Ceylon Shipping Corporation Limited – 2021/2022
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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Ceylon Shipping Corporation Ltd ("Company") for the year ended 31 March 2022 comprising the statement of financial position as at 31 March 2022 and the statement of comprehensive income, 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. My comments and observations which I consider should be report 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 Company as at 31 March 2022, 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 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 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 skepticism 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.

1.5 Audit Observations on the preparation of 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. Non-Compliance with Sri Lanka Accounting Standard

	Non Compliance with the reference to particular Standard	Management Comment	Recommendation
(a)	As per Paragraph 51 of the Sri Lanka Accounting Standard 16 (LKAS 16) on Property, Plant and Equipment, the residual value and the useful life of an asset shall be reviewed at least at each financial year end and if expectation differ from previous estimate, the change(s) shall be accounted for as a change in an accounting estimate in accordance with LKAS 8 Accounting Policies, Changes in Accounting Estimate and Errors. Due to failure to review the residual value and useful life for non- current assets of the Company annually, the estimated error of the fully depreciated fixed assets which were further being used had not been adjusted accordingly. The cost of the fully depreciated fixed assets further being used were Rs.51.687 million	As per Note to the Financial Statement No. 3.3 (d), the residual values, useful lives and depreciation methods of the assets are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Judgment of the management is exercised in the estimation of these values, rates methods and hence they are subject to uncertainty.	Every asset should be reviewed annually as per the Standard and if the assets are being used even they were totally depreciated, they should be revalued and accounted for considering the useful lifetime.
(b)	As per the Paragraph 7 of the Sri Lanka Accounting Standard 16 (LKAS 16) ,the cost of an item of property, plant and equipment shall be recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost	CSC's normal practice was that fixed asset supplies to the ships are not treated as assets and accounting treatment is to add cost incurred to the ship maintenance cost.	According to the Accounting Standard, when assets are expected to be used for more than one year period and if it is

	of the item can be measured reliably. However, contrary to that the equipment purchased by the Company amounted to Rs. 9,467,137 for two vessels had not been considered as fixed assets and the depreciation pertaining to the year under review had not been adjusted in the accounts.	The useful life of fixed assets used in vessels is less than the useful life of fixed assets normally used in the Company because those fixed assets are subject to corrosion due to the weather condition of the sea. Then the useful life of those assets is reduced. So CSC needs better advice on how to depreciate these assets over that limited life span. And also, we must take into consideration of the industry practice.	held for use in the production or supply of goods or services, it should be considered as fixed assets. The depreciation thereon should also be adjusted.
(c)	According to Paragraph 23 (a) of the Sri Lanka Accounting Standard 21 (LKAS 21), at the end of each reporting period foreign currency monetary items shall be translated using the closing rate. However, contrary to that, the Company had not translated the foreign debtors amounting to Rs. 316,169,677 (USD 1,845,981) at the closing rate. As a result, the foreign debtors had been understated by Rs.222, 561,587.	We have already impaired foreign debtors for the Year 2021/22. Accordingly, in our view not needed for value against the Exchange rate. If foreign debtors have been valued at the year - end Exchange rate, debtor amounting will be overstated due the impairment.	According to the Accounting Standard, the year-end balance of foreign debtors should be converted into closing rate and shown in accounts.
(d)	As per the Paragraph 5.5.15 a (ii) of Sri Lanka Financial Reporting Standards 09 (SLRFS 09) the Company shall always measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. However, the Company had applied general provision for amount of Rs.1, 288,730,656 of trade debtors, instead of applying an Expected Credit Losses Approach to determine the bad debt provisions.	We have fulfilled SLFRS 15 requirement to revenue recognition and invoiced after fulfilled customer requirements. In some circumstances an entity does not have reasonable and supportable information that is available without undue cost or effort to measure lifetime expected credit losses on an individual instrument basis. In that case, lifetime expected credit losses shall be recognized on a collective basis.	Management should be using proper individual impairment method for accuracy and completeness of the trade debtor values.
(e)	As per the Paragraph 8 of Sri Lanka Financial Reporting Standards 07 (SLRFS 07) categories of financial assets and financial liabilities, the carrying amounts of each of the following categories should be separately disclosed as specified in SLFRS 9 either in the statement of	CSC has clearly categorized financial assets and financial liabilities in the statement of financial position as well as in the notes in accordance with the SLRFS 7 & 9.	As per the revised Standard, financial assets and financial liabilities should be disclosed accordantly.

financial position or in the notes, financial assets measured at fair value through profit or loss, financial liabilities at fair value through profit or loss. However, the financial statements of the Company had not been prepared as required by the Standard.

1.5.3 Going Concern of the Organization.

	Audit Issue	Management Comment	Recommendation
(a)	As per the financial statements, loss for the year under review was Rs.5,765,379,292 and the cumulative loss as at 31 March 2022 was Rs.9,328,463,864. Further, the net assets of the Company as at 31 March 2022 was a negative value of Rs. 7,914,226,190. The loss for the year and the negative balance of net assets of the Company had increased by 608.87 per cent and 287.65 per cent respectively as compared to preceding year. It was observed that these were the clear indication of material uncertainties that indicates the going concern uncertainties of the Company. The main reason for the loss for the year under review was the exchange loss of Rs. 6,081,305,456 which had incurred from converting the USD loan balance to Rupee value as at 31 March 2022 and although the Company had proposed some mitigating measures at the Extraordinary General Meeting (EGM) held on 30 July 2021 to overcome this situation, actions had not been taken to implement the proposed mitigating measures taken at the EGM.	The recorded financial loss for the year 2021/2022 was resulted due to abnormal exchange rate difference of the USD loan from the date of loan obtained from a Bank to the current year. The depreciation of Sri Lankan Rupee against the United States Dollar affected the Company adversely. But when it was compared with the Vessels Loan borrowed year in 2015/2016 the SLRS had been depreciated by 104% in 2021/2022 against USD. This had directly affected to increase the exchange loss of vessels loans amounting to Rs. 6,081.3 Mn. which is a mandatory provision in the annual accounts in accordance with the Sri Lanka Accounting Standards. The precautions had been taken by the Company to convert the USD loan into SLRS terms to avoid exchange loss difference appeared in the financial accounts and also to restructure the loan for more favourable terms and conditions. Although the Cabinet approval has been granted to restructure the USD loan for more favourable terms and conditions, Central Bank has not granted approval to convert the loan into SLRS.	Management should take steps to implement the mitigating actions proposed in the EGM to overcome the continuing going concern issue face by the Company.

1.5.4 Documentary Evidences not made available for Audit

Audit Issue	Management Comment	Recommendation
The accuracy and existence of the debtors aggregating to Rs. 2,402,410,757 from 30 debtors and trade payable aggregating to Rs. 49,912,076 from 16 creditors could not be ascertained in audit due to lack of confirmations or evidence pertaining to subsequent recoveries.	As instructed by the Auditors, CSC has already sent balance confirmation of all the debtors except the debtors who were legal proceeding implemented. Many times, we have requested balance confirmation from the CSCL customers as advised by auditors but they have not responded. However, we have raised invoices to the relevant parties as advised by liner/operation/chartering/logistics departments. If required, you can check the other documents such as Freight Manifests, Bill of Ladings, quotations, customer accepted documents of Liner and operation department as the transactions confirmation	Management should introduce a proper internal control system for the recovery of debtor balances. Follow up actions should be taken and annual balance confirmation procedure should be properly implemented.

1.6 Accounts Receivable and Payable

1.6.1 Receivables

	Audit Issue	Management Comment	Recommendation
(a)	The total amount of freight clearances, government container deposits and other debtors as at 31 March 2022 was Rs.80,900,481. Out of that, balances aggregating to Rs. 77,275,095 that is 96 per cent had remained over three years without being recovered.	We have submitted all outstanding dues to Monthly Board Meeting /Ministry for their information /necessary arrangement. An 80 per cent of unrecovered dues belong to the M/s Lanka Coal Company Ltd. and CSC has put full efforts to recover same.	Management should introduce a proper internal control system for the recovery of debtor balances.
(b)	Agency commission receivables from 18 agents aggregating to Rs.3,727,680 had remained over three years without being recovered and out of that, outstanding balances of 17 agents was Rs. 2,008,015. However, it was observed that those agents are not even in service and service agreements had not been provided for audit perusals.	We have already recovered Casual Agency Commission Rs.216,608.50 in year 2022/2023. Accordingly, casual agency Commission balance available over three years up to now is Rs.1,719,664.50. Except Casual Agency Commission, available balance of Rs.2,008,015 were long outstanding opening balances which had been transferred to the IFS since 1999 .	Management should introduce a proper internal control system for the recovery of debtor balances and actions should be taken to enter into agreements where required.

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

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
(a) Section 133 of the Company Act No .07 of 2007.	The Annual General Meeting should be held during a period not later than 06 months after the balance sheet date and not later than 15 months after the previous Annual General Meeting. However, the Annual General Meetings had not been held after 2017/18.	Annual General Meeting has been held on 28/06/2019 and Extra-ordinary General Meetings have been continuously held on time to time as enumerated . The Board Resolutions approved by the Board of Directors and those meetings have been held with the participation of representatives of the sole shareholder who is the General Treasury.	AGM should be held as mentioned in the Company Act.
(b) Section 16.2 of National Audit Act No.19 of 2018 and Section 6.6 of Operational Manual of the Public Enterprises Circular No. 01/2021 dated 16 November 2021	Although the Company should submit the financial statements along with the Draft Annual Report to Auditor General within 60 days after the closure of the accounting year, the financial statements of the Company had been submitted to audit on 08 December 2022 with a sixth months delay.	It was pointed out that due to the several issues arose during the audit of the year 2015/2016 Draft Financial Statement, the Financial Statements /Annual Report for the year 2021/2022 have been delayed to submit to you and the Parliament on due date.	The Company should submit the Draft Annual Report also along with the financial statements to Auditor General as per the National Audit Act & Operational Manual of the Public Enterprises No. 01/2021 dated 16 November 2021.
(c) Operational Manual of the public Enterprises Circular No. 01/2021 dated 16 November 2021 Section 3.2	The Company had not obtained approval to pay the refreshment allowance, transport allowance and attendance incentive allowances as per the circulars and the Company had paid those allowances aggregating to Rs.20,382,612 during the year under review.	These three allowances are being paid to CSC employees since a long time. Refreshment allowance has been increased up to as Rs. 5000/- as approved by the Board of Directors at its Meeting held on 01.08.2013 as per the Board Paper No.42/2013 and Transport Allowance and Attendance incentive also increased by the same Board Paper. Details of additional allowances have been forwarded to the salary Cadre commission.	Since CSCL is a fully government owned company, it should follow relevant circulars issued by the Management Services Department of Treasury. Accordingly, approval should be obtained for the payment of all the allowances.

1.8 Non -compliance with Tax Regulations

Audit Issue	Management Comment	Recommendation
Although the Company is liable to pay Value Added Tax based on the cash basis according to the Inland Revenue Department direction provided on 03 September 2003 by letter No: VAT/Gen/04, the amount of Rs. 66,419,287 had remained as Value Added Tax payable due to failure of collecting the VAT from the Lanka Coal Company (Pvt.) Ltd. from the date of 19 November 2012 to 16 January 2018 regarding 20 No.s of invoices. Further, Inland Revenue Department had issued clarification on 17 January 2018 under letter No: ACT 17/9 regarding the dispute arose between Lanka Coal Company Ltd. The lightering services provided by the Company had been considered as zero rated from 17 January 2018, but the Lanka Coal Company (Pvt.) Ltd. requires to pay the said defaulted Value Added Tax to the Company accordingly. This dispute had been outstanding for a long period of time and actions had not been taken to recover the defaulted Value Added Tax from Lanka Coal Company (Pvt.) Ltd. and remit to Inland Revenue Department.	Inland Revenue Department (IRD) has exempted VAT on all Lightering operation since 17-01-2018. However, Lanka Coal Company (LCC) has already paid VAT for the custom on CIF value including the lightering charges for the whole operation since 2012. In addition to that, IRD has clearly confirmed that paragraph 3 and 6 of their letter for VAT payment including the lightering charges for VAT base also by the custom. Therefore, LCC has not liable to pay VAT on lightering charges for the second time. Moreover, IRD has issued this directive by oversight and it should be exempted from the VAT.	Management should take steps to solve the problem by conducting the discussions with related parties.

2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a loss of Rs.4,567,786,074 and the corresponding loss in the preceding year amounted to Rs.527,125,027. Therefore, a deterioration amounting to Rs. 4,040,661,047 of the financial result was observed. The reasons for deterioration were the growth of finance expenses by Rs.5, 367,569,666 or 372 per cent and the growth of direct expenses by Rs. 3,663,751,090 or 179 per cent during the year under review comparing to the previous year.

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 year are as follows.

Item	2021/2022 Rs.	2020/2021 Rs.	Increase/ (Decrease) Rs.	Percentage Increase/ (Decrease)
Total Revenue	7,876,816,356	3,094,619,027	4,782,197,329	155
Freight Income on own vessels	439,788,449	1,425,339,909	(985,551,460)	(69)
Charter Hire Income on own vessels	2,978,237,896	587,535,533	2,390,702,363	407
Charter Hire Income on Coal vessels	2,246,567,897	-	2,246,567,897	100
Clearing and forwarding	18,165,709	8,337,584	9,828,125	118
Voyage	1,802,122,355	597,832,869	1,204,289,486	201
Direct Expenditure	5,706,572,098	2,042,821,008	3,663,751,090	179
Gross Profit	2,170,244,258	1,051,798,018	1,118,446,240	106
Finance Expenses	6,808,841,215	1,441,271,549	5,367,569,666	372
Exchange loss	6,081,305,456	684,460,191	5,396,845,265	788
Short Term Borrowings	1,657,034,724	1,020,271,290	636,763,434	62

2.3 Ratio Analysis

Key ratios such as current assets ratio, quick assets ratio, gross profit ratio, and gearing ratio as compared with the preceding year are as follows.

	2021/2022	2020/2021
Profitability Ratios	%(Percentages)	%(Percentages)
Gross Profit Margin	28	34
Net Loss Margin Before Tax	58	17
Return On Equity	(73)	(40)
Return on Assets	(46)	(7)
Earnings per share Rs.	(914)	(105)
Liquidity Ratios		
Current Ratio	0.90	1.15
Quick Ratio	0.81	1.02

Following observation was made.

(a) Increasing of Exchange loss by 788 per cent and finance expenses by 372 per cent during the year under review as compared to the previous year were the main reasons for the increase of net loss margin in the year under review.

(b) Even though current assets and current liabilities had increased by 33 per cent and 69 per cent respectively, trade and other receivables had increased drastically by 50 per cent and short term borrowing had increased by 62 per cent were the reasons for increase in the current ratio compared to previous year. Negative earnings per share had decreased by 770 per cent as at end of the current year from Rs. 105 to Rs.914 due to improvement of the operating result of the current year.

3. Operational Review

3.1 Management Inefficiencies

	Audit Issue	Management Comment	Recommendation
(a)	The Company had spent a sum Rs. 250,000 on 23 July 1979 to acquire a land from Sri Lanka Port Authority which located at 18th lane, Aluth Mawatha, Colombo15 for a housing project and the Cabinet of Ministers had approved to transfer this land in the name of the Company. Although the land had been revalue in 1994 at a Rs. 4,000,000 and shown under property plant and equipment in the financial statements, actions had not been taken to transfer the land in the name of the Company even up to 15 June 2022.	The land had been revalued in 1994 at Rs.4 Million and reflected in the plant & equipment in the Financial Statements. As CSC had made a payment in a sum of Rs. 250,000/- to the account of Port Commissioner where the receipt of the said payment had been acknowledged by the Port Commission for a title transfer.	Action should be taken to transfer the land in the name of the Company.
(b)	The Company had borrowed term loan of USD 70.00 million in 2016 to build two vessels and subsequently, loan capital balance payable to bank had been revised from 15 years to 20 years as at 03 February 2018. According to the revised loan conditions of the term loan, loan repayment should be made by biannual instalments of USD 2.03 million. Although USD 18.27 million should have been paid as instalments up to 31 March 2022, the Company had paid USD 12.275 million only and arrears of loan instalment amounted to USD 5.995 million had not been settled by the	CSC had barrowed only USD 70 Mn. for term Loan and USD 5.5 Mn. for Interest Capitalized loan. And also agreed and signed three agreements (letter of offer banking Facilities) with a Bank extended for the Term loan 15 years to 20 years. If the Borrower is unable to meet the above commitment, grace period will be extended time to time bi - annually and this will be continued up to 03.08.2021. Accordingly, if we have not sufficient funds to pay capital component of the term loan up to 03/08/2021.	Management should take actions to settle the loan as agreed.

Company even as at the end of the year under review.	Further, grace period has been extended for Interest Capitalized loan as of the agreement dated 12/10/2016. Accordingly, there were no USD 5.995 Mn. arrears.	

3.2 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
The main objective of the Company was to operate services for the transport of goods, mails and passengers by sea and to carry on business as ship-owners, charters of ships and vessels, ship brokers, shipping agents and other ancillary services, the following deficiencies were observed at the audit test checks carried out during the year under review.		
(a) According to the Decision of Cabinet of Ministers No. CMP/16/0035/737/003 dated 21 January 2016 and the provisions of the Public Finance Circular No. 415 dated 06 May 2005, all the government institutions should import goods through the Company and the Company should also give the priority to government institutions. However, in checking the number of cases of transportation of cargo in the public sector from 01 January 2018 to 31 December 2021, it was observed that the number of cases of transportation through the Company had relatively reduced. Details are given below. **Year** — **No. of Terms** 2018 — 1981 2019 — 1790 2020 — 2172 2021 — 1533	As per the Public Finance Circular 415 dated 06 May 2005 and Public Finance letter 03 dated 18th February 2016, it is a requirement that all government agencies to make arrangements their purchases on FOB terms or any other similar INCO terms as stipulate in their Letter of Credit and the cargo should be carried on vessels nominated by Ceylon Shipping Corporation. There was a significant increase in the shipments carried out by the Shipping Corporation by 2020 but due to Covid-19 pandemic situation The global economic recession and the severe financial crisis in the Sri Lankan economy and the import activities in the country as a whole were largely restricted in 2021.	The Management should take necessary actions to make aware the authorities of government institutions on importation of goods through the Company.

(b) Twelve public sector institutions had imported 4,712,210 metric tons (No. of 8,195 import times) of cargo during the period from 01 November 2020 to 31 December 2021.Out of that, importation of 4,520,732 metric tons that is 95.9 per cent of the total amount had been made by foreign shipping companies and only 191,478 metric tons had been imported through Bill of Lading of Company and it was only 4.1 per cent of the total imports. Accordingly, it was observed that the actions had not been taken to inform this matter to relevant authorities and to get increased the number of imports through the Company.	According to PF Circular 415, all government agencies should invite offers for the cost of Goods and freight separately when calling tenders. If CSC freight is higher than the supplier's quotation, a written waiver should be submitted by CSC enabling to entrust the suppliers to arrange shipment according to their quotation on freight pre-paid basis. Even though government given the clear directive to all government agencies as mentioned on the above, many government institutes do not comply same. However, CSC made extra efforts to increase our market share not only with the Government institutes but also with private sector as well.	The Management should take necessary actions to make aware the authorities of government institutions on importation of goods through the Company.
(c) In checking the approved Action Plan for the year ended 31 March 2022 with the Progress Report on achieving above objectives, the following observations were made.		
(i) The physical targets (No. of terms and volume and No. of deploys) had not been indicated in the Action Plan.	Documents have been provided indicating physical targets in the year 2021/2022.	Management should take actions to prepare Action Plan including physical targets.
(ii) The achievement of Address Commission on Lightering had increased by 690 and the Carriage of Cargo in Full Container Load (FCL) and Less than Containers Load (LCL) had increased by 397 per cent due to failure of proper estimation of revenue sources.	CSC could increase address commission on lightering up to 0.69/MT with the approvals of Cabinet of Ministers instead of target amount of budget rate. Revenue of Transportation of containerized cargo (NVOCC) in FCL and LCL has been increased due to the handling of special cargo shipments from Sri Lanka Railways and CEB.	The Action Plan should be prepared accurately.
(iii) Although the Address Commission on Freight expected to be achieved by Rs.95.35 million, the progress of the target had been 0 per cent.	There were no records for revenue on address commission on freight due to supplier's manipulated freight rates could not be matched.	Management should take necessary actions to avoid deviation from Action Plan.
(iv) Although Rs.2,246 million had been	Since Mv. Ceylon Breeze was	The Action Plan should

collected as the Charter Hire Income from Coal Vessels.(SPOT), such an activity had not been identified in the preparation of Action Plan.	deployed in the Global Charter market due to the higher charter rate (USD 40,000/Day) CSC chartered out the SPOT vessel with the approval of Cabinet Ministers. Since the decision has been taken according to the prevailing Global market situation, this activity had not been indicated in the preparation of Action Plan.	be prepared accurately.
(v) Although it had been planned to earn Rs. 2,085.42 million from transportation of Coal for CEB, only 21 per cent of that (Rs.439.78 million) had been achieved.	CSC should match quoted sea freight rate of selected coal supplier to get the coal sea transport from nominated load port to Puttalam anchorage. Therefore, CSC had matched and win a spot tender due to various factors unrealistic freight rate, outstanding payments for ship owners from LCC etc., In fact CSC could not reach to the target properly.	Management should take necessary actions to review the Action Plan timely to avoid deviations from Action Plan.
(vi) Although it had been planned to earn Rs.22 million from Customer Clearing and Forwarding, Door Delivery and Pick up, only 78 per cent (Rs.17.24 million) had been collected.	Due to Global pandemic situation, world economic crisis, foreign exchange scarcity, unstable political situation, fuel crisis in the country, most Government sector institutions have not ordered their usual imports shipments. Therefore, CSC could not reach to the target rate.	Management should review the Action Plan timely and take necessary actions to avoid deviation from Action Plan.