

ANNUAL REPORT

2016

SRI LANKA TRANSPORT BOARD

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VISION

The excellent transport provider in the region.

MISSION

To provide the public a safe, dependable and comfortable road passenger transport at a reasonable fare system through a staff dedicated to service and obtain the maximum utilization of all resources functioning as a financially viable organization.

AIMS & OBJECTIVES

1. To Promote a qualitative and quantitative and efficient and effective bus service through 12 Regions by monitoring, coordinating and counseling.
2. To provide a satisfactory bus service to school going children.
3. To provide bus services on uneconomic routes which are neglected by private operators due to pecuniary considerations.
4. To provide long distance services to remote areas from Central Bus Station, Pettah.
5. To coordinate the public and the private sector transport agencies.
6. To coordinate bus services during festivals, special events, Parliamentary/ Provincial Council elections etc.
7. To transport mails and newspapers.
8. To coordinate between General Treasury, National Transport Commission, Provincial Councils, relevant Ministries and other related agencies with regional offices for operation of buses.
9. To provide well trained and disciplined drivers from SLTB Driver Training Schools.
10. To conduct seminars/ Workshops for drivers, conductors, mechanics and supervisory staff.
11. To provide units/ sub units produced by Provincial Workshops to Depots.
12. To provide season tickets to adults and students at attractive discounted rates.
13. To maintain a Transit Stores at S.L.T.B Head Office, Narahenpita for issue of critical spare parts to Provincial Workshops.
14. To conduct security investigations, Flying Squad checks etc. in Depots.

INTRODUCTION

All aspects of transport, no doubt are vital for the economic development of the country. This is specially so, in the case of road passenger transport. In a developing country like Sri Lanka bus services play an important role in connecting towns and villages and thereby linking the whole country.

Bus services in the Island provided by about 80 operators who totally operated about 1200 routes and 3532 registered buses were nationalized by Motor Transport Act No 48 of 1957 on 1957.10.31 and consequently the Ceylon Transport Board (C.T.B) came into being on 1958.01.01

Since then up to 1977 C.T.B enjoyed a monopoly status with regard to road passenger transportation. In 1978 C.T.B was decentralized into 10 Regional Transport Boards coordinated by the Sri Lanka Central Transport Board by Transport Board Law No 19 of 1978.

The Government was of the view that decentralization of C.T.B. would serve the needs of the travelling public more efficiently and effectively as smaller units were expected to be more sensitive to local and regional needs and be capable of providing quicker solutions to local transportation problems.

However, in response to continued escalatory deficits being incurred by CTB and its inability to meet the ever increasing passenger demand generated by the new concept of liberalization of the economy the private sector was permitted to enter road passenger transportation.

The Government with a firm belief in privatization earmarked C.T.B for peoplisation as part of a public sector restructuring. The above conversion was carried out under the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act No 23 of 1987. Each of the 93 Transport Board depots existing at the time of peoplisation became separate Limited Companies with governance by a Board of Directors chosen mostly from the employees. Half the number of shares was distributed among the employees and the balance was retained with the General Treasury. The peoplisation Program commenced in 1990 and concluded in 1994. As peoplisation was implemented in a haphazard method the desired results were not achieved.

Therefore in 1997 Bus Companies were clustered by an amendment to the NTC Act No : 37 of 1991 and the Cluster Bus Companies were formed but this, too, failed to achieve the desired results. Excess staff, serious breakdown in discipline, unfair competition, social obligations, lack of professionalism, inefficiency, escalation of operating costs, political and trade union undue interference, rampant corruption are some of the maladies that affected the Cluster Bus Companies.

In order to find a solution to the above problems the Sri Lanka Transport Board was established effective from 2005.10.19 by SLTB Act No : 27 of 2005

MESSAGE FROM THE CHAIRMAN

Public bus passenger transport continued to play a vital role in the provision of transport facilities throughout the Island. The total kilometers operated by the Sri Lanka Transport Board (SLTB) for the year was 451.5 Mn. which was an increase of 2.5% over the previous year. The total passenger kilometers accounted to 16.1 Bn. which was an increase of 6.1% over the previous year.

Annual bus fares were revised with effect from 01st August, 2016 by 6% with the minimum bus fare increasing from Rs. 8.00 to Rs. 9.00.

The SLTB undertook a series of auctions in 2016 to dispose of the obsolete buses and as a result the total number of buses owned by the SLTB declined by 266 to 7,781 by the end of the year 2016. The SLTB also spent about Rs. 1,069 Mn. to rehabilitate and repair the existing fleet and the General Treasury provided Rs. 800Mn. to finance the expenses. In addition the Ministry of Transport and Civil Aviation commenced crash project with the objective of enhancing the fleet position of the SLTB and accordingly, 87 buses were rehabilitated.

Due to the introduction of new bus trips and the resumption of bus trips that were stopped previously, the average number of buses operated per day improved up to 05,315 as compared to 05,284 buses operated in 2015.

The National Transport Commission (NTC) continued SisuSariya, GamiSariya and Nisi Sariya programs through the SLTB to provide socially obligatory transport services, which are not provided by the public sector. Accordingly 1,299 SisuSariya services were in operations by the end of 2016 to cater to school children. Further 10 GamiSariya buses were in operations to provide economic and reliable transport facilities to the rural areas that lack proper means of transport. In addition, 123 Nisi Sariyabuses were also operated by the end of 2016 to provide safe and reliable transportation to the convenience of people who travel in late nights and early mornings. Steps were taken to recommence 29 late night intercity trips that initiate from the Central Bus Station at Pettah.

The total revenue of the SLTB for the year under the review was Rs. 40.9 Bn. which is an increase of 14.2% in 2016 in comparison to the previous year. Waybill revenue which accounts for about 65.6% of the total revenue increased by 7.4% in 2016. Operating expenditure also increased by 3.6% upto Rs. 42.0 Bn. Consequently the SLTB incurred an operating loss of Rs. 1.1 Bn. in comparison to an operating loss of Rs. 4.7 Bn. reported in the year 2015.

Gradually the outstanding statutory dues and other liabilities of the SLTB were being settled in the year 2016. With the ushering in of the "Yahapalanaya" Government the officials of the

Ministry of Transport and Civil Aviation, Ministry of Finance, SLTB and others stakeholders had several discussions and based on the decisions of those discussion the SLTB had prepared a Restructuring Plan and retiring employees under a Voluntary Retirement Scheme (VRS) was one of the highlights of this plan.

Accordingly 3457 employees applied for VRS in the year 2016 and 68 applications were rejected on various grounds and 2389 employees were voluntary retired and the compensation and Gratuity and all their statutory dues were settled. As a result of this exercise the expenditure of the SLTB has come down considerably and thereby the SLTB is currently able to make a profit.

I convey my sincere thanks to Hon. Minister of Transport and Civil Aviation, Hon. Deputy Minister of Transport and Civil Aviation, Secretary to the Ministry of the Transport and Civil Aviation and the Officials of the General Treasury, SEMA and other organizations which helped me to make the SLTB a viable entity and I also thank the entire staff of the SLTB for their unstinted cooperation extended to me.



Ramal Siriwardena

Chairman

Sri Lanka Transport Board

Secretariat Division

Number of Meetings of the Board of Directors held in the year 2016

1 st Meeting	-	2016/01/06
2 nd Meeting	-	2016/02/02
3 rd Meeting	-	2016/03/03
4 th Meeting	-	2016/03/31
5 th Meeting	-	2016/05/05
6 th Meeting	-	2016/06/02
7 th Meeting	-	2016/07/05
8 th Meeting	-	2016/08/10
9 th Meeting	-	2016/09/06
10 th Meeting	-	2016/10/04
11 th Meeting	-	2016/11/08
12 th Meeting	-	2016/12/08

Fourteen (14) Meetings of the Board of Directors including 02 Special Meetings of the Sri Lanka Transport Board were held.

Related activities performed with regard to the conducting of the meeting of the Board of Directors of Sri Lanka Transport Board were:

01. Inform all Members of the Board of Directors and the SLTB Heads of Divisions/Sections about the date on which the meeting of the Board of Directors will be held.
02. Take over the Board Papers and allot them numbers and after registering them prepare files and hand them over to the Members of the Board of Directors.
03. Prepare an Agenda for the meeting mentioning about the Board Papers and the Circular letters.
04. Table Board Papers and the Circular Letters according to the Agenda and the instructions of the Chairman.
05. Record decisions taken by the Board of Directors and the related instructions about respective Board Papers and the Circular Letters accurately and allot item Nos. to each such decision.

06. When approval is received for such decisions of the Board of Directors, hand over the extracts of such decisions to the respective SLTB Heads of Divisions/Sections for implementation.
07. All these activities should be carried out accurately, confidentially and properly.
08. Provide refreshments to the Members of the SLTB Board of Directors and the other Heads of Divisions/Sections who are invited to the meetings of the Board of Directors.
09. Take action to pay the Participation Allowance to Members of the Board of Directors (other than the SLTB Officers) who participate at the meeting of the Board of Directors.
10. Take action to pay the Transport Allowance to the Members of the Board of Directors (other than the SLTB Officers) who participate at the meeting of the Board of Directors.

SLTB Land related activities

1. Action is now being taken to obtain the ownership of the Ganga Addarawattha Land to the Sri Lanka Transport Board which could not be obtained for the past 32 years. The value of a perch of this land is Rs. 10.5 Mn.
2. An Agreement with conditions has been entered into for a period of 01 year from 25/01/2017 to 24/01/2018 between the Sri Lanka Transport Board and the Sri Jayawardenapura Kotte Municipal Council after obtaining Government Valuer's report on a decision made by the Board of Directors for the Development activities of the Sri Jayawardenapura Kotte Municipal Council limits. The above lease rental of Rs. 2,260,000 for the year was paid by cheque No. 070132 dated 14/08/2017 and a receipt bearing No. 147298 acknowledging the payment was issued.
3. A Memorandum of Understanding was entered into on 16/03/2016 for a period of 02 years between the SLTB and K.D. Ebert and Sons Holdings (Private) Company protecting ownership according to an Agreement with conditions and the land in which the workshop at Matale Region is situated was divided and in a portion of the land buildings were erected for repairs and storage of items, with a view to giving preference for Development activities at National and Regional level. Lease rental of Rs. 960,000/- was recovered from the relevant company by cheque No. 055158.

4. According to a decision of the Board of Directors, recovering money (Rs. 120,000 x 12 = Rs. 1,440,000/-) on 21/12/2015 on a Lease Agreement entered into on 21/12/2015 for a period of 05 years on a monthly rental basis for Passengers' Lodge situated at SLTB Central Bus Station Complex at Pettah.

The approval of the Chairman, SLTB was obtained to revise the lease rental of Trade stalls situated at Central Bus Station premises from 01/05/2016.

Revised price for trade stalls from 01/03/2016	= Rs. 985,042.46
Rental Recovered earlier for trade stalls	= <u>Rs. 553,805.16</u>
Increased rental according to the revised price	= Rs. <u>431,237.30</u>

For renewal of lease Agreements of trade stalls at Central Bus Station for the year 2016, documents have been referred to the Legal Division.

Under the State Land Ordinance (Chapter 454):

5. A free grant without any payment was awarded to the Sri Lanka Transport Board on 03/06/2016 for (Hectare 7.6381) a block of land named LakshapatiyeVelonawaththa in the Divisional Secretariat of Moratuwa Region.
6. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for Hectare 0.3306 land in the Divisional Secretariat of Kesbewa Region. (Piliyandala Bus Stand)
7. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 1a for a block of land named Honnanthara Kurugahawattha in the Divisional Secretariat of Kesbewa Region. (Kesbewa Depot) (Hectare 2.9119)
8. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for a block of Land Werahara Godaporagahawattha and Gamagedeniya in the Divisional Secretariat of Kesbewa Region. (Werahara) (Hectare 26.2683)
9. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for a block of Land named Kandalanda in the Divisional Secretariat of Homagama Region. (Werahara) (Hectare 2.0774)

10. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for a block of Land at Godigamuwa named ThahanamKalewaththa Batadombagahawatta in the Divisional Secretariat of Maharagama Region. (Maharagama) (Hectare 2.0823)
11. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for a block of Land named Ambabogahawaththa at Thelawala in the Divisional Secretariat of Moratuwa Region. (CGTTI) (Hectare 4.1868)
12. A free grant without any payment was awarded to the Sri Lanka Transport Board on 25/05/2016 for a block of Land named Lady Katheriwatta at Thelawala in the Divisional Secretariat of Moratuwa Region. (Moratuwa Training School) (Hectare 0.7910)
13. To obtain a free grant to the SLTB Embilipitiya Depot Land under the State Land Act (Chapter 454). The survey is over and the Plan was prepared and now the deed is obtained.
14. Requested to obtain a Vesting Certificate under Section 44 for the 04 acre block of land acquired for the extension of Kalutara Depot and it will be received shortly.
15. Rs. 40,000,000/- was allocated as compensation for the block of land for road development from Kesbewa Depot land and out of this Rs. 14 Mn. has been handed over.
16. Taking action to safeguard the ownership of the SLTB and to obtain compensation for the block of land vested for Road Development Activities from the SLTB Orugodawaththa Fuel Filling Station Premises. Rs. 4,638,500/- as Development value and Rs. 3,286,000/- as commercial loss has been received and remitted to Finance Division, SLTB.
17. Action is being taken to obtain a free grant for Mattakkuliya Depot Land and is expected to receive soon.
18. To eject encroachers from Kotmale Depot Land and to obtain confirmation about payment of compensation to them through documents and request Vesting Certificate under section 44 which has now been approved.

19. In 1987 SLTB has leased Wennappuwa Depot Land to the Ceylon Petroleum Corporation and in order to recover market value for this block of land according to Government Valuer's value and to study and confirm that compensation has been paid according to the documents and relevant gazette notification. Vesting Certificate for this land has been requested from Divisional Secretary through Land Acquisition Act and the SLTB ownership is now accepted. Further the report from the Government Valuer has already been obtained for this block of land leased to the Ceylon Petroleum Corporation.
20. The SLTB Board of Directors decided to give 140 perches from Elpitiya Depot Lands and accordingly it was surveyed, a Plan was prepared and report of the Government Valuer was obtained and action is being taken to recover the money by the SLTB and to vest the land after obtaining the approval of the Cabinet of Ministers.
21. One acre out of the Elpitiya Depot Land has been surveyed and a Plan has been finalized and a report of the Government Valuer has been obtained according to a decision of the Board of Directors and as at now approval of the Cabinet of Ministers has been obtained.
22. The Board of Directors has decided to vest 27 perches of Gampaha Brandiyamulla Land to the National Transport Medical Institute and accordingly the land was surveyed and the Plan was prepared and the approval of the Urban Development Authority was obtained and now according to the value by the Government Valuer a sum of Rs. 20,250,000/- was obtained.
23. According to decision by the SLTB Board of Directors 2 acres and 38.4 perches out of SLTB Gampaha Depot Land was Surveyed and a Plan was prepared and the Government Valuer's report has been obtained. Accordingly the Government Valuer's value is Rs. 432,000,000/- and action will be taken to release the land.
24. To obtain Vesting Certificate under section 44 for 24 acres of land situated at Ekala Region Workshop the land was surveyed and a Plan was prepared and as a result now action has been taken to register Vesting Certificate under Section 44.
25. A decision of the Board of Directors was obtained to vest 2.83 perches of SLTB Matale Depot Land for extension of roads to the Matale Urban Council and now the land was surveyed and the Plan was prepared and action is being taken to obtain the report of the Government Valuer.

26. The request of the Labour Department to Vest 60.5 perches of SLTB BadullaThanthiriwattha Land was submitted to the SLTB Board of Directors and after approval the block of land was surveyed and a plan was prepared and to enable the SLTB to receive the estimated value approval of the Cabinet of Ministers was obtained through Valuation Department and as at now Vesting activities are in progress.
27. Badulla Land Reclamation Commission made a request for a title for 05 acres of Land it purchased from the SLTB and according to the request of the Ministry of Justice to assign 02 acres of Land a report from the Government Valuer has been obtained in keeping with a decision of the Board and accordingly the estimated value is Rs. 40,000,000/-.
28. SLTB Nittambuwa old bus stand premises is situated in a Land with high commercial value and therefore the SLTB Board of Directors has decided to utilize this land for commercial purposes and accordingly the land was surveyed and Plan No. 7200 was prepared and Government Valuer's report was obtained and the annual tax estimated Value is Rs. 4,500,000/-. Action is being taken to lease this Land.
29. It was possible to confirm the ownership of the SLTB in a case filed in the Panadura Courts regarding Panadura Bus Stand premises.
30. According to a complaint regarding a building constructed without permission at SLTB Hatton Depot Land, the land was surveyed and a Plan was prepared and a discussion was held with the Land Reclamation Department about the dispute and ownership of SLTB was confirmed.
31. Leasing out Passengers' Lodge at SLTB Central Bus Station to Heshan Caterers (Pvt) Company for 05 years. Rs. 120,000/- and is being recovered monthly.

Security Section

1. To provide security for all institutions belonging to the SLTB throughout the island.
2. To investigate all written complaints made to the SLTB Regional Offices, Depots, Sub depots, Provincial Workshops and the Driver Training Schools and also the written complaints by the travelling public.
3. Maintenance/repairs/monitoring of fire extinguishers in Institutions belonging to the SLTB throughout the Island.
4. To provide security on a daily basis when cash is paid by sureties in SLTB cases and to the financial transactions of the Head Office.
5. To distribute travel passes to all employees of SLTB workplaces including the SLTB Head Office.
6. Provide security to important SLTB places and to distinguished persons, vehicle parking and controlling and monitoring all supplies and issues to relevant agencies.
7. To provide security to institutions belonging to the Ministry of Transport such as Motor Traffic Department, National Transport Commission, Ministry of Transport and the NationalTransport Medical Institute.

Special Investigations Unit

year	No. of investigations completed
2016	40

Five (05) surprise inspections of Depots, Buses and bus parking places were carried out in the year 2016.

OPERATIONS DIVISION

01. The daily average number of buses released for operation during the year 2016 was 6054 and the average number of buses operated per day were about 5350. Average number of kilometers operated per day was about 1.3 Mn. Average daily waybill revenue earned per km. was about Rs. 58.
02. Action has been taken according to the needs to strengthen the number of trips operated by the SLTB buses in the early morning and late night services.
03. Action has been taken to develop and also commence new bus services considering the passengers needs of rail-road coordinated bus services provided by the SLTB.
04. The "Sissusariya" project has increased up to 740 buses. Necessary arrangements are being made to provide more buses under this Project taking into consideration the necessity and demands of the schools and the students.
05. All buses have been provided with electronic ticket machines and through this project it was possible to provide a more productive and efficient bus service to the public.

Contribution by the SLTB for social benefits

Operation of early morning and late night trips

Though the SLTB contributes directly to the economy by helping movement of the workforce within the country by operating early morning and late night services, what SLTB gets is only goodwill. However considering this as another social obligation the SLTB continues to operate these4 services for the convenience of the public.

Bus operations in rural areas

The SLTB directly contributes as a predominant medium of transport linking the city and the village to strengthen the rural economy. Always action is being taken to continue this service considering the needs of passengers. In future, too, it has been planned to procure new buses and develop this service to give an impetus to the rural economy and also to streamline the rural transport.

Operation of School buses

For the sake of future, school children are provided with a wide range of school services. Sacrificing opportunities to earn revenue in profit making routes, in spite of its limited resources available, the SLTB provides bus services to school children taking them schools in time and bring them back home safely.

Flying Squad Section

Flying Squad Progress Report for the year 2016 (Islandwide)

Month	No. of teams	No. of checking	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered (Rs.)
January	120	1,253	17,574	100	368	626	220,903.00
February	116	1,212	15,514	67	349	538	185,345.00
March	110	1,263	17,411	68	384	570	192,813.00
April	112	1,211	22,300	75	398	831	295,279.00
May	92	1,079	14,080	74	270	440	156,998.00
June	108	1,100	16,245	92	293	575	199,726.00
July	101	1,180	17,033	94	337	595	210,097.00
August	101	1,194	14,949	63	256	509	179,747.00
September	12	1,049	15,109	61	290	530	183,168.00
October	107	1,196	21,791	51	319	762	211,268.00
November	65	760	10,813	55	226	270	101,197.00
December	57	803	9,600	69	188	299	105,377.00
Total	1,181	13,300	192,427	869	3,678	6,545	2,241,918.00

Flying Squad Progress Report for the year 2016 (Head Office)

Month	No. of teams	No. of checking	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	05	83	1,317	22	34	61	21,174.00
February	05	109	1,080	16	37	62	20,435.00
March	05	87	1,337	23	43	61	22,027.00
April	06	77	1,741	30	61	84	28,770.00
May	06	76	1,079	29	28	42	14,638.00
June	06	64	1,305	29	39	68	24,246.00
July	06	89	1,591	25	42	59	21,412.00
August	06	95	1,515	26	44	66	25,661.00
September	06	76	1,393	25	50	56	21,036.00
October	06	72	1,130	21	26	32	10,944.00
November	06	64	1,126	18	42	48	18,766.00
December	06	93	1,386	26	26	39	12,964.00
Total	69	902	16,000	269	472	678	242,073.00

Engineering Division

Rehabilitation of Buses Project in 2016

Details	Rehabilitation		Not belonging to rehabilitation		By external Institution		Provincial Workshops						Cost
	Under repairs/ completed		Under repairs/ completed		Under repairs/ completed		Engine repairs		Gear box repairs		Bus body repairs		(Rs.)
	No. of buses	Full cost (Rs.)	No. of buses completed	Full cost (Rs.)	No. of engines completed	Full cost (Rs.)	No. of buses	Cost (Rs.)	No. of buses	Cost (Rs.)	No. of buses	Cost (Rs.)	
January	0	0.00	6371	98,264,910.71	0	0.00	30	2,828,252.52	14	707,379.22	15	1,468,159.00	103,268,701.45
February	0	0.00	3704	77,590,388.58	0	0.00	43	4,297,323.77	14	617,993.19	16	1,928,810.00	84,134,515.54
March	0	0.00	3693	82,259,384.96	0	0.00	21	2,690,893.57	12	882,851.28	17	1,654,654.00	87,487,783.81
April	0	0.00	3064	83,622,881.44	0	0.00	84	9,517,411.96	27	1,165,035.22	26	2,357,579.71	96,662,908.33
May	0	0.00	3249	82,178,038.62	0	0.00	20	4,260,454.13	16	1,289,097.86	10	1,003,566.00	88,721,156.61
June	0	0.00	3635	79,980,157.49	0	0.00	11	1,943,945.49	13	546,925.39	14	1,026,013.00	83,497,041.37
July	0	0.00	3394	79,318,247.49	0	0.00	39	4,467,330.27	23	1,399,874.35	27	2,340,779.00	87,526,231.11
August	0	0.00	3493	82,244,311.84	0	0.00	34	4,754,065.83	12	431,375.51	19	1,758,100.00	89,187,853.18
September	0	0.00	3573	83,317,649.88	0	0.00	29	3,008,960.61	21	1,301,185.94	14	1,449,151.00	89,076,947.43
October	0	0.00	3499	88,085,922.36	0	0.00	46	6,634,054.62	15	1,038,208.15	24	2,160,323.00	97,918,503.13
November	0	0.00	3406	77,427,935.28	0	0.00	35	4,894,157.10	11	574,661.04	13	1,217,067.00	84,113,820.42
December	0	0.00	3469	85,729,176.34	0	0.00	27	4,255,765.00	17	782,716.00	16	1,822,838.00	92,590,495.34
Total	0	0.00	44,550	1,000,009,004.99	0	0.00	419	53,552,614.87	195	10,737,303.15	211	20,187,039.71	1,084,485,962.72

Human Resources Management Division

Detailed Report for the year 2016 according to SLTB Human Resources Management Division Circular No. 01 of 2016

Ser. No.	Description	Number
1	No. of Applications received under Voluntary Retirement Scheme in 2016	3457
2	No. Voluntarily Retired in the year 2016	
	2016.10.14	1086
	2016.11.04	03
	2016.11.03	1300
	Total No. Voluntarily Retired in the year 2016	2389
3	No. of Applications rejected out of the applications for Voluntary Retirement in the year 2016	68

New Appointments of Drivers/ Conductors for a period of 06 months purely on contract basis on payment of a monthly allowance of Rs. 30,000/- (2016)

Ser. No.	Date of Appointment	Conductors	Drivers	Total
1	2016/03/01	0	30	30
	Total	0	30	30

Details about Executive appointments

	2016
Permanent Appointments	15
Covering Appointments	48
Promotions	15
Confirmation of Covering Appointments	-
Transfers	83
Contract Appointments	01
New recruitments	02

No. of Employees in the SLTB as at 2015/12/31 and 2016/12/31

Post	2015/12/31	2016/12/31
Executive	1197	934
Non- Executive	8493	6546
Drivers	10563	10149
Conductors	10532	10092
Mechanics	5001	4867
Trainees	71	52
Total	35857	32640

No of employees as at 2015.12.31

Retired under Voluntary Retirement Scheme

Retired due to receiving age retirement and other reasons

No of employees as at 2016.12.31

- 35,857
 - (2,389)
 - (828)
 - **32,640**

Summary of Reemployment in 2016

Ser. No.	Designation	Reinstatement
1	Drivers	69
2	Conductors	05
3	Mechanics	0
4	Except Drivers/ Conductors/Mechanics	8
	Total	82

Disciplinary Section

Detailed Report regarding the Disciplinary files received/ Disciplinary Inquiries held/ Appeals held/ Appeals to Chairman by the Disciplinary Section from all Regions for the Period 2016/01/01 to 2016/12/31												
Disciplinary files received		No. of files received for holding Disciplinary Inquiries	No. of files completed after holding Disciplinary Inquiries	Disciplinary punishments awarded				Appeals		Chairman's Appeal		
AHRM (D)	SDO			AHRM (D)	Balance	SDO	Balance	Files Received	Files Completed	Files Received	Relief given	Rejected Chairman's Appeals
252	4178	104	104	207	45	4178		436	436	328	175	147

Information, Communication & Technology Division

Activities during 2016
01. Procurement of 200 Computers
02. Procurement of 100 Printers
03. Project for the procurement of 200 UPS Machines
04. 2,200 Procurement of Electronic Bus Ticket Machines
05. Installation of 4,400 GPS Units
06. Commencing implementation of a software for salary system
7. Training of a Software for Depot employees for accounting
8. To solve the day to day problems about computers and related problems arising at the SLTB Head Office in the depots and take necessary steps and give direction and manage the maintenance of computers.

Development & Planning Section

Action Plan of the Planning Section				
Proposed Activities	Physical Target			
	Quarter			
	1	2	3	4
Preparation of a Development and Action Plan for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of January for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of February for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of March for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of April for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of May for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of June for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of July for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of August for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of September for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of October for the year 2016	Prepared and submitted			
Preparation of a Progress Report for the month of November for the year 2016	Prepared and submitted			

Preparation of a Progress Report for the month of December for the year 2016	Prepared and submitted
Preparation of a Corporate Plan for the years 2017 - 2019	Prepared and submitted
Collection and updating all relevant statistical information relating to the Board	Collected all throughout the year and submitted
Preparation of monthly Profit and Loss Statement and the Cash Flow Statement (Including Provincial Workshops, Driver Training Schools and the Circuit Bungalows)	Collected all throughout the year and submitted
Preparation of Progress Reports regarding Provincial Workshops, Driver Training Schools and the Circuit Bungalows	Collected all throughout the year and submitted
Preparation and submission of Audit and Management Committee Report	Collected all throughout the year and submitted
Preparation and submission of Special Reports requested by the Ministry of Transport and other State Institution	Collected all throughout the year and submitted

INTERNAL AUDIT DIVISION

A summary of the activities carried out in the year 2016

Finance Division

01. Preparation of Audit Plan and Audit Program for the year 2016
02. Financial verification
03. Checking of Cashbook
04. Checking of Salary and overtime
05. Checking of Salary/ Festival Advance Register
06. Checking of Conductors Shortages
07. Checking of Gratuity Payments
08. Checking of Daily Total Register
09. Checking of Local Purchases
10. Auditing of Final Accounts
11. Checking of Other Registers in the Finance Section

Bulk Stores

01. Checking of Season Ticket Register
02. Stores Verification
03. Checking of Fuel consumption
04. Checking of Consumption of Spare parts
05. Checking of tire consumption
06. Checking of Spring Blade consumption
07. Disposal Activities

Operations Division

01. Checking of Waybills
02. Checking of Accident Register
03. Checking of Roster Schedule
04. Checking of O/51, O/50, O/40, O/41 Registers

Engineering Division

1. Breakdown repairs
2. Excessive Consumption of Spare parts
3. Checking of Spare parts failed prematurely
4. Checking of Other Registers in the Engineering Section

Others

01. Checking of Disciplinary Register.
02. Checking of Leave Register.
03. Checking of Board's Assets.
04. Auditing of revenue, expenditure, maintenance and administration sections of Driver Training Schools.
05. Checking of Circuit Bungalow Register.
06. Checking of Shalika Hall and Stadium.
07. Analysis of General Expenses of the Head Office
08. Special projects implemented according to Government Policy and Board Decision.
09. Conducting of monthly conference of Regional Internal Auditors.
10. Conducting of Quarterly Audit and Management Committee Meetings.
11. Special Checking referred by the Chairman.
12. Conducting of Annual Audit Conferences Region wise

Supplies Division

Ser.No.	Subject	Project Name	Funds allocated for 2016 (Rs. Mn.)	Financial progress	Target achieved	Physical progress as at 2016/12/31
01	All procurements and sales	Procurement of materials required for work activities	650.00		Taking necessary action for procurement of 50 Luxury buses	Not procured due to non-availability of financial facilities
02	All procurements and sales	Procurement of materials required for work activities	54.00		Taking necessary action for procurement of 09 Motor Vans	On 2016/11/03 tender award letter was issued. Two vehicles were ordered for Hatton Depot and Anuradapura Region and relevant cheques have been sent.
			6.00		Taking necessary action for procurement of 02 Motor Cars	Not approved as it was not in keeping with SLTB specifications.
			10.83	10.83	Taking necessary action for procurement of 19 Three Wheelers	Tender has been awarded on the approval of the Departmental Procurement Committee on 2016/07/08. 19 Three Wheelers were received on 2016/07/22.
			0.40	0.342	Taking necessary action for procurement of 02 Motor Cycles	Tender has been awarded on the approval of the Departmental Procurement Committee on 2016/07/08. 03 Motor Cycles were received for Pothuhara, Kalutara and Badulla Driver Training Schools.
03			13,292.07		Taking necessary action for purchase of diesel required to maintain the bus fleet	Purchase are made according to respective requirement at depot level in keeping with the market price
04					Taking necessary action for the purchase of necessary spare parts required for maintenance of buses/ repairs and manufacture of	Categorizing according to spare parts control accounts and under the relevant financial limits taking action to call for

					kits	tenders and to procure on the approval of the Departmental Procurement Committee and the Cabinet appointed Procurement Committee.
			757.40	228.04	1. For normal buses	
			32.47		2. For Yutong buses	
05			26.27	01.20	Procurement of paints for repairs / maintenance of buses.	Procured required paints for Depots on the approval of the SLTB Procurement Committee.
06					Taking necessary action to procure required new tires for the maintenance for bus fleet.	Tender was awarded on 2016/05/06. New tires are being procured on the approval of the Cabinet appointed Tender Board.
			1,146.91	567.55	i. For normal buses	Tires are being procured
			24.49	1.10	ii. For Yutong buses	
07			111.90	80.62	Taking necessary action to procure required new batteries for the maintenance of bus fleet.	Tender was awarded on 2016/05/06. Batteries are being procured on the approval of the SLTB Procurement Committee.
08			1,100.00		Taking necessary action to procure required new engine kits for the maintenance of bus fleet	Action has been taken to obtain 326 new engine kits on approval of the Cabinet Appointed Procurement Committee on 2016/06/22.
					1-Leyland Engine Kit 326	Further, 163 engine kits have been ordered on 2016/11/15.
					2-Tata Engine Kit 174	
09			645.60		Taking necessary action to procure required units such as engines/ gear boxes for the maintenance of bus fleet.	Necessary action is being taken for procurement. Region wise procurements are done at the depot level for repairs and the expenses should be obtained from the Finance Division.

10			58.56		Taking necessary action to procure required spring blades for the maintenance of bus fleet.	Tender has been awarded on 2016/10/18 on approval from Departmental Procurement Committee. On the approval of the Tender Board instructions have been given to procure according to necessity on a Regional Level. The cost of spring blades procured at Depot level should be obtained from the Finance Division.
11			398.88		Taking necessary action for procurement of grease and lubricants required for the maintenance of bus fleet.	Necessary purchases are done at depot level according to the requirement to the each in keeping with the quotations prevailing and the market. Funds spent should be obtained from the Finance Division.
12			1,127.18	338.47	Taking necessary action for required tire refilling and pre-curing for the maintenance of bus fleet.	Tender has been awarded by the Cabinet Appointed Procurement Committee on 2016/05/17. On approval of the Tender Board instructions have been given to procure according to necessity on a Regional Level. Quotations for pre-cured and rebuilt tires procured on a Regional level should be obtained from the Finance Division.
13			65.20	44.75	Procurement of new ticket machines according to requirements for operation	Tender was awarded on 2016.08.11 for 2500 ticket machines 2500

					of buses.	Ticket Machines were received on 2016/10/05.
14			82.76	06.36	Procurement of Ticket Rolls and Ticket Books	Tender has been awarded on 2016/07/08 by Departmental Procurement Committee and on the approval of the Tender Procurement Committee on 2016/01/06 tenders have been awarded for ticket books too. On the approval of the Tender Board instructions have been given to procure the requirements at the Regional level.
15			4.45	02.83	Printing and supply of Season Tickets according to requirements.	4552000 Season Tickets were printed and provided As at 2016/12/31 .
16			0.54		Procurement and supply of required office equipment and stationery for SLTB operational / administrative activities.	Necessary action is been taken to procure according to requirements on approval from Departmental Tender Board.
17			465.81		Procurement and supply of required materials for maintenance of electricity in SLTB buildings and Yards and for the new projects.	Necessary action is being taken for electrical maintenance and procurement of materials according to requirements. Details should be obtained from Finance Division.
18			80.02		Procurement and supply of required materials for maintenance of electricity in SLTB buildings and Yards and for the new projects.	Necessary action is being taken for electrical maintenance and procurement according to requirements. Details should be obtained from Finance Division
19			6.61	03.85	Procurement and supply of required office equipment for SLTB Head Office.	Action has being taken to procure on approval from Departmental Tender Board

						according to requirements.
20			16.33	10.58	Procurement and supply of 75 computers/75 printers/75 UPS according to requirements.	Tender was awarded on the approval of the Departmental Procurement Committee on 2016/10/18. Out of that 50 computers on 2016.12.15, 25 computers on 2016.12.27, 50 printers on 2016.11.01 and 25 printers on 2017.01.17 and 25 UPS on 2016.12.22 were obtained.
21			5.51		Procurement of supply of digital fingerprint machines.	Necessary action has been taken to procure according to requirement on approval from the Departmental Tender Board. Procurements have been done according to requirement at depot level. Relevant details should be obtained from Finance Division.
22				6.50	Taking action to sell scrapped materials including spare parts not in use and removed from scrapped buses and to sell them on tender and public auction.	A revenue of Rs. 6,507,991.20 was obtained by selling scrapped materials on 2016/12/31. In 2016 scrapped buses were not auctioned.

**Summary of Quotation called for the following activities
by the Tender Board Section from 01/01/2016**

Serial No.	Date	Activities performed	Date of Tender opening
01	2016-01-08	Calling for quotations for the procurement of required new vehicles for SLTB Driver Training Schools	2016-01-28
02	2016-01-13	Supply & Installation of 3000 Gallon Storage Tank at SLTB-Rathmalana Depot.	2016-02-02
03	2016-01-21	Calling for quotations for printing SLTB Letter Heads	2016-02-12
04	2016-01-22	Quotation For the Supply of Electric Geezer for Circuit Bungalow (I) at NuwaraEliya (SLTB).	2016-02-03
05	2016-01-25	Quotation for the Supply of Identity Card Printing Raw Materials for - SLTB	2016-02-16
06	2016-01-26	Quotation for Stationery Items for SLTB Head Office.	2016-02-16
07	2016-02-01	Quotation for Toners, Cartridges & Ink Ribbons for SLTB Head Office.	2016-02-18
08	2016-02-02	Construction of Aluminum Suspended Ceiling for Inquiry - Office at S.L.T.B. - Head Office	2016-02-19
09	2016-02-09	Quotation for the Procurement Of 10 Nos Crank Shaft With Bearing To SLTB	2016-02-24
10	2016-02-12	Supply & Installation of 3000 Gallon Storage Tank at SLTB-Rathmalana Depot.	2016-02-29
11	2016-02-12	Calling for quotations for the procurement of Air Conditioners for the SLTB Shalika Stadium	2016-02-26
12	2016-02-18	Calling for quotations for the sale of buffin powder from SLTB AmparaTyre Workshop	2016-03-02
13	2016-02-19	Quotation for the Supply of Identity Card Printing Raw Materials for - SLTB	2016-03-03
14	2016-02-26	Quotation for The Electrical Items At SLTBHead Office-2016	2016-03-15
15	2016-03-04	Repairing of Roof of The Engine Store Room at Yatinuwara Work Shop	2016-03-24
16	2016-03-04	Repairing of Bank of Ceylon BuildingBlock at Central Bus Station,Pettah	2016-03-24
17	2016-03-16	Calling for quotations for printing SLTB Letter Heads	2016-03-23
18	2016-03-16	Calling for quotations for the procurement of a Injector Pump Test Bench for SLTB Mallakam Provincial Workshop	2016-04-07
19	2016-03-24	Calling for quotations for Printing of Bhikku Coupon Ticket Books	2016-04-08
20	2016-03-25	Quotation for the Purchase of New Wireless Access Point to SLTB Head Office	2016-04-08
21	2016-03-25	Supplying, Making Fixing Aluminum Windows inC.E.O.Office atS.L.T.B.Head Office	2016-04-19

22	2016-03-30	Quotation For Renovation of Conference Hall in Training School At Pothuhera.	2016-03-30
23	2016-03-31	Tender for Scrapped Buses removed from operations from Matale/ Wattegama/ Teldeniya/ Ududumbara and Yatinuwars Depots belonging to Kandy Region	2016-05-03
24	2016-04-01	Calling for quotations for the procurement of dust removable carpets for SLTB Yutong Buses	2016-04-22
25	2016-04-05	Calling for quotations for the procurement of new Tyre Kits to the SLTB for the year 2016	2016-04-07
26	2016-04-06	Procurement of New Batteries for the Year- 2016	2016-04-29
27	2016-04-07	Calling for quotations for repairs to SLTB Pool Vehicles	2016-04-20
28	2016-04-07	Quotation For The Procurement Of 60 No. Crank Shaft with Bearing to SLTB	2016-04-27
29	2016-04-19	Procurement of Generators for SLTB	2016-05-04
30	2016-04-27	SUPPLYING MAKING AND FIXING OF PATITION AND DOORS IN LEGAL DIVISION AT SLTB - HEAD OFFICE	2016-05-16
31	2016-05-03	Calling for quotations for the procurement of required new three wheelers and motor cycles for SLTB Driver Training Schools	2016-05-12
32	2016-05-04	Calling for quotations for the procurement of water pumps for SLTB Hatton Depot	2016-05-16
33	2016-05-05	Procurement of Ticket Rolls (Thermal Paper) required for GPRS Machines used by SLTB Depots	2016-05-18
34	2016-05-05	Calling for Tenders for the sale of scrapped materials annually removed from use by Depots belonging to Kandy, Nuwaraeliya and Sabaragamuwa Regions and Kaludewala Provincial Workshop during the year under a fixed price	2016-05-26
35	2016-05-09	Sale of scrapped buses removed from use by SLTB according to Board's estimate	2016-05-09
36	2016-05-12	Calling for Tenders for the procurement of spare parts required for the repair of gear boxes (Leyland Z F category) belonging to SLTB	2016-06-02
37	2016-05-12	Calling for tenders for procurement of 05 Laptop Computers for SLTB	2016-06-08
38	2016-06-07	Construction of new partition works in Metro Regional Office at Central Bus Stand.	2016-06-28
39	2016-06-13	Calling for tenders for Goods Issue Voucher (Computer Form - S 06)	2016-07-04
40	2016-06-14	Repairing of main building roof of C.B.S- Pettah	2016-06-28
41	2016-06-14	Repairing machine shop & construction of new security fence at Rathmalana depot	2016-06-28
42	2016-06-14	Construction of steel roof for work base at Rathmalana depot	2016-06-28
43	2016-06-23	Establishment of Pool Vehicle Unit at Meethotamulla Depot.	2016-07-11

44	2016-06-27	Quotation For the Supply & Delivery of Aluminum& Zink Coated Sheets for SLTB Provincial Workshops.	2016-07-15
45	2016-06-27	Procurement of hand bound new Electronic Ticket Machines required for SLTB buses	2016-07-21
46	2016-06-30	Procurement Of Brand New Cars & Vans to SLTB Driver Training Schools	2016-07-08
47	2016-07-07	Selection of a tenderer to maintain the SLTB Head Office canteen	2016-07-28
48	2016-07-11	Repairing of Main Building Roof ofCBS-Pettah	2016-07-20
49	2016-07-12	Quotation for the Supply Of Generator For SLTB	2016-07-26
50	2016-07-12	Quotation for the procurement of Electrical items required for installation of 125 KVA Generator at Pilgrims' Rest Katharagama.	2016-07-21
51	2016-07-13	Quotation for the Supply of airconditioner for SLTB	2016-07-27
52	2016-07-21	Calling for tenders for the procurement of vehicles on a rental basis to SLTB	2016-08-10
53	2016-08-04	Repairs of Main Building Roof of Kuliypitiya Depot	2016-08-23
54	2016-08-04	Tender for the supply of relevant raw materials including pre-cured tyre belts, pasting solution, solution liquid (S.B.P) for SLTB AmparaTyre Workshop	2016-08-26
55	2016-08-05	Construction of New Partition Works in Metro Regional Office At Central Bus station	2016-08-19
56	2016-08-09	Tender calling for quotations for complete repairs to Jeep No. 25-7480 belonging to SLTB Batticaloa Depot	2016-08-25
57	2016-08-10	Tenders for the procurement of spring blades required for SLTB buses	2016-08-30
58	2016-08-10	Tenders calling for quotations for the procurement of tubes and flaps for the year 2016 / 2017	2016-09-02
59	2016-08-15	Calling for quotations for procurement of required office furniture to SLTB Head Office	2016-09-05
60	2016-08-16	Calling for quotations for the supply and transport of computers, UPS and 50 Computer Printers for SLTB	2016-09-05
61	2016-09-02	Tenders for scrapped buses belonging to Colombo Region removed from use	2016-09-02
62	2016-09-19	Quotation for the Digital camera & Memory chip for SLTB Training Unit	2016-09-19
63	2016-09-13	Quotation for the Items required for Installation of GSW 125 P Generator at AmparaTyre Factory.	2016-09-28
64	2016-09-14	Obtaining Private Security Services for SLTB Provincial Workshops and Bus Stands	2016-09-30

65	2016-09-14	Quotation for the supply & Delivery of 100 Nos. Li- Polymer Battery for New 8110 Electronic Bus Ticketing Machines for SLTB Depots.	2016-09-28
66	2016-09-27	Calling for quotations for procurement of required materials for repair and maintenance of the Record Room belonging to SLTB Head Office, Finance Division	2016-10-11
67	2016-09-04	Proposed new Rest Room & Security Office For Gampaha Workshop.	2016-10-19
68	2016-10-18	Repairs to bus No. 51 sri 4261 and Van No. L 300 belonging to SLTB Super Luxury Tourist Transport Service	2016-11-03
69	2016-10-18	Calling for quotations for the repair and maintenance of the canteen situated near Shalika Hall at Narahenpita on payment of monthly lease rental to the SLTB	2016-11-07
70	2016-10-19	Quotation for the Supply of ID Card Printing Machines for S.L.T.B. Head Office	2016-11-02
71	2016-10-19	Quotation for the Supply of Aluminium Roofing Sheets for Shalika Ground - SLTB	2016-10-21
72	2016-10-20	Calling for tenders for the sale of scrapped materials removed from use annually under a fixed price from Depots belonging to Wayamba, Rajarata and Northern Regions and Madawachchiya, Kurunagala and Udubaddawa Provincial Workshops.	2016-11-09
73	2016-10-26	Calling for tenders for the sale of old Newspapers piled at SLTB Head Office	2016-11-11
74	2016-10-31	Calling for quotations for the maintenance of air conditioners at SLTB Head Office	2016-11-16
75	2016-11-01	Calling for quotations for repairs to the storeyed building of Kalutara Driver Training School	2016-11-21
76	2016-11-01	Procurement of new batteries for SLTB Super Luxury, Yutong Buses	2016-11-17
77	2016-11-01	Procurement of necessary clothing and tailoring of uniforms for drivers at SLTB Head Office	2016-11-24
78	2016-11-10	Supply of annual requirement of Toner, Cartridges & Ink Ribbon for SLTB-Head office	2016-11-29
79	2016-11-24	Calling for quotations for the supply and transport of aluminum and zinc coated metal required for SLTB by public auction	2016-12-09
80	2016-11-30	Selection of a suitable tenderer to sell 769 scrapped buses removed from use in SLTB	2016-12-19
81	2016-11-30	Supply of bus body repair parts and tools for SLTB	2016-12-28
82	2016-11-30	Supply of spare parts of Ashok Leyland Chassis to SLTB	2016-12-22
83	2016-11-30	Supply of spare parts for Ashok Leyland engines and gear boxes	2016-12-30
84	2016-11-30	Supply of spare parts for Tata engines and gear boxes	2016-12-29
85	2016-11-30	Supply of spare parts of Tata Chassis to SLTB	2016-12-23

86	2016-12-02	Quotation for the Supply of Identity Card Printing Machines for SLTB Head Office	2016-12-15
87	2016-12-05	Obtaining Private Security Services to SLTB Colombo, Gampaha, Kalutara, Ruhuna and Sabaragamuwa Regions	2016-12-21
88	2016-12-08	Supply and transport of spare parts for injector pumps to SLTB	2017-01-04
89	2016-12-08	Supply and transport of electrical spare parts required for SLTB buses	2017-01-05
90	2016-12-08	Calling for quotations for the supply and transport of batteries, spring blades, spare parts, bearings and oil seals	2017-01-06
91	2016-12-19	Procurement of Digital Finger Print Machines required for SLTB Depots	2017-01-11
92	2016-12-19	Calling for quotations for printing of required passenger ticket books and luggage ticket books for SLTB - 2017	2016-12-29

LEGAL DIVISION

01. Handling all legal activities pertaining to cases filed by outside parties against all Regional offices and depots belonging to the SLTB and cases filed against outside parties by the SLTB in all Courts throughout the Island
 - (i) Appearance by Legal Officers in Courts for SLTB cases wherever possible (Appearance specially for cases filed against the SLTB Chairman or the Board of Directors).
 - (ii) Preparing documents for relevant cases.
 - (iii) Instructing Court Officers in Regional offices and the depots.
 - (iv) Together with such officers coordinating with outside attorneys-a-law and the State attorneys at the Attorney-General's Department.
 - (v) Engaging in legal activities by participating in legal consultations with State Attorneys at the Attorney-General's Department.
02. Giving necessary legal instructions on legal and administrative disputes to SLTB Head office, Regional Offices, Depots and other Units.
03. Preparing Loan Agreements, Supplies Agreements, Security Agreements and the General Agreements the SLTB enters into with outside Parties.
04. Giving necessary instructions to the Secretariat Division in disputes about SLTB lands and participating in discussions with outside Parties and preparing reports.
05. Whenever necessary, preparing Cabinet Memoranda when Chairman refers disputes to the Legal Division.

The above assignments were undertaken by the Chief Legal Officer, 02 Legal Consultants and the 06 Assistant Legal Officers in the SLTB and preparation of a report regarding the above duties undertaken by these officers is complex and therefore a summary of duties carried out by the Legal Division is given below.

- 1 1045 Summons from Magistrate's Courts and 35 Summons from District Courts were received in the year 2016 and action was followed up in all cases.
- 2 32 Agreements were prepared by the Legal Division in the year 2016.
- 3 Specially after the year 2016 when financial provision was received for payment of gratuity for cases filed by retired employees for nonpayment of gratuity, motions were filed and the Assistant Legal Officers and the Legal Consultants appeared in Courts and finalized the cases (except certain cases with revision).
- 4 In the year 2015 the SLTB made appointments after the issue of the gazette notification of the General Elections for Parliament and when those appointments were subsequently cancelled, 39 cases were filed in Colombo Labour Tribunal in 2016 and in 2017 August judgment was entered dismissing 14 cases and the balance 14 cases are still pending.
- 5 A case was filed in the Arbitration Tribunal by Steel Impex Company Limited against the SLTB regarding nonpayment of dues on Procurement of spare parts on duty free basis and this case is still pending.
- 6 Two (02) cases bearing numbers HC/Civil/487/2016/MR and HC/Civil/488/2016/MR for filed in Colombo Commercial High Court against Nandana Auto Products (Pvt) Ltd. and the Civil Engineering Company for failure to supply spring blades and other items after obtaining an advance payment and that case, too, is pending.
- 7 Cases were filed in Magistrate's Courts throughout the Island regarding nonpayment of contributions to the Employees' Provident Fund by the SLTB and such cases were settled on payment of the relevant dues after financial provision was received.

Training, Research and Development Division

Details regarding Training activities conducted in 2016

Following are the details regarding workshops conducted by the SLTB Training Research and Development Division from 2016 January to December:

Ser. No.	Details regarding training	Region	No. of Workshops	No. of participants		
				SLTB	Private	Total
01	Training Workshops for implementing the order for obtaining Passenger Transport Driver Permit	Colombo/Gampaha/Kalutara/Western	35	2255	989	3244
02		Sabaragamuwa	17	1108	802	1910
03		Nuwaraeliya/ Kandy	21	1132	1044	2176
04		Ruhunu	16	996	365	1361
05		Rajarata	18	702	977	1679
06		Pothuhara	23	1227	744	1971
07		Eastern	04	280	77	357
08		Uva	21	955	965	1920
Total			155	8655	5963	14618


In addition to Drivers Training Workshops on passenger transport, no other workshops could be held due to the implementation of the Voluntary Retirement Scheme (VRS) project and the temporary suspension of training activities.

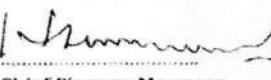
Sri Lanka Transport Board


Statement of Financial Position as at 31st December 2016

(all amounts in Sri Lanka Rupees)

<u>ASSETS</u>	<u>Note</u>	<u>31 December</u>	<u>31 December</u>
NON CURRENT ASSETS		<u>2016</u>	<u>2015</u>
Property, Plant and Equipment	01	11,071,271,977.84	11,633,840,656.83
Other Financial Asset	02	33,187,500.00	47,656,250.00
Work-in-Progress		49,230,113.33	49,230,113.33
Unoperated Accounts	03	9,935,459,128.35	9,935,375,094.85
		21,089,148,719.52	21,666,102,115.01
CURRENT ASSETS			
Inventories	04	966,282,963.41	872,303,216.13
Trade & Other Receivables	05	2,604,212,422.27	2,962,284,964.52
Other Financial Asset	06	507,506,924.57	473,932,628.98
Cash & Cash Equvalant	07	3,129,581,014.93	1,371,740,696.82
TOTAL CURRENT ASSETS		7,207,583,325.19	5,680,261,506.45
TOTAL ASSETS		28,296,732,044.71	27,346,363,621.46
EQUITY & LIABILITIES			
CAPITAL AND RESERVES			
Equity Capital		350,000,000.00	350,000,000.00
Accumulated Loss	08	(34,042,405,683.84)	(40,456,366,711.46)
Treasury Share Capital		3,944,890,550.00	3,944,890,550.00
Employee Share		411,144,470.00	411,144,470.00
Government Grants	09	2,981,392,312.95	1,254,964,261.15
Reserves	10	5,470,757,941.09	5,470,757,941.09
Available For Sale Reserves		32,937,500.00	47,406,250.00
Total Equity		(20,851,282,909.79)	(28,977,203,239.22)
NON CURRENT LIABILITIES			
Provision for Retirement Gratuity	11	2,517,385,146.73	5,637,975,107.08
Other Non Current Liabilities	12	5,790,088,836.27	7,980,017,926.37
Unoperated Accounts	13	26,054,954,882.06	26,054,948,782.06
		34,362,428,865.06	39,672,941,815.51
CURRENT LIABILITIES			
Trade & Other Payables	14	13,896,334,617.56	15,396,763,238.43
Bank Overdraft	07	889,251,471.89	1,253,861,806.73
Total Current Liabilities		14,785,586,089.45	16,650,625,045.16
TOTAL EQUITY & LIABILITIES		28,296,732,044.71	27,346,363,621.45


Chairman
Sri Lanka Transport Board


Chief Finance Manager
Sri Lanka Transport Board


Member of Director Board
Sri Lanka Transport Board

Board Director
Sri Lanka Transport Board
No 200, Kirula Road,
Colombo - 05.

Sri Lanka Transport Board
Statement of Comprehensive Income
For The Year Ended 31st December 2016

(all amounts in Sri Lanka Rupees)		<u>2016</u>	<u>2015</u>
	Note		
Revenue	15	30,260,909,879.80	26,790,600,250.92
Operating Expenses	16	34,566,216,508.75	34,005,710,722.90
Operating Profit/(Loss) before depreciation		(4,305,306,628.95)	(7,215,110,471.98)
Other income	17	13,149,498,370.04	12,987,010,778.80
Profit/(Loss) after Other income		8,844,191,741.09	5,771,900,306.82
Administration expenses	18	10,327,880,818.69	7,111,208,960.07
Operating Profit/(Loss)		(1,483,689,077.60)	(1,339,308,653.25)
Financial and Other expenses	19	720,243,563.50	588,596,938.23
Finance Income		56,663,229.15	50,775,874.91
Net Finance Cost		(663,580,334.35)	(537,821,063.32)
Profit/(Loss) before Production Loss		(2,147,269,411.94)	(1,877,129,716.57)
Production Loss	20	129,115,453.55	175,000,338.78
Profit/(Loss) before Grants and Subsidies		(2,276,384,865.49)	(2,052,130,055.35)
Grants and Subsidies	21	1,643,765,692.04	1,300,869,311.67
Net Profit/(Loss) for the Period		(632,619,173.46)	(751,260,743.68)
Other Comprehensive Income			
Net change in Fair Value of AFS Financial Assets		(14,468,750.00)	1,609,375.00
Other comprehensive income for the year		(14,468,750.00)	1,609,375.00
Total Comprehensive Income for the Year		(618,150,423.46)	(752,870,118.68)

Sri Lanka Transport Board
Statement of Cash Flow for the Year ended 31.12.2016

	2016	2015
<u>Cash Flows From Operating Activities</u>		
Net Profit / (Loss) for the year	(632,619,173)	(751,260,744)
Adjustments for :		
Depreciation	2,053,500,078	2,147,944,061
Profit / Loss Adjustment	6,459,103,136	25,532,940
Government Grant - Amount Amortized During the year	(1,643,765,692)	(1,300,869,312)
Interest Income	(56,663,229)	(50,775,875)
Finance Cost	720,243,563	588,596,938
Dividends Received	-	(50,631)
Profit from Bus Disposal	(30,681,282)	(60,473,109)
Provision for Bad Debtors	(5,312,181)	719,528
Provision for Defined Benefit Plans - Gratuity	1,144,831,512	1,282,131,080
Operating Profit / (loss) before working capital changes	8,008,636,732	1,881,494,876
(Increase) / Decrease in Inventories	(93,979,747)	(49,523,220)
(Increase) / Decrease in Trade & Other Receivable	363,384,723	(52,930,838)
Increase / (Decrease) in Creditors	386,503,424.63	353,006,406
Increase / (Decrease) in Accrued Expenses	(1,889,342,758)	423,539,058
Increase / (Decrease) in Current Assets (Unoperated Accounts)	(84,034)	-
Increase / (Decrease) in Current Liabilities (Unoperated Accounts)	6,100	-
Cash Generated From Operation	6,775,124,441	2,555,586,282
Cash used in operations		
Defined Benefit Plan Costs paid	(4,265,421,472)	(377,103,786)
Net Cash flows from / (used in) operating activities	2,509,702,969	2,178,482,496
<u>Cash Flows From / (Used In) Investing Activities</u>		
Acquisition of Property, Plant & Equipment	(81,424,894)	(339,541,073)
Sale Proceeds from Disposal	30,974,282	60,759,000
Acquisition of Other Investment	(30,665,089)	(42,299,638)
Proceeds from Short term Investment Disposal	(2,909,207)	(147,947)
Interest Income	56,663,229	50,775,875
Dividends Received	-	50,631
Net Cash flows from / (used in) Investing activities	(27,361,679)	(270,403,152)
<u>Cash Flows From / (Used In) Financing Activities</u>		
Finance Cost Paid	(396,844,389)	(161,157,255)
Government Grants Received	2,547,871,304	1,195,376,606
Net Movement in Lease Creditors/(Lease Payment)	(2,510,917,552)	(2,159,046,433)
Proceeds From Long Term Liability	-	-
Cash Flows From / (Used In) Financing Activities	(359,890,637)	(1,124,827,082)
Increase / (Decrease) in cash & cash equivalents	2,122,450,653	783,252,262
Cash & cash equivalents at the beginning of the year	117,878,890	(665,373,371)
Cash & cash equivalents at the end of the year	2,240,329,543	117,878,891

Statement Of Changes In Equity for the Year ended 31.12.2016

(all amounts in Sri Lanka Rupees)

	Equity Capital	Minor Share Holders	Government Grants	Reserves	Treasury Share Capital	Available For Sale Reserve	Accumulated profit / (Loss)	Total
Balance as at 31 December 2015	350,000,000.00	411,144,470.00	1,254,964,261.15	5,470,757,941.09	3,944,890,550.00	47,406,250.00	(40,456,366,711.46)	(28,977,203,239.22)
Opening Balance Adjustment								
Add for the Year			939,797,074.42				7,046,580,201.08	7,986,377,275.50
Less for the Year			(117,474,634.30)				-	(117,474,634.30)
Adjusted Balance as at 1 January 2016	350,000,000.00	411,144,470.00	2,077,286,701.27	5,470,757,941.09	3,944,890,550.00	47,406,250.00	(33,409,786,510.38)	(21,108,300,598.02)
Add for the Reserves	-	-	1,539,038,388.86	-	-	-	(632,619,173.46)	1,539,038,388.86
Less for the Reserves	-	-	(634,932,777.18)	-	-	-	-	(1,267,551,950.63)
Comprehensive Income Gain/(Loss)						(14,468,750.00)		(14,468,750.00)
Balance as at 31 December 2016	350,000,000.00	411,144,470.00	2,981,392,312.95	5,470,757,941.09	3,944,890,550.00	32,937,500.00	(34,042,405,683.84)	(20,851,282,909.79)

Sri Lanka Transport Board
Notes to the Accounts

01. Property, plant & equipment

Free hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance As At 2015.12.31	319,799,318.62	137,487,387.37	139,322,084.51	246,810,752.76	1,041,195.32	6,176,620.90	36,320,160.36
Adjustments							
Addition							
Disposals							
Adjusted Balance As At 2016.01.01	319,799,318.62	137,487,387.37	139,322,084.51	246,810,752.76	1,041,195.32	6,176,620.90	36,320,160.36

Addition

Disposals

Balance As At 2016.12.31

Lease hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance AS At 2015.12.31	-	-	-	-	-	-	-
Adjustments							
Addition							
Disposals							
Adjusted Balance As At 2016.01.01	-	-	-	-	-	-	-

Addition

Disposals

Balance As At 2016.12.31

Free hold Asset

	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance As At 2015.12.31	12,594,954,109.28	1,592,669,139.85	34,750.00	1,004,482,160.40	108,828,950.85	30,351,675.61	9,510,486.00	16,227,788,791.83
<u>Adjustments</u>								
Addition	-	-	-	-	46,143,433.09	5,239,442.60	-	81,424,894.03
Disposals	-	224,914,347.65	-	-	-	-	-	224,914,347.65
Adjusted Balance As At 2016.01.01	12,594,954,109.28	1,592,669,139.85	34,750.00	1,004,482,160.40	108,828,950.85	30,351,675.61	9,510,486.00	16,227,788,791.83
Balance As At 2016.12.31	12,594,954,109.28	1,367,754,792.20	34,750.00	1,004,482,160.40	154,972,383.94	35,591,118.21	9,510,486.00	16,084,299,338.21

Lease hold Asset

	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2015.12.31	12,979,201,671.84	-	-	-	-	-	-	12,979,201,671.84
<u>Adjustments</u>								
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjusted Balance As At 2016.01.01	12,979,201,671.84	-	-	-	-	-	-	12,979,201,671.84
Balance As At 2016.12.31	12,979,201,671.84	-	-	-	-	-	-	12,979,201,671.84

Free hold Asset	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Depreciation							
Balance AS At 2015.12.31	160,948,472.12	128,193,629.09	107,067,525.36	219,682,652.72	520,385.32	2,552,328.25	33,093,661.22
Adjustments							
Addition							
Disposals							
Adjusted Balance As At 2016.01.01	160,948,472.12	128,193,629.09	107,067,525.36	219,682,652.72	520,385.32	2,552,328.25	33,093,661.22
Charge for the Year	6,686.75	1,530,437.33	6,198,048.43	6,500,560.31		617,482.09	3,487,105.39
Addition							
Disposals							
Balance As At 2016.12.31	160,955,158.87	129,724,066.42	113,265,573.79	226,183,213.02	520,385.32	3,169,810.34	36,580,766.61

Lease hold Asset	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other	Air conditioners	Computers
Balance AS At 2015.12.31							
Adjustments							
Increase							
Disposals							
Adjusted Balance As At 2016.01.01							
Charge for the Year							
Disposals							
Adjusted Balance As At 2016.12.31							
Free hold Asset Book Value	158,844,159.75	13,794,023.98	33,500,753.33	29,655,539.74	520,810.00	4,359,086.90	5,926,190.11
Lease hold Asset Book Value							
Total Asset	319,799,318.62	143,518,090.40	146,766,327.12	255,838,752.76	1,041,195.32	7,528,897.24	42,506,956.72
Total Depreciation	160,955,158.87	129,724,066.42	113,265,573.79	226,183,213.02	520,385.32	3,169,810.34	36,580,766.61
Net Book Value	158,844,159.75	13,794,023.98	33,500,753.33	29,655,539.74	520,810.00	4,359,086.90	5,926,190.11

	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2015.12.31	12,362,026,834.03	1,595,593,888.67	34,750.00	1,003,657,160.40	53,453,931.94	11,349,970.86	-	15,678,175,189.98
<u>Adjustments</u>								
Addition	1,409,799,504.90	-	-	-	-	-	-	1,409,799,504.90
Disposals	-	-	-	-	-	-	-	-
Adjusted Balance As At 2016.01.01	10,952,227,329.13	1,595,593,888.67	34,750.00	1,003,657,160.40	53,453,931.94	11,349,970.86	-	14,268,375,685.08
Charge for the Year	392,613,115.87	-	-	-	17,288,237.71	2,574,177.84	-	430,815,851.72
Addition	-	224,621,347.65	-	-	-	-	-	224,621,347.65
Disposals	-	-	-	-	-	-	-	-
Balance As At 2016.12.31	11,344,840,445.00	1,370,972,541.02	34,750.00	1,003,657,160.40	70,742,169.65	13,924,148.70	-	14,474,570,189.15

	Busses	Condemn	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer	Total
Balance AS At 2015.12.31	1,894,974,616.86	-	-	-	-	-	-	1,894,974,616.86
<u>Adjustments</u>								
Increase	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjusted Balance As At 2016.01.01	1,894,974,616.86	-	-	-	-	-	-	1,894,974,616.86
Charge for the Year	1,622,684,226.20	-	-	-	-	-	-	1,622,684,226.20
Disposals	-	-	-	-	-	-	-	-
<u>Adjustments</u>								
Balance As At 2016.12.31	3,517,658,843.06	-	-	-	-	-	-	3,517,658,843.06

	Free hold Asset Book Value	Lease hold Asset Book Value	Total Asset	Total Depreciation	Net Book Value
Balance As At 2016.12.31	1,250,113,664.28	9,461,542,828.78	10,711,656,493.06	(3,217,748.82)	10,711,656,493.06
Charge for the Year	(3,217,748.82)	-	(3,217,748.82)	-	(3,217,748.82)
Disposals	-	-	-	-	-
Adjusted Balance As At 2016.01.01	1,250,113,664.28	9,461,542,828.78	10,711,656,493.06	(3,217,748.82)	10,711,656,493.06
Charge for the Year	825,000.00	825,000.00	1,650,000.00	-	1,650,000.00
Disposals	-	-	-	-	-
Adjusted Balance As At 2016.12.31	2,075,113,664.28	10,286,542,828.78	12,361,656,493.06	(3,217,748.82)	12,361,656,493.06

02.Other Financial Assets

Available for Sale Investment		31.12.2016				31.12.2015			
		Account Code	Description	No of Shares	Cost	Market Value	No of Shares	Cost	Market Value
105-2-D	Lanka Ashok Leyland - Investment In Shares	31,250.00	250,000.00	33,187,500.00	31,250.00	250,000.00	47,656,250.00		
	Subtotal	31,250.00	250,000.00	33,187,500.00	31,250.00	250,000.00	47,656,250.00		

Note	Work-in-Capital	<u>31.12.2016</u>	<u>31.12.2015</u>
		Rs.	Rs.
102-2	Work in Progress - Building	49,230,113.33	49,230,113.33
	Total	<u>49,230,113.33</u>	<u>49,230,113.33</u>

Note	03.Unoperated Accounts	<u>31.12.2016</u>	<u>31.12.2015</u>
		Rs.	Rs.
203-2-12	Unoperated Accounts - Debits Balance	9,935,459,128.35	9,935,375,094.85
		<u>9,935,459,128.35</u>	<u>9,935,375,094.85</u>

04. Inventories

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
106-1	Inventory	817,776,589.64	744,821,576.59
106-2	Fuel	116,123,597.04	67,674,391.03
106-3	Tools	2,643,648.85	1,100,524.25
106-4	Stock in Transit	25,120,440.14	22,247,396.99
	Work in Progress - Material (work shop)	4,618,687.74	36,459,327.27
		966,282,963.41	872,303,216.13
106-5	Provision for Damaged Store Items	-	
	Total	966,282,963.41	872,303,216.13

05. Trade & Other Receivable

05.1 Advances

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
107-1	Salary Advance - 4040	12,317,349.62	16,262,283.41
107-2	Festival Advance - 5012	95,100,278.44	80,316,566.35
107-3	Sports Advance - 5012/1	8,935,286.95	7,262,691.43
107-4	Special Loan Advance - 5012/2	9,205,107.92	9,222,096.54
107-5	Other Advance	11,908,773.37	5,322,756.65
107-6	Local Purchase Advance	1,635,847,558.26	1,907,294,471.29
107-7	SLTB Advance A/C	6,497,765.88	6,770,287.88
107-8	4040/1 Special Advance	853,673.25	1,013,756.42
	Sub Total	1,780,665,793.69	2,033,464,909.97

05.2 Other Receivables

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
108-1	Sundry Debtors	101,155,750.06	101,494,948.73
108-2	Trade Debtors	19,632,109.73	19,590,436.81
108-3	Income Receivables	233,785,840.62	254,621,076.58
108-4	Receivables - Army Hires	199,354,786.76	301,354,545.52
108-5	Receivables - Police Warrant	246,396,779.18	229,507,878.24
108-6	Court Deposits	7,431,520.79	8,125,340.18
108-7	Other Deposits	4,275,848.13	5,227,259.60
108-8	Conductor Shortage	11,595,695.50	15,249,735.78
108-10	Fidelity Guarantee Fund	335,605.25	72,359.76
108-11	Fuel Sale Control A/C	2,152,605.95	1,915,052.76
108-12	Lakdiwa Engineering (E-kale)	(7,594.00)	(7,581.50)
108-13	Cashier Shortage	34,776,498.80	34,934,096.31
108-14	Pre paid expenses	2,677,445.13	2,063,350.07
108-23	Provision for doubtful debts	(40,016,263.32)	(45,328,444.29)
	Sub Total	823,546,628.58	928,820,054.55
	Total	2,604,212,422.27	2,962,284,964.52

6 Other Financial Asset

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
105-1	Treasury Bills	7,749,998.34	7,749,998.34
105-2-B	Investment in fidelity guarantee	459,734.64	539,498.48
105-2-C	Employee security Deposits	24,853,227.24	23,770,695.59
105-2-D	Fixed Deposits	471,344,486.42	441,682,165.68
105-2-F	Other Deposits	3,099,477.93	190,270.89
	Subtotal	507,506,924.57	473,932,628.98

7 Cash & Cash Equivalent

105-2-A	Short-term Investments	551,000.00	371,000.00
105-2-E	Saving Accounts	894,689,424.39	611,280,418.15
	Subtotal	895,240,424.39	611,651,418.15

07. Cash at Bank

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
109-1	Head Office	1,079,539,867.45	340,823,844.35
	Region & Depots	682,787,495.97	147,940,980.95
	W.S/D.T.S & Fuel Shades	94,231,541.79	37,759,882.71
	Total	1,856,558,905.21	526,524,708.01

07. Bank Overdraft

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
109-1	Head Office	622,146,516.33	924,391,799.31
	Region & Depots	267,104,955.56	329,470,007.42
	Total	889,251,471.89	1,253,861,806.73

07. Cash in Hand

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
110-1	Cash in Hand	14,537,045.68	11,952,364.14
110-2	Petty Cash Impress	2,211,229.61	2,241,370.13
110-3	Cash in Transit	233,489,397.98	167,350,710.51
110-4	Stamp Impress	106,723.00	104,943.00
110-5	Pool Vehicle Impress	564,651.42	
110-6	Revenue to be deposit	126,872,637.64	51,915,182.88
	Total	377,781,685.33	233,564,570.66

08. Accumulated Loss

	31.12.2016	31.12.2015
	Rs.	Rs.
Accumulated Loss		
Accumulated loss brought from previous y	(40,456,366,711.46)	(39,730,638,907.47)
Add: Adjustment in respect of previous ye.	7,046,580,201.08	25,532,939.69
Profit/ (Loss) for the year	(632,619,173.46)	(751,260,743.68)
Total	(34,042,405,683.84)	(40,456,366,711.46)

Treasury Share Capital

	31.12.2016	31.12.2015
	Rs.	Rs.
202-5 Share Capital	3,368,242,400.00	3,368,242,400.00
202-6 Share Capital - Treasury A/C	576,648,150.00	576,648,150.00
	3,944,890,550.00	3,944,890,550.00

09. Government Grants

	31.12.2016	31.12.2015
	Rs.	Rs.
202-3 Balance as at 01.01.2016	2,077,286,701.27	1,360,456,966.96
Receipts from Treasury for the Year 2016	1,539,038,388.86	288,000,000.00
Provision for the year	634,932,777.18	393,492,705.81
Balance as at 31.12.2016	2,981,392,312.95	1,254,964,261.15

10. Reserves

	31.12.2016	31.12.2015
	Rs.	Rs.
201-2 Capital Reserves	22,295,374.57	22,295,374.57
201-3 Insurance Reserves	292,329.36	292,329.36
201-4 Workmen Compensation Reserves	2,988,322.52	2,988,322.52
201-5 Commissioner of Motor Traffic	2,667,679.00	2,667,679.00
201-6 Season Ticket Fund	272,672.50	272,672.50
201-8 Revaluation Reserve	140,397,051.58	140,397,051.58
201-9 Capital Reserve a/c & Other Reserve	5,301,844,511.56	5,301,844,511.56
	5,470,757,941.09	5,470,757,941.09

11. Provision for Retirement Gratuity

Account Code	Description	31.12.2016	31.12.2015
		Rs.	Rs.
202-1	Balance as at Beginning of the Year	5,637,975,107.08	4,732,947,813.27
	Ajesment in the Current Year	-	2,082,746.25
	Provision for the Year	1,144,831,511.75	1,280,048,333.50
	Payments during the Year	4,265,421,472.10	377,103,785.94
	Balance as at the End of the Year	2,517,385,146.73	5,637,975,107.08

12. Other Non Current Liabilities

Account Code	Description	31.12.2016	31.12.2015
		Rs.	Rs.
202-20	Lanka Ashoke Leyland	-	5,100,000.00
202-21	Long Term Liabilities -SLTB Provident Fun	1,860,824,837.37	1,860,824,837.37
202-2	Interest Suspense A/C	(364,165,622.57)	(687,564,796.87)
202-22	BOC Leasing Creditor	50,176,308.00	288,221,988.00
202-23	Peoples Bank Leasing Creditor	4,243,253,313.47	6,513,435,897.87
	Total	5,790,088,836.27	7,980,017,926.37

13. Unoperated Accounts

	31.12.2016	31.12.2015
	Rs.	Rs.
203-2-12 Unoperated Accounts -Credit Balance	26,054,954,882.06	26,054,948,782.06
	<u>26,054,954,882.06</u>	<u>26,054,948,782.06</u>

14. Trade & Other Payables

14.1 Creditors

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
203-1-1	Trade Creditors	2,434,887,483.03	2,592,783,652.53
203-1-2	Ceylon Petroleum Corporation	49,659,705.20	66,516,172.04
203-1-3	Other Creditors	137,398,234.55	369,169,382.62
203-1-4	Sri Lanka Insurance Corporation	725,209.86	495,542.66
203-1-5	Cancelled Cheques	7,138,279.35	10,528,012.72
203-1-6	Unpaid Salary	16,146,247.82	17,620,969.51
203-1-7	Tsunami Fund	879,704.43	999,117.19
203-1-8	Third Party Payments - Payable	49,013,863.21	47,192,405.24
203-1-9	7070 E.P.F Loan	27,656,773.49	27,541,103.15
203-1-10	7082 E.P.F TV Loan	9,361,482.39	9,316,556.39
203-1-11	7075 E.P.F Housing Loan	211,989,835.37	211,944,172.98
203-1-12	7078 EPF Loan	582,827.11	576,741.11
203-1-13	Fines Fund	52,777,642.81	31,251,002.10
203-1-14	Sport Council	6,649,939.64	5,721,496.39
203-1-15	Trade Unions	32,348,307.43	28,188,592.57
203-1-16	Funeral Welfare Society	79,181,800.66	73,724,047.18
203-1-17	Welfare Society	47,834,203.88	46,066,022.52
203-1-18	Canteen Recovery	4,734,080.20	5,246,761.07
203-1-19	Bank Loan	767,609,556.19	52,593,761.06
203-1-20	Insurance - Payable	1,196,434.39	1,750,731.73
203-1-21	Stamp Duty recovery	18,351,745.06	15,877,751.52
203-1-22	Fines recovery	414,058,991.66	371,049,683.09
203-1-23	Fines Fund recovery	102,478,963.29	87,112,519.61
203-1-24	Unpaid Salary Deductions	8,597,020.07	8,401,232.64
203-1-25	Tender Deposits	10,821,070.48	8,621,217.16
203-1-26	Other Deposits	5,872,396.72	6,458,006.22
203-1-27	Suspense A/C	390,909.74	3,941,993.23
203-1-28	Deposits - by Outside parties	2,747,251.74	2,472,352.49
203-1-29	Deposits - Tender(Factory)	6,467,582.00	4,774,232.00
203-1-30	Employee Deposits	139,731,869.20	140,114,038.21
203-1-31	Miscellaneous Payable	10,662,079.67	13,757,852.52
203-1-32	E.P.F Surcharges	143,942,364.76	124,276,193.91
203-1-33	E.T.F Surcharges	3,798,120.60	11,458,689.34
203-1-35	Accrued Rent & Rates	7,292,355.07	8,364,913.86
203-1-36	Accrued Wrecker Charges	163,110.25	190,960.25
203-1-37	Accrued Fitness Checking Charges	107,743.00	80,993.00
203-1-38	Fidelity bond	36,550.20	51,733.70
203-1-51	Deposits - by Outside parties (Employee Se	454,000.00	947,912.00
203-1-53	Ticket Machine Loan	-	20,063,792.38
203-1-54	Peoples Bank Leasing Creditor	2,817,322,206.49	2,978,305,978.30
203-1-55	BOC Leasing Creditor	272,443,247.78	252,606,080.78
203-1-57	Lanka Ashok Leyland Creditor a/c	413,689,754.51	270,132,437.10
	Sub Total	8,317,200,943.30	7,928,286,806.07

14.2 Accrued Expenses

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
203-3-1	Payable Audit Fee	4,854,003.78	4,695,273.78
203-3-2	Local Suspense A/C	(124,730.00)	(207,688,352.95)
203-3-3	Payable E.P.F (SLTB)	611,284,703.97	786,627,651.25
203-3-4	Payable E.P.F (Central Bank)	3,576,839,351.57	5,291,223,198.33
203-3-5	Payable E.T.F (Central Bank)	35,512,144.82	52,065,963.82
203-3-6	Salary Control A/C	963,696,168.88	1,068,572,450.47
203-3-7	Accrued Expenses	387,072,031.24	472,980,247.66
	Sub Total	5,579,133,674.26	7,468,476,432.36
	Grand Total	13,896,334,617.56	15,396,763,238.43

15. Revenue

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
301-1	Waybill	25,931,696,087.79	24,571,260,537.87
301-2	Season Tickets	876,115,142.23	801,378,613.50
301-3	Special Hires	348,510,755.59	312,283,543.60
301-4	Mail Transport	57,021,669.39	55,211,960.16
301-5	Army Travel Passes	214,911,537.95	231,229,071.91
301-6	Police Warrant	490,907,790.63	480,847,593.24
301-7	Army Special Hires	49,358,892.85	58,207,876.77
301-8	News Paper Transport	1,569,749.00	3,516,405.38
301-9	Miscellaneous Travel Passes	42,017,786.68	44,400,414.47
301-10	Luggage Receipts	40,017,719.70	33,357,195.35
301-11	Welfare Hires	1,577,581.75	3,153,016.01
301-12	Police Vovcher a/c	21,663,259.50	3,465,826.00
302-1-1	Gemiseriya	-	3,685,903.50
302-1-2	Sisuseriya	170,842,084.50	174,657,518.17
302-1-3	Nisiseriya	6,949,690.50	8,612,549.00
302-4-D	Season Ticket Subsidy	2,007,750,131.74	5,332,225.99
	Total	30,260,909,879.80	26,790,600,250.92

16. Operating Expenses

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
401-1	Bus Operation Expenses	15,732,233,924.42	15,744,741,404.71
401-2	Direct Fuel Oil & Lubricants	12,852,826,927.07	12,751,522,281.70
401-3	Other Direct Costs	3,965,858,315.19	3,401,770,004.39
402-3-1	Depreciation - Busses	2,015,297,342.07	2,107,677,032.10
	Total	34,566,216,508.75	34,005,710,722.90

Bus Operation Expenses

	<u>31.12.2016</u>	<u>31.12.2015</u>
401-1-1 Salary - Drivers & Conductors	3,484,500,755.44	3,453,177,110.36
401-1-14 Salary - Engineering	1,112,833,969.91	1,125,549,785.32
401-1-3 Over time - Scheduled Drivers & Condu	1,314,197,501.12	1,296,020,292.95
401-1-4 Over time - Un Scheduled Drivers & Cor	363,884,069.14	276,179,634.47
401-1-16 Over time - Engineering	300,471,016.39	287,141,391.90
401-1-6 Travelling - Drivers & Conductors	14,900,829.52	13,984,286.95
401-1-18 Travelling - Engineering	5,835,069.50	7,040,741.75
401-1-2 Cost of Living - Drivers & Conductors	1,822,898,722.43	1,985,164,355.65
401-1-15 Cost of Living - Engineering	540,918,071.90	595,239,242.09
401-1-5 Bus Crews - Layover	24,366,394.86	54,167,963.51
401-1-7 Incentive - Drivers & Conductors	1,271,371,507.03	1,144,560,263.02
401-1-17 Incentive - Engineering Employees	218,987,168.94	235,300,951.76
401-1-8 Attendance Allowances - Drivers & Cor	7,106,617.16	94,420,485.35
401-1-19 Attendance Allowances - Engineering	22,300,754.15	36,825,607.06
401-1-10 Special Allowances - Drivers & Conduc	2,738,898,489.70	2,578,080,816.01
401-1-20 Special Allowances - Engineering	924,610,581.36	803,304,119.23
401-1-23 Bus Washing & Watching Allowance	30,036,547.62	32,584,659.85
401-1-9 Night Allowances- Drivers & Conductor:	8,656,660.90	11,002,448.63
401-1-11 Waybill Checking Commission	10,960,199.73	14,925,122.40
401-1-12 E.P.F - Drivers & Conductors	807,761,321.58	942,737,593.00
401-1-21 E.P.F - Engineering	259,787,463.68	312,092,214.85
401-1-13 E.T.F - Drivers & Conductors	199,876,014.91	238,325,636.76
401-1-22 E.T.F - Engineering	64,106,341.71	78,152,930.63
401-1-24 Other Variable Expenses	182,967,855.74	128,763,751.21
	<u>15,732,233,924.42</u>	<u>15,744,741,404.71</u>

Direct Fuel Oil & Lubricants

401-2-A Oil & Lubricants for Busses	358,237,115.93	363,545,839.38
401-2-B Fuel for Busses	12,494,589,811.14	12,387,976,442.32
	<u>12,852,826,927.07</u>	<u>12,751,522,281.70</u>

Other Direct Cost

401-3-1 Spare Parts	1,544,950,797.69	1,171,298,435.80
401-3-2 New Tyres Tubes	775,655,613.29	761,465,475.04
401-3-3 Rebuild Tyres	1,314,823,782.30	1,143,124,060.39
401-3-4 Batteries for Busses	108,142,756.06	68,854,077.16
401-3-5 Busses Repair & Maintenance Expenses	118,567,722.19	144,483,241.04
401-3-6 Busses - Insurance Expenses	32,987,518.02	50,403,671.43
401-3-7 Busses - Registration Fees	7,147,589.43	7,703,281.58
401-3-8 Tickets & Way Bill Expenses	63,582,536.21	54,437,761.95
	<u>3,965,858,315.19</u>	<u>3,401,770,004.39</u>

17. Other Operation Income

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
303-1	Rent Income	17,307,070.85	5,834,180.00
303-2	Driver Training Schools	(33,017,651.63)	47,088,541.43
303-3	Fuel Sheds Income	22,123,738.99	33,916,173.34
303-4	Circuit Bungalows	15,941,499.00	885,550.00
303-5	Advertising	32,276,437.16	9,756,945.00
303-6	Penalty Charges	4,842,242.57	2,793,955.65
303-8	Dividends Received	-	50,630.65
303-9	Waste Oil Sale	17,926,629.30	22,051,868.16
303-10	Excess Cash	2,725,452.37	5,397,505.02
303-11	Damages Recovered	31,032,635.56	25,193,779.61
303-12	Income From Property	350,351.79	4,522,677.67
303-13	Building & Canteen Rent	2,214,204.33	7,079,660.61
303-14	Commission & Discounts	84,702,561.42	77,152,632.66
303-15	Fitness Certificate	9,184,476.91	7,743,080.00
303-16	Income from Outside Repairs	292,558.40	1,024,149.00
303-17	Wrecker charges	514,376.22	822,177.50
303-18	Insurance Commission	1,435,591.44	581,143.33
303-19	Cashier Excess	402,140.13	430,130.64
303-20	Income on Identity Cards	3,909,547.74	3,147,734.87
303-21	Stock Adjustment AC	(16,602,531.89)	120,428,954.91
303-22	Excess / Shortage of Fuel Stock	46,673,819.57	42,471,837.27
303-23	Scrap Sale	6,308,741.50	6,532,289.45
303-24	Other Income	204,672,763.87	166,045,104.21
303-25	Revenue from Shalika	3,051,750.00	5,120,525.00
303-26	Fuel Income	13,762,091.22	13,804,101.82
303-27	profit on sales of buses	30,681,281.80	60,473,109.38
303-29	Sale on Other items	376,808.00	95,167.50
303-30	Scrap Stock Excess	132,590.64	56,790.70
303-31	Doubtful Debts Execs a/c	5,312,180.97	-
302-1-4	Other Subsidy	12,629,204,153.81	1,090,605,904.42
302-1-A	Salary Subsidy	-	10,855,904,479.00
302-3-C	EPF Subsidy	11,760,858.00	370,000,000.00
	Total	13,149,498,370.04	12,987,010,778.80

18. Administration & Establishment Expenses

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
	Salaries & Wages	1,551,884,551.33	1,611,860,665.31
	Overtime & Leave Pay	236,944,980.50	203,411,211.17
	Cost of Living Allowance	743,128,730.07	800,548,187.10
	Travelling Expenses	59,260,885.47	35,446,730.27
	Other Special Allowances	1,156,946,211.55	1,176,905,379.20
	Repairs & Maintenance	144,410,669.43	120,477,970.74
402-1-6	Chairman/Director Board Allowance	2,313,227.16	2,245,795.05
402-1-8	Private Security Salaries	28,138,666.06	47,796,492.97
402-1-9	Medical Bills	1,627,667.89	1,954,664.84
402-1-10	Other Allowances	112,982,622.30	75,367,125.17
402-1-11	Contract & Daily Payment Employees A	28,414,138.03	38,254,466.40
402-1-12	Employee Provident Fund	391,684,602.37	407,173,570.66
402-1-13	Employee Trust Fund	87,616,695.50	103,507,461.45
402-2-5	Printing & Stationary	79,743,050.69	79,970,106.88
402-2-6	Rent & Rates	27,522,688.83	30,702,341.34
402-2-7	Telephone	33,998,882.84	33,831,537.25
402-2-8	Electricity	108,494,965.77	120,851,557.83
402-2-9	Water	31,165,207.86	31,271,797.98
402-2-10	Annual Bonus	68,734,742.82	45,963,311.19
402-2-11	Gratuity Allowances a/c	1,144,831,511.75	1,280,048,333.50
402-2-12	Medical Condemn Retirement	13,552,184.33	5,434,197.63
402-2-13	Legal Expenses	29,351,864.64	38,606,698.51
402-2-14	Staff Welfare	20,712,861.89	13,309,807.27
402-2-15	Ex-gratia Payments	34,217,124.38	15,895,739.81
402-2-16	Workmen Compensation	2,295,138,353.70	7,169,413.15
402-2-17	Payment for Police security	31,044.00	44,282.00
402-2-19	Fuel Oil & Lubricants(indirect)	28,461,440.75	34,740,013.30
402-2-20	Entertainment	12,644,239.00	8,211,119.71
402-2-21	Other Expenses	1,805,969,683.16	691,103,971.27
402-2-22	Doubtful Debts	1,250.00	775,797.99
402-2-23	Advertising Expenses	4,440,742.45	3,776,136.94
402-2-24	Insurance - Other Vehicles	5,312,596.32	5,670,046.95
402-3-2	Depreciation	38,202,735.84	38,883,029.44
	Total	10,327,880,818.69	7,111,208,960.27

19. Finance Performance

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
402-4-1	Over Draft Interest	58,745,338.60	77,365,913.50
402-4-2	Bank Charges	23,212,593.94	21,901,426.12
402-4-3	Debit Tax	204,315.46	569,800.68
402-4-4	Leasing Interest a/c	323,399,174.65	427,439,683.16
402-4-5	Other Finance Cost a/c	314,682,140.85	61,320,114.77
	Total Financial Cost	720,243,563.50	588,596,938.23

Account Code	Description	31.12.2016 Rs.	31.12.2015 Rs.
303-7	Deposit Interest Income	56,663,229.15	50,775,874.91
	Total Financial Cost	56,663,229.15	50,775,874.91

Net Financial Cost	663,580,334.35	537,821,063.32
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20. Production Loss		31.12.2016	31.12.2015
		Rs.	Rs.
403-1	Work in Progress as at 01.01.2015 - Materials	36,459,327.27	3,736,604.60
403-2	ADD Purchases - Materials	213,727,739.58	277,011,800.33
403-4	LESS Goods Return	850,042.63	641,543.12
	Work in Progress as at 31.12.2015	4,618,687.74	36,459,327.27
		5,468,730.37	37,100,870.39
	Primary Cost of Finished Goods	244,718,336.48	243,647,534.54
	Factory Overhead Cost		
403-1-A	Factory Wages & Allowances	206,628,034.54	201,244,076.03
403-1-B	Overtime	6,021,034.21	5,207,997.67
403-1-C	Travelling Allowances	297,609.18	322,354.50
403-1-D	E.P.F	17,077,870.06	20,746,849.99
403-1-E	E.T.F	4,148,166.28	5,087,142.53
403-1-F	Other Costs	4,762,627.35	5,511,683.84
	Factory Costs	238,935,341.62	238,120,104.56
	Total Production cost	483,653,678.10	481,767,639.10
403-3	Revenue on Production	354,538,224.55	306,767,300.32
	Production Shortage	129,115,453.55	175,000,338.78

21. Government Contribution		
Account Code	Description	31.12.2015
		Rs.
302-2-B	Grant for Rehabilitation	907,376,605.86
302-5-E	Government Grant Busses	393,492,705.81
	Total	1,300,869,311.67



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

CPT/A/SLTB/01/2016/28

ඔබේ අංකය
உமது இல.
Your No.

විශා
திகதி
Date

14 November 2018

The Chairman
The Sri Lanka Transport Board.

Report of the Auditor General on the Financial Statements of the Sri Lanka Transport Board for the year ended 31 December 2016 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of Sri Lanka Transport Board for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 13(1) of the Finance Act, No. 38 of 1971 and Section 24 of the Sri Lanka Transport Board Act, No. 27 of 2005. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2) (c) of the Finance Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit conducted in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810).

1.4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2.2 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items, and the elements making up the statement of financial position, comprehensive income statement, statement of changes in equity and cash flow statement.





2. Financial Statements

2.1 Disclaimer of Opinion

Because of the significance of the matters described in paragraph 2.2 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2.2 Comments on Financial Statements

2.2.1 Going Concern of the Board

As the Board had been incurring continuous losses, the net assets had extensively eroded and as a result, the net assets by the end of the year under review had become a negative value of Rs. 20, 851,282,909 and it was observed in audit that without the financial assistance of the Treasury or the Government, the going concern of the Board could be uncertain.

In analyzing the financial position for the year under review and the 4 preceding years, current assets to cover up the current liabilities had been at a level lower than 32 per cent of the total current liabilities during the period from 2011 to 2015 and this level had been at 49 per cent in the year 2016. Non-settlement of payables as specified, failure in taking action to recover receivables and the balances brought forward for a long period without being settled had mainly attributed to this position.

2.2.2 Sri Lanka Accounting Standards

The following observations are made.

(a) Sri Lanka Accounting Standard 16

- (i) In terms of paragraph 55 of the Standard, depreciation of an asset begins when it is available for use and shall be allocated on a systematic basis over its useful life. However, the Board had not made provisions for depreciation

relating to assets valued at Rs.81, 415,892 purchased and utilized in the year under review.

- (ii) The buses value of Rs. 1,367,754,792 of the bus fleet of the Board had been condemned at the year under review and the depreciation value of those buses were Rs. 1,370,972,541. Even though, those buses had been removed from the use it was shown as fixed assets in the Statement of Financial Position. Overprovision of depreciation by Rs. 3,217,749 had been made exceeding the cost of condemned buses.
- (iii) In terms of paragraph 58 of the Standard, the value of lands and buildings should be separately identified and shown in the financial statements. However, contrary to that, a sum of Rs.319,799,319 had been shown as lands and buildings in the statement of financial position. Out of that total value, depreciation had been computed annually at the rate of 2.5 per cent considering fifty per cent as the value of buildings. As such, depreciation of Rs.1, 005,499 had been made by the year 2016 exceeding the cost of buildings.

(b) Sri Lanka Accounting Standard 17

- (i) In terms of Paragraph 31(b) of the Standard, in disclosing lease liability in the financial statements, the fair value of such lease assets or the present value of lease payments payable, whichever is lower should be disclosed and it should have been disclosed as follows. Contrary to that, only the financial lease liability at cost and the interest thereon on sum of digit method had been computed by the Board and shown as Rs.7, 383,195,074 under lease liability.
- (ii) The following disclosures had not been made in relation to lease.
 - Reconciliation between the minimum lease instalment at the end of the period and their present value.

- The total of future lease instalments at the end of the accounting period and their present value for periods not less than one year, over one year and less than 05 years and over 05 years.

(c) Sri Lanka Accounting Standard 19

In terms of paragraph 57 of the Standard, the post- employee benefit liability should be estimated based on the Projected Unit Credit Method. In contrary to that, the provision for total gratuity had been computed by adding the Cost of Allowance and additional allowances to the average salary of each Grade and multiplying by the number of officers.

2.2.3 Accounting Policies

An accounting policy had not been established by Board to recognize the Computer Software as Intangible Assets. As such, amortization amount of Rs. 2,377,621 had not been provided for the Software purchased for Rs. 9,510,486 in the year 2015.

2.2.4 Accounting Deficiencies

The following observations are made.

- (a) As a result of accounting the rent income, electricity and water charges billed for the stalls rented out by the Central Bus Stand on cash basis, accrued rent income amounting to Rs. 3,199,955 and accrued electricity and water bills income amounting to Rs. 773,967 had not been accounted relating to the year under review.
- (b) The bank charges sum of Rs. 147,965 had not been accounted from the year 2013 to 2016
- (c) According to the Board of Survey Report of the Head office, 11 inventory items value of Rs. 1,107,267 including passenger's ticket books, coupons of senior citizens were obsolete. However, the inventory value had been overstated by similar amount due to non-removal of such value from the inventory.

(d) The direct receipts of Sisu Sariya and Nana Sariya income to current accounts from National Transport Commission relating to the Udugama Depot amounts of Rs. 378,072 and Rs. 793,164 respectively had not been recognized and accounted.

(e) Amount of Rs.32, 436,772 had been incurred to construction of buildings at new depot at Horowpathana and it has been utilizing from 11 June 2012, and such amount incurred for its constructions had been shown as Work-in-Progress. As such, depreciation of building had been understated by Rs. 810,919.

2.2.5 Suspense Accounts

Actions had not been taken to clear the balance of Rs. 390,910 in the Suspense Account in the Financial Statements for the year under review.

2.2.6 Lack of Evidence for Audit

Due to lack of evidence indicated against the following transactions, they could not be satisfactorily vouched or accepted in audit.

Item of Account	Value	Evidence not made available	
	(Rs.)		
(i) Inactive accounts			
- Debit	9,935,459,128	Age Analyses and Letters on Confirmation of Balances	
- Credit	26,054,954,882		
(ii) Fixed Deposit at Bank of Ceylon	6,905,000	Deposit Certificates	
(iii) Cash Balance	1,856,558,905	Detailed Schedules and Balance Confirmations for each Depot separately	
(iv) Bank Overdraft	889,251,471		
(v) Trade Creditors	2,434,887,483		
(vi) Other Creditors	137,398,234		
(vii) Cashiers' shortages	34,776,498		
(viii) The balance of Conductors' irregularities	11,595,695		
(ix) Sundry Debtors	101,155,750		Detailed Schedules, Age Analyses and Balance Confirmations
(x) Income Receivable	233,785,840		
(xi) Trade Debtor Balance	19,632,110	Detailed Schedules	
(xii) Saving Accounts	31,297,381	Balance Confirmations for 11	

		Accounts
(xiii) Land and Building	319,799,318	Register of Assets, Detailed Schedule and Assessment Reports
(xiv) Stocks	817,776,589	Detailed Stocks Reports
(xv) Cancelled Cheques	7,138,279	
(xvi) Payments for Third Parties (Salary Reduction)	49,013,863	Detailed Schedules and Age Analysis

2.2.7 Unexplained Differences

According to the Financial Statements of the Board as at 31 December 2016, payable to Employee provident Funds and penalties was Rs. 3,720,781,715 whereas, according to the records of Employee Provident Fund recoverable amount was Rs. 5,343,474,711. Therefore, a difference of Rs. 1,622,692,996 was observed in the payable balance for the year under review.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Action had not been taken even up to the end of the year under review to recover an outstanding income from stall rent of the Central Bus Stand amount of Rs. 1, 863,414 since the year 2009 and Rs. 5, 368,009 from the year 2014.
- (b) The recoverable License Income of the Head Office as at 31 December of the year under review was amounting Rs. 142,466,102 which included amount of Rs. 12,783,486 over one year. Action had not been taken by the Board to recover this money.
- (c) Out of total unsettled amount of Rs. 1,635,847,558 in the Purchase Advances Account, a sum of Rs. 1,633,859,392 or 99 per cent was unsettled for periods of one year to three years and a sum of Rs 649,682,474 or 40 per cent had not been settled over 03 years.



- (d) The receivables income balances from Badulla and Bandarawela depots for the year under review were Rs.2, 917,799 and Rs. 2,415,070 respectively and those were outstanding for longer period.
- (e) Actions had not been taken to recover the provident fund loan receivable amount of Rs. 187,514,112 includes under receivable income balance of Rs. 233,785,840 in the statement of Financial Position during the year under review.
- (f) A sum of Rs.29,109,121 of receivable income from Regional Office of Colombo, depots of Balangoda and Avissawella were outstanding for a periods from 05 to 10 years.
- (g) Receivable income balances of Rs.3,609,145 and Rs. 11,076,232 from Monaragala and Badulla depots respectively were brought forward since the year 2012 without clear.

2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following instances of non-compliance were observed.

Reference to Laws, Rules, Regulations and management Decisions	Non-compliances
(a) Section 11 of the Finance Act, No.38 of 1971 and Section 8.2.2 of Public Enterprises Circular No. PED/12 of 02 June 2003	Even though a sum of Rs.479, 094,484 had been invested in fixed deposits and Treasury Bills as at 31 December in the year under review, the concurrence of the Minister of Finance and the approval of the Minister in charge of the subject had not been obtained therefor.
(b) Section 16 of the Employees Provident Fund Act, No.15 of 1958 as amended by Act, No.26 of 1981	Even though the contribution of each month to be credited to the Employee Provident Fund before the end of following month, an outstanding contribution balance amount of Rs.3,576,839,351 of the Head Office and regional offices were exist as at 31 December 2016.

- (c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- (i) Financial Regulation 395 (b) Bank Reconciliation Statements relating to 62 current accounts maintained by the Board had not been made available to Audit in the year under review.
- (ii) Financial Regulation 395 (e) Information relating to the cheques issued but not presented and cheques deposited but not realized for 03 bank accounts totaling Rs. 9,179,791 had not been presented.
- (iii) Financial Regulation 395 (h) In the assignment of duties to officers, the duty of preparing bank reconciliation statements should be assigned to a person who has no connection in preparing the cash book. However, the duty of preparing bank reconciliation statements had been assigned to the persons who preparing the cash book.
- (iv) Financial Regulation 396 (d) Action had not been taken in terms of Financial Regulations for the 67 cheques issued but not presented for payment of 14 bank accounts totaling Rs 5,029,620 with a lapse of 06 months.
- (d) The Government Procurement Guidelines and Hand Book of 2006
- Procurement of Tires value for Rs. 775,655,613 during the year under review.**
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- (i) Guideline 4.2.3 Procurement Time Table with the complete Procurement process had not been prepared
- (ii) Guideline 5.3.11 Even the bid security period to be valid for 14 days after the validity period of bids, it was not complied.



- (iii) Guideline 5.4.8 The validity periods of the Performance Security had not been valid till 28 days beyond the intended dates of goods supply.
- (iv) Guideline 6.3.3 All the member of the Bid opening Committee had not been signed in the Bid Security Certificate as per the requirement of Bid Opening Procedure
- (v) Guideline 7.4 Bid Evaluation Report had not been completed by the Technical Evaluation Committee before completion of fifty per cent of Bid validity period.

Procurement of Suspension Blades value of Rs. 52,759,716 during the year under review.

- (i) Guideline 5.3.2 The Invitation to bid had not contained the basic important information.
- (ii) Guideline 5.4.8 The validity periods of the Performance Security had not been valid till 28 days beyond the intended dates of goods supply.
- (c) Treasury Circular No. 842 of 19 December 1978 An updated Fixed Asset Register containing all the assets had not been maintained at the end of the year under review even amount of Rs 29,063,501,009 Property Plant and Equipment were owned by the Board.
- (f) Sections 05,14,08 of the Lease agreements the stalls rented out by the Central Bus Stand Water bills and Electricity bills had not been paid promptly
- (g) The agreement entered by Board with CEAT Company to procurement of tires



- | | |
|---------------------------|--|
| (i) Terms No. 7.2 | The delivery of tires had been delayed ranging from 16 days to 180 days even it should be delivered within a week after the order. |
| (ii) Terms No. 8 | Interest had not been charged as per the terms on delaying the delivery of goods. Accordingly, interest on delay amount of Rs. 734,751 relating to 04 orders under the voucher No. 902 had not been charged. |
| (iii) Terms No. 10.4/10.5 | Actions had not been taken as per the terms even, according to the new tires operating report, the number of kilo meters run were below as required. |

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result for the year ended 31 December 2016 had been a deficit of Rs. 632,619,173 as compared with the corresponding deficit of Rs.751, 260,743 in the preceding year, thus indicating a decrease in the deficit by Rs.118,641,570 for the year under review as compared with the preceding year. Increase in income by Rs.3, 638,684,574 and increase in Government Grants by Rs. 342,896,380 had mainly attributed to the decrease in the above deterioration.

An analysis of financial results for the year under review and 04 preceding years revealed that the deficit of the Board had gradually decreased from the year 2012 to the year 2016. Taking into consideration the employees' remuneration and depreciation on non-current assets, the contribution of the Board had improved in the year 2013 as compared with the year 2012 and the contribution which was Rs.12,709,377,743 in the year 2013 had continuously improved up to Rs.19,538,760,465 in the year 2016.

4. Operating Review

4.1 Performance

The following observations are made in respect of the performance of the year under review in accordance with the Action Plan, Progress Report and the Budget prepared as per the Corporate Plan relating to the achievement of the objectives of the Board in the year 2016.

- (a) Attention had not been drawn in preparing the Corporate Plan on the following activities that could have been implemented in accordance with the powers vested in the Board in terms of Sri Lanka Transport Board Act, No. 27 of 2005.
- Providing bus halts or shelters for the road passengers transported by the Board.
 - Providing bus services for the routes considered by the Board as being difficult or impractical.
 - Supplying and maintenance of places for stopping the buses belonging to the Board.
- (b) The following observations are made in respect of targets intended to be achieved during the year according to the Action Plan of the year 2016
- (i) Even though it had been planned to earn daily route income of Rs. 65.5 million per kilometer, in the year 2016, only daily route income of Rs. 57.59 million per kilometer had been earned. Accordingly, Rs. 7.91 million of the target income could not be achieved.
- (ii) Even though it had been planned to increase the daily route income up to Rs.87.06 million, only a sum of Rs. 71.08 million had been earned. Accordingly, Rs. 15.98 million of the target income could not be achieved.
- (c) It had been targeted to repair and get into operating condition, the buses which should be totally repaired and the buses which are being removed from operating due to minor repairs occurred daily. Even though the total fleet of buses existed as at 31 December 2016 stood at 7,768, out of them, 1,564 buses or 20 per cent were not in operation due to following reasons,



Description	Number of Buses not in operation
Buses not operated without tyres, tubes and batteries	111
Buses not operated without units and sub-units	424
Buses which are in dock	85
Buses being repaired due to accidents	55
Buses being repaired due to minor mechanical defects	218
Buses not operated due to repairs of units	254
Buses not operated due to major repairs	306
Buses which are not economically benefitted by repairing	111
Total	1,564

539 buses had not been operated due to unavailability of tyres, tubes and sets. Moreover, 1,008 out of the said fleet of buses had been older than 15 years.

- (d) The Board required 9,192 drivers (as per duty) and 9,192 conductors to operate the buses in the year 2016. There were actual 9,954 drivers and 9,628 conductors. Accordingly, it was observed an excess of 762 drivers and 436 conductors when operating buses. However, it was observed the shortages and excess in drivers and conductors in several regional offices and depots due to inappropriate deploying the drivers and conductors among the Regionals and depots.
- (e) Provisions of Rs.800 million had been made by the Board relating to the year 2016 for the project of rehabilitation of buses and adding them to the fleet of buses and a sum of Rs.1084 million had been received from the Treasury and spent during the year 2016. According to the reports of the Planning Division, out of the targeted number of buses for rehabilitation, 1,539 buses or 65 per cent could not be rehabilitated. Detailed information on the achievement of expected targets is given below.



Year 2016

Description	Target	Actual Position	Quantity not achieved
Engine Sets	1,200	419	781
Gear Boxes	900	195	705
Bus Bodies	264	211	53
Total	2,364	825	1,539

4.2 Management Activities

The following observations are made.

- According to the section 14 and 16 of the lease agreements of the stall rent of the Central Bus Stand, lease agreement can be cancelled by a three month prior notice, if the payments of monthly lease installments are default continuously for three month by the lessee. Overdue rent income of stall number LII 32 and LII 34 and Toilet complex of the Central Bus Stand were Rs. 450,000 and Rs. 1,978,000 respectively as at 31 December 2016. However, it had not been acted as per the agreements even lease installments had been defaulted continuously more than three months.
- Lease agreements are valid by 31 December 2016 only for 9 out of 58 stalls situated at the Central Bus Stand and rent agreements in remaining agreements were out dated. Further, it was observed that certain agreements out of them have been remaining since the year 1970. Action had not been taken to update those rent agreements by the Board.
- According to the information provided to the audit, in accordance with the Board decision No. 61 of 08 September 2016, monthly stall rent of the year 2016 had been amended by different rates. However, it was observed that the amended rent had not been received and a formal policy had not been applied when decide the new monthly rent charges. The variances were ranging from 0 per cent to 403 per cent between the monthly rent income as at 31 December 2015 and the monthly rent income as at 31 December 2016.



- (d) According to the billing policy of the Electricity Board and the water Board, when the units of electricity and water consumed are increased, the rate as well is increased. Without considering it, an equal rate had been charged from lease holders using the sub water and electricity meters fixed at the stalls of the Central Bus Stand. As such, the excess payment of Rs. 12,117,837 over the amounts collected as water and electricity bills from lease holders for the year 2016 had been made by the Board as follows.

	Amount collected from lease holders during the year 2016	Amount paid by the Board during the year 2016	Excess payment over the amount Received during the year 2016
	Rs.	Rs.	Rs.
Electricity	2,520,495	9,156,041	6,635,546
Water	1,197,133	6,679,424	5,482,291
Total	3,717,628	15,835,465	12,117,837

- (e) Stall number LH 32 of the Central Bus Stand was having 4,788 square feet. Lease holder had used it to keep 10 air conditioned rooms. Even electricity bills amount of Rs. 175,815 were paid for the year 2016 on three past power supply to that place, the amount recovered as electricity bills by the Board could not be revealed. Further, actions had not been taken to amend those unfavorable billing policies and agreed terms.
- (f) The director board had decided to appoint a committee on January 2016 to write off the inactive account balances. Appointment of representatives from the ministry and treasury had been delayed a year up to January 2017 and the recommendations of that committee had not been given of that up to end of April 2018.
- (g) According to the additional requirement of the bid documents, a tire card with serial number for each tire to be issued to the SLTB by the tire supply organization, tire cards had not been supplied for 19,094 tires purchased from CEAT Company for the year 2016.
- (h) The Board had entered in to an agreement with CEAT International Tire Company on 06 May 2016 to purchase tires for the year 2016. However, in contrary to that, 34

new tires, 1,925 belts and 195 tubes had been purchased for the amount of Rs. 2,071,847 from other Companies.

- (i) In the past years, in the purchase of spare parts for the Depots, the Head Office had selected suppliers and made payments therefor. However, unsettled balances of advances of Rs. 1,907,294,471 had remained in the Purchase Advance Account as at 31 December 2015 and Rs. 1,635,847,558 as at 31 December 2016 due to the failure in submitting the relevant invoices and the goods received notes to the Head Office by the Depots. It was observed that the settlement of advances was not done without delay.
- (j) According to the Report of Board of survey as at 31 December 2016, 140 inventory items including vehicle log books at the Head Office and Repair Kit Injector Pump valued at Rs. 17,159,995 had been recognized as slow moving items even it suit for use. It had not been disclosed in the Financial Statement prepared as at 31 December 2016.
- (k) 21 current account had been maintained only in the Head Office for varies purposes and total of debits Rs. 6,822,431,518 and total of credits Rs. 6,815,368,696 money had been exchanged within the accounts. Therefore, it was observed that the internal control of the financial activities were weak.

4.3 **Operating Activities**

The following observations are made.

- (a) The contractor had stopped the construction of the construction of the Phase 02 of the Katharagama Rest House which was cost of Rs. 13,167,038 despite having paid a sum of Rs.7,912,368. However, action had not been taken to recover that loss the Board from the officers who are responsible in respect of the failure to cash the performance bond of Rs.658,351 before its maturity, dated 08 December 2013, in terms of the contract agreement to minimize the loss.



- (b) The Driver Training School had been accompanied with loss annually. Excess other staff had been allocated them compare to the Driver's Consultants. As a result, salaries and other allowances paid had been exceeded the income of the Driver Training Schools. The following information are relating to the income, salary payments and assigning the staff of the Driver Training Schools of Pothuhara and Kaluthara for the year 2016.

	Driver Training School – Pothuhara	Driver Training School- Kaluthara
	Rs.	Rs.
Loss for the Year 2016	21,192,032	32,629,646
Income of the Year 2016	8,769,875	7,617,748
Salaries and allowances paid in Year 2016	14,077,682	21,494,112
Total staff allocated	21	33
No. of Consultants in the allocated staff	04	06

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) A number of 143 buses costing Rs.97,462,160 had been handed over to the Wesco Institution for rehabilitation in the year 2002. However, that institution is inoperative by now and as such, there is a risk of getting down those buses again by the Board. However, no adequate disclosure had been made in that connection in the accounts of the year under review.
- (b) According to the information of the Board, a sum of Rs.3,695,712,194 had been recovered from the employees' salaries as the contribution to the Employees' Provident Fund from the year 2010 to the year 2015. However, those moneys had not been properly remitted to the Employees' Provident Fund and as such, the employees had been deprived of the interest receivable for the relevant period.



4.5 Apparent Irregularities

In making payments to a private company for supplying suspension blades produced under the name Napco for Depots belonging to the Sri Lanka Transport Board from the year 2012 to the year 2015, a sum of Rs.127, 150,000 had been paid by the Board as per the request made by the Napco Company for obtaining money recoverable. However, actions had not been taken to take disciplinary actions and recover the money from relevant officers even the payment had been made without verifying the receipt of suspension blades in terms of Financial Regulations 137 and 138.

4.6 Uneconomic Transactions

The following observations are made

- (a) Even though Head Office to be remitted by the depots amount of Rs. 3,000 per day for a bus which was purchased under lease basis in the Years 2014 and 2015, at the end of the year under review, amount of Rs. 1,541,834,030 had to be received from depots.
- (b) The payment of lease rental of buses had been delayed by the Head office since the money had not properly remitted by depots and as such it had been paid amount of Rs. 67,076,082 as late charges.
- (c) A loan amount of Rs. 770,542,961 had been obtained in the year 2016 as the Board did not have sufficient money to pay the lease instalments and late charges and as such, amount of Rs. 43,587,110 had been paid by the Board as interest on loan in the year under review.

4.7 Identified Losses

As a result of, contributions to the Employees' Provident Fund and the Employees' Trust Fund had not been remitted on the due date; a surcharge of Rs. 143,942,364 and Rs.3, 798,120 had to be paid respectively by the end of the year under review.



4.8 Staff Administration

In accordance with the Section 9 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, an organization chart, a Scheme of Recruitment, and a Scheme of Promotion had not been prepared for the Sri Lanka Transport Board, and the approval of the Department of Management Services had not been obtained therefor.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

In terms of the Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, financial statements and the draft Annual Report for the year under review should have been presented to Audit within 60 days of the closure of the year of accounts. However, the financial statements for the year 2016 had been presented only on 23 January 2018 after delay of 11 months.

5.2 Action Plan

In terms of Section 5.1.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003, an Action Plan should be prepared to enable the achievement the objectives and targets within the planned period by clearly identifying Management's responsibility. Nevertheless, the Action Plan had been prepared without considering the financial position of the Board by including objectives and targets which could not be achieved.

5.3 Procurement Plan

The following observations are made

- (a) A Master Procurement Plan had been prepared by the Board in terms of Guideline 4.2 of the Government Procurement Guidelines 2006. Even though the procurement activities envisaged at least for a period of 3 years should be listed in the Master Procurement Plan in terms of Guideline 4.2.1 (b), the Master Procurement Plan presented had not been so prepared.
- (b) According to the Procurement plan of Year 2016, even it was planned to purchase tires as follows, it was lower with compare to the actual purchases ranging 56 per cent to 100 per cent.

Type of Tires	No. of Tires as per Procurement Plan	Actual No. of Tires	Difference	Difference as a percentage
750x16	72	-	72	100%
825x20	4,800	1,074	3,726	78%
900x20	36,000	15,924	20,076	56%
1000x20	912	202	710	78%
Total	41,784	17,200	24,584	

5.4 Budgetary Control

The following observations are made.

- (a) The Sri Lanka Transport Board had prepared a budget for the year 2016 and the financial statements for the year 2016 in a manner that they cannot be compared the information with each other. Therefore, it was observed that, the Board did not check whether any variances between the budgeted and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of financial control.
- (b) As it were observed variances ranging from 11 per cent to 101 per cent between the budgeted and actual values of 15 Items of Income and Expenditure of the Board, it was observed that the budget had not been made use of as an effective management instrument of financial control.

5.5 Performance of the Environmental and Social Responsibility

The following observations are made.

- (a) In terms of Gazette Extraordinary No. 1533/16 of 25 January 2008 of the Democratic Socialist Republic of Sri Lanka and Section 23 of the National Environmental Act, No.47 of 1980, a license should be obtained under the aforesaid section being activities which involves or results in discharging, depositing or emitting waste into the environment causing pollution. In terms of that Gazette, a Certificate of Conformity should be obtained for every motor vehicle being used in Sri Lanka by performing an emission test and according to the Order No.09, it has



been mentioned that buses as well are entitled to the term motor vehicle. Therefore, emission test certificates should be obtained for buses belonging to the Sri Lanka Transport Board. However, according to the information of 10 Regional Offices, emission test certificates had been obtained only for 800 out of the total of 6,729 buses in the year 2016. 88 per cent out of the total number of buses had been run without undergoing emission tests and as such, it was observed that the environmental laws and regulations had been violated.

- (b) In terms of the Gazette Extraordinary No.1533/16 of 25 January 2008 and the National Environment Act, No.47 of 1980, a license should be obtained therefor by all Depots from which motor vehicle services are carried out. However, it was observed that only 7 out of 107 Depots had obtained these licenses.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Board from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls	Observations
(a.) Control of Fixed Assets	(i) Failure to maintain a Register containing information of the buses belonging to the Board. (ii) The custody had not been handed over as ensure the security of the assets (iii) Weakness in the internal control relating to purchasing and accounting of assets. (iv) Failure to conduct annual verifications of assets.
(b.) Financial Control	(i) Failure to take prompt action to recover the funds receivable and failure to take action to pay the funds payable. (ii) Maintenance of bank current accounts without a requirement by the Financial Division.



- (iii) Failure to prepare bank reconciliation statements accurately.
- (c.) Settlement of Advances
 - (i) Failure to maintain a Register of Advances.
 - (ii) Failure to take action to settle the advances immediately after completion of the relevant purpose.
 - (iii) Failure to review by responsible officer
 - (iv) Failure to reconcile and adjust on timely basis.
- (e.) Stores Control
 - (i) Receipt of Goods without testing by responsible officer
 - (ii) Failure to dispose the unusable items which come for longer periods
 - (iii) Failure to report to the Head Office the information relating to the goods supplied by suppliers directly to the Depot after being ordered by the Head Office, and failure to reconcile them
 - (iv) Failure to reconcile the inventory data and depots data.

H.M. Gamini Wijesingha
Auditor General