



Sri Lanka State Trading (General) Corporation Ltd

**ANNUAL REPORT
2024 - 2025**

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VISION, MISSION, CORPORATE VALUES & CORPORATE GOALS



VISION

To be the National Business Leader



MISSION

To supply all products and services required primarily by the state sector to enhance its operational efficiency. while catering to all other segments, maintaining stakeholder interests with a view of supporting Sri Lanka to become the commercial hub of Asia.



CORPORATE VALUES

- S** - Stewardship
- T** - Transparency & Accountability
- C** - Collaboration & Partnership &
- I** - Integrity & Honesty



CORPORATE GOALS

To earn reasonable earning, contribute towards personnel and carrier development and establish product leadership via specific brands

- Goal 01** : Brand Establishment
- Goal 02** : Product & Service Portfolio Enhancement
- Goal 03** : Supply Chain Operation Improvement
- Goal 04** : Human Resource Development
- Goal 05** : System Implementation

OPERATIONAL GOALS, STRATEGIES & PROGRESS DURING THE YEAR

Operational Goals

- Stabilizing the market through sale of diversified goods and services.
- Represent the reputed and trusted international brands in our country.
- Establishing a reputation through enhancing the revenue and profit of the organization.
- Achieving development targets through provision of state sector needs effectively.
- Initiate actions to fulfill the consumer needs through organizations main products.
- Improving production through continuous attention on the State Policies, Customers and Staff.

Operational Strategies

- Widening customer base & accessibility.
- Increasing products portfolio as per customer requirements.
- Web enabled business management and data management through enterprise resource planning system and procurement approval.
- Active and effective participation in main product categories.

Progress During the Year

Our core business revenue recorded a value of Rs. 8,787 Million. Other operating income during the year under review was Rs. 49 Million. The net profit before tax showed as Rs. 370 Million and total equity increased to Rs. 6,186 Million during the year.

Number of employees of STC at the end of March 2025 was 285 numbers.

We planned to establish our own STC brands in partnership with manufacturing organizations and a range of products are in the pipeline.

CORPORATE INFORMATION

Name of the Company : Sri Lanka State Trading (General) Corporation Limited

Legal form : The name of STC General Trading Co.Ltd was changed to Sri Lanka State Trading General Corporation Ltd.on 01/10/2010 under the Companies Act No.07 of 2007, Lanka General Trading Co.Ltd was enacted previously under the public companies Act 17 of 1982 and prior to that the entity was known as the Sri Lanka State Trading (General) Corporation under the Sri Lanka State Trading Act No.33 of 1970

The Company is adjunct to the Ministry of Trade , Commerce, Food Security and Co-operative Development.

Chairman/Managing Director:

Mr.J.Ravindra Fernando (Joined 08.11.2024)
Mr.Asiri Walisundara (Resigned 25.09.2024)

Board of Directors :

Mr. R.M.W.Banda	(Joined 29.11.2024)
Mr. K.Sathyakumar	(Resigned 29.11.2024)
Ms. J.A.I.A.Perera	(Joined 09.12.2024)
Mrs. G. Dahanayake	(Resigned 31.10.2024)
Mr. L.T.S.Priyantha	(Joined 09.12.2024)
Mr. T.A.D. Ranjith	(Resigned 04.10.2024)
Mr. I.A.Gunawardana	(Joined 09.12.2024)
Mr. C. Peiris	(Resigned 04.10.2024)
Mr. E.S.Mallawarachchi	(Joined 09.12.2024)
Mr. K.R.S. Perera	(Resigned 04.10.2024)
Mr.J.N.Nanayakkara	(Joined 09.12.2024)
Mr.D.A.Hettiarachchi	(Resigned 20.12.2024)

Company Secretary : A W Management Consultants (Pvt) Ltd

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

Bankers : People's Bank
NDB Bank
Sampath Bank
BOC

Registered office : 100, Nawam Mawatha.
Colombo 2, Sri Lanka.
Telephone : +94 112 422341-4, +94 112 440880
Fax : +94 112 447970
Email : lankagen@sitnet.lk
Web : www.stc.lk

Company Registration No : PB 863

No. of Employees : 285 employees had been employed by the company at the year ended.

CHAIRMAN'S MESSAGE

I am pleased to present the Annual Report of the Sri Lanka State Trading (General) Corporation Ltd. (STC) for the financial year 2024/2025.

External Environmental Outlook

The global and domestic economic landscapes continue to evolve, presenting both challenges and opportunities. Sri Lanka has emerged from a period of economic adjustment with growing signs of resilience. The government's prudent fiscal management and strategic policy initiatives have laid a strong foundation for macroeconomic stability, contributing to a more favorable business environment.

At the beginning of 2024, Sri Lanka recorded a national GDP growth rate of 5.3%. This favorable economic environment in the country has contributed significantly to the overall upward momentum of our regular business operations to diversify our product portfolio, expand our customer base and strengthen our operational strategies.

As a key trading organization, STC plays a vital role in supporting the growth of the Sri Lankan economy by enhancing organizational profitability and contributing to the national treasury. We do this by supplying high-quality goods at competitive prices to both public and private sector markets. In alignment with the Government of Sri Lanka's policy direction, STC remains fully committed to the national vision of building "A Thriving Nation, A Beautiful Life" Through strategic initiatives and responsible business practices, we aim to play an active and ongoing role in realizing this long-term aspiration.

Performance Review

During a period when the government has been working to stimulate economic recovery, I am pleased to report that STC achieved a net profit before tax of Rs. 370 million for the financial year 2024/2025. Net profit after tax stood at Rs. 259 million. The company's annual turnover reached Rs. 8,787 million, with a gross profit margin of 10%. Although total turnover recorded a 28% decline compared to the previous year largely due to a drop in activity within the Essential Foods segment under our Special Projects Unit our regular business demonstrated strong performance, increasing by 52% compared to the previous year.

This impressive growth was particularly evident across several business segments including, Chemicals & Allied Products, Household Products, Construction & Hardware, Agricultural Supplies & Machinery, ICT Products and Electrical & Electronics. This progress is the result of accurate and timely decisions by the Line Ministry, the Board of Directors, and the STC management team. Their commitment and foresight were instrumental in navigating through a challenging yet rewarding financial year.

Social Responsibility

STC has consistently fulfilled its role as an importer and distributor of essential food items whenever required by the government, helping ensure market stability and food security. This strategic intervention is especially important during times of supply disruptions or increased demand, when price volatility could affect consumers most. By maintaining a steady supply and controlling prices, STC supports the government's objective of preventing artificial shortages and protecting citizens from sudden, unjustified price hikes.

As of March 31, 2025, STC employed a total staff of 285.

Future Plans – 2025/2026

STC remains focused on sustainable growth and diversification in the upcoming financial year. Key strategic initiatives include:

- **Establishing a Nationwide Dealer Network for Electrical Appliances**

STC aims to build a strong dealer network covering both urban and rural areas. This will help expand our market reach, increase sales volume, and improve customer service delivery reducing our current reliance on government sector sales by tapping into broader consumer and commercial markets.

- **Importation and Distribution of Essential Food Items**

STC will continue to act swiftly in importing and distributing essential food items as and when required by the government to stabilize prices and ensure adequate supply.

- **Enhancing Retail Showroom Performance**

STC operates a network of showrooms across key cities in Sri Lanka. Currently, 80% of showroom revenue is generated through credit sales, with 20% from cash transactions by walk-in customers. To improve cash flow and reduce credit exposure, STC plans to increase the walk-in customer base by 50%.

- **Enhancing Existing Businesses and Expanding the Product Portfolio**

As part of STC's strategic direction for sustainable growth, the Corporation has placed a strong emphasis on enhancing its existing business segments while diversifying and expanding its product portfolio to meet evolving market demands. This approach is central to strengthening STC's competitive edge, increasing profitability, and broadening its market reach.

Appreciation

As we continue working towards the advancement of the organization, I count on the unwavering support of my senior management team and all staff members. I wish to extend my heartfelt appreciation to the Hon. Minister of Trade, Commerce, Food Security, and Co-operative Development for his visionary leadership, and to my fellow members of the Board for their continued guidance and commitment. I also take this opportunity to sincerely thank our bankers and all other stakeholders who have stood by us throughout the financial year. Your trust and support have been integral to our progress, and I look forward to your continued partnership in the years ahead.



J. Ravindra Fernando

Chairman / Managing Director

CHIEF EXECUTIVE OFFICER'S REPORT

For the Financial Year Ended 31 March 2025

The financial year 2024/2025 was a period of focused operational management for the State Trading (General) Corporation Limited (STC), as the Corporation operated in an environment of gradual national economic recovery. Management efforts were directed toward strengthening core trading activities, improving efficiency, and ensuring readiness to support Government interventions when required.

The Corporation recorded a turnover of Rs. 8,787 million and a gross profit of Rs. 897 million during the year. Net profit before tax amounted to Rs. 370 million, while profit after tax stood at Rs. 259 million. Although overall turnover declined due to reduced activity in the Essential Foods segment under Special Projects, regular business operations recorded a strong growth of 52% compared to the previous year, driven by disciplined cost management, improved procurement planning, and enhanced market responsiveness. As at 31 March 2025, the Corporation's net assets stood at Rs. 6,185.75 million, reflecting prudent financial management.

Positive operational performance was recorded across key business segments including Chemicals & Allied Products, Household Products, Construction & Hardware, Agricultural Supplies & Machinery, ICT Products, and Electrical & Electronics. Improved sourcing strategies, closer supplier coordination, and effective inventory control contributed to margin stability and operational continuity.

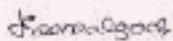
In parallel with regular business operations, STC continued to fulfil its strategic responsibility in supporting national food security and market stability. Acting on Government directives, the Corporation imported and distributed essential commodities such as Rice, Table Eggs, Yellow maize, Udu dhal, and salt, thereby ensuring continuity of supply and mitigating price volatility during periods of market disruption.

Strong internal controls and risk management practices remained integral to operations. Internal audit reviews and Audit Committee oversight supported compliance with statutory and regulatory requirements and sound financial reporting.

Operations were supported by a workforce of 285 employees as at year-end. Management continued to emphasize productivity, accountability, and capacity development to meet operational demands.

Looking ahead, management will focus on enhancing existing business segments, expanding the product portfolio, improving showroom performance, establishing a nationwide dealer network for electrical appliances, and continuing to support Government-led market interventions as required.

I respectfully acknowledge, with sincere appreciation, the leadership of the Chairman and the Board of Directors, the support of the Line Ministry, and the dedication of our employees and stakeholders.



Chamila Iddamalgodha
CEO/GM

DIRECTOR'S REPORT

For the Financial Year Ended 31 March 2025

The Board of Directors of State Trading (General) Corporation Limited (STC) is pleased to present the Annual Report and Audited Financial Statements for the financial year ended 31 March 2025, together with the Auditor's Report thereon. This report is prepared in compliance with the Companies Act No. 07 of 2007 and other applicable statutory and regulatory requirements.

Principal Activities

During the year under review, the Company continued to operate as a state-owned enterprise primarily engaged in the procurement and distribution of goods and services to government institutions and state sector entities. The Company plays a vital role in supporting public sector operations through reliable and cost-effective supply chain management.

In alignment with its public service mandate, the Company also acted as a strategic importer and distributor of key commodities, including rice, table eggs, yellow maize, urad dhal, and salt, in response to Government directives aimed at stabilizing market supply and prices.

Review of Financial Performance

The financial year 2024/2025 was marked by a continued focus on operational efficiency, financial prudence, and enhanced market responsiveness. The summary of financial performance is as follows:

Metric	2024/2025 (Rs. Mn)
Turnover	8,787.08
Gross Profit	897.13
Net Profit Before Tax	370.00

The Company recorded a healthy gross profit margin, underpinned by improved procurement strategies and sales diversification. Profitability was further supported by disciplined cost management and streamlined operations.

Capital Structure & Dividend Declaration

There were no changes to the capital structure of the Company during the financial year. The issued and paid-up capital of the Company remains at Rs. 100 million, comprising 10 million ordinary shares at Rs.10/- each. No new shares were issued during the period under review.

In recognition of the Company's financial performance and to ensure an appropriate return to the shareholder, the Board is pleased to declare a dividend of Rs. 6.25 per share, amounting to Rs. 62.5 million for the financial year ended 31 March 2025.

Net Assets and Impairment Provisions

As at 31 March 2025, the Company's Net Assets stood at Rs. 6,185.75 million, reflecting a stable financial position and sustained value creation.

In line with LKAS 36 – Impairment of Assets, the Company conducted a comprehensive review of its receivables and inventory. Provisions for impairment were made against trade debtors outstanding for more than five years. These will be reversed upon any recoveries, with corresponding adjustments to be reflected in the financial statements of the relevant period.

Governance and Audit Committees

The Audit and Management Committee met four times during the financial year under review. A Treasury representative on the Board continued to serve as the Chairman of the Committee.

The Committee:

- Reviewed and approved the Internal Audit Plan for the year.
- Monitored implementation and compliance with internal controls.
- Evaluated financial reporting processes, audit findings, and risk management practices.

The Internal Audit Department reported progress on audit execution, and necessary corrective actions were undertaken where applicable.

Human Resources

As of 31 March 2025, the Company employed 285 staff, with the following cadre distribution:

Grade	Number of Employees
Higher Management (HM)	6
Middle Management (MM)	8
Junior Management (JM)	14
Other Staff Categories	257

The Company remains committed to building a skilled and motivated workforce through continuous training, capacity development, and performance-based culture.

Corporate Social Responsibility (CSR)

The Company continued to uphold its social obligations by supporting government initiatives related to food security, price stabilization, and accessibility to essential goods across all regions. Through strategic imports and targeted distribution, the Company ensured timely availability of essential commodities to the public.

Risk Management and Internal Controls

The Board recognizes that risk management is integral to achieving the Company's strategic objectives. Key risks, including supply chain disruptions, market price volatility, and regulatory compliance, were actively monitored through robust internal controls and governance structures.

Statutory Auditors

The Auditor General continues to serve as the statutory auditor in accordance with the relevant legislative framework. The financial statements for the year ended 31 March 2025 were audited by the Auditor General, and their report is annexed to this Annual Report.

Acknowledgements

The Board of Directors extends its sincere appreciation to the Government of Sri Lanka and the line Ministry for their continued support and policy guidance, all employees of the Corporation for their dedication and professionalism, and our valued clients and stakeholders for their trust and continued engagement.

The Board remains committed to driving sustainable value creation and maintaining its critical role as a key trading partner to the public sector, while actively seeking to expand its business reach into the private sector.

Signed on behalf of the board of Directors



J Ravindra Fernando
Chairman
State Trading (General) Corporation Limited



R M Wijesinghe Banda
Director
State Trading (General) Corporation Limited

SENIOR MANAGEMENT & HEADS OF DIVISIONS

Senior Management

Chairman/Managing Director
 General Manager
 Deputy General Manager - Marketing
 Deputy General Manager - Finance
 Deputy General Manager - Administration
 Assistant General Manager - Marketing
 Assistant General Manager - Finance
 Assistant General Manager - Administration

Name

Mr. J. Ravindra Fernando
 Mrs. Chamila Iddamalgoda
 Mr. M. N. Mahesh Mendis
 Mrs I.M.D.K.Ilangasinghe
 Mr. Sandaruwan Perera
 Mr. Rasika Epasinghe
 Mr. Chathura Gayan Perera
 Mr. Nirosh Bandara

Head of Divisions

Chemical & Allied Division

Manager

Mr. K.H. Gunawardana

Office Supply Division

Manager

Ms. Nimalka Ranasingha

Household & Recreational Division

Manager

Mrs. Gayan Bogahawatta

ICT Division

Asst. Manager

Mr. Maduka Bandara

Electrical & Electronic Division

Asst. Manager

Mr. K. G. C. Janaka

Agricultural, Machinery & Equipment Division

Manager

Mrs. Madushani Akurugoda

Construction, Hardware & Office furniture

Asst. Manager

Mr. Anurudha Mahesh

Automotive Products division

Asst. Manager

Mr. D. Pradeep Kumara

FMCG Division

Asst. Manager

Mr. D. Pradeep Kumara

SENIOR MANAGEMENT & HEADS OF DIVISIONS

Head of Divisions

Duty Free Shop

Asst. Manager

Name

Mr. K. G. C. Janaka

Procurement Division

Manager

Mr. Dhanushka Pushpakumara

Finance Division

Manager

Mrs. I. K. P. P. Perera

Manager (Actg.)

Mrs. P. R. D. Peiris

Asst. Manager

Miss. M. E. Ilipangamuwa

IT Division

Assistant General Manager - Admin

Mr. Nirosh Bandara

Services & Supply Division

Asst. Manager

Mrs. K. H. Anupama Peiris

Audit Division

Asst. Manager-Internal Audit

Mrs. M. Madusha Amali Dias

Human Resources & Legal Division

Manager

Mrs. Dharshana Pathirana

Branches & Showrooms

01. Nawam Mawatha Showroom

No. 100, Nawam Mawatha , Colombo 02

02. Kurunegala Showroom

No. 243/3/1, Puttalam Road, Kurunegala

03. Kandy Showroom

No. 449, William Gopallawa Mawatha, Kandy

04. Matara Showroom

No. 11, YMCA Building, Station Road, Matara.

05. Anuradhapura Showroom

No. 561-8, 38, 4th Lane, Anuradhapura.

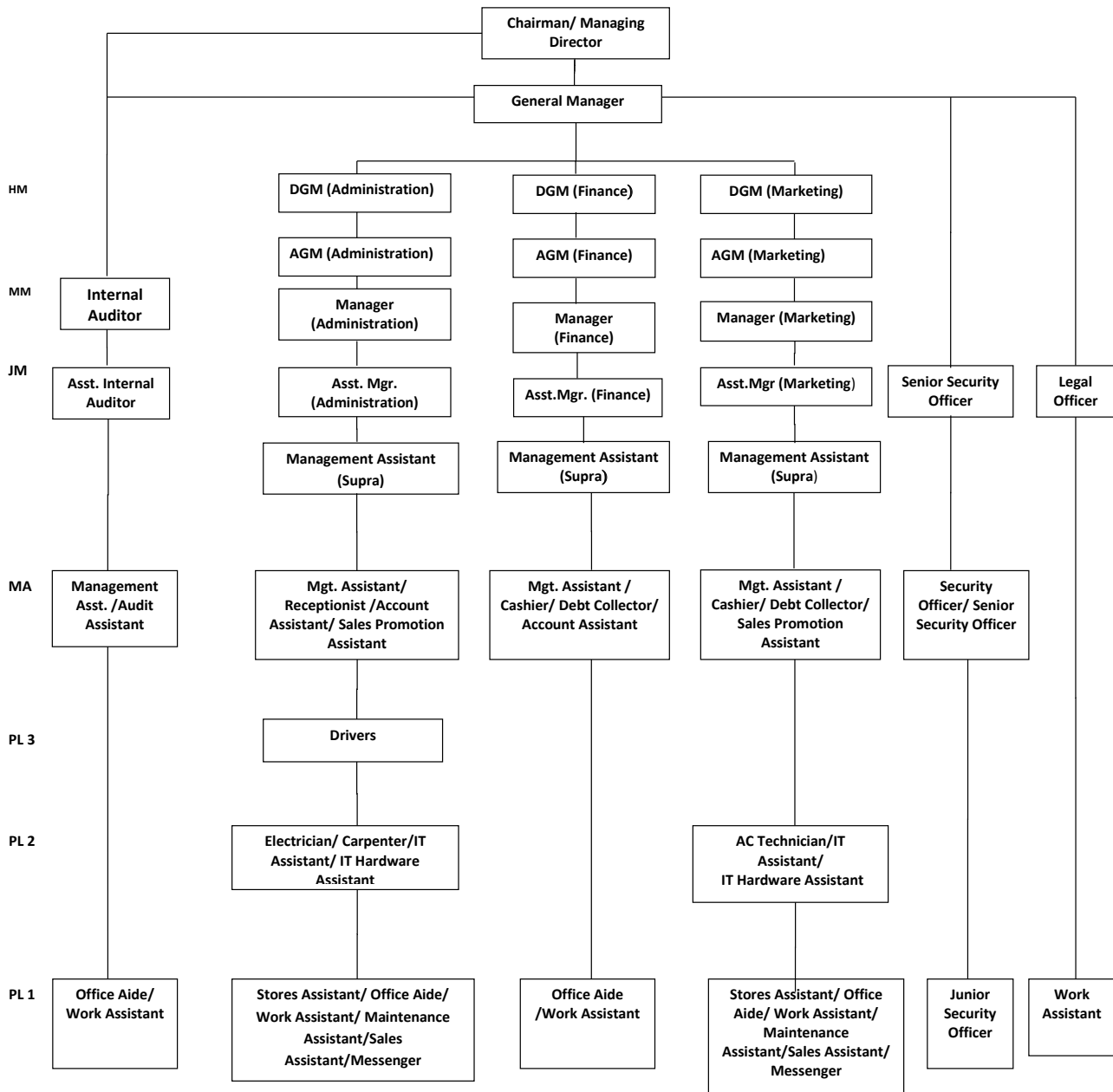
06. Jaffna Showroom

No. 127, MPCS Building, KKS Road, Jaffna.

07. Batticaloa Showroom

No. 32A, 328, New Kalmunai Road, Batticaloa.

ORGANIZATIONAL STRUCTURE



OUR PRODUCT PORTFOLIO

Office Supplies and Equipment

Double A & Other Photocopy Papers, Boards, Papers Books, Files & Folders, Envelops, Office Bags & Brief cases, Pens & Pencils, White Boards & Markers. Scissors, Paper Knives & Paper Shredders, Calculators, Staplers & Punchers, CDs & DVDs, USB Drives and Other Stationeries.



Home Appliances

Aluminum Items, Porcelain Products, Nonstick Kitchenware, All kinds of Cleaning Products, Sports Goods, All kinds of Plastic Products, Cups & Saucers, Cutlery & Crockery. Kettles & Jugs, Racks & Trays, Vacuum Flasks, Water Filters & Purifiers, Pillows, Mattresses & Bed sheets, Rubber, Coir Carpets. Weighting Scales, Raincoats & Umbrellas, Tissues, Paper Serviettes & Other Paper Based Products, Wall Clocks.



IT & Telecommunication Accessories

Laptops, Desktop Computers, Smart Boards, Printers, Fax Machines, Scanners, UPS, Photocopy Machines, Other Computer Accessories.



Electrical & Electronic Accessories

Air Conditioners, KDK Fans, Digital Cameras (Still, Video) & Flashlights, Multimedia Projectors & Screens, Indoor & Outdoor Speakers, Audio Amplifiers, Mixers & Microphones. Generators, Access Control Systems, CCTV Systems Finger Scan Attendance Systems, Bulbs (CFL, Fluorescent) & Emergency Lights, Telephones, Wiring Accessories, Other Electrical Accessories



OUR PRODUCT PORTFOLIO

FMCGs (Fast Moving Consumer Goods)

Homecare Products, Personal Care Products, Food Brands.



Tyres & Vehicle Batteries



Agricultural Equipment, Machinery Tools & Hardware

Barbed Wires, Bush Cutters, Grass Trimmers & Lawn Mowers, Welding Transformers, Kathy & Knives, All types of Power Tools, All types of Hand Tools, Water Pumps, Safety Equipment (Helmets, Gloves & Boots), Forks, Jumpers, Shovels & Rakes, Polythene Sealers, Fogging Machines.



OUR PRODUCT PORTFOLIO

Interior Design & Office Furniture

Steel Furniture (Chairs, Tables, Cupboards, Cabinets, Book Racks) Wooden Furniture (Chairs, Tables, Cupboards, Cabinets, Book Racks) Melamine Furniture (Chairs, Tables, Cupboards, Cabinets, Book Racks).



Chemicals

Industrial Chemicals, Laboratory Chemicals, Specialty Chemicals, Selected Explosive Chemicals.

Duty Free Shop

Facilitate the requirement of the diplomats and diplomatic missions.



Essential Foods

BUSINESS REVIEW

Sales Growth (Rs. Mn)



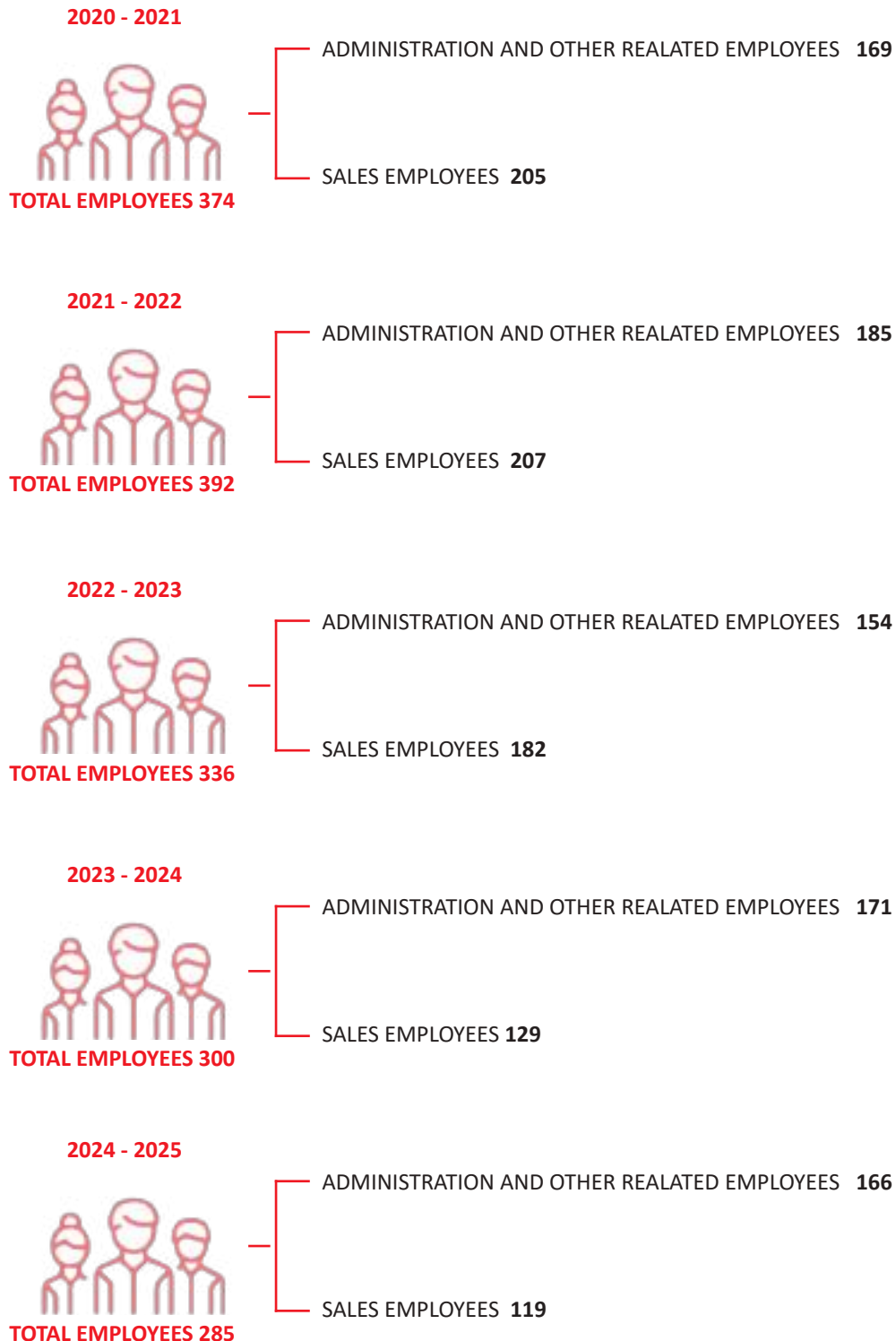
Net Profit (after Tax) Growth (Rs. Mn)



EMPLOYMENT GENERATION

2020 - 2025

Numbers in Employment since 2020/2021 to 2024/2025

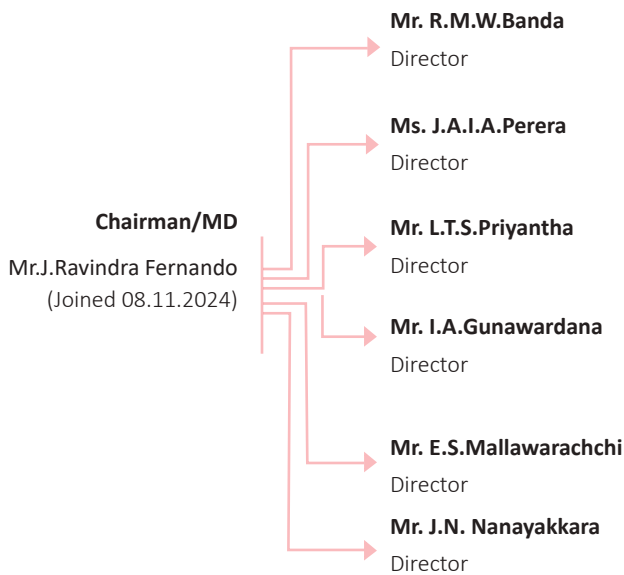


CORPORATE GOVERNANCE

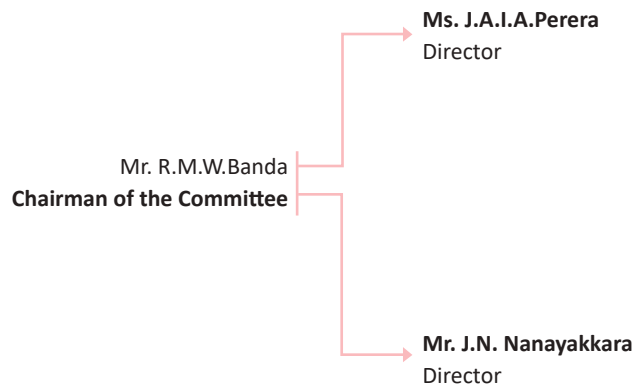
During the past year management of STC strived to rejuvenate governance structure and best business practices. In addition, STC has a separate Internal Audit Division and internal controls are in place to ensure a sound control environment. Further there is a separate Audit & Management Committee which reports to the Board of Directors.

Tender board is in place to monitor and control procurement mechanism in line with the Government procurement procedure.

Board Members



Audit Committee Members



During the year 2024/ 2025, Thirteen (13) Board Meetings and Four (4) Audit Committee meetings have been conducted.

Availability of Business Managing Instruments



- 1) Corporate Plan 2025/2030
- 2) Annual Report 2024/2025
- 3) STC Procurement Procedures
- 4) STC Action Plan
- 5) STC Product Profile
- 6) STC Profile
- 7) STC Credit Sales Policy
- B) STC Stock Control Policy
- 9) STC Approved carder

AUDIT AND MANAGEMENT COMMITTEE REPORT

For the Year Ended 31st March 2025

The Audit and Management Committee of the State Trading (General) Corporation was established by the Board of Directors in accordance with the provisions of the Public Enterprises Circular No. PED/55 to assist the Board in discharging its responsibilities relating to financial reporting, internal control, risk management, and compliance with statutory and regulatory requirements. The Committee works as an independent supervisory body that guarantees the correctness of the financial statements, the efficiency of the internal controls, and the sufficiency of the risk management measures in the Corporation.

During the financial year under review, the composition of the Committee changed as follows,

Period	Name	Designation
From 1st April 2024 to 15th January 2025	Mr. Sathya Kumar	Chairman
	Mrs. Gilma Dahanayaka	Committee Member
	Mr. Dulan Asiri Hettiarachchi	Committee Member
From 15th January 2025	Mr. R.M.W. Banda	Chairman
	Mr. J.N.N. Nanayakkara	Committee Member
	Mrs. J.A.I.A. Perera	Committee Member

The Chief Internal Auditor of the Line Ministry and Superintendent of Audit participated in the meeting as invitees to offer clarifications and updates as required. The Committee had its four meetings of the year, and the recommendations of the Committee based on the discussions were properly submitted to the Board of Directors for the next course of action. The members' attendance and participation were at a satisfactory level, thus, they were a true reflection of the members' commitment to the work of the Committee.

In performing its duties, the Committee reviewed financial statements of the entity for accuracy, comparability, and consistency with Sri Lanka Accounting Standards (SLFRS/LKAS) or any other applicable standards. The Committee discussed significant accounting policies, estimates, and adjustments with the management and the external auditors before recommending approval of the financial statements by the Board.

The Committee particularly emphasized the effectiveness and completeness of internal control and risk management systems. The Committee reviewed internal audit plans, reports, and follow-up actions to determine that weaknesses noted were being addressed in a timely manner by the management. The Committee also reviewed the Internal Audit Division's performance and independence and determined that adequate resources were utilized for the proper functioning of its mandate.

The Committee engaged the external auditor closely to address their plan of audit, scope of work, and significant findings. The observations from the audit, responses from management, and corrective actions were discussed. The Committee also verified the independence and objectivity of the external auditors and recommended as necessary to the Board their reappointment and remuneration.

Compliance with laws, regulations, circulars, and internal policies was a key area of focus for the year. The Committee reviewed the reports on regulatory compliance and ensured there were proper steps being taken by the management to close down any deviations. The Committee emphasized the importance of maintaining high standards of corporate governance, ethical conduct, and transparency in all activities of the Corporation.

During the year, the Committee made several recommendations for improving operational effectiveness, establishing internal controls, and increasing accountability. The Committee believes that its recommendations were duly considered and effected by management. There was self-assessment of the Committee's performance that confirmed that it had effectively fulfilled its responsibilities as set out in its charter.

The Audit and Management Committee wishes to seize the moment of expressing its gratitude to the Board of Directors, management, the Internal Audit Division, and the External Auditors for the support and cooperation received throughout the year.



R.M.W. Banda

Chairman – Audit and Management Committee
State Trading (General) Corporation

FINANCIAL HIGHLIGHTS

	2024 /2025 (Rs. 000 'S)	2023 /2024 (Rs. 000 'S)	Change % ↑ / ↓
Operation			
Turnover	8,787,080	12,132,030	-28%
Earnings before interest & Tax	240,288	1,295,856	-81%
Profit before Taxation	369,999	1,501,215	-75%
Profit after Taxation (Before OCI)	258,897	966,169	-73%
Balance Sheet			
Non Current Assets	4,083,879	4,149,101	-2%
Current Assets	4,375,029	4,469,480	-2%
Current Liabilities	2,023,711	2,258,283	-10%
Non-Current Liabilities	249,450	190,635	31%
Stated Capital & Reserves	6,185,747	6,169,663	0.26%
Cashflow			
Net Cash generated from Operating Activities	223,021	(1,078,218)	-121%
Net Cash Used in Operating Activities	(237,388)	(1,377,136)	-83%
Net Cash generated from Investing Activities	211,304	351,599	-40%
Net Cash generated from Financing Activities	13,884	836,298	-98%
Per Share Data			
Earnings per share	26	97	-73%
Net Assets per Share	619	617	0.26%
Return on Equity (ROE)	12%	44%	-32%
Return on Assets (ROA)	3%	14%	-11%
Key Ratios			
Gross Profit Ratio	10%	16%	-6%
Net Profit (PBT) Ratio	4%	12%	-8%
Quick Ratio	1.39	1.50	-7%
Current Ratio	2.16	1.98	9%
Gearing Ratio	4%	3%	1%

GRAPHICAL VIEW OF FINANCIAL HIGHLIGHTS

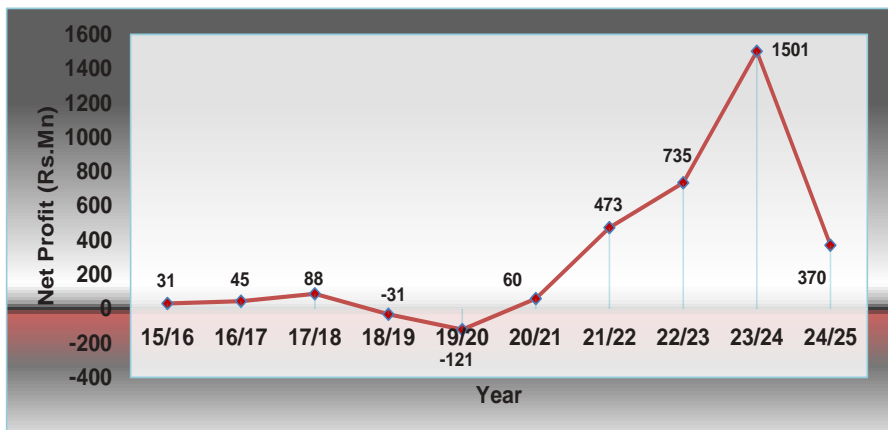
TURNOVER

Year	(Rs.Mn)
15/16	2949
16/17	3749
17/18	4334
18/19	3474
19/20	2454
20/21	2677
21/22	8750
22/23	9417
23/24	12132
24/25	8787



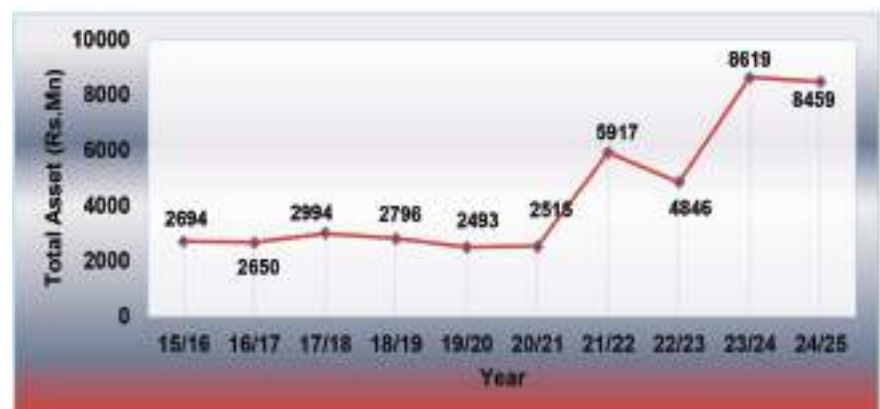
Net Profit Before Tax Growth

Year	(Rs.Mn)
15/16	31
16/17	45
17/18	88
18/19	-31
19/20	-121
20/21	60
21/22	473
22/23	735
23/24	1501
24/25	370



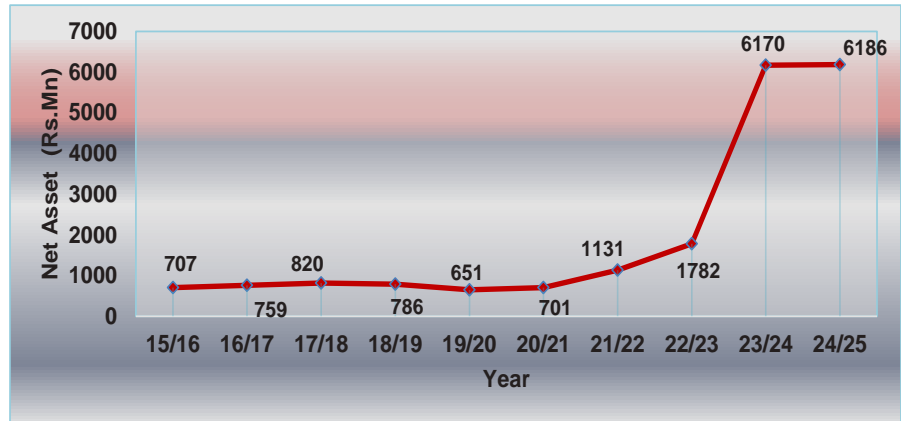
Total Asset

Year	(Rs.Mn)
15/16	2694
16/17	2650
17/18	2994
18/19	2796
19/20	2493
20/21	2515
21/22	5917
22/23	4846
23/24	8619
24/25	8459

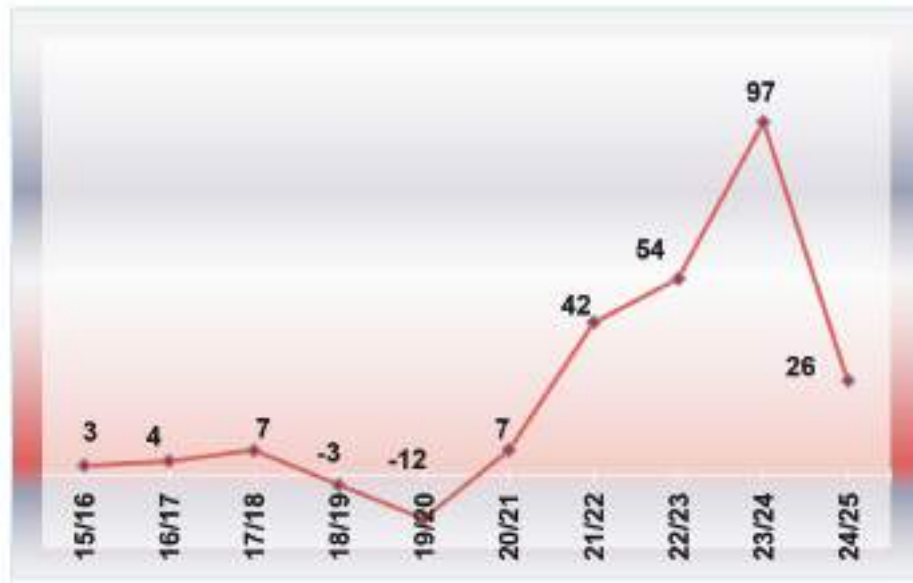


Net Asset

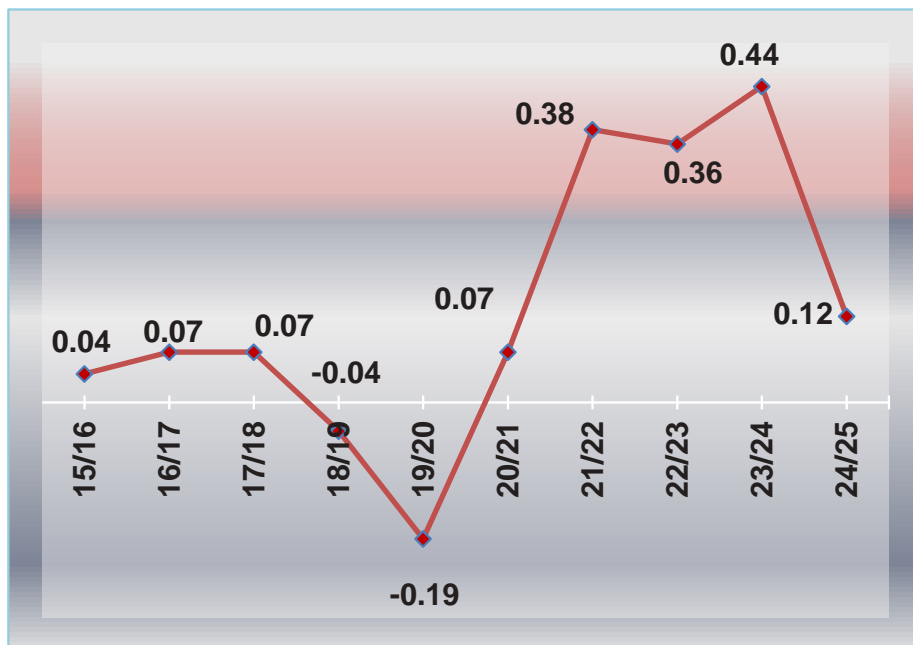
Year	(Rs.Mn)
15/16	707
16/17	759
17/18	820
18/19	786
19/20	651
20/21	701
21/22	1131
22/23	1782
23/24	6170
24/25	6186



EPS (RS)

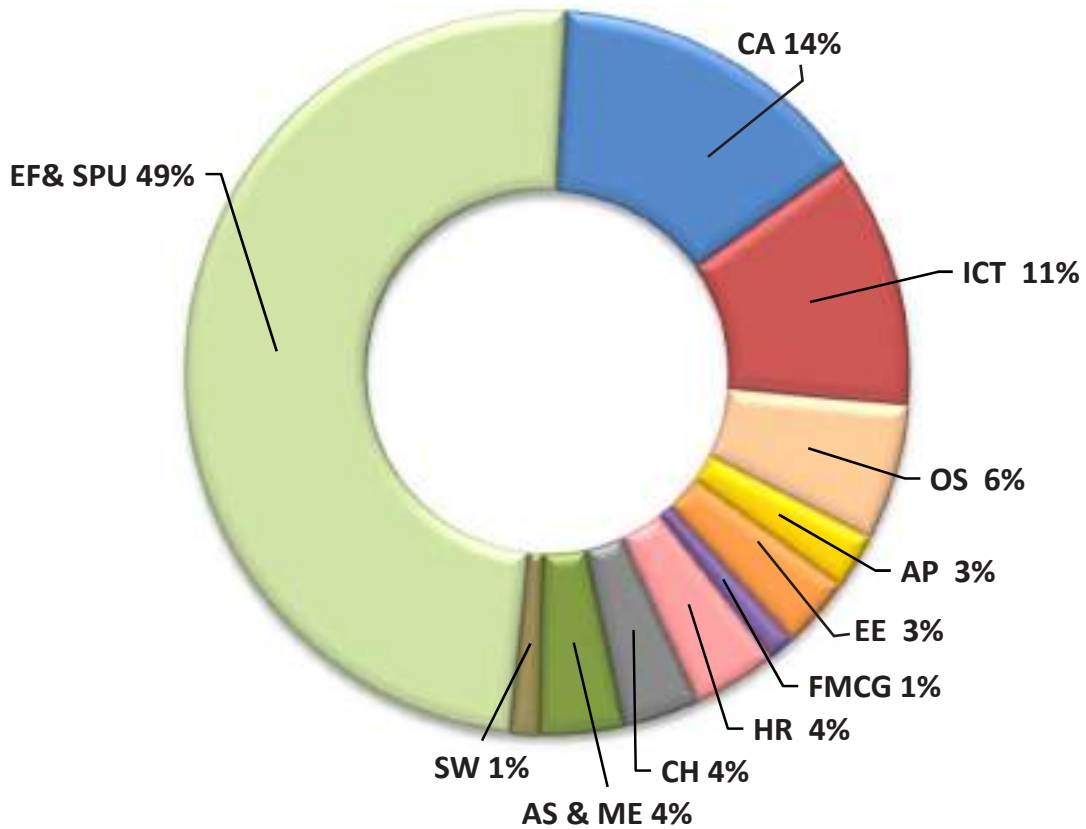


ROE (RS)



TRADING DIVISIONS PERFORMANCE OF STC

REVENUE DRIVERS 2024 - 2025



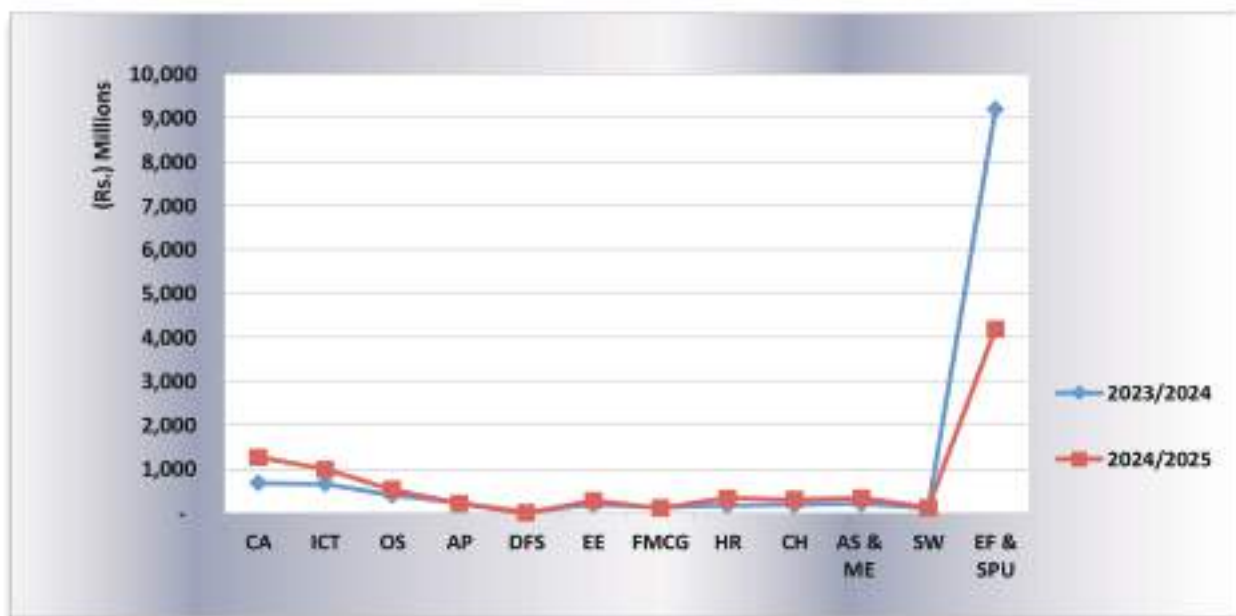
PERFORMANCE OF REVENUE DRIVERS 2024/2025

Division	Sales
Chemical & Allie (CA)	1,263,693,019
ICT Products (ICT)	988,771,257
Office Suppliers (OS)	534,928,051
Automotive Products (AP)	213,870,543
Duty Free Shop (DFS)	1,215,532
Electricals & Electronics (EE)	278,967,805
Fast Moving Consumer Goods (FMCG)	109,009,685
Household Products (HR)	328,282,822
Construction & Hardware (CH)	301,071,664
Agricultural Supplies & Machinery & Equipments (AS & ME)	331,926,152
Swashakthi (SW)	112,259,109
Essential Foods & Special Projects (EF&SPU)	4,323,084,449
Total	8,787,080,088

COMPARISON OF DIVISIONAL PERFORMANCE (2023/2024 – 2024/2025)

Dept	2023/2024	2024/2025	% ↑/↓
CA	678,199,226	1,263,693,019	86%
ICT	660,086,111	988,771,257	50%
OS	393,593,416	534,928,051	36%
AP	229,435,930	213,870,543	-7%
DFS	11,575,579	1,215,532	-89%
EE	185,825,373	278,967,805	50%
FMCG	127,302,765	109,009,685	-14%
HR	167,150,581	328,282,822	96%
CH	175,294,346	301,071,664	72%
AS & ME	198,860,067	331,926,152	67%
SW	103,679,769	112,259,109	8%
EF & SPU	9,201,026,543	4,323,084,449	-55%
Total	12,132,029,706	8,787,080,088	-29%

Divisional Revenue Comparison



AUDITOR GENERAL'S REPORT

My No.: TAC/A/STC/FS/2024/25/39

Your No.:

Date: 31ST October 2025

Chairman ,
State Trading (General) Corporation Limited

Report of the Auditor General on the Financial Statements and on other Legal and Regulatory Requirements of the State Trading (General) Corporation Limited for the year ended 31st March December 2025 in Terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Opinion

The auditing of the Financial Statements of the State Trading (General) Corporation Limited for the year ended 31st March 2025 comprising the statement of financial position, the statement of comprehensive income, the cash flow statement and the statement of changes in equity for the year then ended and notes to the Financial Statements including information pertaining to the significant accounting policies for the year then ended was carried out under my direction in terms of the provisions of the National Audit Act No. 19 of 2018 read in conjunction with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of the provisions of Article 154 (6) of the Constitution.

The opinion held by me is that the company's Financial Statements give a true and fair view of its financial position as at 31st December 2025 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Opinion

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

1.3 Other Information Contained in the Annual Report of the Company for the Year 2024/25

The other information means the information included in the Company's draft Annual Report for 2024/2025 which was obtained by me before the date of this audit report but not included in the Financial Statements and my audit report thereon. The management is responsible for this 'Other Information'.

My opinion on the Financial Statements does not cover the 'other information' and I do not express any form of assurance or opinion thereon.

My responsibility pertaining to my audit of the financial statements is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially inconsistent.

If I conclude that there are material misstatements based on the other information obtained by me before the date of the audit report and based on the tasks I have performed, I am required to communicate that fact. I have nothing to report in this regard.

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

It is the responsibility of the management to prepare the financial statements in accordance with Sri Lanka Accounting Standards, and to determine such internal controls that are necessary to enable the preparation of financial statements that are free from material misstatements, which may be caused due to fraud or error.

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

Those charged with governance are responsible for company's financial reporting process.

As per Section 16(l) of the National Audit Act No. 19 of 2018, the company 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 company.

1.5 Auditor's Responsibilities for the Audit of the Financial statements

My objective is to give a reasonable assurance about that the financial statements as a whole are free from material misstatements due to frauds and 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 if it exists. Material misstatements may occur from individual or collective effect of fraud and error and its magnitude depends on the economic decisions of users made on the basis of these financial statements.

As an element of the audit, I exercised professional judgment and maintained professional skepticism throughout the audit in accordance with Sri Lanka Auditing Standards. I have also,

- Planned and implemented timely and appropriate audit procedures to identify and assess the risks of material misstatements that may occur in the financial statements, whether due to fraud or error in finding a basis for my stated audit opinion. The effect 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 controls.
- Obtained an understanding of internal control in order to design audit procedures that are appropriate in the circumstances, though not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluated the appropriateness of accounting policies used, the reasonableness of accounting estimates, and related disclosures made by the management.

- Concluded on the appropriateness of the use of the going-concern basis for accounting and based on the audit evidence obtained on whether a material uncertainty exists on the continuity of the company owing to the events or conditions. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. However, the status of going concern may cease to continue due to future events or circumstances.
- Evaluated the overall presentation of the Financial Statements including the disclosures and the fair inclusion of the transactions and events underlying the structure and the content of the financial statements.

I inform those charged with governance on significant audit findings, including any significant internal control deficiencies and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act No. 19 of 2018 and the Companies Act No. 7 of 2007 contain specific provisions for the following requirements.

- 2.1.1 I obtained all the information and explanations that are required for the audit as per the requirement of Section 163(2) of the Companies Act No. 7 of 2007 and Section 12 (a) of the National Audit Act, No.19 of 2018 and as far as appearing from my examination, proper accounting records have been kept by the company.
- 2.1.2 The financial statements presented are consistent with the those in the preceding year as per the requirement of section 6 (l) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 The financial statements presented include all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018.

2.2 Based on the procedures followed and evidence obtained and being confined to the material facts, nothing has come to my attention to state the following : —

- 2.2.1 that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal business as per the requirement of section 12 (d) of the National Audit Act No. 19 2018.
- 2.2.2 that the Board has not complied with any applicable written law, or general and special directions issued by the governing body of the Board as per the requirement of the National Audit Act, No. 19 of 2018 except for the following observations : —

REFERENCE TO THE LAW, RULE OR DIRECTIVE	NON-COMPLIANCE
(a) Section 40(1) of the National Audit Act No. 19 of 2018	Although the post of Internal Auditor remained vacant since 12th November 2020, action had not been taken to fill it.
(b) Public Enterprise Circular No. PED 1/2015 dated 25th May 2015 and the letter No. PED/S/STC/03/11(i) dated 5th October 2023 by the Director General of the Public Enterprise Department.	Contrary to the provisions of the Circular and the methodology approved by the Director General of the Public Enterprises, 30 officers who were not entitled for official vehicles and 02 officers recruited on contract basis had been paid Rs. 2,820,000 and Rs. 60,000 respectively as transport allowances in the year under review.
(c) Public Enterprise Circular No. No. PED 08/2022 dated 21st December 2022.	In paying allowances to employees based on the days of leave left unused, Rs. 9,497,982 had been paid by treating the number of days of leave that can be obtained in a year as 42 rather than 21 in calculating the leave to which workers are entitled, contrary to the provisions of Shop and Office Employees Act No. 19 of 1954.
d) Paragraph 1.3 of the Public Enterprise Circular No. PED 03/2024 dated 23rd December 2024	Although public enterprises which have not paid a minimum of 30 % of the post-taxation profit to the consolidated fund as dividend are not entitled to pay bonus to employees based on the profit-making status of a public enterprise despite having earned a profit in the year 2023/2024, the company had paid bonuses amounting to Rs. 5,180,000 to 259 employees for the period while paying only about 16 % of the profit earned during the year 2023/2024.
(e) Operational Manual for the public enterprises published by the Public Enterprise Circular No. PED 01/2021 dated 16th November 2021—	
(i) Paragraph 3.2(i)	Rs. 8,815,474 had been paid to employees as reimbursement of medical expenses without Treasury approval.
(ii) Paragraph 6.7	Although an annual survey should be conducted on fixed assets, physical verification had not been conducted after the year 2017 on fixed assets amounting to Rs. 4,405,033,179 existing as at the final day of the year under review.
(f) Paragraph 5.1 of the Public Enterprise Circular No. 01/2024 dated 28th February 2024	Although funds of the company should not be used for workers' welfare societies and other welfare activities, Rs. 806,500 had been spent on activities similar to welfare on 8 occasions during the year under review.

2.2.3 That action inconsistent with the powers, duties and functions of the company had been undertaken, as per the requirement laid down in Section 12 (g) of the National Audit Act No. 19 of 2018.

2.2.4 That the resources of the Board had not been procured according to the rules during the period and used frugally, efficiently and effectively, as per the requirement laid down in Section 12 (g) of the National Audit Act No. 19 of 2018, apart from the following observation :—

- (a) Although it is the Secretary to the Ministry who should appoint the Procurement Committee as per Paragraph 2.7.5 of the Procurement Guidelines, the Departmental Procurement Committee of the company had been appointed by the Chairman and a Senior Assistant Secretary or a Director of the same level had not been appointed as a member of the Committee concerned.

2.3 Other Matters

- (a) Contributions had been made to the Employees Provident Fund where an amount equivalent to 10% of the total earnings of the company's employees were contributed by the employees and an amount equivalent to 15% was contributed by the company. The approval of the Board of Directors obtained for paying 3% over and above the maximum of 12% had not been presented to the audit. Accordingly, the value of the 3% contribution to the Employees Provident Fund paid during the year under review in excess of 12% without authorization amounted to Rs. 4,806,084.
- (b) The trade debtors balance amounting to Rs. 1,436,998,718 contained a balance of Rs. 181,345,597 that had exceeded 5 years and the debtor balance of Rs. 73,002,772 in it which should be recovered from the SaumyamoorthyThondaman Foundation amounted to around 40 % of the total debtor balances older than 5 years. In addition, action had not been taken to recover a sum of Rs. 14,125,955 included in the other receivables, which had been existing for periods varying from 3 to 13 years.
- (c) According to the internal audit report dated 19th May 2025, out of the stocks existing in duty-free shops as at 22nd March 2025, stocks worth Rs. 1,089,556 had been confirmed as damaged stocks and stocks worth Rs. 13,884,042 had been confirmed to be unsalable. Action had not been taken to conduct formal inquiries regarding the stocks concerned and identify the reasons for the damages and the parties responsible for the damages even as at the last day of the year under review.
- (d) The approval to make direct purchases on one calling of quotations by the company given in terms of the Cabinet Decision dated 4th June 2024 bearing No. CP 106/604/0989/24 had terminated on 30th July 2025 and action had not been taken to extend the time again.
- (e) A time analysis had not been prepared about the other payable balances amounting to Rs. 372,005,293 as at December 31st of the year under review and the balance contained a balance of Rs. 16,171,233 which had existed unchanged for a long time. however, action had not been taken to settle those payable balances.
- (f) Although the Q Shop showroom had been constructed spending Rs. 2,245,320 in the Accounting Year 2023/2024, no income had been earned.
- (g) No rent agreement had been signed for the warehouse premises bearing No. 07 at the Dedicated Economic Centre at Narahenpita, which had been obtained by the company on rent, and the warehouse premises had been renovated by the company spending Rs. 63 million during the year under review.
- (h) A sum of Rs. 3,220,465 had been overpaid by the company because of incorporating the cost of living allowance as well in calculating the holiday pay of 202 employees although the cost of living allowance should not be taken into account in calculating overtime payments and holiday pay.

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

SPECIAL EVENTS 2024/2025



AWRUDU UDANAYA



PUBLIC SERVICE CHALLENGE TROPHY



BLOOD DONATION CAMPAIGN



CHRISTMAS CAROLS



SALES PROMOTION PROGRAMMES



WESAK DANSAL



SPECIAL TRAINING EVENTS & GET TOGETHERS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2025

	Notes	2024/2025 Rs.	2023/2024 Rs.
Revenue	03	8,787,080,088	12,132,029,706
Cost of Sales		(7,889,946,925)	(10,164,817,761)
Gross Profit		897,133,163	1,967,211,946
Other Operating Income	04	48,759,475	57,275,265
		945,892,638	2,024,487,211
Distribution Expenses	05	206,827,950	221,093,107
Administration Expenses	06	498,777,151	507,538,260
		705,605,101	728,631,367
Earnings Before Interest & Tax		240,287,536	1,295,855,843
Finance Income	07A	172,798,513	272,189,109
Finance Income Expenses	07B	43,087,172	66,830,005
Profit Before Taxation		369,998,877	1,501,214,947
Taxation	08	(111,102,304)	(535,046,293)
Net Profit / (Loss) For the Year		258,896,573	966,168,654
Other Comprehensive Income			
Actuarial Gain / (Loss) on employee benefits		(13,404,492)	(2,280,886)
Tax on Other Comprehensive Income		(4,021,347)	(684,266)
Revaluation Gain on Assets		-	3,615,021,486
Other Comprehensive Income / (Loss) - Net of Tax		(17,425,839)	3,612,056,334
Total Comprehensive Income / (Loss) for the Year - Net of Tax		241,470,734	4,578,224,988
Basic Earnings per Share	09	26	97

The Accounting Policies and Explanatory Notes Form an integral part of these Financial Statements
(Figures in brackets indicate deductions)

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2025

	Notes	2024/2025 Rs.	2023/2024 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	10	4,062,345,363	4,123,444,204
Intangible Assets	10A	5,134,969	8,025,000
Investments in Shares	11	20	20
Loans Given to Employees	12A	16,398,546	17,632,082
Total Non Current Assets		4,083,878,898	4,149,101,306
Current Assets			
Inventories	13	1,565,287,003	1,089,692,167
Trade & Other Receivables	14	1,581,965,526	1,922,987,431
Loans Given to Employees- Current Maturity	12A	8,100,152	7,523,887
Short Term Investment in Fixed Deposits		1,179,701,397	1,358,308,950
Short Term Investment- Build up Margin-Peoples Bank		18,477,015	18,688,366
Short Term Investment- Build up Margin-NDB Bank		4,911,359	3,112,145
Cash & Cash Equivalents	15	16,586,413	69,166,814
Total Current Assets		4,375,028,867	4,469,479,759
Total Assets		8,458,907,766	8,618,581,066
EQUITY & LIABILITIES			
Capital & Reserves			
Stated Capital 10,000,000 Ordinary Shares Rs. 10/- each		100,000,000	100,000,000
General Reserves		45,607,646	45,607,646
Revaluation Reserves		3,969,829,684	3,969,829,684
Other Reserves		(50,601,004)	(33,175,165)
Retained Earnings		2,120,910,352	2,087,400,340
Total Equity		6,185,746,679	6,169,662,506
Non-Current Liabilities			
Retirement Benefit obligation	16	54,023,776	40,446,241
Net Deferred Tax Liabilities	17	18,150,392	30,437,267
Government Grants Deffered Income A/C	21	95,314,139	119,751,820
Deemed VAT Payable	22	81,962,048	-
Total Non-Current Liabilities		249,450,354	190,635,329
Current Liabilities			
Short Term Borrowings	18	681,590,754	791,639,266
Trade & Other Payables	19	952,451,804	1,115,772,679
Bank Overdrafts	20	310,490,939	350,871,279
Deemed VAT Payable	22	79,177,229	-
Total Current Liabilities		2,023,710,726	2,258,283,224
Total Equity & Liabilities		8,458,907,766	8,618,581,066

These Financial Statements are in Compliance with the requirements of the Companies Act No.07 of 2007.


Chathura Dayaratne
 AGM Finance


Chamila Iddamalagoda
 General Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved & Signed for and on behalf of the Board of Directors of Sri Lanka State Trading (General) Corporation Limited.


Ravindra Fernando
 Chairman


R.M.Wijesinghe Banda
 Director

The Accounting Policies and Explanatory Notes form an integral part of these Financial Statements.
 (Figures in brackets indicate deductions.)

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST MARCH 2025

	Stated Capital	Revaluation Reserves	General Reserves	Other Reserves	Retained Profit/(Loss)	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2023	100,000,000	354,808,198	45,607,646	(30,210,013)	1,312,041,000	1,782,246,831
Net Profit / (Loss) for the year	-	-	-	-	966,168,654	966,168,654
Net of actuarial Gain / (Loss)	-	-	-	(2,965,152)	-	(2,965,152)
on Retirement Benefit Obligations & Net of Tax	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	(809,314)	(809,314)
Revaluation During the Year	-	3,615,021,486	-	-	-	3,615,021,486
Dividend Payments- Prior Years	-	-	-	-	(87,500,000)	(87,500,000)
Dividend Payments- Current Year	-	-	-	-	(102,500,000)	(102,500,000)
Balance as at 31st March 2024	100,000,000	3,969,829,684	45,607,646	(33,175,165)	2,087,400,340	6,169,662,505
Balance as at 01st April 2024	100,000,000	3,969,829,684	45,607,646	(33,175,165)	2,087,400,340	6,169,662,507
Net Profit / (Loss) for the year	-	-	-	-	258,896,573	258,896,573
Net of actuarial Gain / (Loss)	-	-	-	(17,425,839)	-	(17,425,839)
on Retirement Benefit Obligations & Net of Tax	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	(6,747,285)	(6,747,285)
Provision for Proposed Dividend - Prior Year	-	-	-	-	(47,500,000)	(47,500,000)
Dividend Payment- Current Year	-	-	-	-	(10,000,000)	(10,000,000)
Deemed VAT Expenses – Prior Year	-	-	-	-	(161,139,276)	(161,139,276)
Balance as at 31st March 2025	100,000,000	3,969,829,684	45,607,646	(50,601,004)	2,120,910,352	6,185,746,679

The Accounting Policies and Explanatory Notes Form an integral part of these Financial Statements
(Figures in brackets indicate deductions)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2025

	2024/2025	2023/2024
	Rs.	Rs.
Cash Flow from Operating Activities		
Net Profit Before Taxation	369,998,877	1,501,214,947
Adjustments for		
Depreciation / Amortization	84,877,520	71,820,585
Interest Income	(169,754,831)	(272,189,109)
Government Grants Deferred Income	(24,437,682)	(24,437,682)
Trust Receipt Loan & Overdraft Interest	43,087,172	66,830,005
Provision for Deemed VAT	(161,139,276)	-
Proposed Dividends	(47,500,000)	-
Disposal Profit / (Loss) of PPE	1,521,628	-
Stocks & Debts Written Off	-	503,478
Impairment of Debtors	3,250,185	68,461,383
Impairment of Stocks	2,386,465	(13,893,794)
Provision for Retirement Benefit Obligations	6,414,775	11,918,676
Prior Year Adjustments	(6,747,285)	(809,314)
Operating Profit Before Working Capital Changes	101,957,549	1,409,419,176
(Increase) / Decrease in Inventories	(477,981,301)	391,391,002
(Increase) / Decrease in Trade Debtors	273,811,853	(996,505,576)
Increase / (Decrease) in Government Grants Deferred Income	-	(24,437,682)
Increase / (Decrease) in Deemed VAT Payable	161,139,276	-
(Increase) / Decrease in Staff Loans Given	657,269	-
Increase / (Decrease) in Trade & Other Payables	163,436,824	(1,858,084,916)
Cash Generated From Operations	223,021,469	(1,078,217,996)
WHT Paid	(11,854,014)	(18,196,251)
Income Tax Paid	(442,314,209)	(272,724,531)
Gratuity Paid	(6,241,733)	(7,997,040)
Net Cash Used in Operating Activities	(237,388,486)	(1,377,135,818)
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	(23,890,277)	(12,326,955)
Disposal Proceeds Received	1,480,000	-
Interest Received from Short Term Investments	233,714,698	363,925,785
Net Cash from Investing Activities	211,304,421	351,598,830
Cash Flows from Financing Activities		
Net (Investments) / Realization in Fixed Deposits	178,607,552	310,391,050
Short Term Investment - Build up Margin - Peoples Bank	211,351	6,578,561
Short Term Investment - Build up Margin - NDB Bank	(1,799,214)	(1,880,745)
Net of Loan Repayments & Proceeds	(110,048,512)	778,039,266
Trust Receipt Loan & Overdraft Interest Paid	(43,087,172)	(66,830,005)
Dividends Paid	(10,000,000)	(190,000,000)
Net Cash from Financing Activities	13,884,005	836,298,128
Net Increase / (Decrease) in Cash & Cash Equivalents	(12,200,061)	(189,238,860)
Cash & Cash Equivalents at the beginning of the year	(281,704,465)	(92,465,605)
Cash & Cash Equivalents at the End of the year - (Note A)	(293,904,526)	(281,704,465)

Sri Lanka State Trading (General) Corporation Ltd

Note A - Analysis of Cash & Cash Equivalents

	As at 31.03.2025 Rs.	As at 31.03.2024 Rs.
Cash at Bank		
BOC (A/C No 8859546)	270,158	270,158
Sampath Bank (A/C No 000930000337)	98,913	1,218,404
Sampath Bank DFS (A/C No 002930006974)	8,140	508,313
BOC (A/C No 1060)	-	681,790
People's Bank - Kurunegala	2,065,577	1,011,200
People's Bank - Matara	1,669,667	2,425,851
People's Bank - Kandy	2,067,648	1,824,267
People's Bank - Kalmunai	1,000,000	3,110,331
NDB (A/C- 101000160408)	102,123	235,845
People's Bank - Rice 004 1 001 8 0206579	317,929	377,929
People's Bank - Rice 004 1 002 7 0206579	10,851	51,951
National Savings Bank	26,919	26,204
Cash in Hand		
Petty Cash Imprest	675,255	643,586
Cash in Hand	8,273,235	56,780,985
Bank Overdrafts		
People's Bank (A/C No- 004100120210918)	(115,101,831)	(350,871,279)
BOC - A/C No.1060	(195,389,109)	-
	(293,904,526)	(281,704,465)

The Accounting Policies and Explanatory Notes Form an integral part of these Financial Statements
(Figures in brackets indicate deductions)

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

1. GENERAL INFORMATION

Sri Lanka State Trading (General) Corporation Ltd is a limited liability Company, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 100, Nawam Mawatha, Colombo 02.

The Company primarily involved in operating a trading business and is a Procurement agent for government institutions.

The staff strength of the company as at 31st March 2025 was 285. (2023/24 – 300).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards (SLFRS/ LKAS) as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007.

2.1.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- (a) Defined benefit obligations are measured at its present value, based on the projected unit credit method prescribed in Sri Lanka Accounting Standard 19.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of trading.

2.1.3 Comparative Information

The previous year figures and phrases have been reclassified whenever necessary to conform to current year presentation.

2.1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with SLFRS / LKAS requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in notes;

Note 16–Retirement Benefit Obligations

No adjustments are made for inflationary factors affecting these Financial Statements.

Appropriate significant policies are explained in succeeding notes.

2.1.5 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sri Lanka Rupees (LKR), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. Monetary assets and liabilities balances are translated at year end exchange rate.

2.2 Assets and the basis of their valuation

2.2.1 Property, plant and equipment

2.2.2 Recognition and Measurement

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Carrying amounts of property plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Land and Buildings are accounted on the basis of revaluation done in 2024. Any increases in the carrying amount is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve of equity. Land and buildings will be measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss

or at the revaluation whenever necessary. The revaluation has been done in 2024 and the values have been stated accordingly.

2.2.3 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.2.4 De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized within other income in profit or loss.

2.2.5 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of

the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives and rates of depreciation for the current and comparative periods are as follows:

Building	7.5%
Motor Vehicles	20%
Equipment	10%
Furniture & Fittings	10%
Computer	33.33%
Showroom Equipment	20%

Leasehold Building-

Over the lease period or building depreciable period whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.2.6 Intangible assets

The computer software system was revalued at the end of 2022/2023. The future useful time of the software system has been estimated as 3 years. Based on the useful life, the depreciation rate is assumed as follows,

Computer Software 33.33%

2.2.7 Financial assets classification

The Company classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

During the reporting period and as at the reporting date the Company did not have financial asset classified as fair value through profit or loss, available for sale and held to maturity. All financial assets are initially recognized at fair value plus transaction cost.

2.2.8 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprises of 'trade and other receivables' and 'cash and cash equivalents' in the statements of financial position. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

'Loans and receivables are subsequently carried at amortized cost using the effective interest method.

2.2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.2.10 Impairment of financial assets**Assets carried at amortized cost**

The Company assesses at the end of each reporting period whether there is an objective evidence that a financial asset

or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. "For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement."

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating),

the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

2.2.11 Impairment of non - financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2.2.12 Inventories

- I Inventories are stated at the lower of cost or net realizable value. Cost is determined by the Weighted Average method, Net realizable value is the estimate of the selling price in the ordinary course of business less the cost of completion and selling expenses. Physical verification has been carried out for the financial year end and damaged stock items have been identified and net realizable value accounted.

Stocks purchased over one year has been taken after providing an impairment provision of 5% of the total cost. Stocks purchases within one year has been taken at cost as the market price levels are higher than the cost prices.

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

II The amount of inventories recognized as cost of sales in the Profit and loss during the year is Rs.7,889,946,925

III A provision for impairment of inventory is established on the basis of collective impairment of 5 % for inventories, that are more than 1 year and damaged stock items have been included in full when there is objective evidence that the Company will not be able to realize amounts stated in the inventory.

(iv) Assets Pledged as Collateral**1. Policy Statement:**

Assets that have been pledged as collateral for credit facilities are disclosed in the financial statements. The types of assets pledged, the carrying amounts, and the corresponding credit facilities are specified to provide clarity on the entity's financial commitments and risks.

2. Disclosure:

The following assets have been mortgaged to financial institutions for obtaining credit facilities:

a) Inventory

Name of Bank	Mortgage Amount
Sampath Bank	Rs.114, 000,000
NDB Bank	Rs. 130, 000,000

b) Fixed deposit & Build up Margin**i) Fixed Deposits**

Name of Bank	Mortgage Amount
People's bank	Rs. 1,019,100,000

II) Build up Margin

Name of Bank	Mortgage Amount
People's bank	Rs. 18, 477,015
National Development Bank	Rs. 4, 911,359

**c) Land : No. 274 ,
Sri Jayawardanapura Mawatha,
Rajagiriya.**

Name of Bank	Mortgage Amount
BOC Bank	Rs. 700,000,000

d) Debtor

Name of Bank	Mortgage Amount
Sampath Bank	Rs. 311,000,000
NDB Bank	Rs. 190,088,641

3. Impact of Financial position:

The pledging of these assets does not affect their recognition in the financial statements. but it restricts the company's ability to dispose of the pledged assets until the associated liabilities are settled. The carrying amounts of these pledged assets as of the reporting dates are as follows.

Inventory	: Rs. 244,000,000.00
Fixed Deposits	: Rs.1,019,100,000.00
Build-up margin	: Rs. 23,388,374.00
Land	: Rs. 700,000,000.00
Debtor	: Rs. 501,088,641.00

2.2.13 Trade Receivables

Company recognizes trade receivables as financial assets in its statement of financial position when, and only when, the Company has a contractual right to receive cash or another financial asset.

Trade receivables are amounts due from customers for commodities sold or services performed in the ordinary course of business. If collection is expected in one year or less(or in the normal operating cycle of the business) if longer,they are classified as current assets. If not, they are presented as non-current assets.

Trade receivable is carried at anticipated realizable value and estimates are made for doubtful receivable based on a review of

all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

A provision for the impairment of trade receivables has been established based on the following criteria

- A collective impairment of 5% is applied to debtors with outstanding balances for more than 1 year
- A full impairment of 100% is applied to debtors with outstanding balance for more than 5 years

In cases where the outstanding amounts are subsequently recovered, corresponding adjustments are made to the financial statements for the relevant year.

2.2.14 Investments**(a) Long Term Investments**

Investment held on long term basis is clarified as non-current investment and are measured at cost. The cost of investment is the cost of acquisitions inclusive of brokerage and cost of transaction.

(b) Short Term Investments

Short term investments are recognized at market value. Any gain or loss is recognized in the statement of comprehensive income.

2.2.15 Cash & Cash Equivalents

Cash & Cash Equivalent are defined as cash in hand, demand deposits and short term highly liquid investments. For the purpose of Cash Flow Statement, Cash & Cash Equivalent consist of Cash in hand deposits in banks net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

2.2.16 Stated Capital

The stated capital includes the total of all amounts received by the Company in respect of the issue of Shares.

The entity is fully owned by the Government of Sri Lanka and comes under the purview of The Ministry of Trade, Commerce, Food Security and Co-operative Development.

2.2.17 Trade Payables

Company recognizes trade payables as financial liabilities in its statement of financial position when, and only when, the Company has a contractual obligation to deliver cash or another financial asset.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business) if longer, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value.

2.2.18 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.2.19 Accounting for Government Grants

Accounting for Government Grants for activities have been done according to LKAS 20 Government grants are recognized when there

is reasonable assurance that the entity will comply with the conditions attached to them and that the grants will be received.

Grants related to income are recognized in profit or loss over the period necessary to match them with the related costs they are intended to compensate.

Government grants related to the acquisition or construction of property, plant, and equipment are accounted for using the netting-off method, whereby the grant is deducted from the cost of the related asset at initial recognition. The effect of the grant is recognized in profit or loss over the useful life of the asset through reduced depreciation expense.

2.2.20 Income Tax**(a) Current Taxes**

The provision for income tax is based in the results of the operation during the year according to the Inland Revenue Act no.24 of 2017 and amendments thereto.

(b) Deferred Taxation

Deferred taxation is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carry forward of unused tax losses / credits can be utilized.

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 the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

A deferred tax asset account has arisen due to brought forward tax losses in the past. This asset was not taken into accounts since recoverability of tax losses is beyond the normal time limits. However this has been disclosed in the notes.

(c) Turnover Based Taxes

Turnover based tax includes Value Added Tax (VAT) and Social Security Contribution Levy (SSCL)

2.2.21 Post-Employment Benefits**(a) Defined Benefit Plan**

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plan is the future value of the defined benefit obligation at the reporting date.

Any gain and loss of the defined benefit obligation are charged or credited to statement of comprehensive income in the period in which they arise.

According to the payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 05 years of continued service with the company.

Projected unit credit method prescribed in Sri Lanka Accounting Standard 19: Employee Benefits has been used to identify Deficit or Charge for the year and assumptions used are disclosed in Note No 16.

(b) Defined Contribution Plan - EPF & ETF

All employees who are eligible for the Employee Provident Fund (EPF) and Employees Trust Fund (ETF) contribution are covered by relevant contribution fund in line with respective statutes and regulation.

EPF & ETF covering the employees are recognized as expenses in the statement of comprehensive income in the period in which it is incurred.

2.2.22 Revenue Recognition

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received on receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognized.

(a) Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods

(b) Rendering of Services

Revenue of the rendering of services are recognized in the accounting period in which the services are rendered or performed.

(c) Interest Income

Interest income is recognized on accrual basis.

(d) Other Income

Other income is recognized on accrual basis.

(e) Disposal of property, plant and equipment

Profit/(loss) from sale of property, plant and equipment is recognized in the period in which the sale occurs and the delivery order is issued.

2.2.23 Expenditure Recognition

(a) Revenue Expenditure

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and the maintaining the capital assets in the state of efficiency, has been charged to revenue in arriving at the profit or loss for the year.

(b) Capital Expenditure

Expenditure incurred for the purpose of squaring, extending or improving Assets of a permanent nature by means of which to carry on business or for the purpose of increasing the capacity of business has been treated as capital expenditure

(c) Borrowing Costs

Borrowing costs directly attributable to acquisition, construction or production of assets 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. Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds

(d) Net Finance Income / Cost

Finance income comprises interest income on funds invested and staff loans, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(e) Provisions for Bad Debts

Provisions are recognized when the company has present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. Recoverability of individual balances have been scrutinized and specific bad debts which were identified have been recognized as expenses.

2.2.24 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

decisions of the other, irrespective of whether a price is being charged or not.

The relevant details are disclosed in the Note 22 to the Financial Statements.

Transactions with Related Entities

There are no any related entities of Sri Lanka State Trading (General) Corporation Limited.

2.2.25 Statement of Cash Flows

Statement of cash flows has been prepared using "Indirect Method"

2.2.26 Segmental Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The relevant details are disclosed in the respective notes to the Financial Statements.

2.2.27 Earning Per Share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

2.2.28 Events after the Reporting Date

Events after the reporting date are events, favorable and unfavorable, that occur between the end of the reporting period and the date the financial statements were authorized for issue.

Those events have been considered

and where necessary appropriate adjustments or disclosures have been made in the financial statements. There are no any events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

2.2.29 Commitments and Contingencies

Commitments and contingencies as at the reporting date, is disclosed in Note 23 to the Financial Statements

2.2.30 Responsibility for the Financial Statements

The Board of directors of the company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and marking accounting estimates that are reasonable in the circumstances.

2.2.31 Accounting policy on provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material. Provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

Provision for Legal Settlement (Deemed VAT Dispute)

The Corporation is currently involved in a legal dispute with the Inland Revenue Department regarding Deemed VAT for the years **2012 and 2013**. Filed under **Case No- Tax 62/23 CA** in the Court of Appeal. The total assessed VAT in dispute amounts to **Rs.275,006,952.00** detailed as follows

- Rs. 67,694,135.00
- Rs. 62,973,684.00
- Rs. 60,783,067.00
- Rs. 83,556,066.00

Discussions are ongoing with the Inland Revenue Department to settle the matter **excluding any penalty amounts**. The capital component of the Deemed VAT amounts to **Rs.161, 139,276.00** for which a **100 % provision** has been made.

Management has decided to settle the matter in stages, beginning in the next financial year, based on ongoing discussions and internal assessments Accordingly. A provision has been recognized in the current financial statements. As the matter relates to the financial years 2012/2013. The provision has been adjusted against the **prior year's Profit and Loss Account**. In accordance with **LKAS 37- Provisions, Contingent Liabilities and Contingent Assets**, to reflect the expected outflow of economic resources.

Provision Recognized:

Rs. 161,139,276.00

This provision is subject to revision depending on the final outcome of the settlement negotiations or the court's judgment.

2.2.32 The ongoing cases of Sri Lanka State Trading (General) Corporation Ltd

Case No	Court	Pailiff	Defendant	Nature	Amount
1	Magistrate Court Fort	STC	Asela Rajakaruna	Misappropriation of corporation funds. (Motorcycle project)	Rs. 11,688,117.00
2	Magistrate Court Fort	STC	Mamdi prabakaran (newsun Trading)	Misappropriation of corporation goods (Laptop repair)	Rs. 1,739,500.00
3	District Court Colombo	The Office Shop (PVT) LTD	STC	Money recovery (Toner transaction)	Rs. 1,887,259.43
4	District Court Colombo	STC	Sala Enterprises	Money recovery (Sales of 150 laptops)	Rs. 3,159,189.50
5	District Court Colombo	STC	K.S.Gunawardena (PVT) Ltd (PV 863)	Money recovery (LED panel)	Rs. 2,898,411.68
6	District Court Kesbewa	STC	S.K.Kumara (S.K. Holdings)	Money recovery (LED panel)	Rs. 3,052,500.00
7	Labour Compensation Court Narahenpita	H.A. Shamali Priyadarshani	STC and others	Accidend during the work compensation	Rs. 100,000.00
8	Court of appeal	STC	Inland Revenue Department	Deemed VAT	Rs. 67,694,135.00 Rs. 62,973,684.00 Rs. 60,783,067.00 Rs. 83,556,066.00
09	Colombo District Court	STC	Gayana Ranathunga	Money Recovery	Rs. 497,529.00

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
NOTE 03 - REVENUE		
Gross Sales	8,787,917,310	12,136,979,917
Less : Sales Returns	(837,222)	(4,950,211)
Net Sales (Note 03.01)	8,787,080,088	12,132,029,706

Note on Revenue Recognition of Smart Board Sales - Based on the factor of transferring of risks and rewards & the transfer of control over the sold goods, the full amount of value of smart board (including CIF, duty, and clearing charges) has been transferred to the buyer, the Ministry of Education, in accordance with Sri Lanka Financial Reporting Standard (SLFRS 15) – Revenue from Contracts with Customers. Further, the entire stock of smart boards was transferred to the Ministry of Education's location in October 2024.

	2024/2025	2023/2024
	Rs.	Rs.
Note 03.01 - Business Segments (Net Sales)		
Chemical & Allied	1,263,693,019	678,199,226
ICT Products	988,771,257	660,086,111
Office Suppliers	534,928,051	393,593,416
Automotive Products	213,870,543	229,435,930
Duty Free Shop	1,215,532	11,575,579
Electricals & Electronics	278,967,805	185,825,373
Fast Moving Consumer Goods	109,009,685	127,302,765
Household Products	328,282,822	167,150,581
Construction & Hardware	301,071,664	175,294,346
Agricultural Supplies & Machinery & Equipments	331,926,152	198,860,067
Swashakthi	112,259,109	103,679,769
Total - Normal Revenue	4,463,995,639	2,931,003,163
	2024/2025	2023/2024
	Rs.	Rs.
Essential Foods & Special Projects		
Smart Board	1,180,968,210	-
Army Cloth	9,838,010	2,121,272,000
Egg	772,856,125	6,512,855,285
Yellow Maize	-	566,899,258
Urud Dhal	431,749,125	-
Rice	1,002,639,126	-
Salt	925,033,854	-
Total - Essential Foods & Special Projects	4,323,084,449	9,201,026,543
Grand Total	8,787,080,088	12,132,029,706

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
NOTE 04 - OTHER OPERATING INCOME		
Gain / (Loss) on Exchange - DFS	(8,620)	(1,914)
Miscellaneous Income (Note 04.01)	396,843	904,881
Rajawasa - Food Festival	86,000	141,000
S L Army - Commission Income	-	18,114,887
Profit / (Loss) on Sale of Fixed Assets	(1,521,628)	-
Rent Income - Q Shops	4,487,033	3,706,209
Rent Income - Rajawasa Batticalo	1,937,250	-
Rent Income - Rajawasa	16,658,963	12,810,202
Rent Income - Rajagiriya Premises	21,600,000	21,600,000
Interest received from Ministry of Education	5,123,633	-
	48,759,475	57,275,265

	2024/2025	2023/2024
	Rs.	Rs.
(Note 04.01) - Miscellaneous Income		
Sale of Damages Items (Lot Sales)	396,843	904,881
	396,843	904,881

	2024/2025	2023/2024
	Rs.	Rs.
NOTE 05 - DISTRIBUTION EXPENSES		
Sample Expenses & Testing Charges	5,956,357	2,550,565
Tender Forms	1,216,374	1,160,631
Expenses of Registration of Suppliers	2,370,421	1,124,651
Stores & Showroom Rent	41,655,094	38,265,799
Lorry Hire /Transport	33,326,289	3,796,783
Servicing Charges	834,997	831,875
Sales Rep Commission	27,110,448	20,630,263
Debt Collection Commission	1,123,464	342,716
Trade Fair Expenses	504,000	1,513,730
License Fees - Selling	1,034,018	311,404
Telex/ Fax, Email Charges	10,832	9,328
Overseas Travelling	336,800	1,717,908
Trade Promotional Expenses	3,645,140	3,283,850
Advertising	2,756,321	1,955,116
Loading & Unloading Expenses	354,704	856,000
Disallowed VAT	-	233,466
Stocks / Others shortages & Written Off A/C	-	251,739
Debtors /Stocks & Others Written Off A/C	-	643,075
Sales Promotion to Co-Operate Customers	285,618	41,919
SSCL - Social Security Contribution Levy Expenses	75,519,211	86,942,743
Impairment Loss of Stocks	2,386,465	(13,831,834)
Impairment Loss of Debtors	6,401,397	68,461,383
	206,827,950	221,093,107

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
NOTE 06 - ADMINISTRATIVE EXPENSES		
Salaries	165,948,308	143,993,622
EPF	24,030,424	21,012,654
ETF	4,807,938	4,202,532
Overtime & Special Allowances	21,882,275	21,407,791
New Year Festival Allowances/Incentive	11,142,987	41,679,289
Annual Bonus	5,180,000	-
Contract & Casual Employee Salaries	33,762,287	32,671,896
Staff Benefits Cost	1,892,266	1,522,167
Staff Welfare	5,890,940	4,637,000
Staff Medical Expenses	8,815,474	3,846,978
Staff Vehicle ,Fuel,Transport,Professionel & Other Allowances	11,043,405	10,026,358
Uniforms	789,100	609,527
Labour Charges	151,860	26,500
Death Gratuity	200,000	700,000
Leave Encashments	9,497,982	7,979,687
Gratuity Provision	6,414,775	11,918,676
Travelling & Subsistence	5,494,292	4,889,369
Audit Fees	1,380,000	1,482,000
Professional & Consultancy Fees	710,834	621,298
Legal Fees	4,033,790	2,936,358
Secretarial & Other Expenses	86,176	9,004,184
Directors Allowances	845,298	880,000
Directors Fees	1,184,810	1,210,000
Board Meeting Expenses	144,695	124,128
Insurance - General	725,590	1,038,514
Rates & Taxes	2,408,936	3,958,100
License Fees	1,849,711	2,159,234
Telephone Charges	9,286,021	9,828,095
Electricity	21,492,456	31,833,428
Postage	2,624,012	2,592,483
Water	3,717,810	3,089,868
News Papers & Periodicals	423,431	473,913
Printing & Stationery	7,662,815	8,087,277
Maintenance - Building	9,974,314	10,237,927
Maintenance - Office Equipment	11,788,585	14,490,884
Maintenance - Stores Equipment	4,287,232	2,710,947
Maintenance - Show Rooms	5,114,491	5,598,914
Maintenance & Other Expenses - Rajawasa	4,666,538	13,373,192
Maintenance & Other Expenses - Q Shop	837,710	3,182,870
Maintenance - Motor Vehicles	11,111,945	9,137,248
Motor Vehicle Registration & Insurance	902,439	139,955
Fuel & Lubricant	11,246,402	8,332,168
Computer Management Fees	638,428	1,163,520
Depreciation - Building	12,071,570	-
Depreciation - Motor Vehicle	20,851,149	20,908,276
Depreciation - Plant & Equipment	1,761,006	3,864,543
Depreciation - Office Equipment - Computers	8,722,153	3,204,043
Depreciation - Furniture	3,600,791	5,634,630
Depreciation - Tools & Equipments	642,191	410,150

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
Depreciation of Showroom Equipments	681,193	2,182,007
Depreciation of Computer Software	4,040,531	3,110,000
Depreciation of Office / Showroom construction on Leasehold Premises & Rajawasa projects	8,069,254	8,069,254
Staff Training & Development Expenses	2,248,530	1,344,807
	498,777,151	507,538,260

NOTE 07 - NET FINANCE INCOME / (EXPENSE)	2024/2025	2023/2024
	Rs.	Rs.

NOTE 07 A - Interest Income

Interest Income on Short Term Deposits	169,754,831	269,485,510
Interest on Staff Loans	1,151,416	1,181,432
Un - winding of Pre-Paid Staff Benefits	1,892,266	1,522,167
	172,798,513	272,189,109

NOTE 07 B - Finance Expenses

Overdraft Interest	9,858,212	10,515,616
Trust Receipt Loan Interest	16,816,725	49,514,678
Bank Charges	16,412,235	6,799,711
	43,087,172	66,830,005
	129,711,341	205,359,103

NOTE 08 - INCOME TAX EXPENSE	Note	2024/2025	2023/2024
		Rs.	Rs.

Income Tax on Profits for the year - 2024/2025	08.01	127,410,527	470,884,734
Over provision made for Previous Year (2022/2023)		-	(6,624,273)
Deferred Tax Expenses / (Reversal)	08.02	(16,308,223)	70,785,831
		111,102,304	535,046,293

(Note 8.1) Reconciliation between Accounting Profit to Income Tax	2024/2025	2023/2024
	Rs.	Rs.

For the year ended 31st March

Accounting Profit Before Taxation	369,998,877	1,501,214,947
Income From Investment Income	(169,754,831)	(269,485,510)
Aggregate Deduction not allowed	101,795,044	115,759,408
Aggregate Allowable Items	(47,092,164)	(47,358,577)
Adjusted Business Income	254,946,925	1,300,130,268
Investment Income	169,754,831	269,485,510
Assesable Income	424,701,757	1,569,615,778

Income Tax on Profits for the year @ 30%	127,410,527	470,884,734
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(Note 8.2) Deferred Tax Expense / (Reversal)	2024/2025	2023/2024
	Rs.	Rs.

Deferred tax expense / (reversal) arises from :

Charge / (Reversal) during the year for Deferred Tax Assets	(5,764,255)	73,330,854
Charge / (Reversal) during the year for Deferred Tax Liabilities	(6,522,620)	(1,860,757)
Charge / (Reversal) during the year for Actuarial Loss	(4,021,347)	(684,266)
	(16,308,223)	70,785,831

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

NOTE 09 - EARNINGS PER SHARE**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2024/2025	2023/2024
	Rs.	Rs.
Net profit attributable to shareholders - (Rs. Cts.)	258,896,573	966,168,654
Weighted average number of ordinary shares in issue	10,000,000	10,000,000
Basic earnings / (Loss) per share (Rs. Cts.)	26	97

Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year ended 31st March 2025.

Therefore, Diluted Earnings per Share is same as Basic Earnings per Share reported above.

Sri Lanka State Trading (General) Corporation Ltd

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

NOTE 10 - PROPERTY, PLANT & EQUIPMENT

	Freehold Land	Freehold Building	Expenditure incurred on Leasehold Building	Showroom Equipment	Motor Vehicles	Office Equipments	Computers	Tools & Equipments	Furniture & Fittings	Total
Cost / Revaluation	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 01st April 2024	3,642,600,000	159,692,250	365,001,278	38,308,984	104,370,000	17,242,400	25,729,430	1,179,000	35,112,801	4,389,236,142
Additions	-	3,253,100	-	-	-	1,067,490	1,571,000	14,328,894	2,519,292	22,739,777
Cost of Disposal of Fixed Assets	-	-	-	(6,942,740)	-	-	-	-	-	(6,942,740)
As at 31st March 2025	3,642,600,000	162,945,351	365,001,278	31,366,244	104,370,000	18,309,891	27,300,430	15,507,894	37,632,092	4,405,033,179
Depreciation / Impairment										
As at 01st April 2024	-	-	221,679,949	23,203,714	20,908,276	-	-	-	-	265,791,939
Depreciation Charge for the year	-	12,071,570	26,738,315	6,449,814	20,851,149	1,761,006	8,722,153	642,191	3,600,791	80,836,989
Assets	-	-	-	(3,941,112)	-	-	-	-	-	(3,941,112)
As at 31st March 2025	-	12,071,569.99	248,418,263.52	25,712,415.72	41,759,425.43	1,761,006.35	8,722,153.38	642,190.52	3,600,791.01	342,687,815.92
Carrying Value as at 01st April 2024	3,642,600,000	159,692,250	143,321,329	15,105,270	83,461,724	17,242,400	25,729,430	1,179,000	35,112,801	4,123,444,203
Carrying Value as at 31st March 2025	3,642,600,000	150,873,781	116,583,014	5,653,828	62,610,575	16,548,884	18,578,276	14,865,704	34,031,301	4,062,345,363

NOTE 10 A - INTANGIBLE ASSETS

	Computer Software	Total
Cost / Revaluation	Rs.	Rs.
As at 01st April 2024	11,135,000	11,135,000
Additions	1,150,500	1,150,500
As at 31st March 2025	12,285,500.00	12,285,500
Depreciation / Impairment		
As at 01st April 2024	3,110,000	3,110,000
Depreciation Charge for the year	4,040,531	4,040,531
As at 31st March 2025	7,150,531	7,150,531
Carrying Value as at 01st April 2024	8,025,000	8,025,000
Carrying Value as at 31st March 2025	5,134,969	5,134,969

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025 Rs.	2023/2024 Rs.
NOTE 11 - INVESTMENTS IN SHARES		
STC Medical Ltd.	49,990	49,990
Less : Provision for Impairment of STC Medical Company Investment	(49,990)	(49,990)
	-	-
Ceylon Shipping Lines	20	20
	20	20

		2024/2025 Rs.	2023/2024 Rs.
NOTE 12A - LOANS GIVEN TO EMPLOYEES			
Non - Current			
Loans given to employees	12.1	14,863,000	15,896,876
Pre paid Staff Benefits	12.2	1,535,546	1,735,207
		16,398,546	17,632,082
Current			
Loans given to employees	12.1	6,766,643	6,203,438
Pre paid Staff Benefits	12.2	1,333,509	1,320,449
		8,100,152	7,523,887
		24,498,700	25,155,969

		2024/2025	2023/2024
NOTE 12.1 - LOANS GIVEN TO EMPLOYEES			
Balance at the beginning of the year		25,155,969	22,414,121
Loans granted		10,794,000	12,624,000
Loans recovered		(11,451,269)	(9,882,152)
		24,498,700	25,155,969
Transfer to prepaid staff benefit		(2,869,056)	(3,055,655)
Balance at the end of the year		21,629,645	22,100,314
Non Current		14,863,000	15,896,876
Current		6,766,643	6,203,438
		21,629,643	22,100,314

		2024/2025	2023/2024
NOTE 12.2 - PREPAID STAFF BENEFITS			
Balance at the beginning of the year		3,055,655	2,719,483
Additions during the year		1,705,666	1,858,339
Amortization		(1,892,266)	(1,522,167)
Balance at the end of the year		2,869,055	3,055,655
Non Current		1,535,546	1,735,207
Current		1,333,509	1,320,449
		2,869,055	3,055,655

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

The Company provide loans to employees at concessionary rate. The fair value of the employee loans are determined by discounting expected future cash flows using market related rates for the similar loans . The differences between cost and fair value of employee loans are recognised as pre paid staff benefits. These loans have been subsequently measured at amortised cost.

2024/2025 **2023/2024**
Rs. Rs.

NOTE 13 - INVENTORIES

	2024/2025	2023/2024
	Rs.	Rs.
Closing Inventory	1,436,293,035	685,725,364
Goods in Transits	133,816,989	406,403,359
Impairment Provision for Damage & Slow Moving Stock	(4,823,021)	(2,436,556)
	1,565,287,003	1,089,692,167

2024/2025 **2023/2024**
Rs. Rs.

NOTE 14 - TRADE & OTHER RECEIVABLES

	2024/2025	2023/2024
	Rs.	Rs.
Trade Debtors	1,436,998,718	822,322,109
Impairment of debtors	(187,397,271)	(184,147,087)
	1,249,601,447	638,175,022
Other Receivables	74,000	-
Festival Advance	1,875,222	2,321,611
Electricity Deposits	1,192,000	1,192,000
Security Deposits - NSB	1,112,163	1,088,453
Container Deposits	3,692,500	7,471,000
Rent Deposits	16,171,296	18,237,962
Sundry Deposits	906,500	906,500
Port Authority - PVQ	50,000	50,000
Bid Bond Ac.	8,380	8,380
Prepayments	2,756,371	-
Advance to Staff on Petty Cash	-	44,500
L/Guaranty Margin - People's Bank	600,000	600,000
VAT Receivables	14,972,841	152,917,121
Interest Receivable	67,394,940	131,354,807
With Holding Tax Receivable	46,413	46,413
Ministry of Education	7,784,039	7,784,039
Advance on Suppliers	44,008,616	11,906,646
Advance on Sundry Expenses	313,000	905,053
Advance on Other Payments	3,052,500	4,517,081
Advance on Q Shop	-	33,080
Rent Income Receivable	18,513,370	5,400,000
Rent Advance Payment - Batticaloa	212,500	62,500
Rent Advance Payment - Anuradhapura	916,667	-
Security Deposits - Q Shops	191,128	191,128
WHT on Interest	-	-
WHT on Interest Receivable A/C	3,547,077	6,913,411
Shipping Guaranty Margin - People's Bank	-	52,511,747
Shipping Guaranty Margin - Sampath Bank	-	42,471,000
Staff Debtors - Salary Advance / Others	271,982	46,250

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025 Rs.	2023/2024 Rs.
David Pieris Mortor Co.Ltd	1,074,440	1,074,440
Scrap Battery Control A/C	444,700	-
Ministry of Education - New	-	822,919,071
Rent Deposit - Spectra Intergrated Logistics	-	7,000,000
Loan / Hire purchases Rent Receivable	3,649,976	4,685,217
Reimbursement of Name Board - Rajawasa	153,000	153,000
Ministry of Education - Income receivable for Smart Boards	137,378,460	-
	1,581,965,526	1,922,987,431

	2024/2025 Rs.	2023/2024 Rs.
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NOTE 15 - CASH IN HAND & CASH EQUIVALENTS**Cash at Bank**

BOC - (A/C No 8859546)	270,158	270,158
Sampath Bank - (A/C No 000930000337)	98,913	1,218,404
Sampath Bank - DFS (A/C No 002930006974)	8,140	508,313
BOC - (A/C No 1060)	-	681,790
NDB - New - Reg.Current (A/C - 101000160408)	102,123	235,845
People's Bank - Kurunegala	2,065,577	1,011,200
People's Bank - Kandy	2,067,648	1,824,267
People's Bank - Matara	1,669,667	2,425,851
People's Bank - Kalmunai	1,000,000	3,110,331
People's Bank - Rice 004 1 001 8 0206579	317,929	377,929
People's Bank - Rice 004 1 002 7 0206579	10,851	51,951
National Savings Bank	26,919	26,204
Petty Cash Imprest	675,255	643,586
Cash in Hand	8,273,235	56,780,985
	16,586,413	69,166,814

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025 Rs.	2023/2024 Rs.
NOTE 16 - RETIREMENT BENEFIT OBLIGATIONS		
Balance at the beginning of the year	40,446,241	34,243,718
Provision made during the year	19,819,266	14,199,562
Payments made during the year	(6,241,733)	(7,997,040)
Balance at the end of the Year	54,023,776	40,446,241

The Valuation method used by the management to value the benefit is the 'Projected Unit Credit Method', the method recommended by the Sri Lanka Accounting Standard No.19 ((LKAS - 19) , 'Employee Benefits'

The movement in the retirement benefit obligations over the year is as follows.

	2024/2025 Rs.	2023/2024 Rs.
Interest Cost	3,394,830	3,834,731
Current Service Costs	3,019,830	8,083,945
Total included in the staff cost	6,414,660	11,918,676
Net Actuarial (Gain)/Loss recognized immediately	13,404,492	2,280,886
Total recognized in the comprehensive income	19,819,151	14,199,562

The Key Assumptions used by the management include the following

Financial Assumptions	31.03.2025	31.03.2024
Rate of Interest	9%	12%
Rate of Increase of Salaries	2%	2%
Staff Turnover Factor	9%	16%
Retiring Age (Years)	60	60

The Company will continue as a going concern.

	2024/2025 Rs.	2023/2024 Rs.
NOTE 17 - NET DEFERRED TAX LIABILITY (ASSET)		
Balance at the beginning of the year	30,437,267	(41,032,830)
Provision / (Reversal) for the Year	(12,286,875)	71,470,097
Balance at the end of the year	18,150,392	30,437,267

Deferred tax is calculated on temporary differences between carrying value of fixed assets and tax written down value of such assets, as analysed by each taxable activity.

The reconciliation of tax effect arising from the timing differences related to carrying amounts of assets and liabilities of the statement of financial position is as follows:

Provision for slow moving stocks	(715,940)	89,701,131
Provision for bad & doubt ful debts	(975,055)	4,168,138
Employee Benefit Liability	(4,073,260)	(20,538,415)
Accelerated depreciation for tax purpose	(6,522,620)	(1,860,757)
	(12,286,875)	71,470,097

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
NOTE 18 - SHORT TERM BORROWINGS		
Current Liabilities		
Short Term		
T.R. Loans - Peoples' Bank	296,260,000	45,200,000
T.R. Loans - Bank Of Ceylon	385,330,754	552,872,266
T.R. Loans - Sampath Bank	-	193,567,000
Total Loan Liability	681,590,754	791,639,266

NOTE 19 - TRADE OTHER PAYABLES

Trade Creditors	420,263,493	373,351,129
Foreign Import Liability	151,309,130	126,391,314
Accrued Expenses	102,648,592	68,274,950
Dividend Payable	47,500,000	-
Income Tax Payable	104,306,513	431,064,211
SSCL - Social Security Contribution Levy Payable	3,497,543	10,067,039
Other Creditors - Sundry	-	2,930,495
Audit Fees	1,380,000	1,482,000
Security Deposit - NSB	1,112,163	1,088,453
EPF	3,233,266	3,099,704
ETF	387,992	371,965
Staff Creditors - Re Banked Salaries etc.	1,444,479	1,291,875
Salary Deductions	912,918	477,678
Salary Deductions - Staff & Others	19,200	12,083
ABC Trade & Investment	1,041,629	1,041,629
Sala Enterprises	93,634	93,634
Abans (Pvt) Ltd	1,920,661	1,920,661
Refundable Tender Deposits	205,000	285,000
Withholding Tax Payable	135,663	18,333
Etisalat Credit Card Proceed	748,683	748,683
Free Issues Contro A/C	109,584	109,584
Stamp Recoveries	46,050	21,875
Loan / Hire Purchases Advance	1,191,883	1,191,883
Creditor for Lease Equipment	118,310	118,310
Money Received for Jaffna SR	415,128	415,128
Insurance Payable for Loan / Hire Purchases	49,232	49,232
Stafford Mortor (Pvt) Ltd	28,000	28,000
Retention	5,295,917	3,880,091
Retention on Service Contracts	240,849	142,389
Settlement Account of Jaffna SR	238,765	238,765
Working Capital for Rice Importation	50,000,000	50,000,000
Mahapola Trade Fair Fund	730,000	730,000
Advance Received From Customers - New	38,611,310	25,491,248
Credit Card Online Payment A/C	120,795	-
Refundable Rent Deposit - Q Shops / Others	1,425,000	1,455,000
Refundable Security Deposit- Rajawasa	2,427,822	292,167

NOTES TO THE FINANCIAL STATEMENTS 2024/2025

	2024/2025	2023/2024
	Rs.	Rs.
Security Deposit - Rajawasa	7,598,173	7,598,173
Cash in Hand Credit Card	1,073,964	-
Control A/C of PayHere	247,488	-
Kandy Cash / Ch in Hand Control Account	128,595	-
Kalmunai Cash /Ch in Hand Cont. Account	194,381	-
	952,451,804	1,115,772,679

NOTE 20 - BANK OVERDRAFTS

People's Bank - A/ C No 004100120210918		115,101,831
350,871,279		
BOC - A/C No.1060	195,389,109	-
	310,490,939	350,871,279

NOTE 21 - GOVERNMENT GRANT DEFERRED INCOME

	Government Grant Deffered Income A/C 1 RS. Cts.	Government Grant Deffered Income A/C 2 Rajawasa RS. Cts.	Government Grant Deffered Income A/C - 4Q Shop Contruccion Exp RS. Cts.	Government Grant Deffered Income A/C -5 Rajawasa Batticaloa RS. Cts.	Total RS. Cts.
Opnering Balance as at 01.04.2024	25,472,188	69,444,285	11,080,402	13,754,945.02	119,751,820.49
Government Grant	-	-	-	-	-
Total	25,472,188.34	69,444,284.78	11,080,402.35	13,754,945.02	119,751,820.49
Charged P & L A/C 2024/2025	6,368,047	7,716,032	5,768,621	4,584,981.68	24,437,681.57
Closing Balance as at 31.03.2025	19,104,141.26	61,728,253.14	5,311,781.18	9,169,963.34	95,314,138.92

	2024/2025	2023/2024
	Rs.	Rs.
Provision made during the year	161,139,276	-
Payments made during the year	-	-
Balance at the end of the year	161,139,276	-
Current Liability	79,177,229	-
Non Current Liability	81,962,048	-
Total	161,139,276	-

NOTE 22 - DEEMED VAT LIABILITY

*NOTES TO THE FINANCIAL STATEMENTS 2024/2025***NOTE 23 - TRANSACTIONS WITH RELATED PARTIES****A) Transactions with Key Managerial Personnel**

According to Sri Lanka Accounting Standards LKAS 24 - Related Party Disclosures, Key Management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors), Senior Managers of the Company who are in the very next level to the Board of Directors have been classified as Key Management Personnel of the Corporation.

(i) Loans to the Directors

No loans have been granted to the Directors of the Company.

(ii) Other Transactions with Key Management Personnel

There were no other transactions with key Managerial Personnel other than those disclosed in Note 22(A) to these Financial Statements.

NOTE 24 - CAPITAL COMMITMENTS

There were no contracted capital expenditure and contingencies approved by the Board of Directors as at the 31st March 2025.

NOTE 25 - COMPARATIVE INFORMATION

To facilitate comparison, relevant balances pertaining to the previous year have been re-classified to conform to current year's classification.

NOTE 26 - FINANCIAL RISK MANAGEMENT**Overview**

The Corporation has exposure to the following risks from its use of financial instruments:

- * Credit risk
- * Liquidity risk
- * Market risks (Including currency risk and interest rate risk)

This note presents qualitative and quantitative information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and procedures for measuring and managing risk.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation's risk management policies are established to identify and analyze the risk faced by the Corporation's, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

NOTE 26 - FINANCIAL RISK MANAGEMENT (Contd..)**Credit Risk**

Credit risk is the risk of financial Loss to the Corporation's if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers and investment securities. The Company adopts an approved credit policy and closely monitor the customer receivables to minimize the risk.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Corporation's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal or stressed conditions, without incurring unacceptable Losses or damages to the Company's reputation.

To measure and mitigate liquidity risk, the Corporation closely monitored its net operating cash flow, maintained a level of Cash and Cash equivalents and secured committed funding facilities from financial institutions.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, Interest rates, etc; will affect the Corporation's income or the value of its holdings of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the returns. The Company takes measure to mitigates the risks by periodically evaluating the trends of the factors affecting the pricing policy.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future Cash Flows of financial instruments fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to the Corporation's long term debt obligation and Investments with floating Interest rates. However the Corporation does not have material long-term floating rate borrowings or deposits as at the reporting date which results a material interest rate risk.

TEN YEARS FINANCIAL SUMMARY

	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016
	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)	(Rs. 000 'S)
Operational Result										
Revenue	8,787,080	12,132,030	9,416,776	8,750,243	2,676,667	2,453,551	3,473,579	4,334,175	3,748,665	2,948,592
Gross Profit	897,133	1,967,212	1,019,260	913,119	522,707	423,050	630,508	788,488	658,329	559,958
Other Income	48,759	57,275	35,297	68,552	24,083	30,585	2,647	18,016	12,221	7,650
Administration & Selling Expenses	705,605	728,631	666,785	502,882	445,743	500,424	582,674	640,155	577,425	474,185
Operating Profit	240,288	1,295,856	387,772	478,789	101,046	(46,790)	50,482	166,349	93,124	93,423
Net Finance Income / (Expenses)	129,711	205,359	347,664	(6,071)	(40,665)	(74,511)	(81,350)	(78,372)	(47,939)	(62,002)
Profit Before Tax	369,999	1,501,215	735,436	472,718	60,382	(121,300)	(30,868)	87,977	45,185	31,421
Equity										
Stated Capital	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Revaluation Reserves	3,969,830	3,969,830	354,808	241,108	241,108	241,108	241,108	241,108	241,108	241,108
Other Reserves	(4,993)	12,432	15,398	18,387	11,415	28,103	32,977	35,034	42,258	30,744
Retained Earnings	2,120,910	2,087,400	1,312,041	771,725	348,966	281,502	412,317	444,358	375,699	335,710
	6,185,747	6,169,663	1,782,247	1,131,220	701,489	650,713	786,402	820,500	759,066	707,562
Liability										
Current Liability	2,023,711	2,258,283	2,885,147	4,595,780	1,626,047	1,738,884	1,897,331	2,045,097	1,763,470	1,825,173
Non-Current Liability	249,450	190,635	178,433	190,328	187,000	103,035	111,841	128,742	127,600	161,419
	2,273,161	2,448,919	3,063,581	4,786,108	1,813,047	1,841,919	2,009,172	2,173,839	1,891,070	1,986,592
Assets										
Current Assets	4,375,029	4,469,480	4,213,431	5,425,506	2,032,038	2,064,781	2,341,269	2,523,317	2,156,171	2,145,948
Non-Current Assets	4,083,879	4,149,101	632,397	491,822	482,498	427,851	454,305	471,022	493,965	548,206
	8,458,908	8,618,581	4,845,827	5,917,328	2,514,536	2,492,632	2,795,574	2,994,339	2,650,135	2,694,154