

**ANNUAL REPORT**

**2017**

**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 2017/01/01 to 2017/12/31. I assumed duties as Chairman of the SLTB on 2019/12/27 and though I was not the Chairman during the period under review, still am obliged to issue a message for the SLTB Annual Report for the year 2017.

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 amongst 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 5266. The total operated kilometers decreased marginally by 0.8 % to 448 million km. while passenger kilometers also decreased by 1.8% to 15.8 billion km. Despite the upward revision of bus fares by 6.3% on 01<sup>st</sup> July, 2017, the total revenue of the SLTB improved only by 3% during 2017 to Rs. 42.2 billions. The operating expenditure decreased by 4.6% to Rs. 40.1 billions and the financial performance in 2017 resulted in an operational profit of about Rs 20 billions as against the operating loss of about Rs. 1 billion in the year 2016. The reduction in terms of bus operations was mainly due to the impact of floods in many parts of the Island during May 2017.

283 buses were rehabilitated through the funds provided by the Ministry of Transport and Civil Aviation. Increasing the frequency of bus operation to reduce overcrowding in buses, augmenting early morning and late night services, school bus services and operation of school buses, enhancing the skills of driver training, training to officers on computer literacy and business management, establishing integrated bus schedules and easy multi modal payment methods in all Regions and linking of bus and rail transport systems with 55 buses are some of the steps taken towards improving bus transport services.

With assistance from the National Transport Commission measures were also taken to improve the efficiency and coverage of Public Sector road passenger transportation in 2017 specially to provide transport facilities for the needy and vulnerable sector. About 50 buses were operated on the Southern Expressway and Outer Circular Highway connecting Kadawatha and Matara under a coordinated time table. 1389 buses were also operated under Sisusariya to School Children including 90 new buses. Nisi Sariya bus services continued to facilitate night time passengers by providing a secure public transport service. Under this project 35 new buses were deployed in 2017. Gemisariya project caters to the travel needs of rural areas. During the year 2017 the Government implemented priority bus lanes on selected roads within the Colombo city.

The financial performance of the SLTB has showed a slowdown in 2019 and continues to date mainly as a result of subdued transport activities in the economy due to Easter Sunday terrorist

attack and the outbreak of Covid 19 pandemic. At present out of the 5790 buses released for operations only about 5200 buses are operated daily on an average and the daily waybill revenue is in the region of about Rs. 68millions per day.

I am pleased with the contributions made by the entire SLTB staff and the Board of Directors to achieve the mission and vision of the Board. I wish to thank the Hon. Minister of Transport, Hon.State Minister of Vehicle Regulation, Bus Transport Services and Train Compartments and Motor Car Industry, Secretaries of both Ministries, Officials of the General Treasury and all other stakeholders for the cooperation and assistance rendered to me for the successful implementation of State Policies.

Though for the moment we are beleaguered by Covid 19 and other setbacks it is important that we deal with this situation with resilience and move towards stability, growth and prosperity.



**Kingsley Ranawaka**  
**Chairman**  
**Sri Lanka Transport Board**

## **OPERATIONS DIVISION**

01. The daily average number of buses released for operation during the year 2017 was 6,010 and the average number of buses operated per day were about 5,266. Average number of kilometers operated per day was about 1.23 Mn. Average daily waybill revenue earned per km. was about Rs. 60.63.
02. Action has been taken according to the needs to strengthen the number of trips operated by the SLTB buses in the early morning and late night services.
03. Action has been taken to develop and also to commence new bus services considering the passengers needs of rail-road coordinated bus services provided by the SLTB.
04. The "Sissu sariya" project has increased up to 740 buses. Necessary arrangements are being made to provide more buses under this Project taking into consideration the necessity and demands of the schools and the students.
05. All buses have been provided with electronic ticket machines and through this project it was possible to provide a more productive and efficient bus service to the public.

### **Contribution by the SLTB for social benefits**

#### **operating 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, what SLTB gets is only goodwill. However considering this as another social obligation the SLTB continues to operate these 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

### Composition of the Board of Directors

There are 07 Members of the Board of Directors of the Sri Lanka Transport Board and their appointments are represented as follows:

Number of Members of the Board appointed by the Hon. Minister of Transport	04
Numbers of Members of the Board appointed by the Ministry of Local Government and Provincial Councils	01
Number of Members of the Board of Directors of the Treasury	01
Number of Board Members of the Ministry of Transport	<u>01</u>
Total number of Board Members	<u>07</u>

### Details of the Members who attended the Meeting of the Board of Directors in the year 2017

Mr. Ramal Siriwardena	Board Memeber - SLTB	Chairman	SLTB
Mrs. D.C.W. Hapugoda	Board Memeber - SLTB	Additional Director General	Department of Public Enterprises, Ministry of Finance
Mrs. N. Nathavitharana	Board Memeber - SLTB	Additional Secretary(Adm/Finance)	Ministry of Local Government and Provincial Council and Democratic Governance
Mr. A.D. Jayasekara	Board Memeber - SLTB		
Mr. A.T.L.P. Samarasinghe	Board Memeber - SLTB	Additional Secretary(Technology)	Ministry of Transport and Civil Aviation

### Number of Board Meetings held in the Year 2017

01 <sup>st</sup> Meeting	-	2017.01.04
02 <sup>nd</sup> Meeting	-	2017.02.07
03 <sup>rd</sup> Meeting	-	2017.03.09
04 <sup>th</sup> Meeting	-	2017.04.06
05 <sup>th</sup> Meeting	-	2017.05.04
06 <sup>th</sup> Meeting	-	2017.07.18
07 <sup>th</sup> Meeting	-	2017.08.15
08 <sup>th</sup> Meeting	-	2017.09.19
09 <sup>th</sup> Meeting	-	2017.10.10
10 <sup>th</sup> Meeting	-	2017.11.16
11 <sup>th</sup> Meeting	-	2017.12.19

Number of Meetings of the Board of Directors held in the year 2017 is 11.

### **Role of the Secretariat Division for the Year 2017**

1. For the Meetings of the Board of Directors summoned by the Chairman of the Sri Lanka Transport Board

Conduct Meetings of the Board of Directors according to such summons and to inform the decisions of the Board for implementation giving priority to the Chief Executive Officer, the Deputy General Managers and the Heads of Divisions and Sections.

2. In terms of powers vested by Section 11 (a) of the Sri Lanka Transport Board Act No. 27 of 2005 in the Board of Directors has taken action regarding Management and updating with new vestings or disposals of the existing SLTB lands and assets.
3. Summoning Meetings whenever necessary to fulfil the objectives of the SLTB on the instructions of the Chairman and the Board of Directors and to submit decisions at such meetings to the Chairman and leading Members.

### **Carrying out activities related to the Lands and properties of the Sri Lanka Transport Board**

01. An Agreement with conditions has been entered into for a period from 25/01/2017 to 24/01/2018 between the Sri Lanka Transport Board and the Sri Jayawardenapura Kotte Municipal Council for the development activities of the Sri Jayawardenapura Kotte Municipal Council limits after obtaining the Government Valuer's report on a decision made by the Board of Directors.

Accordingly lease agreement was entered into for a period from 25/01/2017 to 24/01/2018 and the land was released. Payment was recovered by Bank of Ceylon cheque bearing No. 070132 dated 14/08/2017.

02. Giving priority for development activities at national and regional levels an agreement was entered into for a period from 14/03/2016 to 13/03/2018 between the SLTB and K.D. Ebert and Sons Holdings (Private) Company for a construction for repairs to vehicles and storage of goods in a portion of the block of land divided and allocated from the premises where the Provincial Workshop at Matale Region is situated and a lease rental of Rs. 960,000/- was recovered from the relevant company.
03. According to a decision of the SLTB Board of Directors a Passengers' Lodge built at the SLTB Central Bus Station Complex, Petah was released on a monthly lease rental payment from 31.12.2015 to 21/12/2020.
  - Accordingly, M/s Heshan Caterers (Pvt) Company paid the SLTB at the rate of Rs 120,000/- per month for the period 21/12/2015 to 20/12/2017 and every month a receipt was issued by the Finance Division for the payments made.
04. In order to obtain a Verification Certificate in terms of Section 44 for the blocks of land in extent of 04 acres required for widening the Kaluthara Depot though requests were made from 30/08/2009 up to now no reply has been received yet. A reminder, too, has been sent with regard to this.
05. For purposes of road development blocks of land in extent of 0.1490 hectare together with properties built thereon belonging to Kesbawa Depot has been acquired. After claiming compensation for acquisition and subjecting this to ownership verification SLTB was awarded a sum of Rs. 46,390,375/- as compensation.

Out of this compensation an initial payment of Rs. 16,018,500/- was received by the Chairman, SLTB by cheque No. 307341 of Bank of Ceylon, Battaramulla on 22/12/2016 and this cheque was forwarded to the Finance Division by Chairman's letter of even number dated 17/01/2017 and Finance Division has tendered an acknowledgment receipt for the cheque.

06. Land belonging to Kothmale Depot was released from the clutches of the unauthorized residents and though a request was made from 19/12/2016 for a Verification Certificate under Section 44 confirming through documents that compensation was paid to this land, up to now Vesting Certificate was not received. Though a proposal was made to release the Vesting Certificate eliminating the insured limit, the SLTB did not accede to this proposal as it was unfavourable to the SLTB.
07. Though requests were made from 28/10/2016 for a Vesting Certificate under Section 44 for the land belonging to Wennappuwa depot, it was not received up to now.
08. A decision of the Board of Directors was obtained to vest 27 perches of Gampaha Bandiyamulla Depot and accordingly the land was surveyed and a Plan was prepared and approval of the Urban Development Authority was obtained and the value made by the Government Valuer amounting to Rs. 20,250,000/- was paid. We have received receipt No. 088475 on 06/07/2017 from the Finance Division for this payment.
09. A Plan was prepared to vest the land belonging to SLTB Gampaha depot in extent of 02 acres and 38.4 purchases to the Department of Motor Traffic and according to a decision by the SLTB Board of Directors value from the Government Valuer was obtained. Accordingly the Value by the Government Valuer was Rs. 432,000,000/-. Ministry of Transport Management has been informed regarding the release of this land.
10. At the request of the Department of Labour approval was granted by the SLTB to erect a building and according to a letter by the Assistant Director ( Land Acquisition)of the Ministry of Lands and Reforms as the SLTB has only acquired a Vesting Certificate for acquisition of this Land under Section 44 and as it was decided to pay only the expenses incurred during acquisition and if any on subsequent developments the Cabinet Decision 17/1932/712/013 – 1 dated 12/09/2017 was referred by the Ministry of Labour and Trade Unions to the Ministry of Transport Management.
11. Though there were repeated requests for the past several years for a Title for the 05 acre block of land purchased from Badulla Land Reform Commission by the SLTB, up to now Title has not been received. Action has been taken to discuss this matter once again. Out of this land to assign 02 acres to the Ministry of Justice at its request, though the Ministry of Justice has requested the Land Reform Commission to send documents to confirm the ownership of the SLTB of the above 02 acre land, no reply has been received yet.
12. Regarding the Case filed in the Panadura Courts about the land in which Panadura Bus Stand is situated, this matter has been assigned to the SLTB Legal Division. This case is still pending in Courts.
13. The Strategic Enterprise Management Agency (SEMA) in a study on SLTB has proposed that It is suitable to establish 07 Fuel Filling Stations and the process of selecting depots with potential for this purpose has already begun.

## Security Section

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

## Special Investigations Unit

year	No. of investigations completed
2017	30

10 Emergency depot inspections have been carried out for the year 2017 and 8 investigations have been completed halfway through the year 2017.

Engineering Division

**44 Seater New Buses Distributed among Depots for the Year 2017**

Ser. No..	Region	Depot	Bus No.	No. of buses	Date given	Chassis No.	Engine No.
1	Colombo	Maharagama	WP-NC-9541	4	2017/06/12	MB1PBefa5HAGG0702	GHEZ428036
2			WP-NC-9543		2017/06/12	MB1PBefa8HAGG0628	GTEZ439736
3			WP-NC-9544		2017/06/12	MB1PBefa5HAGG0232	GTEZ439732
4			WP-NC-9548		2017/06/12	MB1PBefa6HAGF6660	FDHZ433234
		<b>Total</b>		<b>4</b>			
5	Nuwaraeliya	Hatton	WP-NC-9513	10	2017/05/29	MB1PBefa0HAGF7335	GYHZ420225
6			WP-NC-9514		2017/05/29	MB1PBefa3HAGG0231	GTHZ439733
7			WP-NC-9516		2017/05/29	MB1PBefa4HAGF9816	GTHZ436339
8			WP-NC-9517		2017/06/01	MB1PBefa2HAGF2461	FGHZ432895
9			WP-NC-9518		2017/06/01	MB1PBefaXHAGG0713	GYHZ420229
10			WP-NC-9522		2017/05/29	MB1PBefa0HAGF7304	GYHZ420223
11			WP-NC-9524		2017/06/01	MB1PBefa7HAGG0233	GTHZ439730
12			WP-NC-9527		2017/05/29	MB1PBefa6HAGF9817	GTHZ436340
13			WP-NC-9528		2017/05/29	MB1PBefa6HAGF9820	GTHZ436342
14			WP-NC-9529		2017/06/01	MB1PBefa6HAGF6593	GAHZ416383
15		Nuwaraeliya	WP-NC-9549	4	2017/06/13	MB1PBefa1GEAV5443	GAEZ413894
16			WP-NC-9545		2017/06/13	MB1PBefaXHAGF9822	GTHZ436335
17			WP-NC-9550		2017/06/13	MB1PBefa3HAGG0715	GHEZ428485
18			WP-NC-9553		2017/06/13	MB1PBefa2HAGG0611	GTHZ439737
		<b>Total</b>		<b>14</b>			

	<b>Grand total</b>		<b>18</b>				
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### **Fitting of New Engine Kits- Year2017**

<b>Region</b>	<b>Stage I</b>	<b>Stage II</b>	<b>No of New Engine Kits</b>
Colombo Region	36	29	65
Gampaha Region	27	17	44
Kaluthara Region	15	11	26
Kandy Region	17	5	22
Nuwaraeliya Region	11	1	12
Sabaragamuwa Region	23	10	33
Rajarata Region	21	16	37
Uva Region	30	11	41
Ruhuna Region	33	24	57
Wayamba Region	36	16	52
Eastern Region	36	13	49
North Region	18	10	28
Central Bus Stand	3	0	3
Super Luxury Bus Tourist Transport Unit (SLTTS)	20	0	20
	<b>326</b>	<b>163</b>	<b>489</b>

### **Number of Engines, Gear Boxes and Bus Bodies repaired**

No. of engines repaired 665

No, of gear boxes repaired 827

No. of Bus bodies repaired 272

**No. of New Engine Kits Purchased 489**

## **INTERNAL AUDIT DIVISION**

### **A summary of the activities carried out in the year 2017**

#### **Finance Section**

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

#### **Bulk Stores**

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

#### **Operations Section**

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

#### **Engineering Section**

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

#### **Others**

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

## 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

<b>Nature of Appointments</b>	<b>number</b>
Contract Drivers	346
Contract Conductors	442
Total	788

Details about Executive Appointments

<b>Nature of Appointments</b>	<b>Number</b>
Permanent appointments	35
Covering Appointments/Assignments	49
Promotions	50
Confirmation of Covering Appointments	-
Transfers	47
Contract Appointments	-
New recruitments	01
Total	182

Re –employments

<b>Nature of Appointments</b>	<b>Number</b>
Re-appointments	37
Total	37

Providing Practical Training

<b>Nature of Appointments</b>	<b>Number</b>
Computer Section Training	26
Accounting Section Training	05
Technical Section Training	18
Total	49

Non-executive transfers

<b>Nature</b>	<b>Number</b>
Transfers	314
Total	314

## Disciplinary Section

Disciplinary file description

Nature	Number
Completed Disciplinary files	2694
Completed Appeal Files	332
Total	3026

## Flying Squad Section

### Flying Squad Progress Report for the year 2017 (Islandwide)

Month	No. of teams	No. of checkings	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	51	725	9,154	68	195	306	113,162.00
February	47	612	8,889	59	198	311	115,583.00
March	45	658	8,318	58	182	260	91,662.00
April	51	711	9,579	61	260	461	153,672.00
May	44	868	8,783	58	187	287	102,095.00
June	46	600	8,602	86	233	302	112,629.00
July	42	645	8,548	92	169	315	117,064.00
August	42	629	9,122	77	175	348	125,330.00
September	44	603	7,729	76	151	291	102,245.00
October	46	620	8,523	90	180	277	100,826.00
November	39	469	6,392	62	146	220	78,832.00
December	34	430	5,135	64	117	158	60,466.00
Total	<b>531</b>	<b>7,570</b>	<b>98,774</b>	<b>852</b>	<b>2,193</b>	<b>3,536</b>	<b>1,273,566.00</b>

### Flying Squad Progress Report for the year 2017 (Head Office)

Month	No. of teams	No. of checkings	No. of buses checked	Serious offences (IV)	Minor offences (V)	No. of passengers fined	Fines recovered Rs.
January	06	89	1,305	24	34	50	17,454.00
February	05	68	1,021	20	23	37	14,196.00
March	05	52	814	14	15	40	14,900.00
April	04	67	1,150	16	13	41	14,043.00
May	04	60	783	15	10	27	10,412.00
June	04	70	979	23	18	39	18,822.00
July	04	61	936	38	16	40	13,782.00
August	04	65	960	33	15	48	18,548.00
September	04	59	838	26	10	38	14,772.00
October	04	67	878	31	07	18	6,624.00
November	04	50	715	19	08	24	9,402.00
December	04	51	690	17	03	16	6,660.00
<b>Total</b>	<b>52</b>	<b>759</b>	<b>11,069</b>	<b>276</b>	<b>172</b>	<b>418</b>	<b>159,615.00</b>

## Development Planning Section

Action Plan of the Planning Section				
Proposed Activities	Physical Target			
	Quarter			
	1	2	3	4
Preparation of a Development and Action Plan for the year 2018	Prepared and submitted			
Preparation of a Progress Report for the month of January for the year 2017	Prepared and submitted.			
Preparation of a Progress Report for the month of February for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of March for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of April for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of May for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of June for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of July for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of August for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of September for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of October for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of November for the year 2017	Prepared and submitted			
Preparation of a Progress Report for the month of December for the year 2017	Prepared and submitted			
Preparation of a Corporate Plan for the years 2018 - 2021	Prepared and submitted			
Collection and updating all relevant statistical information relating to the Board.	Collected all throughout the year and submitted			
Preparation of monthly Profit and Loss Statement and the Cash Flow Statement (Including Provincial Workshops, Driver Training Schools and the Circuit Bungalows)	Collected all throughout the year and submitted			
Preparation of Progress Reports regarding Provincial Workshops, Driver Training Schools and the Circuit Bungalows	Collected all throughout the year and submitted			
Preparation and submission of Audit and Management Committee Report	Collected all throughout the year and submitted			
Preparation and submission of Special Reports requested by the Ministry of Transport and other State Agencies	Collected all throughout the year and submitted			

## Tender Board section

### Summary of Quatations called for the following activities by the Tender Board Section from 2017/01/01

Ser. No	date	Activities perform	Activity No.	Date of Tender opening
01	2017-01-19	Sale of toners removed from SLTB Head Office	ශ්‍රී ලංකාම/වෙ.ම/නෙර්/Scrap/(2017)	2017-01-27
02	2017-01-19	Fixing of aluminium roof at the computer office belonging to SLTB Legal Division	SLTB/TS/Civil/2017/02	2017-02-06
03	2017-01-19	Fixing of aluminium partition doors for the office of the staff of the Chief Executive Officer	SLTB/TS/Civil/2017/03	2017-02-06
04	2017-01-19	Repairs to the Engineering Garag roof at Thalangama depot	SLTB/TS/Civil/2017/04	2017-02-06
05	2017-01-19	Building a proposed toilet for Mawanella depot	SLTB/TS/Civil/2017/05	2017-02-07
06	2017-01-19	New Insurance coverage for year - 2017 (01)	SLTB/TS/GEN/25/2017	2017-01-24
07	2017-01-24	Purchase of 08 super Luxury Buses with (50-54) seats on an easy payment basis to SLTB	SLTB/TS/GEN/2017/65	2017-02-14
08	2017-01-24	Purchase of 20 long distance buses with 42- 45 seats on an easy payment basis to SLTB	SLTB/TS/GEN/2017/65-I	2017-02-15
09	2017-01-31	Bid for the 125 Nos. of computers, UPS Machines & 60 Nos. Printers to SLTB.	SLTB/TS/GEN/2017/74-I	2017-02-14
10	2017-01-31	Calling for quotations to obtain vehicles for SLTB on payment of rent on a monthly basis	SLTB/TS/GEN/2017/96-II	2017-02-22
11	2017-02-03	New Insurance Coverage for year 2017 (02)	SLTB/TS/GEN/25 II/2017	2017-02-13
12	2017-02-03	Additional details for the supply, Delivery & Installation of 110 Nos. Finger print Machines for SLTB depots.	SLTB/TS/GEN/52/2016	2017-02-13
13	2017-02-09	Quotation for the supply of HP Scan Jet Scanner for Secretariat Division.	SLTB/TS/GEN/99/2017	2017-02-23
14	2017-02-13	Purchase of 250 new small buses with 32-35 seats for SLTB	MT/04/09/CT/430	2017-03-23
15	2017-02-13	Bid for the obtaining of new insurance coverage for Orugodawatte fuel filling station	SLTB/TS/GEN/25/Orugodawatta/FS/2017	2017-02-21
16	2017-02-21	Quotation for supply of ID card printing materials for SLTB	SLTB/TS/GEN05/2017	2017-03-06
17	2017-02-21	Purchasing cylinder blocks and cylinder heads for SLTB Ashok Leyland and Tata modal buses	SLTB/TS/GEN/2017/02-01	2017-03-10
18	2017-02-21	Purchasing and supplying of photocopy machine and fax machine by SLTB	SLTB/TS/GEN/Photocopy & Fax Machine/107/2017	2017-03-07
19	2017-02-21	Caling for quotation for repairs to photo copy machines at SLTB Head Office	SLTB/TS/Photocopy Machine Repairs/2017	2017-02-27
20	2017-03-03	Bid for the supply & Installation of Local Area Network	SLTB/TS/GEN/74-III/2017	2017-03-22
21	2017-03-06	Calling for quotation for the sale of buffing powder at SLTB Tyre Workshop at Ampara	SLTB/TS/GEN/93	2017-03-20
22	2017-03-06	Quotation for the supply & Delivery of Stationary Items for SLTB	SLTB/TS/GEN/2017/19	2017-03-27
23	2017-03-17	Caling for quotations for online reservation of seats for SLTB long distance services	SLTB/TS/GEN/2017/100	2017-04-20
24	2017-04-11	Purchase of new batteries for SLTB buses	SLTB/TS/GEN/28/2017	2017-05-03
25	2017-04-20	Supplying of complte overhaul service of Hino engines of Ashok Leyland	SLTB/TS/GEN/2017/55	2017-05-03
26	2017-04-20	Obtaining security services for Wayamba, Uva,	SLTB/TS/GEN/PS/2017/01	2017-05-15

		Rajarata. Eastern, Kandy and Nuwaraeliya Regions		
27	2017-04-24	Supplying and transporting of 600 tyres required for Yutong buses	SLTB/TS/GEN/2017/65	2017-05-16
28	2017-05-05	Calling for tenders to conduct SLTB Head Office Kandy	SLTB/TS/Canteen/2017	2017-05-29
29	2017-05-23	Supplying and transporting of 33672 new tyre kits for SLTB buses	MT/04/09/CT/434	2017-06-20
30	2017-05-23	Purchasing lubricants for SLTB buses	MT/04/09/CT/435	2017-06-21
31	2017-05-23	Rebuiding and precuring tyres for the year 2017	MT/04/09/CT/436	2017-06-22
32	2017-05-30	Repairing of Engineering office building for pool vehicle unit at Meethotamulla Depot	SLTB/TS/Civil/2017/16-VI	2017-06-09
33	2017-06-02	Repairs & Maintenance of main building and yard at Aralaganwila bus stand	SLTB/TS/GEN/2017/16-VII	2017-06-16
34	2017-06-02	Supply and Delivery of tools & machinery	SLTB/TS/GEN/2017/55-I	2017-06-23
35	2017-06-02	Supply and Delivery of 90,000 meters of rexine	SLTB/TS/GEN/2017/28	2017-06-27
36	2017-06-12	Purchasing 24 motor cycles for SLTB Driver Training Schools	SLTB/TS/GEN/39/2017	2017-06-21
37	2017-07-07	Quotation for the supply & Delivery of Identity card printing Row Materials for SLTB	SLTB/TS/GEN/26/2017	2017-07-24
38	2017-07-07	Quotation for the supply of Server Machine for Finger print Machines to SLTB	SLTB/TS/GEN/2017/74	2017-07-05
39	2017-07-07	Supplying and transporting of ticket rolls( thermal paper ) required for GPRS ticket machines used at SLTB depots	SLTB/TS/GEN/2017/36-2	2017-07-24
40	2017-07-07	Calling for tenders to conduct the canteen at SLTB Head Office	SLTB/TS/CANTEEN/2017	2017-07-25
41	2017-07-07	Paint requirements, for the year 2017	SLTB/TS/GEN/2017/04	2017-07-26
42	2017-07-17	Quotation for the procuring of Spare Parts for Engine Overhauling	SLTB/TS/GEN/2017/02	2017-07-20
43	2017-07-17	Quotation for the Repairing damaged Boundary wall and Anderson Plats side at Shilika Ground	SLTB/TS/CIVI/2017/16-VIII	2017
44	2017-07-17	Repairing of the air condition system of cab No. 253-3596	SLTB/TS/GEN/2017/95	2017-08-08
45	2017-07-18	Calling for quotations to obtain veehicles for SLTB on payment of monthly rental basis	SLTB/TS/GEN/2017/96-III	2017-08-09
46	2017-08-01	Quotation for the main gate (With Coloums) paving interlock stones at entrance way Katharagama Circuit Bunglow – Katharagama2017-08-15	SLTB/TS/CIVIL/2017/16/IV	2017-08-15
47	2017-08-01	Quotation for the construction of Entrance Road way at Elpitiya Depot	SLTB/TS/CIVIL/2017/16/X	2017-08-15
48	2017-08-16	Quotation for the supply & Delivery of printers for supply division & Udahamulla Depot	SLTB/TS/GEN/2017/74-III	2017-09-04
49	2017-08-21	Construction of Septic Tank for Aluthgama Depot	SLTB/TS/GEN/16/XI	2017-09-17
50	2017-08-21	Proposed new toilet unit for north Western province in Wennappuwa Depot	SLTB/TS/GEN/16/XII	2017-09-07
51	2017-09-04	Purchase of required new tyres and tyre kits for SLTB for used in the Expressway	SLTB/TS/GEN/65-I/2017	2017-09-19
52	2017-09-04	Opening of Kirindiwela bus stand	SLTB/TS/GEN/2017/DIGITAL NAVE BOARD/101	2017-09-20
53	2017-09-27	Alteration and Renovation to lavatory blocks & septic tank in Kirindiwela Depot/Alteration and renovation to lavatory blocks & septic tank of Engineering Section in Kirindiwela Depot	SLTB/TS/GEN/2017/16/XI	2017-10-11
54	2017-09-27	Repairing of work shop roof (without Valance & gutter) at Udugama Depot	SLTB/TS/CIVIL/2017/16/X-II	2017-10-11

55	2017-09-28	Calling for tenders for Low Floor buses in Colombo City areas	SLTB/TS/GEN/2017/102	2017-10-12
56	2017-10-10	bid for the obtaining of new Insurance Coverage for Rathmalana Fuel filling Station	SLTB/TS/GEN/25/Rathmalana/FS/ 2017	2017-10-24
57	2017-10-12	Establishment of Warakapola sub depot at Sabaragamuwa Regional Office	SLTB/TS/Civil/16/17	2017-11-06
58	2017-10-12	Repairs to roof engineering garage at Thalangama depot	SLTB/TS/Civil/16/15	2017-11-06
59	2017-10-12	Painting outer walls of buildings in the SLTB Regional office Premises	SLTB/TS/Civil/16/16	2017-11-06
60	2017-10-16	Reconstruction of the Sewage system at Horana depot	SLTB/TS/Civil/2017/16-XIII	2017-11-06
61	2017-10-16	Repairs to engineering office at Theldeniya depot	SLTB/TS/Civil/2017/16-XIV	2017-11-06
62	2017-10-24	Supply & Delivery of Break Spray, Battery spray & Oil Seals to SLTB	MT/04/09/MT/485	
63	2017-10-24	Supply & Delivery of fuel Injection Pump Spares	MT/04/09/MT/484	
64	2017-11-02	Purchase of required tubes and flaps for the year 2017/2018	SLTB/TS/GEN/79/2017	2017-11-22
65	2017-11-02	Quotation for the supply & Delivery of ID Card printing Machines for SLTB	SLTB/TS/GEN/05/2017	2017-11-06
66	2017-11-02	Calling for quotations for purchase of 50 Dot Matrix Printers	SLTB/TS/GEN/2017/74-IV	2017-11-20
67	2017-11-02	Purchasing of roller bearings, ball bearings and needle bearings	SLTB/TS/GEN/2017/02/II	2017-11-23
68	2017-11-09	Quotation for the supply and delivery of ID card printing Raw materials for SLTB	SLTB/TS/GEN/26/2017/II	2017-11-21
69	2017-11-09	Calling for quotations for Goods Issue Vouchers – S-06 and Goods Acknowledgment Voucher S-05	SLTB/TS/GEN/05 (I),(II)/2017	2017-11-30
70	2017-11-15	Quotation for the supply & Delivery of color printers for chairman office	SLTB/TS/GEN/2017/74-V	2017-11-29
71	2017-11-15	Quotation for the supply & Delivery Multimedia Projector for D.T.S. Pothuhara	SLTB/TS/GEN/2017/10	2017-12-04
72	2017-11-15	Providing uniforms pool vehicle drivers for the year 2016	SLTB/TS/Gen/Drivers Uniform/2017	2017-12-05
73	2017-12-11	Repairing of Damaged Roof & Rainwater Gutters of the Engineering Section at Ja-Ela Depot	SLTB/TS/Civil/2017/16-XVII	2017-12-18
74	2017-12-11	Demolishing works at Orugodawatta Fuel Station	SLTB/TS/Civil/2017/16-XVIII	2017-12-18
75	2017-12-18	Quotation for the supply & Delivery of MS office 2016 software package for SLTB	SLTB/TS/GEN/103/2017	2017-12-22

## Information, Communication & Technology Division

<b>Activities during 2017</b>
1. Providing 150 Computers for Depots.
2. Providing 150 Printers for Depots.
3. Providing 150 UPS Machines for Depots.
4. Implementation of the LAN project.
5. Providing Finger print machines for Depots.

## Supplies Section

Progress of Supplies Section from 01/01/2017 to 31/12/2017						
Ser. No	Subject	Project Name	Amount allocated for the year 2017	Financial progress	Target archived	Physical progress as at 2017.03.31
01	All procurement and sales	Procurement of materials required for work activities	1000	-	Purchase of 250 small buses	Preliminary Technical Evaluation Committee Report was submitted and accepted by the CAPC. As there is no provision available for this year this activity has been stopped. Recommendation from the Treasury has been received to submit this proposal again in the budget for the year 2018
02			4500	-	Purchase of 900 small buses with 40-46 seats	Cabinet approval was received for the purchase of these buses and bid schedules have been prepared by the Technical Evaluation Committee and submitted to the Procurement Committee. However it has been informed that it is not possible to obtain this fund from the Indian Line of Credit. Submitted again as a proposal in the Budget for the year 2018.
03			100	99.54	Purchase 20 Nos. 40-45 seater buses	18 buses were purchased in the year 2017
04			100		Purchase of 08 super Luxury Buses	This project has been stoped as action has not been taken by the selected suppliers in accordance with relevant prescribed standards.
05			2400		Purchase of 100 Low floor buses	No fund allocated in the year 2017

06			216	25.02	Purchase of 24 Vans for Driver Training Schools	07 vans were purchased in the year 2017
07			20.40		Purchase of 24 Simulators	Submitted for approval of the General Treasury .
08			157.78		Taking necessary action to purchase required oils and grease for the maintenance of bus fleet	No provision was allocated in the year 2017. Purchase is done spending money at depot level from approved suppliers.
09			14355.45		Purchase of 151,110,000 litres of diesel	Purchase is done it depot level according to necessity in keeping with the market price.
10	<b>All procurement and sales</b>	<b>Procuring required Materials to maintain operational activities</b>	1032	-	Taking action to purchase spareparts required for bus maintenance, repairs and manufacture of units.	Quotations have been approved for W-08, W-23,W-21,W- 22, and W-36 and sent to Regions. Purchase of spareparts under W-05 have been referred to the CAPC and approval was obtained. Accordingly now the purchases of spareparts is being undertaken.
11			161.03	-	Taking necessary action to purchase spring blades required for repairs and maintenance of buses.	Instructions have been given to purchase according to requirements at depot level from the approved Institutions.
12			1063.41	-	Taking necessary action to rebuild and procure tyres required for maintenance of bus fleet.	Instructions have been given to purchase according to requirements at depot level from the approved Institutions.
13			44.43		Purchase of ticket rolls and ticket books according to requirement	Instructions have been given to purchase according to requirements at depot level from the approved Institutions.

14			0.81		Printing and supplying of season tickets according to requirement.	Obtained season tickets according to requirements and issued to depots.
15			0.81		Purchasing and supplying of required office equipment and stationery for SLTB Operational / administrative activities.	Necessary action has been taken to supply according to requirement.
16			61.73	2.24	Purchasing and supplying of required materials for maintenance of electricity in SLTB buildings and yards and to new projects.	According to necessity in yards and new projects maintenance of electricity is carried out spending Rs. 0.48 Mn. by the Head Office.
17			12	9.63	Purchasing of computers and 100 UPS machines according to requirements.	100 UPS machines and 100 computers were purchased and given to depots.
18			10	0.59	Purchasing of 100 Finger Print machines according to requirement.	16 numbers Finger Print machines were obtained in stage II
19			No funds were allocated by the Board	339.66	Sale of condemned buses and scrapped materials removed from use including unused spare parts by public auction.	As at 31/12/2017 revenue received from sale of scrapped materials is Rs. 339,663,925.00.

## Training, Research and Development Division

### Details regarding training activities conducted from 2017 January to December

Following are the details regarding workshops conducted by the SLTB Training, Research and Development Division from 2017 January to December:

Serial No.	Activity Training Programs	Number accomplished	Cost (Rs)
01	Training program to train passengers for Passenger Transport driving Licence	3331	2,671,504.03
02	English Course for Senior Management	20	1,125,00.00
03	Training program on Labour Law and Industrial Disputes	334	2,217,62.00
04	Microsoft Excel – Advanced AnalysisTools Adams Skills Development center	07	112,000.00
05	Advanced Course on Transport Management	04	180,000.00
06	Computer Literacy and Buisnes Management (Stage 1)	1502	11,265,000.00
07	External Training Programes (2 programs)	165	1,633,500.00
08	Program on minimizing Road Accidents (Stage 1)	105	22,992.00

## LEGAL DIVISION

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

The Legal activities of the Legal Division of the SLTB were carried out as described above. 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 2017, a list of duties specially carried out by the Legal Division in the year 2017 is given below.

- (i) 35 Summons were received in the year 2017 from Magistrate's Courts and 33 Summons were received from District Courts and action was followed up in all cases.
- (ii) 32 Agreements were prepared by Legal Division in the year 2017.
- (iii) The matter of non payment of an arrears payable to Nimbus Automotive ( Pvt) Company Ltd. for purchase of spareparts required for SLTB buses, was referred for arbitration and the Arbitration Tribunal has made its award on 29/05/2017. According to the award the amount payable to this Company was US\$ 1,365,375.77 and this amount together with interest thereon was paid to the Company and this matter has now been settled.

- (iv) Similarly, in an action filed by the Werahara Engineering Services Company Limited against the SLTB in an Arbitration case an award was made to pay the Company Rs. 235,850,767.20 and 6.3% annual interest thereon until the full sum is settled and this Company filed action against the SLTB in Colombo Commercial High Court in case No. HC/ARB/484/05 seeking to implement the award of the Arbitration Tribunal. The SLTB filed action in the Colombo Commercial High Court in case No. HC/ARB/124/04 requesting to set aside the award of the Arbitration Tribunal. Both cases were called by the Court jointly but the Company was not present in Court and therefore in the year 2007 case No. HC/ARB/484/05 was dismissed. Subsequently this Company filed a case in 2016 requesting to call both cases again in the Open Court. The Court called both these cases and on 07/11/2017 the Company withdrew its request seeking to open the case and now this matter has been settled.
- (v) For appearances in cases on behalf of the SLTB and other services rendered by the Attorney General's Department for the year 2016 and 2017 a bill dated 19/10/2017 for 112 cases amounting to Rs. 5,725,162.08 and another bill dated 15/12/2017 for 57 cases amounting to Rs. 3,195,950.00 were settled by the Sri Lanka Transport Board to Attorney General's Department.

# **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 2011, the SLTB prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS). These financial statements for the year ended 31st December 2013 SLTB has prepared in accordance with the new Sri Lanka Accounting Standards (SLFRS/LKAS)

Refer note 15 for the information on how SLTB adopted 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:

<b>Asset Category</b>	<b>Useful Life (Years)</b>	<b>Depreciation Rate (%)</b>
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) Therights to receive cash flows from the asset have expired
- ii) SLTB hastransferred 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 hastransferred 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 impacton 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 financialreorganization 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.

### **3.9 Cash 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 recognised 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 recognised 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 Comprehensive Income**  
**For The Year Ended 31st December 2017**

(all amounts in Sri Lanka Rupees)		<u>2017</u>	<u>2016</u> <u>Re Stated</u>
	<u>Note</u>		
Revenue	15	33,928,662,066.75	30,260,909,879.80
Operating Expenses	16	34,143,564,271.79	34,566,216,508.75
Operating Profit/(Loss) before depreciation		<b>(214,902,205.04)</b>	<b>(4,305,306,628.95)</b>
Other income	17	12,315,919,738.55	13,149,498,370.04
Profit/(Loss) after Other income		<b>12,101,017,533.51</b>	<b>8,844,191,741.09</b>
Administration expenses	18	10,726,847,931.00	10,327,880,818.69
Operating Profit/(Loss)		<b>1,374,169,602.51</b>	<b>(1,483,689,077.60)</b>
Financial and Other expenses	19	735,401,293.11	720,243,563.50
Finance Income		80,426,024.50	56,663,229.15
Net Finance Cost		<b>(654,975,268.61)</b>	<b>(663,580,334.35)</b>
Profit/(Loss) before Production Loss		<b>719,194,333.90</b>	<b>(2,147,269,411.94)</b>
Production Loss	20	67,225,998.59	129,115,453.55
Profit/(Loss) before Grants and Subsidies		<b>651,968,335.31</b>	<b>(2,276,384,865.49)</b>
Grants and Subsidies	21	964,741,253.85	1,643,765,692.04
<b>Net Profit/(Loss) for the Period</b>		<b>1,616,709,589.16</b>	<b>(632,619,173.46)</b>
<b>Other Comprehensive Income</b>			
Net change in Fair Value of AFS Financial Assets		1,528,125.00	(14,468,750.00)
<b>Other comprehensive income for the year</b>		<b>1,528,125.00</b>	<b>(14,468,750.00)</b>
<b>Total Comprehensive Income for the Year</b>		<b>1,618,237,714.16</b>	<b>(618,150,423.46)</b>

**Sri Lanka Transport Board**  
**Statement of Cash Flow for the Year ended 31.12.2017**

(all amounts in Sri Lanka Rupees)	2017	2016
<b><u>Cash Flows From Operating Activities</u></b>		
Net Profit / (Loss) for the year	1,616,709,589	(632,619,173)
<b>Adjustments for :</b>		
Depreciation	2,120,238,485	2,053,500,078
Profit / Loss Adjustment	(34,526,315)	6,459,103,136
Government Grant - Amount Amortized During the year	(964,741,254)	(1,643,765,692)
Interest Income	(80,426,025)	(56,663,229)
Finance Cost	735,401,293	720,243,563
Profit from Bus Disposal	(88,428,250)	(30,681,282)
Provision for Bad Debtors	(303,063)	(5,312,181)
Provision for Defined Benefit Plans - Gratuity	3,588,757,243	1,144,831,512
Operating Profit / (loss) before working capital changes	<b>6,892,681,703</b>	<b>8,008,636,732</b>
(Increase) / Decrease in Inventories	(186,140,388)	(93,979,747)
(Increase) / Decrease in Trade & Other Receivable	25,709,600	363,384,723
(Increase) / Decrease in Work-in- Progress	47,250,132	-
Increase / (Decrease) in Creditors	1,787,815,527.15	386,503,425
Increase / (Decrease) in Accrued Expenses	(1,530,443,997)	(1,889,342,758)
Increase / (Decrease) in Current Assets (Unoperated Accounts)	-	(84,034)
Increase / (Decrease) in Current Liabilities (Unoperated Accounts)	-	6,100
Cash Generated From Operation	<b>7,036,872,576</b>	<b>6,775,124,441</b>
<b>Cash used in operations</b>		
Defined Benefit Plan Costs paid	(2,682,430,752)	(4,265,421,472)
<b>Net Cash flows from / (used in ) operating activities</b>	<b>4,354,441,824</b>	<b>2,509,702,969</b>
<b><u>Cash Flows From / (Used In) Investing Activities</u></b>		
Acquisition of Property, Plant & Equipment	(1,387,384,553)	(81,424,894)
Sale Proceeds from Disposal	89,110,250	30,974,282
Acquisition of Other Investment	(215,627,830)	(30,665,089)
Proceeds from Short term Investment Disposal	904,352	(2,909,207)
Interest Income	80,426,025	56,663,229
<b>Net Cash flows from / (used in ) Investing activities</b>	<b>(1,432,571,756)</b>	<b>(27,361,679)</b>
<b><u>Cash Flows From / (Used In) Financing Activities</u></b>		
Finance Cost Paid	(545,947,848)	(396,844,389)
Government Grants Received	964,741,254	2,547,871,304
Net Movement in Lease Creditors/( Lease Payment)	(2,646,903,606)	(2,510,917,552)
<b>Cash Flows From / (Used In) Financing Activities</b>	<b>(2,228,110,200)</b>	<b>(359,890,637)</b>
<b>Increase / (Decrease) in cash &amp; cash equivalents</b>	<b>693,759,868</b>	<b>2,122,450,653</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>2,240,329,543</b>	<b>117,878,890</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>2,934,089,411</b>	<b>2,240,329,543</b>

## Statement Of Changes In Equity for the Year ended 31.12.2017

(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
<b>Balance as at 31 December 2015</b>	350,000,000.00	411,144,470.00	2,981,392,312.95	5,470,757,941.09	3,944,890,550.00	32,937,500.00	(45,122,503,972.91)	(31,931,381,198.87)
Opening Balance Adjustment								
Add for the Year								
Less for the Year							(34,526,315.46)	(34,526,315.46)
<b>Adjusted Balance as at 31 December 2016</b>	<b>350,000,000.00</b>	<b>411,144,470.00</b>	<b>2,981,392,312.95</b>	<b>5,470,757,941.09</b>	<b>3,944,890,550.00</b>	<b>32,937,500.00</b>	<b>(45,157,030,288.37)</b>	<b>(31,965,907,514.33)</b>
Add for the Reserves	-	-	-	-	-	-	1,616,709,589.16	1,616,709,589.16
Less for the Reserves	-	-	-	-	-	1,528,125.00		1,528,125.00
Comprehensive Income Gain/(Loss)								
<b>Balance as at 31 December 2017</b>	<b>350,000,000.00</b>	<b>411,144,470.00</b>	<b>2,981,392,312.95</b>	<b>5,470,757,941.09</b>	<b>3,944,890,550.00</b>	<b>34,465,625.00</b>	<b>(43,540,320,699.21)</b>	<b>(30,347,669,800.17)</b>

**Sri Lanka Transport Board**  
**Notes to the Accounts**

**01. Property, Plant & Equipment**

**Free hold Asset**

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance As At 2015.12.31	319,799,318.62	143,518,090.40	146,766,327.12	255,838,752.76	1,041,195.32	7,528,897.24	42,506,956.72
<b>Adjustments</b>							
Addition							
Disposals							
Balance As At 2016.12.31	<b>319,799,318.62</b>	<b>143,518,090.40</b>	<b>146,766,327.12</b>	<b>255,838,752.76</b>	<b>1,041,195.32</b>	<b>7,528,897.24</b>	<b>42,506,956.72</b>
Transferred from L/H/A							
Addition	47,250,131.67	19,454,448.37	5,904,062.53	38,160,500.00	-	901,400.12	11,086,994.50
Disposals							
Balance As At 2017.12.31	<b>367,049,450.29</b>	<b>162,972,538.77</b>	<b>152,670,389.65</b>	<b>293,999,252.76</b>	<b>1,041,195.32</b>	<b>8,430,297.36</b>	<b>53,593,951.22</b>

**Lease hold Asset**

Balance AS At 2015.12.31

Adjustments

Addition

Disposals

Balance As At 2016.12.31

Transferred to F/H/A

Addition

Disposals

Balance As At 2017.12.31

	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance AS At 2015.12.31	-	-	-	-	-	-	-
Adjustments							
Addition							
Disposals							
Balance As At 2016.12.31	-	-	-	-	-	-	-
Transferred to F/H/A							
Addition							
Disposals							
Balance As At 2017.12.31	-	-	-	-	-	-	-

**01. Property, Plant & Equipment**

**Free hold Asset**

	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance As At 2015.12.31	12,594,954,109.28	1,367,754,792.20	34,750.00	1,004,482,160.40	154,972,383.94	35,591,118.21	9,510,486.00	16,084,299,338.21
<b>Adjustments</b>								
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2016.12.31	<b>12,594,954,109.28</b>	<b>1,367,754,792.20</b>	<b>34,750.00</b>	<b>1,004,482,160.40</b>	<b>154,972,383.94</b>	<b>35,591,118.21</b>	<b>9,510,486.00</b>	<b>16,084,299,338.21</b>
Transferred from L/H/A	734,400,000.00							734,400,000.00
Addition	-	923,402,386.72	-	1,132,171,180.23	31,645,396.20	1,810,439.34	-	2,211,786,939.68
Disposals	(923,402,386.72)	(923,402,386.72)						(1,846,804,773.44)
Balance As At 2017.12.31	<b>12,405,951,722.56</b>	<b>1,367,754,792.20</b>	<b>34,750.00</b>	<b>2,136,653,340.63</b>	<b>186,617,780.14</b>	<b>37,401,557.55</b>	<b>9,510,486.00</b>	<b>17,183,681,504.45</b>

**Lease hold Asset**

	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2015.12.31	12,979,201,671.84							12,979,201,671.84
<b>Adjustments</b>								
Addition	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance As At 2016.12.31	<b>12,979,201,671.84</b>							<b>12,979,201,671.84</b>
Transferred to F/H/A	(734,400,000.00)							(734,400,000.00)
Addition	99,000,000.00							99,000,000.00
Disposals	-	-	-	-	-	-	-	-
Balance As At 2017.12.31	<b>13,812,601,671.84</b>							<b>13,812,601,671.84</b>

Free hold Asset Depreciation	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance AS At 2015.12.31	160,955,158.87	129,724,066.42	113,265,573.79	226,183,213.02	520,385.32	3,169,810.34	36,580,766.61
Adjustments							
Addition							
Reversal of over charged Depreciation - 2016							
Disposals							
Balance AS At 2016.12.31	160,955,158.87	129,724,066.42	113,265,573.79	226,183,213.02	520,385.32	3,169,810.34	36,580,766.61
Charge for the Year	886,501.72	2,936,937.49	6,904,085.81	9,730,992.60	-	761,286.86	5,706,946.96
Adjustments							
Disposals							
Transferred from L/H/A/D							
Balance As At 2017.12.31	161,841,660.59	132,661,003.91	120,169,659.60	235,914,205.62	520,385.32	3,931,097.20	42,287,613.57

Lease hold Asset	Land & Building	Plant & Machinery	Office Equipments	Motor Vehicles	Condemn Other Vehicles	Air conditioners	Computers
Balance AS At 2015.12.31	-	-	-	-	-	-	-
Adjustments							
Addition							
Disposals							
Balance AS At 2016.12.31	-	-	-	-	-	-	-
Charged for the Year							
Adjustments							
Disposals							
Transferred to F/H/A/D							
Balance As At 2017.12.31	-	-	-	-	-	-	-
Total Asset	367,049,450.29	162,972,538.77	152,670,389.65	293,999,252.76	1,041,195.32	8,430,297.36	53,593,951.22
Total Depreciation	161,841,660.59	132,661,003.91	120,169,659.60	235,914,205.62	520,385.32	3,931,097.20	42,287,613.57
Net Book Value	205,207,789.70	30,311,534.86	32,500,730.05	58,085,047.14	520,810.00	4,499,200.16	11,306,337.65

Free hold Asset Depreciation	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2015.12.31	11,344,840,445.00	1,368,047,792.20	34,750.00	1,003,657,160.40	70,742,169.65	13,924,148.70	-	14,471,645,440.32
Adjustments								
Addition								(293,000.00)
Reversal of over charged Depreciation - 2016		(293,000.00)						
Disposals								
Balance As At 2016.12.31	11,344,840,445.00	1,367,754,792.20	34,750.00	1,003,657,160.40	70,742,169.65	13,924,148.70	-	14,471,352,440.32
Charge for the Year	1,953,057,971.18			107,165,886.70	29,949,796.02	3,138,179.19		2,120,238,484.53
Adjustments		922,720,386.72						922,720,386.72
Disposals	(922,720,386.72)	(922,720,386.72)						(1,845,440,773.44)
Transferred from L/H/A/D	275,374,500.00							275,374,500.00
Balance As At 2017.12.31	12,650,552,529.46	1,367,754,792.20	34,750.00	1,110,823,047.10	100,691,965.67	17,062,327.89	-	15,944,245,038.13

Lease hold Asset	Busses	Condemn Busses	Shot Gun	Bus Engine	Ticket Machine	Other Assets	Computer Software	Total
Balance AS At 2015.12.31	3,517,658,843.06							3,517,658,843.06
Adjustments								
Addition								
Disposals								
Balance As At 2016.12.31	3,517,658,843.06							3,517,658,843.06
Charged for the Year								
Adjustments								
Disposals	(275,374,500.00)							(275,374,500.00)
Transferred to F/H/A/D	3,242,284,343.06							3,242,284,343.06
Balance As At 2017.12.31								

Total Asset	Total Depreciation	Net Book Value
26,218,553,394.40	15,892,836,872.52	10,325,716,521.88
1,367,754,792.20	1,367,754,792.20	-
34,750.00	34,750.00	-
2,136,653,340.63	1,110,823,047.10	1,025,830,293.53
186,617,780.14	100,691,965.67	85,925,814.47
37,401,557.55	17,062,327.89	20,339,229.66
9,510,486.00	-	9,510,486.00
29,527,483,176.29	19,186,529,381.19	10,340,953,795.10

<b><u>Cost - Land &amp; Building</u></b>		<b>31.12.2017</b>	<b>31.12.2016</b>
101-1	Land & Building	270,039,443.14	270,039,443.14
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	4,524,242.20
101-1-F	SLTB - Play Ground	300,000.00	300,000.00
	<b>Total</b>	<b>367,049,450.29</b>	<b>319,799,318.62</b>

<b><u>Cost - Motor Vehicles</u></b>			
101-5-A	Vans, Lorries & Other Vehicles	271,472,828.03	239,513,228.03
101-5-B	Cars, Motor Cycles & Bicycles	22,526,424.73	16,325,524.73
	<b>Total</b>	<b>293,999,252.76</b>	<b>255,838,752.76</b>

<b><u>Accumulated Depreciation - Land &amp; Building</u></b>			
104-1-A	Land & Building (Temporary)	540,742.70	540,742.70
104-1-B	Land & Building	139,599,071.83	138,713,131.86
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	4,981,043.52
104-2	Land & Building - Other	2,030,603.11	2,030,603.11
	<b>Total</b>	<b>161,841,660.59</b>	<b>160,955,158.87</b>

## 02. Other Financial Assets

### Available for Sale Investment

Account Code	Description	31.12.2017			31.12.2016		
		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	34,715,625.00	31,250	250,000.00	33,187,500.00
	<b>Subtotal</b>	<b>31,250</b>	<b>250,000.00</b>	<b>34,715,625.00</b>	<b>31,250</b>	<b>250,000.00</b>	<b>33,187,500.00</b>

Note	Work-in-Capital	31.12.2017	31.12.2016
		Rs.	Rs.
102-2	Balance as at 01.01.2017	49,230,113.33	49,230,113.33
	Transred to F/H/A	(47,250,131.67)	
	Balance as at 31.12.2017	<b>1,979,981.66</b>	<b>49,230,113.33</b>

## 03. Unoperated Accounts

		31.12.2017	31.12.2016
		Rs.	Rs.
203-2-13	Unoperated Accounts - Debits Balance	9,935,459,128.35	9,935,459,128.35
		<b>9,935,459,128.35</b>	<b>9,935,459,128.35</b>

**04. Inventories**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
106-1	Inventory	971,538,630.12	817,776,589.64
106-2	Fuel	123,607,411.20	116,123,597.04
106-3	Tools	8,056,161.27	2,643,648.85
106-4	Stock in Transit	42,340,852.69	25,120,440.14
	Work in Progress - Material (work shop)	6,880,296.23	4,618,687.74
		<b>1,152,423,351.51</b>	<b>966,282,963.41</b>
106-5	Provision for Damaged Store Items	-	
	<b>Total</b>	<b>1,152,423,351.51</b>	<b>966,282,963.41</b>

**05. Trade & Other Receivable**

**05.1 Advances**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
107-1	Salary Advance - 4040	15,416,483.88	12,317,349.62
107-2	Festival Advance - 5012	148,485,752.07	95,100,278.44
107-3	Sports Advance - 5012/1	8,473,707.35	8,935,286.95
107-4	Special Loan Advance - 5012/2	3,326,177.92	9,205,107.92
107-5	Other Advance	14,413,854.22	11,908,773.37
107-6	Local Purchase Advance	1,566,251,070.87	1,635,847,558.26
107-7	SLTB Advance A/C	3,025,977.50	6,497,765.88
107-8	4040/1 Special Advance	724,701.19	853,673.25
	<b>Sub Total</b>	<b>1,760,117,725.00</b>	<b>1,780,665,793.69</b>

**05.2 Other Receivables**

108-1	Sundry Debtors	111,795,741.57	101,155,750.06
108-2	Trade Debtors	20,074,155.09	19,632,109.73
108-3	Income Receivables	243,166,958.35	233,785,840.62
108-4	Receivables - Army Hires	136,922,501.07	199,354,786.76
108-5	Receivables - Police Warrant	282,304,641.68	246,396,779.18
108-6	Court Deposits	7,430,520.79	7,431,520.78
108-7	Other Deposits	4,514,383.46	4,275,848.13
108-8	Conductor Shortage	7,687,289.99	11,595,695.50
108-9	Donations - Tsunami	-	-
108-10	Fidelity Guarantee Fund	108,534.76	335,605.25
108-11	Fuel Sale Control A/C	2,298,220.05	2,152,605.95
108-12	Lakdiwa Engineering (E-kale)	2,955.50	(7,594.00)
108-13	Cashier Shortage	34,388,213.51	34,776,498.80
108-14	Pre paid expenses	7,707,245.14	2,677,445.13
108-23	Provision for doubtful debts	(39,713,199.89)	(40,016,263.32)
	<b>Sub Total</b>	<b>818,688,161.07</b>	<b>823,546,628.57</b>
	<b>Total</b>	<b>2,578,805,886.07</b>	<b>2,604,212,422.26</b>

**6 Other Financial Asset**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
105-1	Treasury Bills	7,749,998.26	7,749,998.34
105-2-B	Investment in fidelity guarantee	486,167.17	459,734.64
105-2-C	Employee security Deposits	34,404,126.99	24,853,227.24
105-2-D	Fixed Deposits	677,394,983.87	471,344,486.42
105-2-F	Other Deposits	2,195,125.54	3,099,477.93
	<b>Subtotal</b>	<b>722,230,401.83</b>	<b>507,506,924.57</b>

**7 Cash & Cash Equivalents**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
105-2-A	Short-term Investments	3,494,735.37	551,000.00
105-2-E	Saving Accounts	1,115,827,630.46	894,689,424.39
	<b>Subtotal</b>	<b>1,119,322,365.83</b>	<b>895,240,424.39</b>

**07. Cash at Bank**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
109-1	Head Office	1,530,697,794.96	1,079,539,867.45
	Region & Depots	419,653,025.37	682,787,495.97
	W.S/D.T.S & Fuel Sheds	190,729,298.65	94,231,541.79
	<b>Total</b>	<b>2,141,080,118.98</b>	<b>1,856,558,905.21</b>

**07. Bank Overdraft**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
109-1	Head Office	472,101,231.07	622,146,516.33
	Region & Depots	223,679,680.60	267,104,955.56
	<b>Total</b>	<b>695,780,911.67</b>	<b>889,251,471.89</b>

**07. Cash in Hand**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
110-1	Cash in Hand	28,648,092.60	14,537,045.68
110-2	Petty Cash Impress	2,088,762.76	2,211,229.61
110-3	Cash in Transit	129,607,514.49	233,489,397.98
110-4	Stamp Impress	129,080.00	106,723.00
110-5	Pool Vehicle Impress	591,236.50	564,651.42
110-6	Revenue to be deposit	208,403,151.55	126,872,637.64
	<b>Total</b>	<b>369,467,837.90</b>	<b>377,781,685.33</b>

**08. Accumulated Loss**

		31.12.2017	Re Stated 31.12.2016
<b>Accumulated Loss</b>		<b>Rs.</b>	<b>Rs.</b>
201	Accumulated loss brought from previous year	(45,122,503,972.91)	(40,456,366,711.46)
	Under Provision of Gratuity 2015	-	(7,056,959,842.92)
	Over Provision of Depreciation 2015	-	2,924,748.82
	Adjusted Balance	(45,122,503,972.91)	(47,510,401,805.56)
	Under Provision of Gratuity 2016	-	(4,026,356,194.97)
	Over Provision of Depreciation 2016	-	293,000.00
201-1	Add: Adjustment in respect of previous year	(34,526,315.46)	7,046,580,201.08
	Profit/ (Loss) for the year	1,616,709,589.16	(632,619,173.46)
	<b>Total</b>	<b>(43,540,320,699.21)</b>	<b>(45,122,503,972.91)</b>

**Treasury Share Capital**

		31.12.2017	31.12.2016
		<b>Rs.</b>	<b>Rs.</b>
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
		<b>3,944,890,550.00</b>	<b>3,944,890,550.00</b>

**09. Government Grants**

		31.12.2017	31.12.2016
		<b>Rs.</b>	<b>Rs.</b>
202-3	Balance as at 01.01.2017	2,981,392,312.95	2,077,286,701.27
	Receipts from Treasury for the Year 2017	-	1,539,038,388.86
	Provision for the year	-	634,932,777.18
	Balance as at 31.12.2017	<b>2,981,392,312.95</b>	<b>2,981,392,312.95</b>

**10. Reserves**

		31.12.2017	31.12.2016
		<b>Rs.</b>	<b>Rs.</b>
201-2	Capital Reserves	22,295,374.57	22,295,374.57
201-3	Insurance Reserves	292,329.36	292,329.36
201-4	Workmen Compensation Reserves	2,988,322.52	2,988,322.52
201-5	Commissioner of Motor Traffic	2,667,679.00	2,667,679.00
201-6	Season Ticket Fund	272,672.50	272,672.50
201-8	Revaluation Reserve	140,397,051.58	140,397,051.58
201-9	Capital Reserve a/c & Other Reserve	5,301,844,511.56	5,301,844,511.56
		<b>5,470,757,941.09</b>	<b>5,470,757,941.09</b>

**11. Provision for Retirement Gratuity**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
202-1	Balance as at Beginning of the Year	13,600,701,184.62	5,637,975,107.08
	Under Provision 2015	-	7,056,959,842.92
	Adjusted Balance	13,600,701,184.62	12,694,934,950.00
	Under Provision 2016	-	4,026,356,194.97
	Provision for the Year	3,588,757,243.11	1,144,831,511.75
	Payments during the Year	(2,682,430,752.23)	(4,265,421,472.10)
	Balance as at the End of the Year	<b>14,507,027,675.50</b>	<b>13,600,701,184.62</b>

**12. Other Non Current Liabilities**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
202-20	Lanka Ashoke Leyland	29,400,000.00	-
202-21	Long Term Liabilities -SLTB Provident Fund	1,860,824,837.37	1,860,824,837.37
202-22	BOC Leasing Creditor	-	50,176,308.00
202-23	Peoples Bank Leasing Creditor	2,244,042,977.96	4,695,590,582.96
202-2	Interest Suspense A/C	(169,131,522.78)	(364,165,622.57)
	<b>Total</b>	<b>3,965,136,292.55</b>	<b>6,242,426,105.76</b>

### 13. Unoperated Accounts

	31.12.2017	31.12.2016
	Rs.	Rs.
203-2-12 Unoperated Accounts -Credit Balance	26,054,954,882.06	26,054,954,882.06
	<b>26,054,954,882.06</b>	<b>26,054,954,882.06</b>

### 14. Trade & Other Payables

#### 14.1 Creditors

Account Code	Description	Re Stated	
		31.12.2017	31.12.2016
		Rs.	Rs.
203-1-1	Trade Creditors	3,506,085,807.42	2,434,887,483.03
203-1-2	Ceylon Petroleum Corporation	44,935,419.47	49,659,705.20
203-1-3	Other Creditors	127,397,176.88	137,398,234.55
203-1-4	Sri Lanka Insurance Corporation	606,295.40	725,209.86
203-1-5	Cancelled Cheques	-	7,138,279.35
203-1-6	Unpaid Salary	15,528,124.05	16,146,247.82
203-1-7	Tsunami Fund	879,704.43	879,704.43
203-1-8	Third Party Payments - Payable	38,866,608.58	49,013,863.21
203-1-9	7070 E.P.F Loan	27,750,174.74	27,656,773.49
203-1-10	7082 E.P.F TV Loan	9,297,609.39	9,361,482.39
203-1-11	7075 E.P.F Housing Loan	211,272,210.58	211,989,835.37
203-1-12	7078 EPF Loan	576,741.11	582,827.11
203-1-13	Fines Fund	26,944,823.77	52,777,642.81
203-1-14	Sport Council	9,518,118.85	6,649,939.64
203-1-15	Trade Unions	29,739,106.03	32,348,307.43
203-1-16	Funeral Welfare Society	64,097,000.43	79,181,800.66
203-1-17	Welfare Society	38,761,249.29	47,834,203.88
203-1-18	Canteen Recovery	3,905,713.61	4,734,080.20
203-1-19	Bank Loan - (salary Payable)	42,143,617.43	52,877,199.68
203-1-19	Bank Loan	492,599,865.47	714,732,356.51
203-1-20	Insurance - Payable	1,361,611.14	1,196,434.39
203-1-21	Stamp Duty recovery	19,074,080.24	18,351,745.06
203-1-22	Fines recovery	457,792,134.21	414,058,991.66
203-1-23	Fines Fund recovery	113,633,402.87	102,478,963.29
203-1-24	Unpaid Salary Deductions	6,478,762.08	8,597,020.07
203-1-25	Tender Deposits	16,402,568.18	10,821,070.48
203-1-26	Other Deposits	5,787,910.52	5,872,396.72
203-1-27	Suspense A/C	390,909.74	390,909.74
203-1-28	Deposits - by Outside parties	3,378,975.00	2,747,251.74
203-1-29	Deposits - Tender(Factory)	10,875,805.28	6,467,582.00
203-1-30	Employee Deposits	148,150,574.34	139,731,869.20
203-1-31	Miscellaneous Payable	24,457,863.69	10,662,079.67
203-1-32	E.P.F Surcharges	91,227,198.28	143,942,364.76
203-1-33	E.T.F Surcharges	5,121,707.97	3,798,120.60
203-1-35	Accrued Rent & Rates	5,796,342.49	7,292,355.07
203-1-36	Accrued Wrecker Charges	102,260.25	163,110.25
203-1-37	Accrued Fitness Checking Charges	112,144.00	107,743.00
203-1-38	Fidelity bond	54,644.46	36,550.20
203-1-51	Deposits - by Outside parties (Employee Security)	457,000.00	454,000.00
203-1-54	Peoples Bank Leasing Creditor	2,401,547,605.09	2,077,579,757.00
203-1-55	BOC Leasing Creditor	-	272,443,247.78
203-1-56	Advance Received For Sale Of Land	1,000,000,000.00	-
203-1-57	Lanka Ashok Leyland Creditor a/c	182,004,806.43	413,689,754.51
	<b>Sub Total</b>	<b>9,185,113,673.19</b>	<b>7,577,458,493.81</b>

#### 14.2 Accrued Expenses

Account Code	Description	31.12.2016	
		31.12.2017	31.12.2016
		Rs.	Rs.
203-3-1	Payable Audit Fee	4,695,273.78	4,854,003.78
203-3-2	Local Suspense A/C	393,241.35	(124,730.00)
203-3-3	Payable E.P.F (SLTB)	607,284,153.12	611,284,703.97
203-3-4	Payable E.P.F (Central Bank) Befor 2017	1,680,688,187.66	3,394,752,974.69
203-3-4	Payable E.P.F (Central Bank) 2017	171,828,031.93	182,086,376.88
203-3-5	Payable E.T.F (Central Bank)	40,459,519.44	35,512,144.82
203-3-6	Salary Control A/C	894,137,992.48	963,696,168.88
203-3-7	Accrued Expenses	375,003,635.25	387,072,031.24
203-3-7	Accrued Expenses - Lease Creditor	462,195,448.00	287,405,180.00
203-3-7	Accrued Expenses - VRS	99,409,374.42	-
	<b>Sub Total</b>	<b>4,336,094,857.43</b>	<b>5,866,538,854.26</b>
	<b>Grand Total</b>	<b>13,521,208,530.62</b>	<b>13,443,997,348.07</b>

## 15. Revenue

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
301-1	Waybill	27,201,511,515.84	25,931,696,087.79
301-2	Season Tickets	949,530,161.80	876,115,142.23
301-3	Special Hires	383,290,025.01	348,510,755.59
301-4	Mail Transport	41,540,828.82	57,021,669.39
301-5	Army Travel Passes	227,121,572.60	214,911,537.95
301-6	Police Warrant	530,727,069.25	490,907,790.63
301-7	Army Special Hires	28,251,350.60	49,358,892.85
301-8	News Paper Transport	2,708,853.00	1,569,749.00
301-9	Miscellaneous Travel Passes	49,251,314.97	42,017,786.68
301-10	Luggage Receipts	34,139,203.20	40,017,719.70
301-11	Welfare Hires	2,722,880.98	1,577,581.75
301-12	Police Vovcher a/c	40,456,386.00	21,663,259.50
302-1-1	Gemiseriya	9,007,703.00	-
302-1-2	Sisuseriya	160,367,057.17	170,842,084.50
302-1-3	Nisiseriya	10,172,722.03	6,949,690.50
302-4-D	Season Ticket Subsidy	4,257,863,422.48	2,007,750,131.74
	<b>Total</b>	<b>33,928,662,066.75</b>	<b>30,260,909,879.80</b>

## 16. Operating Expenses

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
401-1	Bus Operation Expenses	15,100,888,983.61	15,732,233,924.42
401-2	Direct Fuel, Oil & Lubricants	13,066,713,637.08	12,852,826,927.07
401-3	Other Direct Costs	4,022,903,679.92	3,965,858,315.19
402-3-1	Depreciation - Busses	1,953,057,971.18	2,015,297,342.07
	<b>Total</b>	<b>34,143,564,271.79</b>	<b>34,566,216,508.75</b>

**Bus Operation Expenses**

	<u>31.12.2017</u>	<u>31.12.2016</u>	
401-1-1	Salary - Drivers & Conductors	3,384,396,984.04	3,484,500,755.44
401-1-14	Salary - Engineering	1,022,245,691.64	1,112,833,969.91
401-1-3	Over time - Scheduled Drivers & Conductors	1,312,984,399.07	1,314,197,501.12
401-1-4	Over time - Un Scheduled Drivers & Conductors	568,031,098.45	363,884,069.14
401-1-16	Over time - Engineering	350,842,003.51	300,471,016.39
401-1-6	Travelling - Drivers & Conductors	7,682,713.32	14,900,829.52
401-1-18	Travelling - Engineering	5,113,956.30	5,835,069.50
401-1-2	Cost of Living - Drivers & Conductors	1,860,518,302.69	1,822,898,722.43
401-1-15	Cost of Living - Engineering	529,250,301.75	540,918,071.90
401-1-5	Bus Crews - Layover	46,797,341.65	24,366,394.86
401-1-7	Incentive - Drivers & Conductors	1,273,033,666.96	1,271,371,507.03
401-1-17	Incentive - Engineering Employees	254,485,099.26	218,987,168.94
401-1-8	Attendance Allowances - Drivers & Conductors	11,259,316.04	7,106,617.16
401-1-19	Attendance Allowances - Engineering	19,769,963.93	22,300,754.15
401-1-10	Special Allowances - Drivers & Conductors	2,297,909,977.43	2,738,898,489.70
401-1-20	Special Allowances - Engineering	656,356,126.34	924,610,581.36
401-1-23	Bus Washing & Watching Allowance	29,803,831.44	30,036,547.62
401-1-9	Night Allowances- Drivers & Conductors	34,353,300.64	8,656,660.90
401-1-11	Waybill Checking Commission	8,090,227.35	10,960,199.73
401-1-12	E.P.F - Drivers & Conductors	731,535,185.55	807,761,321.58
401-1-21	E.P.F - Engineering	223,813,474.67	259,787,463.68
401-1-13	E.T.F - Drivers & Conductors	178,322,250.03	199,876,014.91
401-1-22	E.T.F - Engineering	55,566,516.58	64,106,341.71
401-1-24	Other Variable Expenses	238,727,254.97	182,967,855.74
	<b><u>15,100,888,983.61</u></b>	<b><u>15,732,233,924.42</u></b>	

**Direct Fuel Oil & Lubricants**

401-2-A	Oil & Lubricants for Busses	334,814,410.94	358,237,115.93
401-2-B	Fuel for Busses	12,731,899,226.14	12,494,589,811.14
		<b><u>13,066,713,637.08</u></b>	<b><u>12,852,826,927.07</u></b>

**Other Direct Cost**

401-3-1	Spare Parts	1,492,360,630.35	1,544,950,797.69
401-3-2	New Tyres Tubes	781,026,652.46	775,655,613.29
401-3-3	Rebuild Tyres	1,214,490,110.80	1,314,823,782.30
401-3-4	Batteries for Busses	141,297,896.49	108,142,756.06
401-3-5	Busses Repair & Maintenance Expenses	282,156,301.59	118,567,722.19
401-3-6	Busses - Insurance Expenses	23,734,033.66	32,987,518.02
401-3-7	Busses - Registration Fees	540,000.00	7,147,589.43
401-3-7	Busses - Revenue Licenses	14,181,258.55	
401-3-8	Tickets & Way Bill Expenses	73,116,796.02	63,582,536.21
		<b><u>4,022,903,679.92</u></b>	<b><u>3,965,858,315.19</u></b>

17. Other Income

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
303-1	Rent Income	12,492,691.00	17,307,070.85
303-2	Driver Training Schools	(16,600,343.41)	(33,017,651.63)
303-3	Fuel Sheds Income	17,411,696.57	22,123,738.99
303-4	Circuit Bungalows	24,232,712.96	15,941,499.00
303-5	Advertising	13,275,815.00	32,276,437.16
303-6	Penalty Charges	6,703,646.15	4,842,242.57
303-9	Waste Oil Sale	46,887,801.99	17,926,629.30
303-10	Excess Cash	598,535.62	2,725,452.37
303-11	Damages Recovered	24,978,902.20	31,032,635.56
303-12	Income From Property	905,927.50	350,351.79
303-13	Building & Canteen Rent	2,625,343.87	2,214,204.33
303-14	Commission & Discounts	86,261,155.19	84,702,561.42
303-15	Fitness Certificate	9,786,222.56	9,184,476.91
303-16	Income from Outside Repairs	4,294,803.50	292,558.40
303-17	Wrecker charges	816,975.50	514,376.22
303-18	Insurance Commission	1,442,480.63	1,435,591.44
303-19	Cashier Excess	152,853.64	402,140.13
303-20	Income on Identity Cards	4,080,070.37	3,909,547.74
303-21	Stock Adjustment AC	20,173,895.32	(16,602,531.89)
303-22	Excess / Shortage of Fuel Stock	33,962,408.84	46,673,819.57
303-23	Scrap Sale	21,862,906.95	6,308,741.50
303-24	Other Income	261,329,619.73	204,672,763.87
303-25	Revenue from Shalika	2,900,350.00	3,051,750.00
303-26	Fuel Income	14,521,544.75	13,762,091.22
303-27	profit on sales of buses	88,428,250.00	30,681,281.80
303-29	Sale on Other items	802,853.12	376,808.00
303-30	Scrap Stock Excess	43,761.00	132,590.64
303-31	Doubtful Debts Execs a/c	303,063.43	5,312,180.97
302-1-4	Other Subsidy	11,341,769,083.37	12,629,204,153.81
302-3-C	EPF Subsidy a/c	289,474,711.20	11,760,858.00
	<b>Total</b>	<b>12,315,919,738.55</b>	<b>13,149,498,370.04</b>

**18. Administration & Establishment Expenses**

<b>Account Code</b>	<b>Description</b>	<b>31.12.2017 Rs.</b>	<b>31.12.2016 Rs.</b>
	Salaries & Wages 18.1	1,114,021,949.25	1,551,884,551.33
	Overtime & Leave Pay 18.2	266,746,434.89	236,944,980.50
	Cost of Living Allowance 18.3	541,618,643.02	743,128,730.07
	Travelling Expenses 18.4	27,002,038.50	59,260,885.47
	Other Special Allowances 18.5	740,415,072.45	1,156,946,211.55
	Repairs & Maintenance 18.6	171,592,918.49	144,410,669.43
<b>402-1-6</b>	Chairman/Director Board Allowance	1,695,000.00	2,313,227.16
<b>402-1-8</b>	Private Security Salaries	53,761,523.68	28,138,666.06
<b>402-1-9</b>	Medical Bills	1,054,708.14	1,627,667.89
<b>402-1-10</b>	Other Allowances	153,757,116.01	112,982,622.30
<b>402-1-11</b>	Contract & Daily Payment Employees Allowances	46,436,267.82	28,414,138.03
<b>402-1-12</b>	Employee Provident Fund	284,860,093.41	391,684,602.37
<b>402-1-13</b>	Employee Trust Fund	114,925,987.19	87,616,695.50
<b>402-2-5</b>	Printing & Stationary	88,171,322.57	79,743,050.69
<b>402-2-6</b>	Rent & Rates	30,700,029.67	27,522,688.83
<b>402-2-7</b>	Telephone	44,545,833.35	33,998,882.84
<b>402-2-8</b>	Electricity	106,055,996.74	108,494,965.77
<b>402-2-9</b>	Water	32,048,271.60	31,165,207.86
<b>402-2-10</b>	Annual Bonus	108,536,141.28	68,734,742.82
<b>402-2-11</b>	Gratuity Allowances a/c	3,588,757,243.11	1,144,831,511.75
<b>402-2-12</b>	Medical Condemn Retirement	20,733,476.73	13,552,184.33
<b>402-2-13</b>	Legal Expenses	75,467,190.22	29,351,864.64
<b>402-2-14</b>	Staff Welfare	29,952,734.29	20,712,861.89
<b>402-2-15</b>	Ex-gratia Payments	26,443,386.89	34,217,124.38
<b>402-2-16</b>	Workmen Compensation	1,228,843,093.93	2,295,138,353.70
<b>402-2-17</b>	Payment for Police security	8,880,281.60	31,044.00
<b>402-2-18</b>	Tsunami Busses Expenses	-	-
<b>402-2-19</b>	Fuel Oil & Lubricants(indirect)	30,557,095.77	28,461,440.75
<b>402-2-20</b>	Entertainment	11,559,198.04	12,644,239.00
<b>402-2-21</b>	Other Expenses	1,603,467,423.68	1,805,969,683.16
<b>402-2-22</b>	Doubtful Debts	-	1,250.00
<b>402-2-23</b>	Advertising Expenses	5,291,750.92	4,440,742.45
<b>402-2-24</b>	Insurance - Other Vehicles	1,769,194.41	5,312,596.32
<b>402-3-2</b>	Depreciation 18.7	167,180,513.35	38,202,735.84
	<b>Total</b>	<b>10,726,847,931.00</b>	<b>10,327,880,818.69</b>

<b>18.1</b>	<b>Salaries &amp; Wages</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
402-1-1-A	Salaries & Wages - Operation Staff	475,579,164.56	713,167,239.35
402-1-1-B	Salaries & Wages - Accounting Staff	171,639,022.36	214,959,587.54
402-1-1-C	Salaries & Wages - Engineering Staff	191,091,966.21	282,105,619.74
402-1-1-D	Salaries & Wages - Audit Staff	30,283,772.43	34,864,905.46
402-1-1-E	Salaries & Wages - Disciplinary Staff	41,017,898.03	47,471,408.53
402-1-1-F	Salaries & Wages - Security Staff	110,870,007.98	144,552,104.78
402-1-1-G	Salaries & Wages - Supply Staff	82,616,676.30	106,012,539.94
402-1-1-H	Salaries & Wages - D.T.S	9,659,603.38	7,954,520.99
402-1-7	Salary - Trained Graduate	1,263,838.00	796,625.00
		<b>1,114,021,949.25</b>	<b>1,551,884,551.33</b>

### **18.2 Overtime & Leave Pay**

402-1-2-A	Overtime & Leave Pay - Operation Staff	122,788,166.59	97,502,506.34
402-1-2-B	Overtime & Leave Pay - Accounting Staff	23,980,996.55	15,318,663.03
402-1-2-C	Overtime & Leave Pay - Engineering Staff	36,497,823.41	32,902,423.09
402-1-2-D	Overtime & Leave Pay - Audit Staff	1,876,438.13	1,428,946.96
402-1-2-E	Overtime & Leave Pay - Disciplinary Staff	4,217,108.46	5,380,133.26
402-1-2-F	Overtime & Leave Pay - Security Staff	61,918,837.39	60,635,201.53
402-1-2-G	Overtime & Leave Pay - Supply Staff	14,019,399.03	13,987,664.62
402-1-2-H	Overtime & Leave Pay - D.T.S	1,447,665.33	9,789,441.67
		<b>266,746,434.89</b>	<b>236,944,980.50</b>

### **18.3 Cost of Living Allowance**

402-1-3-A	Cost of Living Allowance - Operation Staff	230,314,293.40	330,491,139.99
402-1-3-B	Cost of Living Allowance - Accounting Staff	88,258,708.86	110,979,546.67
402-1-3-C	Cost of Living Allowance - Engineering Staff	93,311,842.65	134,448,558.06
402-1-3-D	Cost of Living Allowance - Audit Staff	13,095,046.00	15,502,415.32
402-1-3-E	Cost of Living Allowance - Disciplinary Staff	19,428,389.66	24,073,868.63
402-1-3-F	Cost of Living Allowance - Security Staff	54,687,279.22	74,226,181.27
402-1-3-G	Cost of Living Allowance - Supply Staff	39,604,868.21	49,826,320.32
402-1-3-H	Cost of Living Allowance - D.T.S	2,918,215.02	3,580,699.81
		<b>541,618,643.02</b>	<b>743,128,730.07</b>

### **18.4 Travelling Expenses**

402-1-4-A	Travelling Expenses - Operation Staff	12,722,793.66	18,906,947.81
402-1-4-B	Travelling Expenses - Accounting Staff	1,685,121.88	2,193,896.15
402-1-4-C	Travelling Expenses - Engineering Staff	2,030,114.24	2,981,931.81
402-1-4-D	Travelling Expenses - Audit Staff	2,164,453.50	1,578,223.50
402-1-4-E	Travelling Expenses - Disciplinary Staff	1,778,598.55	1,827,132.20
402-1-4-F	Travelling Expenses - Security Staff	1,329,668.66	894,630.70
402-1-4-G	Travelling Expenses - Supply Staff	3,323,242.51	1,858,593.50
402-1-4-H	Travelling Expenses - D.T.S	1,968,045.50	29,019,529.80
		<b>27,002,038.50</b>	<b>59,260,885.47</b>

<b>18.5 Other Special Allowances</b>		<b>31.12.2017</b>	<b>31.12.2016</b>
402-1-5-A	Other Special Allowances - Operation Staff	309,236,391.80	530,753,834.19
402-1-5-B	Other Special Allowances - Accounting Staff	114,431,695.24	166,113,344.61
402-1-5-C	Other Special Allowances - Engineering Staff	125,033,134.25	197,651,233.27
402-1-5-D	Other Special Allowances - Audit Staff	19,125,967.32	26,788,256.79
402-1-5-E	Other Special Allowances -Disciplinary Staff	30,561,238.79	42,808,965.55
402-1-5-F	Other Special Allowances - Security Staff	83,869,418.24	114,653,844.15
402-1-5-G	Other Special Allowances - Supply Staff	53,482,018.54	73,465,050.60
402-1-5-H	Other Special Allowances - D.T.S	4,675,208.27	4,711,682.39
		<b>740,415,072.45</b>	<b>1,156,946,211.55</b>

<b>18.6 Repairs &amp; Maintenance</b>			
402-2-1	Repairs & Maintenance (Garage Building )	39,826,220.51	20,472,502.93
402-2-2	Maintenance of Furniture & Office Equipment	18,806,316.96	19,803,795.90
402-2-3	Repairs & Maintenance - Pool Vehicle	85,779,598.43	85,115,866.05
402-2-4	Maintenance of Plant & Machinery	27,180,782.59	19,018,504.55
		<b>171,592,918.49</b>	<b>144,410,669.43</b>

<b>18.7 Depreciation</b>			
402-3-2	Depreciation - Other Vehicle	9,730,992.60	6,500,560.31
402-3-3	Depreciation - Plant & Machinery	2,936,937.49	1,530,437.33
402-3-4	Depreciation -Furniture & Office Equipment	6,904,085.81	6,198,048.43
402-3-5	Depreciation - Building	885,939.97	6,125.00
402-3-6	Depreciation - Computer	5,706,846.96	3,487,105.39
402-3-7	Depreciation - Others	3,138,179.19	2,574,177.84
402-3-8	Depreciation - Shot Guns	-	-
402-3-9	Depreciation - Air conditioners	761,286.86	617,482.09
402-3-10	Depreciation - Bus Engine	107,165,886.70	-
402-3-11	Depreciation - Land & Building (Shelters)	561.75	561.75
402-3-12	Depreciation - Ticket Machine	29,949,796.02	17,288,237.71
<b>Total</b>		<b>167,180,513.35</b>	<b>38,202,735.84</b>

#### 19. Finance Performance

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
402-4-1	Over Draft Interest	52,320,222.16	58,745,338.60
402-4-2	Bank Charges	19,787,748.78	23,212,593.94
402-4-3	Debit Tax	801,613.13	204,315.46
402-4-4	Leasing Interest a/c	189,453,445.06	323,399,174.65
402-4-5	Other Finance Cost a/c	473,038,263.98	314,682,140.85
<b>Total Financial Cost</b>		<b>735,401,293.11</b>	<b>720,243,563.50</b>

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
303-7	Deposit Interest Income	80,426,024.50	56,663,229.15
<b>Total Financial Cost</b>		<b>80,426,024.50</b>	<b>56,663,229.15</b>
<b>Net Financial Cost</b>		<b>654,975,268.61</b>	<b>663,580,334.35</b>

**20. Production Loss**

		<b>31.12.2017</b>	<b>31.12.2016</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>403-1</b>	Work in Progress as at 01.01.2017 - Materials	4,618,687.74	36,459,327.27
	<b>ADD</b>		
<b>403-2</b>	Purchases - Materials	<u>150,533,517.70</u>	<u>213,727,739.58</u>
	<b>LESS</b>		
<b>403-4</b>	Goods Return	313,608.08	850,042.63
	Work in Progress as at 31.12.2017	<u>6,880,296.23</u>	<u>4,618,687.74</u>
		<u>7,193,904.31</u>	<u>5,468,730.37</u>
	Primary Cost of Finished Goods	147,958,301.13	244,718,336.48
	<b>Factory Overhead Cost</b>		
<b>403-1-A</b>	Factory Wages & Allowances	183,943,344.44	206,628,034.54
<b>403-1-B</b>	Overtime	6,724,617.97	6,021,034.21
<b>403-1-C</b>	Travelling Allowances	296,363.00	297,609.18
<b>403-1-D</b>	E.P.F	15,659,054.60	17,077,870.06
<b>403-1-E</b>	E.T.F	3,913,360.59	4,148,166.28
<b>403-1-F</b>	Other Costs	<u>3,951,465.35</u>	<u>4,762,627.35</u>
	Factory Costs	<u>214,488,205.95</u>	<u>238,935,341.62</u>
	Total Production cost	362,446,507.08	483,653,678.10
<b>403-3</b>	Revenue on Production	<u>295,220,508.49</u>	<u>354,538,224.55</u>
	<b>Production Shortage</b>	<u><u>67,225,998.59</u></u>	<u><u>129,115,453.55</u></u>

**21. Government Contribution**

Account Code	Description	31.12.2017 Rs.	31.12.2016 Rs.
<b>302-2-B</b>	Grant for Rehabilitation	964,741,253.85	1,008,832,914.86
<b>302-5-E</b>	Government Grant Busses	-	634,932,777.18
	<b>Total</b>	<u>964,741,253.85</u>	<u>1,643,765,692.04</u>

# Fuel Sheds

## Profit & Loss Statement

	Rathmalana Fuel Shad	Orugodawatta Fuel Shad
Sales	278,904,981.30	203,929,378.40
Opening Balance - Diesel	2,163,477.75	1,031,890.00
Opening Balance - Petrol	659,994.66	1,106,703.00
Opening Balance - Lubricant	333,993.04	521,453.00
	3,157,465.45	2,660,046.00
Add		
Purchases - Diesel	187,901,265.14	158,712,054.78
Purchases - Petrol	84,962,926.62	34,283,286.18
Purchases - Lubricant	1,021,281.81	971,432.73
	273,885,473.57	193,966,773.69
	277,042,939.02	196,626,819.69
Closing Balance - Diesel	2,172,080.00	
Closing Balance - Petrol	983,151.00	
Closing Balance - Lubricant	367,815.00	
	3,523,046.00	446,192.50
	273,519,893.02	196,180,627.19
Net Profit	5,385,088.28	7,748,751.21
Other Income		
Interest Income a/c		42,499.99
Fitness Certificate a/c		42,499.99
		42,499.99
		7,791,251.20
Administrative Expenses		
Salaries & Wages - Operation Staff a/c	1,367,376.62	1,719,020.76
Overtime & Leave Pay - Operation Staff a/c	509,613.14	401,082.56
Cost of Living Allowance - Operation Staff a/c	777,300.00	1,014,236.19
Other Special Allowances - Operation Staff a/c	1,580,580.68	1,885,311.31
	4,234,870.44	5,019,650.82
Repairs & Maintenance (Garage Building) a/c	6,445.00	
Maintenance of Furniture & Office Equipment a/c		97,580.18
Printing & Stationary a/c	26,751.02	8,917.71
Telephone a/c	39,562.34	32,505.17
Electricity a/c	210,358.00	3,625.50
Water a/c	60,122.64	9,346.63
Staff Welfare a/c	18,410.36	4,530.00
Other Expenses a/c	212,826.15	833,993.09
	574,475.51	990,498.28
Financial Expenses		
Bank Charges a/c	14,301.36	7,500.00
Total Cost	4,823,647.31	6,017,649.10
Net Profit	561,440.97	1,773,602.10
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## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No.

CTP/A/SLTB/FA/01/2017/88

මගේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

06 January 2019

The Chairman  
The Sri Lanka Transport Board

### Report of the Auditor General on the Financial Statements of the Sri Lanka Transport Board for the year ended 31 December 2017 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of Sri Lanka Transport Board for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 24 of the Sri Lanka Transport Board Act, No. 27 of 2005. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2) (c) of the Finance Act appear in this report.

#### 1.2 Management's Responsibility for the Financial Statements

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

#### 1.3 Auditor's Responsibility

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

## 1.4 Basis for Disclaimer of Opinion

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

## 2. Financial Statements

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### 2.1 Disclaimer of Opinion

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

### 2.2 Comments on Financial Statements

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#### 2.2.1 Sri Lanka Accounting Standards

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The following non compliances were observed.

##### (a) Sri Lanka Accounting Standard 16

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- (i) Even though a revaluation is required when the fair value of assets materially differ from its carrying amount, actions had not been taken to revalue the assets in terms of paragraph 34 of the Standard.
- (ii) In terms of paragraph 58 of the Standard, the value of lands and buildings should be separately identified and shown in the financial statements. However, contrary to that, the value of the lands and buildings had not been recognized and accounted separately.
- (iii) The condemned buses value of Rs. 1,367,754,792 had been shown under Property Plant and Equipment in the financial statements of the Board.

**(b) Sri Lanka Accounting Standard 19**  
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In terms of paragraph 57 of the Standard, the post- employee benefit liability should be estimated based on the Projected Unit Credit Method. In contrary to that, the provision for total gratuity had been computed by multiplying the monthly salary or half month salary of the employees by service period.

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

**2.2.3 Suspense Accounts**  
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Action had not been taken to clear the debit balance of Rs. 43,954 in the Regional Office of Sabaragamuwa and credit balance of Rs. 434,864 in the Regional Office of Colombo in the Suspense Accounts.

**2.2.4 Lack of Evidence for Audit**  
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Due to lack of evidence indicated against the following transactions, they could not be satisfactorily vouched or accepted in audit.

Item of Account	Value	Evidence not made available	
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	(Rs.)		
(i) Inactive accounts			
- Debit	9,935,459,128	} Detailed Schedules, Age Analyses and Balance Confirmations	
- Credit	26,054,954,882		
(ii) Trade Creditors	3,042,220,390		
(iii) Other Creditors	127,397,176		
(iv) Cashiers' shortages	34,388,213		
(v) The balance of Conductors' irregularities	7,687,289		
(vi) Sundry Debtors	111,795,741		
(vii) Income Receivable	243,166,958		
(viii) Trade Debtor Balance	7,972,076		
(ix) Employee Provident Fund Payables (SLTB)	607,284,153		
(x) Employee Provident Fund Payables (Central Bank) before 2017	1,680,688,187		} Schedules, Age Analysis and Balance Confirmations
(xi) Employee Provident Fund Payables (Central Bank) 2017	171,828,031		
(xii) Employee Trust Fund Payables (Central Bank)	40,459,519		
(xiii) Advance for Procurement (CHOGOM)	101,641,771		
(xiv) Advance Received on sale of Lands	1,000,000,000	} Detailed schedules of Lands sold and its values	

### 2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Action had not been taken even up to the end of the year under review to recover an outstanding income from stall rent of the Central Bus Stand amount of Rs.1, 863,414 since the year 2009.

- (b) A balance of Rs. 2,174,752 receivable from Head office of the SLTB relating to the salaries paid to the employees who dead at the terrorist attacked before the year 2015 by the Allawwa Depot of Wayamba Regional Office had been included in the balance of sundry debtors. However, that balance had not been settled.
- (c) Actions had not been taken to recover a balance of income receivables totaling Rs. 15,110,583 relating to the transport of Army Officers, Licenses of Police and Licenses of Army in the Sabaragamuwa Regional Office over 05 years.
- (d) Actions had not been taken to settle the payable balance of Rs. 1,680,688,187 shown as at the 31 December 2017 as a result of contribution to the Employees Provident Funds had not been paid promptly before the year 2017.
- (e) Actions had not been taken to settle the balance of Rs. 12,305,959 receivable from Kaluthara Training School even 03 years had been exceeded.
- (f) Actions had not been taken to settle the creditor's balances amount of Rs. 4,737,950 from Kandy South Depot, amount of Rs. 23,546,483 from Panadura Depot, amount of Rs. 26,952,578 from Mathugama Depot and amount of Rs. 6,179,118 from Aluthgama Depot over 05 years.
- (g) Amount of Rs. 6,692,000,000 had to be received as at 31 December 2017 from depots to pay Rs. 6,726,713,973 as lease installments of 2200 buses which were purchased under lease basis in the Years 2014 and 2015. However, actions had not been taken to settle the lease installments by collecting that money.
- (h) Out of total unsettled Purchase Advances amount of Rs. 1,565,050,215, a sum of Rs.914,763,169 or 58 per cent for periods of 01 year to 03 years and a sum of Rs. 479,811,048 or 30 per cent over 03 years had not been settled.

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

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The following instances of non-compliance were observed.

### Reference to Laws, Rules, Regulations and management Decisions

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### Non-compliances

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(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Financial Regulation 177

A balance of Rs. 34,249,522 were exist which has been developing from the year 2012 in the Badulla Depot as a result of shortages of banking the money. However, actions had not been taken by the depot in terms of relevant Financial Regulations

(b) The Public Administration Circular No. 22/99 of 08 October 1999  
Section 1.16

Even though the approval of Secretary to the Line Ministry shall be obtained when assign the vehicles to officers, vehicles had been allocated to the officers by the Board contrary to this Circular.

(c) Public Enterprises Circular No. PED/12 of 2 June 2003

Section 8.3.9

(i)

In contrary to the Circular, 02 vehicle of the Board had been given to Office of the Deputy Minister of Transport and Civil Aviation and Jathika Sewa Sangamaya and 390 liters and 1667 liters of fuels had been given in the year 2017 respectively.

Further, contrary to this Circular, two Conductors, a driver and Security Supervisor had been released to external institution on reimbursement basis.

(d) Public Finance Circular No. PFPE 5 of 11 January 2000 and Section 9.7 of Public Enterprises Circular No. PED/12 of 02 June 2003

(i) According to the Circular, payment of incentives to the officers would not be permitted without the approval of the Secretary to the General Treasury. However, Rs. 1,900, 000 had been paid as special allowances to 19 officers only in the Head Office in the year 2017.

(ii) Incentives subject to maximum of Rs. 100,000 had been paid to the Depot Managers, Assistant Manager Cash, Transport and Engineering based on performance of the Depots without approval of the General Treasury in terms of Circular.

### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented, the financial result for the year ended 31 December 2017 had been a surplus of Rs. 1,616,709,589 against the corresponding deficit of Rs.632, 619,173 in the preceding year. Thus the surplus had been increased by Rs. 2,249,328,762 for the year under review as compared with the preceding year. Increase the income of Board by Rs.3, 667,752,180, increased of finance income by Rs. 23,762,795 and decrease of production loss by Rs. 61,889,455 had mainly attributed to above increment.

An analysis of financial results for the year under review and 04 preceding years revealed that the deficit of the Board had gradually decreased from the year 2012 to the year 2016 and it was observed a surplus in the year 2017. Taking into consideration the

employees' remuneration and depreciation on non-current assets, the contribution of the Board had continuously been improved from Rs. 12,709,377,743 in the year 2013 up to Rs.20, 231,073,915 in the year 2017.

#### 4. Operating Review

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##### 4.1 Performance

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##### 4.1.1 Planning

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

##### 4.2 Management Activities

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The following observations are made.

- (a) A restructuring plan had been created as a solution to the financial trouble of the Board in the year 2015 with the guidance of the Ministry of Transport and Civil Aviation and General Treasury. It was targeted to give a better future and quality service to the general public as well as to the employees by bringing the board for some stable position through establishment of efficient and effective service. Even many proposals were targeted to implement. However, only 3747 employees had been retired voluntarily and had been paid Rs. 7,580,000,000 as compensation.

According to the Circular No. 01 of 2016 of Human Resource Management Department of the Board, if the drivers and conductors are not voluntarily retired they must be released to serve in the previous post. However, in contrary to that, 1,002 employees which comprise 328 drivers and 674 conductors had been allocated for un-suite jobs as at 31 December 2017 and 1,489 drivers and conductors had been recruited on contract basis.

- (b) The Board had purchased spare parts needed for the depots and regional workstations from the private Companies. However, Rs. 6,115,908 worth of spare parts purchased and delivered from private Companies during the year 2017 had been rejected due to non-compliance to the specification and stored in the Main Store.
- (c) According to the lease agreements all the default rentals to be paid to the Board by the lessee at the implementation of revised rentals and Lease rental for 45 days, Electricity and Water Bills amounts of Rs. 1,035,000, Rs. 85,858 and Rs. 235,666 were default respectively as at 28 May 2018. However, action had not been taken to recover the default rent by the management even a revision of rental was implemented.
- (d) Spare parts worth of Rs. 700,350 purchased from Private Company by the Head Office on 30 August 2017 which had been certified that suitable for use by the Testing Engineer at the receiving to the main store of the Head Office were sent to the Gampaha Regional Workstation. However, on 11 January 2018, Spare parts worth of Rs. 408,590 had been returned to the Head Office and the certifying those spare parts as lower quality by the Engineer at the Regional Workstation was questionable in the audit.
- (e) Six firearms, 63 numbers of No.12 live ammunitions and eight number of No. 16 live ammunitions were physically found in the Central Bus Office security division. Details of it had not been documented and the goods and documents were handed over to the present security inspector by the former Defense Inspector by letter dated 18 October 2017, but the letter did not include the six weapons. The letter also stated that 70 live ammunitions had been handed over but only 71 bullets were physically existed. Out of that, there were 8 numbers of No. 16 live bullets and one of them had no a cap. Further, there were also 30 number of No. 12 blank shells, which were not documented even though they were mentioned in that letter
- (f) 21 current accounts totaling Rs. 1,058,596,564 at the end of the year under review had been maintained by the Head Office for varies purposes during the year 2017 without a proper approval. Funds had been transferred among those accounts

disregarding the objectives of its opening and such money had not been recovered to relevant accounts. As a result, financial activities of the Board had been complicated and financial control was become weak.

- (g) There were 61 vehicles belonging to the board and milo meter of all the vehicles had not been in the working condition as at the audited date.
- (h) 19,950 of passenger's ticket books which contain 10 tickets in a page and 100 tickets in each book had been printed without serial numbers and out of that, 9,750 books had been issued to regional offices. The report No. ශ්‍රී ලංකා/12/2017 dated 14 September 2017 had been handed over to the Chairman of the Board by Chief Security Officer in relation to the investigation carried out in relation to the printing of passenger's ticket books without serial numbers. Even though a charge sheet had been given to the Chief Supply Officer on 15 November 2017, relevant investigations had not been carried out up to 31 August 2018.
- (i) According to the Lease Agreements No. 05 and 14 for Stalls operating at Central Bus Office registered under A 1167/67, the Lease Agreements had been violated due to default the rental, Water and Electricity Bills of LH 32 stalls and LH 34 and toilet complex of the Central Bus Stand by the lessees. However, Action had not been taken to cancel the lease agreements. Similarly, necessary measures have not been taken to recover the money on time.
- (j) The security camera system deployed at the central bus office consisted of 16 cameras. However, the installation of the camera system did not meet the desired objectives as the visuals provided by the cameras were not able to capture clear images, the images were not available for later investigations and all important locations were not covered.

### 4.3 Operating Activities

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The following observations are made.

- (a). Although about 115 buses are operating at Badulla depot daily torture services and grease services are not done on time and the continued breakdown of the grease sprinkler was the main reason for the failure of the grease service. As the grease is not serviced properly, the buses and engines and other accessories have a major impact and have to be repaired with spare parts. The action had not been taken to maintaining the busses for longer period efficiently by providing timely grease services and torture services at low cost
- (b). At the Badulla Depot, there were three underground fuel tanks, and at the time of the physical inspection, one tank was full of fuel and other two tanks were in stock. The physical stock completely filled with oil could not be measured since the immersion gauge is insufficient to measure the amount of fuel in the tank. As a result, the physical volume of the three tanks could not be calculated. The board also had to work out strategies that could be measured when the tanks were completely filled with oil. Further, attention had not be given to the re-order level, minimum stock level and safety stock level when procure the fuels. It was observed larger fuel shortages and surpluses. A false profit was observed due to adjusting the surplus amount of Rs. 33,962,408 to the profit as other income.

### 4.4 Inactive or Under Utilized Assets

The following observations are made

- (a) A space of more than 2,500 square feet has been in operation for the purpose of storing stationery since 2016 in front of the office premises of the Bank of Ceylon in the Central Bus Stand office since 2016. The board could have lost the benefit that could have been obtained by relocating that part to another purpose and remained idle for almost 3 years.

- (b) Since the TATA buses have been dismantled and replaced with the Hino Turbo buses, 27 items worth Rs. 117,778 at the Central Bus Stand have been remained inactive since 2011.

#### 4.5 Identified Losses

The following observations are made

- (a) An audit examination had been carried out on 03 July 2017 in relation to the 30,000 Thermal Paper Ticket Rolls used for ticket machines, which were brought to the warehouse during the Main Stores inspection. The sample had not complied with the specifications. Further, It was sample tested the ticket rolls in the warehouse that were brought to the store before that date and that sample also did not comply with the specifications. Accordingly, it cannot be ruled out in the audit that the 1,623,800 ticket rolls received to the store until 12 July 2017 had not been reduced in length. Accordingly, an approximate loss of Rs. 9,711,268 had been occurred to the Board. Even though the performance guarantee of Rs. 7,888,000 had been expired on 14 July 2017, the board had taken action to purchase the ticket roll without extending the performance guarantee. Audit queries were issued on 13 July and 25 August, 2017, in this regard and the supplier and the board had agreed that the ticket rolls provided at that time were not in accordance with the specifications. Accordingly, even though by the letter of the Chairman of the Board, number ෧෦෨෧/ප්‍ර.ස.ක/පොදු/01/2017 and dated 07 September 2017, stated that act as follow; however, action has not been taken accordingly.
- i. Although it was stated that it would conduct a full formal inquiry about the loss incurred by the Board, a report had not been issued by doing an inquiry even as at 31 August 2018.
  - ii. Even it has been stated that the payment will not be made until the end of the inquiry, amount of Rs. 1,021,050 on 23 October 2017 and amount of Rs. 2,382,450 on 08 January 2018 had been paid.

iii. It was stated that the action would be taken to bring the bid guarantee amounting to Rs. 1,000,000 which was submitted by the supplier for the year 2017 to the income as the term of the Performance Guarantee expired on 14 June 2017. However, that guarantee was released to the supplier on 10 October 2017. Information had not been presented to the audit that the Chairman's approval was obtained. Further, the legal officer had notified the board on 29 August 2017, that it could recover the bid security to the Board, but the board did not act accordingly.

(b) Surcharges amount of Rs. 712,069,120 had been paid in respect of the four regional offices in the year under review as the Employee Provident Fund Act No. 15 of 1958 and the Employees' Trust Fund Act No. 46 of 1980 had not been properly paid. It shows a payable balance of Rs. 96,348,905 as at 31 December.

#### **4.6 Staff Administration**

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In accordance with Section 9.2 of the Public Enterprises Circular No. PED 12 dated 02 June 2003, an organizational Chart, recruitment procedure and promotion scheme for the Board had not been prepared and approved by the Department of Management Services.

### **5. Sustainable Development**

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#### **5.1 Achievement of Sustainable Development Goals**

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Every public institution should act in compliance with the United Nations Sustainable Development Agenda by 2030. With respect to the year under review, the Sri Lanka Transport Board had not been aware as to how to take measures relating to the activities under purview of their scope.

## 6. Accountability and Good Governance

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### 6.1 Procurements and Contracts Procedure

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#### 6.1.1 Procurements

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(a). Although the Master Procurement Plan had been prepared by the Board in accordance with Section 4.2 of the Procurement Guidelines, that procurement plan had not been prepared including the target Procurement activities at least for 3 years in accordance with Section 4.2.1 (b).

#### (b). Procurement of Tools & Machinery

Following the voluntary retirement program of the employees in 2016, the board decided to restructure it and proposed to establish 21 district offices and 11 regional workplaces as part of it. In addition, a project proposal had been prepared to purchase machinery and equipment as increase the efficiency of machinery with the retirement of employees and a cost estimate of Rs. 320,548,000 had been prepared of that project. However, the approval of the Board of Directors had not been obtained.

The following observations are made in this regards.

- (i) Although the board had decided to procure 22 tools and equipment for the repair of the bus engines, the relevant procurement activities had not been included in the procurement plan and action plan for the year 2017 and also the provision had not been made in the annual budget.
- (ii) The project proposal did not state the details about the objectives of the project, project time frame, project plan, the sources and ability of funding.
- (iii) The project estimate was submitted with the project proposal on 02 January 2017 and procurement activities had been carried out for 12 machines valued at Rs. 33,434,426 which was not included in that cost estimate.
- (iv) According to the Newspaper advertisement published in terms of paragraph 5.3.2 of the Procurement Manual to Purchase of Tools and Machinery had

not been stated that the goods should be provided on credit basis and Non-refundable amount of Rs 12,500 to be paid to the Board to obtain the details about the goods expecting to purchase and the bidding documents. As a result, it was observed that the Board did not meet the objective of selecting the best supplier in the competition as it did not include such details.

- (v) The board had decided to buy two 5-ton forklifts. Under the pricing system it was possible to select the registered suppliers or the suppliers listed on the yellow pages of the telephone directory since there were no a large number of suppliers. However, the bid had been received only from one firm due to the price had been quoted in newspaper advertisements for the purchase of the above tools and machinery itself.
- (vi) Even though there was a difference of Rs. 5,700,000 or a 380 per cent of variation between the estimated cost of a 5-ton fork lift in the procurement list of equipment and machineries amount of Rs. 1,500,000 and the supplier offered a price of Rs. 7,200,000 (without VAT) the Technical Evaluation Committee recommended the purchases without considering it or no the market value
- (vii) Although the requirement of the Board was for the purchase of two 5-ton forklift, a 5-ton forklift and two 2.5-ton forklift machines at cost of Rs. 7,200,000 were purchased (Without VAT) using the allocated amount. These machines remained idle until 28 August 2018.
- (viii) According to the paragraph 3.4 of the Procurement Guidelines and the revised limits of the 33rd Supplement, suppliers shall be selected at least from three sealed quotations. However, the purchase of an air compressor worth of Rs. 419,750 was issued by a private company without order and the certifications of goods receipt were issued 14 days after receipt the goods to store.
- (ix) 13 units related to 03 items of Feeler Gauge, Torque Wrench and Horning Heads valued at Rs. 850,815 which was supplied by a private company were

rejected due to defective. However, these machines remained idle until 28 August 2018 and any actions had not been taken in this regards.

- (x) It had not been tested whether 3 items purchased valued at Rs. 7,190,662 on 06 February 2018 from Malbo Trading (Pvt) Ltd were compatible with the Board's specifications.

**(c). Procurement audit on purchase and installation of bus engines**

- (i) The Ministry had issued 489 engines worth of Rs. 1,164,997,186 to the Board which comprised 326 bus engines valued at Rs. 2,383,089 each and 163 bus engines valued at Rs. 2,381,044 each. The Board had called for information on the buses to be installed the set of engines and the respective Regional Engineers had submitted a list of buses to be fixed in the locomotive. It was observed 172 instances where the engines were not fixed to the recommended buses at the phase 01.
- (ii) 124 locomotives which had been removed to replace new engine kits were in good condition could be fitted to the buses without repairs. There were 83 engines repaired at the depot level had been remained at the stores and 86 engines which were repaired at the regional workshops and the German Technical College were not received to the depots until the audited date.

**(d). Purchase of Printing Machines**

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- (i) A passenger seasons printer valued at Rs. 397,000 had been purchased from Private Company for the running section of the head office on 24 February 2017. No contract had been entered into in accordance with Section 8.9.1 (a) of the Procurement Guidelines, and the goods had been accepted without checking the specification and functionality of the goods. Even though it was returned to the relevant institution due to the defect in implementation, the board was unable to recover the loss since there was no formal agreement had been entered.

- (ii) The Board had recalled quotations for two printing machines on 24 October 2017 and had purchased two Identity Cards printing machines for Rs. 2,550,000 from the above rejected company without a procurement decision.
- (e) Spare parts had been purchased from the shops at Panchikawatte due to the failure of operating a Procurement Plan at the Central Bus Stand. As a result, it was not able to buy spare parts at the right time with required standard and quality and at reasonable prices.
- (f) The ministerial procurement committee held at 17 October 2017 had decided to purchase rejected spare parts valued at Rs. 7,890,664 which were inspected by the Investigation Team and had recommended in the invoices that it is not complied with specifications. Accordingly, the spare parts have been issued to the depots and regional workshops.

## 6.2 Performance of the Environmental and Social Responsibility

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The following observations are made.

- (a) There was insufficient storage for the Engineering Division of the Central Bus Stand office, and the warehouse keeper was carrying out his duties on small premises and there was no adequate atmosphere to carry out his duties.
- (b) In terms of the Gazette Extraordinary No.1533/16 of 25 January 2008 and the National Environment Act, No.47 of 1980, a license should be obtained therefor by all Depots from which motor vehicle services are carried out. However, it was observed that only 9 out of 107 Depots had obtained this license.
- (c) The Central Bus Office maintains groundwater tanks, and when the tanks were opened, cockroaches and other insects were observed at the site inspection on 05 June 2018, and there were rat holes near the water tank. As such, the cleanliness of the water consumed in the central bus premises was problematic. It was also observed that the water bottles and the soft drink bottles at the shop near the tank were piled up.

### 6.3 The Budgetary Control

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In term of Section 5.2 of the Public Enterprises Circular No. PED / 12 dated 02 June 2003, Budgeted Income and Expenditure Statement, Budget Balance Sheet, Budgeted Cash Flow Statement and Budgeted Capital Expenditure together with an Action Plan had not been prepared by the Board

### 7. Systems and Controls

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

#### Areas of Systems and Controls

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#### Observations

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| (a.) Control of Fixed Assets            | (i) Failure to maintain a Register containing information of the buses belonging to the Board.           |
|   | (ii) A Register of Lands belong to the Board had not been maintained.                                    |
|   | (iii) The custody had not been handed over as ensure the security of the assets                          |
|   | (iv) Weakness in the internal control relating to purchasing and accounting of assets.                   |
|   | (v) Failure to conduct annual verifications of assets.   |
| (b.) The Receivable and Payable Amounts | Actions had not been taken to expedite the recover the Receivable amounts and pay to Payable amounts.    |
| (c.) Settlement of Advances             | (i) Failure to maintain a Register of Advances.  |
|   | (ii) Failure to take action to settle the advances immediately after completion of the relevant purpose. |

- (iii) Failure to review by responsible officer
- (iv) Failure to reconcile and adjust on timely basis.
- (d). Security Deposits of Staff  
A register to Security Deposits of Staff had not been maintained and Security Deposits of Staff had been used for expenditure of the Board.
- (e) Bank Accounts  
Banks accounts are maintaining unnecessarily by the finance division, no bank reconciliations were prepared and adjustments were not made.
- (f). The License Income  
Printed invoices with serial numbers are not using for collection of License Income
- (g) Stores Control
- (i) Receipt of Goods without testing by responsible officer
- (ii) Failure to dispose the unusable items which come for longer periods
- (iii) Failure to issue spare parts to the Depots through the central stores.
- (iv) Failure to reconcile the inventory data and depots data
- (i) Vehicles Administration
- (i) Failure to maintain a log book for every vehicle
- (ii) Failure to maintain the Running Charts accurately and completely and failure to balancing the fuel
- (iii) Failure to maintain a record of each vehicle indicating the date of purchased, value and repairs
- (iv) Failure to keep the milometer on working condition
- (v) Failure to keep correct record of the running distance, fuel usage, approval to the travel



- (vi) Failure to obtain the proper approval when allocating the vehicles.
- (vii) Failure to certify the accurate capacity of the fuel tank
- (viii) Failure to use accurate immersion gauge when measure the amount of fuel.
- (ix) Weak control over fuel surpluses and deficits.

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