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வருடாந்த செயலாற்றுகை அறிக்கை
Annual Performance Report

2025

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வர்த்தக, வாணிப, உணவுப் பாதுகாப்பு மற்றும் கூட்டுறவு அபிவிருத்தி அமைச்சு

Ministry of Trade, Commerce, Food Security and Co-operative Development

Annual Performance Report-2025

Ministry of Trade, Commerce, Food Security and Co-operative Development

Ministry of Trade, Commerce, Food Security and Co-operative Development
No. 492, R A De Mel Mawatha
Colombo 03

Contents

Chapter 01 – Institutional Profile/ Summery of Implementation Process

1.1 Introduction

The Ministry of Trade, Commerce, Food Security and Cooperative Development was established by Extraordinary Gazette No. 2412/08 on 25.11.2025.

This Ministry takes action in sustaining the standard of living for all people by safeguarding consumer rights and ensuring the equitable distribution of essential goods through a competitive domestic trade network, providing strategic leadership to the trading sector whilst engaging in service and regulatory related activities, establishing a comprehensive a national trade policy and elevating the quality of life by improving the quality of daily consumables and services by regulating and executing the said trade policy. Furthermore, the Ministry plays a critical role in the coordination of its subsidiary institutions to guarantee national food security. In addition, the Ministry prioritizes the expansion of international trade and the generation of vital foreign exchange by streamlining the regulation of import and export activities. This commitment to national progress extends to safeguarding intellectual property, upholding consumer rights, and maintaining a precise, transparent system of weights and measures. Furthermore, the Ministry serves a profound social mission by facilitating the registration of businesses and providing critical financial support to students from low-income families, ensuring that higher education remains an accessible pathway for them.

1.2 Vision, Mission and Objectives of the institution

Vision

“Sustainably Developed Sri Lanka”

Mission

Establishing, maintaining, and monitoring a national trade policy in line with local as well as international standards, which ensures the equality and rights of manufacturers, traders, suppliers of measurement services or other services, whilst ensuring leadership in the trade sector, performing service and monitoring activities, obtaining new market opportunities entering in to bilateral, multilateral, and regional trade agreements, contributing to ensure a higher life standard enhancing the quality of consumer items and services of Sri Lankans.

Objectives

i. Applying custom tariff policy as a tool for controlling the market behavior so as to secure the rights of local producers and consumers through a national trade policy and encouraging exports by way of granting tax concessions to local producers in order to induce productions.

ii. Maintaining the cost of living at the minimum possible level maintaining the prices of essential items at such occasions where the prices of goods at the markets are escalating.

iii. Providing necessary guidance to implement relief programmes for the benefit of consumers through the government institutions such as Lanka Sathosa, Co-operative Development Department, Co-operative Societies and Associations etc. at national level.

iv. In an open market environment ensuring the application of measurement standards for the benefit of trading community as well as consumers.

v. Enhancing legal framework with infrastructure facilities to maintain buffer stocks of essential items within the country to assure food security.

vi. Providing guidance to the Consumer Affairs Authority for the legal activities relevant to safeguard consumer.

vii. Preparing mechanism to maintain a data base relevant to the institutions under the Ministry, update such data bases, and make links with external information providers.

viii. Providing guidance to implement the measures relevant to protect the proper standards of local products and export items.

ix. Making contribution to maintain welfare processes to encourage children for higher education.

x. Making directions to implement conservation process for the protection of national intellectual properties.

xi. Guiding for accreditation services conforming to the national and international standards

xii. Establishment of the institutional background and encouragement of connected institutions in order to protect and promote the economic and commercial interests of Sri Lanka and encourage the exporters for opportunities in international market

xiii. Providing necessary facilities and coordination in signing multilateral and bilateral trade agreements with various countries.

xiv. Providing necessary directions for legal coordination in relation to Generalized System of Preferences (GSP), NMTR, Free Trade Agreements (FTA) and Regional Trade Agreements (RTA) of Sri Lanka.

1.3 Functions

i. Based on national policies implemented by the government formulating, implementing, following up and evaluating policies, strategies, programmes and projects relevant to the subjects of Trade, Commerce, Food Security and Cooperative Development and the subjects of the Departments, State Corporations and Statutory Institutions relevant to the Ministry.

ii. Leveraging modern management paradigms and technologies to re-engineer all administrative procedures, ensuring public services are delivered with efficiency and a citizen-centric focus, while simultaneously fortifying institutional integrity against waste and corruption.

iii. Expanding markets for local farm products and establishing regional economic centers at the district level.

iv. Maintaining international trade relations and reviewing existing trade agreements, entering into new agreements to increase foreign trade share through export diversification.

v. Strengthening anti-dumping laws, introducing fair trade laws, and updating existing regulations.

vi. Catalyzing national economic expansion by promoting value-added re-export and entrepot trade'.

vii. Organizing participation in trade fairs and exhibitions.

viii. Creating competition in the market for ensuring the rights of consumers, formalizing internal trade and safeguarding consumers, supervising the market, conducting raids and raising awareness amongst traders and consumers.

ix. Performing the role of a mediator in order to contain fluctuation of prices in the local market.

x. Encouraging and facilitating institutions to identify new export opportunities in the world market and explore opportunities for new bilateral, multilateral and regional agreements.

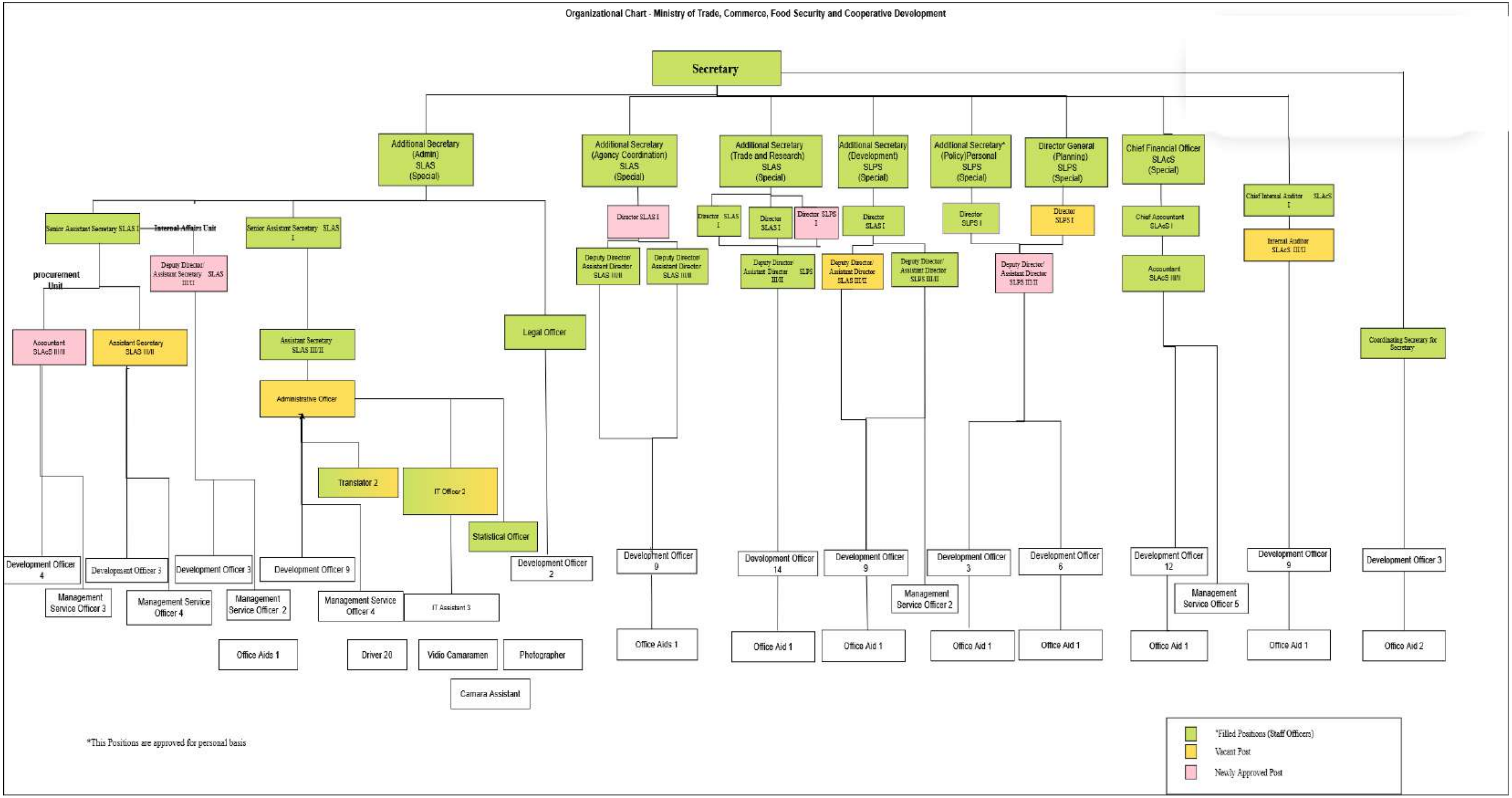
xi. Establishment of an intellectual property system, which promotes protection of the intellectual properties of Sri Lanka and economic sustainability.

xii. Making legal base for companies, businesses and other institutes and formalizing their functions.

xiii. Carrying out relevant activities to expand the network of production cooperative societies to provide goods to the consumer at low prices by increasing local production.

xiv. Providing optimally fortified Thriposha to targeted beneficiaries specifically pregnant and lactating mothers and malnourished children while simultaneously expanding the market availability of high-quality, fortified supplementary food products.

1.4 Organizational Structure



1.5 Departments under the Ministry

Five Departments function under the Ministry in order to ensure proper performance of tasks entrusted to the Ministry.

No	Departments under the Ministry	Laws and enactments required to be enforced
01	Food Commissioner's Department	Food Supplies Act (No. 42 of 1942)
02	Department of Measurement Units, Standards and Services	Measurement Units, Standards and Services Act (No. 35 of 1995)
03	Department of Commerce	Anti-dumping and Countervailing Duties Act (No. 2 0f 2018)
04	Department of Cooperative Development	Cooperative Societies Act (No. 5 of 1972)
05	Department of the Registrar of Companies	Companies Act (No. 7 of 2007)/ Business Names Act (No.7 of 1987)/ Cheetu Ordinance (No. 3 of 1935)/ Public Contracts Act (No. 3 of 1987)

1.6 Institutions and funds under the Ministry

To effectively discharge its mandate, the Ministry oversees the following statutory institutions and funds.

No	Institutions under the Ministry	Laws and enactments required to be enforced
01	Lanka Sathosa Limited	Companies Act (No. 7 of 2007)
02	Cooperative Wholesale Establishment (CWE)	Cooperative Wholesale Establishment Act (No.44 of 1949)
03	Sri Lanka Accreditation Board for Conformity Assessment	Sri Lanka Accreditation Board for Conformity Assessment Act (No. 32 of 2005)/Trademarks Act (No. 3 of 1964)
04	Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund	Mahapola Higher Education Scholarship Trust Fund Act (No.66 of 1981)
05	Consumer Affairs Authority	Consumer Affairs Authority Act (No.9 of 2003)
06	Cooperative Employees' Commission	Cooperative Employees' Commission Act (No.12 of 1972)
07	National Institute of Co-operative Development	National Institute of Co-operative Development (Incorporation) Act (No. 1 of 2001)
08	Dedicated Regional Economic Centers	Companies Act (No. 7 of 2007)
09	National Intellectual Property Office of Sri Lanka	Intellectual Property Act (No.36 of 2003)
10	State Trading (General) Corporation	Companies Act (No. 7 of 2007)
11	Sri Lanka Thriposha Limited	Companies Act (No. 7 of 2007)

1.7 Particulars of the projects, for which foreign grants are provided

None.

Chapter 02 – Progress and Future Plans

2.1 Progress

Food Security and Cooperative

• On 2025.10.09, a state company named “National Agri Market Services Limited” of which the shares are fully owned by the Secretary to the Treasury was established to merge and operate and manage all dedicated economic centers.

One of the main objectives of this company is to enhance the welfare of both farmers and consumers by establishing a sustainable market network that enables farmers to connect their products to the market.

- Opening of Vavuniya Dedicated Economic Centre on 01.09.2025

The Vavuniya Special Economic Center at Madauwaithakulam was formally inaugurated under the visionary theme, "A prosperous farming life for farmers, a renaissance for the market." by the Minister of Trade, Commerce, Food Security, and Cooperative Development, Hon. Wasantha Samarasinghe.

- Opening of the Jaffna Specialized Economic Center closed on 30.09.2025.

• As a preliminary step to strengthen the agricultural production cooperative societies, 10 tractors and 03 paddy dryers were provided to 07 agricultural production cooperative societies and various service cooperative societies that have actively played a pioneering role in the cooperative movement. Accordingly, as of 31.12.2025, the project for the establishment of 1000 Production Cooperative Society has recorded a financial progress rate of 60% against its annual budget of Rs. 100 million.

• Lanka Sathosa opened its largest retail outlet complex under its new network in Badulla on September 29, 2025. Named "Lanka Sathosa Exclusive - Badulla," this supermarket includes departments that were previously unavailable within the Sathosa retail chain, such as ready-made garments, restaurants, and bakery products.

• Carrying on necessary coordination required for obtaining the approval of Cabinet of Ministers subsequent to the submission of policy decisions required for food security to the Food Policy and Safety Committee.

Guidance and coordination for the purchase of potato harvest at a reasonable price by the CWE and the private sector and sell to the consumer at a reasonable price.

• Coordinating relevant institutions to ensure that essential food items are supplied to the consumer without shortages and making necessary recommendations to the Food Security Committee to ensure adequate supply of essential food commodities (rice, potatoes, onions, etc.) that are observed to be in short supply in the market.

• Offering guidance to provide necessary relief to consumers in respect of essential consumables by coordinating regulatory activities with the Consumer Affairs Authority whenever required.

• Direct involvement in activities relating to the imposition of import taxes to protect local onion and potato farmers.

• Implementing necessary activities to stabilize the market to address the shortage of production in the salt industry caused by climate change occurred in the country after 30 years.

Trade and Commerce

• In October 2025, a high-level delegation led by Minister Wasantha Samarasinghe, the Ministry Secretary and the relevant officials successfully concluded Sri Lanka's WTO Trade Policy Review in Geneva with robust reform commitments and global support.

• Carrying on necessary coordination activities from the year 2025 for the application of provisions for executing regulations relevant to the Antidumping and Countervailing Act.

• In September 2025, the World Food Festival, a premier global platform dedicated to fostering strategic partnerships, securing investment opportunities, and facilitating technology transfers was held in India. The Hon. Minister and the Ministry Secretary participated in the event and met with prominent leaders of global agribusiness and food enterprises, alongside key representatives from influential industry associations. These high-level deliberations centered on fortifying bilateral cooperation in critical domains such as food security, cooperative development, and capacity building.

• Preliminary discussions regarding the Regional Comprehensive Economic Partnership (RCEP) have been held and the initial questionnaire and Gap Analysis have been formally submitted its to the RCEP Secretariat.

• Convening subcommittees in relation to the implementation of the National Tariff Policy and discussing tax amendments in respect of each sector.

Establishing a sub-committee under the chairmanship of the Secretary to the Ministry of Trade, Commerce, Food Security and Cooperative Development, covering the sectors of agriculture, plantation industries, fisheries and industry, to facilitate the implementation of the National Tariff Policy, including the modification or updating of tariffs in accordance with the provisions of the National Tariff Policy of Sri Lanka.

Making recommendations regarding import taxes imposed on essential food items, including making recommendations regarding the imposition of taxes on the import of seasonally produced essential food items.

• Active consultations are currently underway regarding a proposed Trade and Economic Dialogue framework between Sri Lanka and New Zealand.

• Discussions were held on the new tariff revisions proposed by the World Bank and the Ministry of Finance, Planning and Economic Development.

• The Cabinet of Ministers has appointed a specialized committee to evaluate the efficacy of existing Free Trade Agreements (FTAs) and this committee is currently finalizing a comprehensive report designed to provide strategic recommendations for both optimizing existing FTAs and pursuing prospective trade agreements.

• The 3rd Sub-Committee Meeting on Trade between Sri Lanka and Vietnam was held in Colombo on December 9, 2025, bringing together high-level representatives from both nations to discuss bilateral trade, economic, and technical cooperation.

• A three-day workshop aimed at helping South Asian women entrepreneurs strengthen their digital and online business skills was held from November 18-20, 2025, at the Bandaranaike Memorial International Conference Hall (BMICH).

• On October 15, 2025, the Department of Commerce, in collaboration with the Galle District Secretariat and the Small Enterprises Development Division (SED), successfully conducted an awareness seminar for Small and Medium-sized Enterprises (SMEs) in the Galle District. The program aimed to enhance SMEs' knowledge of market access opportunities available through Sri Lanka’s Free Trade Agreements (FTAs) and both preferential and non-preferential trade arrangements.

• On June 19, 2025, the Sri Lanka Pavilion at the Expo held at the Kunming Dianchi International Convention and Exhibition Center was officially inaugurated by Ministers Hon. Wasantha Samarasinghe and Arun Hemachandra. The exhibition featured over 1,400 exhibitors from 54 countries and regions. The pavilion showcased Sri Lanka's key sectors, including tea, spices, gems and jewellry, handicrafts, garments, coconut-based products, batik, and tourism, providing international buyers and visitors with valuable insight into Sri Lanka’s unique economic and cultural strengths.

• The 8th meeting of the China-Sri Lanka Joint Trade and Economic Commission was held in Colombo on May 29, 2025. Co-chaired by Chinese Commerce Minister Wang Wentao and Sri Lankan Trade Minister Hon. Wasantha Samarasinghe, both parties engaged in an in-depth exchange of views on advancing "Belt and Road" cooperation, expanding trade and investment, and safeguarding the multilateral trading system. Following the discussions, two Memoranda of Understanding (MoUs) were signed: one to establish a Working Group on Trade Facilitation and the other regarding industrial and supply chain cooperation.

The Sri Lanka – China Trade and Investment Forum was held on May 30, 2025, alongside the main Joint Commission meeting. This high-level event brought together over 115 senior representatives from 77 leading Chinese enterprises, as well as key members from Sri Lanka's public and private sectors. The forum was co-hosted by the Ceylon Chamber of Commerce, the Department of Commerce of Sri Lanka, the Sri Lanka – China Business Council of the Ceylon Chamber of Commerce, and the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME).

• In recent years, the United States has been Sri Lanka's primary export destination. In 2025, exports to the U.S. amounted to USD 2.9 billion, reflecting a 3% growth compared to the previous year. Under these circumstances, the United States introduced a reciprocal tariff system in 2025 aimed at narrowing trade imbalances with individual countries; accordingly, reciprocal tariffs were imposed on various nations based on the size of their trade gaps. Under this program, a 44% reciprocal tariff was imposed on Sri Lanka.

As a result of several subsequent discussions, the 44% reciprocal tariff was relaxed to 20% in August 2025. A special team is currently conducting negotiations with the United States to further reduce the tariff imposed on Sri Lanka. Consequently, it is expected that upon the conclusion of these discussions, Sri Lanka will be able to enter into a favorable and appropriate trade agreement.

• The 3rd session of the Sri Lanka – Türkiye Joint Committee on Economic and Technical Cooperation (JCETC) was held in Colombo on July 24, 2025. This high-level meeting marked a significant milestone in strengthening bilateral relations, focusing on expanding cooperation across several critical sectors.

The meeting emphasized a renewed commitment from both nations to broaden collaboration across a wide spectrum, ranging from trade and investment to agriculture, education, maritime affairs, transport, health, tourism, and technology and innovation.

The Sri Lankan delegation was led by the Minister of Trade, Commerce, Food Security, and Cooperative Development, Hon. Wasantha Samarasinghe, while the Turkish delegation was headed by its Minister of National Education, Yusuf Tekin. At the technical level, discussions were led by the Secretary to the Ministry of Trade, Commerce, Food Security, and Cooperative Development of Sri Lanka and Turkey's Director General for International Agreements and EU Affairs.

Institutional Coordination Affairs

The ministry has carried out all institutional activities, coordinated with other organizations, and submitted Cabinet Papers to the Cabinet of Ministers regarding the ministry and its affiliated institutions.

No	Date of Cabinet Decision	Title of Cabinet Memorandum
1	06/01/2025	Approval for importing read raw rice
2	20/01/2025	The import of 30,000 metric tons of unprocessed and non-iodized salt by the Sri Lanka State Trading (General) Corporation Ltd for domestic and industrial requirements.
3	20/01/2025	The import of 20,800 metric tons of rice equivalent to Nadu rice by the Sri Lanka State Trading (General) Corporation Ltd under the Standing Cabinet Appointed Procurement Committee (SCAPC).
4	20/01/2025	The appointment of Ms. K.A.P. de Silva, a Special Grade Officer of the Sri Lanka Accountants' Service, to act in the post of Registrar of Companies.
5	20/01/2025	Appointment of a committee to decide on the future activities of the Tharapuram Cooperative Village Project in the Mannar District.

No	Date of Cabinet Decision	Title of Cabinet Memorandum
6	03/02/2025	Amending the Intellectual Property Act, No. 36 of 2003, to enable the international registration of trademarks and service marks under the Madrid Protocol.
7	03/02/2025	Restructuring the line agencies associated with the National Cooperative Movement.
8	09/02/2025	Digitization of documents at the National Intellectual Property Office (NIPO) of Sri Lanka.
9	09/02/2025	Implementing Sri Lanka – Thailand Free Trade Agreement
10	19/02/2025	The appointment of the Director General of Commerce, Department of Commerce.
11	10/03/2025	Cabinet decision Subject No. (32) 25/Miscellaneous (007) Fundamental Rights Case No. SC/FR/288/2023
12	03/03/2025	Implementation of trade remedy regulations and strengthening of the Trade Remedies Unit of the Department of Commerce.
13	15/03/2025	The import of 8,400 metric tons of unprocessed and non-iodized salt by the Sri Lanka State Trading (General) Corporation Ltd for domestic and industrial requirements.
14	10/03/2025	Fundamental Rights Petition bearing No. SC/FR/99/2024
15	24/03/2025	The appropriate methodology for implementing the "Timely Food Package" provision program.
16	24/03/2025	Amending the Companies Act, No. 07 of 2007.
17	24/03/2025	Reactivating the Cooperative Wholesale Establishment
18	24/03/2025	The transfer of road development activities of the year 2019 of Southern Development Program to an appropriate ministry.
19	24/03/2025	The appointment of Mr. Lal Hewapathirana, a Grade III officer of the Sri Lanka Administrative Service (SLAS), to the post of Food Commissioner on duty-performing basis.
20	01/04/2025	Annual Report 2023 of National Cooperative Development Institute
21	07/04/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 05
22	21/04/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 06

No	Date of Cabinet Decision	Title of Cabinet Memorandum
23	07/05/2025	The appointment of Ms. P.V.S.P. Harshani, Registrar of Companies, to cover the duties of the Registrar General of Companies, as Ms. K.A.P. de Silva, who was serving in an acting capacity, is travelling abroad for a training program.
24	07/05/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 07
25	19/05/2025	Appointment of Director General of Commerce – Department of Commerce
26	15/05/2025	The import of non-iodized raw salt (powdered and crystal salt) for domestic and industrial requirements.
27	19/05/2025	Approval for the incorporation of a Limited Liability Company to manage Special Economic Centers.
28	26/05/2025	Submission of regulations for Parliamentary approval under the Anti-Dumping and Countervailing Duties Act, No. 02 of 2018.
29	26/05/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 08
30	26/05/2025	Approval for the signing of a Memorandum of Understanding (MoU) to establish a working group aimed at promoting smooth bilateral trade between Sri Lanka and China.
31	26/05/2025	Approval for the incorporation of a Limited Liability Company to manage Special Economic Centers.
32	02/06/2025	The appointment of Ms. Himali Hettihelage, a Grade I officer of the National Intellectual Property Office of Sri Lanka, to the post of Director General of Intellectual Property on an acting basis.
33	09/06/2025	Joint Cabinet Memorandum: Approval for the ratification of the first phase of the World Trade Organization (WTO) Agreement on Fisheries Subsidies.
34	02/06/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 09
35	02/06/2025	Sri Lanka Accreditation Board for Conformity Assessment- Annual Report 2022
36	02/06/2025	Lanka Sathosa Limited- Annual Report 2022

No	Date of Cabinet Decision	Title of Cabinet Memorandum
37	09/06/2025	Procurement of goods and services by government institutions from the Sri Lanka State Trading (General) Corporation Ltd based on a single quotation.
38	16/06/2025	Procurement of goods and services by government institutions from the Sri Lanka State Trading (General) Corporation Ltd based on a single quotation.
39	23/06/2025	Sri Lanka State Trading (General) Corporation- Annual Report 2023/2024
40	01/07/2025	Appointment of a Stakeholder Steering Committee and a Technical Working Committee for the establishment of the National Quality Council.
41	01/07/2025	Appointment of Mr. P. Jayakody, Acting Director of Commerce, to cover the duties of the Director General of Commerce, as Ms. Ameena Shafi Mohin, who was serving in an acting capacity, is travelling to Namibia to attend the Commonwealth Trade Ministers and Senior Trade Officials Meeting.
42	07/07/2025	The extension of the term of office for Mr. Lal Hewapathirana, a Grade II officer of the Sri Lanka Administrative Service (SLAS), who was appointed to the post of Food Commissioner on attending to duty basis.
43	07/07/2025	Appointment of Ms. G.L.D. Dahanayake, Additional Secretary to the Ministry of Trade, Commerce, Food Security, and Cooperative Development, to cover the duties of the post of Director General of Intellectual Property.
44	21/07/2025	Amending Companies Act, NO. 07 of 2007.
45	21/07/2025	The retirement of Ms. Geethanjali R. Ranawaka, the former Director General of Intellectual Property at the National Intellectual Property Office of Sri Lanka.
46	23/06/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 10
47	24/07/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 11

No	Date of Cabinet Decision	Title of Cabinet Memorandum
48	04/08/2025	Appointment of Ms. Tharani Kumaradasa, Senior Assistant Secretary of the Ministry of Trade, Commerce, Food Security, and Cooperative Development, to cover the duties of the post of Commissioner of Cooperative Development and Registrar of Cooperative Societies.
49	21/07/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 12
50	21/07/2025	Implementing the recommendations of the Technical Committee appointed to provide guidance on the import of rice, broken rice, and other alternative raw materials for industrial requirements.
51	04/08/2025	Implementing the recommendations of the Technical Committee appointed to provide guidance on the import of rice, broken rice, and other alternative raw materials for industrial requirements.
52	11/08/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 13
53	25/08/2025	Approval of a Scheme of Recruitment for the post of Registrar General of Companies at the Department of the Registrar of Companies.
54	25/08/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 14
55	03/09/2025	Joint Cabinet Memorandum The import of 1,000 metric tons of dried turmeric by the Cooperative Wholesale Establishment
56	03/09/2025	The extension of service for employees already recruited and the recruitment of [additional] staff for the Cooperative Wholesale Establishment (CWE)
57	08/09/2025	The extension of service for employees already recruited and the recruitment of [additional] staff for the Cooperative Wholesale Establishment (CWE)
58	08/09/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 15
59	03/09/2025	Approval of the Scheme of Recruitment (SOR) for the post of Registrar General of Companies at the Department of the Registrar of Companies.

No	Date of Cabinet Decision	Title of Cabinet Memorandum
60	22/09/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 16
61	22/09/2025	Recruitment of permanent and contract employees to the Cooperative Wholesale Establishment (CWE).
62	07/10/2025	Sri Lanka Accreditation Board for Conformity Assessment, Annual Report 2023
63	07/10/2025	Obtaining covering approval for importation/procurement of rice.
64	07/10/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 17
65	07/10/2025	Joint Cabinet Memorandum Granting financial subsidy for fertilizer to farmers who cultivate paddy fields in the Maha Season of 2025/26
66	13/10/2025	Joint Cabinet Memorandum Ensuring an adequate supply of rice varieties of which market shortages are observed.
67	13/10/2025	Direct purchase of selected agricultural products by Lanka Sathosa Ltd
68	13/10/2025	Import and supply of 50,000 metric tons of maize through the Sri Lanka State Trading (General) Corporation Ltd for the production of animal feed.
69	13/10/2025	Implementation of the Comprehensive Business Plan of the Cooperative Wholesale Establishment (CWE).
70	21/10/2025	Appointment of Mr. Kumudu Meegahage, a Grade I officer of the Sri Lanka Administrative Service (SLAS) and Director at the Ministry of Trade, Commerce, Food Security, and Cooperative Development, to cover the duties of the post of Director General of Intellectual Property.
71	21/10/2025	Appointment of Mr. R.G.S.A. Perera, Deputy Director of the Department of Measurement Units, Standards, and Services, to cover the duties of the post of Director of the same department.
72	21/10/2025	Procurement of goods and services by government institutions from the Sri Lanka State Trading (General) Corporation Ltd (STC) based on a single quotation.

No	Date of Cabinet Decision	Title of Cabinet Memorandum
73	27/10/2025	Implementation of the Comprehensive Business Plan for the Cooperative Wholesale Establishment (CWE).
74	03/11/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 18
75	10/11/2025	Appointment of Ms. Tharani Kumaradasa, a Grade I officer of the Sri Lanka Administrative Service (SLAS) and Senior Assistant Secretary to the Ministry of Trade, Commerce, Food Security, and Cooperative Development, to the post of Commissioner of Cooperative Development / Registrar of Cooperative Societies.
76	17/11/2025	Approval of the Scheme of Recruitment (SOR) for the post of Registrar General of Companies at the Department of the Registrar of Companies.
77	24/11/2025	Approval for Sri Lanka's entry into the Regional Comprehensive Economic Partnership (RCEP)
78	01/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 19
79	01/12/2025	Allocation of initial capital for the newly incorporated "National Agri Market Services Limited" for the development and management of Special Economic Centers.
80	10/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 20
81	10/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 21
82	10/12/2025	Allocation of initial capital for the newly incorporated "National Agri Market Services Limited," established for the development and management of Special Economic Centers.
83	10/12/2025	Cancellation of the award: Import and supply of 50,000 metric tons of maize through Sri Lanka State (Trading) Corporation for the production of animal feed.
84	15/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 21
85	15/12/2025	Appointing Ms. Inosha Asanthi Perera, Senior Assistant Secretary of the Ministry of Trade, Commerce, Food Security, and Co-operative Development, to cover the duties of the post of Commissioner of Co-operative Development / Registrar of Co-operative Societies.

No	Date of Cabinet Decision	Title of Cabinet Memorandum
86	15/12/2025	Submission of the report regarding the appointment of a committee to decide on the future activities of the Tharapuram Co-operative Village Project in the Mannar District.
87	15/12/2025	Joint Cabinet Memorandum: Obtaining storage facilities for the Medical Supplies Division - Veyangoda Sub-Store.
88	15/12/2025	Joint Cabinet Memorandum: Providing an opportunity for mill owners registered with the Paddy Marketing Board to mill existing paddy stocks purchased by the Board, for distribution through Sathosa.
89	15/12/2025	Cancellation of Awards: Import and supply of 50,000 metric tons of maize for animal feed production through the Sri Lanka State Trading (General) Corporation Limited
90	22/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 21
91	22/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 22
92	22/12/2025	Obtaining financial facilities for the working capital requirements of Lanka Sathosa Limited
93	22/12/2025	Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund – Annual Report 2023
94	22/12/2025	Sri Lanka Accreditation Board for conformity Assessment – Annual Report 2024
95	29/12/2025	Submission of the report regarding the appointment of a committee to decide on the future activities of the Tharapuram Co-operative Village Project in the Mannar District.
96	29/12/2025	Joint Cabinet Memorandum Food Policies and Food Security Committee- Meeting No. 22

The Public Service Recruitment Review Committee of the Prime Minister's Office has approved the recruitment of employees to fill vacancies in the institutions under the Ministry, including the Consumer Affairs Authority, Sri Lanka Accreditation Board for Conformity Assessment, Lanka Sathosa Limited, Cooperative Wholesale Establishment, Sri Lanka Government State Trading (General) Corporation, National Institute of Cooperative Development, National Intellectual Property Office of Sri Lanka, Department of Registrar of Companies, Department of Measurement Units, Standards and Services, and Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund, and the relevant recruitment activities are currently underway.

National Evaluation Policy of Sri Lanka

Proposals for projects seeking allocation of funds from the 2025 State Budget were requested, adhering to the guidelines set out in Project Management and Monitoring Circular No. 01/2024, which outlines "Responsibilities and Roles of All Government Institutions for the Implementation of the National Evaluation Policy of Sri Lanka".

As a key initiative under the National Evaluation Policy Program, the expansive, 5000 MT temperature-controlled warehouse facility at Dambulla facility which is under the purview of the Food Commissioner's Department functioning under our Ministry has been selected for evaluation for the year 2025 and procurement activities are currently underway to select a specialist consulting firm required for carrying out an independent evaluation and the relevant Reference Group and Management Group have already been identified. This critical oversight project is budgeted at approximately Rs. 2.5 million.

2.2 Special Achievements, Challenges And Future Goals

Special Achievements

- **Multisector Action Plan for Nutrition (MSAPN)**

The first pilot programme on MSAPN was held in September in the Ratnapura district and the second in the Batticaloa district in November and necessary arrangements are being made to hold this pilot program in the Nuwaraeliya district too in the future.

The inauguration of, the Multi-Sectoral Nutrition Plan in the Batticaloa District was held on 7th November 2025. The event featured prominent figures including the SUN focal point representative for Sri Lanka, and the Additional District Secretary of Batticaloa. During the proceedings, the focal point representative handed over the plan to the Additional District Secretary via an official memorandum. To ensure effective implementation, the launch was accompanied by a brief training program. Building on this momentum, arrangements are already underway to launch the next phase of the plan in the Nuwara Eliya District on 23rd February 2026.

• Appointing Steering Committees and Technical Committees for the initiation and establishment of the National Quality Council.

• Securing necessary Cabinet approval for the reestablishment of the Cooperative Wholesale Department.

Taking measures to secure approvals for the reestablishment of the CWE and resume its business activities on the basis of a feasible business plan having cancelled the previous Cabinet decision for its liquidation.

• Establishing National Agri Market Services Limited

A state company named "National Agri Market Services Limited" was established to operate and manage the 18 Special Economic Centers currently scattered across the country efficiently and effectively under one business model.

By establishing this company, it is expected to expand the market to farmers, traders and consumers and broaden the marketing and purchasing facilities.

• Initiating the operational activities of the Vavuniya and Jaffna Special Economic Centers.

• Appointing an expert committee comprising specialists from various fields and leaders of the cooperative movement to provide recommendations on reforming the cooperative business, considering the current challenges and issues it faces.

• The registration of Geographical Indications has commenced as of 2025, in accordance with relevant laws and regulations.

• Implementing the Based Best Practices of Agri Food Sector Development Project in partnership with the Ministry of Health and Media in order to improve qualitative infrastructure facilities for food security.

• Coordination and holding discussions to secure mutual tariff concessions between the United States of America and Sri Lanka.

The Sri Lankan delegation reaffirmed the government’s prompt and positive commitment to collaborating with the U.S. to reduce the trade deficit and lower both tariff and non-tariff barriers.

- In April 2025, the United States government proposed a 44% reciprocal tariff on all goods imported from Sri Lanka. As a result of continuous negotiations conducted by the Sri Lankan government with the U.S., these import tariffs were reduced to 30% in July 2025 and further relaxed to 20% in August 2025. A special team is currently holding discussions with the United States to further reduce the tariff imposed on Sri Lanka. It is expected that these negotiations will eventually lead to a favorable and appropriate trade agreement for Sri Lanka.

Challenges

Challenges in the trade and economic sectors due to Ditwah cyclonic storm

The impact of Cyclone Ditwah on Sri Lanka's economy was devastating, paralyzing trade by crippling supply chains and transport infrastructure. The storm struck during the primary growing season, wiping out agricultural output and triggering severe food shortages. The disaster coincided with the primary cultivation cycle, resulting in widespread crop failure and heightened food with vegetable prices in affected districts escalating by 100% to 350%. The Lanka Sathosa Company and the cooperative sector encountered significant logistical hurdles in maintaining the supply of essential commodities, particularly within high-impact zones. The situation was further exacerbated by extensive damage to the national road network, specifically those linking the Central Highlands to Colombo, severely restricting the movement of goods.

Future Plans

i. It is proposed to commence construction work on the Cooperative Square Building in 2026 at a cost of approximately 7 billion rupees under a new facade, in order to establish all institutions, including the Ministry of Trade, Commerce, Food Security and Cooperative Development and the institutions established in other buildings on a rented basis, under one roof, and facilitate direct supervision and coordination by the Ministry so that the services available to the consumers through each of those institutions can be obtained without delay.

ii. It is proposed that, effective from 2026, the management of Dedicated Economic Centers be fully integrated into the legal and operational framework of National Agri Market Services Limited.

iii. Developing a policy, a Competition Policy Framework required to facilitate trade agreements and expand market access for Sri Lankan products and formulating a Competition Legal Framework

iv. Establishing National Quality Council.

v. Taking steps to amend the existing Cooperative Act and the Cooperative Commission Act to ensure the growth and advancement of the cooperative movement. Furthermore, measures are being taken to introduce the Cooperative Financial Regulatory Act in 2026 to regulate cooperative societies regarding their financial activities.

vi. Developing eRoC 2 to meet the expectations of the cooperative sector and improve the ease of doing business.

vii. Sri Lanka Thriposha Limited plans to advance its commitment to sustainable development through organizational modernization and product diversification. The company hopes to ensure nutritional security in Sri Lanka and improve the health of diverse population groups through strategic collaboration with the World Food Programme, government support, and internal capacity development.

viii. Installation of a solar panel system to ensure sustainability of the temperature-controlled warehouse in Dambulla.

ix. Taking action to minimize post-harvest losses by providing grain drying machines for manufacturing cooperative societies.

x. It is proposed that a Productivity Performance Competition be conducted for all cooperative societies in 2026 to ensure operational excellence and institutional efficiency of cooperative societies.

xi. The disclosure of beneficial ownership is implemented through system development and regulatory provisions under the Companies Act, No. 07 of 2007.

xii. Developing a policy framework necessary to provide facilities through trade agreements and taking measures to expand market access for Sri Lankan products.

xiii. Amending the Consumer Affairs Authority Act to protect consumer welfare and ensure fair and ethical trade.

xiv. Improving storage facilities for essential food items.

K.A. Vimalenthirarajah
Secretary
Ministry of Trade, Commerce, Food
Security and Co-operative Development
No. 492, R.A. De Mel Mawatha,
Colombo 03.

K. A. Vimalenthirarajah
Secretary
Ministry of Trade, Commerce, Food Security and Cooperative Development

Chapter 03 – Financial performance as a whole for the year ended 31 December 2025

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2025

Revised Budget Allocations 2025 Rs.		Note	Actual 2025 Rs.	2,024 Rs.	
-	**Revenue Receipts**				
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non-Tax Revenue & Others	4	-	-	
-	**Total Revenue Receipts (A)**		-	-	
-	**Non-Revenue Receipts**				
-	Treasury Imprests		966,042,000	366,922,144	**ACA-3**
-	Deposits		14,048,529	50,633,393	**ACA-4**
-	Advance Accounts		26,576,294	12,806,579	**ACA-5**
-	Other Main Ledger Receipts		-	-	
-	**Total Non-Revenue Receipts (B)**		**1,006,666,824**	**430,362,116**	
	Total Revenue Receipts & Non-Revenue Receipts C = (A)+(B)		**1,006,666,824**	**430,362,116**	
	Remittance to the Treasury (D)		**585,329,515**	**22,336**	
-	**Net Revenue Receipts & Non-Revenue Receipts E = (C)-(D)**		**421,337,309**	**430,339,781**	
	Less: Expenditure				
	Recurrent Expenditure				

206,300,000	Wages, Salaries & Other Employment Benefits	**5**	170,086,449	199,815,322	
282,100,000	Other Goods & Services	**6**	214,689,390	181,975,420	**ACA-2(ii)**
729,600,000	Subsidies, Grants and Transfers	**7**	722,005,718	626,139,249	
-	Interest Payments	**8**	-	-	
-	Other Recurrent Expenditure	**9**	-	-	
1,218,000,000	**Total Recurrent Expenditure (F)**		**1,106,781,558**	**1,007,929,991**	
	Capital Expenditure				
25,500,000	Rehabilitation & Improvement of Capital Assets	**10**	6,569,126	3,252,406	
8,500,000	Acquisition of Capital Assets	**11**	9,726,314	79,650	
-	Capital Transfers	**12**	-	2,452,232	**ACA-2(ii)**
-	Acquisition of Financial Assets	**13**	-	-	
1,000,000	Capacity Building	**14**	975,660	971,566	
100,000,000	Other Capital Expenditure	**15**	-	-	
135,000,000	**Total Capital Expenditure (G)**		**17,271,100**	**6,755,854**	
	Deposit Payments		36,268,897	50,322,988	**ACA-4**
	Advance Payments		27,332,300	21,802,543	**ACA-5**
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**63,601,196**	**72,125,531**	
	Total Expenditure I = (F+G+H)		1,187,653,854	1,086,811,377	
1,353,000,000	**Balance as at 31st December J = (E-I)**		(766,316,545)	**(656,471,596)**	
	Balance as per the Imprest Adjustment Statement		(766,371,891)	(656,856,063)	**ACA-7**
	Imprest Balance as at 31st December		55,346	384,467	**ACA-3**
			(766,316,545)	**(656,471,596)**	

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2025

		Actual	
	Note	**2025**	**2024**
		Rs	**Rs**
Non-Financial Assets			
Property, Plant & Equipment	**ACA-6**	623,887,321	619,360,426
Financial Assets			
Advance Accounts	**ACA-5/5(a)**	24,756,231	24,000,226
Cash & Cash Equivalents	**ACA-3**	55,346	384,467
Total Assets		**648,698,898**	**643,745,119**
Net Assets / Equity			-
Net Worth to Treasury		11,796,250	(11,180,123)
Property, Plant & Equipment Reserve		623,887,321	619,360,426
Rent and Work Advance Reserve	**ACA-5(b)**		
Current Liabilities			
Deposits Accounts	**ACA-4**	12,959,981	35,180,348
Unsettled Imprest Balance	**ACA-3**	55,346	384,467
Total Liabilities		**648,698,898**	**643,745,119**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 08 to 29 and Annexures to accounts presented in pages from 30 to 66 form an integral part of these Financial Statements. **The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025** and hereby certify that figures in these Financial Statements, notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

Chief Accounting Officer	Accounting Officer	Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :	Name :	Name :
Designation :	Designation :	
Date : 26/02/2026	Date :	Date : 2026/02/26.
K.A. Vimalenthirarajah Secretary Ministry of Trade, Commerce, Food Security and Co-operative Development No. 492, R.A. De Mel Mawatha, Colombo 03.	K.A. Vimalenthirarajah Secretary Ministry of Trade, Commerce, Food Security and Co-operative Development No. 492, R.A. De Mel Mawatha, Colombo 03.	Neluka M Patabendige Chief Accountant Ministry of Trade, Commerce & Food Security No:492, R.A.De Mel Mawatha, Colombo 03.

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3.3 Statement of Cash Flow

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2025

	Actual	
	2025 Rs.	**2024 Rs.**
Cash Flows from Operating Activities		-
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non-Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	42,947,117	86,022,570
Imprest Received	966,042,000	366,922,144
Imprest Transfer by Department of Commerce	-	905,383
Unsettled Sub Imprest Settlement	384,467	160,560
Recoveries from Advance	35,992,262	12,013,240
Deposit Received	14,048,529	50,633,393
Total Cash generated from Operations (A)	**1,059,414,376**	**516,657,290**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	377,351,035	379,007,049
Subsidies & Transfer Payments	333,198	69,747,228
Rehabilitation & Improvement of Capital Assets, Capital Transfers, Capacity Building and Other Capital Expenditure	7,544,786	-
Expenditure incurred on behalf of Other Heads	827,864	936,350
Imprest Settlement to Treasury	585,713,982	22,336
Advance Payments	46,366,024	11,933,251
Deposit Payments		

	36,268,897	50,322,988
Total Cash disbursed for Operations (B)	**1,054,405,786**	**511,969,202**
NET CASH FLOW FROM OPERATING ACTIVITIES (C)=(A)-(B)	**5,008,590**	**4,688,088**
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
Capital Asset Construction, Purchases and Other Investment Acquisitions	4,953,244	4,303,622
Total Cash disbursed for Investing Activities (E)	**4,953,244**	**4,303,622**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(4,953,244)**	**(4,303,622)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	**55,346**	**384,466**
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	**-**	**-**

NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	**-**	**-**
Net Movement in Cash (K) = (G) + (J)	**55,346**	**384,467**
Opening Cash Balance as at 01st January	**-**	**-**
Closing Cash Balance as at 31st December	**55,346**	**384,467**

3.4 Notes to Financial Statements

1) **Purpose of Preparation**

   The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025.

2) **Reporting Period**

   The reporting period for these Financial Statements is from 01st January to 31st December 2025.

3) **Basis of Measurement**

   The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

   The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

4) **Recognition of Revenue**

   Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

5) **Recognition and Measurement of Property, Plant and Equipment (PP&E)**

   An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

   PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

6) **Property, Plant and Equipment Reserve**

   This reserve account is the corresponding account of Property Plant and Equipment.

7) **<u>Cash and Cash Equivalents</u>**

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2025.

In cases where there are transactions which are specific to a particular reporting entity, relevant information can be entered in and revisions can be made as needed in the formats and the disclosure required for those specific transactions may be included under “Reporting Basis”

Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.5 Performance in the collection of income

Collection of income is not applicable.

3.6 Performance in the utilization of provisions allocated

Type of provision	Provisions allocated		Actual expenditure (Rs. Mn)	Utilized provisions as a percentage of the final provision
	Initial provision (Rs. Mn)	Final provision (Rs. Mn)		
Recurrent	1218	1215.2	1106.78	91.07%
Capital	135	137.8	17.27	12.53%

3.7 Provisions, which have been awarded to this Ministry as per F R 208, as a representative of another Ministry/Department

Nil

3.8 Performance in the reporting of non-financial assets

Rs. Mn

Asset code	Description of code	Balance as per the report of the board of survey as at 31.12.2025	Balance as per statement of financial position as at 31.12.2023	To be accounted in due	Reporting progress as %
9151	Buildings and structures	-	341.45	-	-
9152	Machinery-Fund		-	-	-
9152	Machinery-Head	-	282.43	-	-
9153	Lands	-	-	-	-
9154	Intangible assets	-	-	-	-
9155	Biological assets	-	-	-	-
9160	Works in progress	-	-	-	-
9180	Assets issued on lease	-	-	-	-

3.9 Report of the Auditor General

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. TAC/F/MT/2025/FS/69 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 2026 මැයි 29 දින

Transition Copy

Secretary,
Ministry of Trade, Commerce, Food Security and Cooperative Development

Head 116 – Summary report of the Auditor General in terms of Section 11(1) of the National Audit Act, No. 19 of 2018 on the financial statements of the Ministry of Trade, Commerce, Food Security and Cooperative Development for the year ended 31 December 2025

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1. Financial Statements

1.1 Qualified Opinion

Head 116 - The audit of the financial statements of the Ministry of Trade, Commerce, Food Security and Cooperative Development for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of financial performance, and cash flow statement for the year then ended, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My comments and observations on these financial statements which are to be submitted to the Ministry of Trade, Commerce, Food Security and Cooperative in terms of Section 11 (1) of the National Audit Act No. 19 of 2018 are included in this report. The Annual Detailed Management Audit Report of the Ministry will be issued in due course to the Chief Accounting Officer in terms of Section 11 (2) of the Audit Act. This report is presented to Parliament in terms of Section 10 of the National Audit Act No. 19 of 2018 which is read in conjunction with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

In my opinion, except for the effects of the matters described in Paragraph 1.6 of this report, the financial statements prepared give a fair view of the financial position of the Ministry of Trade, Commerce, Food Security and Cooperative Development as at 31 December 2025 and its financial performance and cash flows and on all the materialities in accordance with the basis of preparation of the financial statements set out in Note. 1 related to the financial statements.

1.2 Basis for the Qualified Opinion

My opinion is qualified based on the matters described in paragraph 1.6 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility for the financial statements is further described in the Auditor's Responsibilities Section. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter – Basis for preparing Financial Statements

The attention is drawn to the Note 1 related to the Financial Statements which describes the basis of preparing these financial statements. The financial statements have been prepared as per the Financial Regulation 150 and 151 and the State Accounts Guideline No. 02/2025 dated 17 December 2025 for the requirement of the Ministry of Trade, Commerce, Food Security and Cooperative Development, General Treasury and the Parliament. Consequently, these financial statements may not be suitable for other objectives. My report is only for the use of the Ministry of Trade, Commerce, Food Security and Cooperative Development, General Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of the Chief Accounting Officer for the Financial Statements

The Accounting Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the Government Financial Regulation 150 and 151 and the State Accounts Guideline No. 02/2025 dated 17 December 2025 and for such internal control as Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As per section 16 (1) of the National Audit Act, No. 19 of 2018, the Ministry 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.

As per Sub - Section 38 (1) (c) of the National Audit Act, the Accounting Officer shall ensure that effective internal control system for the financial control of the Ministry exists and carry out periodic reviews to monitor the effectiveness of such systems and accordingly make any altercations as required for such systems to be effectively carried out.

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

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

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

- Appropriate audit procedures were designed and performed to identify and assess the risk of material misstatement in financial statements whether due to fraud or errors in providing a basis for the expressed audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

I communicate with the Accounting Officer regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

1.6 Comments on the Financial Statements

1.6.1 Non-financial Assets

(a) Nine (09) vehicles with a total value of LKR 160,625,000, which had been transferred to the Ministry prior to December 31, 2025, had not been included in the asset registry (CIGAS) and had not been accounted for under non-financial assets.

(b) Two (02) vehicles with a combined value of LKR 25,500,000, which were transferred to the Sri Lanka Sathosa institution in the year 2024, had not been removed from the asset registry (CIGAS) as of the final date of the year under review, and continued to remain listed under non-financial assets.

(c) Although the Department of State Accounts had instructed to account for the buildings of four (04) Dedicated Economic Centres located in Piliyandala, Embilipitiya, Kandahandiya, and Kurunduwatta which were valued at LKR 217,018,775 by the Government Valuation Department during the year under review—in accordance with those valuation reports, they had still not been accounted for or shown as non-financial assets in the CIGAS asset registry by the end of the year under review.

(d) Thirty-seven (37) asset items valued at LKR 505,100 and four (04) asset items of unidentified value, which were given to the National Cadet Corps during the year under review, had not been removed from the CIGAS asset registry by the end of the year under review, causing those asset values to continuously remain under non-financial assets.

(e) Ninety-nine (99) items of goods valued at LKR 1,193,790 and fifty (50) items of goods of unidentified value, which were issued by the Ministry to ten (10) external state institutions during the year 2023, had still not been removed from the CIGAS asset registry and the financial statements by the end of the year under review, causing those asset values to continuously remain under non-financial assets.

1.6.2 Non-maintenance of Books and Documents

In terms of Financial Regulation 1647(e), though officers-in-charge of vehicles are required to maintain a register specifying the type and model of the motor vehicles under their custody, registration numbers, date of handing over to them, date of transfer, and other relevant details, such a vehicle register had not been maintained.

2. Report on Other Legal Requirements

I express the following matters in terms of Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

(a) The financial statements are consistent with the preceding year.

(b) The following recommendations made by me regarding the financial statements of the preceding year had not been implemented.

Paragraph reference of the preceding year's report	**Recommendation not implemented**	**Paragraph reference of this report**
1.2.1 (a) (i)	Accounting vehicles acquired by the Ministry at their correct value.	1.6.1 (a)
1.2.1 (a) (ii)	Immediately removing vehicles not belonging to the Ministry from the asset registry.	1.6.1 (b)
1.2.1 (a) (iii)	Correctly identifying assets belonging and not belonging to the Ministry, and accordingly including them into or removing them from the financial statements.	1.6.1 (e)

3. Financial Review

3.1 Expenditure Management

In terms of Financial Regulation 50(ii), estimates must be prepared as accurately and completely as possible. However, action had not been taken accordingly in the following instances:

(a) The entire provision consisting of a total of Rs. 111,500,000 allocated for 03 capital expenditure heads, and a total of Rs. 1,900,000 allocated for 05 recurrent expenditure heads during the year under review, had not been utilized.

(b) Out of the total net provision of Rs. 63,650,000 provided for 15 expenditure heads, savings amounting to Rs. 41,280,330 were observed. Accordingly, the savings ranged from 55 percent to 99 percent of the total net provision.

3.2 Certifications to be made by the Chief Accounting Officer / Accounting Officer

In terms of the provisions of Section 38 of the National Audit Act No. 19 of 2018, although the Chief Accounting Officer / Accounting Officer was required to provide certifications regarding the following matters, action had not been taken accordingly:

(a) The Chief Accounting Officer and the Accounting Officer must ensure that annual and other financial statements are prepared within the required timeframe. Additionally, though the Chief Accounting Officer must ensure that the annual reports relating to the entity being audited are tabled in Parliament, due to the audit observations mentioned in paragraph 4.1.4 of this report, those requirements had not been fulfilled.

(b) Although the Chief Accounting Officer and the Accounting Officer must ensure that replies to all audit queries are provided within specified periods as required by the Auditor General, replies to the audit queries had not been provided in terms of paragraph 4.3 of the report.

(c) Although the Chief Accounting Officer and the Accounting Officer must ensure that an effective mechanism is in place for the proper implementation of the internal audit function, this requirement had not been fulfilled according to the observations mentioned in paragraph 6.1 of the report.

3.3 Non-compliance with Laws, Rules, and Regulations

	Reference to Laws, Rules, and Regulations	Non-compliance
(a)	Sections 10(1) and (2) of the Employees' Provident Fund Act No. 15 of 1958 as amended by the Employees' Provident Fund (Amendment) Act No. 26 of 1981; Section 16(1) of the Employees' Trust Fund Act No. 46 of 1980; and Management Services Department Letter No. DMS/0029/V-III dated November 01, 2017, regarding the "Manual of Procedure for the Administration of Specialized Economic Centers.	The required contributions to the Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF) had not been paid for 12 employees at the Dambulla Economic Center and 2 employees at the Veyangoda Economic Center.
(b)	Chapter XII, Paragraph 22.4 of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	Although details of all no-pay leave should be recorded in General Form 96 and reported monthly to the Auditor General, details of no-pay leave for the years 2022, 2023, 2024, and 2025 had not been reported to the Auditor General.
(c)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	
	(i) Regulations 756(6) and 757(1) as amended by Public Finance Circular No. 01/2020 dated August 28, 2020	Although an annual Board of Survey must physically inspect every vehicle and reconcile them with the inventory registries before December 31 each year, the vehicle survey for the year under review had not been conducted even by March 31, 2026.
	(ii) Financial Regulation 1645 and Paragraph 5.1 of Public Administration Circular No. 30/2016 dated December 29, 2016	Although details of fuel obtained for each vehicle must be entered properly into the respective daily running charts on the same day, 4,521 liters of fuel valued at LKR 1,306,827 obtained for 24 vehicles by the Ministry during the year under review had not been entered into the daily running charts.

(iii) Financial Regulation 1647(b)	Although all repairs carried out on a vehicle must be recorded in its logbook, information regarding 31 repairs worth LKR 3,234,213 carried out on 11 vehicles during the year under review had not been recorded in the logbooks.
(d) Public Administration Circular No. 09/2009(1) dated June 17, 2009:	
(i) Section 02	Although all public servants must confirm their arrival and departure at their workplace using biometric fingerprint machines, 18 Development Officers attached for duties at Economic Centers failed to confirm their arrival and departure in this manner. Meanwhile, LKR 11,228,247 had been paid to these officers as salaries by the Ministry for the year 2025.
(ii) Section 03	Irrespective of the number of employees present at a workplace, biometric fingerprint machines must be installed in every office. However, biometric fingerprint machines had not been installed at the Dambulla, Nuwara Eliya, and Veyangoda Economic Centers even by April 30, 2026.
(e) Paragraph 3.1 of Public Administration Circular No. 30/2016 dated December 29, 2016	Fuel inspections had not been conducted for 24 pool vehicles of the Ministry during the year under review.

3.4 Irregular Transactions

The following observations are made:

(a) The shop space established on the ground floor of the Ministry, measuring 2,178 square feet, was leased to the Co-operative Wholesale Establishment (CWE) from October 2022 to August 22, 2023, and to a private company from August 23, 2023, until the end of the year under review. A total of 146 inventory items (including deep freezers, televisions, cash registers, racks, and computers) installed inside the shop were purchased from a selected private company on December 29, 2021, for LKR 20 million without following a formal procurement procedure. The purchased goods were not entered into the inventory registries as per Financial Regulation 751. Furthermore, during physical verification, it was observed that 13 items valued at LKR 3,293,800 out of those goods had gone missing by December 31, 2025. In this regard, the investigations required under Financial Regulation 104 to immediately determine the exact amount and causes of the loss, as well as to identify those responsible had not been initiated up to date.

(b) Although an agreement had been signed without following a formal procurement procedure to lease the aforementioned shop space to a private company from September 01, 2023, to February 28, 2025, at a rate of LKR 250,000 per month, the Ministry had paid a monthly rent of LKR 326,700 to the building owner for the same floor area. Accordingly, the Ministry had incurred a loss of LKR 1,830,600 from September 2023 to the end of February 2025. No investigations had been conducted to identify the parties responsible for this loss or to recover the lost amount.

(c) Eighteen (18) Development Officers, who were attached for duties at Economic Centers by the Secretary to the Ministry of Agriculture and Plantation Industries, were attached to this Ministry following a change in the Ministry's scope of work. Although they should have been formally appointed to the Economic Centers in accordance with the Manual of Procedure for the Administration of Specialized Economic Centers under Management Services Department Letter No. DMS/0029/V-III dated November 01, 2017, they had not been so appointed. Furthermore, formal transfer orders for these officers had not been issued by the Director General of Combined Services up to date. According to the Cabinet Decision No. අමප/05/2119/027/003 dated January 04, 2006, and the Management Trust Deeds, the salaries of the employees at Economic Centers must be borne by the respective Center's fund. However, salaries totaling LKR 11,228,247 had been paid to these officers by the Ministry for the year 2025, and this amount had not been reimbursed from the Economic Centers.

4. Operating Review

4.1 Performance

4.1.1 Planning

(a) Pursuant to paragraph 03 of Public Finance Circular No. 02/2020 dated August 28, 2020, all Government Ministries and Departments are required to prepare an Annual Action Plan for the implementation of their approved budget estimates for each year. The Annual Action Plan for the ensuing year must be prepared and submitted to the Chief Accounting Officer for approval prior to December 15 of the current year. Nevertheless, the Ministry and its subordinate institutions, namely the Food Commissioner’s Department, Department of Commerce, Department of the Registrar General of Companies, and Department of Co-operative Development granted approval for their 2025 Action Plans with delays ranging from 01 to 10 months. Furthermore, the Ministry’s approval for the Annual Action Plan of the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund had not been granted even up to the date of this report.

(b) Pursuant to guideline 2.3 of the Guidelines on Corporate Governance for State Enterprises introduced by Public Enterprises Circular No. 01/2021 dated November 16, 2021, State Enterprises must submit a Strategic Plan for a period of five years. This plan, which includes strategies to achieve statutory objectives along with the Annual Action Plan and the Annual Budget, must be submitted by the State Enterprises to the Secretary to the Treasury and the Director General of the Department of Public Enterprises, or the Director General of the Department of National Budget, as applicable, through the Secretary of the relevant line Ministry. These plans must be submitted to the General Treasury 15 days prior to the commencement of each ensuing year. However, Ministry approval for the Action Plans of the Sri Lanka State Trading (General) Corporation and the National Institute of Co-operative Development was granted with delays of 03 months and 11 months, respectively (p. 11). Furthermore, the Action Plans for the year under review for three institutions; namely the Consumer Affairs Authority, Lanka Sathosa Limited, and the Sri Lanka Accreditation Board had not been approved even by the end of the year under review.

4.1.2 Failure to Achieve Objectives

(a) Among the objectives of the Ministry, the following primary objectives could not be achieved during the year under review.

i. Formulation of a National Trade Policy.

ii. Maintaining a database related to the institutions under the Ministry, updating the said database, and establishing a mechanism to connect data and external information-providing institutions.

iii. Providing guidance to implement a conservation methodology for protecting national intellectual property and establishing an intellectual property system.

iv. Expediting the updates and amendments to the laws and acts of the institutions under the Ministry to ensure better consumer protection.

(b) The amending of the Consumer Affairs Authority Act No. 09 of 2003, the National Intellectual Property Act No. 36 of 2003, and the Measurement Units, Standards and Services Act No. 35 of 1995 had not been finalized even by the end of the year under review.

4.1.3 Failure to Achieve Expected Output Level

(a) Financial provisions amounting to LKR 485.93 million had been allocated for 20 projects under 6 programs included in the revised action plan for the year under review. However, as of December 31, 2025, their utilization ranged from LKR 0 to LKR 59.46 million, indicating a financial progress between 0% and 58%.

(b) The financial and physical progress as of December 31 of the year under review concerning the capital provisions allocated for the year under review for 5 institutions; namely the Consumer Affairs Authority, the Lalith Athulathmudali Mahapola Higher Education Scholarship Trust Fund, Lanka Sathosa Ltd, the National Institute of Cooperative Development, and the Cooperative Wholesale Establishment had not been obtained by the Ministry even by March 16, 2026.

(c) During the year under review, 2 projects had been approved for the Department of Cooperative Development and the Department of Commerce under Treasury provisions of LKR 100 million and LKR 25 million respectively. By December 31 of the year under review, the utilization stood at LKR 54.69 million and LKR 17 million respectively, representing a financial progress of 55% and 68%. Furthermore, although Treasury capital provisions of LKR 100 million each had been allocated for two projects of the Food Commissioner's Department, one project had not been implemented at all, while the utilization for the other project was only LKR 14.3 million, achieving a financial progress of just 14%.

(d) The progress of the development programs/projects of the Ministry and its subordinate institutions had not been reviewed in a timely manner through joint progress review meetings or quarterly progress review meetings.

4.1.4 Tabling Annual Reports in Parliament

In terms of paragraph 6.6 of the Operations Manual for State Enterprises, which was introduced by State Enterprises Circular No. 01/2021 dated 16 November 2021, annual reports of entities should be tabled in Parliament within 05 months of the end of the financial year. Nevertheless, the 2023 annual reports of 04 institutions under the Ministry and the 2024 annual reports of 10 institutions had not been tabled in Parliament even by 30 April 2026, while the 2023 annual reports of 07 institutions had been tabled with delays ranging from 01 month to more than 1 ½ years.

4.2 Asset Management

(a) Although approval had been received through Cabinet Decision No. අමප/21/1543/313/053 dated 28 September 2021 to formally transfer vehicles to this Ministry, which belong to other ministries and institutions but are currently being utilized by the Ministry, 16 vehicles utilized by the Ministry had not been taken over even by 16 January 2026.

(b) Although an amount of LKR 160,242 had been spent during the year under review for the insurance and maintenance costs of two motorcycles owned by the Ministry, those motorcycles had not been utilized for official duties during the year under review. Even though there are no provisions in the Establishments Code or circulars, one of those motorcycles had been allocated to a driver.

4.3 Failure to Reply to Audit Queries

The Ministry had not provided replies for the following 03 audit queries issued in relation to the year under review.

Query Number	Subject Matter	Date of Issue
(a) TAC/F/MT/2025/AQ/02	Non-implementation of the provisions of the National Audit Act No. 19 of 2018	06 March 2026
(b) TAC/F/MT/2025/AQ/03	Preparation, approval, and progress review of plans of the Ministry - 2025	31 March 2026
(c) AC/F/DEC/24/PA/31/AQ/04	Examination of administrative activities and connected parties of Dedicated Economic Centers - 2025	27 April 2026

4.4 Management Inefficiencies

(a) By the Extraordinary Gazette No. 2412/08 dated 25 November 2024, all Dedicated Economic Centers were brought under the Ministry and the matters observed in respect of the Nuwara Eliya, Keppetipola, Dambulla, Meegoda, Welisara, Veyangoda, Narahampita, Ratmalana, and Piliyandala Dedicated Economic Centers are as follows.

i As per Cabinet Decision No. අමප/05/2119/027/003 dated 04 January 2006, Management Trusts have been established respectively for the administration of the Dedicated Economic Centers, and the legal document for running them is the Trust Deed. By the audited date of 30 September 2025, although the duration of those Trust Deeds spanned a range from 8 to 22 years, they had not been updated according to the circumstances.

ii Although the ownership of the lands where the Economic Centers are located belonged to various departments and cooperative societies, action had not been taken to transfer them to the Ministry or to explore the possibility of taking them over.

iii Out of the 12 warehouses of the Narahenpita Economic Center that earned warehouse rental income, 09 warehouses had been handed over to the Urban Development Authority via a deed of grant. Out of those, a warehouse rent arrears of LKR 22,491,575 due by 01 April 2022 had not been recovered even by 30 September 2025.

iv According to the Offences against Public Property Act No. 12 of 1982, business premises are public property, and according to lease agreements and lease letters, those premises should not be subleased, sold, transferred, or alienated by the lessees. However, by the audited date, 183 business premises in 08 Economic Centers, excluding Dambulla, had been subleased, while 58 business premises in the Nuwara Eliya Economic Center had been sold by the original lessees.

v The total number of business premises in the Economic Centers subjected to audit was 1,053, out of which 623 premises had been leased out by the Management Trusts without lease agreements. By 30 September 2025, the lease agreement periods for 241 of them had expired.

vi As of the audited date of 30 September 2025, the total of business premises rent and penalty rent due in 07 audited Economic Centers was LKR 76,504,103, out of which LKR 29,516,391 was older than 4 years. Furthermore, warehouse rent of LKR 86,509,280 was due from 03 warehouses at the Narahenpita Economic Center, out of which LKR 43,125,780 was older than 04 years.

vii In terms of paragraph 7(a) of the Management Trust Deed dated 24 January 2017 applicable to the Dambulla Dedicated Economic Center, arrears cannot be written off without the approval of the founder (p. 14). However, according to decisions taken at the Management Trust meeting held on 31 January 2025, a total of LKR 11,578,108 consisting of LKR 1,860,385 as shop rent and LKR 9,717,723 as penalty fees due from previous years had been written off from the accounts.

viii Due to the granting of lease agreements for the Dambulla Dedicated Economic Center in various manners and the expiration of lease periods for most lease agreements by the year 2019, 149 business premises lessees had paid a rent lower than the assessed lease rent to the Management Trust (p. 15). Accordingly, the Management Trust had lost a rental income of LKR 2,426,151 per month, totaling LKR 29,113,812 per year from those business premises.

ix Although the Dedicated Economic Centers were established with the objective of wholesaling and retailing agricultural produce and essential food items, 114 stall rooms in 04 Economic Centers—namely Ratmalana, Narahenpita, Meegoda, and Welisara—had been utilized for the sale of goods and provision of services unrelated to that objective.

x While one objective of establishing Dedicated Economic Centers was to promote efficient and competitive market mechanisms, and ensure fair trade by minimizing the influence of middlemen, 411 business premises were distributed among only 158 owners. Out of these, the business premises were distributed as 07 premises to one owner, 06 premises each to 05 individuals, 05 premises each to 10 individuals, 04 premises each to 04 individuals, 03 premises each to 32 individuals, and 02 premises each to 106 individuals. Accordingly, competition became limited and the bargaining power of the businessmen increased.

xi According to paragraph 04 (iii) of the Management Services Department letter No. DMS/0029/V-III dated 01 November 2017 titled "Manual of Procedures for the Administration of Dedicated Economic Centers," the appointing authority for the staff of the centers must be the Secretary to the line ministry (p. 15). However, appointments had been given for two Management Assistant posts in the Dambulla Economic Center by the Manager of that Economic Center, and for four labour posts (two posts each) in the Meegoda and Piliyandala Economic Centers by the Secretary of the respective Management Trusts.

xii In terms of paragraphs 11 (b) and (d) of the Economic Center Management Trust Deeds, the 2025 financial statements of Narahenpita, Meegoda, Veyangoda, and Piliyandala Economic Centers, the 2024 financial statements of Meegoda, Veyangoda, and Piliyandala Economic Centers, and the 2023 financial statements of the Piliyandala Economic Center, which should be submitted within 3 months of the end of the accounting period, had not been submitted for audit even by the date of this report.

xiii The Ministry had not implemented internal audits regarding the Economic Centers.

(b) By the Extraordinary Gazette No. 2412/08 dated 25 November 2024, a state company named State Trading Co-operative Wholesale Company Ltd was brought under the scope of the Ministry. However, according to the Cabinet Decision No. අමප/21/1313/313/045 and dated 02 August 2021, the directives issued to the Ministry Secretary to liquidate the said company had not been implemented even by 30 April 2026. Furthermore, details regarding the settlement of the outstanding balance of LKR 31,485,686 to be paid to the People's Bank by 22 May 2013 on behalf of guarantees provided by the General Treasury for the aforementioned company were not submitted to the audit.

(c) The directives given to the Chief Accounting Officer at the Committee on Public Accounts (COPA) meeting held on 08 August 2024 regarding the National Intellectual Property Office of Sri Lanka under the Ministry, to recover LKR 32.5 million paid to the Information and Communication Technology Agency of Sri Lanka (ICTA) for purchasing server machines within 03 months, and to submit a suitable proposal and a concept paper to the Committee for the operation of Technology and Innovation Support Centers maintained in universities and research institutions, had not been implemented even by 30 April 2026.

5. Sustainable Development

(a) Under the performance targets for achieving Sustainable Development Goals included in the Ministry's Performance Report for the year under review, it was stated that the overall physical progress of the construction and operational process of the Dambulla Warehouse Complex as of December 31, 2025, was between 75 percent to 100 percent, with the objective of preventing food shortages in the market. The construction and operational process of the cold storage complex to store and preserve vegetables and fruits was indicated as its performance indicator. Nevertheless, although the construction work had been completed after a delay of 4 ½ years beyond the estimated time frame for the relevant project which commenced in the year 2020, its operational process had not been started even by April 30, 2026.

(b) Under the objective of maintaining a food security reserve to ensure that food shortages do not occur, a buffer stock rice reserve had not been maintained, and no proper mechanism had been established to maintain emergency buffer stocks of locally essential food items.

6. Governance

6.1 Internal Audit

In accordance with Section 40 of the National Audit Act No. 19 of 2018 and Section 33 of the Public Financial Management Act No. 44 of 2024, internal auditors had not been appointed for three institutions: The Food Commissioner's Department, the Cooperative Employees Commission, and the Department of Commerce.

M.D. Sudharshani Amaratunga
Deputy Auditor General
For Auditor General

Chapter 04 - Performance Indicators

4.1 Performance indicators of the institution (Based on the action plan)

Special Indicators	Actual output as a % of the expected output		
	100%-90%	75%-89%	50%-74%
Protection of the consumer	✓		
Balance in the market	✓		
Promotion of foreign trade affairs	✓		
Protection of national intellectual property	✓		
Promoting opportunities for higher education	✓		
Registration of companies and societies	✓		

Chapter 5- Performance in the achievement of sustainable development goals

5.1 Performance in the achievement of sustainable development goals

Goal/objective	Targets	Indicators in achievements	Progress so far in the achievement (%)		
			0 - 49	50- 74	75- 100
Goal (1) Supervising the programmes for minimizing poverty through sustainable economic growth and concessionary pricing method	Encouraging local manufacturers and entrepreneurs	To protect local farmers and consumers by submitting recommendations and proposals to the Department of Trade and Investment Policy on import duties on imported essential food items from time to time, with the aim of protecting them.			✓
		To direct all representations received regarding the problems and grievances faced by producers, traders and the consumer community to the relevant institutions and take steps to provide solutions and guidelines.			✓
Goal (2) Ensuring that all women and men have access to high-quality and affordable technical, vocational and tertiary education, including university education.	Encouraging educational opportunities for children pursuing higher and vocational education.	Providing opportunities for children pursuing higher and vocational education to successfully complete their education and creating professionals for the future job market. Encouraging educational opportunities for children pursuing higher and vocational education.			✓

Goal/objective	Targets	Indicators in achievements	Progress so far in the achievement (%)		
			0 - 49	50- 74	75- 100
Goal (3) Supervising the maintenance of food buffer stocks in order to avoid shortage of food items	Avoiding food shortage in the market. Maintaining buffer stocks and reserves of foods	Construction and operational process of cold storage facility for vegetable and fruit. Buffer stocks maintained			✓ ✓
Goal (4) Ending hunger, and ensuring access to safe, nutritious and adequate food.	Expand access to age-appropriate and nutritionally balanced products for vulnerable groups by providing nutritional products through innovation, sustainability and efficiency and eliminating malnutrition among pregnant mothers, children aged 3-5 years and children aged 6 months to 3 years. Improve sustainability of nutrition interventions through efficient resource use.	Contributing to a healthy nation by providing targeted beneficiaries with Thriposha and Suposha with optimal nutrients and introducing fortified supplementary food products sourced from local farmers to the market.			✓

Goal/objective	Targets	Indicators in achievements	Progress so far in the achievement (%)		
			0 - 49	50- 74	75- 100
Goal (5) In situations where the prices of goods in the market have increased abnormally, maintaining the cost of living at a low level by controlling the prices of essential goods including vegetables and fruits.	Making the goods available in the market by importing essential items	Essential commodities imported under the US$ 1 billion credit facility under the Indian Credit Scheme.			✓
		Recommendations given for the import of 10 essential food items under open accounts to maintain the supply of essential commodities in the country in line with the demand and to control the conditions arising from the increase in prices and provide relief to the consumers.			✓

5.2 Achievement in sustainable development goals and challenges

Achievements

1. Being able to maintain market equilibrium by importing essential commodities even during the country's economic upheaval.

2. Moderating price instability within the essential goods sector to some degree through the intervention of the Consumer Affairs Authority.

3. Being able to encourage exporters to open up foreign market opportunities.

Challenges

1. Absence of adequate number of officers at the Consumer Affairs Authority constraining the efficacy of service delivery.

2. Operational capabilities of the Department of Measurement Units, Standards and Services and the National Intellectual Property Office are significantly constrained by the lack of necessary technical facilities.

3. Inadequacy of staff at the Intellectual Property Office for its activities.

Chapter 06- Human Resources Profile

6.1 Cadre Management

	Approved Cadre	Actual Staff	Vacancies / Cadre in Excess
Senior	31	23	8
Tertiary	5	2	3
Secondary	139	81	58
Primary	30	24	6
Temporary	4	3	1
Total	**209**	**133**	**76**

6.2 The effect caused by the dearth or excess in human resource for the performance of the institution

A significant shortage of fifty-eight secondary-level staff members has created a gap in the Ministry’s functional capacity. Consequently, existing staff face recurring operational challenges that necessitate urgent recruitment to stabilize routine administrative tasks.

6.3 Human Resource Development

Name of the programme	No. of staff trained	Duration of the program	Overall investment (Rs)		Nature of program	Output/ Knowledge gained
			Local	Foreign		
Procurement Guidelines, Planning & Regulations - Pending	01	03 days	18, 000	-	Local	Knowledge of Procurement Guidelines, Planning & Regulations - Pending
Preparing salaries of public officers	01	03 days	6, 500	-	Local	Knowledge on preparation of salaries of public officers.

Name of the programme	No. of staff trained	Duration of the program	Overall investment (Rs)		Nature of program	Output/ Knowledge gained
			Local	Foreign		
Preparing salaries of public officers	02	01 day	13, 000	-	Local	Knowledge on preparation of salaries of public officers.
New Procurement Guidelines - 2024	04	02 days	36,000	-	Local	Knowledge of New Procurement Guidelines
Writing cabinet papers	01	01 day	5,000	-	Local	Knowledge on writing cabinet papers
Writing project proposals	03	02 days	31,500	-	Local	Knowledge on writing project proposals
Procurement procedure 2024	61	01 day	270,000	-	Local	Knowledge on procurement procedure
Public sector accounting policies	05	02 days	50,000	-	Local	Knowledge on accounting standards required for preparing financial statements off the public sector.
Preparing salaries of public officers	02	days 02	36,000	-	Local	Knowledge on preparation of salaries of public officers.

Name of the programme	No. of staff trained	Duration of the program	Overall investment (Rs)		Nature of program	Output/ Knowledge gained
			Local	Foreign		
Procurement of IT related Products & Services	04	02 days	40,000	-	Local	Procurement of IT related Products & Services
Course on annual board of survey	02	02 days	24,000	-	Local	Knowledge on conducting annual board of survey
Diploma in Public Procurement & Contact Administration	01	01 year	80,000	-	Local	Knowledge on conducting annual board of survey
Maintenance of government vehicles	02	01 day	13, 000	-	Local	Knowledge on maintaining government vehicles
Preliminary inquiries	01	01 day	6,500		Local	Knowledge on preliminary inquiries
Filing	01	01 day	6,500		Local	Knowledge on filing
Office management/ Financial Regulations	01	02 days	12, 000	-	Local	Knowledge on Office management/ Financial Regulations
Procurement certificate course	01	01 day	30,000	-	Local	Knowledge on procurement process
Subject of leave: Task & Responsibility	01	01 day	6, 500	-	Local	Knowledge on Subject of leave: Task & Responsibility

Name of the programme	No. of staff trained	Duration of the program	Overall investment (Rs)		Nature of program	Output/ Knowledge gained
			Local	Foreign		
Essentials of ICT and Using of AI for Smart Office	All officers of the Ministry	02 days	141, 635	-	Local	Knowledge of Essentials of ICT and Using of AI for Smart Office
Motivation, Worker Satisfaction and Work Life Balance	All officers of the Ministry	01 day	190, 000	-	Local	Knowledge of Motivation, Worker Satisfaction and Work Life Balance

Chapter 07- Report of Compliance

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
1	**The following Financial statements/accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not complied	These advance accounts do not exist in this Ministry.	
1.4	Stores Advance Accounts	Not complied		
1.5	Special Advance Accounts	Not complied		
1.6	Others	Not complied		
2	**Maintenance of books and registers (FR 445)**			
2.1	Fixed assets register has been maintained and updated in terms of Public Administration Circular 267/2018.	Complied	.	
2.2	Personal emoluments register/ Personal emoluments cards have been maintained and updated.	Complied		
2.3	Register of Audit queries has been maintained and updated.	Complied		
2.4	Register of Internal Audit reports has been maintained and updated.	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date.	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
2.7	Inventory register has been maintained and updated.	Complied		
2.8	Stocks Register has been maintained and updated.	Complied		
2.9	Register of Losses has been maintained and updated	Complied		
2.10	Commitment Register has been maintained and updated.	Complied		
2.11	Register of Counterfoil Books (GA — N20) has been maintained and updated.	Complied		
3	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute.	Complied		
3.2	The delegation of financial authority has been communicated within the institute.	Complied		
3.3	Authority has been delegated so that each transaction is signed by two or more officers	Complied		
3.4	The controls have been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package.	Complied		
4.	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
4.2	The annual procurement plan has been prepared.	Complied		
4.3	The annual Internal Audit plan has been prepared.	Complied		
4.4	The annual estimate has been prepared and submitted to the National Budget Department (NBD) on due date.	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time.	Complied		
5	**Audit queries**			
5.1	All the audit queries have been replied within the time specified by the Auditor General	Complied		
6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)DMA/1-2019.	Complied		
6.2	Answers have been submitted to all internal audit reports within a period of one month.	Not complied	It has taken more than a month to receive responses from some departments of the ministry.	It has been discussed and decided at the Ministry's Audit and Management Committee meeting to send reminders and provide replies without delay.

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018.	Complied		
6.4	Submission of copies of all internal audit reports to the Auditor General in terms of Financial Regulations 134(3).	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019.	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017.	Complied		
8.2	In terms of Chapter 13 of the above circular, implementing the provisions of the said circular	Complied		
8.3	The boards of survey were conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016.	Complied		
8.4	The excesses and deficits that	Compiled		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
	were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.			
8.5	The disposal of condemned articles had been carried out in terms of FR 772.	Complied		
9	**Vehicle Management**			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date.	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning.	Not complied		
9.3	The vehicle logbooks had been maintained and updated.	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident.	Complied		
9.5	The fuel consumption of vehicles has been retested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016.	Not Complied	Fuel consumption test was conducted for 3 vehicles in 2024 out of 43 vehicles belonging to the Ministry.	Fuel consumption test has been carried out for all vehicles by now.
9.6	The absolute ownership of the	Not Complied	There are no	

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
	leased vehicle logbooks has been transferred after the lease term.		leased vehicles.	
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date.	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled.	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month.	Complied		
11	**Utilization of Provisions**			
11.1	The provisions allocated had been spent without exceeding the limit.	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1).	Complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with.	Complied		
12.2	A time analysis had been carried out on the loans in arrears.	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits.	Complied		
13.2	The control registers for general deposits had been updated and maintained.	Complied		
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to Treasury Operations Department.	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task.	Complied		
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per F.R. 371.	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly.	Complied		
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations.	Complied		
15.2	The revenue collection had been directly credited to the revenue	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
	account without credited to the deposit account.			
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176.	Complied		
16	**Human Resource Management**			
16.1	The staff has been maintained within the approved cadre.	Not Complied	Letters have been forwarded to the Department of Management Services to have necessary posts approved for excess officers.	
16.2	All members of the staff have been issued a duty list in writing.	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017.	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation.	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the	Complied		

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
	public authority by this website or alternative measures.			
17.3	Biannual and Annual reports have been submitted as per section 08 of the RTI Act.	Complied		
18	**Implementing citizens charter**			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management.	Complied		Has been formulated. It is being further developed.
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular.	Not complied	Has been formulated. It is being further developed.	
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan.	Complied		
19.3	Annual performance agreements have been signed for the entire	Not compiled		In terms of PA circular

No.	Applicable Requirement	Compliance Status (Complied/Not complied)	If not complied, brief explanation thereto	Corrective actions proposed to avoid non-compliance in future
	staff based on the format in Annexure 01 of the aforesaid Circular.			02/2018 (1), there is no need to sign performance agreements.
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity-building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular.	Complied		
20	**Responses to Audit Paragraphs**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

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