

# ANNUAL | 2020

## REPORT

SRI LANKA PORTS AUTHORITY



# **STRATEGIC DIRECTIONS**

## **OUR MISSION**

**“To provide world class port facilities and logistics services to all stakeholders and contribute to the national economic development.”**

## **OUR VISION**

**“To be the driving agency of Sri Lanka to achieve the status of a global maritime and logistics hub.”**

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## OUR CORPORATE GOALS

The Sri Lanka Ports Authority (SLPA) will move forward to achieve following seven (07) goals during the planned period of 2019-2021:

1. Build Smart Port through improving the capacity of infrastructure and superstructure with modern technology and Information and Communication Technology (ICT) innovations.
2. Uplift the rank of Port of Colombo to be among the top twenty (20) container ports during the next three years.
3. Enhance the competency of human capital to improve productivity, quality and performance of SLPA.
4. Promote co-operation of all port communities, shipping agencies and government organizations to strengthen and build a positive business relationship.
5. Increase the customer base, business volume and the turnover to achieve maximum value at the minimum cost.
6. Develop organizational specific governance framework, systems and procedures.
7. Achieve Green and Sustainable Status for Port of Colombo adopting United Nations Sustainable Development Goals (UN SDGs).

# OUR CORPORATE STRATEGIES

Followings are the corporate strategies to achieve corporate goals and long-term objectives:

## **Market Penetrations Strategy**

This strategy seeks to increase market share for existing port services in the existing markets through more significant efforts in development, operation and marketing.

This strategy includes

- Transshipment Hub Strategy
- Logistics Hub Strategy
- Green and Sustainable Port Strategy

## **Product/ Service Development Strategy**

This is a strategy for SLPA to increase revenue by improving or modifying present products and /or port services.

## **Related Diversification Strategy**

SLPA will expand its operations beyond current markets and services but are still operating within the capabilities of existing value networks.

## **Co-operative Strategy**

The co-operative strategy is to gain a competitive advantage within the maritime and logistics industry by working with other firms. Following types of co-operative strategies could be used:

- A strategic alliance
- Mutual service consortia
- Public-Private Partnership

## **Outsourcing Strategy:**

SLPA will choose to outsource its identified functions for the following reasons:

- Cost-effectiveness
- To more focus on its co-business
- To provide quality service to the customers

SLPA will employ different divisional and operational strategies to achieve short and long-term objectives based on corporate goals and strategies.

## OUR GUIDING PRINCIPLES

Guiding principles are the co-values which could apply to unify port activities and maintain the consistency in decision making.

### **Sustainability**

Sustainable development is the central focus of all port activities.

### **Green Port**

Environmental stewardship is the lens for activities of all ports.

### **Innovation**

Adopt modern business development models to achieve strategic goals.

### **Entrepreneurship**

Seek opportunities to leverage cross-business line benefits.

### **Networking**

Proactively communicate and develop valuable partnerships with multiple stakeholders.

### **Productivity**

Optimize SLPA assets, investment and resources.

### **Informatics**

Relevant and timely information is fundamental for effective stewardship and decision making at all levels.

### **Performance Management**

All staff is appropriately aligned with strategic goals, retain experienced professionals creating a mutually supportive relationship between management and employees.

### **Profitability**

All activities shall incorporate full financial assessment and ensure survival and growth.

### **Aspirations**

Building a high performing organization with visionary leadership, accountability, teamwork and promote innovative ideas in all aspects of the ports' business.

### **Integrity**

Behave at all situations in an ethical, honest and professional manner to deliver high-quality services at a competitive price.

### **Co-operation**

Strive to create an open and hospitable environment to foster collaborative, productive and personal relationships.

## ABOUT THE SLPA

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, wharfage, 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.

## OPERATIONAL HIGHLIGHTS

### Ship Arrivals (All Ports)

Description	2019	2020	Variance (%)
Port of Colombo	4,198	3,806	-9.3
Port of Galle	43	22	-48.8
Port of Trincomalee	142	135	-4.9
KKS, Myliddy, PP & Karainagar	11	0	-100.0
Port of Hambantota	314	374	19.1
<b>Total</b>	<b>4,708</b>	<b>4,337</b>	<b>-7.9</b>

### Container Throughput (Twenty Equivalent Units - TEUs) of Port Of Colombo

Description	2019	2020	Variance (%)
<b>Sri Lanka Ports Authority (SLPA)</b>			
Imports	147,738	115,624	-21.7
Exports	126,996	115,429	-9.1
Transshipment	1,999,598	1,855,713	-7.2
Re-stowing	8,286	11,038	33.2
<b>Total</b>	<b>2,282,618</b>	<b>2,097,804</b>	<b>-8.1</b>
<b>South Asia Gateway Terminals (SAGT)</b>			
Imports	189,868	132,277	-30.3
Exports	211,313	132,912	-37.1
Transshipment	1,593,234	1,568,769	-1.5
Re-stowing	57,738	38,094	-34.0
<b>Total</b>	<b>2,052,153</b>	<b>1,872,052</b>	<b>-8.8</b>
<b>Colombo International Container Terminal (CICT)</b>			
Imports	298,604	295,680	-1.0
Exports	298,813	297,747	-0.4
Transshipment	2,209,228	2,188,979	-0.9
Re-stowing	86,921	102,500	17.9
<b>Total</b>	<b>2,893,566</b>	<b>2,884,906</b>	<b>-0.3</b>
<b>Port of Colombo</b>			
Imports	636,210	543,581	-14.6
Exports	637,122	546,088	-14.3
Transshipment	5,802,060	5,613,461	-3.3
Re-stowing	152,945	151,632	-0.9
<b>Total</b>	<b>7,228,337</b>	<b>6,854,762</b>	<b>-5.2</b>



## OPERATIONAL HIGHLIGHTS

### Cargo Throughput (All Ports)

Description	2019	2020	Variance (%)
Total Cargo Throughput (MT Mn)	107.0	103.0	-3.7

### Cargo Discharged in Port of Colombo - SLPA (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Containerized	15,942	14,423	-9.5
Break Bulk	659	552	-16.2
Dry Bulk	2,527	2,988	18.2
Liquid Bulk	5,770	4,826	-16.4
<b>Total</b>	<b>24,898</b>	<b>22,789</b>	<b>-8.5</b>

### Cargo Loaded in Port of Colombo - SLPA (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Containerized	12,851	12,176	-5.3
Break Bulk	9	7	-22.2
Dry Bulk	0	0	-
Liquid Bulk	564	521	-7.6
<b>Total</b>	<b>13,424</b>	<b>12,704</b>	<b>-5.4</b>

### Total Cargo Handled in Port of Colombo - SLPA (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Containerized	28,793	26,599	-7.6
Break Bulk	668	559	-16.3
Dry Bulk	2,527	2,988	18.2
Liquid Bulk	6,334	5,347	-15.6
<b>Total</b>	<b>38,322</b>	<b>35,493</b>	<b>-7.4</b>

## OPERATIONAL HIGHLIGHTS

### Cargo Handled in Port of Trincomalee (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Discharged	2,881	2,874	-0.2
Loaded	423	198	-53.2
<b>Total</b>	<b>3,304</b>	<b>3,072</b>	<b>-7.0</b>

### Cargo Handled in Port of Galle (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Discharged	510	404	-20.8
Loaded	0	0	-
<b>Total</b>	<b>510</b>	<b>404</b>	<b>-20.8</b>

### Cargo Handled in Ports of KKS, Myliddy, PP & Karainagar (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Discharged	3	0	-100.0
Loaded	0	0	-
<b>Total</b>	<b>3</b>	<b>0</b>	<b>-100.0</b>

### Port of Hambantota (In Thousand Tonnes)

Description	2019	2020	Variance (%)
Discharged	803	1,229	53.1
Loaded	436	521	19.5
<b>Total</b>	<b>1,239</b>	<b>1,750</b>	<b>41.2</b>

### Total Number of Employees

Description	2019	2020	Variance (%)
Port of Colombo	8,975	8,567	-4.5
Port of Trincomalee	400	387	-3.3
Port of Galle	384	339	-11.7
<b>Total</b>	<b>9,759</b>	<b>9,293</b>	<b>-4.8</b>

## FINANCIAL HIGHLIGHTS

<b>All PORTS</b>	<b>(Rs. Million)</b>		
<b>Description</b>	<b>2020</b>	<b>2019</b>	<b>Variance (%)</b>
<b>Revenue and Expenditure</b>			
Total Revenue	52,657.2	54,635.9	(3.6)
Expenditure	(29,746.6)	(37,467.6)	20.6
<b>Profit/(Loss) before Foreign Loan Interest and Foreign Exchange Gain /(Loss)</b>	<b>22,910.6</b>	<b>17,168.3</b>	<b>33.4</b>
Foreign Loan Interest	(1,531.7)	(2,371.6)	35.4
Foreign Exchange Gain/(Loss)	(1,051.7)	1,358.6	(177.4)
<b>Profit/(Loss) Before Tax &amp; After Foreign Exchange Gain /(Loss)</b>	<b>20,327.1</b>	<b>16,155.4</b>	<b>25.8</b>
<b>Taxes</b>			
Income Tax	(2,603.4)	(3,485.8)	25.3
Deemed Dividend Tax	-	-	
Differed Tax	1,014.6	(423.3)	(339.7)
Contribution to Consolidated Fund	-	(600.0)	(100.0)
<b>Net Profit/(Loss) After Provision for Taxes</b>	<b>18,738.3</b>	<b>11,646.3</b>	<b>60.9</b>
<b>Balance Sheet</b>			
Non-Current Assets	395,986.4	388,789.4	1.9
Current Assets	78,787.1	68,744.9	14.6
Current Liabilities	24,454.5	25,760.1	5.1
Equity and Other Capital	7,591.4	7,591.4	-
Reserves and Provisions	344,040.3	318,369.5	8.1
Non-Current Liabilities	98,687.2	105,813.4	6.7
<b>Ratios</b>			
Operating Profit to Revenue	41.0	28.0	
Annual Revenue Growth	(3.6)	4.5	
Return on Capital Employed	5.8	4.5	

**Rohitha Abeygunawardene**

**Hon. Minister of Ports and Shipping**

**And**

**Jayantha Samaraweera**

**Hon. State Minister of Warehouse  
Facilities, Container Yards, Port Supply  
Facilities and Boats and Shipping Industry  
Development**

# CHAIRMAN'S REVIEW

## Overview

As per the requirement of the Section 14 of the 1971 Financial Act, the Annual Report and the Financial Statements of SLPA for the year 2020 has been prepared and presented herewith. The completed year, has been a challenging year which brought the whole world and humankind to a new era of life full of scepticism in every aspect where the law of nature took an upside down turn. The coronavirus pandemic clearly tested the vulnerability of the globally interconnected economies.

Hence it is needless to say, how as a country, we have survived with the global pandemic and how Sri Lanka Ports Authority has resisted in the industry overcoming the challenges. Eventhough, 2019 recorded the highest ever annual container throughput in Port of Colombo reaching 7.2 million TEUs, in 2020 it has reduced to a total volume of 6.85 million. Nevertheless, in 2020, gave a significant importance to capacity development by speeding up the JCT V and East container terminal (which is far behind schedule) projects in the aim of achieving a capacity of 15 million TEUs by 2023.

The authority adopted technological solutions and speed- up the use of new technologies and digitalization and thereby showed a significant increase in the use of electronic trade documentation. It was a notable effort to keep the port operational which ensured business continuity. The digitalization of interactions and information-sharing has been critical to the continuity of maritime transport operations during the challenging times. It has helped to the ease of doing business and more transparent trade processes while reducing the risk of contagion and eliminating illegal malpractices.

## Financial Performance

The SLPA has recorded Operating Profit of Rs.21 billion in the year 2020 compared to Rs.16 billion in the year 2019. The gross revenue of 2020 was Rs.52.6 billion as compared to Rs.54.6 billion in 2019, which is a decrease of Rs.2 billion. Total Expenditure before Tax, loan interest and Foreign Exchange Gain / (Loss) remained at Rs. 29.7 billion in 2020, where as in 2019 expenditure was Rs.37.4 billion reporting a decrease of 21% .

During the year 2020 the cost of loan interest has decreased by 35% compared to previous year. Foreign Exchange Loss for the year 2020 has indicated as Rs.1.05 billion compared to Foreign Exchange Gain of Rs. 1.36 billion in 2019.

Net profit after provision for taxes is Rs. 18.7 billion compared to Rs.11.6 billion in the year 2019.

## Port Operations and Logistics Performance

Port of Colombo handled 6.8 million TEUs in the year 2020 which was a -5.2% decrease compared to the year 2019. CICT terminal handled 2.88 million TEUs, SLPA Terminals handled 2.09 million TEUs while SAGT handled 1.87 million TEUs. Port of Colombo recorded a -3.3% decrease in transshipment containers. The handling of domestic containers decreased by -14.4% compared to the year 2019.

- The Port of Colombo's container handling throughput decreased from 7,228,337 TEUs in 2019 to 6,854,762 TEUs in 2020.
- The Port of Colombo's overall tonnage handling decreased by -4.2% compared to 2019.

## CHAIRMAN'S REVIEW

A comparison of ship arrivals in the Port of Colombo in 2020 compared to last year reflects that ship arrivals decreased from 4,198 to 3806 (-9.3%). The number of container ship arrivals decreased from 3,604 in 2019 to 3,281 in 2020, recording a decrease of -9.0%.

During the year 2020, 95,572 TEUs of FCL containers were directly delivered and 21,575 TEUs of LCL/MCC Containers were de-stuffed at CFS in SLPA whilst providing the warehouse spaces for Local, TS, MCC and special type of cargo. With the enhancement of bonding cargo warehouse facilities by renovating CFS V warehouse, demand for bonding trade was increased.

SLPA has facilitated e-Doc Submission and e-Payment for FCL/LCL deliveries to minimize human interaction. In addition to that paperless FCL delivery process has been introduced by facilitating E-Release of gate passes and also initiated accepting e-Docs for MCC, Rework and Empty Removal.

Action has been taken to enhance the Storage Capacity of warehouses by increasing usage of Nestainers in warehouses. Further, it was identified the requirement of expanding warehouse spaces and taken action to initiate the development of multi-racking Warehouse Complex at UCT.

### Human Resource Development

SLPA human resource development plan identifies, career development and retain of highly talented employees in line with our overall business strategy. Hence, ensuring a sustainable future for the organization, necessary steps are being taken to revise the cadre, schemes of recruitment, HR plan etc.

Moving towards the digital age, the Human Resource Information System (HRIS) is implemented to ensure up to date records of

employees such as attendance, leave, training, promotions, exits etc. Most of the vacancies have been filled from internal candidates and necessary approvals have been obtained to fill other vacancies from external candidates.

Awareness programmes, motivational programs, Training Sessions are conducted at the Mahapola Port and maritime Academy the training wing of SLPA in order to motivate employees and to improve productivity.

### Information Technology towards a Smart Port

The Authority deployed innovative e-business and strategic IT systems to improve productivity and provide uninterrupted services to its clientele.

Among major projects it includes Terminal Management System (TMS), Finance, Inventory & Procurement System (Oracle e-Business suite) and Electronic Port Permit System (EPPS) are currently in operation and some of them are strengthened with upgraded versions. This new version of TMS has more functionalities with cutting-edge technologies such as enhanced EDI process, automated delivery of EDI files, automated Agent invoicing, automatic data transfer between other terminals etc. While gaining the value of upgraded Oracle E Business Suite, now in the process of integration with Banks via online payment Gateway to facilitate secure channels for SLPA stakeholders and automating Navigational and Break Bulk billing process also been initiated. The upgraded EPPS is now in the process of automating the Payments and submitting documents processes. The new Electronic Documents Digitization System (EDDS) has been initiated to digitize and store all documents in order to improve searching valuable documents while minimizing the storage spaces. Currently the system is

## CHAIRMAN'S REVIEW

implemented at the Mahapola Ports and Maritime Academy and will be implemented in other divisions. Furthermore, introducing a Work Flow Management System also been planned for SLPA to build an intelligent organization.

### Future Developments

Steps are taken to develop infrastructure and superstructure facilities within the Port of Colombo under an accelerated programme by SLPA. Many development programmes that were implemented previously were accelerated to provide a better service for the users of the Colombo Port.

Phase 05 of the Jaya Container Terminal (JCT), which commenced on 01st December 2020, is scheduled to be completed by July 2022. The total value of this project is US \$ 32 million. The length of the phase 5 of the terminal will avoid obstacles at the edge JCT phase 4 when providing berthing facilities for ships currently with 400 meters in length. Accordingly, the additional length of 120 meters that would be added by the construction of phase 5 of the terminal will result in an efficient and an effective operation of vessels at the JCT. With the completion of construction, a new yard area about 04 hectares will also be added to the Jaya Container Terminal (JCT).

The establishment of new Logistic Centres for MCC and LCL etc. are underway. The UCT, Prince Vijaya Quay (PVQ), Guide Pier (GP) and Bandaranayake Quay are being improved to operate conventional cargo. Development of a cruise terminal, the establishment of a multi-model interchange and a logistics centre and construction of a shipping and maritime centre building is in progress. Consultancy service is carrying out feasibility studies for the Colombo North Port Project.

SLPA has planned to complete the development of the East Container Terminal (ECT) in three years. The tender for the remaining civil works and equipment of ECT has been called and will be finalized soon. The development of West Container Terminal (WCT) is expected to accelerate as a Built, Operate and Transfer (BOT) agreement to cater to the growing demand in the East-West shipping route. This is a vital requirement to promote the port as a regional transshipment hub in the Indian Sub-Continent. Further, preliminary studies are being conducted to establish a Liquefied Natural Gas (LNG) terminal at Port of Colombo to cater to the future power requirement of the country. Moreover, with the implementation of the IMO Sulphur Cap 2020, having LNG bunkering facilities at Port of Colombo will increase the competitiveness of the port.

### Marketing and Business Development

SLPA's future success is reliant on the continuation and development of its relations with current and potential customers. We work closely with our customers and stakeholders of the port, on different levels through Regular dialogue to understand their needs and develop facilities and services to meet their requirements. The SLPA management implemented several marketing and business development strategies to retain and attract greater container volumes to SLPA Terminals and Port of Colombo. two Terminal Service Agreements were signed with leading Shipping Lines to continue business with SLPA and tie-up with them.

### Conclusion


As the journey in 2020 was full of unexpected challenges and hardships, team SLPA countered all challengers and stand firmly in the global maritime industry and SLPA had the support of all three terminals

## CHAIRMAN'S REVIEW

JCT, SAGT and CICT. The dedicated hard work of all employees in all three terminals together with SLPA management made provisions for a successful journey during the eventful year 2020. My sincere appreciation is extended to the leadership given to their teams by all three terminals and SLPA management. Added to that I convey my gratitude to the Honorable Ministers of Ports and Shipping, the Honorable State Ministers, the Secretaries to the Ministries, the Ministry officials and the Boards of Directors, for the endless guidance they provided the SLPA, during the pandemic situation.

In conclusion, on behalf of the then Boards of Directors and all employees of Port of Colombo, I thank all our valuable customers, partners other stakeholders for the support extended during the year.

SLPA will look forward to the year ahead with renewed expectations and guaranteeing to enhance the nation's maritime interests reach by upgrading SLPA facilities and moving towards making Sri Lanka the maritime hub of South Asia.



**Capt. Nihal Keppetipola**  
Chairman



## BOARD OF DIRECTORS

**General R M D Ratnayake (Retd) WWV  
RWP RSP VSV USP ndu psc**

### **Chairman**

General Daya Ratnayake was the 20<sup>th</sup> Commander of the Sri Lanka Army who assumed office on 01 August 2013 and relinquished duties on 21 February 2015. He was enlisted to the Regular Force of the Sri Lanka Army on 06 February 1980 as an Officer Cadet and was commissioned as a Second Lieutenant on 18 July 1981. He excelled in discharging his duties in both Sri Lanka Light Infantry Regiment and Military Intelligence Corps and has taken part in all the major offensive operations against terrorism since 1981 and even sustained battle injuries. His inspiring performances in many arduous operations to protect the sovereignty of the regime have been duly recognized and decorated with more than twenty gallantry and service medals.

At different times in his career, he has attended many courses, seminars and conferences. The span of General Ratnayake's duties boasts more than 36 years and outshines as one of the officers in the Sri Lankan Armed Forces who has pursued many local and overseas graduate study courses including diplomas. Currently, he is reading for his PhD at Kotalawala Defence University.

As an experienced officer, General Daya Ratnayake has held many command appointments on par with the rank and was privileged to command an Infantry Battalion in addition to three Infantry Brigades he commanded, before becoming the General Officer Commanding (GOC) of 23 Division, which kicked started the Humanitarian Operations in the Eastern province. After termination of the Humanitarian Operations, he was called upon to take charge and rehabilitate 12,000 ex-LTTE combatants after appointing him as Commissioner General Rehabilitation.

In addition, General Daya Ratnayake has held many key staff, instructor, and administrative appointments, such as the Commanding Officer of the Sri Lanka Military Academy, Director Media of the Sri Lanka Army and Military Spokesman for the Ministry of Defence.

General Ratnayake has been a keen athlete since his early school days. After joining the Army, he has carved a niche for himself in the field of sports by creating a string of hitherto unbroken and unmatched records for the Army. He also represented Sri Lanka Army in Rugby and was awarded Army Colours in Rugby.

General Daya Ratnayake is a distinguished product of Kurunegala Maliyadeva College.

### **Dr. Prasantha Jayamanna**

#### **Vice Chairman**

Dr. Prasantha Jayamanna is the founder, Chairman and CEO of DPJ Holdings and Affiliated Companies. In addition to that Dr. Jayamanna has also been appointed as a Senior Advisor to the Hon. Minister of Ports and Shipping and the Vice Chairman of SLPA. He is a Doctor of Business Administration, most awarded Youngest Entrepreneur in Sri Lanka, and Leadership Lecturer with vast knowledge in the implementation of strategic solution.

Dr. Jayamanna holds a Master's Degree in Business Administration from the University of Western Sydney – Australia, OPM from the Harvard Business School and LPI from the Harvard University. He is a Certified Lecturer for Australian Institute of Business (AIB), Australian Institute of Management (AIM), Heriot Watt University – UK, University of Bedfordshire – UK, Visiting Lecture for Asian Institute of Technology (AIT), MSc, MBA and PhD Lecturer for all above institutions from 2012 onward.

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He is a most awarded youngest Entrepreneur in Sri Lanka and awards and appreciations received are, Sri Lanka Entrepreneur of the Year 2014 (National Award), Sri Lanka Entrepreneur of the Year 2013 (National Award), Academy for Global Business Advancement (AGBA), Distinguished Doctoral Dissertation Award – 2012, Ceylon National Chamber of Industries Achievers Award – 2012, Sri Lanka Entrepreneur of the Year 2012 (National Award), COYLE Award of Excellence for Outstanding Performance-2011, Sri Lanka Entrepreneur of the Year 2011 (National Award), COYLE Award of Excellence for Outstanding Performance-2010, Silver Award for ICT Sector in the National Business Excellence Awards - 2010, National Award given as a salute of COYLE valued member for my achievements, Outstanding Young Entrepreneur of Sri Lanka Award Winner (TOYP 2009), Sri Lanka Entrepreneur of the Year 2008.

**His twitter account describes him as;** Doctor of Business Administration, Chairman of DPJH, Most awarded Youngest Entrepreneur in Sri Lanka, Leadership Lecturer and Nationalist.

### **Mr. H D A S Premachandra**

#### **Managing Director**

Mr. H D A S Premachandra, a graduate in Business Administration, also holds a Master's degree with First Class Honours in Port Management and Harbour Administration from the University of Antwerp, Belgium. He joined SLPA as a Management Trainee in October 1978 and moved up through the ranks to be the Additional Managing Director in January 2001, a position he held until he left the SLPA in 2004, after clocking a 25-year service.

He also worked at the Port of Fujairah as the Terminal Co-ordinator from 1991 to

1992 and at Westport of Malaysia as the Technical Advisor and the Head of Container Terminals Department from 1999 to 2000.

He left the SLPA on leave to work as the Regional Manager (Ports and Terminals–Asia) of CMA-CGM SA, the third-largest Shipping Line globally. In August 2004, Mr. Premachandra left the SLPA to continue with the same company.

He worked at CMA-CGM Terminal Link and CMA Terminals, stationed in Kuala Lumpur, Mumbai and Busan. During this period, he had worked in a multitude of Ports, assisting CMA-CGM in investment in Terminals, in designing and developing Container Terminals including fully automated facilities, as well as in improving port performance for their Shipping Lines in countries around the globe including Middle East, Africa, USA and Europe.

In 2015' Mr Premachandra was appointed as the Managing Director of SLPA for a three year tenure which he completed and joined Laugfs Group as the Chief Executive Officer of Laugfs Terminals in December 2018.

Subsequently, in October 2020, he was appointed once again as the Managing Director of SLPA.

### **Major General G V Ravipriya (Retd) WWV RWP NDUIG**

#### **Director**

Major General G V Ravipriya, as a school boy, received his preliminary education in Carey College from 1970 to 1975 and got admitted to Thurstan College in 1976 and studied there till Advanced Level and appeared A/L examination on the stream of Bio- Science in 1983. Major General G V Ravipriya WWV RWP ndu IG was enlisted in the Regular Force of the Sri Lanka Army

## BOARD OF DIRECTORS

on 08<sup>th</sup> August 1985 as an Officer Cadet and underwent training in Sri Lanka Military Academy Diyathalawa. After his training period, he became the top of his batch and was awarded with the sword of honour which is the highest honour that an Officer Cadet can get at the successful completion of the training. He got the opportunity to join Regiment of Sri Lanka Artillery after pass out from the military Academy.

He has held various appointments and followed local and foreign military courses during his carrier of 34 years plus.

He commanded an offensive Brigade at the inception of the Wannu humanitarian operation and contributed at the final battle, commanding Task Force 8, troops of which found the body of the leader of the LTTE.

After Humanitarian Operations, he was appointed as the Defense Attaché in Sri Lankan Embassy in Washington DC - USA in appreciation of his noble service to his motherland. After returning to Sri Lanka, he held appointments in various directorates, such as Director Plans, Media, Personal Administration and Director Training in Army Headquarters.

He also was the commander President Guard from 2013 to 2015. He was holding the appointment of Commander Security Forces Kilinochchi by the time he went on retirement on 13th January 2020. He was awarded with two gallantry awards, Weera Wickrama Vibushanaya and Rana Wickrama Padakkama for his bravery displayed during Wannu humanitarian operation.

### **Ms. J C Weligamage**

#### **Director**

Ms. Weligamage, having over 37 years of rich professional experience in Public Sector, currently holds the position of the

Director General, Department of Public Finance, Ministry of Finance, Sri Lanka.

She could earn her Bachelor of Commerce (Special) Degree from the University of Sri Jayewardenepura, Sri Lanka. In addition, she has obtained the fellowship of the Association of Accounting Technicians of Sri Lanka, the Institute of Public Finance and Development Accountancy Sri Lanka and the Association of Public Finance Accountants of Sri Lanka {Public Sector Wing of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)}.

She had been representing the General Treasury on the Boards of several key State-owned Enterprises including Lanka Phosphate Limited, Lanka Mineral Sands Limited, Land Reclamation and Development Corporation, Geological Survey and Mines Bureau Technical Services (Pvt.) Limited, Ceylon Fishery Harbours Corporation, Cey-Nor Foundation Limited, National Film Cooperation, Skills Development Fund Limited, Tea Shakthi Fund, National Engineering Research and Development Center and the Arthur C. Clarke Institute for Modern Technologies during the past 18 years.

She was also a core team member appointed to revise the 1992 Financial Regulations of the Democratic Socialist Republic of Sri Lanka, implement the Treasury Single Accounting (TSA) System and the Computerized Integrated Government Accounting System (CIGAS) which is the Accounting Software Package at national level in Sri Lanka during the period of years 1996 to 2015.

During that period, she has undergone foreign trainings in United Kingdom, Australia, Singapore, China, Philippines, India, Japan, Malaysia and Korea in the fields of Management, Development Economics, Leadership and Information Technology. Further, she had been

## BOARD OF DIRECTORS

performing as a trainer for more than two thousand accounting personals at SLIDA (Sri Lanka Institute of Development Administration) and InGAF (Institute of Government Accounts and Finance) for the implementation of CIGAS from 1996 to 2004.

### **Mrs. N A A P S Nissanka**

#### **Director**

Mrs. Nissanka entered the Government Administrative Service in 1990 now holds the post of Additional Secretary (Social Development), Ministry of Fisheries.

Mrs. Nissanka served as an Assistant Commissioner, Corporate Development Department and Divisional Secretary, Mahewa Divisional Secretariat and Nattandiya Divisional Secretariat.

### **Mr. J R U De Silva**

#### **Director**

Mr. Rohan De Silva has over forty years of experience in business management, in mercantile and government sector. He is a specialist in shipping, logistics, marine and hotel business processes with vast knowledge in the implementation of pioneering ventures and the innovation of professional services.

Mr. De Silva is currently the Chairman of the McLarens Group of Companies, one of the well-recognized diversified conglomerates in Sri Lanka. He holds the title of the Honorary Consul of the Republic of Namibia in Sri Lanka.

Mr. De Silva is a Director of SLPA, Hambantota International Ports Services Company Limited (HIPS) & JCT. He is a member of the Advisory Council for the Minister of Ports and Shipping. He is also a member of the Ceylon Association of Ships Agents Advisory Committee. In the past, he

has served on several Boards of Government Organizations.

Mr. De Silva has received many awards recognizing his services and contribution to the Sri Lankan Shipping Industry including a special award at the Colombo International Maritime Conference and special recognition as a 'Shipping Personality', by the Institute of Chartered Shipbrokers, UK – Sri Lanka Branch. He was awarded the "Central Bank Governor's Challenge Trophy "or Global Commerce Excellence. He was also listed amongst LMD's A List "Captains of Business in 2020", along with many other Corporate front-runners across industries.

### **Dr. M L Christo Fernando**

#### **Director**

Dr. M L Christo Fernando holds an MBBS Degree from the Faculty of Medicine, University of Colombo. He is a Member of the American College of Emergency Physicians, and holds an MBA in Healthcare and also a Diploma in Hospital Administration.

He is the Chairman of New Philip Hospital, Kalutara South and a Director of Philip Healthcare Solutions (Pvt) Ltd and also the Director of Philip Laboratory, Kalutara South.

Dr. Christo Fernando is a Council Member of Sri Lanka Medical Association since 2014 and held the position of Vice President, Sri Lanka Medical Association in 2018. He holds the position of Social Secretary, Sri Lanka Medical Association, this year.

He is also a Member of the Ethics Committee, Housing and Management Committee, and the expert Committee on Snake bite at Sri Lanka Medical Association.

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Dr. Christo Fernando is a career Family Physician based at New Philip Hospital, Kalutara South and under the advice of Hon. Minister of Ports and Shipping he acts as the Honorary Medical Advisor to Sri Lanka Ports Authority. Dr. Christo Fernando is the Medical Advisor to most Resort Hotels in Kalutara District.

Dr. Christo Fernando is also a member of the Audit Committee of Sri Lanka Ports Authority since October' 2020.

**Mrs. S A S K Jayasekera**  
**Secretary to the Board**

# MANAGEMENT TEAM AND AUDIT COMMITTEE

## Management Team

General R M D Ratnayake

**Chairman**

Dr. Prasantha Jayamanna

**Vice Chairman**

Mr. H. D.A. S. Premachandra

**Managing Director**

Mr. Upul Jayatissa

**Additional Managing Director**

Mr. Susantha Abeysiriwardena

**Additional Managing Director**

Mrs. Shirani Wanniarachchi

**Director (Finance)**

Mr. H M Prabath Jayantha

**Director (Logistics)**

Mr. D L R Weerashinghe

**Director (Port Operations)**

Mr. W M Nalin Aponso

**Director (Human Resource Development)**

Mr. P A R D Pathiraja

**Director (Technical)**

Mr. S S Devapriya

**Director ((Development)**

Mr. K A Anzar

**Chief Manager (Marketing & BD)**

Mr. L Premasiri De Silva

**Chief Internal Auditor**

Mr. G V T Nanayakkara

**Chief Engineer (Marine)**

Mrs. Aparna Tilakaratne

**Chief Law Officer**

Mr. Nirmal de Fonseka

**Chief Manager (Conventional Cargo)**

Mr. J A Chandrarathna

**Chief Engineer (Mechanical Works)**

Mr. M S A Pathirage

**Chief Engineer (Mechanical Plant)**

Mr. K G Dayananada

**Chief Training Manager**

Mr. D G R M Pathiwila

**Chief Engineer (Contract & Design)**

Mr. Darshaka Perera

**Chief Manager (Information Systems)**

Capt. K M N P Silva

**Harbour Master**

Mrs. S H S Padmini

**Chief Human Resource Manager**

Mrs. Nelum Anawaratne

**Chief Manager (Administration)**

Mr. C J Weerawickrama

**Chief Manager (Container Operations)**

Mrs. G N Liyanage

**Chief Finance Manager**

Mr. Chithral Jayawarna

**Chief Manager (Welfare & IR)/Media**

Mr. P U Sumanasekara

**Chief Engineer (Electrical)**

Mr. A L M Nowfer

**Chief Engineer (Development)**

Mrs. F M Hussain

**Chief Engineer (Planning and Development)**

Mrs. G Z Miskin

**Chief Manager (Logistics)**

Mr. T C K Paranavithana

**Chief Engineer (Civil)**

Dr. (Mrs) U S Jayasekara

**Chief Medical Officer**

# MANAGEMENT TEAM AND AUDIT COMMITTEE

## Audit Committee

Ms. J. C. Weligamage  
**Chairman**

Major General G V Ravipriya  
**Member**

Dr. M. L. Christo Fernando  
**Member**

Mr. H. D.A. S. Premachandra  
**Managing Director**

Or

Mr. Upul Jayatissa  
**Additional Managing Director**  
**Mandatory Participant**

Mrs. Shirani Wanniarachchi  
**Director (Finance)**  
**Mandatory Participant**

Mr. Herman Fernando  
**Ministry of Ports and Shipping**  
**Observer**

Mr. K A A Kulathunga  
**Government Audit**  
**The representative of the Auditor**  
**General**

Mr. L Premasiri De Silva  
**Convener and Secretary to the**  
**Committee**

## Changes in Senior Management in 2020

### Retirements and resignations

**Capt. Athula Hewavitharana**, Managing Director retired from the SLPA.

**Mr. W U W De Zoysa**, Additional Managing Director retired from the SLPA.

**Mr. P A A Hewageegana**, Director (Outer Port Projects) resigned from the SLPA.

**Mr. D A J I Perera**, Director (Port Operations) retired from the SLPA.

**Major Gen. Gamini Hettiarachchi**, Director (Security) retired from the SLPA having completed his term.

**Dr. (Mrs) D Rajakanthan**, Chief Medical Officer resigned from the SLPA.

**Mr. W M D B Wijekoon**, Chief Engineer Electrical) retired from the SLPA.

**Miss Kanthi Gunawardena**, Chief Finance Manager retired from the SLPA.

### Appointments

**Mr. H D A S Premachandra** was appointed as the Managing Director.

**Mr. Upul Jayatissa** was appointed as Additional Managing Director (Admin/Operations).

**Mr. Susantha Abeysiriwardena** was appointed as Additional Managing Director (Technical).

**Mr. H M Prabath Jayantha** was appointed as Director (Logistics).

**Mr. D L R Weerashinghe** was appointed as Director (Port Operations).

**Mr. W M Nalin Aponso** was appointed as Director (Human Resource Development).

**Mr. P A R D Pathiraja** was appointed as Director (Technical).

**Mr. S S Devapriya** was appointed as Director ((Development).

**Mr. K A Anzar** was appointed as Chief Manager (Marketing & BD).

**Mrs. S H S Padmini** was appointed as Chief Human Resource Manager.

**Mrs. Nelum Anawaratne** was appointed as Chief Manager (Administration).

## MANAGEMENT TEAM AND AUDIT COMMITTEE

**Mr. C J Weerawickrama** was appointed as Chief Manager (Container Operations).

**Mrs. G N Liyanage** was appointed as Chief Finance Manager.

**Mr. Chithral Jayawarna** was appointed as Chief Manager (Welfare & IR)/Media.

**Mr. P U Sumanasekara** was appointed as Chief Engineer (Electrical).

**Mr. A L M Nowfer** was appointed as Chief Engineer (Development).

**Mrs. G Z Miskin** was appointed as Chief Manager (Logistics).

**Mrs. F M Hussain** was appointed as Chief Engineer (Planning and Development).

**Mr. T C K Paravithana** was appointed as Chief Engineer (Civil).

**Dr. (Mrs) U S Jayasekara** was appointed as Chief Medical Officer.



## BUSINESS DEVELOPMENT

In the midst of global Covid pandemic situation the Port of Colombo was able to handle 6.85 million TEUs during the year 2020, which is only a decline of 5.2% compared to the previous year. This is a marginal decline when compared with the forecasted slump of 15% globally. Terminal wise CICT, SLPA and SAGT handled 2.88 million, 2.09 million and 1.87 million TEUs respectively during the year 2020. Accordingly performance of terminals operated by SLPA and SAGT's declined by 8.1% and 8.8% respectively whereas CICT's performance drop was only 0.3% when compared with the year 2019. Port of Colombo's total handling decline was mostly due drop in domestic volume of 14.4% whereas transshipment decline was only 3.3%. ECT had handled 41,741 TEUs after initiating the operations since late October 2020.

The market shares of terminals operated by CICT, SLPA and SAGT during the year 2020 were 42%, 31% and 27% respectively. Whereas the market share during the 2019 were 40%, 31.6% and 28.4% respectively for the terminals operated by CICT, SLPA and SAGT.

It is to be noted that the arrival number of container ships with draught exceeding 14.25 m to Port of Colombo had shown 7.2% increase during the year 2020 benefitting 20.6% increase in the number of container handled during the year 2020.

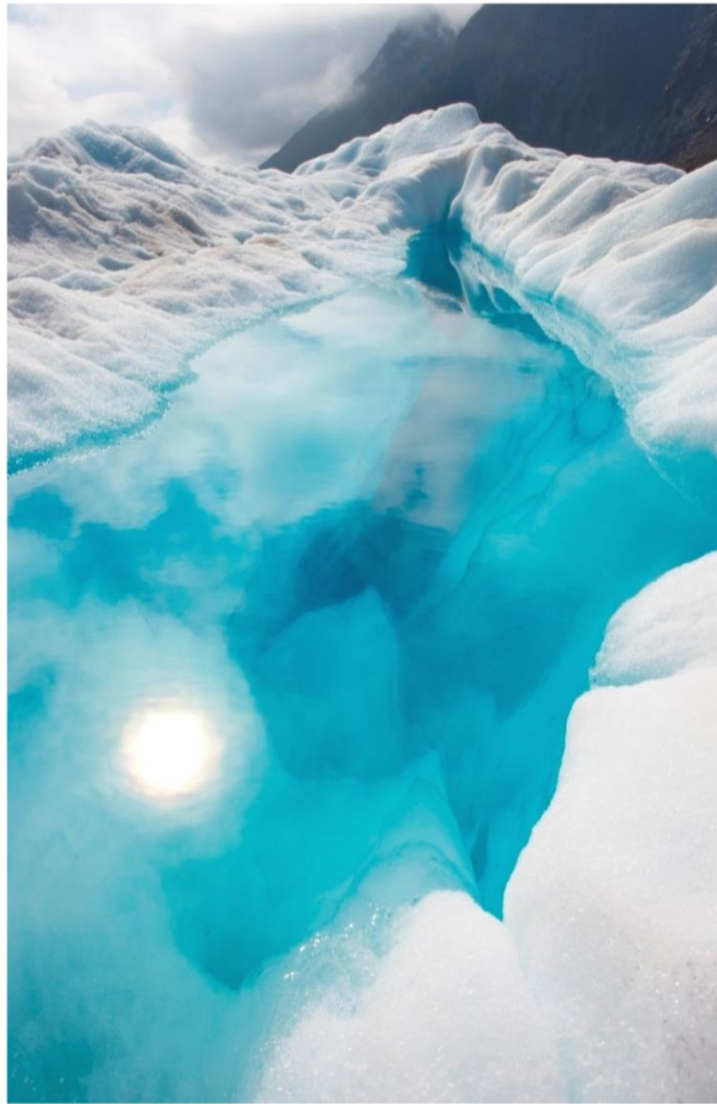
Tonnage wise cargo handled in Port of Colombo decreased to 97.6 million tons, from that of previous year volume of 101.9 million tons, reflecting a decrease of 4.2%. A major decrease of 16.3% in Break bulk cargo handling was due to pandemic situation and prevailing restriction on imports. The Liquid bulk cargo decreased by 15.6% mainly due to less imports of crude oil, white oil, palm

oil and LP gas. However, dry bulk cargo tonnage had increased by 18.3%.

### Performance of other ports

- 374 ships arrived at Port of Hambantota recording an increase of 19.1%, while the cargo handled tonnage increased by 41.2% compared to 2019.
- Vehicle handling at Port of Hambantota recorded a drop of 14.6%.
- The Port of Galle experienced in drop of cargo handled tonnage by 20.8% along with drop in arrival of number of ships by 48.8% compared to 2019.
- The number of ships arrived at Port of Trincomalee decreased by 4.9% and the cargo handled tonnage decreased by 7.0%.

Due to the Global pandemic situation, the initiatives such as Port of Colombo Awards Night to felicitate the Shipping Lines and other stakeholders were not able to hold during the year 2020.



# **OPERATIONAL REVIEW**

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### PLANNING AND DEVELOPMENT DIVISION

#### 1. Colombo Port Expansion for Catering the Future Demand

The Government Policy on the port sector specifically mentioned to commence operation of East Container Terminal (ECT) and develop West Container Terminal (WCT) with the participation of the private sector. SLPA is in the process of development of ECT and WCT in parallel to meet the demand as per the demand forecast done in considering all the aspects.

The installation of crane rails in ECT up to 440m length of the quay wall has been completed and the quay wall was ready to receive the quay crane. Subsequently, the quay cranes ordered for the JCT V project were deployed at ECT quay wall due to the non-completion of the JCT V project. Further, the 8 RTGs from UCT were moved to ECT and the container operation of the 440 m quay wall at ECT was commenced on 28.10.2020.

The preparation of Request for Proposals (RFP) for the WCT is in progress and a working committee has been appointed by SLPA to work on the procurement process. The procurement process and calling of RFP will be commenced once the approval of the Cabinet of Ministers is granted.

#### 2. Logistics Activities

The SLPA plans to establish a state of the art Port related Logistics Center and a Multi-Modal Transport Hub adjacent to the Port Access Road in Bloemendhal area. The project consists of two stages. The Stage- I includes establishing a Logistics Center with a large warehousing complex for LCL, FCL, MCC, cold storage facility and entrepot cargo handling and other port-related logistics activities and the Stage – II includes a road-rail interchange with

adequate shunting yard, which would serve as the interchange point between the road and rail to serve the Terminals of the Port of Colombo. The preparation of RFP for the Stage – 1 is in progress and a working committee has been appointed by SLPA to work on the procurement process. The procurement process and calling of RFP will be commenced once the approval of the Cabinet of Ministers is granted.

Further, in view of catering the immediate capacity requirement of the Logistics Division, a Container Freight Station (CFS) was planned to construct at UCT. The proposed CFS has a ground area of approx. 10500 m<sup>2</sup> incorporating General Cargo section with 10m clear height enabling multi-storied racking system and a Dangerous Cargo section. A cargo management system, a modern fleet of equipment and other facilities in a state of art port logistics warehouse will be provided at the proposed CFS. The construction of the warehouse will be commenced in 2021.

#### 3. Port Community System

National Port Master Plan (NPMP) has identified the potential need for implementation of Port Community Systems (PCS). PCS will be independent stand-alone software solutions providing connectivity to fulfil the port sector business process and it will create new information system applications which will use a common interface to push or pull only the relevant transaction to complete the business cycle of a process.

The Asian Development Bank (ADB) assists SLPA in the implementation of the PCS in Sri Lanka, and the ADB appointed a team of consultants to assist SLPA to prepare the Terms of Reference (TOR) to select a consultant to carry out the preliminary design, feasibility study and specification for PCS. The final TOR has been submitted, and SLPA has requested

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the financial assistance of ADB to engage a consultant to the said purpose-based the prepared TOR.

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

The SLPA needs long term plan for the next 30 years to enhance the additional capacity need for container handling capacity of around 35 million TEUs. The SLPA has planned to develop a new port, the Colombo North Port, in the northern side of the existing Port of Colombo. The proposed Colombo North Port may spread from the Kelani River in the Modara area, up to the existing northern breakwater of the Colombo Port. SLPA intends to use the proposed Colombo North Port for liquid bulk, dry bulk, Ro-Ro and containers. The North Port has been planned to implement in stages depending on the demand. SLPA focused to provide infrastructure facilities and port services well ahead of the demand.

Under the ADB funded Transport Project Preparatory Facility, SLPA had a portion to use for the feasibility study related to the proposed Colombo North Port Project. The duration of the study is expected to be 15 months. Accordingly, SLPA has signed the agreement with AECOM Infrastructure & Environment UK Limited with the approval of the Cabinet of Ministers on 20.02.2020 for Consultancy Service for the Feasibility study for the Colombo North Port Development Project. The project is in progress and the Inception Report and the Interim Report have been submitted by AECOM. The project is in progress.

#### **5. Galle Yacht Marina Project**

The overall objective of the Government and the SLPA is to develop the Port of Galle as a regional port for tourism and commercial activities. In order to reach these objectives, it is proposed to develop the already constructed Yacht marina

facility area for the operation of Yacht Marina. SLPA intends to develop the above projects in collaboration with the Private Sector by inviting RFP.

Accordingly, the Private Sector will finance, design, build and operate the activities for the operation of a yacht marina in the Port of Galle. The investor shall be responsible for build, operate and transfer of high-quality international standard marina facilities. This includes marina concession complex and provides a variety of goods and services including restaurants, retail shops & associated services, marina clubs and entertainment, events and promotions, hospitality and all associated services to make Galle as an attractive destination for sailing and related leisure activities. Accordingly, a RFP has been called for from the investors and the proposals will be received until 19.01.2021.

### **DEVELOPMENT DIVISION**

#### **1. Rehabilitation of Kankesanthurai Port (KKS)**

##### **Work being done by Foreign Funded Loan**

- In the view of rehabilitating the existing Port Facilities at KKS our, the GOSL has entered into a Dollar Credit Line Agreement with Export-Import Bank of India on 10.01.2018 and obtained financial assistance of USD 45.27 million to perform the work.
- To execute the project work, SLPA has entered into a Project Management Consultancy (PMC) Agreement with Haskoning DHV Consulting Pvt Ltd on 30.06.2020 and issued them the commencement order on 12.10.2020 to execute project work. The design/tendering work of the project is scheduled to be completed during the first 9

## OPERATIONAL REVIEW

months and construction work is scheduled to be commenced afterwards mid-2021.

- Under the consultancy service, borehole investigation work and breakwater survey work were commenced and its work is nearing completion by end of 2020. Accordingly, the first half of their Advance Payment (10% of the Contract value) has already been issued to the PMC during December 2020 via ERD/EXIM Bank, India.

### Work being done by Local Funds

To facilitate the above development, the following activities are being carried out by SLPA using its funds and their progress is as follows.

- Construction of new gate complex and boundary fence/wall work had been completed in the year 2020.
- Arrangements are in progress to acquire/purchase 50 acres of land (16 acres and 34 acres) located adjacent to KKS Port. To facilitate the same, a Gazette Notification had been issued to acquire a total of 50 acres land and to transfer the ownership under SLPA.
- The contract for Construction of water sump, the elevated water tank and road works at KKS Port had been awarded to M/s Ralic Engineering Pvt. Ltd. for the contract amount of Rs. 43 million. Nearly 80% of overall physical progress is reported up to the end of December 2020.
- After purchasing a private house located adjacent to the port boundary in the year 2019 it has then been decided to renovate the private house for the use of SLPA.

Accordingly, the renovation contract has been awarded to M/s. Meera Civil Engineering Constructions and commenced the work on 28.09.2020. Advance payment Rs. 4 million had been released to the Contractor and nearly 30% of overall progress is reported up to the end of December.

- Responding to the request made by District Secretary, Thellipalai received in the year 2018, and a monetary donation worth Rs. 02 million has been released to refurbish the Iyyanar Kovil located adjoining KKS Port premises as a Corporate Social Responsibility on 17.12.2020.

### 2. Implementation of the Ashraff Jetty Expansion Work at Port of Trincomalee

At present, the following work/activities have been planned to carry out under the Ashraff Jetty Expansion work.

- (a) Extension of existing Ashraff Jetty by 100m in a transition depth of 13 to 14m. This will create a 350m long quay wall in a straight line.
  - (b) Construction of another 300m long quay wall in a straight line at a depth of 14m in alignment with the existing jetty.
- In order to identify the underground subsoil profiles, a borehole investigation has been completed covering the proposed development area during 2019.
  - Financial Feasibility study for Ashraff Jetty Expansion project has been completed.

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- Application has been submitted to the Coast Conservation Department for Development Approval.
- A solid financial funding mechanism shall be introduced before commencing the project.

### 3. Projects being carried out by SLPA under Port Access Elevated Highway Project

Port access elevated highway project commences from Ingurukade Junction to Galle face traversing through SLPA premises. It is a 4 lane elevated highway with 5.3km length. This project cost is USD 360 million and is funded by ADB (Rs. 300 million) and GOSL (Rs. 60 million).

Due to road widening in this project nearly 49 buildings of SLPA will be effected and need relocation of existing facilities. Hence this project is planned to carry out in 4 stages facilitating the relocation of existing facilities as follows.

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

In order to facilitate the affected staff of SLPA, it is planned to construct 17 storied building at Canal Yard Premises. The project will be undertaken by RDA. Its piling work is completed in 2020 and superstructure work begins in 2021. The Project cost is Rs. 6,200 million and will be funded by ADB.

#### New Building for Main Stores of SLPA

- SLPA has planned to construct 4 storied new building to relocate the main stores and design work has completed and construction work is planned to commence in January 2021.

- SLPA is completely undertaking this activity and planned to complete within 9 months period using SLPA own budget.

#### New Workshop Building Complex

The SLPA workshops are required to be relocated and planned to construct a workshop complex including 4 number of buildings. The project duration is 9 months and will be started in early 2021. The Estimated Project cost is Rs 648 million, and is funded by ADB.

#### 4. Port of Hambantota

The lands acquired under land acquisition Stage – II of Hambantota Port are now under the custody of District Secretary, Hambantota. In the view of utilizing them for future port-related industries, the action is now in progress to transfer their ownership to SLPA.

#### 5. Port of Oluvil

The Oluvil Port currently suffers sedimentation issue in the port entrance and ships cannot enter the Commercial Harbour. An Engineering Study has been carried out with the collaboration of Danish Hydraulic Institute (DHI) and their recommendation includes immediate solution and also the method to maintain the port in a workable condition which incurs a significant amount of finance.

Due to those financial and technical constraints, none of those methods was implemented and a policy decision has to be obtained concerning the future existence of the Port at present.

Meanwhile, two unsolicited proposals were received from private investors to establish their business entities at harbour premises to utilize port facilities but none of them was materialized. Also, the option was considered/discussed to hand over the port

facilities to Fisheries Corporation to operate it as a fishery harbour. But this proposal also had not been implemented during the year 2020.

### CONTRACTS AND DESIGNS DIVISION

The Contracts & Designs Division is mainly responsible for designing of civil engineering structures and execution of civil engineering contracts. In addition, the Stress Bed Section, direct construction unit, handles construction works directly and provides necessary facilitation for implementation of contracts. The contracts handled by the Division during the year 2020, includes, Widening of the main Internal Port Road, Rehabilitation works of JCT, PVQ and BQ yards, Construction of Workshops for Equipment Maintenance Section and Refrigerating & Air Conditioning Section under the relocation of facilities for Elevated Highway Project, Civil Work Component of Enhancing Deep Berth Capacity of JCT V Project, Construction of Water Supply Sump and Pump Station in the port of Trincomalee and Restroom Facility Building in the Port of Galle. The work carried out in these projects within this year ranges from designs, tendering and construction. In addition, various miscellaneous design works were handled by the Design section and construction works by the Stress Bed Section as required by the SLPA from time to time.

Under widening of the main Internal Port Road, the construction work of the road stretch from Harthal Bridge to Navy Camp continued in 2020 having commenced the work in 2019, while awarding of rehabilitation contract of road stretch from Fire Brigade to Summer Hill was awarded in end 2020, having completed the designing and tendering work during the year. The estimated contract values of this construction works are Rs. 168 million and 176 million.

Contracts and Design Division has undertaken three projects under yard/ road rehabilitation works in JCT, PVQ and BQ. The Resurfacing works of JCT internal roads, having an estimated construction cost of Rs. 151 million, has been completed in 2020, having commenced the same in 2019. Tenders evaluation work was in progress at the end of the year 2020 for the Yard Rehabilitation works in PVQ - Phase II. While initial designs were in progress in 2020, the Resurfacing Work of the BQ yards was delayed owing to reasons beyond the control of the SLPA.

As part of relocation works for Elevated Highway Project, Contracts and Design Division has undertaken construction of two workshops for equipment Maintenance Section and Refrigerating and Air Conditioning Repairing Section both were in progress during 2020. The Construction of Workshop of Equipment Maintenance Section commenced in 2019 and was continued during the year 2020 while the other building was awarded in January 2020 and progressed during the year.

The SLPA had planned to extend the existing JCT-IV Container quay wall by 120m with a minimum alongside water depth of -16m LWOST (Lower Water Ordinary of Spring Tides) to accommodate two ships of over 330m in length simultaneously since 2017. The Civil Work Component of this development contract was awarded in 2018 to an external contractor and was delayed implementation due to reasons beyond the control of the SLPA. Finally, having renegotiated with the Contractor, with the approval of the Cabinet of Ministers, the work commenced in November 2020, having signed an Addendum. This project with a contract price of Rs. 5,035 million is in progress since then.

Construction of water sump of capacity 500,000 Liters for Trincomalee Port with an estimated cost of Rs. 30 million was

## OPERATIONAL REVIEW

awarded in July 2020 and its work in progress. The construction of a facility building in the port of Galle for port users such as foreigners, passengers, armguard was commenced in October 2019 at a cost Rs. 15.09 million. The project was substantially completed in 2020. In addition to above projects, Design Section has initiated design works of some more structures, including forklift repair section building, rehabilitation works of Galle breakwater, civil stores and civil section building were in various levels of completion during the year 2020.

### LOGISTICS DIVISION

The main functions of the Logistics Division is to affect the delivery of all cargo comprising FCL, LCL, Containers Break Bulk, Bulk, Bag Cargo, Motor Vehicles and Project Cargo etc. that are discharged to the port and other cargo related services rendering to the customers.

During the year 2020, 95,572 TEUs of FCL Containers were directly delivered and revenue of Rs.1, 441.29 million was earned from the Customers Services Center of Logistics Division by providing round the Clock services. Cargo Management Systems (CMS) of SLPA and 'ASYCUDA' System of Sri Lanka Customs are linked to share information between the two Organizations. Further, SLPA has facilitated electronic submission of documents and e-payment system for FCL/LCL deliveries to minimize human interaction as precautionary measures to Covid19 Pandemic Situation.

A total cargo volume of 21,575 TEUs of LCL & Multi Country Consolidation (MCC) containers were de-stuffed at Container Freight Stations in SLPA whilst providing the warehouse space inside the port for Local, TS, MCC Operations and special type of cargo. Both stuffing and de-stuffing MCC container volumes in 2020 was 13,728 TEUs. Revenue of Rs. 172.78

million has been generated from de-stuffing LCL containers and recovered Rs. 941.91 million as landing and delivery charges for LCL containers and bulk cargo deliveries. Revenue earned from the MCC was Rs. 198.32 million during the year while revenue from special and normal operations done by Logistics Division was Rs.11.44 million. In addition, revenue of Rs. 27.27 million has been earned as demurrage on empty containers and charges for change of status of containers.

With the enhancement of bonding cargo warehouse facilities by renovating CFS V warehouse, demand for bonding trade was increased and total revenue of Rs.57.83 million has been collected.

By conducting Public Tenders and Auctions to dispose of abandoned cargo and discarded items, a total revenue of Rs.217.75 million was collected whilst generating additional revenue of Rs.10.61 million by disposing of scrap iron, waste oil and used tires etc. through SLP MCS Ltd.

During the year 2020, 112 new licenses have been issued to the clearing agencies and 855 licenses were renewed making a total of 967 licenses, generating revenue of Rs.20.13 million. By issuing and renewing passes to wharf clerks of both categories 'A' and 'B', a total revenue of Rs.6.08 million has been collected. The total "A" passes issued and renewed during the year has been recorded as 2,028 while "B" passes were 212.

The revenue generated by Logistics Division in 2020 from the services rendered amount to Rs. 3,329.02 million.

In 2020, 41 applications have been received for waiver of rent from the consignees through the Ministry of Ports and Shipping, out of them, 27 applications were recommended and 14 were rejected.



# OPERATIONAL REVIEW

## Improvements and Development during 2020

- Expanded the fully implementation of warehouse management system (CMS) to BQ Warehouse Complex and CFS IV warehouse and commencing test implementation at Peliyagoda warehouse complex.
- Paperless FCL delivery process has been introduced by facilitating Electronic Submission of Documents, E-Release from SL Customs and E-Payment Platform.
- Acceptance of Electronic Documents for MCC, Rework and Empty Removal operations to minimize the interaction of SLPA staff and facilitate customers.
- Enhanced the Storage Capacity of warehouse by increasing usage of Nestainer (Cargo storage bin) in warehouses.
- De-stuffing all LCL containers within 48 hours is main key performance indicator (KPI) in Logistics Division and it is maintained (KPI) within the range of 24 hours to 72 hours.
- Logistics module of NAVIS N4 system under the process of development with collaboration of information system Division.
- Publishing daily de-stuffing containers in SLPA website to facilitate to customers regarding de-stuffed LCL & MCC Containers.
- Identify the requirement of expanding warehouse spaces and taken action to develop conceptual plan for UCT Warehouse Complex.

## NAVIGATION DIVISION

### Pilotage

Pilotage to all types of vessels calling at the Port of Colombo was provided 24X7 during the year under review.

Type of Ship	No. of Ships	Type of Ship	No. of Ships
Container	3,281	Bunkering	26
Conventional	63	Repairs	34
Dry Bulk	160	Passenger	15
Liquid Bulk	211	Other Services	09
Roll on Roll off	07		
Other Cargo	-		
<b>Total</b>		<b>3,806</b>	

### Master of Tugs Section

The CMT Section functioned satisfactorily, providing an efficient and continuous tug service for vessel maneuvers during the year under review.

The main functions are as follows.

- Providing Operational Tugs for berthing and sailing vessels.
- Performing Deck repairs and maintenance work of tugs as per Classification society.
- Manufacturing rope mats for tugs with discarded mooring ropes and making canvas awnings for tugs.

Adequate tugs were operated daily for ship movements and one standby tug was always available for contingency requirements.

### Total number of Vessels attended by Tugs

A total of 17,199 movements were performed by the Berthing Tugs and the details are given below;

## OPERATIONAL REVIEW

Name of Tug	No of Movement	
MT Gotaimbara (65BP)	500	
MT Suranimala (65BP)	1742	
MT Barana – II	2186	
MT Nandimithra (55BP)	2598	
MT Vijayabahu	1403	
MT Airawana	35	<b>8,464</b>
<b>Hired Tugs in Colombo</b>		
Tug Hercules	3,055	
Tug Posh Hardy	2,896	
Tug Posh Husky	2784	<b>8,735</b>
Total		<b>17,199</b>

### Position of Tugs

#### Berthing Tugs in Colombo

- MT. Gotaimbara
- MT .Suranimala
- MT. Nandimithra
- MT. Vijayabahu
- MT. Barana 11
- MT. Raja
- MT. Airavana
- MT. Indra
- MT. Deera

#### Hire Tug in Colombo

- Tug Hercules
- Tug Posh Hardy
- Tug Posh Husky

#### Tugs Stationed at out port

##### Trincomalee

- M/T. Sinhabahu
- M/T. Neelamaha
- M/T Mahasen
- M/T Therapuththabaya

##### Galle

- M/T. Kanchadewa
- M/T Velusumana

##### Hambanthota

- M/T. Varuna
- M/T Ravana

- M/T. Vasabha
- M/T Pandukabhaya

#### Revenue Earned – Tug Services (Colombo)

Year	Rs. Million
2019 Actual	1,685.25
2020 Revised	1,693.94
2021 Projected	1,854.09

#### Chief Engineering Officer's Section

##### Staff

Adequate staff was available during the year 2020 in keeping with the operational and repair requirements of all tugs and pilot and mooring launches.

Routine maintenance was carried out by staff of the Section in addition to the daily running of required craft for towage and pilotage and operations.

On a recommendation by the management, the Chief Engineering Officer's section is gearing up to attend to more routine maintenance of tugs whilst equipping a workshop.

##### Port Fire Brigade (PFB)

An effective emergency service was provided by Port Fire Brigade during the year, 2020 mitigating adverse effects of fire and other emergencies while implementing and maintaining local fire safety standards.

The following services were rendered by PFB during the year under review.

Fire Responded	<b>11</b>
Stand By Duties For - Oil Tankers	183
- Gas Tankers	52
- Hot Works - charged	36
- Hot Works - Local	371
- D/C Handling	14
Supplying Water To Wash Piers/Warehouses Etc.	66
Inspection Visits To DC	20

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Oil Pollution Control Work	11
Supply fire water bowser to tug	166
Inspection Visits Oil Tanker	83
Emergency evacuation drill	01
Emergency Responded	30
Spraying Cl <sub>2</sub> to Medical Center (Sterilize)	47

### Fire Safety Activities

- Fire safety inspection in all building/ Cranes/ Vessel were carried out.
- Fire equipment in Colombo Harbour and Galle Harbour were inspected / checked twice in the year and fire equipment in outside port were inspected once in the year.
- During the year total No of fire extinguishers. Checked / Serviced - 1,819

### Revenue

Revenue earned by P.F.B.in 2020

Description	US \$	Rs
Fire Calls	2,620.00	12,000.00
Stand By Duties For Gas Tankers	61,000.00	
Stand By Duties For Oil Tankers	197,216.00	
Stand By Duties For Hot Works	22,049.50	
Stand By Duties For Dangerous Cargo	4,060.00	14,500.00
Charges For Inspection Visits	4,860.00	
Charges For Oil Pollution Control	360.00	30,000.00
Emergencies Responded	180.0	
<b>Total Income</b>	<b>292,345.50</b>	<b>56,500.00</b>
<b>US\$ 292,345.50 x 189.00</b>	<b>55,253,299.50</b>	<b>56,500.00</b>
<b>Total Income</b>	<b>SLR.55,309,799.50</b>	

### Harbour Safety Section

This section keeps track of all types of Hazardous cargo being handled in the port and ensures that safe handling practices are observed at all times.

Site inspection prior to granting hot work permission were carried out and unauthorized hot work incidents were detected and stopped. Inspections of marine pollution were carried out. Investigations and analyzing of accidents involving personnel and marine were carried out.

- 4,766 vessels called at the Port of Colombo and discharged 296,286.894 MT of local dangerous cargo and 823952.569 MT as Transshipment cargo.
- 41,465 Container were handled as transshipment dangerous cargo.
- 323 Various Type of Tanker called at Port of Colombo and discharged cargo on the following manner.

Types of Cargo	Weight (MT)
Liquid Petroleum Gas	499,036.549
Gas Oil/Jet Ai/Gasoline/Kerosene	2,513,672.389
Crude Oil	1,575,415.000
Fuel Oil	732,281.016
Base Oil	58,121.735

- 104,622 MT of high explosive (GPIE) and 29,564.450 MT of explosive nature substances (GP IAE/IIIE) were handled.
- Several chemical Spillages and fire incidents were handled with the assistants of the port Fire Brigade
- Inspection of warehouse including dangerous cargo warehouse was carried out periodically, with the assistance of Asst. Harbour Safety Inspectors.
- Inspection for granting Hot work permission and carried out inspection of Sea pollution incidents, Guidance and Monitoring for combating Sea pollution incident.

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- Investigation and analyzing accidents of both industrial and marine were carried out.
- Handling, storage and transportation of dangerous cargo in the Port and allied safety aspects were introduced at the course of lectures for employees through Mahapola Port and Maritime Academy.
- Personal safety of mooring gangs attached to Navigation Division was monitored, especially in using of Personal Protective Equipment with the assistance of Asst. Harbour Safety Inspectors.
- L.P. gas and (petroleum) Oil discharging activities were inspected regularly with the assistance of Asst. Harbour Safety Inspectors.
- Garbage and sludge oil removing activities carried out by contractors were regularly monitored with MEPA Approvals.
- Regular inspection of Dangerous Cargo stacking at JCT/UCT yards was carried out with the assistance of Asst. Harbour safety Inspectors. Action were taken against the Vessel Agent for non – declaration of Dangerous Cargo.

## Coast Lights Section

Lighthouses along the Southern and Western coast straddling the main international shipping routes were regularly maintained.

## Revenue – Light Dues - All Three Ports

	2018 Actual Rs. Million	2019 Actual Rs. Million	2020 Projected (Revised) Rs. Million
Revenue Light Dues	1,533.04	1,711.97	1,734.47

## Harbour Craft Section

The work of the Harbour Craft Section mainly consists of assisting and providing mooring gangs and crews for pilot launches to facilitate safe mooring/unmooring of vessels which call at Colombo Harbour, transporting of various work gangs to island breakwater, South West breakwater, keeping Harbour waters clean and handling heavy lifts by floating cranes giraffe. The routine maintenance of pilot launches and mooring launches were also carried out satisfactorily.

## Hydrographic Survey Section

Surveyors attended to all land survey works whenever requested made by the relevant Divisions of the port as well as hydrographic surveys of all the SLPA operated ports.

## Port of Colombo

- Approach Channel Soundings
- Inner Harbour Basin & Berths Soundings
- Buoy Position Survey of Approach Channel
- Colombo Port Map Revision Work
- Surveying & Leveling of Port Internal Road Widening
- Surveys & Plan work for lease agreement
- Observation and Maintenance of Colombo Tidal data station

## Port of Galle

- Observation and Maintenance of Galle Tidal and metrological data station
- Survey and Plan work for Lease Agreement

## Port of Trincomalee

- Observation and Maintenance of Trincomalee Tidal and metrological data station
- Survey for new Encroachments

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### Hambantota Harbour

- Profile Survey for Boulders, Metal and Quarry Dust.

### KKS Harbour

- Plan preparing for Gazette the KKS Harbour Area.

### Oluvil Harbour

- Resettlement Surveys for identified persons

### Nautical Section

The annual registration and issue of licenses to Ship Chandlers, Launch Operators, Marine Surveyors, minor and major repair workshops, Oil and Oily water garbage reception facilitators, were coordinated by this Section.

Name of the License	No. issued	Revenue
Ship Repair License	142	13,680,385.78
Dockyard License	60	2,820,692.57
Survey License	43	3,485,961.63
Ship Chandlers License	105	9,652,877.90
Boat License	37	3,273,365.67
SAGT & other License	12	593,573.40
<b>Total</b>		<b>33,506,856.95</b>

### MECHANICAL WORKS ENGINEERING DIVISION

The main purpose of Mechanical Works Engineering Division is to keep all structures, structures of all operational/non-operational equipment in all ports in operational/proper working condition. This provides services for steel repairs to berthing tugs, pilot launches, dredgers and all structural repairs of container handling cranes, container semi-trailers attached to JCT and UCT, new constructions of steel

buildings, warehouses and other structures; removal of old steel buildings and structures, This division also engages in machining, fabricating, casing of new spare parts required for cargo handling equipment, marine crafts and all other works of all ports and port related activities. This Division is also responsible for testing of chains and shackles and maintaining grabs for operational requirements.

The Division has completed the following major and minor works during the year.

- Commencement of constructions of 3200 MT Fuel Tank for Colombo Oil Bank.
- Commencement of Installation of foam fire system for 10 tanks of Colombo Oil Bank.
- Laying of Rails for ECT to suit for JCT V cranes with the fabrication, galvanizing of all accessories.
- Repairs to gantry cranes at UCT cranes (Crane Nos. 21, 22 & 23.) including replacement of all nut & bolt & plates.
- Height reduction of coconut oil tank, to provide spacing for proposed high way.
- Replacing of the gantry rails at J 16.
- Transforming of transfer cranes from UCT to ECT with the necessary fabrications.
- Repair of platforms of Weight Bridge No. 12 & 13 at JCT.
- Construction of the stair case at J-04 gantry crane.

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- Construction of the building for duty officers in JCT.
- Fabricating of new security huts for S.I.U. Covid19 preventing program.
- Fabricating and galvanizing of grating for road ends.
- Fabricating of racks for CFS-3, BQ warehouses.
- Fabricate the fenders and fender specs for ECT & UCT.
- Installation of 02 nos. fuel dispensers at the ECT fuel shed and pipe lines were connected to the underground fuel tank.
- Other smaller jobs 550 Nos. by Fitting shop, 495 Nos. by Machine shop, 386 Nos. by fabrication shops.

### MECHANICAL PLANT ENGINEERING DIVISION

All the cargo handling equipment of Operations and Logistics Divisions were well maintained resulting high machine availability.

Three Ship to Shore cranes ordered are satisfactorily commissioned in ECT. 12 Nos Transfer Cranes are shifted to ECT from UCT & JCT through the land, saving the large amount of shipping cost.

### CIVIL ENGINEERING DIVISION

Civil Engineering Division is mainly responsible for maintenance of port related structures, facility buildings, SLPA quarters, maintaining of harbour depths inside the harbor basin and approach channels, internal roads, container yards, quay walls, water supply, and providing

various other services to its stakeholders and also providing of services to maintain maritime structures at all other ports under SLPA including maintenance of lighthouses around the country.

Civil Engineering Division also undertakes management and execution of projects including tender proceedings, material purchasing, construction supervision, and quality controlling and contract management of construction projects and new minor construction with in-house workers. Major Civil maintenance activities have been planned in the line with the requirements identified in advance and minor maintenance activities have been carried out based on the urgency of work by in-house staff and successful solid waste management system has been established by Civil Engineering Division.

Major and small scale rehabilitation works completed /in progress by the Civil Engineering Division during the year 2020 are summarized as below.

- JCT Container Yard rehabilitation works.
- Painting and repairs of Chaithya.
- New Firefighting system for CFS1 warehouse with new pump house.
- Renovation of boundary wall of Port of Colombo.
- Fixing of scanning machines at SLPA gates (Civil works).
- Repair and painting of water towers.
- Renovation of Peliyagoda Bachelor Quarters.
- Rehabilitation of rest room buildings for operation division's workers at ECT.
- Widening of road for transporting of RTG from UCT to ECT.
- Construction of Electrical substation for JCT V at JCT.
- Rehabilitation of Passenger Terminal Building including COVID-19 monitoring center.

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- Renovation of welfare building at BQ.
- Renovation of Bachelor Quarters at MPMA.
- Laying of Electrical cable from JCT to Bonded Warehouse No.04.
- Dredging works at CICT.
- Construction of retaining wall for SLPA boundary wall at Kochchikade.

### ELECTRICAL AND ELECTRONIC ENGINEERING DIVISION

Electrical and Electronic Engineering Division is responsible for planning, management, implementation and facility maintenance of all Engineering Projects and facilities in the field of electrical power and Communication Engineering at all ports under the purview of the SLPA.

A team of highly qualified professional Electrical/Communication Engineers under the direction of Chief Engineer and two Deputy Chief Engineers work around the clock to maintain all the services relate to electrical power and communication to achieve more than 95% availability of all services related to port activities.

Following were competed under the scope of Electrical and Electronics Engineering Division.

- Upgrading of high voltage power network at Port of Colombo including new substation at JCT – IV area, replacement of HT panels at JCT Stage-I substation, Installation of New HT panels at JCT Stage-IV and Baghdad substations and Summer Hill area substations.
- Installation, testing and commissioning of the power distribution network at ECT including HT & LT panels, HT & LT cabling, Transformers, STS

Crane power connection and reefer power distribution.

- Implementation of data communication wireless and wired network at ECT.
- Planning and implementation of Ceylon Electricity Board (CEB) power receiving substation at Chaithya area to cater to the power requirement of ECT.
- Upgrading of high voltage power network at Port of Trincomalee and Port of Galle.
- Conversion of part of the lighting system of STS and Yard cranes at JCT Stage I and II area by LED light fittings.
- Rehabilitation of Little Basses, Great Basses, Beruwala, Dondra Head lighthouses and Port starboard lights of Colombo Port.
- Upgrading of LV power distribution, telephone network, Data communication wireless and wired network, maintenance of electrical system of Tug boats and launches, navigational aids and marine communication.

### MARINE ENGINEERING DIVISION

Marine Engineering Division is mainly responsible for maintaining & repairing of all floating crafts of SLPA & ensuring the availability of adequate number of floating crafts for Navigations, Operations, and Civil Engineering divisions and also to the other ports that are under SLPA to conduct their operational and navigational activities efficiently and effectively.

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## Marine-I

### Refit Engineering Section

Refit Engineering Section is mainly responsible for the conducting of maintenance & repairs to all Harbour Berthing Tugs, Dredgers and Fire float “Mega” of SLPA. This section was able to meet the operational requirement of four berthing tugs for Colombo, Two berthing tugs for Trincomalee, One berthing tug for Galle and One berthing tug for KKS while carrying out the machinery repairs with fulfilling Lloyds Register classification Survey requirements of these floating crafts.

The SLPA Trailing Suction Dredger “Hansakawa” and Grab Hopper Dredger “Diyakowula” were maintained in operational condition during in the year 2020 by Refit Section.

Tugs Dheera was taken to the slipway and major overhauls of underwater machinery and renewal wasted components and plates is being carried out. Also in water surveys in lieu of docking surveys and other surveys were done for relevant vessels & which were kept under class.

The other major achievement of the year is full overhauling of Niigata 8MG (L) 28 HX main generator at JCT without any assistance of the service engineer or private party.

### Engineer Harbour Craft Section

Engineer Harbour Craft Section is mainly responsible for repair and maintenance of pilot launches, mooring launches & other Crafts. This section was able to meet the operational requirements of the Navigation Division as well as the other ports under SLPA.

The Pilot launches “Pilot 11”, “Pilot 13” and Alfred Norman dale were refurbished

during the year by the Engineer Harbour Craft Section. Routine maintenance & repairs of all pilot launches, mooring launches and other Crafts of SLPA were successfully concluded including repairs works for the Crafts at Trincomalee & Galle harbours in the Year 2020.

Classification surveys successfully carried out on all Pilot Launches and Mooring Launches in this year.

## Marine-II Section

### Cargo Craft Section

Cargo Craft Section is responsible for steel and structural repairs, surface preparation, and painting works of all crafts that are used in SLPA and also responsible for the repair & maintenance to Towing Tugs, Motor Launches, Water Barges, and Deck Barges used by the Operation Division.

The section has facilities to manufacture & supply wire slings according to different requirements of various sections of the SLPA and also to the outside parties during the year 2020. Additionally, this section is capable to fulfill the requirement of curtains, canvas covers awnings, and tent clothes for SLPA & also to the other outside institutions.

During the year, the section attended major repairs of Pilot Launches 10, 12, 14 & 15, Mooring 1 & 3 crafts, Mooring Tug “Suranimala”, “Gotaimbara”, “Airawana” and “Dheera”. Also, attended major repairs in Water Barges 16, 17 & 18, T/T “Thissa” and dredger “Diyakowula”. The digger 4 of SLPA was taken into slipways for necessary running and major repairs.

The other major achievement of the year is jointly worked with Mechanical Plant engineering division for shifting of RTGs to East Container Terminal.



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## New Beira

The section is mainly responsible for the maintenance & repairs of steel cargo lighters & barges used by the operation division. During the year, the section has attended the repairs and maintenance of Water Barge 15, Deck Barge 2007, Mooring Tug “Suranimala” and “Gotaimbara”. Also, the section assisted for Gantry rail installation of East Container Terminal by completing surface preparation and painting of rails, which required for the above project within the timeline.

## Ship Wright

Shipwright Section is mainly responsible for all wooden repair works & fiberglass repair works of floating crafts of the SLPA. The shipwright section also carried out repairs to wooden furniture, paneling work & the timber fender repair works of the berthing Tugs and launches used by the Navigation Division. And also this section undertakes hauling-out and launching operations of vessels which are around 600 ton DWT Patent Slipway and its maintenance works. Other wooden and paneling repair works to berthing tugs and launches were carried out by this section during this year.

## HUMAN RESOURCE DIVISION

SLPA’s diverse team of employees drives our strategic aspirations and vastly contributes towards our growth through innovation and dedication ensuring sustainability in the competitive environment. The aspirations, competencies and commitment of our people are at the heart of all our achievements. We continued to invest in human capital development and implement effective human resource practices and policies to improve workforce efficiency, effectiveness and productivity.

The total human capital as at 31.12.2020 was 9,293. Out of this, the total head count at the Port of Colombo was 8,567 whilst at the Ports of Galle and Trincomalee were 339 and 387 respectively.

The human resource division ensures sector’s alignment to SLPA strategies and practices. The Human Resource (HR) function of SLPA carried out by several sections. Their prime tasks are implementation of strategic HR policies, organizational development, provide of industrial relations solutions, HR administration services etc. We have recognized the importance of individual contribution which measures through our performance management system. Our Human Resource Information Systems (HRIS) system facilitates decision making by maintaining up-to-date employee information.

As at the year under review, the Executive and Nonexecutive grade employee composition is as follows;

Employees Category	Permanent	Contract Basis	Total
Executive	506	01	507
Non-Executive	4,842	-	4,842
Technical/Non-technical	3,944	-	3,944
<b>Total</b>	<b>9,292</b>	<b>01</b>	<b>9,293</b>

Managing Director of SLPA has been recruited during the year 2020.

Awareness programmes, motivational programs, training sessions are conducted at the Mahapola Port and Maritime Academy (MPMA) the training wing of SLPA. However during the year 2020 the number of training sessions conducted at MPMA was very much low compared to

# OPERATIONAL REVIEW

previous years due to Covid19 epidemic situation in the country.

Gold Coins were awarded to 439 employees who retired from 01.10.2017 to 31.05.2019, based on their service period. In addition to that a sum of Rs. 34,000/= has been paid to the retired employees whose service were below 15 years. A sum of Rs. 545,000/= has been paid as ex-gratia payments to the dependents of the employees who died during the year.

The Human Resource Division has concluded approximately 191 disciplinary inquiries in 2020, in order to maintain a disciplined workforce.

The total out-going employees for the year 2020 was 471 and details of those are as follows;

Retirement (compulsory and early)	395
Death	20
Dismissal	10
Resignation	09
Vacation of Post	20
Retirement on Medical Grounds	02
Termination	15
Total	471

Due to accidents approximately 45 employees have been granted leave.

SLPA always recognize its employee's freedom of association and collective bargaining. As a result approximately 88% of employees are represented by trade unions.

## MAHAPOLA PORTS AND MARITIME ACADEMY (MPMA)

### General

The SLPA, the Mahapola Ports and Maritime Academy is committed to achieve its main objective of providing training facilities to the Port employees, Port users and others in the Maritime Sector. Further, as per the annual training calendar it has focused on series of lectures, seminars, workshops and practical training programmes to enhance knowledge, skills and attitude of the targeted groups. Several workshops on productivity improvement, team building, upgrading technical skills, customer services and quality improvements were conducted during the year 2020. MPMA facilitated pathways for Port employees to upgrade their competency level and to specialize their skills of Port Operations through customer oriented courses that lead on to value added certificates.

During the year 2020, MPMA has trained about 6,046 candidates (including on-the-job training) covering up to 952,405 Man-Hours. In addition, MPMA has provided on the job training for 571 candidates of University Undergraduates, Students of Technical Colleges and other similar Vocational Training Institutes etc.

As all institutions of the world the MPMA too has experienced the impact of the unprecedented Covid19 effect. However, the MPMA has managed to utilize its optimum effort to educate and make aware the employees and port users to follow the health guidelines against the Covid19 pandemic situation. The MPMA conducted awareness programmes and workshops in full compliance with health guidelines.

Moreover, in terms of the "Vistas of Prosperity and Splendor", the National Policy Framework of HE the President, a Five-year Development Plan (FYDP) for

## OPERATIONAL REVIEW

the MPMA has been prepared and which is now in implementation.

### Overall Training Performance during the Year 2020

Stream	No. of Candidates	Total Man Hours Trained
Equipment Operations	455	25,266
Cargo Operations	16	192
Management	2,216	257,760
Information Systems	865	39,875
Technical (Electrical /Mechanical workshop)	422	18,571
Fire, Safety & Occupational Health	604	9,084
Maritime & Seamanship	897	53,497
NAITA Apprentices, VTA & Technical Colleges	395	415,200
University Undergraduates	176	168,960
<b>Total (without OJT)</b>	<b>5,475</b>	<b>404,245</b>
<b>Total (with OJT)</b>	<b>6,046</b>	<b>952,405</b>

### Provision of eligibility qualification to employees of SLPA in terms of new scheme of promotions

It was observed that several port employees are stagnated without any promotional prospects due to non-confirmed with education qualification. To avoid this situation MPMA has designed a structured bridge training programme and NVQ certification with collaboration of TVEC/NAITA to exempt this qualification as appropriate to SLPA. During the year 2020, MPMA has obtained about 361 candidates to qualify for NVQ level 4 in ports disciplines to take their promotions and 25 programmes were accredited by TVEC for value added to SLPA.

Moreover for the benefit of executive officers Diploma in Port Operation Management was conducted during the year 2020. Additional to this a new

programme was conducted to enhance competency of boat riders' in Gregory Lake in N'Eliya.

### Enhancing overall port productivity

MPMA conducts several skills development Training Programmes on various discipline of port activities to enhance the overall port productivity such as.

1. Port Finance/Accounts
2. Auditing
3. Procurement and Stores Management
4. Clerical Skills Development and Administration
5. HR Management
6. Positive Thinking
7. Health & Safety Aspects
8. Ports Management
9. Engineering Drawing for supervisors and Technicians
10. Motor Control Circuits
11. Electronics for Electricians
12. Welding Course
13. Computer Training
14. Equipment Training etc...

During the year 2020, thirty eight (38) such, Equipment Operation programmes were conducted for 455 participants. Moreover a series of safety awareness programmes were conducted for 202 private truck drivers to enhance the safety of human lives and equipment at container terminals. This programme towards to reduce Truck Turnaround Time and improve the safety of the terminal activities.

### Supports to local and international Maritime Industry

MPMA makes a significant contribution to the Global Maritime Industry by providing Maritime related Training Programmes. Thousands of Sri Lankan youths, who were unemployed and under privileged, obtained employment from International Shipping Lines through these programmes. During

## OPERATIONAL REVIEW

the year 2020, 44 such programmes were conducted for 897 candidates.

### ISO 9001:2015 Certification

MPMA is the pioneer educational institution in Sri Lanka which has achieved ISO 9001:2015 certification for its Quality Management System which is a mandatory requirement to conduct IMO/STCW training programmes for seafarers. It has conducted three Management Reviews and four Internal Quality Audits (IQA), one Merchant Shipping Secretariat (MSS) Audit and IRQS Audit during the year 2020.

### Use of Modern Technology

MPMA has upgraded the quality of its training programmes by introducing modern technology in to its activities.

- There were 22 candidates trained with the use of its own established Mechatronic Laboratory.
- Container Simulator is also being used to train 64, Gantry Crane & Transfer Crane Operators.

### Potential Work Force

MPMA is in the process of maintaining a pool of skilled workers to fulfill the future requirement and to cope with newly developed ports. For this purpose, during the year 2020 about 253 port equipment operators were trained.

### Enhancing Language, Training and IT Skills

As customer satisfaction is a vital factor for a Global Business. SLPA has highly concerned to improve the language skills of its employees and to empower them with IT skills and knowledge to enhance customer satisfaction. MPMA shoulder the responsibility to make it possible and

during the Year 2020, it has conducted various IT programmes and trained 865 employees. Moreover language programmes including Sinhala, Tamil and English were conducted for chosen 145 candidates, in addition to 24 Top level Trainers trained programmes conducted by MSS collaborating with MPMA.

### Providing Industrial Support

SLPA is in the process of supporting the state Universities, Technical Colleges and Vocational Training Agencies by providing industrial training to their students to complete their courses of studies. During the year 2020, 333 undergraduates from various universities and 395 others were given opportunities at SLPA to complete their on the job training part.

### MPMA providing services to Maritime and other Institutes with MOU

MPMA is in the process of providing services to the following institutes.

1. Sri Lanka NAVY
2. Lanka Academy of Technological Studies (private) Ltd
3. CINEC
4. Mercantile Seamen Training Institute Ltd
5. UNK Global Maritime Institute
6. Merchant Shipping Secretariat
7. Ocean University
8. Winston Company PVT Ltd.
9. British Council
10. Raknalanka Pvt. Ltd.
11. Kothlawala Defense University

### Revenue Earned

During the period of January to December 2020, MPMA has earned a total sum of Rs. 13,226,782/= as revenue for the Port Authority from the fee levying programmes conducted for outsiders. The revenue earned from various divisions of SLPA by conducting training to their employees to

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improve the overall efficiency of port operations was Rs.19,134,290/= Therefore total revenues earned by MPMA during the year 2020 was Rs.32,361,072 /=.

Total expenses for courses conducted at MPMA was Rs. 6,253,325/= during the year 2020.

### MEDICAL DIVISION

Apart from the normal duties, the Medical Division worked tirelessly to control Covid 19 epidemic with limited resources and manpower.

### WELFARE AND INDUSTRIAL RELATIONS DIVISION

#### Introduction

The SLPA exercises a special focus on the human resource in achieving its aims and objectives. Strategies adopted in Managing the human resource is completely different from that of managing the physical resource and taking this factor into special consideration, the functions of the Welfare and Industrial Relation Division were set on 21 directions during the year 2020 with the aim of providing facilities and opportunities for employees of the Authority to enjoy a better living standard.

#### Supply of day/night free meals

Office staff is provided with lunch and dinner and the employees on shift basis are provided with lunch/ dinner and tea/ snacks and porridge as well by the Central Kitchen Section functioning under the Welfare and Industrial Relations Division. Thus, Rs. 718,761,620/= on 2,736,537 free Day/Night meals and Rs. 291,489,415/= on free tea/snacks 4,437,508 of porridge has been spent making a total expenditure of Rs. 1,010,251,035/=.

#### Re-imbusement of outdoor medical bills

A total sum of Rs. 33,484,604/= made up of Rs. 7,499,825/= on account of spectacles and Rs. 25,984,779/= on account of other outdoor medical bills of employees has been reimbursed during the current year.

#### Scholarship scheme for children of employees

Children of SLPA employees who have passed their G.C.E. (O/L) examination will be eligible for an award of Rs. 750/= paid monthly for a period of two years and for those receiving University education Rs. 2,500/= paid monthly for the number of academic years relevant to the respective degree. Accordingly, total sum of Rs. 10,507,000/= inclusive of Rs. 3,132,000/= on account of scholarship awards for those who have passed of G.C.E. (O/L) Examination and Rs. 7,375,000/= for those receiving University education.

#### SLTB buses for transportation of employees

19 SLTB buses were deployed to provide transport facilities for employees for arrival in and departure from offices in order to keep the work going on smoothly in the face of the Covid 19 pandemic situation. Expenditure involved in this facility in the year 2020 was Rs. 16,371,172/=.

#### Facilities provided in the Covid 19 Pandemic

Under mentioned facilities were provided for all the employees who reported duty in the face of the Covid 19 pandemic risk.

- Supply of food, tea and snacks irrespective of categorization.
- Facilitating employees to purchase essential food items at the port premises.

## OPERATIONAL REVIEW

- Making sanitizers available at all Divisions.
- Opening a small Cargill's outlet in the port premises.
- Supplying a parcel with essential items to be accompanied by Covid 19 positive cases who are employees of the Authority.
- Supplying a parcel of any food items to the home of Covid 19 positive employees during the period in the hospital.

### **Rewards to employees with sovereigns and porcelain tea sets**

Employees who retire or resign from the service of the Authority after completing over 15 years are rewarded with sovereigns according to their period of service and also those who complete 30 years of service are rewarded with a quality porcelain tea set and accordingly 438 sovereigns and 139 porcelain tea sets have been awarded during 2020.

### **Welfare Buses**

Booking of welfare buses by employees dropped considerably due to Covid 19. The total number of trips made during 2020 were 682 which involved 450 officials and 232 welfare trips.

### **Housing Loan Scheme**

A sum of Rs. 1,000,000/= has been released under the Housing Scheme during 2020.

### **Welfare Canteen**

A sum of Rs. 3,596,996/= has been recovered from the welfare canteen located in the port premises.

### **Library Facilities**

Rs 200,000/= was allocated to be released among 19 welfare library according to the membership of each library.

### **Sports Facilities**

Provided an allocation of Rs. 712,000/= and transport facilities.

### **Day Care Centre and the Crèches**

The Centre is closed due to the prevailing Covid 19 pandemic situation.

### **Death Donations**

Under the death donation scheme, a program to donate a wreath and a monument to express sympathies and honour the employees who die whilst on duty was commenced in this year

### **Circuit Bungalows**

Circuit Bungalows are closed due to the prevailing Covid 19 pandemic situation.

### **Welfare Leave**

69 employees have applied for welfare leave and accordingly, approval has been granted for 2,358 leave with pay and 93 ½ no pay leave.

## **SECRETARIAT DIVISION**

The main administrative centre of the SLPA, where almost all administrative matters are handled, the Secretariat Division accommodates the Chairman's Office, the Vice Chairman's Office, the Managing Director's Office and the Additional Managing Directors' Offices.

Providing of accurate details and information needed to the top management of the Authority as well as to the outside entities (The Ministry of Ports and

## OPERATIONAL REVIEW

Shipping, The State Ministry, Other Public and Private Sector Organizations etc.) coordinating with all Divisions/Sections, comes under the purview of this Division, as the foremost responsibility of the Division. In addition to the administrative matters, the Secretariat Division is also committed to organize the main events of the SLPA and to provide necessary facilities for the meetings attended by the Higher Management of the Authority. The Division also gives the leadership and necessary guidance in implementing various events involved with Corporate and Social Responsibility (CSR) activities.

The 2019 SLPA Annual Report, Action Plan, responses to the Audit Report, submitting reports to the Parliamentary Select Committees, relating to the Ports Authority, preparation of answers to the questions referred to the Hon. Minister at Parliament, Annual Statements and quarterly progress reports were prepared in consultation with the respective Divisions and the same were forwarded to the entities concerned during the year 2020.

Matters relating to the appeals forwarded by Non-Executive employees of the SLPA against disciplinary actions are handled by the Secretariat Division. 17 appeals were received in 2020 and 15 of them were investigated by end of the year and the two pending appeals are being investigated at present.

Further, the Secretariat Division functions as the centre for delivery of letters. Due to the spreading of Covid-19 virus pandemic situation in 2020, only a limited number of employees were called for work and therefore only one delivery was effected each day in keeping with the health guidelines, but without causing any delay.

27 circulars have been issued in 2020 on instructions given by the Higher Management of the Authority with a view

to maintain administrative matters smoothly.

Under the Agrahara (Gold) Health Insurance Scheme the payments as mentioned below have been made for employees of the SLPA during the year 2020.

Type of payment	Number of benefitted employees	Amounts paid (in Rs.)
Hospitalizations	1300	77,214,711.00
Fatal diseases	73	19,236,082.00
Deaths		
• Death by natural causes	18	12,600,000.00
• Death by accidents	02	4,000,000.00
<b>Total</b>	<b>1393</b>	<b>113,050,793.00</b>

During the year, four major events were organized by the Secretariat Division in collaboration with the relevant Divisions.

Reservation of rooms of Circuit Bungalows had been temporarily suspended due to Covid-19, but was restored since the last 05 months keeping in line with the health guidelines.

### INFORMATION SYSTEMS DIVISION

Online payment facility was introduced to shipping community via Lanka Clear Pvt Ltd as an enhancement of Oracle E-Business suite to facilitate Vessel Payments.

Same platform is used to facilitate the payment for issuing temporary permits to port users in Security Control and Permit Issuing System.

Cargo Management System which was running at SLPA warehouses was introduced at Peliyagoda warehouse in

## OPERATIONAL REVIEW

2020 to facilitate all consignees to clear cargo without any delay.

### SUPPLIES AND MATERIAL MANAGEMENT DIVISION

The details including functions and performance of Supplies Division during the year 2020.

#### Functions:

The Supplies and Material Management Division is mainly responsible for the uninterrupted supply of material, equipment and fuel to the entire organization including port of Colombo, Galle and Trincomalee. The division has been engaged in several activities such as purchasing (foreign and local), storing and distributing of fuel, machinery, equipment, spare parts and other items required for all divisions/sections of SLPA. All the duties/responsibilities have been delegated among few sub sections such as Local Purchasing, Foreign Purchasing/ Wharf, Administration, Voucher, Stock control and Main stores.

#### Progress of the year 2020

#### Number of Tenders Approved During the Year under Review

Tender Name	No. of Tender Board Meeting	No. of Tender Board Approval
DPC (Above Rs. 20,000,000)	11	160
mPC – A (From Rs. 500,000 to Rs. 20,000,000)	39	1,786
mPC – B (Approval limit less than Rs. 500,000)	89	4,698

#### Total Expenditure during the Year 2020 on Foreign Purchase

- C & F Value
  - i. Non-Capital Items - Rs. 680.25 million
  - ii. Capital Items - Rs. 5,065.84 million
- No. of Letters of Credit opened (including D/A , D/P) - 54
- No. of Telegraphic Transfer orders opened - 28

#### Details of the goods cleared by the Wharf Section 2020

- Sea Freight - 57
- Air Freight - 33
- Parcel Post - 01

**Value of Stock as at 31.12.2020** is Rs. 786,023,569.15.

#### Main Store and Stock Control

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Value of Goods received at stores(During the year 2020 (Non Capital)	Rs. 2,130,327,395.21
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Value of Goods received at stores(During the year 2020 (Capital)	Rs. 462,758,252.16
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Value of Goods issued to user sections(Non Capital)	Rs. 2,095,790,996.45
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#### LEGAL DIVISION

The Law Officers are the Legal Advisors to the specified Ports declared under the Sri Lanka Ports Authority Act No. 51 of 1979 i.e., Ports of Colombo, Galle, Trincomalee, Kankesanthurai, Oluvil, Point Pedro, Puttalam and Hambantota and also render advices to the Board of Directors, Directors, Heads of Divisions and other Sections of the SLPA



# OPERATIONAL REVIEW

## Advices

During the year 2020 over 157 advices have been given to the Management and Heads of Divisions.

In addition, drafting executing and attending to other matters pertaining to Contracts, Agreements, Bonds, Deeds (Transfers, Leases, Declarations, Mortgages etc.) which the SLPA is a party to, also comes under the purview of the Legal Division.

## Contracts, Agreements, Bonds and Deeds

During the year 2020, 7 Lease Agreements and 27 Agreements/Contracts and Memorandum of Understanding (MOU) have been executed by the Legal Division. In addition to those instruments, following Agreements and Bonds have been executed: -

- 01 Agreement and Bonds in respect of No-Pay Leave for Employment abroad.
- 07 Agreements and Bonds in respect of Training and Education in Sri Lanka and Abroad.

All matters pertaining to court Cases, to which SLPA is a party to, are also handled by the Legal Divisions with the assistance of the Attorney General and Counsels from the Unofficial Bar.

## Litigation

By end of December 2019 altogether 198 cases/ complaints / applications were pending before Supreme Court, Court of Appeal, High Courts, District Courts, Labour Tribunals, Magistrate Courts, Labour Department, Human Rights Commission, Ombudsman, Labour Tribunal, Workmen Compensation and Arbitration Centers.

During the year 2020, 58 new cases/complaints/applications have been filed against/by SLPA (i.e. before Supreme Court, Court of Appeal, High Court, District Court, Labour Tribunal, Magistrate Court, Human Rights Commission, Labour Commissioner, Labour Department, Arbitrators and Workmen Compensation Tribunal), Custom Inquiries. From the total 256 cases, 24 cases have been concluded during the year 2020.

As at 31.12.2020, 232 cases / complaints /applications/ inquiries are pending before the said Forums.

## Supreme Court Cases

At the end of the year 2019, 42 cases were pending, during the year 2020, 08 new cases have been filed. Out of all 50 cases, 02 cases were concluded (one was withdrawn and one was not decided in favour of SLPA). As at 31.12.2020, 48 cases were pending before the Supreme Court.

## Court of Appeal Cases

23 cases were pending as at 31.12.2019. During the year 2020, 12 new cases have been filed against SLPA. Out of a total of 35 cases, 04 cases were dismissed. As at 31.12.2020, there were 31 cases pending before the Court of Appeal.

## High Court Cases

As at 31<sup>st</sup> December 2019, 14 cases were pending at the High Court. No new case has been filed during the year 2020. Out of a total of 14 cases, 01 cases was dismissed, 02 cases were withdrawn. As at 31.12.2020, there were 11 cases pending before the High Court.

## District Court Cases

13 cases were pending as at 31.12.2019. During the year 2020, 02 new cases have

## OPERATIONAL REVIEW

been filed against SLPA. Out of a total of 15 cases, No cases were concluded. As at 31.12.2020 there were 15 cases pending before the District Court.

### **Magistrate Court Cases**

As at 31.12.2019, 05 cases were pending at Magistrate Courts. During the year 2020, 01 new cases have been filed in Magistrate Courts. As at 31.12.2020 there were 06 cases pending before the Magistrate Courts.

### **Labour Tribunal Cases**

As at 31.12.2019, 02 cases were pending in Labour Tribunals. During the year 2020, 13 new cases filed against SLPA and out of total 15 Labour Tribunal cases, No cases were concluded. As at 31.12.2020 there were 15 cases pending before the Labour Tribunals.

### **Applications made in Human Rights Commission, complaints made to the Labour Department regarding Labour Disputes (Conciliation cases), complaints made to the Ombudsman and Applications made to the Commissioner for Workmen Compensation Tribunal**

As at 31.12.2019, 23 Human Rights Commission (HRC) applications, 41 complaints of conciliation before Labour Commissioner, 19 complaints before Ombudsman and 02 complaint to the Workmen Compensation Tribunal were pending.

During the year 2020, 02 new applications were made to the HRC, 02 new complaints before ombudsman and 14 new conciliation were made to the Labour Commissioner while No applications was made to the Workmen Compensation Tribunal.

One HRC Application, 03 Conciliation complaints, 02 complaints to the Workmen Compensation Tribunal and No

Ombudsman cases were concluded during the year 2020.

Accordingly, as at 31.12.2020, 24 HRC applications, 52 conciliation complaints and 21 complaints before Ombudsman and No complaints to the Workmen Compensation Tribunal were pending.

### **Arbitrations**

As at 31.12.2019, 02 Commercial Arbitration matters, and 01 Industrial Arbitration matters were pending. During the year 2020, 05 Industrial Arbitrations were constituted against SLPA which includes different case number for Industrial Arbitration. Pending 08 Industrial Arbitrations were concluded (since new case numbers were given after appointing new arbitrators to the pending arbitrations) and none of the Commercial Arbitration was concluded. Accordingly as at 31.12.2020, 02 commercial Arbitration, and 05 Industrial Arbitrations were pending (although concluded, two commercial arbitrations are considered as pending since appeals have been filed by SLPA against the awards made by the Arbitral Tribunals).

### **Custom Inquiries**

As at 31.12.2019, there were 02 customs inquiries. 02 inquiry was pending as at 31.12.2020.

## **SECURITY DIVISION**

### **Introducing technology for Access Gate Controlling**

Installation work of Automated Boom Barriers and Walk through Metal Detectors at all gates of the Port of Colombo was completed in 2020. Preliminary technological work of checking Port Entry Permits by QR Code Reading and Bar Code Reading technology has been commenced and is scheduled to be completed in 2021.

## OPERATIONAL REVIEW

### Issuing of Permits and the revenue earned thereon

- 338,031 nos. of personal permits and vehicle passes have been issued by the Temporary and Annual Permit Offices of Security Division and the revenue earned thereon is Rs. 312,956,411/=.
- 11,080 free vehicle passes and 17,741 free personal permits have been issued during the year.
- In addition to the monthly permits, issuing of three months permits, half year permits and three year permits is in effect for the convenience of permit holders.
- Issuing of “online” permits has commenced according to the new technology.

### Security Navigation Section

A naval patrol vessel for Rs. 29.65 million has been purchased for deployment along the inner and outer harbor boundaries of the Port of Colombo to ensure proper maintaining of security by the Security Navigation Section of the Security Division.

### Improvement training for Security Officers

- Owing to the Covid 19 pandemic situation in 2020, several training sessions scheduled by the Security Division were cancelled. Nevertheless, 06 training sessions were timely conducted at the Security Training School in which training was given to 230 Security Officers.
- Two security training workshops were conducted for Armed Guards and other outside persons through

which training was given to 212 person’s altogether.

- Ten security sergeant were nominated to participate in the Intelligence Security Training Course conducted by the Armed Intelligence Unit at the Armed Intelligence Training School for 14 days from 22.06.2020 to 05.07.2020.

### Tasks undertaken by the Security Division in the face of Covid 19 pandemic outbreak

Many parts of the country were locked down and curfew was declared throughout the country owing to the spreading of corona virus since 19.03.2020 and it was necessary for the SLPA to carry on its activities uninterrupted by following the health guidelines. In this context the Security Division discharged its duties in the maximum level to ensure the health protection and safety of the Ports Authority, its employees and including the port users.

### Following arrangements were made to uphold the healthcare of the employees of the Security Division

- All Security Officers were called to report for duty every other week on a shift duty basis of continuous 07 days.
- Security Officers detailed at security zones, units, sections, entrance gates were separated into small groups and each of the groups were mobilized separately and thereby getting together of groups could be minimized. Accordingly, it is possible to bring down the spreading of the virus and to identify the cases to be sent for quarantine.

## OPERATIONAL REVIEW

- All security zones, units, offices, sections are sanitized daily.
- All employees of the Security Division are provided with safety items like gloves, masks, sanitizer liquids etc.,
- Necessary safety kits and equipment have been provided to Security Officers on duty at vulnerable duty points.
- Making awareness among employees through leaflets.
- Employees on their way home after the shift duty were referred to the Medical Centre for corona checkups.
- Introducing “shadow office” system for essential service officers and thereby providing services in case where an office is held up due to an emergency.
- Making arrangements to call employees to work only for essential work and to perform work via ‘WhatsApp’ according to the Government instruct to reduce paper work.
- In the event where there is information that a Covid 19 positive case inside the port premises, the Security Division take action to remove him from the port premises with the assistance of the Medical Division and to send his first contacts for quarantine and to coordinate and monitor the relevant processes.
- Checking the body temperature of all employees on essential duty at JCT, UCT, Central Kitchen and Navigation Division randomly and to refer them to the Medical Division/ Higher Officers for necessary action if detected having symptoms of covid-19.
- Maintaining “Sanitizing Booths” fixed at main gates.
- A ‘Port Security Coordinating Centre’ jointly with the State Security Organizations/Armed Security Intelligent Forces/ Sri Lanka Police has been established for the first time in the history of the SLPA to interact with mutual understanding.
- Maintaining arrangements together with the Medical Division for conducting random/scheduled PCR Tests inside the port premises and providing necessary facilities for the medical staff and the testes.

### **General measures taken by the Security Division for health care**

- Checking the body temperature of all persons to gates when entering the port premises.
- Detailing one Security Guard at the gang-way of all vessels anchored in the port in order to restrict unwanted persons going on-board the vessels since there is possibility in spreading covid-19 through ship’s crew.
- Introducing a pass for employees to obtain the permission of their immediate executive officers to go out of the port premises in order to restrict movements of the employees in order to protect their health.
- Introducing a format to provide details of the port users who enter the port for various purposes and

ensure that they are not Covid 19 virus carries.

- Identifying places where persons gather in groups implementing awareness programmes to make them aware of correct healthcare practices by means of motorbikes and loud-speakers.

### COMMUNICATION AND PUBLIC RELATIONS DIVISION

The Communication and Public Relations Division (CPRD) played a vital role in achieving its objectives in this year amidst the many challenges of the Covid-19 pandemic situation.

A limited number of staff were called to work while others were assigned to work from home. The Division was divided into eight main units which were dedicated to assist in achieving the objectives of the Authority. The Media Unit of the Division which is responsible to monitor and review the news and feature articles about SLPA in all national newspapers published in all three languages, which are compiled as a monthly report called “Clipping” and published in the official news website of this Division. All past “Clippings” can be accessed at [news.slpa.lk/index.php/clips](https://news.slpa.lk/index.php/clips). A special copy of this is submitted to the Chairman of the SLPA every month. The Media Unit also monitors all news telecast on all TV channels about the SLPA and the Ministry of Ports and Shipping which were brought to the scrutiny of the top Management every day.

The Graphic Unit of this Division also performs an important task by type-setting all press releases and news features prepared by the relevant Executive Officers of the Division and formatting them before sharing with national and international media outlets for publishing to enhance the reputation of the SLPA.

The Photography and the Videography Units of this Division have covered 60 meetings attended by Senior Officers of the Management including the Minister in charge of the Subject and the Chairman of the Authority, 150 farewell ceremonies of retiring employees and 130 welfare activities and terminal operations as well as educational programs conducted by the Authority. An album prepared by this Division containing photographs of different events participated by employees, was presented as a Souvenir on their retirement.

All special port related development activities were videotaped and edited for official records and the inaugural functions of ECT operations and JCT stage V project, future development activities of the Ports of Trincomalee, Galle and Kankasanthurai including all other major events were videotaped to elevate awareness among all port employees and port users.

Most of the available communication tools including websites and social media have been extensively used successfully to protect the SLPA employees and port from the Covid19 pandemic. A special web page was introduced to raise awareness on the health precautions to be followed in dealing with the pandemic through our official news website, [news.slpa.lk](https://news.slpa.lk), launched in 2018. The page dedicated to the SLPA activities against the Covid-19 pandemic can be accessed at [news.slpa.lk/index.php/covid-19](https://news.slpa.lk/index.php/covid-19).

In 2020 the CPRD has published and distributed one special issue of the “Theertha” with a view to promote the skills and competencies of SLPA employees. Arrangements for the publication of the newspaper as a magazine had been completed at end of 2020. Accordingly, the first issue of “Theertha” is scheduled to be published in the first quarter of 2021.

# OPERATIONAL REVIEW

The CPRD carried out the necessary communication and public relation activities to enhance the reputation of the SLPA at national and international level. We quickly responded to false and wrong news about SLPA published by various social media and other media outlets.

In conclusion, it is noteworthy to mention the Communication and Public Relations Division has rendered an exemplary service not only to enhance the internal communication between the employees of the SLPA but also to amplify public cooperation and awareness which are pivotal in dealing with the various external parties that the SLPA work with.

## INTERNAL AUDIT DIVISION

### Responsibility

The activities of the Internal Audit Division are guided by the Annual Audit Programme which is recommended by the Audit Committee and approved by the Board of Directors.

Internal Inspections and normal Internal Audit functions are carried out in the Revenue and Expenditure areas as well as Internal Controls of the Authority.

### Internal Audit Inspections and Functions

#### Audit on Revenue

The audit of revenue collection for the year was carried out as per the Audit Programme as special assignment enabling the detection of under- recoveries of port charges.

Debtors Accounts, Disputed Bills and Dishonored cheques were examined and discrepancies reported. Regular checks were carried out at the landing and Delivery Units as well.

### Audit on Expenditure

Inspections were carried out in respect of capital and recurrent expenditure and also on stores payment vouchers. Excess payment and other irregularities were detected. Vehicle running charts and vehicle authorization forms were checked and shortcoming highlighted. A regular check on the preparation of wages and salaries was carried out and discrepancies detected were reported.

### Cash

Surprise checks on cash and petty cash imprest were carried out from time to time and discrepancies were reported

### Physical Verification of Stores

The continuous verification of stores was carried out at the Colombo Port and assistance was also given for the annual stock verification at other Ports.

During the continuous verification of main stores, the non-moving stock items in the stores were identified and referred to the Supplies Division for suitable action.

### Attendance

Surprise checks of attendance of both labour and non labour grades were carried out regularly by the Flying Squad during both the day shift and the night shift. Employees detected as being absent from their workplace were reported for disciplinary action. This resulted in improving attendance and physical presence during their duty hours.

### Investigations

Special investigations were carried out during the year, at the request of the Chairman.

## Final Accounts

The Division is also responsible for examining the final accounts of the Authority with a view to ensuring the financial statements are prepared in a manner conforming to the Sri Lanka Accounting Standards, Sri Lanka Financial Reporting Standards and other laws & regulations.

## Pre – Audit

During the period under review, Pre- Audit of refunds of deposits and waivers of Port Charges were undertaken.

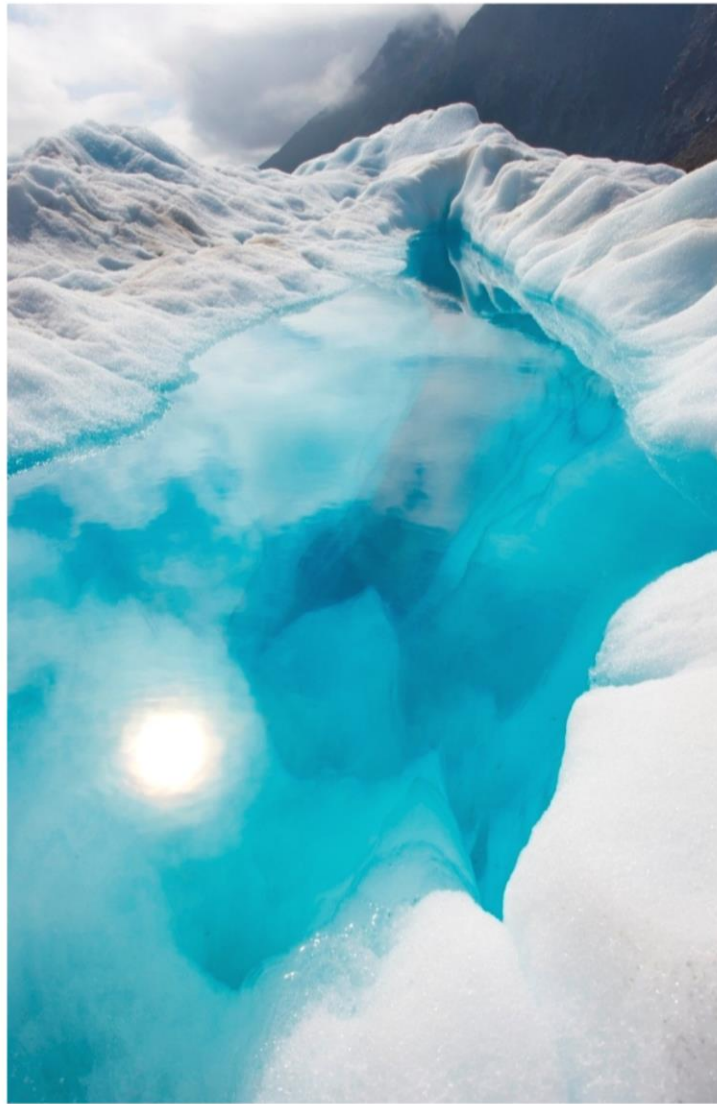
## Ports of Galle and Trincomalee

The Audit of Accounts for the Port of Galle & Trincomalee Port was carried out on both Revenue and Expenditure and reports were prepared.

## PORT OF GALLE

### Vessels called at Galle Port

Type of Vessels	Nos.
Clinker (Vessels to in Port)	11
Clinker (Barges to in Port)	184
Clinker Mother to Vessel to Anchorage	07
Cable	01
Other Vessels (Including M/yachts, passenger vessels, fishing vessels and other vessels for repair Bunkering and other purpose)	19
OPL	5,930
Anchorage	146
Sailing yachts	47
Motor Yachts	15



# **FINANCIAL REVIEW**

**ANNUAL REPORT 2020**



## FINANCIAL REVIEW

### Revenue (All Ports)

Description	2020		2019		Revenue (Port Activity Break-up)		
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	2020 Rs. Mn.	2019 Rs. Mn.	
Revenue from Port Activities	38,931	40,770			Navigation	10,957	11,567
Other Revenue	13,726	13,866			Stevedoring	17,847	18,582
					Wharf Handling	5,318	5,910
					Port Facilities	3,444	3,696
					Other Service Operations	1,365	1,015
<b>Total Revenue</b>	<b>52,657</b>	<b>54,636</b>	<b>Sub Total</b>			<b>38,931</b>	<b>40,770</b>

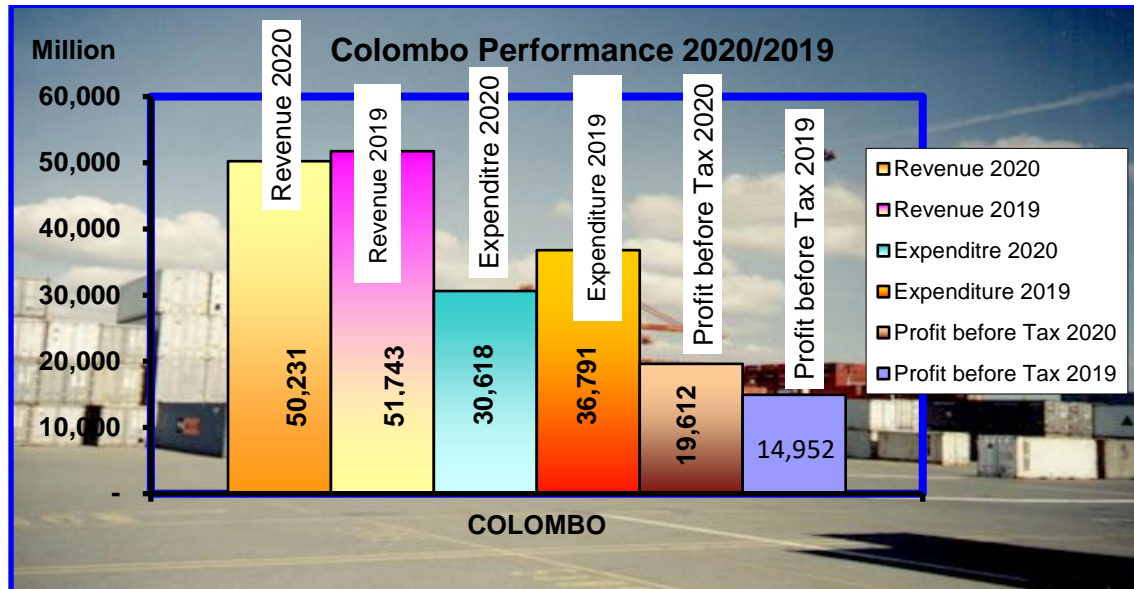
### Operating and Other Expenses (All Ports)

Description	2020 Expenditure In Rs. Mn.	2019 Expenditure In Rs. Mn.	(Increase)/ Decrease	%
	Unaudited			
Maintenance of Assets	957	1,322	365	28
Fuel, Electricity and Water	2,309	2,387	78	3
Interest on Foreign Loan	1,532	2,372	840	35
Overtime	4,941	4,787	(154)	(3)
Depreciation & Amotisation	4,090	4,082	(9)	(0)
Wages, Salaries and Allowances	14,981	14,880	(101)	(1)
Others	2,468	10,009	7,541	75
<b>Expenditure</b>	<b>31,278</b>	<b>39,839</b>	<b>8,561</b>	<b>21</b>
Foreign Exchange (Loss)/Gain	1,052	(1,359)	(2,411)	(177)
<b>Total Expenditure Including FEL/(FEG)</b>	<b>32,330</b>	<b>38,480</b>	<b>6,150</b>	<b>16</b>

## Port – wise Performance

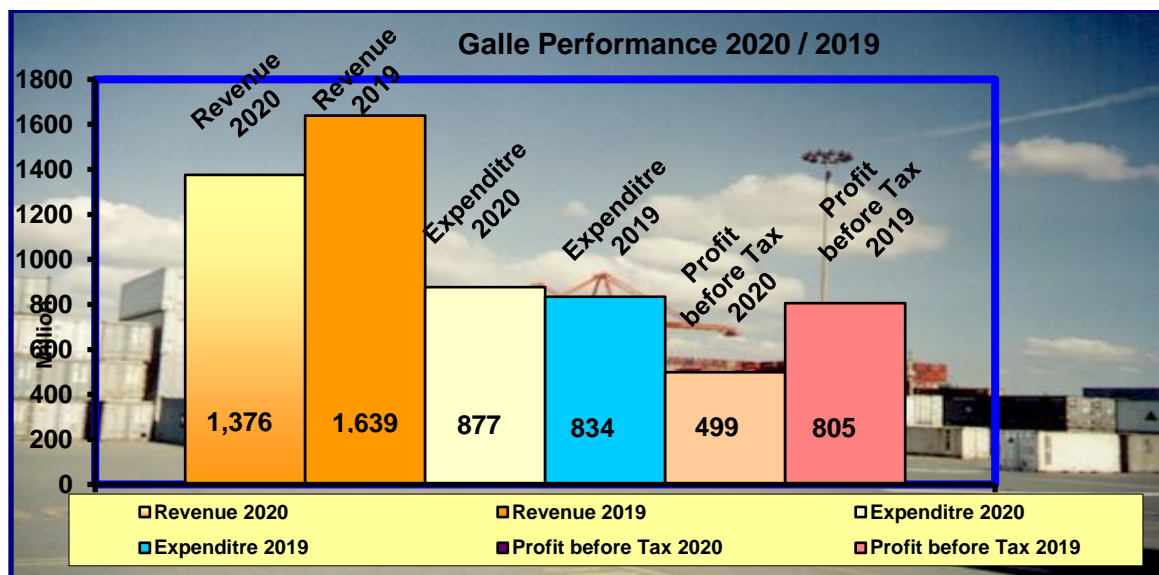
### The Port of Colombo

The Port of Colombo recorded Operating Profit of Rs. 20,255 million in year 2020. The total revenue of 2020 was Rs.50,231 million as compared to Rs.51,743 million in 2019 and decrease of Rs.1,512 million. Total expenditure before Tax remained at Rs. 30,618 million (including FEL Rs. 999 million) in 2020 whereas 2019 expenditure was Rs. 36,791 million (including FEG Rs. 1,364 million) and decrease of 17%.



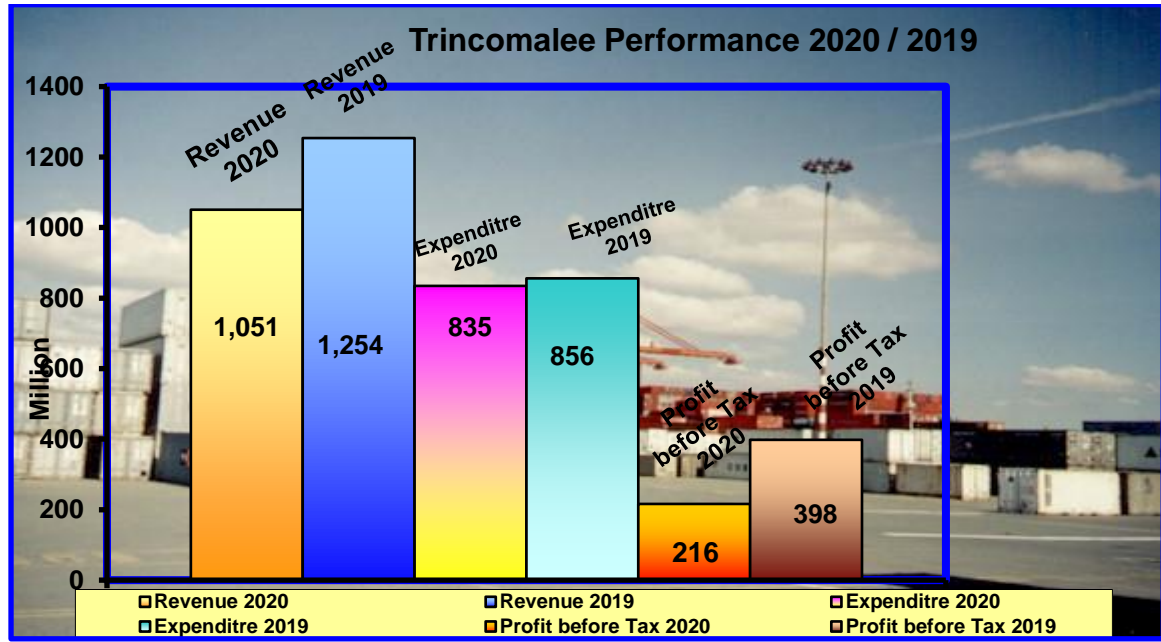
### Port of Galle

The Port of Galle recorded operating profit of Rs.177 million in year 2020. The total revenue of 2020 was Rs. 1,376 million as compared to Rs. 1,639 million in 2019 and decrease of Rs. 263 million. Total expenditure before tax remained at Rs. 877 million (including FEL Rs.52 million) in 2020 whereas 2019 expenditure was Rs. 834 million (including FEL Rs.6 million) an increase of 5%.



## Port of Trincomalee

The Port of Trincomalee recorded Operating profit of Rs. 96 million in year 2020. The total revenue of 2020 was Rs. 1,051 million as compared to Rs.1,254 million in 2019 and decrease of Rs. 203 million. Total expenditure before tax remained at Rs. 835 million in 2020 whereas 2019 expenditure was Rs. 856 million and decrease of 2%.



## HUMAN CAPITAL

The SLPA provides unique and challenging services. We have an extremely diverse employee profile which comprises of 9,293 employees as at 31.12.2020. Over the years we have developed an effective environment for individual employees while achieving the organizational goals.

Our HR policy has been prepared based on challenges in the environment. We have given equal opportunity in gender, race, ethnicity, religion or disability and have attracted and retained the right people, with right experience and attitudes.

We provide training programmes covering a wide spectrum of specialities while setting equal opportunity for employees in professional development and as well as career advancement. Our employees are provided with financial assistance to obtain higher qualifications through which we expect to gain new knowledge to the organization. Through our Appraisal System, it is expected to provide constructive feedback on important areas such as key work responsibilities, job knowledge, training requirement etc.

In addition to competitive remuneration, SLPA provides numerous other fringe benefits for its employees such as quarters, meal, medical insurance coverage, transport etc.. SLPA recognizes the right of people to join formal or informal groups and respects collective bargaining.

The SLPA provides a safe and healthy work environment for its employees under accepted best practices such as ISPS for the safety of its valuable resource. In addition to that SLPA has established a dedicated Unit call CPAC to collect information, coordinate the testing process through conducive communication and ensure proper monitoring and control of the situation in every operational area.

Our special attention has been drawn to health and safety of our employees especially during this epidemic situation. Therefore, we have provided transport facilities to almost all employees who report from various parts of the country. In addition to this special attendance bonus, increased overtime rates, incentives etc.. have been paid appraising their attendance during this epidemic period.

## CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the SLPA continued its Corporate Social Responsibility activities:

- Awarding of scholarships for the children of the Port employees who have excelled at the GCE (O/L) and GCE (A/L) Examinations.
- A fully-fledged crèche is managed by the SLPA for the well-being of the children of the Port employees.
- The Fire Brigade has assisted the Colombo Municipal Council in firefighting as well as other emergencies within Colombo and suburbs.
- Maintenance of a Ward at the Mental Hospital in Mulleriyawa.
- School stationary donation to Nithawala High School – Kandy.
- Contribution to Covid-19 Healthcare and Social Security Fund (Itukama).
- Technical Assistance to build a 16-room patient isolation ward at the National Institute of Infectious Diseases (IDH)

# CORPORATE GOVERNANCE REPORT

Corporate Governance is the total system by which organizations establish a mechanism for the effective utilization of resources, direction and control of the organization in the best interest of all categories of stakeholders. The primary responsibility for Good Governance lies with the Chairman and the Board of Directors of the Authority. In order to achieve the primary objectives of the organization they have to ensure that processes and controls are in place and effective which are to be facilitated through the career officials who in turn are responsible for respective functional areas. In this exercise, Internal Auditors have to play a vital role in the examination of the performance and report whether there are variations from the approved procedure. If any deviation to recommend as to how they should be revised to meet the expected performance especially in respect of the operational and financial functions and thus contribute towards Good Governance.

The quality and frequency of financial and other operational reporting, the extent to which the Board of Directors exercises its fiduciary duties, the quality of information shared by the management with the Board and their commitment to managing a transparent organization that maximizes value is of primary importance. The Authority has continued its commitment to maintaining high standards of Corporate Governance.

The Board of Directors is also responsible for the governance of the Authority. The Authority continues to place considerable emphasis on developing rules and regulations, structures and processes to ensure good practices. The Authority has consistently refined its structures of Corporate Governance.

The methods by which the Authority has applied the principles of good Corporate Governance practices during the financial

year are enumerated under the following headings:

- Board of Directors and Board Sub-Committees
- Internal Controls
- Internal Audits
- Rules of Discipline
- Relationship with the General Treasury and the Ministry of Ports and Shipping
- Compliance with Statutory and Legal requirements
- Public Enterprises Guidelines for Good Governance

Following the Cabinet decision to grant approval for recommendations made jointly by the Minister of Ports and Highways and Minister of Finance and Planning to deviate from certain identified clauses of the Public Enterprises Guidelines for Good Governance issued by the Director-General, Dept. of Public Enterprises of the Ministry of Finance, the SLPA has drafted a "Code of Governance" to be re-adopted by the Authority to ensure adequate flexibility and independence required to be highly competitive and a viable Public Sector Institution in the industry.

## **Board of Directors and Board Sub-Committees**

The Board consists of a Chairman, Vice Chairman and 07 Directors. Members of the Board of Directors should have the highest professional and personal ethics and values coupled with their experience in the industry in which the Authority operates.

The members of the Board are appointed in the following manner;

- The Chairman and 4 other Directors are appointed by the Minister from among persons who appear to the Minister to have wide experience in and who have shown capacity in

# CORPORATE GOVERNANCE REPORT

- Port development or Port operations or legal or financial matters or shipping, commercial or engineering activities or administration or labour relations.
- The Managing Director is appointed by the Minister in terms of Section 13:1 of the Act.
- A representative of the General Treasury is nominated by the Minister in charge of the subject of Finance.
- The Director-General of Customs and a representative of the Ministry, in charge of the Minister to whom the subject of Fisheries has been assigned, nominated by such Minister.
- Ensure that adequate internal controls and the highest ethical standards are maintained.
- Formulating Guidelines and ensuring their effectiveness to achieve objectives.
- Ensure that all key business risks are identified and appropriate and adequate controls, monitoring and reporting mechanism are in place to address them promptly.

The Hon. Minister may appoint one of the Directors appointed under Sub-Section (1) (a) or Sub-Section (1) (c), other than the Chairman to be the Vice Chairman of the Ports Authority.

The function of the Chairman, Vice Chairman and Managing Directors are clearly separated and defined. All the Non-Executive Directors provide a considerable depth of knowledge and experience. The names of the Directors of the Authority who held offices as at the dates of this statement and their profiles are given from pages 16 to 20.

The main functions/ responsibilities of the Board of Directors are:

- Setting directions through the establishment of strategic objectives, policies, goals and targets.
- Monitor performance against goals and objectives.

The Board meets regularly and during the year under review, the Board met on eight (08) occasions. The Board has timely access to information it needs to carry out its duties. The Secretary to the Board sets the agenda for the Board Meeting in consultation with the Chairman and all Board Directors receive a detailed report of information before each Board meeting. The matters discussed at the Board meetings include among other items reviews of operational and financial performance indicators, approval of major capital expenditure projects and proposals within its limits.

The Board has, subject to its final approval of all recommendations, delegated certain of its responsibilities to a number of sub-committees, mainly the Management Committee and the Audit Committee.

## Management Committee

Three (03) members of the Board of Directors including the Chairman, Vice Chairman and Managing Director and eight (08) other full-time Directors and Harbour Master served as members of the Management Committee.

In decision making of the day to day administration, establishment and operational matters, the Management Committee undertook to look into various aspects such as optimum use of resources

# CORPORATE GOVERNANCE REPORT

including human resources enhancement of productivity to improve the quality of services to the Port users and the interest of other stakeholders as a socially responsible Corporate Public Sector institution while being a commercially viable organization.

The Management Committee at its meetings carefully perused all policy matters and also the implementation of decisions taken before they were referred to the Board of Directors for approval and concurrence. To enable this process and to avoid any delays, the Management Committee meets twice a month and decisions were taken. The Management Committee had nine (09) meetings during the year.

## **Audit Committee**

The Audit Committee consists of the one representative of the General Treasury, Director General of Custom whose also are on the Board of Directors and one (01) other Independent Directors from the Board.

The Audit Committee reviews policies and procedures of internal control and ascertains the efficiency of such policies and procedures. The review of Internal Auditors Reports and Letters of Government Audit and follow up of their recommendations are implemented through the Board, the Audit Committee also ensures that the Authority has process and mechanisms in place to identify risks both financial and operational and that risk are managed and addressed through a well-defined action plan.

The Committee is responsible to and reports to the Board regularly, to strengthen the present systems and procedures in relation to financial and operational activities, and to improve efficiency and enhance productivity of resources for the benefit of employees and other stakeholders.

## **Internal Control**

An effective internal control system is an essential part of the efficient management of an organization. The Board has overall responsibility for the Authority's system of internal control and for reviewing the effectiveness of these controls. The Authority has established a comprehensive framework of policies and procedures, which are regularly reviewed and updated. The framework is designed to manage risks that may hamper the achievement of business objectives. Therefore, it provides reasonable assurance for safeguarding the Authority assets against unauthorized suing or disposition, maintenance of proper records and the reliability of information generated.

The system of internal control is supported by the Authority commitment to competence, integrity, ethical values and communication of a control conscious environment, through its established policies and guidelines.

## **Internal Auditors**

Internal Audit Division is headed by a qualified Chartered Accountant. The Division is independent and directly reports to Chairman and the Audit Committee.

The scope of work is set in consultation with the Chairman and the Audit Committee and is reviewed regularly to amend the scope, if necessary. Primarily, the overall internal control system is monitored by the Internal Audit Division and supported by the Audit Committee. Internal Audit provides an objective view of the efficiency and effectiveness of the internal control procedures and assesses the action plans in dealing with the internal control issues.



# CORPORATE GOVERNANCE REPORT

## Rules of Discipline

The rules of Discipline are in place to guide all employees on acceptable conduct. The Authority requires that all Directors, Divisional Heads and employees maintain the highest standards of integrity and honesty in the day to day performance of their duties and in any situation where their actions could affect the Authority reputation and image.

The key elements of the Rules of Discipline are;

- Fairness, honesty and impartiality in all actions.
- Being aware of the law and obeying it.
- Confidentiality for all matters dealt with.
- Avoiding conduct that is likely to reflect or affect badly on the Authority.

## Compliance Framework and Compliance with Statutory and Legal Requirements

The Authority has recognized the importance of compliance with all legal and statutory requirements. For this purpose, the Finance Division and the Internal Audit Division make every endeavor and work in tandem to ensure that the authority complies with all statutory and legal requirements. Besides, the Legal Division also ensures that the business and the other affairs of the Authority comply with laws and regulations.

## Relationship with Ministry of Ports and Shipping the General Treasury of the Ministry of Finance

The Authority has regular dialogue with the Hon. Minister and the Secretary, Ministry

of Ports and Shipping who guide the Board to set clear directions and strategic objectives to be achieved. Besides, as required by the General Treasury of the Ministry of Finance, the Authority forwarded a Business Plan for three years and complete sets of reports quarterly which includes Financial Reports and other Operational Performance Reports.

## Related Party Disclosures

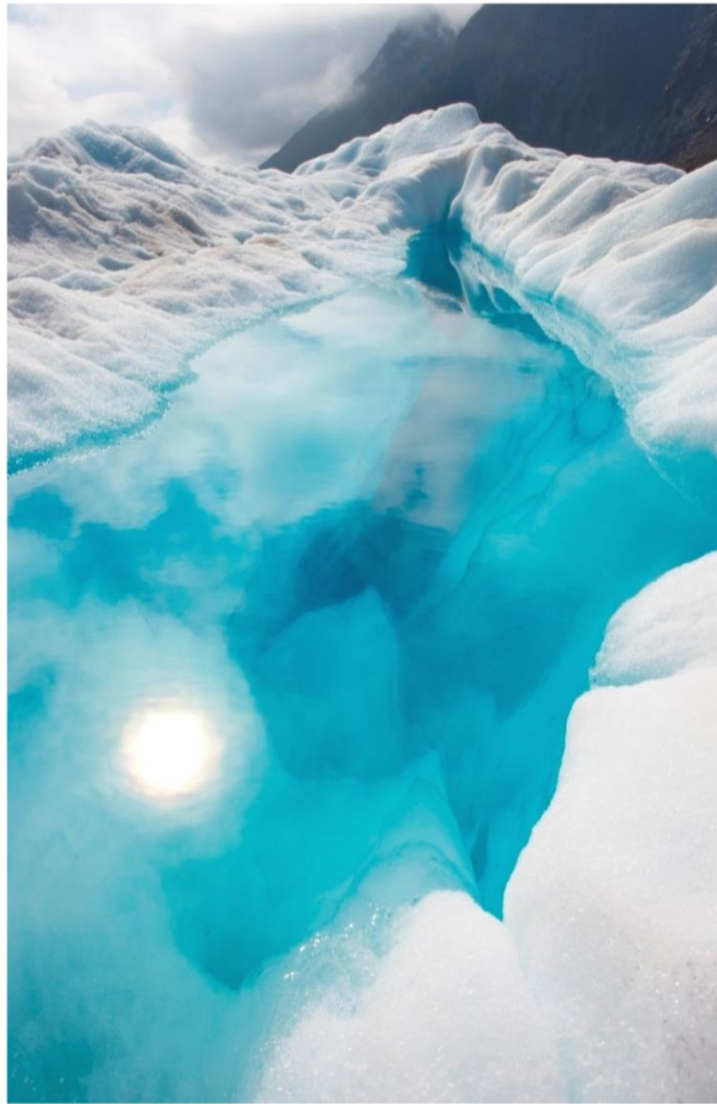
The Directors of the Board confirm and certify that they have no personal interest or relationships with any parties who have transactions with the SLPA.

## Accountability

The Directors of the Board are of the view that the financial statements of the Ports Authority reflect a true and fair view of the state of affairs and have been prepared in conformity with accepted requirements.

## Future

The Authority believes that the real value of Corporate Governance lies not in blindly following code of best practice, policies and principles but rather in actually securing the confidence from all stakeholders and thereby conducting its business with utmost integrity and fairness in a transparent manner so that they too support our strategies.



# **PORTS STATISTICS**

**ANNUAL REPORT 2020**

## PORT OF COLOMBO

### Port Dimensions

#### Harbour Area

Harbour Basin Area	184.6 Hectares
Length of North-West Breakwater	810 Metre
Length of North-East Breakwater	330 Metre
Western Entrance	230 Metre X 16 Metre
North Entrance	190 Metre X 13Metre

#### Working Hours

The Port of Colombo works on a 24 hours basis everyday of the year.

### Cargo Throughput

#### 2020

A - Containerized	90.9%
B - Break Bulk	0.6%
C - Dry Bulk	3.0%
D - Liquid Bulk	5.5%

## NEW PORT OF COLOMBO

### Harbour Area

Harbour Basin Area	192.0 Hectares
Length of South-West Breakwater	5,140 Metre
Length of North-West Breakwater	1,550 Metre
Main Entrance	570 Metre X 18 Metre

## PORT OF GALLE

### Port Dimensions

Water Area	15.3718 Hectares
Entrance Channel	140 Metre
Land Area	16.4015 Hectares
Permitted LOA	130 Metre
Permitted Draught	7.3 Metre

#### Working Hours

The Port of Galle works on a 24 hours basis every day of the year except on May Day with only day light navigation.

# PORTS STATISTICS

## Deviation Time

From Main East-West Route None

## Berthing Facilities

### Total Number of Alongside Berths 05

Berth	Total Length (M)	Alongside Draught (M)
Closenburg Jetty	420	8.9
New Pier	162	8.9
New Pier/Cross	84	8.9

## Warehouse Facilities

Name or location of warehouse	No of units	Average Height (Ft.)	Area (Sq. Ft)	Capacity (Cu. Ft.)	Staking Height (Ft.)
No. 01	06	23	20,000	460,000	10 High
No. 02	12	23	40,000	920,000	10 High
GSCD	07	23	23333.3	536666.7	10 High
SLPA	05	23	16666.7	383333.3	10 High

No. 02 warehouse 07 units were given to Galle Submarine Cable Depot (GSCD) from 15.01.2018 – 14.01.2023

## PORT OF TRINCOMALEE

### Port Dimensions

Water Area	1,536 Hectares
Entrance Channel (Width (minimum))	500 Metre
Land Area	2,254 Hectares

### Working Hours

The Port of Trincomalee works on a 24 hours basis every day of the year except on May Day with only day light navigation.

## Berthing Facilities

### SLPA Berths

Berth	Total Length (M)	Alongside Draught (M)
Ashraf Jetty	250	12.5
Side Berth-Ashraf Jetty	90 X 2	8.5
Jetty at Mudcove	45	3.5
Jetty at TTA	190	2.0-4.0
Ceylon Jetty	50	2.5
Town Jetty	50	2.5
Muther Jetty	60	3.0
VSO Jetty	25	1.5
Old Town Jetty	60	2.0
Oil Jetty	130	9.75

### Other Berths

Berth	Total Length (M)	Alongside Draught (M)
Prima Jetty (Inner)	122	5.9
Prima Jetty (Outer)	227	14.3
Prima Jetty (Multi-Purpose)	170	10.3
Tokyo Cement Jetty	160	9.5

### Details of Warehouse – TTA

Warehouse	Dimension (Ft)	Average Height (Ft)	Area in SQ (Ft.)	Stacking Height (Ft.)	Capacity (Cu. Ft.)
No. 01	75 X 34	-	2,550	12	30,600
No. 02 & 03	90 X 70	15	6,300	12	75,600
No. 04	190 X 95	19	18,050	14	252,700
No. 05 A	150 X 110	25	16,500	15	247,500
No. 05 B	150 X 80	15	12,000	12	144,000
No. 06	300 X 110	20	33,000	15	495,000
No. 07	96 X 36	-	3,456	12	41,472

## PORT OF HAMBANTOTA

### Port Dimensions

#### Harbour Area

Harbour Water Area	75 Hectares
Length of the West Breakwater	988 Metre
Length of East Breakwater	311 Metre
Approach Channel	210 Metre * 16 Metre
Turning Circle	600 Metre

#### Quay Lengths

Quay - General Cargo	600 Metre
Service Quay	105 Metre
Oil Berth 1	310 Metre
Oil Berth 2	300 Metre
Depth of Basin	17 Metre
Design Vessel	100,000 DWT

## PORT OF HAMBANTOTA – PHASE - II

### Port Dimensions

#### Harbour Area

Total Water Area at Completion	152 Hectares (Including the Phase -I water area)
Approach Channel	210 Metre * 17 Metre
Turning Circle	600 Metre

#### Quay Lengths

Main Container Berth	835.5 Metre
Feeder Container Terminal	460 Metre
Multi-Purpose Berth	838.5 Metre
Transition Berth	208 Metre
Depth of Basin	17 Metre
Design Vessel	100,000 DWT

## MILESTONES

1505	Colombo became known to the Western World after Portuguese commenced using it as a Naval Base/ Harbour.		alongside berths of 9-11 meters draught and two coaster berths of 7.5-meter draught and 55.800 sq. meter of adjacent transit sheds and warehouse accommodation.
1875	9th Dec. King Edward VII laid the Foundation Stone for the South West Break Water.	1954	Inauguration by Her Majesty Queen Elizabeth II of the completion of construction of the alongside berths at the South West Breakwater and naming it "Queen Elizabeth Quay" – The Royal Yacht, "Gothic" – the first vessel to berth at Queen Elizabeth Quay.
1882	Harbour Board established to administer the Port of Colombo.		
1885	Completion of the 1285 meter long south West Breakwater.		
1898	Completion of the 335 meter long north East Breakwater.		
1899	Commencement of the construction of the Dry Docks.	1956	Completion of 17 alongside berths, transit sheds and warehouses.
1906	Completion of the 814 meter long Island Breakwater.	1958	Port (Cargo) handling activities of the Port of Colombo nationalized and the Port (Cargo) Corporation established.
1906	Completion of the Dry Dock.		
1909	Completion of the 250 meter long Guide Pier for the Dry Docks. (The First deepwater alongside berth)	1964	Cargo handling activities of the Port of Galle nationalized.
1912	Completion of 18 coaling jetties at the present Jaya Container Terminal site.	1967	Port Tally and Protective Services Corporation established.
1912	Completion of the 550-meter long extension arm of the South West Breakwater.	1967	Cargo handling activities of the Port of Trincomalee nationalized.
1913	Colombo Port Commission created to develop and maintain the Port.	1979	The Sri Lanka Ports Authority formed by unifying the Colombo Port Commission, the Port (Cargo) Corporation and the Port Tally and Protective Services Corporation.
1922	Completion of Petroleum oil facilities.		
1950	Commencement of construction of fifteen		

## MILESTONES

1980	Master plan for the Port of Colombo established with assistance from the Government of Japan.	1995	Inauguration of Stage III of the “Jaya” Container Terminal.
1980	Inauguration of the New Terminal at Queen Elizabeth Quay.	1996	Inauguration of Stage IV of the “Jaya” Container Terminal.
1982	Commissioning of the first Gantry Crane – TANGO 80.	1998	Inauguration of the Unity Container Terminal.
1982	Contract for the construction of the New Container Terminal signed with M/s. Penta Ocean Wakachiku Joint Venture of Japan.	1998	Symposium of Affiliate Ports.
1983	Inauguration of the Construction of Stage I of the fully equipped container Terminal.	1999	Commissioning of the Olivil Light House in the East Coast and opening of the Olivil Maritime Training Institute.
1984	Inauguration of the Construction of Stage II of the fully equipped container Terminal.	1999	Commencement of the Development of the South Asia Gateway Terminal QCT.
1984	Installation of four Hitachi Transfer Cranes at Queen Elizabeth Quay Container Berth.	1999	Commencement of construction of Alongside Berth Project in Trincomalee.
1985	Ceremonial Opening of Stage I of the “Jaya” Container Terminal.	2000	Commencement of Colombo South Harbour Feasibility Study.
1987	Inauguration of SLPA – Mahapola Training Institute.	2000	Commencement of a new Berth in Port of Galle.
1987	Inauguration of Stage II of the “Jaya” Container Terminal.	2000	Inauguration of Peliyagoda Container Freight Station.
1988	Commissioning of the off-shore installation of the Single Point Buoy Mooring.	2000	Submission of Final Report for development of the Port of Galle as a Regional Port.
1994	Completion of new Port Access Road.	2000	Commencement of North Pier development phase II.
		2000	Inauguration of the One-Stop Documentation Centre.
		2001	Inauguration of the New Jetty in Port of Galle.



## MILESTONES

2003	Inauguration of construction of Oluvil Port Access Road.	2006	Signing of MOU for the proposed Colombo Port Expansion Project to construct the Colombo South Harbour.
2003	Inauguration of Customer Service Centre for LCL and break-bulk cargo.	2006	Signing of MOU concerning detailed design works of Hambantota Port Development Project (Phase I).
2003	Opening of the SLPA Maritime Museum.	2007	Commencement of construction work and Signing of the Financial Agreement of the Hambantota Port Development Project.
2003	Ceremonial inauguration of Unity Container Terminal with the completion of the civil works.	2008	Commencement of construction work of Oluvil Port Project.
2004	Ceremonial inauguration of Container Handling Operations at Unity Container Terminal.	2008	Commencement of construction work of Colombo Port Expansion Project.
2004	25 <sup>th</sup> Anniversary celebrations of the SLPA.	2008	Signing of Contract Agreement for construction of Bunkering facility and Tank farm at Hambantota.
2004	National Productivity Award in the large scale service sector was won by JCT.	2009	Laying of Foundation Stones for the Bunkering Facility and Tank Farm Project and Administration Building at Hambantota.
2004	Handling of 2 million containers at the Port of Colombo.	2009	The JCT Terminal Management System upgrade to "NAVIS".
2005	Commencement of construction of the Port and Housing Scheme in Oluvil.	2010	Ceremony of Sea Water Filling to the Harbour Basin of Magam Ruhunupura Mahinda Rajapaksa Port (MRMRP) - 15.08.2010.
2005	A certificate of merit was awarded to the SLPA Mahapola Training Institute under Medium Category /Service Sector by the National Productivity Secretariat.		
2006	Commissioning of Container Security Initiative and Megaport Initiative in the Port of Colombo.		

## MILESTONES

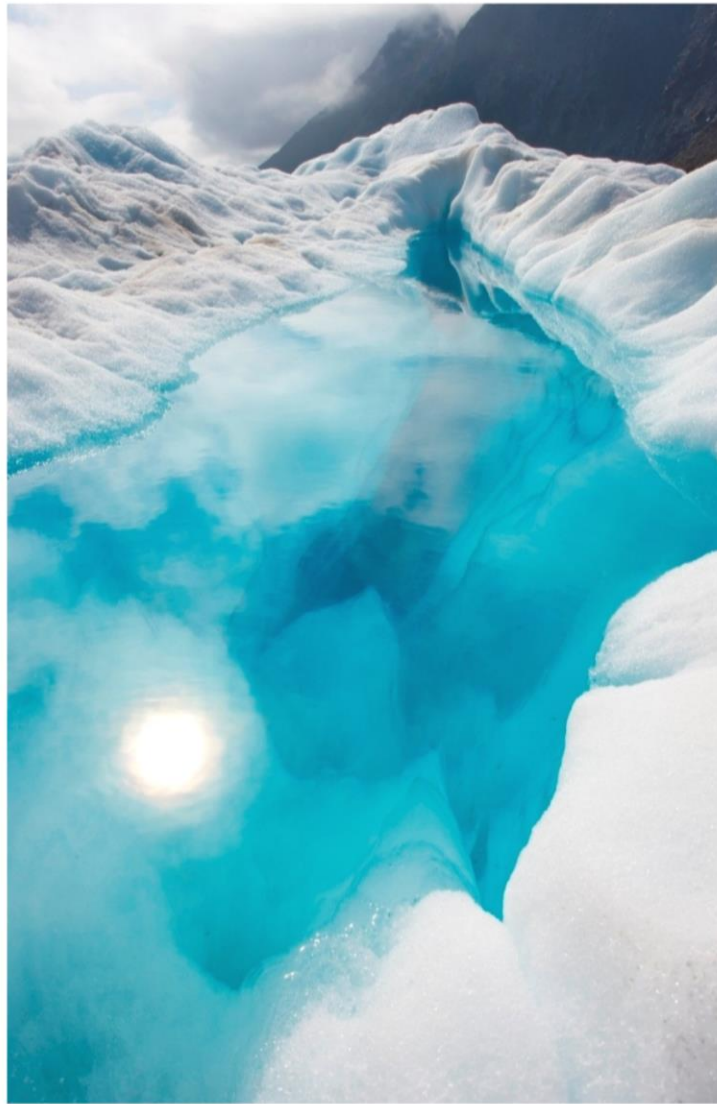
2010	Ceremonial inauguration of (MRMRP) - 18.11.2010.		breakwater of 6.8 Km and South Container Terminal.
2010	Handling of 02 Million Containers at the JCT.	2013	Ceremonial Inauguration of the Port of Oluvil.
2010	Handling of 04 Million Containers at the Port of Colombo.	2013	Implementation of Import FCL Module of Cargo Management System.
2011	Arrival of 06 Nos. New Gantry Cranes and 30 Nos. Transfer Cranes.	2013	Ceremonial Inauguration of Administration Building at MRMR Port.
2011	Capacity enhancement at Colombo Oil Terminal of the SLPA.	2014	Ceremonial Inauguration of Bunkering Facilities and Tank Farm Complex at MRMR Port.
2011	Arrival of 50 Nos. Terminal Tractors.	2014	Commencement of construction work of Colombo Port City Development Project.
2011	Signing of Agreement for the South Container Terminal under the Colombo Port Expansion Project.	2015	Ceremonial Inauguration of the East Container Terminal.
2011	Ground Breaking Ceremony at the MRMRP to open new business ventures.	2015	Obtained ISO 9001 - 2008 Certification for Quality Management System.
2011	Ground Breaking Ceremony for the commencement of construction work of the South Container Terminal.	2015	Ceremony of Sea Water Filling to the Harbour Basin of Magam Ruhunupura Mahinda Rajapaksa Port Phase – II.
2012	Commencement of handling RO-RO Vessels at Magam Ruhunupura Mahinda Rajapaksa Port.	2015	Handling of 05 Million TEUs at the Port of Colombo.
2012	Replacing the dilapidated existing bunker fuel pipeline from the Bloemendhal Oil Terminal to the Port of Colombo.	2016	Re-establishment of CFS I Operation Centre. (10.08.2016)
2013	Ceremonial Inauguration of the Colombo Port Expansion Project with monumental	2016	Manufacture of a New Low Bed Trailer by Mechanical Works Engineering Division at JCT. (31.08.2016)

## MILESTONES

2016	The largest ever Container Vessel – MSC Maya calls at the CICT of Port of Colombo. (16.09.2016)	2018	The SLPA won Ports Authority of the year 2018 Award at Global Ports Forum.
2017	Operations of Fully Re-constructed Container Freight Station – 01 (CFS 1) (31/05/2017)	2018	Generation of the last tranche under Hambantota Port Concession Agreement between SLPA and China Merchants Port Holdings Company Ltd.
2017-	Concession Agreement between China and Sri Lanka for Port Operations of the Port of Hambantota (29/07.2017)	2018	The Port of Colombo organised the first-ever Colombo Port Award Night.
2017	SLPA hosts the 19 <sup>th</sup> Symposium on International Network of Affiliated Ports (INAP) Conference (07-08/11/2017)	2018	Port of Colombo ranked as the World's Highest Container Growth Port in the first half of 2018 – Alphaliner.
2017	Signing of Shareholders Agreement and Land Lease Agreement of the Port of Hambantota (08/12/2017)	2018	Handling of 7 million TEUs by the Port of Colombo.
2017	Generation of 01 <sup>st</sup> Payment under Hambantota Port Concession Agreement between Sri Lanka Ports Authority and China Merchants Holdings Company Ltd. (09/12/2017)	2019	The SLPA wins the Global Ports Forum (GPF) – ‘ Port Authority of the Year 2019 ’ award for the second consecutive year at the GPF awards ceremony.
2017	Port of Colombo Handling of 6 Million TEUs (20/12/2017)	2019	The SLPA wins the Global Ports Forum (GPF) – ‘ Port Public Partner of the Year 2019 ’ award at the GPF awards ceremony.
2018	Generation of 02 <sup>nd</sup> Payment under Hambantota Port Concession Agreement between Sri Lanka Ports Authority and China Merchants Port Holdings Company Ltd.	2019	Commencement of the New Head Office Building for SLPA.
2018	The SLPA enters into MOU with SAGT and CICT to collectively promote the Port of Colombo.	2019	40 <sup>th</sup> Anniversary celebrations of the SLPA.
		2019	The Port of Colombo holds the 2 <sup>nd</sup> Consecutive Port of Colombo Awards Night 31 <sup>st</sup> August.

## MILESTONES

- 2020** Commencement of construction work of JCT-V Container Quay Wall extended by 120m.
- 2020** Arrival of 03 Nos. New Gantry Cranes for JCT-V project which were later commissioned at ECT for operations.



# **FINANCIAL STATEMENTS**

**ANNUAL REPORT 2020**

## REPORT OF THE BOARD OF DIRECTORS

The Board of the Directors of the Sri Lanka Ports Authority as of 31.12.2020 are as follows:

**General R M D Ratnayake**  
Chairman

**Dr. Prasantha Jayamanna**  
Vice-Chairman

**Mr. H. D. A. S. Premachandra**  
Managing Director

**Maj. Gen. G. Vijitha Ravipriya**  
Director

**Ms. J C Weligamage**  
Director

**Mrs. N A A P S Nissanka**  
Director

**Mr. J R U De Silva**  
Director

**Dr. Christo Fernando**  
Director

The Board had eight meetings during the year under review.

The Management Committee which functioned as a Sub-Committee of the Board of Directors had nine meetings during the year 2020. The other Sub-Committee of the Board of Directors, viz. the Audit Committee had four meetings during the year 2020. The following Directors of the Board functioned as members of the Audit Committee.

**Ms J. C. Weligamage**  
Chairman

**Maj. Gen. G. Vijitha Ravipriya**  
Member

**Dr Christo Fernando**  
Member

Port of Colombo handled 6.8 million TEUs in the year 2020 which was a -5.2% decrease compared to the year 2019. CICT terminal handled 2.88 million TEUs, SLPA Terminals handled 2.09 million TEUs while SAGT handled 1.87 million TEUs. Port of Colombo recorded a -3.3% decrease in transshipment containers. The handling of domestic containers was decreased by -14.4% compared to the year 2019.

- The Port of Colombo's container handling throughput decreased from 7,228,337 TEUs in 2019 to 6,854,762 TEUs in 2020.
- The Port of Colombo's overall tonnage handling decreased by -4.2% compared to 2019.

A comparison of ship arrivals in the Port of Colombo in 2020 compared to last year reflects that ship arrivals decreased from 4,198 to 3806 (-9.3%). The number of container ship arrivals decreased from 3,604 in 2019 to 3,281 in 2020, recording a decrease of -9.0%.

The SLPA management implemented several marketing and business development strategies to retain and attract greater container volumes to SLPA Terminals and port of Colombo. Two Terminal Service Agreements were signed with leading shipping lines to continue business with SLPA and tie-up with them. Additionally, the SLPA terminals capture and ad hock callers to gain additional volume to the SLPA terminals.

The SLPA built deepwater facilities at the Colombo South Harbor to cater to Ultra Large Container Ships (ULCS). CICT terminal received 401 container ships with draughts exceeding 14.25m compared to 374 in the previous year. These have resulted in Port of Colombo strengthening its position as a

## REPORT OF THE BOARD OF DIRECTORS

transshipment hub in the region. The Ports Authority terminals operate with the challenges of increasing ship dimensions, the formation of new alliances/mergers/acquisitions and competitive rates and concessions offered by other private terminal operators.

The SLPA has recorded an Operating Profit of Rs. 21 billion in the year 2020 compared to Rs.16 billion in the year 2019. The gross revenue of 2020 was Rs.52.6 billion as compared to Rs.54.6 billion in 2019, which is a decrease of Rs. 2 billion. Total Expenditure before Tax, loan interest and Foreign Exchange Gain / (Loss) remained at Rs. 29.7 billion in 2020, whereas in 2019 expenditure was Rs.37.4 billion reporting a decrease of 21%.

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

Under section (12) & (13.6) of the Finance Act No 38 of 1971, Directors of the Authority have responsibility for ensuring that the SLPA keeps proper books of accounts of all the transactions and prepare Financial statements that give a true and fair view of the state of affairs and of the profit /loss for the year.

Accordingly, the Directors have directed the Authority to maintain proper books of accounts and reviewed the financial reporting system at their regular meetings and through the Audit Committee.

In preparing the financial statements exhibited in this booklet, Directors have considered adopting appropriate Accounting Policies on a consistent basis and supporting by reasonable and prudent judgments and estimates.

The Directors have taken such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect frauds and other irregularities. In this respect the Directors have instituted an effective and comprehensive system of internal controls comprising of internal check, internal audit and financial and other controls required to carry out the business of the SLPA in an orderly manner to safeguard its assets and secure as far as practicable the accuracy and reliability of our records.

By order of the Board



**P P Weerasooriya**  
**Secretary to the Board**



# AUDIT AND MANAGEMENT COMMITTEE REPORT

The Audit and Management Committee (AMC) is appointed by the Board of Directors and it is responsible to the Board. The Chairman of the AMC is the Director who represents the General Treasury. The AMC is responsible to assist the board of directors in implementing its oversight responsibility in terms of financial management of the organization. In fulfilling this, the committee's main responsibilities are;

- Ensuring effective internal controls and internal audit functions.
- Reviewing and monitoring the integrity of the financial statements. Financial reporting and audit process.
- Ensuring compliance with statutory and regulatory requirements.
- Reviewing the systems for ensuring operational efficiency and cost control.

Both Internal and External audit reports, financial statements are reviewed by the Audit and Management Committee. The AMC having reviewed these reports using their extended experience and expertise, recommended additional controls and risk mitigation strategies that could be implemented where necessary to strengthen the existing internal control system thus minimizing the possibility of occurrence and impact of fraud and errors, operational and financial risks faced by the entity. Moreover, the committee review the internal audit functions with particular emphasis on the planning, quality and the scope of the audit.

During the year 2020, there were three Audit and Management Committee meetings held for the Authority. Meetings had to be limited to three, due to the Covid 19 pandemic and prevailed health

guidelines issued by relevant authorities. The AMC reviews and discuss the reports submitted by both Internal and External Auditors. The Committee focuses an assisting the board in fulfilling its duties by providing an independent and objective review of the financial reporting process of the institution. After scrutinizing the reports thoroughly the committee has given the instruction to the management for rectifying the issues highlighted in relation to the accounting policies, operational controls and risk management process. Further, report of the committee were referred to the Board of Directors for their due consideration and necessary action. The committee of the view that necessary "checks and balance" are in place to provide reasonable assurance that the Authority's assets are safeguarded and that the financial position and the results disclosed in the audited accounts are free from any material mis-statements. Salient issues highlighted at the committee meetings were brought to the notice of the Board of Directors with the recommendations of the Audit committee. During the year, the committee made significant contribution to improve the governance and to help the Authority to carry out its activities in a transparent manner.



**J.C. Weligamage**  
**Chairman of the Audit and Management Committee**

# STATUTORY COMPLIANCE STATEMENT

The statuses of compliance on statutory requirements are detailed below.

## **1. Employees Provident Fund – Authority & Employee contributions**

The Sri Lanka Ports Authority contribution of 15% and the employee contribution of 10% on all permanent employees are to be remitted to the Department of Labor before the last date of the succeeding month.

All monies deducted from employees and the respective Authority contribution for employees has been remitted on or before the stipulated date.

## **2. Employees Trust Fund**

The Authority's monthly contribution of 3% has been remitted on or before the stipulated date.

## **3. Income Tax**

Income tax payments in relation to income earned have been made quarterly on the due dates whenever there is a taxable income, in terms of Section 113 of the Inland Revenue Act No. 24 of 2017.

## **4. The Annual Return**

Annual Return in respect of Income Tax of the Authority has been filed annually with the Department of Inland Revenue up to year ending 31 December 2019. As per the notice reference No.PN/IT/2020-09 dated 03<sup>rd</sup> November 2020, issued by Department of Inland Revenue the return of income tax for the year of Assessment 2019/2020 is furnished on or before 28<sup>th</sup> February 2021. These have been completed and handed over on 10<sup>th</sup> December 2020.

## **5. Annual Reporting**

Annual Budget, Accounts & Annual Report have been submitted to the Parliament of Sri Lanka, General Treasury & Ministry.

# OPERATIONAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER	SLPA				
	COLOMBO	TRINCOMALEE	GALLE	2020	2019
<b>NUMBER OF SHIPS CALLED (NO)</b>					
Cargo Ships	3,723	120	19	3,862	4,207
Other Ships	83	15	3	101	187
Other Vessels	529	44	226	799	1,075
	<b>4,335</b>	<b>179</b>	<b>248</b>	<b>4,762</b>	<b>5,469</b>
<b>TROUGHPUT</b>					
<b>CONTAINER TEU's (SLPA)</b>					
Transhipment	1,855,713			1,855,713	1,999,598
Domestic	231,053			231,053	274,734
Re-Stowing	11,038			11,038	8,286
<b>TOTAL TEU's</b>	<b>2,097,804</b>	-	-	<b>2,097,804</b>	<b>2,282,618</b>
<b>CONTAINER TEU's (SAGT)</b>					
Transhipment	1,568,769			1,568,769	1,593,234
Domestic	265,189			265,189	401,181
Re-Stowing	38,094			38,094	57,738
<b>TOTAL TEU's</b>	<b>1,872,052</b>	-	-	<b>1,872,052</b>	<b>2,052,153</b>
<b>CONTAINER TEU's (CICT)</b>					
Transhipment	2,188,979			2,188,979	2,209,228
Domestic	593,427			593,427	597,417
Re-Stowing	102,500			102,500	86,921
<b>TOTAL TEU's</b>	<b>2,884,906</b>	-	-	<b>2,884,906</b>	<b>2,893,566</b>
<b>CONTAINER TEU's (PORT OF COLOMBO)</b>					
Transhipment	5,613,461	-	-	5,613,461	5,802,060
Domestic	1,089,669	-	-	1,089,669	1,273,332
Re-Stowing	151,632	-	-	151,632	152,945
<b>TOTAL TEU's</b>	<b>6,854,762</b>	-	-	<b>6,854,762</b>	<b>7,228,337</b>
Conventional M/T	3,547,572	2,796,613	404,060	6,748,245	6,676,351
Liquid M/T	5,346,585	275,717	-	5,622,302	6,670,202
	<b>8,894,157</b>	<b>3,072,330</b>	<b>404,060</b>	<b>12,370,547</b>	<b>13,346,553</b>
<b>(M/T) - SLPA</b>					
Containerised Cargo	26,598,984			26,598,984	28,792,815
Conventional Cargo	3,547,525	2,796,613	404,060	6,748,198	6,676,351
Liquid	5,346,557	275,717	-	5,622,274	6,670,202
<b>TOTAL (M/T)</b>	<b>35,493,066</b>	<b>3,072,330</b>	<b>404,060</b>	<b>38,969,456</b>	<b>42,139,368</b>
<b>(M/T) - SAGT</b>					
Containerised Cargo	24,878,140			24,878,140	26,514,819
Conventional Cargo	6			6	-
Liquid	16			16	-
<b>TOTAL (M/T)</b>	<b>24,878,162</b>	-	-	<b>24,878,162</b>	<b>26,514,819</b>
<b>(M/T) - CICT</b>					
Containerised Cargo	37,310,011			37,310,011	37,089,102
Conventional Cargo	41			41	-
Liquid	12			12	-
<b>TOTAL (M/T)</b>	<b>37,310,064</b>	-	-	<b>37,310,064</b>	<b>37,089,102</b>
<b>(M/T) - PORT OF COLOMBO</b>					
Containerised Cargo	88,787,135	-	-	88,787,135	92,396,736
Conventional Cargo	3,547,572	2,796,613	404,060	6,748,245	6,676,351
Liquid	5,346,585	275,717	-	5,622,302	6,670,202
<b>TOTAL (M/T)</b>	<b>97,681,292</b>	<b>3,072,330</b>	<b>404,060</b>	<b>101,157,682</b>	<b>105,743,289</b>
<b>GROSS TONNAGE HANDLED (SLPA)</b>					
Containerised Cargo	14,422,734			14,422,734	28,792,815
Conventional Cargo	3,540,344	2,796,613	404,060	6,741,017	6,676,351
Others	4,826,019	275,717	-	5,101,736	6,670,203
<b>TOTAL TONNAGE</b>	<b>22,789,097</b>	<b>3,072,330</b>	<b>404,060</b>	<b>26,265,487</b>	<b>42,139,369</b>
<b>GROSS TONNAGE HANDLED (SAGT)</b>					
Containerised Cargo	12,582,485			12,582,485	26,514,819
<b>TOTAL TONNAGE</b>	<b>12,582,485</b>	-	-	<b>12,582,485</b>	<b>26,514,819</b>
<b>GROSS TONNAGE HANDLED (CICT)</b>					
Containerised Cargo	19,586,419			19,586,419	37,089,102
<b>TOTAL TONNAGE</b>	<b>19,586,419</b>	-	-	<b>19,586,419</b>	<b>37,089,102</b>
<b>GROSS TONNAGE HANDLED (PORT OF COLOMBO)</b>					
Containerised Cargo	46,591,638	-	-	46,591,638	92,396,736
Conventional Cargo	3,540,344	2,796,613	404,060	6,741,017	6,676,351
Others	4,826,019	275,717	-	5,101,736	6,670,203
<b>TOTAL TONNAGE</b>	<b>54,958,001</b>	<b>3,072,330</b>	<b>404,060</b>	<b>58,434,391</b>	<b>105,743,290</b>
<b>PERSONNEL</b>					
Number of Employees	8,567	339	387	9,293	9,759

# STATEMENT OF FINANCIAL POSITION

Expressed in Sri Lankan Rupees

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER	Note	Group		SLPA	
		2020	2019 (Restate)	2020	2019
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	3	148,807,403,998	145,293,715,957	148,733,638,604	145,206,448,857
Leased Hold Asset	3.2	92,359,579	8,676,133	92,359,579	8,676,133
Intangible Assets	4	160,710,981	220,975,631	160,710,981	220,975,631
Investment Properties	5	169,698,903,527	171,044,367,656	169,698,903,527	171,044,367,656
Investment in Subsidiaries	6	100	100	76,000,100	76,000,100
Investment in Associates	7	37,855,266,526	38,284,297,497	39,196,120,030	39,196,120,030
Financial Assets at FVOCI	8	34,495,665,187	29,166,139,017	34,495,665,187	29,166,139,017
Amount Due From State Mortgage Bank	9	75,994,604	84,478,816	75,994,604	84,478,816
Receivable From General Treasury - People's Bank Loan	10	3,457,001,511	3,786,239,750	3,457,001,511	3,786,239,750
<b>Total Non-Current Assets</b>		<b>394,643,306,013</b>	<b>387,888,890,557</b>	<b>395,986,394,124</b>	<b>388,789,445,990</b>
<b>Current Assets</b>					
Inventories	11	2,767,262,488	2,639,027,465	2,753,186,047	2,624,861,804
Trade and Other Receivables	12	15,086,531,396	12,935,318,661	15,029,242,657	12,876,476,878
Deposits and Advances	13	403,870,985	357,606,094	397,260,971	350,293,353
Prepaid Expenses		81,353,637	26,239,971	81,353,637	26,239,971
Employee Loans	14	4,893,793,397	5,085,104,239	4,864,087,369	5,055,258,118
Other Financial Assets	15	54,306,237,559	46,734,953,107	54,120,817,228	46,565,856,195
Cash and Cash Equivalents	16	2,765,873,475	2,466,952,511	1,541,120,845	1,245,925,470
Property, Plant & Equipment-MPMC Ltd	17	406,546	619,031	-	-
<b>Total Current Assets</b>		<b>80,305,329,482</b>	<b>70,245,821,079</b>	<b>78,787,068,753</b>	<b>68,744,911,789</b>
<b>TOTAL ASSETS</b>		<b>474,948,635,495</b>	<b>458,134,711,636</b>	<b>474,773,462,877</b>	<b>457,534,357,779</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Capital Employed	18	7,591,379,785	7,591,379,785	7,591,379,785	7,591,379,785
Capital Reserve	19	22,662,407,896	22,662,407,896	22,662,407,896	22,662,407,896
Other Reserves	20	1,125,903	1,125,903	1,125,903	1,125,903
Deferred Income	21	168,314,081,183	169,899,375,481	168,314,081,183	169,899,375,482
Loan Redemption Reserve	22	4,613,549,887	4,613,549,887	4,613,549,887	4,613,549,887
Revaluation Reserve	23	75,257,909,515	74,983,677,655	75,257,909,515	74,983,677,655
Financial Assets at FVOCI Reserve		4,576,906,033	(752,620,138)	4,576,906,033	(752,620,137)
Retained Earnings		64,389,613,140	43,434,555,248	68,614,368,407	46,961,936,948
<b>Total Equity</b>		<b>347,406,973,342</b>	<b>322,433,451,717</b>	<b>351,631,728,609</b>	<b>325,960,833,419</b>
<b>Non-Current Liabilities</b>					
Borrowings - Government of Sri Lanka	24.1	49,709,894,559	53,419,307,025	49,709,894,559	53,419,307,025
Borrowings - Financial Institutions	25.1	6,816,230,004	8,875,702,408	6,816,230,004	8,875,017,426
Finance lease obligation	25.4.1	51,622,593	20,258,739	38,942,843	3,666,933
Government Grants	26	27,836,218,465	28,144,979,415	27,836,218,465	28,144,979,415
Deferred Tax Liabilities	27	8,341,963,696	9,717,887,491	8,341,963,696	9,717,887,491
Retirement Benefits Obligation	28	5,957,820,336	5,663,061,657	5,943,978,594	5,652,536,456
<b>Total Non-Current Liabilities</b>		<b>98,713,749,653</b>	<b>105,841,196,735</b>	<b>98,687,228,161</b>	<b>105,813,394,746</b>
<b>Current Liabilities</b>					
Supply of Goods and services and other creditors	29	1,575,042,429	902,821,717	1,706,977,917	1,018,007,996
Borrowings - Government of Sri Lanka	24.2	6,197,344,132	6,565,746,881	6,197,344,132	6,565,746,881
Borrowings - Financial Institutions	25.2	6,987,686,845	6,306,543,323	2,506,029,163	2,114,616,539
Finance lease obligation	25.4.1	11,232,125	8,651,592	7,320,069	5,197,749
Deposits and Advances Received	30	2,508,967,996	2,259,415,648	2,508,967,996	2,259,415,648
Current Tax Payable	31	766,427,603	2,114,189,132	765,949,098	2,116,651,209
Provisions and Accrued Expenses	32	10,780,346,739	11,701,830,247	10,761,917,733	11,680,493,592
Differed Tax Liability		864,630	864,630	-	-
<b>Total Current Liabilities</b>		<b>28,827,912,500</b>	<b>29,860,063,170</b>	<b>24,454,506,107</b>	<b>25,760,129,614</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>474,948,635,495</b>	<b>458,134,711,636</b>	<b>474,773,462,877</b>	<b>457,534,357,779</b>

The Accounting policies on pages 88 - 105 and Notes to the Financial Statements on Pages 106 - 127 form an integral part of these Financial Statements.

These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31/12/2020

*Shirani Wanniarachchi*  
Shirani Wanniarachchi  
DIRECTOR FINANCE

The Board of Directors is responsible for the preparation and presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. These Financial Statements were approved by the Board of Directors and signed on their behalf.

<i>R.M.D. Ratnayake</i> General R M D Ratnayake CHAIRMAN	<i>Dr. Prasantha Jayamanna</i> Dr. Prasantha Jayamanna VICE CHAIRMAN	<i>H.D.A.S. Premachandra</i> H.D.A.S. Premachandra MANAGING DIRECTOR
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Date : 24th February 2021  
Figures in brackets indicate deductions.

# STATEMENT OF COMPREHENSIVE INCOME

Expressed in Sri Lankan Rupees

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER	Note	Group		SLPA	
		2020	2019	2020	2019
Revenue	33	38,930,948,198	40,769,627,957	38,930,948,198	40,769,627,957
Direct Expenses	34	(22,068,993,348)	(22,531,121,162)	(21,945,954,266)	(22,385,572,957)
<b>Gross Profit</b>		<b>16,861,954,850</b>	<b>18,238,506,795</b>	<b>16,984,993,932</b>	<b>18,384,055,000</b>
Other Operating Income	35	11,272,980,671	11,152,428,564	11,314,444,971	11,149,893,060
Administrative Expenses	36	(7,652,826,527)	(14,831,764,302)	(7,770,276,063)	(15,024,666,434)
<b>Operating Profit</b>		<b>20,482,108,994</b>	<b>14,559,171,056</b>	<b>20,529,162,841</b>	<b>14,509,281,626</b>
Net Finance (Cost)/ Income	37	728,263,133	180,634,355	849,694,540	287,434,058
Foreign Exchange Gain/(Loss)	46	(1,145,709,659)	1,385,522,936	(1,051,718,965)	1,358,649,784
Share of Profit of Associate	7	(429,030,971)	(464,045,902)	-	-
<b>Profit Before Tax</b>		<b>19,635,631,497</b>	<b>15,661,282,445</b>	<b>20,327,138,415</b>	<b>16,155,365,468</b>
Contribution to Consolidated Fund	60	-	(900,000,000)	-	(600,000,000)
Income Tax Expenses	38	(2,607,129,391)	(3,491,331,208)	(2,603,413,193)	(3,485,750,221)
Differed Tax Expenses	27	1,014,618,546	(423,276,192)	1,014,618,546	(423,276,192)
<b>Profit for the Year</b>		<b>18,043,120,652</b>	<b>10,846,675,045</b>	<b>18,738,343,769</b>	<b>11,646,339,054</b>
<b>Attributable to - Equity holders of the Parent</b>		<b>18,043,120,652</b>	<b>10,846,675,045</b>	<b>18,738,343,769</b>	<b>11,646,339,054</b>
<b>Other Comprehensive Income</b>					
Profit for the Year		18,043,120,652	10,846,675,045	18,738,343,769	11,646,339,054
Remeasurement of retirement benefit obligation	28.2	(26,601,862)	25,618,360	(24,451,411)	24,784,724
Change in Value of Financial Assets at FVOCI	8.1	50,938,250	13,991,622	50,938,250	13,991,622
Provision for Impairment on Unlisted Shares	8.2	5,278,587,920	246,411,585	5,278,587,920	246,411,585
Total Other Comprehensive Income for the Year		5,302,924,308	286,021,567	5,305,074,759	285,187,931
<b>Total Comprehensive Income for the year</b>		<b>23,346,044,960</b>	<b>11,132,696,612</b>	<b>24,043,418,528</b>	<b>11,931,526,986</b>
<b>Attributable to - Equity holders of the Parent</b>		<b>23,346,044,960</b>	<b>11,132,696,612</b>	<b>24,043,418,528</b>	<b>11,931,526,986</b>

The Accounting Policies on pages 88-105 and Notes to the Financial Statements on pages 106 – 127 form an integral part of these Financial Statements.

# STATEMENT OF CHANGES IN EQUITY

Expressed in Sri Lankan Rupees

	Capital Employed	Capital Reserve	Other Reserve	Deferred Income	Loan Redemption Reserve	Revaluation Reserve	Financial Assets at FVOCI Reserve	Retained Earnings (at debit)	Total
<b>Group</b>									
<b>Balance as at 1 January 2019</b>	<b>7,591,379,785</b>	<b>14,543,219,896</b>	<b>1,125,903</b>	<b>171,277,865,767</b>	<b>4,613,549,887</b>	<b>75,228,436,897</b>	<b>(1,013,023,345)</b>	<b>35,249,907,097</b>	<b>307,492,461,887</b>
Profit for the Year	-	-	-	-	-	-	-	10,846,675,045	10,846,675,045
Adjustment on Revaluation Surplus						(148,792,189)	-	148,792,189	(0)
Capital Gain/Loss on investment in HIPS	-	8,119,187,999	-	-	-	-	-	-	8,119,187,999
Prior year adjustment (Note 45)	-	-	-	-	-	-	-	(2,836,437,443)	(2,836,437,443)
Upfront fee paid by Tokoyo				283,163,465					283,163,465
Lump Sum Premium Received in 2018 (NFCL Penna Port Storage) *				210,000,000					210,000,000
Remeasurement of retirement benefit obligation	-	-	-	-	-	-	-	25,618,360	25,618,360
Upfront Fee paid by CICT	-	-	-	(103,534,286)	-	-	-	-	(103,534,286)
Amortization on Lump Sum Premium Laughs Terminal Ltd	-	-	-	(658,207)	-	-	-	-	(658,207)
Amortization of Lump Sum Premium Distilleries company of Sri Lanka	-	-	-	(10,300,000)	-	-	-	-	(10,300,000)
Amortization of Lump Sum Premium Tokoyo Cement Company (Lanka)PLC	-	-	-	(31,289,698)	-	-	-	-	(31,289,698)
Amortization of Leasehold rights-HIPS	-	-	-	(731,198,730)	-	-	-	-	(731,198,730)
Amortization of Leasehold rights-HIPG	-	-	-	(981,799,130)	-	-	-	-	(981,799,130)
Deferred Tax adjustment on revaluation reserve	-	-	-	-	-	(95,967,053)	-	-	(95,967,053)
Lump Sum Premium NFCL Penna Port Storage	-	-	-	(12,873,699)	-	-	-	-	(12,873,699)
Adjustment on listed Investment	-	-	-	-	-	-	13,991,622	-	13,991,622
Adjustment on Unlisted Investment	-	-	-	-	-	-	246,411,585	-	246,411,585
<b>Balance as at 31 December 2019</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>169,899,375,481</b>	<b>4,613,549,887</b>	<b>74,983,677,655</b>	<b>(752,620,138)</b>	<b>43,434,555,248</b>	<b>322,433,451,718</b>
Profit for the Year								18,043,120,652	18,043,120,652
Adjustment on Revaluation Surplus						(87,073,389)	-	87,073,389	-
<b>Prior year adjustment (Note 45)</b>								2,851,465,712	<b>2,851,465,712</b>
Upfront fee paid by Tokoyo				277,500,000					277,500,000
Remeasurement of retirement benefit obligation								(26,601,862)	(26,601,862)
Upfront Fee paid by CICT				(103,534,286)					(103,534,286)
Amortization on Lump Sum Premium Laughs Terminal Ltd				(658,207)					(658,207)
Amortization of Lump Sum Premium Distilleries company of Sri Lanka				(10,300,000)					(10,300,000)
Amortization of Lump Sum Premium Tokoyo Cement Company (Lanka)PLC				(28,403,946)					(28,403,946)
Amortization of Leasehold rights-HIPS				(731,198,730)					(731,198,730)
Amortization of Leasehold rights-HIPG				(981,799,130)					(981,799,130)
Deferred Tax adjustment on revaluation reserve						361,305,249			361,305,249
Lump Sum Premium NFCL Penna Port Storage				(6,900,000)					(6,900,000)
Adjustment on listed Investment							50,938,250		50,938,250
Adjustment on Unlisted Investment							5,278,587,920		5,278,587,920
<b>Balance as at 31 December 2020</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>168,314,081,182</b>	<b>4,613,549,887</b>	<b>75,257,909,515</b>	<b>4,576,906,033</b>	<b>64,389,613,140</b>	<b>347,406,973,341</b>

## STATEMENT OF CHANGES IN EQUITY

SLPA									
<b>Balance as at 01 January 2019</b>	<b>7,591,379,785</b>	<b>14,543,219,897</b>	<b>1,125,903</b>	<b>171,277,865,767</b>	<b>4,613,549,887</b>	<b>75,228,436,897</b>	<b>(1,013,023,345)</b>	<b>37,978,458,423</b>	<b>310,221,013,213</b>
Profit for the Year	-	-	-	-	-	-	-	11,646,339,054	11,646,339,054
Lump Sum Premium Received in 2018 (NFCL Penna Port Storage) *				210,000,000					210,000,000
Adjustment on Revaluation Surplus	-	-	-	-	-	(148,792,189)	-	148,792,189	(0)
<b>Prior year adjustment (Note 45)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,836,437,443)</b>	<b>(2,836,437,443)</b>
Capital Gain/Loss on investment in HIPS	-	8,119,187,999	-	-	-	-	-	-	8,119,187,999
Remeasurement of retirement benefit obligation	-	-	-	-	-	-	-	24,784,724	24,784,724
Upfront fee paid by CICT	-	-	-	(103,534,286)	-	-	-	-	(103,534,286)
Upfront fee paid by Tokoyo	-	-	-	283,163,465	-	-	-	-	283,163,465
Amortization on Lump Sum Premium Laughs Terminal Ltd	-	-	-	(658,207)	-	-	-	-	(658,207)
Amortization of Lump Sum Premium Distilleries company of Sri Lanka	-	-	-	(10,300,000)	-	-	-	-	(10,300,000)
Amortization of Lump Sum Premium Tokoyo Cement Company (Lanka)PLC	-	-	-	(31,289,698)	-	-	-	-	(31,289,698)
Amortization of Leasehold rights-HIPS	-	-	-	(731,198,730)	-	-	-	-	(731,198,730)
Amortization of Leasehold rights-HIPG	-	-	-	(981,799,130)	-	-	-	-	(981,799,130)
Differed Tax adjustment on revaluation reserve	-	-	-	-	-	(95,967,053)	-	-	(95,967,053)
Lump Sum Premium NFCL Penna Port Storage	-	-	-	(12,873,699)	-	-	-	-	(12,873,699)
Adjustment on listed Investment	-	-	-	-	-	-	13,991,622	-	13,991,622
Adjustment on Unlisted Investment	-	-	-	-	-	-	-	246,411,585	246,411,585
<b>Balance as at 31 December 2019</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>169,899,375,482</b>	<b>4,613,549,887</b>	<b>74,983,677,655</b>	<b>(752,620,137)</b>	<b>46,961,936,948</b>	<b>325,960,833,417</b>
Profit for the Year								18,738,343,769	18,738,343,769
Adjustment on Revaluation Surplus						(87,073,389)		87,073,389	-
<b>Prior year adjustment (Note 45)</b>								2,851,465,712	2,851,465,712
Remeasurement of retirement benefit obligation								(24,451,411)	(24,451,411)
Upfront fee paid by CICT				(103,534,286)					(103,534,286)
Upfront fee paid by Tokoyo				277,500,000					277,500,000
Amortization on Lump Sum Premium Laughs Terminal Ltd				(658,207)					(658,207)
Amortization of Lump Sum Premium Distilleries company of Sri Lanka				(10,300,000)					(10,300,000)
Amortization of Lump Sum Premium Tokoyo Cement Company (Lanka)PLC				(28,403,946)					(28,403,946)
Amortization of Leasehold rights-HIPS				(731,198,730)					(731,198,730)
Amortization of Leasehold rights-HIPG				(981,799,130)					(981,799,130)
Differed Tax adjustment on revaluation reserve						361,305,249			361,305,249
Lump Sum Premium NFCL Penna Port Storage				(6,900,000)					(6,900,000)
Adjustment on listed Investment							50,938,250		50,938,250
Adjustment on Unlisted Investment							5,278,587,920		5,278,587,920
<b>Balance as at 31 December 2020</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>168,314,081,183</b>	<b>4,613,549,887</b>	<b>75,257,909,515</b>	<b>4,576,906,033</b>	<b>68,614,368,407</b>	<b>351,631,728,608</b>

The Accounting Policies on pages 88 -105 and Notes to the Financial Statements on pages 106 – 127 form an integral part of these Financial Statements.

# CASH FLOW STATEMENT

Expressed in Sri Lankan Rupees

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020	Group		SLPA	
	2020	2019	2020	2019
<b>Profit Before Tax</b>	<b>2,765,873,475</b>	<b>15,661,282,450</b>	<b>20,327,138,415</b>	<b>16,155,365,467</b>
<i>Adjustments for</i>				
Share of Profit of Associate (Net of Dividends)	429,030,971	464,045,902	-	-
Depreciation	4,042,431,613	4,027,930,682	4,027,072,526	4,016,499,994
Bad and Doubtful Debt	38,420,819	(115,013,295)	38,420,819	(115,013,295)
Amortization of Intangible Assets	60,679,864	65,337,278	60,679,864	65,337,278
Amortization of Lease Hold Assets	2,626,554	-	2,626,554	-
Gratuity Charge for the Year and related costs	853,701,413	834,007,670	851,308,163	831,716,364
miscellaneous balance written off	-	460,320	-	460,320
Dividend Income	(1,808,280,642)	(1,185,213,043)	(1,808,280,642)	(1,185,213,043)
Interest Income	(2,473,662,301)	(2,800,408,822)	(2,411,802,882)	(2,716,424,106)
Interest Expenses	1,715,030,664	2,562,366,843	1,531,739,838	2,371,582,424
Amortization of Government Grants	(308,760,950)	(308,932,408)	(308,760,950)	(308,932,408)
Net Exchange unrealized Gain/ Loss	2,714,667,816	(430,684,184)	2,604,520,177	(406,384,917)
Upfront fees by CICT	(103,534,286)	(103,534,286)	(103,534,286)	(103,534,286)
Provision for claims	(717,912,547)	6,809,401,234	(717,912,547)	6,809,401,234
Amortized during the year Laughs terminal Ltd	(658,207)	(658,207)	(658,207)	(658,207)
Amortized during the year Distilleries company of Sri Lanka	(10,300,000)	(10,300,000)	(10,300,000)	(10,300,000)
Amortized of lease hold rights -HIPG/HPS	(1,712,997,860)	(1,712,997,860)	(1,712,997,860)	(1,712,997,860)
Lum Sum Premium NFCL Penna Port Storage	(6,900,000)	(6,900,000)	(6,900,000)	(6,900,000)
Inter Terminal Expenses	(14,674,035)	-	(14,674,035)	-
Amortized during the year Tokyo Cement Company (Lanka)PLC	(28,403,946)	(31,289,698)	(28,403,946)	(31,289,698)
Profit on Disposals of Fixed Assets	(8,909,893)	(18,770,094)	(8,888,392)	(16,295,094)
<b>Operating Profit Before Working Capital Changes</b>	<b>22,300,435,164</b>	<b>23,700,130,482</b>	<b>22,271,455,528</b>	<b>23,636,420,167</b>
<b>Changes in working Capital</b>				
Inventories	(128,235,023)	(88,855,948)	(128,324,244)	(90,316,054)
Trade and Other Receivables	(852,228,925)	(27,483,852)	1,336,563,319	(47,200,036)
Deposits and Advances	(46,967,618)	(118,877,394)	(46,967,618)	(118,877,394)
Prepaid Expenses	(55,113,666)	38,801,139	(55,113,666)	38,801,139
Employee Loans / Others	191,310,843	(72,896,314)	191,170,750	(75,442,716)
Lease Obligation	43,155,000	30,337,500	43,155,000	8,975,000
Supply of Goods and services and other creditors	696,703,419	(461,429,633)	699,248,230	(462,095,130)
Deposits and Advances Received	249,552,348	52,147,095	249,552,348	52,147,095
Provisions and Accrued Expenses	(203,246,581)	(60,917,759)	(203,145,881)	(51,523,185)
<b>Cash Generated from Operations</b>	<b>22,195,364,952</b>	<b>22,990,955,316</b>	<b>24,357,593,767</b>	<b>22,890,888,886</b>
Interest Paid	(1,791,786,735)	(2,422,724,005)	(1,788,764,191)	(2,420,877,708)
Special Levy Paid	-	(900,000,000)	-	(600,000,000)
Lease Installments Paid	(9,210,612)	(1,427,169)	(5,756,769)	(110,318)
Gratuity Paid	(585,544,596)	(527,036,671)	(584,317,436)	(526,112,596)
Taxes Paid	(3,791,464,010)	(4,419,891,578)	(3,794,509,523)	(4,395,568,150)
<b>Net Cash from Operating Activities</b>	<b>16,017,358,997</b>	<b>14,719,875,894</b>	<b>18,184,245,848</b>	<b>14,948,220,114</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment	(5,794,654,697)	(476,114,543)	(5,750,864,100)	(426,873,223)
Proceeds from Disposal of Fixed Assets	9,011,490	18,886,956	8,989,989	16,411,956
Deferred Revenue - Colombo Oil Bank	42,145,701	-	42,145,701	-
Capital Work-in-Progress	(440,893,028)	(367,965,605)	(440,893,028)	(367,965,605)
Acquisition of Intangible Assets	(415,214)	(57,581,163)	(415,214)	(57,581,163)
Acquisition of Lease Hold Assets	(86,310,000)	-	(86,310,000)	-
Acquisition of Investment Property	-	(6,685,400)	-	(6,685,400)
Dividend Received	1,808,280,642	1,184,523,506	1,808,280,642	1,184,523,506
Interest Received	1,948,995,805	2,218,348,289	1,891,678,195	2,139,912,613
Lumsum Premium Received	277,500,000	283,163,265	277,500,000	283,163,265
Amount Due From State Mortgage Bank	8,484,212	18,516,744	8,484,212	18,516,744
Net Proceeds from Other Financial Assets	(7,571,284,451)	(10,602,563,066)	(7,554,961,033)	(10,630,686,099)
<b>Net Cash from (used in) investing activities</b>	<b>(9,799,139,540)</b>	<b>(7,787,471,017)</b>	<b>(9,796,364,636)</b>	<b>(7,847,263,406)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowings to Government of Sri Lanka	(6,213,584,333)	(5,987,849,178)	(6,213,584,333)	(5,987,849,178)
Repayment of Borrowings to Financial Institution	(1,880,471,507)	(1,803,431,662)	(1,879,101,503)	(1,802,061,658)
<b>Net Cash From (used in) Financing Activities</b>	<b>(8,094,055,841)</b>	<b>(7,791,280,839)</b>	<b>(8,092,685,837)</b>	<b>(7,789,910,835)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>(1,875,836,383)</b>	<b>(858,875,963)</b>	<b>295,195,375</b>	<b>(688,954,128)</b>
Cash & cash Equivalents at Beginning of the year	2,466,952,511	3,325,828,474	1,245,925,470	1,934,879,597
<b>Cash &amp; Cash Equivalents at End of the Year (Note 16)</b>	<b>19,635,631,497</b>	<b>2,466,952,511</b>	<b>1,541,120,845</b>	<b>1,245,925,470</b>

The Accounting Policies on pages 88-105 and Notes to the Financial Statements on pages 106 – 127 form an integral part of these Financial Statements.



## **1 CORPORATE INFORMATION**

### **1.1 GENERAL**

Sri Lanka Ports Authority was established by the Sri Lanka Ports Authority Act No. 51 of 1979 on 01st August 1979 and subsequently amended by Act Nos. 7 & 35 of 1984.

### **1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS**

Provision of efficient and regular services for stevedoring shipping, and transshipping, landing and warehousing; wharfage, the supply of water, fuel and electricity to vessel 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 included thereto.

### **1.3 FINANCIAL YEAR**

The Authority's financial reporting period ends on 31<sup>st</sup> December.

### **1.4 REGISTERED OFFICE**

Registered office of the Authority is at No. 19, Chaitiya Road, Colombo 01, P.O. Box 595.

### **1.5 NUMBER OF EMPLOYEES**

The number of employees of the Authority as at 31 December 2020 was 9,293 (2019 - 9,759)

### **1.6 DATE OF AUTHORIZATION FOR ISSUE**

The financial statements of the Authority for the year ended 31 December 2020 were authorized for issue in accordance with a resolution of the board of directors dated 17<sup>th</sup> February 2021.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Preparation**

The consolidated financial statements of the Authority have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs). The consolidated Financial Statements have been prepared under the historical cost convention, except for Financial Instruments designated as Fair Value Through Other Comprehensive Income (FVOCI) which are measured at fair value. The preparation of financial statements, in conformity with Sri Lanka Accounting Standards (SLFRSs), requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies.

## 2.2 Consolidation

### 2.2.1 Subsidiary

Subsidiary is an entity over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is excluded from consolidation from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred to the subsidiary forms fair values of the assets transferred and the liabilities incurred to form the subsidiary. The group does not recognize any non-controlling interest in acquire as the subsidiary is wholly-owned by the Authority.

Inter-entity transactions, balances, income and expenses on transactions between group entities are eliminated. Profits and losses resulting from Inter-entity transactions that are recognized in assets are also eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

### 2.2.2 Associate

Associate is an entity over which the group has significant influence but not control, generally accompanying a shareholding directly or indirectly 20 per cent or more of the voting rights. An investment in associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The group's share of post-acquisition profit or loss is recognized in the statement of comprehensive income and its share of post-acquisition movements in the investee's other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/(loss) of associates in the statement of comprehensive income.

## 2.3 Foreign Currency Translation

### 2.3.1 Functional and Presentation Currency

Transaction and balances included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated Financial Statements are presented in Sri Lanka Rupees (LKR), which is the group's presentation currency.

## 2.3.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

## 2.4 Property, Plant and Equipment

**2.4.1** Cost laying in the working progress Accounts will be capitalized once the work completion certificated issued by the relevant department.

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

Property, Plant and equipment are stated at deemed cost less accumulated depreciation and any accumulated impairment losses. Other property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

<b>Assets Category</b>		<b>Rates</b>
Operational Buildings & Structures	02-115 Years	0.86% -50%
Floating Equipments	01-22 Years	4.54% - 100%
Handling Equipments	02 -23Years	4.34% - 50%
Plant and Machinery	01-25 Years	4% -100%
Office and Welfare Buildings	02-73 Years	1.36% - 50%
Computer Hardware	01-15 Years	6.66% - 100%
Motor Vehicle	01-15 Years	6.66% -100%
Electrical and Electronic Equipment	1-12 Years	8.33% -100%
Furniture and Office Equipment	1-15 Years	6.66% -100%
Staff Quarters & other Buildings	13-43 Years	2.32% -7.69%
Other Assets	1-20 Years	5% -100%

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

The policy of Work-In-Progress is "Cost laying in the working progress Accounts will be capitalized once the work completion certificate was issued by the relevant department".

### 2.4.3 Intangible Assets

Acquired computer software and operating systems are capitalized on the basis of the costs incurred to acquire and bring to use the specific software and systems. Intangible assets acquired subsequently are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives, as follows:

Computer Software	1 – 17 Years	5.88% - 100%
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Costs associated with maintaining computer software programs are recognized as an expense as incurred.

### 2.4.4 Investment Properties

Investment property held to earn rentals is measured initially at its cost.

Investment properties were carried at revalued amount in the statement of financial position prepared in accordance with SLAS prior to 31 December 2011. The Authority has considered revalued amounts of the Investment properties as deemed cost at the date of the revaluation as the sale values of Investment properties were broadly comparable to fair value. Accordingly, the Investment properties are stated at deemed cost less accumulated depreciation and amounts arising any accumulated impairment losses. Other Investment properties are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

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

Investment Properties	05-100 Years	1% - 20%
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### 2.4.5 Lease Hold Assets

In accordance with SLFRS 16 Leases, at the inception of a contract, SLPA assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Only if the terms and conditions of the contract are changed SLPA reassess whether a contract is, or contains, a lease.

## **SLPA & the Group as a Lessee**

At the commencement date of a lease arrangement, SLPA recognize a right-of-use asset and a lease liability. Right of use Asset is initially measured at cost which comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, SLPA use its' incremental borrowing rate.

## **Subsequent measurement of the right-of-use asset and Lease Liability**

SLPA measure the right-of-use asset applying cost model which is measured by Asset's Cost less any accumulated depreciation as per LKAS 16 Property, Plant and Equipment and any accumulated impairment losses as per LKAS 36 Impairment of Assets and any adjustments for re-measurement of the lease liability

SLPA measure the lease liability subsequently by, increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications specified in, or to reflect revised in-substance fixed lease payments.

## **SLPA & the Group as a Lessor**

SLPA classify at the inception of the contract a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, unless the lease agreement is classified as an Operating Lease. Such a classification is depends on the substance of the transaction rather than the form of the contract. Only if there is a Lease modification the lease classification is reassessed subsequently.

## **Finance Leases**

At the commencement date, SLPA recognise assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. The interest rate implicit in the lease is used to measure the net investment in the lease.

**Subsequently, SLPA recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the SLPA's net investment in the lease.**

SLPA aims to allocate finance income over the lease term on a systematic and rational basis and applied the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. SLPA applies the derecognition and impairment requirements in SLFRS 9 to the net investment in the lease.

These costs are amortized over their estimated useful lives, as follows:

Leased Hold Motor Vehicle	08-15 Years	6.66%-12%
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## **Operating Leases**

SLPA recognise lease payments from operating leases as income on straight-line basis or another systematic basis where if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. Any costs, including depreciation, incurred in earning the lease income is recognised as an expense. Any initial direct costs incurred in obtaining an operating Lease is added to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term on the same basis as the lease income.

The depreciation policy for depreciable underlying assets subject to operating leases is consistent with the SLPA's normal depreciation policy for similar assets. Depreciation is calculated in accordance with LKAS 16 and applies LKAS 36 to determine whether an underlying asset subject to an operating lease is impaired and to account for any impairment loss identified.

### **2.4.6 Impairment of Non-Financial Assets**

At each end of reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties and intangible assets to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the cash-generating unit and estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

## 2.5 Financial Assets

### 2.5.1 Financial Asset classification

The SLPA and the Group classify its financial assets in the following measurement categories.

- Financial Assets measured at Amortized Cost,
- Financial Assets measured at Fair Value through Other Comprehensive Income (FVOCI)
- Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

The classification depends on the SLPA and the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets measured at fair value, gains and losses will either be recorded in Statement of Comprehensive Income or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the SLPA and the Group have made an irrevocable election at the time of initial recognition to account for the equity investment at Fair Value Through Other Comprehensive Income (FVOCI). The Entity and the Group reclassify Financial Assets when and only when its business model for managing those assets changes.

### 2.5.2 Recognition and initial measurement

At Initial Recognition, SLPA & Group measure a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in comprehensive income.

### 2.5.3 Subsequent Measurement

#### Investment in Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which debt instruments are classified:

#### Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at Amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in Statement of comprehensive income and presented in other income/(losses) together with foreign exchange gains and losses.

## **FVOCI:**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to comprehensive income and recognised in other income/ (losses). Interest income from these financial assets included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in comprehensive income.

## **FVTPL:**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in comprehensive income and presented net within other gains/ (losses) in the period in which it arises.

## **Investment in Equity instruments**

The SLPA and the Group subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to comprehensive income following the derecognition of the investment.

Dividends from such investments continue to be recognised in comprehensive income as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of comprehensive income as applicable.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### **2.5.4 Impairment**

The SLPA and Group assess the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the SLPA apply the simplified approach permitted by SLFRS 9, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-



looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. (Varies with management Decisions)

### **Derecognition**

SLPA derecognize a financial assets when, and only when;

- The contractual rights to the cash flows from the financial asset expire, or
- It transfers the financial asset and the transfer qualifies for derecognition

### **Fair Valuation**

As per the SLFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either: in the principal market for the asset or liability; or in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

SLPA and the Group use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For that following mentioned inputs are used;

Level 1 Inputs : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs : Unobservable inputs for the asset or liability.

## Assets measured Fair Value

Asset Category	Note No in Financial Position	Value as at 2020.12.31	Level 01	Level 02	Level 03
<b>Financial Assets at Fair Value through OCI</b>					
<b>Listed Investments</b>					
Colombo Dockyard PLC	8.1	186,482,092	186,482,092	-	-
<b>Unlisted Investments</b>					
Colombo International Container Terminal Ltd	8.2	1,514,045,955	-	-	1,514,045,955
South Asia Gateway Terminals Limited (SAGT)	8.2	1,004,243,877	-	-	1,004,243,877
Hambantota International Port Group (Private)Ltd.	8.2	31,788,893,263			31,788,893,263
		<b>34,493,665,187</b>	<b>186,482,092</b>	-	<b>34,307,183,095</b>

## 2.6 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Inventories comprise of spare parts and consumables for vessels and cargo handling equipments and fuel and lubricants. Inventories are for consumption not for re-sale.

## 2.7 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Collection is expected in the normal operating cycle of the business and they are classified as current assets. Trade receivables are recognised initially at their transaction price unless they contain significant financing components, when they are recognised at fair value.

The SLPA hold the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other receivables generally arise from transactions outside the usual operating activities of the SLPA.

In accordance with SLFRS 9, the SLPA applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the Trade Receivables.

### Simplified Approach

The SLPA follows ‘simplified approach’ for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the SLPA to track changes in credit risk. Rather, it recognizes impairment

loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the SLPA uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the SLPA estimates provision on trade receivables at the reporting date. Impairment loss allowance charges (or reversal) recognized during the period is recognized as income/ expense.

### Basis

1. Sri Lanka Forces	Up to 12 Months After 12 Months	-No Provisions -50%
2. Government Institution Provisions	Up to 12 Months After 12 Months	-No -100%
3. Shipping Agents-Under Litigations Shipping Agents-Suspended and Non-Operating		-100% -100%
Shipping Agents with Significant Amounts (More than one Million) Provisions	Up to 12 Months After 12 Months	-No -50%

### 2.8 Cash and Cash Equivalents

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

### 2.9 Capital Employed

Capital represents that all movable and immovable properties including money in the funds and all debts, liabilities and obligations in connection with or appertaining to such properties transferred and vested to Sri Lanka Ports Authority from Colombo Port commission, Port Cargo Corporation and Port Tally and Protective Services Corporation.

### 2.10 Financial Liabilities

The group classifies financial liabilities into other financial liabilities. The Group's other financial liabilities include borrowings, trade and other payables. The other financial liabilities are recognized initially at fair value minus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The

group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

### **2.11 Trade and Other Payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities as in the normal operating cycle of the business.

Trade and other payables are recognized initially at fair value, which is the transaction price and subsequently measured at the original invoice amount as they are expected to be paid within a short period, such that the time value of money is not significant.

### **2.12 Borrowings**

The Group's borrowings include ports development loans borrowed from the Government of Sri Lanka and financial institutions. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest method. Floating rate borrowings are measured in each subsequent period at amortized cost using floating interest rate (effective interest rate) prevailing at the end of the reporting period.

Loan arrangement fee, structuring fee, processing fee and management paid on the establishment of borrowing facilities are recognized as transaction costs of the borrowings.

Foreign exchange gains and losses arising from measurement of carrying value of loans at amortized cost at each reporting period end are recognized in the statement of comprehensive income.

### **2.13 Borrowing Cost**

Borrowing costs directly attributable to acquisition, construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

### **2.14 Government Grants**

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

Government grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

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

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

## **2.15 Current and Deferred Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income statement, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the reporting period end applicable for the Authority its subsidiaries operate and generate taxable income. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that have been enacted at the reporting period end date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

## **2.16 Employee Benefits**

The group has both defined benefit and defined contribution plans.

### **a) Defined Contribution plan**

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

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

## b) Defined benefit plan

The group obligation in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future benefit that employee have earned in return for their services in the current and prior period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income in the period in which they arise.

The retirement benefit obligation is not externally funded.

## c) Short-term employee benefit

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

## 2.17 Provisions and Contingent Liabilities

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

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

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

## 2.18 Revenue From contract with Customers

SLPA account a Contract with a Customer when meets the criteria set out in SLFRS 15.

At contract inception, Group and SLPA assess the goods or services promised in a contract with a customer and shall identify a performance obligation each promise to transfer to the customer

either:

- (a) A good or service (or a bundle of goods or services) that is distinct; or
- (b) A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer

SLPA recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (ie.an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When the control of goods & service is transferred over time, and therefore satisfied a performance obligation and recognize revenue overtime.

When a performance obligation is not satisfied over time, SLPA satisfied the performance obligation at a point in time.

### **Measurement of Revenue**

A Performance Obligation is satisfied, SLPA recognize as Revenue the amount of the Transaction Price that is allocated to that Performance Obligation. It is considered the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. When determining the transaction price, Group and SLPA consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Non-cash consideration
- Consideration payable to a customer

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

#### **a) Landing and Delivery Services**

The group renders services such as loading, discharging cargo and stores renting in respect of import and export cargo operations. For these sales of services, revenue is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

#### **b) Navigation and Related Services**

Revenue from light dues, entering dues and over-hour dues and pilotage are recognized at the point in which dues become receivable, which is the point of vessel arrival. Revenue arises from navigation and related services is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

#### **c) Stevedoring Services**

Revenue from stevedoring services in respect of container operation and conventional cargo operation is recognized in the period in which the services are rendered based on completion of job or transaction and assessed on the basis of the actual services rendered.

## **Interest income**

Interest income is recognized using the effective interest method. When a loan granted or a receivable is impaired, the SLPA reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate. Interest income on bank balances and bank deposits are recognized on accrual basis.

## **Rental Income**

Rental income receivable under operating leases is recognized on a straight-line basis over the term of the lease, except for contingent rental income which is recognized when it arises. The lease term is the fixed period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option. Premiums received to terminate leases are recognized in the Statement of Comprehensive Income when they arise.

## **Dividend income**

Dividend income is recognized when the right to receive payment is established, when it is probable that the economic benefits associated with the dividend will flow to the entity and amount of the dividend can be measured reliably.

## **Royalty Income**

Royalty income is recognized on an accrual basis in accordance with the substances of the relevant agreement and when it is probable that the economic benefits associated with the royalty income will flow to the entity and amount of the revenue can be measured reliably.

## **Gains and Losses on Disposal of Property Plant and Equipment**

Net gains and losses on the disposal of property, plant & equipment have been accounted for in the statement of comprehensive income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

### **2.19 Expenses**

All expenditure incurred in the running of the operation has been charged to income in arriving at the profit for the reporting period.

### **2.20 Events Occurring after the Reporting Period**

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



## 2.21 Commitments

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

## 2.22 Significant Accounting Estimates and Judgments

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

### **Accounting Policies, Changes in Accounting Estimates and Errors**

SLPA has applied SLFRS 15, SLFRS 09 and SLFRS 16 for the first time in the Financial Statements for the year ended 31.12.2019. Nature and the change in accounting policies due to adoption of new SLFRS are explained below.

SLPA have adopted SLFRS 15 changes retrospectively as per the transitional guidelines. Accordingly; the cumulative effect of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the annual reporting period that includes the date of initial application. Under this transition method, SLPA has elected to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application.

The SLPA has applied the standard, SLFRS 09 retrospectively in accordance with LKAS 08 Accounting Policies, Changes in Accounting Estimates and Errors, except as specified in SLFRS 09 Transition provisions. The Classification and measurement requirement as per SLFRS 09 did not have a significant impact to SLPA and the Group balances. Accordingly it has continued to measure the financial instruments measured at Fair Value under the LKAS 39 in SLFRS 09 also. The changes in Financial Instrument classification can be depicted as below.

- Investment in Government Securities and Deposits, which was previously measured at Held to Maturity is classified and measured at Amortized Cost.
- Debt Instruments classified at Held to Maturity are classified and measured at Amortized Cost.
- Trade Receivables and other receivable which was previously measured as Loans and Receivable are now classified and measured at Amortized Cost.
- Equity investments in Listed and Unlisted companies previously classified as Available for Sale are classified and measured at Fair Value through Other Comprehensive Income.

- Equity investments in Listed and Unlisted companies previously classified as Available for Sale are classified and measured at Fair Value through Other Comprehensive Income.

**2.22.1** The following are significant judgments in applying the accounting policies that have most significant effect on the financial statements.

**(a) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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

**(a) Useful life time of Depreciable Assets**

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

**(b) Defined benefit plan**

The present value of the defined benefit plan obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions are used in determining the net cost and obligation for defined benefit plan including the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligation.

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2020					
3 Property, Plant & Equipment					
Group	As At 01 January 2020	Additions	(Disposals)	Re_Class /Adjustment	As At 31 December 2020
<b>3.1 At Cost</b>					
Land	51,806,736,202	-	-	-	51,806,736,202
Operational Buildings & Structures	114,054,956,949	77,515,906	-	-	114,132,472,855
Floating Equipment	7,025,730,630	13,874,464	(425,000)	-	7,039,180,094
Handling Equipment	22,149,064,252	5,062,274,331	(79,833,301)	-	27,131,505,282
Plant & Machinery	765,185,501	147,085,166	(2,988,875)	-	909,281,792
Office & Welfare Buildings	848,374,518	140,557,602	-	-	988,932,121
Staff Quarters and Other Buildings	454,839,491	-	(17,500)	-	454,821,991
Computer Hardware	509,111,151	52,838,797	(337,484)	-	561,612,464
Electric & Electronic Equipment	2,351,675,079	105,373,794	(4,820,815)	-	2,452,228,059
Office Furniture & Equipment	191,346,214	19,899,449	(4,369,152)	-	206,876,510
Motor Vehicles	943,451,745	62,091,143	(14,411,689)	-	991,131,199
Other Assets	417,576,081	17,806,691	(2,103,896)	-	433,278,876
	<b>201,518,047,813</b>	<b>5,699,317,343</b>	<b>(109,307,712)</b>	<b>-</b>	<b>207,108,057,444</b>
<b>3.1.1 Depreciation</b>					
	As At 01 January 2020	Charge for the Year	(Disposals)	Re_Class /Adjustment	As At 31 December 2020
Operational Buildings & Structures	30,237,102,154	1,638,811,392	-	-	31,875,913,546
Floating Equipment	6,887,530,020	105,280,583	(424,575)	80,525	6,992,466,554
Handling Equipment	15,115,268,429	714,373,124	(79,753,468)	-	15,749,888,085
Plant & Machinery	593,205,598	30,817,282	(2,986,008)	1,564,052	622,600,925
Office & Welfare Buildings	346,092,741	24,517,924	-	-	370,610,665
Staff Quarters and Other Buildings	243,577,683	11,744,684	(17,483)	-	255,304,885
Computer Hardware	362,801,136	35,078,788	(337,147)	38,729	397,581,507
Electric & Electronic Equipment	2,158,255,299	63,666,191	(4,805,221)	2,852,465	2,219,968,734
Office Furniture & Equipment	147,129,492	15,291,868	(4,364,576)	63,698	158,120,482
Motor Vehicles	776,329,953	38,009,305	(14,397,362)	-	799,941,896
Other Assets	371,521,974	19,145,385	(2,101,793)	1,486,269	390,051,835
	<b>57,238,814,479</b>	<b>2,696,736,526</b>	<b>(109,187,630)</b>	<b>6,085,738</b>	<b>59,832,449,113</b>
<b>3.1.2 Net Carrying Values</b>					
				As At 31 December 2020	As At 31 December 2019
<b>Property, Plant &amp; Equipment</b>					
Land				51,806,736,202	51,806,736,202
Operational Buildings & Structures				82,256,559,309	83,817,854,795
Floating Equipment				46,713,540	138,200,609
Handling Equipment				11,381,617,196	7,033,795,823
Plant & Machinery				286,680,866	171,979,903
Office & Welfare Buildings				618,321,456	502,281,778
Staff Quarters and Other Buildings				199,517,106	211,261,808
Computer Hardware				164,030,957	146,310,015
Electric & Electronic Equipment				232,259,325	193,419,781
Office Furniture & Equipment				48,756,028	44,216,722
Motor Vehicles				191,189,303	167,121,792
Other Assets				43,227,041	46,054,107
				<b>147,275,608,332</b>	<b>144,279,233,335</b>
<b>Capital Work-in-Progress</b>	(Note 3.3)			993,693,029	732,066,373
				<b>148,269,301,361</b>	<b>145,011,299,708</b>
				As At 31 December 2020	As At 31 December 2019
<b>Group</b>				<b>538,102,638</b>	<b>282,416,249</b>
Property Plant Equipment Clearing				<b>538,102,638</b>	<b>282,416,249</b>
				<b>148,807,403,998</b>	<b>145,293,715,957</b>
<p>1. Clearing Account comprises of Land Rs. 155,037,281.33 , Computer Hardware &amp; Software Rs.278,996,404.81 , Electrical &amp; Electronics Rs.6,310,059.10, Floating Equipments Rs.96,552,276.84</p> <p>Furniture &amp; office Equipment Rs.758,630.00 , Plant &amp; Machinery Rs.105,000.00 , other Assets Rs.342,985.57 .</p> <p>2. Rs. 45,013,558.24 worth of asset are used as religious places</p> <p>3. As per the asset register the total cost of the fully depreciated assets still in use as at 31.12.2020 is</p> <p>4. Inter Port Asset transfers made during the year 2020 for the Handling Equipment &amp; Plant &amp; Machinery Asset Categories.</p> <p>5. Useful life time of assets were reviewed by the respective committees appointed to this task. Handling Equipment, Floating Equipment, Staff Quarters &amp; Other Buildings , Motor Vehicle, Plant &amp; Machinery, Computer Hardware &amp; Soft Ware and Intangible Assets, Operational Building and Structure were reviewed during the year and net book value has been adjusted accordingly. Reviewing of assets of SLPA will be done as a continues process.</p>					

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2020					
<b>3</b>	<b>Property, Plant &amp; Equipment</b>				
		As At	Additions	(Disposals)	Re_Class /Adjustment
	<b>SLPA</b>	<b>01 January 2020</b>			<b>31 December 2020</b>
	<b>3.1 Cost</b>				
	Land	51,806,736,202	-	-	-
	Operational Buildings & Structures	114,054,956,949	77,515,906	-	-
	Floating Equipment	7,025,730,630	13,874,464	(425,000)	-
	Handling Equipment	22,149,064,252	5,062,274,331	(79,833,301)	-
	Plant & Machinery	723,135,892	146,902,976	(2,988,875)	-
	Office & Welfare Buildings	848,374,518	140,557,602	-	-
	Staff Quarters and Other Buildings	454,839,491	-	(17,500)	-
	Computer Hardware	504,759,074	52,132,697	(337,484)	-
	Electrical & Electronic Equipment	2,351,675,079	105,373,794	(4,820,815)	-
	Office Furniture & Equipment	179,315,167	19,142,843	(4,369,152)	-
	Motor Vehicles	877,944,637	62,091,143	(14,326,939)	-
	Other Assets	417,576,081	17,806,691	(2,103,896)	-
		<b>201,394,107,972</b>	<b>5,697,672,447</b>	<b>(109,222,962)</b>	<b>-</b>
					<b>206,982,557,458</b>
	<b>3.1.1 Depreciation</b>	As At	Charge for the	(Disposals)	Re_Class /Adjustment
		<b>01 January 2020</b>	<b>Year</b>		<b>31 December 2020</b>
	Operational Buildings & Structures	30,237,102,154	1,638,811,392	-	-
	Floating Equipment	6,887,530,020	105,280,583	(424,575)	80,525
	Handling Equipment	15,115,268,429	714,373,124	(79,753,468)	-
	Plant & Machinery	578,409,027	26,521,755	(2,986,008)	1,564,052
	Office & Welfare Buildings	346,092,741	24,517,924	-	-
	Staff Quarters and Other Buildings	243,577,683	11,744,684	(17,483)	-
	Computer Hardware	359,912,053	34,382,468	(337,147)	38,729
	Electrical & Electronic Equipment	2,158,255,299	63,666,191	(4,805,221)	2,852,465
	Office Furniture & Equipment	141,777,975	13,566,948	(4,364,576)	63,698
	Motor Vehicles	762,694,382	29,579,469	(14,312,612)	-
	Other Assets	371,521,974	19,145,385	(2,101,793)	1,486,269
		<b>57,202,141,737</b>	<b>2,681,589,923</b>	<b>(109,102,880)</b>	<b>6,085,738</b>
					<b>59,780,714,519</b>
	<b>3.1.2 Net Carrying Values</b>				As At
					<b>31 December 2020</b>
					<b>31 December 2019</b>
	<b>Property, Plant &amp; Equipment</b>				
	Land				51,806,736,202
	Operational Buildings & Structures				82,256,559,308
	Floating Equipment				46,713,541
	Handling Equipment				11,381,617,196
	Plant & Machinery				263,541,165
	Office & Welfare Buildings				618,321,455
	Staff Quarters and Other Buildings				199,517,107
	Computer Hardware				162,558,182
	Electric & Electronic Equipment				232,259,324
	Office Furniture & Equipment				43,044,813
	Motor Vehicles				147,747,603
	Other Assets				43,227,041
					<b>147,201,842,938</b>
	<b>Capital Work-in-Progress</b>	(Note 3.3)			<b>144,191,966,235</b>
					993,693,029
					<b>148,195,535,967</b>
					<b>144,924,032,608</b>
	<b>SLPA</b>				As At
					<b>31 December 2020</b>
	Property Plant Equipment Clearing				538,102,638
					282,416,249
					<b>538,102,638</b>
					<b>282,416,249</b>
					<b>148,733,638,604</b>
					<b>145,206,448,857</b>
	1. Clearing Account comprises of Land Rs. 155,037,281.33 , Computer Hardware & Software Rs.278,996,404.81 , Electrical & Electronics Rs.6,310,059.10, Floating Equipments Rs.96,552,276.84				
	Furniture & office Equipment Rs.758,630.00, Plant & Machinery Rs.105,000.00 , other Assets Rs.342,985.57 .				
	2. Rs. 45,013,558.24 worth of asset are used as religious places				
	3. As per the asset register the total cost of the fully depreciated assets still in use as at 31.12.2020 is				
	4. Inter Port Asset transfers made during the year 2020 for the Handling Equipment & Plant & Machinery Asset Categories.				
	5. Useful life time of assets were reviewed by the respective committees appointed to this task. Handling Equipment, Floating Equipment, Staff Quarters & Other Buildings , Motor Vehicle, Plant & Machinery, Computer Hardware & Soft Ware and Intangible Assets,Operational Building and Structure were reviewed during the year and net book value has been adjusted accordingly. Reviewing of assets of SLPA will be done as a continues process.				
	<b>3.2 Leased Hold Asset</b>				
		As At	Additions	(Disposals)	As At
	<b>Group/SLPA</b>	<b>01 January 2020</b>			<b>31 December 2020</b>
	Cost	8,975,000	86,310,000	-	95,285,000
	Depreciation	298,868	2,626,554		2,925,421
				As At	As At
				<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>Net Carrying Value</b>			<b>92,359,579</b>	<b>8,676,132</b>
	Above represent the assets obtained under finance lease for the period of Five Years.				

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2020						
<b>3.3 Capital Work-in-Progress</b>						
	As At	Prior Year Adjustment	Adjusted Balance as at	Incurred	Transferred	As At
<b>Group/ SLPA</b>	<b>01 January 2020</b>		<b>01 January 2020</b>	<b>During the Year</b>		<b>31 December 2020</b>
Colombo Port Development	121,622,117	8,887,897	130,510,014	338,011,978	(86,159,060)	382,362,932
Galle Port	29,255,042	(8,990,670)	20,264,372	10,540,660		30,805,033
Galle Development Project	418,028,350		418,028,350			418,028,350
Trincomalee Port	151,403,036	23,331,138	174,734,174	10,920,571	(84,523,089)	101,131,656
Port City Development	2,924,107		2,924,107			2,924,107
Purchasing of Capital Assets (Local)	2,416,050		2,416,050			2,416,050
Head Office Building	4,582,998		4,582,998			4,582,998
Development of East Container Terminal	1,834,672		1,834,672	39,274,116	(31,812,587)	9,296,201
Construction of Oil Tanks to COB (Note. 62)			-	42,145,701		42,145,701
	<b>732,066,373</b>	<b>23,228,365</b>	<b>755,294,738</b>	<b>440,893,028</b>	<b>(202,494,736)</b>	<b>993,693,029</b>
The policy of Work- In – Progress is “Cost laying in the working progress Accounts will be capitalized once the work completion certificate issued by the relevant department” disclosed under the 2.4.1 of Notes to Financial Statements.						
<b>4 Intangible Assets</b>						
	As At	Additions /	(Disposals)	Adjustments		As At
<b>Group</b>	<b>01 January 2020</b>					<b>31 December 2020</b>
<b>4.1 At Cost</b>						
Computer Software	1,240,341,818	8,158,000	-	-		1,248,499,818
<b>Total</b>	<b>1,240,341,818</b>	<b>8,158,000</b>	<b>-</b>	<b>-</b>		<b>1,248,499,818</b>
	As At	Charge for the				As At
	<b>01 January 2020</b>	<b>Year</b>				<b>31 December 2020</b>
<b>4.2 Amortisation</b>						
Computer Software	1,027,108,973	60,679,864	-	-		1,087,788,837
<b>Total</b>	<b>1,027,108,973</b>	<b>60,679,864</b>	<b>-</b>	<b>-</b>		<b>1,087,788,837</b>
<b>4.3 Net Carrying Values</b>					As At	As At
					<b>31 December 2020</b>	<b>31 December 2019</b>
Computer Software					<b>160,710,981</b>	<b>213,232,845</b>
<b>Intangible Assets Clearing AC</b>						<b>7,742,786</b>
Computer Software					<b>160,710,981</b>	<b>220,975,631</b>
<b>4 Intangible Assets</b>						
	As At	Additions	(Disposals)	Adjustments		As At
<b>SLPA</b>	<b>01 January 2020</b>					<b>31 December 2020</b>
<b>4.1 At Cost</b>						
Computer Software	1,240,341,818	8,158,000	-	-		1,248,499,818
<b>Total</b>	<b>1,240,341,818</b>	<b>8,158,000</b>	<b>-</b>	<b>-</b>		<b>1,248,499,818</b>
	As At	Charge for the				As At
	<b>01 January 2020</b>	<b>Year</b>				<b>31 December 2019</b>
<b>4.2 Amortisation</b>						
Computer Software	1,027,108,973	60,679,864	-	-		1,087,788,837
<b>Total</b>	<b>1,027,108,973</b>	<b>60,679,864</b>	<b>-</b>	<b>-</b>		<b>1,087,788,837</b>
<b>4.3 Net Carrying Values</b>					As At	As At
					<b>31 December 2020</b>	<b>31 December 2019</b>
Computer Software					<b>160,710,981</b>	<b>213,232,845</b>
<b>Intangible Assets Clearing AC</b>						<b>7,742,786</b>
					<b>160,710,981</b>	<b>220,975,631</b>

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2020							
5	<b>Investment Properties Cnt.</b>	As At	Transferred/Adju	Additions	(Disposals)	As At	
	<b>Group/Authority</b>	<b>01 January 2020</b>	<b>stment</b>			<b>31 December 2020</b>	
	<b>5.1 At Cost</b>						
	Land	42,318,101,009		-	-	42,318,101,009	
	Buildings	143,383,304,237		-	-	143,383,304,237	
	<b>Total</b>	<b>185,701,405,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,701,405,246</b>	
		As At	Transferred/Adju	Charge for the	(Disposals)	As At	
		<b>01 January 2020</b>	<b>stment</b>	<b>Year</b>		<b>31 December 2020</b>	
	<b>5.1.1 Depreciation</b>						
	Buildings	14,657,037,590		1,345,464,129	-	16,002,501,719	
	<b>Total</b>	<b>14,657,037,590</b>	<b>-</b>	<b>1,345,464,129</b>	<b>-</b>	<b>16,002,501,719</b>	
						As At	As At
						<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>5.1.2 Net Carrying Values</b>						
	Land				42,318,101,009	42,318,101,009	
	Buildings				127,380,802,518	128,726,266,647	
					<b>169,698,903,527</b>	<b>171,044,367,656</b>	
6	<b>Investment in Subsidiaries</b>			<b>Group</b>		<b>SLPA</b>	
				2020	2019	2020	2019
	<b>Unlisted</b>	<b>No of Shares</b>	<b>% of Holding</b>				
	Jaya Container Terminals Limited	100,000	100%	-	-	1,000,000	1,000,000
	Magampura Port Management Company	7,500,000	100%	-	-	75,000,000	75,000,000
	Lanka Gas Terminal (Pvt) Ltd	1	100%	100	100	100	100
				<b>100</b>	<b>100</b>	<b>76,000,100</b>	<b>76,000,100</b>
7	<b>Investment in Associates</b>			<b>Group</b>		<b>SLPA</b>	
				2020	2019	2020	2019
	<b>Unlisted</b>						
	Sri Lanka Port Management & Consultancy Services Ltd	(Note 7.1.1)		82,279,366	77,333,826	40,030	40,030
	Hambanthota International Port Services Ltd	(Note 7.1.2)		37,772,987,160	38,206,963,671	39,196,080,000	39,196,080,000
				<b>37,855,266,526</b>	<b>38,284,297,497</b>	<b>39,196,120,030</b>	<b>39,196,120,030</b>
	<b>7.1 Movement of Investments in Associate Companies</b>						
	<b>7.1.1 Sri Lanka Port Management &amp; Consultancy Services Ltd</b>						
	<b>Balance at 01 January</b>			77,333,826	74,275,112	40,030	40,030
	Share of Net Results of Associates			4,945,540	3,058,714	-	-
	Dividends Received			-	-	-	-
	<b>Balance at 31 December</b>			<b>82,279,366</b>	<b>77,333,826</b>	<b>40,030</b>	<b>40,030</b>
	<b>7.1.2 Hambanthota International Port Services Ltd</b>						
	<b>Balance at 01 January</b>			38,206,963,671	38,674,068,287	39,196,080,000	39,196,080,000
	Share of Net Results of Associates			(433,976,511)	(467,104,616)	-	-
	Dividends Received			-	-	-	-
	<b>Balance at 31 December</b>			<b>37,772,987,160</b>	<b>38,206,963,671</b>	<b>39,196,080,000</b>	<b>39,196,080,000</b>
	<b>Total of SLPMS &amp; HIPS</b>						
	<b>Balance at 01 January</b>			38,284,297,497	38,748,343,399	39,196,120,030	39,196,120,030
	Share of Net Results of Associates			(429,030,971)	(464,045,902)	-	-
	Dividends Received			-	-	-	-
	<b>Balance at 31 December</b>			<b>37,855,266,526</b>	<b>38,284,297,497</b>	<b>39,196,120,030</b>	<b>39,196,120,030</b>
	<b>7.2 Summary of Financial Results of Associate, and its aggregated assets and liabilities</b>						
	<b>Sri Lanka Port Management &amp; Consultancy Services Ltd</b>						
		<b>No. of Shares</b>	<b>% of Holding</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Net Profit</b>
	At 31 December 2020	4,003	39.97%	324,733,384	156,854,567	81,640,259	12,373,131
	At 31 December 2019	4,003	39.97%	244,548,244	76,235,429	82,033,098	7,652,525
	<b>Hambanthota International Port Services Ltd</b>						
		<b>No. of Shares</b>	<b>% of Holding</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Revenue</b>	<b>Net Profit</b>
	At 31 December 2020	3,919,608,000	42%	112,263,613,498	773,822,435	748,286,998	(1,033,277,408)
	At 31 December 2019	3,919,608,000	42%	108,943,736,867	442,388,932	507,151,748	(1,112,153,848)

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FOR THE YEAR ENDED 31 DECEMBER 2020				
<b>Categories of Financial Assets and Financial Liabilities</b>				
The carrying amounts of financial assets and financial liabilities in each category are as follows:				
<b>Financial Assets</b>				
<b>Group</b>	<b>Fair Value Through OCI</b>		<b>Amortised Cost</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Listed Investments	186,482,092	135,543,842		
Unlisted Investments	34,309,183,095	29,030,595,175		
Investment in Quoted Debentures				
Trade and Other Receivables			15,162,526,000	13,027,488,841
Deposits and Advances			403,870,985	350,293,354
Employee Loans			4,893,793,397	5,085,104,239
Investment in Government Securities and Fixed Deposits			54,306,237,559	46,734,953,107
Cash and Cash Equivalents			2,765,873,475	2,466,952,511
<b>Total</b>	<b>34,495,665,188</b>	<b>29,166,139,017</b>	<b>77,532,301,415</b>	<b>67,664,792,052</b>
<b>Authority</b>				
Listed Investments	186,482,092	135,543,842		
Unlisted Investments	34,309,183,095	29,030,595,175		
Investment in Quoted Debentures				
Trade and Other Receivables			15,105,237,261	12,960,955,693
Deposits and Advances			397,260,971	350,293,353
Employee Loans			4,864,087,369	5,055,258,118
Investment in Government Securities and Fixed Deposits			54,120,817,228	46,565,856,195
Cash and Cash Equivalents			1,541,120,845	1,245,925,470
<b>Total</b>	<b>34,495,665,188</b>	<b>29,166,139,017</b>	<b>76,028,523,673</b>	<b>66,178,288,830</b>
<b>Financial Liabilities measured at Amortised Cost</b>	<b>Group</b>		<b>SLPA</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Other Financial Liabilities</b>				
<b>Non-Current Borrowings</b>				
Government of Sri Lanka	49,709,894,559	53,419,307,025	49,709,894,559	53,419,307,025
Financial Institution	6,816,230,004	8,875,702,408	6,816,230,004	8,875,017,426
Finance Lease Obligation	51,622,593	20,258,739	38,942,843	3,666,933
<b>Current Borrowings</b>				
Government of Sri Lanka	6,197,344,132	6,565,746,881	6,197,344,132	6,565,746,881
Financial Institution	6,987,686,845	6,306,543,323	2,506,029,163	2,114,616,539
Finance Lease Obligation	11,232,125	8,651,592	7,320,069	5,197,749
Trade and Other Creditors	1,575,042,429	902,821,717	1,706,977,917	1,018,007,996
Deposits and Advances Received	2,508,967,996	2,259,415,648	2,508,967,996	2,259,415,648
<b>Total</b>	<b>73,858,020,683</b>	<b>78,358,447,333</b>	<b>69,491,706,683</b>	<b>74,260,976,196</b>
*Trade and other receivable includes Rs.5,156,049,274.99 which is receivable from General Treasury since 2017				

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER				Group / SLPA	
				2020	2019
<b>8</b>	<b>Financial Assets at FVOCI</b>				
	Listed Investments	(Note 8.1)		186,482,092	135,543,842
	Unlisted Investments	(Note 8.2)		34,309,183,095	29,030,595,175
				<b>34,495,665,187</b>	<b>29,166,139,017</b>
	<b>8.1 Listed Investment (Colombo Dockyard PLC)</b>				
	Balance at 01 January			135,543,842	121,552,220
	Net Gains / (Losses) Transfer to AFS Reserve			50,938,250	13,991,622
	Balance at 31 December			<b>186,482,092</b>	<b>135,543,842</b>
	<b>8.2 Unlisted Investments</b>				
	Where the fair value of the Unlisted Investments on Colombo International Container Terminals (Pvt) Ltd (CICT), South Asia Gateway Terminal Ltd (SAGT) and Hambantota Port Group (Pvt) Ltd (HIPG) can not be derived from active markets, they are determining using Earnings Per Share basis for SAGT and CICT and Net Assets per share basis for HIPG as per the available Audited Financial Statements (2019).				
	As SLFRS 13 permitted, used multiple valuation techniques to obtain Fair values of above investments. Since the HIPG is in their commencement Period of business net book value basis considered as most relevant				
	valuation technique to measure fair value as ai has indicated the minimum guaranteed value of the business.				
	Due to the fact that fair value cannot be reasonably assessed it has been considered that cost represent the fair value of unlisted investments made by SLPA in Lanka Coal Company.				
				<b>No. of Shares</b>	
	Lanka Coal Company		200,000	2,000,000	2,000,000
	Colombo International Container Terminal Ltd		28,456,515	1,514,045,955	1,444,762,427
	South Asian Gateway Terminals Limited (SAGT)		56,827,288	1,004,243,877	1,123,244,748
	Hambantota International Port Group Ltd		2,646,058,800	31,788,893,263	26,460,588,000
				<b>34,309,183,095</b>	<b>29,030,595,175</b>
	Balance at 01 January (CICT)			1,444,762,427	1,313,979,580
	Net Gains / (Losses) Transfer to AFS Reserve			69,283,528	130,782,847
	Balance at 31 December			<b>1,514,045,955</b>	<b>1,444,762,427</b>
	Balance at 01 January (SAGT)			1,123,244,748	1,007,616,009
	Net Gains / (Losses) Transfer to AFS Reserve			(119,000,871)	115,628,739
	Balance at 31 December			<b>1,004,243,877</b>	<b>1,123,244,748</b>
	Balance at 01 January (HIPG)			26,460,588,000	18,341,400,000
	Capital Gain/Loss on investment			-	8,119,188,000
	Net Gains / (Losses) Transfer to AFS Reserve			5,328,305,263	-
	Balance at 31 December			<b>31,788,893,263</b>	<b>26,460,588,000</b>
	<b>Net Gains / (Losses) Transfer to AFS Reserve (CICT, SAGT &amp; HIPG)</b>				
	Net Gains / (Losses) Transfer to AFS Reserve - CICT			69,283,528	130,782,847
	Net Gains / (Losses) Transfer to AFS Reserve -SAGT			(119,000,871)	115,628,739
	Net Gains / (Losses) Transfer to AFS Reserve -HIPG			5,328,305,263	-
				<b>5,278,587,920</b>	<b>246,411,586</b>
<b>9</b>	<b>Amount Due from State Mortgage Bank</b>				
	The balance represents the amount transferred to State Mortgage and Investment Bank to grant housing loan to SLPA employees less recoveries of principal re-payments received from the bank.				
				<b>Group/ SLPA</b>	
				2020	2019
	Opening Balance			84,478,816	102,995,559
	Transferred during the year			(8,484,212)	(18,516,743)
	Closing Balance			<b>75,994,604</b>	<b>84,478,816</b>
<b>10</b>	<b>Receivable From General Treasury - PB Loan</b>				
	As per the Cabinet Decision dated 05.12.2017 General Treasury has to provide provisions in respect of the repayment and servicing of interest and capital to SLPA for the loan obtained to settle the ICC arbitration (No.21959/CYK/PTA)				
	between 1. China Harbour Engineering Company Ltd 2.Sinohydro Coporation Vs. SLPA - Construction of Sooriyawewa International Cricket Stadium at Hambantota under variation order no. 6 of Hambantota Port Development Project				
	(Phase I). Hence this will not have any impact on Statement of Comprehensive Income of the SLPA since secretary to the Treasury has given an undertaking to provide required budgetary Provision. This is in addition to the note no. 40 in Page No. 120.				
<b>11</b>	<b>Inventories</b>		<b>Group</b>	<b>SLPA</b>	
			2020	2019	2020
			2019	2020	2019
	Goods in Stock		2,723,204,018	2,612,214,826	2,723,204,018
	Stock in Hand - Admiralty Kitchen		10,388,652	9,561,148	10,388,652
	Sawmill - New Beira		6,551,118	1,660,561	6,551,118
	Stock in Medical Stores		1,298,561	1,358,406	1,298,561
	Inventry Material Overhead Value		(113,109)	13,337	(113,109)
	Inventry receiving clearing accounts		11,856,808	53,526	11,856,808
	Inter Lock Blocking		3,025,969	3,025,969	-
	Cusher - Chips		3,989,926	3,989,926	-
	Fire Foam		1,770,000	1,770,000	-
	Fuel Stock		3,589,334	3,589,334	-
	Others		1,701,211	1,790,432	-
			<b>2,767,262,488</b>	<b>2,639,027,465</b>	<b>2,753,186,047</b>
					<b>2,624,861,804</b>
	In SLPA provision to write-down has not been made for slow moving stocks as the inventories are usable.				
<b>12</b>	<b>Trade and Other Receivables</b>		<b>Group</b>	<b>SLPA</b>	
			2020	2019	2020
			2019	2020	2019
	Trade Receivable		2,879,655,471	2,423,176,800	2,876,065,592
	Provision for Impairment		(413,274,219)	(388,782,079)	(410,878,140)
			<b>2,466,381,252</b>	<b>2,034,394,721</b>	<b>2,465,187,451</b>
	Other Receivable				
	Shipping Agents Dispute		167,333,020	50,318,005	167,333,020
	Agent Revenue		1,378,148,106	986,864,063	1,378,148,106
	Consignee Receivables		1,219,120	2,908,323	1,219,120
	Other Receivable	(Note 12.1)	8,374,664,419	9,225,782,020	8,325,147,221
	Income Tax Receivable	(Note 12.3)	2,689,901,148	626,167,199	2,683,323,408
	Other Tax Receivable		8,884,330	8,884,330	8,884,330
			<b>12,620,150,144</b>	<b>10,900,923,940</b>	<b>12,564,055,206</b>
	<b>Trade and Other Receivables</b>		<b>15,086,531,396</b>	<b>12,935,318,661</b>	<b>15,029,242,657</b>
					<b>12,876,476,878</b>
	other receivables comprise following receivables from related parties.				



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FOR THE YEAR ENDED 31 DECEMBER 2020					
Consignee Receivable includes the amount of Rs.1,695,536.00 which relates to the legal case number 58/2012.SLPA filed against Midland Enterprises for the unsettled bills and Bank Guarantees for the value of Rs.6,134,000.00 has been kept with regard to receivable amount.					
As at 31 December 2020, the Authority's trade receivables amounts to Rs.2,373,942,112 (2019:Rs 1,996,868,122) were past due but not impaired. These relate to a number of significant customers including shipping agents, who are individually reviewed for impairment and for whom there are no reliable evidence for recovery in the reporting year. The age analysis of these trade receivables is as follows:					
Ageing of Trade Receivable	Group		SLPA		
	2020	2019	2020	2019	
Up to 6 Months	2,258,158,728	1,988,756,801	2,258,158,728	1,988,756,801	
6 to 12 Months	115,783,384	8,111,321	115,783,384	8,111,321	
	<b>2,373,942,112</b>	<b>1,996,868,122</b>	<b>2,373,942,112</b>	<b>1,996,868,122</b>	
Trade receivables have been reviewed for impairment. Certain trade receivables are found to be impaired and provision for impairment has been made on the basis as stated in note 2.7. The impaired trade receivables are mostly due from Government institutions and the shipping agents who are under litigation.					
The Details of Provision for Impairment of the Trade Receivables.	Group		SLPA		
	2020	2019	2020	2019	
Trade Receivable	44,317,525	2,396,079	41,921,446		
Shipping Agents Under Litigation	367,831,368	372,684,750	367,831,368	372,684,750	
Government Institutions	1,125,325	810,077	1,125,325	810,077	
Shipping Agents	-	12,891,172	-	12,891,172	
	<b>413,274,219</b>	<b>388,782,079</b>	<b>410,878,140</b>	<b>386,386,000</b>	
<b>12.1 Other Receivable</b>					
Royalty_SAGT	90,591,661	111,269,732	90,591,661	111,269,732	
Royalty_CICT	161,279,475	115,422,300	161,279,475	115,422,300	
Lease Rent-SAGT	43,728,056	41,615,887	43,728,056	41,615,887	
Receivable Revenue HIPG	18,852,000	18,319,000	18,852,000	18,319,000	
Receivables from the Ministry	305,158	305,158	305,158	305,158	
Supply of Fuel to Ministry	8,829,778	4,738,663	8,829,778	4,738,663	
Meals & Tea Supplied to Outside Parties	8,903,264	22,875,816	8,903,264	22,875,816	
Jaya Container Terminals Ltd	(103,900)	(103,600)	743,726	490,268	
Electricity for SLPA Employees & outside parties	70,216	(12,578)	70,216	(12,578)	
Supply of Fuel to SLMPCS	7,609,036	7,609,036	7,609,036	7,609,036	
Supply of Fuel to MPMCL	5,800,921	5,800,921	5,800,921	5,800,921	
Foreign Purchase Advance- Non Budget	2,015,303,008	3,275,424,583	2,015,303,008	3,275,424,583	
Receivable from Treasury Operations	5,156,049,275	5,149,981,344	5,156,049,275	5,149,981,344	
Receivable from Treasury Operations -People's Bank Loan	493,857,359	164,619,120	493,857,359	164,619,120	
Receivable from HIPS	3,975,142	2,307,315	3,975,142	2,307,315	
Shares Receivable - SAGT (Note 12.2)	141,632,944	141,632,944	141,632,944	141,632,944	
Insurance Receivable for Bunkering	28,040,453	28,040,453	-	-	
Other Receivables	25,006,211	28,378,414	2,681,839	9,623	
Petty Cash Imprest	35,000	-	35,000	-	
Stamp/Fuel Imprest	28,252	-	28,252	-	
	<b>8,209,793,309</b>	<b>9,118,224,508</b>	<b>8,160,276,111</b>	<b>9,062,409,133</b>	
<b>12.1.1</b>					
Rent Debtors	145,841,949	100,329,878	145,841,949	100,329,878	
Electricity Debtors	71,122,185	46,576,969	71,122,185	46,576,969	
	<b>216,964,134</b>	<b>146,906,847</b>	<b>216,964,134</b>	<b>146,906,847</b>	
Provision for Impairment	(52,093,024)	(39,349,335)	(52,093,024)	(39,349,335)	
	<b>164,871,110</b>	<b>107,557,512</b>	<b>164,871,110</b>	<b>107,557,511</b>	
	<b>8,374,664,419</b>	<b>9,225,782,020</b>	<b>8,325,147,221</b>	<b>9,169,966,644</b>	
Balances in Petty Cash Imprest and Stamp /Fuel Imprest were settled January 2021.					
<b>12.2 Share Receivable - SAGT</b>					
Share receivable from SAGT represents the balance receivable from South Asia Gateway Terminal Ltd ( SAGT) arising from the difference between the initial value of cranes given to SAGT and shares issued for in-kind contribution. However, SAGT has resolved on 14 May 2010 that the SLPA will be entitled to be issued an additional "in kind" shares in SAGT to the extent of USD 2,424,285 equivalent to Rs.141,632,943.84 only in the event of further capital call for the phase 1 facilities. No provision for impairment has been made for the receivable since, the Ministry of Finance and Planning has instructed the Authority to show the balance USD 2,424,285 equivalent to Rs.141,632,943.84 as share receivable from SAGT in the Financial Statements.					
<b>12.3 Income Tax Receivable</b>					
Withholding Tax	729,972,453	471,547,956	723,394,713	469,715,349	
Nortional Tax	403,297,066	-	403,297,066	-	
Social Responsibility Levy	19,951,853	-	19,951,853	-	
Economic Service Charge	1,165,665,147	154,619,243	1,165,665,147	154,619,243	
Income Tax self assessment payments	371,014,629	-	371,014,629	-	
	<b>2,689,901,148</b>	<b>626,167,199</b>	<b>2,683,323,408</b>	<b>624,334,592</b>	

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2020						
13	Deposits and Advances	Group		SLPA		
		2020	2019	2020	2019	
	Government Deposits	64,663,880	64,663,880	64,663,880	64,663,880	
	Corporation Deposits	111,720,623	111,603,466	111,720,623	111,603,466	
	Company Deposits	27,021,801	20,640,137	20,411,787	20,640,137	
	Advance to Suppliers	158,679,654	90,327,434	158,679,654	83,014,693	
	Advance to Contractors - Capital Expenditure	41,785,027	70,371,178	41,785,027	70,371,178	
		<b>403,870,985</b>	<b>357,606,094</b>	<b>397,260,971</b>	<b>350,293,353</b>	
	<b>14 Employee Loans</b>					
	Advances	18,834,574	24,197,931	18,834,574	24,197,931	
	Receivables from Employees	2,095,950	2,127,788	2,095,950	2,127,788	
	Vehicle Loan	770,891,290	862,325,355	770,891,290	862,325,355	
	Loans	4,092,091,120	4,186,610,370	4,062,385,092	4,156,764,249	
	Mis. Loans Given to Employees	9,880,463	9,842,795	9,880,463	9,842,795	
		<b>4,893,793,397</b>	<b>5,085,104,239</b>	<b>4,864,087,369</b>	<b>5,055,258,118</b>	
	<b>15 Other Financial Assets</b>					
	REPO's	1,204,806,718	570,051,920	1,204,806,718	570,051,920	
	Fixed Deposits - Local	6,390,127,220	12,975,547,378	6,204,706,889	12,806,450,465	
	Fixed Deposits - Foreign	46,685,623,418	33,098,011,356	46,685,623,418	33,098,011,356	
	Call Deposits	25,437,965	90,668,943	25,437,965	90,668,943	
	Savings	242,238	673,510	242,238	673,510	
		<b>54,306,237,559</b>	<b>46,734,953,107</b>	<b>54,120,817,228</b>	<b>46,565,856,195</b>	
	Fixed deposit placed in National Saving Bank represents the fines collected from employees who are charged for misconduct. The deposit is maintained separately as required by No 51 Sri Lanka Ports Authority Act; for rewarding employees.					
	<b>16 Cash and Cash Equivalents</b>					
	<b>Favourable Balances</b>					
	Cash and Bank Balances - LKR	2,761,895,324	2,465,871,692	1,537,142,694	1,244,844,651	
	Bank Balances - Foreign Currency	3,978,151	1,080,818	3,978,151	1,080,818	
		<b>2,765,873,475</b>	<b>2,466,952,511</b>	<b>1,541,120,845</b>	<b>1,245,925,470</b>	
	<b>16.2 Unfavourable Balances</b>					
	<b>Cash &amp; Cash Equivalents for the Purpose of Cash Flow Statement</b>	<b>2,765,873,475</b>	<b>2,466,952,511</b>	<b>1,541,120,845</b>	<b>1,245,925,470</b>	
	<b>17 Property, Plant &amp; Equipment-MPMC Ltd</b>	<b>2,020</b>	<b>2,019</b>			
	Cost	619,031	1,144,831			
	Depreciation	(212,485)	(525,800)			
	Written Down Value	406,546	619,031			
	The Financial Statements of the company have been prepared on winding up basis due to the operations conducted by the company in the Port of Hambantota have been ceased with effect from the effective date of the concession Agreement signed between SLPA and a Chinese Company to carry out business in the said Port by company which majority of the shares be held by a Chinese backed Company.					
	<b>18 Capital Employed</b>					
	Capital represents all movable and immovable properties including money in the funds and all debts, liabilities and obligations in connection with or appertaining to such properties transferred and vested to Sri Lanka Ports Authority from Colombo Port commission, Port Cargo Corporation and Port Tally and Protective Services Corporation.					
	<b>19 Capital Reserve</b>					
	This represents the value of the capital assets transferred from Lanka Marine Services Ltd and other institutions.					
	<b>20 Other Reserves</b>					
	<b>Other Reserves</b>	1,125,903	1,125,903	1,125,903	1,125,903	
	<b>21 Deferred Income</b>					
	Upfront Fee Paid by CICT (21.1)	2,641,791,428	2,745,325,714	2,641,791,428	2,745,325,714	
	Lump Sum Premium_ Laughs Terminal Ltd (21.2)	12,900,509	13,558,716	12,900,509	13,558,716	
	Lump Sum Premium_ Distilleries Company of Sri Lanka PLC(21.3)	271,270,959	281,570,959	271,270,959	281,570,959	
	Lump Sum Premium_ Tokyo Cement Co.Ltd (21.4)	858,039,713	608,943,659	858,039,714	608,943,659	
	Lease Hold Rights_ HIPS (21.5)	70,149,002,555	70,880,201,285	70,149,002,555	70,880,201,285	
	Lease Hold Rights_ HIPG (21.6)	94,190,849,718	95,172,648,848	94,190,849,718	95,172,648,848	
	Lump Sum Premium_ NFCPPS (21.7)	190,226,301	197,126,301	190,226,301	197,126,301	
		<b>168,314,081,182</b>	<b>169,899,375,482</b>	<b>168,314,081,184</b>	<b>169,899,375,482</b>	
	<b>21.1 Upfront Fee Paid by CICT</b>					
	Balance at 01 January	2,745,325,714	2,848,860,000	2,745,325,714	2,848,860,000	
	Received during the year	-	-	-	-	
	Amortized During the year	(103,534,286)	(103,534,286)	(103,534,286)	(103,534,286)	
	Balance at 31 December	<b>2,641,791,428</b>	<b>2,745,325,714</b>	<b>2,641,791,428</b>	<b>2,745,325,714</b>	
	As per the Royalty agreement between SLPA and CICT a Lump sum premium of US\$ 15 million has been received in the year 2012 and US\$ 10 million has been received in the year 2016. This lump sum premium is amortized over 35 years.					
	<b>21.2 Lump Sum Premium_ Laughs Terminal Ltd</b>					
	Balance at 01 January	13,558,716	14,216,923	13,558,716	14,216,923	
	Received during the year	-	-	-	-	
	Amortized During the year	(658,207)	(658,207)	(658,207)	(658,207)	
	Balance at 31 December	<b>12,900,509</b>	<b>13,558,716</b>	<b>12,900,509</b>	<b>13,558,716</b>	
	Lump Sum payment Rs.16,455,184.23 received from M/S Laughs Terminals Ltd for the leased out property (A land called Lewaya Egodaha ,part of reclaimed area by SLPA Hambantota situated at koholana Village in Hambantota)for the period of 25 years from 07.08.2015 to 06.08.2040.					

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FOR THE YEAR ENDED 31 DECEMBER 2020		Group		SLPA		
	2020	2019	2020	2019		
<b>21.3 Lump Sum Premium Distilleries Company of Sri Lanka PLC</b>						
Balance at 01 January	281,570,959	291,870,959	281,570,959	291,870,959		
Received during the year	-	-	-	-		
Amortized During the year	(10,300,000)	(10,300,000)	(10,300,000)	(10,300,000)		
<b>Balance at 31 December</b>	<b>271,270,959</b>	<b>281,570,959</b>	<b>271,270,959</b>	<b>281,570,959</b>		
Lump Sum payment Rs.309,000,000 received from M/S Distilleries Company Sri Lanka PLC for the leased out property (PVQ Repository Warehouse at Colombo Port) for the period of 30 years from 04.05.2017 to 03.05.2047.						
<b>21.4 Lump Sum Premium Tokyo Cement Co.Ltd</b>						
Balance at 01 January	608,943,659	357,069,892	608,943,659	357,069,892		
Received during the year	277,500,000	283,163,465	277,500,000	283,163,465		
Amortized During the year	(28,403,946)	(31,289,698)	(28,403,946)	(31,289,698)		
<b>Balance at 31 December</b>	<b>858,039,713</b>	<b>608,943,659</b>	<b>858,039,714</b>	<b>608,943,659</b>		
Lump Sum payment Rs.370,000,000 received from M/S Tokyo Cement (Lanka) PLC for the leased out property (No.01 warehouse of Prince Vijaya Quay in Colombo Port) for the period of 30 years from 14.12.2017 to 14.12.2047.						
<b>21.5. Lease Hold Rights_HIPS</b>						
Balance at 01 January	70,880,201,285	71,611,400,015	70,880,201,285	71,611,400,015		
Received from Assets transfer	-	-	-	-		
Amortized during the year	(731,198,730)	(731,198,730)	(731,198,730)	(731,198,730)		
<b>Balance at 31 December</b>	<b>70,149,002,555</b>	<b>70,880,201,285</b>	<b>70,149,002,555</b>	<b>70,880,201,285</b>		
<b>21.6. Lease Hold Rights_HIPG</b>						
Balance at 01 January	95,172,648,848	96,154,447,978	95,172,648,848	96,154,447,978		
Amortized during the year	(981,799,130)	(981,799,130)	(981,799,130)	(981,799,130)		
<b>Balance at 31 December</b>	<b>94,190,849,718</b>	<b>95,172,648,848</b>	<b>94,190,849,718</b>	<b>95,172,648,848</b>		
As per the concession agreement lease out the Hambanthota Port and all immovable assets transferred for 99 years operating lease and lease hold right also amortized over 99 years.						
<b>21.7 Lum Sum Premium NFCL Penna Port Storage</b>						
Balance at 01 January	197,126,301	210,000,000	197,126,301	210,000,000		
Prior Year Adjustments	-	(5,973,699)	-	(5,973,699)		
Amortized during the year	(6,900,000)	(6,900,000)	(6,900,000)	(6,900,000)		
<b>Balance at 31 December</b>	<b>190,226,301</b>	<b>197,126,301</b>	<b>190,226,301</b>	<b>197,126,301</b>		
	<b>168,314,081,183</b>	<b>169,899,375,481</b>	<b>168,314,081,183</b>	<b>169,899,375,482</b>		
<b>22 Loan Redemption Reserve</b>						
Loan Redemption Reserve has been created according to Finance Act Section 10(d) which requires the Authority to transfer to this reserve, when there is cumulative retained earnings						
<b>23 Revaluation Reserve</b>						
The revaluation reserve relates to the revaluation surplus of property, plant and equipment, once the respective revalued assets have been disposed, portion of revalued surplus is transferred to retained earnings.						
<b>24 Borrowings - Government of Sri Lanka</b>			Group / SLPA			
			2020	2019		
<b>Carrying Amount at Amortized Cost</b>						
<b>24.1 Settlement Fall Due More than One Year</b>						
Colombo Port Development Project			6,612,364,615	9,501,176,482		
Colombo Port Expansion - (South Harbor)			42,478,017,167	43,308,887,021		
Galle Port Development Project			619,512,777	609,243,522		
			<b>49,709,894,559</b>	<b>53,419,307,025</b>		
<b>24.2 Settlement Fall Due Within One Year</b>						
Colombo Port Development Project			3,781,626,357	4,188,764,102		
Colombo Port Expansion - (Southern Harbor)			2,373,520,751	2,338,027,185		
Galle Port Development Project			42,197,024	38,955,594		
			<b>6,197,344,132</b>	<b>6,565,746,881</b>		
			<b>55,907,238,692</b>	<b>59,985,053,906</b>		
The above borrowings were provided by the Government of Sri Lanka for ports expansion projects and development projects under subsidiary loan agreement. The loan granted to Colombo Port Expansion, carries floating rate of interest and others are at fixed rates of interest.						
<b>The carrying amounts of the borrowings are denominated in the following currencies:</b>						
			Group / SLPA			
			2020	2019		
Japan Yen loans in sri Lankan Rupee Terms			11,055,700,773	14,338,139,700		
United States Dollars in sri Lankan Rupee Terms			44,851,537,918	45,646,914,206		
			<b>55,907,238,692</b>	<b>59,985,053,906</b>		
<b>24.3 Movement of the Loans</b>						
Balance at 01 January			59,985,053,907	66,335,478,064		
Obtained During the Year			-	-		
Capital Paid During the Year			(6,213,584,333)	(5,987,849,178)		
Accrued interest paid for prior year			(508,272,682)	(557,567,967)		
Exchange (Gain) / Loss on Translation			2,392,793,471	(313,279,695)		
Accrued interest under Short Term			251,248,329	508,272,682		
<b>Balance at 31 December</b>			<b>55,907,238,692</b>	<b>59,985,053,907</b>		
<b>25 Borrowings - Financial Institutions</b>			Group		SLPA	
			2020	2019	2020	2019
<b>Carrying Amount at Amortized Cost</b>						
<b>25.1 Settlement Fall Due More than One Year</b>						
Bank of Ceylon -CPEP Construction of ECT loan			3,359,228,494	5,088,777,676	3,359,228,494	5,088,777,676
Bank of Ceylon Others			-	684,982	-	-
Peoples Bank - Construction of Sooriyaweewa Stadium			3,457,001,511	3,786,239,750	3,457,001,511	3,786,239,750
			<b>6,816,230,004</b>	<b>8,875,702,408</b>	<b>6,816,230,004</b>	<b>8,875,017,426</b>
<b>25.2 Settlement Fall Due Within One Year</b>						
Bank of Ceylon - CPEP Construction of ECT loan			2,012,171,804	1,949,997,419	2,012,171,804	1,949,997,419
Bank of Ceylon Others			684,982	1,370,004	-	-
Peoples Bank-Construction of Sooriyaweewa Stadium			493,857,359	164,619,120,000	493,857,359	164,619,120
HNB-Bunkering Facility (MPMC)			4,480,972,700	4,190,556,780	-	-
			<b>6,987,686,845</b>	<b>6,306,543,323</b>	<b>2,506,029,163</b>	<b>2,114,616,539</b>
			<b>13,803,916,849</b>	<b>15,182,245,731</b>	<b>9,322,259,167</b>	<b>10,989,633,965</b>
The above ECT loan secured by Negative pledge over assets of East Container Terminal.						
Terms and conditions of borrowing facilities are in page 127.						

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	Group		SLPA	
	2020	2019	2020	2019
The carrying amounts of the borrowings are denominated in the following currency.				
Sri Lankan Rupees	3,950,858,870	3,950,858,870	3,950,858,870	3,950,858,870
United States Dollars in Sri Lankan Rupee Terms	9,853,057,980	11,231,386,861	5,371,400,298	7,038,775,095
	13,803,916,849	15,182,245,731	9,322,259,168	10,989,633,965
	Group		SLPA	
	2020	2019	2020	2019
<b>25.3 Movement of the Loans</b>				
Balance at 01 January	15,182,245,731	16,914,143,758	10,989,633,965	12,884,800,845
Obtained During the Year	-	-	-	-
Interest Charge	180,268,282	188,938,122	-	-
Paid During the Year	(1,880,471,507)	(1,803,431,662)	(1,879,101,503)	(1,802,061,658)
Exchange (Gain) / Loss on Translation	321,874,345	(117,404,490)	211,726,706	(93,105,223)
Balance at 31 December	13,803,916,852	15,182,245,731	9,322,259,168	10,989,633,965
	Group		SLPA	
	2020	2019	2020	2019
<b>25.4 Finance Lease Obligation</b>				
Balance as at 01 January	28,910,330	-	8,864,681	-
New Leases Obtained	86,310,000	25,850,000	86,310,000	4,487,500
Repayments	(4,723,113)	(1,427,170)	(1,269,270)	(110,319)
Advance Payment Payable	(47,642,500)	4,487,500	(47,642,500)	4,487,500
Net Lease Obligation as at 31 December	62,854,717	28,910,330	46,262,911	8,864,681
	2020	2019	2020	2019
<b>25.4.1 Analysis of Finance Lease Obligation</b>				
Finance Lease Obligations repayable within 1 Year from year- end		-		-
Net Lease Obligations	11,232,125	8,651,592	7,320,069	5,197,749
Finance Lease Obligations repayable between 1 and 5 years from year- end				
Net Lease Obligations	51,622,593	20,258,739	38,942,843	3,666,933
<b>26 Government Grants</b>				
Balance at 01 January	28,144,979,415	28,451,742,423	28,144,979,415	28,451,742,423
Grants Received During the Year	-	2,169,400	-	2,169,400
Grants used during the year	-	-	-	-
Amortization of Government Grants	(308,760,950)	(308,932,408)	(308,760,950)	(308,932,408)
Balance at 31 December (Note 26.1)	27,836,218,465	28,144,979,415	27,836,218,465	28,144,979,415
<b>26.1 The Carrying Values</b>				
Mega Port Project	89,851,183	89,851,183	89,851,183	89,851,183
Kankasanturai Break Water Project	9,137,448	9,376,098	9,137,448	9,376,098
Hambantota Port Development Project	77,518,546	82,363,455	77,518,546	82,363,455
Oluvil Port Development Project	14,586,311	15,252,644	14,586,311	15,252,644
Colombo Port Expansion Project	1,402,354,822	1,429,323,184	1,402,354,822	1,429,323,184
Hambantota Bunkering and Tank	2,013,048	2,101,211	2,013,048	2,101,211
Renovation project of UCT Terminal	350,933,333	356,266,667	350,933,333	356,266,667
Galle Yatch Marina Development	3,064,111	3,137,066	3,064,111	3,137,066
Crown Land for Hambantota Port Project-HIPS	4,318,674,432	4,363,690,172	4,318,674,432	4,363,690,172
Crown Land for Hambantota Port Project-HIPG	21,567,533,557	21,792,342,928	21,567,533,557	21,792,342,928
Grants for Master Plan Project	551,675	1,274,809	551,675	1,274,809
	27,836,218,465	28,144,979,415	27,836,218,465	28,144,979,415
The above grants received from the Government of Sri Lanka and International Government Agencies for the development of ports and other constructions				
The amounts spent have been capitalised either work-in-progress or under the relevant class of property, plant and equipment respectively.				
The corresponding grant is being amortised over the useful life of the related assets.				
Balance amount of the grant received for Mega Port Project have been utilised to carry out Maintenance Expenses of Mega Port Project since the useful life of the related asset is over by 2015. Estimated Value for the Crown Land is obtained based on the valuation Department letter which will be adjusted after receiving correct values from department of Valuation.				
	Group / SLPA			
	2020	2019		
<b>27 Deferred Tax Liabilities</b>				
Balance at 01 January	9,717,887,491	9,198,644,245		
Recognised in Profit or Loss	(1,014,618,546)	423,276,192		
Recognised as Prior period Adjustments	-	-		
Recognised in Revaluation Reserve	(361,305,249)	95,967,053		
Balance at 31 December	8,341,963,696	9,717,887,491		
Figures in brackets indicates deductions.				
<b>27.1 The Analysis of Deferred Tax Assets and Liabilities</b>				
<b>Deferred Tax Assets</b>				
Opening defferd Tax liability	(9,717,887,491)	(9,198,644,245)		
From Provision for Gratuity	5,943,978,594	5,652,536,456		
From Accounting Provisions	9,435,641,024	10,359,383,224		
From Brought Forward Tax Losses				
	5,661,732,127	6,813,275,435		
<b>Deferred Tax Liability</b>				
From Accelerating Depreciation	(14,003,695,823)	(16,531,162,926)		
	(14,003,695,823)	(16,531,162,926)		
<b>Net Deferred Tax Liability</b>	(8,341,963,696)	(9,717,887,491)		
Provision has been made on other sources of income using the current applicable tax rate at 28%.				

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2020		Group		SLPA	
		2020	2019	2020	2019
<b>28 Retirement Benefits Obligation</b>					
Balance at 01 January		5,663,061,657	5,381,709,018	5,652,536,456	5,371,717,412
Expense Recognised in the Statement of Comprehensive Income	(Note 28.1)	853,701,413	834,007,670	851,308,163	831,716,364
Benefit Paid During the Year		(585,544,596)	(527,036,671)	(584,317,436)	(526,112,596)
Actuarial (Gain) / Loss on Obligation	(Note 28.2)	26,601,862	(25,618,360)	24,451,411	(24,784,724)
<b>Balance at 31 December</b>		<b>5,957,820,336</b>	<b>5,663,061,657</b>	<b>5,943,978,594</b>	<b>5,652,536,456</b>
<b>28.1 Expense Recognised in the statement of comprehensive income</b>					
Interest Cost		594,568,847	592,087,908	593,516,327	590,888,915
Current Service Cost		259,132,566	241,919,762	257,791,836	240,827,449
		<b>853,701,413</b>	<b>834,007,670</b>	<b>851,308,163</b>	<b>831,716,364</b>
<b>28.2 Expense Recognised in the statement of Other Comprehensive Income</b>					
Actuarial (Gain) / Loss on Obligation		26,601,862	(25,618,360)	24,451,411	(24,784,724)
These assumptions are developed by independent actuarial consultant is based on the management's best estimates of variables used to measure the retirement benefits obligation					
The principal actuarial assumptions used are as follows					
For group, assumptions are expressed as range					
Discount rate [%]		*9-10	11	8	10.50
Future Salary Increases - Salary [%]		*2-6	6	6	8
- Allowances [%]			5	4	5
Staff Turnover Factor - Up to age 54 Yrs. [%]		2.2%	0.5	0.6	0.5
- after 54 Yrs.		0	0	0	0
Retirement age [Yrs.]		60	60	60	60
Discount rate is determined by examining the market rates of interest on short-term corporate bonds/ government bond and the anticipated long-term rate of inflation. Other assumptions such as mortality, staff turnover, disability and promotion are used by the actuarial consultants are based on management's historical experience.					
<b>29 Supply of Goods and services and other creditors</b>					
		<b>Group</b>		<b>SLPA</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Supply of Goods & Service Creditors		581,279,953	116,773,436	581,279,953	116,773,436
Other Creditors		7,058,660	7,058,659	7,058,660	7,058,659
Jaya Container Terminals Limited		(1,320,911)	(1,320,911)	26,947,625	10,198,416
Supply of fuel to MPMCL		(4,728,699)	(30,448,680)	98,938,253	73,218,272
Shipping Agents - Credit Balance		505,871,153	246,649,986	505,871,153	246,649,986
Compensation Payments		385,670,000	397,454,021	385,670,000	397,454,021
Salary Abatements		94,482,572	161,447,988	94,482,572	161,447,988
Unclaimed Wages		6,729,702	5,207,219	6,729,702	5,207,219
		<b>1,575,042,429</b>	<b>902,821,717</b>	<b>1,706,977,917</b>	<b>1,018,007,996</b>
<b>30 Deposits and Advances Received</b>					
Deposits - Shipping Agents		260,635,186	234,448,506	260,635,186	234,448,506
Deposit for Landing & Delivery		18,696,077	103,242,894	18,696,077	103,242,894
Bonding Deposits		3,252,203	3,241,305	3,252,203	3,241,305
Shipping Agents Advance		827,225,801	645,803,831	827,225,801	645,803,831
Deposit from customers		5,255,691	4,504,049	5,255,691	4,504,049
Employers Fidelity Deposits		731,835	728,452	731,835	728,452
Rent Deposit		78,678,035	123,557,720	78,678,035	123,557,720
Trading deposits		630,295,889	469,359,444	630,295,889	469,359,444
Contractor deposits		578,423,488	573,881,932	578,423,488	573,881,932
Special Deposits		29,886,362	28,703,198	29,886,362	28,703,198
Miscellaneous Deposits		75,887,430	71,944,317	75,887,430	71,944,317
		<b>2,508,967,996</b>	<b>2,259,415,648</b>	<b>2,508,967,996</b>	<b>2,259,415,648</b>
<b>31 Current Tax Payable</b>					
<i>Summary of current tax payable is as follow:</i>					
Corporate Tax		668,829,065	1,745,670,672	670,136,968	1,749,910,776
Value Added Tax 8%		91,559,703	90,422,121	89,773,295	88,644,094
Withholding Tax		-	1,138,251	-	1,138,251
Withholding Tax (Receipt)		(19,616)	(689,536)	(19,616)	(689,536)
Economic Service Charge		-	270,084,941	-	270,084,941
Ports and Airport Development Levy		6,058,452	6,058,452	6,058,452	6,058,452
WithHolding on Gratuity Payment		-	1,504,231	-	1,504,231
		<b>766,427,603</b>	<b>2,114,189,132</b>	<b>765,949,098</b>	<b>2,116,651,209</b>
<b>31.1 Corporate Tax</b>					
Balance at 01 January		1,745,670,672	15,251,137	1,749,910,776	-
setoff against tax refund		(1,750,694,773)	1,911,202	(1,749,910,776)	
Charge for the Period		2,769,678,165	3,488,671,210	2,765,961,967	3,485,750,221
Tax Credits		(2,095,825,000)	(1,760,162,877)	(2,095,825,000)	(1,735,839,445)
<b>Balance at 31 December</b>		<b>668,829,064</b>	<b>1,745,670,672</b>	<b>670,136,968</b>	<b>1,749,910,776</b>
<b>32 Provisions and Accrued Expenses</b>					
Provision for Volume Rebate		1,179,571,265	1,432,339,974	1,179,571,265	1,432,339,974
Accrued Expenditure		1,778,030,771	1,728,833,023	1,759,601,766	1,707,496,368
Provision for Claims		7,822,744,703	8,540,657,250	7,822,744,703	8,540,657,250
		<b>10,780,346,739</b>	<b>11,701,830,247</b>	<b>10,761,917,733</b>	<b>11,680,493,592</b>

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

33 Revenue		Group		SLPA	
		2020	2019	2020	2019
Navigation	(Note:33.1)	10,957,265,685	11,566,709,934	10,957,265,685	11,566,709,934
Stevedoring	(Note: 33.2)	17,847,189,342	18,581,980,047	17,847,189,342	18,581,980,047
Wharf Handling		5,317,638,652	5,909,595,861	5,317,638,652	5,909,595,861
Port Facilities	(Note: 33.3)	3,443,651,981	3,695,959,051	3,443,651,981	3,695,959,051
Other Service Operations	(Note: 33.4)	1,365,202,539	1,015,383,064	1,365,202,539	1,015,383,064
		<b>38,930,948,198</b>	<b>40,769,627,957</b>	<b>38,930,948,198</b>	<b>40,769,627,957</b>
(Note:33.1)					
Navigation		11,237,820,534	11,854,958,085	11,237,820,534	11,854,958,085
Less: Rebate on Navigational Charges		(280,554,849)	(288,248,150)	(280,554,849)	(288,248,150)
		<b>10,957,265,685</b>	<b>11,566,709,934</b>	<b>10,957,265,685</b>	<b>11,566,709,934</b>
(Note: 33.2)					
Stevedoring		20,987,325,027	21,747,159,295	20,987,325,027	21,747,159,295
Less : Rebate on Stevedoring Charges		(3,140,135,685)	(3,165,179,248)	(3,140,135,685)	(3,165,179,248)
		<b>17,847,189,342</b>	<b>18,581,980,047</b>	<b>17,847,189,342</b>	<b>18,581,980,047</b>
(Note: 33.3)					
Port Facilities		4,728,730,052	3,909,507,258	4,728,730,052	3,909,507,258
Less: Rebate on Storage		(1,285,078,071)	(213,548,206)	(1,285,078,071)	(213,548,206)
		<b>3,443,651,981</b>	<b>3,695,959,051</b>	<b>3,443,651,981</b>	<b>3,695,959,051</b>
(Note: 33.4)					
Other Service Operations		1,672,692,407	1,092,820,799	1,672,692,407	1,092,820,799
Less : Volume Rebate_ Inter Terminal Trucking		(307,489,869)	(77,437,735)	(307,489,869)	(77,437,735)
		<b>1,365,202,539</b>	<b>1,015,383,064</b>	<b>1,365,202,539</b>	<b>1,015,383,064</b>
Rebate on stevedoring charges include: Volume rebates on transshipment containers, Volume rebates on domestic containers, rebates on Transshipment Containers (ECI ,2% etc.) Rebates on Domestic Containers 2%,Rebate on Conventional Cargo (15%,20% & Etc.) and charge on carrier rebate.					
34 Direct Expenses		Group		SLPA	
<i>Operational Expenses</i>		2020	2019	2020	2019
Salaries wages & Allowances		6,195,492,338	6,325,814,941	6,091,754,283	6,225,232,057
Overtime		2,507,988,615	2,340,438,060	2,507,988,615	2,340,438,060
Traveling Subsistence & Fuel Allowance		2,995,794	1,241,759	2,995,794	1,241,759
Fuel Electricity & Other Expenses		1,748,263,789	1,841,738,912	1,741,739,512	1,817,090,478
Cost of Water		39,329,084	44,692,487	39,141,420	44,474,285
External Hire Charges / Contracts		2,076,711,315	2,213,548,490	2,076,711,315	2,213,548,490
Contract works for Rep. & Main.		21,808,807	52,619,975	21,808,807	52,619,975
Insurance & License		17,422,325	5,460,943	17,422,325	5,460,943
Material Issued for Operational activities		4,235,836	10,197,720	4,033,831	10,756,642
Depreciation		3,804,331,913	3,820,087,142	3,800,036,386	3,815,996,641
		<b>16,418,579,816</b>	<b>16,655,840,429</b>	<b>16,300,402,288</b>	<b>16,517,178,329</b>
<i>Repair and Maintenances Expenses</i>					
Salaries Wages & Allowances		3,527,134,362	3,424,809,562	3,527,134,362	3,424,809,562
Overtime		1,287,242,051	1,332,826,056	1,287,242,051	1,332,826,056
Travelling, Subsistence & Fuel Allowances		509,722	5,598,341	509,722	5,598,341
Fuel Electricity & Other Expenses		71,321,612	88,356,296	71,321,612	88,356,296
External Hire Charges/ Contracts		1,453,350	78,000	1,453,350	78,000
Contract works for Rep. & Main.		9,201,231	10,124,689	4,344,133	4,698,692
Insurance & License		6,633,160	1,717,274	6,633,160	1,717,274
Material Issued for Operational Activities		720,396,289	984,757,686	720,391,833	983,297,580
Depreciation		26,521,755	27,012,829	26,521,755	27,012,829
		<b>5,650,413,532</b>	<b>5,875,280,733</b>	<b>5,645,551,979</b>	<b>5,868,394,628</b>
		<b>22,068,993,348</b>	<b>22,531,121,162</b>	<b>21,945,954,266</b>	<b>22,385,572,957</b>

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER		Group		SLPA	
		2020	2019	2020	2019
<b>35</b>	<b>Other Operating Income</b>				
	<i>Other Services - Non Operational</i>				
	Hire of Equip. & Floating Craft other than Cargo Handling	9,054,035	3,980,504	9,054,035	3,980,504
	Supply of water for local consumption	1,240,753	925,881	1,240,753	925,881
	Supply of electricity for local consumption	86,191,454	57,191,615	86,191,454	57,191,615
	Telephone calls and medical facilities	30,286	43,513	30,286	43,513
	Training fees	353,438	292,500	353,438	292,500
	Special Jobs done for outside parties	1,526,064	1,653,423	1,526,064	1,653,423
	Income from specialized Activities	684,873	2,103,965	684,873	2,103,965
		<b>99,080,903</b>	<b>66,191,401</b>	<b>99,080,903</b>	<b>66,191,401</b>
	<i>Port Estate</i>				
	Lease out lands	2,101,018,069	2,525,513,873	2,101,018,069	2,525,513,873
	Royalty	3,913,650,031	3,633,173,202	3,913,650,031	3,633,173,202
	Rent on housing scheme	2,310,333	2,320,567	2,310,333	2,320,567
	Revenue from circuit bungalows	213,773	784,397	213,773	784,397
	Rent / lease out buildings / warehouse	77,506,872	86,313,056	77,506,872	86,313,056
	Miscellaneous	677,250	18,250	677,250	18,250
	Auditorium & class room hiring charges	27,778	34,087	27,778	34,087
	Interest from deferred lease rent of CICT	-	13,551,108	-	13,551,108
	Rent leaseout sea Area	3,013,644	3,044,323	3,013,644	3,044,323
		<b>6,098,417,750</b>	<b>6,264,752,863</b>	<b>6,098,417,750</b>	<b>6,264,752,863</b>
	<i>Miscellaneous</i>				
	Dividend Received	1,808,280,642	1,185,213,043	1,808,280,642	1,185,213,043
	Penalty and surcharge on L & D Bills/ Stevedore Billing	35,551,167	25,508,644	35,551,167	25,508,644
	Surcharge on overdue bills	14,563,165	7,254,165	14,563,165	7,254,165
	Proceed on sale of assets	8,909,893	16,295,094	8,888,392	16,295,094
	Surplus of stores & off charge items			100	
	Tender sales revenue	50,735,206	30,693,328	50,735,206	30,693,328
	Surcharges on employees	45,856	47,062	45,856	47,062
	Charges on dishonored bonds items & debtors balances	3,949,259	1,291,527	3,949,259	1,291,527
	Fines & Insurance Commission	15,990	16,991	15,990	16,991
		<b>1,922,051,178</b>	<b>1,266,319,854</b>	<b>1,922,029,777</b>	<b>1,266,319,854</b>
	<i>Central Division</i>				
	Port entry permits	18,373,245	24,583,843	18,373,245	24,583,843
	Temporary port permit charges	161,448,280	249,735,163	161,448,280	249,735,163
	Annual vehicle permits & casual vehicle permits	121,743,170	152,092,870	121,743,170	152,092,870
	Fees on chandler's license & survey fees	31,791,020	34,694,413	31,791,020	34,694,413
	Licensing of wharf clearing agencies in three ports	24,312,350	28,930,008	24,312,350	28,930,008
	Licensing of harbour craft	1,752,249	933,820	1,752,249	933,820
	Proceeds on hire of welfare buses	917,971	1,686,077	917,971	1,686,077
	Canteen income	1,500	5,500	1,500	5,500
	Miscellaneous	84,660,716	173,341,121	84,000,716	170,805,617
	Sale of Books & Publications	24,380	119,910	24,380	119,910
	Compensation receipts	10,150,980	13,607,334	10,150,980	13,607,334
	Galleface green collection	-	607,291	-	607,291
	Grant Income	308,760,950	308,932,408	308,760,950	308,932,408
	Administration & Infrastructure Fee	526,401,391	699,512,885	526,401,391	699,512,885
	Upfront fee paid by CICT	103,534,286	103,534,286	103,534,286	103,534,286
	Admission/Monthly/Term fees for SLPA creche	197,050	435,354	197,050	435,354
	Hydrographic survey office -Tide data (CPCDP)	7,920	-	7,920	-
	Lump Sum Premium_Laugh Terminal Ltd	658,207	658,207	658,207	658,207
	Lump Sum Premium Distilleries company of Sri Lanka	10,300,000	10,300,000	10,300,000	10,300,000
	Charges for copies of information	10,369	27,704	10,369	27,704
	Lump Sum Premium Tokiyo Cement Company (Lanka)PLC	28,403,946	31,289,698	28,403,946	31,289,698
	Amortization of Lease hold rights-HIPS and HIPG	1,712,997,860	1,712,997,860	1,712,997,860	1,712,997,860
	Lump Sum Premium NFCL Penna Port Storage	6,900,000	6,900,000	6,900,000	6,900,000
	Inc.Received from Restaurant for Exe. Officers	83,000	238,694	83,000	238,694
	Special Levy received from JCT Ltd.	-	-	42,145,701	-
		<b>3,153,430,840</b>	<b>3,555,164,446</b>	<b>3,194,916,541</b>	<b>3,552,628,942</b>
		<b>11,272,980,671</b>	<b>11,152,428,564</b>	<b>11,314,444,971</b>	<b>11,149,893,060</b>

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER	Group		SLPA	
	2020	2019	2020	2019
<b>36 Administrative Expenses</b>				
Salaries Wages & Allowances	5,391,423,961	5,259,911,593	5,361,775,697	5,229,920,458
Overtime	1,145,939,004	1,113,669,574	1,145,939,004	1,113,669,574
Traveling Subsistence & Fuel Allowance	21,645,609	3,054,264	21,645,609	2,539,840
Fuel / Electricity & Other Expenses	326,243,788	310,949,271	324,219,844	308,970,669
Cost of Water	133,565,787	128,784,247	132,648,071	128,053,194
External Hire Chargers / Contracts	84,112,644	57,819,614	74,627,796	48,793,792
Contract Works for Rep. & Main.	210,134,373	281,025,093	209,986,903	280,769,393
Communication Expenses	48,580,255	41,499,483	47,475,357	40,358,477
Rent on Premises / Rates & Taxes	47,714,864	48,672,374	47,714,864	48,672,374
Insurance & License Fees / Legal Fees	39,128,170	26,613,546	29,801,704	23,448,404
Office Requisites / Security Charges	60,915,624	94,448,696	45,068,646	79,193,919
Training Expenses	21,952,466	62,009,696	21,952,466	61,434,822
Welfare Expenses	358,160,563	264,422,345	349,136,837	255,751,687
Publicity & Public Relations	13,261,784	19,811,222	13,261,784	19,811,222
Sundry Expenses	47,939,022	70,933,139	47,103,954	70,389,968
Provision for Claims(Over Provision)	(717,912,547)	6,809,401,234	(717,912,547)	6,809,401,234
Depreciation	211,559,471	180,531,843	200,495,911	173,191,656
Amotisation of Intangible Assets	60,679,864	65,337,278	60,679,864	65,337,278
Amotisation of Lease Hold Asset	2,626,554	298,868	2,626,554	298,868
Business Promtion / Other Charges	9,668,815	6,265,806	9,179,315	5,731,381
Miscellaneous Balance A/C Written Off	1,728,438	2,390,523	-	460,320
Bad & Doubtful Debt	38,420,819	(109,022,882)	38,420,819	(115,013,295)
Expenses on VAT	46,103,721	72,570,600	46,103,721	72,570,600
Stamp Duty	472,700	27,775	472,350	27,600
Audit Fees	2,883,415	3,224,260	2,493,415	2,411,410
Admin & Infrastructure Fees paid to JCT Ltd	(0)	5,584,317	210,560,557	289,377,555
Non Inventory Expense Account	44,677,486	9,073,805	44,677,486	9,073,805
Invoice Price Variance	(0)	(96,633)	(0)	(96,633)
Director Fees	475,000	1,442,500	-	-
NBV-Retirement	120,082	116,862	120,082	116,862
Secretarial Charges	480,000	505,000	-	-
Bank Chargers	124,795	488,989	-	-
	<b>7,652,826,527</b>	<b>14,831,764,302</b>	<b>7,770,276,063</b>	<b>15,024,666,434</b>
<b>37 Net Finance (Cost)/ Income</b>				
<b>Interest Income</b>				
Interest on treasury bills & call deposits	2,236,995,340	2,505,384,736	2,236,995,340	2,505,384,736
Interest on securities / investments	59,171,595	81,728,156	96,424	1,101,146
Interest on loans to employees	177,495,367	213,295,930	174,711,119	209,938,224
	<b>2,473,662,302</b>	<b>2,800,408,822</b>	<b>2,411,802,883</b>	<b>2,716,424,106</b>
<b>Interest Expenses</b>				
Interest on Loans	(1,712,180,926)	(2,560,822,057)	(1,531,739,838)	(2,371,582,424)
Other Finance Charges	(30,061,997)	(57,775,462)	(29,528,688)	(57,318,105)
Finance Charges payable under Finance Lease	(3,156,246)	(1,176,948)	(839,817)	(89,519)
	<b>(1,745,399,169)</b>	<b>(2,619,774,467)</b>	<b>(1,562,108,343)</b>	<b>(2,428,990,048)</b>
	<b>728,263,133</b>	<b>180,634,355</b>	<b>849,694,540</b>	<b>287,434,058</b>
*Above Finance charges include Rs.26,775,307.55 which was paid as Bank Guarantee Charges for 2019.				
<b>38 Income Tax Expenses</b>				
Inland Revenue Act ,No. 24 of 2017 (New Inland Revenue Act) comes into operation with effect from April 01,2018.				
<b>Major components of income tax are as follows:</b>	<b>Group</b>	<b>SLPA</b>		
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current Tax Expense for the Year (Note 38.1)	2,769,678,165	3,499,561,508	2,765,961,967	3,485,750,221
Deferred Tax Charge / (Reversal)		748,796	-	-
Under / (over ) provision of taxes in respect of prior year	(162,548,774)	(8,979,096)	(162,548,774)	-
	<b>2,607,129,391</b>	<b>3,491,331,208</b>	<b>2,603,413,193</b>	<b>3,485,750,221</b>



# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2020	Group		SLPA	
	2020	2019	2020	2019
<b>38.1 Reconciliation Between the Current Tax Expense and the Product of Accounting Profit.</b>				
Accounting Profit Before Taxation	19,635,631,497	15,661,282,445	20,327,138,415	16,155,365,468
Disallowed Expenses	12,598,828,003	13,347,961,433	12,598,828,003	13,347,961,433
Allowable Expenses	(19,612,112,742)	(14,945,947,824)	(19,612,112,742)	(14,945,947,824)
Other Income Liab le for Tax - Interest Income	4,066,398,047	2,538,235,345	4,045,372,406	2,508,655,282
Exempt amount & income from other sources	(5,080,934,295)	(4,016,926,427)	(5,080,934,295)	(4,016,926,427)
Taxable Profit Subsidiary	-	-	-	-
<b>Statutory Income</b>	<b>11,607,810,510</b>	<b>12,584,604,972</b>	<b>12,278,291,787</b>	<b>13,049,107,932</b>
Tax Losses Utilized/	-	-	-	-
<b>Assessable Income / Taxable Income</b>	<b>11,607,810,510</b>	<b>12,584,604,972</b>	<b>12,278,291,787</b>	<b>13,049,107,932</b>
Less:Qualifying payment	-	(600,000,000)	-	(600,000,000)
Taxable Income	11,607,810,510	11,984,604,972	12,278,291,787	12,449,107,931
<b>Tax Chargers at Statutory Tax Rates of 24%</b>	<b>2,512,802,678</b>	<b>3,485,750,221</b>	<b>2,512,802,678</b>	<b>3,485,750,221</b>
<b>Tax Chargers at Statutory Tax Rates of 14%</b>	<b>259,819,078</b>	<b>11,899,980</b>	<b>253,159,290</b>	<b>3,485,750,221</b>
<b>Current Tax on Ordinary Activities</b>	<b>2,772,621,756</b>	<b>3,497,650,201</b>	<b>2,765,961,968</b>	<b>3,485,750,221</b>
<b>39 Tax Appeal</b>				
For the years of assessments 2007/2008, 2008/2009, 2009/2010 and 2010/2011, the Department of Inland Revenue has made assessments disallowing the deduction of foreign loan interest claimed under section 32 of the Inland Revenue Act No. 10 of 2006 and foreign exchange losses claimed under section 25(1) of the Inland Revenue Act.				
SLPA referred appeals to the Tax Appeal Commission against the determination of the Commissioner General of Inland Revenue. For the years of assessment 2007/2008, 2008/2009 and 2010/2011, Tax Appeals Commission has made its decision confirming the assessment. As the SLPA is not agreeable with the decision given by Tax Appeals Commission, SLPA referred the matters for the opinion of the Honorable Court of Appeal. For the matter 2009/2010, the Tax Appeals Commission held in favor of SLPA (i.e. the assessment is invalid due to the reason that it was not signed), the Department of Inland Revenue appealed to the Court of Appeal against the decision of the Tax Appeals Commission.				
<b>40 Sooriyawewa Cricket Stadium construction cost</b>				
Following decisions have been informed as per the Board Decision (PA/HD/33) on settlement of ICC arbitration (No.21959/CYK/PTA) between 1.China Harbour Engineering Company Limited 2.Sinohydro Corporation Vs. Sri Lanka Ports Authority issued on 13th December 2017 on construction of sooriyawewa International Cricket at hambantota under variation order No.6 of Hambantotha Port Development Project (Phase I).				
*To enter into the "Loan Agreement enabling SLPA to obtain the loan amounts to Rs.3,950,858,869.57 directly from People's Bank as per the cabinet decision dated 05.12.2017				
*To amend the settlement Agreement appropriately by a supplementary Agreement/Addendum to the same and execute the same by SLPA				
* Rs.72 million is retained (Miscellaneous Deposit account) in SLPA if any penalty is raised by Commissioner General of Inland Revenue for delay in payment of taxes.				
<b>41 Settlement of Court of Appeal Case Bearing No.CA (PHC) APN 45/2006-MV "JAAMI"</b>				
As per the board decision No.Noam/61/2017 dated 23/02/2017 the Board of Directors decided to appropriately share (Proportion to be minimum 50%) the remaining balance in order to settle the above case and legal division forwarded a letter to Managing Director of Sri Lanka Shipping Company Limited on 29/03/2017.Sri Lanka Shipping Company Limited agreed for the said proposal and this matter was mentioned in the Court of Appeal on 29/06/2017 the counsels for the both parties agreed to file the settlement motion. Accordingly settlement Motion was filed by the parties at the Court of Appeal on 12.02.2018 and as per the proceeding dated 03.10.2018 parties agreed to go before the High Court (Action in Rem No. 11/2005) and to make arrangement to claim Inquiry as per the settlement entered with regard to the claim. Now this matter is before the High Court, the Registrar report is pending on 24.02.2020. The registrar of High Court (Action in Rem 11/2005) has filed his Registrar Report on 25.09.2020 and he requested to file additional report with regard to this matter. Hence additional Registrar report is pending and matter to be called on High Court of Colombo on 27.01.2021." "				

# NOTES TO THE FINANCIAL STATEMENTS

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<b>42</b>	<b>Cases in Tax Appeal Commission and Court of Appeal</b>			
	For the years of assessments 2007/2008, 2008/2009, 2009/2010 and 2010/2011, the Department of Inland Revenue has made assessments disallowing the deduction of foreign loan interest claimed under section 32 of the Inland Revenue Act No. 10 of 2006 and foreign exchange losses claimed under section 25(1) of the Inland Revenue Act.			
	SLPA referred appeals to the Tax Appeal Commission against the determination of the Commissioner General of Inland Revenue. For the years of assessment 2007/2008, 2008/2009 and 2010/2011, Tax Appeals Commission has made its decision confirming the assessment. As the SLPA is not agreeable with the decision given by Tax Appeals Commission, SLPA referred the matters for the opinion of the Honorable Court of Appeal. For the matter 2009/2010, the Tax Appeals Commission held in favor of SLPA (i.e. the assessment is invalid due to the reason that it was not signed), the Department of Inland Revenue appealed to the Court of Appeal against the decision of the Tax Appeals Commission.			
<b>43</b>	<b>Contingent liabilities</b>			
	The Authority has contingent liabilities in respect of legal claims arising in the ordinary course of business. Unless recognised as a provision (Note 32), management considers these claims to be unjustified and possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the Authority's legal division. Accordingly, no contingent Liability has been made for legal claims.			
<b>44</b>	<b>Restatement of Comparatives in the Group Financial Figures</b>			
	The following items have been restated with the receipt of Audited Financial Statements of Subsidiary companies and associate company after Audited Financial Statements of SLPA were issued for the year 2019.			
		<b>Group</b>		
	<b>Impact on the Consolidated Statement of Financial Position As at 31st December 2020</b>	<b>2019 With Audited A/C</b>	<b>2019 without Audited A/c</b>	
	Investment in Associates	38,284,297,497	38,285,242,422	
	Inventories	2,639,027,465	2,639,027,464	
	Trade and Other Receivables	12,935,318,661	12,943,010,026	
	Deposits and Advances	357,606,094	350,293,354	
	Other Financial Assets	46,734,953,107	46,685,092,769	
	Cash and Cash Equivalents	2,466,952,511	2,484,757,184	
	Property, Plant & Equipment- MPMC Ltd	619,031	821,606	
	Retained Earnings	43,434,555,253	43,552,263,041	
	Supply of Goods and services and other creditors	902,821,717	911,279,213	
	Current Liability - Borrowings - Financial Institutions	6,306,543,323	6,141,904,468	
	Deposits and Advances Received	2,259,415,648	2,259,312,048	
	Current Tax Payable	2,114,189,132	2,112,213,510	
	Provisions and Accrued Expenses	11,701,830,247	11,711,853,505	
<b>45</b>	<b>Prior Year Adjustments</b>			
	<b>Line Description</b>	<b>Rs.</b>		
	EN/SU/06/2020 Being transferred the late fees Debit to 00-000-860111 (Fines and Penalties) recovered by BOC under the A/C No. 0070482748 of ECT Loan for years 2018 & 2019. According to letter of "FD/FD/E&N/SA/ECT Loan" approved by Chief Finance Manager on 10.03.2020	(6,067,931)		
	Being transfer to Stamp Fees expenses to previous year adjustment a/c 2019 for Error correction.	611,400		
	CONTAINER TRANSPORT INTER TERMINAL TRUCKING (JCT TO SAGT & CICT) YEAR 2018/2019 & 2020 (OPERATION DIV)	14,674,035		
	Adjustment JE over back dated assets	4,009,740		
	Labour charges for year 2019 & 2020 relevant to under mentioned projects adjusted	(8,887,897)		
	Being adjusted for the income tax receivable and payable amounts from 2007 to 2019 to match with income tax return.(FA_277)	(2,843,540,590)		
	As per letters of Accountant Trinco, above amount transfer to relevant account.(FA_240)	(23,331,138)		
	Adjustment JE over back dated assets (FD/AR/JE/21)	2,014,140		
	Maintenance cost erroneously debited to Work In Progress Account - Correction JE (Galle BK 166 / 2020)	8,990,670		
	Correction JE- Galle BK 168 / 2020	3,459		
	Coorection JE - Galle BK 171 / 2020	58,400		
	<b>Total</b>	<b>(2,851,465,712)</b>		

# NOTES TO THE FINANCIAL STATEMENTS

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<b>46 Foreign Exchange Gain/Loss</b>					
	As per the LKAS 1 permitted additional line item which adjust the foreign exchange gain/loss has added to the Statement of Comprehensive Income, because such presentation is relevant to understanding of SLPA and group Financial Performance effectively as it make high impact to the net profit at the year end.				
<b>47 Consolidated Financial Statements 2020</b>					
	Jaya Container Terminals Ltd (JCT Ltd) and Magampura Port Management Co. Ltd (MPMC Ltd) which are the Subsidiary companies of SLPA and Hambantota International Port Services Ltd (HIPS) & SLP MCS Ltd which are associate companies have submitted unaudited Financial Statements for year 2020.				
	Lanka Gas Terminal (Pvt) Ltd the Subsidiary company of SLPA has not still submitted their Financial Statements. Therefore the consolidated Financial Statements has been prepared referring draft Financial Statement of JCT Ltd , MPMC Ltd ,SLPMCS,HIPS & not considering the Lanka Gas Terminal (pvt) Ltd.				
<b>48 Capitalization of CICT land Value</b>					
	SLPA is awaiting for Attorney General's Department observations on regularization of transfer of CICT land to register these land in Land Registry. Until such decision is received SLPA is not in a position to capitalize the said land.				
<b>49 Review of Useful Life Time of the Assets</b>					
	Useful life time of assets were reviewed by the respective committees appointed to this task. Handling Equipment, Floating Equipment, Staff Quarters & Other Buildings , Motor Vehicles, Plant & Machinery, Computer Hardwear and Softwear & Intangible Assets, Operational Building & Structure were reviewed during the year and net book value has been adjusted accordingly. Reviewing of assets of SLPA will be done as a continues process.				
<b>50 Lifetime of the Investment Property at Port of Hambantota</b>					
	The estimated life time of the property leased for the 99 years period to HIPG and HIPS were taken as 100 years since the revenue from leasehold rights will be amortized during the same period				
<b>51 Compensation Paid for a Land Not Within Port of Hambantota Project Area</b>					
	The SLPA has paid a compensation for a land area in Port of Hambantota which is not within the project area handed over to the HIPG Limited. The above said land compensated by the General Trasury are currently under the purview of the District Secretary of Hambantota. A request has been sent through the line Ministry to transfer the ownership of these land to SLPA.				
<b>52 Galle Port Development Project (SLP-85 LOAN)</b>					
	Out of JICA Loan of Yen 14,495 mn, Yen 458 mn has been disbursed and utilized for a feasibility study at Port of Galle has not been capitalized up to now				
<b>53 Reason for Not Determining Fair Value of Investment Properties</b>					
	Investment properties are port infrastructure mainly comprising of maritime developments and structures . Whilst recent port development projects of this nature are few if non existence In these circumstances there was no basis to obtain a rational estimate for market value , whereas adequate sources data were apply for cost based valuation				
<b>54 Major development Projects</b>					
	Fixed Deposits Amounting to USD.1,501,982.71 were kept for payment of East Container Terminal Handling Equipment & for STS Cranes.				
<b>55 Asset Clearing Accounts</b>					
	Asset clearing account is a temporary account provided to keep amounts until capitalized. The balance available in the asset clearing account remaining until goods are being delivered to the relevant division and till the documents are received to Finance Division for capitalization purpose.				
<b>56 Receivable from General Treasury</b>					
	Repayment of loans by SLPA for the loans obtained for construction of Port of Hambantota from July to December 2017 and stamp duty paid on 12.12.2017 for site lease agreement was accounted as Receivable from Treasury in line with the Cabinet Decision dated 02.08.2017 and 11.10.2017 amounting to Rs.5,156,049,274.99, which has not been reimbursed by the General Treasury during the year 2020.				
<b>57 Provisions for Claims</b>					
	During the year SLPA has kept a reliable estimate of Rs.7,822,744,703 as provision for legal claims.				
<b>58 Renovation Works of observation deck at Galle Face Green (GFG)</b>					
	SLPA has proceeded with a payment for the renovation works of observation deck at GFG amounting Rs. 8,750,391.16 ( including taxes) subject to reimbursement of the cost and shown it asreceivable from SLP MCS. Since SLP MCS is refusing the reimbursement it is doubtful that they will show the amount as payable to SLPA in their Financial Statements.				
<b>59 Loan Balance of Loans obtained for the Development of ECT from BOC</b>					
	As per the Cabinet decision No. 17/1588/702/041 dated 02.08.2017 the repayment of loans obtained for the development of Port of Hambantota has been undertaken by General Treasury (GT) w.e.f 21st July, 2017. Due to delay in settling the loan balance by GT with respect to H'tota loan, BOC has taken action to deduct arbitrary the relevant dues from the loan servicing correctly done for the ECT loan. Accordingly the correct outstanding balance for the ECT loan is not reflected in SLPA books and BOC has imposed late fees and penalty for ECT loan indicating that SLPA has not carried out loan servicing accurately. Treasury has agreed of settle the matter and requested correct balance from SLPA on 26.11.2019 and reply has been sent by letter dated 20.12.2019.				
<b>60 Special Levy</b>					
	During the year 2019 special levy of Rs.600 Mn. was paid to General Treasury as per the letter No.PED/A/Rev/1/15 (i) dated 27 <sup>th</sup> February 2019 sent by Director General of Department of Public Enterprises.				
<b>61 Income Tax Receivable</b>					
	As per the Income Tax return there is a Tax refund of Rs.2, 683,323,408.Until the pending cases at the Court of Appeal has finalized the SLPA has unable to setoff the above refund from Income Tax payable. As this has been queried by the Auditor General in the Audit report 2019, we have taken the above values to SLPA accounts in the year 2020 as disclosed in Note no.12.3				
<b>62 Construction of JCT Oil Tank</b>					
	As per agreement between SLPA & JCT Ltd, SLPA construct Oil Storage Tank for JCT Ltd. Construction work still in progress. As per the agreement JCT Ltd will reimburse the Construction cost of SLPA.				
	Therefore SLPA considered this as a Special Levy received from JCT Ltd.				

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FOR THE YEAR ENDED 31 DECEMBER 2020							
<b>63</b>	<b>Related Party Disclosures</b>	The Authority's related parties includes Treasury of Sri Lanka, Government related institutions, subsidiary, associate and key management personnel.					
<b>63.1</b>	<b>Transactions with Key Management Personnel</b>	According to the Sri Lanka Accounting Standards LKAS.24 "Related Party disclosures" key Management personnel are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors including executive and Non-Executive Directors has been classified as key management personnel.					
	<b>Transactions with Key Management Personnel are given below.</b>				<b>2020</b>	<b>2019</b>	
	Remuneration and Other Short-Term Employee Benefits				32,479,886		25,349,397
	Balance Outstanding - Loans and Advances				116,490		299,860
	Termination Benefits						
<b>63.2</b>	<b>Related Party Transactions</b>	Details of significant related party transactions that Authority carries out are as follows:					
	<b>Name of the Institution</b>	<b>Relationship</b>	<b>Name of Directors / Representatives</b>	<b>Nature of Transactions</b>	<b>Transaction Value</b>	<b>Payable</b>	<b>Receivable</b>
	Treasury of Sri Lanka	Capital Contributor		Loan granted	-	-	-
				Loan repaid	6,174,968,305	-	-
				Interest paid	1,431,282,144	-	-
	Maga Naguma Road Construction and Equipment Company	Related Entities		Retention Release	3,919,697	-	-
	Director General of Merchant of Shipping	Related Entities		Eight Tugs & Two Pilot Boat	684,241	-	-
	Sri Lanka Port Management & Consultancy Services (Pvt) Ltd	Associate Company	General R M D Ratnayake	Payment for Janitorial Services received	31,998,724	2,522,058	8,750,391
			Mr. K. A. D. Suraj Hathurusinghe	Payment for Loading and Unloading	17,901,623	10,974,891	-
			Mr. Nanda Thamal De Alwis	Renovation works of observation deck at Galle Face Green (GFG)	8,750,391	-	8,750,391
	Jaya Container Terminal Ltd	Subsidiary Company	Dr. Prasantha Jayamanna	Administrative & Infrastructure fee paid	526,401,391	26,947,625	-
			Mr. J R U De Silwa	Issuance of Medicines	100,000	-	-
				Telephone Bills	448,270	-	343,260
	South Asia Gateway Terminal (Pvt) Ltd	Related Company	General R M D Ratnayake	Rent received	576,829,699	-	43,728,056
			Dr. Prasantha Jayamanna	Royalties received	1,201,105,889	-	90,591,661
				Dividend received	969,075,742	-	-
	Colombo International Container Terminal Ltd	Related Company	General R.M.D.Ratnayake	Dredging	16,345,900	-	16,345,900
			Dr. Prasantha Jayamanna	Royalty received	2,693,004,875	-	161,279,475
				Lease/Rent Received	1,114,409,008	-	-
				Dividend	839,204,899	-	-
				Up front fee paid by CICT	103,534,286	-	-
	Magampura Port Management Company	Subsidiary Company	Mrs. Shirani Wanniarachchi	Administration Fees Payable	-	71,819,156	-
			Mr. Laal Weerasinghe	Fuel charges	-	1,399,116	-
				Insurance claim payable	-	25,719,981	-
				salary electricity	-	-	5,800,321
	Hambanthota International Port Services Ltd		General R M D Ratnayake	Salary payment to HIPS Pilot	-	-	3,975,142
			Dr. Prasantha Jayamanna				
			Mr. J R U De Silwa				
	Hambanthota International Port Group Ltd		General R M D Ratnayake	Royalty	-	-	18,852,000
			Dr. Prasantha Jayamanna				

## Financial Risk Management

The Authority has exposure to the following risks from its use of financial instruments:

1. Credit Risk
2. Liquidity Risk
3. Market Risk ( Currency Risk and Interest Rate Risk)

The financial instruments of the Authority comprise of equity investments (listed and unlisted), investment in debenture, term deposits, money market investments, and cash. The main purpose of investment in term deposits, money market investments are to raise and maintain liquidity for the operations. Investments in equity and debenture securities are strategic investments and the Authority has other financial instruments such as trade & other receivables and trade & other payables which arise directly from its business activities. Further, the Authority has interest bearing borrowings which were borrowed from the Government of Sri Lanka and financial institutions for ports expansion and development projects.

### 1. Credit Risk

Credit risk is the risk of financial loss to the Authority if a customer fails to meet its contractual Obligations, and arises principally from the receivables from customers including Sri Lanka forces, other Government institutions and investment securities.

### Trade Receivables

The Authority trades mainly with shipping agents and Government institutions. The management assesses the credit quality of the shipping agents based on the past experience and other factors such as financial guarantees from shipping agents. In addition, outstanding balances are monitored on an ongoing basis in the management committee and the Board.

The SLPA follows ‘simplified approach’ for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the SLPA to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the SLPA uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the SLPA estimates provision on trade receivables at the reporting date. Impairment loss allowance charges (or reversal) recognized during the period is recognized as income/ expense.

### Other Financial Assets

Credit risk arising from other financial assets of the Authority comprises term deposits, cash and cash equivalents and investment in debentures. The authority’s exposure to credit risk arises from default in meeting contractual obligation of contractual parties, with a maximum exposure equal to the carrying amount of these financial instruments. The

## NOTES TO THE FINANCIAL STATEMENTS

Authority manages its credit risks with regard to these financial instruments by mainly placing its fund with state financial institutions and other government institutions.

### 2. Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and unexpected conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Forecasting of operational cash flows (Recurring Budgets) and Capital Budgets are prepared annually. The finance division monitors the both capital and recurring budgets and liquidity requirements to ensure the Authority has sufficient cash to meet operational needs. At the end of the reporting period, the Authority held term deposits, short-term government securities and other liquid assets amounting to Rs. 55,661,938,072.87 (2019: Rs. 47,811,781,665.00).

The following table depicts the Authority's financial liabilities maturity analysis based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

*Expressed in Sri Lanka Rs.*

Financial Liabilities	31-Dec-20			31-Dec-19		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
Borrowings - Government	6,197,344,132	49,709,894,559	55,907,238,692	6,565,746,881	53,419,307,025	59,985,053,906
Borrowings - Financial Institutions	2,506,029,163	6,816,230,004	9,322,259,167	2,114,616,539	8,875,017,426	10,989,633,965
Trade and Other Creditors	1,706,977,917	-	1,706,977,917	1,018,007,997	-	1,018,007,997
<b>Total</b>	<b>10,410,351,211</b>	<b>56,526,124,564</b>	<b>66,936,475,775</b>	<b>9,698,371,418</b>	<b>62,294,324,451</b>	<b>71,992,695,868</b>

### 3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates which will affect the Authority's income or the carrying value of holdings of financial instruments.

## 3.1 Currency Risk

The Authority's exposure to currency risk arising from fluctuations in the value of US Dollar (USD) against the Sri Lankan Rupee after Central Bank of Sri Lanka allowed the Sri Lanka Rupees to freely float against US Dollar during the reporting period. The Company's functional currency is Sri Lanka Rupees in which most of the transactions are denominated. However, Interest bearing borrowings in relating to ports expansion and development projects and certain bank balances and a shipping agent receivables (Example "APL Lanka (Pvt) Ltd" etc.) are denominated in foreign currencies (Japan Yen and US Dollars).

As a result of the free floating of US Dollar & Japanese Yen due to appreciation/depreciation of the Sri Lanka Rupees against the USD/ JPY Yen had an impact on the operating results for the reporting period 2020 which amounts to Rs. 1,051,718,965 arising from re-payment of borrowings and invoicing of services rendered to shipping agent (example "APL Lanka (Pvt) Ltd" etc.) However, the Authority in order to mitigate the impact of currency movement for repayment of borrowings uses the same currency for repaying through bank deposits maintained in the same currency.

Please refer the note 24 and 25 to the financial statements relating to interest bearing borrowings and details of the borrowings denominated in foreign currencies.

## 3.2 Interest Risk

The Authority's exposure to interest risk is the changes in market interest rates relate to the interest bearing borrowings with a fixed and floating interest rate and bank deposits and Government securities.

Rs. 54,173,797,086 (2019: Rs. 56,636,548,171) of the Authority's interest bearing loans and borrowings carried interest at floating rates others amounts to Rs. 11,055,700,773 (2019: Rs. 14,338,139,700) carried interest at fixed rates.

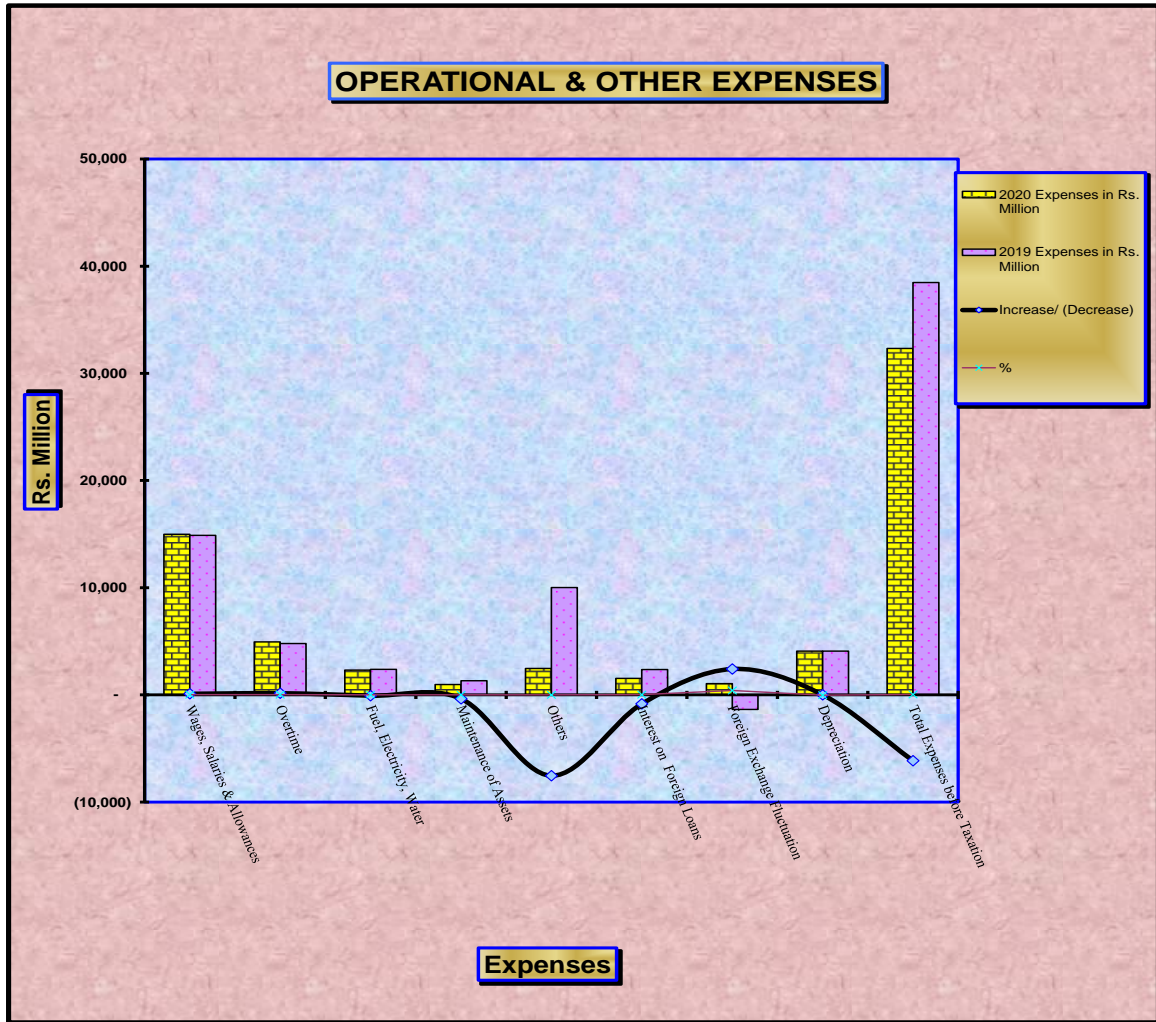
The Authority has cash and bank balances including deposits placed with the Government and state banks. The Authority monitors interest rate risk by actively monitoring interest rate movements.

Loan	2020 (RS.)	2019 (RS.)
<b>Floating Rate</b>		
Colombo Port Expansion ( South Harbour)	44,851,537,918	45,646,914,206
Development of East Container Terminal - Bank of Ceylon	5,371,400,298	7,038,775,095
Construction of Sooriyawewa Stadium - Peoples Bank Loan	3,950,858,870	3,950,858,870
<b>Fixed Rate</b>		
Colombo Port Development Project	11,055,700,773	14,338,139,700

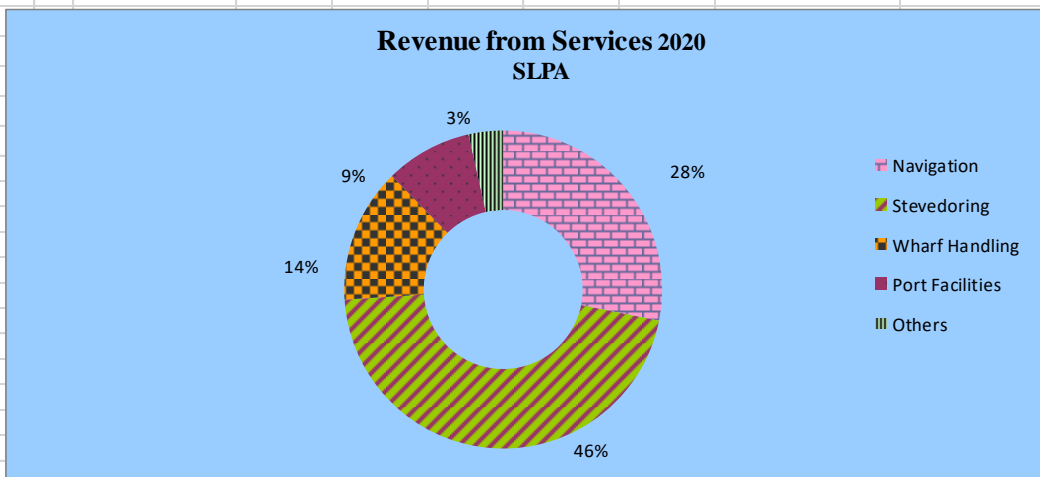
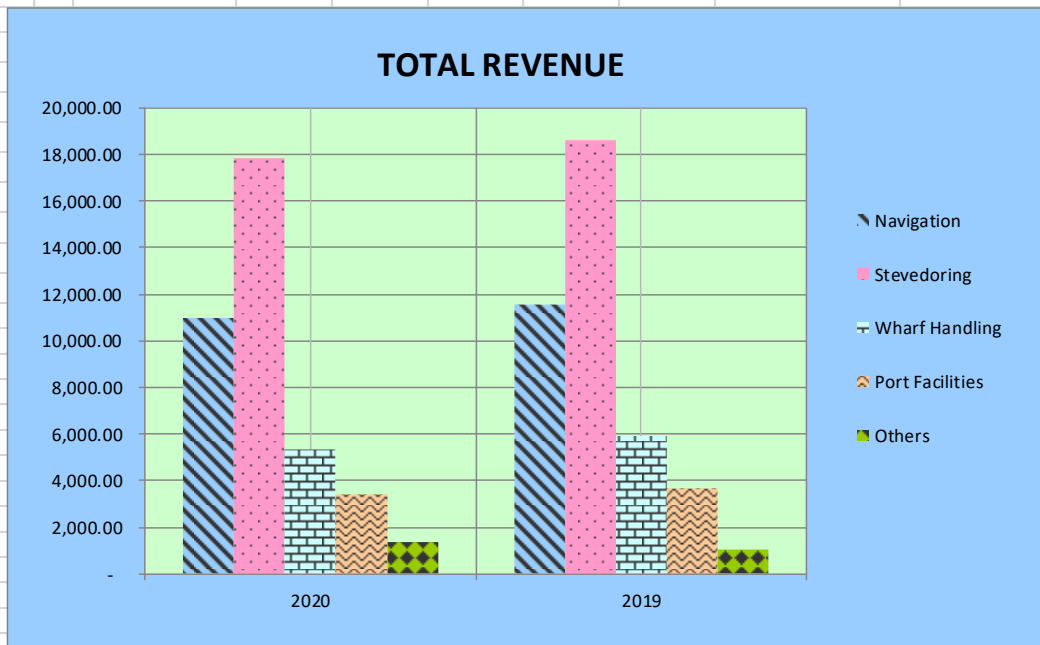
## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020					
Loan Name	Lending Institution	Currency	Interest Rate	Loan Amount (In Loan currency)	Out Standing Balance as @ 31/12/2020 (Rs)
SLP-23		JPY	2.50%	5,703,407,055	-
SLP-27		JPY	2.50%	10,432,338,189	469,503,759
SLP-30		JPY	2.60%	19,962,268,331	2,695,195,070
JBIC	JAICA	JPY	2.60%	6,828,220,432	1,843,808,719
SLP-41		JPY	2.60%	4,878,185,478	1,756,320,406
SLP-46		JPY	2.60%	2,644,187,565	2,260,977,071
SLP-67 i		JPY	1.80%	1,354,512,318	1,279,609,296
SLP-67 ii		JPY	0.75%	217,445,997	
SLP-85		JPY	0.30%	14,495,000,000	660,813,629
ADB-2319	Asian Development Bank	US \$	Libor+0.6%	300,000,000	44,689,762,411
Construction of Sooriyawewa Stadium	Peoples Bank	LKR	AWPLR+2.5%	3,950,858,870	3,950,858,870
East Container Terminal	Bank of Ceylon	US \$	6 Months Libor+4.25%	80,000,000	5,371,400,298
			<b>Total</b>		<b>64,978,249,529</b>
			Accrued Interest		251,248,329
					<b>65,229,497,859</b>
		Note 24	Borrowings - Government of Sri Lanka		55,907,238,692
		Note 25	Borrowings - Financial Institutions		9,322,259,167
					<b>65,229,497,859</b>





FOR THE YEAR ENDED 31 DECEMBER 2020



# AUDITOR GENERAL'S REPORT

POS/A/SLPA/1/2020/2

17<sup>th</sup> June 2021

**Chairman**

**Sri Lanka Ports Authority**

**The Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Sri Lanka Ports Authority and its subsidiary companies for the year ended 31<sup>st</sup> December 2020 in terms of Section 12 of the National Audit Act No.19 of 2018.**

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## **1. Financial Statement**

### **1.1. Disclaim of Opinion**

Financial Statements of the Sri Lanka Ports Authority (“Authority”) and its subsidiary companies (“Group”) for the year ended 31<sup>st</sup> December 2020 comprising the Statement of Financial Status in the Consolidated Financial Statement as at 31<sup>st</sup> December 2020, Comprehensive Income Statement, Statement of Changing Equity, Cash Flow Statement and the Notes to the Financial Statement for the year then ended and a summary of significant accounting policies were audited on my direction in pursuance of provisions made in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the National Audit Act No 19 of 2018 and the Finance Act No 38 of 1971. In terms of Article 154(6) of the Constitution, my report will be tabled at the Parliament in due course.

I do not express an opinion regarding the Financial Statements of the Authority and the Group. I could not obtain adequate and proper audit evidence to provide a basis for an audit opinion regarding these Financial Statements due to the significance of the facts discussed in the section "Basis for Disclaim of Opinion".

### **1.2. The basis for Disclaim of Opinion**

- (a) Of the foreign loans obtained for the purpose of constructing the Port of Hambantota, A sum of Rs. 147,746 million as the residual balance of loans and interest as at 30<sup>th</sup> November 2017 had been written off from the Financial Statements of the Authority without the concurrence of the General Treasury and the approval of the Cabinet of Ministers and therefore, the said loan balance had not been included in any state account thereafter. However, as per the approval of the Cabinet of Minister for the Cabinet Memorandum “Hambantota Port Concessionary Agreement” No. MPS/SEC/2017/32. dated 20<sup>th</sup> July 2017, the General Treasury is liable for repayment of the above loan and interest thereof. Accordingly, the loan installments and the interest had been paid by the Department of Foreign Resources of the General Treasury from 2017 and as per the statements, the balance of the loan to be settled further as at 31<sup>st</sup> December 2020 was Rs. 169,566 million. Further, the converted foreign exchange accumulated loss in relation to the above loan calculated as Rs. 31,545 million as at 30<sup>th</sup> November 2017 had also been written off

## AUDITOR GENERAL'S REPORT

from the books of the Authority. The foreign exchange conversion accumulated loss Rs. 65,618 million from 30<sup>th</sup> November 2017 to 31<sup>st</sup> December 2020 including that of Rs. 34,072 million as at 31<sup>st</sup> December 2020 had not been entered in the accounts of the General Treasury or in the accounts of the Authority.

In this regard, the Chairman of the Sri Lanka Ports Authority had been informed by the Secretary to the Ministry of Finance in his letter dated 06<sup>th</sup> July 2020 that the relevant assets and loans be entered in the books of the Authority and make necessary adjustments in the Financial Statements of 2019 in terms of section 12 of the Finance Act No. 38 of 1971. It had also been informed by the letter No. PED/S/SLPA/2/8(i) dated 31 December 2020 and by some other letters of the Secretary to the Ministry of Finance that the above-mentioned loan is entered in the books of the Authority. However, the Sri Lanka Ports Authority nor the General Treasury had taken action to account for the loan balance inclusive of the above-mentioned foreign exchange conversion loss even by the end of the year under review.

- (b) Rs. 5,156 million inclusive of Rs. 4,777 million as an installment of the loan obtained for the Hambanthota Port Construction Project and Rs. 372 million as stamp fee paid to the General Treasury by the Sri Lanka Ports Authority in 2017 had been shown in the Financial Statements as receivable from the General Treasury as at 31<sup>st</sup> December 2020 but the Authority had not received this amount even up to the date of this report. Further, although the Sri Lanka Ports Authority had called for confirmation of balances the General Treasury had not confirmed these balances and it was further observed that this balance was not included in the balance payable in the Janaraja Financial Statements for the year 2020. Thus, receiving this amount was doubtful.
- (c) A US \$ 24 million loan had been obtained from a private bank in 2014, by Magampura Port Management Services (Pvt) Ltd, a subsidiary company of the Sri Lanka Ports Authority, which was inoperative since November 2017 from a private bank in 2014. Out of this amount, the US \$ 22.3 million remained unsettled even at the date of this report and it was observed that the said company did not own adequate assets to settle the loan. The relevant bank had filed two cases in the District Court of Colombo against the subsidiary company and the Sri Lanka Ports Authority in 2020 with regard to the recovery of the loan. The Sri Lanka Ports Authority as the guarantor of the loan and as well as the mother company had not allocated provisions for contingent liabilities for this, nor had revealed in respect of the filing of cases by notes to the Financial Statement.
- (d) In terms of Articles 19 (b) 22, 23, 28, and 29 of Sri Lanka Accounting Standards No. 8 and voluntary change in an accounting policy should be done effectively to the past. In evaluating the investments of Hambanthota International Port Group (unlisted), the investment cost of Rs. 26,460 million had been considered as a fair value in 2019 but in 2020 the same investment had been valued to Rs. 31,789 million based on the net asset value per share as the fair value instead of investment cost. A sum of Rs. 5,328 million had been included in the Other Comprehensive Income to the year as a profit as a result of this asset not being changed effecting to the past. It was observed that if adjusted effectively to the past as per the Accounting Standards, the amount to be included would have been only Rs. 415

## AUDITOR GENERAL'S REPORT

million and the Rs. 4,306 million from the remaining Rs. 4,912 was to be adjusted to the Other Comprehensive Income of the previous year.

In converting the foreign exchange value of this US Dollar investment, into Sri Lanka rupee value of financial assets and Other Comprehensive Income of the year under review had been over calculated by Rs. 605 million due to calculations were based on the selling price of US Dollars prevailed as at that date instead of purchasing price or ordinary value of US Dollars as at 31<sup>st</sup> December 2020. Accordingly, the total comprehensive income of the year in relation to this transaction had been over calculated by Rs. 4,911 million. Further, the Financial Statements for the year 2019 had been used in calculating the value of financial assets to evaluate investment of the above company as at 31<sup>st</sup> December 2020.

- (e) In converting the fixed deposit value of US \$ 244.5 million of the Sri Lanka Ports Authority as at 31<sup>st</sup> December 2020 into Sri Lanka rupee value for stating in the Financial Statement, the fixed deposit value and the foreign exchange profit had been over calculated by Rs. 1237.5 million for the reason of the US \$ selling price being based instead of purchasing price as at the date of conversion, in contradiction to the section 23 (a) of Sri Lanka Accounting Standards No. 21.
- (f) It was observed that identifying the assets was uncertain as operational buildings and constructions amounting to a carrying value of Rs. 171.12 million as at 31<sup>st</sup> December 2020 according to the facts disclosed by the Asset Review Committee appointed by Sri Lanka Ports Authority as at 31<sup>st</sup> December 2020.
- (g) In terms of Article 51 of No. 16 of Sri Lanka Accounting Standards, having reviewed the useful lifetime and scrap value of fixed assets and although the variances, if any should be adjusted in the Accounts in terms of Accounting Standard 8, assets belonging to 11 categories of the Port of Galle valuing to Rs. 4,515 million carrying value as at 31<sup>st</sup> December 2020 had not been brought under review.
- (h) As per the Section No. 18, 19, and 21 of Sri Lanka Accounting Standards No. 24, details in relation to the impact taking place in respect of the nature, balances and financial statements relating to the transactions dealt with connected parties which the users would be able to understand should be disclosed under the "transactions with connected parties". However, the details in relation to the deferred lease rent of Rs. 164,339 million received from the Hambanthota International Port Services Company (HIPS) and from the Hambanthota International Port Group (HIPG) on long-term leasing of property and the details in relation to the annual deferred tax income of Rs. 1,713 million debited to the statement of income in calculating the net profit of the year under review and Rs. 42.14 million given to the Authority for payment of advances from the Jaya Container Terminal in 2020 for mobilization of 01 No. oil tank had not been disclosed by notes to the Financial Statements.
- (i) In terms of Article 85 of Sri Lanka Accounting Standards No. 37, although a brief description of the nature of the obligation of each provision, schedules and doubtfulness of the payment should be disclosed, the Authority had not complied with the above requirements with regard to the claimable allocation of Rs. 7,822 million as at 31<sup>st</sup> December 2020.

## AUDITOR GENERAL'S REPORT

- (j) As per No. 2.2.2 of the Notes to the Financial Statements, it had been stated that the investments in Associate Companies would be evaluated based on the equity system. According to the above policy Rs. 433.97 million loss pertaining to the shares of the Authority in respect of the loss caused to the Hambanthota International Port Services (HIPS), which is an associate company of the Authority, during 2020 had been calculated based on the 2020 Draft Financial Statements of the said associate company.
- (k) Although Rs. 7.61 million spent by the Sri Lanka Ports Authority for modernizing the Galle Face Green had been stated in the Financial Statements of the Sri Lanka Ports Authority as an amount receivable from the Sri Lanka Port Management & Consultancy Company Services Ltd which is an associate company of Sri Lanka Ports Authority had been stated in the Financial Statements of the relevant company, it had not been stated as an amount payable to the Sri Lanka Ports Authority and it had even been informed in writing to the Sri Lanka Ports Authority. In these circumstances even though the receipt of this amount was doubtful, provision for impairment had not been allocated in the Financial Statements.
- (l) Although Rs. 41.8 million had been released to the Adalachenai Divisional Secretary in 2019 for paying compensation for those who had been deprived of their lands in the acquisition of lands for the Olivil Port Development project, a report of the relevant expenditure had not been submitted to the Sri Lanka Ports Authority even by 30<sup>th</sup> April 2021. However, it had not been decided up to the date of this report, that the operation of the Port of Olivil would be carried out under the Sri Lanka Ports Authority. For this reason, it was observed that the capitalization of the above balance amount being brought forward in the Land Clearing Account Balance in the Financial Statements would be doubtful.
- (m) Stocks amounting to Rs. 12.43 million, fixed assets amounting to the carrying value of Rs. 0.62 million and cash in hand amounting to Rs. 0.17 million included in the assets of the Magampura Port Management & Consultancy Services Company Ltd shown in the assets of the Statement of Consolidated Financial Status did not exist physically. Provision for Rs. 13.22 million loss had not been allocated in the financial statements.

Further, according to the Statement of Financial Status, the source documents, balance confirmation letters, age analysis report and other supporting documents in relation to the balance of Rs. 17.78 million receivable from the Government, the balance Rs. 28.04 million receivable for bunkering insurance, the balance of Rs. 3.58 million receivable from trade debtors as at 31<sup>st</sup> December 2019 and Rs. 15.59 million in relation to the other matters payable by the company up to that date had not been submitted for audit.

- (n) As per the Financial Statements of the two subsidiary companies, the balance of the receivable withholding tax as at 31<sup>st</sup> December 2019 was Rs. 6.57 million and tax certificates relevant to Rs. 4.56 million of withholding tax certificates were not submitted for audit. The absence of tax certificates leads to a situation where there was doubt whether the withholding tax could be deducted against income tax.

# AUDITOR GENERAL'S REPORT

- (o) After the advances paid by the employees of the Authority for hiring buses on welfare rates had been settled, the unidentified amount to the revenue of the Authority as at 31<sup>st</sup> December 2020 was it is 25.83 million. Hence owing to this reason the net profit of the Authority had been under-calculated.
- (p) As per Section 55 of Sri Lanka Accounting Standards No. 16, the depreciation of property, plant and equipment should be accounted for from the date they become suitable for deployment in operations. But Rs. 468.41 million, the value of the two launches received on 23<sup>rd</sup> December 2019 by the Authority had not been capitalized and depreciated and had shown as advances for foreign purchases under current assets in the Statement of Financial Status as at 31<sup>st</sup> December 2020. Accordingly, property, plant, and equipment had been calculated less the above month.

Further, it was observed that in the remaining balance of Rs. 1,546.89 million of the Foreign Purchasing Advance Account also, assets and liabilities already received but not yet capitalized are being continuously carried on as unidentified advances.

As described above, I was unable to confirm or to verify quantitative matters included in the Statement of Financial Position, Statement of Comprehensive Income, Statements of Changes in Claims and the cash flow statement through alternative methods. Resultantly, I was unable to determine whether it is necessary to make any adjustment in relation to the values based on preparing the Statements of Financial Position, Statement of Comprehensive Income, Statements of Changes in Claims and the Cash Flow Statement or the valuation of matters recorded or otherwise or in transactions.

### **1.3. Responsibility of the Management and the Governing parties in respect of the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal controls as the management determine is necessary to enable the preparation of Financial Statements that are free of material misstatements whether due to fraud or error.

In preparing the Financial Statements, the management is responsible to determine the viability of the Authority being carried assessing the Authority's ability to continue as a going concern disclosing matters as applicable relating to going concerned and using the going concern basis of accounting, unless the management either intends to liquidate the Authority to cease operations or has no other alternative but to do so.

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

In terms of Sub-section 16 (1) of the National Audit Act No 19 of 2018, the income, expenditure, assets and liabilities of the Authority should be properly maintained to enable the preparation of its annual and periodic Financial Statements of the Authority.

### **1.4 Auditor's Responsibility for Financial Statements**

It is my responsibility to issue the Auditor's Report on the Financial Statements of the Authority based on the audit carried out in accordance with the Sri Lanka Auditing

# AUDITOR GENERAL'S REPORT

Standards. However, owing to the facts described in the section 'Basis for disclaiming of Opinion', I could not obtain adequate and appropriate audit evidence to establish a basis for an audit opinion for these Financial Statements.

## 2. Report on the other legal and regulatory requirements

2.1 The National Audit Act No. 19 of 2018 included special provisions with regard to the following requirements.

2.1.1 I have not received all information and clarifications considered to be necessary for auditing in terms of the requirements mentioned in Section 12 (a) of the National Audit Act No. 19 of 2018 and I was unable to determine whether the Sri Lanka Ports Authority has kept proper reports of accounts.

2.1.2 As per the requirement of Section 6 (I) (d) (III) of the National Audit Act No. 19 of 2018 the Financial Statements of the Authority is in correspondence with the previous year.

2.1.3 As per the requirement of Section 6(1) (d) (iv) of the National Audit Act No 19 of 2018, except the recommendations No. 1.2 (a), (b), (c), (d), (e), (o) made by me in the previous year are included in the Financial Statements submitted.

2.2 Within the procedures followed and evidence obtained on limitations being made to quantitative matters and nothing was drawn to my attention to be able to express an opinion on the following;

2.2.1 that a member of the Board of Control of the Sri Lanka Ports Authority has a direct or indirect connection deviating from usual business status with regard to agreements entered into by the Sri Lanka Ports Authority in terms of the requirements in Section 12 (d) of the National Audit Act No. 19 of 2018.

2.2.2 that has acted against any written law or general or special directives issued by the Board of Control of the Sri Lanka Ports Authority except for following observations, as per the requirements mentioned in section 12 (f) of the National Audit Act No. 19 of 2018.

<b>Reference to the rules and regulations</b>	<b>Observations</b>
(a) Section 11 of the Finance Act No. 38 of 1971 and Section 8.2.2 of the Public Enterprise Circular No. PED/12 dated June 02 <sup>nd</sup> 2003	Concurrence of the Minister of Finance had not been obtained for Rs. 48,456 million of fixed and short-term deposits invested by the Sri Lanka Ports Authority as at 31 <sup>st</sup> December 2020.
(b) Section 10(5) of the Finance Act No. 38 of 1971	If there is any surplus cash of any State Corporation in any year, the balance of which after making deductions as stated



# AUDITOR GENERAL'S REPORT

Reference to the rules and regulations	Observations
	<p>in the Act, should be credited to the Consolidated Fund. However, of the net profit of Rs. 48,991 million for the period from 2016 to 2020, the Authority had credited to the Consolidated Fund only Rs. 600 million. Further, the above profit had included the lease rent of Rs. 10,615 million collected for the period from 2016 to 2020, from South Asia Gateway Terminal (SAGT) and Colombo International Container Terminal (CICT), the two terminals to the private sector on a long term lease basis and Rs. 15,164 million as the Royalty thereof for the said period had been included. It was further observed that these revenues are not direct revenues from port operations.</p>
(c) (i) Section 4.2.2 and 5.1.2 of the Public Enterprise Circular No. PED/12 dated 02 <sup>nd</sup> June 2003.	<p>Although the company should have evaluated the performance of each section is related to the key performance indicators of each section, the company had not fulfilled its requirement during the year under review.</p>
(ii) Section 9.3.1 and the letter No. DMS/F1/3/3-1 dated 23 <sup>rd</sup> January 2013 issued by the Department of Management Services.	<p>An organization should prepare a scheme of Recruitment and obtain the approval of the Department of Management Services, but the Sri Lanka Ports Authority had prepared the draft Scheme Of Recruitment and promotions, approval of the Department of Management Services had not been obtained.</p>
The letter No. MPS/AD/06/83 – 2017 dated 12 <sup>th</sup> February 2019 Ministry of Ports and Shipping & Southern Development.	<p>Although the Authority had been directed to stop all recruitments until the scheme of recruitment and promotions was approved, 22 promotions had been given without the approval of the Department of Management Services during 2020.</p>
(d) I & II of para 6 of Sri Lanka Ports Authority Internal Circular No. 2017/26 dated 20 September 2017	<p>The period of allocation of quarters for employees of the Authority is limited to a maximum of 5 years from the date of initial allocation but this period can be extended by an additional one year on deduction of 12.5% from the initial salary</p>

# AUDITOR GENERAL'S REPORT

## Reference to the rules and regulations

## Observations

- of the relevant employees with the approval of the Housing Committee, but it was disclosed by sample checking done according to the details provided by the Authority about the allocation of quarters for employees as at 31<sup>st</sup> December 2020, that 456 employees are overstaying in quarters in a period ranging from 6 to 27 years.
- (e) Section 2-12 of the Sri Lanka Ports Authority Internal Circular 2020 No. 41/2020 dated 27<sup>th</sup> November 2020. Advances received by all Divisional and Sectional Heads should be settled before 31<sup>st</sup> December 2020, 143 advances so received amounting to Rs. 143.44 million as Rs. 50.41 million from 6-12 months, Rs. 71.44 million from 1-2 months, Rs. 0.48 million from 2-5 years had not been settled. Reasons for non-settlement of advances had not been disclosed to the audit.
- 2.2.3 that, powers, duties and functions of Authority have been performed in compliance with the requirements of Section 12 (g) of the National Audit Act No. 19 of 2018.
- 2.2.4 that resources of the Sri Lanka Ports Authority have not been procured in their due time and used sparingly, efficiently and productively as required by Section 12(h) of the National Audit Act No. 19 of 2018.

### 3. Other Observations

- (a) Total Shipping Agents Debtor Balance of the Authority over the exceeding the period as at 31<sup>st</sup> December 2020 was Rs. 1,405.21 million. This was 50% of the total Shipping Agents Debtor balance.
- (b) When port service facilities were obtained by Shipping Agents, after setting the actual expenses of the advances paid earlier, the actual remaining balance in Financial Statements was Rs. 786.97 million and action had not been taken to settle Rs. 111.75 million of this amount though it had exceeded 06 months since obtaining the services.

Further, overpayments made by Shipping Agents in respect of invoices for port services obtained had been shown as Shipping Agents Credit Balances in the Financial Statements. The said balance as at 31<sup>st</sup> December 2020 was Rs. 496.78 million and of this balance Rs. 110.75 had not been settled even after 06 months since obtaining the services.

## AUDITOR GENERAL'S REPORT

- (c) 1001 employees in excess to the approved cadre of the Authority had been employed as at 31.12.2020 while there were 563 vacancies in certain sections which are directly involved with the operation. Also there was a surplus of 515 employees in 14 sections which are not directly involved with operations. During the year Rs. 4,941 million had been paid as overtime which includes Rs. 1,046 million paid for those in sections where there was a surplus of employees.

As per Section 2(i) of Para viii of the Establishment Code, for payment of overtime, a responsible senior officer should satisfy to the effect that the work has been truly and fairly done. A system should be maintained to keep records to ensure that allocation of work has been done and to exempt a responsible officer should observe and be satisfied if an adequate amount of overtime work has properly and fairly been done to claim overtime. Proper investigation and the record-keeping system should be awarded to ensure that the volume of work assigned has been done and to suspend the payment of overtime for the idle time. But, records of overtime work regard to above-mentioned overtime payments were not submitted for audit.

- (d) Presently the only terminal in the Port of Colombo, where vessels of over 14.25 M draft, is the Colombo International Container Terminal (CICT) with a volume of 2.4 million TEUs annually. In 2020, 401 vessels over 14.25 M draft had arrived and 2.8 million TEUs had been handled which was observed to have exceeded the highest capacity. According to a study conducted by M/s Scott and Wilsons Company in 2011, it had been predicted that the terminals in the Port of Colombo would reach its full capacity by 2015 and pointed out that East Container Terminal should be made operational by that time to cater to the demand.

Meanwhile, construction work of phase I of the East Container Terminal comprising 18m draft and 440 m long terminal with an annual volume of 800,000 containers with a construction cost of Rs. 11,168 million by the financial assistance of the Bank of Ceylon under the Colombo Port Expansion Project had been completed in April 2016. 03 Nos. Ship to Shore Cranes, purchased for Jaya Container Terminal on a Cabinet Decision had been installed at East Container Terminal on Board Decision No. PA/HD/25 dated 07<sup>th</sup> February 2020 and operations had commenced. Approval of the Cabinet of Ministers had subsequently been obtained. The Cabinet of Ministers had approved by their decision No. අමුණ/21/0198/328/005/විවිදාලී dated 09<sup>th</sup> February 2021 to develop purchase operational equipment and to operate the East Container Terminal by Sri Lanka Ports Authority as a fully owned terminal of the Sri Lanka Ports Authority. As per details furnished to the audit during the period from September to December 2020, 26 container vessels had called at the ECT and 41,741 containers had been handled. However, it was observed that larger Ship to Shore Cranes should be made available for maximum utility of handling in the terminal.

- (e) A penalty of Rs. 1,580 million had been imposed by the Sri Lanka Customs on 27 Nos. of cranes imported undeclared to the customs in 2011 for which an appeal could be submitted to the Minister of Finance as per Section 165 of the Customs Ordinance on a decision of a customs investigation to reduce the penalty but the Authority had not taken steps to submit as an appeal to the Minister of Finance. But, Contingent Liability of Rs. 957.9 million had been allocated in accounts. The case filed by the Authority before the Court of Appeal in this matter had been

## AUDITOR GENERAL'S REPORT

- dismissed by the said court and a motion had been filed before the Supreme Court in 2018 against the judgment delivered by the Court of Appeal.
- (f) The South Asia Gateway Terminals (SAGT) in its establishment in 2010 had agreed to transfer its shares to the Authority amounting to Rs. 141.63 million in exchange of the value of three cranes provided by the Sri Lanka Ports Authority. Nevertheless, this transaction had not been completed by the South Asia Gateway Terminal even until end of the year under review, but by confirmation of balances, had stated that no amount payable for shares by South Asia Gateway Terminal to the Authority. Since an agreement had not been entered into with the South Asia Gateway Terminal it was doubtful for the Authority to receive this amount nor the Authority had allocated provision for impairment for the amount receivable to the Authority on the above-mentioned shares.
- (g) The validity period of the leasing agreement signed for 15 lots of lands in an extent of 03 Acres, 2 Roods and 14.24 perches and 56.99 sq. mt. had expired on 31<sup>st</sup> December 2020. Therefore, the possibility of emerging the risk of litigation can not be ruled out since the Authority had not taken the necessary steps to update the said agreements.
- (h) Although the ownership of the land in extent 02 Acres 3 Roods 9.61 Perches in plan No. සී/සීඑල්/2012/1047, situated at D.R. Wijewardana Mawatha, Colombo had been transferred to the Urban Development Authority for the construction of Nelum Kuluna, the land had not been vested by a deed of transfer having the valuation of the land been duly written off from books of the Authority.
- (i) Although the land in extent of 02 acres in Plan No. එල්/එස්/එම්අයිඑස්/344 bounded to Main Street, Colombo 01 and to Olcott Mawatha had been transferred to Sri Lanka Customs to construct a building, action had not been taken to transfer the land legally with the valuation and writing off the value of the land from the books of the Authority up to 30<sup>th</sup> April 2021.
- (j) There were dispute debtors of Rs. 122.85 million and re-dispute debtors of Rs. 29.42 as at 31<sup>st</sup> December 2020. Above balances had included unsettled balances during periods ranging from six months, one year and between 1 and 3 years as Rs. 84.04 million Rs. 21.44 million and Rs. 17.29 million respectively.
- (k) Although it had agreed to construct a multi-operational terminal in the Port of Galle in view of the development of the Southern Port of the country under a Credit Line Agreement between the Government of Sri Lanka (GOSL) and Japanese Bank of International Corporation (JBIC), approval of UNESCO had to be obtained since the constructions were to be carried out around the Galle Fort which is named as a world heritage and therefore, it had been decided to suspend the project due to the non-extension of the agreement by the donor country in the face of wasting a long period as over 3 years. Thus, the amount Rs. 418 million as a consultancy fee had been an uneconomical expenditure. The amount paid as the consultant fee had been shown under the work in progress in the Financial Statement 2020 of the Authority.
- (l) Plans had been made to install a CCTV Camera System at all gates and Bonded Warehouses spending Rs. 60 million and Rs. 150 million respectively with Capital Budget of 2017/2018 to ensure the protection of the Colombo Port premises, named

## AUDITOR GENERAL'S REPORT

as a high-security zone Rs. 150 million had been allocated for this project in 2019 by letter of the Managing Director of the Authority No. PA/MD/46 dated 09<sup>th</sup> March 2021, but installing had not been commenced even at the date of this report. Hence, the risk of the impossibility of gathering information in case of an emergency as a high-security zone cannot be ruled out.

- (m) Although the balance of the Colombo ledger account as at 31<sup>st</sup> December 2020, was Rs. 2,703.55 million, the balance according to the ledger statements maintained by each store's sections of Supplies Division was Rs. 2,772.55 million. Accordingly, a variance of Rs. 69.00 million was observed, a balance reconciliation statement justifying the reasons for a variance had not been prepared.
- (n) During the year under review, Jaya Container Terminal Ltd. had made available to the Sri Lanka Ports Authority a sum of Rs. 45.51 million to be paid to the contractor, equivalent to 20% of the contract value as agreed to construct a new oil tank of 3200 MT capacity and to install a fire fighting system covering 10 oil tanks. The Authority had paid this amount to the contractor. The JCT had drawn VAT Rs. 3.37 million relating to this amount from the Inland Revenue Department in October 2020 as an input tax based on an invoice issued on a letter Head of the Sri Lanka Ports Authority but not on an invoice issued by the contractor, similarly, the Sri Lanka Ports Authority too had deducted the same amount as a VAT in calculating payable taxes in October and November 2020 based on an invoice of the contractor. Accordingly, it was revealed in the audit both the SLPA and the JCT had deducted the same VAT amount Rs. 3.37 million twice as an input tax.
- (o) Rs. 108.77 million for payment of compensation for those who lost their lands in the acquisition of lands for the Hambanthota Port project in 2015 and 2016 had been paid to the Divisional Secretariat, Hambanthota and Rs. 4.39 million had been spent on land cleaning for fieldwork in 2014. A Statement of Compensation payments had not been submitted to the Sri Lanka Ports Authority by 30<sup>th</sup> April 2021 and the expenditure had been included in the Land Clearing Account under the cash, property, plant and equipment.
- (p) The caisson, the fenders and the quay wall of the JCT of the Port of Colombo had been damaged by a vessel being struck against the quay wall on 04<sup>th</sup> December 2019, the damage had been estimated to a cost of Rs. 315.90 on 30.12.2019 the Authority had received Rs, 384.42 but repairs had not been effected.

Further, the details of the balance of Rs. 486.85 million in the Port Loss Account had not been submitted for audit for over 5 years as at 31<sup>st</sup> December 2020.



**W P C Wickramaratne**  
**Auditor General**

# CORPORATE INFORMATION

## Name

Sri Lanka Ports Authority

## Statutory Status

The SLPA was established on the 1<sup>st</sup> August, 1979 with the amalgamation of the Colombo Port Commission, the Port (Cargo) Corporation, the Port Tally and Protective Services Corporation under the provisions of Parliament Act No. 51 of 1979.

## Our Corporate Values

The SLPA is one of the major contributors to the economy of Sri Lanka. As a key revenue earning and service providing agency, the role of the SLPA is linked directly to the excellence of its delivery services. In this regard, the value system of the Authority is the basis for the success of its operational relationship with the stakeholders. These values could be categorized under the following.

- Dependability
- Timeliness & Accuracy
- Accountability for Achievement
- Team Spirit
- Commitment
- Reward & Recognition
- Performance with integrity

It will be the responsibility of the Chairman/Chief Executive Officer, the Managing Director and other Senior Management staff to inculcate the above values at all levels of the Authority.

## Head Office

### Port of Colombo

No. 19, Chaithya Road  
Colombo – 01  
Tel: (+94 11) 2421201, 2421231  
Fax: (+94 11) 2440651

### Port of Galle

Closenberget Jetty  
Magalle  
Galle  
Tel: (+94 91) 2232213, 2234936

### Port of Trincomalee

New Administrative Building  
China Bay  
Trincomalee  
Tel: (+94 26) 2222460

## Bankers

Bank of Ceylon (Main Bank)  
People's Bank  
Hatton National Bank

## Auditors

The Auditor General  
The Auditor General's Department  
No. 306/72, Polduwa Road  
Battaramulla.

## Web

[www.slpa.lk](http://www.slpa.lk)