

ANNUAL REPORT

2021

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, Regions, National Transport Commission, Provincial Councils, relevant Ministries and other related agencies 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 into 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

It gives me great pleasure in presenting the Annual Report of the Sri Lanka Transport Board (SLTB) for the period 2021/01/01 to 2021/12/31. I assumed duties as Chairman of the SLTB on 2022/12/09 and though I was not the Chairman of the SLTB for the period under review still I am obliged to issue a message for the Annual Report for the year 2021.

The SLTB is one of the largest State Institutions in Sri Lanka. Prior to nationalization the transport system was organized by a handful of private bus owners. As it was unjust that the national wealth should be concentrated in the hands of a few individuals and as it was also manifestly obvious that the national wealth should be evenly distributed among the people of this country the bus services were nationalized. It is therefore proper that the management and the employees should realize that the progress of the SLTB depends largely on their endeavors.

In the year under review the average number of buses operated by the SLTB was 3358 and the total number of kmm. operated was 247.8 Mn. and when compared with last year there is a decline of 19.09% which amounts to about 58.5 kmm.

The waybill revenue for the year 2021 was Rs. 13,607.5 Mn. and this was Rs. 16,787.3 Mn. in the year 2020. Accordingly when compared with last year there is a decline in revenue of Rs. 3,179.8 Mn. which amounts to 18.94%. The reason for the decline in revenue for the year 2021 is directly attributed to the continuation of COVID 19 Pandemic which was spread throughout the country from March 2020. The operational loss for the year 2021 was Rs. 3,054.5 Mn. and when this is compared with the year 2020 there is a decline of 45.12%.

485 engines, 440 gear boxes and 343 bus bodies were repaired with the funds Rs.1,298.68 Mn.made by the General Treasury. Though the number of bus trips were increased and early morning and late night services were operated with a view to reduce congestion in buses, I wish to remind that due to the lockdown of the whole country and isolation of various Regions from time to time and the uncertain situation that prevailed as a result of widespread COVID 19 Pandemic from 19th March 2020 which continued till 2021, it was not possible to operate normal bus services or perform other operational activities. However, I wish to mention that I am pleased to note that during that period as an essential service in the country the SLTB provided bus services to transport employees in essential services such as the health sector and other State Institutions, Covid patients, Covid patients' associates, pensioners to draw their pensions, Tri-forces including Police Force in a laudable manner.

Mainly due to the spread of COVID 19 Pandemic during the year 2021 the financial performance of the SLTB was adversely affected. Currently the situation is improving and now the SLTB is releasing averagely about 5,050 buses daily for operation out of which 4,700 buses are operated. The average daily waybill revenue is about Rs. 172 Mn. Further I wish to mention that the adjustment of salaries of PL I, PL II and PL III category of employees from 2019/01/01 in terms of Department of Management Services Circular No. 02/2016 have now been completed by the SLTB.

I am very glad about the contribution made by the entire staff of the SLTB and the Board of Directors to achieve the vision and mission of the SLTB. I wish to express my thanks to the Hon. Minister of Transport, Hon. State Minister of Transport for Motor Vehicle Regulation, Bus Train Services and Train Compartments and Motor Car Industry, Secretaries of both Ministries, officials of the General Treasury and all other stakeholders who have shown encouragement and determination for helping me to implement the policies of the Government.

We possess the ability and determination to withstand the onslaught of COVID 19. It is important that all of us join hands in our journey for the development and prosperity of the Sri Lanka Transport Board.

S.M.D.L.K. de Alwis
Chairman
Sri Lanka Transport Board

❖ OPERATIONS DIVISION

01. The daily average number of buses released for operation during the year 2021 was 5,364 and the average number of buses operated per day was about 3,354. Average number of kilometers operated per day was about 0.67 Mn. Average daily waybill revenue earned per km. was about Rs. 54.89. Due to the COVID Pandemic that prevailed in the country there was a setback in the number of buses released for operation, number of buses operated and the number of Kmm. operated in the year 2021.
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. Considering the passenger needs action has been taken to strengthen the existing rail – road coordinated services and to commence new bus services with a view to developing rail-road coordinated bus services from railway stations.
04. The “Sisu sariya” project has developed up to 741 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.
06. During the period of COVID pandemic the private sector bus operation was completely paralyzed and therefore the SLT had to provide bus services to Essential Services and transport of officers.

Contribution by the SLTB for social benefits

Operation of early morning and late night services

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, the SLTB gets only goodwill. However considering this as another social obligation the SLTB continues to operate the 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 to schools in time and bringing them back home safely.

❖ Secretariat Division

Meetings of the Board of Directors in the year 2021

Number of Meetings of the Board of Directors held in the Year 2021

01 st Meeting	-	2021.01.29
02 nd Meeting	-	2021.03.15
03 rd Meeting	-	2021.04.06
04 th Meeting	-	2021.05.17
05 th Meeting	-	2021.06.28
06 th Meeting	-	2021.07.28
07 th Meeting	-	2021.10.04
08 th Meeting	-	2021.10.26
09 th Meeting	-	2021.11.12
10 th Meeting	-	2021.11.29
11 th Meeting	-	2021.12.13
12 th Meeting	-	2021.12.28

Twelve (12) Meetings of the Board of Directors were held in the year 2021.

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 them item Nos. to each such decision.
06. When approval is received for 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 meeting of the Board of Directors.
09. Take action to pay the sitting allowance to the 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.

Carrying out activities related to the Lands and properties of the Sri Lanka Transport Board (SLTB)

01. Action has been taken to vest the Land named Anderson Golf Links Ground where SLTB Shalika Stadium and Reception Hall is situated with the Sri Lanka Transport Board in accordance with the decision of the Cabinet of Ministers under the Lands Ordinance. Accordingly the File has been completed by the Divisional Secretary of the Thimbrigasyaya Divisional Secretariat and expected to be sent to the Commissioner General of Lands. The File will be forwarded to the Presidential Secretariat by the Commissioner General of Lands through the Ministry of Lands and after obtaining the image signature of His Excellency it is expected to vest the ownership of the land with the SLTB.
02. Follow up action is being taken by the Office of the Commissioner General according to a decision taken by the Cabinet of Ministers to obtain a free grant to the land where the Ekala Workshop is situated.
03. The draft Joint Cabinet Memorandum with the relevant annexures prepared by the Minister of Transport and the Minister of Lands for submission to the Cabinet of Ministers to confirm the ownership of the lands and properties vested with the Sri Lanka Transport Board by Gazette Notification in accordance with Motor Transport Act No. 48 of 1957 at the time of Nationalization of Bus Companies has been referred to the State Ministry of Vehicle Regulation, Bus Transport Services and Train Compartments and Motor Car Industry.
04. Action has been taken to obtain a Deed of Assignment from the Land Reform Commission from whom the Sri Lanka Transport Board has taken possession of the land on the basis of purchase. Accordingly now Deeds of Assignment have already been obtained for lands where SLTB Mathugama and Hakmana depots are now situated.
05. The land on which now SLTB Udahamulla depot is situated has been acquired under Section 44.
06. Action has been taken to obtain the estimated compensation offered through ownership test to the 10.9 perches land block assigned for road development out of the Homagama Old Bus Stand land.
07. Action is being taken to purchase the land where Deraniyagala depot is situated through a vendor through Land Reform Commission.
08. Obtaining relevant Declaration Deed for Matara depot land.
09. Action has been taken to obtain free grants to lands possessed by the SLTB. (Example : Werahera land, Land used at Katubedde by SLTB)
10. Action has been taken in coordination with Divisional Secretariats to obtain clear ownership to lands possessed by the SLTB.
11. Action has been taken to obtain free grant for Kandawatha depot land.

Obtaining compensation and the interest for lands acquired from the SLTB

Ser. No.	Location and the extent of land	Amount of Compensation/ interest (Rs)	Cheque No. and date
01	Interest on compensation in respect of acquisition of 0.0012 hectare block of land No. 302 of Colombo original map No. 9258 for widening Colombo – Horana road	80,487.27	Bank of Ceylon - Piliyandala Branch Cheque No. 078852 Date of cheque – 03.05.2021
02	Interest on compensation in respect of acquisition of 0.0081 hectare block of land No. 303 of Colombo original map No. 9258 for widening Colombo – Horana road	589,739.84	Bank of Ceylon - Piliyandala Branch Cheque No. 086304 Date of cheque – 04.05.2021
03	Interest on compensation in respect of acquisition of the 0.0074 hectare block of land No. 242 and lot No. 243 extent in 0.0135 hectares of Colombo original map No. 9258 for widening Colombo – Horana road	1,652,145.75	Bank of Ceylon - Piliyandala Branch Cheque No. 091698 Date of cheque – 27.07.2021- Receipt No. HOF R000018116/221 dated 16.08.2021 issued
04	Interest on compensation in respect of SLTB Kesbewa Depot Land relating to lot No. 303 of Colombo original map No. 9243 for widening Kesbewa – Pokunuwita road	7,256,702.65	Bank of Ceylon – Battaramulla Branch Cheque No. 495885 Date of cheque – 15.10.2021

❖ **Security Section**

1. 49 investigation files were completed and handed over to the Disciplinary Section during the year 2021.
2. During the year 2021 Security section has undertaken 05 urgent investigations. (The number of urgent investigations were less in number due to the COVID 19)

❖ **Internal Audit Division**

Finance Section

- 01) Properly conducting annual survey of all Stores
- 02) Auditing together of main cash books, daily cash books, payment vouchers, cash receivable and revenue
- 03) Preparation of accounting activities using the accounting package

Technical Section

- 01) Repairs to engine units and gear box units
- 02) Inspection of tyre consumption

Administration Section

- 01) implementation of Human Resources Information System

Development and Planning Section

- 01) Preparation of various reports and submitting them

Operations Divisions

- 01) Issuing free travel Passes to Government institutions and obtaining money
- 02) Maximize season ticket revenue

Others

- 01) Implementation of 2019 Action Plan
- 02) Auditing of Gratuity
- 03) Special auditing of matters referred to by the Chairman
- 04) Conducting Audit Discussions
- 05) Conducting Audit and Management meetings
- 06) Supervision of replies to Government Audit Queries

** Wish to inform that audit activities were impaired due to travel restrictions throughout the island due to COVID.

❖ **Human Resources Management Division**

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

Nature of Appointments	Number
	2021
Contract Drivers	146
Contract Conductors	181
Total	327

Details of Executive Grade Appointments

Nature of Appointments	Number
	2021
Permanent appointments	-
Covering Appointments/Assignments	110
Promotions	-
Confirmation of Covering Appointments	-
Transfers	51
Contract Appointments	05
New recruitments	-
Total	166

Re-appointments

Nature of Appointments	Number
	2021
Re-appointments	171
Total	171

Providing practical training

Nature of Appointments	Number
	2021
Computer Section Training	11
Accounting Section Training	05
Technical Section Training	14
Total	30

Non-executive transfers

Nature	Number
	2021
Transfers	415
Total	415

Disciplinary Section

Disciplinary file details

Nature of Appointments	Number
	2021
Completed Disciplinary files	1399
Completed Appeal Files	64
Total	1463

❖ Flying Squad Section

Flying Squad Progress Report island wide from January to December 2021

Month	No. of teams	No. of checks	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	20	353	5,076	57	51	113	46,430.00
February	24	371	4,830	99	70	127	55,548.00
March	29	386	5,501	65	58	92	38,180.00
April	21	305	4,008	37	57	65	32,756.00
May	16	141	1,632	11	8	4	1,666.00
June	10	58	563	9	1	1	356.00
July	19	303	2,967	44	25	25	9,675.00
August	12	131	1,438	9	19	12	5,096.00
September	07	54	298	12	0	0	-
October	18	402	3,930	25	55	43	15,795.00
November	25	352	4,282	54	64	54	21,593.00
December	13	282	3,508	57	47	41	17,830.00
Total	214	3,138	38,033	479	455	577	244,925.00

Progress of Central Flying Squad Section - year 2021

Month	No. of teams	No. of checks	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	5	97	1,281	34	0	27	13,918.00
February	5	94	1,129	56	1	31	13,612.00
March	5	93	1,069	31	0	7	3,972.00
April	5	72	826	22	0	0	-
May	5	26	316	8	0	0	-
June	3	16	137	8	0	0	-
July	5	35	369	18	0	0	-
August	1	4	37	1	0	1	356.00
September	3	35	244	6	0	0	-
October	4	46	544	9	0	2	592.00
November	4	40	475	29	3	5	2,072.00
December	4	52	531	28	0	2	688.00
Total	49	610	6,958	250	4	75	35,210.00

❖ **Development & Planning Section**

Preparation of Plan and Monthly Progress

Projects / activities during the year 2021	Progress as at 31/12/2021
Development and Action Plan for the year 2022 – Preparation of Corporate Plan for the year 2024	Development and Action Plan for the year 2022 was prepared and submitted under Paper No. 106/12.01.2021 and approval was obtained for amendments made subsequently under Paper No. 131/ 23.12.2021. The same manner Corporate Plan for 2022 – 2024 was prepared and submitted under Paper No. 107/ 13.11.2021 and approval was obtained for amendments made subsequently under Paper No. 130/ 22.12.2021.
Preparation of Progress Report for January 2021	Monthly Progress Report was prepared in accordance with the meetings held from 2022 January to December and submitted to Progress review meetings of the Ministry
Preparation of Progress Report for February 2021	
Preparation of Progress Report for March 2021	
Preparation of Progress Report for April 2021	
Preparation of Progress Report for May 2021	
Preparation of Progress Report for June 2021	
Preparation of Progress Report for July 2021	
Preparation of Progress Report for August 2021	
Preparation of Progress Report for September 2021	
Preparation of Progress Report for October 2021	
Preparation of Progress Report for November 2021	
Preparation of Progress Report for December 2021	

Preparation and submission of various reports

Proposed Activities	Physical Target
Collection and updating of all statistical information relating to the Board.	Collection and updating of all statistical information relating to the Board including O – 51 report, subsidy details, bus rehabilitation details has been completed.
Take action according to approval regarding information requested by information officer.	During the year requiring information under the Right to know Act 35 letters were received and necessary information was provided. Five appeals were received and as and when necessary participated in the proceedings and conciliation was effected.
Preparation of monthly Profit and Lost statement and Cash Flow statement (including Provincial Work Shops/ Driver Training Schools/ Circuit Bungalows)	Profit and Lost statements and Cash Flow statements were prepared monthly in respect of all Depots and other Units from January to December.
Preparation of Progress Report regarding Provincial Workshop / Driver Training Schools/ Circuit Bungalows	When requested Progress Reports were prepared in respect of Provincial Work Shops/ Driver Training Schools/ Circuit Bungalows

Preparation and submission of Audit and Management Committee Report	As an necessary Audit and Management Committee Reports were prepared and submitted
Preparation of Special Reports requested by the Ministry of Transport and other State Agencies	Monthly, Quarterly and Annual Reports and Special Reports are prepared and submitted to the Ministry of Transport, Central Bank of Sri Lanka, National Transport Commission, National Physical Planning Department, Presidential Secretariat and other State Agencies on request.

❖ **Tender Board Section**

Details of activities for which quotation were called by the Tender Board from 01/01/2021 are given below.

Ser. No.	Date	Functions performed	Date of Tender Opening
01	2021.01.04	Quotation for the Supply & Delivery of Optical face Shields for SLTB	2021.01.13
02	2021.01.20	Printing of passenger ticket books and luggage ticket books required for SLTB buses.	2021.01.27
03	2021.01.20	Printing of season tickets for the year 2021.	2021.01.27
04	2021.01.25	Obtaining private security services for SLTB depots, Regional Offices and Provincial Workshops – Opening at the Ministry of Transport.	2021.02.22
05	2021.01.25	Selecting a suitable auctioneer to sell condemned bus skeletons belonging to SLTB but removed from use by public auction.	2021.02.15
06	2021.02.25	Calling for tender to operate the canteen at the SLTB Head office.	2021.02.02
07	2021.02.08	Invitation for Bid for obtaining Insurance coverage for buses and Official Vehicles of SLTB for the year – 2021/2022	2021.02.12
08	2021.02.17	Quotation for the Supply and Delivery of Toners for SLTB	2021.03.
09	2021.03.10	Quotation for the Supply and Delivery Desktop Computers UPS, Laptop Computer and Laser Printers to SLTB	2021.03.10
10	2021.02.23	Calling for quotations to construct Ceypetco Fuel Filling Stations and building plans for SLTB Kadawatha, Mawanella, Embilipitiya and Koggala depots.	2021.03.19
11	2021.03.01	Quotation for the Supply and Delivery Desktop Computers UPS, Laptop Computer and Laser Printers to SLTB	2021.03.10
12	2021.03.02	Provision of uniforms to STB Security Guards – 2021.	2021.03.16
13	2021.03.03	Invitation to Bid for Providing of Annual Insurance Coverage for Rathmalana Fuel Filling Station & money Transits of SLTB Head Office Finance Division	2021.03.10

14	2021.03.03	Calling for quotations for repairs and maintenance to Security Section of SLTB Head office.	2021.03.23
15		Calling for quotations for repairs to SLTB Shalika Reception Hall.	2021.03.23
16	2021.03.12	Purchase of a Damper for Shalika Stadium.	2021.03.29
17	2021.03.25	Calling for quotations for repairs to Engineering Section Garage with buildings of SLTB Pothuvil depot.	2021.04.09
18		Purchasing a buffin and tyre building machine for Ampara Tyre Workshop.	2021.04.20
19	2021.04.02	Calling for quotations for repairs to the roof of administrative building at SLTB Rathnapura depot.	2021.04.20
20	2021.04.02	Calling for quotations for sheets for repairs to the roof of administrative building at SLTB Rathnapura depot.	2021.04.23
21	2021.04.06	Calling for quotations for procuring tyres 295/8 x 22.5.	2021.04.28
22	2021.04.08	Bid for the Supply and Delivery of Office & Rest Room Furniture for SLTB (Kandy South Depot)	2021.08.08
23	2021.04.20	Connecting the SLTB Shalika Stadium sewerage system to the Municipal sewerage system	2021.05.07
24	2021.04.09	Limited Bid for the Supply of 200 nos. new Diesel Air Conditioned Low flow Buses for the SLTB	2021.05.11
25	2021.04.09	Purchase of 21,600 new tyres (for the year 2021/2022).	
26	2021.04.21	Printing of 20,000 stickers to educate the public.	2021.04.30
27	2021.04.27	Reservation of seats for long distance buses in SLTB.	2021.05.18
28	2021.05.04	Establishing an underground fuel tank with a capacity of 5000 gallons at SLTB Mullaitivu depot.	2021.05.24
29	2021.05.04	Regarding repairs to Bank of Ceylon building at the SLTB Central Bus Station complex.	2021.05.24
30	2021.05.04	Supply & Delivery of 02 Nos. Standard 30 seater (2x2) Diesel buses to SLTB	2021.05.31
31	2021.05.04	Purchasing of face masks for SLTB drivers/conductors.	
32	2021.05.10	Regarding repairs and maintenance activities of SLTB Negombo depot Repairs to boundary wall and roof of main stores, boundary wall of Tyre Stores and roof, toilet system).	2021.05.25
33	2021.05.12	Purchasing of required 400 Nos. 150 Amph new batteries.	2021.06.08

34	2021.06.29	Purchasing of Tubes and flaps required for SLTB buses.	2021.06.16
35	2021.06.29	Purchasing of 60,000 metres of rexine required for SLTB.	2021.07.13
36	2021.06.29	Purchasing of spare parts required for SLTB buses for the year 2021.	2021.07.16
37	2021.06.29	Purchasing of aluminium and zinc coated sheets for SLTB.	2021.07.19
38	2021.06.29	Purchasing of 1100 new radial tyres without tubes 295/80 R 22.5.	2021.07.13
39	2021.06.29	Establishing an underground fuel tank with a capacity of 5000 gallons at SLTB Mullaitivu depot.	2021.07.07
40	2021.06.29	Repairs to Bank of Ceylon building at Central Bust Station complex.	2021.07.07
41	2021.06.29	Regarding repairs and maintenance activities at SLTB Negombo depot.	2021.07.09
42	2021.06.29	Purchasing vehicles for SLTB on a monthly rental payment basis.	2021.07.22
43	2021.06.29	Purchasing raw materials required for manufacture to SLTB Ampara Tyre Factory for the year 2021.	2021.07.22
44	2021.06.29	Repairs to Bank of Ceylon building at SLTB Central Bus Station complex.	2021.07.14
45	2021.06.29	Establishing an underground fuel tank with a capacity of 5000 gallons at SLTB Mullaitivu depot.	2021.07.14
46	2021.07.16	Repair and maintenance activities at SLTB Negombo depot (boundary wall and the roof of main stores, boundary wall and the roof of Tyre Stores, toilet system.	2021.07.22
47	2021.07.21	Purchasing 02 Nos. 30 seater small buses.	2021.07.26
48	2021.07.21	Constructional activities to build a new Tyre Factory at Kaldawala Provincial Workkshop and obtaining plant and machinery to increase the production capacity at Ampara Tyre Workshop.	
49	2021.05.11	Bid for the Supply & Delivery of Lubricant Oil – Rarus 427	2021.08.03
50	2021.07.19	Purchasing paints required for the year 2021.	2021.08.05
51	2021.07.22	Purchasing 150 mphps batteries required for SLTB buses.	2021.08.16
52	2021.07.27	Annual Requirement of Stationary Items	2021.08.09
53	2021.07.27	Annual Requirement of Toners & Ink Ribbons.	2021.08.09
54	2021.08.05	Purchasing of ticket rolls required for ticket machines.	2021.08.27

55	2021.10.07	Procurement Hand Sanitizer for SLTB	2021.10.08
56	2021.10.18	Quotation for Laptop Computers to SLTB	2021.10.22
57	2021.10.25	Repairs to Shalika Stadium to give a new facelift.	2021.11.12
58	2021.10.28	Purchasing of tyres 1000 R 20/12 R22.5/10 R 22.5.	2021.11.17
59	2021.11.05	Printing of season tickets for the year 2022.	2021.11.19
60	2021.11.08	Obtaining air conditioners for Human Resources Development Division.	2021.08.13
61	2021.11.10	Repairs to Shalika Reception Hall expected to be carried out under Stage I.	2021.11.17
62	2021.11.16	Obtain raw materials for production an Ampara Tyre Workshop.	2021.11.24
63	2021.11.16	Uniforms to Pool Vehicle drivers at SLTB Head office for the year 2022.	2021.11.29
64	2021.11.23	Annual Requirement of Stationary Items'	2021.12.07
65	2021.11.24	Calling for quotations for annual books and CDs required for SLTB Finance Division.	2021.12.07
66	2021.12.03	Quotation for the Laptop Computers to SLTB	2021.12.07
67	2021.12.06	Calling for quotations to sell within one year to depots attached to Colombo, Kandy, Sabaragamuwa, Gampaha and Nuwaraeliya.	2021.12.28
68	2021.12.14	Procurement activities to implement Insurance compensation for Employees.	2022.01.04
69	2021.12.14	Sale of buffin powder at SLTB Ampala Tyre Workshop.	2021.12.17
70	2021.12.27	Printing of passenger ticket books and luggage ticket books for SLTB buses.	2022.01.10
71	2021.12.29	Regarding repairs to SLTB Shalika premises.	2022.01.13

❖ Supplies Section

S er . N o.	Subj ect	Project Name	Amount Allocated for the year 2021 (Rs. Mn.)	Financial progress (Rs. Mn.)	Target Achieved	Physical progress
01	All Procure ments and Sales	Procurement of materials required for operational activities.	5,000.00		Taking necessary action to purchase 600 buses under the Indian Line of Credit	Buses were not purchased during 2021
02			6,867.08		Taking necessary action to purchase 200 Low Floor buses	Buses were not purchased during 2021
03			5,000.00		Taking necessary action to purchase 250 numbers 49 – 54 seater Super Luxury buses	Buses were not purchased during 2021
04			9,250.00		Taking necessary action to purchase 250 numbers 42 – 45 seater Super Luxury buses	Buses were not purchased during 2021
05			240.00		Taking necessary action to purchase 12 Super Luxury buses	Buses were not purchased during 2021
06			6,888.00		Taking necessary action to purchase 765 buses	Buses were not purchased during 2021
07			15,365.25		Taking necessary action to purchase diesel to maintain the bus fleet	Purchases are made according to market price at depot level according to their own requirements
08			988.02	33.30	Taking action To purchase spare parts required for production of Units for bus maintenance/ repairs	The purchase of spare parts is done by the Head Office and at the depot level according to the approved prices but the price list for the spare parts obtained at the depot level has not been received by the Supplies Division. Mentioned here are only the prices of spare parts provided to Depots by the Supplies Division.
09			40.00	1.49	Taking necessary action to purchase materials like required paints for maintenance and repair of buses.	Arrangements are made to purchase according to depot requirements.

10			742.87	429.94	Purchase of new tyres required for the maintenance of bus fleet.	Action has been taken to purchase 12,120 new tyres as at 31/12/2021 have been purchased for depot requirements. 12,120 tyres have been provided to depots.
11			243.00		Purchase of 600 Yutong tyres required for the maintenance of bus fleet.	Action has been taken to purchase at depot level according to requirements from approved institutions.
12			104.09		Purchase of 2400 radial tyres required for the maintenance of bus fleet.	Action has been taken to purchase at depot level according to requirements from approved institutions.
13			143.94	120.08	Purchase of 6000 new batteries required for the maintenance of bus fleet.	Action has been taken to purchase 2989 new batteries as at 31/12/2021
14			540.00		Supply of 1080 engines repaired and supplied for the maintenance of bus fleet.	Instructions have been issued to repair at depot level according to requirements by approved institutions.
15			360.00		Supply of 1800 Gear Boxes repaired and supplied for the maintenance of bus fleet.	Instructions have been issued to repair at depot level according to requirements by approved institutions.
16	All Procurements and Sales	Procurement of materials required for	180.00		Supply of 6000 Starter Motors repaired and supplied for the maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional

		operational activities.				Level to the Supplies Division.
17			144.00		Supply of 4800 Alternators repaired and supplied for the maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional Level to the Supplies Division.
18			1,200.00		Supply of Fuel Pumps repaired and supplied for the maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional Level to the Supplies Division.
19			21.00		Supply of 6000 Fuel Injectors repaired and supplied for the maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional Level to the Supplies Division.
20			68.30		Purchase of required spring blades for repair and maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional Level to the Supplies Division.
21			386.56		Purchase of required oil and grease for maintenance of bus fleet.	Repairs are done by the Regions according to requirement of depots. The money spent has not been sent at the Regional Level to the Supplies Division.
22			1,489.06		Taking necessary action to fill and pre-cure tires required to maintain the bus fleet.	Action has been taken to purchase at depot level according to requirements from approved institutions.

23			207.84		Purchasing of Ticket Books and Ticket rolls according to requirements	Instructions have been issued to purchase at depot level according to requirements from approved institutions.
24			5.58		Printing and supplying of season tickets	Necessary action been taken to provide according to depot requirements
25			11.92	4.61	Purchase and supply of office equipment and stationery required for SLTB operations / administration.	Necessary action has been taken to purchase according to requirements
26	All Procurements and Sales	Procurement of materials required for operational activities.	8.00		Necessary action has been taken to purchase required electronic bus ticket machines according to requirements to maintain to bus fleet	Ticket machines have not been purchased for the year 2021
27			258.05	1.67	Necessary action has been taken to purchase 06 Laptops	Necessary action has been taken to provide according to requirements
28			550.00	45.00	Taken action to repair SLTB yards and buildings	Rs. 45 million has been spent on Civil Repair activities for SLTB Head Office
29			135.05	3.00	Necessary repairs have been carried in SLTB buildings and yards for electricity maintenance and project	Necessary action has been taken to provide according to requirements

❖ **Special Investigation Units**

Year	No. Of Investigation Reports sent to the Chairman/ Chief Executive Officer /Deputy General Manager (Operations) Security and Special Investigation Monitoring Officer/ Assistant Human resources Manager (Discipline)
2021	24

❖ Information and Communication Technology Section

Strategy	Methodology	Proposed activity	Funds required for the project	Project		Financial target				Physical target				Completion target	Implementing Institution	Expected Benefits	Responsibility
				Data of commencement	Data of completion	Quarter				Quarter							
						1	2	3	4	1	2	3	4				
Improvement of Information Technology facilities	Purchase of technology equipment	Purchase of Computers	21.00	2021.01.01	2021.04.30		21.00				computers 150						
Improvement of technology facilities	Purchase of technology equipment	Purchase of Laptops	5.40	2021.01.01	2021.04.30		5.40				Laptops 36						
Improvement of technology facilities	Purchase of technology equipment	Purchase of printers	2.50	2021.01.01	2021.04.30		2.50				Printer Machines						
Improvement of technology facilities	Purchase of technology equipment	Purchase of UPS	0.75	2021.01.01	2021.04.30		0.75				UPS 150						
Improvement of technology facilities	Purchase of technology equipment	Purchase of finger print machines	5.20	2021.01.01	2021.04.30		5.20				150 finger print						
											150 finger print machines						
														Sri Lanka Transport Board		institutional efficiency and productivity	Information Communication Technology

Improvement of technology facilities	Purchase of technology equipment	Solar system (3KW)	132.00	2021.01.01	2021.12.31	33.00	33.00	33.00	33.00	Solar system 132				Solar system 132
Improvement of technology facilities	Purchase of technology equipment	Establishing CCTV camera system	79.20	2021.01.01	2021.09.30	26.40	26.40	26.40		CCTV Camera 132				CCTV Camera 132
Improvement of technology facilities	Implementation of Android Mobile System	Providing facilities for the public to get the correct	10.00	2021.01.01	2021.12.31	2.50	2.50	2.50	2.50	Preliminary discussion	Infrastructure	Designing pilot projects	Implementing the	Providing Correct operational
Improvement of technology facilities	Implementation of Android Mobile System	Completion of 1200 long distance buses	30.00	2021.02.01	2021.12.31		10.00	10.00	10.00	Preliminary discussion	Infrastructure	Designing pilot projects	Implementing the	Providing Correct operational

❖ Engineering Division

Engine repairs	Tata 697	Depot	27
		Provincial Workshops	38
		Outside	6
	Leyland400/401/402	Depot	38
		Provincial Workshop	16
		Outside	-
	Leyland Hino	Depot	101
		Provincial Workshops	256
		Outside	3
Yutong	Depot	-	
Total			485
Gear box repairs	Tata GBS 40	Depot	114
		Provincial Workshops	30
	Leyland G13	Depot	50
		Provincial Workshops	18
	ZF Leyland	Depot	68
		Provincial Workshops	159
	Yutong	Depot	-
		Provincial Workshops	1
Total			440
Injector pump repairs	Tata	Depot	68
		Provincial Workshops	45
		Outside	-
	Leyland	Depot	124
		Provincial Workshops	186
	Outside	Outside	-
Total			423
Bus body repairs	Depot	128	
	Provincial Workshops	215	
	Outside	-	
Total			343
Repairs to fuel injectors	Depot	1,418	
	Provincial Workshops	898	
	Outside	84	
Total			2,400
Repairs to alternators	Depot	672	
	Provincial Workshops	-	
	Outside	856	
Total			1,528
Repairs to starter motors	Depot	685	
	Provincial Workshops	22	
	Outside	956	
Buses given for operation after rehabilitation			213
Total			1,876
Production of pre-cured tyres	Outside Institutions	825 x 20	1,870

	Ampara Tyre Factory	825 x 20	11
	Outside Institutions	900 x 20	28,680
	Ampara Ttyre Factory	900 x 20	2,770
	Outside Institutions	1000 x 20	340
	Ampara Tyre Factory	1000 x 20	1
	Outside Institutions	750 x 06	10
		295/80R 22.5 Senceror Bus	458
		10R x 22.5 Youtung	32
Total			34,172
Production of refilled tyres (by Outside Institutions)	825 x 20		556
	900 x 20		8,338
	1000 x 20		1,278
	295/80R 22.5 Senceror Bus		19
Total			10,191

❖ LEGAL DIVISION

Functions performed by Legal Division in the year 2021

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

Under this:

- Appearance by Legal Officers in Courts for SLTB cases wherever possible
- Preparing documents for relevant cases.
- Instructing Court Officers in Regional offices and the depots.
- Coordinating such officers with outside attorneys-a-law and the State attorneys at the Attorney-General's Department.
- 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 Lease 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 and taking necessary action to ensure ownership of SLTB Lands.

05. Whenever necessary, preparing Cabinet Memoranda when Chairman refers disputes to the Legal Division.

06. Submitting papers to the Board of Directors regarding the future steps to be taken in cases.

Due to the COVID 19 Pandemic , the courts were suspended from time to time due to the imposition of curfew and cases were postponed from time to time in the year 2021.

According to the above the Legal Division with the Legal Consultant, Chief Legal Officer and the Assistant Legal Officers were carrying out their duties. As it is a complex task to prepare a report listing out all duties performed in respect of subjects shown above by these officers in the year 2020, a list of duties specially carried out by the Legal Division in the year 2020 is given below.

1. 87 Summons were received in the year 2021 from Magistrate's Courts and 35 Summons received from District Courts and 24 Labour Tribunal Applications and 23 Arbitration Tribunal Cases and 02 cases from the Supreme Court and 02 cases from Court of Appeal and in all 166 summons were handled in the year 2020 and action is being followed up in all cases.
2. 07 Agreements were prepared by Legal Division in the year 2020.
3. Engaging with the Ministry of Transport to amend the Sri Lanka Transport Board Act.
4. Referring the observations of the Legal Division to the Deputy General Manager (Administration) to amend the existing Disciplinary Rules of the SLTB.
5. When compensation is paid to the retired employees of the SLTB for their Share Certificates according to the decision of the Cabinet of Ministers, the Assistant Legal officers to give their recommendations to their respective Regions.
6. Providing recommendations of the Legal Division regarding amendment to the Administrative Handbook.

Significant Accounting Policies

1. Corporate Information

1.1 Reporting Entity

Sri Lanka Transport Board is a statutory board enacted by the Parliament under the SLTB Act No. 27 of 2005. The registered office of the Board is located at No 200, Kirula Road, Colombo 05 and the principal place of business is situated at the same location.

Sri Lanka Transport Board (SLTB) is an institution that is under the purview of Ministry of Transport.

1.2 Principle activities

During the year, the principal activity of the Board is to provide road passenger transport to the community. The objectives of the Sri Lanka Transport Board are to provide the public a safe, dependable and comfortable road passenger transport at a reasonable fare system.

2. Basis of Preparation

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka. For all periods up to and including the year ended 31st December 2020, the SLTB prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS). These financial statements for the year ended 31st December 2020 SLTB has prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS)

The Financial Statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis.

2.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amount reported in the financial statements in order to enhance understanding of the financial statements of the current period and to improve the inter period comparability.

The accounting policies set out below have been applied consistently to all period presented in these financial statements, unless otherwise indicated.

When the presentation or classifications of items in the financial statements have been amended, comparative amounts also have been reclassified to conform with the current year in order to provide a better presentation.

2.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future period.

2.5 Assets and the Bases of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash, bank balances and those which are expected to be realized in cash, during the normal operating cycle of the Board's business, or within one year from the reporting date, whichever is shorter. Assets other than current assets are those which the Board intends to hold beyond a period of one year from the reporting date.

3. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

3.1 Property Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

(a) Owned Assets

The cost of an item of property, plant and equipment comprise its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Significant components of an assets are identified and depreciated separately

(b) Subsequent Costs

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

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

(c) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives are as follows:

Asset Category	Useful Life (Years)	Depreciation Rate (%)
Buildings	40	2.5%
Busses & Other Vehicles	8	12.5%
Plant & Equipments	10	10%
Furniture & Fittings	10	10%
Computers	4	25%
Bus Engine	5	20%

Depreciation of an asset begins when it is available for use where as depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

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

(d) Derecognition

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

3.2 Leased Assets

Leases in terms of which the Board assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured and capitalized at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognized in the Board's statement of financial position.

3.3 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, using the production of supply of goods or services or for administrative purposes. Investment property is measured at cost.

When the use of property changes from investment property to owner occupied property it is reclassified as property, plant & equipment.

3.4 Capital Work In Progress

Capital expenses incurred during the year, which are not capitalized as at the balance sheet date are shown as Capital work in progress, whilst the capital assets which have been capitalized during the year and put to use have been transferred to Property Plant & Equipment.

3.5 Intangible Assets

An Intangible Asset is recognized if it is probable that economic benefits are attributable to the assets will flow to the entity and cost of the assets can be measured reliably in accordance with the Sri Lanka Accounting Standard LKAS 38-Intangible Assets and carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level.

3.6 Impairment of Non Financial Assets

The carrying amount of the assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an assets or cash generating unit exceeds its recoverable amount. An impairment loss is revised if there has been a change in estimates used to determine the recoverable amount.

3.7 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is comprised all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

The cost of the inventories is assigned by using specific identification of their individual costs and first-in-first out formulas.

3.8 Financial asset

3.8.1 Initial recognition and measurement

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

The financial assets of SLTB include cash and short term investment, trade and other receivables, staff loans and other receivables.

3.8.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

(b) Loans and receivables

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement.

The losses arising from impairment are recognized in the income statement in finance cost.

(c) Held-to-maturity investments

Non- derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to -maturity when the SLTB has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortizations included in finance income in the income statement. The losses arising from impairment are recognized as finance cost in the income statement in finance cost.

(d) Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized.

3.8.3 Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when,

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

3.8.4 Impairment of financial assets

The SLTB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.9Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, call deposits, demand deposits, and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the Statement of Cash Flows.

3.10 Financial Liabilities

Initial recognition and measurement financial liabilities within the scope of LKAS39 are classified as financial liabilities at fair value through profit or loss, at amortized cost, or as derivatives designated as hedging

instruments in an effective hedge, as appropriate. SLTB determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs. SLTB's financial liabilities include trade and other payables.

3.10.1 Subsequent measurement

Subsequent measurements of financial liabilities are at amortized cost.

3.10.2 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires

3.11 Offsetting of Financial Instruments

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

3.12 Post Employment Benefits

3.12.1 Defined Benefit Plan Company

The Board has adapted the benefit plan as required under the Payment of Gratuity Act No.12 of 1983 for all eligible employees. The benefit plan is not externally funded. One month salary for every year of service to employees on retirement has been provided.

The liability recognized in the Statement of Financial Position is the present value of the defined benefit obligation at the reporting date, using the projected unit credit (PUC) method. This item is stated under non – current liabilities in the statement of financial position. Actuarial gains or losses are recognized as income or expense in other comprehensive income during the financial year in which it arise.

3.12.2 Defined Contribution Plans – Employees' Provident Fund and Employee Trust Fund

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes. Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

3.13 Trade & Other Payables

Trade & other payables are stated at cost.

3.14 Provisions

A provision is recognized if, as a result of a past event the Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.15 Provision for Slow Moving Stocks

Provisions for slow moving stocks are made when the Board identifies the impairment in inventory through its regular assessments.

3.16 Capital Commitments and Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by certain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Statement of Comprehensive Income

3.17 Revenue

The Board revenue represents revenue from passenger Transport.

3.17.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Board.

(a) Sale of Goods

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

(b) Rendering of services

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

(c) Other Income

Revenue from dividends is recognized when the Board's right to receive the payment is established.

Profits or losses from disposal of property, plant and equipments recognized having deducted from proceeds on disposal, the carrying value of the assets and the related expenses.

Foreign currency gains and losses are reported on a net basis.

Income from scrap sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term.

3.18 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When SLTB receives non-monetary grants, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments. When loans or similar assistance are provided by governments or related

institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

3.19 Expenditure Recognition

3.19.1 Operating Expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income in arriving at the profit for the year. Provision has also been made for impairment of financial assets, slow moving stocks, all known liabilities and depreciation on property, plant and equipment.

3.19.2 Lease Payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.19.3 Borrowing Costs

Borrowing costs directly attributable to acquisition, construction or production of assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that Board incurs in connection with the borrowing of funds.

3.19.4 Net Finance Income / (Expenses)

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

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

3.20 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

3.21 Cash Flow

Interest received and dividends received are classified as investing cash flows, while dividend paid and interest paid, is classified as financing cash flows for the purpose of presentation of Statement of Cash Flows which has been prepared using the 'Indirect Method'.

3.22 Events Occurring After the Reporting

Events after the reporting period are those events favorable and unfavorable that occurs between the end of the reporting period and the date when the financial statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

Sri Lanka Transport Board
Statement of Financial Position as at 31st December 2021

(all amounts in Sri Lanka Rupees)


<u>ASSETS</u>	<u>Note</u>	<u>31 December</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	01	4,765,524,410.17	7,083,280,977.22
Other Financial Asset	02	21,468,750.00	26,906,250.00
Work-in-Progress		45,099,046.94	42,372,869.98
Unoperated Accounts	03	1,290,782,781.62	1,290,782,781.62
		6,122,874,988.73	8,443,342,878.82
CURRENT ASSETS			
Inventories	04	1,777,323,726.22	1,696,207,318.88
Trade & Other Receivables	05	3,008,877,126.35	2,864,130,067.71
Other Financial Asset	06	346,363,269.52	1,131,363,974.06
Cash & Cash Equivalents	07	2,286,034,569.27	2,742,229,957.14
TOTAL CURRENT ASSETS		7,418,598,691.36	8,433,931,317.79
TOTAL ASSETS		13,541,473,680.09	16,877,274,196.61
EQUITY & LIABILITIES			
CAPITAL AND RESERVES			
Equity Capital		350,000,000.00	350,000,000.00
Accumulated Profit/Loss	08	(25,142,546,939.25)	(44,135,887,622.78)
Treasury Share Capital		3,944,890,550.00	3,944,890,550.00
Employee Share		227,885,200.00	411,144,470.00
Government Grants	09	283,702,406.07	3,300,557,519.78
Reserves	10	10,524,757,941.77	5,470,757,941.77
Available For Sale Reserves		21,218,750.00	26,656,250.00
Total Equity		(9,790,092,091.41)	(30,631,880,891.23)
NON CURRENT LIABILITIES			
Provision for Retirement Gratuity	11	13,245,778,078.77	13,450,587,559.71
Other Non Current Liabilities	12	3,068,771,293.82	3,860,454,904.02
Unoperated Accounts	13	-	18,526,264,783.02
		16,314,549,372.59	35,837,307,246.75
CURRENT LIABILITIES			
Trade & Other Payables	14	6,954,592,938.75	11,524,081,084.92
Bank Overdraft	07	62,423,460.16	147,766,756.17
Total Current Liabilities		7,017,016,398.91	11,671,847,841.09
TOTAL EQUITY & LIABILITIES		13,541,473,680.09	16,877,274,196.61

The Accounting policies and Notes on 01 to 21 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



Chairman
Sri Lanka Transport Board

 Kingsley Ranawaka
 Chairman
 Sri Lanka Transport Board



Deputy General Manager
Sri Lanka Transport Board
 M.G.A. Mangalika
 ACA Bsc.A. Dip. Bus. Adm. Dip. JS, P
 D.G.M. (Finance)
 Sri Lanka Transport Board
 No. 200, Kirula Road,



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 2021

		<u>2021</u>	<u>2020</u>
<i>(all amounts in Sri Lanka Rupees)</i>			
	<u>Note</u>		
Revenue	15	20,777,082,656.66	24,562,341,758.99
Operating Expenses	16	25,840,676,771.26	28,675,750,034.96
Operating Profit/(Loss) before depreciation		(5,063,594,114.60)	(4,113,408,275.97)
Other income	17	5,898,040,932.10	6,389,369,114.05
Profit/(Loss) after Other income		834,446,817.50	2,275,960,838.08
Administration expenses	18	4,984,400,554.79	5,355,665,246.92
Operating Profit/(Loss)		(4,149,953,737.29)	(3,079,704,408.84)
Financial and Other expenses	19	218,784,013.93	264,255,275.96
Finance Income		144,232,252.97	184,884,183.17
Net Finance Cost		(74,551,760.96)	(79,371,092.79)
Profit/(Loss) before PWS Production/DTS/FFS Loss		(4,224,505,498.25)	(3,159,075,501.63)
Work Shop Production Loss	20	36,655,302.58	66,237,243.79
Driving Training School Loss	21	8,760,043.68	3,850,677.15
Fuel Shed Loss	22	1,301,873.33	3,198,710.13
Profit/(Loss) before Grants and Subsidies		(4,271,222,717.84)	(3,232,362,132.70)
Grants and Subsidies	23	1,216,680,037.76	1,127,367,737.76
Net Profit/(Loss) for the Period		(3,054,542,680.08)	(2,104,994,394.94)
Other Comprehensive Income			
Net change in Fair Value of AFS Financial Assets		(5,437,500.00)	1,906,250.00
Other comprehensive income for the year		(5,437,500.00)	1,906,250.00
Total Comprehensive Income for the Year		(3,059,980,180.08)	(2,103,088,144.94)

Statement of Cash Flow for the Year ended 31.12.2021

(all amounts in Sri Lanka Rupees)

	2021	2020
<u>Cash Flows From Operating Activities</u>		
Net Profit / (Loss) for the year	(3,054,542,680)	(2,104,994,395)
Adjustments for :		
Depreciation	2,353,924,517	2,507,395,399
Profit / Loss Adjustment	22,047,883,364	(19,339,478)
Government Grant - Amount Amortized During the year	(1,216,680,038)	(1,127,367,738)
Interest Income	(144,232,253)	(184,884,183)
Finance Cost	218,784,014	264,255,276
Revaluation Reserve	5,054,000,000	-
Provision for Bad Debtors	(39,713,200)	-
Provision for Defined Benefit Plans - Gratuity	914,466,448	831,270,451
Operating Profit / (loss) before working capital changes	26,133,890,172	166,335,332
(Increase) / Decrease in Inventories	(81,116,407)	(15,622,080)
(Increase) / Decrease in Trade & Other Receivable	(105,033,859)	11,393,550
(Increase) / Decrease in Work-in- Progress	(2,726,177)	(15,803,772)
Increase / (Decrease) in Creditors	(4,553,563,554)	343,407,781
Increase / (Decrease) in Accrued Expenses	(6,980,592)	(527,284,220)
Increase / (Decrease) in Other Non Current Liabilities	(317,500,000)	-
Increase / (Decrease) in Current Liabilities (Unoperated Accou	(18,526,264,783)	-
Cash Generated From Operation	2,540,704,800	(37,573,409)
Cash used in operations		
Defined Benefit Plan Costs paid	(1,119,275,929)	(973,788,530)
Net Cash flows from / (used in) operating activities	1,421,428,871	(1,011,361,939)
<u>Cash Flows From / (Used In) Investing Activities</u>		
Paid Employee Share	(183,259,270)	-
Acquisition of Property, Plant & Equipment	(36,167,950)	(416,646,717)
Acquisition of Other Investment	785,000,705	(59,462,268)
Interest Income	144,232,253	184,884,183
Net Cash flows from / (used in) Investing activities	709,805,737	(291,224,802)
<u>Cash Flows From / (Used In) Financing Activities</u>		
Finance Cost Paid	(7,083,624)	(50,494,933)
Government Grants Received	(1,800,175,076)	1,446,532,945
Net Movement in Lease Creditors/(Lease Payment)	(694,828,000)	(781,985,273)
Cash Flows From / (Used In) Financing Activities	(2,502,086,700)	614,052,738
Increase / (Decrease) in cash & cash equivalents	(370,852,092)	(688,534,002)
Cash & cash equivalents at the beginning of the year	2,594,463,201	3,282,997,203
Cash & cash equivalents at the end of the year	2,223,611,109	2,594,463,201

Statement Of Changes In Equity for the Year ended 31.12.2021

(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 2019	350,000,000.00	411,144,470.00	3,300,557,519.78	5,470,757,941.77	3,944,890,550.00	26,656,250.00	(44,135,887,622.78)	(30,631,880,891.23)
Add for the Year	-	-	-	-	-	-	-	-
Less for the Year	-	-	-	-	-	-	22,047,883,363.61	22,047,883,363.61
Adjusted Balance as at 31 December 2020	350,000,000.00	411,144,470.00	3,300,557,519.78	5,470,757,941.77	3,944,890,550.00	26,656,250.00	(22,088,004,259.17)	(8,583,997,527.62)
Add for the Reserves	-	-	-	5,054,000,000.00	-	-	-	5,054,000,000.00
Less for the Reserves	-	(183,259,270.00)	(3,016,855,113.71)	-	-	-	(3,054,542,680.08)	(6,254,657,063.79)
Comprehensive Income Gain/(Loss)	-	-	-	-	-	(5,437,500.00)	-	(5,437,500.00)
Balance as at 31 December 2021	350,000,000.00	227,885,200.00	283,702,406.07	10,524,757,941.77	3,944,890,550.00	21,218,750.00	(25,142,546,939.25)	(9,790,092,091.41)

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	Busses
Balance As At 2019.12.31	387,387,309.72	651,415,372.92	192,720,178.59	300,449,252.76	1,041,195.32	14,633,540.69	142,449,031.80	14,577,640,549.36
Adjustments	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2020.12.31	387,387,309.72	651,415,372.92	192,720,178.59	300,449,252.76	1,041,195.32	14,633,540.69	142,449,031.80	14,577,640,549.36
Addition	3,929,986.46	1,272,495.80	9,269,405.07	-	-	1,591,920.00	6,141,129.81	8,400,000.00
Disposals	-	-	-	-	-	-	-	-
Balance As At 2021.12.31	391,317,296.18	652,687,868.72	201,989,583.66	300,449,252.76	1,041,195.32	16,225,460.69	148,590,161.61	14,586,040,549.36

Lease hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2019.12.31	-	-	-	-	-	-	-	12,343,801,671.84
Adjustments	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2020.12.31	-	-	-	-	-	-	-	12,343,801,671.84
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2021.12.31	-	-	-	-	-	-	-	12,343,801,671.84

01. Property, Plant & Equ

Free hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Softwear	Total
Balance As At 2019.12.31	1,367,754,792.20	34,750.00	2,137,819,740.64	266,417,397.14	70,599,232.98	31,934,196.78	20,142,296,540.90
Adjustments	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2020.12.31	1,367,754,792.20	34,750.00	2,137,819,740.64	266,417,397.14	70,599,232.98	31,934,196.78	20,142,296,540.90
Addition	-	-	-	-	2,570,238.00	2,992,775.00	36,167,950.14
Disposals	-	-	-	-	-	-	-
Balance As At 2021.12.31	1,367,754,792.20	34,750.00	2,137,819,740.64	266,417,397.14	73,169,470.98	34,926,971.78	20,178,464,491.04

Lease hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Softwear	Total
Balance AS At 2019.12.31							12,343,801,671.84
Adjustments	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2020.12.31	-	-	-	-	-	-	12,343,801,671.84
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2021.12.31	-	-	-	-	-	-	12,343,801,671.84

**Free hold Asset
Depreciation**

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2019.12.31	165,884,308.03	188,388,264.74	144,090,853.93	273,227,390.13	520,385.32	6,849,188.22	100,938,082.89	11,398,838,501.87
Adjustments	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2020.12.31	165,884,308.03	188,388,264.74	144,090,853.93	273,227,390.13	520,385.32	6,849,188.22	100,938,082.89	11,398,838,501.87
Charge for the Year	1,960,819.32	52,566,107.44	8,505,312.74	8,569,267.50	-	1,161,239.63	25,401,245.33	285,140,945.00
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2021.12.31	167,845,127.35	240,954,372.18	152,596,166.67	281,796,657.63	520,385.32	8,010,427.85	126,339,328.22	11,683,979,446.87

Lease hold Asset

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers	Busses
Balance AS At 2020.12.31	-	-	-	-	-	-	-	9,701,087,804.11
Adjustments	-	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2020.12.31	-	-	-	-	-	-	-	9,701,087,804.11
Charged for the Year	-	-	-	-	-	-	-	1,704,879,024.95
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2021.12.31	-	-	-	-	-	-	-	11,405,966,829.06

Total Asset	391,317,296.18	652,687,868.72	201,989,583.66	300,449,252.76	1,041,195.32	16,225,460.69	148,590,161.61	26,929,842,221.20
Total Depreciation	167,845,127.35	240,954,372.18	152,596,166.67	281,796,657.63	520,385.32	8,010,427.85	126,339,328.22	23,089,946,275.93
Net Book Value	223,472,168.83	411,733,496.54	49,393,416.99	18,652,595.13	520,810.00	8,215,032.84	22,250,833.39	3,839,895,945.27

**Free hold Asset
Depreciation**

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Softwear	Total
Balance AS At 2019.12.31	1,367,754,792.20	34,750.00	1,789,366,079.36	213,630,615.70	32,882,014.42	19,324,204.60	15,701,729,431.41
Adjustments	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2020.12.31	1,367,754,792.20	34,750.00	1,789,366,079.36	213,630,615.70	32,882,014.42	19,324,204.60	15,701,729,431.41
Charge for the Year	-	-	226,338,436.05	27,789,778.30	5,590,966.61	6,021,374.32	649,045,492.24
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2021.12.31	1,367,754,792.20	34,750.00	2,015,704,515.41	241,420,394.00	38,472,981.03	25,345,578.92	16,350,774,923.65

Lease hold Asset

	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Softwear	Total
Balance AS At 2020.12.31	-	-	-	-	-	-	9,701,087,804.11
Adjustments	-	-	-	-	-	-	-
Addition	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2020.12.31	-	-	-	-	-	-	9,701,087,804.11
Charged for the Year	-	-	-	-	-	-	1,704,879,024.95
Adjustments	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance As At 2021.12.31	-	-	-	-	-	-	11,405,966,829.06
Total Asset	1,367,754,792.20	34,750.00	2,137,819,740.64	266,417,397.14	73,169,470.98	34,926,971.78	32,522,266,162.88
Total Depreciation	1,367,754,792.20	34,750.00	2,015,704,515.41	241,420,394.00	38,472,981.03	25,345,578.92	27,756,741,752.71
Net Book Value	-	-	122,115,225.23	24,997,003.14	34,696,489.95	9,581,392.86	4,765,524,410.17

Cost - Land & Building		31.12.2021	31.12.2020
101-1	Land & Building	294,307,289.03	290,377,302.57
101-1-A	Wesco - Land & Building	17,606,792.92	17,606,792.92
101-1-B	Depot /Garage - Land & Building	12,780,411.77	12,780,411.77
101-1-C	Land & Building (Temporary)	540,742.70	540,742.70
101-1-D	Land & Building (Shelters)	14,007,685.89	14,007,685.89
101-1-E	Land & Building - Others	51,774,373.87	51,774,373.87
101-1-F	SLTB - Play Ground	300,000.00	300,000.00
	Total	391,317,296.18	387,387,309.72

Cost -Motor Vehicles		31.12.2021	31.12.2020
101-5-A	Vans, Lorries & Other Vehicles	277,922,828.03	277,922,828.03
101-5-B	Cars, Motor Cycles & Bicycles	22,526,424.73	22,526,424.73
	Total	300,449,252.76	300,449,252.76

Accumulated Depreciation - Land & Building		31.12.2021	31.12.2020
104-1-A	Land & Building (Temporary)	540,742.70	540,742.70
104-1-B	Land & Building	145,602,538.59	143,641,719.27
104-1-C	Land & Building - Werahera	8,742,038.00	8,742,038.00
104-1-D	Land & Building - Depot /Garage	5,947,599.68	5,947,599.68
104-1-E	Land & Building - Stands/Shelters	4,981,605.27	4,981,605.27
104-2	Land & Building - Other	2,030,603.11	2,030,603.11
	Total	167,845,127.35	165,884,308.03

02. Other Financial Assets

Available for Sale Investment

Account Code	Description	31.12.2021			31.12.2020		
		No of Shares	Cost	Market Value	No of Shares	Cost	Market Value
105-2-G	Lanka Ashok Leyland - Investment In Shares	31,250	250,000.00	21,468,750.00	31,250	250,000.00	26,906,250.00
	Subtotal	31,250	250,000.00	21,468,750.00	31,250	250,000.00	26,906,250.00

Note	Work-in-Capital	31.12.2021	31.12.2020
		Rs.	Rs.
102-2	Balance as at 01.01.2021	42,372,869.98	26,569,098.30
	Addition	2,726,176.96	15,803,771.68
	Balance as at 31.12.2021	45,099,046.94	42,372,869.98

03. Unoperated Accounts

Account Code	Description	31.12.2021	31.12.2020
		Rs.	Rs.
203-2-13	Unoperated Accounts - Debits Balance	1,290,782,781.62	1,290,782,781.62
		1,290,782,781.62	1,290,782,781.62

04. Inventories

Account Code	Description	31.12.2021	31.12.2020
		Rs.	Rs.
106-1	Inventory	1,637,684,548.62	1,635,165,408.85
106-2	Fuel	124,697,091.93	89,785,490.36
106-4	Stock in Transit	10,212,933.49	(40,135,862.07)
106-6	Work in Progress - Material (work shop)	4,729,152.18	11,392,281.74
	Total	1,777,323,726.22	1,696,207,318.88

05. Trade & Other Receivable

05.1 Advances

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
107-1	Salary Advance - 4040	10,323,395.92	11,289,373.69
107-2	Festival Advance - 5012	192,960,301.18	148,889,550.55
107-3	Sports Advance - 5012/1	29,193,926.71	25,557,075.37
107-4	Special Loan Advance - 5012/2	33,309,176.00	33,861,646.48
107-5	Other Advance	11,083,118.70	14,867,970.98
107-6	Local Purchase Advance	1,468,624,855.88	1,494,298,735.42
107-7	SLTB Advance A/C	2,797,767.50	2,797,767.50
107-8	4040/1 Special Advance	754,814.52	863,306.52
	Sub Total	1,749,047,356.41	1,732,425,426.51

05.2 Other Receivables

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
108-1	Sundry Debtors	68,351,860.78	109,596,829.49
108-2	Trade Debtors	20,666,494.38	15,386,338.22
108-3	Income Receivables	263,822,817.79	93,923,144.26
108-4	Receivables - Army Hires	69,200,704.90	69,419,277.10
108-5	Receivables - Police Warrant	544,466,737.03	589,929,148.10
108-6	Court Deposits	8,569,591.20	6,580,898.70
108-7	Other Deposits	4,590,821.92	4,668,429.15
108-8	Conductor Shortage	5,946,976.85	6,141,909.29
108-9	Donations - Tsunami	-	136,800.00
108-10	Fidelity Guarantee Fund	70,331.76	70,331.76
108-11	Fuel Sale Control A/C	3,510,164.55	2,906,096.83
108-12	Lakdiwa Engineering (E-kale)	10,549.50	10,549.50
108-13	Cashier Shortage	415,591.53	427,709.55
108-14	Pre paid expenses	269,225,866.52	269,288,760.29
108-18	Work done by Out side Parties	981,261.23	2,931,618.84
108-23	Provision for doubtful debts	-	(39,713,199.88)
	Sub Total	1,259,829,769.94	1,131,704,641.20
	Total	3,008,877,126.35	2,864,130,067.71

6 Other Financial Asset

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
105-1	Treasury Bills	8,682,525.38	8,223,252.10
105-2-B	Investment in fidelity guarantee	29,080.00	42,678.00
105-2-C	Employee security Deposits	479,778.13	516,555.17
105-2-D	Fixed Deposits	337,171,886.01	1,122,581,488.79
	Subtotal	346,363,269.52	1,131,363,974.06

7 Cash & Cash Equivalents

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
105-2-A	Short-term Investments	100,021,750.00	650,000,000.00
105-2-E	Saving Accounts	1,067,454,444.29	1,311,937,499.35
	Subtotal	1,167,476,194.29	1,961,937,499.35

07. Cash at Bank

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
109-1	Head Office	514,245,216.68	172,999,041.59
	Region & Depots	341,392,298.98	327,086,738.06
	W.S/D.T.S & Fuel Sheds	105,786,778.24	165,571,952.26
	Total	961,424,293.90	665,657,731.91

07. Bank Overdraft

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
109-1	Head Office	-	11,008,177.21
	Region & Depots	62,423,460.16	136,726,688.96
	W.S/D.T.S & Fuel Sheds	-	31,890.00
	Total	62,423,460.16	147,766,756.17

07. Cash in Hand

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
110-1	Cash in Hand	5,481,717.13	7,982,732.35
110-2	Petty Cash Impress	518,479.99	593,254.99
110-3	Cash in Transit	79,974,608.05	51,885,936.71
110-4	Stamp Impress	200,788.00	199,485.00
110-5	Pool Vehicle Impress	261,716.00	245,939.00
110-6	Revenue to be deposit	70,696,771.91	53,727,377.83
	Total	157,134,081.08	114,634,725.88

07. Grand Total Cash & Cash Equivalents

2,286,034,569.27 **2,742,229,957.14**

07. Grand Total Bank Overdraft

62,423,460.16 **147,766,756.17**

08. Accumulated Loss

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
201	Accumulated Loss		
	Accumulated loss brought from previous year	(44,135,887,622.78)	(42,011,553,749.77)
201-1	Add: Adjustment in respect of previous year Profit/ (Loss) for the year	22,047,883,363.61 (3,054,542,680.08)	(19,339,478.07) (2,104,994,394.94)
	Total	(25,142,546,939.25)	(44,135,887,622.78)

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
	Treasury Share Capital		
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
	Total	3,944,890,550.00	3,944,890,550.00

09. Government Grants

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
202-3	Balance as at 01.01.2021	3,300,557,519.78	2,981,392,312.95
	Receipts from Treasury for the Year 2021	-	354,628,007.59
	Adjustment	(2,981,392,312.95)	-
	Amortized for the year	(35,462,800.76)	(35,462,800.76)
	Balance as at 31.12.2021	283,702,406.07	3,300,557,519.78

10. Reserves

Account Code	Description	31.12.2021 Rs.	31.12.2020 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	272,673.18	272,673.18
201-8	Revaluation Reserve	5,194,397,051.58	140,397,051.58
201-9	Capital Reserve a/c & Other Reserve	5,301,844,511.56	5,301,844,511.56
	Total	10,524,757,941.77	5,470,757,941.77

11. Provision for Retirement Gratuity

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
202-1	Balance as at Beginning of the Year	13,450,587,559.71	13,593,105,638.09
	Provision for the Year	914,466,448.00	831,270,451.17
	Payments during the Year	(1,119,275,928.94)	(973,788,529.55)
	Balance as at the End of the Year	13,245,778,078.77	13,450,587,559.71

12. Other Non Current Liabilities

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
202-20	Lanka Ashoke Leyland	1,510,352,339.00	2,196,236,339.00
202-21	Long Term Liabilities -SLTB Provident Fund	1,860,824,837.37	1,860,824,837.37
202-24	Provision For Bonus	82,500,000.00	400,000,000.00
202-2	Interest Suspense A/C	(384,905,882.55)	(596,606,272.35)
	Total	3,068,771,293.82	3,860,454,904.02

13. Unoperated Accounts

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
203-2-12	Unoperated Accounts -Credit Balance	-	18,526,264,783.02
		-	18,526,264,783.02

14. Trade & Other Payables

14.1 Creditors

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
203-1-1	Trade Creditors	2,833,830,765.16	2,655,641,299.18
203-1-2	Ceylon Petroleum Corporation	44,517,077.02	41,491,285.21
203-1-3	Other Creditors	93,673,959.34	117,913,617.16
203-1-4	Sri Lanka Insurance Corporation	375,512.40	331,367.61
203-1-6	Unpaid Salary	12,165,532.40	13,958,374.45
203-1-7	Tsunami Fund	624,340.20	748,340.33
203-1-8	Third Party Payments - Payable	22,869,398.57	42,501,712.16
203-1-9	7070 E.P.F Loan	27,246,639.30	27,249,139.30
203-1-10	7082 E.P.F TV Loan	9,140,512.98	9,289,899.14
203-1-11	7075 E.P.F Housing Loan	210,505,239.03	210,935,869.67
203-1-12	7078 EPF Loan	572,187.53	576,741.11
203-1-13	Fines Fund	47,284,754.68	48,823,254.66
203-1-14	Sport Council	12,734,242.78	13,287,554.80
203-1-15	Trade Unions	36,599,256.98	35,429,441.78
203-1-16	Funeral Welfare Society	51,698,563.72	56,743,950.46
203-1-17	Welfare Society	48,208,403.96	57,669,920.57
203-1-18	Canteen Recovery	5,897,767.07	6,063,969.96
203-1-19	Bank Loan - (salary Payable)	73,644,844.18	68,888,297.93
203-1-20	Insurance - Payable	1,000,087.86	1,023,445.12
203-1-21	Stamp Duty recovery	27,979,423.17	28,326,808.81
203-1-22	Fines recovery	474,412,014.79	581,275,796.02
203-1-23	Fines Fund recovery	69,407,064.31	85,869,239.57
203-1-24	Unpaid Salary Deductions	5,670,664.38	6,264,941.53
203-1-25	Tender Deposits	19,782,230.99	11,840,356.99
203-1-26	Other Deposits	10,099,555.28	9,549,670.90
203-1-27	Suspense A/C	23,312.08	(183,428.09)
203-1-28	Deposits - by Outside parties	3,057,310.40	3,057,310.40
203-1-29	Deposits - Tender(Factory)	10,909,905.28	10,909,905.28
203-1-30	Employee Deposits	160,342,995.96	158,941,686.40
203-1-31	Miscellaneous Payable	12,810,814.04	12,958,451.74
203-1-32	E.P.F Surcharges	-	5,109,973.46
203-1-33	E.T.F Surcharges	237,647.06	3,803,993.06
203-1-35	Accrued Rent & Rates	4,880,419.49	4,359,594.63
203-1-38	Fidelity bond	54,419.46	54,049.46
203-1-46	Interest Suspense a/c (Busess 272 &53)	(211,700,389.80)	(211,700,389.80)
203-1-47	Lanka Ashok Leyland Crediter a/c (Busess 272 &53)	685,884,000.00	685,884,000.00
203-1-45	Recovery from Factories a/c	-	18,310.00
203-1-48	Deposits - Contractors(Factory) a/c	2,832,243.12	2,832,243.12
203-1-49	Deposits a/c	2,157,344.61	3,249,819.80
203-1-50	Deposits - by Tender HO	2,091,000.00	2,093,000.00
203-1-56	Amount Received For Land at Werahara	-	4,554,000,000.00
203-1-57	Lanka Ashok Leyland Creditor a/c	100,017,684.90	108,961,684.90
203-1-59	Un Identified Receipts	-	1,800.00
	Sub Total	4,913,538,744.68	9,476,046,298.78

14.2 Accrued Expenses

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
203-3-1	Payable Audit Fee	7,767,370.73	4,079,852.73
203-3-3	Payable E.P.F (SLTB)	165,431,594.07	287,358,936.27
203-3-4	Payable E.P.F (Central Bank)	324,342,896.30	341,717,534.18
203-3-5	Payable E.T.F (Central Bank)	32,617,672.21	34,224,642.80
203-3-6	Salary Control A/C	1,001,506,851.96	902,906,804.76
203-3-7	Accrued Expenses	509,387,808.80	478,887,766.40
203-3-8	Online Bus Control a/c	-	(1,140,751.00)
	Sub Total	2,041,054,194.07	2,048,034,786.14
	Grand Total	6,954,592,938.75	11,524,081,084.92

15. Revenue

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
301-1	Waybill	13,607,567,092.83	16,787,385,167.05
301-2	Season Tickets	345,789,137.65	591,605,217.28
301-3	Special Hires	560,679,516.89	599,728,094.58
301-4	Mail Transport	38,441,230.47	45,628,032.95
301-5	Army Travel Passes	130,827,518.35	142,858,305.68
301-6	Police Warrant	520,306,141.57	509,323,606.42
301-7	Army Special Hires	52,161,405.36	5,765,553.00
301-8	News Paper Transport	2,743,981.00	297,600.00
301-9	Miscellaneous Travel Passes	100,039,246.63	169,070,650.78
301-10	Luggage Receipts	22,843,239.37	22,917,775.25
301-11	Welfare Hires	690,039.00	2,092,590.00
301-12	Police Vovcher a/c	5,485,177.29	7,811,572.00
302-1-2	Sisuseriya	82,076,036.25	116,776,235.00
302-1-3	Nisiseriya	7,432,894.00	11,081,359.00
302-4-D	Season Ticket Subsidy	5,300,000,000.00	5,550,000,000.00
	Total	20,777,082,656.66	24,562,341,758.99

16. Operating Expenses

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
401-1	Bus Operation Expenses	13,049,467,452.49	13,912,385,620.33
401-2	Direct Fuel,Oil & Lubricants	8,025,792,294.07	9,535,272,494.36
401-3	Other Direct Costs	2,775,397,054.75	3,084,792,889.47
402-3-1	Depreciation - Busses	1,990,019,969.95	2,143,299,030.80
	Total	25,840,676,771.26	28,675,750,034.96

Bus Operation Expenses		31.12.2021	31.12.2020
		Rs.	Rs.
401-1-1	Salary - Drivers & Conductors	5,274,650,515.85	4,905,159,681.95
401-1-14	Salary - Engineering	1,448,958,757.83	1,402,539,365.51
401-1-3	Over time - Scheduled Drivers & Conductors	1,170,621,493.98	1,393,492,256.22
401-1-4	Over time - Un Scheduled Drivers & Conductors	158,259,639.54	224,536,619.13
401-1-16	Over time - Engineering	189,085,442.09	232,655,703.95
401-1-6	Travelling - Drivers & Conductors	4,489,861.83	4,195,532.25
401-1-18	Travelling - Engineering	2,241,188.25	2,699,427.20
401-1-2	Cost of Living - Drivers & Conductors	1,568,032,602.26	1,609,916,074.75
401-1-15	Cost of Living - Engineering	391,625,448.86	411,853,669.92
401-1-5	Bus Crews - Layover	8,455,492.80	22,219,237.80
401-1-7	Incentive - Drivers & Conductors	444,264,254.97	580,494,496.59
401-1-17	Incentive - Engineering Employees	62,527,544.57	114,165,024.84
401-1-8	Attendance Allowances - Drivers & Conductors	1,411,943.30	3,523,620.07
401-1-19	Attendance Allowances - Engineering	251,989.60	654,218.16
401-1-10	Special Allowances - Drivers & Conductors	789,825,037.45	1,268,759,646.93
401-1-20	Special Allowances - Engineering	177,299,890.90	313,051,159.30
401-1-23	Bus Washing & Watching Allowance	37,351,760.05	39,191,626.80
401-1-9	Night Allowances- Drivers & Conductors	3,073,865.66	6,814,207.77
401-1-11	Waybill Checking Commission	2,987,435.52	4,069,973.15
401-1-12	E.P.F - Drivers & Conductors	792,384,057.53	810,470,975.71
401-1-21	E.P.F - Engineering	243,076,718.85	250,186,042.42
401-1-13	E.T.F - Drivers & Conductors	193,101,891.66	195,157,825.87
401-1-22	E.T.F - Engineering	60,462,086.33	65,103,071.84
401-1-24	Other Variable Expenses	25,028,532.81	51,476,162.20
	Total	13,049,467,452.49	13,912,385,620.33
Direct Fuel Oil & Lubricants		31.12.2021	31.12.2020
		Rs.	Rs.
401-2-A	Oil & Lubricants for Busses	193,235,613.32	221,875,192.39
401-2-B	Fuel for Busses	7,832,556,680.75	9,313,397,301.97
	Total	8,025,792,294.07	9,535,272,494.36
Other Direct Cost		31.12.2021	31.12.2020
		Rs.	Rs.
401-3-1	Spare Parts	1,190,044,335.93	1,344,648,716.73
401-3-2	New Tyres Tubes	524,144,768.69	615,712,627.69
401-3-3	Rebuild Tyres	704,446,824.22	707,324,095.78
401-3-4	Batteries for Busses	93,525,315.54	102,500,330.30
401-3-5	Busses Repair & Maintenance Expenses	221,258,902.25	264,408,980.70
401-3-6	Busses - Insurance Expenses	9,365,466.02	11,846,098.41
401-3-7	Busses - Registration Fees & Revenue Licenses	6,312,911.89	5,255,941.84
401-3-8	Tickets & Way Bill Expenses	26,298,530.21	33,096,098.02
	Total	2,775,397,054.75	3,084,792,889.47

17. Other Income

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
303-1	Rent Income	9,408,861.42	24,798,922.27
303-4	Circuit Bungalows	2,120,492.60	4,727,577.44
303-5	Advertising	1,606,452.49	2,851,885.45
303-6	Penalty Charges	1,081,348.95	896,240.46
303-8	Dividends Received	-	156,250.00
303-9	Waste Oil Sale	7,866,719.90	10,079,423.58
303-10	Excess Cash	395,490.47	654,927.05
303-11	Damages Recovered	14,504,875.79	11,986,655.04
303-12	Income From Property	1,192,827.46	32,518,721.50
303-13	Building & Canteen Rent	3,426,798.83	6,398,805.19
303-14	Commission & Discounts	24,096,168.39	30,043,136.55
303-15	Fitness Certificate	10,351,625.07	9,280,627.50
303-16	Income from Outside Repairs	201,195.32	500,732.92
303-17	Wrecker charges	634,081.00	1,137,692.74
303-18	Insurance Commission	286.00	27,728.75
303-19	Cashier Excess	100,559.09	161,985.02
303-20	Income on Identity Cards	841,226.57	1,114,394.00
303-21	Stock Adjustment AC	(4,192,993.89)	2,044,092.80
303-22	Excess / (Shortage) of Fuel Stock	8,786,885.88	6,459,777.31
303-23	Scrap Sale	61,739,207.83	26,490,885.43
303-24	Other Income	149,138,514.59	127,408,824.28
303-25	Revenue from Shalika	575,150.00	564,900.00
303-26	Fuel Sale Income	34,097,046.19	26,209,046.10
303-29	Sale on Other items	4,551,404.90	2,707,741.52
303-30	Scrap Stock Excess	416,707.25	147,871.15
302-1-A	Uneconomic Root Subsidy	5,300,000,000.00	5,850,000,000.00
302-1-4	Other Subsidy	265,100,000.00	210,000,270.00
	Total	5,898,040,932.10	6,389,369,114.05

18. Administration & Establishment Expenses

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
	Salaries & Wages 18.1	1,055,412,786.36	1,085,705,521.65
	Overtime & Leave Pay 18.2	185,056,681.51	193,172,869.03
	Cost of Living Allowance 18.3	419,337,967.72	462,132,329.49
	Travelling Expenses 18.4	8,911,243.36	11,610,943.93
	Other Special Allowances 18.5	665,530,084.18	745,222,031.54
	Repairs & Maintenance 18.6	208,439,957.20	172,059,788.66
402-1-6	Chairman/Director Board Allowance	739,666.58	329,500.00
402-1-8	Private Security Expenses	86,482,151.88	80,475,224.90
402-1-9	Medical Bills	570,214.26	868,196.99
402-1-10	Other Allowances	4,840,535.49	5,901,392.91
402-1-11	Contract & Daily Payment Employees Allowances	128,241,178.74	112,110,774.89
402-1-12	Employee Provident Fund	307,425,612.82	330,146,221.17
402-1-13	Employee Trust Fund	80,805,537.58	86,260,200.09
402-2-5	Printing & Stationary	89,680,258.86	85,921,925.56
402-2-6	Rent & Rates	42,943,003.74	39,846,434.75
402-2-7	Telephone	45,501,176.49	45,164,396.83
402-2-8	Electricity	81,198,477.50	87,685,399.43
402-2-9	Water	23,075,662.56	26,618,872.83
402-2-10	Annual Bonus	(230,604,787.19)	291,894,499.32
402-2-11	Gratuity Allowances a/c	914,466,448.00	831,270,451.17
402-2-12	Medical Condemn Retirement	2,662,716.50	4,455,272.80
402-2-13	Legal Expenses	19,937,765.56	16,717,001.48
402-2-14	Staff Welfare	52,812,335.54	28,559,194.23
402-2-15	Ex-gratia Payments	183,265,463.49	15,960,123.25
402-2-16	Workmen Compensation	2,475,841.25	3,415,031.00
402-2-17	Payment for Police security	2,696,937.90	2,544,405.40
402-2-19	Fuel Oil & Lubricants(indirect)	34,024,445.20	20,033,014.65
402-2-20	Entertainment	8,118,809.66	9,062,598.56
402-2-21	Other Expenses	184,864,741.53	187,069,685.40
402-2-23	Advertising Expenses	3,716,531.00	2,060,773.18
402-2-24	Insurance - Other Vehicles	7,866,562.28	7,294,803.53
402-3-2	Depreciation 18.7	363,904,547.24	364,096,368.30
	Total	4,984,400,554.79	5,355,665,246.92

18.1 Salaries & Wages		31.12.2021	31.12.2020
		Rs.	Rs.
402-1-1-A	Salaries & Wages - Operation Staff	403,206,129.86	431,639,898.99
402-1-1-B	Salaries & Wages - Accounting Staff	137,486,106.27	151,008,179.66
402-1-1-C	Salaries & Wages - Engineering Staff	183,685,083.36	186,214,681.33
402-1-1-D	Salaries & Wages - Audit Staff	19,788,599.92	20,230,256.84
402-1-1-E	Salaries & Wages - Disciplinary Staff	28,220,092.53	25,547,954.22
402-1-1-F	Salaries & Wages - Security Staff	210,536,733.64	196,478,043.27
402-1-1-G	Salaries & Wages - Supply Staff	64,830,285.67	67,936,506.76
402-1-1-H	Salaries & Wages - D.T.S	7,659,755.11	6,635,000.58
402-1-7	Salary - Trained Graduate	-	15,000.00
Total		1,055,412,786.36	1,085,705,521.65

18.2 Overtime & Leave Pay		31.12.2021	31.12.2020
		Rs.	Rs.
402-1-2-A	Overtime & Leave Pay - Operation Staff	49,608,005.83	54,190,877.54
402-1-2-B	Overtime & Leave Pay - Accounting Staff	2,202,793.20	3,735,448.82
402-1-2-C	Overtime & Leave Pay - Engineering Staff	15,468,361.57	15,302,964.96
402-1-2-D	Overtime & Leave Pay - Audit Staff	33,733.31	43,027.54
402-1-2-E	Overtime & Leave Pay - Disciplinary Staff	3,199,928.98	3,046,903.53
402-1-2-F	Overtime & Leave Pay - Security Staff	110,136,051.12	111,816,569.15
402-1-2-G	Overtime & Leave Pay - Supply Staff	4,308,819.78	4,855,576.09
402-1-2-H	Overtime & Leave Pay - D.T.S	98,987.72	181,501.40
Total		185,056,681.51	193,172,869.03

18.3 Cost of Living Allowance		31.12.2021	31.12.2020
		Rs.	Rs.
402-1-3-A	Cost of Living Allowance - Operation Staff	179,514,401.60	208,571,537.06
402-1-3-B	Cost of Living Allowance - Accounting Staff	62,034,612.39	71,427,686.01
402-1-3-C	Cost of Living Allowance - Engineering Staff	69,153,727.62	73,508,627.52
402-1-3-D	Cost of Living Allowance - Audit Staff	8,785,530.00	9,150,690.00
402-1-3-E	Cost of Living Allowance - Disciplinary Staff	10,799,330.00	10,462,212.67
402-1-3-F	Cost of Living Allowance - Security Staff	60,881,797.00	58,606,646.49
402-1-3-G	Cost of Living Allowance - Supply Staff	26,232,919.11	28,685,918.63
402-1-3-H	Cost of Living Allowance - D.T.S	1,935,650.00	1,719,011.11
Total		419,337,967.72	462,132,329.49

18.4 Travelling Expenses		31.12.2021	31.12.2020
		Rs.	Rs.
402-1-4-A	Travelling Expenses - Operation Staff	4,919,432.76	6,300,944.74
402-1-4-B	Travelling Expenses - Accounting Staff	642,169.60	1,042,739.25
402-1-4-C	Travelling Expenses - Engineering Staff	1,358,485.50	1,600,792.19
402-1-4-D	Travelling Expenses - Audit Staff	680,744.50	922,778.50
402-1-4-E	Travelling Expenses - Disciplinary Staff	413,600.00	558,522.50
402-1-4-F	Travelling Expenses - Security Staff	522,362.00	631,819.50
402-1-4-G	Travelling Expenses - Supply Staff	293,579.00	466,573.75
402-1-4-H	Travelling Expenses - D.T.S	80,870.00	86,773.50
Total		8,911,243.36	11,610,943.93

18.5 Other Special Allowances		31.12.2021	31.12.2020
		Rs.	Rs.
402-1-5-A	Other Special Allowances - Operation Staff	345,281,635.58	393,238,950.52
402-1-5-B	Other Special Allowances - Accounting Staff	98,511,060.48	107,426,553.22
402-1-5-C	Other Special Allowances - Engineering Staff	95,892,636.96	102,894,857.75
402-1-5-D	Other Special Allowances - Audit Staff	14,354,859.84	15,033,657.06
402-1-5-E	Other Special Allowances -Disciplinary Staff	17,197,501.01	17,259,380.24
402-1-5-F	Other Special Allowances - Security Staff	52,540,767.91	66,946,526.99
402-1-5-G	Other Special Allowances - Supply Staff	38,687,417.28	39,866,996.44
402-1-5-H	Other Special Allowances - D.T.S	3,064,205.12	2,555,109.32
Total		665,530,084.18	745,222,031.54

18.6 Repairs & Maintenance		31.12.2021	31.12.2020
		Rs.	Rs.
402-2-1	Repairs & Maintenance (Garage Building)	50,847,627.20	36,200,859.64
402-2-2	Maintenance of Furniture & Office Equipment	7,126,496.69	10,282,886.32
402-2-3	Repairs & Maintenance - Pool Vehicle	118,976,661.31	97,651,530.53
402-2-4	Maintenance of Plant & Machinery	31,489,172.00	27,924,512.17
Total		208,439,957.20	172,059,788.66

18.7 Depreciation		31.12.2021	31.12.2020
		Rs.	Rs.
402-3-2	Depreciation - Other Vehicle	8,569,267.50	11,630,339.50
402-3-3	Depreciation - Plant & Machinery	52,566,107.44	38,550,745.47
402-3-4	Depreciation -Furniture & Office Equipment	8,505,312.74	8,140,277.42
402-3-5	Depreciation - Building	1,960,819.32	1,569,663.85
402-3-6	Depreciation - Computer	25,401,245.33	26,133,711.61
402-3-7	Depreciation - Others	5,590,966.61	6,258,085.71
402-3-9	Depreciation - Air conditioners	1,161,239.63	1,144,194.71
402-3-10	Depreciation - Bus Engine	226,338,436.05	226,338,436.05
402-3-12	Depreciation - Ticket Machine	27,789,778.30	39,098,386.57
402-3-13	Depreciation - Computer Softwear	6,021,374.32	5,232,527.41
Total		363,904,547.24	364,096,368.30

19. Finance Performance

Account Code	Description	31.12.2021	31.12.2020
		Rs.	Rs.
402-4-1	Over Draft Interest	382,052.96	1,010,005.95
402-4-2	Bank Charges	6,701,571.17	5,813,691.27
402-4-4	Leasing Interest a/c	211,700,389.80	213,760,343.00
402-4-5	Other Finance Cost a/c	-	43,671,235.74
Total Financial Cost		218,784,013.93	264,255,275.96

Account Code	Description	31.12.2021	31.12.2020
		Rs.	Rs.
303-7	Interest Income	144,232,252.97	184,884,183.17
Total Financial Cost		144,232,252.97	184,884,183.17

Net Financial Cost		74,551,760.96	79,371,092.79
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20. Work Shop Production Profit & Loss

Profit & Loss Statement		31.12.2021	31.12.2020
		Rs.	Rs.
403-1	Work in Progress as at 01.01.2021 - Meterials	11,392,281.74	1,509,513.37
	ADD		
403-2	Purchases - Materials	110,046,718.50	159,820,527.87
	LESS		
403-4	Goods Return	(142,452.99)	627,301.56
	Work in Progress as at 31.12.2021	4,729,152.18	11,392,281.74
		4,586,699.19	12,019,583.30
	Primary Cost of Finished Goods	116,852,301.05	149,310,457.94
	Factory Overhead Cost		
403-1-A	Factory Wages & Allowances	115,969,025.30	125,638,580.76
403-1-B	Overtime	17,975,221.78	21,898,747.06
403-1-C	Travelling Allowances	27,375.00	73,607.50
403-1-D	E.P.F	11,595,436.09	12,775,587.35
403-1-E	E.T.F	2,026,698.34	2,226,177.86
403-1-F	Other Costs	71,143.60	4,200.00
	Factory Costs	147,664,900.11	162,616,900.53
	Total Production cost	264,517,201.16	311,927,358.47
403-3	Revenue on Production	207,876,565.40	236,690,485.97
	Production Shortage	(56,640,635.76)	(75,236,872.50)
	Other Work Shop Production	19,985,333.18	8,999,628.71
	Total Production Shortage	(36,655,302.58)	(66,237,243.79)

21. Driving Training School Profit & Loss

Profit & Loss Statement		31.12.2021	
		Rs.	
	Training Income	8,000,020.20	
			8,000,020.20
303	Other Revenue		
303-7	Interest Income a/c	2,893,684.71	
303-12	Income From Property a/c	3,250.00	
303-24	Other Income a/c	56,200.00	
			2,953,134.71
	Total Income		10,953,154.91
4	Expenses		
401	Bus Operation Expenses		
401-1-6	Travelling - Drivers & Conductors a/c	962.50	
401-1-18	Travelling - Engineering a/c	5,862.50	
			6,825.00
401-2-B	Fuel for Busses a/c	565,028.00	
			565,028.00
401-3	Other Direct Cost		
401-3-1	Spare Parts a/c	6,635.00	
401-3-4	Batteries for Busses a/c	3,000.00	
401-3-5	Busses Repair & Maintenance Expenses a/c	371,538.15	
401-3-7	Busses - Registration Fees a/c	41,785.00	
			422,958.15
402	Staff Expenses		
402-1	Employee Expenses		
402-1-1-H	Salaries & Wages - D.T.S a/c	14,394,980.62	
402-1-2-H	Overtime & Leave Pay - D.T.S a/c	3,241,603.59	
402-1-3-H	Cost of Living Allowance - D.T.S a/c	4,453,372.47	
402-1-4-A	Travelling Expenses - Operation Staff a/c	2,895.00	
402-1-4-H	Travelling Expenses - D.T.S a/c	14,190.00	
402-1-5-H	Other Special Allowances - D.T.S a/c	6,924,039.22	
402-1-9	Medical Bills a/c	21,155.00	
402-1-11	Contract & Daily Payment Employees Allowances a/c	19,915.00	
402-1-12	Employee Provident Fund a/c	2,719,586.20	
402-1-13	Employee Trust Fund a/c	651,357.33	
			32,443,094.43
402-2	Administration & Establishment Expenses		
402-2-1	Repairs & Maintenance (Garage Building) a/c	198,485.00	
402-2-2	Maintenance of Furniture & Office Equipment a/c	26,040.00	
402-2-3	Repairs & Maintenance - Pool Vehicle a/c	96,140.00	
402-2-4	Maintenance of Plant & Machinery a/c	50,285.00	
402-2-5	Printing & Stationary a/c	226,794.50	
402-2-6	Rent & Rates a/c	28,618.40	
402-2-7	Telephone a/c	246,197.91	

402-2-8	Electricity a/c	241,033.85	
402-2-9	Water a/c	110,454.33	
402-2-10	Annual Bonus For the Year a/c	292,400.00	
402-2-11	Gratuity Allowances a/c	4,426,197.75	
402-2-14	Staff Welfare a/c	333,386.00	
402-2-15	Ex-gratia Payments a/c	25,000.00	
402-2-19	Fuel Oil & Lubricants(indirect) a/c	863,515.26	
402-2-20	Entertainment a/c	28,594.00	
402-2-21	Other Expenses a/c	1,850,917.63	
402-2-24	Insurance - Other Vehicles a/c	351,752.19	
			9,395,811.82
402-4	Finance Cost		
402-4-2	Bank Charges a/c	9,820.00	
			9,820.00
	Total Expenditure		42,843,537.40
	Net Profit (/Loss)		(31,890,382.49)
	Other Driving Trainning School Profit & Loss		23,130,338.81
	Total Other Driving Trainning School Profit & Loss		(8,760,043.68)

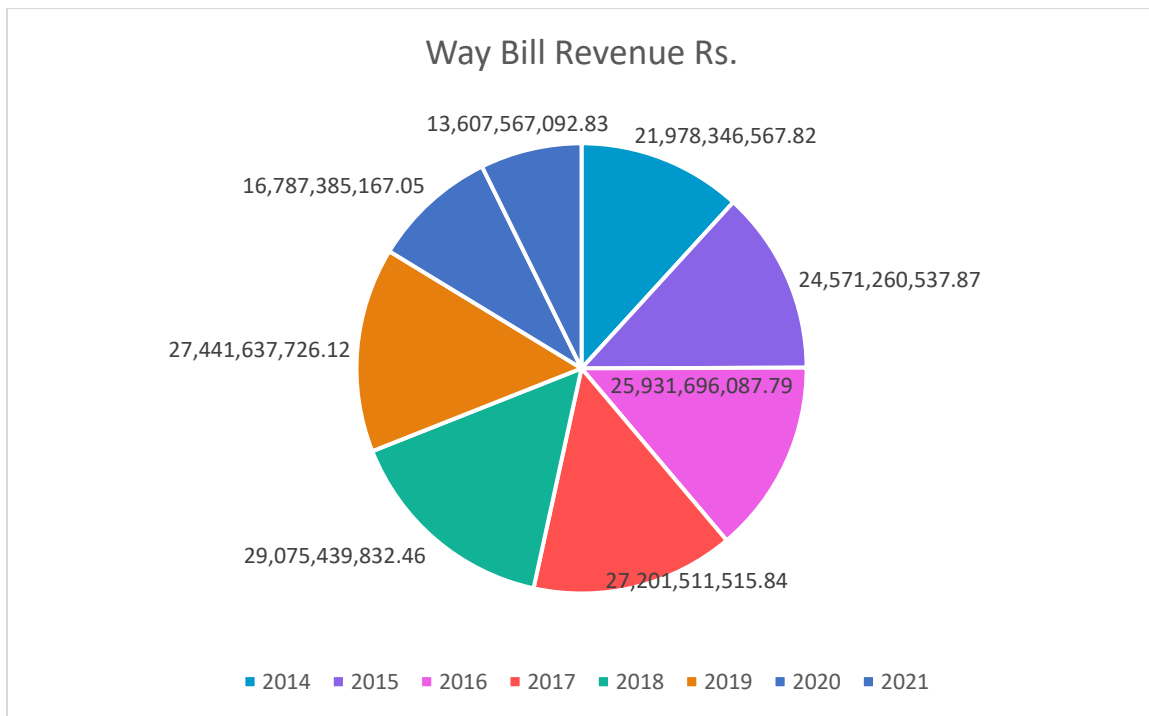
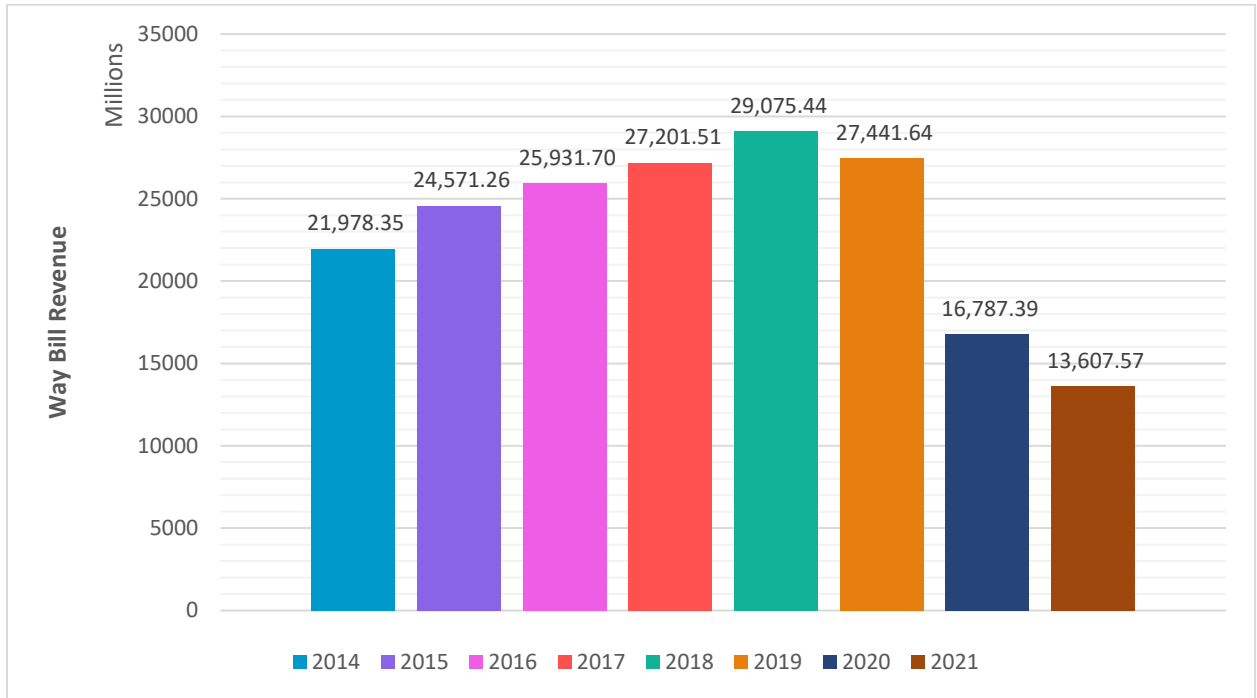
22. Fuel Shed Profit & Loss

Profit & Loss Statement		31.12.2021	
		Rs.	
	Sales		<u>188,333,635.85</u>
	Opening Balance - Desol	1,655,944.16	
	Opening Balance - Petrol	220,267.23	
	Opening Balance - Lubricant	303,860.00	
			<u>2,180,071.39</u>
	Add		
	Perch ices -Desol	116,654,880.19	
	Perch ices -Petral	68,231,468.56	
	Perch ices -Lubricant	673,718.57	
			<u>185,560,067.32</u>
			<u>187,740,138.71</u>
	Closing Balance - Desol	2,123,191.84	
	Closing Balance - Petrol	1,363,597.38	
	Closing Balance - Lubricant	294,485.00	
			<u>(3,781,274.22)</u>
			<u>(183,958,864.49)</u>
	Gross Profit		4,374,771.36
	Other Income		
303-7	Interest Income a/c	42,500.00	
303-24	Other Income a/c	13,500.00	
			<u>56,000.00</u>
			56,000.00
			4,430,771.36
	Administrative Expenses		
402-1-1-C	Salaries & Wages - Engineering Staff a/c	1,908,195.28	
402-1-2-C	Overtime & Leave Pay - Engineering Staff a/c	569,897.61	
402-1-3-C	Cost of Living Allowance - Engineering Staff a/c	748,800.00	
402-1-5-C	Other Special Allowances - Engineering Staff a/c	912,383.65	
402-2-1	Repairs & Maintenance (Garage Building) a/c	934,278.00	
402-2-2	Maintenance of Furniture & Office Equipment a/c	1,620.00	
402-2-4	Maintenance of Plant & Machinery a/c	71,748.80	
402-2-5	Printing & Stationary a/c	13,366.60	
402-2-6	Rent & Rates a/c	176,022.98	
402-2-7	Telephone a/c	94,598.23	
402-2-8	Electricity a/c	273,204.94	
402-2-14	Staff Welfare a/c	17,980.00	
402-2-21	Other Expenses a/c	3,000.00	
			<u>5,725,096.09</u>
	Financial Expenses		
402-4-2	Bank Charges a/c	7,548.60	
402-4-5	Other Finance Cost a/c	-	7,548.60
			<u>5,732,644.69</u>
	Total Cost		<u>(5,732,644.69)</u>
	Net Profit		<u>(1,301,873.33)</u>

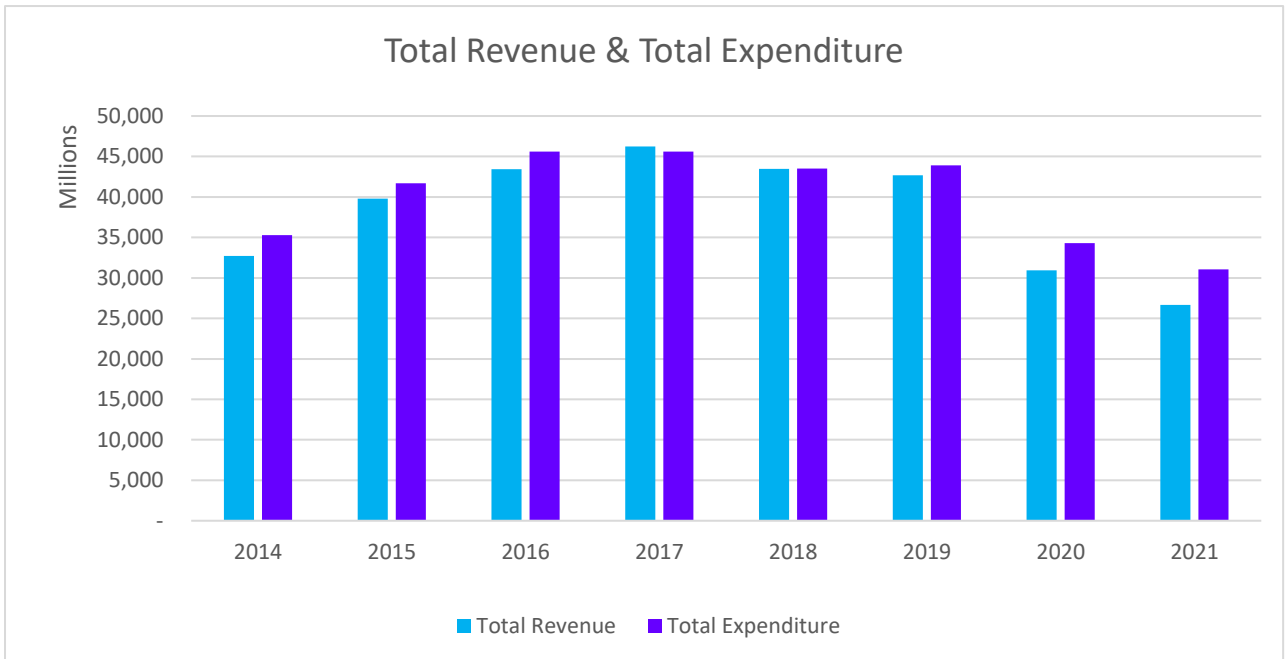
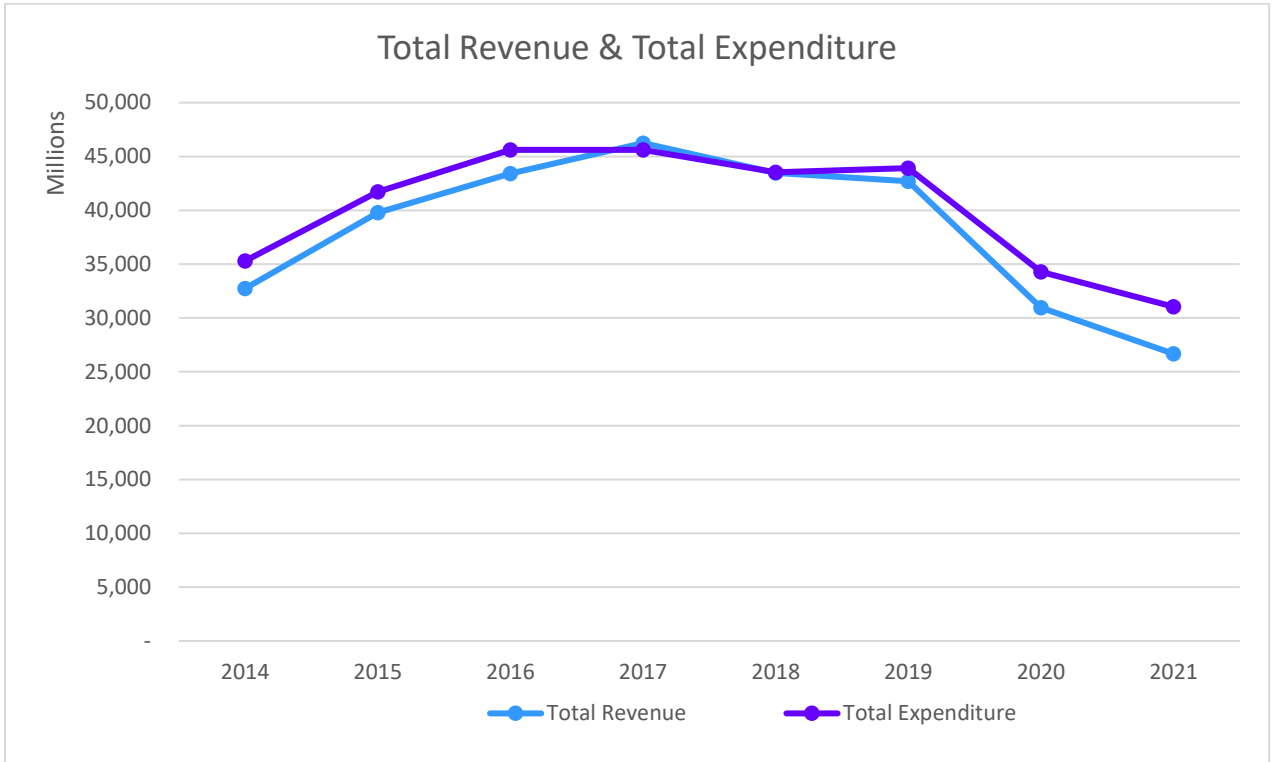
23. Government Contribution

Account Code	Description	31.12.2021 Rs.	31.12.2020 Rs.
302-2-B	Grant for Rehabilitation	1,181,217,237.00	1,091,904,937.00
302-6-F	Government Grant Amortization	35,462,800.76	35,462,800.76
	Total	<u>1,216,680,037.76</u>	<u>1,127,367,737.76</u>

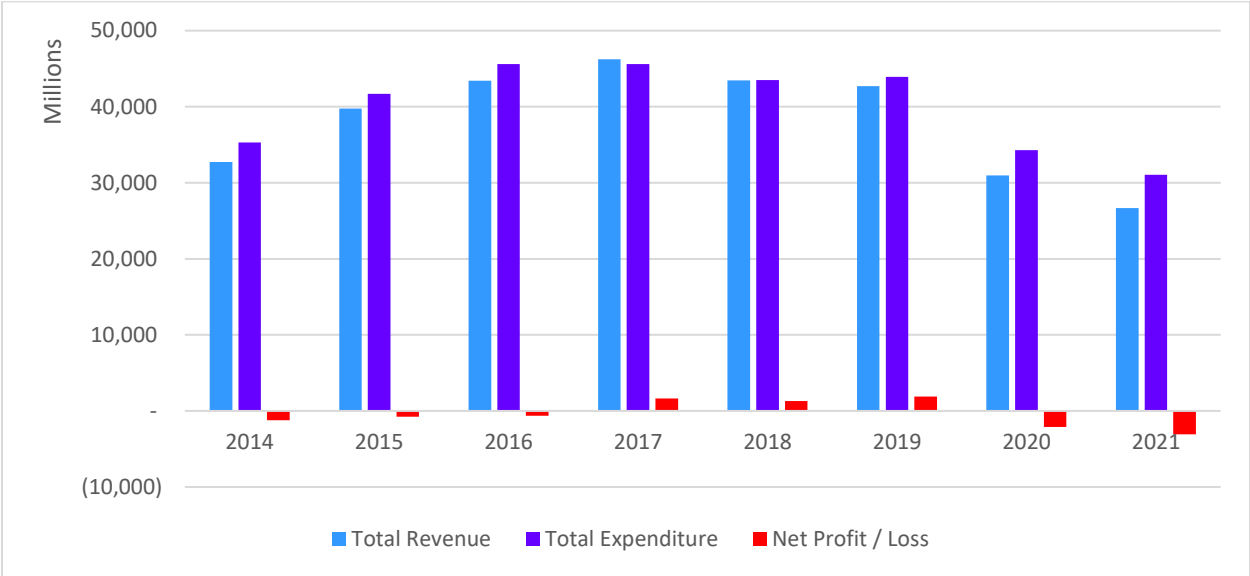
Way Bill Revenue Earned From 2014 to 2021



Total Revenue and Total Expenditure From 2014 to 2021



Total Revenue, Total Expenditure and Net Profit / Loss From 2014 to 2021



Chairman

Sri Lanka Transport Board

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Transport Board for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Transport Board (“Board”) for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

I do not express an opinion on the accompanying financial statements of the Board. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

- (a) Computer software amounting to Rs.34,926,971 as at 31 December 2020 had not been accounted as an intangible asset in accordance with Section 72 of Sri Lanka

Accounting Standard No. 38 and it had indicated under property, plant and equipment.

- (b) Although military passport income had been Rs.147,095,230 as at 31 December 2020 as per the ledger, it had been indicated in the financial statements as Rs.142,858,305. As a result, the loss for the year under review had been overstated by that amount.
- (c) The Board had not maintained an asset register on lands and buildings and 04 items, which had not been specifically identified and amounted to Rs.48,168,750 had been included in the land and buildings account during the year under review.
- (d) According to Sri Lanka Accounting Standard No. 16, the balance of lands and buildings amounting to Rs.391,317,296 owned by the Board had not been disclosed separately in the financial statements as lands and buildings. The details of assets related to the depreciation of buildings had not been submitted to the audit. Therefore, it had not been possible to verify the accuracy of the balance of lands and buildings and the accuracy of the depreciation value of the buildings and the existence of the assets during the audit.
- (e) Although a land, of which the cost had not been identified and owned by the Board, had been transferred to a government institution at the assessed value amounting to Rs.5,054,000,000, the related cost had not been eliminated from the value of land and buildings. An amount of Rs.4,954,000,000 received from the Treasury by the end of the year under review and Rs.100,000,000 that should have been received by 31 December 2021 had been accounted as reserves.
- (f) Computers and ticket machines had been over depreciated by Rs.6,470,984 during the year under review and therefore, the annual loss had increased by that amount.
- (g) Although an amount of Rs.16,470,521 had been accounted as computer software and an amount of Rs.65,667,616 had been accounted as motor vehicles as at the end of the year under review, the accuracy of the respective balances could not be verified during the audit as the details of the respective assets had not been submitted to the audit.
- (h) An amount of Rs.36,167,950 had been indicated in the cash flow statement as cash flows generated due to purchasing assets in the year under review and the amount of Rs.8,400,000, the value of the 02 buses obtained on loan had been included in that

amount. Accordingly, cash flows under investment activities had been overstated by that amount.

- (i) The balance of stock adjustment account amounting to Rs.4,192,994, indicated under other income in the income statement for the year under review and the balance of fuel stock surplus or deficit account amounting to Rs.8,786,886 had not been adjusted to the cash flow statement.
- (j) Since the total balance had been adjusted to the accumulated loss in the year under review without annually amortizing the grants amounting to Rs.2,981,392,313, provided by the Treasury for the purchase of bus engines in the year 2001 as per the life of the assets, the accumulated loss had decreased by that amount and the net assets of the Board with a negative value had decreased by that amount.
- (k) Although the bank charge expense for the year under review had been indicated in the final accounts as Rs.6,701,571, bank overdraft interest amounting to Rs.711,616, contract remuneration expenses amounting to Rs.307,664, employee loan recoveries amounting to Rs.1,630,963, recoveries of Sinhala New Year Festival loan installments amounting to Rs.11,273 had also been included in that expense.
- (l) It was observed in the audit that the going concern of the Board may be adversely affected as the net asset value of the Board as at 31 December 2021 had been a negative balance amounting to Rs.9,790,092,091.
- (m) It was not possible to confirm the accuracy of the debit balances of dormant accounts, valued at Rs.1,290,782,781 as at 31 December 2021, at the audit as detailed schedules had not been submitted to audit for the confirmation of the accuracy of the balances.
- (n) Although 3 vehicles owned by the Board and costed at Rs.7,300,000 and 18 buses costed at Rs.76,749,438 belonging to 12 depots had been severely damaged due to the unrest prevailed in the country on 09 May 2022, they had not been disclosed in the financial statements in the year under review as per Sri Lanka Accounting Standards No. 10.
- (o) Even though there had been loan balances amounting to Rs.1,745,604, outstanding for a period over 10 years and Rs. 2,413,953, outstanding between 02 and 10 years within the trade debtor balance of Rs.20,666,494 as at 31 December 2021, provision had not been made for doubtful debts in relation to that. Moreover, the accuracy of the

relevant balances could not be verified during the audit as the balance confirmations related to the above balance had not been submitted to audit.

- (p) There had been a creditor balance amounting to Rs. 576,577,491, outstanding for a period over 10 years and a creditor balance amounting to Rs. 432,275,302 outstanding between 05 and 10 years and a creditor balance amounting to Rs. 513,266,201, outstanding between 02 and 05 years within the trade creditor balance of Rs.2,833,830,765 as at 31 December 2021 and balance confirmations related to the relevant balances had not been submitted to audit. Furthermore, debit balances amounting to Rs.90,420,175 in relation to 10 creditor balances had been observed.
- (q) According to the stock survey reports of the Board, the annual spare parts physical stock balance had been Rs.1,514,815,227 as at 31 December 2021 and as per the financial statements presented, the stock had been Rs.1,637,684,553. Accordingly, the stock value of the statement of financial position had been overstated by Rs.122,869,326.
- (r) There had been a balance of Rs.1,468,624,856 in the local purchases advance account as at the last date of the year under review, and it had not been possible to verify its accuracy as schedules had not been provided for that purpose. It had been disclosed that a balance of Rs.1,467,253,615, out of that had been prevailing for a period of 2 to 10 years.
- (s) According to the financial statements of the Board, the value of fixed deposits at the end of the year under review had been Rs.337,171,886. However, it had not been possible to verify the accuracy of the relevant balances in the audit as the balance confirmations for the fixed deposits amounting to Rs.111,556,382 had not been submitted to the audit.

As described above, material items included in the statement of financial position, statement of comprehensive income, statement of changes in equity and the cash flow statement could not be confirmed or verified by alternative methods. As a result, I was unable to determine whether it is required to make any adjustments regarding the recorded or unrecorded values or transactions of the values or items that make up the statement of financial position, statement of comprehensive income, statement of changes in equity and the cash flow statement.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

My responsibility is to conduct an audit of the Board's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section, I was not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- 2.1.1 I have not obtained all the information and explanation that considered necessary for the purpose of audit and I was unable to determine whether proper accounting records have been kept by the Board as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year other than the observations (a), (b) as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;
- 2.2.1 to state that any member of the governing body of the Board has any direct or indirect interest in any contract entered into by the Board which are out of the normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018.
- 2.2.2 to state that the Board has not complied with any applicable written law, general and special directions issued by the governing body of the Board as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018, except for the following observations;

Reference to Laws, Rules / Direction	Observations
(a) Environment Act No. 47 of 1980 and Gazette Extraordinary No. 1533/16 dated 28 January 2008	Although all the depots should obtain a licence in relation to servicing vehicles, none of the depots of the Board had taken steps to obtain the licence.

- (b) Public Administration Circular No. PED 2/2015 dated 25 May 2015, Even though expenses amounting to Rs.7,729,446 had been incurred by the Board for the provision of mobile phone facilities to the officers of the Board in the year under review. During the audit test checks carried out, only the information about 831 connections had been recorded though the Board had 1078 connections during the month of December in the year under review. Even though it had not been possible to ascertain who had been using 59 connections, payments had been made for those connections as well.
- (c) Financial Regulations of the Government
- i. FR 387 Although the overdraft facilities should not be obtained, the Board had obtained overdraft facilities worth Rs.62,423,460 and had also paid an overdraft interest of Rs.382,052 during the year.
- ii. FR 395 (c) The bank reconciliation statement for the last month of the year under review in relation to 05 regional offices, 04 regional workplaces, 03 depots, 02 filling stations and 19 bank accounts maintained by the Head Office, had not been submitted for audit. Moreover, balance confirmation letters and bank account statements for the month of December in relation to those accounts had not been submitted.
- iii. FR 395 (d) Even though a list of uncashed cheques should be submitted in terms of the Financial Regulations, a list of cheques amounting to Rs.17,577,369 that had been issued according to the bank reconciliation statements prepared in December 2021, but uncashed, had not been submitted.
- iv. FR 396 Action had not been taken in relation to the cheques worth Rs. 2,977,706, issued for more than 6 months, but uncashed in terms of the Financial Regulations.
- (d) Public Enterprises Circular No. PED

/12 dated 02 June
2003

- i. Section 5.1.2 Although the Action Plan should have been prepared based on the objectives and targets, the Board had not functioned accordingly.
 - ii. Section 5.2 In the preparation of the action plan, the budgeted income and expenditure statement, budgeted balance sheet, budgeted cash flow statement and budgeted capital expenditure should have been presented, the board had not functioned accordingly.
 - iii. Section 6.5.1 Although the financial statements for the year under review had to be submitted for audit within 60 days after the end of the year, the financial statements had been submitted on 04 July 2022, with a delay of 127 days.
 - iv. Section 8.3.9 Although the resources of the Public Enterprises should not be given to the Line Ministry according to the Circular, 11 officials of the Board had performed the duties of the Ministry of Transport, and the Board had paid salaries and overtime allowances for them, but action had not been taken to reimburse the amounts.
- (e) Sections 3.1 and 3.2 of the Chapter VIII of the Establishments Code Even though money should be spent for overtime only in exceptional cases where there is no other means of accomplishing the relevant work and only for work which is specifically prescribed and which is definitely outside the normal course of work, which is urgent and which cannot be done within normal hours, the Employees of the Board had been given unlimited overtime allowances. It was observed that 708 salaried officers were performing their duties in the Head Office of the Board. During the audit test check carried out, it was found that an amount of Rs.12,573,754 had been paid as overtime allowances to 177 officers of the Board in excess of the monthly salary during the year under review.

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

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

(a) The Board had entered into an agreement with a private company on 20 March 2018 for the construction of the Orugudawatta filling station at a value of Rs.61,014,316. Although the construction work had to be completed by 20 June 2018 according to the agreement, the construction work had not been completed even by 16 August 2022 and Rs.26,765,705 had been paid to the contractor by 31.12.2021. Moreover, the Board had incurred a financial loss amounting to Rs. 2,102,126 due to the award of the contract to the bidder with a higher price regardless of the bid of the lowest price in contrary to the Procurement Guidelines. Furthermore, the Board had lost the income that could have been obtained from the operation of the filling station as the contractor had not completed the construction as per the Agreement. At the time of the audit, 07 diesel and petrol pumps worth Rs. 12,610,500 had been stacked on the site without following any safety measures, and the lids of the fuel tanks placed had been removed by the contractor. However, the Board has not yet taken any action in this regard.

(b) The Board had received the relevant equipment sets for the construction of 09 emission centres in the 09 provinces from the Vehicle Emission Trust Fund of the Department of Motor Traffic, and the construction of the emission centres had been done without conducting a feasibility study. Among these emission centres, Kurunegala and Medawachchiya centres have been completed. These centres had been closed due to a legal issue and therefore, the machinery worth Rs. 18.75 million in those centres had remained idle. A sum of Rs.22.48 million had been spent out of the estimated amount of Rs.89.84 million related to the construction of civil works pertaining to the use of this asset, and 03 centres, of which construction had been completed remained idle even by 30 May 2022.

- (c) A contract had been entered into with a private company at an amount of Rs.33,628,840 for the purchase of necessary equipment to maintain cameras and GPS system for 125 luxury buses of the Board. A preliminary feasibility study, cost benefit analysis and a study for forecasting the outcomes had not been conducted prior to undertaking this project. For this purpose, late fees amounting to Rs. 3,362,884, which should be charged as per clause 8 of the relevant procurement agreement, had not been collected from the suppliers.

2.3 Other Matters

- (a) The Board has 10,575 ticket machines worth Rs. 226,417,397. Out of the ticket machines, 4,250 machines worth Rs. 107,070,821 i.e. 40 percent had been inoperative. However, the Board had not repaired these machines and made them usable. Although 493 machines, out of these machines, had been sent for repairs, the repairs had not been carried out promptly, and 23 machines worth Rs.432,305 had been misplaced.
- (b) The targeted number of buses to operate under the Park & Ride project was 25 buses in Colombo district and 06 buses in Kandy district. In this regard, the details of operation and income had not been submitted to the audit. However, the Board had spent Rs.939,750 to install 25 GPS devices for buses owned by external parties for the Park & Ride project. Furthermore, action had not been taken to reobtain the cameras installed to the buses.
- (c) In the examination of the progress as per the action plan of the Board, an estimate of Rs.3,506 million had been made during the year under review to add 600 buses to the fleet under the Indian credit facility. Although the procurement process for these 600 buses had been completed within 05 years, the buses had not been purchased.
- (d) The Board maintains regional offices, depots, driving training schools and regional workshops, which had been established in various parts of the island. The Board had not maintained an updated land register of all the lands owned by the Board, such as the lands with the legal title to the lands on which those institutions were situated, lands acquired on the lease basis, lands acquired by vesting or otherwise. Identification of all the lands owned by the Board, settlement of ownership and assessment of their value had not been carried out even at the end of the year under

review. Furthermore, the lands owned by the Board and are being utilized, remained unprotected and overgrown.

- (e) The daily bus requirement of the Board had been 7,339 as at 16 June 2022, and the existing bus fleet had been 6,951. Thirty-two (32) percent, out of the existing bus fleet, had been in non-operational condition. Two thousand seven hundred and forty two (2,742) buses, out of 4,718 buses in the running condition, had been older for more than 10 years.
- (f) The balance of the cash and cash equivalents account had been Rs.1,167.5 million as at 31 December of the year under review and the balance of the cash account of the bank had been Rs.961.4 million and the balance of cash in hand had been Rs.158.1 million and the bank overdraft balance of 10 regional banks had been Rs.62.4 million. Therefore, it was observed that the financial management of the Board is being done inefficiently.
- (g) The industrial workshop of the Board, driving schools and filling stations had been continuously running at a loss for more than 03 years and necessary action had not been taken to make them profitable.
- (h) According to the fixed assets sub-register, 825 bus engines with a book value of Rs.1,000 owned by the Board as at 31 December 2020 had been removed from the assets sub-register during the year under review. However, it was observed that there had been a very high scrap value in those engines.
- (i) The fixed deposits of Vavuniya depot had been withdrawn and an amount of Rs.25,000,000 had been given to the Head Office on loan basis. Although the Head Office should settle the loan in 10 equal instalments, any payment had not been made until 17 February 2022. Vavuniya Depot had lost the annual interest amounting to Rs.6,754,832, which should have been received through fixed deposits as the amount had been granted to the Head Office.

W.P.C. Wickramaratne
Auditor General