

National Transport Commission (NTC)

Annual Report
2018

Address

241, Park Road,
Colombo 05.

Website

www.ntc.gov.lk

E-mail

info@ntc.gov.lk

Hotline

1955

NTC/PL/Annual Report / 2018

30.07.2019

Hon. Minister of Transport and Civil Aviation,
Ministry of Transport and Civil Aviation,
7th Floor,
Sethsiripaya Stage II,
Battaramulla.

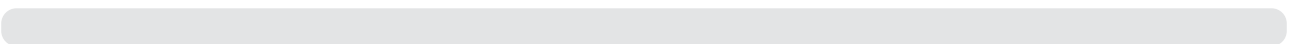
Annual Report - 2018

In terms of Section 14 (2) of the Finance Act No. 38 of 1971, and chapter 05 and 06 of the Public Enterprises Guidelines for Good Governance, the National Transport Commission has the honor to forward herewith the Performance Review, the Annual Report Financial Statement and Auditor General's Report of the National Transport Commission for the year ending 31st December 2018.

Janaka Mallimarachchi,
Chairman,
National Transport Commission.

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Members of the Commission

January 2018 to December 2018

- | | |
|--|--------------------------------|
| 1. Eng. M.A.P. Hemachandra | - Chairman |
| 2. Mr. Anada Wijyaratne | - Member (<i>ex officio</i>) |
| 3. Mr. A.M.R.J.K. Jayasinghe | - Member (<i>ex officio</i>) |
| 4. Mr. A.M. Asanga Dayaratne | - Member (<i>ex officio</i>) |
| 5. Prof. J.M.S.J. Bandara | - Member |
| 6. Lecturer Dimantha De Silva | - Member |
| 7. Chartered Eng. S.P.W. Jayasiriwardane | - Member |
| 8. Attorney at Law Dhanushka Weligama | - Member |

Staff Meetings and Audit and Management Meetings

The number of meetings held by the Board of Directors during the year 2018 was 11.

The number Audit and Management meetings held during the year 2018 was 03.

Message from the Chairman



The National Transport Commission was established on 04.04.1994 under the National Transport Commission Act number 37 of 1991 and up to now from that date onwards the National Transport Commission as a regulatory institution has implemented many projects with the aim of providing a reliable, an efficient and a comfortable passenger bus transport service to the Sri Lankan community. Accordingly, many activities were implemented in the year 2018 with the expectation of achieving the aforementioned aims.

There are many projects implemented for the benefit of the whole bus passenger transport arena and the bus services such as “Sisu Seriya”, “Gami Seriya” and “Nisi Seriya” projects are specific among these projects that are implemented with the prime aim of providing social welfare. “Sisu Seriya” bus service with the aim of providing facilities for the school children to attend school on time devoid of any mental or physical inconvenience and return home safely, “Gami Seriya” bus service with the aim of providing reliable transport services to the people living in remote areas that are without transportation facilities, and “Nisi Seriya” bus service to avoid the difficulties faced by the passengers due to the shortage of bus services in the nights and early mornings are implemented. In order to ensure a friendly and a safer public transport service to all the passengers in the Island, training of bus drivers and conductors, educate all the stakeholders in the passenger bus transport sector and educating the school children on minimizing accidents through proper use of roads conducting workshops were accomplished in the year 2018 also.

As it was implemented in the previous years, action is being taken in this year also to increase the quality of the public passenger bus transport services by providing bus services on time and a considerable effort is being taken to prepare and implement the project on scientific, combined and recurrent timetables ensuring equal opportunity to all the bus service providers including the Sri Lanka Transport Board.

Many activities were implemented in this year **together with the Ministry of Transport and Civil Aviation** to update the present transport policy which was formulated in 2009 by the National Transport Commission as the institution that provides advises to the government on

formulating policies on bus passenger transportation and action was taken to table the draft report on the new transport policy at the sectoral oversight committee on transportation and communication of the Sri Lanka Parliament. In addition, action was initiated in the year 2018 to amend the presently available policy on bus fares that is being implemented since 2002 to suit to the present context.

Actions were initiated in this year to start the process of amending the National Transport Commission Act number 37 of 1991 in order to conduct discussions with the Ministry of Transport and Civil Aviation, to easily implement the tasks of the National Transport Commission and to provide quality, safer and comfortable passenger transportation services through the implementation of the establishment activities in a much more legal manner.

Further, the annually published report, “Report on transport statistics”, for the year 2017 was also published in this year compiling all the relevant data for the benefit of those who are involved in exploration of novel trends in transport sector, policy formulation, planning, and educational purposes.

A project on construction of bus stands with modern facilities is implemented in densely populated areas by successfully completing such three bus stands and vesting those with the public interest in January 2018 in order to fulfill the objectives on increasing the quality of the bus transportation, the transportation service that is much popular in Sri Lanka among all the public transportation services, and increasing the demand gradually on it in order to decrease the use of public transportation. Further, action is being taken to remotely and instantly regulate buses through Global Positioning System (GPS) for public transportation based vehicle monitoring system and to review passenger complaints and provide information.

I would like to convey my heartfelt gratitude to Hon Minister of Transportation and Civil Aviation, Deputy Minister, Secretary and all the Ministerial staff, members of the Director Board and all the staff of the of the National Transport Commission, all the bus operators and their staff, all the officers and staff of the Sri Lanka Police and all the other departments and institutions that are always providing timely assistance in the effort of providing a reliable passenger transportation service maintaining the quality of the services of the Sri Lankan passenger transport services.

Janaka Mallimarachchi,
Chairman,
National Transport Commission.

Overview

Our Vision...

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

Our Mission ...

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

Our Goals/ Objectives

- To steadily maintain the development activities of bus services at a higher level both in quality and quantity.
- To develop an efficient transport network
- To develop a transport system which enables the passengers to choose the bus service suited to their needs.
- To ensure the stability and viability of operators engaged in passenger transport services.
- To provide financial assistance to less remunerative but socially necessary bus services in rural and developing areas.
- To plan and develop a methodology which will prevent the environmental damage caused by bus passenger transport services.
- To increase the productivity of buses by regularizing the turnaround times of buses.
- To ensure safety and discipline in omnibus transportation.
- To co-ordinate the omnibus transportation systems in both inter and intra provincial services.
- To improve the overall labour productivity of the country.

Composition of the Commission

The Commission comprises of three ex-officio members and five more members appointed by the Minister of Transport with the approval of the Cabinet of Ministers. The organizational structure of the Commission constitutes the Chairman, Director General and four Directors in charge of the 04 Departments, viz., Planning, Operations and Services Monitoring, Quality Assurance and External relations, and Finance and Procurement.

The approved cadre of the Commission was 204 employees whereas the number of permanent staff was 195 by the end of the year 2018.

No. of Employees of the National Transport Commission by 31.12.2018

.Se.No	Designation	Employee Category	Approved Cadre	Staff engaged in service
01	Director General	HM 2- 1	01	-
02	Director	HM 1-1	04	04
03	Assistant Director	MM 1-1	17	13
04	Junior Manager	JM 1-1	21	20
05	Management Assistant	MA 4	36	37
06	Management Assistant	MA 2-1	03	01
07	Management Assistant	MA 1-1	76	74
08	Driver	PL 3	13	15
09	Office Assistant	PL 1	12	11
10	Time Keeper	PL 1	18	18
11	Labourer	PL 1	03	02
	Total		204	195

Source –Department of Administration, NTC

Performance of the year 2018

At present, public passenger bus service of Sri Lanka contributes a sectoral contribution of 38.8%, and carries out a great mission by making it one of the most popular public passenger transport service. The National Transport Commission constantly looks into the various issues in the transport network in the milieu of the gradual decline of this sectoral contribution and solves them to promote the positive impression in public passengers towards them.

It is evident that transportation has a tremendous responsibility in trying to find a long lasting solution to many of the economic, social and environmental problems that exist not only in Sri Lanka but also in the world. In many cities of Sri Lanka too, the heavy traffic on the roads in the morning and evening, leads to waste of time of the majority of the working people and to deteriorating health due to severe exhaustion. In addition, it is noteworthy that the global warming due to unnecessary fuel burns and environmental pollution due to vehicle smoke. The most timely solution to these issues aggravating day by day is to upgrade the public passenger bus service as a quality, reliable, efficient and comfortable service and minimize the use of private vehicles.

Accordingly, the National Transport Commission has realized its role as the national institution for regulating public passenger transport services in Sri Lanka and has launched several projects for the enhancement of it.

1. Provision of Bus Services prioritized on Social Welfare

The National Transport Commission is carrying out the projects aiming for social welfare such as 'Sisu Seriya' bus service exclusively reserved for the school students, 'Gami Seriya' bus service for the roads in difficult areas without any other transport facilities and 'Nisi Seriya' service operating in the rural roads during the early morning and night hours.

1.1 School Bus Service Project ‘Sisu Seriya’



“Sisu Seriya” School Bus Service

The ‘Sisu Seriya’ bus service project is a successful and timely project aiming to provide facilities for school children to attend school on time devoid of any mental or physical inconvenience and return home safely. The other objectives of this project which initiated in 2005 and continues to date are providing a reliable and regular school transport service as a social work to minimize harassments of children and to provide relief to the parents economically through concessionary fares.

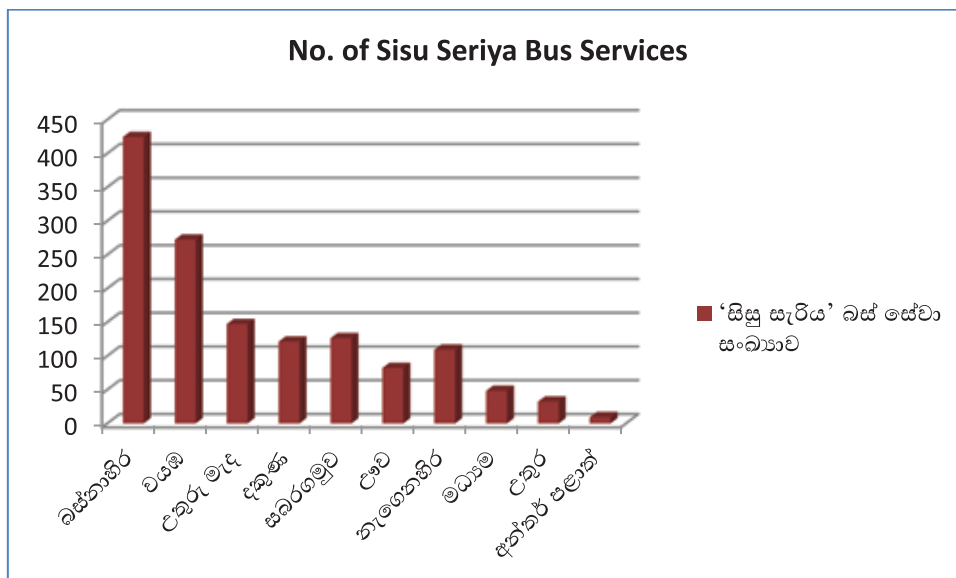
Furthermore, amount of school vans is gradually increasing on the main roads due to the rapid increasing tendency in the number of students coming from rural schools to popular urban schools each year since many popular schools have been established in urban area of Sri Lanka. As a result of this, this bus service project has been introduced by the National Transport Commission as a solution for the transport issues arising in the surrounding roads of the cities during mornings and afternoons. It is mandatory that the buses deployed under the ‘Sisu Seriya’ project should have a minimum number of 42 seats and this purpose can be easily achieved by replacing several small vans by larger buses with more seats. A concessionary rate of 50% of the normal charge is levied from students in this service and the buses only from both the Sri Lanka Transport Board and the private sector are procured. The services are carried out by the National

Transport Commission by reimbursing according to pre-arranged charges owing to the decrease in the revenue of the bus operators. Funds will allocated by the Treasury to the National Transport Commission for this purpose. There are 1418 buses (about 15 seats) deployed under the 'Sisu Sariya' program, which prevents nearly 6000 school vans from arriving in the city each day and more than 90,000 school children use the service.

56 new Sisu Seriya services have been launched in the year 2018 and the number of 'Sisu Seriya' services in operation island wide is shown in the following table.

Province	No. of Sisu Seriya Bus Services
Western	431
Northwestern	286
North Central	155
Southern	118
Sabaragamuwa	127
Uwa	92
Eastern	115
Central	51
Northern	36
Inter provincial	07
Total	1418

Source -Department of Planning,NTC



The officers of the National Transport Commission constantly check whether the services are carried out properly by all service providers contracted to continue the Sisu Seriya service and Action will also be taken on complaints of students and parents. 27 bus services have been canceled in 2018 due to reasons such as breach of contractual conditions and unscheduled leave.

The Treasury has allocated for providing Sisu Seriya services Rs. 552.16 million, of which Rs. 491.28 million has been paid to service providers in the year 2018.

1.2 Rural Bus Services Project –‘Gami Seriya’



“Gami Seriya” Rural Bus Service

“Gami Seriya” is a project that was introduced for the routes where public passenger transport services are not available and was initiated in 2005 to provide transportation facilities for the people, who live in rural areas far from cities facing transportation difficulties. Nowadays, ‘transportation’ has become a fundamental requirement in every aspect of society and has become an integral part of industries and other employment activities.

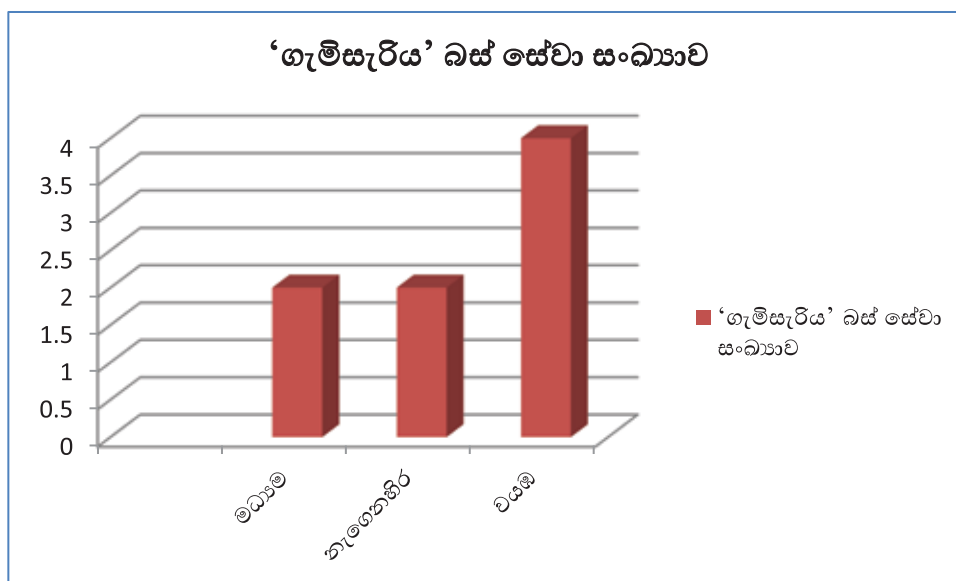
After new routes for the project are proposed by the Road Passenger Transport Authority in each province, the National Transport Commission conducts surveys on passenger demand and the social importance of handing over them to those institutions and thereby bus operators will be selected through an open tender procedure in collaboration with the relevant Transport Authority, if it is confirmed that there is an optimum passenger demand socially and economically by providing the transport. It also provides GPS technology for the continuous

operation of these buses and a subsidy of Rs. 38 / - per km will be paid by the National Transport Commission for the run time ensured according to the GPS. Only the bus operators of the private sector are involved for the ‘Gami Seriya’ project and subsidies will be paid to the operators up to 3 years from the inception until a stable income is established. Total number of 55 ‘Gami Seriya’ services was introduced by 31.12.2018 and The National Transport Commission strives hard to initiate new services.

Although preliminary work had been completed to initiate six new Gami Seriya services for the year 2018 only 3 services could be implemented. The number of Gami Seriya bus services obtaining subsidies by the end of 2018 shown in the table below. One of the main obstacles to achieving the goal of this service was the failure of the Provincial Transport Authority to recommend routes for the Gami Seriya service and awareness for it was made during the year 2018 in the Awareness Projects for bus operators.

Province	No. of Gami Seriya Bus Services
Southern	02
Eastern	02
Northwestern	04
Total	08

Source -Department of Planning,NTC



The Treasury has allocated for providing Gami Seriya services Rs. 8.8 million, of which Rs. 2.74 million has been paid as subsidies in the year 2018.

1.3 Night Bus Service - "Nisi Seriya"

The public have faced hardships in many areas of Sri Lanka as they couldn't attend their jobs and academic activities on time. This situation has been so dire due to lack of regular operation of bus services during night and early morning in many other roads besides the main roads. As there is no adequate income by operating buses during morning and night shifts, the bus operators refrain from the respective shifts. 'Nisi Seriya' bus service project was initiated in 2005 by the National Transport Commission as a solution for this issue.

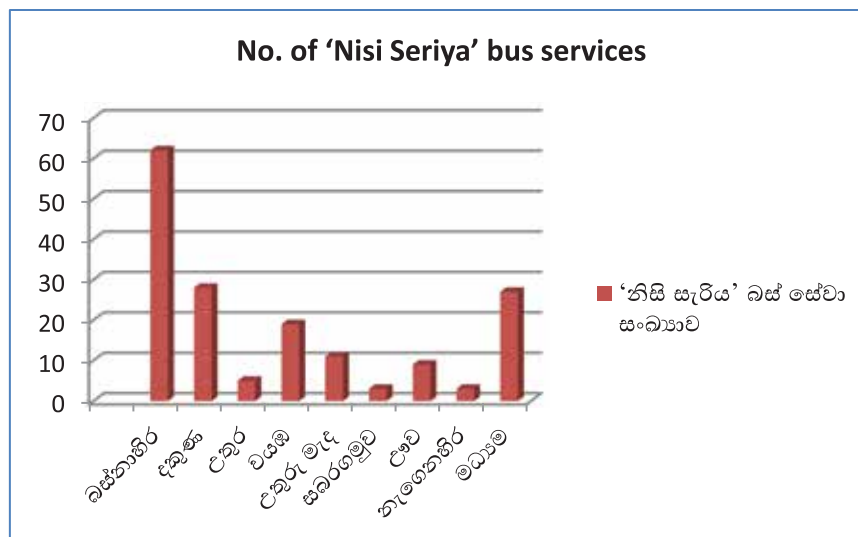


"Nisi Seriya" Night Bus Service

The main objective of this project is to fulfill transport requirements of the passengers by deploying public bus services for last (late night) shift and first (early morning) shift. This service is a great relief for the people who used to hire the taxis and for the people who have been staying in temporary accommodation to accomplish their affairs till then and only the buses of the Sri Lanka Transport Board have been deployed to establish reliable bus service and to make easy for conducting inspection activities. Many of these overnight bus services operate in conjunction with the night service on the highway and the overnight train service. 43 'Nisi Seriya' services were initiated within the year 2018 and the number of 'Nisi Seriya' services in operation by 31.12.2018 is as follows.

Province	No. of 'Nisi Seriya' bus services
Western	62
Southern	33
Northern	05
Northwestern	20
North Central	11
Sabaragamuwa	03
Uva	09
Eastern	03
Central	27
Total	173

Source - Department of Planning, NTC



The Treasury has allocated for Gami Seriya services Rs. 21.027 million and the cost incurred was Rs. 12.02 million in the year 2018.

When implementing these services the officers of the Mobile Inspection Division of the National Transport Commission have been deployed for constant supervision and the required means are provided to enable all services to be 100% functional. At the same time, all the issues and problems of the service providers are resolved instantly and a great service is done with the unwavering commitment of everyone.

The National Transport Commission strives hard to expand these services in the future, but the lack of support from the officers of the Sri Lanka Transport Board and some Provincial Road Passenger Authorities is a great challenge.

2. Registration and Training of Bus Crew



A group of bus crew participated in a training programme

Training programs for bus drivers and conductors have been conducted continuously since 2006 to date to achieve the objective of providing more efficient, effective and quality service to the passengers using the inter provincial passenger transport service.

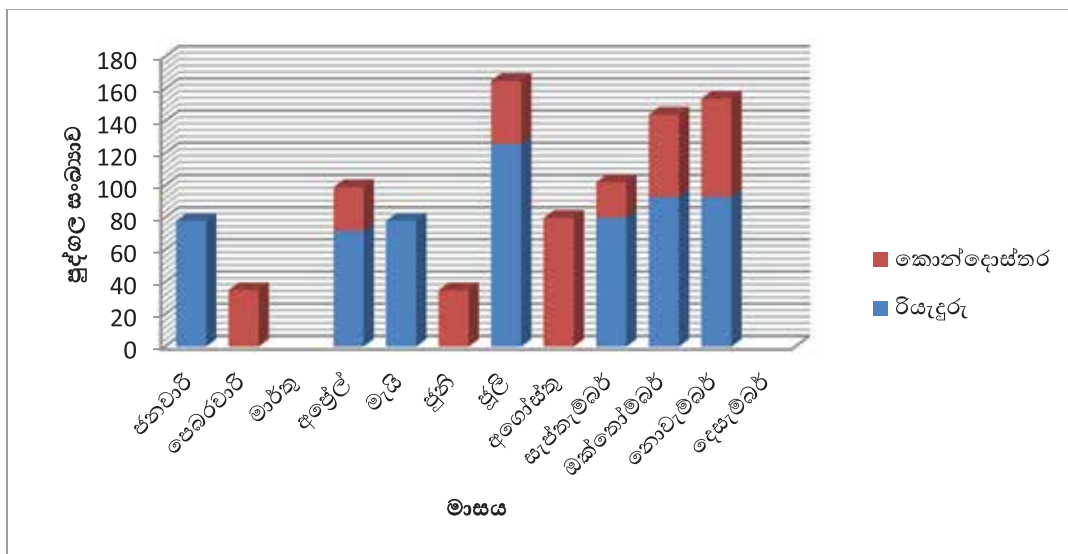
In the year 2018, 350 from 598 of new conductors who have been called for training and 620 from 807 of drivers who have been called for training have been trained in the National Transport Commission for the inter provincial passenger service and have received the identity cards.

During the year under review, a target of 50 training programs was given, but due to lack of funds, only 46 training programs were conducted. 620 new bus drivers and 350 new bus conductors have been trained through this, and 274 were retrained. Furthermore, 1832 drivers and conductors were trained for renewal and the identity cards were updated.

497 were called for the PT training given free of charge for the driving licensees and 216 have been trained conducting 05 training programmes.

Month	No. of Bus Crew trained during 2018						PT Bus Drivers	Total
	New		Updating		re-Training			
	Bus Drivers	Bus Conductors	Bus Drivers	Bus Conductors	Bus Drivers	Bus Conductors		
January	78	-	109	90	-	-	38	315
February	-	35	50	83	-	-	57	225
March	-	-	125	102	13	45	-	285
April	72	27	-	-	-	-	-	99
May	78	-	91	100	-	-	48	317
June	-	35	115	171	-	-	-	321
July	126	39	71	75	22	63	-	396
August	-	80	88	110	-	-	37	315
September	80	22	84	85	37	33	-	341
October	93	51	48	51	15	46	36	340
November	93	61	85	99	-	-	-	338
December	-	-	-	-	-	-	-	-
Total	620	350	866	966	87	187	216	3292

Source- Department of Quality Assurances, NTC



The accumulated expenditure for the project by 31 December 2018 was Rs. 4.83 million.

3. Reconstructions for the Private Bus Service

3.1 Construction of Bus station

It is clearly shown as per the data of 'National Transport Statistics 2017' compiled by the National Transport Commission that the sectoral contribution of public transport service is declining annually while the sectoral contribution of the small private transport modes such as motor cycles and motor cars is increasing and Some weaknesses in public transport and infrastructure appear to have been affected. Therefore, it is clear that the passengers expect the comfort and effectiveness in the transportation and the National Transport Commission has the challenge to attract the majority of people towards the public transport service. So, project for the construction of bus stations and modernizing has been initiated by the National Transport Commission for the comfort of both passengers and bus operators.

The construction of new bus station in Kinniya town which was designed according to the plan prepared by the State Engineering Corporation has been completed under its full supervision by the end of 2017 and was vested in the public by Hon. Minister of Transport and Civil Aviation, Mr. Nimal Siripala de Silva on 22nd July, 2018.



The new Kinniya Bus station

In addition, all the construction works of both Hingurakgoda and Medirigiriya bus stations as a creation of the State Engineering Corporation has been completed with all the required facilities and amenities for public passengers and bus operators and vested in public with the participation of respectable guests including His Excellency President Maithripala Sirisena and Hon. Minister of Transport and Civil Aviation, Mr. Nimal Siripala de Silva. The Hingurakgoda Bus Stand was handed over to the relevant Pradeshiya Sabha for administrative activities on 31.08.2018 and handing over the Medirigiriya Bus Stand was in progress.



The new Hingurakgoda Bus station



The new Medirigiriya Bus station

Accordingly, three new bus stations were vested in public in the year 2018. In addition to this, 50% work of construction of the new bus station in Kilinochchi town has been completed by 31.12.2018, but it has been suspended due to the inefficiency of the contractor. A committee has been appointed to take decision on its future activities.



New Kilinochchi Bus Station being constructed

The total expenditure incurred for the project of constructing bus station by 31.12.2018 was Rs. 36.72 million.

4. Bus Fare Rectification

The Bus Fare Rectification project was implemented according to the recommendation of the Bus Fare Policy approved by the Cabinet in the year 2002.

The Bus Fare Policy had recommended average distances for determining the fares with the aim of charging a bus fare relative to the distance travelled by the passenger and establishing the fares according to a definite standard. Accordingly, it was recommended that all bus routes in the island had to be measured and fares rectified, in accordance with the average distances determined for a bus route in a valley as 2 km and a route in a mountainous terrain as 1.7 km. This project was launched with the objective of implementing those recommendations, and by the end of the year 2015 measurements were taken and standardized fare schedules were prepared for 400 inter provincial bus routes, 780 bus routes in the Western province, 783 bus routes in the Central province, 388 bus routes in the Southern province, 366 bus routes in the Northwestern province, 574 bus routes in the Sabaragamuwa province and 480 bus routes in the Uva province. Discussions were held with the SLTB and the Provincial Transport Authority to resolve bus fare anomalies in the Sabaragamuwa and Uva provinces in the year 2018.

Revision of Bus Fare and Bus Fare Policy

The revision of bus fare policy is being carried out by the National Transport Commission on 1st July every year as per the current bus fare policy formulated in the year 2001 and implemented since 2002.

Accordingly, since the price of diesel has increased significantly in May 2018, the annual bus fare revision which was to be held on July 01, 2018 was held on 23 May 2018 consulting with the Minister of Transport and Civil Aviation and the bus owners. There by the bus fare was revised with the approval of the Cabinet of Ministers to increase the first charge to Rs 12 and the

other fares by 12.5%. Thereafter, the interim bus fares were revised three times based on the change in diesel prices in 2018, increasing the bus fare by 4% from 21/09/2018, reducing the bus fare by 2% from 09/11/2018 and reducing the bus fare by 4.2% from 12/12/2018 were carried out and the first charge was maintained at Rs.12.00 in the above three cases.

The Committee of Experts approved by the Cabinet of 2017 met several times during the year 2018 to revise the criteria used for the revision of the current bus fare policy to suit the present. And quotations are being made to prepare a computer program with GPS to collect road survey data to revise that policy by the end of 2018.

The expenditure incurred for this project by 31 December 2018 was Rs. 2.5 million.

5. Updating the Transport Policy

A panel of experts was appointed for updating the Transport Policy of 2017 as per as the recommendation and guidance forwarded by the sectoral supervision committee of the parliament that the national transport policy which has been approved by the Cabinet of Ministers on 14.10.2009 and which was being implemented by 2018 should be updated based on the current economic, social requirements and innovative needs in the field of transportation. The National Transport Commission has been able to translate the National Transport Policy drafted by the committee and to translate it into Sinhala and Tamil and to publicize it in Sinhala, Tamil and English newspapers for public comments. Transport Policy draft prepared after obtaining public comments is referred to the Parliamentary Sectoral Oversight Committee in June 2018 and up to then, the National Transport Commission has carried out all the activities teamed up with the Ministry of Transport and Civil Aviation.

6. Signal Board Project for Limited Halting

Project of introducing limited halting places for long distance bus services has been initiated by the National Transport Commission aiming to enhance the quality of the long distance bus services operated under the passenger service permit of the National Transport Commission and the passenger service permit of the Provincial Transport Authorities. Preliminary activities of gazette notification for the signal of limited halting for long distance service buses to stop have been started as a result of the discussions held several times with Department of Motor Traffic,

Road Development Authority, Sri Lanka Transport Board and Sri Lanka Police during the year 2018.

7. Awareness Programmes

The authority of regulating the standard and the safety of the transport service has been vested in the National Transport Commission in accordance with Act No. 37 of 1991 to the National Transport Commission. Accordingly, the purpose of this project is to make aware the stakeholders related to transport field such as bus owners, employees of Provincial Transport Authority including the officers connected to transport, school children and passengers through respective fields.

Awareness workshops for bus owners

Seven workshops were held in Eastern, Sabragamuwa, Northeastern, Uva, North central, Central (Kandy), Western provinces to make aware the bus owners of rules and regulations enacted by the National Transport Commission from time to time and to continue the cooperation between the National Transport Commission and the bus owners who have obtained the passenger service permits issued by the National Transport Commission.



Awareness workshops for the Officers related to transport

It is a responsibility of the National Transport Commission to update the knowledge of the officers of the authorized institutions related to transport, thereby, this workshop has been organized to impart knowledge to the responsible officers employed at the Provincial Transport Authorities on the topics such

as action plan of the institution, corporate plan, preparing annual budget, personality development as well as lectures on transport.



A group of officers participated in the workshop

Awareness workshops for school children

According to the National Transportation Statistics Report 2017 compiled annually by the National Transport Commission, the number of road accidents in Sri Lanka has been steadily increasing over the past three years. Accordingly, the number of deaths and injuries increases due to road accidents. Since most of the road accidents occur due to reckless driving and negligent use of roads, it is a timely necessity to empower school children from their early age to use the roads with the correct, safe and self consciousness and to avoid road accidents. Therefore, the National Transport Commission organized a series of workshops with the aim of future of the younger generation and the development of the country.

Therefore, it has been decided to make aware the team of regulating vehicles in each school representing all the schools since there are more than ten thousand schools. Accordingly, awareness programs are currently being conducted selecting schools at the zonal level. At the end of the workshop, donations of vehicle regulating kits to schools and certificates for children are given.

In the year 2018, 21 workshops were held to train the school children who are regulating vehicles. The workshops were held under the Sustainable Schools Project and it was funded by the Presidential Secretariat to conduct the workshops. Accordingly, it was held in the places such as Walapane, Hambantota, Tangalle, Akuressa, Matara, Galle, Colombo, Horana, Ratnapura,

Balangoda, Mawanella, Kegalle, Dehiovita, Gampaha, Kalutara, Mathugama, Kanthale, Trincomalee, Ampara, Kalmunai and Batticaloa. Nearly 10,000 children have been trained in these workshops and a set of vehicle regulating kits was donated to all the schools. People's Leasing and Fair First were the sponsors of this donation.



A group of school children participated in the workshop

The cost incurred for this in the year 2019 was Rs. 6.12 million.

8. Internal Information Technology System

Efficient maintenance and sustainment of the Main and Sub Office Computer Network of the National Transport Commission at optimum level have been carried out and new computers and multifunctional photocopiers were deployed for outdated computers and printers.

Further, the centralized data base system that has long sought to be implemented within the organization for the coordination of all departments will be initiated during this year i.e. the establishing of process automation system for all activities in the institute, is now inaugurated under the guidance of ICTA, University of Moratuwa and University of Colombo with the aim of establishing a central database system to connect all the activities with each other by identifying the activities of the organization, so far, the first phase has been successfully completed and the live operation has been implemented.

Also, techniques were introduced to update the information on the website of the National Transport Commission and to enter new information facilitating the search as well as the

development of website was carried out with a new approach for easy accessibility through website to get the information such as data on bus fares, inter provincial bus timetables, road maps of inter provincial buses and tender related to passenger transport service licenses.

Updating and bringing to a proper function of Digital Display boards (LED Panels) fixed in Bastian Mawatha Bus Terminal and other 6 major bus stations were carried out successfully through maintenance and service of a media institution.

Due to the malfunctioning of CCTV camera system installed at the premises of Bastian Mawatha Sub Office, a CCTV camera system has been successfully installed with new technology covering the whole respective bus station and covering the Vavuniya bus station. Further, a CCTV camera system was installed at the premises of the head office of the National Transport Commission and the above systems are monitored by the Head Office.

In addition, Online Bus Ticket Reservation System is already introduced and the relevant software development is undertaken by the University of Moratuwa with the aim of providing qualitative transport service to the passengers.

9. Demands for Transportation and Surveys on Qualitative Service

Under this project, surveys on passenger demands connected to the operation of inter-provincial buses are carried out and thus the accurate data provided by this helps to prepare proper timetables and to reduce the problems that arise. In addition, required data are provided by the Survey Unit when the present situation is studied primarily for formulating policies, planning and decision making on important matters related to inter-provincial passenger transport. Accordingly, compiling the relevant data for necessary steps to handle the demand and supply for public transport in an optimal manner in order to be just for both the passengers using the public transport services and the bus operators is a key role of the Survey Unit.

22 surveys were conducted by the end of August 2018 and it is mainly focused on the passenger demand.

It is proposed to establish 18th Post Negombo at the Multiple Exchange Center by the Ministry of Mega polis & Western Development, accordingly, a valuation survey was conducted on the demand for passenger demand in the area around 18th Mile Post and Negombo at the request

made by the Ministry of Mega polis & Western Development and a valuation report was prepared by the National Transport Commission and this enabled the National Transport Commission to earn a total of Rs 1,478,250.00 as consultancy fees.



A survey for Gami Seriya in the Thoppigala area in the Eastern Province was conducted

10. Utilizing the G.P.S. Technology in public transport

The regulation of inter provincial buses was first initiated by the National Transport Commission adapting the GPS technology and other technologies as an application of information and communication technology in the public transport service to establish a quality and safe public transport service based on solving the challenges of public transport.



GPS Operation

Under this project, re-organizing was carried out in 2017 based on the installation of GPS equipment which was not functioning in the buses. Accordingly, the permit conditions were enacted as the responsibility of the respective bus owner to install the GPS equipment in all the buses and the restoration of the non-operational equipment and thereby in the year 2018, GPS equipments were brought into operative level in all the luxury and super luxury buses.

Further, GPS technology was also introduced to inter-provincial normal and semi-luxury services and the GPS equipment is being installed in those services. Regulating the buses installed with GPS equipment is carried out through the operations centre with state-in-art- technology.

Many buses installed with GPS have limited their high speed due to the warning alarm fixed in the bus to regulate the high speed and concurrently recording the instance in the control room through this technology. In addition, it has been able to take the necessary measures related to solving the complaints received by the hotline section merged with the Public Complaints Unit.

Further, a short SMS service was introduced to make aware of information on the running conditions of the GPS installed buses to the high officials of the National Transport Commission and the bus operators and the 1955 hotline unit was introduced to inform the public about the information on the routes of buses.

An accumulated expenditure of Rs. 3.19 million was incurred in the year 2018.

11. Physical Checking of Buses

There is a clear tendency in using the private transport media opposing the public passenger transport service creating many problems at present regarding the passenger transport in Sri Lanka and the shortcomings, weaknesses and inefficiencies in bus services have influenced for this cause. The National Transport Commission is therefore working hard to ensure that inter-provincial long distance buses, especially passengers, have the flexibility to reach their destination on time without any physical or mental inconvenience. Accordingly, while there is a strong focus on the fitness of those buses, in order to ensure the safety and comfort of passengers, a thorough inspection of the specifications of the buses must be carried out before issuing a permit. A report would be issued after checking the buses physically whether the noise level inside and outside the bus, the foot-boards, the doors, the emergency doors are functioning

properly, length, breadth, height and the space between seats are in accordance with the specifications, the cleanliness inside the bus is at optimum level and bell system, head lights and signal lights are functioning properly. It is compulsory to obtain this report for every bus offered to be engaged in passenger transport.

Similarly, the final decision will be taken after considering the contents of the report when issuing the new inter-provincial passenger service permits and replacing the new buses instead of the buses withdrawn from the operation.

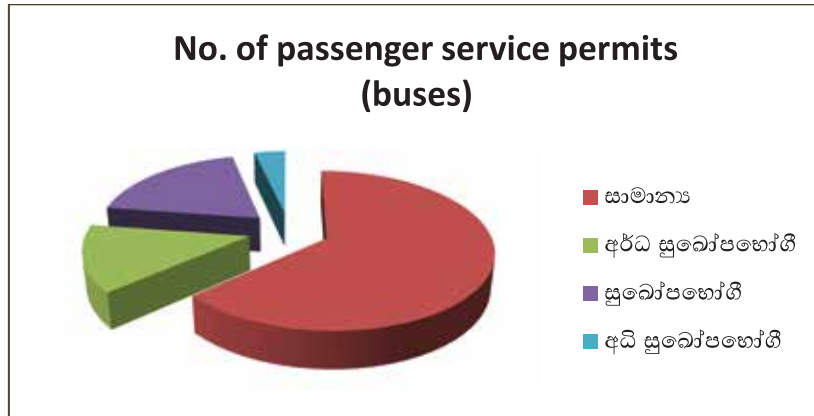
12. Issuing Inter-Provincial Passenger Service Permits

The National Transport Commission carries out a massive role to uplift the public passenger transport service in Sri Lanka and the matters pertaining to the private passenger transport service are regulated by the National Transport Commission and arrangements are being made to issue the passenger transport service permits and to provide necessary provisions to maintain Inter-provincial Private Bus service at optimum level. While the issuance of passenger service permits for the buses entering into inter-provincial public passenger transport services is carried out through a tender procedure, confidence and transparency are maintained by adhering the same procedure in carrying out the relevant work.

Inter provincial private bus services consist of 4 types of services and the number of valid inter-provincial passenger service permits issued by the National Transport Commission by 31.12.2018 is indicated in the table below.

Service Category	No of (buses) passenger service permits
Normal	2001
Semi Luxury	435
Luxury	601
Super Luxury	113
Total	3150

Source – Department of Operations and Monitoring Services, NTC



Types of bus services operated by NTC

13. Public Complaints

It is reported that passengers are more likely to suffer various inconveniences instead of the expected friendly service despite the sole objective of the National Transport Commission that is to provide a reliable, safe and comfortable service to the public using the public bus service. Therefore, a hotline (0112595555) with a special code (1955) was introduced to lodge complaints 24 hours of the day. In addition to this, the passengers can lodge complaints via e-mail and letters or by visiting to the National Transport Commission. In addition, the Complaints Unit receives complaints as follows.

- ⊙ Written handed over complaints
- ⊙ Through the Road Passenger Transport Authority
- ⊙ Through Bastian Mawatha Office
- ⊙ Through Sri Lanka Transport Board
- ⊙ Through Tell the President program
- ⊙ By e-mail at info@ntc.gov.lk
- ⊙ By fax



Hearing of public complaints

Source - Department of Quality Assurance and External Relations - NTC

The main complaints received by the Public Complaints Unit are categorized into the following table.

Among the above public complaints received by the National Transport Commission, only the complaints relating to interprovincial services are investigated at the Commission and the necessary steps are taken on that regard, and the complaints pertaining to intra-provincial services are referred to the relevant provincial authorities. Complaints relating to SLTB services are directed to the Chairman of Sri Lanka Transport Board.

Se. No.	Discription	Index No.	No. of complaints received	Percent age
1	Charging extra fare / Not returning the balance	SE02	1010	26%
2	Being discourteous to passengers	SE05	975	25%
3	Overcrowding the bus surpassing the approved no. of passengers	MJ09	172	4%
4	Not issuing tickets appropriately	MJ06	373	10%
5	Reckless driving	MJ11	425	11%
6	operating without a road permit	MJ05	16	0%
7	Collecting passengers in midway points by halting the bus in an unnecessary manner	PC02	124	3%
8	Violation of the assigned timetable	MJ02	276	7%
9	Not beginning from the assigned place and not travelling up to the destination	MN02	248	6%
10	Unfavourable condition of the bus for passenger transport	SE04	75	2%
11	Malfunctions of the of air conditioners	MJ04	59	2%
12	Playing cassettes/radio in unbearable volume/unsuitable video displays	PC01	69	2%
13	Clashes between passenger buses	Bus to Bus	52	1%
Total			3874	100%

Among the 3874 complaints received by the Public Complaints Unit by the end of the year under review 84% of the complaints viz.3235 was resolved by 31st December 2018.

14. Mobile Inspections and Inquiries

Permits are issued for inter-provincial passenger transport in accordance with the authority vested by the National Transport Commission Act No. 37 of 1991 to the National Transport Commission. A series of conditions are imposed for the buses operating under that permit and for employees engaged in those buses by the National Transport Commission and the Mobile Inspection Unit carries out the supervision on adherence to those conditions. If the investigations revealed that the buses which operate in the inter-provincial routes violating the terms and conditions, such buses will be investigated and necessary actions will be taken. Other functions carried out by the Mobile Inspection Unit include aiding in taking judicial measures against buses that operate in the inter-provincial routes without passenger service permits, and thereby contributing towards providing a qualitative passenger transport service.

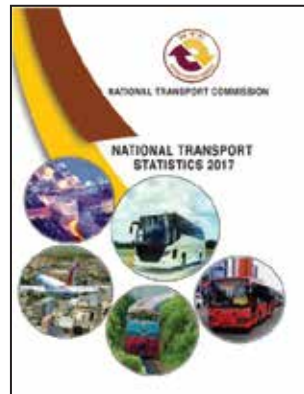
Furthermore, this Unit also carries out the supervision of the ‘Sisu Seriya’ school bus service and ‘Nisi Seriya’ night bus services that are operated by the National Transport Commission under state patronage. The Mobile Inspection Unit inspected 19587 buses and 646 buses related to the ‘Sisu Seriya’ project during the year 2018. The number of buses referred to the courts was 74.

The number of inquiries received by the Investigation Unit from 01.01.2018 to 31.12.2018 was 3154. The number of inquiries completed during that year was 3021. The number of unreported persons for the inquiries was 133. It is focused on all inquiries that are not investigated at the time of updating the passenger service permit and revalidation of the permits is carried out only after completing the investigation.

The amount of inquiry reports received	3154
The number of completed inquiry reports	3021
The number of inquiry reports that have not been investigated	133
Amount of breaches of the conditions related to the inquiry reports received	5326
Amount of breaches of conditions that has been investigated	5122
No. of drivers/conductors referred to training	278
No. of drivers/conductors suspended the service	275

Summary of mobile inspection and inquiries

15. National Transport Statistics



‘National Transport Statistics’ is published annually as a printed book in three languages collecting information and data from the institutions related to transport such as Sri Lanka Transport Board, Sri Lanka Railway Department, Department of Motor Traffic, Sri Lanka Ports Authority, National Transport Medical Institute analyzing on different aspects by means of the collected data and preparing attractively.

Experts in the field of transport commend the National Transport Statistics Report as a reputed scholarly treatise providing information on all the transport operations carried out across the land, water and air. This report will be an immense beneficial for the institutions and authorities engaged in making policies and conducting researches on transport and for those who are studying pertaining to transport.

The distribution of National Transport Statistics 2017 report was being carried out by end of December 2018 and collecting the information for 2018 report was being carried out. This report is distributed to various island wide institutions related to transportation and to public libraries, schools and universities and is provided to anyone who requires for higher studies. Rs.1.24 million was spent on printing and distribution of the 2017 report.

16. Staff Training and Development

It is expected to create a workforce with knowledge and skills required by the Commission through training the staff of the National Transport Commission annually in local and overseas training courses in various fields. Accordingly, in 2018, employees were directed to a number of local and overseas training courses.

Officers were directed to 25 local programs on a number of themes such as preparation of project proposals, management of personal files, Warehouse management, public property disposal processes, case management, accounting and Tally Package and all officers were directed to 3-day Outbound Training. In addition, twenty officials participated in training programmes, i.e., ‘Management Audition for the Public Sector Internal Auditors’, ‘Smart Mobility & Intelligent Transport Innovation’, ‘Transport Planning Implementation’, ‘Monitoring & Evaluation’, ‘Public Transportation Management Strategies’, ‘Operation of the Multimodal Centers’ and ‘Transportation Research & Injury Prevention’ that held in Malaysia, Singapore, Japan and India.

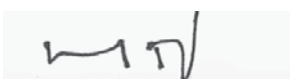
A cost of 1.75 million rupees for Local Training Programmes under ‘the Employee Training and Development’ and a cost of 4.98 million rupees for foreign Training Programmes were incurred during the year 2018.

Annual Accounts

NATIONAL TRANSPORT COMMISSION*(Expressed in Sri Lankan Rupees)***STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER**

	Note	2018	2017
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4	437,738,323.02	425,777,634.48
Work in Progress		15,670,425.44	-
Library Books		1,177,108.81	1,077,109.81
Total Non-Current Assets		454,585,857.27	426,854,744.29
Current Assets			
Receivables, Deposits and Advances	5	3,773,484.31	3,859,132.93
Staff Receivables	6	22,862,775.00	20,341,998.00
Investment in Term Deposits	7	34,890,548.09	31,724,072.16
Investment in Treasury Bills	8	12,707,047.00	11,610,112.00
Interest Receivable		3,426,181.97	1,753,342.03
Cash and Cash Equivalents	9	454,002,393.91	491,688,853.64
Total Current Assets		531,662,430.28	560,977,510.76
TOTAL ASSETS		986,248,287.55	987,832,255.05
LIABILITIES			
Non-Current Liabilities			
Government Grants	10	295,050,931.97	322,307,201.26
Retirement Benefits Obligation	11	40,817,143.00	37,088,716.75
Total Non-Current Liabilities		335,868,074.97	359,395,918.01
Current Liabilities			
Payables	12	62,991,771.04	55,540,722.17
Refundable Tender Deposits		65,718,904.00	47,935,404.00
Provision & Accrued Expenses	13	37,369,501.43	105,944,737.15
Total Current Liabilities		166,080,176.47	209,420,863.32
Accumulated Surpluses / (Deficits)		484,300,036.11	419,015,473.72
TOTAL LIABILITIES		986,248,287.55	987,832,255.05

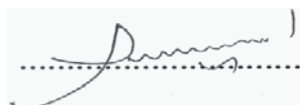
It is certified that the Financial Statements of National Transport Commission have been prepared and presented in compliance with Sri Lanka Public Sector Accounting Standards (SLPSAS).



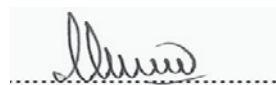
.....
Director (Finance & Procurement)

The Accounting policies on pages 05 to 08 and Notes on pages 09 to 15 form an integral part of these Financial Statements.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



Chairman



Member of the Commission

Date : 11.04.2019

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

NATIONAL TRANSPORT COMMISSION*(Expressed in Sri Lankan Rupees)***STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER**

	Note	2018	2017
Revenue			
Revenue	14	418,679,359.10	434,824,751.08
Other Income	15	66,991,441.14	68,066,700.31
Total		485,670,800.24	502,891,451.39
Expenses			
Operational Expenses	16		
Personnel Emoluments	16.1	138,506,393.93	124,463,991.03
Transportation	16.2	19,482,574.78	10,655,493.24
Special Committee Payment		166,000.00	-
Travelling & Subsistence	16.3	4,426,999.95	2,386,000.94
Establishment Expenses	16.4	47,560,545.84	43,457,777.08
Repairs & Maintenance of Fixed Assets	16.5	2,156,067.29	3,693,323.62
Staff Welfare	16.6	9,759,278.93	8,946,466.47
Staff Development	16.7	2,764,349.57	988,053.05
Legal & Other Fees	16.8	1,450,647.50	811,284.50
Information	16.9	2,622,542.25	2,201,997.50
Depreciation	16.10	21,042,889.01	22,286,622.45
Financial Charges	16.11	47,178.38	61,302.42
Other Expenses	16.12	583,757.50	312,647.44
Total Operational Expenses		250,569,224.93	220,264,959.74
Operational Surplus/(Deficit) for the Year		235,101,575.31	282,626,491.65
Non Operating Revenue	17	129,240.00	-
Net Surplus/(Deficit) for the Year		235,230,815.31	282,626,491.65
Government Grants			
Government Grants For Projects	18	400,000,000.00	462,100,000.00
Special Project Expenses on Government Grants	19.1	(400,000,000.00)	(461,147,139.71)
Special Project Expenses on NTC Funds	19.2	(69,946,252.92)	(114,142,198.98)
Net Surplus/(Deficit) for the Year		165,284,562.39	169,437,152.96

Figures in brackets indicate deductions.

Notes to the Financial Statements Continued.....

NATIONAL TRANSPORT COMMISSION*(Expressed in Sri Lankan Rupees)***STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018**

	Accumulated Surpluses/ (Deficits)
Balance as at 01 January 2017	249,578,320.76
Surplus / Deficits for the Year	<u>169,437,152.96</u>
Balance as at 31 December 2017	<u>419,015,473.72</u>
Funds Return to Treasury	100,000,000.00
Surplus / Deficits for the Year	<u>165,284,562.39</u>
Balance as at 31 December 2018	<u><u>484,300,036.11</u></u>

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

NATIONAL TRANSPORT COMMISSION*(Expressed in Sri Lankan Rupees)***CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER**

	Note	2018	2017
Cash Flows from Operating Activities			
Surplus/(Deficit) for the Year		165,284,562.39	169,437,152.96
Non Cash Movements			
Depreciation		21,042,889.01	22,286,622.45
Disposal of Assets		(129,240.00)	-
Amortization of Government Grants		(27,256,269.29)	(29,680,469.03)
Gratuity Charge for the Year		4,035,786.25	4,189,026.42
Interest Income		(39,735,171.85)	(38,386,231.28)
Operating Surplus/(Deficit) Before Changes in Working Capital		123,242,556.51	127,846,101.52
Changes in Working Capital			
Receivables, Deposits and Advances		85,648.62	(1,255,511.17)
Staff Receivables		(2,520,777.00)	(4,064,023.00)
Interest Receivable		(1,672,839.94)	26,186,952.20
Payables		7,451,048.87	10,062,620.53
Refundable Tender Deposits		17,783,500.00	(13,623,900.00)
Provision & Accrued Expenses		(68,575,235.72)	77,683,055.94
Cash Generated from / (used in) Operations		75,793,901.34	222,835,296.02
Gratuity Paid		(307,360.00)	(1,631,278.00)
Cash Received from Disposal of Assets		129,240.00	-
Net Cash Flow from / (used in) Operating Activities		75,615,781.34	221,204,018.02
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(33,003,577.55)	(13,699,506.13)
Acquisition of Work in Progress		(15,670,425.44)	
Acquisition of Library Books		(99,999.00)	(89,995.78)
Net Investment in Term Deposits Treasury Bills		(4,263,410.93)	(3,577,679.56)
Interest Received		39,735,171.85	38,386,231.28
Net Cash Flow from / (used in) Investing Activities		(13,302,241.07)	21,019,049.81
Cash Flows from Financing Activities			
Funds Transfer to the Treasury		(100,000,000.00)	(300,000,000.00)
Net Cash Flow from / (used in) Financing Activities		(100,000,000.00)	(300,000,000.00)
Net Changes in Cash and Cash Equivalents During the Year		(37,686,459.73)	(57,776,932.17)
Cash and Cash Equivalents at Beginning of the Year		491,688,853.64	549,465,785.81
Cash and Cash Equivalents at End of the Year	Note 9	454,002,393.91	491,688,853.64

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 15 form an integral part of these Financial Statements.

NATIONAL TRANSPORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 CORPORATE INFORMATION**1.1 REPORTING ENTITY**

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

The financial statements of the commission for the year ended 31 December 2018 comprise the financial information of the commission.

1.2 Principal Activities and Nature of Operations

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

1.3 The commission had 193 employees as permanent carder and 8 employees on contract basis at the end of the financial year.

1.4 Reporting Date

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

1.5 Date of Authorization for Issue

The Financial Statements were authorized for issue by the members of the commission on .../03/2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of Preparation**

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

2.2 Changes in Accounting Policies

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

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

2.3 Foreign Currency Translation**2.3.1 Functional and Presentation Currency**

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

2.3.2 Transactions and Balances

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

2.4 Property, Plant and Equipment

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

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

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

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

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

Depreciation has not been provided on Library Books

2.5 Investments in Term Deposits and Treasury Bills

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

2.6 Receivables

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

2.7 Cash and cash equivalents

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

2.8 Payables

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

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

2.9 Government Grants

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

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

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

NATIONAL TRANSPORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2.10 Borrowing Costs

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

2.11 Employee benefits

The commission has both defined benefit and defined contribution plans.

(a) Defined Contribution plan

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

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

(b) Defined benefit plan

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

(c) Short-term employee benefit

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

2.12 Provisions and Contingent Liabilities

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

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

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

2.13 Revenue recognition

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

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

(a) Permit Revenue

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

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

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

2.14 Expenses

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

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2.15 Events Occurring after the Reporting Period

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

2.16 Commitments

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

3. Significant Accounting Estimates and judgments

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

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

(a) Useful life time of depreciable assets

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

NATIONAL TRANSPORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

4. Property, Plant and Equipment

No	Asset Class	Cost			Rate of Depreciation	Depreciation			Net Carrying Values 2018	Net Carrying Values 2017
		Balance as at 01 January 2018	Disposal	Additions during the Year		Balance as at 31 December 2018	Disposal	Charge for the Year		
1	Land	245,000,000.00	-		-	-	-	-	245,000,000.00	245,000,000.00
2	Building	180,020,661.06	-	11,367,861.98	5%	-	8,706,309.91	60,522,007.38	130,866,515.66	128,204,963.59
3	Motor Vehicles	75,547,270.00	-	-	20%	64,209,249.10	2,250,000.00	66,459,249.10	9,088,020.90	11,338,020.90
4	Furniture & Fittings	34,619,853.10	-	753,218.95	10%	17,419,964.88	-	20,490,224.05	14,882,848.00	17,199,888.22
5	Office Equipment	14,756,092.44	1,213,783.28	10,448,894.22	20%	11,684,908.33	1,213,783.28	11,167,727.51	12,823,475.87	3,071,184.11
6	Miscellaneous Equipment	6,290,860.97	1,428,788.57	3,525,927.40	20%	4,147,163.49	1,428,788.57	3,338,003.70	5,049,996.10	2,143,697.48
7	Computers & Printers	54,922,473.39	5,299,487.30	6,907,675.00	25%	36,106,043.61	5,299,487.30	36,503,655.00	20,027,006.09	18,816,429.78
8	Machinery	1,775,637.00	-	-	20%	1,775,637.00	-	1,775,176.60	460.40	3,450.40
9	Digital Display Boards	62,415,360.00	-	-	33.33%	62,415,360.00	-	62,415,360.00	-	-
Total		670,031,277.33	7,942,059.15	33,003,577.55		249,422,719.11	7,942,059.15	262,671,403.34	437,738,323.02	425,777,634.48

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

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

2018

2017

5 Receivables, Deposits and**Advances**

Receivables	Note 5.1	2,020,007.50	1,659,302.50
Deposits and Advances	Note 5.2	1,753,476.81	2,199,830.43
		3,773,484.31	3,859,132.93

5.1 Receivables

Income Receivable	2,020,007.50	1,659,302.50
	2,020,007.50	1,659,302.50

5.2 Deposits and Advances

Deposits	686,500.00	686,500.00
Advance for Projects	2,457.00	228,726.75
Advance - NTC	37,084.40	477,911.02
Payment in Advance	1,027,435.41	806,692.66
	1,753,476.81	2,199,830.43

6 Staff Receivables

Distress Loans	21,422,735.00	18,366,180.00
Disaster Loans	786,840.00	1,274,118.00
Advances for Cloths	410,200.00	426,200.00
Festival Advances	243,000.00	275,500.00
	22,862,775.00	20,341,998.00

7 Investment in Term Deposits

Term Deposits	34,890,548.09	31,724,072.16
	34,890,548.09	31,724,072.16

The investments in term deposits amounts to Rs.33,970,548.09 (2017- 30,804,072.16) are maintained separately for the gratuity commitments.

8 Investment in Treasury Bills

Treasury Bills	12,707,047.00	11,610,112.00
	12,707,047.00	11,610,112.00

The investments in term deposits amounts to Rs.12,707,047.00 (2017-11,610,112.00) are maintained separately for the gratuity commitments.

9 Cash and Cash Equivalents

Cash in Hand	Note 9.1	634,775.00	384,192.00
Cash at Bank	Note 9.2	601,517.21	289,321.65
Short Tem			
Deposits	Note 9.3	452,766,101.70	491,015,339.99
Cash and Cash Equivalentents for the Purpose of Cash Flow Statement		454,002,393.9	491,688,853.64
		1	491,688,853.64

9.1 Cash in Hand

Cash in Hand	559,775.00	309,192.00
Petty Cash Imprest	75,000.00	75,000.00
	634,775.00	384,192.00

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER

	2018	2017
9.2 Cash at Bank		
People's Bank - Narahenpita	545,472.43	289,321.65
People's Bank - Narahenpita (Seat Reservation)	56,044.78	
	601,517.21	289,321.65
9.3 Short Term Deposits		
Investment in Short Term & Call Deposits	56,016,723.37	55,976,778.67
Investment in REPO	396,495,685.71	434,845,956.74
Savings Account - National Saving Bank	253,692.62	192,604.58
	452,766,101.70	491,015,339.99
The saving deposits amounts to Rs.253,692.62 (2017-192,604.58) are maintained separately for the gratuity commitments.		
10 Government Grants		
Balance at 01 January	322,307,201.26	351,987,670.29
Grants Received During the Year	-	-
Amortization of Government Grants	(27,256,269.29)	(29,680,469.03)
Balance at 31 December	295,050,931.97	322,307,201.26
Land at No.241 Park Road Narahenpita received from the Government of Sri Lanka has been recognized as non-monetary government fund and assets at fair value of the land at the time of granting and amortized the grant in profit or loss over the life time of the building.		
11 Retirement Benefits Obligation		
Balance at 01 January	37,088,716.75	34,530,968.33
Expenses recognized for the year	4,035,786.25	4,189,026.42
Payments made During the year	(307,360.00)	(1,631,278.00)
Balance at 31 December	40,817,143.00	37,088,716.75
12 Payables		
Hire Purchases	44,293.79	44,293.79
Stamp Fees	15,275.00	14,375.00
Payee Tax	50,400.00	26,400.00
Sundry Creditors	8,138,632.11	996,141.96
Receipts in Advance	44,632,492.73	53,835,319.23
Other Payables	651,145.19	623,126.19
EPF Payable	26,234.50	1,066.00
Bank Loans & Deposits	23,600.00	-
Payable for Bus Owners for Ticket Booking	29,634.78	-
Bid Bond Claim	4,896,212.70	-
Performance Bond Claim	2,438,700.00	-
BIA Gateway Project	761,790.00	-
Thirasara School Project	1,283,360.24	-
	62,991,771.04	55,540,722.17
Bid Bond Claim for Rs. 4,896,212.70 & Performance Bond Claim for Rs. 2,438,700.00		
This includes a bid bond & performance bond claimed from Dharmadasa Construction Company for halfway completed Kilinochchi bus stand. The contractor claims medical reasons & NTC needs to hand over this bus stand for a governing body in northern province as directed by the board of National Transport Commission.		
13 Provision & Accrued Expenses		
Accrued Expenses - Projects	Note 13.1	19,297,412.27
Accrued Expenses - Recurrent	Note 13.2	16,163,163.16
Provision For Audit Fees		1,908,926.00
		37,369,501.43
		105,944,737.15

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER

	2018	2017
13.1 Accrued Expenses - Projects		
Recurrent		
Provision of Socially Obligatory Transport Service	58,850.00	73,406,171.00
Reform of the Private Bus Industry	1,000.00	127,070.00
Quality & Fare Regulation	10,673,106.54	765,066.63
Capacity Development of NTC Staff/Provincial Transport Authorities/ Institutions directly involved in Transport Sector	77,550.00	
Transport Related Awareness Programmes for Stakeholders	2,800.00	427,299.94
Thirasara School Project	4,100.00	
BIA Gateway Project	94,000.00	
	10,911,406.54	74,725,607.57
Capital		
Reform of the Private Bus Industry	6,313,740.32	14,155,726.26
Institutional Capacity Building to Ensure Regulatory Capacity for New Reforms & Infrastructure Development	2,072,265.41	562,439.08
	8,386,005.73	14,718,165.34
	19,297,412.27	89,443,772.91
13.2 Accrued Expenses - Recurrent		
Adjustment Allowance	-	83,703.00
Cleaning Service	1,102,566.64	711,014.55
Communication	262,086.58	237,198.09
Cost of Living Allowance	-	96,544.00
Electricity & Power	700,813.09	626,254.58
Employee Welfare	3,084,587.80	175,868.00
Employee Medical Scheme	15,000.00	34,173.34
EPF	39,351.75	1,600.00
ETF	7,870.35	320.00
Encashment of unutilized Medical Leave	6,382,299.97	6,261,216.52
Fuel & Lubricants	376,563.35	338,599.68
Holiday Pay - Executive	53,485.00	-
Language Allowance	78.00	-
Legal Fee	69,885.00	29,500.00
Local Travelling	46,550.00	118,447.50
Maintenance of Building		40,260.00
Maintenance of office equipment	6,126.74	57,430.73
Membership Fee for Professional Bodies	8,500.00	-
Meals & Refreshment for Meetings	100.00	6,822.00
Newspapers & Periodicals	21,360.00	9,500.00
Office requisites	81,940.00	3,150.00
Miscellaneous expenses	205,000.00	
Over Time & Holiday - Non Executive	1,132,977.00	23,046.00
Press Notification	207,000.00	-
R & M of Motor Vehicle	32,651.00	1,004,215.71
Rates	-	36,036.00
Salaries & Wages	235,910.50	289,571.00
Security Service	1,454,608.48	4,576,877.04
Staff Training	44,500.00	-
Transport & Hiring Charges	536,728.00	238,832.00
Water	52,123.91	77,958.50
Stamp for Receipts	2,500.00	19,000.00
	16,163,163.16	15,097,138.24

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER

	2018	2017
14 Revenue		
14.1 Permit Revenue		
Route Permit Income	262,132.96	160,500.00
Permit Renewal Income	21,344,886.00	21,256,912.00
Route Tendering Income	317,046,545.29	352,778,497.73
	338,653,564.25	374,195,909.73
14.2 Other Revenue		
Administrative Revenue	39,012,160.00	32,744,465.00
Bastian Mw. Lavatory Income	8,618,860.25	7,598,552.50
Miscellaneous	32,394,774.60	20,285,823.85
	80,025,794.85	60,628,841.35
Total Revenue	418,679,359.10	434,824,751.08
15 Other Income		
15.1 Interest Income		
Interest on Deposits	38,732,131.85	37,676,271.28
Interest on Distress Loan	1,003,040.00	709,960.00
	39,735,171.85	38,386,231.28
15.2 Others		
Amortization of Government Grants	27,256,269.29	29,680,469.03
	27,256,269.29	29,680,469.03
	66,991,441.14	68,066,700.31
16 Operational Expenses		
16.1 Personnel Emoluments		
Salaries & Wages	78,469,325.88	71,722,903.98
Cost of Living Allowance	18,090,840.00	17,414,506.00
Professional Allowance	749,023.00	186,000.00
Language Allowance	258,347.72	208,054.00
Employees Provident Fund	13,502,125.28	12,405,625.29
Employees Trust Fund	2,700,425.05	2,481,125.06
Holiday Pay - Executive	568,745.00	578,517.00
Over Time & Holiday Pay - Non Executive	10,959,065.78	6,005,266.00
Encashment of Un-Utilized Medical Leave	6,418,459.97	6,591,717.28
Gratuity	4,035,786.25	4,189,026.42
Bonus	2,754,250.00	2,681,250.00
	138,506,393.93	124,463,991.03
16.2 Transportation		
Repair & Maintenance of Motor Vehicles	5,761,137.22	4,879,077.08
Fuel & Lubricants	4,748,096.52	3,504,857.99
Transport & Hiring Charges	7,638,169.04	1,055,658.67
License & Insurance	1,335,172.00	1,215,899.50
	19,482,574.78	10,655,493.24
16.3 Travelling & Subsistence		
Foreign Travelling	931,524.00	15,850.00
Local Travelling	3,495,475.95	2,370,150.94
	4,426,999.95	2,386,000.94

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER

	2018	2017
16.4 Establishment Expenses		
Office Requisites (Stationary & Printing)	4,865,093.51	5,411,484.05
Cleaning Service	10,491,432.71	8,160,568.64
Rates	288,288.00	348,481.00
Security Services	17,968,132.22	16,531,050.44
Electricity & Power	8,546,462.23	7,911,330.91
Water	658,553.34	587,790.68
Board Members' Fees	840,400.00	1,144,700.00
Meals & Refreshment for Meetings	437,157.42	387,723.44
Insurance-Cash in Transit	60,638.20	67,977.91
Communication	3,404,388.21	2,906,670.01
	47,560,545.84	43,457,777.08
16.5 Repairs & Maintenance of Fixed Assets		
Maintenance of Buildings	684,349.33	1,585,130.46
Maintenance of Office Equipment	1,341,979.27	1,897,995.27
Maintenance of Computer Equipment	129,738.69	210,197.89
	2,156,067.29	3,693,323.62
16.6 Staff Welfare		
Employee Medical Scheme	950,275.00	2,317,755.81
Employee Welfare	7,895,204.13	5,719,340.83
Uniform	913,799.80	909,369.83
	9,759,278.93	8,946,466.47
16.7 Staff Development		
Staff Training	2,525,546.73	777,312.78
Membership Fee for Professional Bodies	238,802.84	210,740.27
	2,764,349.57	988,053.05
16.8 Legal & Other Fees		
Audit Fees	650,000.00	200,000.00
Legal Fees	800,647.50	611,284.50
	1,450,647.50	811,284.50
16.9 Information		
Press Notification	2,426,384.75	2,097,657.50
Newspapers and Periodicals	196,157.50	104,340.00
	2,622,542.25	2,201,997.50

16.10 Depreciation

Building	8,706,309.91	8,586,578.57
Motor Vehicles	2,250,000.00	4,230,700.00
Furniture & Fittings	3,070,259.17	3,034,064.27
Office Equipment	696,602.46	403,148.42
Miscellaneous Equipment	619,628.78	593,084.98
Computers & Printers	5,697,098.69	5,436,056.21
Machinery	2,990.00	2,990.00
	21,042,889.01	22,286,622.45

16.11 Financial Charges

Bank Charges	47,178.38	61,302.42
	47,178.38	61,302.42

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NATIONAL TRANSPORT COMMISSION

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER

	2018	2017
16.12 Other Expenses		
Miscellaneous expenses	536,382.50	235,497.44
Stamps for Receipts	47,375.00	77,150.00
	583,757.50	312,647.44
17 Non Operating Revenue		
Disposal of Assets	129,240.00	-
	129,240.00	-
18 Government Grants For Projects		
Government Grants For Projects - Recurrent	400,000,000.00	393,100,000.00
Government Grants For Projects - Capital		69,000,000.00
	400,000,000.00	462,100,000.00
19 19.1 Special Project Expenses on Government Grants		
Recurrent Project Expenses	400,000,000.00	393,100,000.00
Capital Project Expenses	-	68,047,139.71
	400,000,000.00	461,147,139.71
19.2 Special Project Expenses on NTC Funds		
Recurrent Project Expenses	29,992,053.00	112,868,478.80
Capital Project Expenses	39,954,199.92	1,273,720.18
	69,946,252.92	114,142,198.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

- 01) Rs.4,589,099.00 was recognized as cost of fixed assets purchased using NTC funds by debiting Government Grant Account and removing it by crediting Government Grant (Project- Capital) account in 2017.
- 02) Rs.568,248.91 was recognized as amortization value out of the cost of fixed assets of Rs. 4,589,099.00 purchased using NTC funds in 2017 by crediting Government Grant Account and removing it by debiting Amortization of Government Grant Account in 2017.
- 03) Rs. 5,316,930.63 was recognized as cost of fixed assets by debiting Land & Building Account by a way of crediting Rs 4,672,201.37 to Institutional Capacity Building Project Account. The balance Rs. 644,729.26 was recognized as retention money payable for renovation of building by crediting Sundry Creditors Account.
- 04) Rs.1,955.00 & Rs.391.00 were recognized as EPF & ETF expenses by crediting EPF & ETF expenses accounts and removing them by debiting EPF Payable & ETF Payable accounts entered erroneously.
- 05) Rs.147,854.37 depreciated out of the Cost of the building of Rs.5,316,930.63 recognized above 03 as per the SLPSAS 7.

Due to the above adjustments made for Financial Statements year 2017, the Net Surplus/Deficit for the year 2017 has been increased from Rs.160,889,609.87 to Rs.169,437,152.96.

The adjustments resulted to increase the Accumulated Surplus / Deficit From Rs.410,467,930.63 to Rs.419,015,473.72.

Figures in brackets indicates deductions.
Notes to the Financial Statements

Report of the Auditor General

Report of the Auditor General on the Financial Statements of the National Transport Commission and its Affairs for the year ended 31 December 2018 in terms of 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka

1.1 Qualified Opinion

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

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Commission as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

My opinion is qualified on the matters described in paragraph 1.5 of this report.

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Commission or has no realistic alternative to do so.

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

As per Section 16(1) of the National Audit Act N.19 of 2018, the Commission is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared by the Commission.

1.4 Scope of Audit

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

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

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

The scope of the audit also extended to examine as far as possible, and as far as necessary the following:

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Commission and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Commission has complied with applicable written law, or other general or special directions issued by the governing body of the Commission;
- Whether the Commission has performed according to its powers, functions and duties; and
- Whether the resources of the Commission had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Financial Statements

1.5.1 Internal Control over the preparation of financial statements

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that, transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards, and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.5.2 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
<p>The bidding security amounting to Rs.4,869,212 and the performance security amounting to Rs.2,438,700 had been recovered by the Commission terminating the carrying out of the contract as per the Agreement on violating the Agreement relating to the construction of the Kilinochchi Bus- stop. That amount had been stated in the financial statements as an amount payable to the contractor without deducting from the Work-in- Progress Value. As such, the balance payable as at the end of the year under review and the Work-in- Progress Value had been overstated by a sum of Rs.7,334,912 in the financial statements.</p>	<p>This bidding security amount had not been accounted as an income under the concept of discretion on a clear decision not being made by that date relating to the relevant function.</p>	<p>Action should be taken to rectify the payable balance and the Work- in- Progress Account.</p>

1.5.3 Non- compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations etc.	Non- compliance	Management Comment	Recommendation
(a) Finance Act No.38 of 1971			
i) Section 10(5)	Even though all the remaining money of the net surplus money generating in the end of every year of the Commission should be credited to the Consolidated Fund and even though a surplus of Rs.165,284,5062 had been received in the year 2018, only a sum of Rs.100,000,000 had been credited to the Consolidated Fund.	Sums of Rs.300 million and Rs.100 million had been sent to the Treasury in the years 2017 and 2018 respectively. The surplus of Rs.165,284,562 is not a financial surplus.	The remaining money should be credited to the Consolidated Fund by deducting the amount that is estimated for the requirements of the Commission from the surplus received in cash, from the financial surplus that is being stated as per the financial statements.
ii) Section 11 and Section	Even though the approval of the	A request had been furnished to the	Action should be taken to make

8.2.2 of the Minister of Ministry of investments by Public Finance should be Transport and properly obtaining Enterprises obtained in Civil Aviation to the relevant Circular investing surplus obtain the approval approval. No.PED/12 money, of the Treasury of 02 June investments had and, a reply to that 2003, been made in fixed request had not deposits and in been received up Treasury Bills by to date. the Institution on the approval of the Board of Directors without obtaining the approval accordingly and, an invested balance amounting to Rs.6,780,452 remained as at 31 December 2018.

- (b) National Transport Commission Act No.37 of 1991 Section 08 Even though issuing of the route permit should be carried out by identifying the demand of the passengers by the Commission, surveys had been carried out only relating to the expressway and even though it had The Tender Procedure remains being revised by this period. The issuance of the route permits should be carried out by identifying the demand of the passengers.

been identified that buses should be deployed for the Tangalle, Hakmana, Katharagama, Deniyaya and Embilipitiya roads starting from Kadawatha, action had not been taken to provide route permits.

2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a surplus of Rs.165,284,562 and the corresponding surplus in the preceding year amounted to Rs.169,437,153. Therefore, a deterioration amounting to Rs.4,152,591 of the financial result was observed. The main reason for this deterioration is the decrease of the Route Permit Tender Income by a sum of Rs.35,731,952.

3. Operational Review

3.1 Identified Losses

Audit Issue	Management Comment	Recommendation
<p>(a) Even though the approval had been given by the Commission issue permanent road service permits by calling for Tenders as per the decision of the Cabinet of Ministers dated 06 October 2005, 3440 route permits had been issued by the Commission by 31 December of the year 2018 without calling for bids accordingly and, 64 per cent of it had been provided only on charging of the Renewal Fee amounting to Rs.3,000. As such, a loss of income had been occurred to the Commission on issuing 91 per cent of the total</p>	<p>Replicas had not been submitted.</p>	<p>The relevant introduced Tender Procedure should be followed.</p>

number of issued permits without calling for Tenders. Moreover, temporary route permits had been issued for the Expressway Buses based on the Minimum Technical Value, by the Commission. As such, 820 route permits had been issued for a maximum period of 28 days in the year under review and, a loss had been occurred in the maximum income that could be obtained by calling for Tenders.

- (b) Twenty- eight buses approximately had been identified by the Mobile Testing Unit that run without road service permits from various provinces in Sri Lanka to North and East in the year 2018 and as such, action had not been taken to issue 31 road service permits for 17 roads. As such, even though potential applicants had been
- Action had not been taken to submit a new Form to the new Board of Directors on not confirming the decision of the Board of Directors.
- The relevant approvals should be properly obtained in the specific period for making the services delivered by the Commission and the issuance of permits more efficient.

selected by calling for quotations to issue 09 road service permits for 06 roads by the Commission, it had not been able to grant permits in the year under review on not being able to obtain the approval, on not conducting meetings of the Board of Directors for granting of the permits for the selected applicants. As such, a loss of income amounting to Rs.25,815,000 had been occurred to the Commission.

3.2 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
(a) Even though the collection of the income had not been an objective mentioned in the Act in the establishment of the	The Commission has the power to execute any function that it deems to be necessary to execute the powers and functions of the Commission, as stated under	Action should be taken to raise the awareness of the passengers relating to that service.

Commission, income No.09(1) of the National had not been collected Transport Commission Act, by the Commission in the year by reserving seats for the Interprovincial Private Buses. Even though an expenditure amounting to Rs.1,428,548 had been incurred by the Commission for that function, the awareness of the passengers had not been raised relating thereto.

- (b) Even though 31 requests had been furnished by students and by schools for Sisu Sariya projects, it could not be able to execute all 31 of those requests. Referring for the deployment of buses for the relevant services as the Institution that regulates transport in executing these projects is a key function as well as a social responsibility of the Commission and necessary action had not been taken considering this matter.
- Replies had not been submitted.
- Action should be taken by identifying the social responsibility that should be executed as the Institution that regulates transport.

- (c) Delays in the receipt of income were observed in the examination on the receipts of income for the lavatory systems of Bastiyan Mawatha. These delays remained ranging from 53 days to 159 days. As such, the 2nd Condition of the Agreement had been violated and, even though it had been stated that not making payments for a period of 3 months is a reason to terminate the Agreement as per Section 2 of the Agreement dated 24 February 2011, action had not been taken in terms of the Agreement.
- Advices had been given to the owner of the Institution which had entered into an agreement for the maintenance of the Public Lavatory System of Bastiyan Mawatha, by calling him in person, to the Institution.
- That, action should be taken in terms of the conditions of the Agreement.

3.3 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
<p>(a) Even though road service permits could be provided for a period of over an year as per Section 25 of the Act, 7740 route permits for the Expressway and 130 route permits for general roads had been issued under the charging of daily fees to the service license holders without a proper approval in the instances where there is a high passenger demand, by the Commission.</p>	<p>Taking action to issue temporary permits in the instances where there is a high passenger demand and in the instances where vacancies remain in Time Tables. Here, buses where permits had been issued for running in other roads are being deployed.</p>	<p>Action should be taken in terms of the Act.</p>
<p>(b) Even though assignments had been made to issue temporary road service permits on the basis of the payment of fees to the Southern Province Road Passenger Transport Authority, income of 09 Books</p>	<p>Other Books excluding 09 Books out of the Temporary Permit Books had not been handed over to the National Transport Commission.</p>	<p>That, suitable action should be taken relating to not providing the income of 09 Books and Permit Books with the copy.</p>

with 25 permits issued in the year 2018 and Permit Books with the copy had not been returned to the Commission and action had not been taken in this connection.

3.4 Procurement Management

Audit Issue	Management Comment	Recommendation
<p>An Agreement had been entered into for a value of Rs.31,735,051 for the implementation of the PAS Project (Process Automation System) on 29 December 2017 with a private company, by the Commission and even though it had been scheduled to complete all the work and to hand over the project to the Commission on 15 November 2018, the project had not been completed even by 30 May 2019. Moreover, reports on the performance progress of this project were not furnished to audit and the</p>	<p>Replies had not been submitted.</p>	<p>Action should be taken as per the relevant agreement in the execution of this function.</p>

financial progress of this project had been 35 per cent by 31 December 2018.

3.5 Defects in Contract Administration

Audit Issue	Management Comment	Recommendation
<p>An Agreement had been entered into with a private company by the Commission for a sum of Rs.48,773,045 for the construction of the Kilinochchi Bus-stop and the following observations are made in this connection.</p>		
<p>(1) Financial Statements of approximately 5 years should be provided as per the bidding documents and, the minimum annual capacity within the preceding 5 years should be a sum of Rs.86 million and, even though at least one building project valued</p>	<p>It had been stated that the minimum annual capacity of the contractor as a sum of Rs.31 million as per the financial statements furnished by the contractor for an year. The minimum average annual capacity of the contractor in the 05 preceding years is more than a sum of Rs.86 million.</p>	<p>It should be identified that the relevant conditions had been fulfilled and the accuracy, in evaluating bids.</p>

at Rs.50 million that is equal with those work and with a similar complexity should be completed by the contractor, the attention had not been paid by the Evaluation Committee in this connection despite any conditions whatsoever had not been fulfilled by the contractor.

- (II) Written notices had not been sent to the contractor ordering him to state reasons in writing on not including the name into the list of contractors who had defaulted, despite the construction activities had been defaulted by the contractor, in terms of the Guidelines 8.11.(4) and (5) of the Procurement Guidelines 2006.
- It had been informed that the Managing Director of Dharmadasa Construction and Enterprises is not well and that he remains in a critical condition and, it had been informed in writing that the remaining work of the Kilinochchi Bus- stop could not be carried out.
- That, action should be taken in compliance with the provisions of the Procurement Guidelines.
- (c) The Agreement had been terminated by the Commission on the defaulting the
- The Final Bill had not been furnished for this construction and it had been informed to the Consulting
- Action should be taken in terms of the conditions of the Agreement.

completion of the Institution to deduct construction activities in demurrages from the terms of the Agreement. payment relating to that Bill, In making payments from the Certificate, amounting to Rs.16,469,363 to the contractor for the completed work, demurrages amounting to Rs.2,438,652 had not been charged as per the agreements.

4. Accountability and Good Governance

4.1 Submission of Financial Statements

Audit Issue	Management Comment	Recommendation
<p>Even though the financial statements for the year under review should be furnished to audit within 60 days after the close of the year, the financial statements had been furnished on 09 April 2019, after a delay of one month.</p>		<p>That, action should be taken in compliance with the provisions in Circulars.</p>

4.2 Annual Action Plan

Audit Issue	Management Comment	Recommendation
<p>Even though it had been planned to increase the number of buses as 100,15 and 100 respectively for the Sisu Sariya, Gami Sariya and Nisi Sariya services as per the Action Plan of the year 2018, the achieved percentages in targets out of it had been 57 per cent, 27 per cent and 23 per cent respectively.</p>	<p>Reasons such as not presenting Contributors for the supply of services by the relevant Provincial Road Passenger Transport Authorities and the shortage of employees remaining in the Depots of the Sri Lanka Transport Board, not being able to deploy buses on the shortage of buses, had affected in this connection.</p>	<p>Action should be taken to achieve the planned targets.</p>

4.3 Budgetary Control

Audit Issue	Management Comment	Recommendation
<p>Variiances ranging from 100 per cent to 956.57 per cent were observed in comparing the budgeted income of the Institution with its actual income and variiances ranging from 104.46 per cent to 244.23 per cent were observed in comparing the</p>	<p>It had been noted to pay attention to minimize the variiances between the budgeted and the actual income and the expenditure balances.</p>	<p>Action should be taken to realistically prepare and to monitor the Budget in a manner that it could be made use of as an instrument of management control.</p>

budgeted expenditure with the actual expenditure. As such, it was observed that the Budget had not been made use of an effective instrument of management control.

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

Reference to rules / regulations

(a) Finance Act No. 38 of 1971

(i) Section 10 (5)

I would like to inform that in the year 2017 a sum of Rs. 300 million and in the year 2018 a sum of Rs. 100 million were sent to the treasury. I would like to inform that the surplus of Rs. 165,284,562.00 stated in the audit query is not a financial surplus.

(ii) Section 11 of the act and the section 8.2.2 of the public business circular numbered EPD/12 dated 02 June 2003

The Ministry of Private Transport Services had requested the approval of the Treasury to invest the temporary surplus (A copy of the relevant letter has been produced to the Audit along with the replies for the Query No. RT/B/NTC/SF/2012/22 made by the Auditor General).

However, it was advised to invest the short term surplus funds in fixed deposits in order to receive higher interest revenue rather than investing them in seven day call deposits during the General Committee meeting on Public Enterprises conducted on 22nd August 2012. (A copy of the minutes of the General Committee meeting on Public Enterprises has been produced to the Audit along with the replies to the Query No. RTB/B/NTC/FA/2012/22)

In addition, a request was sent on 07.02.2019 to the Ministry of Transport and Civil Aviation to get the approval of the Treasury to invest the temporary surplus but I would like to inform that no response is received up to now.

(b) Section 08 of the National Transport Commission Act 37 of 1991

Two primary requirements need to be fulfilled to issue passenger services permits of the National Transport Commission. Those are

1. There should be a passenger demand to the respective route
2. Agreeing and providing recommendations to provide running time and terminal facilities by both the relevant provincial transport authorities.

In the year 2018, requests were received for 70 new routes and recommendations were requested from the relevant provincial transport authorities. But, recommendations were received for only one route from the relevant provincial transport authorities while relevant provincial transport authorities have not furnished the running time and terminal facilities for the other routes.

As the cost incurring on surveying those routes are a fruitless expenditure, route surveys were not conducted accordingly,

However, if there is a passenger demand after conducting the survey in the route for which recommendation is received, it will be forwarded to call for tenders and the tender procedure is being revised by now.

- As stated under the section 09(I) of the National Transport Commission Act, the commission has powers to implement any action that is felt necessary to execute the functions and powers of the commission. The main objective to initiate this was to provide a quality, reliable and a comfortable transportation service to the passengers based on the provisions stipulated in the National Transport Commission Act.

The other objectives on implementation of this service could be mentioned as reduction of congestion in bus stands as much as possible, minimization of money circulation, and prevention of seat booking centers and online reservation portals operated by some third party private organizations illegally charging very high service charges.

- As stated in the relevant audit query, it was scheduled to hand over the project after completing it to the National Transport Commission on 15 November 2018.

Anyhow, automation systems for the major tasks in operation in the institution are designed through this project and the time for the completion of the project was estimated at the time of obtaining the tender by the relevant institution without a proper understanding on the subject area included in this process and in addition to that, the following facts were also contributed to the extension of the time period.

- The estimated time period for Business Process Reengineering Verification (BPR Verification) by the relevant organization was 03 weeks but the time practically taken to complete it was 8 weeks because sessions had to be conducted separately to the officers to identify the needs in each unit within each department.
- The time estimated for the preparation of specifications for the software requirements under the stage 01 and getting it approved (SRS Preparation and Sign off) was 03 weeks and the actual time taken for that was 09 weeks. This has got delayed as the key officers of the relevant department had to get involved in special new year service duties during that period.
- In addition to the above facts, the main factor that contributed for the delay was due to the inability to provide the cloud services (LGC 2.0) as agreed by the Information and Communication Technology Agency (ICTA) and it was provided only on 01 October 2018.

Accordingly, the above factors contributed to exceed the time given for the project prior to start it by the relevant organization.

This project is evolving through three main steps and the stage 01 is fully completed by now while UAT-User Acceptance Testing for each system under step 2 is being conducted and it

could be completed by the middle of the month 09-2019. In addition, Software Requirement Specification Design is being done under the step 03. Therefore, the physical progress of the whole project is over 70% and the financial progress by 31 December 2018 was shown at 35% due to two payments, payment of an advance amount and payment for the deliverable sets related to the tasks completed by them, made based on the agreement.

3. Other Audit Observations

- a) The National Transport Commission had received 31 requests for the Sisu Seriya Services in the year 2018. Based on the recommendation of the Western Provincial Passenger Transport Authority, action is already taken to award the Sisu Seriya Service to one of those requests made with an amendment. In order to fulfill the other requests, the relevant provincial transport authority and / or the SLTB were informed to send their recommendations on the service providers to deploy buses. Service providers are not being recommended by the Provincial Transport Authorities and the deputy general manager of the SLTB (Running) by his letter dated 02.10.2018 on the request forwarded by the National Transport Commission informed that there are problems such as driver and conductor shortages prevailing in the SLTB depots and unavailability of buses for school bus services are hindering the starting of new school bus services. A copy of the letter is attached herewith. Under these circumstances, the requests received could not be fulfilled. These 31 requests were made for intra provincial roads (not inter provincial) and the National Transport Commission does not have any legal provisions to issue passenger transport permits to these roads and then to absorb those under the Sisu Seriya services. Once all those requests are referred to the SLTB and the relevant provincial transport authorities and if they are recommending to provide buses only, those can be absorbed into the Sisu Seriya Services.

Anyhow, the National Transport Commission has taken steps to provide Sisu Seriya services to 57 service requests received at the Provincial Transport Authorities for their recommendations which were then given by those authorities and the services directly recommended by the SLTB.

- b) Even though the commission has provisions to issue passenger transport permits according to the section 24 of the National Transport Commission Act No. 37 of 1991 the act does not elaborate on the procedure by which the passenger transport permits are issued. From the time of establishment of the National Transport Commission up to the year 2008 passenger transport permits had been issued based on the requests made by individual people. There was neither open nor transparent. It was not mentioned anything about the duration of those passenger transport permits and it was renewed annually by charging Rs. 3000.

As per the Cabinet decision no. CP/05/1461/031/036 approved by the Cabinet of Ministers in 2005, approval had been given to follow the tender procedure in issuing permanent passenger transport permits and it was instructed to amend the act accordingly. In 2008 tenders were called following this procedure.

Accordingly, passenger transport permits had been issued for 15 years from the time of establishment of the National Transport Commission and up to the year 2008 violating the articles of the act. Even by the approved tender procedure of the cabinet of ministers in 2005, passenger transport permits were issued initially for a period of 5 years and again for another 3 years, a total of 8 years, by violating the articles of the act. 21 passenger transport permits were issued in 2017 in compliance with the articles 25 and 30 of the act for a period of 6 years after understanding the facts on this.

According to the data provided on 31.12.2018, only 288 valid passenger transport permits are there issued through the tender procedure out of the 3152 total available valid passenger transport permits. Accordingly, the balance 2864 valid passenger transport permits were issued prior to the introduction of the tender procedure and the time period of these permits are not mentioned in those.

Therefore, the passenger transport permit holders may protest if these 2864 permits are cancelled and called for tenders. In the number of passenger transport permits stated in the audit query, the tender permits in which passenger transport permits for which Rs. 3000/= were paid are also included.

When a presently available passenger transport permit is amended (route amendment or amendment of the ownership on relationship), the annual renewal charge of those passenger transport permits are increased to Rs. 15,000/= from Rs. 3,000/=.

Accordingly, currently valid 291 passenger transport permits are renewed annually charging tender fee and Rs. 3000/= and 940 permits by charging Rs. 15,000/=. It is already discussed at the audit and management committee to increase the Rs. 3000/= charged for the balance passenger transport permits and it is planned to discuss this matter in the future with the inter-provincial bus owners.

Fifty six passenger transport permits issued in 2014 due to the revision of routes were cancelled in 2015 and they were allocated back to their previous routes. The passengers were got used to these buses when these buses were running in the express way, hence

temporary permits were also issued to maintain the services continuously and to fulfill the passenger demands.

Even though tenders were called through public notices in three occasions to issue permanent passenger transport permits to the routes for which temporary passenger transport permits are issued, the service providers resort to legal actions. But, twenty one permanent passenger transport permits could be issued under the called tender no 25.

- c) When there is a huge passenger demand as well as due to vacancies in schedules (timetables), temporary permits are issued. Accordingly, when a bus that is running in the expressway is not running its turn as stated in the timetable, a bus that is issued with a running permit to run in the same expressway or a bus which is running in a different route will be utilized instead. At such circumstances, a permit is issued to such additionally utilized buses if those are running another additional turn after the additional running turn assigned to them.

Accordingly, temporary permits issued to run in the expressway are issued for the additional turns run as well as when higher passenger demands exist by the Southern Provincial Passenger Transport Authority and time keepers serving at the Kadawata, Kaduwela and Maharagama bus stands based on the requirements of the bus timetables of those routes.

During the weekends and long holidays, there are higher passenger demands, and in order to cater to the passenger demand, buses will be deployed through temporary permits. Such issuing is done to deploy required buses to facilitate the passengers to quickly reach to their destinations. Temporary permits are issued only to the busses which have permanent passenger transport permits.

Such Permanent passenger transport permits are obtained when the prescribed charges are already paid to the National Transport Commission or to the Provincial Passenger Transport Authority.

- (d) The Income generated with copies of the books for all the temporary permits issued to the Southern Provincial Passenger Transport Authority by the National Transport Commission in the year 2018 were submitted to the National Transport Commission.

As the details on the books issued to the district offices of the Southern Provincial Passenger Transport Authority and income generated were forwarded to head office of the Southern Provincial Passenger Transport Authority and then forwarded to the National Transport Commission, some time period is therefore taken for this.

- (e) Details on the expected targets and targets achieved according to the 2018 action plan is given below.

Project	Number of services targeted to be started in the year 2018	Number of new services that could be started	Targets that could be increased	Percentage of targets that could not be achieved	The targets achieved as a percentage
Sisu Seriya	100	57	43	43%	57%
Gemi Seriya	15	04	11	73%	27%
Nisi Seriya	100	50	50	50%	50%

The expected targets under the SisuSeriya Project could not be achieved because of the reasons such as not presenting service providers by the relevant provincial passenger transport authorities, staff shortage at SLTB Depots and inability to allocate buses due to shortage of buses.

Under the Gami Seriya project

Province	Wayamba	Central	Eastern	Total number of services
Number of routes that were surveyed	05	01	13	19
Number of routes for which tenders called	05	01	13	19

Five service in Wayamba province, one service in Central province and 13 services in the eastern province were surveyed and out of those agreements were signed for 02 service from Wayamba Province in the year 2018. Agreements were signed for two other services in the year 2019. The bidder did not present himself for one service.

Further, the bidder did not present himself for the service of the Central Province.

Calling tenders for 13 services in the Eastern Province was delayed as the meeting of the Board of Directors of the National Transport Commission was not held from September 2018. Thirteen services in the Eastern Province were tendered and the 13 bidders who submitted the lowest bids were selected and action is being taken to sign agreements with them after obtaining the approval of the Board of Directors by now. Accordingly, if the meetings of the Board of Directors were held in the year 2018, the expected targets of services (15) could have been achieved.

Out of the expected targets of 100 in the year 2018, 50 could be achieved in the year 2018 under the Nisi Seriya project. A reason for the inability to achieve the expected targets was that the depot managers and depot running managers did not come to the commission on the expected dates to sign the agreements to start the services that are confirmed to be truly operating by investigations of the mobile investigation unit.

- (f) In relation to this matter, the National Transport Commission had called the owner of the organization (Medha Enterprises) that signed the agreement to maintain the public toilet complex in the Bastian Mawatha and warned him and in March 2019 I have informed him several times verbally and in writing to take necessary actions to abide by and act according to the agreement. Accordingly, the owner of the Medha Enterprises has agreed to do the payments on time in the future.
- (g) Action was taken to issue 09 permits for 06 routes under the tender No 27 of issuing permanent permits including the bus services that were identified to run without permits by the officers of the mobile investigation unit and vacancies that were prevailing in the time table. The particular tender was opened accordingly and a Board paper was tabled to the previous Board of Directors in order to issue permanent passenger transport permits and the approval was also obtained. As the approval of the Board of Directors was not confirmed, action was taken to table board paper to the new Board of Directors but the Board of Directors has advised to cancel the said tender.

Janaka Mallimarachchi
Chairman
National Transport Commission

