

## **Litro Gas Terminal Lanka (Pvt) Limited - 2021**

### **1. Financial Statements**

#### **1.1 Opinion**

The audit of the financial statements of the Litro Gas Terminal Lanka (Pvt) Limited (“the Company”) for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### **1.2 Basis for Opinion**

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 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 Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

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

## 1.4 Audit Scope

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

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 Company, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Company has complied with applicable written law, or other general or special directions issued by the governing body of the Company;
- Whether the Company has performed according to its powers, functions and duties; and
- Whether the resources of the Company had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## 1.7 Related Parties and Related Party Transactions

<b>Audit Issue</b>	<b>Management Comment</b>	<b>Recommendation</b>
The former Chairman/CEO had obtained a vehicle loan amounting to Rs.9.753 million with zero percent interest rate in August 2020 and 50 percent of the said loan amounting to Rs.4.876 million would be borne by the company. However, outstanding total loan amount including 50 percent portion borne by the Company had been settled by the former Chairman/ CEO on 20 August 2021 since he did not complete five (05) years of service due to the replacement of the position by the General Treasury.	The former chairman draws only the perks entitled for the CEO not as the chairman as per the board approval.	It is recommended to separate the two conflicting roles of Chairman and CEO. Further review the staff loan scheme and recover the loan amount in full and charge a reasonable interest on staff loans granted.

## 1.8 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

<b>Reference to Laws, Rules Regulations etc.</b>	<b>Non-compliance</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a.) Department of Management Services Circular No.03/2018 dated 18 July 2018.	As per the circular, relevant authorities should refrain from recruiting employees and increasing the salaries and allowances of their employees, without obtaining prior approval from the Department of Management Services, General Treasury, in future. Contrary to the provision the following had been made;	The staff salary ranges and allowance schemes approved by the chairman and board of company as per the company's article of association. No practice for HR to get approval from the Department of Management Service.	According to the paragraph II of the circular a prior approval of the Department of Management Services shall be required to recruit employees and increasing their salaries and allowances. The Company should adhere to the instructions issued by

the relevant authorities time to time in managing activities of the company. Therefore, the Company's practice shall be changed according to the directions of the Ministry of Finance.

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| <p>(i.) Staff vehicle loans amounting to Rs.34.93 million to the six officers of the Company with zero interest rate had been granted. Fifty percent of the loan amount amounting to Rs. 17.46 million is borne by the Company.</p> | <p>Car policy introduced by Shell Gas Terminal Lanka Ltd and after so many revisions made by company. Chairman has appointed a subcommittee under the article of association. They have recommended making the upgrade the existing car policy.</p> | <p>The recommendations made by the sub-committee appointed by the Chairman cannot be accepted since conflict of interest had been observed, since the members of the sub-committee was also the beneficiaries of the staff vehicle loan scheme. Therefore, it is recommended to review the staff loan scheme and recover the loan amount in full and charge a reasonable interest on staff loans granted as practiced by the other government companies. Further instructions can be sought from the Department of Public Enterprises, General Treasury.</p> |
| <p>(ii.) Monthly vehicle allowance to the six officers had been increased by 30 percent with effect from August 2020. The new monthly</p>   | <p>Allowances paid in line with the committee recommendation and the car policy of Litro Gas Terminal Lanka</p>   | <p>The company should adhere to the circular instructions issued by the General Treasury. Further the</p>  |

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| <p>vehicle allowance is ranging between Rs. 143,000 to Rs. 300,300.</p>  | <p>Ltd which is approved by the board of directors of the company.</p>  | <p>recommendations made by the sub-committee cannot be accepted since conflict of interest had been observed of the members of the sub-committee was also the beneficiaries under this scheme.</p>     |
| <p>(iii.) Monthly vehicle allowance to the officers who are not entitled for job related vehicle loans had been increased with effect from August 2020. The new monthly vehicle allowance is ranging between Rs. 15,000 to Rs. 50,000.</p> | <p>Allowances paid in line with the committee recommendation and the car policy of Litro Gas Terminal Lanka Ltd which is approved by the board of directors of the company.</p>   | <p>The company should adhere to the circular instructions issued by the General Treasury and refrain from paying vehicle allowances to the employees who were not entitled for vehicle allowances.</p> |
| <p>(iv.) Salary revision based on the market adjustment of 5% to 40% on the salary drawn as at 31 December 2020 of each individual of the Company had been made.</p>   | <p>As a practice the company remuneration benefits are determine by the Chairman and CEO and the Board of Directors. A board approval to implement the compensation and benefit survey done by PWC and all staff salary were implemented as per the remuneration committee recommendations and a letter with all details of the structure carder and salary structure has been forwarded to the Department of Public Enterprises.</p> | <p>The practice of the company shall be adjusted according to the changes of the instructions issued by the relevant authorities from time to time.</p>  |

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| <p>(v.) Monthly entertainment allowance of Rs.150,000 to the Chairman/CEO of the company is paid since 2020.</p>   | <p>A monthly payment of MD/CEO is a continuous practice in the company. Board approval was granted for the remuneration of CEO including the entertainment allowance and the company was properly communicated to the appropriate ministry and the Department of Public Enterprise.</p>   | <p>Two conflicting roles of Chairman and CEO of the company held by an individual. Therefore, conflict of interest was occurred in deciding his own benefits. Therefore, the mere communication to the Department of Public Enterprises is not sufficient and prior approval of the General Treasury shall be required.</p>                               |  |
| <p>(vi.) Monthly salary of Rs. 575,000 to the Chairman/CEO of the Company who is also the Chairman/CEO of the Litro Gas Lanka Limited (LGLL) as 50 percent from the salary of the Chairman/CEO of LGLL is paid since 2020.</p> | <p>Approval for the Litro Gas Terminal Lanka (Pvt) Ltd CEO's salary dated 31<sup>st</sup> July 2020- Same remunerations of the Litro Gas Lanka Ltd approved by the board of directors and drawn only 50% of the basic salary as a CEO.</p>  | <p>Two conflicting roles of Chairman and CEO of the company held by an individual. Therefore, conflict of interest was occurred in deciding his own benefits. Therefore, a prior approval of the General Treasury shall be required.</p>  |  |
| <p>(b.) Department of Public Enterprises Circular No: PED 01/2015 dated 25 May 2015 and Public Enterprises Circular No: PED 1/2015(i) dated 27 October 2016.</p>   | <p>As per the circulars, Chief Financial Officer/Chief Operations Officer and any other officer who holds a post approved by Management Service Department and has been placed equal or above HM 1-1 category of any SOE will be entitled to use only one official vehicle and a fuel allowance equivalent to 140 and 120 liters per month respectively and the above officers could either be provided an official vehicle or could draw a monthly allowance of Rs.50,000 and monthly fuel</p> | <p>As per the circular, allowances specified in this circular will not apply to Litro Gas Limited as it falls under the category of a subsidiary. The payments of allowances to the chairman, CEO, Board of directors shall be decided by the respective board having regarded the competitive market rates. Accordingly and in terms of the articles</p> | <p>The recommendations made by the sub-committee appointed to study car policy cannot be accepted since conflict of interest had been observed. Since the members of the sub-committee was consisted with the beneficiaries under this policy. Further the subsidiaries had not been excluded from this circular. In</p> |

allowance. Contrary to the circulars;

(i.) Official vehicles or monthly allowance had been granted to some officers who are not entitled to the official vehicle.

(ii.) Monthly vehicle allowance ranging from Rs. 143,000 to Rs. 300,300 which is exceeding the monthly allowance of Rs.50,000 is paid to the six (06) officers.

(iii.) Monthly fuel allowance ranging from 200 liters to 320 liters which is exceeding the monthly fuel allowance of 140 or 120 liters is provided to the six (06) officers.

of association of the company instead of PED 01/2015 followed the car policy approved by the board comprising of a representative of Public Enterprise Department.

addition the and any clarifications in this regard had not been obtained from the Department of Public Enterprises. Therefore, it is recommended adhere to the circular instructions with the proper guidance and the approval of the General Treasury. If any deviation is necessary the instructions and the prior approval shall be obtained from the Department of Public Enterprises, General Treasury, Further, it is the duty of the representative of the General Treasury to secure the interest of the government as a member of the board. However, we were not observed such had been played by the representative of the General Treasury.

(c.) Public Enterprises Circular No: PED 01/2015 dated 25 May 2015 and Public Enterprises Circular No: PED 01/2020 dated 27 January 2020.

(i.) As per the circular PED 01/2015, if an officer holds more than one post, he is entitled to draw only the fuel allowance prescribed for his substantive post. However, the Chairman/CEO who is the Chairman/CEO of both of the companies obtains a monthly vehicle allowance for both companies by Rs. 443,300 and this amount is

Payments of Two conflicting roles of Chairman and CEO of the company held by an individual. Further, Payments of allowances and providing transport facilities to chairman, Executive and Non-Executive directors and observers are approved by the board of directors at its meeting held on 21<sup>st</sup> February 2020 and 31<sup>st</sup> July 2020 as per the memorandum

Two conflicting roles of Chairman and CEO of the company held by an individual. Further, Payments of allowances and providing transport facilities to chairman, Executive and Non-Executive directors and observers are approved by the board

also exceeding the monthly allowance of Rs.50,000 allowed by the PED 01/2020 dated 27 January 2020. and articles of association item no 83, 76, 77 and 78. of directors. Therefore, conflict of interest was occurred in deciding their own benefits. Therefore, a prior approval of the General Treasury shall be required for any benefits accrued the members of the board.

(ii.) Monthly fuel allowance of 500 liters which is exceeding the monthly fuel allowance of 150 liters allowed by the PED 01/2020 is provided to the Chairman/CEO of the Company.

(iii.) Contrary to the PED 01/2015 and PED 01/2020, monthly driver allowance of Rs.50,000 is paid to the Chairman/CEO of the Company.

(iv.) As per the circular PED 01/2020, the total sitting allowance for Non-Executive Director (NED) should not exceed Rs. 25,000 per month and he is only entitled to the sitting allowance. Contrary to the circular;

- Sitting allowance of Rs. 25,000 per board meeting is paid to the three (03) NEDs.
- Monthly vehicle allowance of Rs. 100,000 is paid to the three (03) NEDs.

(d) Public Enterprises	Payment of bonus amounting to	The	annual	The company should
Circulars	No. Rs.60,000 per employee of the	performance-based		adhere to the
PED	03/2018	bonus of Non CBA		instructions of the
dated	07	employees	are	circular. If any



December 2018.	in contrary to the bonus amount of Rs.13, 500 per employee as per the provisions of the circular.	determining on the basis of relative individual performance and the performance of the company. The number of months of bonus payment should be in line with the CBA employee's payment and the numbers of months paid by our parent company. (SLIC) Bonuses schemes approved by the board and recommended by the remuneration committee.	deviations required the approval of the General Treasury shall be required.
(e) Section 8.3.3 (C) of Public Enterprise Circular No. PED/12 dated 02nd June 2003.	Amount of Rs. 7.26 million had been paid for the employees of the company under the bonus scheme of the Company during the year under review without obtaining the approval from the General Treasury.	There are many services like filling operation cylinder maintenance operations and transport which are handle by over 200 manpower workers and recommendation obtain by the remuneration committee and board approval was granted to review the current compensation structure through a remuneration committee for the years 2020 and s2021.	The company should adhere to the instructions of the circular. If any deviations required the approval of the General Treasury shall be required.
(f.) Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka and the National Audit Act No. 19 of 2018.	As per the said provisions, the Auditor General has been appointed by the supreme law of the country to perform audit of state-owned companies including the company. However, an auditor in public practice had been appointed to carry out the audit of the	The constitution especially Article 154 clearly sets out the entities which fall within the purview of the Auditor General for its audit functions. Article 154 especially its Sinhala text was	The board should ensure that the adherence to the law of the country and maintain integrity when continuing business of the company.

company for 2020 contrary to the above provisions and they had performed the audit of the Company for 2020.

amended in the recent 20<sup>th</sup> amendment to the Constitution thereby removing any ambiguity which prevailed whatsoever. However, to ascertain as to whether LGLL & LGTLL comes under the preview of the auditor general is a question of Law which has to be decided by a court of law but not by the company or the Attorney General.

The above position had been accepted by the court of appeal by issuing notices of the said actions and by granting interim orders preventing auditor general from auditing the affairs of both companies.

(g.)Circular  
Resolution No.04  
of 2014 passed by  
the Board on 08  
August 2014

According to the resolution Rs.100 million interest free advance had been transferred to Sri Lanka Investment Holdings Ltd (SLIHL) for the purpose of segregation of Sri Lanka Insurance Corporation Limited as per the Regulation of Insurance Industry (Amendment) Act, No 3 of 2011. This amount should be repaid by cash or by way of a dividend settlement on or before 31 August 2015 by SLIHL. At the incorporating SLIHL, then Chairman and Managing Director of the Company had been identified as the initial shareholders having

No answers provided by the management.

The company should take necessary actions to recover the dues from the SLIHL as decision of the board.

one ordinary share for each on the understanding that the said two initial shares will be transferred to the Secretary to the Treasury as soon as, practically, possible. However, this advance had not been repaid by SLIHL up to date and there was not an agreement entered between Company and SLIHL in settlement of such advance. Further, according to the records of Registrar of Companies, total two shares of the SLIHL had not been transferred yet to the General Treasury.

## 2. Financial Review

### 2.1 Financial Result

The operating result of the year under review amounted to a profit of Rs. 1,080,146,112 and the corresponding profit in the preceding year amounted to Rs.1,019,353,911. Therefore, an improvement amounting to Rs. 60,792,201 of the financial result was observed. The reasons for the improvement are increase of revenue from contracts with customers by Rs. 108,025,331 and reduction of cost of sales by Rs. 11,101,122 and administration expenses by Rs. 24,368,560 for the year under review.

### 2.2 Trend Analysis of major Income and Expenditure items

Analysis of major income and expenditure items of the year under review compared with the preceding two (02) years with the percentage of increase or decrease are as follows.

For the year ended 31st December	Amount (Rs.)			Percentage of Change		
	2019	2020	2021	2019	2020	2021
Revenue from contracts with customers	2,064,442,430	1,508,188,378	1,616,213,709	1%	-27%	7%
Cost of sales	(316,171,885)	(327,478,463)	(316,377,341)	-3%	4%	-3%
(Loss) / profit from operations	1,748,270,545	918,058,416	924,952,912	3%	-37%	1%
Finance income	702,332,213	517,548,850	304,004,575	14%	-26%	-41%
Finance expenses	(134,897,235)	(83,243,598)	(28,091,984)	-	-38%	-66%

## 2.3 Ratio Analysis

Key ratios compared with the preceding two (02) years are as follows.

<b>Ratio</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Net profit Ratio	104.22%	95.19%	76.04%
Return on Capital Employed (ROCE)	18.47%	12.27%	9.60%
Return on Equity	14.77%	9.61%	8.99%
Assets Turnover	43.92%	23.43%	15.27%
Return on Assets	17.67%	11.83%	9.18%
Current Ratio	14.21	13.15	4.81
Quick Ratio	14.19	13.12	4.80
Financial Leverage	1.24	1.14	1.11
Debt to Asset Ratio	0.20	0.13	0.10
Debt to Equity Ratio	0.24	0.14	0.11
Current to Total Liabilities	0.22	0.28	0.43

## 3. Operational Review

### 3.1 Uneconomic Transactions

<b>Audit Issue</b>	<b>Management Comment</b>	<b>Recommendation</b>
(a) Legal Fees – Replacement of the Auditor General from the audit of the Company for 2020.	In terms of Article 19 of LGTLL Articles empowers the Board of Directors to appoint or engage employ, maintain, agents... in Sri Lanka or elsewhere and to remunerate any such rate such rate and such manner as shall be thought fit.	The board shall adhere to the law of the country, directions of the holding company and the Secretary to the Treasury when carrying out affairs of the company.
(i.) Professional services had been obtained for the proposed court of appeal Writ application relating to the replacement of the Auditor General from the audit of the Company for the year 2020. Accordingly, a sum of Rs. 2.6 million had been paid by the Company to the legal consultants on 05 February 2021.	Accordingly, Board of Directors has sought services of the said President Counsel as the Hon Attorney General does not provide legal advice to private companies. As a measure of safeguarding the interest and the right of the shareholders, to appoint an auditor of their choice in view of the provisions of the companies Act, the company had sought services of suitable counsel to appear in case the Auditor General objects for the appointment of PWC. Hence, the said sum of money had been paid for the same counsel and his juniors on retaining as counsel to appear before Hon. Court of Appeal, for consultations, for perusing papers for strategic and legal advice, and for drafting and settling petition and affidavit.	If there is any requirement to obtain legal consultation, the company should follow the Guidelines selection & employment of consultants August 2007 issued by the National Procurement Agency of Sri Lanka. Further, the company shall maintain integrity in all the time and prevent this happening in the future.

- (ii.) After obtaining legal advices, the Company had instituted Writ applications in the Court of Appeal on 22 May 2021 challenging the decision of the Company come within the constitutional Jurisdiction of the Auditor General. However, the case had been withdrawn by the company in terms of the board decision dated 30 July 2021. Legal fees relating to the said case amounting to Rs. 8.125 million had been paid by the Company in June 2021.
- The major shareholder by its letter dated 20<sup>th</sup> July 2021 has instructed the Board of Directors of LGTLL. The Board of Directors at the Board meeting held on 22/7/2021 decided to take steps to appoint the Auditor General to examine the finance of the company. it is only in view of the revocation of the proxies submitted on 23<sup>rd</sup> April 2021 by the major shareholder LGTLL sole shareholder by its letter dated 20/7/2021 in respect of getting the Auditor General appointed to LGTLL, a necessity was arisen to withdraw the court of appeal writ application Nos: CA Writ 286/2021 & CA Writ 287/2021 in which the court has issued formal notice on the respondents together with an relief preventing the Auditor General auditing the company LGTLL until 21<sup>st</sup> September 2021. Hence, the Auditor General will be able to commence executing his official duties only after getting the aforesaid interim order vacated by court or after getting these cases withdrawn. The court of appeal issued notices of the said actions and interim order inter-alia preventing the Auditor General from auditing the affairs of company.
- (iii.) The total expenses amounting to Rs. 10.725 million incurred relating to the said matter were observed as uneconomical expenditure.
- Company was represented by the eminent counsels in the court of appeal namely Mr. Sanjeewa Jayawardana President's counsel, and Mr. Romesh De Silva president's Counsel who imparted their un form opinion on this matter. Sri Lankan legal system is enriched with traditions sand practices of English system of Law maintaining the Lawyer- Client relationship. There is no structure or applicable rule in this area of making payments and other related matters. Accordingly, there is no bargaining power for the client when it comes to the payment of fees to an eminent and able counsel who could safeguard the rights of the litigant in court. It is advisable to do a market survey on legal fees of the same or similar counsels in order to ascertain whether the said amount is an uneconomical expense.

- (iv.) It was further observed that the company had taken legal actions incurring huge expenses even the Attorney General had expressed his opinion that there was no legal impediment for the Auditor General to carry out the audit.
- Attorney General has only given an opinion. Attorney General's opinion is not considered as the Law of the country. In terms of the prevailing law, the company had obtained an opinion of a senior president counsel on the applicability of the provisions contained in the constitution, especially Article 154 therein and the National Audit Act. Consequent thereto the board of directors has taken cognizance of the said opinion and in line with the aid opinion the action was instituted by LGTLL in the court of Appeal hearing No CA Writ 286/2021 & 287/2021. The court of Appeal issued notices of the said actions and interim order inter-alia preventing the Auditor General from auditing the affairs of both companies.

### 3.7 Idle or underutilized Property, Plant and Equipment

Audit Issue	Management Comment	Recommendation
(a.) The board of directors had approved to establish a new product category named "Litro Oxygen" and to lease approximately 22 acres land and building for 50 years at Kerawalapitiya from SLRDC on the government valuation paying an advance of Rs. 500 million and utilize this land to construct the oxygen filling station and/ or to utilize as an additional LPG operations and storage expansion project or any other related activities at the meeting held on 24 May 2021. Accordingly, Rs.500 million had been paid on 31 May 2021 as an advance payment for the land. However, the approved project of constructing the oxygen filling station at the said land had not been implemented and future plan for utilization of the said land had not yet been decided.	No answers provided by the management.	The company shall use this property for the intended purpose or any other suitable purpose with the approval of the relevant authorities.
(b.) The Company had entered into a Lease Agreement on 20 November 2013 with Sri Lanka Port Authority for the purpose of operation of import, storage, handling and delivery of LPG at Hambanthota Operational Centre for a 10 year period and later it had been novated with Hambanthota International Port Group (Pvt) Ltd on 08 December 2017. Aggregating lease rental for 8 years amounting to Rs.	Initiatives had been done for setting up of a cylinder filling plant back in 2017, but got postponed due to the uncertainties arosed due to the potential change of ownership of	The company shall take necessary actions to utilize this property for the intended purpose of the company to serve the general public.

668.55 million (Including tax) had been paid and aggregating lease rental for remaining two years amounting to Rs.233.84 million (Excluding tax) to be paid. It was observed that only 6 shipments with aggregating quantity of 10,075 MT, LPG had been arrived to the Hambantota port from 20 November 2013 to 31 December 2021. Therefore, the said facility had not been fully utilized by the Company even a significant amount is paid as lease rentals. It was further observed that the said facility having storage capacity of 2,700 MT had not been used to obtain cost benefit at the instances of low monthly contract prices (CP).

Hambantota port. However, steps have been taken to expedite the filling plant setting up and start the commercial operation in order to utilize the facility in full scale.