



# ANNUAL REPORT

# 2021

Sri Lanka Ports Authority



# STRATEGIC DIRECTIONS

## OUR VISION

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

## OUR MISSION

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

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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 a Smart Port by 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 a Green and Sustainable Status for Port of Colombo adopting United Nations Sustainable Development Goals (UNSDGs).

# OUR CORPORATE STRATEGIES

Our 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	2020	2021	Variance (%)
Port of Colombo	3,806	3,675	-3.4
Port of Galle	22	14	-36.4
Port of Trincomalee	135	117	-13.3
KKS, Myliddy, PP & Karainagar	0	0	-
Port of Hambantota	374	374	0.0
<b>Total</b>	<b>4,337</b>	<b>4,180</b>	<b>-3.6</b>

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

Description	2020	2021	Variance (%)
<b>Sri Lanka Ports Authority (SLPA)</b>			
Imports	115,624	162,388	40.4
Exports	115,429	158,733	37.5
Transshipment	1,855,713	1,846,264	-0.5
Re-stowing	11,038	30,949	180.4
<b>Total</b>	<b>2,097,804</b>	<b>2,198,334</b>	<b>4.8</b>
<b>South Asia Gateway Terminals (SAGT)</b>			
Imports	132,277	136,824	3.4
Exports	132,912	128,461	-3.3
Transshipment	1,568,769	1,521,373	-3.0
Re-stowing	38,094	52,035	36.6
<b>Total</b>	<b>1,872,052</b>	<b>1,838,693</b>	<b>-1.8</b>
<b>Colombo International Container Terminal (CICT)</b>			
Imports	295,680	303,223	2.6
Exports	297,747	309,426	3.9
Transshipment	2,188,979	2,482,410	13.4
Re-stowing	102,500	117,272	14.4
<b>Total</b>	<b>2,884,906</b>	<b>3,212,331</b>	<b>11.3</b>
<b>Port of Colombo</b>			
Imports	543,581	602,435	10.8
Exports	546,088	596,620	9.3
Transshipment	5,613,461	5,850,047	4.2
Re-stowing	151,632	200,256	32.1
<b>Total</b>	<b>6,854,762</b>	<b>7,249,358</b>	<b>5.8</b>



## OPERATIONAL HIGHLIGHTS

### Cargo Throughput (All Ports)

Description	2020	2021	Variance (%)
Total Cargo Throughput (MT Mn)	103.0	109.0	5.8

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

Description	2020	2021	Variance (%)
Containerized	14,423	14,935	3.5
Break Bulk	552	854	54.7
Dry Bulk	2,988	3,141	5.1
Liquid Bulk	4,826	4,679	-3.0
<b>Total</b>	<b>22,789</b>	<b>23,609</b>	<b>3.6</b>

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

Description	2020	2021	Variance (%)
Containerized	12,176	13,198	8.4
Break Bulk	7	4	-42.9
Dry Bulk	0	0	-
Liquid Bulk	521	551	5.8
<b>Total</b>	<b>12,704</b>	<b>13,753</b>	<b>8.3</b>

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

Description	2020	2021	Variance (%)
Containerized	26,599	28,133	5.8
Break Bulk	559	858	53.5
Dry Bulk	2,988	3,141	5.1
Liquid Bulk	5,347	5,230	-2.2
<b>Total</b>	<b>35,493</b>	<b>37,362</b>	<b>5.3</b>

## OPERATIONAL HIGHLIGHTS

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

Description	2020	2021	Variance (%)
Discharged	2,874	3,052	6.2
Loaded	198	138	-30.3
<b>Total</b>	<b>3,072</b>	<b>3,190</b>	<b>3.8</b>

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

Description	2020	2021	Variance (%)
Discharged	404	106	-73.8
Loaded	0	0	-
<b>Total</b>	<b>404</b>	<b>106</b>	<b>-73.8</b>

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

Description	2020	2021	Variance (%)
Discharged	0	0	-
Loaded	0	0	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>

### Port of Hambantota (In Thousand Tonnes)

Description	2020	2021	Variance (%)
Discharged	1,229	1,710	39.1
Loaded	521	539	3.5
<b>Total</b>	<b>1,750</b>	<b>2,249</b>	<b>28.5</b>

### Total Number of Employees

Description	2020	2021	Variance (%)
Port of Colombo	8,567	8,285	-3.3
Port of Trincomalee	387	381	-1.6
Port of Galle	339	331	-2.4
<b>Total</b>	<b>9,293</b>	<b>8,997</b>	<b>-3.2</b>

## FINANCIAL HIGHLIGHTS

<b>All PORTS</b>	<b>(Rs. Million)</b>		
<b>Description</b>	<b>2021</b>	<b>2020</b>	<b>Variance (%)</b>
<b>Revenue and Expenditure</b>			
Total Revenue	60,606.4	52,657.2	15.1
Expenditure	(32,935.8)	(29,746.6)	(10.7)
<b>Profit/(Loss) before Foreign Loan Interest and Foreign Exchange Gain /(Loss)</b>	<b>27,670.6</b>	<b>22,910.6</b>	<b>20.8</b>
Foreign Loan Interest	(799.6)	(1,531.7)	47.8
Foreign Exchange (Loss)/ Gain	(1,269.7)	(1,051.7)	(20.7)
<b>Profit/(Loss) Before Tax &amp; After Foreign Exchange Gain /(Loss)</b>	<b>25,601.3</b>	<b>20,327.1</b>	<b>25.9</b>
<b>Taxes</b>			
Income Tax	(2,676.3)	(2,603.4)	(2.8)
Deemed Dividend Tax	-	-	
Differed Tax	(2,229.8)	1,014.6	(319.8)
Contribution to Consolidated Fund	-	-	
<b>Net Profit/(Loss) After Provision for Taxes</b>	<b>20,695.3</b>	<b>18,738.3</b>	<b>10.4</b>
<b>Balance Sheet</b>			
Non-Current Assets	396,375.5	394,795.7	0.4
Current Assets	96,245.7	78,787.1	22.2
Current Liabilities	24,698.9	24,454.5	(1.0)
Equity and Other Capital	7,591.4	7,591.4	-
Reserves and Provisions	362,542.1	342,849.7	5.7
Non-Current Liabilities	97,788.9	98,687.2	0.9
<b>Ratios</b>			
Operating Profit to Revenue	43.0	41.0	
Annual Revenue Growth	15.1	(3.6)	
Return on Capital Employed	6.9	5.8	

**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**

## Overview

The year 2021 was full of challenges due to the global Covid-19 virus that devastated the world, severely affecting the entire business and industries including the port sector in the world over the past two years, which have now been adopted in a more resilient environment compared to the previous year, 2021 was comparatively a successful year where significant progress was reported under such difficult circumstances.

As the world relieves from the Covid-19 pandemic situation the Port of Colombo, as the South Asia's maritime hub, has also been able to amplify its performance by recording a 7.24 million annual container throughput in 2021, the highest container throughput in its history and a 5.8% substantial growth compared to the year 2020 which recorded a total volume of 6.85 million. This year has turned into a remarkable year further by recording the highest ever annual cargo handling tonnage of 103,823,774 M.T. in the history of Port of Colombo.

Compared to the past years, SLPA has adopted many technological and digital advancements in its daily operations to render smooth and efficient service to its customers. Implementing e-services in many Divisions has enabled to boost the productivity and facilitated internal and external parties for the convenience to carry out the businesses with SLPA. Especially, under such challenging times, using technology has been a crucial strategy to maintain the constant interaction with maritime operations, which not only made the operations convenient, but also benefited to mitigate expenses and errors in the day-to-day operations while maintaining transparency in work avoiding unnecessary risks.

## Financial Performance

The SLPA has recorded a growth in operating profit of Rs.25billion in the year 2021 compared to Rs.21billion in the year 2020. The gross revenue of 2021 was Rs.61 billion as compared to Rs.53 billion in 2020, which is a significant ascend of Rs.8billion. Total Expenditure before Tax, loan interest and Foreign Exchange Gain / (Loss) remained at Rs. 33billion in 2021 reporting an increase of 10%, whereas it was Rs.30 billion in 2020.

During the year 2021, interest on loans has decreased by 48% compared to the previous year. Foreign Exchange Loss for the year 2021 has indicated as Rs.1.27billion compared to Foreign Exchange Loss of Rs. 1.05billion in 2020 due to LKR depreciation against foreign currency.

Net profit after provision for taxes is Rs. 20.7 billion compared to Rs.18.7billion in the year 2020 which is a proliferation of 10.4% compared to the previous financial year.

## Port Operations and Logistic Performance

Port of Colombo handled 7.24 million TEUs in the year 2021 which was a 5.8% increase compared to the year 2020. CICT handled 3.21 million TEUs, SLPA Terminals handled 2.19 million TEUs while SAGT handled 1.83 million TEUs. Port of Colombo recorded a 4.9% growth in transshipment containers. The handling of domestic containers also increased by 10% compared to the year 2020.

- Container handling in the Port of Colombo in 2021 records increased to a total of 7,249,358 TEUs from 6,854,762 TEUs in 2020.
- The tonnage handled in the Port of Colombo in 2021 increased to 6.3% compared to 2020.

## CHAIRMAN'S REVIEW

Ship arrival in 2021 in the Port of Colombo recorded a decrease from 3,806 to 3,675 (-3.4%). The number of container vessels arrived decreased from 3,281 in 2020 to 3,180 in 2021, indicating a decline of -3.1%.

In 2021, 123,477 TEUs of FCL containers were directly delivered and 23,117 TEUs of LCL/MCC Containers were de-stuffed at CFSs in SLPA. E-Doc Submission of e-Payment for FCL/LCL deliveries were successfully handled and the Cargo Management Systems (CMS) has been upgraded into the new version of the CMS with new advanced features.

Furthermore, the modernizing project to improve the facilities at BQ Warehouse Complex was initiated. Construction of platforms for trailer-based de-stuffing/stuffing operations and providing office space in the Administration Building with better facilities by renovating were commenced.

### Human Resource Development

SLPA management is well aware of the importance of aligning its operations with its human capital as our employees are the most vital factor in developing a strong organizational culture. Hence, we have broadly planned our HR capital through external/internal recruitment, employment conditions, reward management, employee welfare as well as enhancement of their skills and attitudes.

Our employees' dedication and commitment have enhanced the value of SLPA and in turn, SLPA creates value for them by way of competitive remuneration, numerous benefits, opportunities for learning and development and a conducive working environment depending on their qualifications and expertise. Moreover, we are in the process of reviewing the HR cadre, formulating a new Scheme of Recruitment for both executive and non-

executive positions and drafting a comprehensive HR policy ensuring to attract the right talent with the right skills, right attitude and right experience through which it is expected to achieve the organizational goals whilst meeting our employees personal and career aspirations.

Despite the Covid – 19 pandemic situation, during the year under review, a 25% salary increment was made to the basic salary of the entire staff and also salary anomaly which had been created in non-executive grades was addressed satisfactorily.

Further, in addition to providing all vaccination dosages (including boosters) and other medical assistance during covid – 19 pandemic period, we have taken steps to support our staff by developing new processes and practices such as shift duty systems, work from home, providing of transport etc. with a view to carrying out activities of the organization without any interruption whilst maintaining health and safety of our employees.

### Information Technology towards a Smart Port

The SLPA has concentrated all its strength and competitive edge on deploying innovative e-initiatives and strategic IT systems to improve productivity and provide uninterrupted services to its clientele with minimum downtime. Policies have been implemented by the IS Division on timely maintenance of hardware and software in the IT system.

The action was taken to strengthen the services and improve the productivity of SLPA and as a result, an upgraded version of the Terminal Management System (N4) was successfully implemented and went live on 29<sup>th</sup> April 2021. Implementing of DR site for the Oracle E-biz suite has been initiated and Bid documents preparation is in progress. Procurement of Terminal Management System for Semi-Automated

## CHAIRMAN'S REVIEW

East Container Terminal has been initiated and implementation will be completed within 16 months with the first lot of equipment.

### Future Developments

The Government Policy on the port sector specifically mentioned commencing the operation of East Container Terminal (ECT) and developing WCT with the participation of the private sector. SLPA is in the process of developing ECT and WCT and be fully operationalized in 2024-2025 to increase the capacity of the Port of Colombo by another 7 million TEU.

The ECT of the Colombo South Harbour envisages a 1320 m long quay to accommodate 3 Ultra Large Container Carriers (ULCC) which has a length of 400m or more at -18 to -20 m depth berths with a backyard area. The approximate terminal area is 72 ha and the annual capacity of the terminal is 3 million TEUs.

SLPA has already constructed a 600m quay wall with an operationalized berth of 440 m, 18 ha yard, peripheral roads and related gate facilities etc. in the year 2015 with a view to operationalizing the 440m long berth as soon as possible. The existing 600m quay wall has been constructed to have -18m deep berth and the balance 720m quay wall foundations is planned to be constructed to have -20m deep berths.

SLPA has commenced a feasibility study for Colombo North Port Development in view of expanding its capacity. As per the development plan, the first phase of the project will commence in 2030 based on the demand forecast for cargo volume Port of Colombo. Finalization of this study early will have the opportunity to SLPA to commence its design procurement etc once the demand arises.

As the Port Access Elevated Highway project starting from Ingurukade Junction

to Galle face traversing through SLPA premises, it is planned to construct 17 storied building as the SLPA Head Office at Canal Yard Premises to accommodate all the Divisions which are affected by the construction. The project cost is Rs. 6,200 million and funded by ADB and the project has been undertaken by RDA. 6% of physical progress has been achieved at the end of 2021.

### Marketing and Business Development

Maintaining a strong rapport with the customers is the key to develop the business opportunities of the Colombo port. Hence, frequent contacts and regular coordination with the customers and stakeholders were maintained during the year to accelerate the investments and SLPA image globally. As a result, SLPA was awarded as the Best Port Authority and Best Public Container Terminal of the year 2021 at the sixth Global Ports Forum Awards ceremony.

Further, the SLPA management implemented several marketing and business development strategies to retain and attract greater container volumes to SLPA Terminals and the Port of Colombo. Two Terminal Service Agreements were renewed with leading Shipping Lines to continue business with SLPA and to extend enhanced affiliation with them.

### Conclusion

Looking back at the year 2021 it demonstrates how the Port of Colombo has succeeded and enhanced its profit under challenging circumstances. The achievements of the past year have been possible due to the strong combination and the unity of three terminals; SLPA, SAGT and CICT.

The year 2021 has been recounted in the history of Colombo Port where the highest container throughput and tonnage were handled. What is conspicuous in this

achievement is, that even under a global pandemic situation, where the entire industry is facing a critical global crisis, Colombo port has been able to record a significant improvement. Behind this efficacious acquirement, was the dedicated hard work of the employees of all three terminals. Hence, I would like to extend my sincere gratitude to the management of all three terminals for their untiring commitment to work.

Behind those commitments were the guidance and inspiration of the Corporate management and hence, I convey my sincere gratitude to the Honorable Minister of Ports and Shipping, the Honorable State Minister, the Secretaries to the Ministries, the Ministry officials, and the Boards of Directors, for their persistent guidance to make 2021, a successful year.

Last, but not least, I would be grateful to all our valuable customers, and other stakeholders for the constant support extended during the year, on behalf of the Boards of Directors and all officers and employees of the Port of Colombo.

In navigating to the future, 2022 will be another challenging year and therefore it is vital for us to learn from past experiences and use the outcome to increase the productivity for sustainable development which would make Colombo the hub port in the South Asia Region.



**Dr. Prasantha Jayamanna**  
Chairman



## BOARD OF DIRECTORS

### **Capt. Nihal Keppetipola** *Chairman*

An old boy of Dharmaraja College, Kandy, He sailed and captained several types of sea-going ships such as general cargo, bulk, container, oil and gas tankers belonging to Ceylon Shipping Corporation and several international shipping companies.

Capt. Nihal Keppetipola joined the SLPA in 1990 as a pilot. He served as the Harbour Master of the SLPA from 1999 to 2005. Thereafter, served as Director (Operations) from 2005-2007, as the Additional Managing Director from 2007-2009 and as the Managing Director of SLPA from 2009 to 2015 until he retired from government service.

He held the position of Chairman of Ceylon Fishery Harbours Corporation (CFHC) from January 2020 till 21<sup>st</sup> June 2021 when he took office as chairman SLPA.

He rendered his service for the implementation of projects such as the Colombo Port Expansion Project, the Hambantota Port Project, Colombo Port City Project and essential infrastructure Development Project of CFHC.

### **Dr. Prasantha Jayamanna** *Vice Chairman*

Dr. Prasantha Jayamanna is the founder, Chairman and Chief Executive Officer of DPJ Holdings & 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 as well as sits on the Boards of several publicly listed and Private Companies such as SAGT, CICT, Hambantota International Port Group Company Pvt. Ltd. (HIPG), Hambantota International Port Services Company Pvt. Ltd. (HIPS), Lanka Coal Company Ltd. etc.

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, Owner President Management (OPM) from the Harvard Business School and Leading Product Innovation (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.

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 (Chamber of Young Lankan Entrepreneurs) 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 his 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

## BOARD OF DIRECTORS

Youngest Entrepreneur in Sri Lanka, Leadership Lecturer and Nationalist.

### **Mr. Upul Jayatissa** *Managing Director*

Mr. Upul Jayatissa, holds a B.Sc. Degree in (Special-Business Administration) from the University of Sri Jayewardenepura, a M.Sc. in Port Management (World Maritime University - Sweden) and Diploma in Marketing (Wigan & Leigh College - UK). He is also a Chartered Member of the Chartered Institute of Logistic and Transport.

Mr. Jayatissa Joined SLPA as a Management Trainee in 1986 after graduation and having worked experience in the port industry for over 35 years. He also has five years' work experience in Middle East Ports, Kuwait Ports Public Authority - Shuaiba Container Terminal & United Arab Emirates (UAE) Sharjah- Port of Khorfakkan Container Terminals as Terminal Planner. Mr Jayatissa has been working as a Visiting faculty member for over 14 in various universities including Universities of Colombo, Moratuwa and Ruhuna and some other leading institutions in Sri Lanka.

Mr. Upul Jayatissa was appointed to the post of Managing Director, SLPA in June 2021.

### **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 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

## BOARD OF DIRECTORS

Jayewardeneperu, 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 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) and 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 –

## BOARD OF DIRECTORS

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.

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 SLPA. 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 SLPA since October 2020.

### **Mr. Isuru Balapatabendi**

#### ***Director***

Mr. Isuru Balapatabendi is an Attorney-at-law and currently operates a Law Chamber in the practice of Civil and Commercial Law. He also holds a L.L.M. from the University of Pittsburg, Pennsylvania, USA.

Mr. Balapatabendi served as a State Counsel in the Attorney General’s Department, prior to being appointed a Diplomat to the Embassy of Sri Lanka in the Hague, The Netherlands from 2008 to 2010, during which he served as the representative of Sri Lanka, to the organization for Prohibition of Chemical Weapons and Hague Convention of Private International Law (HCCH).

He was also appointed as the Head of Chancery at the Sri Lankan Mission in the Hague. He was appointed as the Legal Advisor to the Minister of Investment Promotions in 2012, for legal matters relating to investment laws in Sri Lanka and Board Investment. Mr. Balapatabendi has also served in the Director Boards of Sri Lanka Insurance Corporation, Seylan Bank and Bank of Ceylon.

He has served as an executive committee member of the Bar Association of Sri Lanka. He was appointed the Chairman of the Junior National Law Conference in 2007 and as the Convener of the National Law Conference 2020. He is currently the Secretary of the Bar Association of Sri Lanka.

At present, he functions as a Director of People’s Bank and SLPA, Colombo West International Terminal (Pvt) Ltd, Cellio Naturals (Pvt) Ltd and he is also the Chairman of People’s Insurance PLC.

### **Mrs. Pamudi Weerasooriya**

#### **Secretary to the Board**

# MANAGEMENT TEAM AND AUDIT COMMITTEE

## Management Team

Capt. Nihal Keppetipola  
**Chairman**

Dr. Prasantha Jayamanna  
**Vice Chairman**

Mr. Upul Jayatissa  
**Managing Director**

Mr. Susantha Abeysiriwardena  
**Additional Managing Director (Tech)**

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

Mr. H M Prabath Jayantha  
**Director (Logistics)**

Mr. D L R Weerasinghe  
**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)**

Major General Sudath Perera (Retired)  
**Director (Security)**

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 (Information Systems)**

Mr. J A Chandrarathna  
**Chief Engineer (Mechanical Works)**

Mr. M S A Pathirage  
**Chief Engineer (Mechanical Plant)**

Mr. K G S Dayananada  
**Chief Manager (Marketing & BD)**

Mr. D G R M Pathiwila  
**Chief Engineer (Contract & Design)**

Capt. K M N P Silva  
**Harbour Master**

Mrs. S H S Padmini  
**Chief Training Manager**

Mrs. Nelum Anawaratne  
**Chief Manager (Administration)**

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

Mr. Chithral Jayawarna  
**Chief Manager (Com. & PR)**

Mrs. G N Liyanage  
**Chief Finance Manager**

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

Mr. T C K Paranavithana  
**Chief Engineer (Civil)**

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

Mrs. G Z Miskin  
**Chief Manager (Logistics)**

Mr. K S Hettiarachchi  
**Chief Manager (Supplies/MM)**

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

Mr. S H Thilakapala  
**Chief Manager (Welfare & IR)**

Mr. H J K U Kumara  
**Chief Human Resources Manager**

Mr. L P S Chandana  
**Chief Manager (Con. Cargo Op.)**

# MANAGEMENT TEAM AND AUDIT COMMITTEE

## **Audit Committee**

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

Major General G V Ravipriya  
**Member**

Mr. H Isuru Balapatabendi  
**Member**

Mr. Upul Jayatissa  
**Managing Director**

Or

Mr. Susantha Abeysiriwardena  
**Additional Managing Director (Tech)**  
**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 2021**

### **Retirements and resignations**

**Mr. H D A S Premachandra**, Managing Director resigned from the SLPA.

**Mr. K A Anzar**, Chief Manager (Marketing & BD) retired from the SLPA.

**Mr. Darshaka Perera**, Chief Manager (Information Systems) voluntarily resigned from the SLPA.

**Mr. P U Sumanasekara**, Chief Engineer (Electrical) retired from the SLPA.

### **Appointments**

**Mr. Upul Jayatissa** was appointed as the Managing Director.

**Major General Sudath Perera (Retired)** was appointed as Director (Security).

**Mr. Nirmal Fonseka** was appointed as Chief Manager (Information Systems).

**Mr. K G S Dayananda** was appointed Chief Manager (Marketing & BD).

**Mrs. S H S Padmini** was appointed as Chief Training Manager.

**Mr. S H Thilakapala** was appointed as Chief Manager (Welfare & IR).

**Mr. H J K U Kumara** was appointed as Chief Human Resources Manager.

**Mr. L P S Chandana** was appointed as Chief Manager (Con. Cargo Op.)

Amid the global Covid19 pandemic situation, the Port of Colombo was able to handle 7.24 million TEUs during the year 2021, which depicts growth of 5.8% compared to the previous year. Terminal wise CICT, SLPA and SAGT handled 3.21 million, 2.19 million and 1.83 million TEUs respectively during the year 2021. Accordingly performance of terminals operated by SAGT has declined by 1.8% whereas SLPA and CICT have recorded a growth of 4.8% and 11.3% respectively when compared with the year 2020. East Container Terminal (ECT) had handled 390,069 TEUs in the year 2021.

The market shares of terminals operated by CICT, SLPA and SAGT during the year 2021 were 44%, 30% and 25% respectively. Whereas the market share during 2020 was 42%, 31% and 27% 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 the Port of Colombo are 300 during the year 2021. These vessels would not have been able to visit the Port of Colombo if not for the two deepwater terminals.

Tonnage-wise cargo handled in Port of Colombo increased to 103 million tons, compared to 97.6 million tons in 2020, reflecting an ascend of 6.3%.

### Performance of other ports

- 374 ships arrived at Port of Hambantota while the cargo handled tonnage ascended to 28.5% compared to 2020.
- Vehicle handling at Port of Hambantota recorded a drop of 40.4%.

- The Port of Galle experienced a drop of cargo handled tonnage by 73.8% along with a drop in the arrival of several ships by 36.4% compared to 2020.
- The number of ships that arrived at the Port of Trincomalee decreased by -13.3% and the cargo handled tonnage increased by 3.8%.

Due to the Global pandemic situation, initiatives such as Port of Colombo Awards Night to felicitate the Shipping Lines and other stakeholders were unable to hold during the year 2021.



# **OPERATIONAL REVIEW**

**ANNUAL REPORT 2021**



## PLANNING AND DEVELOPMENT DIVISION

### 1. Colombo Port Expansion Project

The Government Policy on the port sector specifically mentioned commencing the operation of East Container Terminal (ECT) and developing West Container Terminal (WCT) with the participation of the private sector. SLPA is in the process of developing ECT and WCT in parallel within the next five years period and be fully operationalized in 2025 to cater to the demand as per the demand forecast.

#### 1.1 East Container Terminal

The ECT of the Colombo South Harbour envisages a 1,320 m long quay to accommodate 3 Ultra Large Container Carriers (ULCC) which has a length of 400m or more at -18 to -20 million depth berths with a backyard area. The approximate terminal area is 72 ha and the annual capacity of the terminal is 2.4 million TEUs. Under Phase - I of the project, SLPA constructed 600m of the quay wall with an 18 hectares yard area, peripheral roads and gate facilities in 2015. Accordingly, container terminal operations of the first berth of 440m was commenced in October 2020.

Cabinet of Ministers at its meeting held on 01.02.2021 has approved to develop the ECT by SLPA in phases and to operate as a fully owned container terminal of SLPA. SLPA has finalized the terminal layout by adopting the latest technology to improve the efficiency and productivity of the ECT. Accordingly, in line with the government procurement procedure and with the approval of the Cabinet of Ministers, a contractor was selected for the civil construction works. The Contract Agreement between the Contractor and SLPA was signed on 20.12.2021.

### 1.2 Development of West Container Terminal -I

The WCT – I of the Colombo South Harbour envisages a 1400m long quay to accommodate 3 ULCC which has a length of 400m or more at -20m deep berths with a backyard area. The approximately terminal area is 64 ha and the annual capacity of the terminal is 3 million TEUs.

The Cabinet of Ministers has granted their approval to develop the WCT-I as a public-private partnership project under Build, Operate and Transfer (BOT) basis for 35 years. Accordingly, BOT Agreement was entered into between SLPA and Colombo West International Terminal (Private) Limited on 30.09.2021. Terminal construction will be carried out in stages and the entire terminal will be completed in 2026.

SLPA has obtained a sand exploration license for a sand borrow area from the Geological Survey and Mines Bureau (GSMB) for both ECT and WCT-I projects. The sand exploration study has been completed and a draft report has been submitted to GSMB. The Initial Environmental Examination process on obtaining sea sand from the sand borrow area is in progress.

### 2. Development of Trincomalee Port

The Port of Trincomalee has ample land area which can be used for port-related industries. Also, it has been observed that it can cater to the potential demand for industries in the above area. Considering the various requests/investment proposal received from investors for Trincomalee Port, Management Committee has decided to call for an Expression of Interest (EOI) for the lands on the waterfront and other areas. Cabinet of Ministers has relaxed the restriction on

## OPERATIONAL REVIEW

one heavy industry for one seaport at its meeting held on 18.10.2021.

### 3. Galle Port Development Project

The development plan of the Government of Sri Lanka and SLPA is to develop the Port of Galle as a regional commercial Port extending utility for tourism will open wider avenues for the economic activities in the region, act as a shelter for the small boat fisherman in a storm situation and reduce the effect of impact on the Galle city against the possible future event of Tsunami disasters.

The project is to be formulated to develop the Port of Galle in a sustainable development model not restricting to traditional port services attracting investment from the private sector and opening opportunities in leisure and real estate development connected with the Galle Bay considering the specific geographical advantage. Required Project Committee (PC) and Cabinet Appointed Negotiating Committee (CANC) have been appointed for calling EOI. The PC and CANC are in the process of finalizing the draft EOI document which will be advertised publically in February 2022.

### 4. Port Community System

National Port Master Plan (NPMP) has identified the potential need for the implementation of a Port Community Systems (PCS). PCS will be an independent stand-alone software solution providing connectivity to fulfill the port sector business process and it will create a 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.

Preliminary studies, stakeholders mapping and preparation of the

governance mode of the project have been completed with the technical and financial assistance of the Asian Development Bank (ADB). At present, the preliminary design and feasibility study stage of the project is in progress.

### 5. Consultancy Service for a Feasibility study for the Colombo North Port Development Project

SLPA needs a long-term plan for the next 30 years to enhance the additional capacity needed for container handling capacity of around 35 million TEUs. SLPA has planned to develop a new port, the Colombo North Port, on the northern side of the existing Port of Colombo.

Accordingly, SLPA has planned to do a feasibility study for the Colombo North Port Development Project focused on expanding the capacity of container handling while serving all other port services expected from the industry. 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.

## DEVELOPMENT DIVISION

### 1. Rehabilitation of Kankesanthurai Port

#### (a) Work being done by Foreign Funded Loan

- In the view of rehabilitating the existing Port Facilities at Kankesanthurai Harbour, the Government of Sri Lanka (GOSL) entered into a Dollar Credit Line Agreement with the Export-Import Bank of India on 10.01.2018 and obtained financial assistance of USD 45.27 million to perform the work.

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- To execute the project work, the SLPA has entered into a Project Management Consultancy (PMC) Agreement with Haskoning DHV Consulting Pvt Ltd on 30.06.2020 and consultancy work has begun on 12.10.2020.
- 47% of progress was achieved and 30% of payment had been released to the Consultant at the end of 2021. Finalized DPR is submitted by the PMC and a cost overrun beyond the granted loan is encountered. Obtaining Cabinet approval for this revised project cost is in progress. Therefore the project construction work is not commenced in 2021 as scheduled.

### (b) 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, Boundary fence/wall, Construction of Water sump, Elevated water tank and Road works and Renovation of the house purchased for Project Administration Work had been completed.
- Actions are in progress by DS Thellipalai to complete the land acquisition work to acquire/purchase 50 Acres of land (16 acres and 34 Acres) located adjacent to KKS Harbour.

### 2. Projects Being Carried Out By SLPA under Port Access Elevated Highway Project (PAEHP)

PAEHP commences from Ingurukade Junction to Galle face traversing through SLPA premises. It is a 4-lane elevated highway with a 5.3km length. This

project cost is 300 USD million and being funded by ADB.

**Maritime Facilitation Centre (SLPA Head Office Building)** Project cost - Rs. 6,200 million and will be funded by ADB)

- In order to facilitate the affected staff of SLPA, it is planned to construct 17 storied building at Canal Yard Premises.
- The project cost is Rs. 6,200 million and funded by ADB and the project will be undertaken by RDA.
- Construction work is planned to carry out in 2 stages as substructure and superstructure.
- The substructure consists of 171 piles and it has been completed.
- Superstructure work is had been started on 02.07.2021.
- 6% of physical progress has been achieved at the end of 2021.

**New Workshop Building Complex** (Estimated Project cost is Rs 1200 million, funding by ADB)

- Due to the PAEHP, SLPA workshops are required to be relocated and planned to construct a workshop complex including 4 no of buildings.
- The project duration is 9 months.
- The estimated project cost is Rs 1090 million (without contingency and tax), funding by ADB and to be implemented under SLPA.
- Letter of Acceptance has been given to the Contractor BEL-DGES JV on 6<sup>th</sup> August 2021 and commenced the

## OPERATIONAL REVIEW

work on 9<sup>th</sup> September 2021. Site clearing work completed. Foundation excavation work commenced. Design confirmation for part of the construction work is received.

- 10% of the Contract Amount has been released as the advance payment in November 2021.
- 12% of physical progress has been achieved at the end of 2021.

### 3. Port of Oluvil

The Oluvil Port currently suffers sedimentation issues 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 financial and technical constraints, none of those methods were implemented.

The Secretary to the Ministry of Ports and Shipping has been instructed to hand over the ice plant and related facilities to the Ministry of Fisheries and Aquatic Resources Development with the approval of the Cabinet Memorandum submitted by the Ministry of Fisheries and Aquatic Resources Development in this regard. Accordingly, the approval of Board of Directors has been taken to hand over the ice plant and related facilities.

### CONTRACTS AND DESIGNS DIVISION

The Contracts & Designs Division is mainly responsible for designing civil engineering structures and executing of civil engineering contracts. In addition, the Stress Bed Section, a direct construction unit, handles construction

works directly and provides necessary facilitation for the implementation of contracts. The contracts handled by the Division during the year 2021, include the widening of the main internal port road, Rehabilitation works of JCT and BQ yards, construction of workshops for equipment maintenance section, refrigerating and air conditioning section, and forklift repair section under the relocation of facilities for an elevated highway project, the civil work component of enhancing deep berth capacity of JCT-V project and construction of water supply sump and pump station in the port of Trincomalee. 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 has been completed in 2021 at a cost of Rs. 141.5 million, while the road stretch from Fire Brigade to Summer Hill was continued in 2021 having commenced the work in 2020. The estimated contract value of this construction work is 176 million.

As part of relocation works for Elevated Highway Project, the Contracts and Design Division has undertaken the construction of three workshops for the Equipment Maintenance Section, Refrigerating & Air Conditioning Repairing Section and Forklift Repair Section. The first two projects were substantially completed in 2021, while construction works of the Forklift Repair Section progressed during the year.

Enhancing Deep Berth Capacity of Jaya Container Terminal (JCT) – V Project

## OPERATIONAL REVIEW

civil work component, which had been awarded in 2018, but not implemented, was continued having commenced the work in 2020. Approximately 30% of work progress was achieved, despite progress being heavily hampered due to the pandemic situation.

The construction of a water sump of capacity 500,000 Liters for Trincomalee Port with an estimated cost of Rs. 30 million was awarded in 2020 and was substantially completed in 2021.

In addition to the ongoing construction works, procurement works of Substation for Ceylon Electricity Board (CEB) at Port of Colombo, Engineering Workshop Building at Trincomalee Port and CIW stores building at Port of Colombo projects were continued at different procurement stages and to be commenced the construction works in the year 2022.

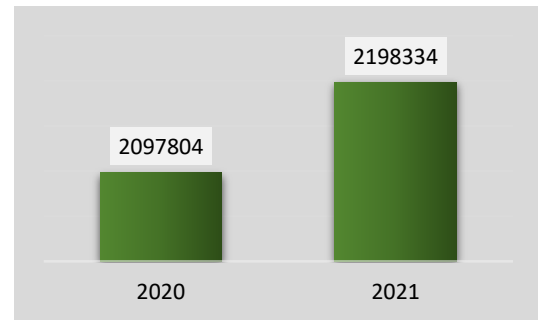
Apart from the above project works, Design Section has initiated design works of some more structures, including rehabilitation works of Galle Port breakwater, motor garage building and installation of pumps for water sump at Port of Trincomalee were various levels of completion during the year 2021.

### OPERATIONS DIVISION

Operation Division of SLPA carried out the following measures in an effort to continue vessel operation uninterrupted and to uphold productivity levels at desired levels during a pandemic hit the turbulent environment. Focus on quality of service, accuracy and efficiency had not been compromised under any circumstance and recorded a growth in terms of containers throughput at SLPA terminals during the year 2021.

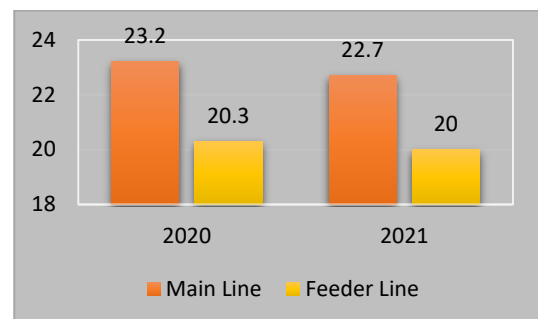
1. Despite the challenges possess by Covid19 pandemic and competing terminals, the SLPA terminals

managed to secure a 4.8% growth in terms of container throughput and recorded 2,198,334 TEUs in 2021 compared to 2,097,804 TEUs in the previous year. This is a tremendous achievement by state terminals despite slack trade volumes in the Asian region while many other regional terminals recorded declines.



Container Volume handled by SLPA 2020 vs 2021

2. In 2021, the average gross crane productivity for feeder and main lines was recorded as 20.0 moves per hour and 22.7 moves per hour. That is a 2.2% and 0.7% reduction respectively compared to the productivity levels in 2020. Congestion in regional ports like Chittagong and other hub ports in the Middle East and Europe /USA caused heavy yard utilization of terminals in Colombo. Despite the congestion, SLPA terminals managed to keep the productivity levels at a certain level which is a significant achievement.

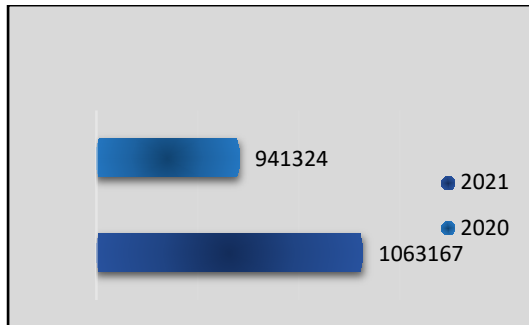


Gross Crane productivity Mainline & Feeder line 2020 vs 2021

3. Inter Terminal Trucks (ITT) volume has grown up by 6% in 2021 compared to the year 2020. In total in

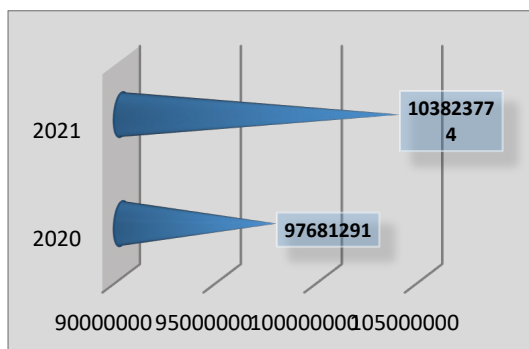
## OPERATIONAL REVIEW

and out ITT volume handled by JCT/ECT was 1,063,167 TEUs. The amount handled in 2020 is 941,324 TEUs.



ITT Volume (In and Out) handled at SLPA 2020 vs. 2021

- Dry bulk tonnage handled in conventional cargo terminals has increased by 5.1% in 2021 compared to the last year 2020. In 2021 the dry bulk volume is stated as 3,140,637 (tonnes). Liquid bulk volume has come down from 5,346,585 (tonnes) in 2020 to 5,230,059 (tonnes) in 2021. The trend in the global shipping industry to shift from bulk formats to containerization affects conventional cargo volumes in general. Overall tonnage handled in Colombo Port including containerized cargo, breakbulk, dry bulk and liquid bulk, has recorded a 6.3% growth in 2021. The total volume in 2021 is 103,823,774 tonnes.



Overall Tonnage Handled in Colombo 2020 vs 2021

- Despite Covid19 pandemic, all categories of JCT/ECT employees were trained to work in N4

environment adhering to health and safety guidelines. A lot of effort had been taken to prepare employees and infrastructure ready for N4 implementation.

- N4 Terminal Operating System implemented at JCT and ECT successfully in April 2021 with minimum terminal downtime and impact on vessel productivity.
- Introducing modules related to N4 system, Auto Stow, Prime Route and Expert Decking took place. Configuration, training and testing of Auto Stow were done with the collaboration of the Navis team.
- Lots of measures took place to counter Covid19 threats to SLPA operations. Every employee at SLPA was double vaccinated and later booster vaccine was given to all employees.
- Except for vaccination, every employee was given free sanitizers, masks, gloves, vitamins and herbals and protective cloths to safeguard from Covid19.
- A new outsourcing mechanism was introduced for the major category of work through Sri Lanka Port Management and Consultancy Service Limited (SLMPCS) to cover up absenteeism and equipment available for operation.
- Carried out random PCR and Rapid Antigen Tests to detect and counter the spread of Covid19 virus within port premises.
- Conducted continuous employee awareness programs to make employees understand how severe the competition JCT has with other terminals in the region. Employees

## OPERATIONAL REVIEW

were made aware of the demands of shipping lines for accurate operation and fast vessel turnaround time. They also acknowledged the internal and external challenges JCT will face in the future and what measures we should take to overcome such challenges. Programs were conducted under health and safety regulations.

13. Specially designed awareness and motivational programmes targeting all categories of JCT/UCT employees with the aim of continuous efficiency improvements, health and safety, and administrative procedures have been successfully conducted with the guidance and participation of top management, duty manager and executive officers. Programs were conducted under health and safety regulations.
14. JCT V extension project commenced to further extend the JCT quay wall by 120 m.
15. The foundation stone for the new CFS was laid at the Unity Container Terminal with the aim of expanding logistical activities under SLPA.
16. Yard segregation went into detail to counter the congestion rising due to high ITT volume and high turnover of containers. Strict manpower and equipment allocation were followed to mitigate the impact on vessel productivity.
17. Representatives inclusive of all three terminal operators set up a team to streamline ITT transfers. Team meetings take place at JCT premises daily basis.
18. Restoration of quayside, prime mover lanes and middle roads, is plausibly in progress. This would ensure the smooth functioning of terminal

operations. Apart from that, RTG lanes and stacking areas were also refurbished to facilitate terminal operations.

19. The preliminary stage of the Port Community System is in progress. Aiming to digitizing of internal documents and sharing among respective authorities under relevant privileges.

## LOGISTICS DIVISION

The main function of the Logistics Division is to affect the delivery of all cargo comprising Full Container Load (FCL), Less Container Load (LCL) Containers Break 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 2021, 123,477 TEUs of FCL containers were directly delivered and revenue of Rs.2,351.88 million was earned from the Customers Services Center of the Logistics Division by providing round the clock services. Further, SLPA has facilitated the electronic submission of documents and an e-payment system for FCL/LCL deliveries to minimize human interaction as precaution measures to the Covid19 Pandemic Situation.

A total cargo volume of 23,117 TEUs of LCL and Multi-Country Consolidation (MCC) containers were de-stuffed at Container Freight Stations in SLPA whilst providing the warehouse space inside the port of Local, TS, MCC Operations and a special type of cargo. Both stuffing and de-stuffing MCC container volumes in 2021 is 14,106 TEUs. Revenue of Rs. 202.24 million has been generated from de-stuffing LCL containers and recovered Rs. 1,184.68 million as landing and delivery charges

## OPERATIONAL REVIEW

for LCL containers and bulk cargo deliveries. Revenue from the MCC was Rs. 210.19 million. Revenue from special and normal operations done by Logistics Division was Rs.43.39 million. In addition, the revenue of Rs. 121.29 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 the CFS - V warehouse, demand for bonding trade was increased and total revenue of Rs.77.62 million has been collected.

By conducting Public Tenders and Auctions to dispose of abandoned cargo, discarded cargo, total revenue of Rs.271.75 million was collected whilst generating additional revenue of Rs.11.40 million by disposing of scrap iron, waste oil and used tires etc. through SLPMCS Ltd.

During the year 2021, 138 new licenses have been issued to the clearing agencies and 1,350 licenses were renewed making a total of 1,488 licenses, generating revenue of Rs.31.82 million by issuing and renewing passes to wharf clerks of both categories 'A' and 'B', total revenue of Rs.7.69 million has been collected. The total "A" passes issued and renewed during the year has been recorded as 3,086 while "B" passes were 328.

The revenue generated by Logistics Division in 2021 from the services rendered amounting to Rs. 4,625.72 million.

In 2021, 70 applications have been received for waiver of rent from the consignees through the Ministry of Ports and Shipping, out of them, 16 applications were recommended and 03 were rejected. The balance is pending decision from the Ministry.

### Improvements and Development during 2021

- Expanded implementation of Warehouse Management System (CMS) to Peliyagoda Warehouse Complex. Now CMS has been implemented at all LCL warehouses.
- The 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 warehouses by increasing usage of Nestainer (Cargo storage bin) in warehouses.
- Extended the temperature control area of bonded warehouse, enhance the space by installing a few racks and introduced a bin card system for all bonded cargo to maintain inventory accuracy.
- Initiated to develop facilities for trailer-based de-stuffing / stuffing operation at BQ to increase the productivity level of warehouse operations. Also, refurbishing of offices, restrooms and other general facilities at the BQ warehouse complex are planned and development is initiated.
- The new area is allocated for Transshipment and MCC cargo at BQ I to facilitate the growing demand for TS/MCC cargo.



## OPERATIONAL REVIEW

### 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	3,180	Bunkering	35
Conventional	62	Repairs	42
Dry Bulk	167	Passenger	0
Liquid Bulk	177	Other Services	10
Roll on Roll off	1		
Other Cargo	1		
<b>Total</b>		<b>3,675</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 16,869 movements were performed by the Berthing Tugs and the details are given below;

Name of Tug	No of Movement
MT Gotaimbara (65BP)	852
MT Suranimala (65BP)	2,085
MT Barana – II	2,040
MT Nandimithra	2,018
MT Vijayabahu	735
MT Airawana	1,156
	<b>8,886</b>
<b>Hire Tugs in Colombo</b>	
Tug Hercules	2,416
Tug Push Hardy	2,766
Tug Push Husky	2,801
	<b>7,983</b>
<b>Total</b>	<b>16,869</b>

#### Position of Tugs

##### Berthing Tugs in Colombo (SLPA)

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

##### Hire Tug s in Colombo

- Tug Hercules
- Tug Push Hardy
- Tug Push Husky

# OPERATIONAL REVIEW

## Tug Stationed at Out Ports

### Trincomalee

- MT.Singhabahu
- MT.Neelamaha
- MT.Therapuththabaya
- MT.Mahasen

### Galle

- MT.Kanchadeva
- Mt.Velusumana

### Hambanthota

- MT.Varuna
- MT.Vasabha
- MT.Ravana
- MT.Pandukabhaya

## Revenue Earned – Tug Services (Colombo)

Year	Rs. Million
2021 Actual	1,567.53
2021 Revised	1,854.07
2022 Projected	1,584.46

## Chief Engineering Officer's Section

Adequate staff was available during the year 2021 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, 2021 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	32
Navy Rehearsal	02
Stand By Duties For Oil Tankers	179
Stand By Duties For Gas Tankers	20
Stand By Duties For Hot Works - charged	699
Stand By Duties For D/C Handling	11
Supplying Water To Wash Piers/Warehouses Etc.	43
Pumping out water	02
Oil Pollution Control Work	15
Inspection Visits Oil Tanker	274
Inspection Visits To DC	476
Supply fire water bowser to tug	59
Emergency evacuation drill	07
Emergency Responded	37

## Fire Safety Activities

- Fire safety inspection in all building/ Cranes/ Vessel / were carried out.
- Fire equipment in Colombo Harbour and Galle Harbour were inspected.
- During the year total No of fire extinguishers. Checked / Serviced = 2,750.

## OPERATIONAL REVIEW

### Revenue

Revenue earned by P.F.B.in 2021

Description	US \$	Rs
Fire Calls	19,460	1,595,400
Stand By Duties For Gas Tankers	25,900	
Stand By Duties For Oil Tankers	186,132	
Stand By Duties For Hot Works	15,025	
Stand By Duties For Dangerous Cargo	17,420	135,500
Charges For Inspection Visits	2,720	
Charges For Oil Pollution Control	8,970	691,600
Emergencies Responded	1,660	10,000
<b>Total Income</b>	<b>277,287</b>	<b>2,432,500</b>
<b>US\$ 277,287 x 202.70</b>	<b>56,206,074.90</b>	<b>2,432,500</b>
<b>Total Income</b>	<b>SLR.56,638,574.90</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.

- 5840 vessels called at the port of Colombo and discharged 532,373,344 MT of local dangerous cargo and 1,506,755,403 MT as Transshipment cargo.

- 39,500 Container were handled as transshipment dangerous cargo.
- Two hundred and ninety five (295) Various Type of Tanker called at Port of Colombo and discharged cargo.
- 21,747 MT of high explosive (GPIE) and 25,314,131 MT of explosive nature substances (GP IAE/IEE) were handled.
- Several chemical Spillages and fire incidents were handled with the assistance of the port Fire Brigade
- Inspection of the warehouse including the 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 incidents.
- Investigation and 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 in the course of lectures for employees through Mahapola Port and Maritime Academy.
- The personal safety of mooring gangs attached to the Navigation Division was monitored, especially in using Personal Protective Equipment with the assistance of Asst. Harbour Safety Inspectors.
- L.P. gas and (petroleum) Oil discharging activities were inspected

## OPERATIONAL REVIEW

regularly with the assistance of Asst. Harbour Safety Inspectors.

- Removal of shipboard waste (Garbage and sludge oil and Sewage) 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. The action was taken against the Vessel Agent for non – declaration of Dangerous Cargo.

### Coast Lights Section

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

### Light Buoys in Channels

Light Buoys were regularly checked and maintained. Mariners were duly warned of any malfunctions by way of Circulars to CASA, SLAVO, LASO and the UK Hydrographic Division.

### Revenue – Light Dues - All Three Ports Rs. million

	2019 Actual	2020 Actual	2021 Actual
Revenue			
Light Dues	1,711.97	1,650.83	1,519.77

### 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
- JCT 5 Project consultation.
- ECT Extension project consultation.
- WCT project control network for a lease agreement.
- Preparing Title reports of SLPA Lands for Legal Division.
- Observation and Maintenance of Colombo Tidal data station.

### Port of Galle

- Observation and Maintain of Galle Tidal and metrological data station.
- Survey and plan work for Lease Agreement.

### Port of Trincomalee

- Observation and Maintain of Trinco Tidal and metrological data station.
- Survey for new Encroachments.

### Nautical Section

The annual registration and issue of licenses to Ship Chandlers, Launch Operators, Marine Surveyors, minor and major repair workshops, Oil and Oily

## OPERATIONAL REVIEW

water garbage reception facilitators, were coordinated by this Section.

Name of the License		No. issued	Revenue
Ship Repair License		146	14,185,817.91
Dockyard License		58	2,865,751.26
Survey License		42	3,589,298.32
Ship Chandlers License		112	11,339,608.80
Boat License		48	5,991,563.41
SAGT & other License		09	478,568.70
<b>Total</b>			<b>38,450,608.40</b>

### MECHANICAL WORKS ENGINEERING DIVISION

The main purpose of the Mechanical Works Engineering Division is to keep all structures, and 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, the casing of new spare parts required for cargo handling equipment, marine crafts and all other works of all ports and port-related activities. The 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.

- Constructions of 3200 MT Fuel Tank for Colombo Oil Bank.
- Installation of foam fire system for Colombo Oil Bank.
- Replacing of Trolley Rails of Gantry Crane No. J-10.
- Structural renovation of IHI Crane 04.
- Installation of one weighs bridge for ECT in Gate.
- Reconstruction of the steel bridge at the passenger terminal (75% completed)
- Fabricating 1000 Nos. of steel beds for Hospitals and SLPA Covid center.
- Fabricating 63 Nos. of Covid prevention steamers.
- Fabricating a mud pipe and Y bend of Hansakawa Dredger.
- Fabricating of 02 Nos. of new doors repairing of 02 Nos. of doors for BQ-04 Warehouse Building and partition work for the BQ-04 warehouse building as the request of Custom.
- Repairing of Trolley Rails of Gantry Cranes (Crane Nos. No. J-03, J-02, J-04, J-01, J-07, J-16, J-15) and repairing the steel structure of Gantry Crane J-14, Transfer Crane Nos. 17 & 66 and 61.
- Modification of 06 Nos. Steel brackets for ECT fenders.
- In addition to above more than 300 major steel repair works, more than 450 major machining works, more than 650 major fitting works and more than 300 different mechanical

## OPERATIONAL REVIEW

works related jobs were carried out by the 07 workshops of the Mechanical Work Division for the various divisions in SLPA.

### MECHANICAL PLANT ENGINEERING DIVISION

Mechanical Plant Engineering Division comprises nine sections.

It includes the Gantry Crane Maintenance unit which is responsible for the maintenance of 19 Nos Ship to Shore Cranes, 62 Nos Rubber Tyred Gantry Cranes and 04 Nos Rail Mounted Gantry Cranes in Jaya Container Terminal and East Container Terminal.

Two Cargo handling Equipment Maintenance Units maintain the Prime-movers, Terminal Tractors, Trailers, Reach Stackers, Top-lifters and Forklift Trucks.

Motor Garage and Diesel Engine repair Units undertake the maintenance and overhauls of vehicles and Diesel Engines.

In addition to that Mobile Cranes, Earthmoving Equipment and Road rollers are maintained under the Mechanical Plant Engineering Division.

Leasing and hiring of vehicle services to the ports Authority are executed through the Division. Leasing and maintenance of Two Edible oil Storage Tank farms are also overseen by it.

### CIVIL ENGINEERING DIVISION

Civil Engineering Division is mainly responsible for the 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 is also undertaking management and execution of projects including tender proceedings, material purchasing, construction supervision and quality controlling and contract management of construction projects and minor new 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 a successful solid waste management system has been established by Civil Engineering Division.

Major renovation and rehabilitation work completed /in progress by the Civil Engineering Division during the year 2021 are summarized below.

- Rehabilitation of Galle Face Green
- JCT container yard rehabilitation works.
- Painting and repairs of Chaithya.
- New firefighting system for CFS- 1 warehouse with new pump house.
- Renovation of boundary wall of Port of Colombo.
- Repair and painting of water towers.
- Renovation of Peliyagoda Bachelor Quarters.
- Renovation of welfare building at BQ.
- Laying of oil pipeline at UCT.
- Construction of proposed new store complex for SLPA.
- Renovation of circuit bungalow at Galle.
- Construction of platform for BQ operation.

# OPERATIONAL REVIEW

## ELECTRICAL AND ELECTRONIC ENGINEERING DIVISION

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

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

Following jobs competed under the scope of the Electrical & Electronics Engineering Division during the year 2021.

- Upgrading of high voltage power network at Port of Colombo.
- Installation, testing and commissioning of the power distribution network at ECT including HT & LT panels, STS Crane power connection and reefer power distribution.
- Implementation of data communication wireless and wired network at ECT.
- Upgrading of high voltage power network at Port of Trincomalee and Port of Galle.
- Upgrading of LV power distribution, telephone network, Data communication wireless and wired network, maintenance of electrical system of Tug boats & launches, navigational aids and marine communication.

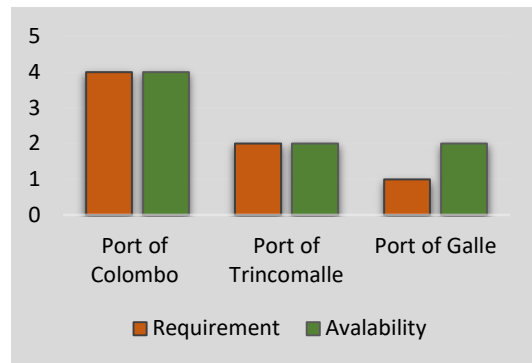
## MARINE ENGINEERING DIVISION

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

### Marine-I

#### Refit Engineering Section

#### Vessels maintained by Refit Engineering Section



*Tug availability in the Year 2021*

Refit Engineering Section is mainly responsible for conducting maintenance and 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 and one berthing tug for Galle while it was carrying out machinery repairs with fulfilling Lloyds Register classification survey requirements of these floating crafts.

Also trailing suction dredger “Hansakawa” and Grab Hopper Dredger “Diyakowula” were maintained in operational condition in the year 2021 by

## OPERATIONAL REVIEW

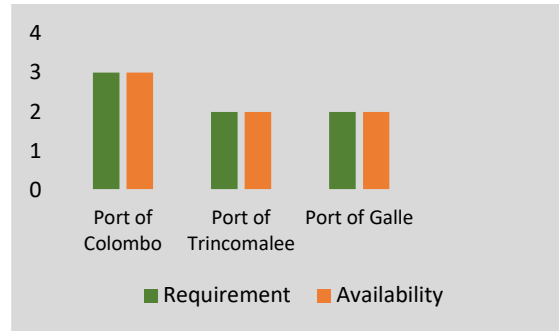
Refit Section. However, dredger Hansakawa had to be laid up for a few months at end of the year to complete, hull cleaning, painting, under machinery services, main and auxiliary machinery services and other preventive works that were required to perform to maintain the class notation.

Also In Water Surveys (IWS) instead of dry-docking surveys and annual and other periodical surveys were carried out in the vessels where the class notation is maintained, in order to keep the vessel in class.

The major achievements in this year, under gearboxes of the propulsion units of M/T Gotaimbara, were dismantled, worn out parts were identified and machined to oversize components which were machined in locally. Generally, the entire job is carried out by service Engineers from M/s Rolls Royce OY Ab, Finland however due to Covid-19 pandemic situation, they refused to attend the job and to provide technical knowhow for machining oversize components. The SLPA engineers calibrated all components and designed the sizes of the components which had to be machined. Finally, Engineers at the Refit section did the roll of service engineers from the manufacturer; M/s Rolls Royce OY Ab, Finland and completed the job successfully.

### Engineer Harbour Craft Section

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



*Pilot launch availability in the Year 2021*

The Pilot launches “Pilot 15” and “Pilot 14” were refurbished during the year by the Engineer Harbour Craft Section. Routine maintenance and repairs of all pilot launches, mooring launches and other Crafts of SLPA were successfully concluded including repairs works for the Crafts at Trincomalee and Galle harbours in the Year 2021.

Classification surveys were successfully carried out on all Pilot Launches 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 and maintenance of towing tugs, motor launches, water barges, and deck barges used by the Operation Division.

The section has facilities to manufacture and supply wire slings according to different requirements of various sections of the SLPA and also to the outside parties during the year 2021. Additionally, this section is capable to fulfill the requirement of curtains, canvas covers awnings, and tent clothes for SLPA and also to the other outside institutions.

During the year, the section attended major repairs of Pilot Launches 10, 12, 14



## OPERATIONAL REVIEW

& 15, Mooring 1 & 3 crafts, Tug “Gotaimbara”, ”Nandimithra” and “Dheera”. Also, attended major repairs in Water Barges 7, 16, 17 & 18 and dredger “Hansakawa”. The digger 4 of SLPA was taken into slipways for necessary running and major repairs. Also, the section assisted for gantry rail installation of ECT by completing surface preparation and painting of rails, which required for the above project within the timeline.

### New Beira Section

The section is mainly responsible for the maintenance and repairs of steel cargo lighters and barges used by the operation division. During the year, the section has attended the repairs and maintenance of Water Barge 15, Deck Barge 2007, Tug “Gotaimbara” and “Nandimithra”.

### Ship Wright Section

The shipwright Section is mainly responsible for all wooden repair works and fiberglass repair works of floating crafts of the SLPA. The shipwright section also carried out repairs to wooden furniture, paneling work and 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

Human Capital is the key component of SLPA. By 31.12.2021 our human capital comprises over 8,900 employees. Out of this, the total headcount at the Port of Colombo was 8,285 whilst at the Port of Galle and Trincomalee were 331 and 381

respectively. Our talent procurement strategy consists of multiple sourcing channels both internal and external. With a view to enhancing employees’ motivation, we prioritize internal candidates for vacancies prior to considering external sources of recruitment. Recruitments are non-discriminatory and based on individual merits.

In addition to an attractive remuneration package, medical insurance, reimbursement of medical bills, supporting continuous professional development (paying of professional allowances) and reimbursement of professional memberships are also given to our employees.

We have set up Committees such as HR Committee, and Appeal Committee to address all employee grievances in order to set our workforce towards the organizational strategic direction. Although during the Covid19 pandemic situation the committees met several times, discussed and granted possible solutions for every appeal within the organizational policies and guidelines.

Employees are provided with ample opportunities to participate in sports and welfare social activities, awareness programs etc. for health and well-being as well as work-life balance.

As of the year under review, the executive and non-executive grade employee composition is as follows,

Employees Category	Perman ent	Contract Basis	Total
Executive	526	01	527
Non-Executive	4,634	-	4,634
Technical/Non-technical	3,836	-	3,836
<b>Total</b>	<b>8,996</b>	<b>01</b>	<b>8,997</b>

## OPERATIONAL REVIEW

During the year 2021, 182 new recruitments were made out of which 14 were executive positions. In addition to that 522 promotions have been made to fill internal vacancies.

The following examinations were conducted during the year 2021 to fill the internal and external vacancies in order to carry out corporate activities without any interruption.

- Purchasing Officer
- Stores Officer
- Management Asst.
- Assist. Security Officer
- Supra Management Asst.
- Engineers
- Asst. Suptd. (Welfare)
- Asst. Suptd. (Ops)
- Asst. Cook
- Administrative officer
- Superintendent (Security)
- Planning Asst.
- Work Suptd (Mechanical)

As per the guidelines of the Operational Manual for the state-owned enterprises 01/2021, new Recruitment Schemes for Executives and non-executives, cadre composition, Human Resource Policy, etc. are being formulated. It is expected to finalize these manuals/documents during this year with a view to creating a knowledgeable and skilled workforce.

The Human Resource Division has concluded approximately 159 disciplinary inquiries in 2021, in order to maintain a disciplined workforce despite the pandemic situation.

The total out-going employees for the year 2021 was 482 and details of those are as follows;

Retirement (compulsory and early)	404
Death	34
Dismissal	07
Resignation	18
Vacation of Post	17
Retirement on Medical Grounds	01
Termination	01
<b>Total</b>	<b>482</b>

Due to accidents only one (01) employee has died and Rs. 550,000/= compensation has been paid. Approximately 35 employees have been granted leave due to accidents.

SLPA acknowledges the human rights of its employees and supports their right to freedom of association and collective bargaining. Upon discussions between the trade unions and the management, a remarkable pay rise was granted for our employees with effect from 01.01.2021 and subsequently rectified the salary anomaly incurred during the past.

### MAHAPOLA PORTS AND MARITIME ACADEMY (MPMA)

#### Background of the Training Division

The MPMA, the training wing of the SLPA is committed to achieving its main objective of providing training facilities to the port employees, port users, other interested local and international trainees in the maritime sector and on-the-job trainees. MPMA has also planned to arrange a series of awareness programs, seminars, workshops and practical training sessions to enhance and update the knowledge, skills and attitudes of the target groups. During past years the MPMA has conducted a significant number of workshops to improve the

## OPERATIONAL REVIEW

productivity team-building capabilities, technical skills and customer services as well as public relations and quality of service to employees. In addition, MPMA facilitated pathways for port employees to upgrade their competency level and specialize their skills of port operations through customer-oriented courses that lead to value-added certificates.

In 2021, MPMA has provided training to about 4,154 candidates (except on-the-job training) covering up to 33,783,260 Man-Hours. In addition, on-the-job training has also been provided for 231 Undergraduates. Students of Technical Colleges and other similar Vocational Training Institutes.

Overall Training Performance of the year 2021

<b>Training Stream</b>	<b>No of the Candidate Trained</b>	<b>No of Man Hours</b>
Maritime and Seamanship	1,435	18,135,560
Fire Safety & Occupational Health	827	4,159,550
Equipment Operation	1,711	8,775,650
Management	107	1,842,500
Information System	73	860,000
Technical	1	10,000
<b>Grand Total</b>	<b>4,154</b>	<b>33,783,260</b>

Overall on-the-job training performance during the year 2021

<b>On-the-job Category</b>	<b>No of Students</b>
NAITA Craft Trainees	-
Government Universities	51
Private Universities	92
Other Vocational Training Institutes	88
<b>Grand Total</b>	<b>231</b>

Like all institutions of the world, the MPMA too has experienced the impact of the unexpected Covid19 pandemic situation. However, the MPMA could manage to exert its optimum effort to educate and make aware the employees and port users follow the health guidelines against the Covid19 virus.

### **Introducing new training opportunities to fulfill the eligibility and qualifications of employees of SLPA in terms of new scheme of promotions**

The MPMA has observed that SLPA needs National Vocational Qualification (NVQ) levels for most of the promotions of employees and as a solution for this requirement the MPMA has planned to introduce many structured bridge training programs and NVQ certification programs in collaboration with TVEC/NAITA that suits SLPA. In addition in 2021, MPMA has conducted a number of NVQ training programs that are accredited by TVEC for value-added to SLPA under the training streams of Information Systems, Management and Equipment Operations.

Moreover, the MPMA commenced Diplomas in Port Operation Management to enhance the knowledge and fulfill the qualification of SLPA executive and non-executive categories. In addition to that, the MPMA has planned to introduce another diploma programs under other training streams such as Diploma in Logistics Management, Diploma in Management Information Systems, Diploma in Human Resource Management, Diploma in Accounts and Audit and Diploma in English.

### **Contribution to enhancing overall port productivity**

MPMA conducts a number of skills Development Training Programmes in

## OPERATIONAL REVIEW

various disciplines based on port activities to enhance the overall port productivity. Such as;

- Finance and Accounting procedures of the port sector.
- Accounting and Auditing of the port sector.
- Procurement procedures and Stores Management.
- Clerical Skills Development and Administration procedures.
- Human Resource Management
- Positive Thinking
- Occupational Health & Safety precautions.
- Ports Operation and Management.
- Engineering Drawing for supervisors and Technicians.
- PLC and Motor Control Circuits.
- Electric and Electronics for Electricians.
- Plumbing, General Fitting and Welding Course.
- Advanced Computer Training.
- Equipment Operation Training.

### Supporting Local and International Maritime Industry

MPMA has made a significant contribution to the Global Maritime Industry by introducing and providing Maritime-related Training Programmes for local and international seafarers. Under the ILO and NUSS contribution, the MPMA trained 25 Seafarers and 75 underprivileged unemployed Sri Lankan youths, who obtained employment in International Shipping Lines through these programs. Further, 1,405 Seafarers were also trained under the Maritime and Seamanship stream who are now serving in different positions.

### ISO 9001:2015 Certification

It is a mandatory requirement to conduct any type of maritime training program for

seafarers under IMO/ STCW conventions. Therefore, as a pioneer maritime educational institution in Sri Lanka, the MPMA has achieved ISO 9001:2015 Quality Management System certification from Indian Registrar Quality Systems (IRQS). During the year 2021, the IRQS has conducted one Certification Audit and one Renewal Audit under the ISO 9001:2015 guidelines online. In addition to that, the MPMA has also completed a process of an audit conducted by the Merchant Shipping Secretariat.

### MPMA collaborates with other AMTI in Sri Lanka.

The MPMA has signed MOUs with other approved maritime training organizations in Sri Lanka to share Soft and Physical Resources to conduct Maritime and Seamanship related training programs with Sri Lanka Navy.

- Lanka Academy of Technological Studies (private) Ltd
- CINEC
- UNK Global Maritime Institute
- Merchant Shipping Secretariat
- Ocean University
- Winston Company PVT Ltd.
- British Council
- Raknalanka Pvt. Ltd.
- Kothlawala Defense University

### Revenue Earned

Even under the Covid-19 outbreak, the MPMA earned significant revenue by conducting fee levying courses for external and internal candidates. During the period from January to December in 2021, the MPMA earned a sum of Rs. 43,588,025/= as revenue by conducting fee levying programs as well as the revenue earned from various divisions of SLPA by conducting training to their employees to improve the overall efficiency of port operations was

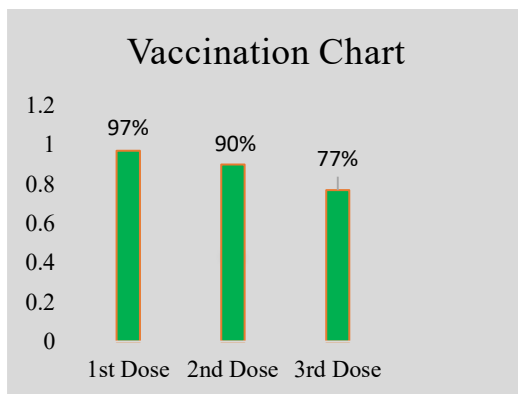
## OPERATIONAL REVIEW

Rs.17,217,000/=. Therefore total revenues earned by MPMA during the year 2021 was Rs.60,805,025/=. Total expenses for courses conducted were Rs. 12,166,676/= during the year 2021.

### MEDICAL DIVISION

The Medical Division fulfilled normal functions smoothly in spite of the challenges and disturbances that had to face in relation to the ongoing Covid19 epidemic.

1. Especially at the beginning of the year 2021 we had to continue the surveillance activities of the Covid19 patients on the SLPA premises as per the guidelines of the Ministry of Health. Our mortality rate due to the Covid19 epidemic was almost zero.
2. Mass vaccination against Covid19 was completed giving 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> doses for the SLPA employees.



3. Intermediate Covid19 Treatment Centre (ICTC) was planned and established at Paliyagoda on 30.08.2021. Our Covid19 infected patients were kept under observations and treated indoors without any complications to the patients. Transportation of the same patients to the ICTC and at times to other destinations was done with permission from the management.

4. Dengue Surveillance and control procedures were commenced as well as the Covid19 was highlighted more. This Dengue program continues with daily updates.
5. In view of the World Diabetes day, a diabetes screening program was carried out from 14<sup>th</sup> October to 14<sup>th</sup> November 2021. Many undiagnosed patients were detected while the old diabetes patients were reviewed with blood tests and medical education.
6. Maintained fairly satisfactory medical services throughout day and night in the year 2021 as well.
7. Many lives were saved or treated in time by utilizing the 24-hour ambulance services. Also this facility was given in special instances such as blood donation camps inside the SLPA premises, and kept in attendance with the ambulance medical team whenever a VVIP was visiting the ports for various functions.

### WELFARE AND INDUSTRIAL RELATIONS DIVISION

#### Introduction

In achieving its objectives and aims, the Sri Lanka Ports Authority specifically focuses on its Human Resource. The methodology of management of Human Resource is almost different from that of the physical resource. Therefore, role of the welfare and Industrial Relations Division stretched to various directions with a view to providing facilities aiming at uplifting the living standard of employees to better and more satisfactory situation, in 2021.

## OPERATIONAL REVIEW

### Supply of Free meals – day/night

The Central Kitchens Section of this Division provides free day/night meals only to the employees of office category and Day/Night meals with snacks and tea for those on shift duty. Rs. 785,901,294/- has been spent on 2617089 meals and Rs. 323,216,864/- on 4144898 on Day/Night meals and snacks and tea during 2021. Accordingly, the total expenditure for meals during 2021 in Rs. 1,109,118,158/-.

### Reimbursement of Medical Bills.

A total sum of Rs. -/32,651,631 inclusive of Rs. -/9,785,000 for spectacles and a sum of -/22,886,631 for outdoor medical bills respectively has been reimbursement to the employees during the recurrent year.

### Award of scholarships for children of employees

Scholarships are awarded to Sri Lanka Ports Authority employees' children who have passed in the G.C.E. (O/L) @ Rs. 750/- per month for a period of two years and Rs. 2,500/- per month for University education for the number of years of the relevant degree. Accordingly, Rs. 5,487,500/- has been spent as Rs. 2,187,000/- for G.C.E. (O/L) scholarships and as Rs. 3,300,500/- for university scholarships in the year 2021.

### SLTB Buses for employees' transport facilities

In the face of the Covid 19 pandemic situation as it was essential for the Authority to function smoothly, 23 SLTB Buses were provided for transporting employees to and from office in the morning and evening bearing a total expenditure of Rs. 75,779,850/- in 2021.

### Prevention from Covid 19 -

Following facilities were provided to the employees who reported for duty at the risk of Covid 19 pandemic situation.

- Providing facilities to purchase essential food items at the port premises.
- Supplying a bag of essential items in hospitalizing Covid – 19 positive employees.

A sum of Rs. 10,000/- is added to the salaries of employees affected by Covid 19 during their hospitalization instead of sending a dry food package to their homes. The cost for the relevant year is Rs. 13,770,000/- in 2021.

### Gifts of Gold Sovereigns and tea sets

Gold sovereigns are awarded to employees who retire or resign from service after 15 years of service. A valuable porcelain tea sets are awarded to all employees who complete 30 years of service in the Authority. 394 gold sovereigns and 163 porcelain tea sets have been awarded in 2021.

### SLPA Welfare Bus Service

SLPA welfare bus service was inoperative during Covid 19 pandemic period in 2021 except for 78 official movements and 166 movements for employees' requirements totaling 244 movements.

### Housing loans

Rs. 500,000/- has been paid under the housing loan scheme in 2021.

## OPERATIONAL REVIEW

### Welfare Canteens

Rs. 11,799,561.11 has been received as lease rent from welfare canteens running in the port premises.

### Refreshment for special ceremonies

Refreshments for special ceremonies, conference etc., have been provided with prior approval of the higher management.

### Reception Halls

Reception halls were provided only for official functions.

### Bachelors' Quarters

Bachelors' quarters are being utilized as a Covid 19 treatment Centre and the accommodation for inmates was made available at Modara Rest Room and Rest Room at East Container Terminal.

### Port Marine Museum

There was a drop in the visitors for the museum due to Covid 19.

### Industrial Relations

Disputable situations leading to disruption in the productivity of the SLPA could be avoided to a great extent by industrial relations.

### Welfare Library Services

A sum of Rs. 200,000/- has been allocated for 19 welfare libraries on the basis of the number of members.

### Sports Facilities

Monetary provisions amounting to a sum of Rs. 712,000/- and transport facilities have been provided as facilities for sports.

### Day Care Centre and the pre-school

The day care Centre and the pre-school were closed as per government decision but at end of the year reopened under the health guidelines.

### Rest - Room

Infrastructure facilities and indoor sports goods were provided for the rest-room

### Death Donations

A wreaths and a memorial plaque is provided in a death of an employee while on duty as a bid of farewell. 11 wreaths and 11 memorial plaques were provided in 2021.

### Circuit Bungalows

Circuit bungalows have been closed temporarily due to Covid – 19 pandemic situation.

### Welfare Leave

41 application for welfare leave were received for the period from 31 January 2021 to 31 December 2021 and of them approval has been obtained for 1638 ½ days with pay.

### 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 Shipping, The State Ministry, Other Public and Private Sector Organizations etc.) coordinating with all

## OPERATIONAL REVIEW

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 SLPA Annual Report 2020, Action Plan 2021, 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 2021.

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 2021 and 16 of them were investigated by end of the year and the one pending appeal is 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 2021, 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.

Twenty circulars have been issued in 2021 on instructions given by the Higher Management of the Authority through

Secretariat 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 2021.

Type of payment	Member	Payable Amount	Claimed Amount (in Rs.)
Hospitalizations	2,167		94,800,167.81
Critical Illness	36		30,215,879.00
Deaths			
• Death by natural causes	28	700,000	19,600,000.00
• Death by accidents	06	2,000,000	12,000,000.00
			<b>156,616,046.81</b>

SLPA paid for the family unit from 01.09.2020 to 31.08.2021 for 12 months	111,471,000.00
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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 in the mid-year keeping in line with the health guidelines.

A pirith chanting Ceremony and Almsgiving were held on the 31.12.2021 to invoke blessings for the people of Sri Lanka.

### INFORMATION SYSTEMS DIVISION

- The upgraded version of the Terminal Management System (N4) was successfully implemented and went go live on 29<sup>th</sup> April 2021.



## OPERATIONAL REVIEW

- Implementing of DR site for the Oracle E-Biz suite has been initiated and preparation of Bid documents is in progress.
- Procurement of Terminal Management System for Semi-Automated East Container Terminal has been initiated and implementation shall be completed within 16 months with the first lot of equipment.

### SUPPLIES AND MATERIAL MANAGEMENT DIVISION

#### Functions

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

#### Progress of the year 2021

#### 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)	12	290
mPC – A (From Rs. 500,000 to Rs. 20,000,000)	53	2,798
mPC – B (Approval limit less than Rs. 500,000)	102	6,009

#### Total Expenditure during the Year 2021 on Foreign Purchase

- C & F Value
  - i. Non-Capital Items - Rs. 439 million
  - ii. Capital Items - Rs. 5,613 million
- No. of Letters of Credit opened (including D/A , D/P) - 73
- No. of Telegraphic Transfer orders opened - 23

#### Details of the goods cleared by the Wharf Section 2021

- Sea Freight - 53
- Air Freight - 43
- Parcel Post - 02

Value of Stock as at 31.12.2021 is Rs. 860,803,475.76.

## OPERATIONAL REVIEW

### Main Store and Stock Control

Value of Goods received at stores(During the year 2021 (Non-Capital)	Rs. 2,578,231,559.99
Value of Goods received at stores(During the year 2021 (Capital)	Rs. 2,813,929,728.79
Value of Goods issued to user sections(Non-Capital)	Rs. 2,550,530,581.97

### LEGAL DIVISION

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

#### Advices

During the year 2021, over 165 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.) to which the SLPA is a party to, also comes under the purview of the Legal Division.

#### Contracts, Agreements, Bonds, and Deeds

During the year 2021, 23 Lease Agreements and 17 Agreements/Contracts, Addendums and Memorandum of Understanding (MOU) have been executed by the Legal

Division. In addition to those instruments, the following Agreements and Bonds have been executed: -

- 04 Agreement and Bonds in respect of No-Pay leave for employment abroad.
- 03 Agreements and Bonds in respect of training and education in Sri Lanka and abroad.
- 16 Pilot Bonds
- 02 Custom Bonds

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 2020 altogether 232 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 2021, 80 new cases/complaints/applications have been filed against/by SLPA (i.e. before the 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 of 312 cases, 38 cases have been concluded during the year 2021.

As at 31.12.2021, 274 cases/complaints/applications/ inquiries are pending before the said Forums.

# OPERATIONAL REVIEW

## Supreme Court Cases

At the end of the year 2020, 48 cases were pending. During the year 2021, 17 new cases have been filed. Out of all 65 cases, 14 cases were concluded (Two were withdrawn, one was terminated and 11 cases were dismissed). As at 31.12.2021, 51 cases were pending before the Supreme Court.

## Court of Appeal Cases

Thirty-one cases were pending as at 31.12.2020. During the year 2021, 23 new cases have been filed against SLPA. Out of a total of 54 cases, 12 cases were dismissed, 01 case was withdrawn and 01 case was terminated. As at 31.12.2021, there were 40 cases pending before the Court of Appeal.

## High Court Cases

As at 31<sup>st</sup> December 2020, 11 cases were pending at the High Court. No new case has been filed during the year 2021. No cases were concluded. As at 31.12.2021, there were 11 cases pending before the High Court.

## District Court Cases

Fifteen cases were pending as at 31.12.2020. During the year 2021, 11 new cases have been filed. Out of a total of 26 cases, one case was concluded. As at 31.12.2021 there were 25 cases pending before the District Court.

## Magistrate Court Cases

As at 31.12.2020, 06 cases were pending at Magistrate Courts. During the year 2021, 01 new case has been filed in Magistrate Courts. Out of total 07 cases, one was decided in favour of SLPA. As at 31.12.2021 there were 06 cases pending before the Magistrate Courts.

## Labour Tribunal Cases

As at 31.12.2020, 15 cases were pending in Labour Tribunals. During the year 2021, 08 new cases were filed against SLPA and out of total of 23 Labour Tribunal cases, no cases were concluded. As at 31.12.2021 there were 23 cases pending before the Labour Tribunals.

## Applications made to 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 31.12.2020, 24 Human Rights Commission (HRC) applications, 52 complaints of conciliation before the Labour Commissioner, 21 complaints before the Ombudsman and no complaint to the Workmen Compensation Tribunal were pending.

During the year 2021, 06 new applications were made to the HRC and 11 new conciliation complaints were made to the Labour Commissioner while no applications/complaints were made to the Workmen Compensation Tribunal or Ombudsman. 01 HRC Application, 04 Conciliation complaints, were concluded during the year 2021.

Accordingly, as at 31.12.2021, 29 HRC applications, 59 conciliation complaints and 21 complaints before Ombudsman were pending.

## Arbitrations

As at 31.12.2020, 02 Commercial Arbitration matters, and 05 Industrial Arbitration matters were pending. During the year 2021, new numbers have been allocated to 03 Industrial Arbitrations already pending as a new

## OPERATIONAL REVIEW

Arbitrator has been appointed. Hence it is considered that 03 Industrial Arbitrations have been constituted. None of the Commercial Arbitration was concluded during 2021. Accordingly, as at 31.12.2021, 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).

### Customs Inquiries

As at 31.12.2020, there were 02 customs inquiries. 02 inquiry was pending as at 31.12.2021.

### SECURITY DIVISION

The Security Division plays a major role in the SLPA. The prime responsibility of this Division is to provide security for all the port operations while protecting the properties and human resources of all the ports administered by the SLPA, all port users, port premises, and marine boundaries. Providing protective services for handling cargo and service-oriented vessels are among the other services of this Division. In addition, the Security Division is responsible for maintaining its activities to such a standard in achieving these objectives. This Division also earns an income through various other services.

Accordingly, the Division had done the following during the year under review.

- Two CCTV cameras have been installed at gates No. 01 and 06 which had needed to essentially carry out surveillance in and around the areas. Arrangements will be made to install CCTV Camera Systems at all other gates too in 2022.
- Basic procurement works have been initiated to purchase 06 Nos. Scanners with High-Tec facilities to

identify and detect explosives at security gates. These scanners will be installed at the respective gates by end of the year 2022.

- An Air-rifle firing ground was constructed at the Security Training School premises for firing grills of Security Officers and 06 Nos. of Airpower riffles and 03 Nos. of Airpower pistols have been purchased.
- Legal action has been taken on 99 motor accidents that occurred within the port premises in 2021 and 11 cases of them have been filed before the court on allegations of the breach of traffic rules.
- Issuing of online annual/six months/ three months/ monthly persons permits and vehicle permits is in progress for the convenience of permit holders.

Details of annual and temporary port entry permits issued to vehicles and persons by the Annual and Temporary Permit Officers during 2021 are stated below;

S. No	Type of Permits	No. of Permits/ Vehicles	Revenue earned
1	Temporary persons permits	222723	102,248,893.20
2	Temporary vehicle permits	70270	70,120,719.40
3	Annual Persons permits	7382	38,634,300.00
4	Annual Vehicle permits	11615	66,381,120.00
5	Three year persons Annual Permits	991	14,397,750.00
6	Charges for issuing of permits for new vehicles	655	65,500,000.00
7	Charges for issuing of permits for alternative vehicles	152	3,800,000.00
8	Revenue of fines	-	118,800.00
9	Other Revenue (Issuing of Pouches)	-	2,000.00
<b>Total</b>		<b>313,788</b>	<b>361,203,582.60</b>

## OPERATIONAL REVIEW

### COMMUNICATION AND PUBLIC RELATIONS DIVISION

Since its establishment, the Communication and Public Relations Division (CPRD) has extensively worked towards boosting and promoting the image of the SLPA while strengthening and fostering positive relationships among the employees of the SLPA and external institutes.

One of the major responsibilities vested upon the CPRD is strengthening communication and public relations with media institutions, the general public, government departments & agencies, and industry stakeholders. The process of managing relationships and communications with journalists, analysts, public officials, and other key influencers is a vital function of the CPRD in achieving the objectives of the SLPA.

The CPRD has taken extensive steps to collaborate with local and international media institutes, stakeholders, and other interested parties in the industry. The division has taken a constructive approach to attract more channels and provide positive publicity by strengthening public relations on the activities and programs conducted by the SLPA over the last year.

Its major programs and activities have been focused on creating and communicating news, feature articles and multimedia distributing information to target audiences, as well as planning, developing, managing, and monitoring conventional and social media campaigns, and implementing strategies to generate popularity and a positive reputation and sentiment of the SLPA. This has been done by organizing events such as media visits, receptions and conferences, designing, editing, and producing press releases, video

documentaries, photo albums, and other presentations; and by compiling reports on activities and performances of the CPRD.

CPRD is also actively working on the broadcasting of milestone functions of SLPA on new media.

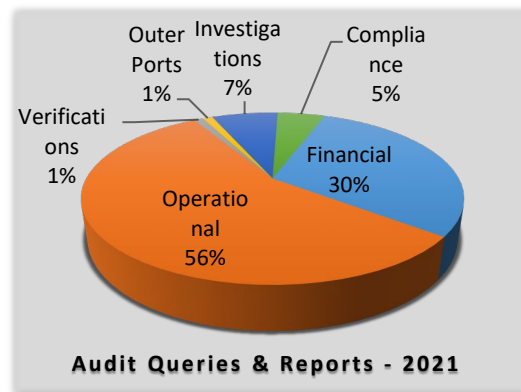
### INTERNAL AUDIT DIVISION

The Internal Audit Division plays a significant role in assessing the effectiveness of controls and strengthening them and establishing new controls where necessary. The Internal Audit reports are made available to the Chairman and the Chairman of the Audit Committee. The Internal Audit Division is responsible for internal audit functions.

#### Internal Controls & Risk Management

The Board is responsible for the internal controls and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision making. It covers all controls, including financial, operational and compliance control and risk management.

#### Performance of the Internal Audit Division



## OPERATIONAL REVIEW

### **Operational Audit Audit on Revenue**

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

Debtors' Accounts, Disputed Bills and Dishonored cheques were examined and discrepancies were 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 store payment vouchers. Excess payment and other irregularities were detected. Vehicle running charts and vehicle authorization forms were checked and shortcomings were highlighted. A regular check on the preparation of wages and salaries was carried out and discrepancies detected were reported.

### **Financial Audits**

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.

### **Investigations**

#### ***Special investigations***

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

### **Other investigations**

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

### **Compliance Control**

Under compliance control, 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.

### **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.

### **Outer Ports Audits**

#### ***Port 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.



**FINANCIAL REVIEW**  
**ANNUAL REPORT 2021**

## FINANCIAL REVIEW

### Revenue (All Ports)

Description	2021	2020	Revenue (Port Activity Break-up) Rs. Million		
			Description	2021	2020
Revenue from Port Activities	45,455	38,931	Navigation	10,793	10,957
Other Revenue	15,152	13,726	Stevedoring	20,441	17,847
			Wharf Handling	6,260	5,318
			Port Facilities	6,176	3,444
			Other Service Operations	1,785	1,365
<b>Total Revenue</b>	<b>60,607</b>	<b>52,657</b>		<b>45,455</b>	<b>38,931</b>

### Operating and Other Expenses (All Ports)

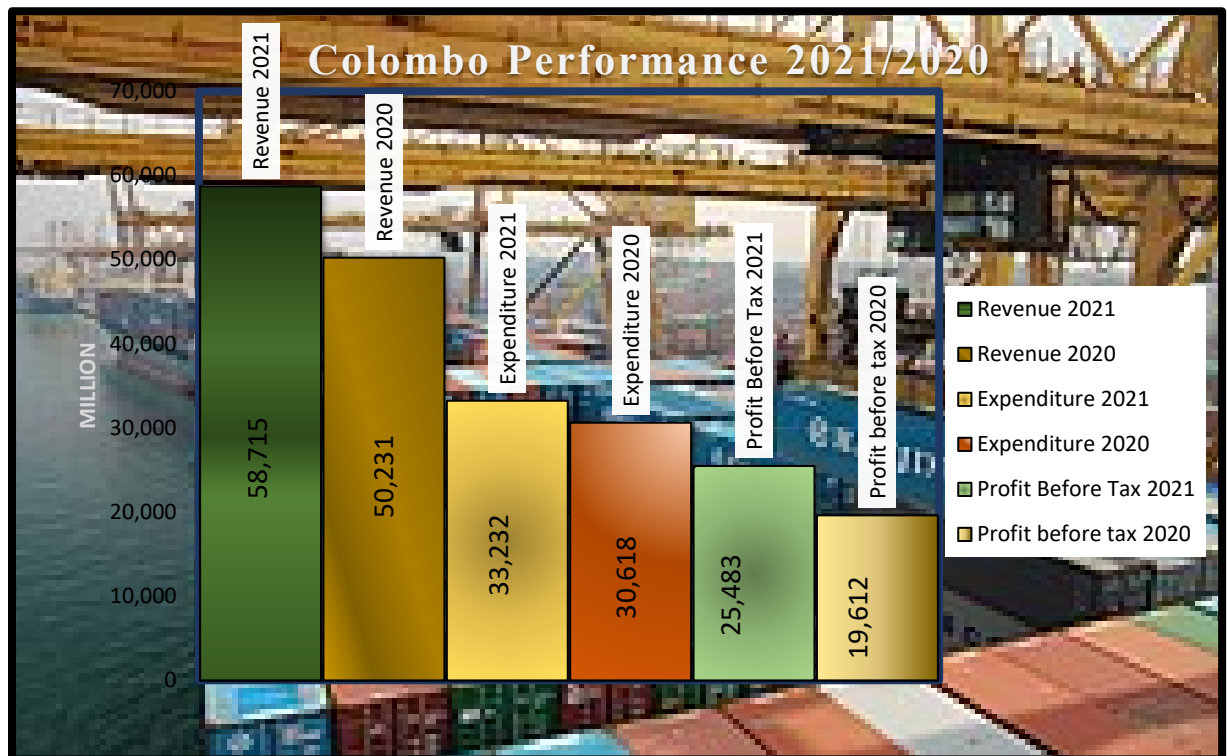
Description	2021 Expenditure	2020 Expenditure	Rs. Million	
			(Increase)/ Decrease	%
Maintenance of Assets	1,457	957	(500)	(52)
Fuel, Electricity and Water	2,509	2,309	(200)	(9)
Interest on Foreign Loan	800	1,532	732	48
Overtime	5,850	4,941	(909)	(18)
Depreciation & Amotisation	3,957	4,090	133	3
Wages, Salaries and Allowances	16,410	14,981	(1,429)	(10)
Others	2,752	2,468	(284)	(12)
<b>Expenditure</b>	<b>33,735</b>	<b>31,278</b>	<b>(2,457)</b>	<b>(8)</b>
Foreign Exchange (Loss)/Gain	1,270	1,052	(218)	(21)
<b>Total Expenditure Including FEL/(FEG)</b>	<b>35,005</b>	<b>32,330</b>	<b>(2,675)</b>	<b>(8)</b>



## Port – wise Performance

### The Port of Colombo

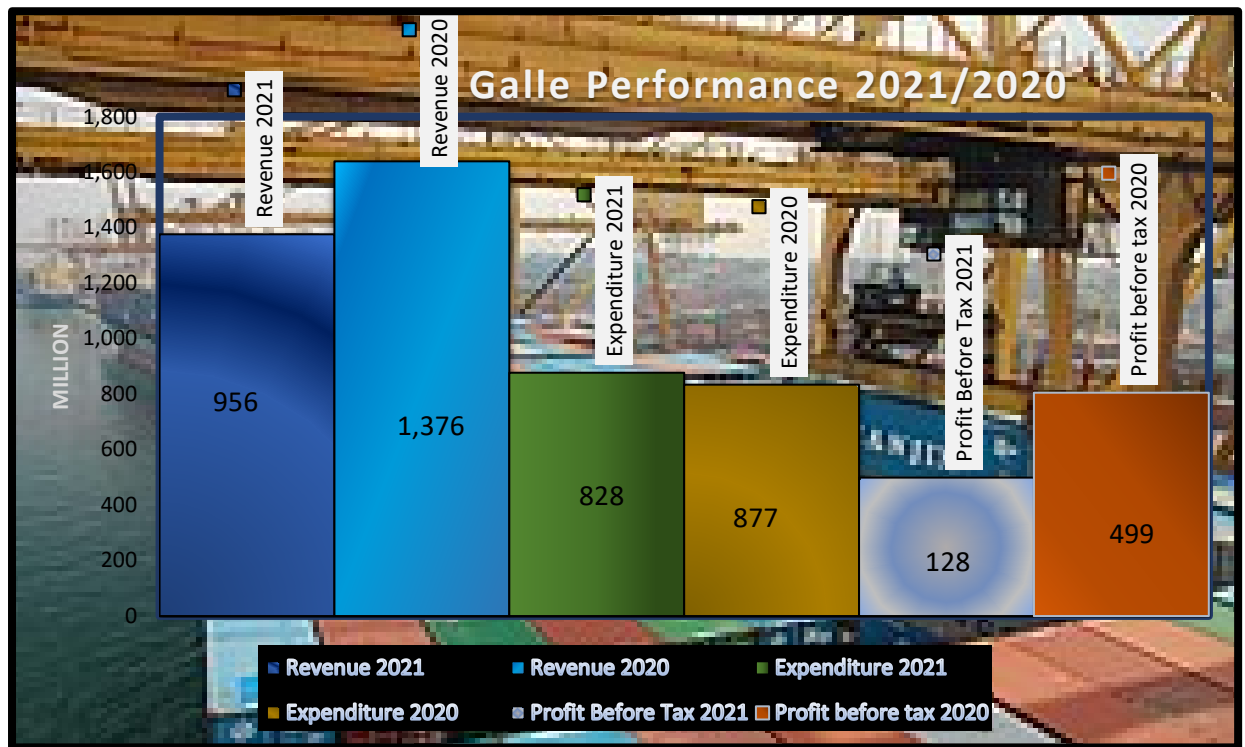
The Port of Colombo recorded Operating Profit of Rs. 25,107 million in year 2021. The total revenue of 2021 was Rs.58,715 million as compared to Rs.50,231 million in 2020 which is an increase of Rs.8,484 million. Total expenditure before tax remained at Rs. 33,232 million ( including FEL of Rs. 1,291 million) in 2021 whereas 2020 expenditure was Rs. 30,618 million (including FEL Rs. 999 million) which is an increase of 9%.



## Port of Galle

The Port of Galle recorded operating loss of Rs.130 million in year 2021. The total revenue of 2021 was Rs. 956 million as compared to Rs. 1,376 million in 2020 which is a decrease of Rs. 420 million.

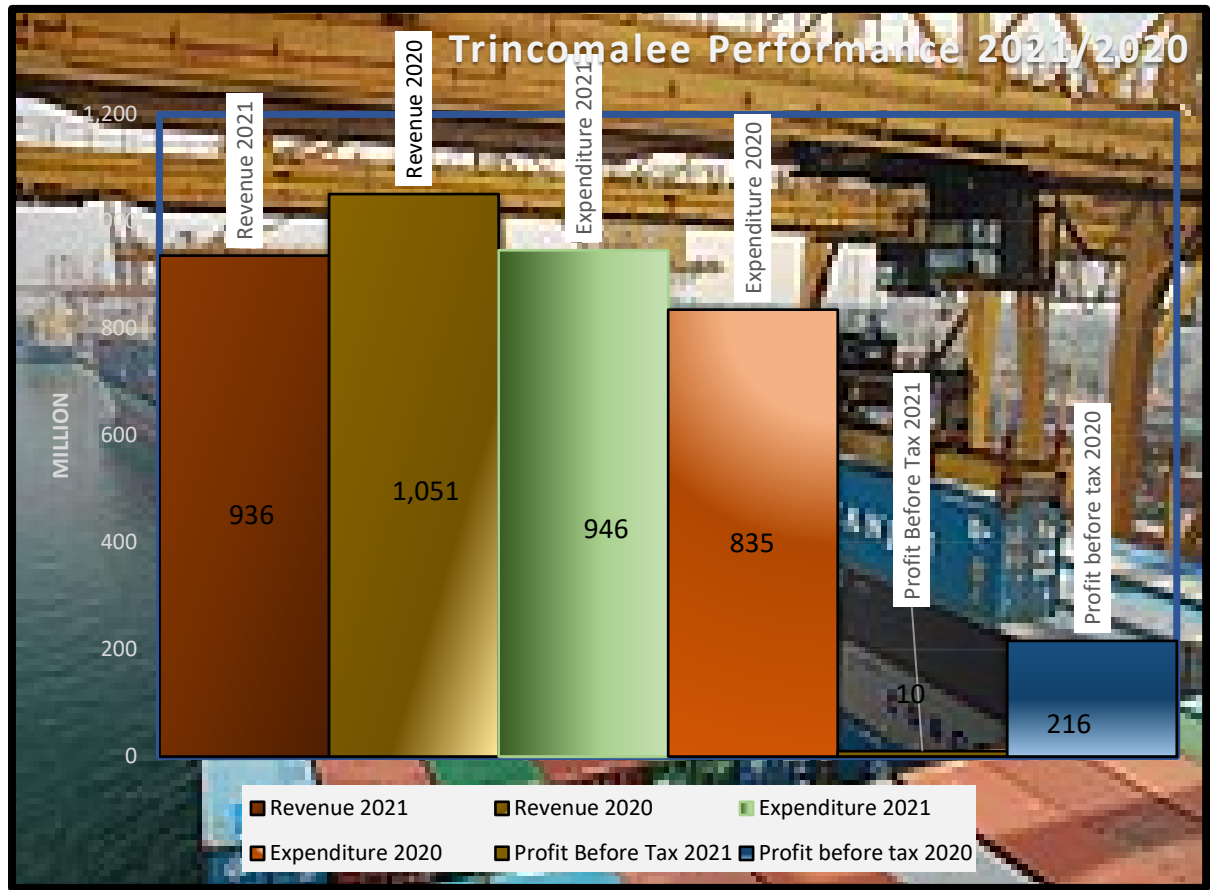
Total expenditure before tax remained at Rs. 828 million (including FEG Rs.21 million) in 2021 whereas 2020 expenditure was Rs. 877 million (including FEL Rs.52 million) which is a decrease of 6%.



## Port of Trincomalee

The Port of Trincomalee recorded operating loss of Rs. 112 million in year 2021. The total revenue of 2021 was Rs. 936 million as compared to Rs.1,051 million in 2020 which is a decrease of Rs. 115 million.

Total expenditure before tax remained at Rs. 946 million in 2021 whereas 2020 expenditure was Rs. 835 million which is an increase of 13%.



## HUMAN CAPITAL

SLPA management is well aware of the importance of aligning of its operations with its human capital as our employees are the most vital factor in developing of a strong organizational culture. Hence we have broadly planned our HR capital through external / internal recruitment, employment conditions, reward management, employee welfare as well as enhancing of their skills and attitudes. Currently we have over 8,900 of employees as at 31.12.2021.

Our employees' dedication and commitment has enhanced the value of SLPA and in turn SLPA creates value for them by way of competitive remuneration, numerous benefits, opportunities for learning and development and a conducive working environment depending on their qualifications and expertise.

SLPA is in the process of reviewing its cadre, formulating a new Scheme of recruitment for both executive and non - executive positions and drafting a comprehensive HR policy ensuring to attract right talent with right skills, right

attitude and right experience through which it is expected to achieve the organizational goals whilst meeting our employees personal and career aspirations. SLPA does not discriminate based on gender, ethnicity, age or any other form of diversity when recruiting, promoting or remunerating.

Despite the Covid19 pandemic situation, during the year under review a 25% salary increase was made to the basic salary of the entire staff and also salary anomaly which had been created in non-executive grades was addressed satisfactorily.

In addition to providing of all vaccination dosages (including booster) and other medical assistance during Covid19 pandemic period, we have taken steps to support our staff by developing new processes and practices such as shift duty system, work from home, providing of transport etc. with a view to carryout activities of organization without any interruption whilst maintaining health and safety of our employees.

## 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.

# 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.

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 19.

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.
- 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 Board meets regularly and during the year under review, the Board met on fourteen (14) 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 eleven (11) 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 & Risk Management**

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 2021**

# PORTS STATISTICS

## 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

#### 2021

A - Containerized	91.1%
B - Break Bulk	0.8%
C - Dry Bulk	3.0%
D - Liquid Bulk	5.1%

## 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	200 Hectares
Length of the West Breakwater	350 Metre
Length of East Breakwater	250 Metre
Approach Channel	210 Metre
Turning Circle	600 Metre

#### Quay Lengths

Quay - General Cargo	600 Metre
Service Quay	208 Metre
Oil Berth 1	310 Metre
Oil Berth 2	300 Metre
<b>Depth of Basin</b>	<b>17 Metre</b>
Design Vessel	100,000 DWT

## PORT OF HAMBANTOTA – PHASE - II

### Port Dimensions

#### Harbour Area

Total Water Area at Completion	200 Hectares (Including the Phase -I water area)
Turning Circle	600 Metre
Approach Channel	210 Metre

#### Quay Lengths

Main Container Berth	838.5 Metre
Feeder Container Terminal	460 Metre
Multi-Purpose Berth	838.5 Metre
Transition Berth	208 Metre
<b>Depth of Basin</b>	<b>17 Metre</b>
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 Oluvil Light House in the East Coast and opening of the Oluvil 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.
- 2021 **Construction of 17 storeyed Maritime Facilitation Centre to officers of Sri Lanka Ports Authority commences.**
- 2021 **BOT agreement for the West Container Terminal (WCT) of the Port of Colombo signed among Adani Ports Economic Zone Limited and John Keels Holding, ELC and SLPA as the local partners.**



# **FINANCIAL STATEMENTS**

**ANNUAL REPORT 2021**

## REPORT OF THE BOARD OF DIRECTORS

The Board of the Directors of the SLPA as of 31.12.2021 are as follows:

**Capt. Nihal Keppetipola**  
Chairman

**Dr. Prasantha Jayamanna**  
Vice-Chairman

**Mr. Upul Jayatissa**  
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

**Mr. H. Isuru Balapatidendi**  
Director

The Board had fourteen (14) meetings during the year under review.

The Management Committee which functioned as a Sub-Committee of the Board of Directors had eleven (11) meetings during the year 2021. The other Sub-Committee of the Board of Directors, viz. the Audit Committee had three (03) meetings during the year 2021. The following Directors of the Board functioned as members of the Audit Committee.

**Ms J. C. Weligamage**  
Chairman

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

**Mr. H Isuru Balapatabendi**  
Member

Port of Colombo handled 7.24 million TEUs in the year 2021 which was a 5.8% growth compared to the year 2020. CICT terminal handled 3.21 million TEUs, SLPA Terminals handled 2.19 million TEUs while SAGT handled 1.83 million TEUs. Port of Colombo recorded a 4.2% growth in transshipment containers. The handling of domestic containers was augmented by 10% compared to the year 2020.

- The Port of Colombo's container handling throughput increased from 6,854,762 TEUs in 2020 to 7,249,358 TEUs in 2021.
- The Port of Colombo's overall tonnage handling escalated by 6.3% compared to 2020.

A comparison of ship arrivals in the Port of Colombo in 2021 compared to last year reflects that ship arrivals decreased from 3,806 to 3,675 (-3.4%). The number of container ship arrivals descended from 3,281 in 2020 to 3,180 in 2021, recording a decrease of -3.1%.

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 270 container ships with draughts exceeding 14.25m. These have resulted in Port of Colombo strengthening its position as a transshipment hub in the region. The Ports

## REPORT OF THE BOARD OF DIRECTORS

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 a growth in operating profit of Rs.25billion in the year 2021 compared to Rs.21billion in the year 2020. The gross revenue of 2021 was Rs.61 billion as compared to Rs.53 billion in 2020, which is a significant ascend of Rs.8billion. Total Expenditure before Tax, loan interest and Foreign Exchange Gain / (Loss) remained at Rs. 33billion in 2021 reporting an increase of 10%, whereas it was Rs.30 billion in 2020.

## 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 2021, 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

## Statutory Compliance Statement

The status of compliance on statutory requirements is detailed below.

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

The SLPA 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 2020. As per the notice reference No.PN/IT/2021-04 dated 24<sup>th</sup> November 2021, issued by Department of Inland Revenue the return of income tax for the year of Assessment 2020/2021 is furnished on or before 31<sup>st</sup> December 2021. These have been completed and handed over on 09<sup>th</sup> December 2021.

### 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	2021	2020
<b>NUMBER OF SHIPS CALLED (NO)</b>					
Cargo Ships	3,688	107	9	3,804	3,862
Other Ships	87	10	5	102	101
Other Vessels	636	21	40	697	799
	<b>4,411</b>	<b>138</b>	<b>54</b>	<b>4,603</b>	<b>4,762</b>
<b>TROUGHPUT</b>					
<b>CONTAINER TEU's (SLPA)</b>					
Transhipment	1,846,264			1,846,264	1,855,713
Domestic	321,121			321,121	231,053
Re-Stowing	30,949			30,949	11,038
<b>TOTAL TEU's</b>	<b>2,198,334</b>	-	-	<b>2,198,334</b>	<b>2,097,804</b>
<b>CONTAINER TEU's (SAGI)</b>					
Transhipment	1,521,373			1,521,373	1,568,769
Domestic	265,285			265,285	265,189
Re-Stowing	52,035			52,035	38,094
<b>TOTAL TEU's</b>	<b>1,838,693</b>	-	-	<b>1,838,693</b>	<b>1,872,052</b>
<b>CONTAINER TEU's (CICT)</b>					
Transhipment	2,482,410			2,482,410	2,188,979
Domestic	612,649			612,649	593,427
Re-Stowing	117,272			117,272	102,500
<b>TOTAL TEU's</b>	<b>3,212,331</b>	-	-	<b>3,212,331</b>	<b>2,884,906</b>
<b>CONTAINER TEU's (PORT OF COLOMBO)</b>					
Transhipment	5,850,047	-	-	5,850,047	5,613,461
Domestic	1,199,055	-	-	1,199,055	1,089,669
Re-Stowing	200,256	-	-	200,256	151,632
<b>TOTAL TEU's</b>	<b>7,249,358</b>	-	-	<b>7,249,358</b>	<b>6,854,762</b>
Conventional M/T	3,998,520	2,884,439	105,719	6,988,678	6,748,245
Liquid M/T	5,230,059	305,446	-	5,535,505	5,622,302
	<b>9,228,579</b>	<b>3,189,885</b>	<b>105,719</b>	<b>12,524,183</b>	<b>12,370,547</b>
<b>(M/T) - SLPA</b>					
Containerised Cargo	28,133,393			28,133,393	26,598,984
Conventional Cargo	3,998,520	2,884,439	105,719	6,988,678	6,748,198
Liquid	5,230,059	305,446	-	5,535,505	5,622,274
<b>TOTAL (M/T)</b>	<b>37,361,972</b>	<b>3,189,885</b>	<b>105,719</b>	<b>40,657,576</b>	<b>38,969,456</b>
<b>(M/T) - SAGI</b>					
Containerised Cargo	24,061,998			24,061,998	24,878,140
Conventional Cargo				-	6
Liquid				-	16
<b>TOTAL (M/T)</b>	<b>24,061,998</b>	-	-	<b>24,061,998</b>	<b>24,878,162</b>
<b>(M/T) - CICT</b>					
Containerised Cargo	42,399,804			42,399,804	37,310,011
Conventional Cargo				-	41
Liquid				-	12
	<b>42,399,804</b>	-	-	<b>42,399,804</b>	<b>37,310,064</b>
<b>(M/T) - PORT OF COLOMBO</b>					
Containerised Cargo	94,595,195	-	-	94,595,195	88,787,135
Conventional Cargo	3,998,520	2,884,439	105,719	6,988,678	6,748,245
Liquid	5,230,059	305,446	-	5,535,505	5,622,302
<b>TOTAL (M/T)</b>	<b>103,823,774</b>	<b>3,189,885</b>	<b>105,719</b>	<b>107,119,378</b>	<b>101,157,682</b>
<b>GROSS TONNAGE HANDLED (SLPA)</b>					
Containerised Cargo	28,133,393			28,133,393	14,422,734
Conventional Cargo	3,998,520	2,884,439	105,719	6,988,678	6,741,017
Others	5,230,058	305,446	-	5,535,504	5,101,736
<b>TOTAL TONNAGE</b>	<b>37,361,971</b>	<b>3,189,885</b>	<b>105,719</b>	<b>40,657,575</b>	<b>26,265,487</b>
<b>GROSS TONNAGE HANDLED (SAGI)</b>					
Containerised Cargo	24,061,998			24,061,998	12,582,485
<b>TOTAL TONNAGE</b>	<b>24,061,998</b>	-	-	<b>24,061,998</b>	<b>12,582,485</b>
<b>GROSS TONNAGE HANDLED (CICT)</b>					
Containerised Cargo	42,399,804			42,399,804	19,586,419
<b>TOTAL TONNAGE</b>	<b>42,399,804</b>	-	-	<b>42,399,804</b>	<b>19,586,419</b>
<b>GROSS TONNAGE HANDLED (PORT OF COLOMBO)</b>					
Containerised Cargo	94,595,195	-	-	94,595,195	46,591,638
Conventional Cargo	3,998,520	2,884,439	105,719	6,988,678	6,741,017
Others	5,230,058	305,446	-	5,535,504	5,101,736
<b>TOTAL TONNAGE</b>	<b>103,823,773</b>	<b>3,189,885</b>	<b>105,719</b>	<b>107,119,377</b>	<b>58,434,391</b>
<b>PERSONNEL</b>					
Number of Employees	8,285	381	331	8,997	9,293


# STATEMENT OF FINANCIAL POSITION

Expressed in Sri Lankan Rupees

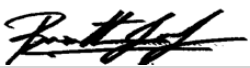
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER	Note	Group		SLPA	
		2021	2020 (Restate)	2021	2020
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	3	148,971,536,673	148,807,403,998	148,870,349,879	148,733,638,604
Leased Hold Asset	3.2	81,745,116	92,359,578	81,745,116	92,359,578
Intangible Assets	4	738,795,770	160,710,981	738,795,770	160,710,981
Investment Properties	5	168,606,924,280	169,698,903,527	168,606,924,280	169,698,903,527
Investment in Subsidiaries	6	100	100	76,000,100	76,000,100
Investment in Associates	7	37,469,979,463	37,852,755,543	39,196,120,030	39,196,120,030
Financial Assets at FVOCI	8	35,623,899,913	33,305,002,047	35,623,899,913	33,305,002,047
Amount Due From State Mortgage Bank	9	53,926,469	75,994,605	53,926,469	75,994,605
Receivable From General Treasury - People's Bank Loan	10	3,127,763,275	3,457,001,511	3,127,763,275	3,457,001,511
<b>Total Non-Current Assets</b>		<b>394,674,571,060</b>	<b>393,450,131,889</b>	<b>396,375,524,832</b>	<b>394,795,730,983</b>
<b>Current Accounts Galle &amp; Trincomalee Intercompany</b>					
<b>Current Assets</b>					
Inventories	11	3,113,542,041	2,767,262,487	3,098,814,301	2,753,186,047
Trade and Other Receivables	12	15,271,094,820	15,086,531,395	15,214,437,698	15,029,242,657
Deposits and Advances	13	1,641,444,023	403,870,985	1,638,893,846	397,260,971
Prepaid Expenses		211,475,724	81,353,637	211,475,724	81,353,637
Employee Loans	14	4,777,253,798	4,893,793,397	4,732,399,376	4,864,087,369
Other Financial Assets	15	56,158,735,976	54,306,237,558	55,941,923,281	54,120,817,228
Cash and Cash Equivalents	16	16,701,860,547	2,765,873,475	15,407,736,670	1,541,120,845
Property, Plant & Equipment-MPMC Ltd	17	260,539	406,545	-	-
<b>Total Current Assets</b>		<b>97,875,667,469</b>	<b>80,305,329,479</b>	<b>96,245,680,897</b>	<b>78,787,068,753</b>
<b>TOTAL ASSETS</b>		<b>492,550,238,529</b>	<b>473,755,461,369</b>	<b>492,621,205,730</b>	<b>473,582,799,736</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	166,448,063,990	168,314,081,182	166,448,063,990	168,314,081,183
Loan Redemption Reserve	22	4,613,549,887	4,613,549,887	4,613,549,887	4,613,549,887
Revaluation Reserve	23	74,451,820,964	75,257,909,515	74,451,820,964	75,257,909,515
Financial Assets at FVOCI Reserve		5,705,140,760	3,386,242,893	5,705,140,760	3,386,242,894
Retained Earnings		83,572,252,664	64,376,869,959	88,659,988,030	68,614,368,407
<b>Total Equity</b>		<b>365,045,741,849</b>	<b>346,203,567,020</b>	<b>370,133,477,214</b>	<b>350,441,065,470</b>
<b>Non-Current Liabilities</b>					
Borrowings - Government of Sri Lanka	24.1	47,806,929,003	49,709,894,559	47,806,929,003	49,709,894,559
Borrowings - Financial Institutions	25.1	4,786,458,194	6,816,230,004	4,702,382,701	6,816,230,004
Finance lease obligation	25.4.1	38,478,408	51,622,593	30,229,716	38,942,843
Government Grants	26	27,527,628,973	27,836,218,465	27,527,628,973	27,836,218,465
Deferred Tax Liabilities	27	11,310,982,481	8,341,963,695	11,310,982,481	8,341,963,695
Retirement Benefits Obligation	28	6,422,842,068	5,957,820,336	6,410,711,656	5,943,978,594
<b>Total Non-Current Liabilities</b>		<b>97,893,319,126</b>	<b>98,713,749,654</b>	<b>97,788,864,529</b>	<b>98,687,228,160</b>
<b>Current Liabilities</b>					
Supply of Goods and services and other creditors	29	1,347,828,696	1,575,042,430	1,481,619,057	1,706,977,917
Borrowings - Government of Sri Lanka	24.2	5,088,708,668	6,197,344,132	5,088,708,668	6,197,344,132
Borrowings - Financial Institutions	25.2	7,661,767,726	6,987,686,845	2,653,014,068	2,506,029,163
Finance lease obligation	25.4.1	12,585,164	11,232,125	8,154,106	7,320,069
Deposits and Advances Received	30	2,046,730,085	2,508,967,996	2,046,730,085	2,508,967,996
Current Tax Payable	31	3,122,901,177	770,041,113	3,114,882,922	765,949,098
Provisions and Accrued Expenses	32	10,327,667,475	10,787,118,032	10,305,755,085	10,761,917,733
Differed Tax Liability		2,988,561	712,008	-	-
<b>Total Current Liabilities</b>		<b>29,611,177,552</b>	<b>28,838,144,680</b>	<b>24,698,863,990</b>	<b>24,454,506,107</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>492,550,238,530</b>	<b>473,755,461,369</b>	<b>492,621,205,730</b>	<b>473,582,799,736</b>


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

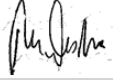
These Financial Statements give a true and fair view of the state of affairs of the Authority as at 31/12/2021

  
**L. Premasiri De Silva**  
**Chief Finance Manager**

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.

  
**Dr. Prasantha Jayamanna**  
**CHAIRMAN**

  
**Upul Jayatissa**  
**MANAGING DIRECTOR**

  
**Rohan De Silva**  
**BOARD MEMBER**

Date : 25th February 2022  
 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	
		2021	2020	2021	2020
Revenue	33	45,454,580,320	38,930,948,198	45,454,580,320	38,930,948,198
Direct Expenses	34	(23,994,553,154)	(22,068,993,351)	(23,860,767,840)	(21,945,954,266)
<b>Gross Profit</b>		<b>21,460,027,167</b>	<b>16,861,954,847</b>	<b>21,593,812,481</b>	<b>16,984,993,932</b>
Other Operating Income	35	12,220,624,438	11,272,468,586	12,310,486,630	11,314,444,971
Administrative Expenses	36	(8,850,291,819)	(7,659,597,819)	(9,038,708,964)	(7,770,276,063)
<b>Operating Profit</b>		<b>24,830,359,787</b>	<b>20,474,825,614</b>	<b>24,865,590,147</b>	<b>20,529,162,841</b>
Net Finance (Cost)/ Income	37	1,873,847,785	728,263,133	2,005,391,135	849,694,540
Foreign Exchange Gain/(Loss)	46	(1,558,480,234)	(1,145,709,659)	(1,269,650,219)	(1,051,718,965)
Share of Profit of Associate	7	(382,334,149)	(431,029,871)	-	-
<b>Profit Before Tax</b>		<b>24,763,393,189</b>	<b>19,626,349,217</b>	<b>25,601,331,063</b>	<b>20,327,138,415</b>
Income Tax Expenses	38	(2,690,840,465)	(2,610,590,292)	(2,676,325,878)	(2,603,413,193)
Differed Tax Expenses	27	(2,229,753,296)	1,014,618,546	(2,229,753,296)	1,014,618,546
<b>Profit for the Year</b>		<b>19,842,799,428</b>	<b>18,030,377,471</b>	<b>20,695,251,889</b>	<b>18,738,343,769</b>
<b>Attributable to - Equity holders of the Parent</b>		<b>19,842,799,428</b>	<b>18,030,377,471</b>	<b>20,695,251,889</b>	<b>18,738,343,769</b>
<b>Other Comprehensive Income</b>					
Profit for the Year		19,842,799,428	18,030,377,471	20,695,251,889	18,738,343,769
Remeasurement of retirement benefit obligation	28.2	(422,191,678)	(26,601,862)	(424,407,222)	(24,451,411)
Change in Value of Financial Assets at FVOCI on Listed Investments	8.1	(12,898,527)	50,938,250	(12,898,527)	50,938,250
Change in Value of Financial Assets at FVOCI on Unlisted Investments	8.2	2,331,796,393	4,087,924,780	2,331,796,393	4,087,924,780
Total Other Comprehensive Income for the Year		1,896,706,188	4,112,261,168	1,894,490,644	4,114,411,619
<b>Total Comprehensive Income for the year</b>		<b>21,739,505,616</b>	<b>22,142,638,640</b>	<b>22,589,742,534</b>	<b>22,852,755,388</b>
<b>Attributable to - Equity holders of the Parent</b>		<b>21,739,505,616</b>	<b>22,142,638,640</b>	<b>22,589,742,534</b>	<b>22,852,755,388</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	Differed Income	Loan Redemption Reserve	Revaluation Reserve	Financial Assets at FVOCI Reserve	Retained Earnings (at debit)	Total
<b>Group</b>									
<b>Balance as at 01 January 2020</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>43,434,555,248</b>	<b>322,433,451,720</b>
Profit for the Year	-	-	-	-	-	-	-	18,030,377,471	18,030,377,471
Adjustment on Revaluation Surplus						(87,073,389)	-	87,073,389	-
Prior year adjustment (Note 45)	-	-	-	-	-	-	-	2,851,465,712	2,851,465,712
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	-	-	-	-	-	-	4,087,924,780	-	4,087,924,780
<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>3,386,242,893</b>	<b>64,376,869,959</b>	<b>346,203,567,021</b>
Profit for the Year								19,842,799,428	19,842,799,428
Adjustment on Revaluation Surplus						(66,823,062)	-	66,823,062	-
<b>Prior year adjustment (Note 45)</b>								(292,309,936)	(292,309,936)
Depreciation adjustment on fully depreciated assets								261,829	261,829
Remeasurement of retirement benefit obligation								(422,191,678)	(422,191,678)
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				(31,626,840)					(31,626,840)
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						(739,265,489)			(739,265,489)
Lump Sum Premium NFCL Penna Port Storage				(6,900,000)					(6,900,000)
Adjustment on listed Investment							(12,898,527)		(12,898,527)
Adjustment on Unlisted Investment							2,331,796,393		2,331,796,393
<b>Balance as at 31 December 2021</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>166,448,063,989</b>	<b>4,613,549,887</b>	<b>74,451,820,964</b>	<b>5,705,140,760</b>	<b>83,572,252,664</b>	<b>365,045,741,848</b>

## STATEMENT OF CHANGES IN EQUITY

SLPA									
<b>Balance as at 01 January 2021</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,851,465,712</b>	<b>2,851,465,712</b>
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	-	-	-	-	-	-	4,087,924,780	-	4,087,924,780
<b>Balance as at 31 December 2021</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>3,386,242,894</b>	<b>68,614,368,407</b>	<b>350,441,065,467</b>
Profit for the Year								20,695,251,889	20,695,251,889
Adjustment on Revaluation Surplus						(66,823,062)		66,823,062	-
<b>Prior year adjustment (Note 45)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(292,309,936)</b>	<b>(292,309,936)</b>
Depreciation adjustment on fully depreciated assets								261,829	261,829
Remeasurement of retirement benefit obligation								(424,407,222)	(424,407,222)
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				(31,626,840)					(31,626,840)
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						(739,265,489)			(739,265,489)
Lump Sum Premium NFCL Penna Port Storage				(6,900,000)					(6,900,000)
Adjustment on listed Investment							(12,898,527)		(12,898,527)
Adjustment on Unlisted Investment							2,331,796,393		2,331,796,393
<b>Balance as at 31 December 2021</b>	<b>7,591,379,785</b>	<b>22,662,407,896</b>	<b>1,125,903</b>	<b>166,448,063,990</b>	<b>4,613,549,887</b>	<b>74,451,820,964</b>	<b>5,705,140,760</b>	<b>88,659,988,030</b>	<b>370,133,477,211</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 2021	Group		SLPA	
	2021	2020	2021	2020
<b>Profit Before Tax</b>	<b>24,763,393,189</b>	<b>19,626,349,217</b>	<b>25,601,331,063</b>	<b>20,327,138,415</b>
<i>Adjustments for</i>				
Share of Profit of Associate (Net of Dividends)	382,776,080	431,029,871		
Depreciation	3,881,945,865	4,042,413,139	3,871,416,289	4,027,054,052
Bad and Doubtful Debt	219,867,178	38,420,819	219,867,178	38,420,819
Amortisation of Intangible Assets	74,718,722	60,679,864	74,718,722	60,679,864
Amortisation of Lease Hold Assets	11,277,620	2,626,554	11,277,620	2,626,554
Gratuity Charge for the Year and related costs	750,303,419	853,701,413	748,058,028	851,308,163
previous year -Revenue	592,139,522	-	592,139,522	-
previous year -Expenditure	(5,697,817)	(14,674,035)	(5,697,817)	(14,674,035)
Depreciation adjustment on fully depreciated assets	261,829		261,829	
Dividend Income	(1,871,787,555)	(1,808,280,642)	(1,871,787,555)	(1,808,280,642)
Interest Income	(2,893,973,300)	(2,473,662,301)	(2,841,365,896)	(2,411,802,882)
Interest Expenses	983,787,392	1,715,030,664	799,636,638	1,531,739,838
Amortisation of Government Grants	(308,589,492)	(308,760,950)	(308,589,492)	(308,760,950)
Net Exchange unrealised Gain/ Loss	3,712,131,411	2,714,667,816	3,374,977,087	2,604,520,177
Upfront fees by CICT	(103,534,286)	(103,534,286)	(103,534,286)	(103,534,286)
Provision for claims	(1,116,590,366)	(717,912,547)	(1,116,590,366)	(717,912,547)
Amortised during the year Laughs terminal Ltd	(658,207)	(658,207)	(658,207)	(658,207)
Amortised during the year Distilleries company of Sri Lanka	(10,300,000)	(10,300,000)	(10,300,000)	(10,300,000)
Amortised 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)
Amortised during the year Tokiyo Cement Company (Lanka)PLC	(31,626,840)	(28,403,946)	(31,626,840)	(28,403,946)
Profit on Disposals of Fixed Assets	(18,003,846)	(8,909,893)	(15,603,846)	(8,888,392)
<b>Operating Profit Before Working Capital Changes</b>	<b>27,291,942,552</b>	<b>22,289,924,792</b>	<b>27,268,031,809</b>	<b>22,310,374,137</b>
<b>Changes in working Capital</b>				
Inventories	(346,279,553)	(127,722,939)	(345,628,254)	(128,324,244)
Trade Receivables	(73,045,440)	1,330,632,837	(75,823,983)	1,347,567,667
Deposits and Advances	(1,241,632,876)	(46,967,618)	(1,241,632,876)	(46,967,618)
Prepaid Expenses	(130,122,088)	(55,113,666)	(130,122,088)	(55,113,666)
Employee Loans / Others	116,539,598	193,885,052	131,687,992	191,170,750
Lease Obligation	-	43,155,000		43,155,000
Supply of Goods and services and other creditors	(228,235,819)	692,809,828	(225,358,860)	688,969,921
Deposits and Advances Received	(462,237,911)	249,552,348	(462,237,911)	249,552,348
Provisions and Accrued Expenses	660,527,166	(200,764,013)	660,427,716	(200,663,313)
<b>Cash Generated from Operations</b>	<b>25,587,455,630</b>	<b>24,369,391,621</b>	<b>25,579,343,547</b>	<b>24,399,720,984</b>
Interest Paid	(866,669,765)	(1,791,786,735)	(861,844,045)	(1,788,764,191)
Lease Installments Paid	(11,791,146)	(9,210,612)	(7,879,090)	(5,756,769)
Gratuity Paid	(707,473,364)	(585,544,596)	(705,732,188)	(584,317,436)
Taxes Paid	(1,214,895,969)	(3,795,293,626)	(1,206,131,903)	(3,794,509,524)
<b>Net Cash from Operating Activities</b>	<b>22,786,625,387</b>	<b>18,187,556,052</b>	<b>22,797,756,321</b>	<b>18,226,373,064</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment	(662,158,449)	(5,752,508,996)	(626,963,773)	(5,750,864,100)
Proceeds from Disposal of Fixed Assets	20,227,105	9,029,974	17,827,105	9,008,473
Deferd Revenue - Colombo Oil Bank	(2,610,294)	-	-	-
Capital Work-in-Progress	(2,291,419,592)	(440,893,028)	(2,291,419,592)	(440,893,028)
Acquisition of Intangible Assets	(652,803,511)	(415,214)	(652,803,511)	(415,214)
Acquisition of Lease Hold Assets	(663,157)	(86,310,000)	(663,157)	(86,310,000)
Dividend Received	1,871,787,555	1,808,280,642	1,871,787,555	1,808,280,642
Loan Received-KKS	242,864,165	-	142,288,972	-
Interest Received	2,893,973,300	1,953,537,614	2,841,365,896	1,891,678,195
Lumsum Premium Received	-	277,500,000	-	277,500,000
Amount Due From State Mortgage Bank	22,068,135	8,484,212	22,068,134.97	8,484,212
Net Proceeds from Other Financial Assets	(1,852,498,417)	(7,571,284,451)	(1,821,106,053)	(7,554,961,033)
<b>Net Cash from (used in) investing activities</b>	<b>(411,233,160)</b>	<b>(9,794,579,248)</b>	<b>(497,618,423)</b>	<b>(9,838,491,853)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowings to Government of Sri Lanka	(6,107,132,237)	(6,213,584,333)	(6,107,132,237)	(6,213,584,333)
Repayment of Borrowings to Financial Institution	(2,332,272,918)	(1,880,471,507)	(2,326,389,836)	(1,879,101,503)
<b>Net Cash From (used in) Financing Activities</b>	<b>(8,439,405,155)</b>	<b>(8,094,055,841)</b>	<b>(8,433,522,073)</b>	<b>(8,092,685,837)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>	<b>13,935,987,072</b>	<b>298,920,964</b>	<b>13,866,615,826</b>	<b>295,195,374</b>
Cash & cash Equivalents at Beginning of the year	2,765,873,475	2,466,952,511	1,541,120,845	1,245,925,470
<b>Cash &amp; Cash Equivalents at End of the Year (Note 16)</b>	<b>16,701,860,547</b>	<b>2,765,873,475</b>	<b>15,407,736,671</b>	<b>1,541,120,845</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 2021 was 8,997 (2020 - 9,293).

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

The financial statements of the Authority for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the board of directors dated 25.02.2022.

## **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 Equipment	01-22 Years	4.54% - 100%
Handling Equipment	02 -23Years	4.% - 50%
Plant and Machinery	01-25 Years	5% -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%-12.5%
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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 2021.12.31	Level 01	Level 02	Level 03
<b>Financial Assets at Fair Value through OCI</b>					
<b>Listed Investments</b>					
Colombo Dockyard PLC	8.1	173,5883,565	173,583,565	-	-
<b>Unlisted Investments</b>					
Colombo International Container Terminal Ltd	8.2	1,694,592,298	-	-	1,694,592,298
South Asia Gateway Terminals Limited (SAGT)	8.2	812,178,873	-	-	812,178,873
Hambantota International Port Group (Private)Ltd.	8.2	32,932,848,248			32,932,848,248
Lanka Coal Company (Pvt) Ltd	8.2	10,696,928			10,696,928
		<b>35,623,899,912</b>	<b>173,583,565</b>	<b>-</b>	<b>35,450,316,347</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.

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

**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 2021						
<b>3</b>	<b>Property, Plant &amp; Equipment</b>					
		As At	Additions	(Disposals)	Re_Class /Adjustment	As At
	<b>Group</b>	<b>01 January 2021</b>				<b>31 December 2021</b>
	<b>3.1 At Cost</b>					
	Land	51,806,736,202	-	-	-	51,806,736,202
	Operational Buildings & Structures	114,132,472,855	405,757,207	-	(319,500,000)	114,218,730,062
	Floating Equipment	7,039,180,094	73,511,240	(52,130,000)	-	7,060,561,334
	Handling Equipment	27,131,505,282	478,155,422	(3,100,000)	-	27,606,560,703
	Plant & Machinery	909,281,792	88,453,255	(1,324,561)	-	996,410,485
	Office & Welfare Buildings	988,932,121	62,613,089	(11,446,875)	-	1,040,098,335
	Staff Quarters and Other Buildings	454,821,991	-	-	-	454,821,991
	Computer Hardware	561,612,464	57,051,048	(32,551,748)	-	586,111,765
	Electric & Electronic Equipment	2,452,228,059	258,071,582	(27,963,124)	-	2,682,336,517
	Office Furniture & Equipment	206,876,510	22,816,196	(2,391,984)	-	227,300,722
	Motor Vehicles	991,131,199	15,980,621	(17,563,509)	-	989,548,311
	Other Assets	433,278,876	80,472,550	(6,057,079)	-	507,694,347
		<b>207,108,057,444</b>	<b>1,542,882,209</b>	<b>(154,528,880)</b>	<b>(319,500,000)</b>	<b>208,176,910,773</b>
	<b>3.1.1 Depreciation</b>	As At	Charge for the	(Disposals)	Re_Class /Adjustment	As At
		<b>01 January 2021</b>	<b>Year</b>			<b>31 December 2021</b>
	Operational Buildings & Structures	31,875,913,546	1,315,217,360	-	(65,061,124)	33,126,069,783
	Floating Equipment	6,992,466,554	10,988,780	(52,077,870)	-	6,951,377,464
	Handling Equipment	15,749,888,085	909,057,903	(3,096,900)	-	16,655,849,088
	Plant & Machinery	622,600,925	48,159,118	(1,323,237)	832,913	670,269,720
	Office & Welfare Buildings	370,610,665	33,779,135	(11,709,652)	63,282	392,743,431
	Staff Quarters and Other Buildings	255,304,885	15,491,800	-	-	270,796,685
	Computer Hardware	397,581,507	45,799,900	(32,519,196)	-	410,862,211
	Electric & Electronic Equipment	2,219,968,734	86,491,575	(27,925,610)	146,200	2,278,680,899
	Office Furniture & Equipment	158,120,482	16,766,796	(2,389,592)	34,817	172,532,504
	Motor Vehicles	799,941,896	33,175,307	(17,549,205)	(261,829)	815,306,169
	Other Assets	390,051,835	20,465,851	(6,051,022)	1,521,278	405,987,942
		<b>59,832,449,113</b>	<b>2,535,393,525</b>	<b>(154,642,283)</b>	<b>(62,724,462)</b>	<b>62,150,475,893</b>
	<b>3.1.2 Net Carrying Values</b>				As At	As At
					<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Property, Plant &amp; Equipment</b>					
	Land				51,806,736,202	51,806,736,202
	Operational Buildings & Structures				81,092,660,279	82,256,559,309
	Floating Equipment				109,183,870	46,713,540
	Handling Equipment				10,950,711,615	11,381,617,196
	Plant & Machinery				326,140,766	286,680,866
	Office & Welfare Buildings				647,354,904	618,321,456
	Staff Quarters and Other Buildings				184,025,306	199,517,106
	Computer Hardware				175,249,554	164,030,957
	Electric & Electronic Equipment				403,655,618	232,259,325
	Office Furniture & Equipment				54,768,219	48,756,028
	Motor Vehicles				174,242,142	191,189,303
	Other Assets				101,706,405	43,227,041
					<b>146,026,434,881</b>	<b>147,275,608,332</b>
	<b>Capital Work-in-Progress</b>	(Note 3.3)			2,764,042,687	993,693,029
					<b>148,790,477,568</b>	<b>148,269,301,361</b>
	<b>Group</b>				As At	As At
					<b>31 December 2021</b>	<b>31 December 2020</b>
	Property Plant Equipment Clearing accounts				181,059,105	538,102,638
					<b>181,059,105</b>	<b>538,102,638</b>
					<b>148,971,536,673</b>	<b>148,807,403,998</b>
	1. Clearing Account comprises of Land Rs. 155,011,281.33 , Furniture and office equipment , Rs.1,033,962.11 Electrical & Electronics Rs.8,991,603.34 , .Plant Machinery Rs.15,547,165.13, Other Assets Rs. 475,093.55					
	2. Rs. 55,695,295.07 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 31.12.2021 is Rs.30,823,354,326.00					
	4. Inter Port Asset transfers made during the year 2021 on computer Hardwares and Softwares and Motor vehicles.					
	5. Useful life time of four numbers of fully depreciated Motor vehicles identified still in use have been reviewed by the respective committee appointed for this task and depreciated adjustment was made with this regard in compliance with the guide line issued by ICASL					

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2021						
<b>3 Property, Plant &amp; Equipment</b>						
	As At	Additions	(Disposals)	Re_Class /Adjustment	As At	
<b>SLPA</b>	<b>01 January 2021</b>					<b>31 December 2021</b>
<b>3.1 Cost</b>						
Land	51,806,736,202	-	-	-		51,806,736,202
Operational Buildings & Structures	114,132,472,855	405,757,207	-	(319,500,000)		114,218,730,062
Floating Equipment	7,039,180,094	73,511,240	(52,130,000)	-		7,060,561,334
Handling Equipment	27,131,505,282	478,155,422	(3,100,000)	-		27,606,560,703
Plant & Machinery	867,049,993	57,827,784	(1,324,561)	-		923,553,215
Office & Welfare Buildings	988,932,121	62,613,089	(11,446,875)	-		1,040,098,335
Staff Quarters and Other Buildings	454,821,991	-	-	-		454,821,991
Computer Hardware	556,554,287	56,349,448	(32,551,748)	-		580,351,988
Electrical & Electronic Equipment	2,452,228,059	258,071,582	(27,963,124)	-		2,682,336,517
Office Furniture & Equipment	194,088,857	18,948,591	(2,391,984)	-		210,645,464
Motor Vehicles	925,708,841	15,980,621	(14,304,580)	-		927,384,882
Other Assets	433,278,876	80,472,550	(6,057,079)	-		507,694,347
	<b>206,982,557,458</b>	<b>1,507,687,533</b>	<b>(151,269,951)</b>	<b>(319,500,000)</b>		<b>208,019,475,040</b>
<b>3.1.1 Depreciation</b>	As At	Charge for the	(Disposals)	Re_Class /Adjustment	As At	
	<b>01 January 2021</b>	<b>Year</b>				<b>31 December 2021</b>
Operational Buildings & Structures	31,875,913,546	1,315,217,360	-	(65,061,124)		33,126,069,783
Floating Equipment	6,992,466,554	10,988,780	(52,077,870)	-		6,951,377,464
Handling Equipment	15,749,888,085	909,057,903	(3,096,900)	-		16,655,849,088
Plant & Machinery	603,508,827	44,593,960	(1,323,237)	832,913		647,612,464
Office & Welfare Buildings	370,610,665	33,779,135	(11,709,652)	63,282		392,743,431
Staff Quarters and Other Buildings	255,304,885	15,491,800	-	-		270,796,685
Computer Hardware	393,996,104	45,051,269	(32,519,196)	-		406,528,177
Electrical & Electronic Equipment	2,219,968,734	86,491,575	(27,925,610)	146,200		2,278,680,899
Office Furniture & Equipment	151,044,045	14,902,610	(2,389,592)	34,817		163,591,881
Motor Vehicles	777,961,239	28,969,712	(14,290,276)	(261,829)		792,378,846
Other Assets	390,051,835	20,465,851	(6,051,022)	1,521,278		405,987,942
	<b>59,780,714,519</b>	<b>2,525,009,955</b>	<b>(151,383,354)</b>	<b>(62,724,462)</b>		<b>62,091,616,658</b>
<b>3.1.2 Net Carrying Values</b>				As At	As At	
				<b>31 December 2021</b>	<b>31 December 2020</b>	
<b>Property, Plant &amp; Equipment</b>						
Land				51,806,736,202	51,806,736,202	
Operational Buildings & Structures				81,092,660,279	82,256,559,309	
Floating Equipment				109,183,870	46,713,540	
Handling Equipment				10,950,711,615	11,381,617,196	
Plant & Machinery				275,940,752	263,541,165	
Office & Welfare Buildings				647,354,904	618,321,456	
Staff Quarters and Other Buildings				184,025,306	199,517,106	
Computer Hardware				173,823,811	162,558,183	
Electric & Electronic Equipment				403,655,618	232,259,325	
Office Furniture & Equipment				47,053,584	43,044,812	
Motor Vehicles				135,006,036	147,747,602	
Other Assets				101,706,405	43,227,041	
				<b>145,927,858,381</b>	<b>147,201,842,939</b>	
<b>Capital Work-in-Progress</b>	(Note 3.3)			2,761,432,393	993,693,029	
				<b>148,689,290,774</b>	<b>148,195,535,967</b>	
<b>SLPA</b>				As At	As At	
				<b>31 December 2021</b>	<b>31 December 2020</b>	
Property Plant Equipment Clearing accounts				181,059,105	538,102,638	
				<b>181,059,105</b>	<b>538,102,638</b>	
				<b>148,870,349,879</b>	<b>148,733,638,604</b>	
<p>1. Clearing Account comprises of Land Rs. 155,011,281.33 , Furniture and office equipment , Rs.1,033,962.11 Electrical &amp; Electronics Rs.8,991,603.34 , Plant Machinery Rs.15,547,165.13, Other Assets Rs. 475,093.55</p> <p>2. Rs. 55,695,295.07 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 31.12.2021 is Rs.30,823,354,326.00</p> <p>4. Inter Port Asset transfers made during the year 2021 on computer Hardwares and Softwares and Motor vehicles.</p> <p>5. Useful life time of four numbers of fully depreciated Motor vehicles identified still in use have been reviewed by the respective committee appointed for this task and depreciated adjustment was made with this regard in compliance with the guide line issued by ICASL</p>						
<b>3.2 Leased Hold Asset</b>						
	As At	Additions	(Disposals)	As At		
<b>Group/SLPA</b>	<b>01 January 2021</b>			<b>31 December 2021</b>		
Cost	95,285,000	663,157	-	95,948,157		
Depreciation	2,925,421	11,277,620		14,203,041		
				As At	As At	
				<b>31 December 2021</b>	<b>31 December 2020</b>	
<b>Net Carrying Value</b>				<b>81,745,116</b>	<b>92,359,578</b>	
Above represent the assets obtained under finance lease for the period of Five Years.						

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2021						
3.3 Capital Work-in-Progress	SLPA			Group		
	As At	Incurred	Transferred	As At	Incurred	As At
	01 January 2021	During the Year		31 December 2021	During the Year	31 December 2021
Colombo Port Development	325,823,761	1,888,341,443	425,179,102	1,788,986,102	-	1,788,986,102
Development & Rehabilitation of KKS port	56,539,172	80,274,056	24,399,314	112,413,914	-	112,413,914
Galle Port	30,805,033	16,714,359	14,224,188	33,295,203	-	33,295,203
Galle Development Project	418,028,350	-	-	418,028,350	-	418,028,350
Trincomalee Port	101,131,656	61,407,761	4,357,374	158,182,043	-	158,182,043
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	9,296,201	151,557,018	-	160,853,218	-	160,853,218
Construction of Oil Tanks to COB (Note.59)	42,145,701	93,124,954	55,520,250	79,750,406	2,610,294	82,360,700
	<b>993,693,029</b>	<b>2,291,419,592</b>	<b>523,680,228</b>	<b>2,761,432,393</b>	<b>2,610,294</b>	<b>2,764,042,686</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.						
4 Intangible Assets		As At	Additions /	(Disposals)	Adjustments	As At
Group		01 January 2021				31 December 2021
4.1 At Cost						
Computer Software		1,248,499,818	652,803,511	(1,849,000)	-	1,899,454,329
Total		<b>1,248,499,818</b>	<b>652,803,511</b>	<b>(1,849,000)</b>		<b>1,899,454,329</b>
		As At	Charge for the			As At
		01 January 2021	Year			31 December 2021
4.2 Amortisation						
Computer Software		1,087,788,837	74,718,722	(1,849,000)	-	1,160,658,559
Total		<b>1,087,788,837</b>	<b>74,718,722</b>	<b>(1,849,000)</b>		<b>1,160,658,559</b>
4.3 Net Carrying Values					As At	As At
					31 December 2021	31 December 2020
Computer Software					<b>738,795,770</b>	<b>160,710,981</b>
Intangible Assets Clearing AC						
Computer Software					<b>738,795,770</b>	<b>160,710,981</b>
4 Intangible Assets		As At	Additions	(Disposals)	Adjustments	As At
SLPA		01 January 2021				31 December 2021
4.1 At Cost						
Computer Software		1,248,499,818	652,803,511	(1,849,000)	-	1,899,454,329
Total		<b>1,248,499,818</b>	<b>652,803,511</b>	<b>(1,849,000)</b>		<b>1,899,454,329</b>
		As At	Charge for the			As At
		01 January 2021	Year			31 December 2021
4.2 Amortisation						
Computer Software		1,087,788,837	74,718,722	(1,849,000)	-	1,160,658,559
Total		<b>1,087,788,837</b>	<b>74,718,722</b>	<b>(1,849,000)</b>		<b>1,160,658,559</b>
4.3 Net Carrying Values					As At	As At
					31 December 2021	31 December 2020
Computer Software					<b>738,795,770</b>	<b>160,710,981</b>
Intangible Assets Clearing AC						
					<b>738,795,770</b>	<b>160,710,981</b>

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2021							
5	Investment Properties Cnt.	As At	Transferred/Adj	Additions	(Disposals)	As At	
	Group/Authority	01 January 2021	stment			31 December 2021	
	5.1 At Cost						
	Land	42,318,101,009		-	-	42,318,101,009	
	Buildings	143,383,304,237	319,500,000			143,702,804,237	
	<b>Total</b>	<b>185,701,405,246</b>	<b>319,500,000</b>			<b>186,020,905,246</b>	
		As At	Transferred/Adj	Charge for the	(Disposals)	As At	
		01 January 2021	stment	Year		31 December 2021	
	5.1.1 Depreciation						
	Buildings	16,002,501,719	65,061,124	1,346,418,124	-	17,413,980,966	
	<b>Total</b>	<b>16,002,501,719</b>	<b>65,061,124</b>	<b>1,346,418,124</b>		<b>17,413,980,966</b>	
						As At	As At
						31 December 2021	31 December 2020
	5.1.2 Net Carrying Values						
	Land					42,318,101,009	42,318,101,009
	Buildings					126,288,823,271	127,380,802,518
						<b>168,606,924,280</b>	<b>169,698,903,527</b>
6	Investment in Subsidiaries			Group		SLPA	
				2021	2020	2021	2020
	Unlisted	No of Shares	% of Holding				
	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	Investment in Associates			Group		SLPA	
				2021	2020	2021	2020
	Unlisted						
	Sri Lanka Port Management & Consultancy Services Ltd	(Note 7.1.1)		80,187,619	79,768,383	40,030	40,030
	Hambantheta International Port Services Ltd	(Note 7.1.2)		37,389,791,845	37,772,987,160	39,196,080,000	39,196,080,000
				<b>37,469,979,463</b>	<b>37,852,755,543</b>	<b>39,196,120,030</b>	<b>39,196,120,030</b>
	7.1 Movement of Investments in Associate Companies						
	7.1.1 Sri Lanka Port Management & Consultancy Services Ltd						
	Balance at 01 January			79,768,383	77,333,826	40,030	40,030
	Share of Net Results of Associates			861,167	2,946,641	-	-
	Dividends Received			(441,931)	(512,084)	-	-
	Balance at 31 December			<b>80,187,619</b>	<b>79,768,383</b>	<b>40,030</b>	<b>40,030</b>
	7.1.2 Hambantheta International Port Services Ltd						
	Balance at 01 January			37,772,987,160	38,206,963,671	39,196,080,000	39,196,080,000
	Share of Net Results of Associates			(383,195,316)	(433,976,511)	-	-
	Dividends Received			-	-	-	-
	Balance at 31 December			<b>37,389,791,845</b>	<b>37,772,987,160</b>	<b>39,196,080,000</b>	<b>39,196,080,000</b>
	Total of SLPMS & HIPS						
	Balance at 01 January			37,852,755,543	38,284,297,497	39,196,120,030	39,196,120,030
	Share of Net Results of Associates			(382,334,149)	(431,029,871)	-	-
	Dividends Received			(441,931)	(512,084)	-	-
	Balance at 31 December			<b>37,469,979,462</b>	<b>37,852,755,543</b>	<b>39,196,120,030</b>	<b>39,196,120,030</b>
	7.2 Summary of Financial Results of Associate, and its aggregated assets and liabilities						
	Sri Lanka Port Management & Consultancy Services Ltd						
		No. of Shares	% of Holding	Assets	Liabilities	Revenue	Net Profit
	At 31 December 2021	4,003	39.97%	297,237,328	127,212,623	102,170,623	2,154,533
	At 31 December 2020	4,003	39.97%	325,409,594	156,753,350	80,189,454	7,372,131
	Hambantheta International Port Services Ltd						
		No. of Shares	% of Holding	Assets	Liabilities	Revenue	Net Profit
	At 31 December 2021	3,919,608,000	42%	116,302,672,406	737,387,014	767,228,659	(912,369,799)
	At 31 December 2020	3,919,608,000	42%	108,777,899,785	749,795,741	748,286,998	(1,033,277,408)

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021				
<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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Listed Investments	173,583,565	186,482,092		
Unlisted Investments	35,450,316,348	33,118,519,954		
Trade and Other Receivables			15,325,021,289	15,162,526,000
Deposits and Advances			1,641,444,023	403,870,985
Employee Loans			4,777,253,798	4,893,793,397
Investment in Government Securities and Fixed			56,158,735,976	54,306,237,559
Cash and Cash Equivalents			16,701,860,547	2,765,873,475
<b>Total</b>	<b>35,623,899,913</b>	<b>33,305,002,046</b>	<b>94,604,315,634</b>	<b>77,532,301,415</b>
<b>Authority</b>				
Listed Investments	173,583,565	186,482,092		
Unlisted Investments	35,450,316,348	33,118,519,954		
Trade and Other Receivables			15,268,364,167	15,105,237,261
Deposits and Advances			1,638,893,846	397,260,971
Employee Loans			4,732,399,376	4,864,087,369
Investment in Government Securities and Fixed			55,941,923,281	54,120,817,228
Cash and Cash Equivalents			15,407,736,670	1,541,120,845
<b>Total</b>	<b>35,623,899,913</b>	<b>33,305,002,046</b>	<b>92,989,317,341</b>	<b>76,028,523,673</b>
<b>Financial Liabilities measured at Amortised Cost</b>				
	<b>Group</b>		<b>SLPA</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Other Financial Liabilities</b>				
<b>Non-Current Borrowings</b>				
Government of Sri Lanka	47,806,929,003	49,709,894,559	47,806,929,003	49,709,894,559
Financial Institution	4,786,458,194	6,816,230,004	4,702,382,701	6,816,230,004
Finance Lease Obligation	38,478,408	51,622,593	30,229,716	38,942,843
<b>Current Borrowings</b>				
Government of Sri Lanka	5,088,708,668	6,197,344,132	5,088,708,668	6,197,344,132
Financial Institution	7,661,767,726	6,987,686,845	2,653,014,068	2,506,029,163
Finance Lease Obligation	12,585,164	11,232,125	8,154,106	7,320,069
Trade and Other Creditors	1,347,828,696	1,575,042,429	1,481,619,057	1,706,977,917
Deposits and Advances Received	2,046,730,085	2,508,967,996	2,046,730,085	2,508,967,996
<b>Total</b>	<b>68,789,485,942</b>	<b>73,858,020,683</b>	<b>63,817,767,402</b>	<b>69,491,706,683</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

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER		Group / SLPA				
		2021		2020(Restated)		
<b>8</b>	<b>Financial Assets at FVOCI</b>					
	Listed Investments	(Note 8.1)	173,583,565	-	186,482,092	
	Unlisted Investments	(Note 8.2)	35,450,316,348	-	33,118,519,954	
			<b>35,623,899,913</b>	<b>33,305,002,047</b>		
	<b>8.1 Listed Investment (Colombo Dockyard PLC)</b>					
	Balance at 01 January		186,482,092		135,543,842	
	Net Gains / (Losses) Transfer to AFS Reserve		(12,898,526.90)		50,938,250	
	Balance at 31 December		<b>173,583,565</b>		<b>186,482,092</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 and Lanka coal company as per the available Audited Financial Statements (2020).					
	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.					
			Group / SLPA			
			2021	2020(Restated)		
		No. of Shares				
	Lanka Coal Company	200,000	10,696,928	10,696,928		
	Colombo International Container Terminal Ltd	28,456,515	1,694,592,298	1,571,824,063		
	South Asian Gateway Terminals Limited (SAGT)	56,827,288	812,178,873	973,062,745		
	Hambantota International Port Group Ltd	2,646,058,800	32,932,848,248	30,562,936,219		
			<b>35,450,316,348</b>	<b>33,118,519,954</b>		
			-	-		
			<b>35,450,316,348</b>	<b>33,118,519,954</b>		
	Balance at 01 January (CICT )		1,571,824,063	1,444,762,427		
	Net Gains / (Losses) Transfer to AFS Reserve		122,768,235	127,061,636		
	Balance at 31 December		<b>1,694,592,298</b>	<b>1,571,824,063</b>		
	Balance at 01 January (SAGT)		973,062,745	1,123,244,748		
	Net Gains / (Losses) Transfer to AFS Reserve		(160,883,871)	(150,182,003)		
	Balance at 31 December		<b>812,178,873</b>	<b>973,062,745</b>		
	Balance at 01 January (HIPG)		30,562,936,219	26,460,588,000		
	Capital Gain/Loss on investment		-	-		
	Net Gains / (Losses) Transfer to AFS Reserve		2,369,912,029	4,102,348,218.76		
	Balance at 31 December		<b>32,932,848,248</b>	<b>30,562,936,219</b>		
	Balance at 01 January (Lanka coal)		10,696,928	2,000,000		
	Capital Gain/Loss on investment		-	-		
	Net Gains / (Losses) Transfer to AFS Reserve		-	8,696,928		
	Balance at 31 December		<b>10,696,928</b>	<b>10,696,928</b>		
	<b>Net Gains / (Losses) Transfer to AFS Reserve (CICT, SAGT &amp; HIPG)</b>					
	Net Gains / (Losses) Transfer to AFS Reserve - CICT		122,768,235	127,061,636		
	Net Gains / (Losses) Transfer to AFS Reserve -SAGT		(160,883,871)	(150,182,003)		
	Net Gains / (Losses) Transfer to AFS Reserve -HIPG		2,369,912,029	4,102,348,219		
	Net Gains / (Losses) Transfer to AFS Reserve -Lanka coal		-	8,696,928		
			<b>2,331,796,393</b>	<b>4,087,924,780</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					
			Group/ SLPA			
			2021	2020		
	Opening Balance		75,994,604	84,478,816		
	Transferred during the year		(22,068,135)	(8,484,212)		
	Closing Balance		<b>53,926,469</b>	<b>75,994,604</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 Corporation 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. 53 in Page No. 122.					
<b>11</b>	<b>Inventories</b>		Group		SLPA	
			2021	2020	2021	2020
	Goods in Stock		3,052,324,767	2,723,204,018	3,052,324,767	2,723,204,018
	Stock in Hand - Admiralty Kitchen		13,686,251	10,388,652	13,686,251	10,388,652
	Sawmill - New Beira		10,877,634	6,551,118	10,877,634	6,551,118
	Stock in Medical Stores		984,495	1,298,561	984,495	1,298,561
	Inventory Material Overhead Value		1,411,129	(113,109)	1,411,129	(113,109)
	Inventory receiving clearing accounts		19,530,025	11,856,808	19,530,025	11,856,808
	Inter Lock Blocking		3,025,969	3,025,969	-	-
	Cusiner - Chips		3,989,926	3,989,926	-	-
	Fire Foam		1,770,000	1,770,000	-	-
	Fuel Stock		3,589,334	3,589,334	-	-
	Others		2,352,510	1,701,211	-	-
			<b>3,113,542,041</b>	<b>2,767,262,487</b>	<b>3,098,814,301</b>	<b>2,753,186,047</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>		Group		SLPA	
			2021	2020	2021	2020
	Trade Receivable		3,103,691,817	2,879,655,471	3,100,101,938	2,876,065,592
	Provision for Impairment		(576,234,330)	(413,274,219)	(573,838,251)	(410,878,140)
			<b>2,527,457,488</b>	<b>2,466,381,251</b>	<b>2,526,263,687</b>	<b>2,465,187,451</b>
	Other Receivable					
	Shipping Agents Dispute		64,418,424	167,333,020	64,418,424	167,333,020
	Agent Revenue		1,274,266,049	1,378,148,106	1,274,266,049	1,378,148,106
	Consignee Receivables		(248,357)	1,219,120	(248,357)	1,219,120
	Other Receivable	(Note 12.1)	8,705,958,816	8,374,664,419	8,657,510,540	8,325,147,221
	Income Tax Receivable	(Note 12.3)	2,690,358,069	2,689,901,148	2,683,343,024	2,683,323,408
	Other Tax Receivable		8,884,330	8,884,330	8,884,330	8,884,330
			<b>12,743,637,332</b>	<b>12,620,150,144</b>	<b>12,688,174,011</b>	<b>12,564,055,206</b>
	<b>Trade and Other Receivables</b>		<b>15,271,094,820</b>	<b>15,086,531,395</b>	<b>15,214,437,698</b>	<b>15,029,242,657</b>
	other receivables comprise following receivables from related parties.					



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As at 31 December 2021, the Authority's trade receivables amounts to Rs.2,023,580,286 (2020:Rs 2,373,942,112) 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		
	2021	2020	2021	2020	
Up to 6 Months	1,763,565,224	2,258,158,728	1,763,565,224	2,258,158,728	
6 to 12 Months	260,015,062	115,783,384	260,015,062	115,783,384	
	<b>2,023,580,286</b>	<b>2,373,942,112</b>	<b>2,023,580,286</b>	<b>2,373,942,112</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		
	2021	2020	2021	2020	
Trade Receivable	68,843,010	44,317,525	66,446,931	41,921,446	
Shipping Agents Under Litigation	476,355,294	367,831,368	476,355,294	367,831,368	
Sri Lanka Forces	168,443	-	168,443	-	
Government Institutions	1,125,325	1,125,325	1,125,325	1,125,325	
Suspended Agents	29,672,258	-	29,672,258	-	
	<b>576,164,330</b>	<b>413,274,219</b>	<b>573,768,251</b>	<b>410,878,140</b>	
<b>12.1 Other Receivable</b>					
Royalty - SAGT	115,712,914	90,591,661	115,712,914	90,591,661	
Royalty - CICT	174,077,575	161,279,475	174,077,575	161,279,475	
Lease Rent-SAGT	49,168,189	43,728,056	49,168,189	43,728,056	
Receivable Revenue HIPG	20,302,827	18,852,000	20,302,827	18,852,000	
Receivables from the Ministry	305,158	305,158	305,158	305,158	
Supply of Fuel to Ministry	11,269,599	8,829,778	11,269,599	8,829,778	
Meals & Tea Supplied to Outside Parties	2,515,633	8,903,264	2,515,633	8,903,264	
Jaya Container Terminals Ltd	(16,794)	(103,900)	813,195	743,726	
Electricity for SLPA Employees & outside parties	39,588	70,216	39,588	70,216	
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	2,303,595,298	2,015,303,008	2,303,595,298	2,015,303,008	
Receivable from Treasury Operations	5,156,049,273	5,156,049,273	5,156,049,273	5,156,049,273	
Receivable from Treasury Operations - People's Bank Loan	493,857,359	493,857,359	493,857,359	493,857,359	
Receivable from HIPS	2,223,085	3,975,142	2,223,085	3,975,142	
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	34,675,779	25,006,211	13,437,966	2,681,839	
Petty Cash Imprest	62,806	35,000	62,806	35,000	
Stamp/Fuel Imprest	85	28,252	85	28,252	
	<b>8,546,921,728</b>	<b>8,209,793,310</b>	<b>8,498,473,452</b>	<b>8,160,276,111</b>	
<b>12.1.1</b>					
Rent Debtors	193,886,966	145,841,949	193,886,966	145,841,949	
Electricity Debtors	74,150,213	71,122,185	74,150,213	71,122,185	
	<b>268,037,179</b>	<b>216,964,134</b>	<b>268,037,179</b>	<b>216,964,134</b>	
Provision for Impairment	(109,000,091)	(52,093,024)	(109,000,091)	(52,093,024)	
	<b>159,037,088</b>	<b>164,871,111</b>	<b>159,037,088</b>	<b>164,871,110</b>	
Total	<b>8,705,958,816</b>	<b>8,374,664,420</b>	<b>8,657,510,540</b>	<b>8,325,147,221</b>	
Balances in Petty Cash Imprest and Stamp /Fuel Imprest were settled January 2022.					
<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	730,429,374	729,972,453	723,414,329	723,394,713	
Nontional Tax	403,297,066	403,297,066	403,297,066	403,297,066	
Social Responsibility Levy	19,951,853	19,951,853	19,951,853	19,951,853	
Economic Service Charge	1,165,665,147	1,165,665,147	1,165,665,147	1,165,665,147	
Income Tax self assessment payments	371,014,629	371,014,629	371,014,629	371,014,629	
	<b>2,690,358,069</b>	<b>2,689,901,148</b>	<b>2,683,343,024</b>	<b>2,683,323,408</b>	

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FOR THE YEAR ENDED 31 DECEMBER 2021					
13	Deposits and Advances	Group		SLPA	
		2021	2020	2021	2020
	Government Deposits	64,661,380	64,663,880	64,661,380	64,663,880
	Corporation Deposits	111,707,750	111,720,623	111,707,750	111,720,623
	Company Deposits	22,815,314	27,021,801	20,265,137	20,411,787
	Advance to Suppliers	103,265,916	158,679,654	103,265,916	158,679,654
	Advance to Contractors - Capital Expenditure	1,338,993,664	41,785,027	1,338,993,664	41,785,027
		<b>1,641,444,023</b>	<b>403,870,985</b>	<b>1,638,893,846</b>	<b>397,260,971</b>
14	Employee Loans	Group		SLPA	
	Advances	16,423,833	18,834,574	16,423,833	18,834,574
	Receivables from Employees	1,449,180	2,095,950	1,449,180	2,095,950
	Vehicle Loan	598,829,090	770,891,290	598,829,090	770,891,290
	Loans	4,153,645,027	4,092,091,120	4,108,790,605	4,062,385,092
	Mis. Loans Given to Employees	6,906,669	9,880,463	6,906,669	9,880,463
		<b>4,777,253,798</b>	<b>4,893,793,397</b>	<b>4,732,399,376</b>	<b>4,864,087,369</b>
15	Other Financial Assets	Group		SLPA	
		2021	2020	2021	2020
	REPO's	3,576,834,522	1,204,806,718	3,576,834,522	1,204,806,718
	Fixed Deposits - Local	7,470,908,746	6,390,127,220	7,254,096,051	6,204,706,889
	Fixed Deposits - Foreign	45,090,641,724	46,685,623,418	45,090,641,724	46,685,623,418
	Call Deposits	19,524,578	25,437,965	19,524,578	25,437,965
	Savings	826,406	242,238	826,406	242,238
		<b>56,158,735,976</b>	<b>54,306,237,558</b>	<b>55,941,923,281</b>	<b>54,120,817,228</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.				
16	Cash and Cash Equivalents	Group		SLPA	
		2021	2020	2021	2020
	<b>Favourable Balances</b>				
	Cash and Bank Balances - LKR	2,961,355,217	2,761,895,324	1,667,231,340	1,537,142,694
	Bank Balances - Foreign Currency	13,740,505,330	3,978,151	13,740,505,330	3,978,151
		<b>16,701,860,547</b>	<b>2,765,873,475</b>	<b>15,407,736,670</b>	<b>1,541,120,845</b>
	<b>16.2 Unfavourable Balances</b>				
	Bank Overdraft	-	-	-	-
		-	-	-	-
	<b>Cash &amp; Cash Equivalents for the Purpose of Cash Flow Statement</b>	<b>16,701,860,547</b>	<b>2,765,873,475</b>	<b>15,407,736,670</b>	<b>1,541,120,845</b>
17	Property, Plant & Equipment-MPMC Ltd	2021	2020		
	Cost	406,545	1,144,830		
	Depreciation	(146,006)	(738,285)		
	Written Down Value	260,539	406,545		
	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.				
18	Capital Employed				
	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.				
19	Capital Reserve				
	This represents the value of the capital assets transferred from Lanka Marine Services Ltd and other institutions.				
20	Other Reserves	Group		SLPA	
		2021	2020	2021	2020
	<b>Other Reserves</b>	1,125,903	1,125,903	1,125,903	1,125,903
21	Deferred Income				
	Upfront Fee Paid by CICT (21.1)	2,538,257,141	2,641,791,427	2,538,257,141	2,641,791,428
	Lump Sum Premium - Laughs Terminal Ltd (21.2)	12,242,303	12,900,508	12,242,302	12,900,509
	Lump Sum Premium - Distilleries Company of Sri Lanka PLC(21.3)	260,970,959	271,270,959	260,970,959	271,270,959
	Lump Sum Premium - Tokyo Cement Co.Ltd (21.4)	826,412,873	858,039,713	826,412,874	858,039,714
	Lease Hold Rights - HIPS (21.5)	69,417,803,825	70,149,002,555	69,417,803,825	70,149,002,555
	Lease Hold Rights - HIPG (21.6)	93,209,050,587	94,190,849,718	93,209,050,587	94,190,849,718
	Lump Sum Premium - NFCPPS (21.7)	183,326,301	190,226,301	183,326,301	190,226,301
		<b>166,448,063,990</b>	<b>168,314,081,182</b>	<b>166,448,063,990</b>	<b>168,314,081,184</b>
	<b>21.1 Upfront Fee Paid by CICT</b>				
	Balance at 01 January	2,641,791,427	2,745,325,714	2,641,791,427	2,745,325,714
	Amortized During the year	(103,534,286)	(103,534,286)	(103,534,286)	(103,534,286)
	Balance at 31 December	<b>2,538,257,141</b>	<b>2,641,791,427</b>	<b>2,538,257,141</b>	<b>2,641,791,427</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	12,900,509	13,558,716	12,900,509	13,558,716
	Amortized During the year	(658,207)	(658,207)	(658,207)	(658,207)
	Balance at 31 December	<b>12,242,303</b>	<b>12,900,508</b>	<b>12,242,302</b>	<b>12,900,509</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 2021		Group		SLPA	
	2021	2020	2021	2020	
<b>21.3 Lump Sum Premium Distilleries Company of Sri Lanka PLC</b>					
Balance at 01 January	271,270,959	281,570,959	271,270,959	281,570,959	
Amortized During the year	(10,300,000)	(10,300,000)	(10,300,000)	(10,300,000)	
<b>Balance at 31 December</b>	<b>260,970,959</b>	<b>271,270,959</b>	<b>260,970,959</b>	<b>271,270,959</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	858,039,713	608,943,659	858,039,714	608,943,659	
Received during the year	-	277,500,000	-	277,500,000	
Amortized During the year	(31,626,840)	(28,403,946)	(31,626,840)	(28,403,946)	
<b>Balance at 31 December</b>	<b>826,412,873</b>	<b>858,039,713</b>	<b>826,412,874</b>	<b>858,039,714</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	70,149,002,555	70,880,201,285	70,149,002,555	70,880,201,285	
Amortized during the year	(731,198,730)	(731,198,730)	(731,198,730)	(731,198,730)	
<b>Balance at 31 December</b>	<b>69,417,803,825</b>	<b>70,149,002,555</b>	<b>69,417,803,825</b>	<b>70,149,002,555</b>	
<b>21.6. Lease Hold Rights_HIPG</b>					
Balance at 01 January	94,190,849,718	95,172,648,848	94,190,849,718	95,172,648,848	
Amortized during the year	(981,799,130)	(981,799,130)	(981,799,130)	(981,799,130)	
<b>Balance at 31 December</b>	<b>93,209,050,587</b>	<b>94,190,849,718</b>	<b>93,209,050,587</b>	<b>94,190,849,718</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	190,226,301	197,126,301	190,226,301	197,126,301	
Prior Year Adjustments	-	-	-	-	
Amortized during the year	(6,900,000)	(6,900,000)	(6,900,000)	(6,900,000)	
<b>Balance at 31 December</b>	<b>183,326,301</b>	<b>190,226,301</b>	<b>183,326,301</b>	<b>190,226,301</b>	
<b>Total</b>	<b>166,448,063,991</b>	<b>168,314,081,181</b>	<b>166,448,063,990</b>	<b>168,314,081,183</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		
			2021	2020	
<b>Carrying Amount at Amortized Cost</b>					
<b>24.1 Settlement Fall Due More than One Year</b>					
Colombo Port Development Project			4,134,799,163	6,612,364,615	
KKS Loan			150,878,173	-	
Colombo Port Expansion - (South Harbor)			42,963,596,159	42,478,017,167	
Galle Port Development Project			557,655,508	619,512,777	
			<b>47,806,929,003</b>	<b>49,709,894,559</b>	
<b>24.2 Settlement Fall Due Within One Year</b>					
Colombo Port Development Project			2,298,597,630	3,781,626,357	
Colombo Port Expansion - (Southern Harbor)			2,749,468,210	2,373,520,751	
Galle Port Development Project			40,642,828	42,197,024	
			<b>5,088,708,668</b>	<b>6,197,344,132</b>	
			<b>52,895,637,670</b>	<b>55,907,238,692</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		
			2021	2020	
Japan Yen loans in sri Lankan Rupee Terms			7,031,695,128	11,055,700,773	
United States Dollars in sri Lankan Rupee Terms			45,863,942,542	44,851,537,918	
			<b>52,895,637,670</b>	<b>55,907,238,692</b>	
<b>24.3 Movement of the Loans</b>					
Balance at 01 January			55,907,238,692	59,985,053,907	
Obtained During the Year			142,288,972	-	
Capital Paid During the Year			(6,107,132,237)	(6,213,584,333)	
Accrued interest paid for prior year			(251,248,329)	(508,272,682)	
Exchange (Gain) / Loss on Translation			3,015,449,651	2,392,793,471	
Accrued interest under Short Term			189,040,922	251,248,329	
<b>Balance at 31 December</b>			<b>52,895,637,670</b>	<b>55,907,238,692</b>	
<b>25 Borrowings - Financial Institutions</b>			Group / SLPA		
			2021	2020	
<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	1,574,619,426	3,359,228,494	1,574,619,426	3,359,228,494	
Bank of Ceylon Others	84,075,493	-	-	-	
Peoples Bank - Construction of Sooriyawewa Stadium	3,127,763,275	3,457,001,511	3,127,763,275	3,457,001,511	
	<b>4,786,458,194</b>	<b>6,816,230,004</b>	<b>4,702,382,701</b>	<b>6,816,230,004</b>	
<b>25.2 Settlement Fall Due Within One Year</b>					
Bank of Ceylon -CPEP Construction of ECT loan	2,159,156,711	2,012,171,804	2,159,156,711	2,012,171,804	
Bank of Ceylon Others	11,301,600	684,982	-	-	
Peoples Bank-Construction of Sooriyawewa Stadium	493,857,357	493,857,358.71	493,857,357	493,857,359	
HNB-Bunkering Facility (MPMC)	4,997,452,058	4,480,972,700	-	-	
	<b>7,661,767,726</b>	<b>6,987,686,845</b>	<b>2,653,014,068</b>	<b>2,506,029,163</b>	
	<b>12,448,225,919</b>	<b>13,803,916,849</b>	<b>7,355,396,768</b>	<b>9,322,259,167</b>	
The above ECT loan secured by Negative pledge over assets of East Container Terminal.					
<b>Terms and conditions of borrowing facilities are in page 127.</b>					

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	Group		SLPA	
	2021	2020	2021	2020
The carrying amounts of the borrowings are denominated in the following currency.				
Sri Lankan Rupees	3,621,620,632	3,950,858,870	3,621,620,632	3,950,858,870
United States Dollars in Sri Lankan Rupee Terms	8,826,605,288	9,853,057,980	3,733,776,137	5,371,400,298
	<b>12,448,225,919</b>	<b>13,803,916,849</b>	<b>7,355,396,768</b>	<b>9,322,259,168</b>
	Group		SLPA	
	2021	2020	2021	2020
<b>25.3 Movement of the Loans</b>				
Balance at 01 January	13,803,916,849	15,182,245,731	9,322,259,168	10,989,633,965
Obtained During the Year	100,575,193	-	-	-
Interest Charge	179,325,034	180,268,282		
Paid During the Year	(2,332,272,918)	(1,880,471,507)	(2,326,389,836)	(1,879,101,503)
Exchange (Gain) / Loss on Translation	696,681,756	321,874,345	359,527,437	211,726,706
Balance at 31 December	<b>12,448,225,914</b>	<b>13,803,916,849</b>	<b>7,355,396,768</b>	<b>9,322,259,168</b>
<b>25.4 Finance Lease Obligation</b>				
	Group		SLPA	
	2021	2020	2021	2020
Balance as at 01 January	62,854,717	28,910,330	46,262,911	8,864,681
New Leases Obtained	-	86,310,000		86,310,000
Repayments	(11,791,146)	(4,723,113)	(7,879,090)	(1,269,270)
Advance Payment Payable		(47,642,500)		(47,642,500)
At the End of the Year	<b>51,063,571</b>	<b>62,854,717</b>	<b>38,383,821</b>	<b>46,262,911</b>
Finance Charge Unamortised		-		
Net Lease Obligation as at 31 December	<b>51,063,571</b>	<b>62,854,717</b>	<b>38,383,821</b>	<b>46,262,911</b>
<b>25.4.1 Analysis of Finance Lease Obligation</b>				
	2021	2020	2021	2020
Finance Lease Obligations repayable within 1 Year from year- end		-		-
Net Lease Obligations	12,585,164	11,232,125	8,154,106	7,320,069
Finance Lease Obligations repayable between 1 and 5 years from year- end				
Net Lease Obligations	38,478,408	51,622,593	30,229,716	38,942,843
<b>26 Government Grants</b>				
Balance at 01 January	27,836,218,465	28,144,979,415	27,836,218,465	28,144,979,415
Amortization of Government Grants	(308,589,492)	(308,760,950)	(308,589,492)	(308,760,950)
Balance at 31 December (Note 26.1)	<b>27,527,628,973</b>	<b>27,836,218,465</b>	<b>27,527,628,973</b>	<b>27,836,218,465</b>
<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	8,898,798	9,137,448	8,898,798	9,137,448
Okivil Port Development Project	13,919,977	14,586,311	13,919,977	14,586,311
Colombo Port Expansion Project	1,375,386,460	1,402,354,822	1,375,386,460	1,402,354,822
Renovation project of UCT Terminal	345,600,000	350,933,333	345,600,000	350,933,333
Hambantota Bunkering & Tank Farm	1,924,886	2,013,048	1,924,886	2,013,048
Hambantota port development project	72,673,637	77,518,546	72,673,637	77,518,546
Crown Land for Hambantota Port Project-HIPS	4,273,658,692	4,318,674,432	4,273,658,692	4,318,674,432
Crown Land for Hambantota Port Project-HIPG	21,342,724,186	21,567,533,557	21,342,724,186	21,567,533,557
Galle Yatch Marina Development	2,991,156	3,064,111	2,991,156	3,064,111
Grants for Master Plan Project	-	551,675	-	551,675
	<b>27,527,628,973</b>	<b>27,836,218,465</b>	<b>27,527,628,973</b>	<b>27,836,218,465</b>
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.				
<b>27 Deferred Tax Liabilities</b>			Group / SLPA	
			2021	2020
Balance at 01 January			8,341,963,695	9,717,887,491
Recognised in Profit or Loss			2,229,753,296	(1,014,618,546)
Recognised in Revaluation Reserve			739,265,489	(361,305,249)
Balance at 31 December			<b>11,310,982,481</b>	<b>8,341,963,695</b>
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			(8,341,963,696)	(9,717,887,491)
From Provision for Gratuity			6,410,711,656	5,943,978,594
From Accounting Provisions			12,663,385,342	9,435,641,024
			<b>10,732,133,302</b>	<b>5,661,732,127</b>
<b>Deferred Tax Liability</b>				
From Accelerating Depreciation			(22,043,115,783)	(14,003,695,823)
			<b>(22,043,115,783)</b>	<b>(14,003,695,823)</b>
<b>Net Deferred Tax Liability</b>			<b>(11,310,982,481)</b>	<b>(8,341,963,696)</b>
Provision has been made on other sources of income using the current applicable tax rate at 14%.				

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2021		Group		SLPA	
		2021	2020	2021	2020
<b>28 Retirement Benefits Obligation</b>					
<b>Balance at 01 January</b>		<b>5,957,820,335</b>	<b>5,663,061,657</b>	<b>5,943,978,594</b>	<b>5,652,536,456</b>
Expense Recognised in the Statement of Comprehensive Income	(Note 28.1)	750,303,419	853,701,413	748,058,028	851,308,163
Benefit Paid During the Year		(707,473,364)	(585,544,596)	(705,732,188)	(584,317,436)
Actuarial (Gain) / Loss on Obligation	(Note 28.2)	422,191,678	26,601,862	424,407,222	24,451,411
<b>Balance at 31 December</b>		<b>6,422,842,068</b>	<b>5,957,820,336</b>	<b>6,410,711,656</b>	<b>5,943,978,594</b>
<b>28.1 Expense Recognised in the statement of comprehensive income</b>					
Interest Cost		476,694,835	594,568,847	475,518,287	593,516,327
Current Service Cost		273,608,584	259,132,566	272,539,741	257,791,836
		<b>750,303,419</b>	<b>853,701,413</b>	<b>748,058,028</b>	<b>851,308,163</b>
<b>28.2 Expense Recognised in the statement of Other Comprehensive Income</b>					
Actuarial (Gain) / Loss on Obligation		<b>422,191,678</b>	<b>26,601,862</b>	<b>424,407,222</b>	<b>24,451,411</b>
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	11.6	8
Future Salary Increases - Salary [%]		*2-6	6	9	6
- Allowances [%]			5	7	4
Staff Turnover Factor - Up to age 54 Yrs. [%]		2.29%	0.5	1	0.6
- after 54 Yrs.		0	0	0	0
Retirement age [Yrs.]		60	60	62	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.					
Sensitivity Analysis of Present Value of Defined Benefit Obligation (All Port)					
		+ 1%	- 1%		
		(Rs.)	(Rs.)		
A One Percentage Point Change in the discount rate		5,954,510,200.39	6,922,690,918.03		
A One Percentage Point change in the salary/wage Escalation Rates		6,935,569,393.81	5,936,136,862.81		
Distribution of Present Value of Defined Benefit Obligation In Future Years (All Port)					
(Maturity Profile of Defined Benefit Obligation)-Present Value of Expected Benefit Payments					
	<b>31.12.2021</b>				
	(Rs.)				
Less than one year	116,205,040.59				
Between 1-2 years	796,250,663.46				
Between 3-5 years	1,729,438,467.43				
Between 6-10 years	1,968,991,918.78				
Beyond 10 years	1,799,825,566.40				
	<b>6,410,711,656.65</b>				
<b>29 Supply of Goods and services and other creditors</b>					
		<b>Group</b>	<b>2020</b>	<b>SLPA</b>	<b>2020</b>
Supply of Goods & Service Creditors		410,574,426	581,279,953	410,574,426	581,279,953
Other Creditors		7,058,660	7,058,660	7,058,660	7,058,660
Java Container Terminals Limited		(564,601)	(1,320,911)	29,960,196	26,947,625
Supply of fuel to MPMCL		(4,728,699)	(4,728,699)	98,938,253	98,938,253
Shipping Agents - Credit Balance		508,687,993	505,871,153	508,687,993	505,871,153
Compensation Payments		385,670,000	385,670,000	385,670,000	385,670,000
Salary Abatements		36,305,582	94,482,572	35,904,194	94,482,572
Unclaimed Wages		4,825,336	6,729,702	4,825,336	6,729,702
		<b>1,347,828,696</b>	<b>1,575,042,430</b>	<b>1,481,619,057</b>	<b>1,706,977,917</b>
<b>30 Deposits and Advances Received</b>					
Deposits - Shipping Agents		235,610,882	260,635,186	235,610,882	260,635,186
Deposit for Landing & Delivery		13,293,681	18,696,077	13,293,681	18,696,077
Bonding Deposits		3,794,710	3,252,203	3,794,710	3,252,203
Shipping Agents Advance		631,976,304	827,225,801	631,976,304	827,225,801
Deposit from customers		5,465,474	5,255,691	5,465,474	5,255,691
Employers Fidelity Deposits		753,835	731,835	753,835	731,835
Rent Deposit		87,124,427	78,678,035	87,124,427	78,678,035
Trading deposits		773,272,902	630,295,889	773,272,902	630,295,889
Contractor deposits		217,093,786	578,423,488	217,093,786	578,423,488
Special Deposits		4,255,632	29,886,362	4,255,632	29,886,362
Miscellaneous Deposits		74,088,452	75,887,430	74,088,452	75,887,430
		<b>2,046,730,085</b>	<b>2,508,967,996</b>	<b>2,046,730,085</b>	<b>2,508,967,996</b>
<b>31 Current Tax Payable</b>					
<i>Summary of current tax payable is as follow:</i>					
Corporate Tax(Note 31.1)		1,121,702,227	672,442,575	1,115,922,744	670,136,968
Value Added Tax 8%		42,862,950	91,559,703	40,624,178	89,773,295
Surcharge Tax		1,952,277,548	-	1,952,277,548	-
Withholding Tax (Receipt)		-	(19,616)	-	(19,616)
Ports and Airport Development Levy		6,058,452	6,058,452	6,058,452	6,058,452
		<b>3,122,901,177</b>	<b>770,041,113</b>	<b>3,114,882,922</b>	<b>765,949,098</b>
<b>31.1 Corporate Tax</b>					
<b>Balance at 01 January</b>		<b>672,442,575</b>	<b>1,745,670,672</b>	<b>670,136,968</b>	<b>1,749,910,776</b>
setoff against tax refund		-	(1,748,589,513)	-	(1,749,910,776)
Charge for the Period		2,687,641,498	2,771,970,518	2,675,403,556	2,765,961,967
Tax paid for 2020/2021		(671,059,290)	-	(671,059,290)	-
(Over)/Under provision in previous year		922,322	-	922,322	-
Tax paid for 2021/2022		(485,954,904)	-	(485,954,904)	-
Tax Credits		(1,082,289,974)	(2,096,609,102)	(1,073,525,908)	(2,095,825,000)
<b>Balance at 31 December</b>		<b>1,121,702,227</b>	<b>672,442,575</b>	<b>1,115,922,744</b>	<b>670,136,968</b>
<b>32 Provisions and Accrued Expenses</b>					
Provision for Volume Rebate		1,632,551,964	1,179,571,265	1,632,551,964	1,179,571,265
Accrued Expenditure		1,988,961,173	1,778,417,346	1,967,048,784	1,759,601,766
Provision for Claims (Note 54)		6,706,154,337	7,829,129,421	6,706,154,337	7,822,744,703
		<b>10,327,667,475</b>	<b>10,787,118,032</b>	<b>10,305,755,085</b>	<b>10,761,917,733</b>



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FOR THE YEAR ENDED 31 DECEMBER		Group		SLPA	
		2021	2020	2021	2020
<b>35</b>	<b>Other Operating Income</b>				
	<i>Other Services - Non Operational</i>				
	Hire of Equip. & Floating Craft other than Cargo Handling	6,096,391	9,054,035	6,096,391	9,054,035
	Supply of water for local consumption	1,631,107	1,240,753	1,631,107	1,240,753
	Supply of electricity for local consumption	101,970,591	86,191,454	101,970,591	86,191,454
	Telephone calls and medical facilities	30,412	30,286	30,412	30,286
	Training fees	37,188	353,438	37,188	353,438
	Special Jobs done for outside parties	670,011	1,526,064	670,011	1,526,064
	Income from specialized Activities	4,653,813	684,873	4,653,813	684,873
		<b>115,089,514</b>	<b>99,080,900</b>	<b>115,089,512</b>	<b>99,080,903</b>
	<i>Port Estate</i>				
	Lease out lands	2,303,499,784	2,101,018,069	2,303,499,784	2,101,018,069
	Royalty	4,417,996,183	3,913,650,031	4,417,996,183	3,913,650,031
	Rent on housing scheme	18,667,126	2,310,333	18,667,126	2,310,333
	Revenue from circuit bungalows	292,917	213,773	292,917	213,773
	Rent / lease out buildings / warehouse	117,583,217	77,506,872	117,583,217	77,506,872
	Miscellaneous	76,000	677,250	76,000	677,250
	Auditorium & class room hiring charges	110,185	27,778	110,185	27,778
	Rent leaseout sea Area	3,839,718	3,013,644	3,839,718	3,013,644
		<b>6,862,065,129</b>	<b>6,098,417,751</b>	<b>6,862,065,130</b>	<b>6,098,417,750</b>
	<i>Miscellaneous</i>				
	Dividend Received	1,871,345,624	1,807,768,558	1,871,787,555	1,808,280,642
	Penalty and surcharge on L & D Bills/ Stevedore Billing	28,435,906	35,551,167	28,435,906	35,551,167
	Surcharge on overdue bills	20,938,502	14,563,165	20,938,502	14,563,165
	Proceed on sale of assets	18,003,846	8,909,893	15,603,846	8,888,392
	Surplus of stores & off charge items			-	100
	Tender sales revenue	25,279,807	50,735,206	25,279,807	50,735,206
	Surcharges on employees	332,944	45,856	332,944	45,856
	Charges on dishonored bonds items & debtors balances	3,905,999	3,949,259	3,905,999	3,949,259
	Fines & Insurance Commission	15,513	15,990	15,513	15,990
		<b>1,968,258,142</b>	<b>1,921,539,094</b>	<b>1,966,300,073</b>	<b>1,922,029,777</b>
	<i>Central Division</i>				
	Port entry permits	23,960,646	18,373,245	23,960,646	18,373,245
	Temporary port permit charges	183,862,206	161,448,280	183,862,206	161,448,280
	Annual vehicle permits & casual vehicle permits	148,468,556	121,743,170	148,468,556	121,743,170
	Fees on chandler's license & survey fees	41,936,944	31,791,020	41,936,944	31,791,020
	Licensing of wharf clearing agencies in three ports	37,345,637	24,312,350	37,345,637	24,312,350
	Licensing of harbour craft	885,924	1,752,249	885,924	1,752,249
	Proceeds on hire of welfare buses	229,534	917,971	229,534	917,971
	Canteen income	11,000	1,500	11,000	1,500
	Miscellaneous	98,003,033	84,660,716	96,698,338	84,000,716
	Sale of Books & Publications	9,813	24,380	9,813	24,380
	Compensation receipts	11,051,216	10,150,980	11,051,216	10,150,980
	Grant Income	308,589,492	308,760,950	308,589,492	308,760,950
	Revenue from colombo oil Bank	554,148,680	526,401,391	554,148,680	526,401,391
	Upfront fee paid by CICT	103,534,286	103,534,286	103,534,286	103,534,286
	Admission/Monthly/Term fees for SLPA creche	115,300	197,050	115,300	197,050
	Hydrographic survey office -Tide data (CPCDP)	498,600	7,920	498,600	7,920
	Lump Sum Premium Laughs 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	-	10,369
	Lump Sum Premium Tokiyo Cement Company (Lanka)PLC	31,626,840	28,403,946	31,626,840	28,403,946
	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	77,880	83,000	77,880	83,000
	Infrastructure Development fees received from jet		-	93,124,954	42,145,701
		<b>3,275,211,653</b>	<b>3,153,430,841</b>	<b>3,367,031,915</b>	<b>3,194,916,541</b>
		<b>12,220,624,438</b>	<b>11,272,468,586</b>	<b>12,310,486,630</b>	<b>11,314,444,971</b>

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FOR THE YEAR ENDED 31 DECEMBER		Group		SLPA	
		2021	2020	2021	2020
<b>36</b>	<b>Administrative Expenses</b>				
	Salaries Wages & Allowances	6,067,291,609	5,391,423,961	6,029,940,024	5,361,775,697
	Overtime	1,352,435,327	1,145,939,004	1,352,435,327	1,145,939,004
	Traveling Subsistence & Fuel Allowance	29,557,856	21,645,609	29,557,856	21,645,609
	Fuel / Electricity & Other Expenses	297,290,388	326,243,788	294,191,643	324,219,844
	Cost of Water	127,334,287	133,565,787	126,703,872	132,648,071
	External Hire Chargers / Contracts	168,816,501	84,499,219	150,777,619	74,627,796
	Contract Works for Rep. & Main.	367,909,049	210,134,373	367,749,070	209,986,903
	Communication Expenses	52,865,605	48,580,255	51,790,564	47,475,357
	Rent on Premises / Rates & Taxes	49,108,720	47,714,864	49,108,720	47,714,864
	Insurance & License Fees / Legal Fees	29,115,670	39,128,170	22,554,559	29,801,704
	Office Requisites / Security Charges	77,157,873	60,915,624	58,364,580	45,068,646
	Training Expenses	15,047,841	21,952,466	12,562,550	21,952,466
	Welfare Expenses	535,864,310	358,160,563	527,505,325	349,136,837
	Publicity & Public Relations	14,552,461	13,261,784	14,552,461	13,261,784
	Sundry Expenses	70,741,144	54,323,740	70,198,449	47,103,954
	Provision for Claims(Over Provision)	(1,116,590,366)	(717,912,547)	(1,116,590,366)	(717,912,547)
	Depreciation	255,666,258	211,559,471	248,701,840	200,495,911
	Amotisation of Intangible Assets	74,718,723	60,679,864	74,718,723	60,679,864
	Amotisation of Lease Hold Asset	11,261,814	2,626,554	11,261,814	2,626,554
	Business Promtion / Other Charges	3,590,375	9,668,815	2,852,848	9,179,315
	Bad & Doubtful Debt	219,867,178	38,420,819	219,867,178	38,420,819
	Expenses on VAT	50,886,698	46,103,721	50,886,698	46,103,721
	Stamp Duty	211,110	472,700	210,735	472,350
	Audit Fees	3,233,835	2,883,415	2,645,435	2,493,415
	Corporate Social Responsibility Projects	71,151,746	-	71,151,746	-
	Admin & Infrastructure Fees paid to JCT Ltd	0	-	297,763,569	210,560,557
	Non Inventory Expense Account	17,140,412	44,677,486	17,140,412	44,677,486
	Inter Inventory Transfer Credit	(44,234)	-	(44,234)	-
	Invoice Price Variance	(10,872)	(0)	(10,872)	(0)
	Director Fees	425,000	475,000	-	-
	NBV-Retirement	160,820	120,082	160,820	120,082
	Secretarial Charges	440,000	480,000	-	-
	Bank Chargers	330,034	124,795	-	-
		<b>8,850,291,819</b>	<b>7,659,597,819</b>	<b>9,038,708,964</b>	<b>7,770,276,063</b>
<b>37</b>	<b>Net Finance (Cost)/ Income</b>				
	<b>Interest Income</b>				
	Interest on treasury bills & call deposits	2,638,495,803	2,236,995,340	2,638,495,803	2,236,995,340
	Interest on securities / investments	48,741,552	59,171,595	69,262	96,424
	Interest on loans to employees	206,735,945	177,495,367	202,800,831	174,711,119
		<b>2,893,973,301</b>	<b>2,473,662,301</b>	<b>2,841,365,896</b>	<b>2,411,802,883</b>
	<b>Interest Expenses</b>				
	Interest on Loans	(981,363,204)	(1,712,180,926)	(799,636,638)	(1,531,739,838)
	Other Finance Charges	(32,607,499)	(30,061,997)	(32,045,062)	(29,528,688)
	Finance Charges payable under Finance Lease	(6,154,813)	(3,156,246)	(4,293,062)	(839,817)
		<b>(1,020,125,516)</b>	<b>(1,745,399,168)</b>	<b>(835,974,761)</b>	<b>(1,562,108,343)</b>
		<b>1,873,847,785</b>	<b>728,263,133</b>	<b>2,005,391,135</b>	<b>849,694,540</b>
<b>38</b>	<b>Income Tax Expenses</b>				
	Inland Revenue Act ,No. 24 of 2017 (New Inland Revenue Act) comes into operation with effect from 01, April ,2018.				
	<b>Major components of income tax are as follows:</b>				
		<b>Group</b>		<b>SLPA</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Current Tax Expense for the Year (Note 38.1)	2,687,641,498	2,771,970,518	2,675,403,556	2,765,961,967
	Deferred Tax Charge / (Reversal)	2,276,645	(152,714)	-	-
	Under /(over ) provision of taxes in respect of prior year	922,322	(161,227,512)	922,322	(162,548,774)
		<b>2,690,840,465</b>	<b>2,610,590,292</b>	<b>2,676,325,878</b>	<b>2,603,413,193</b>



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FOR THE YEAR ENDED 31 DECEMBER 2021	Group		SLPA	
	2021	2020	2021	2020
<b>38.1 Reconciliation Between the Current Tax Expense and the Product of Accounting Profit.</b>				
Accounting Profit Before Taxation	24,763,393,189	19,626,349,217	25,601,331,063	20,327,138,415
Disallowed Expenses	15,335,514,303	12,597,955,185	15,335,514,303	12,597,955,185
Allowable Expenses	(25,051,229,455)	(24,094,577,087)	(25,051,229,455)	(24,094,577,087)
Other Income Liabale for Tax - Interest Income	4,509,398,605	4,045,372,406	4,509,398,605	4,045,372,406
Exempt amount & income from other sources	(4,826,145,022)	(5,066,778,728)	(4,826,145,022)	(5,066,778,728)
<b>Statutory Income</b>	<b>14,730,931,619</b>	<b>7,108,320,993</b>	<b>15,568,869,494</b>	<b>7,809,110,191</b>
Tax Losses Utilized/	-	-	-	-
<b>Assessable Income / Taxable Income</b>	<b>14,730,931,619</b>	<b>7,108,320,993</b>	<b>15,568,869,494</b>	<b>7,809,110,191</b>
<b>Less:Qualifying payment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Taxable Income	14,730,931,619	7,108,320,993	15,568,869,494	7,809,110,191
<b>Tax Chargers at Statutory Tax Rates of 24%</b>	<b>2,413,486,860</b>	<b>1,440,199,092</b>	<b>2,413,486,860</b>	<b>1,440,199,092</b>
<b>Tax Chargers at Statutory Tax Rates of 14%</b>	<b>274,154,638</b>	<b>1,331,771,426</b>	<b>261,916,696</b>	<b>253,159,290</b>
<b>Current Tax on Ordinary Activities</b>	<b>2,687,641,498</b>	<b>2,771,970,518</b>	<b>2,675,403,556</b>	<b>1,693,358,382</b>
<b>39 Sooriyawewa Cricket Stadium construction cost</b>				
As per the cabinet decision dated 05.12.2017 it has been approved to obtain loan from Peoples Bank for the settlement of outstanding dues to the Contractor of International Cricket Stadium at Sooriyawewa. According to the comfort letter issued by the Ministry of Finance and Mass Media dated 14.12.2017 it has been guaranteed to provide adequate budgetary allocations to SLPA for debt servicing.				
<b>40 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.The registrar has submitted his report on 02.03.2021 and it was reported that such amount was not in the account of Peoples Bank. The registrar further reported that he's unable to trace any document in respect of the current position of the said sum. Subsequently the judge directed the registrar to refer this matter to CID. When the matter was called on 02.02.2022 no CID officers were present, hence court directed SLPA to file a notice to be served by the fiscal directing the OIC of commercial and financial frauds division to be present in courts on 28.03.2022.				

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

<b>41</b>	<b>Cases in 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>42</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>43</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 2020.			
		<b>Group</b>		
	<b>Impact on the Consolidated Statement of Financial Position As at 31st December 2020</b>	<b>2020 With Audited A/C</b>	<b>2020 without Audited A/c</b>	
	Investment in Associates	37,852,755,543	37,855,266,526	
	Financial Assets at FVOCI	33,305,002,047	34,495,665,187	
	Financial Assets at FVOCI Reserve	3,386,242,893	4,576,906,033	
	Retained Earnings	64,376,869,959	64,389,613,140	
	Current Tax Payable	770,041,113	766,427,603	
	Provisions and Accrued Expenses	10,787,118,032	10,780,346,739	
	Differed Tax Liability	712,008	864,630	
<b>44</b>	<b>Prior Year Adjustments</b>			
	<b>Line Description</b>	<b>Rs.</b>		
	Correction JE no FD/CASH/448 for the month of December 2014	26,000		
	Being accounting for Royalty receivable from CICT for the Following: (1st quarter of year 08, 02nd, 03rd & 04th quarter of year 09 and Additional Royalty)	(12,120)		
	Settlement of Advance payment to prepare transfer pricing documentation	249,272		
	Being Journalized excess amount received from Midland Enterprises who filed case against SLPA regarding new rates and old rates in 2012. Case No. SC/Appeal/196/2016, Court Application No. 58/2012, BG No. DVB/KDY/OGT/12/009, Decision was granted.	(3,628,447)		
	Being accounting rent charges for Ceylon Warehouse Complex (pvt) Ltd. from 01/01/2020 to 19/09/2022. Receipt No. C0160218 - 21-MI-005284.	(2,775,000)		
	Transferring of Balances available in Port damages recovery account (APLSL)	(56,185,000)		
	Transferring of Balances available in Port damages recovery account (LT greet)	(430,696,745)		
	Capitalization of Documentation charges on lease hold assets which was already charged to P&L	(663,157)		
	Revenue from Tender Sale of unclear cargo is transferred to Tender Sale Revenue A/c.	(63,305,383)		
	Being Accounting for Royalty (Rate Increase Dec.2020) from SAGT for the month of December 2020.	(106,141)		
	Being correction less writing of rent charges.	(5,763,468)		
	Adjustment JE over back dated assets	2,535,209		
	Adjustment over stamp duty added to the lease hold vehicles	15,115		
	Being accounting the write off, according to the letter of Chief Manager of Welfare Division.	(25,837,544)		
	Being accounted correction of JE No. 2021/13.(Last year Fuel allowances - 2020).	(3,166,516)		
	Being transfer provision for the surchargers tax payable for the year of assessment 2020/2021.	1,952,277,548		
	correction of income tax over payment for the assessment year of 2020/2021	(1,073,525,908)		
	Correctin JE - Galle BK 116 / 2021	63,282		
	Trinco Unconfirmed O.T & Material transferred to Previous year adjustment A/C. - Trinco JE / 48	2,808,248		
	Trinco Amortization of Lease Hold Asset for December 2020 transferred to Prior Year Adjustment A/C. - Trinco JE/284	691		
	<b>Total</b>	<b>292,309,936</b>		

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

<b>45 Foreign Exchange Gain/Loss</b>	
	As per the LKAS 01 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>46 Consolidated Financial Statements 2021</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) & SLPMCS Ltd which are associate companies have submitted unaudited Financial Statements for year 2021.
	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>47 Review of Useful Life Time of the Assets</b>	
	Useful life time of assets were reviewed by the respective committees appointed to this task.Staff Quarters & Other Buildings , Motor Vehicles, Plant & Machinery, Operational Building & Structure , floating equipments,Electrical and electronics , Handling equipment 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>48 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>49 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. Since this land belongs to BOI at the moment it has not been capitalized in the books of SLPA.
<b>50 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 A letter was sent to sri lanka Accounting and Auditing Standarded Monitoring Board (SLAASMB) , through the Secaratory of ministry of Port and shipping requesting advice on accounting treatment to be applied on this regards
<b>51 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 non existence nature are few if 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>52 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>53 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 2021.
<b>54 Provisions for Claims</b>	
	During the year SLPA has kept a reliable estimate of Rs.6,706,154,337.27 as provision for legal claims.
<b>55 Renovation Works of observation deck at Galle Face</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 receivable from SLPMCS. Since SLPMCS is refusing the reimbursement it is doubtful that they will show the amount as payable to SLPA in their Financial Statements.
<b>56 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. After that several reminders(Latest letter dated 02.12.2021) has been sent to Bank of Ceylon to reversal the above amount and still not received any reply from BOC.
<b>57 Capitalization Of CICT Land</b>	
	Cost of the reclamation of land is on the account of CICT. Hence transfer of this to SLPA will be taken place once the term of the BOT is expired.
<b>58 Income Tax Receivable</b>	
	As per the Income Tax return there is a Tax refund of Rs.2, 683,343,024.Until the pending cases at the Court of Appeal has finalized the SLPA has unable to setoff the above refund from Income Tax payable.
<b>59 Construction of JCT Oil Tank</b>	
	As per agreement between SLPA & JCT Ltd, SLPA construct Oil Storage Tank for JCT Ltd. Part of the Construction work still in progress. As per the agreement JCT Ltd will reimburse the Construction cost of SLPA. Therefore SLPA considered this as a Infrastructure Development fees received from JCT Ltd.

# NOTES TO THE FINANCIAL STATEMENTS

Expressed in Sri Lanka Rupees

FOR THE YEAR ENDED 31 DECEMBER 2021								
<b>60</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>60.1</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>2021</b>	<b>2020</b>		
	Remuneration and Other Short-Term Employee Benefits				40,959,708	32,479,886		
	Balance Outstanding - Loans and Advances				116,490	116,490		
	Termination Benefits							
<b>60.2</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	142,288,972	-	-
					Loan repaid	6,107,132,237	-	-
					Interest paid	1,431,282,144	-	-
		Sri Lanka Port Management & Consultancy Services (Pvt) Ltd	Associate Company	Dr. M.L. Christo Fernando	Payment for Janitorial Services received	57,338,351	11,907,990	-
					Payment of Salaries	29,058,302	2,091,470	-
					Dividend receivable	441,931	-	441,931
					Payment for Loading and Unloading	72,229,888	12,755,486.01	-
					Provision for Terminal Operators	245,977,641	29,745,956	-
					Lashing & Unlashing Service	113,318,193	24,489,609	-
					Inter Terminal Trucking	63,829,571	2,091,684	-
					Transport Service	11,849,131	3,004,672	-
					Reefer Monitoring	11,725,816	4,861,873	-
					Welfare Creche	2,721,600	453,600	-
					Covid Treatment centre	16,801,850.48	7,760,182.84	-
		Jaya Container Terminal Ltd	Subsidiary Company	Dr. Prasantha Jayamanne	Administrative & Infrastructure fee paid	297,763,569	29,960,196	-
				Mr. Rohan De Silva	Supply of fuel	2,705,392	720,943	-
					Issuance of Medicines	44,687	50,135	-
					Telephone Bills	370,736	-	92,252
		South Asia Gateway Terminal (Pvt) Ltd	Related Company	Dr. Prasantha Jayamanne	Rent received	641,523,853	-	49,168,189
					Royalties received	1,277,657,036	-	115,712,914
					Dividend received	805,083,555	-	-
		Colombo International Container Terminal Ltd	Related Company	Dr. Prasantha Jayamanne	Lease/Rent Received	1,248,321,974	-	-
				Mr. Rohan De Silva	Royalty received	3,118,246,622	-	174,077,575
					Lump Sum Premium Income	103,534,286	-	-
					Dividend received	1,065,749,986	-	-
					Tempory Stacking	90,499,464	-	90,499,464
		Magapura Port Management Company	Subsidiary Company	Mrs. Shirani Wanniarachchi	Administration Fees Payable	-	71,819,156	-
				Mr. Lal Weerasinghe	Fuel Charges	-	1,399,116	-
					Insurance Claim Payable	-	25,719,981	-
					Salaries	-	-	5,800,321
		Hambanthota International Port Group Ltd	Related Company	Dr. Prasantha Jayamanne	Royalty Income	20,302,827.80	-	20,302,827.80
				Mr. Rohan De Silva				
				Mr. Upul Jayatissa				
<b>61</b>	<b>Significant event after the balance Sheet date</b>							
<b>61.1</b>	The letter of Credit (LC) facility amounting to USD 282.56 Mn for the purpose of importation of ECT handling equipment was obtained on 31st December 2021. Since ,SLPA was not able to secure a term loan facility the BOC has hold the USD deposits of SLPA for the full value of the LC with effect from 3rd Janaury 2022.							
<b>61.2</b>	MPMC Ltd has obtained a LC facility from HNB which has not been settled by MPMC fully. Subsequently, HNB has filed a case No.DDR 1349/19 against SLPA being the Parent Company of MPMC Ltd. No provisions were kept since LKAS 37 conditions are not satisfied.							
<b>62</b>	Out of the total amount of Rs.103,265,916 of advance to suppliers, as at 15.02.2022 unsettled balance was Rs.25,332,315 only.							
<b>63</b>	Reinstatement of loans obtained to construct Port of Hamanthota has not been done and seek a directive from Chartered Institute of Sri Lanka as decided by the Board of Directors.							

## 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. 71,349,659,950.52 (2020: 55,661,938,072.87).

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-2021			31-Dec-2020		
	Less than 1 Year	More than 1 Year	Total	Less than 1 Year	More than 1 Year	Total
Borrowings - Government	5,088,708,668	47806929003	52,895,637,670	6,197,344,132	49,709,894,559	55,907,238,692
Borrowings - Financial Institutions	2,653,014,068	4,702,382,701	7,355,396,768	2,506,029,163	6,816,230,004	9,322,259,167
Trade and Other Creditors	1,481,619,057	-	1,481,619,057	1,706,977,917	-	1,706,977,917
Total	9,222,103,348	52,509,311,703	61,731,415,052	10,410,351,211	56,526,124,564	66,936,475,775

### 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 "MSC 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. 1,269,650.92 arising from re-payment of borrowings and invoicing of services rendered to shipping agent (example "MSC 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. 53,068,461,138 (2020: Rs. 54,173,797,086) of the Authority's interest bearing loans and borrowings carried interest at floating rates others amounts to Rs. 7,182,573,301 (2020: Rs. 11,055,700,773) 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.

<b>Loan</b>	<b>2021 (RS.)</b>	<b>2020 (RS.)</b>
<b>Floating Rate</b>		
Colombo Port Expansion ( South Harbour)	45,713,064,369	44,851,537,918
Development of East Container Terminal - Bank of Ceylon	3,733,776,137	5,371,400,298
Construction of Sooriyawewa Stadium - Peoples Bank Loan	3,621,620,632	3,950,858,870
<b>Fixed Rate</b>		
Colombo Port Development Project	7,031,696,128	11,055,700,773
Rehabilitation of KKS Loan	150,878,173	

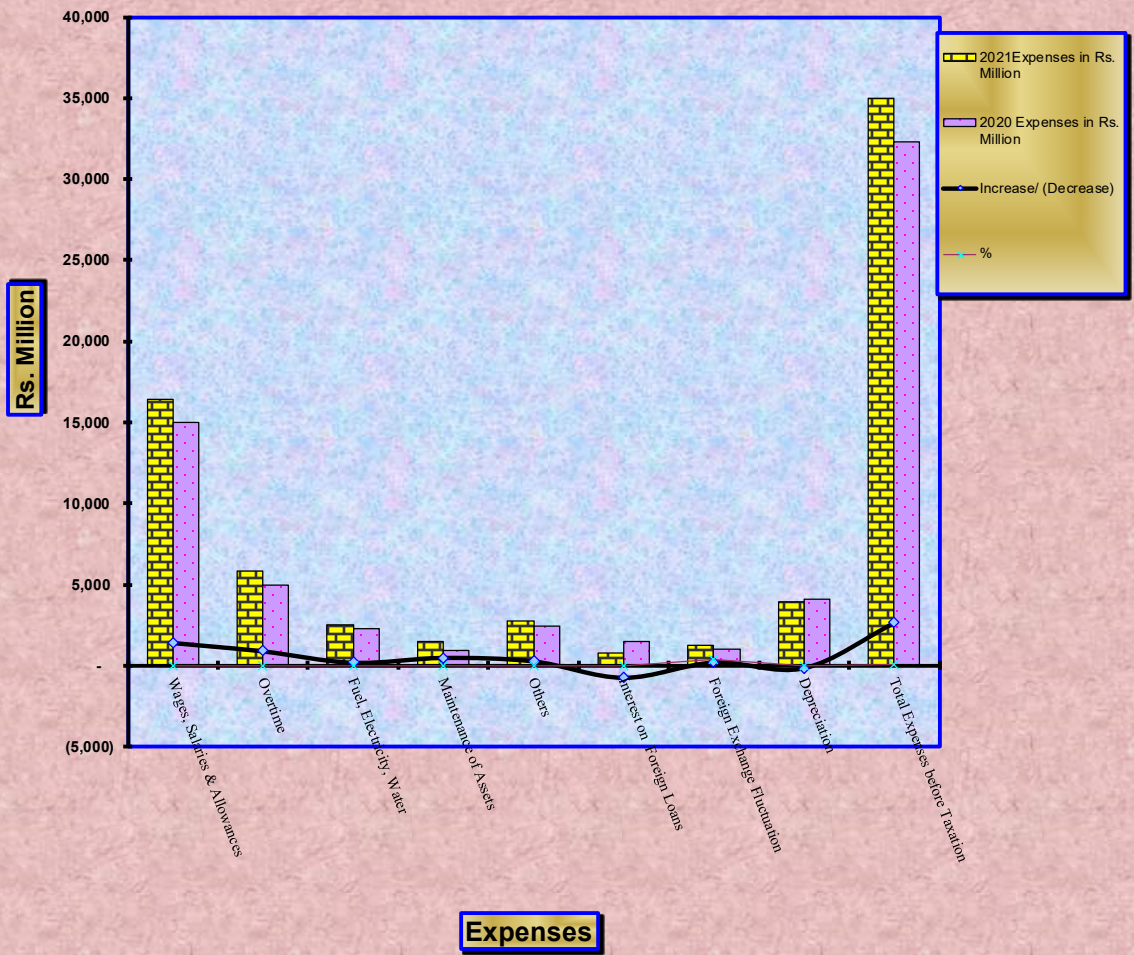
## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021							
Terms and conditions of borrowing facilities							
Loan Name	Lending Institution	Currency	Interest Rate	Loan Amount	Out Standing Balance	Borrowing cost	
				(In Loan currency)	as @ 31/12/2021 (Rs)	(Rs)	
JBIC Loans	SLP-30	JAICA	JPY	2.60%	19,962,268,331	866,458,766	
	SLP-33		JPY	2.60%	6,828,220,432	1,185,505,454	
	SLP-41		JPY	2.60%	4,878,185,478	1,270,410,170	
	SLP-46		JPY	2.60%	2,644,187,565	1,951,059,121	
	SLP-67 i		JPY	1.80%	1,354,512,318	1,103,850,288	
	SLP-67 ii		JPY	0.75%	217,445,997		
	SLP-85		JPY	0.30%	14,495,000,000	597,488,044	
Rehabiliattion of KKS loan	Export Import Bank of India	USD	1.75%	45,270,000	150,878,173	6,534,465.27	
ADB-2319	Asian Development Bank	US \$	Libor+0.6%	300,000,000	45,580,946,731		
Constrection of Sooriyawawa Stadium	Peoples Bank	LKR	A WPLR+2.5%	3,950,858,870	3,621,620,632		
East Container Terminal	Bank of Ceylon	US \$	6 Months Libor+4.25%	80,000,000	3,733,776,137		
			<b>Total</b>		<b>60,061,993,516.34</b>	<b>6,534,465.27</b>	
			Accrued Interest		189,040,922		
					<b>60,251,034,439</b>		
		Note 24	Borrowings - Government of Sri Lanka		52,895,637,670		
		Note 25	Borrowings - Financial Institutions		7,355,396,768		
					<b>60,251,034,439</b>		

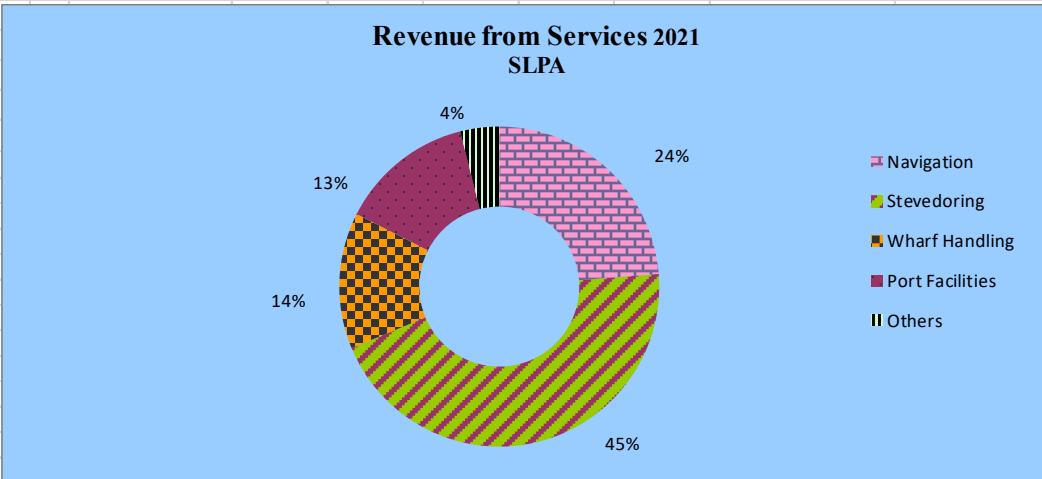
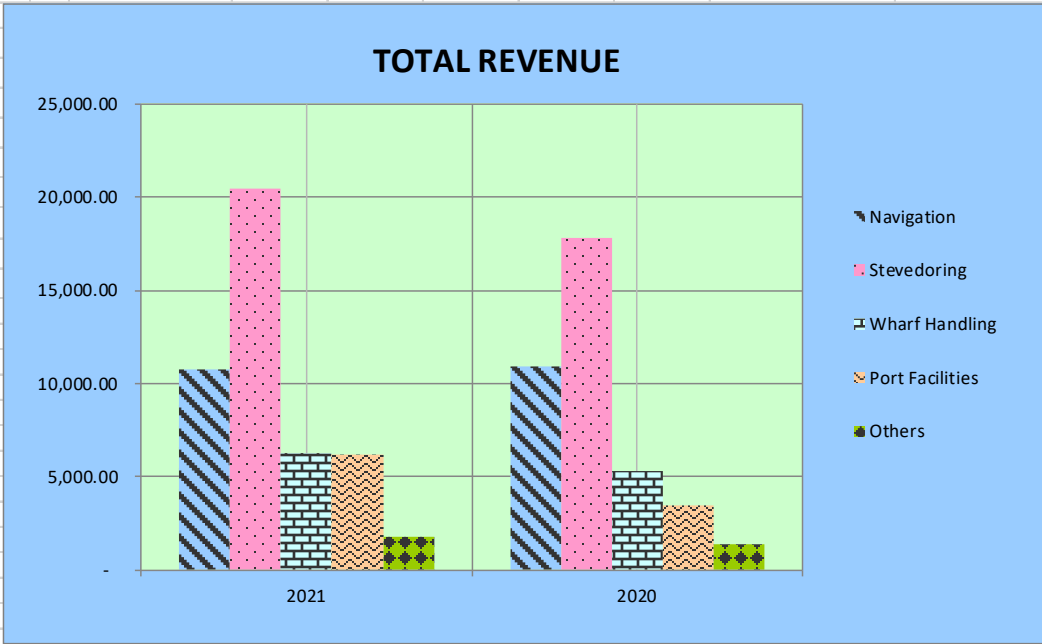


FOR THE YEAR ENDED 31 DECEMBER 2021

**OPERATIONAL & OTHER EXPENSES**



FOR THE YEAR ENDED 31 DECEMBER 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 2021 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 2021 comprising 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 under my directive in pursuance of provisions 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. My report in terms of Article 154(6) of the Constitution will be tabled at the Parliament in due course.

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

### **1.2. Basis for Disclaim of Opinion**

- (a) Loan and interest balance of Rs. 147,746 million out of the foreign loan that had been obtained for the construction of the Port of Hambantota remained in the accounts of the Authority as at 30<sup>th</sup> November 2017 had been written off by the Authority without obtaining concurrence of the General Treasury or approval of the Cabinet of Ministers and therefore, the said loan amount had not been included in any of the government accounts. However, responsibility of the repayment of the aforementioned loan relies on the General Treasury in terms of the approval of the Cabinet of Ministers granted on 04<sup>th</sup> August 2017 to the Cabinet Memorandum “Concessionary Agreement on the Port of Hambantota” No. MPS/SEC/2017/32 dated 20<sup>th</sup> July 2017. Accordingly, loan installments and interest had been settled by the External Resources Department of the General Treasury since 2017 and according to the documents of the year 2021, the loan balance yet to be settled as at 31<sup>st</sup> December 2021 had been Rs. 165,483 million. Further, foreign exchange conversion cumulative loss of Rs. 31,545 million calculated up to 30<sup>th</sup> November 2017 in relation to the above loan amount too had been written off from the accounts of the Authority along with the writing off of the above loan amount foreign exchange conversion cumulative loss of Rs. 65,618 million as at 30<sup>th</sup> December

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2021 including foreign exchange conversion cumulative loss of Rs. 34,072 million from 30<sup>th</sup> November 2017 to 31<sup>st</sup> December 2020 and foreign exchange conversion loss of 2021 too had not been entered in the financial statements of the General Treasury or the Authority. However, information regarding foreign exchange conversion profit/ loss balance calculated in relation to the loan balance for the year ended 31<sup>st</sup> December 2021 had not been submitted for auditing by the External Resources Department.

Secretary to the Ministry of Finance had informed the Chairmen of the Authority in several occasions to enter this loan amount in the books of the Authority. However, actions had not been taken either by the Sri Lanka Ports Authority or the General Treasury to include the above loan balances and the relevant foreign exchange conversion profit/ loss in the accounts even by the end of the year under review.

- (b) The sum of Rs. 4,778 million including the installment of Rs. 4,406 million and the stamp duty of Rs. 372 million paid by the Authority in 2017 for the loan obtained for the construction of the Port of Hambanatotota had not been received by the Authority up to the 30<sup>th</sup> April 2022. Further, even though the Authority had called for balance confirmations in this regard the General Treasury had not confirmed the said confirmations and it was observed that this balance had not been included in the payable balances in the Republic Financial Accounts. Therefore, an uncertainty prevailed in the receipt of this amount.
- (c) As a result of the instalment amount that had been obtained from the Bank of Ceylon by the General Treasury for the Construction of Tank Farm Project under the Hambantota Port Development Project, not being settled by the General Treasury as scheduled Rs. 377.84 million i.e. US\$ 0.64 million had been recovered the Bank of Ceylon from US\$ account which is being maintained in the bank in name of Sri Lanka Ports Authority. Although the above mentioned amount had been stated as a balance receivable from the General Treasury as at 31<sup>st</sup> December 2021, the said amount had not been received by the Authority until 30<sup>th</sup> April 2022 and it was observed that the receipt of the said amount was uncertain.
- (d) A loan of US \$ 24 million had been obtained by the Magampura Port Management Services (Pvt) Ltd, a subsidiary company of the Sri Lanka Ports Authority which had ceased its operational activities from November, 2017 to purchase bunkering oil in 2014. Of this loan US \$ 22.3 million had not been settled even on the date of this report and it was observed that this company did not have sufficient funds to settle the loan as per their financial statement. However, the relevant bank had filed two cases against the subsidiary company and the Authority in 2020 in the Colombo District Court to recover the outstanding loan amount. The Chief Legal Officer of the Authority had requested the Chief of Finance to make provision in the Annual Financial Statements to settle this liability Rs. 4,465 million. However, in terms of section 10 (a) of Accounting Standard No. 37, allocation of contingent liabilities had not been made for the above responsibility and therefore, profit for the year under review of the Authority had been over calculated by Rs. 4,465 million.
- (e) In terms of section 9 (c) of Sri Lanka Accounting Standard No. 10, when the Cost of an Asset is possible to be determined after the date of reporting applicable to the previous date of reporting, adjustments relating to the Financial Statements

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should be done. But, action had not been taken to capitalize Rs. 99 million which was the cost of the fuel tank that had been handed over to the Sri Lanka Ports Authority by the relevant contractor on 14<sup>th</sup> December 2021 subsequent to the completion of the construction of the fuel tank with the capacity of 3,200 metric tonnes which was constructed with self funds by the Jaya Container Terminal Ltd which should be included in the accounts as an asset of the Sri Lanka Ports Authority that had been utilized since 20<sup>th</sup> December 2021.

- (f) In terms of para 55 of Sri Lanka Accounting Standard No. 16, Property, Plant and Equipment should be depreciated from the time they became suitable to utilize for operational activities. But, the value of 2 Nos. of pilot launches amounting to Rs. 495 million received by the Authority on 23<sup>rd</sup> December 2019 and utilized for operations had not been capitalized and depreciated until 31.12.2021. These payment had been shown under the non-budgetary provision purchasing audit account. Accordingly, Property, Plant and Equipment of the Authority had been under calculated from the above amount as at 31<sup>st</sup> December 2021.

Further, in the balance of Rs. 1,808.56 million as at 31<sup>st</sup> December 2021 there were purchases of spare parts amounting to Rs. 223.57 million for which action had not been taken to identify into the statement of income or to capitalized on a recognized policy. Because of this reason, profit for the year and non-current asset, had been over calculated/ under calculated. Also, in the remaining balance, it was observed that there were lengthily existed non capitalized assets and unidentified expenses.

- (g) In terms of para 51 of Sri Lanka Accounting Standard No. 16, although the useful lifetime and scrap value of fixed assets should be reviewed annually and variances, if any, should be adjusted in the accounts as per the Sri Lanka Accounting Standard No. 8 Assets of 11 categories amounting to Rs. 4,443 million as carrying value of the Port of Galle had not been reviewed as at 31<sup>st</sup> December 2021.

- (h) An appeal with regard to calculation of income tax of the Authority from the year 2007/08 to 2010/11 had been submitted to the Tax Appeal Court and taxes for the relevant years had not been paid as the appeal was pending. Although Rs. 723.41 million as the balance of withholding tax, Rs. 403.29 million as nominal tax credit and Rs. 1,165.66 million as the Economic Service tax had been shown as receivable, it was observed that such taxes had been set off in allocating above taxes. As such, although these balances cannot further be shown as receivable adjustments in accounts had not been done. Therefore, the Withholding tax, nominal tax, Economic Service tax amounting Rs. 2,292.39 had been shown as receivable in Financial Statements even at end of the year under review.

- (i) In terms of para 18, 19 and 21 of Sri Lanka Accounting Standard No. 24, information required for referees to understand the nature of transactions with related parties, impacts to balances and financial statements in relation to the financial year should be declared under related party transactions. However, information related to transactions with related parties such as annual deferred lease tax income of Rs. 1,713 million that has been credited to the statement of income when calculating net profit of the year under review, Rs. 169,479 million which had been received from Hambantota International Port Services Ltd., and Hambantota International Port Group in 2017 for transferring of assets of the Port

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of Hambantota on long term lease basis and payment over of Rs. 95.7 million to the Authority in 2021 by the Jaya Container Terminal Ltd., for the construction of a new fuel tank and a fire fighting system had not been declared in the notes to the financial statements.

- (j) In terms of para 85 of Sri Lanka Accounting Standard No. 37, even though a short description regarding the nature of relevant bond for each provision, time periods that the payments should be made and uncertainty should be declared, actions had not been taken as aforementioned regarding a provision of Rs. 6,706 million that can be claimed which is included in the statement of Financial Status of the Authority as at 31<sup>st</sup> December 2021.
- (k) As per the accounting policies 2,4,3 of Sri Lanka Ports Authority and para 24 of Sri Lanka Accounting Standard No. 38, despite intangible assets that an organization quire should be calculated to the cost, NAVIS N4 Terminal Management Computer System purchased by the Sri Lanka Ports Authority had been utilized since 29<sup>th</sup> April 2021 and actions had not been taken to capitalized retention money of Rs. 92.99 million. Therefore, intangible assets and retention money payable had been under calculated from Rs. 92.99 million..
- (l) As per notes to the Financial Statements No. 2.2.2, it had been informed that investment in subsidiaries are calculated based on the equity method. According to the above policy out of the loss for the year 2021 of Hambantota International Port Services Ltd., a subsidiary company of the Authority, loss of Rs. 383.1 million which is profit/loss share of the Authority had been calculated based on the draft Financial Statements in 2021 of the company.
- (m) It had been stated in the financial statements of the Authority that the amount of Rs. 7.61 million which had been spent in 2018 by the Authority for a renovation activity in Galle Face Green as an amount receivable from Sri Lanka Port Management and Consultancy Company, a subsidiary company of the Authority which handles administration activities of the Galle Face Green. However, the said amount had not been stated in the Financial Statements of the relevant company as an amount payable to the Authority. The company had even informed the Authority that amount cannot be paid to the Authority.
- (n) Compensation of Rs. 41.8 million paid for those who lost lands due to land acquisition for Oluvil Port Project which does not belong to the Authority and operational activities are not carried out by the Authority had been included in the Work-In-Progress account.
- (o) Stock valuing Rs. 12.43 million included in the assets of Magampura Port Management Consultancy Services Company Ltd., which is stated under the consolidated statement of financial status, fixed assets of which carrying value is Rs. 0.26 million and cash in hand valuing to Rs. 0.17 million had not been physically available. Provisions too had not been made in the Financial Statements for this loss of Rs. 12.86 million.

Further, as per the Statement of Financial Status, reference documents, balance confirmation letters, age analysis reports and supporting documents for balances of

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Rs. 17.78 million receivable from the government to the said organization as at 31<sup>st</sup> December 2019, Rs. 28.04 million receivable for bunker oil insurance and Rs. 3.58 million receivable from trade debtors and for the balance of Rs. 7.3 million payable as at the said date by the company had not been submitted for auditing.

- (p) According to the Financial Statements of both subsidiary companies as at 31<sup>st</sup> December 2021, withholding tax balance receivable was Rs. 6.57 million and tax certificates in relation to Rs. 3.66 million out of the withholding tax had not been submitted for auditing. There was an uncertain situation with regard to reduction of the above withholding tax balance when paying the income tax.
- (q) When the South Asia Gateway Terminal Ltd., was established in 2010, it had been agreed to transfer shares of the said company to the value of Rs. 141.63 million, in exchange of the cost of three cranes provided by the Sri Lanka Ports Authority. However, the relevant entitlement for shares had not been transferred to the Authority until the end of the year under review and the relevant company had provided answers through balance confirmations of the year 2020 that there is no any amount to be paid for shares. The receipt of the shares of the relevant company to the Authority was uncertain since there was no agreement with South Asia Gateway Terminal with regard to the said matter and the Authority too has not made allocations for impairment for value of shares receivable to the Authority. Further, though a request had been made to confirm balances as at 02<sup>nd</sup> February 2022, balance confirmations had not been submitted.
- (r) Even though it had been stated that 19 land lots valuing to Rs. 633.94 had been given to other organization on lease basis, the said lands had not been included in the investment assets register maintained by the Finance Division. Therefore, investment assets of the Statements of Financial Status of the Authority had been under calculated by Rs. 633.94 million and value of assets had been over calculated by the said amount.
- (s) Fair value of investment in shares (unlisted), as at 31<sup>st</sup> December 2021 of the Hambantota International Port Group (HIPG) stated in the Financial Statements of the Authority, had been included in accounts audited Financial Statements for the year ended 31<sup>st</sup> December 2021, had not been submitted to the Authority until 19<sup>th</sup> May 2022. Subsequent to calculation on values of Audited Financial Statements of 2020 of the said company as Rs. 32,932.8 million.
- (t) According to the Assets Reviewing Committee Report as at 31<sup>st</sup> December 2021 prepared by the Authority, it was observed that due to the inability of physically identifying operating buildings and constructions of which the carrying value had been Rs. 403.68 and machinery and equipment valuing to Rs. 181.9 million, the availability of said assets is uncertain.

As described above, I could not confirm or verify quantitative items included in the Statement of Financial Status, Comprehensive Income Statement, Statement of Changing Equity and Cash Flow Statement through alternative methods. Due to this reason, I could not decide whether it is required to do any adjustment in regard to reported or not reported values or transactions in values prepared or in items of the Statement of Financial Status,

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Comprehensive Income Statement, Statement of Changing Equity and Cash Flow Statement.

## **1.3 Other information included in the Annual Report 2021 of the Authority**

Other information means information not included in Financial Statements and my Audit Report regarding the said statements, but included in the Annual Report 2021 of the Authority which is expected to be given to me after the date of this Audit Report. The management should be responsible for these other information.

My opinion regarding Financial Statement does not cover other information and I do not give any sort of assurance or do not express any opinion regarding the above.

My responsibility in relation to my Audit on the Financial Statements is to read when the above identified other information could not be obtained and when doing so, to consider whether other information obtained when auditing or by other means quantitatively unsuitable with Financial Statements.

When reading the Annual Report 2021 of the Authority, if I decide that there are quantitative incorrect information said facts should be communicates to parties that carry out administration to do corrections. If there are incorrect information, no corrected any further, I will include those to the report that I will be table at the parliament when time to come as per the article 154 (6) of the constitution.

## **1.4 Responsibilities of the Management and the Governing parties in respect of the Financial Statements**

It is the responsibility of the Management to decide on necessary internal controls is preparing Financial Statements is compliance to the Sri Lanka Accounting Standards, to present the same fairly and exclusive of misstatements which would be established through fraud or errors.

In preparing Financial Statements, determining the viability of the Authority being carried out on continuously is a responsibility of the Management and keeping accounts on the basis of continuous existence of the Authority is also a responsibility of the Management except in case where action is taken to operations of the group, if the group is intended to be wound up when there is no other alternative.

Responsibility of checking the process of financial reporting of the group is held by the governing parties.

In terms of sub section 16 (1) of the National Audit Act No. 19 of 2018, books and regarding income, expenditure, assets, and liabilities of the Authority and group should be properly maintained to enable the preparation of Annual periodic Financial Statements of the Authority and the group.

## **1.5 Auditor's Responsibility in Accounting of Financial Statements**

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



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Standards. However, owing to the facts described as the part “Basis for disclaimer of Opinion”, I could not obtain adequate and appropriate audit evidence to establish a basis for an audit opinion for this Financial Statement.

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

2.1 Special provisions are included in the National Audit Act No. 19 of 2018 with regard to the following requirements.

2.1.1 I was unable to obtain all information and clarifications 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 that the Sri Lanka Ports Authority has maintained proper financial reports as it is apparent in my investigation.

2.1.2 Financial Statements of the Authority submitted in terms of requirements in Section 6 (I) (d) (IV) of the National Audit Act No. 19 of 2018 comply with the Financial Statements submitted in the previous year.

2.1.3 The recommendations submitted by me in the previous year except for the observations stated in (a), (b), (c), (d), (e), (f),(g) in the section “Disclaimer of opinion” of my report are included in the Financial Statements submitted in terms of requirements in Section 6(i) (d) (iv) of the National Audit Act No 19 of 201.

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

2.2.1 that a member of the Board of Control of the Sri Lanka Ports Authority has a connection directly or indirectly deviating from usual business status with regard to any 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 other 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>Observation</b>
(a)	Section 11 of the Finance Act No. 38 of 1971	Concurrence of the Minister of Finance had not been obtained for Rs. 52,344 million of fixed and short term deposits invested by the Sri Lanka Ports Authority as at 31 <sup>st</sup> December 2021.
(b)	Section 10(5) of the Finance Act No. 38 of 1971 and section 30 of the Sri Lanka Ports Authority Act No. 51 of 1979.	If there is any surplus cash in any State Corporation in any year, the balance of which after making deductions as stated in the Finance Act, should be credited to

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the Consolidated Fund. Further, as per the Sri Lanka Ports Authority Act a dividend not exceeding 8% per annum should be paid to the Consolidated Fund based on the value of assets transferred to the Sri Lanka Ports Authority and on financial contribution made to the Sri Lanka Ports Authority. However, of the net profit of Rs. 69,686 million for the period from 2016 to 2021, the Authority had credited to the Consolidated Fund only Rs. 600 million. Further, the above profit had included the lease rent of Rs. 12,918 million collected for the period from 2016 to 2021, from South Asia Gateway Terminal (SAGT) and Colombo International Container Terminal (CICT), the two terminals to private sector on long term lease basis and Rs. 19,582 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.

- (c) Sri Lanka Ports Authority Act  
No. 51 of 1979  
(i) Section 37 (i)

The changes to be recorded by the Sri Lanka Ports Authority, has to be decided by the Sri Lanka Ports Authority with the approval and on inquiry from the Minister-In-Charge of the subject. As per the item No. 24 of the revised tariff – 2019, although the waivering period for warehouse charges was stated as 21 days, a concession period of 45 days were granted in the Terminal Service Agreement entered into with shipping agents. The rebates on storage for the year under review was Rs. 2,286.44 million, and Terminal Service Agreement were signed with conditions other than the conditions stated in the tariff- 2019. The approval of the Minister-In-Charge of the subject was not submitted for auditing.

- (ii) Section 39 (i)

Goods in transit will be sold off at a public auction after the relevant time period without prejudice to the provisions made in section 40. The remaining balance if any after the payment of customs duty, warehouse charges and administrative expenses of the Sri Lanka Ports Authority

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should be paid to the General Treasury. When examine the Financial Statements for the year ended 31<sup>st</sup> December 2021, it was observed that the unsettled balance from the amount earned as public auction as at 31<sup>st</sup> December 2021 was Rs. 385.14 and that it was inclusive of an unsettled balance of Rs. 336.38 million payable to relevant parties from the income generated from public auctions during 2015 to 2020. Action was taken to identify Rs. 63.31 million as revenue from the previous years share of the Sri Lanka Ports Authority relevant to the unsettled documents from 2010 to 2014, action was not taken to make the payment to the Sri Lanka Customs and to the and to the General Treasury from the revenue of Rs. 52.57 million generated from auctions.

- (d) Public Enterprises Circular No. PED/01/2021 dated 16<sup>th</sup> November 2021.

(i) Section 7 (3)

Although the Sri Lanka Ports Authority should have evaluated the performance of each section in relation to the Key Performance indicators of each section, the Sri Lanka Ports Authority had not fulfilled their requirement during the year under review.

- (ii) Paragraph 3.2 (i) and the letter No. DMS/F1/3/3-1 dated January 23<sup>rd</sup> 2013 issued by the Department of Management Services.

Although the Sri Lanka Ports Authority should obtain the approval of the Department of Public Services after preparing a Recruitment procedure, the approval of the Department of Management Services was not obtained by the Sri Lanka Ports Authority for the draft Scheme of Recruitment and promotions.

- (e) The letter No. MPS/AD/06/83-2017 dated 12<sup>th</sup> February 2019 of the Ministry of Ports, Shipping and Southern Development.

Although the Authority had been directed to stop all recruitments until the Scheme of Recruitment and Promotions approved. 227 promotions had been given for posts in the primary category without obtaining the approval of the Department of Management Services during 2021.

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- (f) Para 7 (I,II) of Sri Lanka Ports Authority Internal Circular No. 02/2021 dated 01<sup>st</sup> January 2021. 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 as additional one year on deduction of 12.5% from the initial salary of the relevant employees with 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 2021 that 413 employees are over staying in quarters in a period ranging from 6 to 28 years.
- (g) Section 2-12 of the Sri Lanka Ports Authority Internal Circular No. මුකො/මුඟි/කො/41/2021 dated 14<sup>th</sup> October 2021. Although the advance amounts obtained by all Head of Divisions and Sections should be settled prior to the end of the relevant year, the advance amount of Rs. 22.27 million paid to suppliers for advances and procurements amounting of Rs. 80.89 million which was obtained by various Divisions of the Sri Lanka Ports Authority, in instances as at 31<sup>st</sup> December 2021 were not settled from this amount, Rs. 2.15 million for a period of 6-12 months, Rs. 50.18 million for a period of 1-2 years and Rs. 2.97 million for a period of 2-3 years and Rs. 1.5 million for a period of 5 years remained unsettled the reasons as to why these long term advanced amounts remained unsettled were not disclosed at the audit query.
- (h) Section 2.2.5 of the corporate good governance guidelines for Public Enterprises issued with the Public Enterprises Circular No. 01/2021 dated November 16<sup>th</sup> 2021. Although a Board approved subsidiary policy should be prepared for subsidiary companies and action taken accordingly a subsidiary policy for subsidiary companies of the Sri Lanka Ports Authority has not been submitted for auditing yet.
- (i) New advances personal income tax tables of the Department of Inland Revenue. All employees whose monthly fixed income exceed Rs. 250,000 are subject to advance personal income tax and the amount can be deducted from the salary of the employee or paid directly to the Department of Inland Revenue

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depending on the employee's wishes. According to the tax tables issued by the Department of Inland Revenue to calculate advance personal income taxes, all financial and non-financial allowances granted to employees should be considered. However, when calculating the advance personal income taxes of 33 officers of Sri Lanka Ports Authority who expressed their concurrence to deduct taxes, it was observed that housing allowances, transport allowances and other non-financial benefits have not been considered.

- 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 exceeding the period as at 31<sup>st</sup> December 2021 was Rs. 1,667.57 million. This was 55% of the total Shipping Agents Debtor balance.
- (b) When port facilities were obtained by Shipping Agents, the balance remained in the Financial Statements as advances received which had not been refunded as at 31<sup>st</sup> December 2021, after settling actual expenses from the advance payment made previously was Rs. 631.97 million and action had not been taken to settle Rs. 150.43 million out of Rs. 619.39 million relevant to the Port of Colombo although five years had passed from 06 months from obtaining services.

Further, an amount of cash paid over the invoice value in obtaining port services by Shipping Agents, had been shown as Shipping Agents Credit balance, in the Financial Statements. The said balance as at 31<sup>st</sup> December 2021 was Rs. 508.68 million and of which Rs. 503.38 million, Rs. 111.55 million of the sum Rs. 503.38 million relating to the Port of Colombo had not been settled although five years had passed from 06 months from obtaining services.

- (c) As per the details of the staff of 24 Divisions of the Sri Lanka Ports Authority as at 31<sup>st</sup> December 2021, 513 employees were employed exceeding the approved cadre relating to 77 posts but it was observed that vacancies for 633 employees remained vacant in sections in direct relations with operational activities of the Sri Lanka Ports Authority. Further, it was observed that an excess of 427 employees remained in 12 sections which are not directly related to operational activities. The total overtime payment under the year including Rs. 1,173 million paid as overtime for employees who are in excess during 2021 remained as Rs. 5,850 million.

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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 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 record keeping system should be awarded to ensure that the volume of work assigned has been done and to suspend payment of overtime for the idle time. But, records of overtime work regard to above mentioned overtime payments were not submitted for audit.

- (d) The only functional terminals in the Port of Colombo where ships with a draft exceeding 14.25 m can be handled are the Colombo International Container Terminal (CICT) and East Container Terminal (ECT). The annual container throughput of CICT is 2.4 million TEUs. In 2021, 270 ships arrived at the CICT and 302 million total container throughput was handled and it was observed that this volume had exceeded the maximum capacity of the terminal.

Meanwhile, construction work of the phase I of the East Container Terminal comprising 18m draft and 440 m long terminal with an annual volume of 0.8 million containers with a construction cost of Rs. 11,168 million with 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 granted approval by their decision No. අමප/21/0198/328/005/විධිආර්ථ දated 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 2021, 30 container vessels had called at the ECT and 106,454 containers had been handled. Accordingly, only 13.3% of terminal utilization had taken place. An agreement was entered into in May 2021 for an estimated cost of US \$ 282.56 million to procure large scale ship to shore cranes for maximum utilization of the operational capacity of the terminal and the contract was awarded on 18<sup>th</sup> December 2021. According to the contract, the advance amount for the commencement of work was US \$ 56.51 million but only US \$ 18 million was paid as at the date of this report and the balance amount remained unsettled. Although the Sri Lanka Ports Authority had instructed the bank to settle the due amount utilizing the dollar deposit of the Sri Lanka Ports Authority, the bank failed to release the amount to the contractor. Due to the non-payment of advance amount for the commencement of work, the planning review meeting was not held up to now and production work was also upheld.

- (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 appeal to the Minister of Finance. But, Contingent Liability of Rs. 957.9 million had been allocated in accounts. The case

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filed by the Authority before the Court of Appeal in this matter had been dismissed by the said court and a petition had been filed before the Supreme Court in 2020 against the judgment delivered by the Court of Appeal. However, approval was granted to reduce the customs penalty Rs. 50 million based on a decision of the Cabinet of Ministers as per the letter dated 09<sup>th</sup> March 2022 issued by the Director General of the Department of Trade and Investment Policies.

- (f) As per the details submitted by the Sri Lanka Ports Authority, the contractual period of the Lease Agreements signed for 14 lots of land in extent of 03 acres, 6.46 perches and 145.130 square meters belonging to the Sri Lanka Ports Authority expired on 31<sup>st</sup> December 2021. However, as the Sri Lanka Ports Authority has not taken necessary action to renew the agreements on time, so that the risk of litigation cannot be ruled out in auditing.
- (g) Although the possession of the land in extent 02 Acres 3 Roods 9.61 Perches valuing of Rs 604.5 million in Plan No. සීම්/සීම්එල්/2012/1047, situated at D.R. Wijewardana Mawatha, Colombo had been transferred to the Urban Development Authority for the construction of Lotus Tower. The possession of the land had not been transferred by a title deed having the value of the land been duly written off from books of the Authority as per formal procedures.
- (h) Although the land in extent of 02 acres to the value of Rs. 947.5 million 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 the date of the report.
- (i) There were dispute debtors of Rs. 59.78 million and re-dispute debtors of Rs. 4.63 million as at 31<sup>st</sup> December 2021
- (j) Although it had been agreed to construct a multi model terminal in the Port of Galle in view of the development of the Southern region of the country under a Credit Line Agreement between the Government of Sri Lanka (GOSL) and Japanese Bank of International Corporation (JBIC), the 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 site. It had been decided to suspend the project due to the non extension of loan period by the donor country as more than 3 years had lapsed. The consultancy fee of Rs. 418 million spent was state under “Work in Progress” in the Financial Statements of the year under review. As per a decision taken by the Audit Committee of the Sri Lanka Ports Authority, the Sri Lanka Ports Authority made an inquiry from the Board of Accounting and Auditing Standard Review Committee of Sri Lanka on 04<sup>th</sup> April on how to account for this amount but instructions have not been received yet and the expenditure was not identified as capital or recurrent expenditure until 31<sup>st</sup> December 2021.
- (k) 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 as a high security zone. During 2019 and 2020, Rs. 150 million and Rs. 600 million was allocated from the annual Budget and it was informed that a CCTV Camera

## AUDITOR GENERAL'S REPORT


System will be installed by the letter No. PA/MD/46 dated 09<sup>th</sup> March 2021, of the Managing Director of the Sri Lanka Ports Authority. As per the Cabinet Memorandum No. PED/DFD/103/CM/03 dated 30<sup>th</sup> January 2020 submitted by the Minister of Finance and Economic Department, approval had been received to appoint a Cabinet Appointed Procurement Committee and a Technical Evaluation Committee by the Cabinet Decision No. අමෙ/20/0174/222/003 dated 13<sup>th</sup> February 2020. However, the budgetary allocations made in 2021 for the installation for CCTV Camera System was transferred for consultancy work of the Planning and Development work as per a decision of the Management Committee without cancelling the approval. Accordingly, the installation of CCTV Camera System within the Sri Lanka Ports Authority premises which is a high security zone has not taken place and in the event of a security issue, the risk of being unable to gather information cannot be ruled out and it has also been observed that information with regard to transparency and efficiency of operational activities cannot be investigated.

- (l) Rs. 108.77 million for payment of compensation for those who lost their lands in the acquisition of lands for Hambantota Port project in 2015 and 2016 had been paid to the Divisional Secretariat, Hambantota and Rs. 4.39 million had been spent on land cleaning for field work in 2014. The report on the payment of compensation has been received by the Sri Lanka Ports Authority by 30<sup>th</sup> April 2021 but the ownership of the relevant lands had not been transferred to the Sri Lanka Ports Authority.
- (m) 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 Jaya Container Terminal on 04<sup>th</sup> December 2019, the damage had been estimated at a cost of Rs. 315.90. An amount of RS. 384.42 million has been received by the Sri Lanka Ports Authority on 30<sup>th</sup> December 2019 but the other repair work except for the fenders have not been carried out yet.
- (n) As the length of Jaya Container Terminal which handles all major operational activities is only 600 m the Sri Lanka Ports Authority is losing important business opportunities as it is difficult to handle 2 vessels of 330 meters in length simultaneously. Thus, as per the contract entered into between the Sri Lanka Ports Authority and the China Harbour Engineering Company (CHEC) on 29<sup>th</sup> November 2018 the approval of the Cabinet of Ministers was granted to extend the JCT by 120 meters and increased the draft by 15 meters and the contract cost was Rs. 5,035.30 million (without VAT). As per the clause No. 8.1 of the agreement even though the notice for the commencement of work should be issued to the contractor within not more than 7 days from the date of entering the contract, the notice for the commencement of work was issued along with an (addendum 1) on 23<sup>rd</sup> November 2020 which is after a lapse of two years the reason for this delay was caused by obtaining the approval again under Cabinet decision No. 20/1403/328/001/TBR dated 29<sup>th</sup> September 2020 to renegotiate the contract and to conduct proposed developments. It was expected to complete the above contract by 23<sup>rd</sup> July 2022 following amendments. Nevertheless, the physical progress of this project remained at 30% as at 31 December 2021.



## AUDITOR GENERAL'S REPORT

- (o) The government of Sri Lanka and the Export and Import Bank of India (EXIM Bank) entered into an agreement on 10<sup>th</sup> January 2018 to obtain a loan amount of US \$ 45.27 million for the rehabilitation of Kankasanthurai Port with the aim of achieving the North East Gateway concept. Although 4 years had lapsed from the date of entering into the agreement as at 31<sup>st</sup> December 2021, the construction work of the Port of Kankasanthai had not commenced. According to the information submitted for auditing the issues regarding land ownership remained unresolved and the clearance certificate on port security had not been obtained till then. After obtaining the above certificate, the contract for management and consultancy services had been awarded to an Indian company in October 2020. The restructuring work of this project was scheduled to commence in September 2021 but had not been commenced till May 2022. As per the appropriation bill 2021, it was expected to spend Rs. 1,001 million for this project, but only Rs. 142.3 million was spent during the relevant year. This amount to 14.2% of the expected capital expenditure from the loan amount of US \$ 45.27 million as at 31<sup>st</sup> December 2021, only US \$ 0.745 million was spent and the Sri Lanka Ports Authority had to pay US \$ 9,537.34 (Rs. 1.94 million) commitment charges to the Exim Bank of India as per the paragraph 7.1 of the loan agreement as the funds remained unutilized and it was observed that this payment was an uneconomic expenditure.
- (p) The volume rebates granted to shipping agents by the Sri Lanka Ports Authority is based on the minimum TEUs to qualify for the rebates scheme agreed upon in the Terminal Service Agreement and volume rebates amounting to Rs. 26.95 million was awarded to two shipping agents which had lower minimum TEUs to qualify to the rebates scheme with the approval of the Board of Directors.



**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

Closenberg 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)