிக்கை
ANNUAL REPORT

ANNUAL REPORT
2024

STATE PHARMACEUTICALS CORPORATION OF SRILANKA

CONTENT

YOUR HEALTH IS OUR CONCERN

OUR VISION

To become the Prime partner in developing good practices of consuming medicines leading to healthy life.

OUR MISSION

To be the leading healthcare organization serving the general public of Sri Lanka by providing safe, effective and high-quality medicinal products to the doorstep of the patient while promoting the usage of generic drugs manufactured locally and provide the platform for the exports of locally manufactured medicines.

OUR VALUES

Services to the people is foremost
Quality and safety
Integrity never to be compromised
Reliable partner and effective team player
Innovation, the lifeblood

OUR SLOGAN

Your health is our concern

FINANCIAL HIGHLIGHTS

DESCRIPTION	2024 Rs: ' 000 '	2023 Rs: ' 000 '	Variation (%)	2022 Rs: ' 000 '
Revenue - SPC	11,069,400	11,746,644	(5.8)	9,945,849
Supplies to DHS	51,018,099	62,948,425	(19.0)	40,973,117
Total Revenue	**62,087,499**	**74,695,069**	**(16.9)**	**50,918,966**
Gross Trading Profit SPC	2,963,156	3,901,069	(24.0)	2,069,584
Gross Surplus DHS	3,986,181	3,243,417	22.9	2,635,384
Gross Surplus	**6,949,337**	**7,144,486**	**(2.7)**	**4,704,968**
Other Income	844,337	612,566	37.8	107,110
Administrative Expenses	(2,890,044)	(2,479,525)	(16.6)	(2,068,280)
Other Operating Expenses	(678,013)	(727,141)	6.8	(1,979,136)
Finance Cost	(18,599)	(15,595)	(19.3)	(13,974)
Overdraft Interest	(1,739,789)	(3,274,891)	46.9	(3,052,165)
Finance Income	7,181	7,816	(8.1)	7,643
Profit Before Tax	**2,474,411**	**1,267,716**	**95.2**	**(2,293,834)**
Defined Benefit Plan	(224,901)	112,091	(300.6)	86,102
Building Renovation Reserve	(300,000)	-	100.0	-
Taxation	851,004	494,181	(72.2)	(611,992)
Total Comprehensive Income	**1,098,506**	**885,626**	**(24.0)**	**(1,524,389)**
Retained Earnings	13,398,308	12,531,862	6.9	11,781,893
Contributed Capital & Reserve	125,117	125,117	-	125,117
Revaluation Surplus	71,351	71,351	-	71,351
Non Current Assets	2,653,677	2,975,448	(10.8)	2,627,937
Current Assets	51,826,895	53,742,607	(3.6)	54,544,508
Non Current Liabilities	4,299,021	5,901,912	27.2	8,004,715
Current Liabilities	36,286,775	38,087,813	4.7	37,189,369
Net Current Assets	15,540,120	15,654,794	(0.7)	17,355,139
Ratios				
Gross Profit Ratio (%) SPC	26.8	33.2	-	20.8
Gross Profit Ratio (%) DHS	7.8	5.2	-	6.4
Gross Surplus to Sales (%)	11.2	9.6	-	9.2
Return on Capital Employed (%)	23.2	24.4	-	3.8
Interest Cover (times)	2.4	1.4	-	0.25
Equity to total Assets (times)	1:3.9	1:4.5	-	1:4.7
Turnover to Capital Employed (time)	3:1	4:1	-	2.5:1
Current Ratio (time)	1:1.4	1:1.4	-	1:1.5
Liquidity Ratio (time)	1:1.3	1:1.2	-	1:1.4
Stock Turnover Ratio -SPC (time)	1.4	1.6	-	2.7
OTHER INFORMATION				
Number of Employees	917	876	-	919
Earning per Employee (Rs.)	2,698	1,447	-	(2,496)
Sales per Employee (Rs.)	67,707	85,268	-	55,407

CHAIRMAN'S REPORT

I am honored to present to you the annual report of State Pharmaceuticals Corporation for the year 2024 on behalf of the Board of Directors.

Going by the vision of its founding father Professor Senaka Bibile, the State Pharmaceuticals Corporation (SPC) has at all times striven to provide quality assured drugs at prices that are affordable in the market.

For the past 53 years SPC has been the prominent supplier of pharmaceuticals, surgical consumable items, laboratory chemicals and equipment to all institutions administered by the health ministry.

Performance Review

In 2024, we achieved substantial growth and operational excellence. Our turnover reaching Rs. 62,087 million while our Net Profit before Tax saw an impressive rise of 95%, totaling Rs. 2,474 million for the year 2024.

Procurement of pharmaceuticals is an exacting, complex process as safety; efficacy and quality of medicinal drugs are of paramount importance. We have been continually striving to improve this process.

As a financially viable entity under state ownership, we managed to pay Rs.232 million to the General Treasury as a dividend despite arrears and delays in settling the dues by the Medical Supplies Division. Additionally, Rs. 177 million was paid to the Inland Revenue Department by way of income tax.

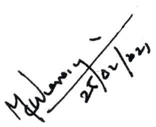
Market Expansion

Our efforts to expand SPC open market operations included establishing new Rajya Osusala and appointing new distributors and franchised Osusala within the country. This year, we established ten Rajya Osusala in commercially feasible locations, appointed six distributors & twenty five Franchised Osusala . Our main focus remains on providing “Service to the Nation” by offering quality assured healthcare products at affordable prices to the people of the country.

Appreciation & Conclusion

I would like to thank the Hon. Minister of Health, Hon. Deputy Minister of Health, Secretary to the Ministry of Health and other officials for their support and guidance during the year 2024. Our gratitude is also extended to the Director, Medical Supplies Division and other officials. I would like to thank personally to the Managing Director and other Board of Directors, the management and all employees of the Corporation for their dedication and commitment towards achieving our goals and objectives. I would also like to extend my thanks to the suppliers, distributors and Franchise holders and general public for their confidence in SPC and their drugs.

I fervently hope that the name of SPC would remain in the hearts and minds of all people of Sri Lanka as the leading supplier of quality, efficacious, cost effective drugs and related products.



Dr. Manuj C Weerasinghe
Chairman

MANAGING DIRECTOR'S REVIEW

It is a great privilege for me to present the Managing Director's report with regard to the performance of the year 2024.

State Pharmaceutical Corporation (SPC) is the key importer of pharmaceuticals and healthcare items to the 'Medical Supplies Division' of the Department of Healthcare Services to ensure the continuous supply of quality-assured Pharmaceuticals and Healthcare items to Government Hospitals. SPC also imports and sells in the open market through our own Rajya Osusala Outlets, Franchised Osusala outlets & Distributors to cover the entire island. In addition, some pharmaceutical items such as Jeevani and Glucose are manufactured by the SPC at our own Production plant located in Rathmalana.

Challenges

The year 2024 has been one of both substantial progress and notable challenges. Supply chain disruptions, price fluctuations, market dynamics and the lingering effects of the post-Covid economic landscape presented significant hurdles. However, these challenges also offered valuable lessons and opportunities to refine our processes and strengthen our resolve moving forward.

Navigating Challenges

During the year under review, we undertook a comprehensive restructuring of key departments with the primary objective of streamlining procurement processes to better align with the national guidelines and the best practices. This initiative not only enhanced our operational efficiency but also generated an additional income of **Rs.2.5 billion** by implementing proper practices in procurement proceedings specially on performance bonds, significantly contributing to the Corporation's financial stability.

By the end of the year under review, **recruitment** efforts were successfully completed, including the filling of key positions across the Corporation. We also placed a strong emphasis on **employee development.** Outbound training programs across all levels equipped our staff to navigate challenges effectively, fostering a culture of trust and collaboration. Nearly all employee categories received career-focused training during the year, which helped to build transparency and trust, aligning our workforce with the Corporation's goals. As part of our commitment to transparency and informed compliance, we successfully organized an awareness programme with the Commission to Investigate Allegations of Bribery or Corruption, to educate our staff on the key provisions and impact of the Commission's newly enacted Act.
Conducting monthly **Rajya Osusala** Managers' Review and ORS Production Development meetings provided a valuable platform for managers to assess the performance of their teams. These meetings also facilitated the identification of challenges, ensuring that corrective actions were swiftly implemented to maintain smooth operations across the Rajya Osusala network and ORS Production.

By the end of the year, we successfully expanded our reach by establishing **10 new Rajya Osusala branches** nationwide. This expansion has strengthened our ability to provide high-quality pharmaceuticals at affordable prices to the general public, further reinforcing our position in the industry.

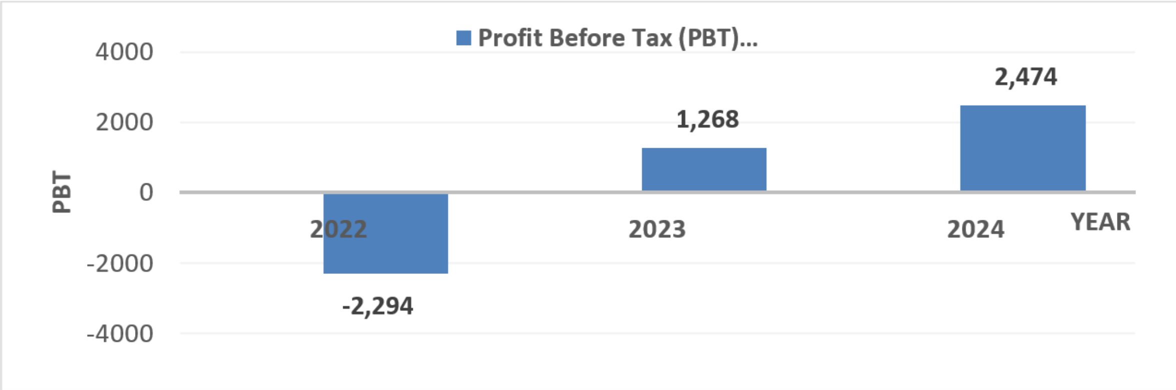
Our spirit of collaboration with all the staff as one team played a crucial role in maintaining industrial peace and creating a productive work environment. Through open communication, fair negotiations, and a focus on employee welfare, we successfully minimized the risk of labor disputes and fostered a strong, unified workforce throughout the year.

Our Performance for the year 2024

As the sole importer of pharmaceuticals and medical devices for the government hospitals and the leading importer and distributor for the private sector in the industry, State Pharmaceuticals Corporation remains committed to meeting the nation's demand for essential medicines while maintaining an efficient supply chain in the year 2024. For the year ended 31st December 2024, SPC recorded the following:

- Profit Before Tax (PBT): Rs 2,474 Million (representing a 95% growth from Rs 1,268 Million in 2023)
- Total Overheads: Rs 5,326 Million (compared to Rs 6,497 Million in 2023, resulting in a reduction of 18% in overheads for the year 2024)

Despite the decline in turnover from 2023 to 2024, the significant increase in profit before tax highlights SPC's effective cost control and operational improvements over the previous year.



Expectations for 2025 for our growth

As we look ahead to 2025 and beyond, our focus will be on strengthening partnerships with healthcare providers, government agencies, and other key stakeholders to ensure the uninterrupted supply of essential healthcare services. We are also committed to enhancing our operational efficiency and sustainability practices, with a strong emphasis on profit orientation.

A key priority for 2025 will be digitalization and steps are already underway in this direction with the Asian Development Bank actively supporting these initiatives. We plan to drive digital transformation, particularly through the implementation of an ERP (Enterprise Resource Planning) system and e-procurement initiatives. These efforts aim to enhance efficiency and effectiveness, unlocking substantial growth potential. The benefits of digitalization include improved efficiency, greater transparency, strengthened anti-corruption measures, and enhanced overall economic and social stability.

Our success would not be possible without the dedication of our management team and all the employees specifically all the trade unions of the Corporation and we would like to appreciate them in carrying out their tasks. We extend our sincere thanks to all stakeholders for the outstanding service. Let's create a healthier future, together.

Mevan L. Subasinghe Arachchi
Managing Director

BOARD OF DIRECTORS

Dr. Manuj C Weerasinghe - Chairman

Dr Manuj C Weerasinghe graduated from the Faculty of Medicine, University of Colombo in 1998. He completed his internship at Colombo South Teaching Hospital. Just after the internship he joined as a lecturer in the Department of Community Medicine in 1999 and served for 25 years at the University of Colombo till July 2024.

He Obtained an MSc in Community Medicine and an MD in Community Medicine from the Postgraduate Institute of Medicine and a Postgraduate Diploma in Applied Sociology from the Faculty of the Arts, University of Colombo. He completed a post- doctoral fellowship at the Graduate School of Public Health at the University of Pittsburg, USA.

He was promoted to Professor in Community Medicine in January 2017 and served as the Head of the Department of Community Medicine for 6 years from 2016 to 2022. He served as Chairperson of the Board of Study in Community Medicine at PGIM from 2021-2023.

Professor Weerasinghe represented the Faculty on the Board of Management of the Institute of Indigenous Medicine for over nine years. He was a founding member of the Chief Medical Officer of the University Field Practice area, Pitakotte (MOH) for 6 years, particularly during the COVID-19 pandamic, and as an advisor to the National Science Foundation, National Health Research council, and a member, of the Board of Directors , at the Sri Lanka Conventions Bureau.

He is a past Vice President of the Sri Lanka Medical Association, Past General President of the Sri Lanka Association for Advancement of Science, and currently South Asian representative of the Governing Council of the People's Health Movement.

He has published over 55 research articles in index journals, over 100 conference presentations, many monograms, book chapters, and research reports to his credit. Much of his work is related to Pharmaceutical policy, pharmaco- epidemiology and pharmaco-economics. He has supervised over 15 doctoral, 14 Master students, and over 100 undergraduates research students during his carrier. He has won the presidential award for scientific publication on numerous occasions. Dr. Weerasinghe has also serve as a visiting professor and an examiner in other universities, including Peradeniya, Ruhuna,Rajarata, Sri Jayawardenepura, Eastern, Open University, Kothalawala Defence University, TATA Institute India, International People's Health University and Gulf Arabian University, Baharen and Coventry University UK.

Dr. Weerasinghe has contributed his services to the Ministry of Health as an advisor capacity for over two decades in numerous committees on public health including the National Communicable Disease Advisory Committee and as chairperson of the Strategic Information Committee on HIV/ AIDS.

He also served as a consultant for WHO, UNICEF, UNFPA, Save the Children, The World Bank and GFATM undertaking many assignments.

Mr. M.L. Subasinghe Arachchi - Managing Director

Mr. M.L. Subasinghe Arachchi is a renowned Chief Executive Officer, an Economist, a Banker and a Business Consultant by profession. He holds a Bachelor & Masters from University of Peradeniya and Kelaniya in Economics. He started his career at Commercial Bank of Sri Lanka. He has also served as a Lecturer in Economics and Banking. He counts over 30 years of managerial experience and served as the Managing Director/CEO for leading private companies.

With extensive experience in administration and management in State-Owned Enterprises in the past decades, Mr. Subasinghe Arachchi has served as the Working Director of the National Film Corporation of Sri Lanka, Chairman of the Land Reform Commission of Sri Lanka and the Chairman of Urban Settlement Development Authority of Sri Lanka. He presently serves as the Managing Director of the State Pharmaceuticals Corporation of Sri Lanka.

Mr. Subasinghe Arachchi is a renowned administrator who is also known for practicing good governance and leading institutes towards high profitability with zero corruption.

Mr. S S Wijedoru - Director

Mr. S.S. Wijedoru Obtained B.com (Special) Degree from University of Colombo and MBA (PIM – SJU) From University of Sri Jayawardhanapura. Also, he has obtained LL. B Degree from Open University of Sri Lanka and Attorney from Sri Lanka Law College. He has successfully completed Diploma in Human Resources Management from Charted Institute of personnel Management (CIPM) and Diploma in psychology and Counselling from Institute of psychology and Counselling. He is a member of the National Institute professional Counsellors (NIPC)

He has served North and East Operational areas in Sri Lanka Navy as a commission Officer during the war period and awarded war service medals with Riviresa Campaign service medal and Purna Bhumi padakkama. After that he worked as a Head of Human Resources in Lakbima Newspapers (pvt) Ltd. Thereafter He has joined State Mortgage and Investment Bank and retired as an Assistant General Manager Human Resources and Logistics. Presently he is practicing as an Attorney – at – Law and Notary Public.

Mr. K D Parakum Shantha - Director

K. D. Parakum Shantha is a retired Additional Surveyor General and a special grade officer of the Sri Lanka Survey Service, with over 36 years of distinguished service at the Survey Department of Sri Lanka. He has held key leadership roles, including Senior Deputy Surveyor General, Deputy Surveyor General, and Senior Superintendent of Surveys. He holds a B.Sc. (Hons.) in Physical Sciences from the University of Colombo, a Higher Diploma in Surveying & Mapping, an M.Sc. in Integrated Map & Geo-Information Production from ITC (Netherlands), a Diploma in Management for Professionals, and a Postgraduate Diploma in Archaeology. As a highly experienced surveying and mapping expert, his expertise spans geodetic control, GIS, photogrammetry, remote sensing, land administration, and IT infrastructure. He has led national projects in surveying, mapping, land registration, digital data management, and disaster response.

He played a pivotal role in transforming manual surveying and mapping processes into a fully digital workflow, enhancing data processing efficiency and ensuring standardized survey plans and attribute presentation through spatial databases. His efforts have significantly modernized Sri Lanka's geospatial data management.

In addition to his professional roles, he has been a visiting lecturer at multiple Sri Lankan universities, specializing in surveying, GIS, and photogrammetry. His research contributions include publications on remote sensing, GIS integration, and topographic database management in international conferences.
He is a member of the Sri Lanka Association for the Advancement of Science and the Survey Institute of Sri Lanka.

Ms. K V C Dilrukshi - Director

Ms. Chandima Dilrukshi is a Grade I officer of the Sri Lanka Accountant's Service and currently serves as a Director of the Department of Public Enterprises at the Ministry of Finance, Planning and Economic Development. She has around 23 years of experience in the public service, starting her career as an audit examiner at the Auditor General's Department and then has joined the Sri Lanka Accountants' Service in year 2005. During her 20 years' service in Sri Lanka Accountants' Service, she has worked in several departments, including the Department of Posts, Department of Management Audit and Department of Fiscal Policy.

She has served as a Board Director in different public and private entities, including the National Engineering Research and Development Centre, LINDEL, Sri Lanka Export Credit Insurance Corporation, Lankaputhra Development Bank, State Pharmaceutical Corporation of Sri Lanka, Sri Lanka Insurance Corporation Limited, Insurance Regulatory Commission of Sri Lanka, Litro Gas Lanka Ltd, Postgraduate Institute of Management, Urban Development Authority, Ceylon Electricity Board and National Development Bank. Currently she serves as a member of the Board of Directors in the Lanka Mineral Sands Limited and the State Pharmaceutical Corporation of Sri Lanka. In addition, she serves as a Governing Council Member of the Institute of Chartered Accountants of Sri Lanka and the Alternate Chairperson of the Association of Public Finance Accountants of Sri Lanka. She also serves several technical evaluation committees and project committees representing the General Treasury.with her vast experience in governance and public finance, Ms. Dilrukshi shares her knowledge and experience with public sector organizations, particularly with State Owned Enterprises sector as a resource person.

Ms. Chandima Dilrukshi holds an MBA from the International University of Japan, an MBS from University of Colombo and she is also a fellow member of the Institute of Chartered Accountants of Sri Lanka. She is a B.SC. Accountancy and Financial Management graduate of the University of Sri Jayawardenepura and during her Master's Degree in Japan, she has been awarded the Tuck Scholar award for best academic performance from the International University of Japan.

Mr. E D Weeraratna- Director

Mr. E.D. Weeraratne has obtained the Diploma in Pharmacy from University of Colombo Faculty of Medicine in 1983 and has served thirty-one years in Medical supplies Division, as an assistant director for nine years and as the stock control officer (Pharmaceuticals) for twenty one years. He pioneered to introduce and dedicated to promote rational use of drugs. After his retirement from government service, he served as a consultant for about 1 ½ years and a Procurement Consultant at the, Kotalawala Defense University Hospital 5 years. He is well known among his superiors for his integrity, knowledge and dedication.

Dr. Chandana Atapatthu- Director

Dr. Chandana Atapattu obtained his MBBS from the Faculty of Medicine of the University of Colombo in 1998. He holds MCGP of the College of General Practitioners of Sri Lanka (CGPSL), MSc (Food and Nutrition) of the University of Kelaniya, MBA of the Post Graduate Institute of Management (PIM) of the University of Sri Jayawardhanpura, Post Graduate Certificate in Medical Education (PGCMEd) and Master of Medical Education (MMEd) of the Post Graduate Institute of Medicine (PGIM) of the University of Colombo. Dr. Atapattu has served in the Department of Health Services since 1999 in different institutions in different capacities. At present, he is a Senior Medical Officer attached to the Colombo South Teaching Hospital (CSTH), Kalubowila.

Dr. Atapattu is a Consultant to the Department of Medical Education of the Faculty of Medicine, University of Moratuwa. He is the Secretary of the MCGP Board of Study of the CGPSL. Further, he served as the Treasurer and as a Council Member of the CGPSL. He is a clinical trainer, a mentor and an examiner of the MCGP postgraduate study programme of the CGPSL. He has been a life member of the Sri Lanka Medical Association (SLMA) since 2000 and held the position of its Assistant Treasure, Editor of the SLMA Newsletter and Council Member. Further, Dr. Atapattu has been a life member of the Sri Lanka Association for Advancement of Science (SLAAS).

He was a Council Member of the Sri Lanka Medical Council (SLMC) from 2013 to 2018 and served as its Assistant Registrar since 2016 to 2020 and the Registrar (Acting) from 2018 to 2019. He was a member of the Professional Conduct Committee and a member of the committee formulated 'Minimum Standards of Medical Education in Sri Lanka. Further, he was a reviewer of foreign medical schools for the purpose of recognition by the SLMC. Dr. Atapattu was an ex-officio member of the Private Health Services Regulatory Council (PHSRC) council from 2018 to 2020 and served as a member of its Registration Committee and Complaints Committee.

He served as a member of the committee, which formulated the National Medicinal Drug Policy in 2005 and served as a member of the National Standing Committee appointed by the Minister of Health to implement the National Medicinal Drug Policy. He was a member of the committee assigned to drafting the National Medicines Regulatory Act in 2005.

Dr. Atapattu played an important role as a member of the 'Committee on Coordination of Management of War Casualties in the Ministry of Health' from 2008 to 2009 and member of the 'Committee on Coordination of Health Services to Internally Displaced Persons (IDP) in the Northern Province' in 2009. Further, Dr. Atapattu was a member of the 'Technical Advisory Committee of the DGHS' on the prevention of spread of COVID 19 from 2020 to 2021 actively involved in formulation of 'Guidelines for Sri Lankan Primary Care Physicians in management of CoViD-19 patients'. He was a member of the 'Core Group of the Presidential Task Force' on Sri Lanka's Education Affaires for 'Transforming the Nursing Training Schools to Degree Awarding Level' in 2020.

He has published papers in local and international journals in different areas including medical education, primary health care and health journalism.

CORPORATE INFORMATION

Board of Directors

Dr. U Ajith Mendis	Chairman	(Till 30.09.2024)
Dr. H M Arjuna Thilakarathna	Chairman	(From 01.10.2024 to 22.11.2024)
Dr. Manuj C Weerasinghe	Chairman	(From 22.11.2024)
Mr. M L Subasinghe Arachchi	Managing Director	(From 01.01.2024)
Dr. Chinthaka de Silva	Director	(Till 12.12.2024)
Prof. R.M.D. Madegedara	Director	(Till 25.09.2024)
Mr.P L K Perera	Director	(From 18.03.2024 to 12.12.2024)
Ms. Malarmathy Gangatharan	Director	(Till 12.12.2024)
Dr. C L K Atapattu	Director	(From 12.12.2024)
Ms. K V C Dilrukshi	Director	(From 12.12.2024)
Mr.E D Weerarathne	Director	(From 12.12.2024)
Mr. S Sameera Wijedoru	Director	(From 12.12.2024)
Mr. Parakum Shantha	Director	(From 12.12.2024)

Audit Committee

Ms. Malarmathy Gangatharan	Chairperson	(Till 12.12.2024)
Prof. R.M.D. Madegedara	Member	(Till 25.09.2024)
Dr. Chinthaka De Silva	Member	(Till 12.12.2024)
Mr. P L K Perera	Member	(From 18.03.2024)

Auditors
Auditor General,
National Audit Office,
No.306/72, Polduwa Road, Battaramulla.

Bankers
Bank of Ceylon
Corporate Branch, Bank of Ceylon Mawatha, Colombo 1.

People's Bank
International Division, P O Box 437, ANCL. Bldg.
D R Wijewardana Mawatha, Colombo 10.

Standard Chartered Bank
P O Box 112, 37 York Street, Colombo 1.

Commercial Bank of Ceylon Ltd.
City Office, 98 York Street, Colombo 1.

Registered Office
No.75 Sir Baron Jayatillake Mawatha, Colombo 1.

Business Office
16th Floor, No 41, "Mehewara Piyasa" Kirula Road, Colombo 05.

Date of Incorporation
September 22, 1971

MANAGEMENT TEAM

Mr. K M D R Dassanayake
General Manager

Mr.Dinusha Dassanayake joined the SPC as a Management Trainee on 01/12/1999 and presently holds the General Manager's position w.e.f 01/06/2009. Before appointing as the General Manager He served in HR, Administration, Legal & Commercial Divisions of the Corporation and hold Deputy General Manager Positions in respective Departments. He is a graduate of B.com (Special) in International Trade, from the University of Sri Jayawardenapura. He holds a Masters degree in International Cooperation Specializing International Commercial Law from Nagoya University, Japan. He is an attorney-at-Law. He has also obtained Post Attorney Diploma in International Trade Law from Institute of Advance Legal Studies of Sri Lanka Law College and an Accredited Commercial Mediator.

Mrs. Nimmika Thusari
Deputy General Manager (Human Resources & Administration)

Mrs. M.R. Nimmika Thusari joined the SPC as Deputy General Manager (HR & Administration) with effect from 01.08.2018 She holds a Bachelor of Science (Human Resources) Special Degree from the University of Sri Jayawardanepura, Post Graduate Diploma in Human Resources Advancement and Master of Human Resources Management from the University of Colombo. She has more than 25 years' experience in the field of Human Resources Management and Administration.

Ms. Hiranya Sammandapperuma
Deputy General Manager (Technical & Laboratory)

Mrs Hiranya Sammandapperuma joined the SPC as the Management Accountant on 01st July 2007. She has more than 24 years' experience in the field of financial management, Management Accounting & Auditing. She is an Associate Member of Institute of Chartered Accountants of Sri lanka. (ICASL) & Certified Management Accountants of Sri Lanka (CMA) & awaiting Membership of Association of Chartered Certified Accountants (ACCA- UK).

She obtains Bachelor of Business Administration with honors, specialization in finance, from University of Colombo in 2001. She is holder of MBA from University of Colombo.

Mrs. Ayanthi Alwis
Deputy General Manager (Procurement & Imports - Pharmaceuticals)

Mrs. A H Alwis the Deputy General Manager Procurement & Import Pharmaceuticals, holds a Bachelor of Science Management Degree (General) and Master of Business Administration from the University of Sri Jayawardanapura. She is further a Diploma holder in Public Procurement and Contract Administration from SLIDA.

She coordinates and manage procurement activities of the four units falls under her purview meeting challenging time frames.

Ms. D N Dewasurendra
Actg. Deputy General Manager (Finance)

Ms. D N Dewasurendra joined the SPC as an Accountant on 01st March 2000. She has more than 32 years' experience in the field of Accounting, Financial management & Auditing. She is a member of AATSL & has completed her exams at ICASL up to the final level 1. She holds a Bachelor of Commerce (General) degree from the University of Sri Jayawardenapura & Master of Business in Finance (MBF) degree from the University of Kelaniya.

Mr. G Asanka Iroshana
Deputy General Manager (Marketing)

Mr. G. Asaanka Iroshana joined the SPC as Deputy General Manager – Marketing on 20.08.2024. He has more than 14 years' experience in the field of Marketing Management. He is an Associate Member of Chartered Institute of Marketing (UK) and he is also a member of Sri Lanka Institute of Marketing. He managed the Rajya Osu Sala network of SPC consist of more than 60 outlets island wide and Ratmalana Main Stores. He holds a Bachelor of Science with honors from Wayamba University of Sri Lanka, Master of Business Administration from New Buckinghamshire University (UK) and Post Graduate Diploma in Marketing from Chartered Institute of Marketing (CIM-UK).

MANAGEMENT TEAM

Senior Management

Ms. A H Alwis	D.G.M. (Procurement & Imports) I	
Ms. M R N Thushari	D.G.M. (Human Resources & Administration)	
Ms. S.M.A.D.S.H Sammandapperuma	D.G.M. (Technical, Lab & Production)	
Mr. G A Eroshana	D.G.M. (Marketing)	(From 20.08.2024)
Ms. D.N.Devasurendra	Actg. D.G.M- Finance/Accountant – Revenue	
Mr. M.A.V.I. Kumarasiri	Field Manager (Monitoring of Distribution Systems)	
Mr. D.P. Ajith Liyanage	Manager - Management Information Systems	(Till 25.07.2024)
Mr. P.K.R. Fernando	Manager Wharf	
Miss. C.S.Withanage	Manager - CPU	
Mrs. P.A.U.Wijewardana	Legal Officer & Secretary to the Board	
Mr. P.M.B.R.Somathilaka	Manager – Production	(Till 13.12.2024)
Mr. A.P. Hapangama	Accountant – Book keeping	
Mrs. L.W. Damayanthi	Accountant – Salaries	(Till 12.12.2024)
Mrs. M.A.S. Karunaratna	Accountant	
Mr. D.K.A.P. Dassanayake	Manager – Administration	
Mr. K.D.F.N.Perera	Manager – Sales	
Mrs. D.D.S. Tharangamala	Manager – Procurement	
Mrs. R. P. Withanage	Manager – Procurement	
Mrs. K.G.S. Perera	Accountant – Rajya Osusala	
Mr. M.A.D.S.S. Munasinghe	Manager – Imports	
Mr.B.A.K. Madusanka	Manager – Human Resources	(Till 01.03.2024)
Mr. M.K.C. Krishantha	Manager – Rajya Osusala	
Mr.W. Jayantha	Manager – Rajya Osusala	(Till 19.06.2024)
Mr.M.R.M. Rifkhan	Manager – Surgical	
Mrs.E.M.H.N.T.K. Ekanayake	Manager – Technical	
Mr. H.N.J.Indunil	Internal Auditor	
Mr. W.A.T Premawardhane	Manager – Rajya Osusala	
Miss. I.G.W.S Wimalasena	Manager- Research & New Projects	(Till 27.04.2024)
Mr. P.A.S. Pathirana	Accountant – Stock & Pricing	
Mrs. E.K.P.A. Priyadarshani	Manager – Promotion & Publicity	
Mr. W.K.M.S. Wanniarachchi	Manager – Post Delivery Operations	
Mr. M.A.S.G.T.Perera	Manager- Stores & Inventory Control	
Mr. B V A M Abhayawardane	Manager – Rajya Osusala	(From 03.06.2024)
Mr. D C S Bandara	Manager – Rajya Osusala	(From 23.07.2024)
Ms S R Kalpage	Manager – Human Resources	(From 24.01.2024)
Ms. W A V Samanthi	Manager – (Quality Assurance Lab)	(From 16.04.2024)

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of the Corporation has pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December 2024.

FORMATION

State Pharmaceuticals Corporation (SPC) was established under Section 2 of State Industrial Corporations Act No. 49 of 1957 by the Gazette notification published in the Government Gazette No.14976/8 of 22nd September 1971, under an order made by the Minister of Industries and Scientific Affairs with the approval of the Government of Sri Lanka. The initial capital of the corporation was Rupees one million.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on the pages 23 to 31. There were no changes to the accounting policies adopted by the Corporation during the year under review.

GOING CONCERN

The Financial Statements are prepared based on the going concern concept. The Board of Directors satisfied that the Corporation has adequate resources to continue its operations in the foreseeable future.

RESULTS

The results for the year and the Changes in Equity are set out in the Comprehensive Income Statement and in the Statement of Changes in Equity.

REVIEW OF BUSINESS

The state of affairs of the Corporation as at 31 December 2024 is set out in the Statement of Financial Position and assessment of the Corporation during the financial year is given in the Managing Director's Review of the Annual Report.

PROPERTY, PLANT & EQUIPMENT

The movements in Property, Plant & Equipment during the year are set out in Note No.16 to the financial statements. The value shown therein is not materially different from its current market value.

MAIN ACTIVITIES

Main activities of the Corporation are,

- Import, Purchase, Sales & Distribution of Pharmaceuticals and Health Care Items in the open market.
- Import & Supply Pharmaceuticals and Health Care Items to the Department of Health Services.
- Manufacturing and Marketing Jeevanee, Glucose & Benzyl Bensovate Cream.
- Providing medical tests and laboratory services.

Activities of the Corporation have not changed materially from the last financial year.

RESERVES

Total reserves of the Corporation and its composition has been given in the Statement of Changes in Equity.

DIRECTORS

Directors of the corporation as at 31st December 2024 were as follows,

Dr. U Ajith Mendis	Chairman	(Till 30.09.2024)
Dr. H M A Thilakarathna	Chairman	(From 01.10.2024 to 22.11.2024)
Dr. Manuj C Weerasinghe	Chairman	(From 22.11.2024)
Mr. M L Subasinghe Arachchi	Managing Director	(From 01.01.2024)
Dr. Chinthaka de Silva	Director	(Till 12.12.2024)
Prof. R.M.D. Madegedara	Director	(Till 25.09.2024)
Mr.P L K Perera	Director	(From 18.03.2024 to 12.12.2024)
Ms. M Gangatharan	Director	(Till 12.12.2024)
Dr. C L K Atapattu	Director	(From 12.12.2024)
Ms. K V C Dilrukshi	Director	(From 12.12.2024)
Mr.E D Weerarathne	Director	(From 12.12.2024)
Mr. S S Wijedoru	Director	(From 12.12.2024)
Mr. Parakum Shantha	Director	(From 12.12.2024)

AUDIT COMMITTEE

Audit committee of the Corporation is constituted in accordance with the provisions of Public Enterprises Guidelines for good governance. The Audit Committee report is given in page No 17.

EMPLOYMENT

SPC continued to implement appropriate Human Resource Management policies and practices to enhance employee's skills.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments in relation to employees and the Government of Sri Lanka have been made up to date.

ENVIRONMENTAL PROTECTION

The Corporation has not engaged in any activities which would be detrimental to the environment.

CONTRIBUTION TO THE GOVERNMENT

The Corporation has paid Rs.409 million by the way of Tax and Treasury levy to the Government of Sri Lanka.

CORPORATE SOCIAL RESPONSIBILITY

During the year the Corporation contributed Rs. 21,730,639/- for charitable purpose.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in Note 35 to the Financial Statements.

POST BALANCE SHEET EVENTS

No events have occurred since the Balance Sheet date, which would require adjustments to, or disclosure in, the financial statements.

APPOINTMENT OF AUDITORS

In terms of the provision of Finance Act 1971, the Auditor General is the Auditor of the Corporation and had carried out his annual audit of the financial activities of the Corporation for the year ended 31st December 2024.

By Order of the Board

Anuradha Wijayawardana
Legal Officer /Secretary to the Board

REPORT OF THE AUDIT COMMITTEE

Constitution of the Audit Committee

The Audit Committee consists of Three Non-Executive Directors of the Board. The Director who represents the General Treasury would function as Chairman of the Committee. During the Financial year ended 31st December 2024, following members attended to the Meetings of the Audit Committee.

Ms. Malarmathy Gangatharan	–	Chairperson
Prof. Dushantha Madagedara	–	Member (Up to 25.09.2024)
Dr. Chinthaka De Silva	–	Member
Mr. P L K Perera	–	Member (From18.03.2024)

Chief Internal Auditor of the Ministry of Health, Senior Asst. Auditor General of National Audit Office and Asst. Auditor General of National Audit Office of SPC were participated to the Committee Meetings as Observers. Board Secretary and the Internal Auditor functioned as the Secretary to the Committee and Convener respectively.

The Functions of the Audit Committee

The main functions of the Audit Committee are to review and monitor internal controls of the Corporation and assist the Board of Directors by reviewing and making recommendations on all aspects of audit and financial activities of the Corporation. During the year under review, the Committee attended to following matters.

1. Review and evaluate the internal control systems and recommend modifications where necessary.

2. Review and approve Internal Audit Plan for the year 2024.

3. Review Internal Auditor's reports, and monitor management's responsiveness to the findings and recommendations of the Internal Auditor and submit the Committee recommendations to the Board of Directors for necessary actions.

4. Review of the Audit Queries of National Audit Office and the matters raised by them in the reports in terms of section 13 (7) (a) and 14 (2) (c) of the Finance Act No. 38 of 1971 and submit the Committee recommendations to the Board of Directors for necessary actions.

5. Review of implementation of recommendations of the Committee of Public Enterprises (COPE).

Recommendations of the Audit Committee

Under the guidance of the Audit Committee, an approved Internal Audit work plan was carried out by the Internal Audit Division of the Corporation during the year under review and submit recommendations to the Board of Directors and the Management of the Corporation to take necessary actions for the Financial losses, deficiencies and frauds identified through the Audit Queries of the National Audit office and the Internal Audit Queries. Further, the Internal Audit Division conducted Financial and System Audit to eliminate inefficient procedures, improve the internal controls, minimize the losses and possible instances of frauds and errors.

Meetings

During the year 2024, two Audit Committee meetings were held and Committee has submitted its comments on the identified deficiencies and recommendations to the Board of Directors and Management. Accordingly, it is concluded that considering the identified deficiencies and recommendations, the Higher Management should have been taken actions with more accountability to rectify the identified deficiencies and recommendations.

Malarmathy Gangatharan
Chairperson of the Audit Committee

CORPORATE GOVERNANCE REPORT

Corporate Governance is the total system by which organizations establish a mechanism for the effective utilization of resources, direction and control of the organization in the best interest of all categories of stakeholders. The primary responsibility for Good Governance lies with the Chairman and the Board of Directors of the Corporation.

DIRECTORS

Members of the Board of Directors should have the highest professional and personal ethics and values coupled with their experience in related field.

- The Chairman and 5 other Directors are appointed by the Hon. Minister of Health from among persons who appear to the Minister to have wide experience in and qualification.

- A representative of the General Treasury is nominated by the Ministry of Finance.

BOARD MEETING

The Board meetings are scheduled by providing adequate notice to enable the Directors and Management to prepare all the key and strategic information required for deliberation in the meetings. The Directors are provided with the Agenda and Board papers at least seven days before each meeting giving them adequate time to study the contents. Heads of the Divisions attend the Board meetings by invitation as and when required to present additional information and provide further clarity to the Board.

Twelve Board meetings were convened during the year and the attendance of the Board members are as follows:

MANAGEMENT COMMITTEE

The Management Committee comprises Heads of the Departments of the Corporation chaired by the Chairman. The Management Committee at its meetings carefully perused all policy matters when referred and also the implementation of decisions taken before they were referred to the Board of Directors for approval and concurrence. To enable this process and to avoid any delays, the Management Committee meets once a month and decisions were taken. The Management Committee had two meetings during the year..

Name of the Board Member	Position	Duration of the period of the appointments	Attendance Eligible
Dr. M C Weerasinghe	Chairman	From 22.11.2024	1/1
Mr. M L Subasinghe Arachchi	Managing Director	From 01.01.2024	12/12
Dr. C L K Atapattu	Non-Executive Director	From 12.12.2024	1/1
Ms. K V C Dilrukshi	Non-Executive Director	From 12.12.2024	1/1
Mr. E D Weerarathne	Non-Executive Director	From 12.12.2024	1/1
Mr. S S Wijedoru	Non-Executive Director	From 12.12.2024	1/1
Mr Parakum Shantha	Non-Executive Director	From 12.12.2024	1/1
Resigned			
Dr. U.A. Mendis	Chairman	From 17.08.2023 to 30.09.2024	10/10
Dr. H M A Thilakarathna	Chairman	From 01.10.2024 to 22.11.2024	1/1
Prof. R.M.D. Madegedara	Non-Executive Director	From 02.09.2022 to 25.09.2024	7/10
Dr. Chinthaka de Silva	Non-Executive Director	From 02.09.2022 to 12.12.2024	10/11
Mr. P L K Perera	Non-Executive Director	From 18.03.2024 to 12.12.2024	7/7
Ms. M Gangatharan	Non-Executive Director	From 24.05.2023 to 12.12.2024	10/11

AUDIT COMMITTEE

Audit Committee is constituted in accordance with the "Public Enterprises Guideline for Good Governance"

The Audit Committee is appointed by the Board and comprises three non – executive Directors of the Corporation. Director who represents Ministry of Finance chairs the Committee.

The Audit Committee independently examines and evaluates the activities of the Corporation. Internal Audit function carried out in accordance with "Internal Audit Plan" is approved by the Audit Committee with the notification of the Auditor General.

The Audit Committee review of Internal Auditor's Reports and Government Audit Reports and follow up of their recommendations are implemented through the Board, the Audit Committee also ensures that the Corporation has process and mechanisms in place to identify risks both financial and operational and that risk are managed and addressed through a well-defined action plan.

During the period under review, Two Audit Committee meetings were held.

Name of the Member	Position	Attendance
Ms. Malarmathy Gangatharan	Chairperson	2/2
Prof. R M D Madegedara	Member (Up to 25.09.2024)	2/2
Dr. Chinthaka De Silva	Member	2/2
Mr. P L K Perera	Member (From 07.08.2023)	2/2

REMUNERATION POLICY

Corporation's remuneration policy is set out on the recommendations of the Management Services Department of the General Treasury.

Director's allowances and perquisites are decided and paid in accordance with the applicable circulars in relation to allowances and perquisites of directors of Corporations issued by the General Treasury.

Employees' salaries are paid on salary scales prepared by Corporation, based on the circular No 2 of 2016 of the Department of Management Services of the General Treasury.

A performance incentive scheme is in place to link rewards directly to the performance.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors confirm that they have reviewed the effectiveness of the systems of risk management and internal controls which operated during the period covered by these financial statements and up-to-date of this report.

National Procurement Guidelines are followed by the corporation in order to maintain the transparency of the transactions and thereby giving equal opportunities to interested parties.

The Annual Budget which includes the capital budget are approved by the Board and forwarded to Ministries of Health & Finance Ministry.

As per the requirements of the department of public enterprises, arrangements have been initiated to appoint a Risk Committee to identify & evaluate risk profile of the Corporation.

INTERNAL AUDIT

The main focus of the Internal Audit Division is to conduct an independent review on the overall prevailing system of internal control by evaluating the adequacy, integrity, and effectiveness of internal controls and makes recommendation to the Management to strengthen the internal controls. The Internal Audit regularly reported to the Chairman on the adequacy and effectiveness of internal controls and compliance with laws and regulations and established policies and procedures of the Corporation.

ACCOUNTABILITY TO THE GOVERNMENT AS THE KEY SHAREHOLDER

The Corporation has regular dialogue with the Hon. Minister and the Secretary, Ministry of Health, who guide the Board to set clear directions and strategic objectives to be achieved. Besides, as required by the General Treasury of the Ministry of Finance, the Corporation forwarded a Business Plan for three years. Apart from that Annual Report, Annual Accounts, Annual Budgets, Quarterly Performance Reports are forwarded to the Ministry of Health and Public Enterprises Department of General Treasury.

Annual Report comprising audited financial statements and current performance is tabled in Parliament for review by the members of Parliament.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

Under the Finance Act No 38 of 1971, Directors of the Corporation have responsibility for ensuring that the Corporation keeps proper books of accounts of all the transactions and prepares financial statements that give a true and fair view of the state of affairs and of the profit /loss for the year. Accordingly, the Directors have directed the Corporation to maintain proper books of accounts and reviewed the financial reporting system at their regular meetings and through the Audit Committee.

In preparing the financial statements exhibited in this Annual Report, Directors have considered adopting appropriate Accounting Policies on a consistent basis and supported by reasonable and prudent judgments and estimates.

The Directors have taken such steps as are reasonably open to them to safeguard the assets of the Corporation and to prevent and detect frauds and other irregularities. In this respect, the Directors have instituted an effective and comprehensive system of internal controls comprising of internal check, internal audit and financial and other controls required to carry out the operations of the Corporation in an orderly manner, to safeguard its assets and secure as far as practicable the accuracy and reliability of our records.

By order of the Board
Secretary to the Board

STATEMENT OF FINANCIAL POSITION

As at 31st December	NOTE	2024 Rs.	2023 (Restated)Rs.
ASSETS			
Property Plant and Equipment	16	2,104,735,674	2,054,608,762
Right-of-use Assets	17	88,810,046	49,721,211
Lease Assets paid in Advance	18	19,731,800	20,509,274
Capital Work in Progress		39,816,321	95,840,425
Intangible Assets -Software	19	5,688,499	5,171,925
Income Tax recoverable		-	510,726,482
Deferred Tax Assets	20	394,894,508	238,869,772
Total Non- Current Assets		**2,653,676,848**	**2,975,447,850**
Current Assets			
Inventories - SPC	21	4,479,239,824	6,919,844,576
Stock in Transit - DHS	22	357,093,423	2,369,595,569
Trade & Other Receivables	23	37,801,776,607	38,801,758,400
Prepayments	24	101,206,021	112,379,093
Cash and Cash Equivalents	25	9,087,579,645	5,539,030,064
Total Current Assets		**51,826,895,520**	**53,742,607,703**
Total Assets		**54,480,572,368**	**56,718,055,553**
EQUITY AND LIABILITIES			
Contributed Capital	31	59,055,258	59,055,258
Retained Earnings		13,398,307,717	12,531,862,061
Revaluation Reserves	32	71,350,931	71,350,931
Building Renovation Reserve	32	300,000,000	-
General Reserves	32	66,061,447	66,061,447
Total Equity		**13,894,775,352**	**12,728,329,697**
Non- Current Liabilities			
Retirement Benefit Obligation	26	679,507,396	417,463,649
Lease Liabilities	17.1	68,991,891	36,604,255
Long Term Loan	27	3,550,522,197	5,447,844,429
Total Non- Current Liabilities		**4,299,021,483**	**5,901,912,333**
Current Liabilities			
Trade and Other Payables	28	14,008,712,717	17,387,707,916
Income tax Payable		394,180,870	-
Lease Liabilities	17.1	32,046,834	22,921,431
Current Financial Liabilities	29	19,872,901,778	18,616,639,731
Long Term Loans	27	1,978,933,333	2,060,544,445
Total Current Liabilities		**36,286,775,532**	**38,087,813,523**
Total Equity & Liabilities		**54,480,572,368**	**56,718,055,553**

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 by,

25/02/2025 25/02/2025

....	....	....	....
Dr. Manuj C Weerasinghe Chairman	M.L.Subasinghe Arachchi Managing Director	K.M.D.R. Dasanayake General Manager	Nishathi Devasurendra Actg. D.G.M. - Finance

The accounting policies and notes on pages 23 to 67 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Contributed Capital	General Reserves	Revaluation Reserve	Renovation Reserve	Accumulated Profit	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2022	59,055,258	66,061,447	-	-	13,590,891,445	13,716,008,150
Total Comprehensive Income for the year						
Treasury Levy Paid			-	-	(350,000,000)	(350,000,000)
Net Profit for the year			-	-	644,723,214	644,723,214
Revaluation gain on P.P.E (Motor Vehicles)			71,350,931	-	-	71,350,931
Gain/ losses on defined benefit plan			-	-	86,102,461	86,102,461
* Correction of understated direct settlements made by World Bank and ADB (net)				-	(64,350,060)	(64,350,060)
*Change in accounting policy in accounting MSD deductions (net)				-	132,024,320	132,024,320
*Correction of understated overdraft interest (net)				-	(2,250,868,593)	(2,250,868,593)
* Revision of estimated error in depreciation (net)				-	(6,628,920)	(6,628,920)
* Surcharge tax payable for the year 2020/2021 accrued in 2024 and paid in installments as agreed with IRD					(146,714,954)	(146,714,954)
* CIT surcharge paid in 2024 for the Y/A 2020/2021					(7,042,318)	(7,042,318)
*Correction of understated supplying and fixing cost of laboratory furniture. Net.(Note a)					18,098,963	18,098,963
Balance as at 31st December 2022	**59,055,258**	**66,061,447**	**71,350,931**	**-**	**11,646,235,559**	**11,842,703,194**
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			-	-	773,534,817	773,534,817
Gain/ losses on defined benefit plan (Note 26.3)			-	-	112,091,686	112,091,686
Balance as at 31st December 2023	**59,055,258**	**66,061,447**	**71,350,931**	**-**	**12,531,862,061**	**12,728,329,697**
Balance as at 01st January 2024	59,055,258	66,061,447	71,350,931	-	12,531,862,061	12,728,329,697
Total Comprehensive Income for the year						
Building Renovation 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)
Balance as at 31st December 2024	**59,055,258**	**66,061,447**	**71,350,931**	**300,000,000**	**13,398,307,717**	**13,894,775,352**

Note (a)

	Following adjustments have been made by restating the financial statement 2023 as given below:	Value Rs.	Tax effect @ 30% Rs.	Net Balance Rs.
i	Correction of incorrectly understated supplying and fixing cost of laboratory furniture in the Quality Assurance Laboratory.	25,855,661	7,756,698	18,098,963
ii	CIT surcharge paid for the year 2020/2021	-	7,042,318	7,042,318
		25,855,661	14,799,016.27	25,141,281

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December	Note	SPC OPERATIONS 2024 Rs.	DHS OPERATIONS 2024 Rs.	TOTAL OPERATIONS 2024 Rs.	TOTAL OPERATIONS 2023 Rs.
Income	7	**11,069,399,976**	**51,018,099,222**	**62,087,499,199**	**74,695,069,832**
Less					
Direct Expenses - MSD	8		47,031,918,139	47,031,918,139	59,705,008,034
Cost of Sales - SPC	9	7,955,603,067	-	7,955,603,067	7,698,921,165
Cost of Production - ORS	10	150,640,791	-	150,640,791	146,654,024
Gross Profit/ Surplus		**2,963,156,118**	**3,986,181,084**	**6,949,337,202**	**7,144,486,609**
Add: Other Operating Income	11	148,378,036	695,959,278	844,337,314	612,566,998
Less					
Administrative Expenses	12	2,003,327,314	886,717,250	2,890,044,564	2,479,525,184
Other Operating Expenses	13	533,580,485	144,432,529	678,013,014	727,141,123
Operating Profit		**574,626,355**	**3,650,990,582**	**4,225,616,937**	**4,550,387,299**
Less: Finance Expenses	14	18,599,290	1,739,788,173	1,758,387,463	3,290,487,333
Add: Finance Income (Staff Loan)		7,181,360	-	7,181,360	7,816,715
Profit Before Tax		**563,208,425**	**1,911,202,409**	**2,474,410,834**	**1,267,716,682**
Income Tax Expenses	15	295,375,616	555,628,068	851,003,685	494,181,865
Profit After Tax		**267,832,809**	**1,355,574,341**	**1,623,407,149**	**773,534,817**
Other Comprehensive Income:					
Building Renovation Reserve		(300,000,000)	-	(300,000,000)	-
Gain/ Losses on defined benefit plan	26	(98,956,462)	(125,944,587)	(224,901,049)	112,091,686
Total comprehensive income for the year		**(131,123,653)**	**1,229,629,753**	**1,098,506,100**	**885,626,503**

STATEMENT OF CASH FLOW

For the year ended 31st December	NOTE	2024 Rs.	2023 Rs.
Cash flow from operating activities			
Net profit before taxation,		**2,474,410,834**	**1,267,716,682**
Adjustments for:			
Depreciation	16	96,050,475	111,464,247
Adj. Demolishing of Building (Colombo 4)	16	3,331,556	-
Gratuity provision for the year	26.3	91,761,334	111,720,011
Lease amortisation	18	777,474	777,474
Amortisation charges (software)	19	2,369,616	1,771,117
Unrealized profit	7	63,203,497	13,962,081
Lease Interest (Osusala)		15,850,879	12,411,244
Amortisation of (ROU) Assets		32,602,791	27,428,158
Provision for bad debts -SPC	13	7,559,838	-
Bad debt provision - DHS	11	(61,166,178)	180,335,734
Stock losses	13	311,147	1,227,912
Provision for damaged & outdated stock - SPC	13	277,002,116	291,745,815
Provision for damaged & outdated stock DHS	13	-	9,290,161
Interest expenses	14	1,739,789,215	3,274,891,468
Operating profit before working capital changes		**4,743,854,595**	**5,304,742,104**
Increase/Decrease in trade and other receivable	23	1,053,588,133	6,668,128,205
Increase/Decrease in deposit & prepayments	24	11,173,073	(61,582,023)
Increase/Decrease in inventories		2,100,087,992	(4,023,106,573)
Increase/Decrease in Goods in Transit	22	2,012,502,146	(2,338,885,183)
Increase/Decrease in trade & Other payables	28	(3,303,995,200)	(2,008,286,906)
Cash generated from operations		**6,617,210,739**	**3,541,009,623**
Income tax paid		(102,121,069)	(901,384,981)
Surcharge tax paid		(75,000,000)	-
Treasury Levy/ Dividend paid		(232,060,445)	-
Gratuity paid	26	(54,618,637)	(39,709,106)
Interest paid	14	(1,739,789,215)	(3,274,891,468)
Cash flow before extraordinary items		**(2,203,589,366)**	**(4,215,985,555)**
Net cash from operating activities		**4,413,621,373**	**(674,975,931)**
Cash flow from investing activities			
Purchase of property, plant and equipment	16	(149,508,943)	(18,504,808)
Increase/Decrease in work in progress		56,024,104	(27,718,274)
Computer Software	19	(2,886,190)	(194,490)
Net cash used in investing activities		**(96,371,030)**	**(46,417,573)**
Cash flow from financing activities			
Repayment of long term loan	27	(1,978,933,344)	(1,978,933,344)
Payments of Lease rent		(46,029,465)	(39,194,131)
Net cash used in financing activities		**(2,024,962,809)**	**(2,018,127,475)**
Net increase in cash and cash equivalents		2,292,287,534	(2,753,483,060)
Cash and cash equivalents at beginning of period		**(13,077,609,667)**	**(10,324,126,607)**
Cash and cash equivalents at end of period (Note A)		**(10,785,322,133)**	**(13,077,609,667)**

Note A : Cash and cash equivalents		2024 Rs.	2023 Rs.
Cash in hand & at bank	25	8,836,812,142	5,539,030,064
Treasury bill investment	25	250,767,504	-
Bank overdraft	29	(19,872,901,778)	(18,616,639,731)
Cash and cash equivalents		**(10,785,322,133)**	**(13,077,609,667)**

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 1st January 2024 to 31st December 2024.

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 preparation of Financial Statements are given under the 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 of 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 27.02.2025.

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 wherever 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 direct 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 current economic crisis in Sri lanka has resulted in significant volatility in the financial markets. However the corporation did not require reclassifying any of its financial assets as a result of the significant volatility created by the current economic crisis.

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:

- Level1: 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 2025 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 (W.e.f. 01.01.2026)

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 derecognized. 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 recognized in the statement of profit or loss. A decrease in value is recognized in the statement of profit or loss where it exceeds the increase previously recognized 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. 4.2 Million
Future periods	Rs. 9.7 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.

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.

An actuarial valuation was carried out by Mr. M. Poopalanathan, AIA, of Messrs.' Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries as at 31st December 2024. 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.

The revenue is recognized at the point the products are transferred to the Department of Health Services. 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.

iii. Production of Pharmaceuticals and health care items

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

- Jeevani
- Glucose
- Benzyl Bensovate Cream

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.

Thefollowing 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 6,125 Million at the end of the year 2024. (From 01.01.2018 to 31.12.2024)

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 & 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 Given Default (LGD) computed as at 31.12.2024 & Economic Factor Adjustment (EFA) considered in the computation of "provision for impairment on trade receivables" for the Corporation as at 31st December 2024 have led to increase the such provision significantly. Natures of dues were considered in EFA to arrive at a reasonable provision. As updated GDP information not available in world Economic outlook EFA has been considered for the year 2022. (Latest updated)

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 the 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, term loan received (as per note 27 to the financial statements) has been considered as a receipt since we received the same in settlement of MSD outstanding.

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	2024 Rs.	2023 Rs.
Revenue - SPC		
Bulk trading	3,149,733,107	3,688,759,178
ORS sales	272,719,881	247,579,960
Osusala sales (Note 30)	7,490,666,686	7,398,681,385
Unrealized Profit adj.*	(63,203,497)	(13,962,081)
Claims Received from Suppliers	219,483,799	425,585,803
Total	**11,069,399,976**	**11,746,644,244**
Revenue - DHS		
Import supplies	27,823,216,748	37,139,542,684
Local supplies	20,555,221,475	23,865,788,809
Import of vaccines	-	715,016,213
Additional charges	205,304,593	229,558,155
Claims Received from Suppliers	2,434,356,406	994,125,558
Penalties on delayed Supplies	-	4,394,168
Total	**51,018,099,222**	**62,948,425,588**
Total Revenue	**62,087,499,199**	**74,695,069,832**

*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	2024 Rs.	2023 Rs.
Revenue	**51,018,099,222**	**62,948,425,588**
DIRECT COST		
C & F value of DHS supplies	24,723,593,354	33,110,183,701
Custom duties & taxes	981,324,211	1,280,020,671
Cost of local supplies	19,791,775,899	23,030,867,265
Deductions for short supplies, quality failure, administration charges, etc.	1,085,219,921	1,857,719,786
Total	**46,581,913,386**	**59,278,791,422**
OTHER DIRECT COST		
Clearing charges (Bank charges, Stamp fee , Commission & LC chg.)	663,874,730	790,541,145
Landing charges	36,370,599	87,269,024
Import licenses fee	103,633,044	143,797,308
Total	**803,878,373**	**1,021,607,476**
TOTAL COST	**47,385,791,758**	**60,300,398,898**
Less: Stock in transit	353,873,620	595,390,865
Direct expenses/ Cost of sales	47,031,918,139	59,705,008,034
Gross profit/surplus	**3,986,181,084**	**3,243,417,554**

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-2024 Rs.	TOTAL TRADING SPC-2023 Rs.
Stock In trade at the beginning of the year	4,737,586,713	2,108,922,791	6,846,509,505	2,978,829,549
Add :				
Imported drugs	1,301,561,217		1,301,561,217	8,553,118,063
Consumables for the laboratory	21,754,252		21,754,252	1,123,695
Local purchases (SPC tenders)	769,522,046		769,522,046	723,590,660
C.P.U - Purchases	187,530,436		187,530,436	846,415,265
Local purchases (Osusalas) (Note 30.1)	-	3,567,963,720	3,567,963,720	1,728,571,817
Transfers (Note 30.1)	(2,511,806,951)	2,511,806,951	-	-
STOCK AVAILABLE FOR SALES	**4,506,147,713**	**8,188,693,463**	**12,694,841,176**	**14,831,649,047**
Less: Stock In trade at end of the year	2,617,615,860	2,121,622,248	4,739,238,108	7,132,727,882
COST OF SALES & TRANSFERS	**1,888,531,853**	**6,067,071,215**	**7,955,603,067**	**7,698,921,165**

10 COST OF MANUFACTURING GLUCOSE, JEEWANEE AND BB CREAM

For the year ended 31st December	2024 Rs.	2023 Rs.
Opening stock of raw materials	4,615,220	1,814,570
Add: purchases of raw materials	65,321,306	55,146,793
Less: closing stock of raw materials	2,857,357	4,615,220
Cost of raw materials consumed	**67,079,168**	**52,346,143**
Add: Manufacturing cost (Note 10.1)	87,415,958	94,465,565
Production cost of goods	**154,495,126**	**146,811,708**

ORS TRADING

For the year ended 31st December	2024 Rs.	2023 Rs.
Opening stock (finished goods)	624,515	466,831
Add: Production cost of goods	154,495,126	146,811,708
Less: Closing stock (finished goods)	4,478,850	624,515
Cost of sale	**150,640,791**	**146,654,024**
Sales	272,719,881	247,579,960
Less: Cost of sale	150,640,791	146,654,024
Gross profit	**122,079,090**	**100,925,936**

NOTES TO THE FINANCIAL STATEMENTS

10.1 MANUFACTURING COST

For the year ended 31st December	2024	2023
	Rs.	Rs.
Salaries & wages	34,917,784	31,828,468
Overtime.	2,970,006	1,856,718
Uniforms.	18,700	37,800
Insurance for staff	396,978	457,199
Provident fund (EPF & ETF).	4,313,366	3,098,520
Annual bonus	477,000	480,000
Attendance bonus	424,950	575,100
Annual incentive bonus	7,110,256	5,276,759
Staff welfare	1,514,782	1,047,915
Medical expenses	382,813	435,622
Power	3,148,907	3,750,580
Depreciation	5,698,275	10,454,106
Repairs & maintenance	1,792,292	7,066,825
Packing materials used	24,249,850	28,099,952
Total	**87,415,958**	**94,465,565**

11 OTHER OPERATING INCOME

For the year ended 31st December	2024	2023
	Rs.	Rs.
SPC		
Sales of tender forms.	86,469,255	73,538,030
Rent received	1,201,921	1,058,253
Treasury bill interest	15,653,840	22,089,532
Scrap sales	1,744,680	447,225
Interest income - USD accout	6,276,554	14,806,064
Miscellaneous income	9,208,920	34,113,326
Stock excesses	4,874,262	1,044,516
Foreign exchange gain/loss	22,531,200	32,007,074
Prescriber	-	4,925
Training expence recoveries	-	709,297
Int. on returned cheques/ delays	417,405	824,281
Total	**148,378,036**	**180,642,523**
DHS		
Bad debt recoveries- DHS	61,166,178	-
Foreign exchange gain	634,793,099	431,924,475
Total	**695,959,278**	**431,924,475**
Grand Total	**844,337,314**	**612,566,998**

NOTES TO THE FINANCIAL STATEMENTS

12 ADMINISTRATIVE EXPENSES

For the year ended 31st December	SPC TRADING OSUSALAS	O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2024	TOTAL TRADING 2023
PERSONNEL EMOLUMENTS	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Salaries, Wages & Allowances.	666,743,602	-	358,702,141	1,025,445,743	456,529,998	1,481,975,741	1,322,159,897
Overtime.	46,269,920	-	11,603,214	57,873,134	7,735,476	65,608,610	44,644,628
Staff training expenses.	-	-	6,121,185	6,121,185	7,790,600	13,911,785	676,475
Uniforms.	4,998,023	-	1,263,138	6,261,161	1,607,630	7,868,792	8,045,240
Insurance for staff	6,226,757	-	4,950,490	11,177,247	6,300,624	17,477,871	18,129,648
Provident fund (EPF & ETF).	79,447,042	-	45,297,028	124,744,070	57,650,763	182,394,832	125,790,544
Annual bonus	7,196,036	-	4,237,838	11,433,873	5,393,611	16,827,485	16,163,212
Monthly attendance bonus.	9,361,950	-	4,424,244	13,786,194	5,630,856	19,417,050	19,787,500
Sports club expenses	-	-	498,214	498,214	634,091	1,132,305	845,205
Annual per inc. bonus.	122,679,143	-	77,968,515	200,647,658	99,232,656	299,880,314	191,968,759
Gratuity. (Note 26.3)	-	-	40,374,987	40,374,987	51,386,347	91,761,334	111,720,011
Land/ Housing loan interest	4,171,822	95,905	2,713,759	6,981,486	3,453,875	10,435,361	12,539,182
SPC Anniversary payment	-	-	3,270,006	3,270,006	4,161,826	7,431,831	1,775,200
Total	**947,094,295**	**95,905**	**561,424,759**	**1,508,614,960**	**707,508,352**	**2,216,123,312**	**1,874,245,502**
TRAVELING EXPENSES							
Overseas travelling expenses- others.	-	-	243,500	243,500	27,056	270,556	32,422
Local travelling expenses - others.	1,795,404	11,480	2,827,086	4,633,970	314,121	4,948,091	3,722,107
Total	**1,795,404**	**11,480**	**3,070,586**	**4,877,470**	**341,176**	**5,218,647**	**3,754,529**
SUPPLIES & REQUISITES							
Printing & stationery.	12,203,468	1,535,069	14,489,965	28,228,502	4,829,988	33,058,490	28,386,767
Board meeting expenses.	-	-	141,611	141,611	47,204	188,815	112,793
Entertainment - others.	-	-	2,056,132	2,056,132	685,377	2,741,510	947,414
Repairs to motor vehicles.	-	-	15,499,255	15,499,255	5,166,418	20,665,673	14,788,207
Fuel & lubricants.	-	-	17,891,223	17,891,223	5,963,741	23,854,964	19,194,591
License fees of motor vehicles.	-	-	190,381	190,381	63,460	253,842	235,711
Total	**12,203,468**	**1,535,069**	**50,268,568**	**64,007,104**	**16,756,189**	**80,763,294**	**63,665,482**
REPAIRS & MAINTENANCE							
Buildings.	6,807,800	-	12,174,465	18,982,265	12,174,465	31,156,730	19,851,320
Furniture, fittings & equipment	7,844,033	-	3,561,682	11,405,715	3,561,682	14,967,397	14,979,049
Computer	588,991	-	7,773,898	8,362,889	7,773,898	16,136,786	11,514,295
Total	**15,240,823**	**-**	**23,510,045**	**38,750,868**	**23,510,045**	**62,260,914**	**46,344,664**

NOTES TO THE FINANCIAL STATEMENTS

12 ADMINISTRATIVE EXPENSES

For the year ended 31st December	SPC TRADING OSUSALAS	O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2024	TOTAL TRADING 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES							
Rent/Amortization of ROU Assets (Note 17.2)	46,405,067	-	1,036,568	47,441,635	-	47,441,635	36,538,265
Rent - "Mehewarapiyasa"	-	-	6,698,000	6,698,000	6,698,000	13,396,000	12,900,000
Lease rent amortization	618,474	-	160,000	778,474	-	778,474	778,474
Rates & taxes.	1,206,309	-	1,898,045	3,104,354	1,898,045	5,002,399	5,002,175
Water bills	1,720,061	184,114	1,070,801	2,974,976	1,070,801	4,045,778	3,408,815
Electricity.	48,106,893	-	21,211,109	69,318,002	21,211,109	90,529,110	90,273,864
Fuel for Generator	785,627	-	233,995	1,019,622	233,995	1,253,617	1,135,045
Postage, Telegrams & Telephones.	3,170,478	44,820	12,787,773	16,003,071	12,787,773	28,790,843	24,001,335
Trade subscriptions, Periodicals & Publications.	680,170	-	194,094	874,264	194,094	1,068,357	1,226,573
Professional charges.	-	-	3,336,227	3,336,227	3,336,227	6,672,454	5,087,265
Insurance.	-	-	4,069,919	4,069,919	4,069,919	8,139,837	4,971,263
Press notification.	-	-	5,860,014	5,860,014	13,673,366	19,533,380	20,291,550
Security services.	40,103,842	461,148	9,969,298	50,534,287	9,969,298	60,503,585	48,044,768
Depreciation	34,094,523	-	28,128,838	62,223,362	28,128,838	90,352,200	101,010,141
Demolishing of Bldg. (Net book value)			3,331,556	3,331,556	-	3,331,556	-
Amortisation- Computer Software	1,465,847	-	903,769	2,369,616	-	2,369,616	1,771,117
License fees for drugs.	2,347,709	293,355	22,626,273	25,267,338	-	25,267,338	49,199,557
Sundry expenses.	98,269	11,731	195,660	305,660	92,075	397,735	546,983
Directors fees.	-	-	515,190	515,190	515,190	1,030,380	640,000
Audit fees.	-	-	1,232,250	1,232,250	1,232,250	2,464,500	3,334,800
Tender board expenses.	-	-	4,886,539	4,886,539	11,401,925	16,288,464	14,596,420
Staff welfare.	30,417,026	-	14,129,333	44,546,359	17,982,787	62,529,146	53,672,103
Staff medical expenses.	5,429,576	-	3,225,983	8,655,559	4,105,796	12,761,355	12,960,364
Donations	-	-	21,730,639	21,730,639	-	21,730,639	124,130
Total	**216,649,871**	**995,169**	**169,431,871**	**387,076,911**	**138,601,487**	**525,678,398**	**491,515,008**
TOTAL ADMINISTRATIVE EXPENSES	**1,192,983,862**	**2,637,622**	**807,705,830**	**2,003,327,314**	**886,717,250**	**2,890,044,564**	**2,479,525,184**

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 2024	TOTAL TRADING 2023
SELLING & DISTRIBUTION EXPENSES	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Sales promotion expenses.	-	-	27,048,945	27,048,945	-	27,048,945	9,808,999
Prescriber	-		799,794	799,794	-	799,794	-
Transport charges.	-	-	7,057,847	7,057,847	-	7,057,847	18,550,111
Provision for bad debts	-		7,559,838	7,559,838	-	7,559,838	180,335,734
Discount on osusala sales	-	-	22,977,657	22,977,657	-	22,977,657	21,267,762
Additional discounts	-		133,989,181	133,989,181		133,989,181	133,811,593
Value Added Tax	-		13,367,131	13,367,131	40,101,393	53,468,524	28,361,329
Stock losses	-	-	311,147	311,147	-	311,147	1,227,912
Pro. for outdated & damaged drugs	10,724,091	477,360	265,800,664	277,002,116	-	277,002,116	291,745,815
Pro. for outdated & damaged drugs - DHS	-	-	-	-	-	-	9,290,161
Stamp fee	-		399,312	399,312	-	399,312	547,025
Setting up expenses	-	-	16,696,671	16,696,671	-	16,696,671	326,495
Storage charges	-		-	-	19,158,147	19,158,147	10,876,847
Sundry packing materials.	24,210,163	-	231,617	24,441,780	-	24,441,780	18,207,285
TOTAL	**34,934,254**	**477,360**	**496,239,804**	**531,651,418**	**59,259,540**	**590,910,959**	**724,357,067**
RESEARCH & DEVELOPMENT							
Drugs for testing	-	-	9,010	9,010	16,733	25,743	1,716
Testing charges for samples DHS	-	-	-	-	415,459	415,459	469,462
Drugs for sample	-	-	333	333	618	951	-
TOTAL	**-**	**-**	**9,343**	**9,343**	**432,809**	**442,152**	**471,178**
(c) Legal Compensation	-	-	1,919,724	1,919,724	84,740,179	86,659,903	2,312,878
TOTAL OTHER OPERATING EXPENSES	**34,934,254**	**477,360**	**498,168,870**	**533,580,485**	**144,432,529**	**678,013,014**	**727,141,123**

14 FINANCE EXPENSES

For the year ended 31st December	OSUSALAS	SPC TRADING O.R.S.	BULK	TOTAL TRADING SPC	TOTAL TRADING DHS	TOTAL TRADING 2024	TOTAL TRADING 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
O/D interest	-	-	1,042	1,042	1,739,788,173	1,739,789,215	3,274,891,468
Lease interest charge for the year (Note 17.2)	-	-	15,850,879	15,850,879	-	15,850,879	12,411,244
Bank charges			2,747,368	2,747,368	-	2,747,368	3,184,621
TOTAL FINANCE COST	**-**	**-**	**18,599,290**	**18,599,290**	**1,739,788,173**	**1,758,387,463**	**3,290,487,333**

NOTES TO THE FINANCIAL STATEMENTS

15 MAJOR COMPONENT OF TAX EXPENSES

For the year ended 31st December	2024 SPC Rs.	2024 DHS Rs.	2024 Total Rs.	2023 Total Rs.
Current tax expenses (Note 15.1)	296,954,967	558,598,969	855,553,937	495,926,601
Over/Under provision in respect of previous years	52,575,412	98,899,072	151,474,484	-
Adj. Deferred tax Income/Expenses relating to the origination -		-	-	-
- and reversal of temporary differences (Note 20)	(54,154,763)	(101,869,973)	(156,024,736)	(1,744,737)
Tax expenses	**295,375,616**	**555,628,068**	**851,003,685**	**494,181,864**

15.1 RECONCILIATION OF ACCOUNTING PROFIT TO INCOME TAX EXPENSES

For the year ended 31st December	2024 SPC Rs.	2024 DHS Rs.	2024 Total Rs.	2023 Total Rs.
Profit Before Tax	563,208,425	1,911,202,409	2,474,410,834	1,267,716,682
Disallowable expenses	571,555,776	94,082,779	665,638,555	777,672,002
Qualifying payments	(144,914,310)	(143,288,623)	(288,202,933)	(392,300,015)
Taxable Income	**989,849,892**	**1,861,996,564**	**2,851,846,456**	**1,653,088,669**
Income Tax @ 30%	296,954,967	558,598,969	855,553,937	495,926,601
Income tax on current year profit	**296,954,967**	**558,598,969**	**855,553,937**	**495,926,601**
Over/Under provision in respect of previous years	52,575,412	98,899,072	151,474,484	-
Adj. Deferred tax Income/Expenses relating to the origination -				
and reversal of temporary differences (Note 20)	(54,154,763)	(101,869,973)	(156,024,736)	(1,744,737)
Tax expenses	**295,375,616**	**555,628,068**	**851,003,685**	**494,181,864**
Effective Tax Rate %			**29.84**	**29.89**

16 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings	Motor Vehicles	Furniture & Fittings	Equipment	Plant & Machinery	Computers	Total
COST OF DEEMED COST	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At 1 January 2023	**1,199,639,630**	**735,596,529**	**173,550,000**	**117,547,794**	**228,491,431**	**46,454,370**	**145,795,422**	**2,647,075,176**
Additions	-	303,452	-	4,755,453	4,241,929	1,667,500	7,536,474	18,504,808
At 31 December 2023	**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**
DEPRECIATION & IMPAIRMENT								
At 1 January 2023	**-**	**159,952,255**	**17,355,000**	**57,169,285**	**146,371,557**	**38,221,092**	**80,437,786**	**499,506,975**
Depreciation charge for the year	-	18,788,261	17,355,000	11,747,040	33,264,359	4,952,116	25,357,471	111,464,247
At 31 December 2023	**-**	**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**
NET BOOK VALUE								
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
At 31 December 2022	**1,199,639,630**	**575,644,274**	**156,195,000**	**60,378,509**	**82,119,874**	**8,233,278**	**65,357,636**	**2,147,568,201**

*The National Building Research Organization (NBRO) condemned the Osusala Building at Colombo 4 due to its dilapidated state. Accordingly, the Corporation demolished the building, and its book value was recognized as an expense in the income statement.

**Fully Depreciated and not in Use - The cost of fully depreciated, damaged, and unusable Property, Plant, and Equipment is Rs.67,546,454/- at the end of 2024. Tenders were called, awarded & in process of relesing items upon receipt of payments.

NOTES TO THE FINANCIAL STATEMENTS

17 Right-of -use Assets

As at 31st December	Land and Building 2024 Rs.	Land and Building 2023 Rs.
Carrying amount at the begining of the year	49,721,211	52,875,747
Contracts terminated during the year	(2,429,033)	(97,907)
Additions during the year	74,120,659	24,371,529
Amortization during the year (Note No 17.2)	(32,602,791)	(27,428,158)
Carrying amount at the end of the year	**88,810,046**	**49,721,211**

17.1 Lease Liability

Obligation to Make the Lease Payments

As at 31st December	2024 Rs.	2023 Rs.
Gross Lease Liabilities - Minimum Lease Payments	**147,137,836**	**78,688,779**
Obligations under Lease		
No later than One Year	45,349,418	31,406,430
Later than one year but no later than five years	75,769,777	46,201,257
Later than five years	26,018,641	1,081,091
	147,137,836	**78,688,779**
Future finance charges on leases	(46,099,110)	(19,163,093)
The present value of lease liabilities	**101,038,725**	**59,525,686**
The present value of lease liabilities is classified as:		
Current Liabilities	32,046,834	22,921,431
Non-current Liabilities	68,991,891	36,604,255

17.2 Amounts recognized in profit & loss

	2024 Rs.	2023 Rs.
Amortization of "Right-of-Use" (ROU) Assets for the Year	32,602,791	27,428,158
Expenses not included in the measurement of lease liabilities -short-term lease,variable lease payments,low-value assets etc.	14,838,845	9,110,107
Administration Expenses (Note 12)	**47,441,635**	**36,538,265**
Interest paid/payable for lease liabilities (Note 14)	**15,850,879**	**12,411,244**

NOTES TO THE FINANCIAL STATEMENTS

18 Lease Assets paid in advance

As at 31st December		2024 Rs.	2023 Rs.
Ratmalana Land	99 year	8,760,000	8,920,000
Osusala Badulla (Bus Stand)	50 year	2,991,300	3,106,350
Osusala Badulla (CWE)	33 year	3,310,606	3,519,697
Osusala Nugegoda	30 year	4,669,894	4,963,227
Total rent paid in advance		**19,731,800**	**20,509,274**

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

	2024 Rs.	2023 Rs.
Cost		
As at the begining of the year	5,171,925	6,748,551
Acquisition/Incurred during the year	2,886,190	194,490
As at the end of the year	**8,058,115**	**6,943,042**
Amortisation		
Amortisation charge for the year	2,369,616	1,771,117
Carrying Amount		
As at the end of the year	**5,688,499**	**5,171,925**

20 DEFERRED TAX ASSETS/ LIABILITIES

	Balance 1st January 2024	Recognised in profit & loss	Balance 31st December 2024	Balance 1st January 2023	Recognised in profit & loss	Balance 31st December 2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
On Property plant & equipment	145,859,567	5,689,023	151,548,590	134,649,396	11,210,171	145,859,567
Deferred tax liability	**145,859,567**	**5,689,023**	**151,548,590**	**134,649,396**	**11,210,171**	**145,859,567**
On Retirement benefit obligation	(125,239,095)	(78,613,124)	(203,852,219)	(137,263,329)	12,024,234	(125,239,095)
Provision for disputed items	(259,490,245)	(83,100,635)	(342,590,880)	(234,511,103)	(24,979,142)	(259,490,245)
Deferred tax Assets	**(384,729,340)**	**(161,713,759)**	**(546,443,099)**	**(371,774,432)**	**(12,954,908)**	**(384,729,340)**
Net Deferred Tax Assets/ Liability	**(238,869,772)**	**(156,024,736)**	**(394,894,509)**	**(237,125,035)**	**(1,744,737)**	**(238,869,772)**

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

NOTES TO THE FINANCIAL STATEMENTS

21 TRADING STOCK

As at 31st December	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)	2023 Bin Balance	2023 Stock Adj.	2023 Trading Stock in Hand	2023 Prov. for Damaged & Outdated Stock	2023 Prov. for Unrealized Profit	2023 Stock (as at 31st Dec)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock in Transit	26,079,116	-	26,079,116	-	-	**26,079,116**	43,925,437	-	43,925,437	-	-	**43,925,437**
Bulk Stores	2,617,615,860	2,740,648	2,620,356,508	767,549,585	1,455,239	**1,851,351,685**	5,031,595,970	491,278	5,032,087,249	493,653,211	879,836	**4,537,554,202**
Trading Stock Osusala (Note 30.4)	2,121,622,248	2,133,614	2,123,755,862	10,724,091	140,723,722	**1,972,308,048**	2,101,131,912	553,238	2,101,685,150	8,095,709	78,095,628	**2,015,493,812**
Finished Products- ORS	4,478,850	-	4,478,850	-	-	**4,478,850**	624,515	-	624,515	-	-	**624,515**
Raw Materials -ORS	2,857,357	-	2,857,357	477,360.00	-	**2,379,997**	4,615,220	-	4,615,220	-	-	**4,615,220**
Total	**4,772,653,432**	**4,874,262**	**4,777,527,694**	**778,751,036**	**142,178,961**	**3,856,597,697**	**7,181,893,053**	**1,044,516**	**7,182,937,570**	**501,748,920**	**78,975,464**	**6,602,213,186**
SUNDRY STOCKS												
Printing Stationery	48,933,162	-	48,933,162	-	-	**48,933,162**	22,193,699	-	22,193,699	-	-	**22,193,699**
Packing Materials	74,318,303	-	74,318,303	-	-	**74,318,303**	63,010,937	-	63,010,937	-	-	**63,010,937**
Miscellaneous Stocks	2,125,614	-	2,125,614	-	-	**2,125,614**	22,423,649	-	22,423,649	-	-	**22,423,649**
Total	**125,377,079**	**-**	**125,377,079**	**-**	**-**	**125,377,079**	**107,628,286**	**-**	**107,628,286**	**-**	**-**	**107,628,286**
Disputed items	497,265,048		497,265,048			497,265,048	210,003,105		210,003,105			210,003,105
Total	**5,395,295,559**	**4,874,262**	**5,400,169,821**	**778,751,036**	**142,178,961**	**4,479,239,824**	**7,499,524,444**	**1,044,516**	**7,500,568,960**	**501,748,920**	**78,975,464**	**6,919,844,576**

NOTES TO THE FINANCIAL STATEMENTS

22 STOCKS IN TRANSIT - DHS

As at 31st December	2024 Rs.	2023 Rs.
Stock in Transit	353,873,620	595,390,865
Add: Disputed Items - DHS		
Disputed stock as at 31.12.24	351,834,622	2,122,819,524
Disputed balances as at 31.12.24	14,603,745	14,603,745
Total Transit Value	**720,311,987**	**2,732,814,133**
Less: Provision for unsalable		
Carrying amount at the begining	363,218,564	376,628,393
Provision for the period	-	9,290,161
Amount used/Charged against the provision	-	(22,699,990)
Carrying amount at the end of the period	363,218,564	363,218,564
Goods in Transit - DHS	**357,093,423**	**2,369,595,569**

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		2024 Rs.	2023 Rs.
Total Dues From DHS	(Note 23.1)	38,317,971,241	38,853,759,374
Trade Debtors	(Note 23.1)	1,069,146,516	1,175,411,631
Staff Loans	(Note 23.1)	89,397,232	93,475,546
Other Staff Advances	(Note 23.1)	4,331,054	7,606,998
Deposits and Advances	(Note 23.1)	373,214,874	645,021,072
Other Receivables & Recoverable	(Note 23.1)	236,317,388	368,691,817
Total		**40,090,378,305**	**41,143,966,438**
Less: Provision for bad & doubtful debts		2,288,601,698	2,342,208,038
Trade and Other Receivables		**37,801,776,607**	**38,801,758,400**

23.1 DEBTORS ANALYSIS

As at 31st December	2024 Rs.	2023 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 *	38,106,379,349	38,642,167,482
Total	**38,317,971,241**	**38,853,759,374**

NOTES TO THE FINANCIAL STATEMENTS

23.1 DEBTORS ANALYSIS - Cont.

As at 31st December	2024 Rs.	2023 Rs.
TRADE DEBTORS		
Distributors	254,884,592	380,182,684
Private Sector Organizations	89,861,461	90,434,301
Forces	514,114,504	504,598,941
Franchise Osusalas	24,550,041	33,305,177
Authorized retailer	883,155	1,569,254
Hospitals- Government	96,117,109	81,439,670
Hospitals- Private	25,656,244	22,095,779
Government Dept. & Corporations	33,677,844	31,949,923
Disputed Debtors - Government Sector	16,940,475	16,947,075
Disputed Debtors - Private Sector	2,021,042	2,448,776
Debtors under litigation	10,440,051	10,440,051
Total	**1,069,146,516**	**1,175,411,631**
STAFF LOANS		
Welfare fund	-	186,697
Staff Loan	89,397,232	93,288,849
Total	**89,397,232**	**93,475,546**
OTHER STAFF ADVANCES		
Overseas Traveling Advance	1,345,499	
Festival Advance	93,000	249,770
Recoverble Performance Incentive	2,892,555	7,357,228
Total	**4,331,054**	**7,606,998**
DEPOSITS AND ADVANCES		
Advance Payments to Suppliers	345,512,946	584,369,721
General Advance	4,339,152	1,583,938
Marginal Deposit -DHS	23,362,777	59,067,414
Total	**373,214,874**	**645,021,072**
OTHER RECEIVABLES & RECOVERABLE		
General Treasury - Term Loan Interest	100,776,450	35,269,296
Sundry Debtors	12,165,035	12,287,503
E Channeling control A/c	25,556	25,556
Insurance Claim Receivables	293,517	917,538
Claim receivable from supplier	109,618,845	306,753,939
Agency Commission Receivable	13,437,985	13,437,985
Total	**236,317,388**	**368,691,817**
TOTAL DEBTORS AND OTHER RECEIVABLES	**40,090,378,305**	**41,143,966,438**

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	24,743	6,335	18,310	(7,627)	(5,098)	1,443	38,106
Deductions -Claim from Suppliers	-	-	-	-	-	-	-
Import, Local & Custom duty	211	-	-	-	-	-	211
	24,954	**6,335**	**18,310**	**(7,627)**	**(5,098)**	**1,443**	**38,317**

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	**34**	**35**	**82**	**182**	**399**	**334**	**1,069**

NOTES TO THE FINANCIAL STATEMENTS

24 PREPAYMENTS

As at 31st December	2024 Rs.	2023 Rs.
Pre- Payments	56,552,507	65,791,193
Employee Security Investments	441,636	441,636
Deposits - Postal Franking Machine	561,077	691,462
Pre paid Staff Expenses	11,535,752	16,465,051
Advance Payments to Port Authority	144,523	169,512
Miscellaneous Deposits	20,851,470	11,774,281
Container Deposits - SPC	2,194,019	3,424,792
Container Deposits - DHS	8,925,036	13,621,166
Total	**101,206,021**	**112,379,093**

25 CASH AND CASH EQUIVALENTS

As at 31st December		2024 Rs.	2023 Rs.
People's Bank	A/C 90210892	1,927,734,894	263,517,780
Commercial Bank	A/C 150701	15,005,747	2,585,789
Bank of Ceylon	A/C -1438	2,660,303,053	593,303,032
Bank of Ceylon	A/C -1425	947,471,057	284,367,810
Bank of Ceylon	A/C -70556680	2,498,510,105	3,288,713,416
Bank of Ceylon	A/C -84740710	25,146,866	13,114,154
Standard Chartered Bank	A/C 1171968 01	24,368,921	9,778,196
Commercial bank	A/C -150401	55,007	55,007
Sampath Sanhida	A/C 10218	1,888,126	4,242,342
Bank of Ceylon	A/C -0087595324	78,975,603	162,550,999
People's bank	A/C -07-0204137	319,841,142	415,656,088
National Savings Bank	A/C-100640401196	42,657	41,506
Bank of Ceylon - Margin Account		336,357,770	366,100,096
Investments			
Treasury Bill - Credit Insurance Scheme		102,110,521	90,605,151
Treasury Bill - Supplier Convention		48,656,983	43,495,173
Treasury Bill - Building Renovation Reserve		100,000,000	-
Petty Cash Impress - Control		1,111,195	903,524
Total		**9,087,579,645**	**5,539,030,064**

26 RETIREMENT BENEFIT OBLIGATION

As at 31st December	2024 Rs.	2023 Rs.
Gratuity opening balance	417,463,650	457,544,430
Interest Cost (Note 26.3)	54,270,274	82,357,997
Current Service Cost (Note 26.3)	37,491,060	29,362,014
Actuarial Gain /Loss (Note 26.3)	224,901,049	(112,091,686)
Benefit paid/ payables during the year	(54,618,637)	(39,709,106)
Total	**679,507,396**	**417,463,649**

An actuarial valuation was carried out by Mr. M. Poopalanathan, AIA, of Messrs.' Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries as at 31st December 2024.

NOTES TO THE FINANCIAL STATEMENTS

26.1 The principal actuarial valuation assumptions used are as follows:

As at 31st December		**2024**	**2023**
Discount %		**11% p.a.**	**13% p.a.**
Future salary increase %		**10% p.a.**	**10% p.a.**
Allowance increase %		**10% p.a.**	**11% p.a.**
Retiring age		**60 Years**	**60 Years**
Staff Turnover Factor	**Age**		
	18-29	**12%**	**3%**
	30-34	**4%**	**3%**
	35-39	**3%**	**3%**
	40-49	**2%**	**3%**
	>50	**0%**	**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 2024**	**Present Value of Defined Benefit Obligation 2023**
Discount Rate:	**Rs.**	**Rs.**
1% Increase	622,060,935	387,485,480
1% Decrease	745,929,266	451,673,248
Salary Escalation Rate (Including Allowances):		
1% Increase	745,757,547	452,031,091
1% Decrease	621,245,851	386,713,671

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

As at 31st December	**2024 Rs.**	**2023 Rs.**
Current service cost	37,491,060	29,362,014
Interest charges for the year	54,270,274	82,357,997
Gratutiy include in the staff cost (Note12)	91,761,344	111,720,011
Actuarial gain/loss - OCI	224,901,049	(112,091,686)
Total	**316,662,383**	**(371,675)**

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 01.01.2024	3,590,888,874	3,917,500,000	7,508,388,874
Total Paid	979,333,344	999,600,000	1,978,933,344
Balance as at 31.12.2024	2,611,555,530	2,917,900,000	5,529,455,530
Balance to be paid			
Not later than one year	979,333,333	999,600,000	1,978,933,333
Later than one year	1,632,222,197	1,918,300,000	3,550,522,197

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	2024 Rs.	2023 Rs.
Accrued charges & provision	713,718,238	788,633,204
Creditors control	2,254,290,232	2,061,808,990
Special order advance	982,510	982,510
Advance received from debtors - SPC	2,317,823	1,496,035
Security deposits	646,001	628,001
Salaries control	774,152	2,933,737
Bank bills payable - SPC	60,127,653	216,035,278
Bank bills payable - DHS	10,545,356,087	14,120,040,975
Interest on cash security deposits	119,765	104,248
Tender deposits	10,792,840	11,063,916
Loans & other recoveries (staff)	24,060,940	14,980,812
Gratuity payable	12,659,794	15,077,809
P.A.Y.E	3,832,280	580,590
Seva Vanitha	103,280	178,530
Advance received from debtors - DHS	23,952,260	-
Welfare fund	236,701	-
Withholding tax control	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	16,868,624	18,481,413
Agency commission	63,077,186	75,068,590
Value added tax	254,848,236	39,944,683
Total	**14,008,712,717**	**17,387,707,916**

* Ceyoka Pvt Ltd granted 7.5 million to conduct Sinopharm post-marketing surveillance research and related activities. The Corporation is carrying out research and related activities. The balance remaining as at 31st December 2024 is given above.

**The Government of Pakistan granted Rs. 8 million to utilize as relief assistance for Covid 19. This fund will be utilized for the requirements related to Covid -19 pandemic in the year 2025.

29 CURRENT FINANCIAL LIABILITIES

As at 31st December		2024 Rs.	2023 Rs.
Bank of Ceylon	A/C -1435	10,012,630,170	8,691,229,735
People's bank	A/C -90210929	9,860,271,607	9,925,409,996
Total		**19,872,901,778**	**18,616,639,731**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2024	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 MINU.	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.**	**Rs.**
Sales	1,154,364,241	341,149,266	312,257,827	148,374,380	84,391,949	144,615,226	69,068,399	176,579,076	151,560,127	115,518,842	255,595,612	134,961,018	112,320,326	146,144,982
Cost of Sales (Note 30.1)	942,433,378	279,188,320	252,900,650	119,663,898	67,537,490	111,599,863	55,743,925	143,361,710	121,681,558	90,174,952	203,793,520	109,559,108	93,683,857	117,534,290
Gross Profit on Sales & Trnsfers	**211,930,863**	**61,960,946**	**59,357,177**	**28,710,482**	**16,854,459**	**33,015,363**	**13,324,474**	**33,217,367**	**29,878,569**	**25,343,890**	**51,802,093**	**25,401,910**	**18,636,469**	**28,610,692**
ADMINISTRATIVE EXPENSES (Note 30.2)														
Personnel Expenses	113,344,896	24,531,163	34,132,047	23,162,438	16,330,607	25,479,513	10,897,352	22,682,985	24,288,609	21,422,244	31,257,137	12,942,448	13,321,384	17,852,100
Travelling Expenses	97,096	79,331	129,987	3,790	51,613	80,050	38,067	21,060	38,385	2,250	6,250	50,309	26,573	5,100
Supplies & Requisites	1,008,705	144,124	499,844	166,017	212,717	245,243	201,562	297,251	367,806	220,657	486,380	24,324	225,371	315,606
Repairs & Maintenance	2,931,391	180,717	356,122	1,809,021	130,821	153,259	40,248	661,627	495,492	248,335	175,748	129,031	142,745	101,822
Transportation, Communication, Utilities & Other	24,267,262	3,102,814	5,217,397	4,145,224	3,357,442	4,220,865	3,257,984	4,859,321	4,051,111	4,076,771	9,136,597	3,507,800	2,972,529	3,753,459
OTHER OPERATING EXPENSES (Note 30.3)														
Selling & Distribution Expenses	2,809,631	669,955	2,131,495	880,706	182,192	949,732	430,091	1,297,436	795,855	2,865,409	988,004	208,248	270,288	791,460
TOTAL OVERHEADS	**144,458,980**	**28,708,105**	**42,466,892**	**30,167,197**	**20,265,393**	**31,128,662**	**14,865,304**	**29,819,680**	**30,037,259**	**28,835,666**	**42,050,116**	**16,862,160**	**16,958,889**	**22,819,547**
NET PROFIT/(LOSS)	**67,471,883**	**33,252,841**	**16,890,285**	**(1,456,715)**	**(3,410,934)**	**1,886,701**	**(1,540,830)**	**3,397,686**	**(158,690)**	**(3,491,777)**	**9,751,976**	**8,539,750**	**1,677,580**	**5,791,145**

30.1 COST OF SALES

Stock in Trade - at the begining of the year	252,827,007	115,600,235	73,997,734	47,363,240	18,523,917	32,683,880	21,280,303	69,858,212	36,998,491	37,670,384	63,660,553	31,678,343	37,887,647	17,486,973
Local purchases	774,785,226	210,383,334	142,666,432	88,037,952	30,840,251	63,393,279	30,499,326	84,048,206	70,092,455	56,366,641	108,615,029	17,036,533	56,837,149	41,105,090
Transfers	188,117,866	48,144,387	107,392,376	36,272,265	35,855,344	48,943,032	27,983,999	39,684,892	41,628,707	36,545,236	91,683,185	85,667,113	32,948,538	74,415,422
STOCKS AVAILABLE FOR SALE	**1,215,730,099**	**374,127,957**	**324,056,543**	**171,673,457**	**85,219,512**	**145,020,191**	**79,763,628**	**193,591,311**	**148,719,653**	**130,582,261**	**263,958,767**	**134,381,989**	**127,673,333**	**133,007,486**
Stock in trade at year end (Note 30.4)	273,296,721	94,939,637	71,155,893	52,009,560	17,682,022	33,420,328	24,019,703	50,229,601	27,038,095	40,407,309	60,165,248	24,822,881	33,989,476	15,473,196
COST OF SALES & TRANSFERS	**942,433,378**	**279,188,320**	**252,900,650**	**119,663,898**	**67,537,490**	**111,599,863**	**55,743,925**	**143,361,710**	**121,681,558**	**90,174,952**	**203,793,520**	**109,559,108**	**93,683,857**	**117,534,290**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2024	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 RATMALANA till 31st May	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.**	**Rs.**
Sales	174,103,534	353,714,064	115,970,850	150,694,956	124,910,781	59,476,624	75,390,694	158,495,428	10,042,121	176,347,906	163,215,673	69,730,663	80,213,384	51,200,720
Cost of Sales (Note 30.1)	137,508,649	284,832,969	92,568,553	120,469,180	98,202,591	47,590,955	66,131,664	130,350,696	7,900,230	148,177,492	134,362,446	56,989,429	65,152,717	41,392,137
Gross Profit on Sales & Trnsfers	**36,594,885**	**68,881,095**	**23,402,298**	**30,225,776**	**26,708,189**	**11,885,669**	**9,259,031**	**28,144,731**	**2,141,891**	**28,170,414**	**28,853,227**	**12,741,234**	**15,060,667**	**9,808,583**
ADMINISTRATIVE EXPENSES (Note 30.2)														
Personnel Expenses	24,449,319	49,464,510	19,129,561	18,468,263	18,579,213	10,338,413	11,584,835	17,713,657	1,930,989	19,026,176	17,526,387	11,821,993	13,187,820	10,329,906
Travelling Expenses	2,560	4,307	13,003	3,060	44,091	1,200	125,849	43,495	5,940	30,996	54,830	7,123	28,265	1,000
Supplies & Requisites	190,441	1,170,665	178,402	69,752	119,758	82,816	263,370	233,934	61,587	123,385	177,166	96,740	191,140	132,680
Repairs & Maintenance	303,581	331,820	155,594	284,075	576,943	85,115	130,517	1,246,860	4,865	209,728	155,393	87,820	99,409	39,923
Transportation, Communication, Utilities & Other	4,685,985	6,615,370	4,595,036	3,727,278	3,538,441	1,306,845	2,388,723	4,071,964	147,015	3,278,166	4,191,916	1,799,032	3,217,035	1,512,113
OTHER OPERATING EXPENSES (Note 30.3)														
Selling & Distribution Expenses	533,938	1,341,112	429,988	497,240	686,863	327,027	156,568	825,518	102,809	301,065	257,785	424,370	264,196	243,408
TOTAL OVERHEADS	**30,165,824**	**58,927,784**	**24,501,584**	**23,049,668**	**23,545,310**	**12,141,417**	**14,649,862**	**24,135,429**	**2,253,205**	**22,969,516**	**22,363,477**	**14,237,077**	**16,987,864**	**12,259,031**
NET PROFIT/(LOSS)	**6,429,060**	**9,953,311**	**(1,099,286)**	**7,176,107**	**3,162,880**	**(255,748)**	**(5,390,831)**	**4,009,302**	**(111,314)**	**5,200,898**	**6,489,750**	**(1,495,843)**	**(1,927,198)**	**(2,450,448)**

30.1 COST OF SALES

Stock in Trade - at the begining of the year	58,867,605	59,764,400	37,216,844	21,372,090	31,510,348	15,390,075	40,772,316	40,910,732	6,771,650	57,529,183	40,328,334	16,209,282	21,390,925	11,102,497
Local purchases	91,891,942	200,976,332	40,309,112	64,766,350	43,152,367	22,036,836	29,560,126	42,940,813	(1,321,148)	23,025,913	53,500,955	30,664,964	44,073,226	22,901,449
Transfers	46,347,488	81,689,555	55,624,426	68,547,325	53,683,447	24,048,204	26,126,068	78,190,716	2,461,025	110,533,620	70,628,712	25,510,052	24,135,527	21,212,854
STOCK AVAILABLE FOR SALE	**197,107,035**	**342,430,287**	**133,150,382**	**154,685,766**	**128,346,162**	**61,475,115**	**96,458,510**	**162,042,262**	**7,911,527**	**191,088,717**	**164,458,001**	**72,384,298**	**89,599,678**	**55,216,800**
Stock In trade at year end (Note 30.4)	59,598,386	57,597,317	40,581,829	34,216,585	30,143,570	13,884,161	30,326,846	31,691,566	11,298	42,911,224	30,095,555	15,394,869	24,446,960	13,824,664
COST OF SALES & TRANSFERS	**137,508,649**	**284,832,969**	**92,568,553**	**120,469,180**	**98,202,591**	**47,590,955**	**66,131,664**	**130,350,696**	**7,900,230**	**148,177,492**	**134,362,446**	**56,989,429**	**65,152,717**	**41,392,137**

*The Osusala Ratmalana retail outlet was closed down in 2024, due to continuous losses recorded during the past years. The pharmaceutical stocks worth Rs. 5,653,688/- 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 2024	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
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	59,439,239	75,783,652	133,262,571	115,197,123	67,192,579	81,889,727	36,003,037
Cost of Sales (Note 30.1)	47,253,835	61,507,897	110,868,345	97,716,431	52,844,698	66,849,003	29,165,481
Gross Profit on Sales & Trnsfers	**12,185,404**	**14,275,755**	**22,394,226**	**17,480,691**	**14,347,881**	**15,040,724**	**6,837,555**
ADMINISTRATIVE EXPENSES (Note 30.2)							
Personnel Expenses	11,296,727	13,054,159	16,513,637	12,975,323	12,659,320	11,962,228	9,031,268
Travelling Expenses	81,320	20,911	58,034	5,600	1,500	4,350	32,043
Supplies & Requisites	102,491	155,441	62,940	209,950	188,026	75,820	182,196
Repairs & Maintenance	65,144	86,860	161,069	289,209	24,929	271,754	26,709
Transportation, Communication, Utilities & Other	2,823,971	2,714,767	3,515,900	2,728,273	3,284,762	4,160,387	2,273,487
OTHER OPERATING EXPENSES (Note 30.3)							
Selling & Distribution Expenses	460,005	237,850	292,530	71,362	218,694	149,961	375,530
TOTAL OVERHEADS	**14,829,658**	**16,269,989**	**20,604,109**	**16,279,717**	**16,377,230**	**16,624,500**	**11,921,234**
NET PROFIT/(LOSS)	**(2,644,254)**	**(1,994,234)**	**1,790,117**	**1,200,974**	**(2,029,349)**	**(1,583,776)**	**(5,083,678)**

For the year ended 31st December 2024	OSU SALA TRADING AKKARAIPATTU	OSU SALA TRADING MONARAGALA	OSU SALA TRADING PERADENIYA	OSU SALA TRADING ANAMADUWA	OSU SALA TRADING KDU	OSU SALA TRADING DAMBULLA	OSU SALA TRADING MATALE
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	39,844,437	97,317,128	133,493,997	35,527,804	55,383,991	93,324,244	111,770,523
Cost of Sales (Note 30.1)	32,834,800	81,319,559	110,910,871	28,946,899	46,440,925	74,264,405	88,302,403
Gross Profit on Sales & Trnsfers	**7,009,637**	**15,997,569**	**22,583,126**	**6,580,904**	**8,943,066**	**19,059,839**	**23,468,119**
ADMINISTRATIVE EXPENSES (Note 30.2)							
Personnel Expenses	8,434,397	10,718,693	15,028,404	5,797,490	11,015,443	13,926,833	12,333,955
Travelling Expenses	50,677	18,824	20,735	10,919	1,560	52,040	13,886
Supplies & Requisites	180,497	247,921	90,576	30,793	170,290	354,932	276,866
Repairs & Maintenance	20,924	83,059	49,145	83,470	28,608	174,262	72,869
Transportation, Communication, Utilities & Other	2,823,918	2,711,109	3,670,200	2,498,673	1,184,643	3,203,774	3,370,181
OTHER OPERATING EXPENSES (Note 30.3)							
Selling & Distribution Expenses	140,766	143,755	822,028	267,881	722,420	974,845	471,131
TOTAL OVERHEADS	**11,651,179**	**13,923,360**	**19,681,089**	**8,689,226**	**13,122,964**	**18,686,686**	**16,538,888**
NET PROFIT/(LOSS)	**(4,641,542)**	**2,074,209**	**2,902,037**	**(2,108,322)**	**(4,179,899)**	**373,154**	**6,929,231**

30.1 COST OF SALES

	EMBILIPITIYA	KDY-RAILWAY	GAMPAHA	NAGODA	BERUWALA	PILIYANDALA	NINTHAVUR
Stock in Trade - at the begining of the year	21,396,587	19,713,177	56,625,598	45,598,917	15,893,396	25,375,305	11,473,242
Local purchases	21,481,262	22,314,223	48,083,896	31,715,181	28,417,916	33,221,869	7,633,457
Transfers	22,663,738	36,829,841	57,704,450	52,804,361	26,355,406	27,390,237	23,747,593
STOCK AVAILABLE FOR SALE	**65,541,587**	**78,857,242**	**162,413,944**	**130,118,460**	**70,666,718**	**85,987,411**	**42,854,292**
Stock In trade at year end (Note 30.4)	18,287,752	17,349,345	51,545,600	32,402,028	17,822,020	19,138,408	13,688,811
COST OF SALES & TRANSFERS	**47,253,835**	**61,507,897**	**110,868,345**	**97,716,431**	**52,844,698**	**66,849,003**	**29,165,481**

	AKKARAIPATTU	MONARAGALA	PERADENIYA	ANAMADUWA	KDU	DAMBULLA	MATALE
Stock in Trade - at the begining of the year	9,339,355	20,904,698	26,590,360	13,952,126	30,976,865	35,271,852	27,770,734
Local purchases	14,423,536	35,712,856	46,422,920	21,704,977	45,855,000	26,535,322	57,268,269
Transfers	21,818,090	47,256,056	60,834,763	12,351,844	6,737,436	40,174,406	44,144,751
STOCK AVAILABLE FOR SALE	**45,580,981**	**103,873,611**	**133,848,043**	**48,008,946**	**83,569,301**	**101,981,580**	**129,183,754**
Stock In trade at year end (Note 30.4)	12,746,181	22,554,052	22,937,172	19,062,047	37,128,376	27,717,175	40,881,350
COST OF SALES & TRANSFERS	**32,834,800**	**81,319,559**	**110,910,871**	**28,946,899**	**46,440,925**	**74,264,405**	**88,302,403**

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2024	OSU SALA TRADING B.S.BADULLA	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.**	**Rs.**
Sales	47,129,420	78,445,889	17,957,971	27,676,229	108,551,123	67,411,189	93,614,124	58,305,378	27,313,014	43,702,470	39,542,046	365,896,068	16,496,413	21,050,092
Cost of Sales (Note 30.1)	38,887,319	62,177,948	14,607,779	26,046,351	87,854,949	53,561,474	76,811,154	46,671,585	21,476,492	33,356,437	32,304,926	304,934,583	12,784,462	17,536,004
Gross Profit on Sales & Trnsfers	**8,242,101**	**16,267,941**	**3,350,192**	**1,629,878**	**20,696,174**	**13,849,715**	**16,802,970**	**11,633,793**	**5,836,522**	**10,346,032**	**7,237,120**	**60,961,485**	**3,711,951**	**3,514,088**
ADMINISTRATIVE EXPENSES (Note 30.2)														
Personnel Expenses	8,534,159	9,134,800	5,091,009	6,093,766	12,564,146	9,014,211	12,181,912	8,497,696	6,035,470	7,693,546	7,161,984	24,391,660	4,735,065	6,087,744
Travelling Expenses	40,956	18,000	71,700	45,504	2,360	800	1,580	350	14,451	13,041	16,070	105,115	18,540	2,161
Supplies & Requisites	31,844	165,950	1,026	170,785	64,834	95,788	147,312	97,593	194,359	103,674	106,372	416,448	103,032	111,656
Repairs & Maintenance	26,704	126,568	16,570	112,968	109,419	60,369	20,371	127,270	58,459	146,835	258,026	1,093,422	61,357	66,858
Transportation, Communication, Utilities & Other	1,942,458	3,166,055	1,334,865	2,844,252	4,206,211	2,663,261	4,424,588	3,485,704	2,377,237	2,880,665	2,749,499	5,888,939	1,580,221	1,975,278
OTHER OPERATING EXPENSES (Note 30.3)														
Selling & Distribution Expenses	363,423	450,616	34,811	650,067	413,175	214,214	495,252	1,004,580	188,644	214,902	235,191	560,127	167,943	162,009
TOTAL OVERHEADS	**10,939,544**	**13,061,988**	**6,549,981**	**9,917,342**	**17,360,145**	**12,048,644**	**17,271,015**	**13,213,193**	**8,868,621**	**11,052,664**	**10,527,142**	**32,455,710**	**6,666,158**	**8,405,705**
NET PROFIT/(LOSS)	**(2,697,443)**	**3,205,953**	**(3,199,789)**	**(8,287,464)**	**3,336,029**	**1,801,072**	**(468,045)**	**(1,579,400)**	**(3,032,099)**	**(706,632)**	**(3,290,022)**	**28,505,774**	**(2,954,207)**	**(4,891,617)**

30.1 COST OF SALES

	B.S.BADULLA	MATHUGAMA	NARAHENPITA	MADAWACHCHIYA	PITAKOTTE	HORANA	HOMAGAMA	NITTAMBUWA	MENIKHINNA	PILIMATHALAWA	AMBALANGODA	COLOMBO 06.	BADDEGAMA	HIKKADUWA
Stock in Trade - at the begining of the year	19,585,270	34,267,646	4,499,220	20,458,044	40,271,523	21,040,811	24,496,945	32,410,305	8,123,692	7,209,659	-	178,104,164	-	-
Local purchases	25,669,941	39,193,109	8,280,939	3,775,207	52,786,764	36,821,888	44,150,212	27,535,498	14,402,770	26,736,301	50,711,776	228,090,583	8,128,185	38,863,634
Transfers	19,957,813	21,125,303	6,033,885	14,663,811	34,509,108	21,333,616	30,704,162	13,595,647	7,933,247	16,982,201	26,081,211	34,450,694	22,750,744	16,877,814
STOCK AVAILABLE FOR SALE	**65,213,024**	**94,586,059**	**18,814,044**	**38,897,062**	**127,567,394**	**79,196,314**	**99,351,319**	**73,541,451**	**30,459,710**	**50,928,161**	**76,792,988**	**440,645,440**	**30,878,929**	**55,741,448**
Stock In trade at year end (Note 30.4)	26,325,704	32,408,111	4,206,265	12,850,711	39,712,445	25,634,840	22,540,165	26,869,865	8,983,218	17,571,724	44,488,062	135,710,857	18,094,467	38,205,444
COST OF SALES & TRANSFERS	**38,887,319**	**62,177,948**	**14,607,779**	**26,046,351**	**87,854,949**	**53,561,474**	**76,811,154**	**46,671,585**	**21,476,492**	**33,356,437**	**32,304,926**	**304,934,583**	**12,784,462**	**17,536,004**

* SPC owned building at Colombo 4 has been condemned by the National Building Research Organization (NBRO) due to the dilapidated state of the building. Accordingly, the Corporation shifted Rajya Osusala outlet Colombo 4 to a rented premises at Colombo 6 (Wellawattha) on 21st May 2024..

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA INCOME

For the year ended 31st December 2024	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Sales	8,495,029	7,176,247	8,821,917	4,284,229	202,959,120	7,490,666,686
Cost of Sales (Note 30.1)	6,296,214	5,691,361	6,859,476	3,470,971	146,029,950	6,067,071,215
Gross Profit on Sales & Trnsfers	**2,198,816**	**1,484,886**	**1,962,441**	**813,258**	**56,929,170**	**1,423,595,472**
ADMINISTRATIVE EXPENSES (Note 30.2)						
Personnel Expenses	1,844,381	2,226,396	2,328,312	1,563,767	11,970,423	947,094,295
Travelling Expenses	1,350	2,400	11,205	-	61,843	1,795,404
Supplies & Requisites	38,520	163,761	55,365	15,017	283,946	12,203,468
Repairs & Maintenance	1,440	34,773	3,200	7,820	202,363	15,240,823
Transportation, Communication, Utilities & Other	939,769	1,429,596	1,260,831	305,512	5,229,393	216,649,871
OTHER OPERATING EXPENSES (Note 30.3)						-
Selling & Distribution Expenses	156,454	153,183	123,969	35,004	165,928	32,800,641
TOTAL OVERHEADS	**2,981,913**	**4,010,109**	**3,782,883**	**1,927,121**	**17,913,896**	**1,225,784,503**
NET PROFIT/(LOSS)	**(783,098)**	**(2,525,223)**	**(1,820,442)**	**(1,113,863)**	**39,015,274**	**197,810,969**

30.1 COST OF SALES

Stock in Trade - at the begining of the year	-	-	-	-	40,920,099	2,108,922,791
Local purchases	7,460,712	11,048,179	12,902,631	7,428,566	-	3,567,963,720
Transfers	7,211,919	9,971,588	8,281,597	3,615,722	130,892,513	2,511,806,951
STOCK AVAILABLE FOR SALE	**14,672,630**	**21,019,767**	**21,184,228**	**11,044,288**	**171,812,613**	**8,188,693,463**
Stock In trade at year end (Note 30.4)	8,376,416	15,328,406	14,324,752	7,573,317	25,782,663	2,121,622,248
COST OF SALES & TRANSFERS	**6,296,214**	**5,691,361**	**6,859,476**	**3,470,971**	**146,029,950**	**6,067,071,215**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2024	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 MINUWANGODA	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.**	**Rs.**
PERSONNEL EMOLUMENTS														
Salaries, Wages & Allowances.	78,926,730	17,474,639	24,118,197	16,255,779	11,705,476	18,501,416	7,757,448	16,437,859	18,026,045	15,872,851	22,062,665	9,153,288	9,045,527	12,368,144
Overtime.	6,309,757	713,573	1,544,911	1,430,966	684,762	932,181	502,470	702,130	566,362	405,966	1,597,074	740,303	994,724	934,068
Uniforms.	615,021	134,851	189,599	139,860	94,281	125,495	49,885	96,781	100,601	104,971	166,754	74,976	61,700	104,134
Insurance for staff	981,682	248,796	196,680	101,049	108,849	61,069	7,500	93,811	141,484	200,361	120,795	23,250	273,010	27,396
Provident fund (E.P.F & E.T.F)	9,544,211	2,155,778	2,918,945	1,921,141	1,392,973	2,242,645	940,536	1,925,643	2,175,936	1,943,187	2,619,193	1,082,583	1,106,128	1,491,393
Annual bonus	888,333	196,116	238,099	198,333	120,000	180,000	80,000	160,000	160,000	140,000	240,000	89,669	80,000	120,000
Annual per inc. bonus.	14,777,251	3,381,360	4,386,317	2,913,560	1,850,107	3,195,507	1,471,719	2,962,254	2,873,981	2,317,070	4,122,006	1,624,179	1,629,944	2,309,599
Housing loan interest	276,812	-	214,398	-	190,859	-	27,344	76,657	-	205,938	-	-	-	325,917
Attendance bonus	1,025,100	226,050	324,900	201,750	183,300	241,200	60,450	227,850	244,200	231,900	328,650	154,200	130,350	171,450
Total	**113,344,896**	**24,531,163**	**34,132,047**	**23,162,438**	**16,330,607**	**25,479,513**	**10,897,352**	**22,682,985**	**24,288,609**	**21,422,244**	**31,257,137**	**12,942,448**	**13,321,384**	**17,852,100**
TRAVELLING EXPENSES														
Local travelling expenses	97,096	79,331	129,987	3,790	51,613	80,050	38,067	21,060	38,385	2,250	6,250	50,309	26,573	5,100
Total	**97,096**	**79,331**	**129,987**	**3,790**	**51,613**	**80,050**	**38,067**	**21,060**	**38,385**	**2,250**	**6,250**	**50,309**	**26,573**	**5,100**
SUPPLIES & REQUISITES														
Printing & stationery.	1,008,705	144,124	499,844	166,017	212,717	245,243	201,562	297,251	367,806	220,657	486,380	24,324	225,371	315,606
Total	**1,008,705**	**144,124**	**499,844**	**166,017**	**212,717**	**245,243**	**201,562**	**297,251**	**367,806**	**220,657**	**486,380**	**24,324**	**225,371**	**315,606**
REPAIRS & MAINTENANCE														
Buildings.	2,084,152	99,397	120,683	1,397,331	24,708	37,164	27,282	44,926	155,657	33,852	56,404	51,556	28,275	29,918
Furniture, fittings & equipment	548,960	81,320	220,939	411,690	103,513	88,795	12,967	600,707	338,835	211,483	98,805	77,475	114,320	71,904
Computer	298,279	-	14,500	-	2,600	27,300	-	15,994	1,000	3,000	20,540	-	150	-
Total	**2,931,391**	**180,717**	**356,122**	**1,809,021**	**130,821**	**153,259**	**40,248**	**661,627**	**495,492**	**248,335**	**175,748**	**129,031**	**142,745**	**101,822**
TRANSPORTATION, COMMUNICATION UTILITIES & OTHER SERVICES														
Rent/Amortization of ROU Assets	-	-	95,964	-	410,500	116,021	435,600	1,919,759	1,140,000	1,450,149	4,076,177	288,000	577,841	777,399
Lease rent amortization	-	-	-	294,333	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	351,500	173,250	94,848	-	14,087	8,350	3,000	6,050	19,992	60,119	-	3,000	11,638	39,081
Water bills	398,234	40,316	97,944	40,316	34,404	55,728	9,026	5,792	43,829	34,628	133,274	32,665	34,409	25,885
Electricity.	7,942,573	864,000	1,197,642	1,592,850	754,129	1,651,067	738,899	724,010	799,467	782,389	1,370,856	1,098,777	816,608	824,869
Fuel for Generator	-	-	1,500	12,130	31,338	72,968	16,307	18,330	-	19,165	20,760	-	28,300	27,576
Postage, Telegrams & Telephones.	219,650	48,511	58,754	68,114	42,632	48,523	39,004	53,696	46,073	36,599	85,094	70,023	46,598	82,275
Depreciation	5,849,417	539,567	553,656	646,162	743,494	656,171	136,887	791,194	304,210	237,442	677,091	792,361	320,686	503,979
Amortisation- Computer Software	-	-	-	38,898	38,898	-	-	-	-	-	-	-	-	38,898
Trade subscriptions, Periodicals														
& Publications.	128,900	13,320	37,960	43,020	38,090	17,580	24,320	20,700	40,850	31,590	-	-	-	-
Security services.	4,973,784	574,469	1,797,089	563,158	568,436	622,988	1,413,582	570,764	569,964	573,003	1,406,052	572,040	575,290	571,203
License fees for drugs.	41,389	43,765	44,188	44,188	47,092	44,188	43,642	41,455	39,983	35,759	43,765	41,406	42,216	43,793
Sundry expenses.	6,615	-	-	-	1,560	3,350	-	2,850	3,070	668	4,980	1,980	4,030	797
Staff welfare.	3,627,050	689,936	1,018,569	667,065	527,783	803,931	346,219	569,722	893,693	683,288	1,138,594	511,298	439,914	717,520
Staff medical expenses.	728,149	115,679	219,283	134,990	105,000	120,000	51,498	135,000	149,980	131,973	179,954	96,250	75,000	100,185
Total	**24,267,262**	**3,102,814**	**5,217,397**	**4,145,224**	**3,357,442**	**4,220,865**	**3,257,984**	**4,859,321**	**4,051,111**	**4,076,771**	**9,136,597**	**3,507,800**	**2,972,529**	**3,753,459**
TOTAL ADMINISTRATIVE COST	**141,649,349**	**28,038,149**	**40,335,398**	**29,286,491**	**20,083,201**	**30,178,930**	**14,435,213**	**28,522,244**	**29,241,404**	**25,970,257**	**41,062,112**	**16,653,912**	**16,688,601**	**22,028,087**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2024	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	SATHOSA OUTLET RATMALANA	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.**	**Rs.**
PERSONNEL EMOLUMENTS														
Salaries, Wages & Allowances.	17,320,253	33,757,133	14,018,682	13,113,442	12,964,319	7,333,336	8,200,094	12,664,330	1,670,285	13,342,409	12,321,316	8,536,274	9,659,799	7,436,895
Overtime.	869,050	2,893,577	804,105	1,047,168	1,024,873	529,724	499,553	697,898	20,401	507,732	1,000,106	488,882	273,438	252,574
Uniforms.	130,004	248,013	98,642	89,213	101,791	54,660	69,436	97,749	2,200	126,825	77,995	52,470	62,577	64,926
Insurance for staff	169,285	457,439	155,548	20,905	139,624	-	-	96,023	-	202,042	219,913	50,005	127,193	171,275
Provident fund (E.P.F & E.T.F)	2,044,916	4,075,441	1,705,687	1,486,050	1,557,586	840,446	968,965	1,526,953	211,252	1,619,665	1,431,262	975,624	1,148,304	871,671
Annual bonus	200,000	409,669	120,000	140,000	120,000	80,000	100,000	140,000	-	158,000	120,000	80,000	130,000	80,000
Annual per inc. bonus.	3,435,011	6,718,277	2,007,053	2,364,634	2,080,298	1,362,548	1,657,538	2,315,954	-	2,678,993	2,175,496	1,505,839	1,665,422	1,366,016
Housing loan interest	-	388,061	32,944	-	416,423	-	-	-	-	206,461	-	-	25,236	-
Attendance bonus	280,800	516,900	186,900	206,850	174,300	137,700	89,250	174,750	26,850	184,050	180,300	132,900	95,850	86,550
Total	**24,449,319**	**49,464,510**	**19,129,561**	**18,468,263**	**18,579,213**	**10,338,413**	**11,584,835**	**17,713,657**	**1,930,989**	**19,026,176**	**17,526,387**	**11,821,993**	**13,187,820**	**10,329,906**
TRAVELLING EXPENSES														
Local travelling expenses	2,560	4,307	13,003	3,060	44,091	1,200	125,849	43,495	5,940	30,996	54,830	7,123	28,265	1,000
Total	**2,560**	**4,307**	**13,003**	**3,060**	**44,091**	**1,200**	**125,849**	**43,495**	**5,940**	**30,996**	**54,830**	**7,123**	**28,265**	**1,000**
SUPPLIES & REQUISITES														
Printing & stationery.	190,441	1,170,665	178,402	69,752	119,758	82,816	263,370	233,934	61,587	123,385	177,166	96,740	191,140	132,680
Total	**190,441**	**1,170,665**	**178,402**	**69,752**	**119,758**	**82,816**	**263,370**	**233,934**	**61,587**	**123,385**	**177,166**	**96,740**	**191,140**	**132,680**
REPAIRS & MAINTENANCE														
Buildings.	57,558	138,375	22,386	19,454	43,567	11,390	31,367	1,147,306	4,215	25,021	34,270	35,793	54,405	31,501
Furniture, fittings & equipment	246,023	135,650	133,208	264,621	533,376	73,725	80,200	98,165	650	184,607	121,123	52,027	44,004	8,422
Computer	-	57,795	-	-	-	-	18,950	1,390	-	100	-	-	1,000	-
Total	**303,581**	**331,820**	**155,594**	**284,075**	**576,943**	**85,115**	**130,517**	**1,246,860**	**4,865**	**209,728**	**155,393**	**87,820**	**99,409**	**39,923**
TRANSPORTATION, COMMUNICATION, UTILITIES & OTHER SERVICES														
Rent.	1,915,187	1,440,000	1,336,063	1,097,575	-	524,882	-	-	-	-	437,035	-	1,200,000	-
Lease rent amortization	-	-	-	-	209,091	-	-	-	-	-	-	-	-	-
Rates & taxes.	4,634	-	13,703	8,052	45,743	-	6,400	10,000	-	16,335	-	4,371	-	-
Water bills	31,332	-	28,231	22,747	32,752	15,770	-	59,552	-	19,735	54,686	27,928	13,942	-
Electricity.	1,063,623	1,737,277	1,253,699	1,106,665	806,676	62,999	1,015,827	1,229,493	-	1,229,547	1,015,132	481,249	414,973	-
Fuel for Generator	7,260	-	44,160	9,610	81,600	-	-	7,000	-	1,800	1,535	16,960	-	-
Postage, Telegrams & Telephones.	46,254	56,259	81,334	65,430	64,386	35,193	69,488	81,380	20,009	78,367	48,370	43,231	39,151	21,381
Depreciation	169,556	354,360	418,352	127,494	949,461	274,607	144,261	697,099	61,185	679,345	265,484	133,863	419,758	586,565
Amortisation- Computer Software	-	-	-	-	-	38,898	-	-	19,449	-	-	-	-	-
Trade subscriptions, Periodicals & Publications.	38,090	39,210	-	-	-	16,050	38,000	-	-	10,560	-	14,100	-	-
Security services.	550,873	1,411,112	558,622	568,098	557,946	-	562,238	1,410,299	-	566,956	1,413,582	572,506	556,288	571,183
License fees for drugs.	41,409	39,927	43,765	58,801	42,105	42,438	44,260	42,670	-	43,765	65,536	45,277	40,390	41,447
Sundry expenses.	-	-	9,018	30	2,855	100	-	50	-	4,100	-	80	9,797	-
Staff welfare.	669,087	1,202,695	690,731	557,776	625,825	223,095	433,248	414,421	46,372	518,945	770,555	400,389	445,700	231,540
Staff medical expenses.	148,681	334,532	117,359	105,000	120,000	72,813	75,000	120,000	-	108,711	120,000	59,077	77,036	59,996
Total	**4,685,985**	**6,615,370**	**4,595,036**	**3,727,278**	**3,538,441**	**1,306,845**	**2,388,723**	**4,071,964**	**147,015**	**3,278,166**	**4,191,916**	**1,799,032**	**3,217,035**	**1,512,113**
TOTAL ADMINISTRATIVE COST	**29,631,886**	**57,586,673**	**24,071,595**	**22,552,428**	**22,858,447**	**11,814,390**	**14,493,293**	**23,309,911**	**2,150,396**	**22,668,451**	**22,105,692**	**13,812,707**	**16,723,668**	**12,015,622**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2024	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 KDU	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.	8,195,267	8,846,341	11,815,048	9,433,285	8,702,194	8,250,191	6,241,055	5,914,253	7,115,095	10,635,433	4,135,035	8,188,237	9,666,797	8,734,336
Overtime.	376,588	1,042,374	939,437	305,128	888,185	758,717	569,224	651,235	698,075	695,759	456,307	177,404	750,616	626,489
Uniforms.	55,040	74,176	85,075	73,066	71,367	64,027	54,328	58,800	57,620	81,203	25,815	50,270	92,911	62,574
Insurance for staff	55,262	-	13,990	96,125	131,503	64,470	90,000	53,087	13,998	144,013	-	90,000	95,674	-
Provident fund (E.P.F & E.T.F)	969,807	1,066,818	1,373,634	1,087,732	1,050,918	993,651	730,113	716,533	853,330	1,259,753	474,666	955,564	1,170,005	1,020,351
Annual bonus	80,000	100,000	121,667	100,000	100,000	100,000	67,000	60,000	80,000	120,000	40,000	78,000	120,000	80,000
Annual per inc. bonus.	1,464,863	1,692,237	1,793,705	1,702,059	1,581,353	1,581,172	1,192,998	888,990	1,233,386	1,963,543	626,217	1,326,768	1,887,281	1,668,605
Housing loan interest	-	89,714	215,681	22,079	-	-	-	-	555,138	-	-	71,801	-	-
Attendance bonus	99,900	142,500	155,400	155,850	133,800	150,000	86,550	91,500	112,050	128,700	39,450	77,400	143,550	141,600
Total	**11,296,727**	**13,054,159**	**16,513,637**	**12,975,323**	**12,659,320**	**11,962,228**	**9,031,268**	**8,434,397**	**10,718,693**	**15,028,404**	**5,797,490**	**11,015,443**	**13,926,833**	**12,333,955**
TRAVELLING EXPENSES														
Local travelling expenses	81,320	20,911	58,034	5,600	1,500	4,350	32,043	50,677	18,824	20,735	10,919	1,560	52,040	13,886
Total	**81,320**	**20,911**	**58,034**	**5,600**	**1,500**	**4,350**	**32,043**	**50,677**	**18,824**	**20,735**	**10,919**	**1,560**	**52,040**	**13,886**
SUPPLIES & REQUISITES														
Printing & stationery.	102,491	155,441	62,940	209,950	188,026	75,820	182,196	180,497	247,921	90,576	30,793	170,290	354,932	276,866
Total	**102,491**	**155,441**	**62,940**	**209,950**	**188,026**	**75,820**	**182,196**	**180,497**	**247,921**	**90,576**	**30,793**	**170,290**	**354,932**	**276,866**
REPAIRS & MAINTENANCE														
Buildings.	26,379	31,396	72,590	17,139	6,585	24,788	8,400	20,174	34,449	9,230	16,020	3,580	69,867	17,564
Furniture, fittings & equipment	30,965	55,464	60,249	272,070	18,344	235,116	17,109	250	45,610	39,915	67,450	18,528	104,395	37,280
Computer	7,800	-	28,230	-	-	11,850	1,200	500	3,000	-	-	6,500	-	18,025
Total	**65,144**	**86,860**	**161,069**	**289,209**	**24,929**	**271,754**	**26,709**	**20,924**	**83,059**	**49,145**	**83,470**	**28,608**	**174,262**	**72,869**
TRANSPORTATION, COMMUNICATION,UTILITIES & OTHER SERVICES														
Rent.	663,243	219,576	989,914	505,648	912,385	1,666,454	463,172	720,000	615,270	1,936,339	706,372	302,657	891,289	1,188,983
Lease rent amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	13,287	-	5,000	-	6,700	-	-	-	-	14,994	3,000	-	7,063	6,400
Water bills	15,386	8,663	-	28,271	21,796	36,418	24,409	-	15,027	-	14,957	-	37,577	24,771
Electricity.	622,837	484,791	708,919	746,907	607,665	772,580	442,670	482,838	501,005	357,155	300,576	180,000	720,438	401,751
Fuel for Generator	30,945	1,000	14,560	15,745	16,979	17,600	8,375	43,090	24,241	-	13,920	-	44,470	900
Postage, Telegrams & Telephones.	42,287	190,190	55,997	56,558	33,227	40,204	48,560	54,820	77,245	37,792	70,615	20,443	50,940	42,274
Depreciation	286,595	679,580	466,330	305,623	507,865	400,563	295,463	525,934	358,095	673,240	419,141	257,509	374,846	580,230
Amortisation- Computer Software	-	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898
Trade subscriptions, Periodicals														
& Publications.	-	-	-	-	-	-	-	-	-	33,290	31,340	-	-	36,790
Security services.	533,142	498,661	544,822	574,469	574,469	568,436	570,374	556,171	540,445	-	559,931	-	476,941	567,583
License fees for drugs.	23,360	41,086	41,711	39,571	40,691	71,805	42,979	43,211	40,485	43,214	42,911	40,536	46,021	40,691
Sundry expenses.	100	2,230	1,640	1,250	300	-	-	-	-	2,930	-	2,120	865	2,370
Staff welfare.	518,002	477,309	560,069	340,334	463,788	458,993	278,586	300,133	425,398	472,348	270,147	282,611	409,425	393,540
Staff medical expenses.	74,787	72,784	88,039	75,000	60,000	88,436	60,000	58,823	75,000	60,000	26,866	59,869	105,000	45,000
Total	**2,823,971**	**2,714,767**	**3,515,900**	**2,728,273**	**3,284,762**	**4,160,387**	**2,273,487**	**2,823,918**	**2,711,109**	**3,670,200**	**2,498,673**	**1,184,643**	**3,203,774**	**3,370,181**
TOTAL ADMINISTRATIVE COST	**14,369,653**	**16,032,139**	**20,311,579**	**16,208,355**	**16,158,536**	**16,474,539**	**11,545,704**	**11,510,413**	**13,779,605**	**18,859,060**	**8,421,345**	**12,400,544**	**17,711,840**	**16,067,757**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2024	OSU SALA TRADING B.S.BADULLA	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.**	**Rs.**
PERSONNEL EMOLUMENTS														
Salaries, Wages & Allowances.	6,485,011	6,621,768	3,376,442	4,331,698	8,448,475	6,189,700	8,695,712	5,725,808	4,276,840	5,154,401	4,797,879	16,707,535	2,994,589	3,966,933
Overtime.	304,615	277,208	492,898	454,761	824,905	485,041	653,209	766,753	301,854	699,728	488,407	1,220,350	258,444	99,427
Uniforms.	32,623	43,702	23,535	28,215	64,126	61,259	65,427	42,644	23,475	35,204	33,853	145,427	31,702	36,182
Insurance for staff	79,162	20,000	39,083	44,817	195,293	3,000	92,899	56,054	5,300	16,174	-	279,702	12,951	2,200
Provident fund (E.P.F & E.T.F)	762,179	738,477	390,565	494,645	989,807	744,274	1,059,966	682,100	477,088	631,798	565,786	1,961,774	338,866	433,010
Annual bonus	40,000	60,000	40,000	40,000	100,000	68,843	80,000	60,000	40,000	60,000	60,000	183,636	60,000	80,000
Annual per inc. bonus.	767,718	1,070,973	661,737	633,480	1,586,411	1,261,937	1,420,100	1,032,523	670,029	1,001,291	1,159,809	3,540,684	1,000,262	1,426,342
Housing loan interest	-	227,821	-	-	215,330	94,859	-	31,614	181,634	-	-	79,101	-	-
Attendance bonus	62,850	74,850	66,750	66,150	139,800	105,300	114,600	100,200	59,250	94,950	56,250	273,450	38,250	43,650
Total	**8,534,159**	**9,134,800**	**5,091,009**	**6,093,766**	**12,564,146**	**9,014,211**	**12,181,912**	**8,497,696**	**6,035,470**	**7,693,546**	**7,161,984**	**24,391,660**	**4,735,065**	**6,087,744**
TRAVELLING EXPENSES														
Local travelling expenses	40,956	18,000	71,700	45,504	2,360	800	1,580	350	14,451	13,041	16,070	105,115	18,540	2,161
Total	**40,956**	**18,000**	**71,700**	**45,504**	**2,360**	**800**	**1,580**	**350**	**14,451**	**13,041**	**16,070**	**105,115**	**18,540**	**2,161**
SUPPLIES & REQUISITES														
Printing & stationery.	31,844	165,950	1,026	170,785	64,834	95,788	147,312	97,593	194,359	103,674	106,372	416,448	103,032	111,656
Total	**31,844**	**165,950**	**1,026**	**170,785**	**64,834**	**95,788**	**147,312**	**97,593**	**194,359**	**103,674**	**106,372**	**416,448**	**103,032**	**111,656**
REPAIRS & MAINTENANCE														
Buildings.	5,619	15,520	2,000	57,998	35,045	19,345	6,074	12,765	26,579	28,180	216,281	48,240	22,747	26,885
Furniture, fittings & equipment	21,085	111,048	10,620	54,970	38,065	40,074	14,297	114,505	31,880	111,575	40,745	1,045,181	38,610	39,973
Computer	-	-	3,950	-	36,309	950	-	-	-	7,080	1,000	-	-	-
Total	**26,704**	**126,568**	**16,570**	**112,968**	**109,419**	**60,369**	**20,371**	**127,270**	**58,459**	**146,835**	**258,026**	**1,093,422**	**61,357**	**66,858**
TRANSPORTATION, COMMUNICATION,UTILITIES & OTHER SERVICES														
Rent.	-	923,955	446,563	614,099	1,509,009	503,921	1,439,264	1,045,678	396,939	873,267	902,781	2,253,402	357,468	714,937
Lease rent amortization	115,050	-	-	-	-	-	-	-	-	-	-	-	-	-
Rates & taxes.	6,400	4,300	-	-	-	7,926	3,000	3,000	-	-	3,000	225,086	-	-
Water bills	18,783	-	-	2,043	19,409	10,770	21,840	31,989	-	-	5,754	25,488	-	7,600
Electricity.	264,550	654,478	266,425	645,931	915,477	436,132	1,057,544	655,353	265,354	263,353	421,311	1,066,966	184,554	231,133
Fuel for Generator	41,420	12,070	-	21,560	5,570	3,475	8,660	11,865	-	2,000	10,298	-	930	3,200
Postage, Telegrams & Telephones.	54,909	32,687	28,409	51,192	42,705	48,710	19,350	33,550	36,113	31,454	40,030	77,183	55,623	17,840
Depreciation	463,165	481,556	301,764	547,823	626,754	592,492	775,964	704,080	829,958	782,599	583,727	632,947	452,890	514,023
Amortisation- Computer Software	38,898	38,898	38,898	38,898	38,898	38,898	38,898	38,898	45,900	45,900	45,900	-	45,900	45,900
Trade subscriptions, Periodicals														
& Publications.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security services.	569,594	567,591	-	571,130	546,346	572,844	549,030	528,227	570,862	554,606	364,024	713,936	341,226	307,603
License fees for drugs.	40,565	40,071	40,071	46,329	40,071	40,665	46,126	42,059	43,946	43,946	13,594	43,168	14,327	13,388
Sundry expenses.	-	4,330	-	-	4,490	3,485	2,450	-	1,685	1,060	4,165	2,000	2,253	581
Staff welfare.	314,223	361,119	167,735	290,246	400,123	357,355	421,869	333,369	156,480	252,481	339,916	717,012	125,051	119,074
Staff medical expenses.	14,900	45,000	45,000	15,000	57,359	46,589	40,591	57,637	30,000	30,000	15,000	131,750	-	-
Total	**1,942,458**	**3,166,055**	**1,334,865**	**2,844,252**	**4,206,211**	**2,663,261**	**4,424,588**	**3,485,704**	**2,377,237**	**2,880,665**	**2,749,499**	**5,888,939**	**1,580,221**	**1,975,278**
TOTAL ADMINISTRATIVE COST	**10,576,121**	**12,611,372**	**6,515,170**	**9,267,275**	**16,946,970**	**11,834,430**	**16,775,762**	**12,208,613**	**8,679,977**	**10,837,762**	**10,291,951**	**31,895,584**	**6,498,215**	**8,243,696**

NOTES TO THE FINANCIAL STATEMENTS

30.2 OSUSALA -OVERHEADS

For the year ended 31st December 2024	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
A. ADMINISTRATIVE COST	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
PERSONNEL EMOLUMENTS						
Salaries, Wages & Allowances.	963,149	1,409,111	1,266,275	1,000,569	8,414,509	666,743,602
Overtime.	91,727	207,221	192,578	112,414	434,513	46,269,920
Uniforms.	12,307	600	800	600	74,664	4,998,023
Insurance for staff	-	-	-	-	137,016	6,226,757
Provident fund (E.P.F & E.T.F)	101,495	175,650	139,889	119,742	992,940	79,447,042
Annual bonus	29,669	20,000	40,000	20,000	99,000	7,196,036
Annual per inc. bonus.	628,033	409,315	680,820	302,192	1,674,382	122,679,143
Housing loan interest	-	-	-	-	-	4,171,822
Attendance bonus	18,000	4,500	7,950	8,250	143,400	9,361,950
Total	**1,844,381**	**2,226,396**	**2,328,312**	**1,563,767**	**11,970,423**	**947,094,295**
TRAVELLING EXPENSES						
Local travelling expenses	1,350	2,400	11,205	-	61,843	1,795,404
Total	**1,350**	**2,400**	**11,205**	**-**	**61,843**	**1,795,404**
SUPPLIES & REQUISITES						
Printing & stationery.	38,520	163,761	55,365	15,017	283,946	12,203,468
Total	**38,520**	**163,761**	**55,365**	**15,017**	**283,946**	**12,203,468**
REPAIRS & MAINTENANCE						
Buildings.	500	16,240	3,200	7,160	51,351	6,807,800
Furniture, fittings & equipment	940	18,533	-	660	151,012	7,844,033
Computer	-	-	-	-	-	588,991
Total	**1,440**	**34,773**	**3,200**	**7,820**	**202,363**	**15,240,823**
TRANSPORTATION, COMMUNICATION,UTILITIES & OTHER SERVICES						
Rent.	333,637	778,927	688,319	-	1,603,446	46,405,067
Lease rent amortization	-	-	-	-	-	618,474
Rates & taxes.	-	-	-	-	3,000	1,206,309
Water bills	-	-	-	-	55,987	1,720,061
Electricity.	58,071	85,385	8,346	-	721,103	48,106,893
Fuel for Generator	1,236	-	6,220	-	7,000	785,627
Postage, Telegrams & Telephones.	11,516	8,076	9,848	1,280	53,074	3,170,478
Depreciation	258,930	259,946	227,723	115,730	777,732	34,094,523
Amortisation- Computer Software	45,900	45,900	45,900	-	106,748	1,465,847
Trade subscriptions, Periodicals						-
& Publications.	-	-	-	-	26,410	680,170
Security services.	203,876	200,291	196,265	115,842	1,413,582	40,103,842
License fees for drugs.	7,164	7,164	7,164	7,164	23,835	2,347,709
Sundry expenses.	-	-	-	-	2,035	98,269
Staff welfare.	19,440	43,908	71,046	65,497	345,440	30,417,026
Staff medical expenses.	-	-	-	-	90,000	5,429,576
Total	**939,769**	**1,429,596**	**1,260,831**	**305,512**	**5,229,393**	**216,649,871**
TOTAL ADMINISTRATIVE COST	**2,825,459**	**3,856,926**	**3,658,913**	**1,892,117**	**17,747,968**	**1,192,983,862**

NOTES TO THE FINANCIAL STATEMENTS

30.3 OTHER OPERATING EXPENSES

For the year ended 31st December 2024	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 MINU.	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.	Rs.
Stock adj. (Excess/ Shortage) e) Note 30.4	(500,642)	(27,408)	(10,197)	144,640	(41,396)	(94,619)	(2,791)	(68,746)	(50,570)	(821,354)	5,629	(23,265)	(66,619)	(2,071)
Outdated & damages e) Note 30.4	577,583	262,391	803,345	155,796	104,213	289,219	110,350	356,863	314,841	2,860,030	371,390	1,526	115,269	-
Sundry packing materials. Stock adj. (Excess/ Shortag	2,732,690	434,973	1,338,347	580,271	119,374	755,133	322,532	1,009,319	531,584	826,733	610,985	229,987	221,638	793,531
Total Stock adj. (Excess/ Shortag	**2,809,631**	**669,955**	**2,131,495**	**880,706**	**182,192**	**949,732**	**430,091**	**1,297,436**	**795,855**	**2,865,409**	**988,004**	**208,248**	**270,288**	**791,460**

For the year ended 31st December 2024	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	SATHOSA OUTLETS RATMALANA	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.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(73,242)	(38,922)	(1,676)	(53,949)	46,975	(12,622)	(4,835)	1,667	-	(16,475)	(30,185)	(14,513)	(18,138)	(7,179)
Outdated & damages Note 30.4	4,919	25,258	102,844	-	172,977	41,299	-	22,766	11,298	55,573	3,118	2,104	-	31,166
Sundry packing materials.	602,261	1,354,776	328,820	551,189	466,912	298,350	161,403	801,084	91,512	261,967	284,852	436,778	282,334	219,421
Total	**533,938**	**1,341,112**	**429,988**	**497,240**	**686,863**	**327,027**	**156,568**	**825,518**	**102,809**	**301,065**	**257,785**	**424,370**	**264,196**	**243,408**

For the year ended 31st December 2024	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 KDU	OSU SALA TRADING DAMBULLA	OSU SALA TRADING MATALE
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(8,406)	1,084	(22,124)	(22,788)	(9,701)	5,813	9,369	(1,469)	(43,541)	(4,593)	8,621	(99,899)	(1,458)	(28,623)
Outdated & damages Note 30.4	50,905	81,244	19,284	28,389	26,467	134,430	361,576	41,031	-	-	174,342	454,406	225,573	206,762
Sundry packing materials.	417,506	155,522	295,370	65,761	201,928	9,718	4,585	101,204	187,296	826,621	84,918	367,913	750,730	292,992
Total	**460,005**	**237,850**	**292,530**	**71,362**	**218,694**	**149,961**	**375,530**	**140,766**	**143,755**	**822,028**	**267,881**	**722,420**	**974,845**	**471,131**

NOTES TO THE FINANCIAL STATEMENTS

30.3 OTHER OPERATING EXPENSES

For the year ended 31st December 2024	OSU SALA TRADING B.S.BADULLA	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.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(66,800)	43,763	(1,777)	(2,971)	(7,224)	(38,417)	41,732	11,201	(24,690)	368	(27,235)	(18,230)	(32,001)
Outdated & damages Note 30.4	290,829	115,098	25,860	493,874	39,565	38,213	73,276	641,013	15,978	-	3,690	189,981	-
Sundry packing materials.	139,394	291,755	10,728	159,164	380,833	214,417	380,244	352,365	197,356	214,535	258,736	388,376	199,944
Total	**363,423**	**450,616**	**34,811**	**650,067**	**413,175**	**214,214**	**495,252**	**1,004,580**	**188,644**	**214,902**	**235,191**	**560,127**	**167,943**

For the year ended 31st December 2024	OSU SALA TRADING HIKKADUWA	OSU SALA TRADING BIBILE	OSU SALA TRADING ELPITIYA	OSU SALA TRADING NUWARA ELIYA	OSU SALA TRADING POTTUVIL	REGIONAL STORES KANDY	OSUSALA TOTAL TRADING ACTIVITIES
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Stock adj. (Excess/ Shortage) Note 30.4	(29,652)	1,004	(6,379)	23,985	-	(72)	(2,133,614)
Outdated & damages Note 30.4	27,594	5,667	435	690	-	161,779	10,724,091
Sundry packing materials.	164,066	149,784	159,127	99,294	35,004	4,221	24,210,163
Total	**162,009**	**156,454**	**153,183**	**123,969**	**35,004**	**165,928**	**32,800,641**
				*	Excess		2,133,614
					Balance with out excess		**34,934,254**

NOTES TO THE FINANCIAL STATEMENTS

30.4 OSUSALA TRADING STOCK

As at 31st December	2024 Bin Balance	2024 Stock Adj.	2024 Trading Stock in Hand	2024 Prov. for Damaged & Outdated Stock	2024 Prov. for Unrealized Profit	2024 Stock	2023 Bin Balance	2023 Stock Adj.	2023 Trading Stock in Hand	2023 Prov. for Damaged & Outdated Stock	2023 Prov. for Unrealized Profit	2023 Stock
Location	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**	**Rs.**
Colombo 07	273,296,721	500,642	273,797,363	577,583	8,721,809	**264,497,971**	253,080,852	215,381	253,296,233	469,226	5,722,506	**247,104,502**
Colombo 04	-	-	-	-	-	-	179,636,727	38,048	179,674,774	1,570,611	5,074,269	**173,029,894**
Colombo 01	94,939,637	27,408	94,967,045	262,391	4,147,115	**90,557,540**	116,917,008	10,494	116,927,502	1,327,266	3,194,037	**112,406,199**
Kandy	71,155,893	10,197	71,166,089	803,345	5,658,072	**64,704,673**	74,698,685	(10,598)	74,688,086	690,352	2,917,516	**71,080,218**
Nugegoda	52,009,560	(144,640)	51,864,920	155,796	2,264,359	**49,444,766**	47,531,438	(10,384)	47,521,054	157,814	1,220,567	**46,142,672**
Avissawella	17,682,022	41,396	17,723,418	104,213	1,572,435	**16,046,769**	18,559,589	(1,280)	18,558,309	34,392	779,108	**17,744,809**
Rathnapura	33,420,328	94,619	33,514,947	289,219	2,597,279	**30,628,449**	32,843,298	138,455	32,981,753	297,873	1,370,555	**31,313,325**
Minuwangoda	24,019,703	2,791	24,022,494	110,350	2,074,428	**21,837,716**	21,313,328	18,545	21,331,872	51,569	984,023	**20,296,280**
Panadura	50,229,601	68,746	50,298,347	356,863	4,188,802	**45,752,682**	70,085,380	(7,559)	70,077,821	219,609	3,035,896	**66,822,317**
Galle	27,038,095	50,570	27,088,665	314,841	1,799,395	**24,974,428**	37,228,993	42,864	37,271,856	273,366	1,375,469	**35,623,022**
Matara	40,407,309	821,354	41,228,662	2,860,030	2,604,082	**35,764,550**	37,756,090	(26,585)	37,729,506	59,122	1,572,503	**36,097,880**
Kurunegala	60,165,248	(5,629)	60,159,619	371,390	4,347,825	**55,440,404**	63,702,296	3,548	63,705,843	45,290	2,449,018	**61,211,535**
Ampara	24,822,881	23,265	24,846,146	1,526	3,168,013	**21,676,607**	31,665,783	12,559	31,678,343	-	1,693,148	**29,985,194**
Hambantota	33,989,476	66,619	34,056,096	115,269	1,997,274	**31,943,553**	38,081,632	3,286	38,084,918	197,271	1,378,077	**36,509,570**
Anuradhapura	15,473,196	2,071	15,475,267	-	1,579,117	**13,896,150**	17,483,751	3,222	17,486,973	-	899,183	**16,587,790**
Maharagama	59,598,386	73,242	59,671,628	4,919	3,509,733	**56,156,976**	58,867,112	26,488	58,893,599	25,995	2,362,331	**56,505,274**
Jayawardanapura	57,597,317	38,922	57,636,240	25,258	3,027,056	**54,583,926**	59,768,186	8,406	59,776,593	12,193	1,884,317	**57,880,083**
Karapitiya	40,581,829	1,676	40,583,505	102,844	3,698,976	**36,781,685**	37,223,851	8,699	37,232,550	15,706	1,640,565	**35,576,279**
Negombo	34,216,585	53,949	34,270,534	-	2,852,020	**31,418,515**	21,338,335	42,923	21,381,258	9,168	924,245	**20,447,845**
Badulla - CWE	30,143,570	(46,975)	30,096,596	172,977	2,523,466	**27,400,153**	31,543,154	7,524	31,550,678	40,329	1,360,897	**30,149,451**
Diyathalawa	13,884,161	12,622	13,896,782	41,299	1,221,805	**12,633,678**	15,499,844	(25,610)	15,474,235	84,160	799,200	**14,590,875**
Jaffna	30,326,846	4,835	30,331,681	-	3,235,230	**27,096,451**	40,768,061	4,255	40,772,316	-	2,197,677	**38,574,639**
Polonnaruwa	31,691,566	(1,667)	31,689,899	22,766	3,262,123	**28,405,009**	40,914,209	(966)	40,913,243	2,510	1,984,268	**38,926,465**
Ratmalana	11,298	-	11,298	11,298	-	-	6,753,758	26,078	6,779,836	8,186	283,569	**6,488,081**
Tangalle	42,911,224	16,475	42,927,699	55,573	5,604,117	**37,268,009**	57,546,109	11,144	57,557,253	28,071	3,214,710	**54,314,473**
Ragama	30,095,555	30,185	30,125,740	3,118	2,792,629	**27,329,993**	40,307,639	20,694	40,328,334	-	1,929,992	**38,398,342**

NOTES TO THE FINANCIAL STATEMENTS

30.4 OSUSALA TRADING STOCK

2024

As at 31st December	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bandaragama	15,394,869	14,513	15,409,382	2,104	1,713,325	**13,693,953**
Fort - Station	24,446,960	18,138	24,465,098	-	1,096,331	**23,368,767**
Borella	13,824,664	7,179	13,831,842	31,166	805,384	**12,995,293**
Embilipitiya	18,287,752	8,406	18,296,158	50,905	1,781,593	**16,463,660**
KDY-Railway	17,349,345	(1,084)	17,348,261	81,244	1,369,803	**15,897,214**
Gampaha	51,545,600	22,124	51,567,723	19,284	4,594,022	**46,954,418**
Nagoda	32,402,028	22,788	32,424,816	28,389	3,590,731	**28,805,696**
Beruwala	17,822,020	9,701	17,831,721	26,467	1,202,274	**16,602,980**
Piliyandala	19,138,408	(5,813)	19,132,595	134,430	1,333,364	**17,664,800**
Ninthavur	13,688,811	(9,369)	13,679,442	361,576	1,391,232	**11,926,634**
Akkaraipattu	12,746,181	1,469	12,747,650	41,031	1,085,689	**11,620,930**
Monaragala	22,554,052	43,541	22,597,594	-	1,940,282	**20,657,312**
Peradeniya	22,937,172	4,593	22,941,765	-	983,913	**21,957,852**
Anamaduwa	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	27,717,175	1,458	27,718,633	225,573	3,098,491	**24,394,568**
Matale	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	32,408,111	(43,763)	32,364,348	115,098	2,282,149	**29,967,101**
Narahenpita	4,206,265	1,777	4,208,041	25,860	310,490	**3,871,691**
Medawachchiya	12,850,711	2,971	12,853,682	493,874	1,498,204	**10,861,603**
Pitakotte	39,712,445	7,224	39,719,669	39,565	2,169,419	**37,510,685**
Horana	25,634,840	38,417	25,673,257	38,213	1,882,340	**23,752,704**
Homagama	22,540,165	(41,732)	22,498,433	73,276	1,873,244	**20,551,914**
Nittambuwa	26,869,865	(11,201)	26,858,664	641,013	1,673,109	**24,544,542**

2023

As at 31st December	Bin Balance	Stock Adj.	Trading Stock in Hand	Prov. for Damaged & Outdated Stock	Prov. for Unrealized Profit	Stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bandaragama	16,203,188	9,286	16,212,474	3,192	770,823	**15,438,459**
Fort - Station	21,383,463	7,462	21,390,925	-	801,734	**20,589,191**
Borella	11,110,672	498	11,111,170	8,673	411,382	**10,691,115**
Embilipitiya	21,423,905	5,106	21,429,011	32,424	981,051	**20,415,535**
KDY-Railway	19,763,503	3,895	19,767,398	54,221	936,674	**18,776,503**
Gampaha	56,692,491	(13,835)	56,678,656	53,058	2,858,299	**53,767,299**
Nagoda	45,569,842	32,813	45,602,654	3,737	2,022,063	**43,576,854**
Beruwala	15,928,130	3,548	15,931,679	38,283	790,102	**15,103,294**
Piliyandala	25,420,123	(1,939)	25,418,183	42,879	1,065,762	**24,309,543**
Ninthavur	11,609,680	(31,104)	11,578,577	105,335	532,009	**10,941,233**
Akkaraipattu	9,402,437	(15,204)	9,387,233	47,878	402,844	**8,936,511**
Monaragala	20,893,380	25,917	20,919,297	14,599	1,164,997	**19,739,702**
Peradeniya	26,595,186	(276)	26,594,910	4,550	1,054,672	**25,535,689**
Anamaduwa	14,045,652	(2,224)	14,043,428	91,302	641,972	**13,310,153**
Kotalawala defence Academy	31,169,898	(38,247)	31,131,651	154,786	860,574	**30,116,291**
Dambulla	35,325,384	4,411	35,329,795	57,943	1,724,473	**33,547,379**
Matale	27,924,263	10,551	27,934,815	164,081	1,324,681	**26,446,053**
Badulla Bus stand	19,650,740	(11,346)	19,639,394	54,123	906,106	**18,679,164**
Mathugama	34,337,275	(29,245)	34,308,030	40,383	1,160,832	**33,106,814**
Narahenpita	4,602,120	700	4,602,820	103,600	179,632	4,319,588
Medawachchiya	21,523,805	467	21,524,272	1,066,228	1,037,377	19,420,667
Pitakotte	40,303,133	(2,937)	40,300,197	28,673	1,225,734	39,045,789
Horana	21,038,876	8,211	21,047,087	6,277	863,396	20,177,414
Homagama	24,527,756	1,262	24,529,018	32,073	1,067,275	23,429,670
Nittambuwa	32,459,847	25,834	32,485,682	75,376	1,063,516	31,346,789

NOTES TO THE FINANCIAL STATEMENTS

30 OSUSALA TRADING STOCK

As at 31st December	2024 Bin Balance	2024 Stock Adj.	2024 Trading Stock in Hand	2024 Prov. for Damaged & Outdated Stock	2024 Prov. for Unrealized Profit	2024 Stock	2023 Bin Balance	2023 Stock Adj.	2023 Trading Stock in Hand	2023 Prov. for Damaged & Outdated Stock	2023 Prov. for Unrealized Profit	2023 Stock
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Menikhinna	8,983,218	24,690	9,007,908	15,978	998,161	**7,993,769**	-	-	-	-	-	-
Pilimathalawa	17,571,724	(368)	17,571,356	-	1,045,986	**16,525,370**	-	-	-	-	-	-
Ambalangoda	44,488,062	27,235	44,515,297	3,690	2,094,484	**42,417,123**	-	-	-	-	-	-
Colombo 06.	135,710,857	18,230	135,729,087	189,981	4,596,256	**130,942,850**	-	-	-	-	-	-
Baddegama	18,094,467	32,001	18,126,468	-	1,260,628	**16,865,840**	-	-	-	-	-	-
Hikkaduwa	38,205,444	29,652	38,235,096	27,594	3,400,626	**34,806,876**	-	-	-	-	-	-
Bibile	8,376,416	(1,004)	8,375,413	5,667	710,222	**7,659,524**	-	-	-	-	-	-
Elpitiya	15,328,406	6,379	15,334,785	435	1,387,805	**13,946,546**	-	-	-	-	-	-
Nuwara Eliya	14,324,752	(23,985)	14,300,767	690	1,142,433	**13,157,644**	-	-	-	-	-	-
Pottuvil	7,573,317	-	7,573,317	-	804,488	**6,768,829**	-	-	-	-	-	-
Regional Stores Kandy	25,782,663	72	25,782,735	161,779	-	25,620,956	41,112,056	-	41,112,056	191,957	-	**40,920,099**
Total	**2,121,622,248**	**2,133,614**	**2,123,755,862**	**10,724,091**	**140,723,722**	**1,972,308,048**	**2,101,131,912**	**553,238**	**2,101,685,150**	**8,095,709**	**78,095,628**	**2,015,493,812**

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL

There is no change in the Authorized Capital during the year ended 31st December 2024

CONTRIBUTED CAPITAL

Contributed Capital is made up by government grants amounting to Rs 59,055,258 as at 31st December 2024.

32. GENERAL RESERVE

General Reserve	2024	2023
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 at 31st December 2022.

BUILDING RENOVATION RESERVE

The Corporation's renovation reserve has been created from the profit by allocating Rs. 100 million a month to renovate the Head office in Colombo 01 and to construct a building for Osusala Colombo 04.

33. LIABILITIES AND PROVISIONS

The following legal cases are pending as at 31st December 2024, 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 eleven cases where legal actions instituted by stakeholders of entities involved, claiming Rs.26.4 million 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 the Labour Tribunal by an employee against the dismissal of his employment. Since a criminal case has been filed in MC Galle against the plaint by SCIB of Galle Police Station LT case has been laid by.

33.1.2. Case No. DSP/ 460/ 2024 Mrs. S.M.A.D.S.H. Sammandapperuma Vs SPC

A case has been filed by an employée against the Corporation and issue an injunction order regarding the décision taken by the management based on the formal inquiry report.

33.1.3. Sadaleka Amila Bashini Senanayaka Vs SPC and Others – 4/2017/Writ

Above mentioned Petitioner has filed a writ application to quash the procedure followed and all decisions made by the Seethawaka Urban Counsel, re-enact all written and verbal agreements and contracts that have been made with the Petitioner and issue a writ to make all necessary arrangements to handover the possession of the premises given to the Petitioner by the Urban Council.

33.1.4. Case No. CA/Writ/403/2024 Kish International (pvt) Ltd Vs SPC and Others

Above mentioned supplier has filed a case in the Court of Appeal for an interim order regarding the deductions from pending orders and forfeiting the performance bond.

33.1.5. Case No: 705/24,706/24 and 707/24 Eureka Life Science Vs SPC

Above mentioned supplier has filed a case in the court of appeal for an injunction order against SPC for issuing debit notes relevant to the NMRA Circuler for batch withdrawal and NMQAL report relevant to quality failures.

33.1.6 Case No. 99/2024 Transparency International Srilanka Vs Minister of Finance, Minister of Public Administration and Others

Transparency International Srilanka filed a case for violating the human rights of the Petitioner by the respondents.

33.1.7 Case No. DMR 01384 -24 and DMR – 01385-24 (Slim Pharmaceuticals Vs SPC)

The supplier mentioned above has filed two cases for an injunction order prohibiting the decision to suspend dealings against them until finalizing the Arbitration process.

33.1.8 Vitromed Health Care, India Vs SPC

Above mentioned Supplier has initiated arbitration for encashment of performance bond values USD 39,578/- (LKR 11.5 Million) and USD 29,692.50 (LKR 8.6 Million).

33.1.9 Yaden International (pvt) Ltd Vs SPC (28 cases)

Yaden International (Pvt) Ltd has initiated an Arbitration against SPC to recover the due payments from SPC with respect to the supplies made by them.

33.1.10 Centurion Laboratories (pvt) Ltd Vs SPC

Initiated arbitration proceeding claiming USD 21,168 (LKR million 6.1) for non-payment for the supply made by the claimant.

33.1.11 Slim Pharmaceutical (pvt) Ltd Vs SPC

Above mentioned supplier has initiated arbitration against the debit notes raised by SPC for deducting forthcoming payment vouchers of the claimant.

33.2 The Corporation is the plaintiff in five Cases claiming Rs Million 19.2 with legal interest for the damages.

33.2.1 Osusala – Negombo - Case No. L 30202

Rs Million 3.9 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 uncertain.

33.2.2 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 (Rs Million 12.2) against quality failures reported in their supplies.

33.2.3 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 (Rs Million 3.1) against quality failures reported in their supplies.

33.2.4. 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.

33.2.5. 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 was dismissed from his employment.

The Corporation has deposited Rs 5,008,189/- in court accounts and appealed against the arbitrational awards against SPC (Case No. A/49/2021 G.H. Chanaka) and (Case No. .13/59/2017 R.M.N Nayanajith)

33.3 Financial Commitments

Document credit established for purchases of pharmaceuticals as at 31.12.2024 amounts to Rs.15,969 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.

		2024		2023
SPC	Rs.	1,069,146,516	Rs.	1,175,411,631
DHS	Rs.	38,106,379,349	Rs.	38,642,167,482

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 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	14,008,712,717	Usually 03 months

Year ended 31 December 2023:	**(Rs)**	**Maturity**
Interest-bearing loans and borrowings	18,616,639,730	OD – Payable on demand
Long Term Loans	7,508,388,874	Repayable within 60 months
Trade and other payables	17,387,707,916	Usually 03 months

	2024 **Rs.**	**2023** **Rs**
Interest-bearing loans and borrowings	19,872,901,778	18,616,639,730
Long Term Loans	5,529,445,530	7,508,388,874
Trade and other payables	14,008,712,717	17,387,707,916
Less: cash and short-term deposits	(9,087,579,645)	(5,539,030,063)
Net debt	30,323,480,380	37,973,706,457
Equity		
Capital and net debt	30,382,535,638	37,878,689,534

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	**2024**	**2023**
Transactions:	**Rs**	**Rs**
Sales -	51,018,099,222	62,948,425,588
Outstanding Balances:		
Receivable from Medical Supplies Division	38,106,379,349	38,642,167,482
Receivable from Forces	514,114,504	504,598,941
Receivable from Government hospitals	96,117,109	81,439,669
Receivable from Other Government Institutions	33,677,844	31,949,923

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.

	2024	**2023**
	Rs	**Rs**
Short term employment benefits	4,550,493/-	2,521,774/-

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.

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. } MSU/A/SPC/1/23/47   ඔබේ අංකය / உமது இல. / Your No. }   දිනය / திகதி / Date } 30 May 2025

Chairman
State Pharmaceuticals Corporation

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the State Pharmaceuticals Corporation for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971.My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Although the assets and liabilities for each submitted financial statement should be translated at the final rate at the date of that statement of financial position in according to the paragraph 39 of Sri Lanka Accounting Standards 21, the value of the general deposit account recorded as the current assets in the financial statements was understated by Rs. 4,897,986 and the value of receivables from suppliers was understated by Rs. 9,216,163 respectively due to that the value deposited with a foreign company for ship fire insurance included in the general deposit account and receivables from suppliers were not converted into local currency by applying the exchange rate prevailing on that date.

(b) Although the cost of quality failure, expired and defective medical supplies from the medical supplies purchased for sale by pharmacies in the time period from the year 1996 to 2024 was Rs. 497,265,048 as at 31 December 2024 according to the financial statements, the difference was Rs. 20,232,600 due to it was about Rs. 477,032,448 according to the physical stock survey report on that date. Although that difference had existed from many years, action had not been taken to solve it.

(c) Due to that the balance of Rs. 4,250,358, which was settled under current liabilities in the financial statements of the year under review and the balance of Rs. 719,743,215, which was paid directly to the supplier by the Asian Development Bank were included in the bank bills payable account, the balance of the bank bills payable account for the year was overstated by Rs. 723,993,573. Also, due to that the value of Rs. 719,743,215 was recorded as receivable from the Medical Supplies Division, the receivables from the Medical Supplies Division in the year under review were overstated by that amount.

(d) Despite the release of a deposit of Rs. 8,898,600 to be repaid for the bank guarantee, a further Rs. 8,641,020 was still disclosed in the statement of financial position. Accordingly, the balance of the re-payable deposit account for a bank guarantee had been overstated by Rs. 8,614,020.

(e) Although the balance of the bank bills payable account (DHS) mentioned under current liabilities as the end of the year under review was recorded as Rs. 10,545,356,087, the balance of the bank bills payable (DHS) account for the year under review was understated by Rs. 22,549,143 due to that an unidentified bank bills payable balance of Rs. 22,549,143 in relation to the year 2024 was not included in that balance.

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

1.3 Other Information included in the Annual Report 2024 of the Corporation

Although this audit report may be included in the annual report 2024 of the corporation, which is expected to be submitted to me after the date of this report, other information reflects information not included in the financial statements and my audit report on that.

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

My responsibility is to read the other information above when in becomes available and when doing so, consider whether the other information are materially inconsistent with the financial statements or with my knowledge obtained during the audit or another way regarding with my audit of the financial statements.

If, while reading the 2024 Annual Report of the Corporation, I conclude that there are material misstatements, the same should be communicated to the governing body for correction. If there are any further uncorrected misrepresentations that will be included in the report tabled by me in Parliament in due course under terms of Article 154(6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

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

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

1.5 Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on Other Legal and Regulatory Requirements

2.1 The specific provisions were included about the following requirements in the National Audit Act, No. 19 of 2018.

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Corporation as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit observations of 1.2(b) described in the basis for Qualified Opinion section of my report as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

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

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

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

	Reference to Laws, Rules and Regulations	**Non-compliance**
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	(a) and (b) of the section 10(20 of the Fi-nance Act No. 38 of 1971	Although the approval of the Minister of Finance is required to b obtained when the net surplus arising in the state corporation in a particular year is used for any purpose subject to the provisions of sub section (3) of the Act, Rs. 250,767,504 had been invested in treasury bills without such approval.
(b)	Public Enterprises Circular No. 95 dated 14 June 1994 and National Budget Circular No. 01/2024 dated 10 January 2024	An amount of Rs. 1,718,589 was spent on providing umbrellas to employees for the 53rd anniversary of the corporation in the year under review and Rs. 4,071,177 was spent on providing gold coins without obtaining treasury approval.
(c)	Paragraph 3.2 of the Public Enterprises Circular No. PED 03/2024 dated 23 De-cember 2024	Although it was stated that bonus allowances cannot be paid to employees of state corporations, statutory board and state-owned companies which are paid salary and other allowances under collective agreements or other such agreements of Memory of Understanding, apart from that, Rs. 17,194,236 had been paid as bonus allowances to 904 employees at Rs. 20,000 per each employee.

2.2.3 The powers, duties and functions of the Corporation have not been acted upon as required by section 12 (g) of the National Audit Act No. 19 of 2018.

2.2.4 According to requirement mentioned in section 12 (h) of the National Audit Act No. 19 of 2018, the corporation's resources have not been procured and used in accordance with the relevant rules and regulations in a timely, efficient and effective manner apart from the following observations.

(a) The departmental procurement committee on 05 July 2023 had approved an order for the purchase of 10,795 eye lenses at Rs. 100,609,400 at a price of Rs. 9,320 per each unit to be awarded to the third lowest bidder, but the bidder had not submitted the bide security at the time of bid opening and the cheque of Rs. 3,025,390 submitted later had also been dishonoured. Based on the complaint from the failure bidders, the departmental procurement committee on 21 September 2023 had re-awarded this bid to the second lowest bidder for Rs. 97,155,000 at Rs. 9000 per unit as per the recommendation of the three-member committee report appointed regarding this procurement. The supplier was supposed to supply the samples within 1 month and 16 days from the date of opening the bids and three months from the date of opening the letters of credit, but it had been delayed to supply the samples by 5 months and 10 days.

(b) The departmental procurement committee dated 15 June 2023 had approved the award of a purchase order for 9,199 units of 2 types of eye lenses for Rs. 85,734,680 to the third lowest bidder, who also submitted a cheque as a bid bond. On the recommendation of the three-member committee appointed to review these purchases, it was decided on 02 November 2023 to award the order for Rs. 82,791,000 to the second lowest bidder. Although the stocks had to be delivered within three months of opening the letters of credit, stocks had not been supplied until 10 June 2024.

(c) Due to the Technical Evaluation Committee evaluated two bid formats based on different conditions without due diligence during the evaluation of the bids for the procurement called on 20 February 2020 for the purchase order for 54,000 lenses of 07 types of eye lenses, the lowest and second bidders were rejected and the procurement was awarded to the third bidder, who was Rs. 293,960,742 higher than the lowest bid for Rs. 598,780,742 and the standing ministerial procurement committee had decided to re-call for bids on 19 July 2021 on the submission of appeals by three bidders in this regard. Accordingly, although the procurement for 5 items was awarded for Rs. 692,964,000, the supplier had not responded and the corporation had not taken action to convert into the cash of that supplier's bid security of Rs. 6,602,580. Furthermore, this procurement had not been completed until 10 June 2024.

(d) Although the third lowest bidder selected on 20 February 2020 to supply 20,540 units of 08 types of eye lenses for Rs. 243,850,880 agreed to supply the stock within three months from the date of issuance of the letters of credit on 04 March 2022, the stocks had not been supplied accordingly and action had not been taken to cash the performance bond worth Rs. 24,358,088 as per section 10 of the agreement signed with the supplier.

(e) Although it was stated that bids were issued to three selected bidders in the procurement for the purchase of 10,000 units each of 50ml, 100ml and 500ml empty bottles for packing sanitizers as the first order and 15,000 units each as the second order, it was observed that as the relevant documents were sent to the same address, all thee bid documents were sent to a single institute under different names to indicate that 3 bids were invited. Furthermore, although this procurement was determined to be an urgent need and invitations to bid were issued to selected suppliers, it was taken 77 days for the first order and 17 days for the second order from the date of issuance of the order by the selected supplier on 27 October 2021 to deliver the relevant stocks for both orders and action had not been taken to provide 500ml. However, delay charges were not charged for the delay in delivery as per the bidding documents and due to the delay in the procurement process, the supplier's delay and the decrease in sanitizer production due to the Covid-19 epidemic, there was a remaining empty bottles with a cost of Rs. 1,220,695.

(f) The single bidder who submitted the tender for the purchase of 25,000 units of 5 liter cans for packaging sanitizer was awarded the order on 06 April 2022 for Rs. 4,725,000 and although it was stated that the packaging cans were very urgent, the supplier had taken 180 days to deliver the entire order. However, delay charges were not charged for the delay in delivery as per the bidding documents and due to the delay in the procurement process, the supplier's delay and the decrease in sanitizer production due to the Covid-19 epidemic, there was a remaining empty packaging units worth Rs. 3,589,250.

(g) The order was awarded to a registered supplier of the Medicines Regulatory Authority who submitted the second lowest price in relation to the procurement of 900,000 vials of Cefuroxime Injection 750mg at a cost of US$ 261,000. Accordingly, although the supplier had rejected the order due to the increase in the price of pharmaceutical raw materials by letter dated 07 August 2023, the successful bidder had not taken action to confiscate the bid security worth Rs. 1,027,800 due to the failure to accept the bid and enter into an agreement.

(h) Out of the 34 selected suppliers invited to bid for the procurement of 3,000 packets of 25kg each of Glucose BP (Monohydrate) at a cost of US$ 84,750, any fax was not sent directly to 26 foreign companies and it was also not possible to invite bids from the previous year's supplier. Accordingly, it was observed that without a proper competition, the prices of the selected bidder had increased by 42 percent compared to the bid prices of the previous supplier.

(i) Although data from 11 suppliers was obtained regarding the procurement of 22,000 kilograms of Sodium Citrate used for the production of Jeevani, bid invitations were sent to only two bidders. Although this raw material can be imported under an Open General License, due to the decision to issue invitations to bids to selected suppliers based on none of registered suppliers, the ability to obtain competitive prices through open market was lost.

(j) Although the order was awarded to the supplier who submitted the lowest price in relation to the procurement of 500 kilograms of Saccharin sodium crystalline at a cost of Rs. 925,000, it had taken 271 days from the time of raw materials were received without taking action to obtain the relevant certificate of analysis in the time of supplied. Accordingly, it was not possible to conduct a final check to see whether 350 kg of Saccharin sodium complied with the relevant specifications until it was used.

(k) Although the General Manager had granted cover approval to purchase 6,500 kilograms of Anhydrous Citric Acid for US$ 6,871.80 based on a proposal from the local representative of the supplier due to a delay in reaching agreement on certain matters included in the contract for the purchase of 6,500 kilograms of Anhydrous Citric Acid, procurement committee approval had not been obtained for that. A performance security has not been obtained in accordance with section 5.4.8 of the Government Procurement Guidelines in relation to this procurement. Furthermore, although the purchase order issued stated that the stock was needed urgently, due to the delivery of the stock after a delay of 52 days from the date of issuance of the purchase order, a delay charges of US$ 687.1 had not been collected from the supplier in accordance with section 10.1 of the agreement.

(l) Although the bidder who submitted the second lowest price was selected for the procurement of 80,000 kilograms of Anhydrous Glucose, that bidder had not submitted samples. Also, although the procurement committee decided to cancel this bid due to increase the price by the selected supplier, due to the bidder failed to accept that bid and enter into the agreement, action had not been taken to confiscate the bid security of Rs. 245,000 in accordance with 2.3.11 of the Government Procurement Guidelines.

(m) Although approval had been given to purchase 7,200 kilograms of Sodium chloride required for Ratmalana manufacturing plant from a previous supplier for US$ 7603.20 (Rs. 2,461,222) in direct purchasing method with indicating the delays in Indian credit scheme, the audit had not been revealed any circumstances that required the r-ordering method or direct purchase method to be followed in relation to this order in accordance with sections 3.5 and 3.6 of the Government Procurement Guidelines. Although this order was purchased from the previous supplier using the direct purchase method, the price was determined to be US$ 0.646 per kilogram higher than the previously determined price. That is a 157 percent price increase per kilogram. Also, more US$ 0.316 was paid per kilogram than the purchase price under the Indian Credit Scheme for this order. Accordingly, the government had to incur a loss of US$ 2275.2 (Rs. 736,502) under direct purchase. However, when the time of this stock was purchased through the direct purchase method at a relatively higher price, the stock imported through the Indian credit scheme had already been received by the warehouse.

(n) The information about the invitations to bids to the selected bidders and submitted bid documents by the bidders and the documents related to the bid opening were not available in the file regarding the purchase of 90,000 packets of Clobetasol Propionate Ointment USP 0.05% 15g at a cost of US$ 16,200. Although there was a situation of zero stock since December 2021, it had taken 101 days from the last date of bidding to send the acceptance letter to the selected supplier. Although the product was labelled as Ointment on the label during the tests conducted based on complaints made by pharmacy customers regarding the stocks provided by the supplier, the laboratory of the corporation had confirmed that this was in cream format. Although a debit note of Rs. 7,893,000 was sent to the supplier based on the quality failures presented by the pharmacies once again after making the relevant payments to the supplier with a decision to release the stock back to pharmacies using the quality reports provided by the manufacturer, the supplier had refused the payment. In a situation of this quality failure stock cannot be sold through pharmacies, the Quality Management Committee had decided to investigate whether there was a possibility of handing over this stock to the Medical Supplies Division. However, it was observed that if the recovery is not made from the supplier, the corporation will have to bear the cost of Rs. 3,255,915 in relation to the 46,407 units of stock remaining in the corporation and the disposal cost of the stock.

(o) The order for the purchase of 120,000 packaging units of Famotidine tablets USP 40 mg was awarded to the supplier who had submitted the lowest price for US$ 58,800 subject to obtaining a certificate of exemption from registration of the National Medicines Regulatory Authority, but it had taken a year from the date of issuance of the indenture to supply the stock. This entire stock, which was supplied delay by the supplier, had been sold in a short period of 6 months. Due to the failure to correctly identify the packaging unit quantity of this medicine and order stock within the specified time, the stock was zero from December 2021 to October 2023 and from May 2024 to 15 November 2024 and sales in those months were also zero.

(p) The lowest bidder was awarded the order for US$ 44,640 during the tender of 48,000 units of Gabapentin Capsules USP 100 mg (10x10) packaging unit. This supplier's registration validity with the National Medicines Regulatory Authority had expired at the time of the order was awarded. Furthermore, this supplier had not supplied the 16,800 packaging units awarded under a previous order and action had been made to re-export 29,962 packaging units, which were previously supplied, as their lifetime was less than 50 percent. Accordingly, due to the order being placed with an unreliable supplier who did not have a valid registration certificate, the medicine could not be procured and it had been taken about 3 years and 6 months for this procurement. However, in such a situation, the next order for 60,000 packaging units was awarded to this same supplier for US$ 57,600 and the supplier was supposed to supply the entire stock by September 2023, but the stock had not been supplied until 03 December 2024. Accordingly, this medicine was purchased from the same supplier from the year 2020 to 2024 and due to non-availability of supplies within the stipulated time, the stock of the medicine was zero on several occasions up to 03 December 2024.

(q) Bids were invited from a direct supplier for the procurement of 72,000 units of Mebendazole Tablets USP 500 mg and the supplier had requested time to make a decision regarding the bid. The Procurement Committee had decided to send the bidding documents to the bidder again after 03 months and the order was awarded for 3,000 units at Rs. 360.60 per unit, after obtaining price confirmation from the suppliers' local representative. Accordingly, it had taken 19 months to make the procurement decision and the supplier had provided the stock with a delay of one month. This item, which is purchased from the same supplier from the year 2020 to 2024, was in the years of 2020,2023 and 2024.

(r) The Departmental Procurement Committee had decided to call direct quotations from the manufacturer through the local representative of Fuji Film regarding the procurement of 1,280,000 units of Film Laser Blue Dry CR, DR, CT, MRT. Although the Procurement Committee had awarded the order to the foreign company Fuji Film for US$ 1,860,480 at US$ 1.4535 per unit, without the consent of the Technical Evaluation Committee, the purchase order was re-issued to local agent upon the request of the local agent to issue local letters of credit for that purpose as 320,000 units were available locally. Although the supplier agreed to deliver the stock quickly, it was observed that the corporation has been giving a long deadline for supplies and it has pointed out a shortage in hospitals and given access to purchase locally. The performance security obtained when purchasing the remaining total stock units from the local supplier had expired and without extending it, an advance of Rs. 53,101,006 or 100 percent had been paid for 80,000 units.

(s) The one and only bidder who submitted a bid for the procurement of 36,000 rolls of Cotton crepe Bandage (7.5cm x 4.5 m) costing US$ 25,920 had not submitted a bi security and the validity period of the bid price was not specified in the submitted bid documents. Also, the supplier had supplied the goods with a delay of one month and the performance security had expired on the date that the goods were released from the port. Although the selling price per unit was determined as Rs. 615 with a clearance cost provided by this bidder, who was a single bidder, and 63 percent profit percentage, it was duplicate the competitive price in the market. It was observed that due to this purchase made without understanding the prevailing market price, if sales continue in the current sales pattern, the corporation will have to incur a loss of Rs. 5,779,134 as at 20 March 2026, when the stock expire.

2.3 Other Matters

(a) When purchasing 13 medicines to be sold in the pharmacies of the State Pharmaceuticals Corporation during the same period of the year under review, due to that the purchase price in the CPU section and the pharmacy was 12 percent to 425 percent higher than the purchase price in the SPC section, it had been incurred an additional cost of Rs. 10,196,335.

(b) Action had been taken without specific methodology in appointing officers to survey the stocks and fixed assets of the corporation as at 31 December of the year under review. Accordingly, the allowances of Rs. 3,461,243 were paid to pharmacy employees, employees of the Ratmalana main warehouse of the manufacturing plant who were not appointed for the survey in addition to the officers appointed for the board of survey for 778 man days.

(c) Due to returned the stocks on the insufficient storage space when the stocks of medicines and surgical items procured by the corporation and supplied to the Medical Supplies Division and sent to the Medical Supplies Division, the corporation had incurred the additional storage cost of Rs. 152,842,047 for that stock and due to refused to accept the stock by the Medical Supplies Division due to deficiencies or lack of documents related to the procurement, the corporation had incurred Rs. 7,913,539 as the cost of storing those stocks in external warehouses from January to July of the year under review.

(d) Although bids were invited from the State Pharmaceuticals Manufacturing Corporation for the procurement of medicines manufactured by the State Pharmaceuticals Manufacturing Corporation to the State Pharmaceuticals Corporation in the years 2023 and 2024, it was observed that there were many instances of non-submission of the bids by the Pharmaceuticals Manufacturing Corporation for the relevant bid due to the reasons such as failure to suit for the changes of the price of medicines, failure to accept medicines within the specified supply time periods, stock the certain medicines and request to increase the life time of quality certificates and medicines when reaching the expiry date and request replacement of expired medicines with new stock. Accordingly, the relevant medicines had to be purchased from other parties at prices higher than prices of the State Pharmaceuticals Manufacturing Corporation. Due to the above mentioned reason, an additional cost of Rs. 159,747,000 had to be incurred for 3 orders in only the year 2023.

(e) The National Health Development Fund had provided US$ 02 million donated by Sri Lanka Cricket to the State Pharmaceuticals Corporation on 19 September 2022 for the procurement of 788,590 Meropenem Injection 1 g and 500 mg vials. Accordingly, after purchasing the medicines, the Corporation had issued debit notes of Rs. 817,114,333 to the Medical Supplies Division and had recovered the invoice value of Rs. 742,826,030 in addition to the 10 percent service charge. Accordingly, it was observed that the Corporation had received money twice for the above supplies. The Sri Lanka Cricket Board also used US$ 500,000 granted to the Corporation through the Health Development Fund in the year 2023 to purchase 18 items of medicines and after purchasing those medicines, an additional amount of Rs. 111,373,924 was obtained through th issuance of debit notes to the Medical Supplies Division.

(f) A late charges of Rs. 1,111,191 had been paid due to the delay in releasing the relevant stock from the port for a purchase order of 15,000 kilograms of Sodium chloride costing to US$ 11,100 or Rs. 4,010,430.

(g) The value of the debit notes issued until 31 December 2024 to recover from the suppliers for the incurred cost for the supply of the quality failure and damage medicines, administrative fees and the expenses to destroy that stocks was Rs. 5,573,638,714, but Rs. 2,996,647,169 out of that had not been recovered until 31 March 2025. It was observed that the recovery of that money was in an uncertain situation due to that among those debit notes, there is an amount of Rs. 1,651,976,520 to be recovered from blacklisted suppliers and an amount of Rs. 279,455,513 to be recovered from suppliers whom last reminder letters have been sent until 31 March 2025.

(h) About 11 pharmacies were lost in the year 2022 and the number of lost pharmacies had increased to 19 pharmacies in the year 2023 and it had increased to 34 pharmacies by the year under review. There are 9 pharmacies that have been lost in the past three years and the number of pharmacies that have been lost in the most recent two years of the 2023 and 2024 is 18. Also, the total loss of the lost pharmacies in the year 2024 is Rs. 84,404,012.

(i) Out of the Rs. 13,437,985 stated as receivable agent commission under current assets in the balance sheet as at 31 December of the year under review, Rs. 13,375,322 was a balance older than 10 years belonging to the years from 2006 to 2011 and out of Rs. 63,077,186 stated as payable agent commission, Rs. 11,657,526 was a balance older than 02 years and the Corporation had not taken sufficient action to settle these old balances.

(j) Out of the balance of the payable bank bills account of Rs. 10,605,483,740 as at the end of the year under review, Rs. 1,215,148,739 had been consisted with outstanding 100 percent letters of credit and retained earnings that were old more than 2 years.

(k) The amount paid to suppliers was Rs. 345,512,946 as at the end of the year under review and it was observed that there were outstanding advances of Rs. 44,718,126 for a period of between 3 and 10 years, including Rs. 36,397,900 given to a private institution that supplied refrigerated containers for Covid vaccines.

(l) Out of the sundry debtors with a balnce of Rs. 12,165,035 as at the end of the year under review, Rs. 5,678,711 were old balances from the period of 1997 to 2016.

(m) During the period from the year 2012 to 2021, 06, 06 and 02 ship guarantees opened by the Bank of Ceylon, Commercial Bank and People's Bank amounting to Rs. 34,391,727, Rs. 31,470,538 and Rs. 266,767 respectively remained unreleased by the end of the year under review.

(n) The procurement for the implementation of the Enterprise Resource Planning System to make the operational and administrative activities of the Corporation more efficient was initiated in the year 2008 and computer equipment items worth Rs. 32,360,230 were purchased in the years 2018 and 2019 to implement this project. Later, the project was abandoned and bids were called for a new proposed ERP system, but due to lack of funds, it was decided to cancel the bid and re-call the bids. However, bids were called for periodically for 16 years from the year 2007 to 2022, but the Corporation failed to achieve that object.

(o) Among the medicines supplied to the pharmacy network of the Corporation, 185 medicine items were in shortage from the year 2022, 2023 and 2024 as 53, 46 and 86 respectively from 1 day to 946 days as at 31 August 2024. Also, out of the medicines available in the Ratmalana warehouse premises, 151 medicines have been identified as fast-moving medicine items and out of those items, 47 medicine items were in a shortage as at 31 August 2024.

(p) Although according to the credit policy of the corporation, debts should be collected from trade debtors within 30 to 45 days from the date of sale, it had not been recovered Rs. 33,691,456 receivables from private, public an semi-government institutions from more than 5 years and Rs. 31,364,446 from a period between 1 and 5 years consisted in the loan balance of Rs. 1,069,146,516 as at 31 December 2024.

(q) It was observed a discrepancy between the marks given by the interview board in the file related to the recruitment of 12 persons for labour positions in the year 2024 and the marks mentioned in the report submitted to the approval of the Board of Directors there has been a change in the procedure for awarding interview board marks submitted with the prepared board of directors' paper. Accordingly, although the Board of Directors had approved the recruitment of 08 officers, it was observed that 04 of those recruited officers were unqualified applicants.

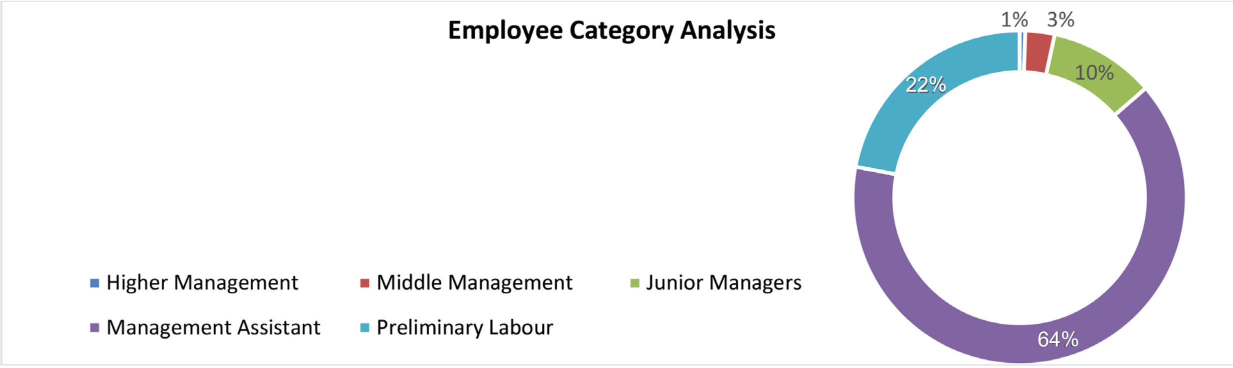
(r) According to the summary report submitted to the interview board of selection of 07 candidates for the position of Management Assistant in the year 2024, some qualified officers were unfairly awarded marks based on the special skills to officers who did not mention any special skills. Accordingly, an officer who had not been given marks for service experience and special skills in the interview held on 30 March 2024 was recruited after being given marks for service experience and special skills in the interview held on 18 July 2024.

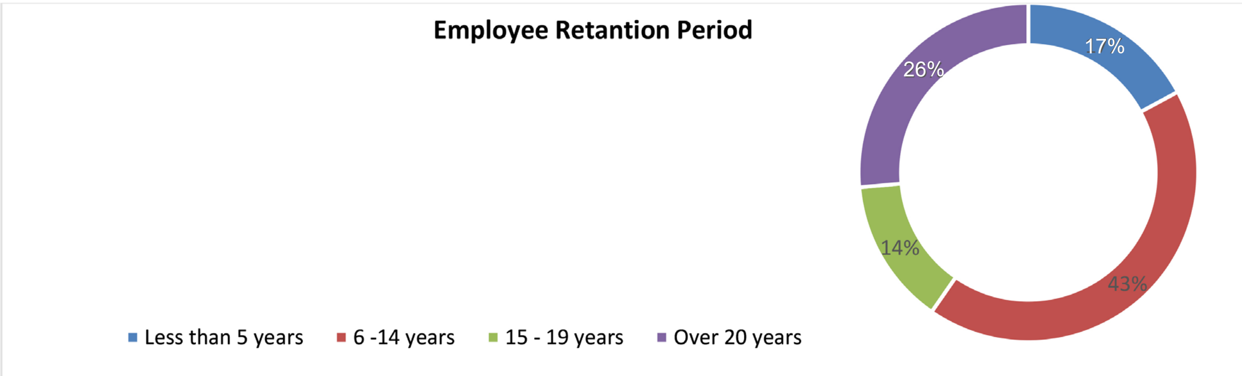
(s) It was observed that two scoring procedures were followed during the interviews conducted on 17, 18 and 19 January 2024 and 10 July 2024 to recruit officers for labour positions in the Corporation. It was observed that unfairness had been inflicted on the applicants by following two different scoring procedures in two interviews conducted for the same position within two months.

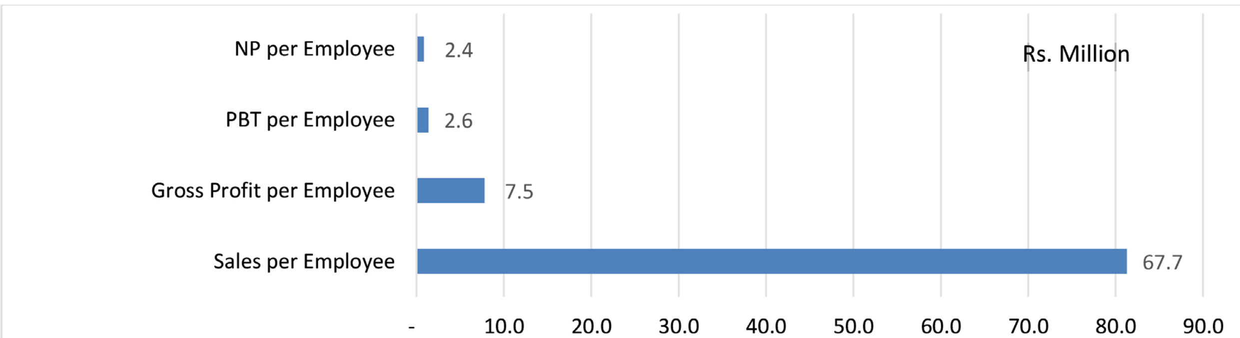
(t) The construction of the Diyathalawa State Pharmacy commenced in the year 2015 and an expenditure of Rs. 9,374,218 had been incurred for it by the end of the year under review and Rs. 3,368,283 from that had been paid as consultancy fees. Although nearly 10 years passed until 02 April 2025, the construction work had not been completed. Furthermore, although nearly 5 years had been spent on the renovation of the Colombo 7 pharmacy building from the year 2019 to 2024 with incurring an expenditure of Rs. 21,268,513, the renovation work had not been completed until now.

G.H.D. Dharmapala
Auditor General (Acting)

Human Resources Analysis







Total number of employees 917

TEN YEAR SUMMARY - INCOME STATEMENT

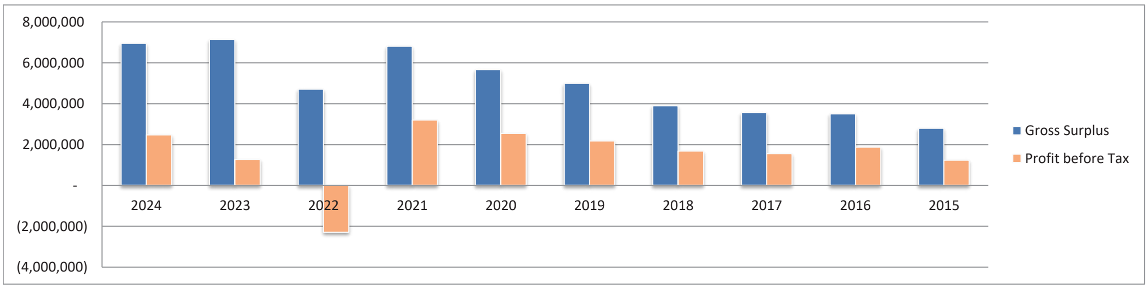
Rs. "000"

Turnover

Description	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Turnover - SPC	11,069,400	11,746,644	9,945,849	9,446,822	8,798,047	8,924,850	7,458,320	6,593,401	6,127,478	5,286,876
Turnover - DHS	51,018,099	62,948,425	40,973,117	70,853,255	54,323,565	42,959,660	31,436,986	25,970,290	26,127,912	19,176,807
Total Turnover	**62,087,499**	**74,695,069**	**50,918,966**	**80,300,077**	**63,121,612**	**51,884,510**	**38,895,306**	**32,563,691**	**32,255,390**	**24,463,683**
Gross Trading Profit - SPC	2,963,156	3,901,069	2,069,584	2,224,536	2,249,676	2,279,155	1,772,559	1,680,368	1,656,938	1,410,722
Gross Surplus - DHS	3,986,181	3,243,417	2,635,384	4,584,027	3,415,072	2,717,507	2,125,052	1,887,026	1,850,650	1,386,731
Gross Surplus	**6,949,337**	**7,144,486**	**4,704,968**	**6,808,563**	**5,664,749**	**4,996,662**	**3,897,611**	**3,567,394**	**3,507,588**	**2,797,453**

Overheads

Other Income	844,337	612,567	107,110	88,531	287,363	91,441	73,072	53,004	43,085	51,259
Administrative Expenses	(2,890,044)	(2,479,525)	(2,068,280)	(1,967,159)	(1,753,834)	(1,619,555)	(1,532,485)	(1,288,183)	(1,101,435)	(1,057,970)
Other Operating Expenses	(678,013)	(727,141)	(1,979,136)	(1,158,052)	(962,078)	(971,096)	(691,967)	(741,459)	(580,843)	(563,357)
Operating Profit	**4,225,617**	**4,550,387**	**764,662**	**3,771,883**	**3,236,200**	**2,497,452**	**1,746,231**	**1,590,756**	**1,868,392**	**1,227,385**
Finance Cost	(18,599)	(15,596)	(13,974)	(10,556)	(10,588)	(10,763)	(1,512)	(1,295)	(1,071)	(1,599)
Overdraft Interest	(1,739,789)	(3,274,891)	(3,052,165)	(569,624)	(686,878)	(317,470)	(67,406)	(35,199)	(5,434)	(734)
Total Overheads	**(5,326,445)**	**(6,497,153)**	**(7,113,555)**	**(3,705,391)**	**(3,413,378)**	**(2,918,884)**	**(2,293,370)**	**(2,066,136)**	**(1,688,783)**	**(1,623,660)**
Finance Income	7,181	7,817	7,643	6,943	6891	6,875	7,436	5,765	5,721	5,086
Profit before Tax	**2,474,411**	**1,267,717**	**(2,293,834)**	**3,198,646**	**2,545,625**	**2,176,094**	**1,684,749**	**1,560,027**	**1,867,608**	**1,230,137**
Taxation	851,004	494,182	(611,992)	782,230	576,401	512,225	756,823	470,595	625,863	610,539
Net Profit for the period	**1,623,407**	**773,535**	**(1,681,842)**	**2,416,416**	**1,969,224**	**1,663,869**	**927,926**	**1,089,432**	**1,241,744**	**619,598**
Defined benefits plan	(224,901)	112,091	86,102	57,438	191,755	(1,926)	30,453	(59,575)	10,049	239,887
Revaluation gain/ Reserve	(300,000)	-	71,351							
Total comprehensive Income	**1,098,506**	**885,626**	**(1,524,389)**	**2,473,854**	**2,160,979**	**1,661,943**	**958,380**	**1,029,856**	**1,251,794**	**859,485**



RATIOS

Gross Profit Ratio - SPC (%)	26.8	33.2	20.8	23.5	25.6	25.5	23.8	25.5	27.0	26.7
Gross Profit Ratio - DHS (%)	7.8	5.2	6.4	6.5	6.3	6.3	6.8	7.3	7.1	7.2
Gross Surplus to Sales (%)	11.2	9.6	9.5	8.4	9.0	9.6	10.0	11.0	10.9	11.4
Annual Sales Growth (%) -SPC	(5.8)	18.1	5.3	7.4	(1.4)	19.7	13.1	7.6	15.9	8.7
Annual Sales Growth (%) -DHS	(19.0)	53.6	(42.2)	30.4	26.5	36.7	21.0	(0.6)	36.2	11.0
Total Sales Growth (%)	(16.9)	46.7	(36.6)	27.2	21.7	33.4	19.4	1.0	31.9	10.5

TEN YEAR SUMMARY - STATEMENT OF FINANCIAL POSITION Rs. "000"

Description	2024 RS.	2023 RS.	2022 RS.	2021 RS.	2020 RS.	2019 RS.	2018 RS.	2017 RS.	2016 RS.	2015 RS.
Contributed Capital & Reserves	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**	**125,117**
Current Assets										
Inventories - SPC	4,479,240	6,919,845	3,189,712	2,396,406	2,751,098	2,802,020	2,754,287	1,798,403	2,009,502	2,364,091
Stocks in Transit - DHS	357,093	2,369,595	40,001	936,743	1,314,756	280,723	286,587	630,130	540,693	788,342
Trade and other receivables	37,801,776	38,801,758	45,650,222	52,164,442	33,682,452	27,299,630	16,319,413	7,901,244	4,521,175	3,051,445
Deposits & Prepayments	101,206	112,379	50,797	41,906	100,917	53,931	61,219	57,979	37,614	33,046
Cash in Hand & at Bank	9,087,580	5,539,030	5,613,777	1,111,457	1,225,358	1,114,223	1,021,185	312,050	244,947	790,525
Total Current Assets	**51,826,895**	**53,742,607**	**54,544,509**	**56,650,954**	**39,074,581**	**31,550,527**	**20,442,691**	**10,699,807**	**7,353,931**	**7,027,449**
Current Liabilities										
Trade and other Payables	14,008,713	17,387,708	19,249,279	16,164,216	16,117,661	16,293,739	10,423,896	3,996,134	2,657,620	3,347,410
Income tax payables	394,181	-	-	1,285,189	475,496	352,117	438,060	337,976	519,770	397,758
Deferred Income	-	-	-	1,471	1,800	1,461	1,345	927	1,103	1,005
Lease Liabilities	32,047	22,921	23,253	21,759	19,870	19,187				
Current Financial Liabilities	19,872,902	18,616,640	15,937,904	15,432,057	55,929	6,310,716	2,639,033	1,361,444	39,703	56,689
Long Term Loans	1,978,933	2,060,544	1,978,933	2,060,544	491,355					
Total Current Liabilities	**36,286,776**	**38,087,813**	**37,189,369**	**34,965,236**	**17,162,111**	**22,977,220**	**13,502,334**	**5,696,481**	**3,218,196**	**3,802,862**
Non Current Assets	2,653,677	2,975,448	2,627,937	2,351,605	2,329,488	2,277,480	2,225,337	2,179,335	2,166,630	2,156,615
Non Current Liabilities	4,299,021	5,901,912	8,004,715	9,904,472	11,908,162	294,459	271,308	264,651	192,213	233,394
Net Assets	**13,894,775**	**12,728,330**	**11,978,362**	**14,132,848**	**12,333,796**	**10,556,328**	**8,894,386**	**6,918,010**	**6,110,152**	**5,147,807**

RATIOS

Fixed Assets Turnover (times)	1:14.4	1:18.15	1:13.89	1:22.91	01:18.3	1:15.42	1:11.82	1:10.0	1:9.96	1:7.6
Current Ratio (times)	1:1.42	1:1.41	1:1.47	1:1.62	1:2.28	1:1.37	1:1.51	1:1.88	1:2.29	1:1.85
Liquidity Ratio (times)	1:1.3	1:1.17	1:1.38	1:1.52	1:2.04	1:1.24	1:1.2.9	1:1.5	1:1.5	1:1.02
Interest Cover (times)	2.39	1.38	0.25	6.45	4.66	7.85	25.99	45.32	344.69	1676.94
Stock Turnover Ratio (times) SPC	1.4	1.6	2.7	2.75	2.36	2.39	2.5	2.58	2.04	2.07

SALES NETWORK

REGISTERED OFFICE		**BUSINESS OFFICE**	
State Pharmaceuticals Corporation of Sri Lanka 75, Sir Baron Jayatillake Mawatha, Colombo 1, Sri Lanka Telephone: 011-2320356 – 9 Fax: 011-2447118 Website: www.spc.lk Email: spc@spc.lk		State Pharmaceuticals Corporation of Sri Lanka 16th floor, "Mehewarapiyasa" Kirula Road, Narahenpita. Telephone: 011-2320356 – 9 Fax: 011-2447118 Website: www.spc.lk Email: spc@spc.lk	
SALES UNIT –Rathmalana	Tel.011-2632288 Fax:011-2632962	**ORS UNIT**–Rathmalana	Tel.011-2622334
MAIN STORES–Rathmalana	Tel.011-2634318 Fax:011-2636715	**KANDY STORES-** Thennekumbura	Tel.081-2240013
Osusala – Akkaripattu	Tel.067-2057625	Osu Sala – K.D.U	Tel.011-2044595
Osusala – Ambalangoda	Tel.091-2210333	Osu Sala – Karapitiya	Tel.091-2226947
Osu Sala – Ampara	Tel.063-2223088	Osu Sala – Kurunegala	Tel.037-2230840
Osu Sala – Anamaduwa	Tel.032-2263999	Osu Sala – Medawachchiya	Tel.025-2121040
Osu Sala – Anuradhapura	Tel.025-2227488	Osu Sala – Maharagama	Tel.011-2745640
Osu Sala – Avissawella	Tel.036-2222501	Osu Sala – Manikhinna	Tel.081-2081198
Osu Sala - Baddegama	Tel.091-2298540	Osu Sala – Matale	Tel.066-2220126
Osu Sala - Badulla (CWE)	Tel.055-2229837	Osu Sala – Matara	Tel.041-2231871
Osu Sala – Badulla Busstand	Tel.055-2224700	Osu Sala – Mathugama	Tel.034-2248861
Osu Sala –Bandaragama	Tel.038-2288671	Osu Sala-Minuwangoda	Tel.011-2295120
Osu Sala – Beruwala	Tel.034-2278578	Osu Sala - Monaragala	Tel.055-2277712
Osu Sala – Bibila	Tel.055-2055877	Osu Sala - Mount Lavinia	Tel.011-2718959
Osu Sala –Borella	Tel.011-2697660	Osu Sala – Nagoda	Tel.034-2222818
Osu Sala - Colombo 1	Tel.011-2328046	Osu Sala – Narahenpita	Tel.011-2055284
Osu Sala - Colombo 7	Tel.011-2694716, 011-2672293	Osu Sala – Negombo	Tel.031-2228599
Osu Sala – Dambulla	Tel.066-2285133	Osu Sala – Ninthavur	Tel.067-2058208
Osu Sala –Diyathalawa	Tel.057-2227190	Osu Sala – Nittambuwa	Tel:033-2053499
Osu Sala – Elpitiya	Tel.091-2299857	Osu Sala – Nugegoda	Tel.011-2856641
Osu Sala – Embilipitiya	Tel.047-2261177	Osu Sala – Nuwaraeliya	Tel.052-2050154
Osu Sala – Fort	Tel.011-2336926	Osu Sala – Panadura	Tel.038-2234767
Osu Sala – Galle	Tel.091-2234726	Osu Sala – Peradeniya	Tel.081-2386045
Osu Sala – Gamapaha	Tel.033-2234516	Osu Sala – Pilimathalawa	Tel.081-2570149
Osu Sala – Hambantota	Tel.047-2222163	Osu Sala – Piliyandala	Tel.011-2613640
Osu Sala – Horana	Tel.034-2205333	Osu Sala – Pitakotte	Tel.011-2099444
Osu Sala – Hikkaduwa	Tel.091-2273978	Osu Sala – Polonnaruwa	Tel.027-2225465
Osu Sala – Homagama	T: 011-2891222	Osu Sala – Potthuvil	Tel.063-2050517
Osu Sala – Ja'pura	Tel.011-2779414	Osu Sala – Ragama	Tel.011-2955219
Osu Sala – Jaffna	Tel.021-2219262	Osu Sala - Ratnapura	Tel.045-2223014
Osu Sala – Kandy	Tel.081-2225175	Osu Sala – Tangalle	Tel.047-2241221
Osu Sala –(Kandy Railway)	Tel.081-2225176	Osu Sala - Wellawatte	Tel.011-2587128

MARKETING & SALES DEPARTMENT - Tel.011-2430778, 011-2328507, 011-2320356-9

"මෙහෙවර පියස", 16 වන මහල, අංක. 41 කිරුළ පාර, කොළඹ 05.
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