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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல.
My No.

ENR/A/CPC/1/25/01

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Your No.

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திகதி
Date } 16 June 2026

Chairman
Ceylon Petroleum Corporation

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Ceylon Petroleum Corporation and its subsidiaries for the year ended 31 December 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Ceylon Petroleum Corporation (“Corporation”) and its subsidiaries (“Group”) for the year ended 31 December 2025 comprising the statement of financial position as at 31 December 2025 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, 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, Finance Act No. 38 of 1971 and Section 31 of Ceylon Petroleum Corporation Act No. 28 of 1961. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements of the Corporation and the Group give a true and fair view of the financial position of the Corporation and the Group as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.



1.2 Basis for Qualified Opinion

- (a) According to the Group accounting policy, Property, Plant and Equipment (PPE) are measured under the cost model, except for land, which is measured under the revaluation model. However, Ceylon Petroleum Storage Terminals Limited (CPSTL), a subsidiary of the Corporation, had applied the revaluation model not only to land but also to buildings, storage tanks, and motor vehicles. Accordingly, a revaluation gain amounting to Rs. 41,044.76 million, relating to assets except land with a historical cost of Rs. 13,717.35 million, and additional depreciation of Rs. 711.80 million arising from the revaluation had been incorporated into the consolidated financial statements without making adjustments in accordance with the Group accounting policy to ensure uniformity of accounting policies, as required by Paragraph B87 of SLFRS 10 – Consolidated Financial Statements. As a result, Property, Plant and Equipment, depreciation expense, and retained earnings were overstated by said amounts in the consolidated financial statements.
- (b) Paragraph B86(c) of SLFRS 10 – Consolidated Financial Statements requires intragroup balances and transactions, including income, expenses, and outstanding balances between group entities, to be fully eliminated in preparing consolidated financial statements. However, according to the financial statements of the Corporation, the payable and receivable balances with Ceylon Petroleum Storage Terminals Limited amounted to Rs. 12,376.60 million and Rs. 36.36 million respectively, whereas the corresponding receivable and payable balances reported by CPSTL were Rs. 13,110.64 million and Rs. 33.59 million respectively. Accordingly, unreconciled differences of Rs. 734.04 million in payables and Rs. 2.77 million in receivables were observed between the two entities.
- (c) According to LKAS 24 – Related Party Disclosures, transactions and outstanding balances with related parties shall be disclosed in the financial statements. Although the Corporation had rendered laboratory testing services to Ceylon Petroleum Storage Terminals Limited during the year under review, laboratory testing service charges amounting to Rs. 13.15 million and the corresponding receivable balance of Rs. 23.13 million as at 31 December 2025 had not been disclosed under the Related Party Disclosures Note No. 29.
- (d) Liability of demurrage claims assessed was overstated by Rs.8.20 million due to record erroneously in the ledger. Further, the demurrage claims of Rs.166.21 million to be assessed had not been disclosed as contingent liabilities in accordance with the paragraph 28 of LKAS 37 - Provisions, Contingent Liabilities and Contingent Asset.
- (e) The Corporation had received a tax assessment from the Inland Revenue Department demanding tax and penalties totalling Rs. 151.64 million for the tax period 2140. Although an appeal had been submitted against the assessment, the



disputed amount had not been disclosed in the financial statements as a contingent liability, in accordance with the paragraph 28 of LKAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

- (f) The bank reconciliation statements of the Corporation indicated the existence of unresolved direct bank deposits amounting to Rs. 148.61 million, credited to 16 bank accounts during the period from 2019 to 2025. These deposits had not been properly identified, recorded, or cleared, and continued to remain in the reconciliation statements over a prolonged period without appropriate investigation or corrective action.
- (g) Unreconciled differences were observed between the general ledger balances and bank balances stated in the financial statement in respect of four bank accounts as at 31 December 2025, resulting in significant positive and negative variances ranging from Rs. 211,943 to Rs. 2.15 million.
- (h) The Corporation had granted short- term loans amounting to Rs. 64.30 million to employees. Out of this Rs. 47.36 million had remained outstanding for extended periods ranging from 2010 to 2024 without recovery. However, no provision for impairment had been made in respect of these unrecoverable balances.
- (i) A discrepancy of Rs. 15,294.85 million was observed between the general ledger balance and the disclosed balance in note no. 21 of the financial statement relating to the payable due to an International Company as at 31 December 2025. Further, an exchange variation loss of Rs. 1,529.52 million identified for the year under review had been incorrectly disclosed as an exchange variation gain.
- (j) As at 31 December 2025, the Corporation had recorded a payable balance of Rs. 219.43 million to the Sri Lanka Ports Authority. However, the corresponding receivable balance reported by the Sri Lanka Ports Authority amounted to only Rs. 1.19 million, resulting in an unreconciled difference of Rs. 218.23 million.
- (k) As at 31 December 2025, the Corporation had recorded a net payable balance of Rs. 8,746.69 million to Sri Lanka Customs in respect of customs duties and related taxes. However, according to the balance confirmation received from Sri Lanka Customs, no amount was payable or receivable between the parties, resulting in an unreconciled difference of Rs. 8,746.69 million. Further, an amount of Rs. 6,266.79 million relating to custom duties for fuel imports during the period from 2010 to 2022 could not be adequately verified due to the unavailability of essential supporting information, including cusdec, shipment details, invoice values, duties and taxes payable, settlements made, and accrued balances.
- (l) A total of Rs.394.78 million in unidentified transactions relating to Stores & Spares, Finished Goods, Chemicals, and Other Items has been recorded under twenty two (22) General Ledger liability accounts categorized as "Clearing



Accounts". These transactions span the period from 2010 to 2025^L, indicating a prolonged absence of proper identification, reconciliation, and clearance.

- (m) Although the VAT exemption on the supply of chemical naphtha to the Ceylon Electricity Board became effective only from 11 April 2025 under the Value Added Tax (Amendment) Act, No. 04 of 2025, the Corporation had failed to charge VAT amounting to Rs. 50.76 million on a sale invoice issued on 09 April 2025. As a result, the Corporation remained liable to remit the unpaid VAT to the Inland Revenue Department, exposing it to an additional tax liability together with possible penalties and interest due to non-compliance with the Act.
- (n) Unreconciled differences were observed between the trade receivable balances recorded by the Corporation and the balances confirmed by dealers and government customers as at 31 December 2025. Differences amounting to Rs. 625.92 million were identified with sixteen dealers, while five dealers disagree with CPC ledger balances totalling Rs. 327.56 million. Further, a difference of Rs. 199.81 million was observed with four government customers.
- (o) It was observed that a provision amounting to Rs. 42.86 million has been recognized as at 31 December 2025. However, as per Note 1.4.14 – Financial Instruments: Impairment of Financial Assets of the Financial Statements, it is stated that “the Group has established a provision matrix based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors.” In this regard, the audit did not observe evidence of such a provision matrix being applied in determining the impairment provision. Instead, it observed that specific provisions have been made against selected trade receivable balances.
- (p) A qualified audit opinion was issued on the financial statement of the subsidiary Company of Trinco Petroleum Terminal (Pvt) Ltd, by me. The audit opinion on the financial statements of the Ceylon Petroleum Storage Terminals Limited (CPSTL), the other subsidiary, for the year under review was qualified by me. The significant matters which will cause to a disagreement with the corresponding balances/ transactions of the Corporation and the Group are given below.
 - i. According to Paragraph 36 of LKAS 16 – Property, Plant and Equipment, when an asset is revalued, the entire class of assets to which it belongs must also be revalued. However, assets with an aggregate carrying value of Rs. 154.97 million, comprising land, buildings and storage tanks, had not been revalued. Furthermore, the carrying values of the assets excluded from revaluation had not been disclosed in the financial statements.
 - ii. According to Paragraphs 28 and 86 of LKAS 37 – Provisions, Contingent Liabilities and Contingent Assets, contingent liabilities shall be disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. However, although the company had used two tanks



belonging to the Sri Lanka Cement Corporation from 2010 to 2025 without a formal agreement, and a total rental liability of Rs. 251.4 million had been identified for the period up to December 2025, this amount had not been disclosed in the financial statements as a contingent liability.

- iii. Documentary evidence relating to employee costs amounting to Rs. 3,790.83 million, and direct personal costs of Rs. 3,313.98 million, was not made available for audit. The unavailable records included payroll reports, approvals for various types of allowances, overtime (OT) calculations, and other supporting documents necessary to verify the occurrence, accuracy, and validity of the expenditure incurred during the year.

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

1.3 Other information included in the Group's 2025 Annual Report.

The other information comprises the information included in the Annual Report but does not the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of



financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Corporation and the Group.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. I remain solely responsible for my audit opinion.

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

2. Report on Other Legal and Regulatory Requirements

- 2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.
- 2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that were required for the audit and as far as appears from my examination, proper accounting records have been kept by the Corporation as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, Except the audit matters of 1.2 (b), (f), (k),(l) and (n) described in the basis for Qualified Opinion section of my report.



- 2.2 Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention;
- 2.2.1 to state that any member of the governing body of the Corporation has any direct or indirect interest in any contract entered into by the Corporation which are out of the normal course of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 to state that the Corporation has not complied with any applicable written law, general and special directions issued by the governing body of the Corporation as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

Reference to law/ direction	Description
(a) Guidelines on Corporate Governance for SOE issued by the Public Enterprises Circular No. PED 01/2021 dated 16 November 2021	
(i) Guideline 2.2.5	The Board of Directors of the parent SOE should take responsibility for reviewing the affairs of its subsidiary companies within the broad regulatory and legal framework. However, a subsidiary policy had not been established by the corporation as of 31 December 2025.
(ii) Guideline 2.6	The position of Board Secretary of the Corporation has remained vacant since 30 January 2015, with duties being performed on a cover-up basis by the Secretary to the Chairman, who does not possess the prescribed professional qualifications such as Chartered Corporate Secretary, Chartered Accountant, Attorney-at-Law, or an equivalent, as required by the Guidelines. Further, the position of Board Secretary has been placed under the middle management level (A3 grade), which is not in line with the requirements of the Corporate Governance Guidelines for State-Owned Enterprises.



(iii) Guideline 3.2

As per the applicable statutory requirements, entities incorporated under statutes other than the Companies Act are mandated to conduct an Annual Performance Review Meeting (APRM) each year to present the Annual Report (AR) and to facilitate discussion on the entity's performance with key stakeholders. However, it was observed that the corporation had not conduct the APRM for the year 2023 and 2024 prior to the submission of the AR to the Parliament.

(iv) Guideline 4.3

According to the guidelines on corporate governance, the Ceylon Petroleum Corporation (CPC) has been identified as a State-Owned Enterprise (SOE) that is required to establish a Risk Committee. However, the Corporation had not established a Risk Committee for the year 2025.

(b) Operational Manual for State Owned Enterprises issued by the Public Enterprises Circular No. PED 01/2021 dated 16 November 2021

(i) Guideline 1

The Corporation had not carried out a gap analysis to assess the alignment between its existing corporate governance structure and the framework prescribed in the Operational Manual for SOEs.

(ii) Guideline 2.3 and Supplementary III

Although manuals are available for four (04) operational areas, no operational manuals were available for nine (09) areas of the Ceylon Petroleum. Further, the existing manuals have not been periodically reviewed and updated. Accordingly, despite the lapse of two years since the issuance of Supplementary III to the Operational Manual, the Corporation has failed to comply with the guideline requiring duly approved



manuals by the Director General of the Department of Public Enterprises.

(iii) Guideline 3.4 ix

Covering up duties of a vacant post should be limited to a period not exceeding one (1) year. Nevertheless, 108 officers had been assumed for cover-up duties of the vacant posts, including 77 Grade A posts. Out of that, 60 officers and 21 officers had been assumed for cover-up duties of the vacant posts for more than 01 year to 03 years respectively.

(iv) Guideline 6.2

Although CPC had recorded annual revenue exceeding Rs. 30 billion for the last two consecutive years, the Corporation had not formulated a Board-approved investment policy nor established an Investment Committee as stipulated in the Operational Manual. The failure to establish the required governance structures weakens oversight and control over investment-related decisions.

(v) Guideline 6.11

The Corporation had not uploaded its procurement plan and project execution plan on its official website as required by the Operational Manual to ensure transparency and accountability.

(vi) Guideline 7.2

Although the Corporation had established macro-level KPIs in agreement with the General Treasury in the year 2024, operational KPIs had not been established for the Aviation Operations Function, Information Technology Function, 22 activities under the Marketing and Retail Function, and 06 activities under the Agrochemical Function. Consequently, it is not possible to effectively review KPIs by comparing them with the Action Plan and the Budget to ensure that actual performance is in line with the expected KPIs.

(c) Procurement Guidelines of
Democratic Socialist Republic of
Sri Lanka - 2024

(i) Guideline 4.1.1

Although every Procurement Entity shall prepare a Master Procurement Plan (MPP) as a rolling plan, based on the agreed Action Plan for a period of three (03) years and shall be reviewed annually, the corporation had not complied with this guideline except for fuel procurement.

(ii) Guideline 4.1.3

The Procuring Entity is required to prepare a Detailed Annual Procurement Plan (DAPP), which should include all approved procurement packages to be implemented during the relevant financial year and the plan should be submitted to the Chief Accounting Officer within two weeks of the commencement of the financial year, However, the Corporation had not complied with this guideline except the head office procurement.

(iii) Guideline 4.1.4

The Preparatory Plan (PP) shall include the preparatory activities included in the Annual Proposed Procurement Plan (APPP) prepared to obtain the necessary financial allocations to implement the procurements for the financial year and to ensure the completion of all procurement preparatory activities well in advance to commence the bidding process, enabling the respective Procurement Committee to complete the Bidding Process uninterruptedly and to reduce procurement delays. However, preparatory plan had not been prepared by the Corporation for 07 complex work projects.

2.2.3 to state that the Corporation has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.



2.2.4 to state that the resources of the Corporation had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018 except for;

- (a) The procurement of the Ellipsoidal Dish Head for the Sapugaskanda Refinery, carried out at a total cost of Rs. 56.64 million, remained unsuccessful as the item was rejected due to quality and technical issues and was not installed during the 2024 major shutdown, resulting in deferment of installation until 2028. It was observed weaknesses in procurement and engineering controls, including failure to incorporate critical American Society of Mechanical Engineers (ASME) technical specifications, absence of mandatory fabrication drawing approval procedures, inadequate inspection and acceptance criteria, inconsistent third-party inspection outcomes, and payment of the full contract value prior to technical acceptance of fit for the purpose. Further, the dispute with the supplier regarding replacement of the rejected dish head had remained unresolved.
- (b) The following observations were made during the review of the Strategic Plan, Action Plan, Procurement Plan, and Annual Budget for 2025.
 - i. Three (03) projects planned under the Strategic Plan and action plan had either been temporarily suspended or not implemented due to weaknesses in project planning, feasibility assessment, stakeholder management, and resource allocation. This situation may lead to delays in achieving long-term strategic objectives, inefficient utilization of allocated resources, and missed opportunities in emerging energy markets, thereby reducing the overall effectiveness of the Strategic Plan.
 - ii. According to the approved Action Plan for the year 2025 carrying out the construction and reconstruction of Lanka Fuel Stations at an estimated cost of Rs. 800 million had been planned with the objective of improving and maintaining the quality of products and services. However, no funds had been allocated in the budget for the year 2025 to implement these planned activities. This indicates a lack of alignment between the approved action plan and the annual budget. Further, it was observed that discrepancies exist between the cost estimates provided in the approved Action Plan for the year 2025 and the corresponding fund allocations.
 - iii. According to the revised strategic plan, the Corporation had planned to implement 26 projects under key strategic goals. However, it was observed significant delays, poor progress, and non-commencement of several projects, indicating weaknesses in project planning, monitoring, and execution. Summarised observations are given below:
 - Out of 13 projects with estimated cost of Rs, 3,716.5 million planned under the goal of Sustainable Organizational Growth, four



projects initiated during the period 2019 to 2024^L, which were scheduled to be completed by the end of 2025, had recorded progress of 10 percent or less as at the end of 2025. Further, a project initiated in 2021, originally scheduled for completion by December 2024, had been extended up to February 2028 as per the revised action plan. Despite this considerable extension, the progress of the project remained below 1 percent by the end of 2025, indicating deficiencies in project execution and oversight.

- Out of 03 projects with estimated cost of Rs. 2,564.57 million under the goal of Enhancement of Foreign Currency Earnings, two projects initiated during the period 2018 to 2019 and scheduled to be completed by the end of 2020 had recorded progress of 10 percent or less even by the end of 2025. This reflects prolonged delays and ineffective follow-up actions.
 - Under the goal of Improvement and Maintenance of Product and Service Quality, the project on developing Standard Operating Procedures (SOPs) for inbound and inventory handling operations with CPSTL, initiated in 2020 and originally scheduled to be completed by December 2020, had been extended up to December 2025 as per the revised action plan. However, the project had not been commenced even by the end of 2025, indicating a complete lapse in implementation.
 - Under the goal of Ensuring Consistent Product Availability and Brand Reliability, the project on rehabilitation of 24 tanks at the Trincomalee Upper Tank Farm, initiated in 2021 and originally scheduled for completion by December 2024, had been extended up to March 2027. Nevertheless, the progress reported as at the end of 2025 was only 25 percent, demonstrating delays in execution.
- iv. The Corporation had allocated a total sum of Rs. 6,516.62 million for capital expenditure of Head Office division for the year 2025. This comprised Rs. 520.27 million for new capital requirements across 37 cost centres and Rs. 5,996.35 million for cash flow requirements of ongoing capital projects carried forward from previous years. However, the actual capital expenditure incurred during the year under review amounted to only Rs. 647.47 million, of which Rs. 605.79 million related to new capital projects and Rs. 41.68 million to carried-forward projects. Accordingly, the overall financial progress of capital expenditure was approximately 10 percent, while the utilization of budgeted provisions for carried-forward projects was only 0.70 percent during the year under review. Further, it was observed that the progress of capital expenditure had consistently remained low, ranging from 3 percent to 12 percent during the period from 2021 to 2024.

- v. In the capital budget of Head Office division for the year 2025, the Corporation had allocated a sum of Rs. 2,051 million for 13 capital projects carried forward over an extended period from 2016 to 2024. However, audit observed that no progress had been reported in respect of these projects during the year under review. The continued allocation of budgetary provisions for long-outstanding projects without any implementation indicates deficiencies in project planning, feasibility assessment, and monitoring mechanisms. It further reflects weaknesses in budgetary control, as funds have been repeatedly allocated without ensuring readiness for execution.
- (c) The Corporation acquired 10 acres of land at Halgaha Kumbura, Wanathamulla in 1983 at a cost of Rs. 10.6 million, for the purposes of implementing an LP Gas Project and developing a playground. However, the land has not been utilized for its intended purposes for over four decades and the property is currently occupied by unauthorized squatters, which has prevented the Corporation from exercising effective control over the asset. As a result of this prolonged non-utilization and encroachment, the Corporation has proposed to transfer the land to the Urban Development Authority (UDA). However, no formal transfer had been completed as of the date of audit and land was recorded as an asset in the Corporation's books, no disclosure has been made in the financial statements regarding its current status, the proposed handover to the UDA, or the existence of squatters occupying the land.
- (d) The following observations were made regarding the Supplying, installation and commissioning and testing of containerized Mobile LPG filling plant with 08 Nos. filling machines;
- i. In 2008, the Corporation initiated plans to enter the Liquefied Petroleum Gas (LPG) business. However, this initiative was undertaken by incurring approximately Rs. 37 million without conducting a proper feasibility study. Out of this, Rs. 25 million had spent specifically on the supply, installation, commissioning, and testing of a containerized Mobile LPG Filling Plant equipped with eight filling machines and the required safety features. Although there was a legal case No. 397/2007, filed by a private LPG Company against the Corporation regarding the sale of refinery-produced LPG, the Procurement Committee had proceeded with the procurement of Mobile LPG Filling Plant on 02 October 2008, without obtaining legal clearance or seeking the opinion of the Corporation's Legal Division regarding its continued involvement in the LPG business. As a result, the LPG filling plant has remained idle since its importation and has neither contributed to the Corporation's operations nor served any strategic or national interest.



- ii. An internal investigation was conducted in 2015, followed by another investigation at the Ministry level in 2020, in response to the prolonged non-utilization of the machine. Both investigations confirmed that no proper feasibility study had been conducted prior to initiating the project. However, it was noted that no individual or group was held accountable in the findings of these reports. Furthermore, the Corporation had not implemented the recommendations outlined in the investigation reports as of the date of this report. These issues raise serious concerns regarding lapses in project planning, financial prudence, and accountability, which have resulted in the unproductive expenditure of public funds and a continued failure to take corrective action, even after a lapse of significant period of time.

3. Other Matters

- (a) The Fuel Pricing Formula introduced by Cabinet Decision No. Amap/18/0905/809/001 dated 09 May 2018 was subsequently revised by 4 Cabinet Decisions including the Cabinet Decision No. Amap/22/1876/604/076 dated 29 November 2022, under which the Secretary to the Ministry of Power and Energy was authorized to revise and publish fuel prices on a monthly basis in accordance with the approved pricing formula. Following observations were made in this regard:
 - i. Although the pricing formula for the sale, supply, or distribution of petroleum should be published in the Gazette in terms of Section 66(4) of the Ceylon Petroleum Corporation Act, the 2018 Fuel Pricing Formula, as amended by Cabinet Decision No. Amap/22/1876/604/076 dated 29 November 2022, had not been published in the Gazette. However, above fuel price formula had been public in the official website of the Energy ministry.
 - ii. Although the Corporation had applied the Cabinet-approved pricing formula in determining the monthly fuel price revisions, a methodology different from that approved under Cabinet Decisions No. AMAP18/1370/809/001-II dated 28 June 2018, No.AMAP18/1511/809/001-III dated 11 July 2018, and No. AMAP18/1622/809/001-IV dated 26 July 2018 had been adopted in the monthly fuel price revisions process. Further, formal approval from the Secretary to the line Ministry for the adoption of the revised methodology had not been obtained.
- (b) The CPC has not established Board-approved formal sales and creditors' policies covering all types of sales and purchases carried out during its operations. In the absence of such approved policies, key aspects such as credit terms, customer eligibility, credit limits, payment periods, recovery procedures, and supplier payment arrangements have not been standardized or clearly defined. The lack of



comprehensive and Board-approved policies weakens the internal control framework over sales and credit management and restricts management's ability to systematically assess, monitor, and mitigate credit risk. Consequently, CPC is exposed to an increased risk of bad debts, delays in collections, inefficient cash flow management, and potential financial losses.

- (c) A special audit report on evaluation of existing petroleum storage capacity utilized in the country and appropriateness and productivity of the fuel transport pipeline system, including railway and bowser transport system currently in operation in the country, was tabled in Parliament in the year 2020. However, only some of the recommendations had been partially implemented.
- (d) As per the audit examination carried out pertaining to the hedging transactions taken place in respect of procurement of oil during the period of 2007 to 2009, the total loss incurred to the country on those transactions had been Rs. 14,028 million. Moreover, the Commercial Bank had filed a case at the Commercial High Court, Colombo against the Corporation by claiming USD 8,648,300.
- (e) The Trincomalee Tank Farm, with 100 tanks had been built in 1930 and acquired by Sri Lanka in 1964. Although several initiatives had been undertaken to develop and utilize the Tank Farm, those initiatives had not materialized into effective operational outcomes up to the year 2021. In 2021, the Corporation and Lanka IOC (LIOC) established a joint venture company—Trinco Petroleum Terminal (Pvt) Ltd—under an agreement aimed at developing the Trincomalee Oil Tank Complex. However, the joint venture had failed to commence its business operations within the scheduled timeline outlined in its strategic plan. This delay was primarily attributed to the unavailability of secure internal or external funding sources necessary to finance the tank development capital budget. Despite the lack of operational activity, the company has continued to incur approximately Rs.30.22 million annually for running costs, representing an ongoing financial burden without corresponding revenue or strategic progress.
- (f) Currently, the country spends approximately USD 3,836 million on importing crude oil and petroleum products, which accounts for about 17.8 percent of Sri Lanka's total import expenditure. Of this amount, USD 896 million is spent on crude oil imports and USD 2940 million on refined petroleum products. In fulfilling the domestic demand for refined petroleum products, the Sapugaskanda refinery meets around 27 percent, while 73 percent meets through imports. The following observations are made regarding the proposals submitted for the modernization and expansion of the Sapugaskanda oil refinery;
 - i. According to the National Energy Policy, it was required to expand the Sapugaskanda Refinery and build a second refinery to enhance energy



security, no implementation had occurred as of the date of this report. A total expenditure of Rs. 1,684.53 million had been incurred on land acquisition, including Rs. 171.39 million for a feasibility study conducted in 2021. However, no physical progress toward the refinery's modernization or expansion was evident. Furthermore, lands acquired for the expansion project remain idle and unutilized, with no economically productive activity being undertaken by the Corporation on those sites.

- ii. According to the information submitted to the audit, a total of 196 plots of land, with an extent of 59 acres, were planned to be acquired for the Sapugaskanda New Refinery Project. However, the CPC had acquired only 181 plots, while the remaining plots are still in the process of acquisition.
- (g) During the year 2022, Corporation had incurred outturn loss amounting Rs.787.45 million in respect of the crude oil shipment bearing reference Nos. CR/59/2022 and CR/66/2022. According to the Attorney General's opinion and the recommendations given by the "Report on carrying forward the Account Receivables specified in the Financial Statements of CPC pertaining to Two shipments of Murban Crude Oil Ref: CR/59/2022 and CR/66/2022" conducted by a committee appointed as per the Board decision No.13/1299 dated 18 December 2024, such outturn loss should be investigated. However, investigation had not been conducted by the Corporation up to date.
- (h) In 2023–2024, the Ministry, CPC, and CPSTL signed long-term contracts with three international companies engaged in the petroleum industry to strengthen Sri Lanka's petroleum supply chain. Under these agreements, 450 DODO fuel stations were to be transferred—150 to each company. Following observations were made on the handover of CPC's assets to these firms.
 - i. According to section 5(b) (III) of the above agreement with those companies, the dealers should have handed over the Corporation's assets or paid their market value to the Corporation before the specified handover date for each fuel station, in accordance with the relevant Dealership Termination Agreement. However, the Corporation had not taken action to recover the value or taking over the items with a current market value of Rs. 109.86 million of corporation's assets from above three companies.
 - ii. The Corporation entered into an equipment lease agreement only with one of the companies on May 21, 2024, effective for the period from September 2023 to June 30, 2024, and it had not been renewed yet. However, no such agreements were entered into with the other two companies, and they were allowed to use the Corporation's assets without any fee since 2024. Furthermore, the basis for determining the



monthly lease rentals for the above company was not available for audit. As a result, the reasonableness and accuracy of the rental charges could not be reliably verified.

- iii. If the Corporation applied the same equipment lease agreement terms to the other two companies, it could have earned approximately Rs. 69.37 million from its assets as at 31 December 2025. The failure to do so resulted in a loss of potential income.
 - iv. The Corporation had receivables of Rs. 63.83 million due from 215 dealers transferred to two of the above companies. However, these outstanding balances were not recovered before the transfer, and no termination agreements with recovery terms were executed, as required by paragraph 05(b) (ii) of the above agreement.
- (i) The following observations were made during the physical verification and audit of material stores at the Sapugaskanda Oil Refinery conducted in 2025.
- i. A total of 12,235 inventory items belonging to the refinery, valued at Rs. 615.09 million as at 10 November 2025, had remained unused for over ten years, including 220 project-related items valued at Rs. 12.53 million. However, no formal assessment had been conducted to identify obsolete or redundant stock for disposal or alternative use, and no impairment had been recognized, resulting in overstated inventory balances.
 - ii. Approximately 1,159 steel plates valued at Rs. 145.09 million, procured between prior to 2010 and 2025 for tank repairs and construction works, were stored outdoors without adequate protective covering within the Sapugaskanda Refinery premises. Due to the highly corrosive refinery environment, these materials were exposed to accelerated deterioration and potential loss of serviceability.
- (j) The following observations were made during the audit regarding the recovery of fines imposed on petroleum suppliers and the payment of demurrage charges claimed by suppliers.
- i. According to the information submitted for audit, the Corporation had imposed fines on suppliers amounting to US\$ 10.91 million during the period from 2012 to 2025 due to losses incurred as a result of late delivery of oil stocks, short loading, unacceptable quality, short supply, and price differences. These fines were to be recovered from seven (07) suppliers in respect of 64 shipments. However, as of the date of this report, the Corporation had failed to recover these fines or set them off against demurrage claims made by suppliers.

- ii. According to the information submitted for audit, 27 suppliers had claimed demurrage amounting to US\$ 37.48 million in respect of 322 shipments due to delays in handling and unloading oil cargoes at Sri Lankan ports during the period from 2010 to 2025. Out of these, 313 claims remained unsettled due to the absence of agreements with suppliers. Although agreements had been reached in respect of six (06) claims, the related demurrage had not yet been settled, while only three (03) claims amounting to US\$ 0.195 million had been settled. Further, it was observed that the Corporation had also failed to determine its liability in respect of 117 claims received during the above period, representing approximately 37 per cent of the total outstanding claims. This indicates significant delays in claim evaluation and settlement, reflecting weaknesses in the demurrage management process and exposing the Corporation to potential financial and contractual risks.
- iii. The audit revealed that the Corporation had overpaid a sum of USD 6.97 million to a supplier in respect of 20 shipments during the year 2022 due to prepayment of 120 percent based on Bill of Lading quantities. Although the agreements stipulated that any overpaid amount should be refunded by the suppliers within two calendar days, the Corporation had failed to recover these amounts even after a lapse of more than three years. Instead, the overpayments were allowed to be set off against demurrage claims amounting to USD 6.97 million made by the above supplier for 36 shipments during 2020 to 2022, which remain unsettled to date, contrary to the terms of the agreements. Further, no interest had been charged on the outstanding amounts retained by the supplier over the period. It was also observed that when reporting the matter to the Board of Directors on 17 May 2024, the Commercial division had not disclosed the contractual requirement for immediate recovery, but presented the amounts as being held against demurrage claims. Consequently, the Board had decided to prioritize settlement of demurrage claims rather than enforcing recovery in accordance with the agreements. According to the Corporation's assessment made in 2024, the demurrage liability payable to the above supplier amounted to USD 0.48 million, and accordingly, a balance amount of USD 6.49 million from the overpaid amount remained outstanding.
- (k) In terms of Cabinet Decision No. 16/1073/746/011 dated 29 June 2016, CPC entered into LPG sale agreements with Litro Gas Lanka Ltd and LAUGFS Gas PLC in 2020, incorporating a pricing formula for refinery-produced LPG. From the commencement of these agreements up to 31 December 2025, total sales to both companies amounted to 107.59 million kg, valued at

Rs.21,830.78 million. Following observations were made regarding the expiry and operational compliance of these agreements.

- i. The above agreements expired on 12 March 2022 and 26 September 2022 in respect of Litro Gas Lanka Ltd and LAUGFS Gas PLC, respectively. However, CPC had failed to renew the agreement or enter into a new agreement as per above cabinet decision. As result, the LPG sales operations had continued for over three years without having a formal legal framework.
 - ii. According to the above Cabinet Decision No. 16/1073/746/011 dated 29 June 2016, the pricing formula for the sale of refinery-produced LPG of CPC should be reviewed at least once every three (3) years to incorporate suitable revisions to the pricing formula. However, no action had been taken to review the said pricing formula.
- (l) A provision of Rs. 42.85 million had been made for 42 doubtful debtors as at 31 December 2025. Although recovery actions were being taken for balances amounting to Rs. 16.63 million through court proceedings and settlement arrangements. Most of these balances had remained outstanding for over ten years.
 - (m) The corporation had determined its optimal cadre to be 2,031 employees after reviewing the existing carder, but approval for this revised cadre had not been obtained from the Department of Management Services (DMS) as at 31 December 2025. Furthermore, it was observed that 62 daily-paid staff had been recruited outside the approved carder
 - (n) Despite Cabinet Decision No. අමප/25/0827/825/052 dated 03 June 2025 directing the Corporation to comply with the observations of the Minister of Finance regarding professional allowances, the Corporation had continued to grant such allowances at rates ranging from 5 per cent to 15 per cent of basic salary based on the period of service, contrary to Management Services Circular No. 01/2025 and general public sector practices. The failure to align the allowance methodology with the prescribed circular indicates non-compliance with the Cabinet decision and applicable regulatory requirements.
 - (o) A receivable balance of Rs. 39.6 million from a private power company, relating to interest charged on delayed invoice payments for 2014 and 2015, had remained outstanding since 2018. Although the Corporation had obtained a Standby Letter of Credit (SBLC) as security for credit fuel supplies and was entitled to recover unpaid invoice amounts through this facility, the Corporation had extended the recovery period up to March 2019 upon the company's request despite the company having ceased operations in 2015. Subsequently, when the SBLC was invoked, the bank settled only the unpaid invoice amounts and rejected the interest claim, as the SBLC did not cover



interest charged through debit notes. As a result, the interest amount remains unrecovered, indicating weaknesses in credit risk management and recovery arrangements.

- (p) A net payable balance of Rs. 15.06 million to Lanka IOC PLC (LIOC) remained outstanding as at 31 December 2025 due to following unresolved disputes relating to historical transactions:
- i. Interest charges amounting to Rs. 54.07 million, imposed through three debit notes issued in 2005, were not supported by source documents and supporting documents, while the Board had subsequently approved reversal and settlement of the amounts without conducting a formal investigation into the missing records.
 - ii. In 2020, the corporation had decided to recognize and settle a claim amounting to Rs. 8.45 million relating to throughput, transport, and SLAB charges for services allegedly rendered in June 2006 based on a fresh invoice obtained in 2017 without adequate evidence confirming receipt of the services.
 - iii. Tug hire charges and gasoline and gasoil testing charges amounting to Rs. 52.92 million incurred by the Corporation on behalf of LIOC during the period from 2015 to 2021 had not been recovered as at 31 December 2025.
- (q) A demurrage charge amounting to USD 40,320 (equivalent to Rs. 12.65 million) was initially recognized by the Corporation in 2021 following a claim made by an international private company. Subsequently, the Corporation unilaterally recognized the same amount as a receivable from Lanka IOC PLC (LIOC) on the basis that the delay in unloading was attributable to LIOC's vessel operations. However, despite the lapse of more than three years, the Corporation had failed to recover the amount.

L.S.I. Jayaratna
L.S.I. Jayaratna
Auditor General



CEYPETCO
ENERGIZING THE FUTURE

RECEIVED

27 FEB 2026

National Audit Office
ENR/A- (CPC)

FINANCIAL STATEMENTS 2025

CEYLON PETROLEUM CORPORATION

RECEIVED
JAN 10 1964
U.S. AIR FORCE
HEADQUARTERS
WASHINGTON, D.C.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER	Note	Corporation		Group	
		2025 Rs. Mn	2024 Restated Rs. Mn	2025 Rs. Mn	2024 Restated Rs. Mn
Revenue	2	840,728.79	923,441.58	847,745.81	929,197.15
Cost of Sales		(766,132.32)	(847,733.20)	(775,009.08)	(855,218.80)
Gross Profit/(Loss)		74,596.47	75,708.38	72,736.73	73,978.35
Other Operating Income	3	2,566.82	2,538.27	3,531.74	3,539.61
Selling & Distribution Expenses		(39,866.94)	(45,072.71)	(28,240.69)	(34,005.96)
Administrative Expenses		(10,795.17)	(15,265.33)	(16,501.59)	(20,948.65)
Operating Profit/ (Loss)	4	26,501.18	17,908.61	31,526.19	22,563.35
Exchange Rate Variation	4.1	4,847.13	13,819.79	4,847.13	13,819.79
Finance Income	5	5,135.78	3,634.82	5,544.56	3,969.94
Finance Expenses	6	(23.32)	(1,175.13)	(47.74)	(1,201.97)
Profit /(Loss) Before Tax		36,460.76	34,188.09	41,870.13	39,151.11
Income tax Expense	7	(15.00)	-	(1,711.63)	(1,616.83)
Profit/(Loss) for the Year		36,445.76	34,188.09	40,158.50	37,534.28
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to Profit or Loss:					
Re-Measurement Gain/(Loss) on Retirement Benefit Plan	18	(167.90)	(192.28)	(743.31)	(22.82)
Revaluation Gain from Land & Building		0.44		41,225.27	24,097.25
Tax on Other Comprehensive Income	7	-	-	(12,194.83)	(7,280.01)
Other Comprehensive Income / (Expense) for the year		(167.46)	(192.28)	28,287.13	16,794.42
Total Comprehensive Income/(Expense) for the year, Net of Tax		36,278.30	33,995.80	68,445.63	54,328.70
Total Comprehensive Income Attributable to :					
Owners of the Entity		36,278.30	33,995.80	57,693.98	47,556.59
Non-Controlling Interests		-	-	10,751.65	6,772.11
		36,278.30	33,995.80	68,445.63	54,328.70

The notes appearing on pages 05 to 43 form an integral part of the Financial Statements.

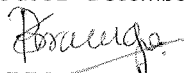
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER	Note	Corporation		Group	
		2025	2024 Restated	2025	2024 Restated
		Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.
ASSETS					
Non - Current Assets					
Property, Plant & Equipment	8	45,384.21	45,837.40	127,085.73	86,405.28
Investment Property	8.1	44.70	46.60	44.70	46.60
Intangible Assets	8.2	0.00	0.00	80.27	103.77
Right-of-use-Assets	9.2	106.20	110.88	311.18	320.32
Investment in Subsidiary	10	5,142.80	5,142.80	-	-
Non-Current Financial Assets	11	0.54	0.54	0.54	0.54
Trade & Other Receivables	12	5,967.02	6,446.26	7,316.73	7,925.89
		56,645.47	57,584.48	134,839.15	94,802.40
Current Assets					
Inventories	14	96,803.39	104,391.89	97,648.15	105,259.62
Trade & Other Receivables	12	23,950.66	17,129.87	29,677.12	23,438.69
Income Tax Receivable		2,263.64	2,413.18	2,263.64	2,413.18
Short term Investments		117.40	190.67	1,362.83	1,338.85
Cash and Cash Equivalents	15	67,515.09	55,186.13	70,636.77	59,659.14
		190,650.18	179,311.75	201,588.51	192,109.48
Total Assets		247,295.65	236,896.23	336,427.66	286,911.88
EQUITY AND LIABILITIES					
Capital and Reserves					
Contributed Capital	16	912,580.51	912,580.51	912,580.51	912,580.51
Capital Reserve	17.1	4,992.69	4,992.69	4,992.69	4,992.69
Financial Instrument fair value		(38.00)	(38.00)	(38.00)	(38.00)
Revaluation Reserve	17.2	28,047.65	28,049.11	28,047.65	28,049.11
Retained Earnings		(838,472.29)	(874,752.05)	(790,888.23)	(848,583.67)
Non Controlling Interest		-	-	26,396.35	15,694.69
Total Equity		107,110.56	70,832.26	181,090.96	112,695.33
Non - Current Liabilities					
Retirement Benefits Obligation	18	2,318.95	2,046.22	4,826.65	3,953.20
Deferred Tax	19.1	3,111.52	3,111.96	24,497.00	12,167.60
Loans & Borrowings	20	6,663.20	7,822.28	6,663.20	7,822.28
Lease liabilities	9.3	118.44	121.60	352.29	355.50
		12,212.11	13,102.06	36,339.14	24,298.58
Current Liabilities					
Trade and Other Payables	21	124,547.55	149,144.40	114,406.93	146,052.86
Income Tax Payable		1,938.32	2,410.99	3,077.02	2,410.99
Lease liabilities	9.3	6.40	5.14	6.45	5.19
Current portion of Loans & Borrowings	20.1	1,480.71	1,401.37	1,480.71	1,401.37
Short term Borrowings	22	-	-	26.45	47.56
		127,972.98	152,961.91	118,997.56	149,917.97
Total Equity and Liabilities		247,295.65	236,896.23	336,427.66	286,911.88

*Certain numbers shown here do not correspond to the 2024 financial statements and reflect adjustments made as detailed on Note 25.

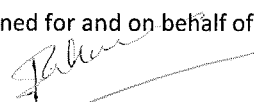
The notes appearing on pages 05 to 43 form an integral part of the Financial Statements.

These Financial Statements give a true and fair view of the state of affairs of Ceylon Petroleum Corporation and its Group as at 31st December 2025 and its profit for the year then ended.


B T T Perera

ACTG. DY. GENERAL MANAGER (FINANCE)

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board by,


D J A De S Rajakaruna
CHAIRMAN


Dr. N K M C Neththikumara
MANAGING DIRECTOR


H T P Chandana
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

Corporation	Contributed Capital	Revaluation Reserves	Capital Reserves	Financial Instrument Fair Value	Retained Earnings	Total Equity
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
As at 1 Jan 2024	912,580.51	28,049.11	4,992.69	(38.00)	(908,973.26)	36,611.05
Prior Period Adjustments	-	-	-	-	225.41	225.41
Restated Balance as at 1 Jan 2024	912,580.51	28,049.11	4,992.69	(38.00)	(908,747.85)	36,836.46
Profit/(Loss) for the year					34,188.09	34,188.09
Other Comprehensive Income					(192.28)	(192.28)
Adjustments	-	-	-	-	-	-
As at 31 Dec 2024	912,580.51	28,049.11	4,992.69	(38.00)	(874,752.05)	70,832.26
Profit/(Loss) for the Year					36,445.76	36,445.76
Adjustment		(1.46)			1.46	-
Other Comprehensive Income					(167.46)	(167.46)
Adjustments for Capital Improvements	-	-	-	-	-	-
As at 31 Dec 2025	912,580.51	28,047.65	4,992.69	(38.00)	(838,472.29)	107,110.56

Group	Contributed Capital	Revaluation Reserves	Capital Reserves	Financial Instrument Fair value	Retained Earnings	Shareholders Fund	Non Controlling Interest	Total Equity
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
As at 01 Jan 2024	912,580.51	28,049.11	4,992.69	(38.00)	(896,365.66)	49,218.65	8,883.38	58,102.02
Prior Period Adjustments					225.41	225.41		225.41
Restated Balance As at 01 Jan 2024	912,580.51	28,049.11	4,992.69	(38.00)	(896,140.26)	49,444.05	8,883.38	58,327.43
Investment on TPTL						-	39.20	39.20
Profit/(Loss) for the Year					35,167.15	35,167.15	1,109.87	36,277.02
Other Comprehensive Income for the Year					11,132.19	11,132.19	5,662.24	16,794.42
Adjustment					1,257.25	1,257.25		1,257.25
Dividend Paid								
As at 31 Dec 2024	912,580.51	28,049.11	4,992.69	(38.00)	(848,583.67)	97,000.64	15,694.69	112,695.33
Investment on TPTL						-		
Profit/(Loss) for the Year					38,891.71	38,891.71	1,266.79	40,158.50
Other Comprehensive Income for the Year					18,802.27	18,802.27	9,484.87	28,287.13
Adjustment		(1.46)			1.46			-
Dividend Paid							(50.00)	(50.00)
As at 31 Dec 2025	912,580.51	28,047.65	4,992.69	(38.00)	(790,888.23)	154,694.62	26,396.35	181,090.96

*Certain numbers shown here do not correspond to the 2024 financial statements and reflect adjustments made as detailed on Note 25.

The notes appearing on pages 05 to 43 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December	Corporation		Group	
	2025 Rs.Mn.	2024 Restated Rs.Mn.	2025 Rs.Mn.	2024 Restated Rs.Mn.
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Tax	36,460.76	34,188.09	41,870.13	39,151.11
Adjustment for :				
Depreciation	2,002.21	2,435.35	3,486.43	3,150.48
Provision for Quoted Equity	-	12.50	-	12.50
Amortisation	827.17	440.51	827.17	440.51
Amortisation of Right-of-Use-Assets	8.47	8.38	36.47	16.76
Unrealized Exchange Variation	2,095.99	(6,305.26)	2,095.99	(6,305.26)
Dividend Income	(100.00)	-	-	-
Interest Income	(5,135.78)	(3,634.82)	(5,544.56)	(3,969.93)
Allowance for Impairment	0.36	-	2.46	535.94
Write-off	0.72	-	0.72	-
Interest Expenses	7.18	1,158.51	7.18	1,158.51
Provision for Retirement Obligation	340.05	319.95	647.29	658.21
(Profit)/Loss on Sale of Property, Plant & Equipment	(6.66)	(2.38)	(4.25)	(29.35)
Lease Interest	16.14	16.63	40.56	43.47
Retained Earning Adjustment	-	225.47	-	225.47
Loss on Revaluation of Assets	-	-	8.90	83.86
Amortization of Special Levy	-	1,000.00	-	1,000.00
Operating Profit/(Loss) Before Working Capital Changes	36,516.63	29,862.93	43,474.51	36,172.28
Changes in Working Capital				
(Increase)/ Decrease in Inventories	7,588.50	62,410.71	7,616.83	62,423.22
(Increase)/ Decrease in Trade and Other Receivables	(6,827.09)	2,675.22	(11,810.69)	821.30
Increase/ (Decrease) In Trade and Other Payables	(27,013.87)	(23,710.35)	(27,209.16)	(23,456.40)
Operating Profit/(Loss) After Working Capital Changes	10,264.16	71,238.50	12,071.49	75,960.40
Interest Paid	(7.18)	(1,158.51)	(7.18)	(1,158.51)
Retiring Gratuity Paid	(228.50)	(200.72)	(510.42)	(381.45)
Income Tax	-	-	(1,403.67)	(145.97)
Net Cash Generated from/(used in) Operating Activities	10,028.49	69,879.25	10,150.22	74,274.47
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from Sale of Property, Plant & Equipment	27.56	2.38	28.63	29.35
Acquisition of Property, Plant & Equipment	(1,144.49)	(1,199.63)	(2,744.17)	(2,540.87)
Acquisition of Intangible Assets	-	-	(0.06)	(98.36)
Investments	-	(40.80)	-	39.20
Interest Received	5,116.83	3,594.38	5,525.61	3,929.49
Investment in Fixed Deposits/Funds	73.27	(20.86)	(23.99)	(169.03)
Net Cash Flows from/(Used in) Investing Activities	4,073.17	2,335.47	2,786.02	1,189.78
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	-	-	(135.00)	-
New Loans Obtained	-	-	-	-
Repayment of Loans	(1,750.86)	(60,344.43)	(1,750.86)	(60,344.43)
Repayment for Lease	(21.83)	(21.78)	(46.30)	(48.66)
Net Cash Flows From/(Used in) Financing Activities	(1,772.69)	(60,366.21)	(1,932.16)	(60,393.09)
Net Increase/(Decrease) in Cash & Cash Equivalents	12,328.97	11,848.51	11,004.08	15,166.26
Cash & Cash Equivalents at the Beginning of the Year	55,186.13	43,337.62	59,659.14	44,540.44
Bank Overdraft	-	-	(26.45)	(47.55)
Cash & Cash Equivalents at the End of the Year	67,515.09	55,186.13	70,636.76	59,659.14

The notes appearing on pages 05 to 43 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1.1 CORPORATE INFORMATION

General

Ceylon Petroleum Corporation (the Corporation/CPC) is a Public Corporation incorporated under Ceylon Petroleum Corporation Act, No. 28 of 1961, and domiciled in Sri Lanka. The registered office of the Corporation is located at No. 609, Dr. Danister De Silva Mawatha, Colombo 09.

Principal activities and nature of operations

Entity	Principal activity
Ceylon Petroleum Corporation	Importing, refining, and selling of Petroleum Products in Sri Lanka.
Subsidiary Ceylon Petroleum Storage Terminals Limited	Storage and distribution of petroleum products
Subsidiary Trinco Petroleum Terminal (Pvt) Limited	Possess, develop, utilize and manage storage facilities to carry out business including but not limited to petroleum related products; to import, store, sell and export petroleum and petroleum related products or any other products, stored by the company; to carry out any other business permitted by applicable laws and regulations.

Parent Entity and the Ultimate Controlling Party

The Corporation is under the purview of the Ministry of Energy. In the opinion of the Directors, the Corporation's ultimate parent undertaking and controlling party is the Government of Sri Lanka.

Date of Authorization for Issue

The Financial Statements of Ceylon Petroleum Corporation and its Group for the year ended 31 December 2025 were authorized for issue in accordance with a Resolution of the Board of Directors on 26th February 2026.

Statement of Compliance

The Financial Statements of Ceylon Petroleum Corporation and its Group, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of cash flows, and Notes to the Financial Statements (the 'financial statements') have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs / LKASs) issued by the Institute of Chartered Accountants of Sri Lanka and the provisions of the Finance Act No. 38 of 1971 and subsequent amendments thereto.

1.2 BASIS OF PREPARATION

The financial statements of the Corporation and consolidated financial statements of the Group have been prepared in accordance with the Sri Lanka Accounting Standards comprising of SLFRS and LKAS (hereafter referred as "SLFRS") as issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements have been prepared on an accrual basis and under historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), financial assets that have been measured at fair value and defined benefit obligation which is measured at the present value of the obligation.

Presentation & Functional Currency

The Financial Statements are presented in Sri Lankan Rupees, which is the functional currency, and all values are rounded to the nearest million except when otherwise indicated.

Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Basis of Consolidation

The consolidated financial statements as at and for the year ended 31 December 2025 comprise of the Corporation and its Subsidiary (together referred to as the 'Group').

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. CPC owns 2/3rd of shares of Ceylon Petroleum Storage Terminals Limited (CPSTL) and CPC considers CPSTL as its subsidiary. CPC owns 51% of shares of Trinco Petroleum Terminal (Pvt) Limited (TPTL) and CPC considers TPTL as its subsidiary.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the above three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiary are prepared in compliance with the Group's accounting policies unless otherwise stated and they have a common financial year which ends on 31 December.

All intra-group balances and transactions, income and expenses are eliminated in preparing the consolidated financial statements.

Non-controlling Interests

Profit or loss and each component of other comprehensive income (OCI) of the subsidiary are attributed to the equity holders of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.3 ACCOUNTING POLICIES

Changes in Accounting Policies

The Accounting policies adopted are consistent with those used in the previous years, unless otherwise stated.

Comparative Information

The presentation and classification of the financial statements of previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

Going Concern

These financial statements are prepared on the assumption that the CPC & its Group is a going concern i.e. as continuing in operation for the foreseeable future. It is therefore assumed that CPC has neither the intention nor the necessity of liquidating or of curtailing materially the scale of its operation as per the financial statements prepared for the year ended 31st December 2025.

Summary of Material Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized prospectively.

The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are material to the financial statements are described in the relevant notes as follows:

- Defined Benefit Obligations – Gratuity : Note No. 1.4.12
- Impairment of financial assets : Note No. 1.4.14
- Useful lives of Property, Plant and Equipment : Note No. 1.4.6
- Deferred taxation : Note 1.4.2

1.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.4.1 Revenue Recognition

Revenue is recognized to the extent that the performance obligation is satisfied, when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products and the revenue and associated costs incurred or to be incurred can be measured reliably, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and net of sales taxes. Goods and services deliverable under contracts with customers are identified as separate performance obligations ('obligations'). Where individual goods and services do not meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The transaction price is allocated between the identified obligations according to the relative selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same goods and or services included in the obligation to a similar customer on a standalone basis. The Corporation estimates the standalone selling prices as per the defined statutory and other requirements or cost-plus reasonable margin approach. The Corporation considered the discounts/commissions provided in the Contract to determine the standalone price and these discounts are recognized in the Selling & Distribution Expenses.

The following specific criteria must also be met for the purpose of recognition of revenue which is in the scope of SLFRS 15.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Revenue from sales of goods is recognized when the goods are dispatched, or in the case of delivering the goods to the customer, legal ownership is transferred only upon delivery of goods to the customer. In all such case, the revenue is recognized by the Group when the goods are dispatched or delivered and accepted by the dealers/customers and no effective control over the goods sold.

Contract Assets

A contract asset is the right to consideration in exchange for goods and services transferred to the customer. If the Corporation performs the contract by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized.

Contract Liabilities

A contract liability is the obligation of the Corporation to transfer goods or services to a customer for which the Corporation has received consideration from the customer. If a customer pays consideration before the transfers of goods or services to the customer, a contract liability is recognized with the payment is made. The Corporation recognizes the contract liabilities as revenue when the Corporation completes the performance obligations under the contract. Contract liabilities are disclosed under the Trade & Other Payables.

Interest Income & Expenses

For all financial instruments measured at amortized cost, interest expenses and income are recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is recognized as the interest accrued unless the collectability is in doubt. Interest income except staff loan interest is presented under Finance Income and interest expense is presented under Finance expense in the income statement.

Dividends

Dividend Income is recognized when the right to receive the payment is established.

Rental Income

Rental income is accounted for on a straight-line basis over the lease terms and is included in other operating income in the statement of profit or loss.

Monthly fees on the corporation own filling stations are recognized based on the discount earned/sales made by the respective dealers.

Profit / (Loss) from Sale of Property, Plant & Equipment

Profit / (loss) arising from sale of property, plant & equipment is recognized in the period in which the sale occurs and is classified under other income.

Gains or Losses Arising from Investment Securities

Gains or losses arising from the sale of equity shares and financial instruments accounted for on the date on which the transaction takes place.

Other Income

Other income is recognized on an accrual basis

1.4.2 Expenditure Recognition

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement for the period.

Taxation

Tax expenses for the period comprise the current and deferred tax.

(i) Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

Current income tax relating to items recognized directly in equity or in other comprehensive income is recognised in equity or in other comprehensive income and not in the income statement.

(ii) Deferred Taxation

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

Deferred income tax liabilities are recognized for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

(iii) Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable. When receivables and payables that are stated with the amount of sales tax included the net amount of sales tax recoverable from or payable to, the taxation authorities is included as a part of receivables and payables in the Statement of Financial Position.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sell, are added to the costs of those assets. All other borrowing costs are expensed in the period they occur.

1.4.3 Foreign Currency Transactions and Balances

The Financial Statements are presented in Sri Lanka Rupees, which is the Corporation's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Income Statement are also recognised in OCI or Income Statement, respectively).

1.4.4 Current versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets

A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax liabilities are classified as non-current liabilities.

1.4.5 Fair Value Measurement

The Group measures financial instruments such as investments in equity shares and non-financial assets such as land, at fair value at each reporting date or within a period of seven years in the event of a revaluation. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes;

- Property, Plant and Equipment (Note 8)
- Investment Property (Note 8.1)
- Financial Instruments (including those carried at amortised cost) (Note 13.1)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability
or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

External valuers are involved for valuation of significant assets, such as land and investment properties and significant liabilities, such as retirement benefits obligation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability.

1.4.6 Property, Plant & Equipment

Property, plant and equipment, except land, are stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value.

Measurement

An item of property, plant & equipment that qualifies for recognition as an asset is initially measured at its cost of purchase directly attributable to the acquisition of the asset or construction together with any incidental expenses thereon.

The cost of self-constructed assets included the cost of materials and direct labor or any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs of qualifying assets. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met.

Cost Model

Group applies cost model to property, plant & equipment, except land, and records at cost of purchase or construction together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Revaluation Model

Lands are measured at fair value less impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Subsequent Costs

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

Restoration Costs

The cost incurred on repairs and maintenance of property, plant & equipment in order to restore or maintain future economic benefits is charged to Income Statement as incurred.

De-recognition

The carrying amount of an item of property, plant & equipment is derecognized on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of an item of property, plant & equipment is included in the Income Statement when the item is derecognized.

Depreciation

Land is not depreciated as it is deemed to have an indefinite life. Group provides depreciation on straight-line basis over the periods appropriate to the estimated useful lives of different types of assets commencing from the date available to use. Depreciation ceases on the date that the asset is derecognised.

The Group reviews annually the estimated useful lives, residual values and method of depreciation of Property, Plant and Equipment based on factors such as business plan and strategies, expected level of usage and future developments using management judgment.

The estimated useful life of assets is as follows:

Assets	Years
Buildings	35 - 50 Years
Tanks	20 - 40 Years
Pipe lines	5 - 40 years
Plant & Machinery	5 - 10 Years
Gantries & Pumps	10 - 15 years
Vehicles	4 - 5 Years
Furniture, Fittings & Office Equipment	3 - 10 Years
Buoy	10 years
SPM Facility - Tank Farm	40 Years
Aviation facility Mattala - Fuel Hydrant	40 Years
Fuel hydrant System	40 Years
Internal Road network & Fences	20 years
Metering & Electrical System	10 years
Fire fighting system	10 years
Other Assets	08 years
Muthurajawela - PLEM	10 years

The asset's residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at least at each financial year end.

Capital Work in Progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

1.4.7 Investment Properties

Basis of Recognition

Investment property is property that is held to earn rentals or for capital appreciation or both but not for sale in the ordinary course of business.

Measurement

Investment property is accounted for under cost method in the Financial Statements. Accordingly, after recognition as an asset, the property is carried at its cost, less accumulated depreciation and impairment losses.

Depreciation

Depreciation is provided on a straight-line basis over the estimated life of the class of asset from the date of purchase up to the date of disposal.

De-recognition

Investment properties are derecognized once disposed or permanently withdrawn from use because no future economic benefits are expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in SLFRS 15. Transfers are made to and from investment property only when there is a change in use.

1.4.8 Intangible Assets

Basis of Recognition

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard - LKAS 38 on 'Intangible Assets'.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

Amortization

Group provides Amortization on straight-line basis over the periods appropriate to the estimated useful lives of from 3 to 5 years from the date available to use. Amortization ceases on the date that the asset is derecognized.

1.4.9 Investment in Subsidiary

Investment in Subsidiary is stated at cost, less impairment losses, if any.

1.4.10 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net Realizable Value (NRV) is the estimated selling price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. NRV is assessed with reference to market conditions and prices existing at the reporting date and in the light of recent market transactions.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:

Raw Materials	- At purchase cost on first-in-first-out basis
Finished Goods	
a) Refined Products	- At the cost of direct materials, direct labor and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.
b) Imports	- At purchase cost on first-in-first-out basis
Work-in-progress	
a) Refined Products	- At the cost of direct materials, direct labor and an appropriate proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.
b) Imports	- At purchase cost on first-in-first-out basis
Other Finished Goods	- At purchase cost on weighted average basis
Consumables & Spares	- At purchase cost on weighted average basis

1.4.11 Cash and Cash Equivalents

Cash and cash equivalents are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investment with short maturities i.e. three months or less from the date of acquisition is also treated as cash equivalent.

1.4.12 Provisions & Liabilities

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money

and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Defined Benefit Obligations - Gratuity

The liability recognized in the Statement of Financial Position in respect of gratuity is the present value of the obligation at the end of the reporting period using the projected unit credit method. The present value of the defined benefit obligation depends on number of factors that are determined on an actuarial basis using number of assumptions. These assumptions used in determining the cost for gratuity include the discount rate, expected staff turnover and salary increment rate. Any change in these assumptions will impact the carrying amount of gratuity obligation.

The management determines the appropriate discount rate at the end of each year. This is the interest rate that should be used in determining the present value of estimated future cash flows expected to be required to settle the defined benefit obligation. In determining the discount rate, management considers the interest rates of government bonds in the absence of deep market for corporate bonds in Sri Lanka. Other key assumptions for defined benefit obligation are based on current market conditions.

Provision has been made for retirement gratuities from the beginning of service for all permanent employees, in conformity with LKAS 19 - Employee Benefits. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

This is not an externally funded defined benefit plan.

Actuarial gains and losses are charged or credited in other comprehensive income in the period in which they arise.

Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with the respective statutes and regulations. The Corporation contributes 15% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively and records as an expense in the income statement in the periods during which services are rendered by employees.

1.4.13 Capital Reserve

Specific amounts received from Government Consolidated Fund and the net value of restructuring sale proceeds which eventually form the issued capital of the successor to Ceylon Petroleum Corporation are credited to a Capital Reserve.

1.4.14 Financial Instruments

i) Financial Assets

Initial Recognition and Measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Corporation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Financial assets subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group classifies its financial instruments in the following categories:

a. Financial Assets at Amortised Cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, loans to employees and investment in treasury bonds, bills and fixed deposits.

b. Financial Assets Designated at Fair Value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled Income Statement. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Group elected to classify its quoted and non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that

case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of Financial Assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Expected credit losses (ECL)s are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors.

The Group considers a financial asset in default when contractual payments are remote. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Group review individually significant trade receivables at the each reporting date to assess whether impairment loss should be recognized in the income statement. Since the Group assess the trade receivable individually and found not to be additionally impaired.

ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, include trade and other payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

Loans & borrowings and trade and other payables at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Determination of Fair Value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Certain financial instruments are recorded at fair value using valuation techniques in which current market transactions or observable market data are not available. Their fair value is determined using valuation models with the Group's best estimate of the most appropriate model assumptions.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 13.1.

The Institute of Chartered Accountants of Sri Lanka issued SLFRS 09 Financial Instruments which reflects financial instruments and replaces LKAS 39 Financial Instrument, recognition and Measurement. The Standard introduces new requirements for Classification and Measurement of Impairment and Hedge Accounting.

1.4.15 Accounting For Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a. Right-of-Use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Corporation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subjected to impairment.

b. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

1.4.16 Contingent Liabilities, Litigation & Commitments

Contingent liabilities are the possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the Statement of Financial Position but are disclosed, unless they are remote.

1.5 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following SLFRS have been issued by the Institute of Chartered Accountants of Sri Lanka that have an effective date in the future and have not been applied in preparing these Financial Statements. The Corporation will adopt those standards when they become effective. Pending the completion of detailed review, the financial impact is not reasonably estimable as at the date of publication of these Financial Statements. The following standards, and improvements are not expected to have a significant impact on the Group's financial statements.

A) SLFRS 09 – Financial Instruments and SLFRS 07 Financial instruments : Disclosure (Effective for annual periods commencing on or after 01 January 2026)

B) SLFRS 18 – Presentation and Disclosure in Financial Statements.(Effective for annual periods commencing on or after 01 January 2027)

C) SLRS 19 – Subsidiaries without public Accountability : Disclosures (Effective for annual periods commencing on or after 01 January 2027)

2. REVENUE	Corporation		Group	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Domestic	733,497.13	822,849.73	735,373.96	820,773.17
Export	140,123.47	130,049.57	140,123.47	130,049.57
Bunkering	17,180.66	18,256.79	17,180.66	18,256.79
Terminal Charge & Others	-	-	5,140.20	7,832.12
Total Sales	890,801.26	971,156.09	897,818.28	976,911.66
Less : Excise Duty & SSCL	(50,072.47)	(47,714.51)	(50,072.47)	(47,714.51)
Net Revenue	840,728.79	923,441.58	847,745.81	929,197.15

Contract assets (Trade receivables) amounting to Rs. 15,068.34 Mn has been disclosed under Trade & Other Receivables.

3. OTHER OPERATING INCOME	Corporation		Group	
	2025 Rs. Mn	2024 Restated Rs. Mn	2025 Rs. Mn	2024 Restated Rs. Mn
Income on Investment Property	1,283.77	1,733.24	1,283.77	1,733.24
Staff Loan Interest	218.77	209.77	916.70	943.83
Rental Income	25.39	24.59	23.32	32.93
Profit/(Loss) on Disposal of PPE	6.66	2.38	4.25	29.35
Profit on Sale of Filling Station Equipment	44.22	41.19	44.22	41.19
Dividend Income	100.00	-	-	-
Sundry Income	888.01	527.10	1,259.50	759.07
	2,566.82	2,538.27	3,531.74	3,539.61

4. OPERATING PROFIT	Corporation		Group	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
4.1 Operating Profit stated after charging the following expenses				
Directors' Emoluments	7.95	9.71	27.26	21.41
Auditors' Eemuneration -Annually (without Under/Over Provision)	6.00	8.00	9.65	9.82
Auditors' Remuneration (Forensic Audit)	-	33.20	-	33.20
Depreciation	504.44	552.63	1,988.65	1,267.77
Advertising Expenses	23.24	31.27	23.24	31.27
Legal charge & Other Professional Fee	282.21	283.17	282.21	283.17
Disallowed VAT	578.14	275.27	578.14	275.27
Special Fee to General Treasury	6,000.00	11,000.00	6,000.00	11,000.00
Bad Debt Write-off	1.50	-	1.50	-

4.1 EXCHANGE RATE VARIATION	Corporation		Group	
	2025 Rs. Mn	2024 Restated Rs. Mn	2025 Rs. Mn	2024 Restated Rs. Mn
Exchange Gain	10,207.09	13,832.80	10,207.09	13,832.80
Exchange Loss	(5,359.97)	(13.01)	(5,359.97)	(13.01)
Net Exchange Rate Gain/(Loss)	4,847.13	13,819.79	4,847.13	13,819.79

5. FINANCE INCOME	Corporation		Group	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Interest Income on TB, FD, Call Deposits and Money Market investments	3,522.86	1,617.72	3,931.64	1,952.83
Interest Income on Credit Invoice & Overdue Trade Debts	116.03	68.70	116.03	68.70
Interest Income on CEB/IPP/Aviation Debtors	1.21	1.68	1.21	1.68
Interest Income on R.F.C. A/C & Others	1,495.68	1,946.72	1,495.68	1,946.72
	5,135.78	3,634.82	5,544.56	3,969.94

6. FINANCE EXPENSES	Corporation		Group	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Interest on LKR Bank Loans	-	1,150.74	-	1,150.74
Interest on Lease Liability	16.14	16.63	40.56	43.46
Other Finance Cost	7.18	7.76	7.18	7.76
	23.32	1,175.13	47.74	1,201.97

7. INCOME TAX EXPENSE	Corporation		Group	
	2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Current Tax:				
Current Income Tax	-	-	1,560.72	1,407.27
Under/(Over) Provision of Previous Years	-	-	0.90	-
WHT on Dividend	15.00	-	15.00	-
Deferred Tax:				
Origination and reversal of temporary differences - Income Statement	-	-	135.01	209.56
Income Tax Expense - Income Statement	15.00	-	1,711.63	1,616.83
Income Tax Expense - Other Comprehensive Income	-	-	12,194.83	7,280.01
Total Income Tax Expense	15.00	-	13,906.46	8,896.84

A reconciliation between current tax charge and profit before tax is given below:

Accounting Profit/(Loss) Before Tax	36,460.76	34,188.09	41,870.13	39,151.11
Add: Disallowable Expenses	11,320.51	4,643.62	14,672.28	7,589.34
Less: Allowable Expenses & Exempt Income	(7,781.64)	(14,456.19)	(10,288.96)	(16,558.76)
Adjusted Trade Profit	39,999.63	24,375.52	46,253.45	30,181.68
Less: Utilisation of Tax Losses	(39,999.63)	(24,375.52)	(39,999.63)	(23,118.27)
Add: Tax losses for the year	-	-	(6,253.81)	(5,806.16)
Taxable Income	-	-	-	-
Income tax charged at				
Current Year	-	-	1,560.72	1,407.27
Concessionary Rates	-	-	-	-
Under/(Over) Provision of Previous Years	-	-	0.90	-
WHT on Dividend	15.00	-	15.00	-
Deferred Tax Charge to Income Statement	-	-	135.01	209.56
Origination and reversal of temporary differences - OCI	-	-	12,194.83	7,280.01
Income Tax Expense	15.00	-	13,906.46	8,896.83

Assessments have been issued to the Taxable years of 1997/98, 2014/15, 2015/16 and 2016/17 amounting to Rs. 25.12 Mn., Rs. 723.09 Mn., Rs. 54.68 Mn. and Rs. 2,170.07 Mn. respectively and CPC has made valid appeals for those Assessments. Income tax liabilities on the assessments for the year of assessment 1997/98 had been recognized in the financial statements of 2017.

B. PROPERTY, PLANT & EQUIPMENT(Corporation)	Land & Building Rs.Mn	Vested Property Rs.Mn	Plant, Mach & Equip. Rs.Mn	SPM Facility Rs.Mn	Motor Vehicles Rs.Mn	Furn/Fittings, Off. Equip & Other Assets Rs.Mn	Capital Work In Progress Rs.Mn	Corporation Total Rs.Mn
Cost								
Bal as at 01/01/2025	16,759.09	1.02	30,486.32	2,835.84	1,528.62	2,562.13	16,186.41	70,359.42
Additions	4.14	-	280.31	-	-	54.01	1,229.55	1,568.02
Transfers	-	-	-	-	-	-	-	-
Disposals	(1.46)	-	(79.05)	-	-	(21.03)	-	(101.54)
Bal as at 31/12/2025	16,761.78	1.02	30,687.59	2,835.84	1,528.62	2,595.11	17,415.96	71,825.90
Depreciation								
Bal as at 01/01/2025	1,744.27	0.44	17,576.98	1,830.08	1,234.15	2,136.11	-	24,522.02
Charge for the Year	153.77	0.02	1,784.97	36.32	2.71	41.81	-	2,019.60
Disposals	-	-	(78.98)	-	-	(20.95)	-	(99.93)
Bal as at 31/12/2025	1,898.04	0.46	19,282.96	1,866.40	1,236.86	2,156.97	-	26,441.69
NBV as at 31.12.2025	14,863.74	0.57	11,404.62	969.44	291.76	438.13	17,415.96	45,384.21
Cost as at 31.12.2024	16,759.09	1.02	30,486.32	2,835.84	1,528.62	2,562.13	16,186.41	70,359.42
Acc.Dep as at 31.12.2024	1,744.27	0.44	17,576.98	1,830.08	1,234.15	2,136.11	-	24,522.02
NBV as at 31.12.2024	15,014.83	0.57	12,909.35	1,005.76	294.47	426.02	16,186.41	45,837.40

Gross carrying amount of the fully depreciated Property, Plant & Equipment as at 31.12.2025 is Rs 7,091 Mn (2024 – Rs 6,714 Mn).

B. PROPERTY, PLANT & EQUIPMENT(GROUP)	Land & Building Rs.Mn	Vested Property Rs.Mn	Plant, Mach & Equip. Rs.Mn	SPM Facility Rs.Mn	Motor Vehicles Rs.Mn	Furn/Fittings, Off. Equip & Other Assets Rs.Mn	Capital Work in Progress Rs.Mn	GROUP Total Rs.Mn
Cost								
Bal as at 01/01/2025	47,593.48	1.02	48,890.00	6,958.30	3,382.75	5,511.08	17,165.59	129,502.21
Additions	12.27	-	359.19	63.49	-	171.89	2,560.85	3,167.69
Transfers	123.82	-	48.95	-	-	95.49	(268.26)	-
Re-valuation	326.67	-	38,805.25	-	2,084.02	-	-	41,215.94
Disposals	(1.46)	-	(79.49)	-	(5.80)	(65.61)	(194.28)	(346.63)
Balance at 31/12/2025	48,054.79	1.02	88,023.89	7,021.79	5,460.98	5,712.84	19,263.90	173,539.21
Depreciation								
Balance at 01/01/2025	2,704.12	0.44	27,497.51	5,204.55	3,055.03	4,635.28	-	43,096.93
Charge for the Year	180.15	0.02	2,810.11	191.19	4.11	49.98	268.26	3,503.81
Disposals	-	-	(79.43)	-	(5.80)	(62.04)	-	(147.26)
Bal as at 31/12/2025	2,884.27	0.46	30,228.19	5,395.74	3,053.35	4,623.22	268.26	46,453.47
NBV as at 31.12.2025	45,170.52	0.56	57,795.70	1,626.05	2,407.63	1,089.63	18,995.64	127,085.73
Cost as at 31.12.2024	47,593.48	1.02	48,890.00	6,958.30	3,382.75	5,511.08	17,165.59	129,502.21
Acc.Dep as at 31.12.2024	2,704.12	0.44	27,497.51	5,204.55	3,055.03	4,635.28	-	43,096.93
NBV as at 31.12.2024	44,889.36	0.57	21,392.49	1,753.75	327.72	875.80	17,165.59	86,405.28

Gross carrying amount of the fully depreciated Property, Plant & Equipment as at 31.12.2025 is Rs 16,875 Mn (2024 – Rs. 18,430 Mn).

8.1 Investment Property	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Cost				
Bal. at the beginning of the year	76.52	76.52	76.52	76.52
Add: Additions / Transfers	-	-	-	-
Bal as at the end of the year	76.52	76.52	76.52	76.52
Depreciation				
Bal at the beginning of the year	29.92	28.01	29.92	28.01
Add: Transfer from PPE	-	-	-	-
Add: Charge for the year	1.91	1.91	1.91	1.91
Bal as at the end of the year	31.82	29.92	31.82	29.92
Net Book Value	44.70	46.60	44.70	46.60

Investment property consists of properties located at Thurstan Road, Flower Road & Filling Stations given on rent.

Description	Fair Value Rs.Mn
No.80, Flower Road, Colombo 07	40.000
No.22/1, Thurstan Road, Colombo 03	
Filling Stations	35.510

Fair value of the investment properties was based on the valuations carried out in the years 2012 and 2016 by the Valuation Department, who are independent valuers not connected with the Corporation.

8.2 Intangible Assets	Corporation		Group		
	ERP System	ERP System	SAP License	Automation System	Total
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Cost /Carrying value					
At the beginning of the year	0.68	660.42	9.38	37.79	707.59
Additions/Transfers	-	0.06	-	-	0.06
At the end of the year	0.68	660.48	9.38	37.79	707.65
Amortisation					
At the beginning of the year	0.68	556.66	9.38	37.79	603.83
Charge for the Year	-	23.55	-	-	23.55
At the end of the year	0.68	580.20	9.38	37.79	627.38
Carrying value					
As at 31.12.2025	0.00	80.27	-	-	80.27
As at 31.12.2024	0.00	103.77	-	-	103.77

During the year CPC acquired PPE including intangible assets amounting to Rs. 1,568.02 Mn (2024 - Rs. 2,586.62 Mn) and of this CPC paid Rs 1,144.49 Mn (2024 Rs. 1,199.63 Mn.)

During the year Group acquired PPE including intangible assets amounting to Rs. 3,167.69 Mn (2024-Rs. 3,927.87 Mn.) and of this Group paid Rs 2,744.17 Mn (2024 Rs. 2,540.87 Mn.).

8.3 Capitalisation of Borrowing Cost

The Group commenced the Construction of Development & Upgrading of Aviation Refuelling Terminal & the Existing Fuel Hydrant System and Installation of a Fuel Hydrant System of CPC at New Apron –E Bandaranaike International Airport (BIA) in January 2018. This Project is financed by the two outsource facilities (15% from the Commercial loan taken from Peoples Bank and the Balance 85% on a Self-financing basis by the contractor).

The amount of borrowing cost capitalized during the year 2025 was Rs. 710.58 Mn. (2024-Rs. 853 Mn). The rate was to determine the capitalization of Borrowing Cost was 8.07% p.a.

9 RIGHT-OF-USE-ASSETS

9.1. Lease Assets

The Corporation entered in to the lease contract with the Government for 24 Tanks at Trincomalee Tank Farm for the period of 50years and further, the Corporation has entered for Lease contracts for the lands at Neluwa, Yatiyantota, Ratnapura , Kegale, Hettipola and Maligawatta.

9.2 Right-of-use-Assets	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Cost				
Bal as at 01/01	135.89	113.63	358.70	336.44
Additions	3.78	22.26	3.78	22.26
Bal as at 31/12	139.68	135.89	362.49	358.70
Amortization				
Bal as at 01/01	25.01	16.64	38.38	25.55
Additions	8.47	8.38	12.92	12.83
Bal as at 31/12	33.48	25.01	51.31	38.38
Net Book Value	106.20	110.88	311.18	320.32

9.3 Lease Liability	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Cost				
Bal as at 01/01	126.75	109.64	360.70	343.64
Additions	3.78	22.26	3.78	22.26
Adjustments/Interest	16.14	16.63	40.56	43.46
Payments	(21.83)	(21.78)	(46.30)	(48.66)
Bal as at 31/12	124.84	126.75	358.74	360.70
Current liabilities	6.40	5.14	6.45	5.19
Non-current liabilities	118.44	121.60	352.29	355.50
Total	124.84	126.74	358.74	360.70

9.4 Maturity Analysis of Lease Liability	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Not later than one year	6.40	5.14	6.45	5.19
Later than one year and not later than five years	15.85	19.42	16.29	19.80
Later than five years	102.59	102.18	336.00	335.71
Total	124.84	126.74	358.74	360.70

9.5 Details of the amounts recognized in income statement	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Amortization expenses of right-of-use-assets	8.47	8.38	12.92	12.83
Interest expenses on lease liability	16.14	16.63	40.56	43.46
Total recognized in income statement	24.60	25.00	53.48	56.30
Total cash outflows made with respect to leases	21.83	21.78	46.30	48.66

9.6 CPC has obtained lands from the Government Institutions such as Sri Lanka Railway Department, Mahaweli Authority, Municipal Councils etc. and presently pays lease rentals as per the negotiations with the respective parties. Discussions with the relevant parties are in progress to enter into the formal contract for the lease arrangements. Lease rentals paid relating to the lease without agreements, short term and low value leases for the year 2025 is Rs. 2.79 Mn. (2024 - Rs. 2.29 Mn.) which are including the rent expenses.

10. INVESTMENT IN SUBSIDIARY	Corporation		Corporation		Group	
	2024	2023	2025	2024	2024	2023
	Holding %	Holding %	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Ceylon Petroleum Storage Terminals Ltd.	66.67%	66.67%	5,000.00	5,000.00	-	-
Trinco Petroleum Terminal (Pvt) Ltd.	51.00%	51.00%	142.80	142.80	-	-
			5,142.80	5,142.80	-	-

10.1 The summarized financial information of the Subsidiary company

Subsidiary Statement of Financial Position	CPSTL		TPTL	
	2025	2024 Restated	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Non - Current Assets	83,025.90	42,061.07	310.59	299.63
Current Assets	23,145.86	19,271.15	58.56	96.40
Total Assets	106,171.76	61,332.22	369.15	396.04
Capital and Reserves	78,993.57	46,848.60	132.97	160.17
Non - Current Liabilities	23,893.18	10,962.62	233.85	233.91
Current Liabilities	3,285.01	3,521.00	2.33	1.96
Total Equity and Liability	106,171.76	61,332.22	369.15	396.04

Statement of Comprehensive Income	CPSTL		TPTL	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Revenue	20,520.10	18,898.88	-	-
Expenses	(16,471.27)	(15,249.78)	(30.21)	(36.50)
Other Income	1,488.18	1,348.96	3.00	1.40
Profit before Tax	5,537.00	4,998.06	(27.20)	(35.10)
Income Tax Expenses	(1,696.63)	(1,616.83)	-	-
Profit for the year	3,840.37	3,381.23	(27.20)	(35.10)
Other comprehensive income	28,454.60	16,986.71	-	-
Total Comprehensive Income for the year	32,294.97	20,367.93	(27.20)	(35.10)
Dividend paid to non- controlling interest	(50.00)	-	-	-

11. NON CURRENT FINANCIAL ASSETS	Note	Corporation		Group	
		2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Quoted equity investments	11.1	-	-	-	-
Unquoted equity investments	11.2	0.54	0.54	0.54	0.54
		0.54	0.54	0.54	0.54

11.1. Quoted equity investments		Corporation		Group	
		2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Lanka Cement Ltd.					
5,000,000 Ordinary Shares of Rs.10/= each fully paid		12.50	12.50	12.50	12.50
Adjustment for fair value changes		(12.50)	(12.50)	(12.50)	-
		-	-	-	12.50

11.2. Unquoted equity investments		Corporation		Group	
		2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Associated News Papers of Ceylon Ltd.					
61,206 Ordinary Shares of Rs.10/= each		0.54	0.54	0.54	0.54
Lanka Leyland Ltd.					
100 Ordinary Shares of 10/= each		0.00	0.00	0.00	0.00
International Cooperative Petroleum association					
5,499 Shares of Us \$ 100/= each fully paid					
Incorporated in USA		5.09	5.09	5.09	5.09
Less : Provision for Impairment		(5.09)	(5.09)	(5.09)	(5.09)
		0.54	0.54	0.54	0.54

The unquoted investments classified as financial assets of fair value through OCI, investments are carried at cost.

The maximum exposure to credit risk at the reporting date is the carrying value of equity securities classified as fair value through OCI.

None of the unquoted equity investments is either past due or impaired except the International Cooperative Petroleum Association for which an impairment provision has been made.

12 . TRADE & OTHER RECEIVABLES	Corporation			
	2025		2024	
	Current	Non-Current	Current	Non-Current
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Trade Receivables	15,038.22	-	11,761.59	-
Receivables- Inland Revenue & Custom Dept.	3,357.19	-	1,686.54	-
Other Receivables	2,074.94	0.61	2,011.39	0.61
Deposits & Prepayments	224.30	1,027.62	297.01	1,850.73
Advance	3,191.71	-	1,310.90	-
Loans & Advances to Employees	64.30	4,938.79	62.44	4,594.93
TOTAL	23,950.66	5,967.02	17,129.87	6,446.26

As at 31 December, the age analysis of trade receivables is set out below,

	Corporation	
	2025	2024
	Rs.Mn	Restated Rs.Mn
Less than 30 days	5,499.49	3,727.48
30 - 90 days	377.65	248.97
91 - 180 days	2,794.44	4.58
181 - 365 days	470.10	2,435.12
More than 365 days	5,926.67	5,393.19
Total	15,068.34	11,809.34
Provision for Impairment	(42.86)	(47.75)
Adjustment	12.73	
	15,038.22	11,761.59

Movement in the provision for impairment of trade receivables is as follows.

	Corporation	
	2025	2024
	Rs.Mn	Rs.Mn
Balance as at 1st January	47.75	54.40
Less: Amount Recovered	(5.19)	(6.66)
Less: Amount write off	(0.04)	-
Less: Adjustment	(0.02)	
Add: Provision for the year	0.36	-
Balance as at 31st December	42.86	47.75

Other Receivables

	Corporation	
	2025	2024
	Rs.Mn	Restated Rs.Mn
Balance as at 31 December	20,237.14	20,173.60
Less: Provision	(18,162.21)	(18,162.21)
	2,074.94	2,011.39

A provision of Rs. 10,370.6 Mn. has been made in 2023 for the interest and charges receivables from the banks and a provision of Rs. 7,766.48 Mn. has been made in 2023 against the receivables from the fuel suppliers.

	Group			
	2025		2024 Restated	
	Current Rs.Mn	Non-Current Rs.Mn	Current Rs.Mn	Non-Current Rs.Mn
Trade Receivables	17,509.81	-	15,480.39	-
Receivables- Inland Revenue & Custom Dept.	3,357.19	-	1,686.54	-
Other Receivables	3,922.31	0.61	3,391.46	0.61
Deposits & Prepayments	1,631.79	1,027.62	1,506.96	1,850.73
Advance	3,191.71	-	1,310.90	-
Loans & Advances to Employees	64.30	6,288.50	62.44	6,074.55
	29,677.12	7,316.73	23,438.69	7,925.89

The carrying amounts of trade receivables are denominated in following currencies;

	Corporation		Group	
	2025	2024 Restated	2025	2024 Restated
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Sri Lankan Rupees	13,651.56	11,738.95	16,123.15	17,298.89
United States Dollars	1,386.66	22.64	1,386.66	22.64
	15,038.22	11,761.59	17,509.81	17,321.53

13 FINANCIAL INSTRUMENTS				
Financial Assets by category	Corporation		Group	
	2025	2024	2025	2024 Restated
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Financial assets at amortized cost				
Trade and other receivables	26,560.49	21,889.60	33,636.67	29,678.04
Cash in hand and at bank	67,515.09	55,186.13	70,636.77	59,659.14
Financial assets at fair value through OCI				
Unquoted Equity Investments	0.54	0.54	0.54	0.54
Quoted Equity Investments	-	-	-	-
TOTAL	94,076.12	77,076.26	104,273.98	89,337.71

Financial Liabilities by category	Corporation		Group	
	2025	2024	2025	2024 Restated
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Financial Liabilities at amortized cost				
Borrowings	8,143.91	9,223.66	8,143.91	9,223.66
Trade and other payables	111,155.45	113,759.46	101,014.89	109,639.14
TOTAL	119,299.36	122,983.11	109,158.80	118,862.80

13.1. Fair value of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Corporation's financial instruments that are classified as financial instruments in the financial statements

As at 31 December		Carrying Amount		Fair value	
		2025 Rs. Mn	2024 Rs. Mn	2025 Rs. Mn	2024 Rs. Mn
Financial assets					
Non Current Financial assets					
Quoted equity investments	13.2.1	-		-	
Unquoted equity investments	13.2.2	0.54	0.54	0.54	0.54
Investment in Treasury Bonds	13.2.1	-	-	-	-
Trade & Other receivables	13.2.4	44,765.72	40,099.73	26,560.49	21,889.60
Cash and cash equivalents	13.2.4	67,515.09	55,186.13	67,515.09	55,186.13
Total		112,281.36	95,286.40	94,076.12	77,076.27
Financial liabilities					
Loans & borrowings	13.2.3	8,143.91	9,223.66	8,143.91	9,223.66
Trade & other payables	13.2.4	111,155.45	113,759.46	111,155.45	113,759.46
Short term borrowings	13.2.4	-	-	-	-
		119,299.36	122,983.11	119,299.37	122,983.11

13.2. Determination of fair value

Valuation Model

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an active market, direct observation of a traded price may not be possible. In these circumstances, the Group uses alternative market information and discounted cash flows to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

13.2.1 Fair value of investments in quoted equity and treasury bonds are based on price quoted in the market at the reporting date.

13.2.2 Fair value of unquoted equity investments carried at cost are assumed to equal its fair value considering the materiality of the investment.

Investment in deposits and loans & borrowings are evaluated by the Group based on parameters such as interest rates, creditworthiness of the bank, and the risk characteristics of the instrument. As at 31 December 2025, the carrying amounts of deposits, loans & borrowings are not materially different from their fair values.

13.2.4 Cash and cash equivalents, trade & other receivables, trade & other payables and short term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

13.3 Fair Value Hierarchy

The Group use the following hierarchy for determining and disclosing the fair value of financial instruments

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 December	Corporation			
	2025			
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through OCI</u>				
Quoted equity investments	-	-	-	-
Unquoted equity investments	-	-	0.54	0.54
	-	-	0.54	0.54

14. INVENTORIES	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Crude Oil	35,923.47	41,407.03	35,923.47	41,407.03
Other Raw material	1,234.40	4,069.52	1,234.40	4,069.52
Finished Products	53,638.76	50,806.25	53,646.79	50,817.62
Intermediate Product	1,163.39	3,914.53	1,163.39	3,914.53
Other Materials & Supplies	5,211.95	4,555.80	6,075.81	5,433.63
Less: Provision for Slow Moving Items	(368.58)	(361.23)	(395.71)	(382.71)
	96,803.39	104,391.89	97,648.15	105,259.62

As the legal actions have not been finalized against the employees related to the losses of the stocks, inventory amounting to Rs. 7.65 Mn. is maintained in the Stock in Transits.

15.CASH AND CASH EQUIVALENTS	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Restated Rs.Mn
Components of Cash and Cash Equivalents				
Cash at Bank and in hand	67,515.09	55,186.13	70,636.77	59,659.14

Cash and cash equivalents include the following for the purpose of the statement of cash flows:

	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Cash and Cash Equivalents	67,515.09	55,186.13	70,636.76	59,659.14
	-	-	-	-
	67,515.09	55,186.13	70,636.76	59,659.14

16.CONTRIBUTED CAPITAL	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Balance as at 31 st December	912,580.51	912,580.51	912,580.51	912,580.51
Equity capital through loan settlements	-	-	-	-
	912,580.51	912,580.51	912,580.51	912,580.51

No authorized capital has been fixed by the Parliament.

17.RESERVES

17.1 CAPITAL RESERVE	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Balance as at 31 st December	4,992.69	4,992.69	4,992.69	4,992.69

In 2003, the transfer of assets to CPSTL had been done at book values. Subsequently it had been decided to record the above transactions based on the values that had been agreed upon in the process of privatization. The effect of this had been adjusted under capital reserve.

17.2 REVALUATION RESERVE	Corporation		Group	
	2025	2024	2025	2024
	Rs.Mn	Rs.Mn	Rs.Mn	Rs.Mn
Balance as at 1st January	28,049.11	28,049.11	28,049.11	28,049.11
Disposals	(1.46)	-	(1.46)	-
Surplus from revaluation (Note 8)	-	-	-	-
Balance as at 31 st December	28,047.65	28,049.11	28,047.65	28,049.11

The revaluation reserve is used to record increases in the fair value of Property, Plant & Equipment and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

18. RETIREMENT BENEFIT OBLIGATION	Corporation		Group	
	2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Balance as at 01 st January	2,036.19	1,724.68	3,943.17	3,643.59
Less: Payable for those who left during the period	-	-	-	-
Payments /Provision made during the year	(228.50)	(200.72)	(510.42)	(381.45)
	1,807.70	1,523.96	3,432.75	3,262.13
Add: Current service cost	116.07	95.74	213.54	184.55
Interest cost	223.98	224.21	433.75	473.67
Actuarial (gain)/loss	167.90	192.28	743.31	22.82
	2,315.65	2,036.19	4,823.36	3,943.18
Add: Benefit China Bay /LLL/NYLON/CPSTL Employees	3.30	10.03	3.30	10.03
Balance as at 31st December	2,318.95	2,046.22	4,826.65	3,953.20
Expenses on retirement benefit obligation				
Income Statement				
Current service cost	116.07	95.74	213.54	184.55
Interest cost	223.98	224.21	433.75	473.67
	340.05	319.95	647.29	658.22
Other Comprehensive income				
Actuarial (gain)/loss	167.90	192.28	743.31	22.82
	167.90	192.28	743.31	22.82

Actuarial valuation of retirement benefit obligation as at 31 December 2025 was carried out by messes Actuarial and Management Consultants (Pvt) Ltd, a professional actuaries using the 'Projected Unit Credit method' as recommended by LKAS 19 - Employee Benefits

The principal actuarial assumptions used were as follows :

Expected Salary increment	25% once in 3 yr	25% once in 3 years
Expected Staff turnover	1.00%	5.00%
Interest /Discount Rate	10.50%	11.00%
Retirement age	60 years	60 years
No. of employees	1,832	1,971
	A 67/70	A 67/70
Mortality	Mortality Table	Mortality Table

18.1 Sensitivity of actuarial assumptions used

The following table demonstrates the sensitivity to a possible change in key assumptions employed with all other variables held constant in the Retirement Benefit Obligations measurement as at 31 December 2025. The sensitivity of the Statement of Financial Position and Statement of Comprehensive Income is the effect of the assumed changes in the discount rate and salary increment on the profit or loss and Retirement Benefit Obligation for the year.

Assumption	Change in the assumption	Corporation	
		Sensitivity effect on Income statement	Sensitivity effect on Retirement Benefit Obligation
		2025 Rs.Mn.	2025 Rs.Mn.
Discount Rate	Increased by 1%	162.16	(162.16)
	Decreased by 1%	183.63	(183.63)
Salary Increment	Increased by 1%	(210.69)	210.69
	Decreased by 1%	187.31	(187.31)

19. DEFERRED TAX-Corporation

CPC has carried forward tax losses amounting to Rs. 732,322 Mn (2024 Rs. 791.937 Mn) which are available to set-off against the future tax profits. Deferred tax assets not accounted on these losses amounts to Rs. 230,306 Mn (2024 Rs.230,306 Mn).

As gains from realizations of assets are subjected to tax separately, deferred tax liability on realization of lands are noted below.

19.1 Deferred Tax- Corporation	2025 Rs.Mn	2024 Rs.Mn
Balance at the beginning of the period	3,111.96	3,111.96
Origination and reversal of temporary difference - Income Statement	-	-
Other Comprehensive income	(0.44)	-
Balance at the end of period	3,111.52	3,111.96
Deferred tax Assets	-	-
Deferred tax liability	3,111.52	3,111.96
Net deferred tax liability	3,111.52	3,111.96

19.2 Recognized deferred tax assets and liabilities	2025 Rs.Mn.		2024 Rs.Mn.	
	Temporary difference	Deferred tax Liability/(Asset)	Temporary difference	Deferred tax Liability/(Asset)
Deferred tax liability				
Property, Plant & Equipment & Intangible assets				
Land	(0.44)	3,111.52	-	3,111.96
Deferred tax assets				
Tax loss				
	(0.44)	3,111.52	-	3,111.96

Deferred tax has been calculated using an effective tax rate @ 30% and no movement of liability in 2025.

19.1 Deferred Tax-Group	2025 Rs.Mn	2024 Rs.Mn
Balance at the beginning of the period	12,167.60	4,678.03
Origination and reversal of temporary difference - Income Statement	135.01	209.56
Other Comprehensive income	12,194.39	7,280.02
Balance at the end of period	24,497.00	12,167.60
Deferred tax Assets	(804.15)	(772.08)
Deferred tax liability	25,301.15	12,939.69
Net deferred tax liability	24,497.00	12,167.60

19.2 Recognized deferred tax assets and liabilities	2025 Rs.Mn.		2024 Rs.Mn.	
	Temporary difference	Deferred tax Liability/(Asset)	Temporary difference	Deferred tax Liability/(Asset)
Deferred tax liability				
Property, Plant & Equipment & Intangible assets	(5.54)	22,189.63	119.17	9,827.72
Land	(0.44)	3,111.52	-	3,111.96
Deferred tax assets				
Inventories	(1.70)	(8.14)	(0.84)	(6.44)
Provisions	152.51	(15.88)	(159.94)	(168.39)
Employee benefit plan	165.03	(752.31)	(98.10)	(572.09)
Tax loss	-		323.59	
		(27.83)		(25.16)
	309.86	24,497.00	183.88	12,167.60

Deferred tax has been calculated using an effective tax rate @ 30%. The single tax rates applied different levels of taxable income, resulting to Rs. 309.86 Mn decrease in the deferred tax liability as at 31 December 2025.

20. LOANS & BORROWINGS	Corporation		Group	
	2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Peoples Bank-BIA Project	1,090.96	1,376.67	1,090.96	1,376.67
Self Financing Facility(CNCEC-14) -BIA Project	5,572.24	6,445.61	5,572.24	6,445.61
	6,663.20	7,822.28	6,663.20	7,822.28

20.1. CURRENT PORTION OF LOANS & BORROWINGS

Peoples Bank-BIA Project	242.43	229.45	242.43	229.45
Self Financing Facility(CNCEC-14) -BIA Project	1,238.28	1,171.93	1,238.28	1,171.93
	1,480.71	1,401.37	1,480.71	1,401.37

1. Peoples Bank Loan is guaranteed by a Treasury Guarantee of US\$ 7.725 Mn issued to People's Bank on behalf of CPC.

2. Self Financing Loan facility obtained for the BIA Project from the project construction joint venture Partner Ms China National Chemical Engineering No 14. Construction Co.Ltd (CNCEC) and the loan is guaranteed by a Severing Guarantee of US\$ 43.775 Mn issued to CNCEC on behalf of CPC. There is no cash flows through this loan and the project loan amount is recognised in the Financial Statement based on the working progress as per the loan facility agreement.

3. Outstanding amounts as at 31.12.2025 is USD 4.25 Mn and USD 21.70 Mn for the M/s Peoples Bank and M/s China National Chemical Engineering No 14. Construction Co.Ltd (CNCEC) respectively.

20.2. Loans Repayable within five years from 31st December is as follows:	Corporation		Group	
	2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Amount due within 2 years	2,961.42	2,917.47	2,961.42	2,917.47
Amount due within 3-5 years	2,961.42	4,204.12	2,961.42	4,204.12
Amount due after 5 years	2,221.07	2,102.06	2,221.07	2,102.06
	8,143.91	9,223.66	8,143.91	9,223.65

The carrying values of borrowings are considered to be the fair value.

(a) People's bank USD 7,725 Mn. Loan - (Interest 6 months LIBOR+5%p.a.) repayable in biannual instalments commencing from Dec 30, 2021.

(b) Self Financial Facility USD 43.775 Mn. Loan - (Interest 6 months LIBOR+3.55%p.a.) repayable in biannual instalments commencing

21. TRADE & OTHER PAYABLES	Corporation		Group	
	2025 Rs.Mn	2024 Restated Rs.Mn	2025 Rs.Mn	2024 Restated Rs.Mn
Foreign Bills Payable	51,806.14	62,759.61	53,928.33	62,759.61
Other Creditors				
- Amount due to Inland Revenue & Custom Dept.	13,392.10	35,384.95	13,392.10	36,365.70
- Accrued Expenses	51,809.87	38,708.50	39,547.12	33,355.44
- Other Payables	7,539.44	12,291.34	7,539.44	13,572.12
	124,547.55	149,144.40	114,406.99	146,052.86

The payables include the payable amounting to USD 90.96 million (Rs. 43,841.26 million as at 31.12.2025) to National Iranian Corporation, Iran on the purchase of two shipments of Crude Oil in the year 2012. This balance has not been settled due to the sanctions imposed to Iran. The Corporation has recognized exchange variation gain of Rs. 1,529.52 million (Gain in 2024 – Rs. 5,112.475 million) for the year 2025 and Rs. 57,257.25 million for the period from 2012 to 2025. As per the agreement between Sri Lanka Tea Board and CPC, arrangements have made to transfer monthly minimum of USD 5 million until the amount is utilized to settle the payment to exporters in Sri Lanka. Accordingly, USD 160 million has been settled to NIOC through the above agreement during this period.

Amount due to Inland Revenue & Custom Dept. include the excise duty, SSCL and Income Tax payable. Refundable VAT is included under other receivables.

As monthly utility fees have not been paid by the dealers, taxes related to the monthly utility fees have not been paid and included under taxes payable until the dealers agreed to pay or finalization of the litigation action.

22.SHORT TERM BORROWINGS	Corporation		Group	
	2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Bank & Other loans			-	
- Wholly Repayable within one year	-	-	-	-
- Bank Overdrafts	-	-	26.45	47.56
	-	-	26.45	47.56

Bank Borrowings (except Overdraft) were guaranteed by a Treasury indemnity of Rs. 100 Bn issued to Bank of Ceylon on behalf of the Corporation as at 31.12.2025.

23.EMPLOYEES	Corporation		Group	
	2025 Rs.Mn	2024 Rs.Mn	2025 Rs.Mn	2024 Rs.Mn
Staff Cost				
Salaries & Wages	6,803.60	5,911.24	13,318.34	11,725.21
Defined Contribution Plan	640.11	574.93	1,230.59	1,112.72
Defined benefit obligation (Note 18)	340.05	319.95	647.29	658.22
	7,783.76	6,806.12	15,196.23	13,496.15

24.OPERATING SEGMENTS								Total Rs.Mn
	Transport Rs.Mn	Power Generation Rs.Mn	Aviation Rs.Mn	Industries Rs.Mn	Storage & Transportation Rs.Mn	Others Rs.Mn	Eliminations/ Adjustments Rs.Mn	
Revenue								
External Customers	576,158.44	98,124.74	116,872.19	20,412.94	6,844.55	29,332.95	-	847,745.81
Inter Segment					13,503.07		(13,503.07)	-
Total Revenue	576,158.44	98,124.74	116,872.19	20,412.94	20,347.62	29,332.95	(13,503.07)	847,745.81
Results								
Operating Profit/(Loss)	12,137.68	9,469.44	5,523.43	4,320.24	-	75.40	-	31,526.19
Exchange Rate Variation	-	-	-	-	-	4,847.13	-	4,847.13
Net Finance Cost	-	-	-	-	-	5,496.82	-	5,496.82
Profit /(Loss) before tax	12,137.68	9,469.44	5,523.43	4,320.24	-	10,419.34	-	41,870.13
Income tax Expense					(1,696.63)		(15.00)	(1,711.63)
Profit/(Loss) for the year	12,137.68	9,469.44	5,523.43	4,320.24	(1,696.63)	10,419.34	(15.00)	40,158.50

25. RESTATEMENT OF FINANCIAL STATEMENTS

1. The balances have been re-classified under cash and cash equivalent and short term borrowings.
2. Monthly Utility fees receivable and Demarage charges have been recognised and adjusted to year 2024

The following tables summarize the impact on CPC and Group's financial statements.

25.1 Statement of Comprehensive Income

For the year ended 31 December 2024	Corporation			Group		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.
Sales Revenue	923,441.58	-	923,441.58	929,197.15	-	929,197.15
Cost of Sales	(847,721.02)	(12.18)	(847,733.20)	(855,206.62)	(12.18)	(855,218.80)
Other Operating Income	18,728.59	1,302.40	20,030.99	20,065.04	1,302.40	21,367.44
S&D and Administrative Expenses	(60,343.18)	(32.97)	(60,376.15)	(54,959.74)	(32.97)	(54,992.71)
Others	(1,175.13)	-	(1,175.13)	(1,201.97)	-	(1,201.97)
Profit/(loss) before tax	32,930.84	1,257.25	34,188.09	37,893.86	1,257.25	39,151.11
Income tax Expenses	-	-	-	(1,616.83)	-	(1,616.83)
Profit/(Loss) for the year	32,930.84	1,257.25	34,188.09	36,277.03	1,257.25	37,534.28
Other Comprehensive Income	(192.28)	-	(192.28)	(22.82)	-	(22.82)
Revalu Gain and Tax on Other Comp. Income	-	-	-	16,817.24	-	16,817.24
Total comprehensive income	32,738.55	1,257.25	33,995.80	53,071.45	1,257.25	54,328.70

25.2 Statement of Financial Position

01 January 2024	Corporation			Group		
	Impact of Adjustments			Impact of Adjustments		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.
Trade & Other Receivables	23,129.89	235.23	23,365.13	29,211.36	235.23	29,446.59
Income tax Receivable	2,324.65	-	2,324.65	2,324.65	-	2,324.65
Cash and Cash Equivalents	43,337.62	-	43,337.62	44,540.43	-	44,540.43
Other Assets	222,881.93	-	222,881.93	237,171.30	-	237,171.30
Total Asset	291,674.10	235.23	291,909.32	313,247.74	235.23	313,482.97
Trade and Other Payables	178,027.46	9.83	178,037.29	174,391.18	9.83	174,401.01
Income tax payable	2,380.99	-	2,380.99	2,380.99	-	2,380.99
Short term Borrowings	59,019.90	-	59,019.90	59,019.90	-	59,019.90
Others	15,634.68	-	15,634.68	19,353.65	-	19,353.65
Total Liabilities	255,063.03	9.83	255,072.86	255,145.72	9.83	255,155.55
Retained earnings	(908,973.26)	225.41	(908,747.85)	(896,365.66)	225.41	(896,140.25)
Non Controlling Interest	-	-	-	8,883.38	-	8,883.38
Capital & Other reserves	945,584.31	-	945,584.31	945,584.31	-	945,584.31
Total Equity	36,611.05	225.41	36,836.46	58,102.02	225.41	58,327.43
Total Equity & Liabilities	291,674.10	235.23	291,909.32	313,247.76	235.23	313,482.99

31 December 2024	Corporation			Group		
	Impact of Adjustments			Impact of Adjustments		
	As previously reported	Adjustments	As restated	As previously reported	Adjustments	As restated
	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.	Rs.Mn.
Trade & Other Receivables	17,704.36	1,838.70	19,543.05	24,013.18	1,838.70	25,851.87
Cash and Cash Equivalents	55,186.13	-	55,186.13	59,611.58	47.56	59,659.14
Other Assets	162,167.05	-	162,167.05	201,400.88	-	201,400.88
Total Assets	235,057.54	1,838.70	236,896.23	285,025.64	1,886.25	286,911.88
Trade and Other Payables	151,199.36	356.03	149,144.40	148,107.81	356.03	146,052.86
Income tax payable	-	-	2,410.99	-	-	2,410.99
Short term Borrowings	-	-	-	-	47.56	47.56
Others	14,508.57	-	14,508.58	25,705.15	-	25,705.15
Total Liabilities	165,707.93	356.03	166,063.98	173,812.96	403.59	174,216.55
Retained earnings	(876,234.71)	1,482.66	(874,752.05)	(850,066.33)	1,482.66	(848,583.67)
Non Controlling Interest	-	-	-	15,694.69	-	15,694.69
Capital & Other reserves	945,584.31	-	945,584.31	945,584.31	-	945,584.31
Total Equity	69,349.60	1,482.66	70,832.26	111,212.67	1,482.66	112,695.33
Total Equity & Liabilities	235,057.54	1,838.70	236,896.23	285,025.64	1,886.25	286,911.88

26. CONTINGENT LIABILITIES, COMMITMENTS & LITIGATIONS

CONTINGENT LIABILITIES

Inland Revenue Department (IRD) has issued following assessments against the Corporation and the Corporation has made appeals before the Commissioner Generals of Inland Revenue for these assessments.

Type of Taxes	2025		2024	
	No of Assessments	Total Assessed Value (Rs.Mn)	No of Assessments	Total Assessed Value (Rs.Mn)
Nation Building Tax	0	-	2	51.36
Social Security Contribution Levy	5	1,381.21	0	-
Value Added Tax	28	1,899.96	16	634.26
Corporate Income Tax	4	2,972.96	4	2,972.96
Pay As You Earn	1	21.97	1	21.97
Stamp Duty	1	0.00	1	0.00
Withholding Tax	1	16.51	0	-
Total	40	6,292.61	24	3,680.55

Assessments issued under the Income Tax have been disclosed under the Note 07 – Tax Expense.

Interest Claim for the LC Bills

As per the Communications received from Peoples Bank (PB), Bank has requested USD 10.04 Mn as claim of interest on delay payment for the Letter of Credit issued to the suppliers of CPC during 2021 and 2022 economic crisis period. CPC has communicated the disagreement to the above claim and upon disagreement between parties matter has been forwarded to the advice of Attorney General Department.

Based on the cabinet Decision dated 28.05.2018 Attorney General Department has advised that parties ***“should make every endeavor to settle the dispute through process of the negotiations and in the event such a process fails, then steps should be taken to bring the matter to the notice of the Cabinet for its consideration.”***

While PB has reportedly reached settlements with the underline suppliers following to instructions of General Treasury, the bank has not formally withdrawn its claim against the corporation or conclusion has not been made.

Demurrages & Penalties

As ascertained by the Corporation, CPC has recognized the USD 11.56 Mn. as demurrage claims (incurred in prior years) ascertained by the Corporation. The demurrage claims for the imports of Crude oil and petroleum products amounting to USD 25.03 Mn. that are not ascertained by the Corporation have not been recognized in the financial statements. These liabilities would be recognized in the financial statements based on the subsequent negotiations/arbitration process taken place after the reporting date.

As at 31 December 2025, the Corporation is pursuing the recovery of a Demurrage and losses from CPSTL amounting to USD 1.57 Mn where USD 0.29 Mn has not been recognized in the Financial Statements. However as at the reporting date discussions are undergoing among the officers of CPC and CPSTL for the segregation of Demurrage claims in agreeable basis where proposed CPC portion is USD 0.52 Mn and CPSTL portion USD 1.05 Mn.

Lanka IOC PLC has requested Demurrage claim of USD 0.23 Mn which has not been recorded in the financial statements.

Corporation is pursuing the recovery of a Demurrage amounting to USD 0.44 Mn from Marine Environment Protection Authority (MEPA) for the MV X-Press Pearl Incident which has not been recognized in the Financial Statements.

As of December 2025, the Corporation is pursuing the recovery of Penalties and estimated losses totaling USD 34.19 Mn from suppliers of this amount USD 1.93 Mn has not been recognized due to discrepancy with suppliers.

There were no any other material contingent liabilities existing at the date of statement of financial position.

COMMITMENTS

The material commitments of the CPC as at 31st December 2025 relates to following;

Commitments to the Banks

The Corporation established Letter of Credits (LCs) Rs. 98,916 Mn. (2024- Rs. 50,955 Mn.) at Bank of Ceylon in relation to import of crude & refined petroleum products during the year for which procurement will be made subsequent to the year end. CPC has obtained Bank & Shipping Guarantees amounting to Rs. 281.19 Mn and established bills collection amounting to Rs. 12.21 Mn. at two states banks.

CPSTL has established LCs amounting to Rs. 10.31Mn. and bank guarantees amounting to Rs. 0.45 Mn. as at 31 December 2025.

Pending Litigations at the Reporting Date

There were 218 (2024-218) unsettled legal cases as at 31st December 2025 and details are noted below.

Type of Legal Cases	No of Cases			
	2025		2024	
	Corporation	Group	Corporation	Group
Labour Tribunal Cases	06	13	05	10
Magistrate Court Cases	05	05	03	5
District Court Cases	43	49	37	40
High Court Cases	13	13	09	10
Court of Appeal Cases	38	46	30	34
Supreme Court Cases	30	34	28	32
Human Rights Commission	34	37	32	33
Department of Labor	46	50	44	56
Total	215	247	188	220

Out of the above cases the following cases are considered material to CPC

Commercial Bank has filed a case in the Commercial High Court, Colombo against CPC claiming USD 8.5 Mn. with interest and other cost for the Hedging transaction.

An arbitration award has been issued in favour of Swiss Singapore Overseas Enterprises Pte Ltd, for the CR/16/2016. The Supreme Court proceedings arising from the arbitration award are currently ongoing for the amount of USD 6.4 Mn.

B. B Energy (Asia) Pte. Ltd, Singapore has issued a letter of demand to CPC claiming USD 3.85 Mn for the shipment reference CR/18/2025. The claim relates to the retention cargo value withheld by CPC due to the reported out-turn loss.

An arbitration award has been issued in favour of Agros Shipping Company for a sum in excess of USD 5.2 Mn and appeal has been made in the Supreme Court.

There are pending cases in the District Court, Court of appeal and appeals in the Supreme Court against the application of Circular 1038 dated 10.03.2022. The amounts receivable to CPC as at 31.12.2025, if the above mentioned cases are determined in favour of CPC is Rs. 39,036 Mn. (including the adjusted net receivable amount of Rs. 301 Mn.)

There are pending cases in the District court and a pending case (appeal) in the court of Appeal against CPC in implementing the Circular No: 1053 dated 05.07.2022 on the monthly utility fee. The receivables under this circular has been recorded as at 31.12.2025 in the financial statements.

The aforementioned cases are still pending in the Courts and the Management believes that these cases may not have adverse effect on the continuation of the operations of the Corporation. No related provisions are made.

27. EVENTS AFTER THE REPORTING DATE

All material events after the reporting date, if any and where necessary have been considered and appropriate adjustments/disclosures have been made in the Financial Statements.

28. FINANCIAL RISK MANAGEMENT

The Group's activities expose to a variety of financial risks; market risk (including currency risk, interest rate risk), credit risk, liquidity risk and price risk. Risk management is carried out by management under policies approved by Board of Directors. Management identifies and evaluates the financial risks with reference to the operations of the Group. The Group's overall risk management programs seek to minimize potential adverse effects on the Group's financial performance.

The principal financial instruments of the Group comprise of fixed deposits, government securities, US Dollar deposits and cash. The main purpose of these finance instruments is to improve and maintain liquidity of the Group and to maximize financial return on the invested funds. The Group has various other financial instruments such as trade receivables and trade payables which arise directly from its business activities.

(a) Market Risk

(i) Foreign Exchange Risk

When the Corporation imports the petroleum products it is exposed to foreign exchange risk arising from currency exposure, primarily with respect to US dollars. The Group's functional currency is LKR in which most of the domestic transactions are denominated, and all other currencies are considered as foreign currencies for reporting purposes. Certain bank balances, trade receivables and trade payables are denominated in foreign currencies.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Corporation's profit before tax due to changes in the fair value of USD denominated liabilities.

Item	Value as at 31/12/2025 USD Mn.	Closing Rate	Change in exchange rate		*Effect on Profit before tax Rs Mn.
Loan and Borrowings	25.95	313.8313	1% increase	316.9696	(81)
Bills & Other payables	292.06	313.8313	1% increase	316.9696	(917)
Trade & Other Receivables	44.16	306.2933	1% increase	309.3562	135
Bank Balance	80.70	306.2933	1% increase	309.3562	247
Total					(616)

* The effect on the profit before tax is the result of a change in the fair value of related liability denominated in US Dollars, where the functional currency is Sri Lankan Rupee.

Financial statements of the Group which are presented in LKR, are affected by foreign exchange fluctuations through both translation risk and transaction risk. The changes in foreign currency exchange rates affect the cost of materials, purchases and services obtained from various parties in foreign currencies. In particular, continuous depreciation of the LKR against the US\$ and other foreign currencies has direct impact on the operating and financial result through its impact on cost of imported petroleum products and other purchases.

(ii) Interest rate Risk

Interest rate risk of the Group arises mainly from the borrowings and investments in the form of government securities and fixed deposits. In the case of supplier credit, interest rate varies largely from prevailing market rates. The Group analyses the interest exposure on a continuous basis and monitors London Inter Banking Offer Rate (LIBOR) and money market rates.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group, if a customer fails to meet its contractual obligations. Most of the Group's customers are not independently rated, therefore the quality of customers is considered by taking into account its financial position, past experience and other qualitative factors. The Corporation has established a credit policy under which each new customer is analyzed individually for credit worthiness before the credit limit is granted. Customers who fail to meet the corporations' credit policy may transact with the Corporation only on cash basis.

	Corporation	
	2025	2024
	Rs.Mn	Restated Rs.Mn
Less than 30 days	5,499.49	3,727.48
30 - 90 days	377.65	248.97
91 - 180 days	2,794.44	4.58
181 - 365 days	470.10	2,435.12
More than 365 days	5,926.67	5,393.19
Total	15,068.34	11,809.34
Provision for Impairment	(42.86)	(47.75)
Adjustment	12.73	
	15,038.22	11,761.59

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

(c) Liquidity Risk

Cash flow planning and forecasting is performed by the Finance division of the Corporation. Finance division continuously monitors funds available to meet its various financial liabilities and optimum utilization of excess short term financial resources for better yields.

Surplus cash held over and above balance required for working capital management is invested in interest yielding financial instruments such as repos, Treasury bond investments, call deposits and money market. At the

reporting date, the Corporation held cash and cash equivalents of Rs. 55,037.59 Mn that are expected to readily generate cash inflows for managing liquidity risk.

The table below shows the Corporation's non-derivative liabilities into relevant maturity grouping based on the remaining period at the reporting date to contractual maturity date.

	December 2025 (Figures in LKR Million)				
	Less than 3 months	3-12 months	1 – 2 years	3-5 Years	Over 5 years
Bank borrowings	-	-	-	-	-
Long term debt	619	862	1,481	2,961	2,221
Total	619	862	1,481	2,961	2,221

(d) Price Risk

The corporation is exposed to the commodity price risk of petroleum products (both Crude & Finished Products) & other raw materials imported from overseas countries in US Dollars and other currencies. The Corporation regularly holds weekly stock review meetings at which future product requirements are discussed and planned for the required future importation. At the same time the corporation continuously interacts with the General Treasury and the line ministry by giving financial information of Petroleum products to make suitable timely managerial decisions.

29. DIRECTORS' INTEREST IN CONTRACTS & RELATED PARTY TRANSACTIONS

Board of Directors are considered as key management personnel. No Director has direct or indirect interest in the contracts with CPC, CPSTL & TPTL except the following;

Mr. D J A S De S Rajakaruna is the Chairman of the Corporation and he serves as the Chairman of CPSTL as well as TPTL. Dr. N K M C Neththikumara is the Managing Director of the Corporation and he is the Managing Director of CPSTL and Director of TPTL. Mr. H T P Chandana appointed as the Director of CPC on 18.02.2025 and he serves as the Director of CPSTL as well. Mr. M K Garusinghe is Director of CPC and serves as Director of TPTL as well. Mr. R M S P S Bandara serves as the Director of the CPC & CPSTL. . Mr. M M C Doss served as the Director of CPC as well as Director of CPSTL up to July 2025.

Compensation of Key Management Personnel

	Corporation	
	2025 Rs.Mn	2024 Rs.Mn
Short term Benefits	7.95	9.71

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

Following transactions were carried out with related parties

Transaction	2025 Rs.Mn	2024 Rs.Mn
Sales & Services rendered to related parties		
Subsidiary		
Ceylon Petroleum Storage Terminals Limited	1,887.66	2,076.68
Other related parties		
Ministry of Petroleum Resources Development	26.44	28.84
	1,914.10	2,105.52
Services received from related parties		
Subsidiary		
Ceylon Petroleum Storage Terminals Limited	11,632.34	11,080.53
	11,632.34	11,080.53
Dividends received from related parties		
Subsidiary		
Ceylon Petroleum Storage Terminals Limited	100.00	-
	100.00	-
Subsidiary Investment		
Trinco Petroleum Terminal (Pvt) Limited	-	40.80
	-	40.80

Amount due from related parties*

Subsidiary		
Ceylon Petroleum Storage Terminals Limited	13.23	186.88
Trinco Petroleum Terminal (Pvt) Limited	0.00	0.00
Other related parties		
Ministry of Petroleum Resources Development	1.15	4.53
	14.38	191.42

Amount due to related parties*

Subsidiary		
Ceylon Petroleum Storage Terminals Limited	12,376.60	6,753.78

* Amounts are classified as trade and other receivables and trade and other payables, respectively

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables.

Since the Government of Sri Lanka directly controls the Corporation, CPC has considered the Government owned companies and other government related entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka as related parties according to LKAS 24, 'Related Party Disclosures'.

30. CAPITAL COMMITMENT

The Project which are mention bellow are contract value worth more than 500 Mn.

Project Name /Description	Contract Cost (Rs. Mn)	Paid as at 31.12.2025 (Rs. Mn)	Balance Amount (Rs. Mn)
Design &Construction of a jet A-1 pipeline from Muthurajawela to Katunayake	10,353.00	39.30	10,313.70
Trincomalee Tank Farm Project	7,010.00	463.80	6,546.20
Construction of Liquefied Natural Gas (LNG) Terminal & Storage Tank	600.00	9.80	590.20
Renovation of CPC Outlet	700.00	-	700.00
Pumps- Dispensing	1,500.00	-	1,500.00
ATG System CODO Outlet	3,500.00	-	3,500.00
Development & the upgrading of aviation Refueling terminal & Fuel Hydrant system	16,400.74	15,712.40	688.34
Replacement of O3 E13 A & B Heat Exchangers in MSD 2024	600.00	-	600.00
New Steam boiler for replacement of boiler III	1,460.70	-	1,460.70
Requirement of Laboratory - 2023	616.20	8.71	607.49
Installation of Metering Facility for Crude Oil at Orugodawatta Tank Farm	700.00	-	700.00
Isomerization Process Unit with Necessary Modifications to NHT Unit	25,000.00	-	25,000.00
Octane Booster Blending Facility	800.00	-	800.00
New Project Office for Sapugaskanda Refinery Development & Expansion Project	710.00	510.30	199.70
Acquisition of remaining lands for SOREM project	500.00	0.13	499.87
Re routing of Mabima Road	1,305.00	10.76	1,294.24
Two Nos. New Crude Tanks	6,000.00	-	6,000.00
Distributed Control System for Process Control Unit	500.00	-	500.00
Total value of the Projects	78,255.64	16,755.20	61,500.44

