

MINISTRY OF ENERGY

Performance Report – 2020

**No: 80, Sir Ernest de Silva Mawatha,
Colombo 07
Telephone No: 011 2370032/33
Web site: www.energymn.gov.lk**

Annual Performance Report for the year 2020
Ministry of Energy
Expenditure Head No. 115

Contents

	Page
Chapter 01 - Institutional Profile/Executive Summary	01
1.1 Introduction /Policy based Guidance	01
1.2 Vision, Mission and Objectives of the Institution	02
1.3 Special priorities	03
1.4 Main objectives and activities of the Ministry	04
1.5 Organization Chart	04
1.6 Department/ Institutions and main Divisions of the Ministry	05
1.7 Details of the Foreign Funded Projects (if any)	05
Chapter 02 - Progress and the Future Outlook	06
2.1 Introduction	06
2.2 Progress	06
2.3 Future Outlook	10
2.4 Major challenges faced	12
Chapter 03 - Overall Financial Performance for the Year	13
3.1 Statement of Financial Performance	14
3.2 Statement of Financial Position	16
3.3 Statement of Cash Flows	17
3.4 Notes to the Financial Statements	19
3.5 Performance of the Revenue Collection	37
3.6 Performance of the Utilization of Allocation	37
3.7 In terms of F.R.208 grant of allocations for expenditure	37
3.8 Performance of the Reporting of Non-Financial Assets	38
3.9 Auditor General's Report	38
Chapter 04 – Performance Indicators	39
4.1 Performance Indicators	39
Chapter 05- Performance of the achieving Sustainable Development Goals (SDG)	40
Chapter 06 - Human Resource Profile	41
6.1 Cadre Management	41
6.2 Impact of shortage or excess in human resources on performance of the institute	42
6.3 Human Resources Development	42
Chapter 07- Compliance Report	43

1.1. Introduction /Policy based Guidance

The Ministry of Energy was established vesting the subject scope “ensuring energy security and enhancing the capacity for by products including petroleum and gas thus meeting the national requirement so as to curtail all fuel imports and expanding the storage facilities and distribution and regulating the related standards and efficient maintenance of the related state enterprises”, by Gazette Extraordinary No. 2187/27 dated 09.08.2020, which published the structure of the Cabinet of Ministers, subjects and functions of the Cabinet Ministers and Ministers of State, and the functions related to this subject were performed by the “Petroleum Resources Development Division” under the Ministry of Power and Energy up to 08.08.2020.

Policy based Guidance

This Ministry acts based on the guidance of “Vistas of Prosperity and Splendour” which energy security and self-sufficiency are the main policy based strategic objectives, and based on other national policies that may be implemented by the Government. Among these, the major functions are the assurance of obtaining low cost energy for the overall national energy requirement including sectors of the generation of power, transport, industrial and domestic consumers, formulation of policies relevant to the subject of energy as well as the formulation and implementation of policies, programmes and projects relevant to the Ceylon Petroleum Corporation and the Ceylon Petroleum Storage Terminals Company, Petroleum Resources Development Secretariat which are under the Ministry.

Legal Profile

The Ministry and the institutions under the purview of it operate as per the legal framework mentioned below.

The Ceylon Petroleum Corporation (CPC)

The Ceylon Petroleum Corporation, established to carry out the business activities pertaining to import, export, refine, sell, supply and distribute petroleum products in the island, has been granted the relevant legal provisions to carry out those activities and incidental functions under the exclusive rights through the Ceylon Petroleum Corporation Act, No. 28 of 1961.

The Ceylon Petroleum Storage Terminals Limited (CPSTL)

Even though the exclusivity to import, export, sell, supply or distribute petroleum products has been vested in the Ceylon Petroleum Corporation under the Ceylon Petroleum Corporation Act, No. 28 of 1961, as provisions had been made for qualified competitors also to access those activities in accordance with the Petroleum Products (Special Provisions) Act No 33 of 2002, accordingly, the Lanka Indian Oil Company also became a competitor to carry out those functions. Accordingly, storage and distribution functions that were under the Ceylon Petroleum Corporation were separated, and the Ceylon Petroleum Storage Terminal Company was established under the Companies Act as a provider of common facilities pertaining to the storage and distribution functions of the Ceylon Petroleum Corporation and the Lanka Indian Oil Company.

This is a subsidiary company of the Ceylon Petroleum Corporation, and 2/3 of its shares are owned by the Ceylon Petroleum Corporation, and the balance 1/3 is owned by the Lanka Indian Oil Company.

Petroleum Resources Development Secretariat (PRDS)

In accordance with the policy based guidance of the Petroleum Resources Development Committee established under the Petroleum Resources Act, No. 26 of 2003, the responsibility of implementing all the functions of the upstream petroleum industry is vested with the Petroleum Resources Development Secretariat.

1.2. Vision, Mission and Objectives of the Institution

VISION

“To make Sri Lanka the energy hub of Asia”

MISSION

“Enhancing access to low cost energy to meet national needs by management of fuel importation and integration of local new energy sources into the energy mix and ensuring an environmentally friendly sustainable energy supply by regulation of energy related policy enforcement through appropriate laws and regulations”

OBJECTIVES

- Making Sri Lanka a carbon neutral country by 2050.
- Upgrade quality of Diesel and Gasoline to EURO VI standards by 2023
- Be a partner in the energy self-sufficiency of Sri Lanka by optimizing production of domestic oil and natural gas by 2030.
- Implementation of the National Policy on Natural Gas.
- Meet petroleum product demand of the country through our own processing by 2025.
- Ensure more efficient, effective and safe storage and distribution of fuel throughout the country.
- Ensure the quality and reliability throughout the fuel supply chain.
- Promote efficient and effective use of petroleum products.

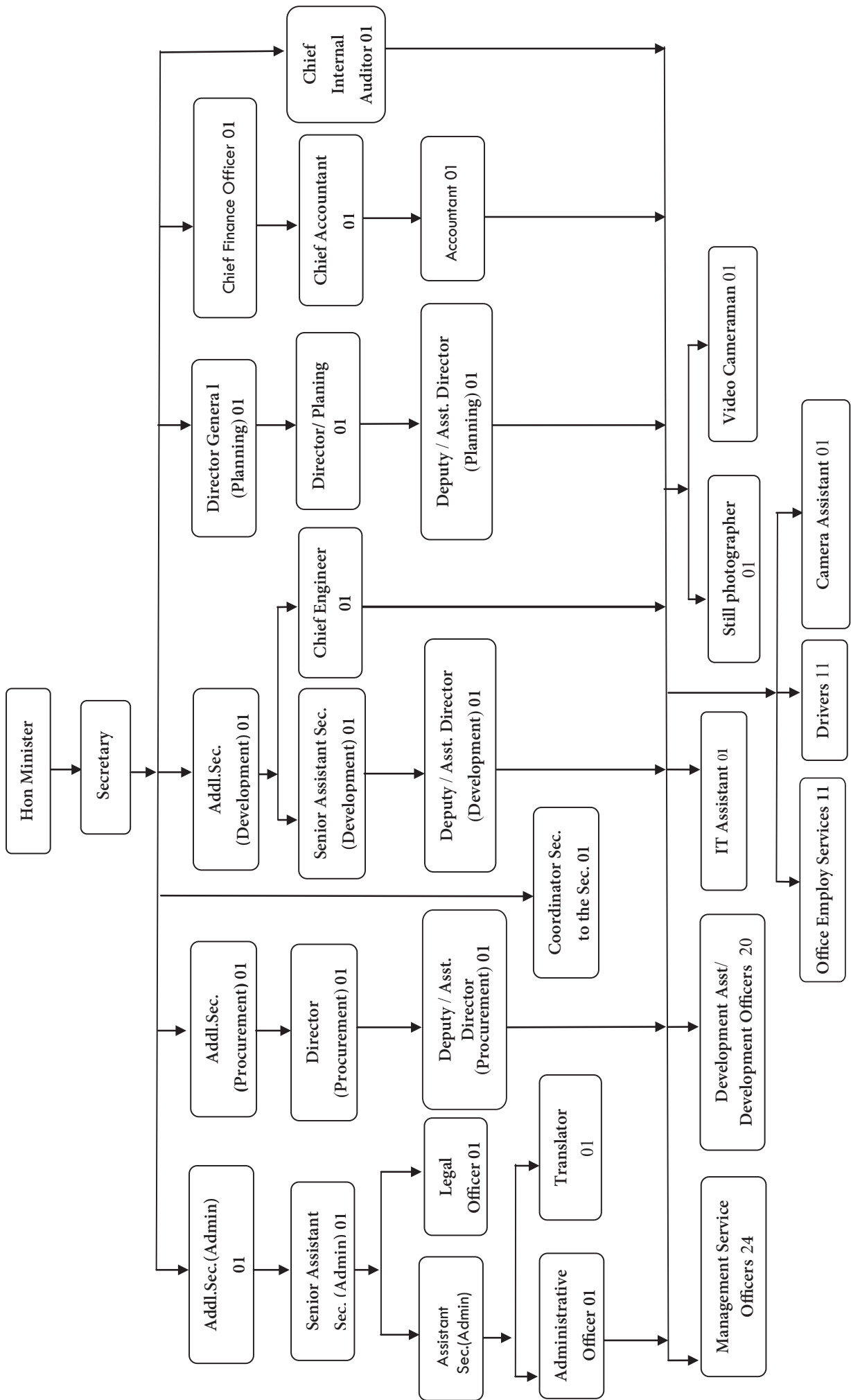
1.3 Special Priorities

- | | |
|---|---|
| (1) Developing policy and strategic framework to ensure energy security and self sufficiency in Sri Lanka | (v) Determination of the optimum staff required for implementing the purview of the Ministry and vesting of responsibility in certain manner to the staff attached to the various institutions/ divisions. |
| (2) Expediting natural gas exploration | |
| (3) Modernizing and expanding petroleum refinery capacity | (vi) Guiding and supervising the Corporations and other institutions under the Ministry so that their Vision and Mission are achieved. |
| (4) Rehabilitation and development of oil storage tank in Trincomalee | |
| (5) Encouraging private sector and entrepreneurs to undertake renewable energy projects | (vii) Ensuring that the administrative functions, accounting procedures and procurement matters of the Ministry and all institutions under it are carried out in accordance with the laid down standards and assisting the audit procedure. |
| (6) Encouraging efficient energy generation utilizing industrial waste | |
| (7) Energy utilization in construction industry by formulation of new policies and laws | (viii) Simplifying the regulations, permits and licenses relevant to the energy sector in a people friendly manner and the efficient performance and regulation of people centered functions |

1.4 Main objectives and activities of the Ministry

- (i) Formulation of policies pertaining to the subject of Energy in accordance with the stipulated Laws and Acts.
- (ii) Under the guidance of the Minister in charge of the subject, submitting Cabinet Memorandams and Bills relevant to the subject of Energy to the Cabinet of Ministers and the Legislature respectively, and follow up the procedure thereof.
- (iii) In accordance with the national policies and laws accepted by the Government, operation of sectorial policies and plans, utilization of financial provisions to maximum productivity and supervision.
- (iv) Timely updating the Vision, Mission and Objectives of the Ministry within the national policies, focusing the requirements of the people

Ministry of Energy



1.6 Department/ Institutions and main Divisions of the Ministry

• The Ceylon Petroleum Corporation (CPC)

The Ceylon Petroleum Corporation which operates under the Minister of Energy, functions as a state owned enterprise in accordance with the Ceylon Petroleum Corporation Act No. 28 of 1961 and the amendments made to the said Act later. The Ceylon Petroleum Corporation carries out the business activities pertaining to import, export, refine, sell, supply and distribute the petroleum products.

• The Ceylon Petroleum Storage Terminals Limited (CPSTL)

The Ceylon Petroleum Storage Terminal Company is a company established under the Companies Act No. 17 of 1982 as a provider of common facilities relevant to the storage and distribution functions. It was empowered in accordance with Government Gazette No.

1310-8 of 13th October 2003 to function as the provider of common facilities for the facilities of bulk storage of fuel, fuel transporting pipe line systems and the transportation of fuel.

• Petroleum Resources Development Secretariat (PRDS)

The Petroleum Resources Development Secretariat was established under the Petroleum Resources Development Act No 26 of 2003. The Petroleum Resources Development Secretariat functions as one of the divisions belonging to the Ministry of Energy, as the institution regulating the upstream functions of the Petroleum and Natural Gas industry in Sri Lanka.

1.7. Details of the Foreign Funded Projects (if any)

There were no foreign funded projects implemented under the Ministry.

Progress and the Future Outlook

2.1 Introduction

This chapter presents the progress, the future vision and challenges of policies, programmes and projects implemented in the year 2020 keeping foremost the vision of “making Sri Lanka the energy hub of Asia” according to the policy statement “Vistas of Prosperity and Splendour”, meeting the continuous demand for energy in the island, ensuring energy security, fulfilling efficient fuel storage facilities, ensuring quality of the fuel supply chain and its credibility and expediting the exploration of fuel in order to locally fulfill the fuel requirements of the country.

The Covid 19 epidemic which spread globally, made a significant decline in the economic, social infra-structure and supply chain activities of Sri Lanka. According to reports of the Central Bank of Sri Lanka, the reported rate of development of 2.3% of the gross national product in the year 2019, had declined to -3.6% in the year 2020. Most socio economic matters became inactive due to travel restrictions imposed island wide from mid-March to mid-May 2020. Even though the demand for fuel and related products fell during the first half of 2020 when social and economic activities were restricted, along with the restoration of economic activities from the commencement of the third quarter, the demand was restored.

2.2 Progress

2.2.1 Major infra-structure facility development projects implemented in the year 2020 and progress

2.2.1.1 Expansion of the fuel storage capacity.

(a) Commencement of the construction of 09 fuel tanks with a capacity of 93000 cubic meters to increase the fuel storage capacity

At present, 654,000 metric tons fuel storage facilities are available at the Kolonnawa Terminal with a capacity of 240,000 metric tons, at Muthurajawela with a capacity of 200,000 metric

tons, at Sapugaskandawith a capacity of 64,000 metric tons and at Trinkomalee with a capacity of 150,000 metric tons. Even though the demand for fuel was gradually increasing, until the next ship bringing stocks ordered relevant to any product comes, the available stocks are sufficient only for a very limited number of days. In case of a delay of the expected ship or rejection of stocks due to low grade products, meeting the demand continuously has become a challenge. The major reason for this is the lack of sufficient storage facilities.

The available storage capacity is not sufficient to maintain buffer stocks. Plans necessary to expand the storage capacity have been prepared, so that at any time the daily fuel requirement stocks sufficient for 30 days could be maintained, and as its first step, construction work of 09 storage tanks with a capacity of 93000 cubic



meters has commenced at the Kolonnawa Terminal. The physical progress of this project, which has been planned to be completed in the year 2023, as at 30.04.2021 is 6%

Further, even though fuel prices had come down considerably in the world market during the year 2020, the main reason why its advantage could not be ingested was the limitation of the available storage facilities. Once the construction of the 09 new fuel tanks is over, capacity facilities of each category would increase in accordance with the table shown below:

Type	On arrival of a ship, maximum number of days for which storage possibility is available currently. (Including refinery products) (January 2021)	Maximum number of days for which storage possibility is available after the completion of projects being implemented now
Auto Diesel 500ppm	50	41*
Super Diesel 10ppm	21	33
Gasoline 92	20	22
Gasoline 95	42	59
Jet A-1/Kerosene	80	90

*Considering the adequacy of storage facilities, auto diesel is not planned to be stored in new tanks and the maximum number of storage days will be reduced relative to the growing demand in a timely manner.

(b) Development work of the fuel tank farm, Trincomalee

Special attention has been paid to modernizing the fuel tanks presently lying idle in the upper part of the fuel tank farm, Trincomalee, and utilizing it productively. The preliminary diplomatic discussions in this respect commenced with India during the year.



2.2.1.2 Expansion of fuel refining capacity

Construction of a new refinery and the expansion of the existing refinery

At present, the Sapugaskanda refinery supplies about 25% of the local fuel requirements, and the balance 75% has to be imported as refined fuel, making a heavy impact on foreign exchange. One of our major objectives is the production of the local demand for petroleum products in the country by 2025, and for this, work has commenced under the approval of the Cabinet to construct a new refinery with a capacity of 100000 barrels per day on a Build, Operate and

Transfer basis, to modernize the existing refinery to increase its capacity to 45000 barrels per day, and to do a feasibility study.

After the construction of the new refinery, it would be possible to refine and supply in full the local demand for fuel within the country. Through the import of crude oil in lieu of importing as refined products, it has been estimated that a saving of about 08 US Dollars per barrel is possible, and the standard of the products would increase to Euro VI or a higher value.



2.2.1.3 Projects related to the development of the fuel pipe line systems

(a) Construction of a gas pipe line system to introduce liquefied natural gas.

The Ceylon Petroleum Corporation and the Ceylon Electricity Board have jointly planned a project to introduce natural gas/and liquefied

natural gas for power generation and other sectors to ensure access to credible, sustainable and modern energy for a sum affordable by all. This project, for which Cabinet approval has been given, comprises 3 parts, namely, Floating Storage Regassification Unit (FSRU), Mooring System and Pipe line and the Ceylon Electricity Board implements the FSRU and Mooring System parts, The Ceylon Petroleum Corporation will construct the pipe line conveying gas from the Regassification Unit to the Kelani Tissa power station under the “Build, Own, Operate and Transfers” (BOOT) business model under the guidance of the Ministry. This project has been planned to be completed in the year 2023, and it has been reckoned that about 42 billion rupees would be saved by the Ceylon Electricity Board annually.

(b) Taking steps to construct a pipe line for supplying aviation fuel

The presently followed methodology to meet the requirements of aviation fuel in the Bandaranayake International Airport, Katunayake, is for refinery products and imported products to be stored in the Kolonnawa Terminal and transported to Katunayake by train. Bids have been called for the construction of a pipe line parallel to the Colombo Katunayake Highway from the Fuel Storage Terminal at Muthurajawela to Katunayake, following international competitive quotation invitation procedure, and by now, bid evaluations are underway. The estimated cost of the project is 50 million US Dollars.

(c) Development of the fuel transport pipe line system from the Colombo Port to the Kolonnawa Terminal.

There are 05 pipe lines for the transport of refined fuel from the Colombo Port to the Kolonnawa Terminal. The new pipe line system has to be constructed due to the constant spilling in this pipe line system. The possibility of getting the construction of the pipe line system done through the staff of the Ceylon Petroleum Storage Terminal Company is being considered. To evict the encroachers living in

proximity for the construction of the pipe line, 500 million Rupees had been paid to the Urban Development Authority out of the financial contribution made being 50% from the Ceylon Petroleum Corporation and 50% from the General Treasury, and action had been taken to provide new houses in February 2021, according to the programme for providing 125 new houses to the residents.

2.2.1.4 Other development projects.

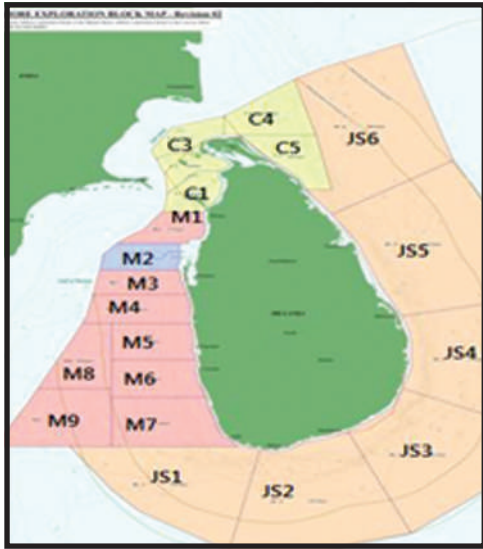
Construction of an aviation fuel hydrant system

To efficiently provide Jet A1 aviation fuel at the Bandaranayake International Airport, Katunayake, and to supply fuel in accordance with international standards, the construction of the fuel hydrant system of Apron E of the proposed new steering track and activities of the project for the development of aviation fuel terminal facilities, being implemented concurrent to step 2 of phase ii of the development project of the Bandaranayake International Airport were carried out despite the Corona epidemic. Its progress by the end of 2020 was 60%. This project is scheduled to be completed in the year 2021.



2.2.2 Exploration of petroleum and natural gas

Under the guidance of the policy statement "Vistas of Prosperity and Splendour" for “ensuring energy security and self-sufficiency in Sri Lanka”, under the direction of the Petroleum Resources Development Secretariat, several significant steps were taken during the year 2020 relevant to the appropriate formulation



assessed, and the balance lots, especially the deep sea lots of the Lanka Basin off the eastern and southern shore have to be explored further.



of the institutional and legal framework being the major obstacle to attract operators for the exploration, development and production of petroleum resources in off-shore Sri Lanka.

2.2.2.2 Strategic steps taken to expedite the exploration of petroleum and natural gas

2.2.2.1 Progress of Petroleum & Liquefied Natural Gas Exploration

Accordingly, two rounds of bidding were conducted in respect of exploration lots M1 and M2 of the Manaar Basin and lot C1 of the Cauvery Basin. Further, an agreement to obtain, prepare and interpret gravity magnetic data and marketing was signed on a multi-client basis with Bell Geospace Enterprises Ltd to further assess the possibility of petroleum being present in the Manaar and Cauvery basins and locations. Further, under the prevalent multi-client agreement with Eastern Echo (Schlumberger), the reformulation and interpretation of the data of the Southern Lanka and Manaar Basins is being done regularly. The main objective of this multi-purpose

- Approval of the Cabinet of Ministers was obtained for “The National Policy on Natural Gas” prepared with the objective of resolving the economic, technical, environmental, security and social issues expected to arise due to the introduction of local natural gas to the Sri Lankan market which has a strong potential for the energy security of Sri Lanka, and with the aim of providing relevant guidance to that sector. The National Policy on Natural Gas for which the approval of the Cabinet of Minister had been obtained, had been published in Gazette Extraordinary No 2197/27 dated 17.10.2020.

agreement was the improvement of the petroleum resources data level of off-shore Sri Lanka. According to the comprehension so far of the potential of petroleum resources being present, opportunity lies to explore and develop lot M2 of the Manaar Basin and the shallow lots of the Cauvery Basin during the next 4 years to produce petroleum and gas.

- Further, in order to establish a proper institutional framework for the exploration and production of petroleum and natural gas under international standards, while attracting suitable investors out of the global petroleum industrialists showing an interest in the exploration of petroleum and gas in Sri Lanka, a new Petroleum Resources Development Act has been drafted and action would be taken to enforce it during 2021.

In order to determine the commercial potential of the deposits prior to development and production, findings in lot M2 have to be

2.2.3 Meeting the local petroleum demand

The rising demand for fuel in the face of increasing economic activities can be met by importing and refining crude oil and importing

refined fuel. Refinery products meet about 25% of the local requirements, and the balance had been imported, making a heavy impact on foreign exchange. In the years 2019 and 2020, 2962 million US Dollars and 1517 million US Dollars respectively had been spent for importing crude oil and refinery products, The cost of importing fuel which was 14.85% of the overall import expenditure in the year 2019, had dropped to 9.4% due to the decrease in prices for crude oil in the world market amidst global epidemic conditions. In the year 2019, the general price of a barrel of crude oil was 64 US Dollars being relevant only to the Ceylon Petroleum Corporation, and for the year 2020, it was 41.25 US Dollars.

2.2.4 Regulates the lubricant, Bitumen and Bunkering

Lubricant Industry

By the year 2020, 13 companies were engaged in the lubricant industry under 22 brand names. Along with the liberalization of the lubricant market, attention had been paid to the standardization of lubricants, and with the support of the Sri Lanka Standards Institute, a minimum standard utilized internationally for lubricants, was introduced. Action has been taken to enforce the standards introduced with effect from 30.09.2021.

The Ceylon Petroleum Corporation is also a major stake holder in the lubricant market, and sells lubricants to the market under brand name of Ceypetco Lubricants. Due to problems in the supply chain faced by the Corporation, during the past few years, sales had dropped. The Ministry intervened to resolve those issues, and thereby a growth in the lubricant market segment is expected.

Bitumen Market

Bitumen is manufactured by the refinery of the Ceylon Petroleum Corporation, and as it is not sufficient to meet the local demand, the Ministry gives permission to import bitumen, based on recognized criteria. Accordingly, 14 companies had been given approval in the year 2020 to import 141500 metric tons of bitumen required

for development activities of the country.

Bunkering Market

Bunkering is a major sector which brings foreign exchange to the country, and special attention has been paid to develop this sector. The Ministry grants the authority required to engage in bunkering. Accordingly, during the year 2020, 13 companies have been given approval to import and trade in bunkering oil. The Ministry made a maximum intervention to resolve issues faced by bunkering oil importers. About 474129.68 metric tons of bunkering oil had been sold during the year 2020.

2.3 Future Outlook

In accordance with the Government's Vistas of Prosperity and Splendour programme, with the intention of ensuring low cost energy supply required to accelerate economic growth, and with the vision of making Sri Lanka the energy hub of Asia, the Ministry has planned policy steps. Further, forward action would be taken in line with the objectives shown below for energy self sufficiency in the country by ensuring energy security:

2.3.1 Making Sri Lanka a country self-sufficient in energy by the year 2030

It is expected to achieve this aim by adding petroleum and natural gas discovered to be present locally and renewable energy sources to the local energy mix.

- **Adding local natural gas to be discovered from the Manaar Basin to the local energy mix by the year 2025.**

It is expected to achieve the above objective by implementing the strategies of enacting the new Petroleum Resources Development Act to enable attracting strong investors, building the institutional background to obtain the assistance of specialists for petroleum exploration activities, implementing the national policy on natural gas and taking action to call for bids for the M2 lots of the Manaar Basin, by now identified as having petroleum and natural gas deposits.

- In order to prevent the possibility of being unable to maintain a optimum buffer stock due to the lack of adequate storage facilities, action would be taken to maintain a buffer stock sufficient for 30 days at any time in respect of the local daily demand for fuel by expanding the petroleum storage capacity.

In order to achieve this objective, all attempts are being made to complete the construction of 09 tanks with a capacity of 93000 cubic meters within the planned period, and develop and use a substantial number of tanks in the Fuel Tank Farm in Trincomalee, after productively concluding diplomatic discussions.

Further, to meet the demand for fuel likely to take place in the northern area of the island, it is expected to construct a new fuel store and a distribution center in the Kankesanthurai area. Through this, it is expected that the fuel requirements of the consumers, covering a broad stretch from the northern region to Anuradhapura, could be met without any shortage or obstacle.

- In lieu of the Ceylon Petroleum Corporation purchasing fuel through the international competitive bidding system, being the reason for the Ceylon Petroleum Corporation facing a financial crisis making a heavy impact on foreign exchange, preliminary steps have been taken to purchase fuel on long term agreements between states under more advantageous conditions. As its start, a memorandum of understanding to be entered into with Oman has been prepared. In addition, it is expected to enter into agreements to purchase crude oil (Marban) on a Government to Government basis from the ADAIOC Company in the United Arab Emirate.

2.3.2 Making Sri Lanka the energy hub of Asia

- Construction of export oriented fuel refineries

Sri Lanka's significant geographical location and the presence of ports around the country close to the main international sea routes, increase the potential for a bunkering expansion. As such, action would be taken to construct two petroleum refineries, one being associated with

the Trincomalee port as a joint venture between the Government of Sri Lanka and the Indian Government, and the other being associated with the Hambantota port as a joint venture between the Government of Sri Lanka and China.

- Export of aviation fuel

It is possible to obtain aviation fuel from the refinery at a cost lower than importing as a finished product. This advantage could be made further intensive through the new refinery. However, when taking into consideration the prices of aviation fuel in the Maldives, it has been identified that it would be advantageous for Maldives to obtain aviation fuel at a lower cost from Sri Lanka. By now, discussions are under way with the Ambassador for Maldives regarding this business matter.

2.3.3 Introducing bio fuels and green hydrogen to the local energy mix

Keeping foremost the objective of obtaining fuel with the minimum harmful environmental impact, which is an essential factor for the country's development, attention has been paid to contribute the energy sources of bio fuel and green hydrogen to Sri Lanka's energy mix. The relevant technical studies for this purpose are under way by now.

2.3.4 Strengthening transport of fuel by train

In order to minimize traffic congestion, high costs and environmental pollution due to transport of fuel by bowsers, the current percentage of about 30% of transport of fuel by train would be increased to 60%. By now, discussions have been started with the Ministry of Transport about this, and it has been planned to achieve this target by 2023, after entering into an agreement with the mutual consent of both parties.

2.3.5 Strengthening regulatory functions and ensuring the welfare of consumers of petroleum and allied products.

- Consumers allege that there are illegal and substandard products in the market. Further, instances also have been reported about acting

carelessly during transport and distribution. Action would be taken to establish a separate unit (a regulatory section) to regularly investigate about these conditions. Through this, opportunity would be provided to expand the regulatory functions of sections such as petroleum, bunkering oil and furnace oil. Further, opportunities would be available to pay more attention to formulate standards for fuel and lubricants and research relevant to the petroleum sector (adding chemicals which enhance the efficiency of fuel, new ways of measuring storage capacity, colouring of fuel etc)

- Also, action would be taken to enact legal regulations necessary to control illegal activities occurring during the fuel and allied product manufacturing activities, and ensure the strengthening of regulatory functions.

2.4 Major challenges faced

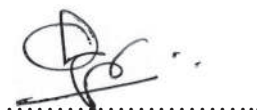
Keeping foremost the policy guidance and strategic objectives in accordance with the Vistas of Prosperity and Splendour, the Ministry of Energy planned and implemented various programmes and projects in the year 2020.

Travel restrictions and import restrictions imposed due to the economic and social impact of the Covid epidemic that prevailed from the beginning of the past year were the major reasons for the development programmes not being implemented as expected.

- Inadequacy of the existing legal and institutional frame work to attract investors for the exploration of petroleum, and inability to recruit the specialist staff to the existing institutional system.
- The existing infra-structure facilities are not sufficient enough to ensure energy security and low cost energy, and getting large investments required for planned infra-structure facilities, was a challenge that had to be faced during the past year.
- The problem regarding the use of fuel tanks in Trincomalee vested sector based to the

Indian Oil Company in accordance with the agreement signed by Sri Lanka and India, remaining unresolved for several years.

- The enormous time taken for the procurement procedure of the planned infra-structure projects, Ability to perceive in the long term the constant changing of projects planned based on the policies of governments which come into power from time to time.
- The selling price of fuel and import duties being decided by the General Treasury and the inability of the Ceylon Petroleum Corporation to determine a sale price proportionate to the cost, covering fuel import cost with taxes and other financial costs, thereby putting the Corporation into financial difficulties.
- The progress of the projects commenced not reaching the expected levels due to the Covid 19 epidemic.



K. D. R. Olga
Secretary/Chief Accounting Officer
Ministry of Energy

K. D. R. Olga
Secretary
Ministry of Energy
No 80, Sir Ernest De Silva Mawatha
Colombo 07

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2020.

2) Basis of Measurement

The Financial Statements have been prepared based on historical cost modified by the re-valuation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non-exchange revenues are recognized on the basis of the cash receipts during the accounting period irrespective of taxable period.

4) Recognition and Measurement of Property, Plant and Equipment (PP & E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This revaluation reserve account is the corresponding account of PP&E.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins on hand as at 31st December 2020.

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance for the period ended 31stDecember 2020

Budget 2020 (Current Year)	Note	Actual		
		Year Current	Previous Year	
115,800,000.00		113,595,168	123,418,859	} ACA-1
-	1	-	-	
-	2			
	3			
115,800,000		113,595,168	123,418,859	
	4			
115,800,000		113,595,168	123,418,859	
	(A)			
-				
-		38,000,000	95,600,000	ACA-3
-		3,099,851	1,690,604	ACA-4
2,400,000		12,796,742	4,422,527	ACA-5
-		979,406	3,146,260	
-		54,875,999	104,859,391	
		168,471,167	228,278,250	
51,632,600		51,290,409	48,561,999	} ACA-2(ii)
	5			
47,659,400	6	47,190,363	58,574,708	
66,408,000		65,180,537	75,378,333	
	7			
	8			
		-	-	
	9			
		-	-	

165,700,000	Total Recurrent Expenditure (D)		163,661,309	182,515,040	
	Capital Expenditure				
450,000	Rehabilitation & Improvement of Capital Assets		-	-	
2,570,000		10			
627,000	Acquisition of Capital Assets	11	1,857,004	927,779	} ACA-2(ii)
-	Capital Transfers	12	218,000	10,588,883	
-	Acquisition of Financial Assets	13	-	-	
553,000	Capacity Building	14	552,400	623,510	
	Other Capital Expenditure	15	-	362,467	
4,200,000	Total Capital Expenditure (E)		2,627,404	12,502,639	
	Main Ledger Expenditure (F)				
			27,558,117	8,999,420	
4,500,000	Deposit Payments		3,038,570	1,690,604	ACA-4
	Advance Payments		24,519,548	7,308,816	ACA-5
				24,124,166	
284,149,065	Head Office Transfers			33,123,586	
	Total Expenditure G = (D+E+F)		193,846,830	228,141,264	
	Imprest Balance as at				
-	31' December		(25,375,663)	136,985	
	H = (C-G)				

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position As at 31st December-2020

	Note	Actual	
		Current Year	Previous Year
		Rs	Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	292,942,595	292,942,595
Financial Assets			
Advance Accounts	ACA-5/5(a)	11,784,160	12,065,461
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		304,726,756	305,008,056
Net Assets / Equity		11,489,512	11,695,109
Net Worth to Treasury		-	-
Property, Plant & Equipment Reserve		292,942,595	292,942,595
Rent and Work Advance Reserve	ACA-5(b)	-	-
Current Liabilities			
Deposits Accounts	ACA-4	294,648	233,366
Imprest Balance	ACA-3	4,430,717	136,985
Total Liabilities		309,157,473	305,008,056

We hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found to in agreement.


.....
Chief Accounting Officer


.....
Accounting Officer


.....
Chief Financial Officer/
Chief Accountant/

Name : **K. D. R. Olga**
Designation : **Secretary**
Date : **Ministry of Energy**
No. 80, Sir Ernest De Silva Mawatha
Colombo 07

Name : **K. D. R. Olga**
Designation : **Secretary**
Date : **Ministry of Energy**
No. 80, Sir Ernest De Silva Mawatha
Colombo 07

Name :
Designation :
Date :
K. M. R. P. KUMARA
Chief Accountant
Ministry of Energy
No. 80, Sir Ernest De Silva Mawatha,
Colombo 07.

**Statement of Cash Flows
for the Period ended 31stDecember – 2020**

	Actual	
	2020 Rs.	2019 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	46,856,055	-
Profit	-	-
Non Revenue Receipts	979,406	-
Receipts of Imprests	-	-
Receipts of Revenue Collected for Other Heads	-	-
Imprest Received	38,000,000	-
Total Cash generated from Operations (a)	85,835,461	-
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	49,878,954	-
Subsidies & Transfer Payments	29,731,379	-
Expenditure on other heads	295,967	-
Imprest settlement to treasury	4,430,717	-
Total cash disbursed for operations (b)	84,337,016	-
Net cash flow from operating Activities(c)=(a)-(b)	1,498,445	-
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Recoveries from Advance	1,824,649	-
Total Cash generated from Investing Activities (d)	1,824,649	-
<u>Less - Cash disbursed for:</u>		
Purchase or Construction of Physical Assets & Acquisition of Other Investment	1,594,418	-
Advance Payment	1,823,802	-
Total Cash disbursed for Investing Activities (e)	3,418,220	-

Net cash flow from investing Activities (f)=(d)-(e)	(1,593,571)	-
Net cash flows from operating & Investment activities (g)=(c) + (f)	(95,126)	-
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Deposit Received	1,853,830	-
Total Cash generated from Financing Activities (h)	1,853,830	
<u>Less - Cash disbursed for:</u>		
Repayment of Local Borrowings	-	
Repayment of Foreign Borrowings	-	
Deposit Payment	2,055,771	
Total Cash Disbursed for Financing Activities (i)	2,055,771	
Net cash flow from financing Activities (j)=(h)-(i)	(201,941)	
Net Movement in Cash (k) = (g) -(j)	(297,067)	-
Opening Cash Balance as at 01st September	297,067	-
Closing Cash Balance as at 31st December	-	-

* Unsettled sub imprest under the head 117 was transferred to the head 115

Statement of Revenue for the period ended 31st December 2020

Revenue Code	Revenue Title	Revenue Estimate (1)		Revenue Collection (2)			Collection of Arrears Revenue (3)	Revenue Refund (4)			Net Revenue 5=2(iii)+(3)-4(iii)
		Original Estimate 1(i)	Revised Estimate 1(ii)	Collected by Ministry/ Dept.	Collected by Other Ministry/ Dept. (Table 66)	Total 2(iii)=2(i)+2(ii)		By Cash 4(i)	Error Corrections 4(ii)	Total 4(iii)=4(i)+4(ii)	
-	INCOME TAX										
2002.01.00	Rent										
2002.01.01	Rent on Government Building & Housing										
2003.02.21	Fees relevant to the Ministry of Energy	128,800,000.00	115,800,000.00	113,595,168.25	-	113,595,168.25	-	-	-	-	113,595,168.25
2003.99.00	Other Receipts										
2004.01.00	Social Security Contributions										
2004.01.00	Central Government										
	Revenue From Other Sources (a)	128,800,000.00	115,800,000.00	113,595,168.25	-	113,595,168.25	-	-	-	-	113,595,168.25
	Total Revenue (Note 1 - 4)										

Rs.

Statement of Expenditure for the period ended 31st December 2020

Expenditure Head No. 115 Name of Ministry : Ministry of Energy

Programme (01) - Operational Activities

Project Name and Number : 11

Minister's Office

Rs.

Expenditure Code	Provisions						Expenditure			Net Effect	
	Finance Code	Annual Budget Provision	Supplementary Estimate	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208 (As per the Treasury Printouts)	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for Variance
		(1)	(2)	(3) (-) / +	(4)=(1)+(2)+(3)	(5)	(6)	(7) = (5)+(6)	(8) = (4) - (7)	(9)=(8)/(4)*100	
<u>Recurrent Expenditure</u>											
<u>Programme (01)</u>											
<u>Operational Activities</u>											
Project No. and Project Name.											
01 Minister Office											
NOTE - 5 - OBJECT CODE WISE CLASSIFICATION OF WAGES, SALARIES & OTHER EMPLOYMENT BENEFITS											

Personal Emoluments	11																								
1001 Salaries & Wages		4,725,000.00	-	795,000.00	5,520,000.00	5,515,912.46	-	5,515,912.46	4,087.54	0															Savings are Less than 5% of the net provision
1002 Overtime & Holiday Payments		1,050,000.00	-	275,000.00	1,325,000.00	1,004,531.90	-	1,004,531.90	320,468.10	24															Receiving December Overtime Vouchers in January
1003 Other Allowances		1,525,000.00	-	295,000.00	1,820,000.00	1,806,402.66	-	1,806,402.66	13,597.34	1															Savings are Less than 5% of the net provision
NOTE - 6 - OBJECT CODE WISE CLASSIFICATION OF OTHER GOODS & SERVICES																									
Travelling Expenditure																									
1101 Domestic		780,000.00	-	-	780,000.00	775,425.00	-	775,425.00	4,575.00	1															Savings are Less than 5% of the net provision
1102 Foreign		200,000.00	-	(200,000.00)	-	-	-	-	-	0															Savings are Less than 5% of the net provision
Total (a)		8,280,000.00	-	1,165,000.00	9,445,000.00	9,102,272.02	-	9,102,272.02	342,727.98	4															
Supplies																									
1201 Stationery & Office Requisites		275,000.00	-	(41,100.00)	233,900.00	200,385.00	-	200,385.00	33,515.00	14															Inability to purchase stationery and office supplies as planned
1202 Fuel		1,970,000.00	-	230,500.00	2,200,500.00	2,200,475.46	-	2,200,475.46	24.54	0															Savings are Less than 5%

1203 Diets & Uniforms											8,000.00	-	-	8,000.00	100	Non-reporting of expenses as expected
1205 Other											220,000.00	-	200,899.09	19,100.91	9	Expenditure savings due to non-reporting of expenses as expected
Total (b)											2,662,400.00	-	2,601,759.55	60,640.45	2	
Maintenance Expenditure																
1301 Vehicles											2,030,000.00	-	1,955,790.60	74,209.40	4	Savings are Less than 5% of the net provision
1302 Plant and machinery											30,000.00	-	26,300.00	3,700.00	12	No maintenance expenses on machinery of the Ministry office
1303 Building and Structures											35,000.00	-	34,711.93	288.07	1	Savings are Less than 5% of the net provision.
Total (c)											2,095,000.00	-	2,016,802.53	78,197.47	4	
Services																
1402 Postal & Communication											95,000.00	-	69,363.67	25,636.33	27	Receipt of telephone and communication bills in December receiving in January
1403 Electricity & Water											60,000.00	-	59,557.10	442.90	1	Savings are Less than 5% of the net provision
1404 Rents & Local Taxes											865,000.00	-	864,000.00	1,000.00	0	Savings are Less than 5% of the net provision

Programme (1)																							
OBJECT CODE WISE CLASSIFICATION OF PUBLIC INVESTMENT																							
1701 Losses & Write off			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NOTE - 10 Rehabilitation & Improvements of Capital Assets																							
2001 Buildings & Structures			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2002 Plant, Machinery & Equipment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2003			450,000.00	-	450,000.00	-	-	-	450,000.00	-	-	-	-	-	-	-	-	-	-	-	450,000.00	100	No major repairs to vehicles
Total (a)			450,000.00	-	450,000.00	-	-	-	450,000.00	-	-	-	-	-	-	-	-	-	-	-	450,000.00	100	
NOTE - 11 Acquisition of Capital Assets																							
2101 Vehicles			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Inability to purchase furniture and office equipment as expected at the end of the year
2102 Furniture & Office Equipment			700,000.00	-	2,570,000.00	1,857,003.64	-	-	2,570,000.00	1,857,003.64	-	-	-	-	-	-	-	-	-	-	712,996.36	39	
2103 Plant, Machinery & Equipment			350,000.00	-	-	(350,000.00)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (b)			1,050,000.00	-	2,570,000.00	1,857,003.64	-	-	2,570,000.00	1,857,003.64	-	-	-	-	-	-	-	-	-	-	712,996.36	39	

Statement of Expenditure for the period ended 31st December 2020

Expenditure Head No. 115 Name of Ministry : Ministry of Energy

Programme (01) - Operational Activities

Rs.

Project Name and Number : Ministry Administration & Establishment Services

	Finance Code	Provisions				Expenditure			Net Effect		
		Annual Budget Provision	Supplementary Estimate Provision	FR 66/69 Transfers	Total Net Provision	Expenditure as per the Cash Book	Expenditure incurred by Other Ministry/Dept. Under the FR. 208	Total Expenditure	Savings / Excess	Savings / Excess as a % of Revised Estimate	Reasons for Variance
		(1)	(2)	(3) (-)/+	(4)=(1)+(2)+(3)	(5)	(6)	(7)=(5)+(6)	(8)=(4)-(7)	(9)=(8)/(4)*100	
Recurrent Expenditure											
Program 01	11										
Progr./Project/No of Expenditure subject											
Ministry Administration & Establishment Services											
NOTE - 5 OBJECT CODE WISE CLASSIFICATION OF WAGES, SALARIES & OTHER EMPLOYMENT BENEFITS											

1202 Fuel		2,770,000.00	-	80,000.00	2,850,000.00	2,848,565.81	-	2,848,565.81	1,434.19	0	Savings are Less than 5% of the net provision
1203 Diets & Uniforms		120,000.00	-	(50,000.00)	70,000.00	68,996.29	-	68,996.29	1,003.71	1	Savings are Less than 5% of the net provision
1205 Other		605,000.00	-	-	605,000.00	591,986.94	-	591,986.94	13,013.06	2	Savings are Less than 5% of the net provision
Total (b)		5,095,000.00	-	330,000.00	5,425,000.00	5,303,808.95	-	5,303,808.95	121,191.05		
Maintenance Expenditure											
1301 Vehicles		2,230,000.00	-	300,000.00	2,530,000.00	2,522,720.39	-	2,522,720.39	7,279.61	0	Savings are Less than 5% of the net provision
1302 Plant and machinery		235,000.00	-	130,000.00	365,000.00	364,856.05	-	364,856.05	143.95	0	Savings are Less than 5% of the net provision
1303 Building and Structures		180,000.00	-	235,000.00	415,000.00	413,105.00	-	413,105.00	1,895.00	0	Savings are Less than 5% of the net provision
Total (c)		2,645,000.00	-	665,000.00	3,310,000.00	3,300,681.44	-	3,300,681.44	9,318.56	0	
Services											
1401 Transport		1,885,000.00	-	130,000.00	2,015,000.00	2,008,600.15	-	2,008,600.15	6,399.85	0	Savings are Less than 5% of the net provision

1402 Postal & Communication		2,210,000.00	-	131,000.00	2,341,000.00	2,330,857.51	-	2,330,857.51	10,142.49	0	Savings are Less than 5% of the net provision
1403 Electricity & Water		2,780,000.00	-	290,000.00	3,070,000.00	3,061,646.93	-	3,061,646.93	8,353.07	0	Savings are Less than 5% of the net provision
1404 Rents & Local Taxes		26,360,000.00	-	(6,735,000.00)	19,625,000.00	19,594,080.00	-	19,594,080.00	30,920.00	0	Savings are Less than 5% of the net provision
1408 Payment of vehicle installments for vehicles procured according to the operational leasing method.		600,000.00	-	(65,000.00)	535,000.00	534,680.00	-	534,680.00	320.00	0	Savings are Less than 5% of the net provision
1409 Other		3,575,000.00	-	170,000.00	3,745,000.00	3,704,238.00	-	3,704,238.00	40,762.00	1	Savings are Less than 5% of the net provision
Total (d)		37,410,000.00	-	(6,079,000.00)	31,331,000.00	31,234,102.59	-	31,234,102.59	96,897.41	0	Savings are Less than 5% of the net provision
Total Expenditure on Other Goods & Services (a+b+c+d)		89,445,000.00	-	(6,061,400.00)	83,383,600.00	83,150,647.84	-	83,150,647.84	232,952.16	0	Savings are Less than 5% of the net provision

NOTE - 7 OBJECT CODE WISE CLASSIFICATION OF TRANSFERS, GRANTS & SUBSIDIES																								
Transfers																								
1502 Retirement Benefits	20,000.00	(20,000.00)	-																					
1506 Property Loan Interest	345,000.00	25,000.00	-	366,206.20	370,000.00	366,206.20	-	366,206.20	-	366,206.20	366,206.20	-	366,206.20	-	366,206.20	366,206.20	366,206.20	-	366,206.20	-	366,206.20	3,793.80	1	Savings are Less than 5% of the net provision
Progr./Project/ sub Project/No of sub Project																								
001 – Petroleum Resources Development Secretariat (PRDS)																								
1508 Other	57,330,000.00	4,193,000.00	4,000,000.00	64,299,330.55	65,523,000.00	64,299,330.55	-	64,299,330.55	-	64,299,330.55	64,299,330.55	-	64,299,330.55	-	64,299,330.55	64,299,330.55	64,299,330.55	-	64,299,330.55	-	64,299,330.55	1,223,669.45	2	Savings are Less than 5% of the net provision
Total	57,695,000.00	4,198,000.00	4,000,000.00	64,665,536.75	65,893,000.00	64,665,536.75	-	64,665,536.75	-	64,665,536.75	64,665,536.75	-	64,665,536.75	-	64,665,536.75	64,665,536.75	64,665,536.75	-	64,665,536.75	-	64,665,536.75	1,227,463.25	2	
NOTE - 8 OBJECT CODE WISE CLASSIFICATION OF INTEREST PAYMENTS																								
1601 Domestic Debt	-																							
Total	-																							
NOTE - 9 OBJECT CODE WISE CLASSIFICATION OF OTHER RECURRENT EXPENDITURE																								
1701 Losses & Write off	-																							
Total	-																							
Programme (1)																								

2202 Development Assistance	1,000,000.00	-	(373,000.00)	627,000.00	218,000.00	-	218,000.00	-	218,000.00	409,000.00	65	Computer peripherals were to be purchased but could not be purchased due to the scarcity of the peripherals in the market.
Total (c)	1,000,000.00	-	(373,000.00)	627,000.00	218,000.00	-	218,000.00	-	218,000.00	409,000.00	65	
NOTE - 13 Acquisition of Financial Assets												
2301 Equity Contribution	-											
Total (d)	-	-	-	-	-	-	-	-	-	-	-	
NOTE - 14 Capacity Building												
2401 Staff Training	700,000.00	-	(147,000.00)	553,000.00	552,400.00	-	552,400.00	-	552,400.00	600.00	0	
Total (e)	700,000.00	-	(147,000.00)	553,000.00	552,400.00	-	552,400.00	-	552,400.00	600.00	0	
NOTE - 15 Other Capital Expenditure												
2509 Other	1,000,000.00	-	(1,000,000.00)	-	-	-	-	-	-	-		
Total (f)	1,000,000.00	-	(1,000,000.00)	-	-	-	-	-	-	-		
<u>Programme (1)</u>												
Total Expenditure on Public Investments (a+b+c+d+e+f)	3,750,000.00	-	(470,000.00)	3,280,000.00	2,141,353.64	-	2,141,353.64	-	2,141,353.64	1,138,646.36	53	
Grand Total (Notes 5 to 15) - Total Expenditure	150,890,000.00	4,000,000.00	(2,333,400.00)	152,556,600.00	149,957,538.23	-	149,957,538.23	-	149,957,538.23	2,599,061.77	2	

Imprest Account as at 31st December 2020

Expenditure Head No. 115 Ministry of Energy

Imprest Account No.	Imprest Balance as at 1 st January 2020			Imprest Received			Imprest Settlement			Imprest Balance as at 31 st December 2020			Imprest Balance as at 31 st December 2020 as per Treasury Books
	1(i)	1(ii)	1(iii)	Treasury	Other Sources	Total	Expenditure	Cash	Total	Unsettled Sub Imprest Balance	Unsettled Imprests	Total	
336/20	297,066.59	-	297,066.59	38,000,000.00	48,092,141.00	86,092,141.00	81,958,490.60	-	81,958,490.60	-	-	-	4,430,716.99
	1(i)	1(ii)	1(iii)	2(i)	2(ii)	2(iii)	3(i)	3(ii)	3(iii)	4(i)	4(ii)	4(iii)	5

Statement of Deposit Accounts as at 31st December 2020

Expenditure Head No. 115 Ministry of Energy

Name of Deposit Accounts	Deposit Number	Rs.		
		Balance as at 1 st January 2020	Credited during the year	Debited during the year
General Deposits	6000-0-0-18-86	233,366.47	3,099,851.42	3,038,569.59
				Balance as at 31 st December 2020
				294,648.30

ACA- 5

Advance Accounts as at 31st December 2020

Expenditure Head No. 115 Ministry of Energy

Name of Advance Account	Advance Account Number	No. of Advance Accounts	Balance as at 1 st January 2020 (1)	Maximum Limits of Expenditure Rs.6,000,000.00		Minimum Limits of Receipts Rs. 0.00	Maximum Limits of Debit Balance Balance as 4=(1)+(2)-(3)	Maximum Limits of Liabilities Rs. -	Balance as per Treasury Books as at 31 st December 2020
				Debits during the year					
				(2)	(3)				
(1) Advance to Public Officers	115011	01	12,065,460.67	In Cash 12,055,697.11	Through Cross Entries 12,463,850.73	In Cash 12,236,141.64	Through Cross Entries 560,600.00	23,788,266.87	
(2) Other Advances	-	-	-	-	-	-	-	-	
(3) Miscellaneous Advances									

Statement of Non - Financial Assets - 2020

Expenditure Head No. 115 Ministry of Energy

Rs.

	Non - Current Asset	Code	(1)	(2)				(3)			Balance as at 31.12.2020		
				Transactions				Holding Gain / Loss	Changes in Volume	Balance			
				Purchases	Acquisition		Disposal					Net Transac tions	
			(1)										
			Balance as at 01.01.2020										4=1+2(3)+3 (3)
1	Fixed Assets												
	Building and Structures												
		611											
	Sub Total	6111											
	Non Residential Building												
		61112											
	Sub Total	61113											
	Other Structures												
		61113											
	Sub Total	61113											
	Machinery and Equipment												
		6112											
	Transport Equipment												
		61121											
	Passenger Vehicles	6112101	249,010,000.00										
	Sub Total	61121	249,010,000.00										249,010,000.00
	Other Machinery and												
		61122											

3.5 Performance of the Revenue Collection Rs.

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
2003-0-2-0-21-0	Fees relevant to the Petroleum Industries	128,800,000.00	115,800,000.00	113,595,168.25	98%

3.6 Performance of the Utilization of Allocation Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	161,700,000.00	165,700,000.00	163,661,308.99	98.77
Capital	4,200,000.00	4,200,000.00	2,627,403.64	62.56

3.7 In terms of F.R.208 grant of allocations for expenditure Rs.

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
	Ministry of Highways	Railway Warrant fees	6400.00	6400.00	6400.00	100%

3.8 Performance of the Reporting of Non-Financial Assets

Rs. ,

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2019	Balance as per financial Position Report as at 31.12.2019	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	292,942,595.41	292,942,595.41	-	100%
9152	Machinery and Equipment	-	-	-	-
9153	Land	-	-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets				

3.9 Auditor General's Report**

Note: Auditor General's Report 2020 is given in attachment - 01

Chapter 04
Performance Indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators		Target		Actual output as a percentage (%) of the expected output
		2020	2021	2020
KPI	PPI			
National policy on Natural Gas in place.	Number of institutions/ agents comprehensive knowledge of Natural gas Policy	100%		100%
Storage capacity of the fuel. (Construction of 1 nos. of 5,000m ³ tank, 4 nos. of 7,000m ³ tanks & 4 nos. of 15,000m ³ Tanks at Kolonnawa Installation) Nine nos. of fuel storage tanks Developed.	Number of constructed storage tanks.		11%	
Two gas discoveries developed and additional oil & gas prospects explored in identified exploration blocks after securing suitable investors.	Number of constructed gas production system after appraisal and development of existing gas discoveries that depends on the Operator's action plan.		10%	
	Secure suitable investors and identify additional oil and gas prospects in the remaining off shore acreage.		10%	

Chapter 05
Performance of the achieving Sustainable Development Goals (SDGs)

Indicate the identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%-100%
Ensure access to affordable, reliable, sustainable and modern energy for all.	Proportion of population with primary reliance on clean fuels and technology	Introducing LNG initially for power generation in Sri Lanka.	30%		
		Formulate legal and regulatory framework for the midstream and downstream Natural Gas market	10%		
		Review and update Sri Lanka Standards for lubricants and greases		50%	
		Review and update Sri Lanka Standards for petroleum products	30%		
		Formulate procedure for detecting adulteration of petrol and diesel with kerosene	10%		

Chapter 06
Human Resource Profile

MINISTRY OF ENERGY CADRE - AS AT 31 DECEMBER 2020			
Position	Approved	Existing	Vacant (Ex-cess)**
Senior Level			
Secretary	01	01	-
Additional Secretary	03	03	-
Director General (Planning)	01	-	01
Chief Finance Officer	01	-	01
Chief Accountant	01	01	-
Senior Assistant Secretary	02	01	01
Chief Internal Auditor	01	01	-
Director	02	01	01
Chief Engineer	01	-	01
Assistant Secretary	02	01	01
Deputy Director /Assistant Director	02	02	-
Accountant	01	-	01
Legal Officer	01	01	-
Total	19	12	07
Secondary Level			
Coordinating Secretary to the Secretary	01	01	-
Administrative Officer	01	-	01
Translator	01	-	01
Total	03	01	02
Tertiary Level			
Development Assistant/Officer	20	15	05
Management Service Officer	24	20	04
Information Technology Assistant	01	01	-
Still Cameraman	01	-	01
Video Cameraman	01	01	-
Total	47	37	10
Primary Level			
Driver	09	11	(02)**
Camera Helper	01	01	-
KKS	11	10	01
Total	21	22	01- 02**
Grand Total	90	72	18 - 02**

6.2 Impact of shortage or excess in human resources on performance of the institute

It is noted that only 12 officers are existing within 19 approved cadre for the senior level and it is only 63% out of total cadre. Further, approved 02 cadre positions of secondary level are vacant while 10 are vacant from 47 approved cadre of tertiary level. It is imperative to mention that the existing staff have played a significant role for achieving the expected performance of the Ministry during the year 2020 disregarding the staff scarcity. If all the vacant positions (Especially senior level) had been filled, it would greatly help for achieving a higher level of expected performance.

6.3 Human Resource Development

Name of the Program	No. of staff trained	Duration of the program	Total Investment (Rs'000)		Nature of the Program (Abroad/Local)	Output/ Knowledge Gained*
			Local	Foreign		
Workshop on government procurement procedure	05	02 Days	42,500.00	-	Local Training	Success
Workshop on the new Audit Act and the new audit control system	03	02 Days	25,500.00	-	Local Training	Success
Workshop on the leave procedures of state officers	01	02 Days	8,500.00	-	Local Training	Success
Training programme in the government salary system	01	03 Days	18,000.00	-	Local Training	Success
Workshop on essential skills for new managers	01	02 Days	8,500.00	-	Local Training	Success
Programme Of M.Phil in Business Economics	01	2 Yeas	300,000.00	-	Local Training	-
Training Programme for Drivers	01	02 Days	8,500.00	-	Local Training	Success

* Training programmes are helpful to enhance employees' motivation, knowledge and skills and thereby to bring the performance up to the expected level.

Chapter 07 Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
01	The following Financial statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Currently not in practice		
1.4	Stores Advance Accounts	Currently not in practice		
1.5	Special Advance Accounts	Currently not in practice		
1.6	Others	Currently not in practice		
02	Maintenance of books and registers (FR445)/			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update .	Complied		
2.11	Register of Counterfoil Books (GA-N20) has been maintained and update	Complied		
03	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		

3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
04	Preparation of Annual Plans			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
05	Audit queries			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Not Complied	Responses for all audit queries have been received, but some responses have been received delayed.	Actions are taken to reply for the audit queries on due date and actions to be taken to obtain interim reply, if the submission of replies are getting delayed.
06	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied		
6.2	All the internal audit reports has been replied within one month	Not Complied	No responses have been received for some internal audit reports.	The actions are taken to reply for the internal audit reports within one-month period and actions should be taken to obtain interim reply, if the submission of replies are getting delayed.
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		

6.4	All the copies of internal audit reports has been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
07	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Not Complied		In accordance with letter no.DMA/AMC/M/2020/05-04 of 02.06.2020 regarding holding of Audit and Management Committee meetings for the year 2020, 02 committee meetings had been held in the year 2020
08	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
09	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110with regard to every vehicle accident	Complied		

9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	No Dormant Accounts		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit -	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Not Complied	One employee has been resigned without following the formal procedure	Action has been taken for legal advice
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Not Complied	Identified amount has been remaining in the deposit account.	Action has been taken for legal advice
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		

14.3	The ad-hoc sub imprests had been issued exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Human Resource Management			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	Provision of information to the public			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	Implementing citizens charter			
18.1	A citizens charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		

18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Not Complied		Steps have been taken to obtain advisory services for these forms
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

END