

ANNUAL REPORT 2021



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தேசிய போக்குவரத்து ஆணைக்குழு
National Transport Commission

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Message from the Chairman



A number of projects were planned in the year 2021 by the National Transport Commission with the aim of creating a modern approach to transportation to provide an efficient, qualitative, eco-friendly, and comfortable transportation service to the people of Sri Lanka, in accordance with His Excellency, the President's National Policy Framework Vistas of Prosperity and Splendour.

Among those projects, a prominent place was given to continuing the 'Sisu Seriya' project and popularizing this bus service among children; preparing combined timetables for private and SLTB buses and commencing bus services in collaboration with the railway service; conducting driver training programmes on a new front and implementing a prepaid card system for public buses. In addition, a number of projects were planned to be implemented to continue the 'Gami Seriya' and 'Nisi Seriya' projects to provide transport facilities to the rural people and introduce modern technology to public transport in order to provide a comfortable journey and eco-friendly transport service for passengers using public transport.

But, although the planned projects could not reach the expected goal in view of the challenges that arose due to the second wave of the Covid-19 epidemic that started in April 2021, some of the projects were able to achieve significant success.

I would like to express my heartfelt thanks to the Honourable Minister of Transport, State Minister of Transport, Secretary to the Ministry of Transport, Secretary to the State Ministry of Transport, all officials of the Ministry of Transport, Board of Directors, and the entire staff of the National Transport Commission, the staff including the Chairmen of the Provincial Road Passenger Transport Authorities, the staff including the Chairman of the Sri Lanka Transport Board and to all the bus owners who have extended their support in various ways to ensure the significant success of the activities of the National Transport Commission amidst all the challenges.

**Shashi Welgama,
Chairman,
National Transport Commission**

Content

	Chapter	page
1.	National Transport Commission	07
1.01	Introduction	07
1.02	Our Vision and Mission	09
1.03	Members of the Commission	09
1.04	Senior Management Committee of the Commission	10
1.05	Structure of the Commission	11
1.06	Our Goals	13
2.	Performance of the Year 2021	14
2.01	Providing Bus Services Prioritized on Social Welfare	14
2.02	Maintenance of Bus Stands and Operation of Bus Terminals	20
2.03	Registration and Training of Bus Crew	22
2.04	Surveys on Transport Demand and Service Quality	24
2.05	Installation of Signal Boards for Long Distance Service	26
2.06	Preparation of Combined Time Tables for SLTB and Private buses	27
2.07	Amendments of Bus Fare and Rectification of Bus Fare Anomalies	28
2.08	Awareness Programmes for Stakeholders related to Transportation	30
2.09	Introduction of New Technology to the Public Transport Sector	31
2.10	Installation of GPS for the Buses	35
2.11	Publishing the National Transport Statistics	36
2.12	Project to Plan Implementation of Park and Ride System	37
2.13	Electronic Fare Collection	38
2.14	Fixing Solar Panels to Fulfill the Energy Requirement of the NTC	39
3.	Non-Project Activities	40
	Annual Accounts	49
	Report of the Auditor General	67

1.0 National Transport Commission

1.01 Introduction



The National Transport Commission has been established by the National Transport Commission Act No. 37 of 1991 to advise the Government on the National Policy related to passenger transport by buses and to implement it.

According to Section 3 of the said Act, the Commission is a corporation inextricably linked to its name by an unbroken existence and a common seal that consists of three ex officio members who are, namely, a senior official of the Minister's Ministry who is not below the rank of a Senior Assistant Secretary appointed by the Minister, a senior official who is not below the rank of a Director from the Ministry of Policy Planning appointed by the Minister after consulting Minister in charge of the subject of the Ministry of Policy Planning and a senior official who is not below the rank of a Director from the Ministry of Finance appointed by the Minister after consulting the Minister in charge of the subject of the Ministry of Finance and another five members appointed by Hon. Minister of Transport on the approval of the Cabinet.

04 Departments, viz., Planning, Operations, and Services Monitoring, Quality Assurance and External Relations, and Finance and Procurement, and 03 Divisions, viz., Administration, Internal Audit, and Legal are functioning under the National Transport Commission to carry

out the duties and powers assigned by the said Act and the head office of the National Transport Commission is located at 241, Park Road, Colombo 5. Interprovincial private bus terminals at Bastian Mawatha and Vavuniya main bus terminals are functioning as branch offices under the inspection of the National Transport Commission.

The approved cadre of the Commission was 219 employees and the senior management of the Commission constitutes the Chairman, Director General, and four Directors in charge of the 04 main Departments.

1.02 Our Vision and Mission

Our Vision...

To ensure a qualitative, cost-effective, and safe integrated transport system and services that will provide for the socio-economic development throughout the island and fulfill the different mobility requirements of every citizen of Sri Lanka.

Our Mission ...

To advise the Government of Sri Lanka on the National Policy related to passenger transport and to establish the required regulatory framework in order to ensure an efficient bus transportation system that meets the transport needs of the public.

1.03 Members of the Commission

From January 2021 to December 2021

1.	Mr. Shashi Welgama Chairman National Transport Commission	-Chairman
2.	Mrs. D.C.W. Hapugoda Additional Director General Ministry of Finance	- Member (<i>ex officio</i>)
3.	Mrs. S. Jaladeepan Senior Assistant Secretary (Administration) Ministry of Finance	- Member (<i>ex officio</i>)
4.	Mr. J.A.M.R. Jayasinghe Senior Assistant Secretary (Administration) Ministry of Transport	- Member (<i>ex officio</i>)
5.	Mr. M.V.M.D.B. Dhanushka Mudalige Management Director Sandamali Tours (Pvt) Ltd.	- Member
6.	Mr. S.R. Godamune Director Nishanees (Pvt) Ltd	- Member
7.	Mr. K. Buddhadasa Former Acting Director National Transport Commission	- Member
8.	Mr. B.A.D.A. Sampath Ranasinghe Chairman Podujana Private Bus Association	- Member

1.04 Senior Management of the National Transport Commission

1.	Mr. Shashi Welgama	- Chairman
2.	Dr. Nilan Miranda	- Director General
3.	Mrs. K.A.C. Karunaratna	- Director (Planning)
4.	Mr. B.M. Ifthikar	- Director (Operations & Service Inspection)
5.	Mrs. S.D. AthuKorala	- Director (Quality Assurance & External Relations)
6.	Mr. D.M.K. Disanayaka	- Director (Finance & Procurement)
7.	Mr. P.G.C. Karunaratna	- Asst. Director (planning)
8.	Mr.P.R.A.T.N. Ranathunga	- Asst. Director (Planning)
9.	Mr. H.B.C. Kumara	- Asst. Director (Operations & Service Inspection)
10.	Mr. R.A. Indika Lal	- Asst. Director (Operations & Service Inspection)
11.	Mr. Muditha Navaratna	- Asst. Director (Quality Assurance & External Relations)
12.	Mrs. L.S. Wijendra	- Asst. Director (Quality Assurance & External Relations)
13.	Mrs. P.A.N. Fernando	- Asst. Director (Procurement)
14.	Mrs. D.N. Weerathunga	- Asst. Director (Finance)
15.	Mrs. A.A.H.N. Munasingha	- Asst. Director (Legal)
16.	Mrs. S.N. Perera	- Asst. Director (Transport Engineer)

1.05 Composition of the Commission

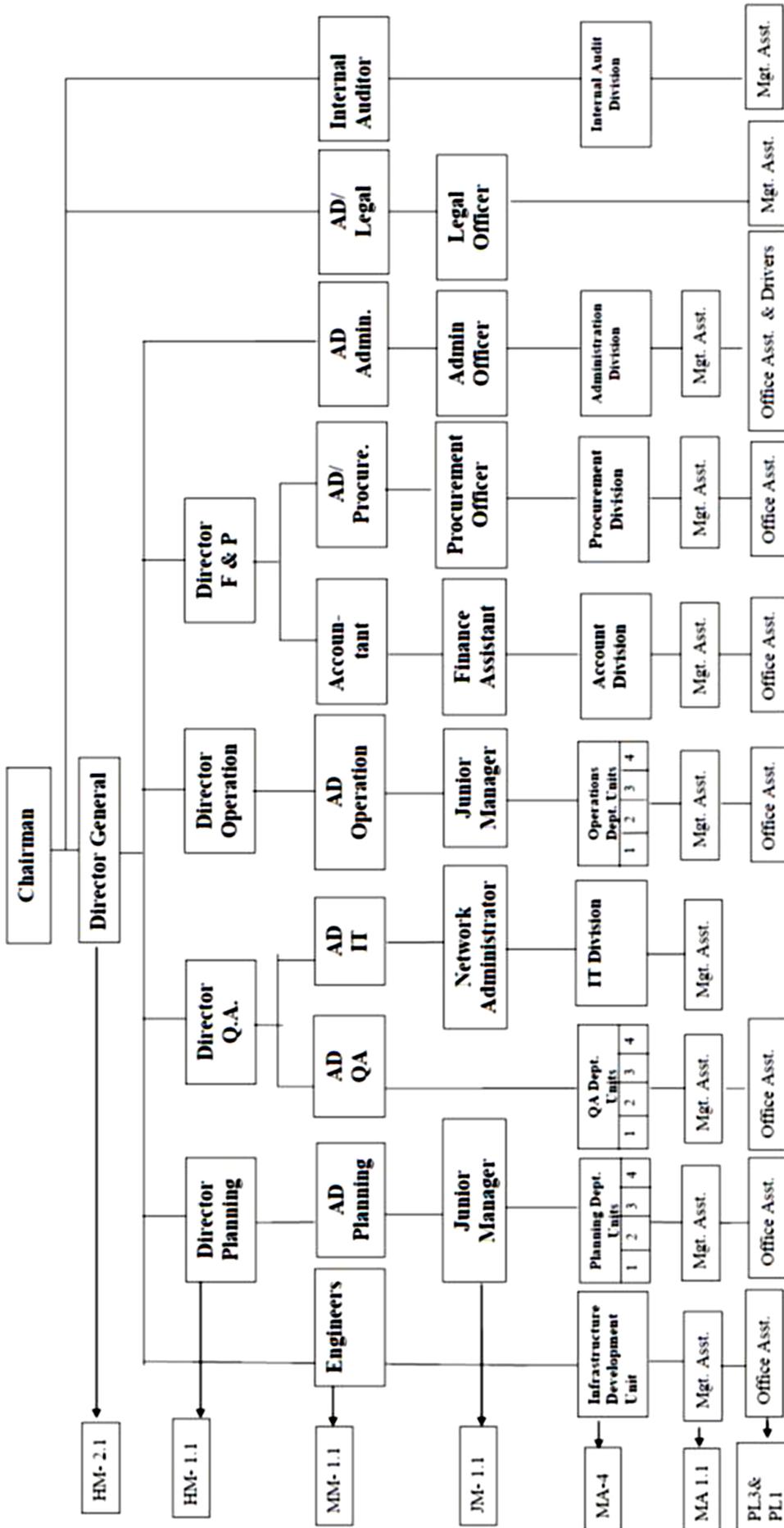
The approved cadre of the Commission was 219 employees whereas the number of permanent staff was 180 by the end of the year 2021.

Number of Employees of the National Transport Commission by 31.12.2021.

Se.No.	Designation	Employee Category	Approved Cadre	Staff engaged in service by 31.12.2021
01	Director General	HM 2 -1	01	01
02	Director	HM 1-1	04	04
03	Assistant Director	MM 1-1	17	12
04	Junior Manager	JM 1-1	21	20
05	Management Assistant	MA 4	36	35
06	Management Assistant	MA 2-1	03	0
07	Management Assistant	MA 1-1	76	66
08	Driver	PL 3	13	13
09	Office Assistant	PL 1	12	10
10	Time Keeper	PL 1	33	18
11	Labourer	PL 1	03	01
	Total		219	180

Source –Department of Administration, NTC

NTC Organization Structure



1.06 Our Objectives

- *Establishing a reliable and friendly public passenger transport service on the island*
- *Providing public passenger transportation facilities to people in areas with minimal transportation or no transportation facilities*
- *Introducing an amiable transportation service based on modern technology*
- *Developing infrastructure facilities related to passenger transportation*
- *Establishing necessary facilities in the public passenger transport service for people with special needs*
- *Providing reliable and friendly passenger transport services as well as cargo transport service facilities in the public modes of passenger transportation*
- *Developing human resources related to passenger transport service*
- *Introducing an affordable fare system for every individual for public passenger transportation services*
- *Taking measures to minimize environmental pollution by vehicles*
- *Minimizing road accidents.*
- *Providing public transport services needed for social welfare.*

2. Performance of the year 2021

The National Transport Commission has been established by the National Transport Commission Act No. 37 of 1991 to advise the Government on the National Policy related to passenger transport by buses and to implement it.

National Transport Commission Act No. 37 of 1991 has been revised by the National Transport Commission (Amendment) Act No. 30 of 1996, Sri Lanka Transport Board Act No. 27 of 2005, and National Transport Commission (Amendment) Act No. 6 of 2017 respectively.

In line with the powers and functions of the National Transport Commission vested in it and in accordance with the Cabinet approvals obtained on various subject matters and the National Policy Framework of the President- “Vistas of Prosperity and Splendour”- the National Transport Commission has implemented several projects in the year 2021 such as creating a modern approach to transport and providing with efficient, high quality, environmentally friendly, and comfortable service to the citizens of Sri Lanka.

The progress of those projects for the year ended on 31st December 2021 is as follows.

2.01 Project of Providing Bus Services Prioritized on Social Welfare

‘Sisu Seriya’ School Bus Service



The primary objective of this project is to provide a more reliable and safer school bus service reserved for students under a concessionary fare scheme in order to facilitate students attending school on time and returning home safely afterward, devoid of mental or physical discomfort.

Other important objectives of this project are to minimize the number of private vehicles with less seating capacity reaching the cities during school start and school end times by directing school children to use public transport buses and to prevent urban traffic congestion and thereby fuel loss and environmental pollution and to provide some relief to parents for the high fees they have to pay for private school transport modes (vans and buses).

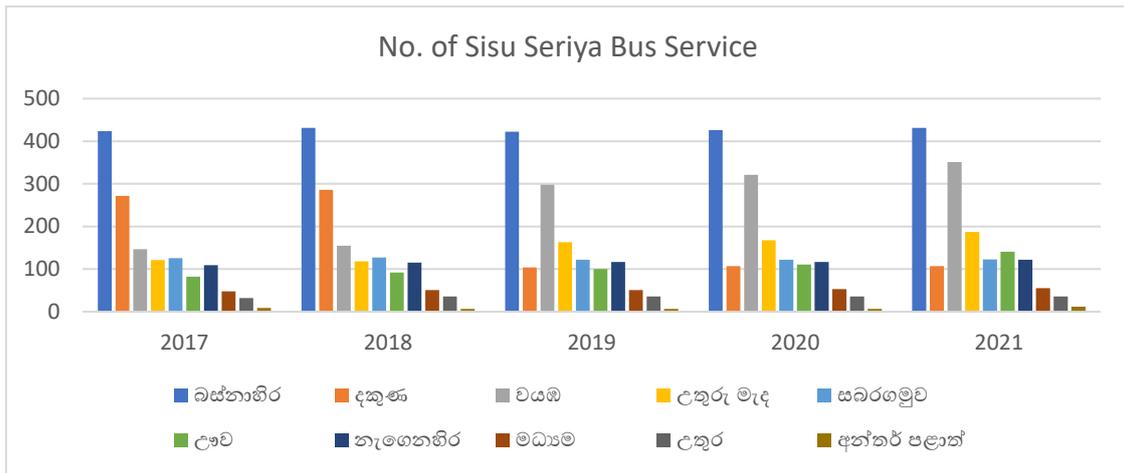
SLTB and private buses are operated under this project and it's a special feature that school students traveling by these buses are charged only half the normal bus fare and that transport can be arranged via season tickets of SLTB buses. Thereby, National Transport Commission bears the cost of a maximum distance of 110 km (for two trips viz. morning and evening) at the rate of Rs. 57 per kilometer in transporting school children to compensate for the financial loss incurred by the operator.

Physical Progress of Sisu Seriya Project

80 new services were planned to be launched in the year 2021. But in the year 2021, there was a high demand for Sisu Seriya services, and accordingly, 97 new Sisu Seriya services were started covering the entire island by 31.12.2021. Accordingly, the physical progress of this project was 121.25 percent. The progress of this project in the last 05 years is shown in the table below.

Province	The number (total number) of Sisu Seriya bus services by the 31 st of December				
	2017	2018	2019	2020	2021
Western	424	431	422	426	431
Southern	272	286	104	107	107
Northwestern	147	155	298	321	351
Northcentral	121	118	163	168	187
Sabaragamuwa	126	127	122	122	123
Uva	82	92	100	111	141
Eastern	109	115	117	117	122
Central	48	51	51	53	55
Northern	32	36	36	36	36
Inter Provincial	09	07	07	07	12
Total	1370	1418	1420	1468	1565

Source -Department of Planning, NTC



In addition, guidelines were provided to transport children hygienically due to the Covid-19 pandemic, and additional travel schedules were arranged to transport children according to the seating capacity on the buses. Especially, the SLTB and private buses operating under this project continued their services uninterrupted and according to the health guidelines during the G.C.E Ordinary Level examinations held in March 2021.

With the reopening of schools in November 2021, the National Transport Commission received a large demand from parents and schools for the "Sisu Seriya" school bus service, and in order to (expedite) prevent the delay in providing buses for these requests,

- issuing of only “Sisu Seriya” service passenger transport permits to provide Sisu Seriya services to intra-provincial routes by the National Transport Commission
- issuing of only “Sisu Seriya” service passenger transport permits to inter-provincial “Sisu Seriya” services
- obtaining quality status reports from the Department of Motor Vehicles through special examinations on the buses that are older than 15 years and giving permission for those vehicles to be used for Sisu Seriya services
- submission of a proposal to the director general of budget requesting permission to increase the subsidy paid to the buses used for Sisu Seriya services relatively the increase in fuel prices

were done under the approval of the National Transport Commission.

‘Gami Seriya’ Rural Bus Service Project

In line with section 8(a) of the National Transport Commission Act No. 37 of 1991, function of the National Transport Commission is to ensure the provision of bus services on unprofitable routes by entering into contracts with persons after considering competitive applications for the provision of bus services and the provision of financial assistance to those providing such services where necessary. Accordingly, this Project was launched by the National Transport Commission in 2005.



Accordingly, the primary objective of this project is to start subsidized public transport bus services in order to provide transport facilities to people living in rural areas where no bus service is operational and operators do not carry out passenger transport due to unprofitable routes although bus services are socially necessary.

The selection of operators for the ‘Gami Seriya’ bus service is conducted via an open tender procedure where the lowest bidder per kilometer is selected based on paying a maximum subsidy of Rs. 38 per kilometer. The selected operator is then issued a passenger service permit for rural transport by the relevant Transport Authority. Thereafter, the relevant bus owner is entered into the ‘Gami Seriya’ project, and the agreement is signed by the National Transport Commission based on the permit and the recommendation of the Provincial Transport Authority.

According to this agreement, subsidies will be paid by the National Transport Commission for a maximum of three years. Subsidies will then be suspended after three years as the route could become economically viable. Accordingly, many ‘Gami Seriya’ services initiated by the National Transport Commission are now economically viable and are being operated to provide services to the rural public.

Physical Progress of Gami Seriya Project

It was planned to launch 20 new services in 2021 under this project. The National Transport Commission has received 24 requests to provide a bus for the village, which were made during the 'Gama Samaga Pilisandara' Programme participated by His Excellency the President, as of 31.12.2021 and 11 of these buses have been agreed to be deployed by the Sri Lanka Transport Board and the remaining 13 routes have been referred to the Provincial Transport Authority by 31.12.2021 for data collection (such as status of the route, the distance of the route, prevailing transport services currently) to tender and issue passenger service permits.

The following table shows the 'Gami Seriya' services which are subsidized and operational from the year 2017 to 31.12.2021.

Province	The number (total number) of Gami Seriya services				
	2017	2018	2019	2020	2021
Western					
Southern					
Northwestern	02	04	04	04	03
Northcentral					
Sabaragamuwa					
Uva					
Eastern	02	02	10	11	10
Central	02	02	01	01	
Northern					
Inter Provincial					
Total	06	08	15	16	13

Source -Department of Planning, NTC

'Nisi Seriya' Night Bus Service Project

This Nisi Seriya night bus service project was initiated by the National Transport Commission in 2005.



This project was introduced by the National Transport Commission to encourage the continuation of public bus services during the night and early morning and the primary objectives of this project are to minimize the inconvenience caused to the public due to the non-operation of public buses at night and in the early morning by providing them with a regular public transport service and to reduce the high cost and time spent on finding alternative means of transport (viz. three-wheelers, taxis).

Accordingly, a subsidy of Rs. 19 per kilometer is borne by the government for the last journey of the night and the first journey of the morning under this project, while the public is only charged the due bus fare.

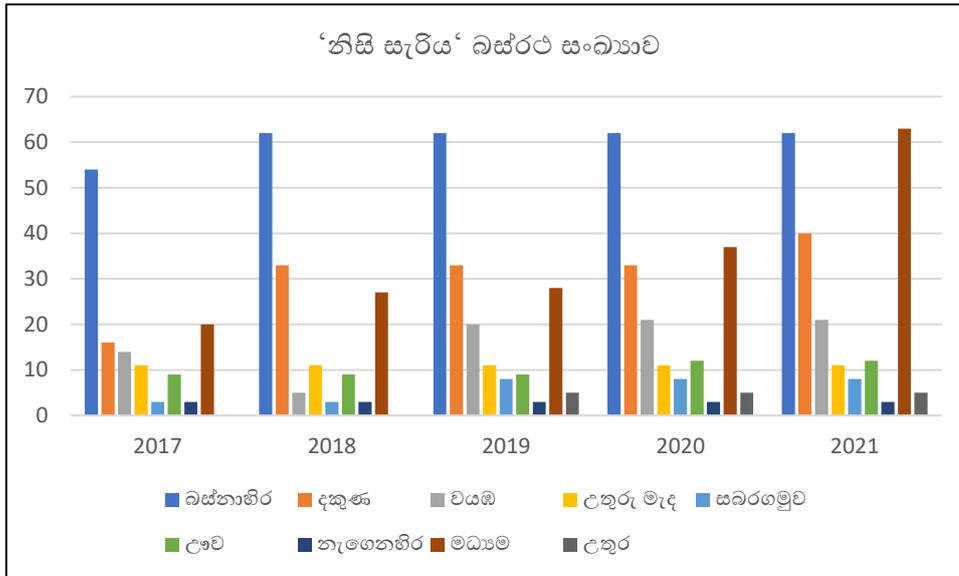
Physical Progress of the Nisi Seriya Project

All the buses operated under this project are SLTB buses and it was planned to launch 50 new services in 2021 under this project. Accordingly, agreements were signed with the SLTB Depot for 33 new services by 31.12.2021. Thus physical progress of this project was 66 percent.

The following table shows the ‘Nisi Seriya’ bus services which are operational from the year 2017 to 31.12.2021.

Province	The number (total number) of Nisi Seriya services				
	2017	2018	2019	2020	2021
Western	54	62	62	62	62
Southern	16	33	33	33	40
Northwestern	14	05	20	21	21
Northcentral	11	11	11	11	11
Sabaragamuwa	03	03	08	08	08
Uva	09	09	09	12	12
Eastern	03	03	03	03	03
Central	20	27	28	37	63
Northern	-	-	05	05	5
Total	130	173	179	192	225

Source -Department of Planning, NTC



Financial Progress of ‘Sisu Seriya’, ‘Gami Seriya’ and ‘Nisi Seriya’ Projects

An amount of Rs. 650 million was allocated from the National Budget 2021 under recurrent projects to pay subsidies for 1,468 ‘Sisu Seriya’ services, 16 ‘Gami Seriya’ Services, and 192 ‘Nisi Seriya’ Services which were launched by the beginning of 2021; and subsidies have also been allocated for 80 new ‘Sisu Seriya’ services, 20 new ‘Gami Seriya’ services and 50 new ‘Nisi Seriya’ services planned to be launched in 2021.

However, these bus services did not achieve their anticipated targets as operations were interrupted due to the closure of schools for an extended period and travel restrictions caused by the Covid-19 pandemic. Accordingly, Rs. 271.0 million was provided by the General Treasury to the National Transport Commission to be paid as subsidies for these projects.

2.02 Project of Maintenance of Bus Stands and Operation of Bus Terminals



The following activities were planned to be implemented under this project in the year 2021.

- Operating and maintaining the Bastiyan Mawatha Private Bus Stand for long-distance buses and the Vavuniya Bus Station under the administration of the National Transport Commission.
- Operating buses on expressways that function from Makumbura, Kaduwela and Kadawatha bus stations managed by the National Transport Commission.
- Conducting 15 mobile programmes for quality inspections of buses.
- Conducting 03 awareness programmes for the officers of the Transport Authority regarding the specifications of the buses.
- Operating bus services as required by the passengers for 2021 Sinhala New Year and other special occasions.

Physical Progress

Accordingly, the Sinhala New Year bus service was successfully operated in the year 2021. 4,264 bus trips were deployed from the Bastian Mawatha Bus Terminal and bus stations carrying out expressway bus services under the management of the National Transport Commission during the period of the Sinhala New Year (2021.04.09 -2021.04.12).

Bus terminal	Number of bus journeys
Bastian Mawatha	3,745
Makumbura	242
Kadawatha	162
Kaduwela	115
Total	4,264

Source- Department of operation, NTC

Three standard testing programmes were carried out on buses and 800 buses were inspected during the programme. Thereby, 67 non-standard buses were identified and those buses have been adjusted to the required standard and put into operation. Accordingly, physical progress of the mobile programmes of standard testing on buses by 31.12.2021 was 20 percent, and progress according to the number of buses tested was 26 percent.

Due to the Covid-19 pandemic, the operational activities of these bus terminals and buses as per the health guidelines were carried out continuously every day whenever the inter-provincial buses were in operation from January 2021 to 31.12.2021.

Financial progress

An amount of Rs. 4.5 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the NTC Fund under recurrent expenditure), out of which Rs. 2.643 million has been spent as of 31.12.2021. Accordingly, the financial progress of this project was 59 percent by 31.12.2021.

2.03 Registration and Training of Bus Crew

The main objective of this project is to provide vocational training to the crew of inter-provincial private buses in various practical as well as theoretical areas aiming to provide a quality passenger transport service to the commuters.

As per the National Policy Framework of the President- “Vistas of Prosperity and Splendour”, special attention was paid this year to provide necessary knowledge and training for

- disciplined driving instead of reckless driving, which is a major cause of traffic congestion and accidents.
- providing passenger-friendly public transport services
- honouring the profession of the employees in this sector
- providing the necessary knowledge and training to transform their attitudes and behaviours.

These training workshops were implemented in the year 2021 with a modern approach focusing on the following areas.

Accordingly, lectures were conducted on the following topics with the participation of experienced lecturers from institutions such as the Sri Lanka Police, Women and Children’s Bureau, and the National Dangerous Drugs Control Board.

- Compliance with traffic rules
- Terms and conditions imposed on passenger service permits by the National Transport Commission
- Strategies for providing customer care services
- Consequences of the use of dangerous drugs

- Prevention of violence against women and children on buses

Training of drivers serving in inter-provincial buses is conducted at the institute as well as at the Driving School of Sri Lanka Transport Board and practical training was given to them in the programmes. Accordingly, the training is conducted under several categories as follows.

- Training for amateur drivers and conductors
- Training given to in-service employees every three years
- Specialized training for drivers and conductors involved in disciplinary actions



Physical progress

As per the health guidelines imposed under the prevalence of the COVID-19 pandemic, it was planned to conduct 14 such workshops with a maximum of 60 participants per training session and to train 700 persons in the year 2021.

However, due to the inability to mobilize and conduct training programs as per the health guidelines, only 07 training programmes were conducted by 31.12.2021 and 292 drivers and conductors were trained and registered with the National Transport Commission. Accordingly, the physical progress of the trained drivers and conductors under this project was 42 percent and according to the number of training programmes, it was 50 percent.

Financial progress

An amount of Rs. 2.5 million was allocated from the revised budget of the year 2021 of the National Transport Commission (under recurrent expenditure), out of which Rs. 1.316 million

has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 53 percent in the year 2021.

Surveys on Transport Demand and Service Quality



Reviewing the standards of bus services to meet the passenger transport needs of the public and determining the minimum standard at which such services should be maintained are functions of the National Transport Commission as per the provisions of the National Transport Commission Act No. 37 of 1991.

Accordingly, the main objective of this project is to collect data required for developing plans to provide reliable, qualitative, and safe public bus services at affordable prices as required by the public, and to direct the data to relevant parties for analysis and decision making processes.

Surveys are conducted with a focus on the following areas.

- House Hold Surveys conducted to identify the transport needs of the public and launch new bus services catering to those needs
- Passenger Demand Surveys conducted to prepare and revise the schedules of existing bus services
- Passenger Interview Surveys conducted to ensure public satisfaction with the quality of the existing bus services and thereby provide qualitative services to the public
- Travel Time Surveys conducted to determine the running time of buses.

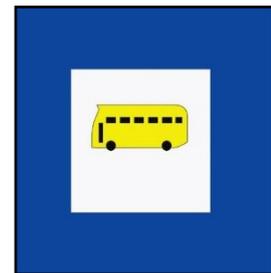
initiated inter-provincial office transport services centered in Narahenpita town to the areas such as Kurunegala, Chilaw, Ratnapura. According to this plan, the Sri Lanka Transport Board carried out the commencement of new bus services centered in Battaramulla.

Financial progress

An amount of Rs. 3 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 0.108 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 3.6 percent in the year 2021.

2.05 Installation of Signal Boards for Long Distance Service

The primary objective of this project is to introduce a limited number of stops for long-distance buses in order to avoid unhealthy competition with short-distance buses as inter-provincial long-distance buses stop at every bus stop and carry short-distance commuters too.



Long-distance service stops from route to route are decided in consultation with the private bus operators and the officials of the Sri Lanka Transport Board, and the locations for the installation of limited bus stop signals are identified by conducting an on-site inspection by a committee consisting of the Road Development Authority, Colombo Municipal Council, Sri Lanka Police, and the relevant Provincial Road Passenger Transport Authority.

Physical progress

According to the revised Action Plan in the year 2021, it was planned to install 500 limited bus stop signals covering the five main access routes to Colombo. As the activities of the offices have been restricted due to the Covid-19 pandemic, the locations up to Colombo – Katharagama, Colombo – Embilipitiya (covering upper road and lower road), and Colombo - Kandy were identified for the installation of limited bus stop signals. Accordingly, the

procurement process has commenced purchasing 300 limited bus stop signals by 31.12.2021. But this project was postponed to next year as the National Transport Commission was unable to secure the expected funds in 2021. Accordingly, 50 percent physical progress was achieved in this project.

Financial progress

An amount of Rs. 10.5 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 0.079 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 0.75 percent in the year 2021.

2.06 Preparation of Combined Time Tables for SLTB and Private buses

The National Transport Commission formulates common timetables for both Sri Lanka Transport Board and private buses as per the Sri Lanka Transport Commission Act revised by Sri Lanka Transport Board Act No. 27 of 2005 with the aim of “obtaining a competent public bus service or private bus service to meet the actual passenger demands on a scientifically determined common timetable”.

Further, in the year 2021 special attention was paid during the implementation of this project to the statement of His Excellency, the President's National Policy Framework Vistas of Prosperity and Splendour “the Transport Board and private buses will work cooperatively to provide a 24-hour transport service on all routes according to a common timetable which would facilitate earning a fair income by avoiding unfavourable competition.”

The primary objective of this project is to provide a reliable, safe and comfortable bus service to the public by minimizing the unfavorable competition between private buses and Sri Lanka Transport Board buses, creating a healthy competition (a quality competition) by allocating a specific market share to the public and private sectors and to each passenger service permit holder in the private sector.

Physical Progress of this Project

A committee was formed by the Secretary of the Ministry of Transport comprising officials of the Sri Lanka Transport Board, the National Transport Commission, and other institutions, and with the chairmanship of the secretary to the State Ministry of Vehicle Regulation, Bus Transport Services and Train Compartments and Motor Car Industry to expedite the formulation of combined timetables.

Accordingly, as per the revised Action Plan for the year 2021 the National Transport Commission planned to formulate and implement combined time-tables for 100 routes where the inter-provincial buses operate in the year 2021.

But due to the Covid-19 epidemic, the inter-provincial bus services were suspended with the imposition of inter-provincial travel restrictions from 10 May 2021. From that date with the commencement of inter-provincial bus service on the 1st of November, based on a ruling of the appeals court, a combined timetable was formulated and implemented for the SLTB and private buses running along the Badulla – Colombo route (Route No. 99).

A combined timetable was formulated to all the bus services that are plying on route no 87 from Colombo to the cities such as Anuradhapura, Mannar, Vavuniya, Mullaithivu via Chilaw and Puttalam.

But as travel restrictions were imposed due to the Covid-19 pandemic, the inter provincial bus services were restricted and hence all the targeted combined timetables could not be formulated and implemented, and combined timetables of all the inter-provincial bus services operating along the expressways could be re-formulated in 2021 adjusting according to the passenger demand. Both the Ministry of Transport and the State Ministry of Transport have focused their attention to formulate timetables and expedite this project through a committee set up at the district level. A discussion was also held this year to inform the Provincial Transport Authority in this regard. Accordingly, the physical progress of this project was 30 percent.

Financial progress

An amount of Rs. 1 million was allocated from the revised budget of the year 2021 of the National Transport Commission (under recurrent expenditure), out of which Rs. 0.054 million

has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 5.4 percent in the year 2021.

2.07 Amendments of Bus Fare and Rectification of Bus Fare Anomalies

Annual bus fare revision is carried out by the National Transport Commission in accordance with the National Bus Fare Policy in force since 2002. As per this bus fare policy, if it appears that the determination of bus fare needs to be revised based on the cost component then the bus fare revision should be carried out on 1st July every year, and in addition, interim bus fares will be revised when fuel prices contribute to a 4% or more increase in the total cost of a kilometer.

A committee is appointed by now with the approval of the Cabinet of Ministers to formulate a new fare policy by updating this bus fare policy.

Physical Progress

In 2021, it was planned under this project to revise annual bus fares, remove bus fare anomalies, and update the existing bus fare policy to suit the present context. Accordingly, considering the present prices as of 30th May 2021, the change in the overall cost per k.m. was calculated.

However, the operation of buses was crippled in the wake of the COVID pandemic and according to the decision to carry passengers only on the number of seats in public transport buses as per health guidelines due to the second wave of the Covid pandemic, the government has decided to give a 20% special bus fare increase to the ordinary service buses from 11.11.2020 with the approval of the Cabinet of Ministers hence the annual bus fare revision was not done on 01 July 2021.

But, an interim bus fare revision was announced on the 29th December 2021 as per the request made by the bus operators to increase the bus fare due to the diesel price increased by 7/- Rupees and 10/- Rupees on the 11th June 2021 and the 20th December 2021 respectively, and it was decided to increase the current bus fare by 17.44 percent. Accordingly, the minimum bus fare was Rs 17.00 and other categories of bus fares were

increased by 17.44 percent, and the new bus fare revision was implemented with effect from the 5th January 2022.

The Uva Provincial Transport Authority, Sabaragamuwa Provincial Transport Authority, and the Sri Lanka Transport Board were instructed in 2021 to eliminate bus fare anomalies in bus services in the SLTB and private bus services operating in the Uva Province and Sabaragamuwa Province. Accordingly, the Uva Provincial Transport Authority has informed to the National Transport Commission that they have taken necessary steps to rectify the bus fare anomalies in several stages.

In the year 2021, a board paper was placed to the Board of Directors to get the approval to conduct road measurements in the roads in the North Central province and gather information on the measurements done to eliminate the anomalies in the bus fares in the eastern and northern provinces. Those measurements will be done in the year 2022.

The committee appointed in this regard has taken a decision as per the guidance of the Transport Ministry to temporarily update the current bus fare policy by obtaining the data from the bus owners as the relevant surveys done to update the currently implemented national bus fare policy and to implement a new bus fare policy to suit to the present context were further postponed due to the covid-19 pandemic.

Accordingly, the questionnaire was developed and forwarded to the Ministry of Transport to get the sanction and the Ministry of Transport has forwarded it to committee members. Once the traveling pattern of the commuters normalizes, it is planned to conduct the surveys in 100 routes and to update the current bus fare policy and implement it.

Accordingly, the total physical progress of this project was 40 percent.

Financial Progress

An amount of Rs. 2 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 0.026 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 1.3 percent in the year 2021.

2.08 Awareness Programmes for Stakeholders related to Transportation

With the objective to prepare the environment for the establishment of a qualitative passenger transport service, it was planned to carry out the following 10 awareness programmes island-wide at selected locations centered in different provinces.

- making school children aware of road safety;
- transport planning,
- formulating timetables
- making officials of Provincial Road Passenger Transport Authorities aware of office procedures
- making bus operators aware of bus operation, staff management, and conditions of passenger permits
- making passengers, bus drivers conductors aware of passenger rights

Physical Progress

Under the prevailing pandemic situation, as it was limited to make the general public aware only the passenger service permit holders were made aware following the health guidelines regarding the prepaid card, and as such 08 programmes were conducted as of 30.09.2021. Accordingly, the physical progress of this project was 80 percent.

Financial Progress

An amount of Rs. 1.5 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 0.24 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 16 percent in the year 2021.

2.09 Introduction of New Technology to the Public Transport Sector

The national transport commission in the year 2021 has paid special attention and implemented many projects to introduce new technology to office activities and public transport buses in order to make the services provided by the National Transport Commission to the general public more efficient and productive, to provide a reliable, safe and

comfortable bus service, and to attract the passengers who leave the public transport buses day by day back to the public transport bus services.

The main functions of the Information Technology Unit of the National Transport Commission are to develop, install and carry out necessary technical interventions to facilitate the work of the institution. There are a number of projects being implemented through this Information Technology Unit and the progress of those projects in the year 2021 is as follows.

Project for Automation of Institutional Processes



The objective of the project was to automate institutional processes using the software. The work done in the existing Departments of Operation, Planning and Quality Assurance of the institute was identified and the automation of the work was done under 03 categories in this project. The objective of this project was to provide faster service to the public and to establish a more reliable, secure, and efficient methodology for filing institutional documents through an electronic system.

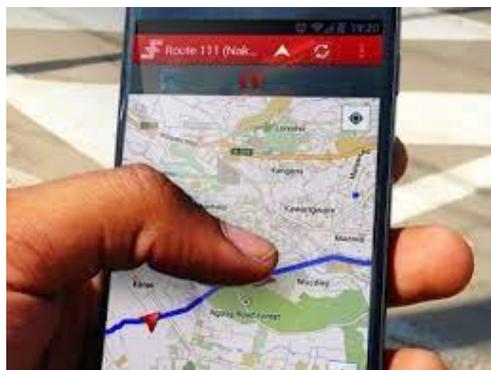
During the implementation of each of these systems, necessary training was provided to the officers using these systems to help adapt to the project and operate the systems in a user-friendly manner. In the year 2020, more time was allocated to make the changes requested by the respective departments which were required for the smooth use of this software. Issuance of an NFC card as a replacement for the passenger service permit also commenced in 2020 and that card was released on 5 March 2021. In the year 2021, the problems encountered during the operation of this software were identified and necessary measures

were taken to make the processes smoother. It was not possible to purchase the hardware related to this project due to the financial instability of the institution due to the Covid-19 pandemic.

Accordingly, the first phase of the automation of the institution was completed and the minor changes identified during the operation are being done and in progress. It is being regarding the commencement of the second phase of the millennium project.

- **Introducing General Transit Feed Specification (GTFS) through Google Technology**

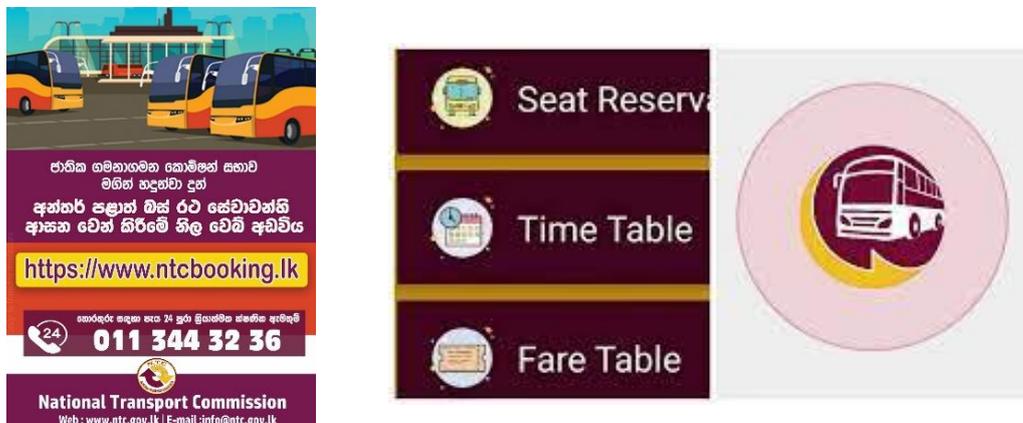
The inclusion of public transport service into Google Maps was carried out in 2019 and preliminary work was conducted to include the bus routes of all the Provincial Road Passenger Transport Authorities as another extension of this project. However, the planned targets for the year 2021 were unable to be achieved due to the challenge posed by the Covid-19 epidemic and yet, the Southern Provincial Road Passenger Transport Authority had added 71 routes to Google map.



- **Project on Online Seat Reservation of Buses**

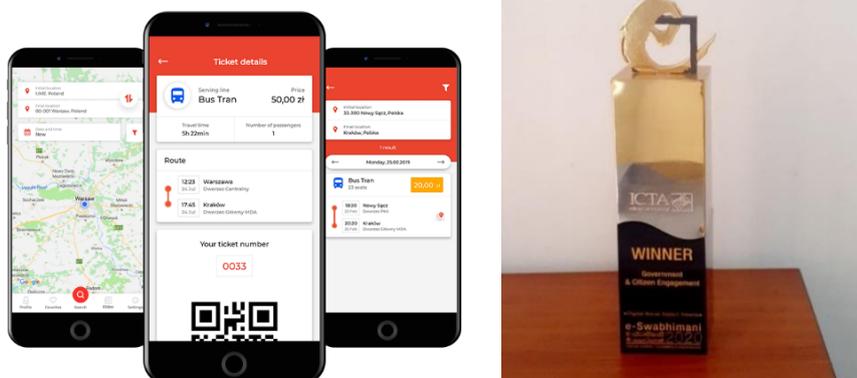
Under this project, it was planned to develop the needed software in 2021 enabling commuters who are traveling in inter-provincial buses to book seats online in advance. Accordingly, in advance, the online booking facility of seats in the buses that start from the bus stand at Bastian Mawatha, Colombo administered under the National Transport Commission was made available to the general public by 31.12.2021. Action is being taken to extend this facility on the project on online seat reservation to all the bus terminals liaising with the Provincial Authorities. Action is being taken to choose an organization to perform

maintenance related to the processes and as the system IPG provider, HNB bank is chosen through procurement procedures.



Launching the MybusSL Application

The launch of MybusApp in the year 2020, which will be available to all passengers, is a significant achievement of the Information Technology Unit.



This app facilitates features such as identifying the location of the desired bus through GPS technology, retrieving information on bus schedules and fares, booking seats, and also making passenger complaints and inquiries through the app. The National Transport Commission was presented with a gold award that is being given to the government sector for the year 2021 by the Information and Communication Technology Agency of Sri Lanka for this software in the year 2021.

Financial Progress of the Project on Introducing New Technology for the Public Transport Bus Sector

An amount of Rs. 10 million was allocated from the revised budget of the year 2021 of the National Transport Commission (under recurrent expenditure), out of which Rs. 1.291 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 13 percent in the year 2021.

2.10 Installation of GPS for the Buses



In the year 2021, 222 GPS sim cards were issued and GPS equipment was installed in 20 buses. Accordingly, overall 1,133 buses are being regulated through GPS units as of 31.12.2021, and fixing of GPS to 37% of all the buses was completed. Accordingly, bus passengers are allowed to access to view live information on all GPS-enabled buses through the MyBus-SL app.

Service Type	Number of Buses	Number of GPS-fixed buses
Super Luxury	113	91
Luxury	589	556
Semi Luxury	435	333
Noraml service	1,915	153
Total	3,052	1,133

Source – Department of Quality Assurance and External Relations, NTC

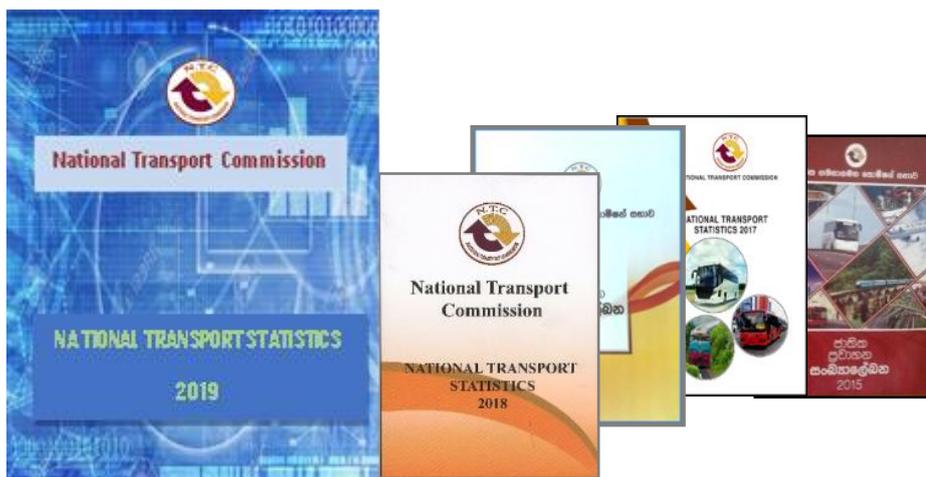
Financial Progress

An amount of Rs. 8 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 7.13 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 89.1 percent in the year 2021.

2.11 Preparing and Publishing the National Transport Statistics

'National Transport Statistics' is published every year since 2010 as an attractively printed book in three languages collecting information and data from the institutions such as the Central Bank of Sri Lanka, Road Development Authority, Sri Lanka Transport Board, Sri Lanka Railway Department, Department of Motor Traffic, Sri Lanka Ports Authority and National Transport Medical Institute, including CILT Sri Lanka, a transportation-related institution, and thereby analyzing on different aspects by means of the collected data.

This report can be referred to by institutions and scholars engaged in formulating policies and conducting research on transport and for those who are studying pertaining to transport as a source of information from a single place on all the transport operations carried out across the land, water, and air.



It was planned in the year 2021 to publish the Transport Statistics Report 2019 and to complete the compilation of the reports for both the years 2020/2021. In the current situation, the institute decided to release the 2019 National Transport Statistics Report as a soft copy and therefore, the 2019 report was released only as a soft copy in 2021. Editing of the English version of the report for 2020/2021 has been completed during this year. Accordingly, physical progress of this project was 95 percent.

Financial Progress

An amount of Rs. 3 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under

recurrent expenditure), out of which Rs. 0.084 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 2.8 percent in the year 2021.

2.12 Project to Plan Implementation of Park and Ride System



In line with His Excellency, the President’s policy framework of the “Vistas of Prosperity and Splendour”, to reduce the traffic congestion during peak hours in Colombo city and in the suburbs focusing on the introduction of radial and circular luxury bus services running to a single direction, the preliminary survey was conducted to start the Park and Ride City Bus service based from the Makumbura Multimodal Transport Center and the report of the survey was forwarded to the Ministry of Transport.

Accordingly, for the routes (C001, C002) that are proposed in the report, while the Sri Lanka Transport Board started operating bus services, preparation of time tables, determination of the fare and marking of the bus stops were done by the National Transport Commission.



According to a proposal of the Hon. Minister of Transport, running time surveys for the City Bus services that are planned to be started from Piliyandala to Colombo, preparation of timetables, determination of the fare, and identifying of the limited bus stops were done by the National Transport Commission. Furthermore, the National Transport Commission has taken actions to provide bus fare notes for the “Low Floor” luxury City Buses which are to be started by the Sri Lanka Transport Board along the main roads accessing Colombo from the suburbs to Colombo city.

Financial Progress

An amount of Rs. 1 million was allocated from the revised budget of the year 2021 of the National Transport Commission under recurrent expenditure, and since the execution of the planned works of this project was temporarily suspended as the public was reluctant to use public transport services due to their fear of using such services, no money has been spent for this project as of 31.12.2021.

2.13 Electronic Fare Collection



The action was taken in the year 2021 to introduce an e-ticketing system that could be used in any bus in line with the policy framework of the “Vistas of Prosperity and Splendour”. The National Transport Commission has taken actions to select a suitable institution via an appropriate procurement process in the year 2021 to acquire the backend software to activate an online prepaid travel card introduced for use in transportation under the National Card Scheme introduced by the Central Bank of Sri Lanka and a full cycle test has been done in the year 2021 regarding how its process is working. Although it was planned to initiate the pilot project in the year 2021 at Galle – Makumbura route, implementation of the pilot project was postponed to the year 2022 as the operation of buses didn’t function as scheduled in the wake of the COVID- 19 pandemic.

Financial Progress

An amount of Rs. 8.6 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), out of which Rs. 0.008 million has been spent as of 31.12 .2021. Accordingly, the financial progress of this project was 0.09 percent in the year 2021.

2.14 Fixing Solar Panels to Fulfill the Energy Requirement of the National Transport Commission

National Transport Commission initiated the planning of a project to fix solar panels on the rooftop of the main office building of the commission to generate solar power as an alternative energy source for the consumption of energy used by the National Transport Commission focusing on the policy that focuses on power generation through fixed solar panels on the rooftop of houses, offices, and factories in line with the policy framework of the Vistas of Prosperity and Splendour within the next 5 years.

Physical Progress

According to the feasibility report submitted by the firm NSolar Consultants (Pvt), that was chosen through the procurement process among the consultancy firms registered under the Sri Lanka Renewable Energy Authority, the best method to get electricity through solar panels is identified as “Net Accounting Scheme” hence the approval of the Board of Directors was obtained to fix solar panels on the rooftop of building No 1 of the National Transport Commission. The estimated cost for this is Rs. 21.0 million while the estimate provided by the State Engineering Corporation to rearrange the roof of the office building of the National Transport Commission to fix solar panels is Rs. 14.78 million.

Financial Progress

An amount of Rs. 15 million was allocated from the revised budget of the year 2021 of the National Transport Commission (from the National Transport Commission Fund under recurrent expenditure), as the planned activities of this project were postponed temporarily, no money was spent for this project by 31.12.2021.

3. Non-Project Activities

3.01 Public Complaints

Public response to passenger transport services is a means by which the conduct of the public transport service can be closely monitored in order to provide a qualitative service to the public.



Accordingly, a separate Public Complaint Unit has been set up at the institution to report any problems that may arise in connection with the service received by the passengers in the buses and the conduct of the bus crew. Complaints on bus services are received by the hotline unit which is in operation 24 hours of 7 days a week and the complaints so received are immediately referred to the investigation unit. The inquiry number related to the complaint will be sent via SMS to the complainant's mobile number as soon as the complaint is added to the automation system.

Out of the complaints received, the complaints on inter-provincial buses are inquired in the National Transport Commission itself while the complaints on buses of the provincial commissions are referred to relevant commissions. Accordingly, the complaints received on the buses of the Sri Lanka Transport Board are referred to the head office of the Sri Lanka Transport Board.

In addition to submission of complaints to the hotline calling center, complaints can also be lodged via letters, fax, e-mails, the MyBus-SL app, WhatsApp, the official website of the National Transport Commission, and Facebook.

All complaints lodged with the National Transport Commission regarding inter-provincial buses are closely monitored and, actions such as warnings, suspensions, administrative fines,

suspension of passenger permits, and, in some cases, the revocation of passenger permits are taken depending on the nature of these complaints.

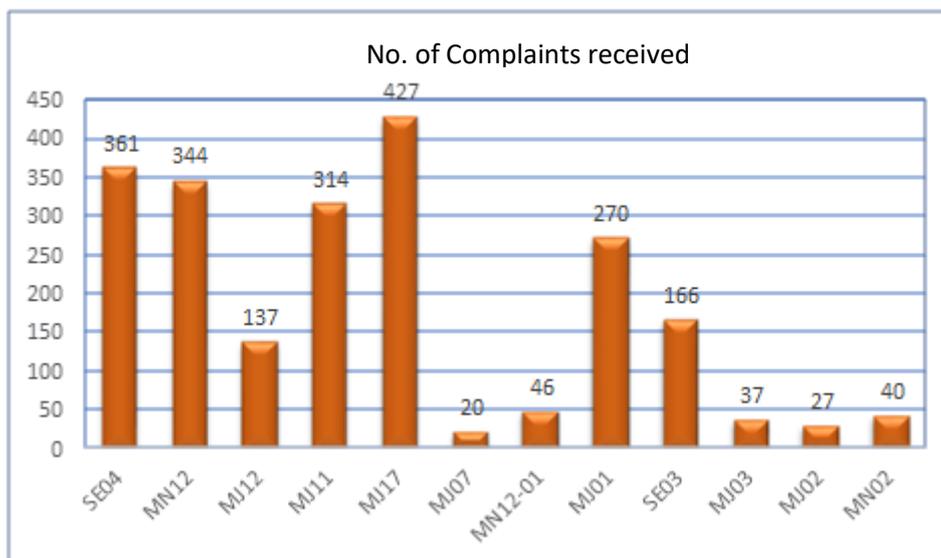
Progress

The hotline of the National Transport Commission was operational from home during the 24 hours of the day even during the days in which the office was not functional due to the Covid-19 pandemic. But there was a decrease in the number of complaints received in the year 2021 in comparison to other years as public transport services were not operated properly due to the Covid-19 situation. The statistical information table of receiving complaints for the year 2021 is as follows.

Complaints received from 01 January 2021 to 31 December 2021 by type of misconduct

Se. No.	Discription	Symbol No.	No. of complaints received	Percentage
1	Charging extra fare / Not returning the balance	SE04	361	16
2	Being discourteous to passengers	MN12	344	16
3	Overcrowding the bus surpassing the approved no. of passengers	MJ12	137	6
4	Not issuing tickets appropriately	MJ11	314	14
5	Reckless driving/over speed/ using mobile phone/ competitive driving/ minor accidents	MJ17	427	20
6	operating without a road permit	MJ07	20	1
7	Collecting passengers at midway points by halting the bus in an unnecessary manner	MN12-01	46	2
8	Violation of the assigned timetable	MJ01	270	12
9	Not beginning from the assigned place and not traveling up to the destination	SE03	166	8
10	Unsuitable condition of the bus for passenger transport	MJ03	37	2
11	Malfunctions of the air conditioners	MJ02	27	1
12	Playing cassettes/radio in unbearable volume/unsuitable video displays	MN02	40	2
Total			2189	100

Source – Department of Quality Assurance and External Relations, NTC



Accordingly, 1850 complaints were received based on various problems faced by passengers in the inter-provincial private buses up to December 2021, most of which were related to reckless driving. Statistically, this amounts to 427 complaints.

Although this is a low figure in comparison to last year, it is clear that this decline is due to the non-operation of public transport buses in the face of the COVID-19 epidemic.

All complaints are investigated and actions are taken to warn bus owners and crew, charge administrative fines, provide referrals for training, and suspend passenger service permits.

Furthermore, the National Transport Commission takes serious action on the fatal accidents committed by inter-provincial private buses. When a fatal accident is reported, the operation of the bus is suspended and investigations are started and the permit will be revoked based on the court reports and the police report and the service registration of the bus driver who committed the fatal accident will be canceled preventing them from serving as drivers in public transport services and they will be black listed.

3.02 Mobile Inspections and Inquiries

Permits are issued for inter-provincial passenger transport in accordance with the authority vested by the National Transport Commission Act. A series of conditions are imposed for the buses operating under that permit and the Mobile Inspection Unit carries out the supervision whether the buses are operating in adherence to those conditions. If it is found through the

inspection that the inter-provincial buses are operated violating the conditions stipulated in the permit, appropriate actions are instituted after conducting inquiries on the relevant bus. The main aim of this service is to provide a quality service to the passengers and attract more passengers to public transportation.

Progress

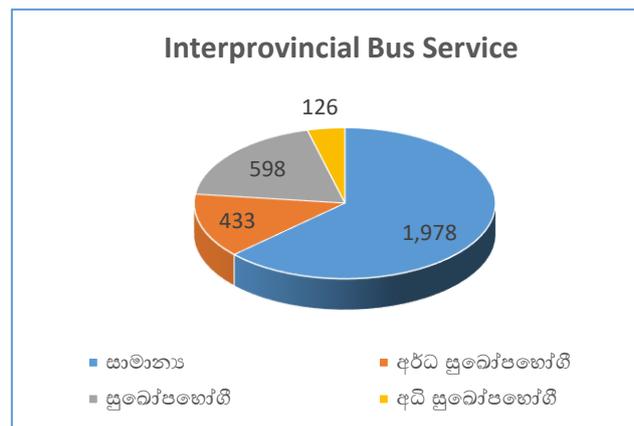
Charging administrative fines, providing referrals for training, and suspending passenger service permits are carried out by this Unit for the violations identified from the buses after inspecting those en route by the Mobile Inquiry Unit. Due to the Covid-19 pandemic situation in 2021, mobile inspection deployments were limited, and accordingly, the number of violations investigated in 2021 was 1220.

3.03 Issuance of Inter-Provincial Passenger Service Permits

New passenger service permits were not issued for the year 2021 under the prevailing Covid-19 pandemic situation and the existing permits were renewed only through an online system.

The number of valid passenger service permits in the National Transport Commission by 31.12.2021 are given in the following Table.

Se.No	Service Type	No .o Buses
1	Normal	1,978
2	Semi Luxury	433
3	Luxury	598
4	Supper Luxury	126
Total		3,135



Source- Department of Operations, NTC

3.04 Issuing Permanent Permits to the Bus Operators who were Operating along the Southern Expressway with Temporary Passenger Service Permits since 2015

The issuance of permanent passenger service permits commenced on 16th December 2021 according to the approvals and instructions given by the Cabinet of Ministers, the Attorney

General, and the board of Directors of the National Transport Commission on the said matter and the settlement of the court cases filed by the passenger service permit holders, and 15 permanent passenger service permits were issued by 31.12.2021.

3.05 Enhancement of Bus Services at Makumbura Multimodal Transport Center

It is planned to temporarily deploy the excess buses for which passenger service permits are issued under the luxury service category to run from Makandura to the main cities in the country with the approval of the board of directors of the National Transport Commission considering the aim of ensuring the infrastructure at Makumbura Multimodal Transport Center is utilized maximum for the benefit of the general public.

3.06 Formulating a Methodology to Issue Permanent Passenger Service Permits

An expert committee was appointed by the Cabinet of Ministers to formulate a methodology to issue permanent passenger service permits for the inter-provincial routes by revoking all the approvals given by the Cabinet of Ministers to issue passenger service permits in 2005, 2014, 2016, and 2017.

The report of the expert committee was prepared accordingly and submitted to the Ministry. The said report was forwarded to the Cabinet and the Cabinet has informed that a report should be given by taking the said report of the expert committee into consideration and investigating.

3.07 Appeals Received Requesting to Validate Again the Passenger Service Permits that were revoked for a Long Period

As per the National Transport Commission Act, a permit holder is informed when a passenger service permit is canceled and the permit holder has to appeal to the Secretary of the Ministry within 14 days from the date of cancellation of the permit and the commission has to act according to the decision given by the secretary. However, appeals are received by the Ministry requesting to validate the passenger service permits that were revoked for a long period. Accordingly, as of 31.12.2021, the Secretary of the Ministry has ordered to revalidate

15 passenger service permits and action was taken to revalidate 05 passenger service permits in the year 2021.

3.08 Amendment of the National Transport Commission Act

Action is being taken to amend a few clauses of the National Transport Commission Act No 37 of 1991 after obtaining approval from the Cabinet of Ministers with the advice from the Hon Secretary of Transport and the National Transport Commission considering the timely needs. The relevant draft of the amended act is already forwarded to the Attorney General's Department by the Legal Draftsman's Department after drafting for necessary actions.

The main clauses that are amended in the National Transport Commission Act No 37 of 1991 are

1. Provisions on formalizing the ownership of the passenger service permits under clause No. 28
2. Provisions on renewing passenger service permits under clause No. 31
3. Provisions on increasing the fines under clause No. 40

Further, several new functions such as the formulation of regulations for the three-wheelers that are used in commuter transportation, formulation of regulations for the school buses and vans that are used to transport school children, formulation of regulations for the vehicles that are transporting passengers as office transport services, and taking actions in transferring the passenger service permits issued by the National Transport Commission are included in this amendment.

3.09 Provision of Relief to the Passenger Service Permit Holders affected by Covid – 19 disaster

With the onset of the third wave of the Covid – 19 pandemic, the passenger transport sector was severely crippled during the first quarter of the year 2021. Due to the imposition of travel restrictions and quarantine curfew intermittently to control the spread of the Covid – 19 pandemic by the health and defense divisions, there was no opportunity to continuously operate the inter-provincial bus services from 10th May 2021 to 30th October 2021.

Further, due to a reduction in the number of commuters who were using the public transport services, the number of buses running on a daily basis also reduced. Furthermore, the number of commuters who were traveling in the buses that were running. The bus owners' associations and bus owners pointed out that, due to this, some bus owners could not cover even their daily expenses.

Further, the main grievance of the bus owners was that as some buses were away from running for a longer period, an additional maintenance cost has to be spent when the buses are again to be added to running.

Action has been taken to provide relief to passenger service permit holders considering the above facts at the institutional level according to the decision taken at a discussion held with His Excellency President and the decision of the Cabinet of Ministers. Accordingly, as per the approval of the Cabinet of Ministers,

from January 2021 to March 2021 relieves such as –

4. charging only 10% of the annual tender fee
5. releasing the charge for the log sheet/entrance fee
6. charging only 10% of the temporary permit fee of the expressway were provided.

from April 2021 to September 2021, the Cabinet of Ministers approved to –

7. charge 50% of the annual tender fee
8. charge 50% of the temporary permit fee of the expressway

But, due to the onset of the third wave of the Covid pandemic at the end of April 2021, there was no possibility to charge the above based on the approval of the Cabinet of Ministers, and all the above-sanctioned levies were waived again as per Cabinet approval.

from April 2021 to September 2021, the Cabinet of Ministers approved to

9. charge only 50% of the annual tender fee
10. charge only 50% of the temporary permit fee of the expressway

Further to that,

11. Required guaranteeing and coordination were facilitated by the National Transport Commission to provide a loan of Rs. 300,000.00 with a concessionary interest rate from the Bank of Ceylon and the people's Bank and the number of bus owners who got the said loan was about 510 by 31.12.2021.

- By negotiating with the companies CEAT Kelani International Private Limited, Brown & Company PLC, Lanka Ashok Leyland, Chevron Lubricants Lanka PLC, LAUGFS Lubricants Limited, Diesel, and Motor Engineering PLC vouchers were issued to obtain bus spare parts, tubes, lubricating oil, and some accessories worth of Rs. one hundred thousand to Rs. Two hundred thousand at a concessionary price and purchase at a discounted price.

By 31.12.2021, around 8000 inter-provincial bus owners were issued with these vouchers.

3.10 Board Meetings and Audit and Management Meetings

The number of meetings held by the Board of Directors during the year 2021	12
The number of Audit and Management meetings held during the year 2021	04

Annual Accounts

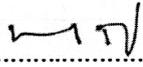
NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2021	2020
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	385,284,936.64	404,898,856.29
Work in Progress		30,502,154.10	30,502,154.10
Library Books		1,269,973.81	1,269,973.81
Total Non-Current Assets		417,057,064.55	436,670,984.20
Current Assets			
Receivables, Deposits and Advances	5	11,959,500.90	7,169,144.60
Staff Receivables	6	27,806,515.00	25,902,340.00
Investment in Term Deposits	7	44,842,369.40	42,053,092.41
Investment in Treasury Bills	8	15,645,319.00	14,935,680.00
Interest Receivable		1,601,883.32	2,593,962.78
Cash and Cash Equivalents	9	382,818,404.76	517,262,715.21
Total Current Assets		484,673,992.38	609,916,935.00
TOTAL ASSETS		901,731,056.93	1,046,587,919.20
LIABILITIES			
Non-Current Liabilities			
Government Grants	10	221,338,847.15	243,505,851.02
Retirement Benefits Obligation	11	55,905,538.50	53,127,501.50
Total Non-Current Liabilities		277,244,385.65	296,633,352.52
Current Liabilities			
Payables	12	1,572,067.70	1,870,484.93
Refundable Tender Deposits		55,608,904.00	57,231,404.00
Provision & Accrued Expenses	13	91,610,135.84	108,861,458.62
Total Current Liabilities		148,791,107.54	167,963,347.55
Accumulated Surpluses / (Deficits)		475,695,563.74	581,991,219.13
TOTAL LIABILITIES		901,731,056.93	1,046,587,919.20

It is certified that the Financial Statements of National Transport Commission have been prepared and presented in compliance with Sri Lanka Public Sector Accounting Standards (SLPSAS).

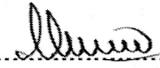


Director (Finance & Procurement)

The Accounting policies on pages 05 to 08 and Notes on pages 09 to 16 form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



Chairman



Member of the Commission

Date : 28-02-2022

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 16 form an integral part of these Financial Statements.

NATIONAL TRANSPORT COMMISSION
(Expressed in Sri Lankan Rupees)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER		2021	2020
		Note	
Revenue			
Revenue	14	87,847,302.74	190,209,342.70
Other Income	15	45,782,225.01	59,158,570.54
Total		133,629,527.75	249,367,913.24
Expenses			
Operational Expenses			
Personnel Emoluments	16.1	147,636,781.23	154,981,118.13
Transportation	16.2	12,149,681.55	12,870,202.08
Travelling & Subsistence	16.3	945,725.50	1,481,487.25
Establishment Expenses	16.4	34,612,820.60	39,179,063.02
Repairs & Maintenance of Fixed Assets	16.5	1,933,901.07	2,377,177.37
Staff Welfare	16.6	6,786,605.51	6,815,970.98
Staff Development	16.7	216,610.00	632,618.72
Legal & Other Fees	16.8	1,240,819.00	1,328,549.00
Information	16.9	572,145.55	759,279.00
Depreciation	16.10	20,385,908.04	27,094,770.24
Financial Charges	16.11	44,171.20	39,174.18
Other Expenses	16.12	829,885.14	1,699,189.90
Total Operational Expenses		227,355,054.39	249,258,599.87
Operational Surplus/(Deficit) for the Year		-93,725,526.64	109,313.37
Non Operating Revenue	17	13,749.19	15,430.00
Net Operational Surplus/(Deficit) for the Year		-93,711,777.45	124,743.37
Government Grants For Projects	18	271,000,000.00	401,999,970.00
Special Project Expenses on Government Grants	19.1	271,000,000.00	401,999,970.00
Special Project Expenses on NTC Funds	19.2	12,583,877.94	24,868,092.93
Net Surplus/(Deficit) for the Year		-106,295,655.39	-24,743,349.56

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 16 form an integral part of these Financial Statements.

NATIONAL TRANSPORT COMMISSION*(Expressed in Sri Lankan Rupees)***STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021**

	Accumulated Surpluses/ (Deficits)
Balance as at 01 January 2020	606,734,568.69
Surplus / Deficits for the Year	(24,743,349.56)
Balance as at 31 December 2020	<u>581,991,219.13</u>
Funds Return to Treasury	-
Surplus / Deficits for the Year	(106,295,655.39)
Balance as at 31 December 2021	<u><u>475,695,563.74</u></u>

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 16 form an integral part of these Financial Statements.

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER	Note	2021	2020
Cash Flows from Operating Activities			
Surplus/(Deficit) for the Year		(106,295,655.39)	(24,743,349.56)
Non Cash Movements			
Depreciation		20,385,908.04	27,094,770.24
Disposal of Assets		(13,749.19)	(15,430.00)
Amortization of Government Grants		(22,167,003.87)	(24,315,448.84)
Gratuity Charge for the Year		5,248,909.50	9,156,909.00
Interest Income		(23,615,221.14)	(34,843,121.70)
Operating Surplus/(Deficit) Before Changes in Working Capital		(126,456,812.05)	(47,665,670.86)
Changes in Working Capital			
Receivables, Deposits and Advances		(4,790,356.30)	(1,087,039.38)
Staff Receivables		(1,904,175.00)	(1,524,177.00)
Interest Receivable		992,079.46	949,629.91
Payables		(298,417.23)	(60,682,183.99)
Refundable Tender Deposits		(1,622,500.00)	(2,472,000.00)
Provision & Accrued Expenses		(17,251,322.78)	69,720,389.83
Cash Generated from / (used in) Operations		(151,331,503.90)	(42,761,051.49)
Gratuity Paid		(2,470,872.50)	(1,697,640.00)
Cash Received from Disposal of Assets		44,050.00	15,430.00
Net Cash Flow from / (used in) Operating Activities		(153,758,326.40)	(44,443,261.49)
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(802,289.20)	(756,500.29)
Acquisition of Work in Progress		-	172,572.79
Net Investment in Term Deposits Treasury Bills		(3,498,915.99)	(4,848,108.11)
Interest Received		23,615,221.14	34,843,121.70
Net Cash Flow from / (used in) Investing Activities		19,314,015.95	29,411,086.09
Cash Flows from Financing Activities			
Net Cash Flow from / (used in) Financing Activities		-	-
Net Changes in Cash and Cash Equivalents During the Year		(134,444,310.45)	(15,032,175.40)
Cash and Cash Equivalents at Beginning of the Year		517,262,715.21	532,294,890.61
Cash and Cash Equivalents at End of the Year	Note 9	382,818,404.76	517,262,715.21

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 16 form an integral part of these Financial Statements.

NATIONAL TRANSPORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 CORPORATE INFORMATION

1.1 REPORTING ENTITY

National Transport Commission was established under the National Transport Commission Act No. 37 of 1991. The office and the principal place of business of the commission is situated at No.241 Park Road, Colombo 05.

The financial statements of the commission for the year ended 31 December 2021 comprise the financial information of the commission.

1.2 Principal Activities and Nature of Operations

The functions of the Commission shall be advice to the Government on the National Policy relating to passenger transport services by omnibuses and grant passenger services permits for omnibus services in the specified area.

1.3 The commission had 181 employees as permanent carder and 8 employees on contract basis at the end of the financial year.

1.4 Reporting Date

The commission's financial reporting period ends on 31st December.

1.5 Date of Authorization for Issue

The Financial Statements were authorized for issue by the members of the commission on 23/02/2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of National Transport Commission have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSASs) and Government Grants have been recognized and measured in compliance with Generally Accepted Accounting Principles – LKAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with Sri Lanka Public Sector Accounting Standards (SLPSASs) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 Changes in Accounting Policies

The changes in accounting policies set out below have been applied consistently to the periods presented in the financial statements unless otherwise indicated.

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

2.3 Foreign Currency Translation

2.3.1 Functional and Presentation Currency

Transactions and balances included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the commission's presentation currency.

2.3.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

2.4 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Notes to the Financial Statements Continued

**NATIONAL TRANSPORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as an asset, only when it is probable that future economic benefits associated with the item will flow to the commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated, depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

Assets Category	Years
Motor Vehicle	05 Years
Furniture & Fittings	10 Years
Office Equipment	05 Years
Miscellaneous Equipment	05 Years
Computer & Printers	04 Years
Machinery	05 Years
Building	20 Years
Digital Display Boards (LED)	03 Years

An asset's carrying amount is been written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation has not been provided on Library Books

2.5 Investments in Term Deposits and Treasury Bills

Investments in term deposits and treasury bills are stated at maturity value.

2.6 Receivables

Receivables are amounts due for services rendered. Collection is expected in the normal operating cycle (within one year or less) and the receivables are classified as current assets. Receivables are recognized and measured at transacted value.

2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.8 Payables

Payables are obligations to pay for goods or services that have been acquired from suppliers and service providers. Payables are classified as current liabilities if payment is due in the normal operating cycle of the business (within one year or less). If not, they are classified as non-current liabilities.

Payables are recognized initially at transaction price and subsequently measured at the transaction price as they are expected to pay in the normal operating cycle of the business.

2.9 Government Grants

Grants from the government including non-monetary grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the commission will comply with all attached conditions.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are recognized in the statement of financial performance on a straight-line basis over the expected lives of the related assets.

Non-monetary grants are measured at carrying value of the non-monetary asset and account for both grant and asset at the carrying value.

2.10 Borrowing Costs

Borrowing costs are recognized in the statement of financial performance in the period in which they are incurred.

2.11 Employee benefits

The commission has both defined benefit and defined contribution plans.

(a) Defined Contribution plan

A defined contribution plan is a post employment benefit plan under which the commission pays fixed contributions into a separate entity. The commission has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

The commission contributes 15% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

(b) Defined benefit plan

Provision has been made for retiring gratuity from the first year of service of the employee at half (1/2) month's salary for each year of service. However, according to the payment of Gratuity Act No 12 of 1983, the liability for gratuity to an employee arises only on completion of five years continued service.

(c) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted amount expected to be paid for related services provided by the employees.

2.12 Provisions and Contingent Liabilities

Provisions for operational expenses are recognized when the commission has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the commission and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the commission's activities. The commission recognizes revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the commission.

The commission applies the revenue recognition criteria set out below to each identifiable major types of revenue.

(a) Permit Revenue

Revenue arises from route permits is recognized when it is probable that future economic benefits will flow to the commission.

(b) Gain and Losses on Disposal of Property, Plant and Equipment

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of financial performance.

2.14 Expenses

Expenditures incurred in the running of the operation are to income in arriving at the profit for the reporting period.

2.15 Events Occurring after the Reporting Period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.16 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

3. Significant Accounting Estimates and judgments

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

(a) Useful life time of depreciable assets

Management reviews its estimate of the useful life time of depreciable assets at each reporting date, based on the expected economic utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

4 Property, Plant and Equipment

Freehold Assets - Cost

No	Asset Class	Balance as at 01 January 2021			Cost			Rate of Depreciation	Depreciation			Balance as at 31 December 2021	Net Carrying Values 2021	Net Carrying Values 2020
		Balance as at 01 January 2021	Disposal	Additions during the Year	Disposal	Additions during the Year	Disposal		Charge for the Year					
1	Land	245,000,000.00	-	-	-	-	-	-	-	-	-	245,000,000.00	245,000,000.00	
2	Building	195,683,739.57	-	-	-	-	5%	-	8,969,967.98	-	88,467,424.67	107,216,314.90	116,186,282.88	
3	Motor Vehicles	75,547,270.00	-	-	-	-	20%	-	348,657.53	-	69,477,906.63	6,069,363.37	6,418,020.90	
4	Furniture & Fittings	35,526,054.77	496,031.66	116,208.00	496,031.66	35,146,231.11	10%	465,730.85	1,883,190.54	27,480,483.97	7,665,747.14	9,463,030.49		
5	Office Equipment	25,385,951.13	664,167.50	7,500.00	664,167.50	24,729,283.63	20%	664,167.50	2,982,370.34	19,157,809.82	5,571,473.81	8,546,344.15		
6	Miscellaneous Equipment	9,173,844.55	-	65,800.00	-	9,239,644.55	20%	-	967,080.07	6,613,019.48	2,626,625.07	3,527,905.14		
7	Computers & Printers	67,949,075.72	2,497,735.80	612,781.20	2,497,735.80	66,064,121.12	25%	2,497,735.80	5,234,641.58	54,928,708.77	11,135,412.35	15,757,272.73		
8	Machinery	1,775,637.00	-	-	-	1,775,637.00	20%	-	-	1,775,637.00	-	-	-	
9	Digital Display Boards	62,415,360.00	-	-	-	62,415,360.00	33.33%	-	-	62,415,360.00	-	-	-	
Total		718,456,932.74	3,657,934.96	802,289.20	3,657,934.96	715,601,286.98		313,558,076.45	20,385,908.05	330,316,350.34	385,284,936.64	404,898,856.29		

Figures in brackets indicate deductions.
Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER		2021	2020
5 Receivables, Deposits and Advances			
Receivables	Note 5.1	8,939,297.78	5,045,984.27
Deposits and Advances	Note 5.2	3,020,203.12	2,123,160.33
		11,959,500.90	7,169,144.60
5.1 Receivables			
Income Receivable		8,810,164.00	4,846,696.27
Department of Election		-	152,607.50
Other Receivable		129,133.78	46,680.50
		8,939,297.78	5,045,984.27
5.2 Deposits and Advances			
Deposits		686,500.00	686,500.00
Advance for Projects		25,000.00	-
Advance - NTC		101,602.52	61,380.00
Payment in Advance		2,207,100.60	1,375,280.33
		3,020,203.12	2,123,160.33
6 Staff Receivables			
Distress Loans		27,338,315.00	25,874,140.00
Advances for Cloths		330,200.00	20,200.00
Festival Advances		138,000.00	8,000.00
		27,806,515.00	25,902,340.00
7 Investment in Term Deposits			
Term Deposits		44,842,369.40	42,053,092.41
		44,842,369.40	42,053,092.41
The investments in term deposits amounts to Rs. 43,922,369.40 (2020- 41,133,092.41) are maintained separately for the gratuity commitments.			
8 Investment in Treasury Bills			
Treasury Bills		15,645,319.00	14,935,680.00
		15,645,319.00	14,935,680.00
The investments in term deposits amounts to Rs.15,645,319.00 (2020-14,935,680.00) are maintained separately for the gratuity commitments.			
9 Cash and Cash Equivalents			
Cash in Hand	Note 9.1	684,693.48	155,820.00
Cash at Bank	Note 9.2	2,894,852.88	796,473.34
Short Tem Deposits	Note 9.3	379,238,858.40	516,310,421.87
Cash and Cash Equivalents for the Purpose of Cash Flow Statement		382,818,404.76	517,262,715.21
9.1 Cash in Hand			
Cash in Hand - Cash		609,693.48	80,820.00
Petty Cash Imprest		75,000.00	75,000.00
		684,693.48	155,820.00

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

9.2 Cash at Bank

People's Bank - Narahenpita	2,797,382.50	744,847.27
People's Bank - Narahenpita (Seat Reservation)	97,470.38	51,626.07
	2,894,852.88	796,473.34

9.3 Short Term Deposits

Investment in Short Term & Call Deposits	68,800,941.09	65,668,245.22
Investment in REPO	310,000,000.00	450,261,379.54
Savings Account - National Saving Bank	437,917.31	380,797.11
	379,238,858.40	516,310,421.87

The saving deposits amounts to Rs.437,917.31 (2020 - 380,797.11) are maintained separately for the gratuity commitments.

10 Government Grants

Balance at 01 January	243,505,851.02	267,821,299.86
Grants Received During the Year	-	-
Amortization of Government Grants	(22,167,003.87)	(24,315,448.84)
Balance at 31 December	221,338,847.15	243,505,851.02

Land at No.241 Park Road Narahenpita received from the Government of Sri Lanka has been recognized as non-monetary government fund and assets at fair value of the land at the time of granting and amortized the grant in profit or loss over the life time of the building.

11 Retirement Benefits Obligation

Balance at 01 January	53,127,501.50	45,668,232.50
Expenses recognized for the year	5,248,909.50	9,156,909.00
Payments made During the year	(2,470,872.50)	(1,697,640.00)
Balance at 31 December	55,905,538.50	53,127,501.50

12 Payables

Hire Purchases	47,071.79	47,071.79
Union Contribution	8,200.00	-
Stamp Fees	14,100.00	28,375.00
Insurance	-	379.00
Payee Tax	418.00	27,418.00
Sundry Creditors	-	62,405.00
Other Payables	561,460.19	851,944.27
EPF Payable	67,246.75	61,702.50
ETF payable	8,069.61	7,404.30
Bank Loans & Deposits	-	10,729.00
Payable for Bus Owners for Ticket Booking	103,711.36	11,266.07
BIA Gateway Project	761,790.00	761,790.00
	1,572,067.70	1,870,484.93

13 Provision & Accrued Expenses

Accrued Expenses - Projects	Note 13.1	71,445,218.70	89,678,696.58
Accrued Expenses - Recurrent	Note 13.2	18,188,891.14	17,706,736.04
Provision For Audit Fees		1,976,026.00	1,476,026.00
		91,610,135.84	108,861,458.62

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

13.1 Accrued Expenses - Projects**Recurrent**

Contribution of Socially Obligatory Transport Service	69,892,536.00	87,026,249.19
Reform of the Private Bus Industry	735,752.70	237,999.96
Quality & Fare Regulation	816,930.00	1,581,009.92
Transport Related Awareness Programme	-	77,470.00
	71,445,218.70	88,922,729.07

Capital

Reform of the Private Bus Industry	-	755,967.51
	-	755,967.51
	71,445,218.70	89,678,696.58

13.2 Accrued Expenses - Recurrent

Bonus	30,000.00	-
Cleaning Service	869,283.58	702,534.78
Communication	176,104.98	354,392.45
Electricity & Power	661,824.20	582,381.65
Employee Welfare	4,779,050.00	2,984,425.14
Employee Medical Scheme	5,000.00	5,000.00
Fuel & Lubricants	196,247.21	330,075.58
Holiday Pay - Executive	35,955.50	-
Language Allowance	-	260.00
Legal Fee	-	223,600.00
Local Travelling	68,688.00	63,962.50
Maintenance of Motor Vehicle	-	334,118.39
Maintenance of office equipment	117,261.00	35,429.00
Membership Fee for Professional Bodies	4,000.00	21,000.00
Meals & Refreshment for Meetings	3,040.00	8,615.00
Miscellaneous Expenses	14,092.00	84,449.00
Newspapers & Periodicals	15,880.00	57,040.00
Office requisites	240,904.40	395,580.00
Over Time & Holiday Pay - Non Executive	963,161.00	913,034.00
Press Notification	-	19,440.00
R & M of Motor Vehicle	278,124.79	-
Salaries & Wages	241,888.30	221,954.00
Security Service	1,419,277.05	2,220,904.17
Staff Training	48,031.74	45,336.74
Transport & Hiring Charges	133,920.00	187,539.00
Water	45,089.49	36,120.10
Stamp for Receipts	4,100.00	2,825.00
Encashment of Un-Utilized Medical Leave	7,837,967.90	7,876,719.54
	18,188,891.14	17,706,736.04

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

14 Revenue**14.1 Permit Revenue**

Route Permit Income	1,500.00	30,000.00
Permit Renewal Income	11,555,148.00	10,987,836.00
Route Tendering Income	27,180,283.05	131,819,474.05
	38,736,931.05	142,837,310.05

14.2 Other Revenue

Administrative Revenue	27,763,304.00	14,666,500.00
Bastian Mw. Lavatory Income	6,610,411.50	7,130,532.52
Miscellaneous	14,736,656.19	25,575,000.13
	49,110,371.69	47,372,032.65
Total Revenue	87,847,302.74	190,209,342.70

15 Other Income**15.1 Interest Income**

Interest on Deposits	22,536,193.14	33,943,089.70
Interest on Distress Loan	1,079,028.00	900,032.00
	23,615,221.14	34,843,121.70

15.2 Others

Amortization of Government Grants	22,167,003.87	24,315,448.84
	22,167,003.87	24,315,448.84
	45,782,225.01	59,158,570.54

16 Operational Expenses**16.1 Personnel Emoluments**

Salaries & Wages	87,606,250.43	87,241,658.40
Cost of Living Allowance	16,809,095.09	17,079,388.00
Professional Allowance	711,677.00	665,613.00
Language Allowance	318,925.00	281,149.00
Employees Provident Fund	15,635,389.01	15,768,117.66
Employees Trust Fund	3,127,077.80	3,153,623.53
Holiday Pay - Executive	277,973.50	707,293.00
Over Time & Holiday Pay - Non Executive	7,202,291.00	10,207,697.00
Encashment of Un-Utilized Medical Leave	8,005,192.90	8,030,919.54
Gratuity	5,248,909.50	9,156,909.00
Bonus	2,694,000.00	2,688,750.00
	147,636,781.23	154,981,118.13

16.2 Transportation

Repair & Maintenance of Motor Vehicles	4,254,617.44	3,982,200.81
Fuel & Lubricants	3,564,886.89	3,565,232.74
Transport & Hiring Charges	3,346,465.78	4,254,930.65
License & Insurance	983,711.44	1,067,837.88
	12,149,681.55	12,870,202.08

16.3 Travelling & Subsistence

Local Travelling	945,725.50	1,481,487.25
	945,725.50	1,481,487.25

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

16.4 Establishment Expenses

Office Requisites (Stationary & Printing)	3,167,765.92	2,730,152.81
Cleaning Service	6,013,153.32	8,973,639.44
Rates	374,220.00	374,220.00
Security Services	13,039,661.74	14,641,266.94
Electricity & Power	6,575,994.55	7,514,665.70
Water	482,876.62	452,260.40
Board Members' Fees	1,112,200.00	853,400.00
Meals & Refreshment for Meetings	251,062.10	222,800.86
Insurance-Cash in Transit	31,284.41	44,166.77
Communication	3,564,601.94	3,372,490.10
	34,612,820.60	39,179,063.02

16.5 Repairs & Maintenance of Fixed Assets

Maintenance of Buildings	341,783.00	363,426.50
Maintenance of Office Equipment	1,504,087.38	1,955,254.94
Maintenance of Computer Equipment	88,030.69	58,495.93
	1,933,901.07	2,377,177.37

16.6 Staff Welfare

Employee Medical Scheme	119,687.50	333,000.00
Employee Welfare	6,666,918.01	6,473,440.98
Uniform	-	9,530.00
	6,786,605.51	6,815,970.98

16.7 Staff Development

Staff Training	145,000.00	432,190.00
Membership Fee for Professional Bodies	71,610.00	200,428.72
	216,610.00	632,618.72

16.8 Legal & Other Fees

Audit Fees	500,000.00	650,000.00
Legal Fees	740,819.00	678,549.00
	1,240,819.00	1,328,549.00

16.9 Information

Press Notification	539,375.55	661,969.00
Newspapers and Periodicals	32,770.00	97,310.00
	572,145.55	759,279.00

16.10 Depreciation

Building	8,969,967.98	9,487,724.65
Motor Vehicles	348,657.53	420,000.00
Furniture & Fittings	1,883,190.54	2,929,842.60
Office Equipment	2,982,370.34	2,980,320.03
Miscellaneous Equipment	967,080.07	1,052,040.99
Computers & Printers	5,234,641.58	10,224,841.97
	20,385,908.04	27,094,770.24

16.11 Financial Charges

Bank Charges	44,171.20	39,174.18
	44,171.20	39,174.18

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER	2021	2020
16.12 Other Expenses		
Miscellaneous expenses	822,760.14	1,681,689.90
Stamps for Receipts	7,125.00	17,500.00
	829,885.14	1,699,189.90
17 Non Operating Revenue		
Disposal of Assets	13,749.19	15,430.00
	13,749.19	15,430.00
18 Government Grants For Projects		
Government Grants For Projects - Recurrent	271,000,000.00	401,999,970.00
	271,000,000.00	401,999,970.00
19.1 Special Project Expenses on Government Grants		
Recurrent Project Expenses		
Provision of Socially Obligatory Bus Services	271,000,000.00	401,999,970.00
	271,000,000.00	401,999,970.00
19.2 19.2 Special Project Expenses on NTC Funds		
Recurrent Project Expenses		
Reform of the Private Bus Industry	2,756,934.25	7,224,248.11
Quality & Fare Regulation	8,818,754.37	12,899,256.89
Capacity Development of NTC & PTA Staff		14,600.00
Annual National Transport Statistics	83,886.00	113,060.00
Transport Related Awareness Programmes for Stakeholders	230,839.00	375,090.00
	11,890,413.62	20,626,255.00
Capital Project Expenses		
Reform of the Private Bus Industry & Terminal Development	519,249.32	3,194,556.35
Improving Quality of the Bus Service	7,520.00	151,753.15
Institutional Reforms & Infrastructure Development	166,695.00	895,528.43
	693,464.32	4,241,837.93
	12,583,877.94	24,868,092.93

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Financial assistance to passenger service permit holders

In terms of Section 9 (h) of the National Transport Commission Act No. 37 of 1991 the Commission has the powers "to provide engineering, technical, legal, medical and financial assistance and advice to holders of passenger service permits to enable the proper discharge by them, of their functions relating to the provision of omnibus service".

Based on these provisions, with the guidance of His Excellency the President and on the instructions of Hon. Minister of Transport and the Secretary to the Minister of Transport, the National Transport Commission has facilitated a loan of Rs.300,000 /- from People's Bank and Bank of Ceylon to private bus operators to rehabilitate the transport sector which was effected by the Covid 19 pandemic.

In accordance with the provisions which is more or fully stated under Loan Recovering Process of the Memorandum of Understanding executed with the said Banks, in the event of nonpayment of the Loan installments by the bus operator, NTC shall make arrangements to issue the respective passenger service permit which is kept as a security for obtaining the Loan, to a third party and remit the income to settle the defaulted loan in full. In these circumstances Non-payment of loan amount by bus operators won't become a liability of NTC.

There were 539 applications to Bank of Ceylon and 20 applications to Peoples' Bank respectively. However National Transport Commission was not informed of the number of approved loans/ applications by the banks to date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Adjustments made as per SLPSAS – 3 Accounting Policies, Changes in Accounting Estimates and Errors are as follows.

01) Rs.139,058.05 was recognized as under provision for depreciation resulted in decreasing in total non current asset value and the surplus by the same value.

02) Rs.270,629.56 was recognized as discount received on SLTB bus pass for the year 2020 resulted in increasing in surplus for the year & accumulated surplus by the same value.

03) Rs.5,948.50 was recognized as over provision for gratuity resulted in increasing in surplus for the year & accumulated surplus by the same value.

04) Rs.152,607.50 was recognized as travelling & overtime expenses paid for election duty receivable resulted in increasing in total current asset value and the surplus by the same value.

05) Rs.2,459,688.50 was recognized as Bastian Mawatha lavatory income and Rs.1,705,210.00 was recognized as Vavunia terminal income. However due to the covid -19 pandemic reliefs granted resulted in decreasing in surplus for the year & accumulated surplus by the same value.

06) Rs.25,775.00 was recognized as LED board electricity bill expenses receivable for the year 2020 resulted in increasing in total current assets and the surplus by the same value.

Due to the above adjustments made for Financial Statements year 2020, the Net Deficit for the year 2020 has been increased from Rs.20,894,353.57 to Rs.24,743,349.56.

The adjustments resulted to decrease the Accumulated Surplus From Rs.585,840,215.12 to Rs.581,991,219.13.

Figures in brackets indicates deductions.

Notes to the Financial Statements

Report of the Auditor General

Chairman
National Transport Commission

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

1. Financial Statements

1.1 Qualified Opinion

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

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) 16 books of 25 permits each given to the Southern Provincial Road Passenger Transport Authority for running temporary buses in the year 2021 had not been received up to the date of audit, and the related receivables had not been accounted for in the financial statements.
- (b) As the company's guarantee for the loan money of Rs.153,000,000 given by 02 state banks to 510 bus owners at Rs.300,000 each, a contingent liability had been raised to the company of that amount according to Sri Lanka Public Sector Accounting Standard No. 08, but that contingent liability had not been disclosed in the financial statements of the year 2021.
- (c) Although Rs. 55,608,904 as tender deposit balance to be returned as on 31st December of the year under review was indicated in the financial statements, the tender document and other useful documents were not submitted to the audit to verify the accuracy of that balance.

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

1.3 Other information included in the 2021 Annual Report of the National Transport Commission

The other information comprises the information included in the Commission's 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

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

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

When I read the Commission's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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

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

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

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

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

2. Report on Other Legal and Regulatory Requirements

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

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination proper accounting records have been kept by the Commission as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained was limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Commission has any direct or indirect interest in any contract entered into by the Commission which is out of the normal cause of business as per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018

2.2.2 To state that the Commission has not complied with any applicable written law, general and special directions issued by the governing body of the Commission as per the

requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observation;

Reference to law/ direction -----	Observation -----
Section 8.3.9 Public Enterprises Circular No PED/12 of dated 02 June 2003	A management assistant had been released to the service of the Ministry of Transport from 12 October 2020 to 18 August 2021. During the above period she was paid Rs.584,842 as salary, Rs.104,480 for medical leave reimbursement and Rs.30,000 as bonus, totaled Rs.719,322 for the above period. No letter of approval was submitted for the audit regarding the release to the Ministry and payment of allowances including salaries of the institution.

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

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

An additional cost of Rs.3,530,745 was incurred for the maintenance of the system of Global Positioning System (GPS) in the year 2021 over the amount charged from the bus owners.

2.3 Other matters

(a) Under the activities in Section 9 of the National Transport Commission Act No. 37 of 1991, the proper procedures for granting passenger service permits and issuance of passenger service permits had not been introduced in terms of the Section 24 of the Commission. According to Section 24 of the Act, the commission should grant passenger service permits, but on the contrary, instead of issuing regular passenger

permits for buses running on the Southern Expressway from 2015, only temporary permits were issued, and in the year 2021, temporary permits worth at Rs. 5,178,909 were issued on 193 occasions for the expressway.

- (b) The Commission generally did not maintain a stock of goods as required, no entries were made after receipt of goods in the Goods Receipt Form (GRN) and daily balancing of receipt and issue of goods and maintenance of records was not done.
- (c) As at 31 December of the year under review, an amount of Rs.7,609,660 should have been received from the rental agreement company as rent for the Bastian Mawatha Public Toilet System.
- (d) 03 vehicles worth Rs.2,952,000, Rs.1,730,900 and Rs.1,000,000 respectively were in the premises for more than 05 years, and action had not been taken to disposed of or repaired.
- (e) The approved cadre of the Commission is 219 and the actual cadre as at 31 December 2021 was 178. 170 of them worked on permanent basis and 07 on contract basis, and there were 34 vacancies. The Commission had not taken steps to fill those vacancies.
- (f) In the period of 04 years from the year 2018, 07 officers were recruited under the contract basis.
- (g) Variations were observed in the range of 16 percent to 73 percent when comparing the budgeted income with the actual income and 30 percent to 71 percent when comparing the budgeted expenses with the actual expenses. Thus, it was observed that the budget was not used as an effective management control instrument.
- (h) During the Commission's review of allocations and actual expenditure of 17 projects for the year 2021, the allocated allocations were underutilized from 100 per cent to 17 per cent.

- (i) The commission allocated Rs. 8.6 million for the introduction of electronic prepaid card and Rs.15 million for a programme to generate electricity by installing solar cells for the power requirement of the office premises of the commission, but these programs were not implemented in the year under review.

W.P.C. Wickramarathne
Auditor General

Answers to the Audit Report for the financial statements of the year ending on 31 December 2021 of the National Transport Commission based on Section 12 of the National Audit Act No 19 of 2018 and for other legal and regulatory requirements

1.2 Basis for Qualified Opinion

- (a) In the year 2021, out of the temporary permit books that were given to the Southern Provincial Road Passenger Transport Authority, another book should be received by the National Transport Commission and actions will be taken to get it immediately.

The revenue related to the temporary permit books received by the National Transport Commission has been included in the accounts.

- (b) Amended financial statements disclosing the contingent liability as mentioned in the inquiry have been handed over to the Government Audit Department on 20.06.2022.
- (c) There is a computerized tender deposit ledger and in addition, detailed records are maintained in the Accounts Section with the names and receipt numbers of tenderers.

2 Report on other legal and regulatory requirements

2.2.2 According to the letters No. MT / 01/05/05/05/01 dated 07.09.2020 and 28.09.2020 received from the Ministry of Transport, it has been informed to the Ministry of Transport in writing on several occasions to take the necessary actions to reimburse the salaries and allowances paid by the National Transport Commission to Mrs. K.L. Indika Lakmali from the date she was released to the support staff of the Minister of Transport to the date of on which she was released back to the National Transport Commission (from 13.10.2020 to 17.08.2021).

2.2.3. According to section 24 of the National Transport Commission Act no. 37 of 1991, the National Transport Commission is entrusted with the power to issue passenger service permits for inter-provincial routes. In terms of that section, when an application for a passenger service permit is received, the Commission may issue a passenger service permit or reject it if more buses than the required amount ply on that route considering the public demand for bus services on the route or routes requested in the application.

Accordingly, according to the powers vested in terms of this section, new passenger service permits have been issued on normal routes since 2008 adhering to a system approved by the Cabinet in 2005 for the issuance of new passenger service permits transparently. Furthermore,

the issuance of new passenger service permits on expressways is carried out adhering to the system approved by the Cabinet in 2017.

Although the issuance of permanent passenger service permits was approved through the tender system based on the decision of the Cabinet of Ministers, a system was formulated and submitted to the Ministry by the Committee that has been appointed according to memorandum no. CM/19/0409/123/17 of the Cabinet to prepare a new system due to the prevailing problems in that system.

Also, it was proposed to issue new permits based on the evaluation conducted by a committee of three, forwarding memorandum no. CM/21/0351/312/010 to the Cabinet by the former Minister of Transport regarding the issuance of regular passenger service permits. But for that, the Cabinet of Ministers has informed that a report should be submitted to the Cabinet of Ministers by acting according to the observations given by the Ministry of Finance.

According to the observations made by the Ministry of Finance, a report should be submitted again to the Cabinet of Ministers by preparing a simple system if there are complex facts considering the facts of the proposal presented by the previous committee. Accordingly, the report is being prepared by the Ministry of Transport.

Also, the activities related to amending the National Transport Commission Act are currently being carried out, and the amendments drafted have been forwarded to the Legal Draftsman's Department.

- 2.2.4. When maintaining the GPS system, Rs. 1,500 will be charged annually from the respective licensees only for the transmission of data through the GPS device. Therefore, costs have to be incurred for providing services such as maintenance and service of the control room operating the system, maintenance of the server computers and other technical devices, and maintaining internet connections. However, the purpose of this project is not to generate income but to provide a safe and efficient transport service to improve the quality of the public transport sector.

2.3 Other Matters

- (a) Passenger service permits issued to the expressway through road revisions in 2014 were canceled in 2015 and attached to the old routes of those operators however, temporary permits

have been issued to meet the passenger demand and to maintain the services continuously as the passengers were used to the services when those buses were running on the highway.

Even though tenders were called on 04 occasions through public notices for issuing permanent passenger service permits for routes where temporary passenger service permits were issued, the operators have taken legal actions against those.

Furthermore, the approval of the Cabinet of Ministers has been received to issue permanent passenger service permits under the route and service amendments to the licensees who were issued with temporary permits, and the approval of the Cabinet of Ministers has also been given for the settlement of the court cases related to the issuance of passenger service permits to the expressway. (Cabinet Memorandum no. –CM/21/0428/312/014)

Accordingly, according to the approval of the Cabinet of Ministers, permanent passenger service permits have been issued on the expressway for the 65 licenses except for 02 licenses out of the 67 licenses approved for the issuance of permanent passenger service permits.

- (b) A small store is maintained for the safekeeping of the basic documents of the National Transport Commission. Annual stationery (A4 sheets, books, pens, cartridges, toner, etc.) purchased for the institution, printed documents, and printed books are stored safely in this store.

These will be procured in bulk and the stationery will be issued as per the requests received from time to time from the departments. When issuing the required stationery to those departments, it is systematically recorded in the books. The records are balanced daily.

Goods ordered by departments or divisions are procured by the procurement division under the procurement procedures and after entering goods or assets thus purchased in the inventory, the respective requests are handed over to the department or division. Goods received by that department or division shall record the receipt of such goods in the register maintained by their department/division.

However, the Board of Directors has approved the creation of a new position called Storekeeper for the purpose of maintaining an orderly store in the future. After receiving the approval of the Management Services Department, it is planned to set up a storehouse in a more convenient place under a formal system and work with transparency.

- (c) The rent arrears of Rs. 7,609,660.00 as on December 31 of the year under review has been paid by the contracted company for the Bastian Mawatha public toilet system.
- (d) The car bearing the number KB-3305 and the van bearing the number PB-5676 which were unsuitable for the operation of the National Transport Commission have been removed.

Accordingly, the car bearing the number KB-3305 and the van bearing the number PB-5676 were sold at Rs. 2,683,000.00 and Rs. 2,002,002.00, respectively to the highest bidders under the procurement procedures.

Since the government has temporarily stopped the import of vehicles, arrangements have been made to repair the van bearing the number 57-4195.

- (e) The approved cadre of the National Transport Commission is 219. The permanent staff as of 31.12.2021 was 178. 07 employees on a contract basis and 01 employee on a daily basis are employed and applications have been called to fill the vacancies. As the government has temporarily suspended all recruitments, it has not been possible to fill the relevant vacancies.
- (f) 07 employees on a contract basis were deployed for service in the GPS control room from January 2018, under the approval of the Department of Management Services. The Secretary to the Ministry of Transport has requested continuously for the approval of the Department of Management Services to confirm them with the Board of Directors' recommendation, after informing the Board of Directors of the National Transport Commission about the service requirement of these employees. In each of those cases, approval has been given only to extend the tenure of those employees. These employees, whose service period has been extended up to 31.12.2022, have made a written request to the Director General of the Department of Management Services, on the recommendation of the Secretary of the Ministry of Transport, to confirm or extend the service period by one year.
- (g) These variations occurred due to the inability to work according to specific targets due to the prevailing COVID pandemic situation in the country and it was noted to focus on minimizing the variations in the coming year.
- (h)
- ❖ There was a shortage of funds to be used for projects due to not getting the expected (estimated) income in the year 2021 while bearing the costs of running the institution. Although the funds were allocated for the following projects, it has been shown accordingly that funds were underutilized in those projects due to the fact that the allocated money was not received to fulfill all the targeted tasks of those projects.
 - Operation and maintenance of bus terminals
 - Bus crew training and Public Transport (PT) training programmes
 - Internal information and technology systems
 - Maintenance of GPS equipment and control rooms

- Awareness programmes for stakeholders related to transport

❖ Adhering to the approval received for the Cabinet Memorandum dated 28.08.2021 and numbered 21/1596/304/134 submitted by the then Minister of Finance titled “Review of Public Expenditure”, on "temporary suspension of programmes that have been allocated under due approvals but have not been started yet, purchases, constructions, renovations and improvements of buildings, etc.,”, following projects that were planned to be implemented in the year 2021 by the National Transport Commission but had not been started at that time were not started accordingly.

• **Modernization of buildings of the National Transport Commission and maintenance of bus terminals**

• **Introduction of alternative methods to reduce power consumption -**

Approvals have only been obtained by now for preparing the feasibility study report from N Solar Consultants (Pvt) Ltd and forwarding it to the Board of Directors of the National Transport Commission and obtaining the approvals for the prepared estimates related to refurbishing the roof to install solar panels by the State Engineering Corporation by forwarding it to the Board of Directors of the National Transport Commission.

- Urban transport programmes
- Modernization of Bastian Mawatha and Vavniya bus terminals
- Kilinochchi Bus Stand - As per the request of the Northern Provincial Council, the approval of the Board of Directors of the National Transport Commission was obtained and the remaining construction work was assigned to the Northern Provincial Council.

❖ Due to a lack of funds with the National Transport Commission, spending money on the following projects was limited by adopting alternative methods and implementing only the works that do not cost any money.

• **Preparation of Annual National Transport Statistics -**

The National Transport Statistics Report was prepared in printed copies (books) and published annually in the years prior to 2021.

However, as there was a shortage of funds in the year 2021, to reduce the cost of preparing and publishing the National Transport Statistics, preparing and publishing the report was done only as a soft copy after obtaining the approval of the Board of Directors of the National Transport Commission.

- **Bus Fare Adjustment Project –**

According to the national bus fare policy, bus fare revision should be published in three major newspapers in Sinhala, Tamil, and English languages. Accordingly, advertisements will be published covering two pages in Dinamina, Thinakaran, and Daily News newspapers. This costs about one million rupees per year. But this time, the information related to the revision of bus fares has been provided by electronic means (the website of the National Transport Commission, Facebook, and the website of the Ministry of Transport), at the bus terminals operating under the National Transport Commission, on the digital boards of the Makumbura Multimodal Transport Exchange Center, and by a small notice published in the said newspapers in Sinhala, Tamil and English only to inform the public that the information can be obtained from the Road Passenger Transport Authority by requesting in writing to those places.

- **Surveys to avoid traffic congestion and provide an enhanced service**

There was a huge change in the transport activities of passengers as the restrictions on traveling were imposed due to the spread of the Covid-19 pandemic situation. Therefore, the planned surveys in 2021 were not conducted since the actual situation is not clear from the surveys conducted within this year.

However, a survey was conducted to identify the circumstances that have impacted on the public transport bus service such as, working from home, carrying out online official, educational, and business activities, etc., due to the Covid-19 pandemic situation. The cost of the surveys was reduced by collecting information by the officials who work from home (officials of the National Transport Commission who reside far away) covering the district they reside in and by the officials of the provincial transport authorities in the districts where they do not reside and by collecting data through a Google form.

- **Installation of name boards indicating distance –**

It was directed to the Western Province Transport Authority to get the signal boards prepared under the approved specifications and supervision of the National Transport Commission as the Western Province Transport Authority expressed its interest to purchase 42 signal boards and

install those from Colombo to Bentara Bridge (within Western Province) under the Long Distance Service Bus Stop Signal Board Project. Thus the expenses incurred by the National Transport Commission for the long-distance service signal board project was reduced.

- **Combined Timetables –**

The works targeted to be done in the year 2021 under this project had to be temporarily suspended as inter-provincial buses didn't operate due to provincial travel restrictions from May to November 1, 2021. Revision of timetables of expressways as per passenger requirement and implementation of the combined timetable for Badulla-Colombo and concurrent services as per a settlement of the Court of Appeal were carried out after the 1st of November. Accordingly, there was no need to spend money on the project as the activities were not carried out to prepare new timetables such as holding discussions with relevant parties, identifying passenger demand, and analyzing data.

- **Formulation of rules related to transportation**

A Board paper was submitted to the Cabinet of Ministers on 20/11/2020 including the amendments to be made to the National Transport Commission Act and it was approved on 22/12/2020 and has been referred to the Legal Draftsman's Department. Even now, this amended Act is in the Legal Draftsman's Department, and no expenses were incurred for it in the year 2021 as concluding clauses can be prepared after the amendment of the Act is approved.

- **Prepaid Card System –**

The prepaid card project is a project implemented by the National Transport Commission, the Ministry of Transport, the Sri Lanka Transport Board, the People's Bank, Lanka Clear as an agency of the Central Bank, and all other institutions.

Making this project's way forward depends on the contribution of all those institutions to this project. However, the money spent on this project was minimal as non-expenditure tasks such as getting Cabinet approvals and signing contracts related to this project have been completed in the year 2021.

Accordingly, physical progress was achieved through various strategies as mentioned above even in the crisis situation such as the non-operation of inter-provincial bus services for months and the inability of employees to report to work continuously due to the decrease in the expected income of the National Transport Commission, and the imposition of provincial travel restrictions due to the pandemic situation prevailed in 2021. Accordingly, I kindly mention that it is an attempt to reach physical progress under strategies that cost less money and carrying out physical tasks that do not cost money in the respective projects due to the lack of funds to be used for the respective

projects and due to the non-receipt of the expected income but not due to the decrease in financial utilization.

The prepaid card project is not a project implemented by the National Transport Commission alone, but it is a project implemented primarily by the Ministry of Transport including the Sri Lanka Transport Board, the People's Bank, Lanka Clear as an agency of the Central Bank, and all other institutions. Making this project's way forward depends on the contribution of all those institutions to this project. Although the financial progress was low, the pilot project of this was able to be implemented on 28th March 2022, with private buses plying between Galle-Makumbura.

National Transport Commission initiated the planning of a project to fix solar panels on the rooftop

Approvals have only been obtained by now for preparing the feasibility study report by N Solar Consultants (Pvt) Ltd and forwarding it to the Board of Directors of the National Transport Commission and obtaining the approvals for the prepared estimates related to refurbishing the roof to install solar panels by the State Engineering Corporation by forwarding it to the Board of Directors of the National Transport Commission.

Also,

- obtaining the approvals for the prepared feasibility study report by N Solar Consultants (Pvt) Ltd by forwarding it to the Board of Directors of the National Transport Commission and
- obtaining the approvals for the prepared estimates related to refurbishing the roof to install solar panels by the State Engineering Corporation by forwarding it to the Board of Directors of the National Transport Commission

were carried out in the year 2021 to start the project of generating electricity by installing solar panels using solar energy for the electricity requirement of the office premises of the National Transport Commission.

But, this project cannot be implemented at present in this period considering the income of the National Transport Commission, and the Board of Directors approved the construction of the roof to install solar panels and other activities related to the project after the institution became financially stable. (Paper no. 77/2021) – Annexure 01

Further, as mentioned in the answer above for 2.4 (a), according to the approval received for the Cabinet memorandum submitted by the then Minister of Finance, further works on this project was not carried out.