



# **PERFORMANCE REPORT 2023**

**MINISTRY OF PORTS, SHIPPING AND AVIATION**

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## ANNUAL PERFORMANCE REPORT FOR THE YEAR 2023

NAME OF THE INSTITUTE: MINISTRY OF PORTS, SHIPPING AND AVIATION

### Expenditure Head No. 176

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## CHAPTER 01 – INSTITUTIONAL PROFILE/ EXECUTIVE SUMMARY

### 1.1 Introduction

In 2030, the Ministry of Ports, Shipping and Aviation will provide the direction, guidance and policy decisions necessary to achieve the desired sustainable development goals in the port, shipping and aviation sector. Under the purview of this Ministry are the Merchant Shipping Secretariat, Sri Lanka Ports Authority, Ceylon Shipping Corporation Limited, Jaya Container Terminal Limited, Sri Lanka Port Management and Consultancy Services Pvt. Ltd., Civil Aviation Authority, C/S Airports and Air Services (Sri Lanka). (Private) Company, C/S SriLankan Airlines and C/S SriLankan Catering are guided to achieve their development goals.

The Ministry of Ports, Shipping and Aviation is currently fulfilling a great responsibility to make Sri Lanka a service supply center with maximum competition in the fields of ports, shipping and aviation services in the South Asian region. Formulation of policies, implementation of national budget and national development program, compilation of programs and projects, implementation, follow-up and The indication is further carried out by this Ministry.

### 1.2 Vision, Mission, Objectives of the Institution

#### Vision

“Provision of high quality and user-friendly Marine services by developing Sri Lanka as the most competitive hub of maritime activities in the South Asian Region” and “positioning Sri Lanka as the premier air transport hub in the region”.

#### Mission

“Formulation of a more appropriate policy framework and an efficient mechanism that will lead to the provision of competitive and qualitative port and shipping services in order to fulfill the local and international requirements in the field of maritime activities for national economic development” and “to make air transport services efficient, safe and user friendly with a view of improving the efficiency of the relevant economic sectors”

#### Objectives

To act as a facilitator, policy formulator, coordinator and progress reviewer of the development activities implemented by the institutions comes under the purview of the ministry in order to achieve its ultimate vision and mission

Duties assigned by the Extraordinary Gazette No. 2289/43 dated 22.07.2022

1. Follow up and evaluate the implementation of policies, programs and projects related to the subjects of ports, shipping and aviation and the subjects of the

following Departments and Statutory Institutions and Public Corporations based on the National Policies implemented by the Government

- Sri Lanka Ports Authority and its Subsidiaries and Associates
  - Ceylon Shipping Cooperation Ltd.
  - Merchant Shipping Secretariat
  - Civil Aviation Authority
  - Airport and Aviation services (Sri Lanka) Ltd.
  - Sri Lankan Airlines Ltd and its Subsidiaries.
2. Providing public services under the purview of the Ministry in an efficient and people friendly manner.
  3. Reforming all systems and procedures using modern management techniques and technology, to ensure that the Ministry fulfills its role eliminating corruption and waste.
  4. Development & Management of Commercial Ports and expanding their investment opportunities
  5. Development of Container Yards
  6. Development and administration of port oil tank installations, lighthouses and beacons, other than those belonging to admiralty
  7. Arbitration of Disputes between shipping service providers and users
  8. Establishment of rules of competition for Shipping Services.
  9. Ensure and support consultative coordination between shipping service providers and users.
  10. Receiving wrecks and ocean salvages
  11. Freight and shipping services
  12. Coastal Passenger Transport.
  13. Ship Ownership, Operations, Ship Management, Ship Brokerage and Agency Services.
  14. Customs agencies and aggregate Shipping Transportation Solutions
  15. Development and Regulation of International and Domestic Airports
  16. Regulation of charges and quality of services provided by airports
  17. Taking other necessary steps including entering into agreements with other countries to expand international air flights services.
  18. Promotion and regulation of functions relating to use of Airports in Sri Lanka by foreign countries
  19. Expansion of air cargo exports
  20. Promotion of domestic air travel
  21. Regulation of private air line services
  22. Registration of Aircrafts
  23. Supervision of all institutions and matters relating to all subjects assigned to such institutions Work related to all other subjects assigned to the above institutions

24. Supervising all the above institutions

25. Laws and ordinance to be implemented

- Ceylon Shipping Corporation Act, No. 11 of 1971
- Licensing of Shipping Agents Act, No. 10 of 1972
- Masters Attendant Audience, No. 6 of 1865
- Merchant Shipping Act, No. 52 of 1971
- Sri Lanka Ports Authority Act, no. 51 of 1979
- Graving Dock and Patent Ship Audience, No. 5 of 1908
- Boat Audience, No. 4 of 1900
- Civil Aviation Authority of Sri Lanka Act, No. 34 of 2002
- Civil Aviation Act No. 14 of 2010
- Air Navigation (special provisions) Act, No.2 of 1982
- Carriage by Air Act, No.29 of 2018
- Air Navigation Act, No 15 of 1950
- All other legislation pertaining to the subjects specified and not specifically brought under the purview of any other Minister

### **1.3 Main Functions**

- Formulation of policies in related to the affiliated agencies
- Coordinating and monitoring the programs and projects implemented by the institutions under the purview of the Ministry.
- Introducing the legal framework to provide better services to clients related to port, shipping and aviation activities.
- Formalizing a proactive mechanism to implement a National Policy on ports, shipping and aviation activities.
- To create more efficient and business-friendly regulation and supervision of shipping agents, container terminal operators, freight forwarders, unlicensed public transport service providers, travel agents and other service providers.
- Development of international airports in Sri Lanka to provide air traffic services (air traffic control services, aeronautical communication services, aeronautical information services), firefighting services and air security services to ensure the safety of aircraft and passengers efficiently. maintenance and operation.
- To introduce a legal framework that requires the activities of the institutions under the purview of the ministry to be conducted in an orderly manner

### **1.4 Organizational Chart**

Annexure I

### **1.5 Departments under the Ministry/ Main Divisions of the Department/ Divisional Secretariats of the District Secretariat**

Not applicable.

## **1.6 Institutions/ Funds coming under the Ministry / Department/ Provincial Council**

- I. Merchant Shipping Secretariat
- II. Sri Lanka Ports Authority and its subsidiaries and Associates
- III. Ceylon Shipping Cooperation Ltd
- IV. Civil Aviation Authority of Sri Lanka
- V. AirPort and Aviation services (Sri Lanka) (Private)Ltd
- VI. Sri Lankan Airlines Ltd and its subsidiaries

## **CHAPTER 02 – PROGRESS AND THE FUTURE OUTLOOK**

### **Achievements**

- Commissioning of new Air Traffic Management system for Bandaranaike International Airport operation.
- 131 “Cabinet Memorandums” have been submitted under various scopes and decisions have been received for 117 of them.
- 08 “Note to the Cabinet” have been submitted and all decisions have been received.
- 03 “Joint Cabinet Memorandums” have been submitted and decisions have been received for 03 of them.

### **Challenges**

- To find suitable investors for development activities.
- To find the financial support from funding agencies.

### **Future Goals**

- To Provide better efficient service to overcome the issues in the institutions comes under the pervue of the Ministry
- Lead the organizations to achieve the goals identified at the beginning of the year
- Identifying Sustainable Development Goals and identifying and implementing Programs/Projects to achieve those Goals.
- Contribute to upgrading the present Global Index of the Port of Colombo
- Increasing the contribution of the other regional ports to Cargo Passenger Transport.

CHAPTER 03 – OVERALL FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2023

3.1 Statement of Financial Performance

Statement of Financial Performance -For the period ended 31<sup>st</sup> December 2023

ACA-F

Budget (2023) Rs.		Note	Actual (Rs.)		
			2023	2022	
-	<b>Revenue Receipts</b>				} ACA - 1
-	Income Tax	1	0	0	
-	Taxes on Domestic Goods & Services	2	0	0	
-	Taxes on International Trade	3	0	0	
36,562,000,000	Non-Tax Revenue & Others	4	38,828,543,756	22,248,864,840	
36,562,000,000	<b>Total Revenue Receipts (A)</b>		38,828,543,756	22,248,864,840	
-	<b>Non-Revenue Receipts</b>				
-	Treasury Imprests		1,888,599,600	1,259,115,000	ACA - 3
-	Deposits		1,748,009	485,884	ACA - 4
-	Advanced Accounts		9,231,832	15,152,783	ACA - 5
-	Other Receipts		-	-	
-	<b>Total Non-Revenue Receipts (B)</b>		1,899,579,441	1,274,753,667	
36,562,000,000	<b>Total Revenue Receipts &amp; Non-Revenue Receipts C=(A)+(B)</b>		40,728,123,197	23,523,618,506	
	<b>Remittance to the Treasury (D)</b>		-	-	
36,562,000,000	<b>Net Revenue receipt &amp; Not Revenue Receipts E=(C-D)</b>		40,728,123,197	23,523,618,506	
	<b>Less: Expenditure</b>		-	-	

-	<b>Recurrent Expenditure</b>				
127,500,000	Wages, Salaries & Other Employment Benefits	5		113,797,930	ACA-2(ii)
135,087,520	Other Goods & Services	6		107,678,362	
1,249,750,000	Subsidies, Grants and Transfers	7		649,379,824	
-	Interest Payments	8	-	-	
812,480	Other Recurrent Expenditure	9	812,377	50,273	
<b>1,513,150,000</b>	<b>Total Recurrent Expenditure (F)</b>		<b>1,346,351,260</b>	<b>870,906,390</b>	
	<b>Capital Expenditure</b>				
24,500,000	Rehabilitation & Improvement of Capital Assets	10	21,187,424	13,268,205	ACA 2(ii)
500,000	Acquisition of Capital Assets	11	497,050	671,800	
-	Capital Transfers	12	-	-	
300,000,000	Acquisition of Financial Assets	13	-	55,185,112	
500,00	Capacity Building	14	500,000	666,500	
2,123,860,000	Other Capital Expenditure	15	1,807,506,537	1,858,999,572	
<b>2,449,360,000</b>	<b>Total Capital Expenditure(G)</b>		<b>1,829,691,011</b>	<b>1,928,791,189</b>	
	Deposit Payments		1,748,009	485,884	ACA-4
	Advance Payments		5,656,256	13,709,820	ACA-5
	Other Main Ledger payments		-	-	
	<b>Total Main Ledger Expenditure (H)</b>		<b>7,404,265</b>	<b>14,195,704</b>	
<b>3,962,510,000</b>	<b>Total Expenditure I=(F+G+H)</b>		<b>3,183,446,536</b>	<b>2,813,893,282</b>	

32,599,490,000	Balance as at 31 <sup>st</sup> December J= (E -I)		37,544,676,661	20,709,725,224	
	Balance as per the Imprest Reconciliation statement		37,544,676,661	20,709,725,224	ACA-7
	Imprest Balance as at 31 <sup>st</sup> December		-	-	ACA-3
			<u>37,544,676,661</u>	<u>20,709,725,224</u>	

### 3.2 Statement of Financial Position

Statement of Financial Position as at 31<sup>st</sup> December 2023

ACA - P

	Note	Actual	
		Year 2023 Rs.	Year 2022 Rs.
<b>Non-Financial Assets</b>			
Property, Plant & Equipment	ACA – 6	428,634,551	452,157,501
<b>Financial Assets</b>			
Advance Accounts	ACA - 5/5 (a)	13,690,793	17,266,369
Cash & Cash Equivalents	ACA – 3		-
<b>Total Assets</b>		<u>442,325,344</u>	<u>469,423,870</u>
<b>Net Assets/ Equity</b>			
Net Worth to Treasury		<b>13,690,793</b>	17,266,369
Property, Plant & Equipment Reserve		428,634,551	452,157,501
Rent and Work Advance Reserve	ACA-5(b)		
<b>Current Liabilities</b>			
Deposits Accounts	ACA – 4	-	-
Imprest Balance	ACA – 3	-	-
<b>Total Liabilities</b>		<u>442,325,344</u>	<u>469,423,870</u>

Details Accounting Statements in above ACA format Nos 1 to 7 presented in pages from 151 to 153 and notes to accounts presented in pages from 154 to 156 from and integral parts of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures

in these Financial Statements, notes to accounts and other relevant accounts were reconciled with the Treasury books of Accounts and found to in agreement.



Chief Accounting Officer

Name

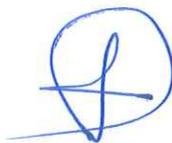
Designation

Date

K.D.S. Ruwanchandra

Secretary

Ministry of Ports, Shipping & Aviation  
No. 19, Chaithya Road, Colombo 01, Sri Lanka.



Accounting Officer

Name

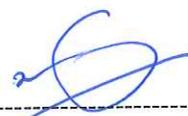
Designation

Date

K.D.S. Ruwanchandra

Secretary

Ministry of Ports, Shipping & Aviation  
No. 19, Chaithya Road, Colombo 01, Sri Lanka.



Chief Financial Officer/

Chief Accountant/

Director (Finance)/

Commissioner (Finance)

Name

Designation

Date

W. S. Pushparani

Chief Financial Officer

Ministry of Ports, Shipping and Aviation

No. 19, Chaithya Road,

Colombo 01.

### 3.3 Statement of Cash Flows

Statement of Cash Flows for the Period ended 31<sup>st</sup> December 2023

ACA

- C

	Actual	
	Year 2023 Rs.	Year 2022Rs.
<b>Cash Flows from Operating Activities</b>		
Total Tax Receipts		-
Fees, Fines, Penalties and Licenses		-
Profit		-
Non-Revenue Receipts		
Revenue collected on behalf of Other Revenue Heads	5,106,203	4,259,761
Imprest Received	1,888,599,600	1,259,115,000
Recoveries from Advance	6,701,657	4,102,876
Deposit Received	1,748,009	485,884
<b>Total Cash generated from Operations (A)</b>	<b>1,902,155,469</b>	<b>1,267,963,520</b>
<b><u>Less – Cash Disbursed for:</u></b>		
Personal Emoluments & Operating Payments	1,345,234,795	145,446,466
Subsidies & Transfer Payments	-	649,379,824
Expenditure on Other Heads	<b>933,960</b>	<b>5,113,447</b>
Imprest Settlement to Treasury	-	-
Advance Payment	5,406,256	4,288,526
Deposit Payment	1,748,009	485,884
<b>Total Cash disbursed for Operations (B)</b>	<b>1,353,323,020</b>	<b>804,714,147</b>
<b>Net Cash Flow from Operating Activities (C)=(A)-(B)</b>	<b>548,832,449</b>	<b>463,249,373</b>

<b>Cash flows from Investing Activities</b>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from on lending	-	-
<b>Total Cash generated from investing Activities (D)</b>	-	-
<b>Less: Cash disbursed for:</b>		
Capital Expenditure	548,832,449	463,249,373
<b>Total cash disbursed for investing activities (E)</b>	548,832,449	463,249,373
<b>Net Cash Flow From Investing Activities (F) = (D) – (E)</b>	<b>(548,832,449)</b>	<b>(463,249,373)</b>
<b>Net Cash Flows from operating &amp; investment activities (G) = (C) + (F)</b>		
<b>Cash flows from Financing Activities</b>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
<b>Total Cash generated from Financing Activities (H)</b>	-	-
<b>Less- Cash disbursed for:</b>		
Repayment of local borrowings	-	-
Repayment of foreign borrowings	-	-
<b>Total cash disbursed for Financing Activities (I)</b>	-	-
<b>Net Cash Flow From Financing Activities (J) =(H)– (I)</b>	-	-
<b>Net Movement in cash (K) = (G) + (J)</b>	-	-
<b>Opening Cash balance as at 01<sup>st</sup> January</b>	-	-
<b>Closing cash balance as at 31<sup>st</sup> December</b>	-	-

### 3.4 Notes to the Financial Statements

#### 1. Reporting Period

The period from 01<sup>st</sup> January to 31<sup>st</sup> December 2023 is the reporting period.

#### 2. Basis of Measurement

The Financial Statements have been prepared on historical cost basis and the historical cost of certain assets has been upgraded to the revaluation, unless otherwise specified the accounts are prepared on an improved cash basis.

The figures of the Financial Statements are presented in Sri Lankan rupees to the nearest rupee.

#### 3. Recognition of revenue

Exchange and non-exchange revenues are recognized as cash receipts during the accounting period regardless of their taxable period.

#### 4. Identification and Measurement of Property, Plant and Equipment (PP&E)

Assets are recognized as Property, Plant and Equipment when there is certainty that future economic benefits related to the asset will flow to the entity and the asset can be measured reliably. PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5. Property, Plant and Equipment Reserve

This reserve account is the corresponding account of PP&E.

6. Cash and Cash Equivalents

Cash & cash equivalents consist local currency notes and coins on hand as at 31<sup>st</sup> December 2023

**3.5 Performance of the Revenue collection**

Rs.

Revenue code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount	As a % of final revenue estimate
2003.02.08	Embarkation Tax	35,000,000,0000	36,562,000,000	38,828,543,756	106.20

**3.6 Performance of the Utilization of Allocation**

Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation utilization as a % of Final Allocation
	Original	Final		
Recurrent	1,406,100,000	1,513,150,000	1,346,351,260	88.98
Capital	2,153,000,000	2,449,360,000	1,829,691,011	74.70

**3.7 In terms of FR 208 grant of allocation for expenditure to this Department/District Secretariat/ Provincial Council as an agent of the other Ministries/ Departments**

Rs.

No.	Allocation received from which Ministry/ Department	Purpose of the allocation	Allocation		Actual Expenditure	Allocation utilization as a % of final Allocation
			Original	Final		
1	Department of Maly Purpose Development Task Farce	Salary wages for Maly Purpose Development Assistants for year 2023	740,250.00	740,250.00	717,500.00	96.93

2	Department Pensions	Recovery of government loans from the gratuity of the pensions.	216,210.00	216,210.00	216,210.00	100.00
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### 3.8 Performance of the Reporting of Non-Financial Assets

Rs.					
Assets Code	Code description	Balance as per Board of Survey Report as at 31.12.2023	Balance as per financial position report as at 31.12.2023	Yet to be accounted	Reporting progress as %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	-	428,634,551	-	-
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

### 3.9 Auditor General's Report

Annexure III

## CHAPTER 04 – PERFORMANCE INDICATORS

### Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100 - 90%	75 - 89%	50 - 74%
Conducting 04 nos. of quarterly progress review meetings	√		
Submission of progress reports on due date	√		
Preparation of Annual Action Plan, Procurement Plan and Audit Plan	√		
Preparation of Performance report in tri-language & submission to the Parliament on due date	√		
Submission of the Progress Report in tri language for	√		

the Committee Stage of the Budget discussion			
Submission of cabinet memorandum to the Cabinet of Ministers in tri-language for the approval	√		
Submission of observations for the Cabinet Memorandums on due date	√		
Coordination among institutions and other line Ministries when necessary	√		
Handling of Cabinet and Ministry level procurements	√		
Conducting 04 nos. (quarterly) of Audit and Management Committee meetings		√	
Conducting internal Audits – Ministry and affiliated agencies	√		
Responding to the Audit quarries	√		
Submission of monthly, quarterly and annual reports to the relevant agencies	√		
Preparation of Budget estimates	√		
Maintenance of fixed asset register	√		
Conduction of Board of Survey and reporting	√		
Supply management	√		
Preparation of Cash forecast	√		
Payments (Salary & wages, OT, Loans)	√		
Responding to the Parliamentary questions	√		
Legal Matters related to the institutions under the purview of the Ministry	√		
Maintenance of Vehicle	√		
Administrative matters of the institutions	√		
Training and scholarship	√		
Employees welfare	√		
Participation for Human Rights committee, Public Petition committee, Parliamentary Consultative Committee and COPE	√		

## CHAPTER 05 – PERFORMANCE OF THE ACHIEVING SUSTAINABLE DEVELOPMENT GOALS (SDG)

5.1 Indicate the Identified respective Sustainable Development Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0 - 49%	50 - 74%	75 - 100%
End Poverty in all its Forms Everywhere	To facilitate the affiliated agencies for policy development	No. of policy concepts developed			√
Build resilient infrastructure promote including and sustainable industrial nation and foster innovation	Passenger and freight volume transport by Sea	No of Passengers transport by Sea			√
		Volume of freight transport by Sea			√
	Passenger and freight volume transport by Air	No of Passengers transport by Air			√
		Volume of freight transport by Air			√
Strengthen the means of implementation and revitalize the global partnership for sustainable development	provide better facilities for the stakeholders of the port and maritime sector	Port and Maritime policy			√
	Seafarer registration	No of Seafarers registered			√
Ensure inclusive and equity quality education and promote lifelong learning opportunities for all	Training for cadet seafarers	No of cadets trained			√
	Providing training opportunities for the young school leavers at Mahapola Training institute of Sri Lanka Ports Authority	No. of training opportunities provided in port and maritime sector		√	

## 5.2 Briefly explain the achievements and challenges of the Sustainable Development Goals

- Even if programs are implemented to achieve the Sustainable Development Goals, it is difficult to provide basic data on which to base the calculation of results/progress.
- Need for sector-based training / workshops.

## CHAPTER 06 – HUMAN RESOURCE PROFILE

### 6.1 Cadre Management

Category	Approved Card	Existing Cadre 31.12.2023	Vacancies / (Excess)**
Senior	22	20	2
Territory	3	1	2
Secondary	61	56	5
Primary	27	27	0

### 6.2 Briefly state how the shortage or excess in human resources has been affected to the performance of the organization.

It is very important to take swift action to fill above essential vacancies as they directly affect the overall performance of the organization.

### 6.3 Human Resource Development

No	Name of the Program	No. of Staff trained	Duration of the program	Total Investment (Rs. 000)	Nature of the Program (Abroad/ Local)	Output/ knowledge gained*
01	Master's Degree Course	01	02 years	Rs.369,000.00	Domestic	Completion of Master's degree
02	Fixation of salaries of Government officers	02	02 days	Rs.36,000	Domestic	Training related to salary fixation of government officials
03	Higher National Diploma in Procurement	01	14 Months	Rs.120,000.00	Domestic	Completion of Advanced National Diploma in Procurement
04	Tamil language course	35	150 Hours	Rs.150,000.00	Domestic	Development of speaking and writing skills in Tamil language

05	Post Graduate Course	01	02 Years	Rs.183,000.00	Domestic	Completion of postgraduate course
06	National Diploma Course in Information Technology and Human Resource Management	01	01 Years	Rs.35,000.00	Domestic	National Diploma Course in Information Technology and Human Resource Management
07	Training related to maintenance of government vehicles	01	01 Day	Rs. 5,000.00	Domestic	Training related to maintenance of government vehicles
08	Training on roles and responsibilities of leave officers	01	01 Day	Rs. 5,000.00	Domestic	Knowledge related to the subject of Leave
09	Professional development program for office assistants and drivers	05	01 Day	Rs.25,000.00	Domestic	Professional development program for office assistants and drivers
10	Fixation of salaries of Government officers	01	03 Day	Rs.18,000.00	Domestic	Fixation of salaries of Government officers

\* **Briefly state how the training program contributed to the performance of the institution**

- Improving the knowledge and skills of the officers
- Fulfilling the motivation requirement of the officers
- Making duties more efficient
- Contribute to the Government service of efficient officers with professional maturity

## CHAPTER 07 – COMPLIANCE REPORT

No.	Applicable Requirement	Compliance status (Complied/ Not Complied )	Brief explanation for Noncompliance	Corrective actions proposed to avoid non-compliance in future
<b>1</b>	<b>The following financial statements/ accounts have been submitted on due date</b>			
1.1	Annual financial statements	Complied		
1.2	Advance Account to public officers	Complied		
1.3	Business and manufacturing advance accounts (Commercial Advance Accounts)	Not applicable		
1.4	Stores Advance Accounts			
1.5	Special Advance Accounts			
1.6	Others			
<b>2</b>	<b>Maintenance of books and registers (FR 445)</b>			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ personal emoluments cards have been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly accounts summaries (CIGAS) are prepared and submitted to the treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		

2.8	Stocks registers has been maintained and update	Complied		
2.9	Register of losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
<b>3</b>	<b>Delegation of function for financial control (FR 135)</b>			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls have been adhered to by the accountants in terms of state Accounts Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
<b>4</b>	<b>Preparation of Annual Plans</b>			
4.1	The Annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		

<b>5</b>	<b>Audit Queries</b>			
5.1	All the audit queries have been replied within the specified time by the Auditor General	Complied		
<b>6</b>	<b>Internal Audit</b>			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/I – 2019	Complied		
6.2	All the internal audit reports have been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
<b>7</b>	<b>Audit and Management Committee</b>			
7.1	Minimum 04 meetings of the Audit and Management committee has been held during the year as per the DMA Circular 1-2019	03	The Post of Chief Internal Auditor was Vacant.	
<b>8</b>	<b>Asset Management</b>			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of paragraph 07 of the Asset Management Circular No.01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of	Complied		

	the nominated officer was sent to the Comptroller General's Office in terms of paragraph 13 of the aforesaid circular			
8.3	The boards of survey were conducted, and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
<b>9</b>	<b>Vehicle Management</b>			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicle had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of FR 103,104,109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of paragraph 3.1 of the Public Administration	Complied		

	Circular No. 30/2016 of 29.12.2016			
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term	Complied		
<b>10</b>	<b>Management of Bank Accounts</b>			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made and had those balances been settled within one month	Complied		
<b>11</b>	<b>Utilization of Provisions</b>			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94 (I) after utilizing the provisions	Complied		
<b>12</b>	<b>Advances to Public Officers Account</b>			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Not applicable		
<b>13</b>	<b>General Deposit Account</b>			
13.1	The action had been taken as per FR 571 in relation to disposal of lapsed deposits	Complied		

13.2	The control register for general deposits had been updated and maintained	Complied		
<b>14</b>	<b>Imprest Account</b>			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Not complied	At the end of the year the cash book balance is zero	
14.2	The ad-hoc sub Imprests issued as per FR 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub Imprests had been issued exceeding the limit approved as per FR 371	Complied		
14.4	The balance of the Imprest account had been reconciled with the Treasury books monthly	Complied		
<b>15</b>	<b>Revenue Account</b>			
15.1	The refunds from the revenue had been made in terms of the regulations.	Not complied	Refunds have not been made	
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
<b>16</b>	<b>Human Resource Management</b>			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	ALL reports have been submitted to MSD in terms of their circular No. 04/2017 dated 20.09.2017	Complied		
<b>17</b>	<b>Provision of information to the public</b>			
17.1	An information officer has been appointed and a proper register	Complied		

	of information and maintained and updated in terms of Right To Information Act and Regulation.			
17.2	Information about the institution to the public have been provided by website or alternative measures and has it been facilitated to appreciate/ allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act.	Complied		
<b>18</b>	<b>Implementing citizens charter</b>			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(I) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the institution in order to monitor and assess the formulation and the implementation of Citizens charter/ Citizens client's charter as per paragraph 2.3 of the circular	Complied		
<b>19</b>	<b>Preparation of the Human Resource Plan</b>			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No. 02/2018 dated 24.01.2018	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		

19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No. 6.5 of the aforesaid circular	Complied		
<b>20</b>	<b>Responses Audit Paras</b>			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

## **CHAPTER 08 – OTHER**

### **8.1 MERCHANT SHIPPING SECRETARIAT**

#### **8.1.1 Industrial Profile/ Executive Summary**

##### **8.1.1.1 Introduction**

Merchant Shipping Secretariat which is the shipping administration arm of Sri Lanka has the overall responsibility for overseeing maritime concerns. The activities of the Merchant Shipping Secretariat are basically governed by the Merchant Shipping Act No.52 of 1971, Licensing of Shipping Agents act No. 10 of 1972 and also the relevant clauses of the Admiralty Jurisdiction Act No. 40 of 1983 and subsequent regulations made thereafter. Merchant Shipping Secretariat deals with ensuring safety of life and property at sea, maritime education, training, examination and certification, registration of ships under Sri Lanka flag, Licensing of Shipping Agents, Container Depot Operators, Container Terminal Operators, Container Freight Stations, Freight Forwarders or a Non Vessel Operating Common carriers and implementing provisions of all applicable international Maritime conventions and national regulations. As its overarching responsibility in Sri Lanka, the MSS develops and implements the government's maritime safety policy. In this remit, though, it has

many roles including checking of ships for compliance of Sri Lankan and International Safety regulations (Flag State and Port State Control)

#### **8.1.1.2 Vision, Mission, Objectives of the Institution**

“Recognition by the global shipping industry through maritime excellence”

#### **8.1.1.3 Key Functions**

- Enforcement of laws and regulations to regulate Sri Lankan shipping industry and also drafting of national laws on IMO conventions ratified by Sri Lanka.
- Issuance of Continuous Discharge Certificate (CDC) to Sri Lankan Seafarers and looking after the welfare activities of them.
- Issuance of Certificate of Competency (COC) up to the rank of Master/ Chief Engineer upon conducting examinations in terms of international conventions.
- Setting standards for granting approvals, supervision and auditing of Nautical Colleges of Sri Lanka.
- Supervision of classification societies, issuance of statutory certificates, “Port State Control” (PSC) activities, and revenue collection from ships registered under Sri Lanka and foreign flags.
- Conducting inquiries on complaints made by foreign ship crew members in respect of seafarers’ conditions of work such as wages, water, food, health facilities etc.
- Removal of all obstacles for safe navigation in Sri Lankan waters and preparation of route maps indicating such obstacles and publishing the same.
- Conducting inquiries on emergency situations encountered by Sri Lankan flag ships or foreign flag ships, pursuant to the provisions of international conventions and preparation of reports with recommendations.
- Act as the chief receiver of ship wrecks in Sri Lankan waters and taking appropriate actions to remove the same in suitable manner.
- In terms of Indian Ocean Memorandum of Understanding (IOMoU) in respect of Port State Control, to inspect at least 10% of the vessels calling at Sri Lanka ports for sea worthiness in terms of international conventions and to detain ships that are not in compliance with these requirements.
- Issuance of licenses and regulating of activities of Shipping Agents, Freight Forwarders, NVOCC operators and Container Deports Operators.
- Carry out all functions relating to the arresting of ships, detaining, sale on public auction and releasing of such ships as conferred by the Admiralty Jurisdiction Act No. 40 of 1913 and Admiralty rules of 1991.

#### **8.1.1.4 Organizational Chart**

Annexure II

**8.1.1.5 Departments under the Ministry/ Main Divisions of the Department/  
Divisional Secretariats of the District Secretariat**

Jaffna Sub Office

**8.1.1.6 Institutions/ Funds coming under the Ministry / Department/ Provincial  
Council**

No

**8.1.1.7 Details of the Foreign Funded Projects (if any)**

Not applicable

**8.1.2 Progress and the Future Outlook**

**8.1.2.1 Future Plans**

**Short term**

- Formulation of local regulations in accordance with the IMO and ILO conventions and updating as necessary.
- Initiate the ratification process of the STCW – (fishing vessel) Convention
- Signing of Memorandums of Understanding with appropriate Member States for acceptance of equivalent certificate in accordance with STCW I/10 regulation.
- Preparation of regulations pertaining to coastal shipping activities.

**Long-term**

- Introducing, updating and restructuring quality systems to provide transparent and efficient service to the public.
- Updating and amending regulations in accordance with the new global trends in the shipping/maritime industry.
- Upgrading and expanding the existing digitalize office operational systems.

**8.1.3 Overall Financial Performance for the Year ended 31<sup>st</sup> December 2023**

**8.1.3.1 Statement of Financial Performance** - Included in Financial Statement (Page No: 183)

**8.1.3.2 Statement of Financial Position** - Included in Financial Statement (Page No: 184)

**8.1.3.3 Statement of Cash Flows** - Included in Financial Statement (Page No: 181)

**8.1.3.4 Notes to the Financial Statements** - Included in Financial Statement (Page No: 185)

### 8.1.3.5 Performance of the Revenue collection

Rs. , 000

Revenue code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	As a % of final revenue estimate
2003.02.22	Fees relating to Merchant Marine Secretariat	160,000	170,000	198,254	116.62%

### 8.1.3.6 Performance of the Utilization of Allocation

Rs. , 000

Type of Allocation	Allocation		Actual Expenditure	Allocation utilization as a % of Final Allocation
	Original	Final		
Recurrent	109,900	117,300	115,738	98.67%
Capital	7,000	10,670	9,679	90.71%

**8.1.3.7 In terms of F.R. grant of allocation for expenditure to this Department/ District Secretariat/ Provincial Council as an agent of the other Ministries/ Departments**  
Not Applicable

**8.1.3.8 Performance of the Reporting of Non-Financial Assets - Included in Financial Statement**(Page No: .....)

**8.1.3.9 Auditor General's Report \*\***

### 8.1.4 Performance indicators

#### 8.1.4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	75% - 89%	50% - 74%
Project Name: Issue Seafarer Identity Document (SID) to all Sri Lankan Seafarers in line with ILO Convention adding Biometric features			
i. Prepare the bidding documents. (Software, Pre-Print Cards, Printer, FingerPrint Machine, Scanner & Other)	100		
ii. Calling bids	100		
iii. Bids evaluation	100		
iv. Procuring & Payment	100		

### 8.1.5 Performance of the achieving Sustainable Development Goals (SDG)

#### 8.1.5.1 Identified respective Sustainable Development Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0 - 49%	50- 74%	75 -100%
Securing full-fledged economic growth Protecting full and productive employment. Protecting the right to employment for all	1. Improving service productivity through computerized modern technologies.	1.Reduce the time taken to issue CDC and COC certificates 2. Reduce public complaints. 3. Additional services (Do not need to store certificates physically)			100  90  100
	2.To enhance the economic and social upliftment of the lives of the people through safe boat transportation between Jaffna and the islands.	1. Increase the number of boats surveyed.		50	
	3.To contribute to the national economic growth by increasing the employment of Seafarers' on ships.	1.Increase No of Seafarer sign on			100
	4. Provision of shipboard basic training opportunities for sailors.	1. Fulfill the basic training requirement		50	
	5. Issuance of seaman's certificates under one-day service.	1. Minimization of time taken to issue certificates			100

### 8.1.5.2 Achievements and challenges of Sustainable Development Goals

- After providing the basic training required for service on ships, their employment opportunities have increased and it has been possible to produce an experienced seaman.
- One day service has enabled seafarers to apply for jobs from time to time.

### 8.1.6. Human Resource Profile

#### 8.1.6.1 Cadre Management

	Approved Card	Existing Cadre	Vacancies / (Excess)**
Senior	25	10	15
Territory	4	1	3
Secondary	66	48	18
Primary	30	14	16

#### 8.1.6.2 Briefly state how the shortage or excess in human resources has been affected to the performance of the institute

It is essential to fill the vacancies in the daily duties of the institute

#### 8.1.6.3 Human Resource Development

03 officers have participated in local training programs in 2023.

### 8.1.7. Compliance Report

No.	Applicable Requirement	Compliance status (Complied/ Not Complied)	Brief explanation for Non compliance	Corrective actions proposed to avoid non-compliance in future
<b>1</b>	<b>The following financial statements/ accounts have been submitted on due date</b>			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not Applicable		
1.4	Stores Advance Accounts			
1.5	Special Advance Accounts			
1.6	Others			

<b>2</b>	<b>Maintenance of books and registers (FR 445)</b>		
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied	
2.2	Personal emoluments register/ personal emoluments cards has been maintained and update	Complied	
2.3	Register of Audit queries has been maintained and update	Complied	
2.4	Register of Internal Audit reports has been maintained and update	Complied	
2.5	All the monthly accounts summaries (CIGAS) are prepared and submitted to the treasury on due date	Complied	
2.6	Register for cheques and money orders has maintained and update	Complied	
2.7	Inventory register has been maintained and update	Complied	
2.8	Stocks registers has been maintained and update	Complied	
2.9	Register of losses has been maintained and update	Complied	
2.10	Commitment Register has been maintained and update	Complied	
2.11	Register of Counterfoil Books (GA – N20)has been maintained and update	Complied	
<b>3</b>	<b>Delegation of function for financial control (FR 135)</b>		
3.1	The financial authority has been delegated within the institute	Complied	
3.2	The delegation of financial authority has been communicated within the institute	Complied	
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied	
3.4	The controls has been adhered to by the Accountants in terms of state Accounts Circular 171/2004 dated	Complied	

	11.05.2014 in using the Government Payroll Software Package			
<b>4</b>	<b>Preparation of Annual Plans</b>			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NDB on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
<b>5</b>	<b>Audit Queries</b>			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		
<b>6</b>	<b>Internal Audit</b>			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2) DMA/1 – 2019	Complied		
6.2	All the internal audit reports has been replied within one month	Complied		
6.3	Copies of all the internal audit reports has submitted to the Management Audit Department in terms of Sub – section 40(4) of the National Audit Act No. 19 of 2018	Not Complied	Prepared by Ministry	
6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Not Complied	Prepared by Ministry	
<b>7</b>	<b>Audit and Management Committee</b>			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the	Not Complied	Prepared by Ministry	

	DMA Circular 1-2019			
<b>8</b>	<b>Asset Management</b>			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid Circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular.	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR772	Complied		
<b>9</b>	<b>Vehicle Management</b>			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicle had been disposed of within a period of less than 6 months after condemning	Not Complied	Prepared by Ministry	
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F R 103,104,109 and 110 with regard to every vehicle accident	Complied		

9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle logbooks has been transferred after the lease term	Complied		
<b>10</b>	<b>Management of Bank Accounts</b>			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made and had those balances been settled within one month	Complied		
<b>11</b>	<b>Utilization of Provisions</b>			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94 (I) after utilizing the provisions	Complied		
<b>12</b>	<b>Advances to Public Officers Account</b>			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
<b>13</b>	<b>General Deposit Account</b>			
13.1	The action had been taken as per F R 571 in relation to disposal of lapsed deposits	Complied		

13.2	The control register for general deposits had been updated and maintained	Complied		
<b>14</b>	<b>Imprest Account</b>			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub Imprests issued as per F R 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub Imprests had been issued exceeding the limit approved as per FR 371	Complied		
14.4	The balance of the Imprest account had been reconciled with the Treasury books monthly	Complied		
<b>15</b>	<b>Revenue Account</b>			
15.1	The refunds from the revenue had been made in terms of the regulations.	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
<b>16</b>	<b>Human Resource Management</b>			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	ALL reports have been submitted to MSD in terms of their circular No. 04/2017 dated 20.09.2017	Complied		
<b>17</b>	<b>Provision of information to the public</b>			
17.1	An information officer has been appointed and a proper register of information and maintained and updated in terms of Right To	Complied		

	Information Act and Regulation.			
17.2	Information about the institution to the public have been provided by website or alternative measures and has it been facilitated to appreciate/allegation to public against the public authority by this website or alternative measures.	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act.	Complied		
<b>18</b>	<b>Implementing citizens charter</b>			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(I) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the institution in order to monitor and assess the formulation and the implementation of Citizens charter/ Citizens client's charter as per paragraph 2.3 of the circular	Complied		
<b>19</b>	<b>Preparation of the Human Resource Plan</b>			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No. 02/2018 dated 24.01.2018	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of	Complied		

	preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No. 6.5 of the afore said circular			
<b>20</b>	<b>Responses Audit Paras</b>			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have rectified	Complied		

### Statement of Cash Flows for the Period ended 31st December 2023

	ACA-C	
	Actual	
	2023 Rs.	2022 Rs.
<b>Cash Flows from Operating Activities</b>		
Total Tax Receipts		-
Fees, Fines, Penalties and Licenses	198,254,438	49,747,183
Profit	-	-
Non-Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	2,263,859	2,093,539
Imprest Received	136,372,616	105,879,190
Recoveries from Advance	3,132,187	6,239,266
Deposit Received	882,750	669,450
<b>Total Cash generated from Operations (A)</b>	<b>340,905,850</b>	<b>164,628,628</b>
<b>Less - Cash disbursed for:</b>		
Personal Emoluments & Operating Payments	111,283,116	83,341,536
Subsidies & Transfer Payments	4,137,278	5,412,323
Expenditure incurred on behalf of Other Heads	1,575,750	6,978,240
Imprest Settlement to Treasury	210,784,232	49,913,191
Advance Payments	2,811,701	6,993,287
Deposit Payments	634,750	669,450
<b>Total Cash disbursed for Operations (B)</b>	<b>331,226,826</b>	<b>153,308,026</b>

<b>Net Cash Flow From Operating Activities (C)=(A)-(B)</b>	<b>9,679,024</b>	<b>11,320,602</b>
<b>Cash Flows from Investing Activities</b>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
<b>Total Cash generated from Investing Activities (D)</b>	<b>-</b>	<b>-</b>
<b><i>Less - Cash disbursed for:</i></b>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	9,679,024	11,320,602
<b>Total Cash disbursed for Investing Activities (E)</b>	<b>9,679,024</b>	<b>11,320,602</b>
<b>Net Cash Flow From Investing Activities (F)=(D)-(E)</b>	<b>(9,679,024)</b>	<b>(11,320,602)</b>
<b>Net Cash Flows From Operating &amp; Investment Activities (G)= (C) + (F)</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
<b>Total Cash generated from Financing Activities (H)</b>	<b>-</b>	<b>-</b>
<b><i>Less - Cash disbursed for:</i></b>		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
<b>Total Cash disbursed for Financing Activities (I)</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flow From Financing Activities (J)=(H)-(I)</b>	<b>-</b>	<b>-</b>
<b>Net Movement in Cash (K) = (G) + (J)</b>	<b>-</b>	<b>-</b>
<b>Opening Cash Balance as at 01<sup>st</sup> January</b>	<b>-</b>	<b>-</b>
<b>Closing Cash Balance as at 31<sup>st</sup> December</b>	<b>-</b>	<b>-</b>

Statement of Financial Performance for the period ended 31st December 2023

		ACA - F		
Budget 2023		Note	Actual	
Rs.			2023 Rs.	2022 Rs.
-	<b>Revenue Receipts</b>		-	-
-	Income Tax	1	-	-
-	Taxes on Domestic Goods & Services	2	-	-
-	Taxes on International Trade	3	-	-
-	Non-Tax Revenue & Others	4	198,254,438	49,747,183
-	<b>Total Revenue Receipts (A)</b>		<b>198,254,438</b>	<b>49,747,183</b>
-	<b>Non-Revenue Receipts</b>		-	-
-	Treasury Imprests		136,372,616	105,879,190
-	Deposits		882,750	669,450
-	Advance Accounts		3,259,423	1,953,057
-	Other Main Ledger Receipts		-	-
-	<b>Total Non-Revenue Receipts (B)</b>		<b>140,514,789</b>	<b>108,501,697</b>
	<b>Total Revenue Receipts &amp; Non-Revenue Receipts C = (A)+(B)</b>		<b>338,769,227</b>	<b>158,248,880</b>
	<b>Remittance to the Treasury (D)</b>		<b>210,784,232</b>	<b>49,913,191</b>
-	<b>Net Revenue Receipts &amp; Non-Revenue Receipts E = (C)-(D)</b>		<b>127,984,996</b>	<b>108,335,689</b>
	<b>Less: Expenditure</b>			
-	<b>Recurrent Expenditure</b>			
49,550,000	Wages, Salaries & Other Employment Benefits	5	49,266,254	44,444,924
63,350,000	Other Goods & Services	6	62,280,504	38,904,841
4,300,000	Subsidies, Grants and Transfers	7	4,137,278	5,412,323
-	Interest Payments	8	-	-
100,000	Other Recurrent Expenditure	9	54,398	46,248
117,300,000	<b>Total Recurrent Expenditure (F)</b>		<b>115,738,434</b>	<b>88,808,335</b>
	<b>Capital Expenditure</b>			
1,000,000	Rehabilitation & Improvement of Capital Assets	10	833,900	84,460
3,400,000	Acquisition of Capital Assets	11	3,382,081	-
-	Capital Transfers	12	-	-
-	Acquisition of Financial Assets	13	-	-

1,000,000	Capacity Building	14	193,692	626,396	
5,270,000	Other Capital Expenditure	15	5,269,350	10,609,746	
10,670,000	<b>Total Capital Expenditure (G)</b>		<b>9,679,024</b>	<b>11,320,602</b>	
	Deposit Payments		634,750	669,450	ACA-4
	Advance Payments		2,561,701	6,993,287	ACA-5
	Other Main Ledger Payments		-	-	
	<b>Total Main Ledger Expenditure (H)</b>		<b>3,196,451</b>	<b>7,662,737</b>	
	<b>Total Expenditure I = (F+G+H)</b>		<b>128,613,908</b>	<b>107,791,674</b>	
127,970,000	<b>Balance as at 31st December J = (E-I)</b>		<b>(628,912)</b>	<b>544,015</b>	
	<b>Balance as per the Imprest Reconciliation Statement</b>		(628,912)	544,015	ACA-7
	<b>Imprest Balance as at 31st December</b>		0	0	ACA-3
			<b>(628,912)</b>	<b>544,015</b>	

Statement of Financial Position As at 31st December 2023

ACA-P

		Actual	
	Note	2023 Rs	2022 Rs
<b>Non-Financial Assets</b>			
Property, Plant & Equipment	ACA-6	98,297,880	94,915,798.70
<b>Financial Assets</b>			
Advance Accounts	ACA-5/5(a)	4,342,508	5,040,229.80
Cash & Cash Equivalents	ACA-3	-	39,670,090.07
<b>Total Assets</b>		<b>102,640,388</b>	<b>139,626,118.57</b>
<b>Net Assets / Equity</b>			
Net Worth to Treasury		4,094,508	5,040,229.80
Property, Plant & Equipment Reserve		98,297,880	94,915,798.70
Rent and Work Advance Reserve	ACA-5(b)	-	-
<b>Current Liabilities</b>			
Deposits Accounts	ACA-4	248,000	-
Unsettled Imprest Balance	ACA-3	-	39,670,090.07
<b>Total Liabilities</b>		<b>102,640,388</b>	<b>139,626,118.57</b>

## Notes to the Financial Statements

### 1. Reporting Period

The period from 01<sup>st</sup> January to 31<sup>st</sup> December 2023 is the reporting period.

### 2. Basis of Measurement

The Financial Statements have been prepared on historical cost basis and the historical cost of certain assets has been upgraded to the revaluation, unless otherwise specified the accounts are prepared on an improved cash basis.

The figures of the Financial Statements are presented in Sri Lankan rupees to the nearest rupee.

### 3. Recognition of revenue

Exchange and non-exchange revenues are recognized as cash receipts during the accounting period regardless of their taxable period.

### 4. Identification and Measurement of Property, Plant and Equipment (PP&E)

Assets are recognized as Property, Plant and Equipment when there is certainty that future economic benefits related to the asset will flow to the entity and the asset can be measured reliably. PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

### 5. Property, Plant and Equipment Reserve

This reserve account is the corresponding account of PP&E.

### 6. Cash and Cash Equivalents

Cash & cash equivalents consist local currency notes and coins on hand as at 31<sup>st</sup> December 2023

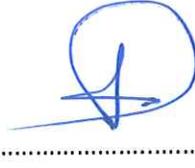
Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 183 to 184 and Annexures to accounts presented in pages from 181 to 185 form an integral part of these Financial Statements. The Financial Statements have been prepared in complying with the Generally Accepted Accounting Principles whereas most appropriate Accounting Policies are used as disclosed in the Notes to the Financial Statements and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.



.....  
Chief Accounting Officer  
Name :

Designation :  
Date :



.....  
Accounting Officer  
Name :

Designation :  
Date :



.....  
Chief Financial Officer/ Chief  
Accountant/Director (Finance)/  
Commissioner (Finance)

Name : **W. S. Pushparani**  
Chief Financial Officer  
Date : Ministry of Ports, Shipping and Aviation  
No. 19, Chaithya Road,  
Colombo 01.

K.D.S. Ruwan Chandana  
Secretary  
Ministry of Ports, Shipping & Aviation  
No. 19, Chaithya Road, Colombo 01, Sri Lanka.

K.D.S. Ruwan Chandana  
Secretary  
Ministry of Ports, Shipping & Aviation  
No. 19, Chaithya Road, Colombo 01, Sri Lanka.

## 8.2 SRI LANKA PORTS AUTHORITY

### 8.2.1 Introduction

In the dynamic landscape of maritime infrastructure, the SLPA has undertaken a series of ambitious projects throughout 2023, solidifying its position as a regional leader in port development and commercial logistics. These strategic initiatives, spearheaded by the Planning and Development, Contract and Design, and Development Divisions of the SLPA, hold paramount importance in bolstering Sri Lanka's maritime capabilities and fostering substantial economic growth. The notable progress achieved during the year 2023 across various development projects underscores the organization's commitment to advancing and optimizing the nation's maritime landscape.

#### Vision

"Logistic excellence in the silk route"

The SLPA was established by the SLPA Act. No. 51 of 1979 on the 1<sup>st</sup> August 1979 and subsequently amended by Act Nos. 7 and 35 of 1984.

Section 6(1) of the SLPA Act defines its objects and duties as follows.

- Provision of efficient and regular service for Stevedoring, shipping and transshipping, landing and warehousing, wharf rage, the supply of water, fuel and electricity to vessels, for handling petroleum, petroleum products and lubricating

oils to and from vessels and between bunkers and depots, for pilotage and mooring of vessels, for diving and underwater ship repairs and any other services incidental thereto.

- Provision of efficient and regular tally and protective services.
- Regulation and control of navigation within the limits of and the approaches to the Ports.
- Maintenance of Port installations and promotion of the use, improvement and development of the specified ports.
- Co-ordination and regulation of all activities within any specified port excluding the functions of the Customs Department.
- Establishment and maintenance on and off the coast of Sri Lanka such lights and other means for the guidance and protection of vessels as are necessary for navigation in and out of the specified ports.
- Performing such other duties as are imposed on the Ports Authority by the Act.
- Conducting the business of the Ports Authority in such manner and to make in accordance with this Act such charges for services rendered by the Authority will secure that the revenue of the Authority is not less than sufficient for meeting the charges which are proper to be made to the revenue of the Authority, to replace assets, make new investments and to establish and maintain an adequate general reserve and;
- Endeavour to manage the specified ports and each of them as self- supporting enterprise in accordance with the provisions of the Act.

In terms of Section 5 (1) of the SLPA Act, the Ports Authority has a Board of 09 Directors appointed by the Hon. Minister. The Chairman is the Chief Executive and is in charge of the overall administration of the SLPA.

### **8.2.2 Implementing Development projects**

#### **1. East Container Terminal**

The East Container Terminal (ECT) at Colombo South Harbour is designed to accommodate three Ultra Large Container Carriers (ULCC) with a length of 400m or more at berths with depths ranging from -18m to -20m. The terminal spans approximately 72 hectares and has an annual container handling capacity of 3.0 million TEUs. The SLPA completed the construction of a 600m quay wall, an operationalized berth of 440m, an 18-hectare yard, peripheral roads, and related gate facilities in 2015. ECT Phase – I commenced operations in October 2020.

The civil construction of ECT Phase – II, undertaken by a joint venture of Access Engineering PLC and China Harbour Engineering Company Limited, began on 04.01.2022 and is currently in progress. The existing 600m quay wall has a -18m depth berth, and the

remaining 700m quay wall is planned to have a -20m depth berth. Overall physical progress in the civil construction works reached 24.5%.

### **1.1 Procurement of Equipment for ECT**

The following fleets of equipment have been planned for procurements for the successful operation of ECT.

#### **a) Procurement of 12 Nos of Ship to Shore (STS) Cranes and 40 Nos of Automated Rail Mounted Gantries (ARMGs)**

Total Contact Price	- USD 282 million
Estimated date of Delivery of the first lot (06 Nos of STS cranes and 20 Nos of ARMGs)	- 02 <sup>nd</sup> Quarter of 2024
Physical Progress	-Contract awarded and under construction
Financial Progress	- USD 141 million (USD 113 million + USD 28 million) paid

#### **b) Procurement of 15 Nos of Straddle carriers**

Estimated date of Delivery	- 02 <sup>nd</sup> Quarter of 2025
Estimated Cost	- USD 25 million
Physical Progress	- Bids have been called

#### **c) Procurement of 15 Nos of Straddle carriers**

Estimated date of Delivery	- 03 <sup>rd</sup> Quarter of 2025
Estimated Cost	- USD 25 million
Physical Progress	- Approval from the Board of Directors of SLPA has been received to initiate the procurement process

### **1.2 Operations Building for the ECT**

As a component of the ECT Phase II development project, constructing a four-story operation Building for the ECT is underway with an estimated cost of Rs. 1,600 million. The construction activities commenced in July 2023, and as of the end of the year, 57% of the primary civil works have been completed.

## **2. West Container Terminal - I (WCT-I):**

The West Container Terminal -I at Colombo South Harbour is set to become a prominent facility with a 1400m long quay designed to accommodate three ULCC of 400m or more in length at a depth of -20m berths. The terminal, spanning approximately 65 hectares, is projected to handle 3.0 million TEUs annually.

Approved by the Cabinet of Ministers, as a public-private partnership project under a build-operate-transfer (BOT) basis for 35 years, the joint venture involving the SLPA, the BOT Agreement was executed on 30.09.2021, with subsequent agreements signed on 25.02.2022.

The construction, currently at 39.5% overall physical progress, involves reclamation, dredging, marine works, backup yard, and building works, with specific milestones achieved as of 31.12.2023.

## **3. Extension of Breakwater for West Container Terminal - II**

Aligned with the National Port Master Plan of 2019, the forthcoming development initiative involves the expansion of the western breakwater at Colombo South Port to establish WCT-II, thereby extending the quay wall of WCT-I.

Upon the successful completion of this project, the Port of Colombo will boast a 2600-2800m straight quay wall at a depth of 18-20 meters, incorporating both WCT-I and WCT-II. Additionally, a dedicated land area of 50-70 hectares behind the WCT-II terminal will be reserved for logistic facilities.

Although reasonable studies have been completed, the project remains in the conceptual stage. Hence, there is a need to undertake detailed engineering designs for the comprehensive development of the project. This task will be entrusted to a reputable port development consultancy firm, with active participation from SLPA. The detailed design exercise is anticipated to last approximately two years.

Accordingly, SLPA has secured the necessary cabinet approval to initiate procurement for the selection of a suitable consultant for the study, with financial support from the Asian Development Bank (ADB). In its role as the procuring entity, SLPA has concluded the shortlisting of consultants for the Request for Proposals (RFP) process and is currently in the midst of issuing the RFP.

#### **4. Consultancy Service for Feasibility study for the Colombo North Port Development Project**

The SLPA is currently undertaking the implementation of ECT Phase II and WCT-I to address the projected increase in cargo volume. After completing these two terminals, WCT-II is scheduled to begin in 2028. However, based on the forecasted container volume for the Colombo port, it is anticipated that the entire port will reach saturation by 2030. In response to this, SLPA has initiated the development of a new port on the northern side of the existing Colombo Port, known as the Colombo North Port.

The proposed Colombo North Port is envisaged to extend from the Kelani River in the Modara area to the existing northern breakwater of the Colombo Port. SLPA plans to utilize the North Port for handling liquid bulk, dry bulk, Ro-Ro, and containers. The development of the North Port will be carried out in stages to align with the demand, and SLPA is committed to providing infrastructure facilities and port services well in advance of the anticipated demand.

Recognizing the significance of this initiative, SLPA has initiated the feasibility study for the Colombo North Port Development Project through AECOM Infrastructure and Environment UK Limited. This consultancy is being conducted under the ADB-funded Transport Project Preparatory Facility.

The consultancy service, led by AECOM, has successfully completed the feasibility study report and the Environmental Impact Assessment (EIA) report. The EIA report has been submitted to the Coast Conservation and Coastal Resource Management Department (CC&CRMD) for a public hearing, and subsequent to this process, CC&CRMD is expected to issue development approval for the Colombo North Port Development Project. SLPA remains focused on ensuring the timely provision of necessary infrastructure and port services in alignment with the evolving demand for the project.

#### **5. South Asia Commercial and Logistic Hub (SACLH)**

The South Asia Commercial and Logistics Hub (SACLH) is set to become a prominent infrastructure project, following the formal signing of agreements for its construction and operation in Colombo. The representatives of the three investing entities, namely China Merchants Port Holdings (CMPort), SLPA and Access Engineering PLC (Access), have entered into a 50-year BOT arrangement.

The project envisions the development of an impressive eight-story complex, covering five million square feet and a designed storage capacity of 530,000 cubic meters. This ambitious undertaking is slated to be the largest commercial and logistics complex in South Asia.

The crucial step of securing the Site Lease Agreement was successfully completed in July 2023, paving the way for the commencement of this significant venture.

#### **6. Widening of Port Internal Roads**

The widening of the main Internal Port Road construction, covering the road stretch from Fire Brigade to Summer Hill, was substantially completed in 2023. The project, initiated in December 2020, incurred an actual cost of Rs. 175.6 million for the construction work.

Resurfacing work for Phase II of the internal roads at the JCT container yard commenced in December 2022 and was completed in October 2023, incurring a cost of Rs. 289.3 million. Additionally, the commencement of the balance yard rehabilitation works for PVQ – Phase II took place in November 2023 at an initial cost of Rs. 291 million, with a projected completion date set for June 2024.

#### **7. Extending of JCT - IV Quay wall**

In 2017, the SLPA outlined plans to extend the existing JCT-IV Container quay wall by 120m, ensuring a minimum alongside water depth of -16m Lower Water Ordinary of Spring Tides (LWOST). The objective was to enhance the port's capacity to accommodate two ships of over 330m in length simultaneously. However, the Civil Work Component of the development contract, awarded to an external contractor in 2018, faced implementation delays beyond the control of the SLPA.

Finally, having renegotiated with the Contractor, with the approval of the Cabinet of Ministers, construction commenced in November 2020, with ongoing progress throughout 2023. Despite the setbacks, the project achieved a physical progress of 83%. The contracted price for this significant undertaking stands at Rs. 6,374 million.

#### **8. Projects Being Carried Out By SLPA under the Port Access Elevated Highway Project**

The SLPA is actively engaged in various activities as part of the Port Access Elevated Highway (PAEH) project, including:

##### **8.1 Facilitation and Coordination**

SLPA is facilitating and coordinating efforts with the Road Development Authority (RDA) and the PAEH contractor.

##### **8.2 Construction of New Workshop Building Complex**

As a result of the PAEH project, SLPA workshops need to be relocated. A workshop complex comprising four buildings is planned, with an estimated project cost of Rs 2,089 million (considering price escalation), funded by the Asian Development Bank (ADB).

The contract for project execution was awarded to the BEL-DGES JV contractor on 09.09.2021. The construction was completed in December 2023, and the new workshop complex is scheduled to open at the beginning of 2024.

### **8.3 Maritime Facilitation Centre (SLPA Head Office Building)**

To facilitate the relocation of SLPA staff for the PAEH construction, a 17-story building is being constructed at Canal Yard Premises. The project, with a cost of Rs. 6,200 million, is funded by ADB and managed by RDA.

The SLPA is actively involved in project coordination and finalizing employer's requirements based on the SLPA's needs. As of the end of 2023, 38.1% of physical progress has been achieved. The tentative project completion date is December 2024.

### **8.4 Purchasing the Furniture for the SLPA Head Office Building**

The approval of the Board has been obtained to recruit an Architect and Interior Designer on a contractual basis to finalize the furniture requirements for the Maritime Facilitation Center. The plan involves procuring the necessary furniture and modifying existing items available in SLPA's current office premises, with the consultation of the above Architect and Interior Designer.

## **9. Development of Port related industries at Port of Trincomalee**

The transformation of the Port of Trincomalee into a pivotal player in the economic landscape of its region is a strategic endeavour, leveraging its advantageous location, deep-water port infrastructure, and expansive hinterland suitable for industrial setups. The seamless land connectivity to the Port of Colombo through an expanding expressway network further enhances its potential.

The National Port Master Plan and the Trincomalee Zonal Plan have both recognized the prospect of transforming the Port of Trincomalee into a hub for industrial growth, emphasizing potential rail and road connectivity. The collective objective of the Government and the SLPA is to position the Port of Trincomalee as a regional nexus for both industrial ventures and tourism activities.

To ensure the sustainability of this development, a Strategic Environmental Assessment (SEA) is currently underway in collaboration with the Central Environmental Authority (CEA), emphasizing the importance of environmentally conscious planning and implementation.

## **10. Development work at the Port of Trincomalee**

The construction of the three-story Engineering Workshop Building at Trincomalee Port began in April 2023 with an initial cost of Rs.327 million and is scheduled for completion in June 2024. Further, work on the installation of pumps and laying the pipe network for the existing water sump at the Trincomalee port, aiming to meet internal and ship water demands, started in November 2023 and is expected to conclude in August 2024.

## **11. Galle Port Development Project**

The Galle Port Development Project aims to transform the Port of Galle into a multifaceted hub catering to both tourism and regional commerce. The envisioned development adopts a sustainable model, transcending traditional port services to attract private sector investments. Emphasizing the strategic geographical advantages of Galle Bay, the project seeks to create opportunities in leisure and real estate development.

The project involves the construction of a deep-water passenger terminal, interconnected revetment, and breakwaters, dredging of the entrance channel and basin, as well as land reclamation. The reclaimed land will be utilized for mixed development, fostering economic growth through a blend of commercial and leisure facilities. The comprehensive plan aligns with the goal of benefiting both the Galle region and the nation's overall economic development.

Accordingly, efforts are underway to obtain the necessary approval from the Cabinet of Ministers to initiate procurement work. The year 2024 will witness the launch of the Expression of Interest (EOI) and RFP process, aimed at selecting an investor to implement this transformative project.

## **12. Rehabilitation of KKS Port**

The Rehabilitation of KKS Port is being financially supported by the Indian EXIM Bank with a funding of USD 45 million. The project encompasses the restoration of breakwater and piers, the construction of a new commercial berth, and the development of infrastructure facilities to transform KKS Port into a commercial port.

In the execution of the project, the SLPA has initiated a Project Management Consultancy (PMC) Agreement to secure design and consultancy services. The PMC work commenced on 12.10.2020, and currently, 72% of the initial consultancy phase has been completed. A total payment of Rs. 196 million has been disbursed to the Consultant thus far.

### **13. Commencement of Ferry Service between Kankesanthurai and India as Experimental Basis**

The construction phase of the project is set to kick off in 2024. However, before commencement, approval from the Export-Import Bank of India is required for both the Pre-Qualification document and Loan Extension.

The Passenger Terminal Building for the ferry service has been fully constructed and was inaugurated on 16.06.2023, by the Honorable Minister of Ports, Shipping, and Aviation.

The SLPA has strategically decided to manage the newly built terminal building by outsourcing ground services. The effectiveness of this operational approach will determine its continuation. If successful and in response to demand, plans are underway to issue a Request for Proposal (RFP) for passenger terminal operations at KKS, aiming to handle ferries and cruise ships on a larger scale in the future. Presently, the ferry operations are running smoothly, utilizing the recently completed terminal building.

### **14. Investment Opportunities for the Port of Oluvil**

The approval was granted by the Cabinet of Ministers on 22.11.2022, to call for the Expression of Interest (EOI) and Request for Proposal (RFP) process for Investment Opportunities at the Port of Oluvil. A Special Project Evaluation Committee has been appointed to assess and select suitable investors for the long-term lease of lands and buildings within the commercial harbour at the Port of Oluvil, with a focus on developing port-related industries.

Following the EOI stage, three project proponents submitted their initial proposals, leading to the decision by the Special Project Evaluation Committee to proceed with the RFP phase. The RFP was officially issued in December 2023 to the three investors who successfully submitted proposals during the EOI stage. The evaluation of these proposals is scheduled for January 2024, during which a suitable investor will be selected to lease and develop port-related industries at the Oluvil Commercial Harbour premises.

As SLPA navigates through these transformative projects, the year 2023 reflects a period of significant progress and strategic positioning, reaffirming Sri Lanka's commitment to becoming a key player in the global maritime and logistics arena.

#### 8.2.4. Financial Performance for 2023

Description	2023
	Rs. Mn.
Revenue	
Operational Revenue	63,261.17
Other Revenue	29,559.92
<b>Total Revenue</b>	<b>92,821.09</b>
Expenditure	
Personnel Emoluments	19,832.80
Overtime	6,319.95
Fuel, Electricity, Water & Other Lubricants	6,522.39
Maintenance of Assets	2,878.78
Other Expenditure (External hire charges, Travelling etc.,)	11,384.87
<b>Sub Total</b>	<b>46,938.78</b>
<b>Profit/(Loss) before Foreign Loan interest &amp; (FEL)/FEG</b>	<b>45,882.31</b>
Foreign Loan interest	4,217.89
<b>Profit/(Loss) before (FEL)/FEG &amp; after Foreign Loan Interest</b>	<b>41,664.41</b>
Foreign Exchange (Loss)/ Gain	(1,305.17)
<b>Profit/(Loss) after (FEL)/FEG &amp; Foreign Loan Interest &amp; before Tax</b>	<b>40,359.24</b>
Contribution to Consolidated Fund	(8,673.69)
Income Tax Expenses	(5,564.71)
Differed Tax	(6,180.78)
<b>Profit for the Year</b>	<b>19,940.07</b>
Re-measurement of retirement benefit obligation	4,930.56
Change in Value of Financial Assets at FVOCI on Listed Investments	(18.58)
Change in Value of Financial Assets at FVOCI on Unlisted Investments	4,928.24
<b>Total Other Comprehensive Income for the year</b>	<b>29,780.29</b>

### 8.3 CEYLON SHIPPING CORPORATION LIMITED

#### 8.3.1 Introduction

Ceylon Shipping Corporation Limited being the National Sea Carrier of Sri Lanka acts as a Shipping Service Provider in achieving the country's economic objectives while supporting the national economic growth. Ceylon Shipping Corporation also handles ship acquisition, chartering, managing, brokerage, shipping and maintenance of shipping agents.

**Vision**

To develop a dependable and effective National Fleet of Ships, Shipping & Logistic facilities for the country and becoming a Stakeholder in the endeavor to developing Sri Lanka as the Maritime Hub in the Region.

**Mission**

Catering to the sea transportation and related logistic needs of the export, import and local coastal Trades of Sri Lanka that needs the assistance from the National Carrier; to provide training opportunities for Sri Lankan Seafarers to make themselves competent for employment; to be a Partner in maritime leisure, cruise liner passenger ferry activities in the Indian Ocean.

**Key Objectives****Towards the Trade and Customers**

- Acting as a facilitator of nation's economic development by capitalizing on booming economies of the region.
- To satisfy Customers' needs at the least cost and time with the highest degree of reliability.

**Towards the Country and Society**

- To facilitate developing the country as a Maritime Hub as envisaged in the National Development agenda for the future
- To provide competitive charges for shipping needs of customers
- Saving of foreign exchange in carriage of government import cargoes on FOB basis
- To continue to be a shipping and logistics partner in country's Thermal Electric Power Generation Sector
- To become a shipping partner in country's Energy / Petroleum sector.

**Towards the Owners**

- Highest contribution to the Government coffers by maximizing profit and saving much needed foreign exchange.

**8.3.2 Key Functions**

- Ship Owning, Operating, Managing, Chartering and Brokering
- Sea Transportation of Container Cargo on NVOCC basis
- Sea Transportation of Bulk cargo
- Logistics Services & Customs Clearance (inward & outward)
- Shipping Agency Services
- Ship brokering services
- Ship chartering services

- Transportation of coal to the Lakvijaya Power plant
- Maritime training for national youth

### 8.3.3 CSC overall Financial Progress for the Period of 01<sup>st</sup> April- 31<sup>st</sup> March

#### Statement of Profit & Loss

	2023/24 (Rs. Mn)	2022/23 (Rs. Mn)
Total Revenue	3,644.49	6,649.45
Direct Operational Expenses	(2,171.20)	(3,253.91)
Gross Profit	1,473.29	3,395.54
Other Income	279.30	835.58
Administration Expenses	(229.03)	(246.34)
Profit from Operations before impairment of Assets	1,523.08	3,984.78
❖ Impairment of Assets	-	(84.10)
Profit from Operations before Finance Expenses	1,523.08	3,900.68
Finance Expenses		
People's Bank Vessel Loan Interest	(1,829.83)	(1,569.95)
Exchange Loss	(70.89)	(2,811.89)
Exchange Gain – Vessel Loan (Normal Entry))	1,576.30	-
➤ Share of Profit of Associates – (Net of Tax)	-	47.55
Profit/ (Loss) before Tax	1,198.66	(433.61)

Table I

Source: Draft Accounts 2023/24 and Audited Accounts 2022/23

- ❖ Impairment of Assets has not been accounted for the year 2023/24.

According to the above Table I, Revenue for 2023/24 was decreased by 45% compared to the year 2022/23. Also, Direct Operational expenses are observed to be decreased by 33% at the same time Administration expenses show a 7% decrease.

The Profit from Operations before finance Expenses has been decreased by 61% in the year 2023/24.

In the year 2023/24, after calculation of finance expenses which include People's Bank Vessels Loan Interest and Exchange Loss, the final amount shows a profit of Rs. Mn 1,198.66. In contrast, a loss of Rs. Mn 433.61 was reported in the year 2022/23. Also, Finance expenses have been decreased by 57% in the year 2023/24.

#### **Cadets Trained by CSC two Vessels**

- Total Cadets trained during the period of 01.04.2023-31.03.2024

<b>Rank</b>	<b>MV. Ceylon Princess</b>	<b>MV. Ceylon Breeze</b>
Deck	02	19
Engine	14	07
Electrical	02	-
OS	23	04
<b>Total</b>	<b>41</b>	<b>30</b>

- Presently onboard

<b>Rank</b>	<b>MV. Ceylon Princess</b>	<b>MV. Ceylon Breeze</b>
Deck	-	18
Engine	05	01
Electrical	02	02
OS	16	03
<b>Total</b>	<b>23</b>	<b>24</b>

Table II

Source – CSC Technical Department

## **8.4 JAYA CONTAINER TERMINALS LIMITED (JCT LIMITED)**

### **8.4.1 Introduction**

The Jaya Container Terminals Limited (JCT Limited), also known as the Colombo Oil Bank is a fully owned subsidiary company of Sri Lanka Ports Authority, which is a premier oil bunkering storage entity in the region. The main function of the company is to manage and operate Oil Bank which was established as a Sri Lanka Customs approved Bonded Warehouse to facilitate Bunker License Holders (BLHs) for storage imported bunker fuels.

#### **Vision**

To become the Bunkering Hub in the Asian region

#### **Mission**

To maximize country's value by developing infrastructure/storage facilities to Bunker License Holders.

#### 8.4.2 Operational Performance

##### Total Loading and Discharging in year 2023

PRODUCT	LOADING		DISCHARGING	
	MT	%	MT	%
LSFO 380Cst	337,123.447	81.75%	344,736.166	82.04%
MGO	75,243.343	18.25%	75,449.809	17.96%
<b>TOTAL</b>	<b>412,366.790</b>		<b>420,185.975</b>	

#### 8.4.3 Financial Performance

Below graph shows the comparison of main financial data of year 2022 and year 2023

	2023 (Rs.)	2022 (Rs.)
<b>Revenue</b>	<b>612,328,282.00</b>	<b>608,028,143.00</b>
Cost of Sales	(227,570,735.00)	(192,182,027.00)
<b>Gross Profit</b>	<b>384,757,547.00</b>	<b>415,846,116.00</b>
Administrative Expenses	(143,834,475.00)	(126,459,095.00)
<b>Operating Profit /(Loss)</b>	<b>240,923,072.00</b>	<b>289,387,021.00</b>
Non-Operating Income	1,558,899.00	291,561.00
Finance Income	122,246,510.00	49,481,953.00
Finance Cost	(12,534,472.00)	(14,033,063.00)
<b>Profit Before Tax</b>	<b>352,194,009.00</b>	<b>325,127,474.00</b>
Income Tax Expense	(108,318,836.00)	(79,515,958.00)
<b>Profit for the Year</b>	<b>243,875,173.00</b>	<b>245,611,516.00</b>
Earnings Per Share	2,438.75	2,456.12

#### 8.4.4 Development projects of JCT Ltd.

- Fabrication of two Nos of 12000mt capacity full storage tanks
- Supply of a bowser loading arm for JCT Limited
- Laying of 03 Nos of oil pipe lines from NNP jetty up to UCT jetty of the Port of Colombo.
- Installation of engine driven pump unit for Marine Gas Oil (MGO)

## **8.5 SRI LANKA PORT MANAGEMENT AND CONSULTANCY SERVICES (PRIVATE) LIMITED**

### **8.5.1 Introduction**

Sri Lanka Port Management and Consultancy Services (Private) Limited is a government-owned limited liability Company incorporated and domiciled in Sri Lanka with the participation and contribution of key players in the Port and Shipping Industry of Sri Lanka.

The Company was established in 1982 under the patronage of the Hon. Minister of Trade & Shipping, Mr. Lalith Athulathmudali with the intention of providing any Port related supportive service in the Port of Colombo to enable Sri Lanka Ports Authority to focus on its main business.

#### **Vision**

“Be the Preferred supportive Port Services Provider”

#### **Mission**

“To Provide a World Class Service to all Our Stakeholders”

### **8.5.2 Services**

- Providing Terminal Operators to East Container Terminal.
- Inter Terminal Cargo Transportation
- Galle Face Green Management and Administration on behalf of the Sri Lanka Ports Authority
- Monitoring reefer (refrigerated) container temperature at Jaya Container Terminal
- Removal of discarded items at the Sri Lanka Ports Authority
- Providing sanitary facilities in Port of Colombo

## **8.6 CIVIL AVIATION AUTHORITY OF SRI LANKA**

### **8.6.1. Introduction**

The primary function of the CAASL is to regulate local civil aviation industry under the legislative provisions in the Civil Aviation Authority of Sri Lanka Act No 34 of 2002 and Civil Aviation Act No.14 of 2010, in conformity with the applicable International Standards and Recommended Practices.

#### **Vision**

To be an adept and credible aviation safety regulator assuring safe skies for all.

## **Mission**

To facilitate through strategic planning and effective regulation, the operation of a safe, secure, efficient, regular and environmentally friendly national civil aviation system that conforms to International Standards and Recommended Practices and national legislative requirements.

### **8.6.2. The major role**

- Communicating with the Hon. Minister in charge of the subject of civil aviation and other government stakeholders to ensure their views are reflected in the planning of the country's civil aviation sector.
- Setting policies and goals in the field of civil aviation and monitoring organizational performance towards achieving the objectives of the CAASL and updating the CAASL Corporate Plan to reflect the government's objectives in the civil aviation sector, as applicable.
- Delegating responsibility for the achievement of specific objectives of the Director General of Civil Aviation who is also the Chief Executive Officer, CAASL – ex officio.
- Employing qualified and skilled personnel and determine their terms and conditions of service including remuneration to be able to perform CAASL's functions and duties.
- Being accountable to the Hon. Minister in charge of the subject of civil aviation on plans and progress towards the implementation of the CAASL Corporate Plan

### **8.6.3 Future Developments**

- The aim of providing a boost to the national economy through the aviation industry will be in line with the government's program which is being implemented to modernize the Jaffna and Mattala Airports and create investment opportunities for industrialists in various aspects. It is also a priority to issue the necessary regulatory guidelines for the development of the Higurakgoda Airport, which has already received the Cabinet approval. Also, in view of the revival of the current tourism industry, a lot of arrangements will be made for the utilization of the local aviation industry.
- To increase the efficiency of the organization by filling all the existing vacancies.
- To create new sources of income by providing Weerawila and Batticaloa tourist bungalow to the authority officials as well as to other external parties engaged in this industry through a sales promotion programme.
- Establishment of an Independent Agency for Aviation Accident and Incident Investigation Sri Lanka has an obligation as a signatory state to the Convention on

International Civil Aviation (Chicago Convention) to conduct an investigation and to establish an accident investigation authority that is independent from the State Aviation Authority and other agencies that may interfere with the subjectivity of the investigation. Therefore, this authority has proposed to set up an independent agency. The Air Accidents Investigation Bureau (AAIB) Bill has been drafted by the Legal Draftsman and the final observation of the CAASL to the Bill has been forwarded to the Legal Draftsman.

- Observations were received from the Ministry of Foreign Affairs for the non-ratification of the Montreal Protocol and Cabinet approval has been received to carry out further work related to it. First drafts have been forwarded to CAASL for observations by the Legal Draftsman.
- The Sri Lanka Civil Aviation Authority Act No. 34 of 2002 and the Sri Lanka Civil Aviation Authority Act No. 14 of 2010 are amended according to government policies and industry requirements. The amendments submitted by Sri Lanka Civil Aviation Authority, Airports and Aviation (Sri Lanka) (Private) Ltd and SriLankan Airlines were completed and submitted to the Ministry.
- Establishment of a special unit to improve safety standards – As a mitigating measure to enhance the safety and security monitoring capabilities of Sri Lanka's civil aviation services and to strengthen the regulatory functions, it is proposed to establish a compliance monitoring and technical assistance unit within the organization. This unit consists of Subject Matter Experts (SMEs) from the Technical Sections of the Sri Lanka Civil Aviation Authority.
- Completion of installation of new Air Traffic Management (ATM) systems at Access Control Center at Bandaranaike International Airport.
- Transition from manually operated Aeronautical Information Service (AIS) to Automated Aeronautical Information Management (AIM).
- Obtaining Cabinet approval for Civil Aviation Master Plan (CAMP).
- Implementation of Safety Management System (SMS) for the industry.
- Obtaining Cabinet approval for the developed Civil Aviation Environment Policy and Action Plan.
- Conducting research studies related to development of aviation industry.

#### 8.6.4 Financial Performances

	2023(Rs.)	2022(Rs.)
<b>Income</b>	<b>5,890,928,454</b>	<b>4,268,302,673</b>
<b>Expenditure</b>	<b>973,440,478</b>	<b>880,544,000</b>

CAASL revenue has shown a 38% increase compared to the previous year's actual income amounting to Rs 4,268 Mn to Rs. 5,890. The reasons for the considerable increase are the increase of revenue generated from overseas sales surcharge due to the rise of USD exchange rates and the increase in passenger movements in the year 2023 than 2022.

In the year 2023, actual expenses have shown an increase of 11% compared to the actual expenses of previous year due to increase of administrative expenses due to inflationary situation in the country. Civil Aviation Authority has remitted Rs. 4 billion to the General Treasury.

### 8.7 AIRPORT & AVIATION SERVICES (SRI LANKA) (PRIVATE) LIMITED

#### 8.7.1 Introduction

Airport & Aviation Services (Sri Lanka) (Private) Limited (AASL) is a fully government owned entity incorporated under the Company's Act No 7 of 2007 to perform statutory duties under the mandate granted by the Civil Aviation Act No. 14 of 2010. AASL continues to fulfil its role as the sole statutory service provider of certain specific aeronautical services in Sri Lanka. AASL has deployed an asset base of more than LKR 200 billion accumulated over four decades along with a workforce consisting of about 3,900 employees in provision of services entrusted to it.

#### Vision

"Friendliest aviation partner in global connectivity towards a sustainable economy".

#### Mission "

To provide competitive, safe aviation services and superlative guest experience with best practices and latest technology to ensure stakeholder satisfaction"

#### Key Functions of the Institute

The main activities of the company are providing aeronautical services such as the development, operation and maintenance of the International Airports in Sri Lanka, the provision of Air Navigational Services (Air traffic services, Aeronautical Communication services, Aeronautical Information Services), provision of aeronautical aids for communication, navigation or surveillance firefighting and rescue Services and Aviation Security Services which ensure safety of aircraft and passengers in the air within the Sri

Lankan FIR (Flight Information Region), as well as on ground. In addition to that AASL acts as the ground handling service provider for the remote airports like Jaffna International Airport (JIA).

## **8.7.2 Progress of the Implementing Projects**

### **1. BIA development project Phase II Stage II**

#### **Package A – Construction of Passenger Terminal Building and Associated Work**

The construction of the second passenger terminal building is expected to increase the passenger handling capacity of Bandaranaike International Airport up to 15 million per annum. Along with the construction of the passenger terminal building, it was also expected to upgrade a new access road system with flyovers, a multi-storey car park, a water tank and a solid waste disposal system equipped with a bio gas plant and composting system, a sewerage treatment plant and a power supply system.

Following the decision of the Government of Sri Lanka to stop all foreign debt repayments in the wake of the financial crisis, the Funding Agency (JICA) stopped releasing the loan to this project and construction contract was terminated by the contractor. With the termination of the contract of Package-A project the site maintenance activities have been taken over by AASL. AASL commenced the work to maintain the structure without further deterioration from corrosion within an approved allocation of Rs 500Mn and 87.5% completed by December, 2023. The amount spent up to 31<sup>st</sup> December, 2023 was Rs 140Mn.

### **2. Restructuring and Remodeling of Existing Passenger Terminal Building (PTB) of BIA**

In pursuit of effectively utilizing the existing capacity of the PTB as solution for over-capacity issue. Therefore, some restructuring and remodeling work are being carried out in 2023. Accordingly, a number of projects are carried out with the following progress

**New Arrival Electronic Shopping Mall** - A new dedicated floor space was constructed and open January 2023 with a total cost of Rs. 225 million. The objective of the project is to enhance the arrival duty-free shopping experience of passengers and enhance the service quality of the airport. Under this project 31 arrival duty-free electronic shops were relocated to the 2nd floor of the arrival terminal building.

**Construction of New Bonded Warehouse for Electronic Mall** - This project was complete on November 2023 with a cost of Rs. 126 million. It enhances the capacity of bonded warehouse by 25 Nos. of bonded spaces.

**Link bridge that connecting two bonded warehouses** –This will facilitate to deliver goods under the supervision of the Sri Lanka Customs without interfering with the passengers and duty-free shops. Total estimated cost of the project is LKR 31.2 million and it was completed in September 2023.

### **3. Enhancing cargo handling capacity at Bandaranaike International Airport**

**Cargo Village Entrance/Exit Building at BIA-** This consists of construction of two storied building (Area 575m<sup>2</sup>) with vehicle shed (Area 464m<sup>2</sup>). The project worth of LKR 136 million was completed in September 2022. The operations of the newly constructed cargo village entrance /Exit building were commenced in January 2023.

### **4. Import Cargo Terminal Building – Stage I**

Construction of Import Cargo Terminal building will enhance cargo handling capacity of BIA by 150,000 MT per annum. The project worth of LKR 4.5 billion consists of three-story building, road widening, and parking area of 1,620 sq.ft. etc. Construction was commenced in Jan. 2021 and aim to complete it by September 2023. The project has made 88% physical progress and Rs. 3,042 Mn. financial progress at the end of 2023.

### **5. Modification to internal and External Roads at BIA**

This project was carried out to ease off the vehicle traffic in and around BIA. The project is funded by AASL and RDA jointly and AASL spends LKR 600 million out of company funds. This project is carried out in two stages.

- **Stage I** – Construction of 660 m length, four-lane dual road from Averiwatta junction to BOI entrance including junction improvements, is already completed.
- **Stage II (A)** – Construction of required canal work was completed during 2021.  
**Stage II (B)** – Construction of 1,050 m length, four-lane dual road from BOI entrance towards Minuwangoda including junction improvements and installation of traffic signal light system with a dedicated Access Road to the Passenger Terminal of BIA was completed and opened to the public in November, 2023.

### **6. Enhancing Parking Facilities**

With modifications to BIA's internal and external road network, a new car park was built in the area opposite BIA's departure terminal and opened in November 2023. About 100 vehicles can be accommodated in this new arrival car park.

### **7. Automatic Boarder Control - E-gates Project**

AASL planned to install four e-gates for departure at BIA terminal as a part of moving into contact-less boarder control processes. The project implementation is jointly carried out by AASL and Department of Immigration. The International Organization for Migration (IOM) had agreed to provide another four e-gates and they will be installed at arrival terminal. This would result in four e-gates being available for each departure and arrival sides. The contract in this regard was signed on 8<sup>th</sup> June 2023. Hardware preparation has been started by the foreign manufacturer and the expected delivery date will be beginning of April 2024.

## **8. Enhancement of Air Navigational Infrastructure**

**Aeronautical Information Management (AIM) System** - The project was completed end 2023. With the new AIM system implementation, AASL has completed 80% of the requirements in the Performance Improvement Plan of the Asia/Pacific Regional Framework for Collaborative AIM. Total project cost was Rs 1.2 billion.

**Air Traffic Management System (ATM)** - New ATM System was established and is in operational use from end of 2023 for the purpose of improving air traffic control operations. The new system has been designed to serve at least 10 years and possibly beyond that depending on the regulatory developments. The total project cost was Rs. 1.15 billion.

**Instrument Landing System (ILS) for Runway 04 end at BIA** -The project worth of RS. 875 million was granted cabinet approval for contract establishment during 3rd quarter 2023 and contract has been signed.

**Secondary Surveillance Radar at Pidurutalagala** - The total estimated cost for Rs 1,710 million and the Contract agreement has been signed. At the end of 2023, manufacturing process of the radar system, factory acceptance and factory training have been completed, which makes up to 70% physical progress of the overall project. \

**Digital Voice Communication Switching System (DVCS System) at BIA** – The project worth Rs 670 million was completed in 2023, and this new DVCS system manages all the technical overhead by automatically relaying the Air Traffic Controllers' communication through these air ground stations towards aircraft. It plays a vital role as it gives access to all the communications through a single touch display in front of Air Traffic Controllers.

## **9. Solar Power Generation Project at BIA**

AASL has taken steps to enhance the renewable energy share to meet the growing challenges for the power and energy sector, going ahead with the sustainable development goals. On 20th November 2023, AASL commissioned its next solar photovoltaic project of a 100kWp plant on the rooftop of the passenger terminal building at BIA by investing 19 million Rupees. It is estimated the daily power generation of 600 kWh energy units or 18000 kWh energy units per month.

## **10. ERP Project**

An Enterprise Resource Planning (ERP) system is being implemented at present at AASL with the objective to integrate all information requirements of AASL through a software system to meet the Organization's Vision and the Strategic Goals which are aligned with the Country's aviation road map. The project is to be rolled out under 2 phases. Under 1st Phase of the Project, the Finance and Supply Chain Management processes/Modules were implemented, and this phase went live on 15th of July 2021 and final acceptance certificate was issued end of 2023. The 2nd Phase Modules and Information requirements are identified and Functional Requirement Specifications (FRS) which is the main part of Request for Proposals (RFP) has been finalized. The total cost of the Phase 1

and the estimated cost of the Phase 2 (Including consultancy) will be approximately LKR 160 million and LKR 370 million respectively.

### 8.7.3 Overall Financial Performance for The Year 2023

Item	2022	2023 Unaudited
Revenue	27,577	38,376
Operational expenses	14,941	19,061
<b>Operating profit / (loss)</b>	<b>12,635</b>	<b>19,315</b>
Net finance income / (cost)	(6,202)	14,324
Loan Interest	1,854	2,225
Exchange (Gain)/ Loss	10,555	(6,121)
<b>Net Profit / (loss) before tax</b>	<b>6,433</b>	<b>33,639</b>

## 8.8 Sri Lankan Airlines Ltd.

### 8.8.1 Introduction

Sri Lankan Airlines is the national airline of Sri Lanka. Founded in 1979, SriLankan Airlines has grown to become one of the most respected airlines in the Asia-Pacific region, operating flights to more than 36 destinations in over 21 countries worldwide. SriLankan Airlines is a member of the Oneworld Alliance. Operating in accordance with hospitality, robust and safety standards, SriLankan Airlines has won numerous global awards in this regard and has been certified as an airline operating in accordance with international operational standards.

Much of Sri Lanka's business is based on tourism, and SriLankan Airlines facilitates connections between Asia, Australia and many countries in the Middle East via the Silk Road, connecting the Sri Lankan diaspora with the homeland and with Colombo as the hub.

With a fleet of 21 Narrow body and Wide body aircraft, SriLankan Airlines transports over 3.5 million passengers and over 80,000 tons of cargo annually.

## 8.8.2 Sri Lankan Airlines -Income Statement

April 2023 to Feb 2024 (Unaudited)

Description	Apr'23 to Mar'24 (USD Mn)	Apr'22 to Mar'23 (USD Mn)	Apr'23 to Mar'24 (LKR Mn)	Apr'22 to Mar'23 (LKR Mn)
Passenger Revenue	840	835	271,554	288,279
Cargo Revenue	98	145	31,337	51,242
Other Revenue	15	14	4,878	4,862
<b>Total Traffic Revenue</b>	<b>953</b>	<b>994</b>	<b>307,768</b>	<b>344,383</b>
<b>Operating Expenditure</b>	<b>964</b>	<b>941</b>	<b>308,304</b>	<b>333,365</b>
<b>Air Transportation Profit / (Loss)</b>	<b>(11)</b>	<b>53</b>	<b>(536)</b>	<b>11,018</b>
Other Net Income including Ground Handling, Training	50	49	15,844	17,224
<b>Net Profit/(Loss) of the Company (excl. finance charges &amp; exchange difference)</b>	<b>39</b>	<b>103</b>	<b>15,309</b>	<b>28,242</b>
Net Income of SriLankan Catering	16	13	3,750	4,697
Elimination of Inter Company profits	-	(7)	-	(2,382)
<b>Net Profit/(Loss) of the Group (excl. finance charges and exchange difference)</b>	<b>55</b>	<b>109</b>	<b>19,058</b>	<b>30,557</b>
Finance Charges	(79)	(107)	(25,416)	(38,010)
Exchange Difference	-	-	31,440	(63,496)
<b>Group Profit / (Loss) before one-off items &amp; Tax</b>	<b>(25)</b>	<b>2</b>	<b>25,082</b>	<b>(70,949)</b>
Penalty and Interest on Rolls Royce (RR) Select Care Breach	(40)	-	(12,609)	-
Tax For the Year	-	(1)	-	(357)
<b>Group Profit / (Loss) after one-off items</b>	<b>(64)</b>	<b>1</b>	<b>12,472</b>	<b>(71,307)</b>
Number of Flights	11,080	11,457	11,080	11,457
Number of Passengers in 000's	3,619	3,484	3,619	3,484

## 8.9 SriLankan Catering Limited

### 8.9.1 Introduction

SriLankan Catering Limited (SLC) was incorporated under the Companies' Act No. 17 of 1982 on 5<sup>th</sup> December 1979 and re-registered in terms of the Company's Act No. 07 of 2007 on 12<sup>th</sup> December 2007 as a Private Limited Liability Company for the purpose of providing inflight catering services to various airlines that fly through Bandaranaike International Airport Colombo (BIA).

### 8.9.2 Services

## 1. Core Operation

SriLankan Catering serves all airlines that operate to BIA, MRIA and CIAR. We also provide an array of services for the airport's lounges and restaurants, including catering, laundry, and restaurant management. The core business activity of SLC is the inflight catering services to international airlines. The inflight catering services includes providing meals to aircrafts, miscellaneous services (storage facilities - Chilled & Un-chilled, duty-free handling, Headset Checking, other services provided by stores etc.) catering handling charges (Loading, unloading, washing, transport etc.) laundry services etc.

## 2. Ancillary Services

While continuously developing our core business of airline catering and airport catering, as mentioned above, we have diversified our business into ancillary areas of operations such as:

1. Restaurant division
2. VIP & Private Jet Catering
3. Serenediva BIA Transit Hotel
4. Aeroclean industrial laundry
5. Vanilla Pod boulangerie & patisserie
6. Frozen meals

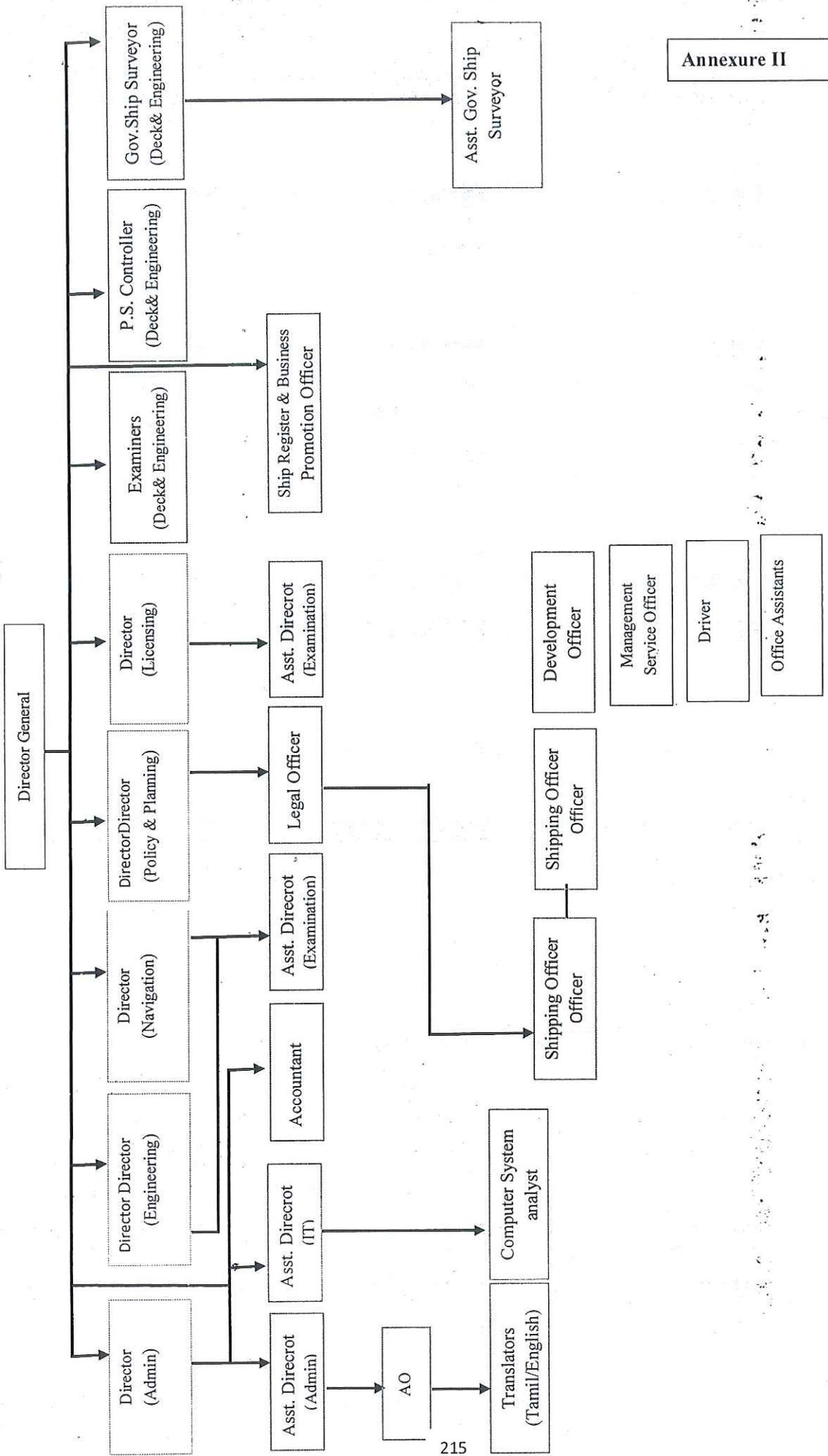
## 8.9.3 Revenue

### Statement of profit or loss and other comprehensive income

Descriptions	April 2023 to March 2024	April 2022 to March 2023
Revenue	13,962,773,225	12,536,035,848
Cost of sales	(3,370,566,024)	(3,145,315,047)
<b>Gross profit</b>	<b>10,592,207,201</b>	<b>9,390,720,801</b>
Other income	7,998,194	6,809,738
Administrative expenses	(2,752,772,330)	(2,709,066,727)
Other operational expenses	(2,060,091,995)	(1,678,147,764)
<b>Result from Operating Activities</b>	<b>5,787,341,070</b>	<b>5,010,316,048</b>
Finance income	(1,004,277,883)	778,531,012
Finance cost	(75,378,357)	(88,010,539)
<b>Net Finance Income</b>	<b>(1,079,656,240)</b>	<b>690,520,473</b>
Profit before income tax	4,707,684,830	5,700,836,521
Income tax expenses	(481,610,316)	(1,003,622,024)
<b>Profit for the Year</b>	<b>4,226,074,514</b>	<b>4,697,214,497</b>



**Organizational Structure of the Merchant Shipping Secretariat**



Annexure II