



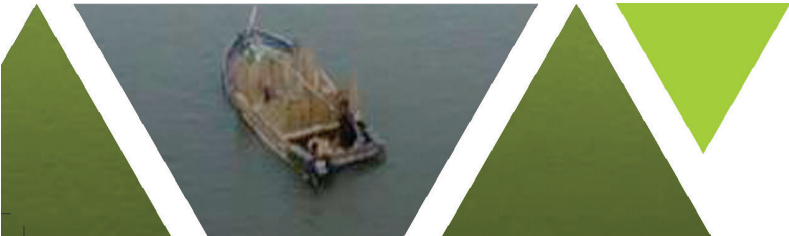
GSMB Technical Services (Pvt) Ltd

ANNUAL REPORT 2020



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GSMB TECHNICAL SERVICES (PVT) LTD

MINISTRY OF ENVIRONMENT

Introduction

GSMB Technical Services (PVT) Ltd is a subsidiary company of Geological Survey and Mines Bureau and fully controlled by the Ministry of Environment. The company has established on 12th September 2001 as a fully government owned limited liability company by registrar of companies under the company Act No 17 of 1982. The company holds a share capital of 66.66% by Geological Survey & Mines Bureau, 16.67% by National Gem & Jewellery Authority and 16.67 % owned by Lanka Phosphate Limited.

GSMB Technical Services (PVT) Ltd is the only government organization in Sri Lanka has that capability to provide the Technical Knowledge, Manpower Resources, Equipment including Analytical Laboratories and the Technical consultation needed for the industry. Mainly, two Divisions in Mining and Geology specialize to provide and facilitate the technical services needed for the industry while seeking the new income projects by the Special Project Unit.

As a Geotechnical support and consultancy focused company, our aim is to contribute towards the quality and productivity of mining and explorations in the industry while provide and facilitate technical services and consultancy support locally and regionally. A wide range of industrial mineral explorations, large scale mapping surveys and consultancy services for mining and excavation are undertaken by the company while continually improving the quality of the service and productivity by minimizing the environmental impact with regards to the Mining activities in the country.

The Company is maintaining a good relationship with clients while cater the various activities to deliver good quality service and productivity to the industry. The registered office of the Company and the entire operation is done at the building located No. 190/A, Rathnaweera Building, Stanley Thilakarathna Mawatha, Nugegoda.





Company Information



NAME OF THE COMPANY : GSMB Technical Services (Pvt) Ltd

LEGAL FORM : Registered as a Private Limited Liability Company
on 12th September 2001 by the registrar of
companies under the Companies Act No 17
of 1982

BOARD OF DIRECTORS AS AT PRESENT :

Mr. Anura Walpola - Director
(Chairman - Geological Survey & Mines Bureau)
Mr. Thilak Weerasinghe - Director
(Chairman - National Gem & Jewellery Authority)
Mr. Anil Ranasinghe - Director
(Chairman - Lanka Phosphate Ltd)
Ms. J.V.J. Nimali - Director
(Additional Director General - Public Finance Department
Ministry of Finance)
Mr. Buddika Cooray - Director
Ministry of Environment

CHIEF EXECUTIVE OFFICER : Mr. Thusitha Aluthpatabedige

Telephone : 011-2827855
Fax : 011-2827850
E-mail : gsmb_ts@yahoo.co.uk
Web site : www.gsmbts.com

COMPANY SECRETARIES : Professional Assignments and Secretarial
Services (Pvt) Ltd.
15/1 A, Maitland Crescent,
Colombo 07.

COMPANY OFFICE : No.190/A, Rathnaweera Bulding,
Stanley Thilakarathna Mawatha,
Nugegoda.

Administration Division
Telephone : 011-2824025
Fax : 011-2854764

Finance Division
Telephone : 011-3042809
E- Mail : gsmbts.finance@gmail.com

AUDITORS : Auditor General's Department of Sri Lanka
No.306/72, Polduwa Road, Battaramulla

BANKERS : Sampath Bank - Dehiwala Branch
People's Bank - Dehiwala Galle Road Branch



| About Us







Vision

“To be the leader in geotechnical support and consultancy focused at maximizing national value while ensuring socially and environmentally responsible practices in the geological and mining industry in Sri Lanka and the region.”

Mission

“Provide and facilitate geological and mining industry with technical services in mineral explorations and commercial mining; surveys, feasibility and environmental impact studies; Project management support; geoscientific information and geotechnical consultancy; and the marketing support of the mineral products to enable effective management of the social cost of mining while maximizing the national value creation by enhancing the quality and productivity through capacity building both locally & regionally”





Company Objectives

01. To provide technical services and consultancy support locally and regionally for the advancement of the industry.
02. To contribute towards the quality and productivity of mining and exploration in the industry.
03. To expand market opportunities & avenues to create national value.
04. To explore methods and strategies to minimize and to manage the social and environmental cost of mining and exploration.
05. To build capacity of the industry through technical, technological and managerial competency development .



Awards | National Business Excellence Awards Services Sector Year 2010

It's a pleasure to mention that the National Business Excellence Awards for Services Sector in Year 2010 has been received to GSMB Technical Services (Pvt) Ltd which was conducted by National Chamber of Commerce in Sri Lanka.

As a remarkable milestone of 9 years history of the company, GSMB Technical Services (Pvt) Ltd was short-listed among top corporate contenders for the category of Services Sector Year 2010.

The award was focused not only the award winner but all enterprises that have been influenced to improve the performances by following the excellence model and the evaluation criteria. Hence, it was not an easy feat for the GSMB Technical Services (Pvt) Ltd to receive the National Business Excellence Awards Services Sector Year 2010.



HISTORY

Recognizing & Appreciating
Past Chairman's



Mr. Karunasena Hettiarachchi
2001 (Founder Chairman)



Mr. R. J. De Silva
2001 – 2004



Mr. P. G. R. Dharmarathna
2004 – 2006



Professor N. T. S. Wijesekara
2006 – 2008



Dr. N. P. Wijayananda
2008 – 2014



Mr. J. M. S. G. Jayasundara
2014 – 2015



Dr. D.M.D.O.K. Dissanayake
2015 – 2017 June



Mr. Nimal Bopage
2017 June – 2018 February



Mr. Asela Iddawela
2018 March – 2019 November



Mr. Anura Walpola
2019 December to present



HISTORY

Recognizing & Appreciating
Past Chief Executive Officers

Dr.Dulip Jayawardane

Mr.Sarath Weerawarnakula

Mr.B.D.S.R Silva
2005 - 2018

Mr.S.T.Kalubandara
2018 - 2019

Mr.P.B Goonawardane
2019 - 2020

Mr.R.M.S.P.K Ratnayake
2020 January - 2020 November

Mr.T.P Aluthpatabedige
2020 November to present

HISTORY

GOLDEN YEARS

2001

Creation
of the
Company

2003

Started Blasting
Monitoring
Activities of
Southern
Transport
Development
Project

2004

Recorded a
Profit in 1st
time Rs.1.65
MN (PBT)

2005

First Dividend
Payment
Rs.1.2 MN

2013

Became a
Major
Contributor of
Nation's
Development
as a Large Tax
Payer of
Sri Lanka

2016

Company's
15th
Anniversary

2018

Recorded the
Highest Profit
After Tax
Rs.83.96 MN
Dividend
Payment –
Rs.6 MN

2020



2006

**Company's 5th
Anniversary**

2008

**Commencement
of
Manampitiya
Project**

2010

**Won the
National
Business
Excellence
Awards
(Service Sector)**

2011

**Company's 10th
Anniversary**

- **Port City – Supplementary EIA**
- **Uma Oya – Blasting Monitoring Consultancy**
- **Kokilai Kokkuthudai Heavy Mineral Mining Project EIA**
- **Karasnagala Graphite Mining Project IER Study**
- **Puttalam Limestone Exploration Project**
- **Southern transport and development projects
(Phase 01,02 & 03)**
- **Central Expressway Project**
- **Broadland Hydro Power Project**
- **Southern Express way project**
- **CHEC Quarry at Leenawatta**





20 Years of Service to the Mineral & Environment Sector

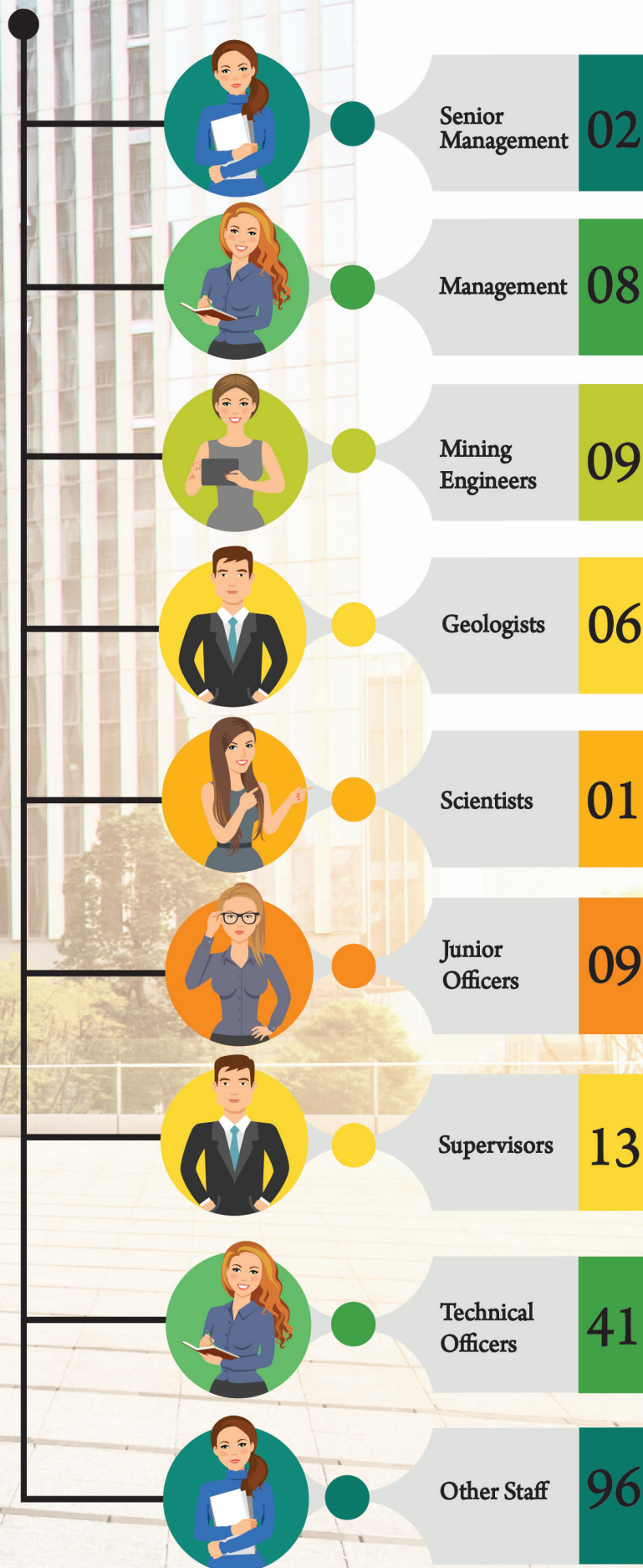
**20 Years of successful operation
Which we recall with gratitude,
the support and contribution made by
Many over the years**

**Including all past Board of Directors & Chairmans,
Cheif Excecutive Officers, Clients,
Employees of
GSMB Technical Services (PVT) Ltd,
State Organization, Executives of GSMB, Suppliers,
Bankers & Many Others.**

**It was your involvement that made this
journey successfully possible.**

**As we look towards the future,
We recommit ourselves to provide
the superior services to mineral sector.**

OUR STAFF







Business Portfolio

- Sand Mining & Selling Activities
- Gravel & Quartz Excavation
- Blasting Monitoring Activities
- GPS Surveys
- Economic Viability Reports
- Initial Environmental Examination Reports
- Crack Surveys
- Control Blasting
- Vibration Monitoring
- Noise Level Monitoring
- Dust Measurement
- Mineral Exploration
- Sand & Soil Surveys
- Graphite Surveys
- Mineral Resource Contouring
- Detailed Geological Mapping
- River Bed Surveys
- Laboratory Investigation
- Technical Officer Services
- HR Assignments







Eng. Anura Walpola
Chairman

GSMB Technical Services (Pvt) Ltd is a subsidiary of Geological Survey and Mines Bureau (GSMB) and fully Controlled by the Ministry of Environment. The company was set up in 2001 under the company act No 17 of 1982 to facilitate and provide the technical services needed for the industry that could not be provided by GSMB under the regulatory restrictions and GSMB Technical Services (Pvt) Ltd is the only government organization that provide and facilitate technical and consultancy services in Mining and Geology industry in Sri Lanka.

In line with the national policy framework “Vistas of Prosperity and Splendor” our intention is to make a revolution in mineral industry by providing superior service with offering wide range of technical and consultancy services to the client network in Geology and Mining Sector. Our focus is to produce value added mineral products of economically viable minerals in Sri Lanka by applying new technologies with partnership of other government and private organizations. The Company is expecting to contribute to national economy of the country by minimizing imports of such mineral products and maximizing exports of the country.

The Company places great value to the customers, employees, local communities and sound environmental management and looking forward to make improvements to everyday lives of the communities around the mine areas in the country through creating job opportunities and provision variety of services. The company provides greater benefits to general public by introducing reasonable market rates for sale of sand and other minerals in Sri Lanka.









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BOARD OF DIRECTORS





Mr. Thilak Weerasinghe
Chairman
National Gem & Jewellery Authority



Mr. Anura Walpola
Chairman
GSMB / GSMBTS



Ms. J.V.J. Nimali
Assistant Director
Additional Director General -
Public Finance Department
Ministry of Finance



Eng. Anil Ranasinghe
Chairman
Lanka Phosphate Ltd



Mr. Buddika Cooray
Ministry of Environment







Thusitha Aluthpatabedige
Attorney-at-Law
Chief Executive Officer

GSMB Technical Services (Pvt) Ltd is a subsidiary company of Geological Survey and Mines Bureau which also under the Ministry of Environment. The company was registered as a fully government owned limited liability company on 12th September 2001 by registrar of companies under the company Act No 17 of 1982 to provide and facilitate the technical services needed for the industry which could not be provided by Geological Survey and Mines Bureau given the regulatory restrictions.

Currently, Manampitiya Sand Mining Project is the great achievement to the company while Technical divisions of Geology and Mining contribute towards the quality and productivity of mining and explorations to the mining and geology industry in Sri Lanka.

The company has taken an extra step to expand the market opportunities to provide technical services and consultancy support for the advancement of the industry by producing value added mineral products according to requirements of various industries in Sri Lanka. Calcium Carbonate and Quartz are the identified minerals that has to be produced as the value-added products in Sri Lanka. This will generate a very high profit margin to the company and great opportunity to the economic development of the country.

Our Vision and Mission are the organs of our commitment to create national values while ensuring socially and environmentally responsible practices in the industry. Our core values and strategic objectives are the main key values for the sustainable development of the company.

As the CEO of the company, I extend my sincere gratitude to the stakeholders, Board of Directors, GSMBTS Management and all employees of the company for your trust and confidence placed in us.







2020 Corporate Social Responsibility

Corporate Social Responsibility

- April 2020 paid Rs.2,300,000.00 to Minor staff members of GSMB Technical Services (PVT) Ltd who are affected due to COVID-19.
- April 2020 paid Rs.1,000,000.00 to thamankaduwa pradeshiya sabhawa to donate people who are affected due to COVID-19.
- April 2020 paid Rs.250,000.00 to Medawachchiya multi pur.co. society for given to the temple in the Anuradhapura district who are affected during COVID 19 pandemic curfew.





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Financial Information



GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

	Notes	<u>Balance as at</u> <u>31st December 2020</u>	<u>Balance as at</u> <u>31st March 2020</u>
		Rs.	Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	7	41,118,691	30,460,374
Deferred Tax Asset	8	19,266,292	4,947,071
Current Assets			
Inventories	9	19,909,527	20,563,988
Trade Receivables	10	18,154,622	47,231,333
Other Receivables	11	67,637,496	69,678,533
Amount Due from Related Parties	12	7,811,208	18,879,819
Investments	13	271,183,814	250,594,822
Cash & Cash Equivalents	14	18,830,774	62,304,514
		<u>403,527,441</u>	<u>469,253,009</u>
Total Assets		<u>463,912,424</u>	<u>504,660,454</u>
EQUITY & LIABILITIES			
Capital & Reserves			
Stated Capital	15	6,000,000	6,000,000
Retained Earnings		<u>249,682,009</u>	<u>295,972,593</u>
Total Equity		<u>255,682,009</u>	<u>301,972,593</u>
Non Current Liabilities			
Defined Benefit Plan	16	21,787,588	17,722,931
Deferred Tax Liability	8	990,919	284,149
Current Liabilities			
Trade Payables	17	152,223,223	133,498,598
Accruals & Other Payables	18	30,228,686	51,182,183
Dividend Payable	19	3,000,000	-
		<u>185,451,908</u>	<u>184,680,781</u>
Total Equity & Liabilities		<u>463,912,424</u>	<u>504,660,454</u>

The Accounting Policies and Notes from an integral part of these Financial Statements.

Figures in brackets indicate deductions.

The preparation and presentation of these Financial Statements are in compliance with the Companies Act No.07 of 2007.

Accountant

The Board of Directors are responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors on 19th February 2021.

Chairman
GSMB Technical Services (Pvt) Ltd

Member of the Board of Directors
GSMB Technical Services (Pvt) Ltd

GSMB TECHNICAL SERVICES (PVT) LTD**NO:190/A, RATNAWEERA BUILDING,****STANLEY THILAKARATHNE MAWATHA, NUGEGODA.****CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST DECEMBER 2020**

	Notes	Year Ending 31st December 2020 Rs.	Year Ending 31st March 2020 Rs.
Cash Flows from Activities			
Profit After Tax		(43,290,584)	37,887,098
Adjustments for :			
Depreciation	7.2	11,816,053	14,205,415
Prior Year Profit Adjustments		-	2,591,296
Gratuity Provision	16	4,064,657	10,031,018
Provision for doubtful debts	10.2 & 12.2	43,054,708	-
Deferred Tax Adjustment	8	(13,612,451)	(2,988,692)
Profit on Disposals		-	(375,013)
Operating Profit Before Working Capital Changes		2,032,383	61,351,122
Increase / (Decrease) in Inventories		654,461	(18,139,104)
Increase / (Decrease) in Trade & Other Receivables		3,300,758	15,305,811
Increase / (Decrease) in Amount Due from Related Parties		4,251,249	7,051,171
Increase / (Decrease) in Trade & Other Payables		(2,235,745)	(63,627,123)
Cash from / (used in) Operations		5,970,723	(59,409,245)
Net Cash Generated from Operations		8,003,106	1,941,877
ESC Paid		(119,999)	(3,365,145)
Gratuity Paid		-	(558,478)
Income Tax Paid		(8,293,486)	(6,792,377)
		(8,413,485)	(10,715,999)
Net Cash from / (used in) Operating Activities		(410,378)	(8,774,122)
Cash Flow from Investing Activities			
Acquisition on Property, Plant & Equipment	7.1	(22,474,369)	(22,370,354)
Disposal of Property, Plant & Equipment		-	1,977,300
Investment in Fixed Deposit	13	(20,588,992)	(22,669,979)
Net Cash (from) / used in Investing Activities		(43,063,362)	(43,063,033)
Cash Flow from Financing Activities			
Dividend Paid		-	(3,900,000)
Net Cash (from) / used in Financing Activities		-	(3,900,000)
Movement in Cash and Cash Equivalents		(43,473,740)	(55,737,155)
At the Beginning of the Year (Note:1)		62,304,514	118,041,669
Net Change in Cash and Cash Equivalents		(43,473,740)	(55,737,155)
At the End of the Year (Note:2)		18,830,774	62,304,514
Note : 1			
Sampath Bank A/C No.001710004982		13,772,102	12,757,467
People's Bank A/C No.337100140000881		41,835,843	17,800,162
Nations' Trust Bank A/C No.100270004596		4,455,347	85,311,404
Sampath Bank Savings A/C		9,112	8,598
People's Bank Savings A/C		2,232,110	2,164,038
		62,304,514	118,041,669
Note : 2			
Sampath Bank A/C No.001710004982		7,733,839	13,772,102
People's Bank A/C No.337100140000881		8,744,115	41,835,843
Nations' Trust Bank A/C No.100270004596		57,632	4,455,347
Sampath Bank Savings A/C		-	9,112
People's Bank Savings A/C		2,295,188	2,232,110
		18,830,774	62,304,514



GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	April - December 2020 Rs.	April - March 2020 Rs.
Income from Projects	1.1	475,844,596	837,211,438
Expenses of Projects	1.2	(420,434,406)	(676,607,623)
Net Income from Projects		55,410,190	160,603,815
Other-Non Operating Income	2	15,119,498	34,187,623
		<u>70,529,688</u>	<u>194,791,438</u>
Less : Expenditure			
Administration Expenses	3	127,192,566	139,798,417
Finance Cost	4	240,156	1,458,250
		<u>127,432,722</u>	<u>141,256,666</u>
Profit Before Tax		(56,903,035)	53,534,772
Income Tax Expense (Deferred Tax Expense/Income)	5	13,612,451	(15,647,674)
Profit After Tax		(43,290,584)	37,887,098
Retained Earnings as at 1st April 2020		295,972,593	259,394,199
Dividends		(3,000,000)	(3,900,000)
Prior Year Adjustments	6	-	2,591,296
Retained Earnings as at 31st December 2020		<u>249,682,009</u>	<u>295,972,593</u>



GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2020****Note 1 : Net Income from Projects****Note 1.1 : Income from Projects****Mining Projects****Blasting & Monitoring**

	Notes	April - December 2020	April - March 2020
China National Machinery Import & Export Corp. (CMC)	1.1.1	-	-
Broadlands Hydro Power Project (CNEEC)	1.1.2	1,845,800	4,855,196
China Harbour Eng. Com. Ltd - Leenawatta	1.1.3	3,479,000	5,635,237
China State Construction Engineering Corp. Ltd (CSCEC)	1.1.4	-	5,213,202
SINOHYDRO Corporation Limited - Kaluganga Project	1.1.5	997,000	1,547,829
China National Aero Tech. Inter. Eng. Corp. (CATIC)	1.1.6	-	472,516
Maga Engineering Pvt. Ltd - Kurunegala	1.1.7	3,109,147	1,745,442
Maga Engineering Pvt. Ltd - Pothuhera Wadakada	1.1.8	4,024,817	-
KDA Weerasinghe Pvt. Ltd	1.1.9	805,000	-
NEM Construction Pvt. Ltd	1.1.10	1,165,714	-
Blasting Monitoring (Other Projects)	1.1.11	31,720	19,711
		15,458,199	19,489,132

Crack Survey	1.1.12	5,503,999	6,677,033
Dust,Air,Noise & Vibration	1.1.13	905,080	1,587,072
EVR	1.1.14	611,940	1,280,151
GPS Survey	1.1.15	148,720	503,571
TO Services	1.1.16	6,779,517	12,453,896
Mining Projects - Other	1.1.17	762,760	-
		14,712,016	22,501,723
Total Mining Projects		30,170,215	41,990,855

Geological Projects

IEER	1.1.18	-	8,248,220
EIA	1.1.19	-	2,745,840
Sand,Graphite & Volume Survey	1.1.20	2,054,726	2,237,680
Geological Projects - Other	1.1.21	170,500	3,243,150
Exploratory Drilling Project	1.1.22	2,838,850	-
Mineral Exploration	1.1.23	225,500	-
Total Geological Projects		5,289,576	16,474,890

Special Projects

Kotikambokka Quartz Project	1.1.24	-	-
Calcite Project	1.1.25	-	-
Total Special Projects		-	-

HR Assignment	1.1.26	22,767,384	39,749,977
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Sale of Sand

Manampitiya	1.1.27	285,334,885	518,770,738
Manampitiya Phase II	1.1.28	-	11,554,525

Other Sand Mining Projects in Polonnaruwa

Aralaganwila	1.1.29	-	35,468,330
Boaththa	1.1.30	-	35,134,230
D 6	1.1.31	-	-
Lankapura	1.1.32	451,468	913,616
Nidanwala	1.1.33	-	1,581,015
Welikanda	1.1.34	-	18,811,235
		451,468	91,908,426

Other Sand Mining Projects

Kanthale	1.1.35	89,643,132	76,712,509
Muthur	1.1.36	1,629,278	-
		91,272,410	76,712,509

Sand Stock Yards

28th Mile Post	1.1.37	-	6,671,113
Bakamoona	1.1.38	1,863,020	1,952,802
Hingurakgoda	1.1.39	8,600,978	6,476,059
Medirigiriya	1.1.40	8,584,633	8,734,287
Minneriya	1.1.41	7,964,342	8,499,233
Yakkala	1.1.42	3,291,013	6,463,148
New Town	1.1.43	9,949,331	-
		40,253,316	38,796,642

Sand & Soil/Gravel/Sand Bags

Ampara Sand & Soil	1.1.44	-	-
Yan Oya	1.1.45	-	-
Hambantota Gravel Project	1.1.46	-	-
Sand Bags Sale Centre	1.1.47	-	104,348
		-	104,348

Other

Other Projects	1.1.48	-	1,146,310
Other Income	1.1.49	305,342	2,217

Total Income from Projects

475,844,596	837,211,438
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Note 1.2 : Expenses of Projects

Project Wise Summary

		April - December 2020	April - March 2020
<u>Blasting & Monitoring</u>			
China National Machinery Import & Export Corp. (CMC)	1.2.1	-	867
Broadlands Hydro Power Project (CNEEC)	1.2.2	1,379,294	3,043,586
China Harbour Eng. Com. Ltd - Leenawatta	1.2.3	2,751,095	3,235,092
China State Construction Engineering Corp. Ltd (CSCEC)	1.2.4	292,594	4,681,792
SINOHYDRO Corporation Limited - Kaluganga Project	1.2.5	1,077,771	957,309
China National Aero Tech. Inter. Eng. Corp. (CATIC)	1.2.6	-	339,568
Maga Engineering Pvt. Ltd - Kurunegala	1.2.7	2,529,273	1,466,288
Maga Engineering Pvt. Ltd - Pothuhera Wadakada	1.2.8	3,398,912	-
KDA Weerasinghe Pvt. Ltd	1.2.9	722,360	-
NEM Construction Pvt. Ltd	1.2.10	942,060	-
Blasting Monitoring (Other Projects)	1.2.11	1,110	-
		13,094,470	13,724,504
Crack Survey	1.2.12	3,071,445	1,662,160
Dust,Air,Noise & Vibration	1.2.13	16,240	105,210
EVR	1.2.14	107,545	215,160
GPS Survey	1.2.15	20,650	75,432
TO Services	1.2.16	5,626,986	7,443,456
Mining Projects - Other	1.2.17	16,912	-
		8,859,778	9,501,418
Total Mining Projects		21,954,248	23,225,922
<u>Geological Projects</u>			
IEER	1.2.18	701,700	3,134,168
EIA	1.2.19	16,015	155,847
Sand,Graphite & Volume Survey	1.2.20	386,322	1,010,667
Geological Projects - Other	1.2.21	259,343	105,220
Exploratory Drilling Project	1.2.22	2,447,940	-
Mineral Exploration	1.2.23	557,373	-
Total Geological Projects		4,368,694	4,405,902
<u>Special Projects</u>			
Kotikambokka Quartz Project	1.2.24	756,987	4,257,025
Calcite Project	1.2.25	451,847	-
Total Special Projects		1,208,834	4,257,025
HR Assignment	1.2.26	21,426,483	36,764,719
<u>Sale of Sand</u>			
Manampitiya	1.2.27	234,262,289	403,921,861
Manampitiya Phase II	1.2.28	-	8,258,513



Other Sand Mining Projects in Polonnaruwa

Aralaganwila	1.2.29	1,572,415	28,998,447
Boaththa	1.2.30	2,285,285	29,132,824
D 6	1.2.31	-	108,000
Lankapura	1.2.32	2,058,366	2,838,883
Nidanwala	1.2.33	1,469,319	4,039,544
Welikanda	1.2.34	2,886,328	16,552,258
		10,271,714	81,669,956

Other Sand Mining Projects

Kanthale	1.2.35	84,786,084	70,340,010
Muthur	1.2.36	2,911,547	-
		87,697,631	70,340,010

Sand Stock Yards

28th Mile Post	1.2.37	185,726	7,716,684
Bakamoonna	1.2.38	2,158,833	2,438,102
Hingurakgoda	1.2.39	7,735,614	6,047,386
Medirigiriya	1.2.40	8,425,178	10,204,852
Minneriya	1.2.41	7,807,035	8,523,138
Yakkala	1.2.42	4,671,291	6,895,967
New Town	1.2.43	7,619,679	-
		38,603,355	41,826,129

Sand & Soil/Gravel/Sand Bags

Ampara Sand & Soil	1.2.44	-	175,000
Yan Oya	1.2.45	-	568,717
Hambantota Gravel Project	1.2.46	377,543	-
Sand Bags Sale Centre	1.2.47	-	368,424
		377,543	1,112,141

Other

Other Projects	1.2.48	263,615	825,446
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Total Expenses of Projects

420,434,406	676,607,623
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Expenses of Projects

Expense Wise Summary

	April - December 2020	April - March 2020
Cost of Sale	294,215,177	480,194,876
Salaries	41,369,083	47,630,038
EPF	6,725,608	9,064,119
ETF	1,681,402	2,266,030
COL	12,318,230	18,291,596
Bonus	949,691	1,177,526
Weekend Allowances	806,091	1,143,282
Site Allowances	1,110,204	1,457,642
Allowances	4,419,878	14,819,578
Other Allowance & Labour Charges	230,500	277,500
Overtime	2,591,529	4,013,343
Fuel	3,664,041	3,045,172
Telephone	132,920	332,580
Printing & Stationery	537,947	1,735,106
Postage	87,390	157,299
Welfare	725,652	2,220,226
News Paper & Periodicals	1,200	6,030
Electricity	444,861	908,511
Water	19,947	122,926
Consultation Charges	609,500	3,559,542
Travelling & Subsistence	2,004,408	2,562,535
Vehicle Maintenance Charges	13,055	81,436
Other Maintenance Charges	637,989	3,971,593
Payment for Estimations	327,000	34,000
Insurance	395,173	516,331
Transport	9,775,318	13,511,461
Rent	3,303,614	4,443,882
Security Charges	6,875,643	9,505,750
Legal Fees	-	269,000
Water Bowser Expenses	1,483,075	2,950,650
Licenses, Inspection & Royalty Charges	243,559	191,557
Office Expenses	147,864	125,772
Cook Allowance	163,821	363,371
Drilling Expenses	-	131,500
Chemical Charges	245,000	25,562
Excavation & Loader Charges	-	42,210
CEA Charges	-	214,630
Wild Life Expenses	-	40,625
GSMB TS Loader Expense	-	30,600
Road Construction	-	123,000
GSMBTS Tipper Expenses	524,483	1,553,975
Internet Charges	111,342	163,041
Tractor Payment Nidanwala	-	269,000
Yard Transport 28th Mile Post	-	1,119,167





Yard Transport & TPL Minneriya	2,364,000	2,344,000
Yard Transport Medirigiriya	2,628,000	3,580,800
Yard Transport Aralaganwila	-	9,955,200
Mahaweli Authority Expenses	-	24,000
Mineral Tax	1,614,056	3,294,965
Hiring Equipment/Other	74,750	310,025
Inspection Charges	-	84,852
Power Auger Expenses	19,900	6,630
TPL Charges	302,323	366,029
TDL Charges	110,180	136,192
Forest Yan Oya	-	429,800
Yard Transport Bakamuna	536,000	584,000
Tractor Payment Boaththa	-	9,080,375
Blasting Charges	-	40,646
Business Promotion Expenses	-	5,102
Generator Expenses	20,400	1,290
Loading Charges Kanthale	3,730,965	2,549,123
Labour Charges Kanthale	5,396,000	4,034,000
Yard Transport Manampitiya Phase II	-	1,095,150
Rehabilitation	-	2,307,554
Loading Charges	-	1,695,420
Yard Transport Manampitiya	106,050	18,900
Yard Transport New Town	1,778,000	-
Translation Charges	220,000	-
Subscription & Registration Fee	25,735	-
C Permit Charges	408,800	-
Borehole Expenses	2,207,050	-
	420,434,406	676,607,623



Additional Notes to Note No. 1 : Project Income Statements

China National Machinery Import & Export Corp. (CMC)

	Notes	April - December 2020	April - March 2020
Income	1.1.1	-	-
Project Expenses			
Welfare		-	510
Travelling & Subsistence		-	357
Total Expense	1.2.1	-	867
Net Income		-	(867)

Broadlands Hydro Power Project (CNEEC)

	Notes	April - December 2020	April - March 2020
Income	1.1.2	1,845,800	4,855,196
Project Expenses			
Salaries		436,176	770,395
EPF		62,230	128,591
ETF		15,558	32,148
COL		88,000	211,200
Bonus		(4,216)	27,000
Weekend Allowances		80,150	217,025
Site Allowances		25,000	60,000
Allowances		41,774	155,000
Overtime		-	74,077
Fuel		43,470	87,498
Telephone		-	2,000
Postage		-	685
Electricity		-	1,600
Transport		437,153	1,027,868
Rent		154,000	245,000
Other Maintenance Charges		-	3,500
Total Expense	1.2.2	1,379,294	3,043,586
Net Income		466,506	1,811,609



China Harbour Eng. Com. Ltd - Leenawatta

	Notes	April - December 2020	April - March 2020
Income	1.1.3	3,479,000	5,635,237
Project Expenses			
Salaries		1,035,692	975,157
EPF		151,829	167,923
ETF		37,957	41,981
COL		237,600	299,200
Bonus		27,518	40,500
Site Allowances		45,000	50,000
Allowances		53,774	200,000
Fuel		76,960	124,300
Telephone		1,000	7,000
Printing & Stationery		2,980	1,438
Welfare		-	10,239
Electricity		1,445	2,860
Water		5,485	6,450
Travelling & Subsistence		-	1,080
Transport		834,355	981,965
Cook Allowance		32,500	78,000
Rent		207,000	247,000
Total Expense	1.2.3	2,751,095	3,235,092
Net Income		727,905	2,400,144

China State Construction Engineering Corp. Ltd - CSCEC

	Notes	April - December 2020	April - March 2020
Income	1.1.4	-	5,213,202
Project Expenses			
Salaries		-	1,295,621
EPF		-	211,491
ETF		-	52,873
COL		-	316,800
Bonus		-	27,000
Weekend Allowances		-	156,475
Site Allowances		-	90,000
Allowances		-	229,000
Fuel		43,800	341,600
Telephone		-	15,000
Printing & Stationery		-	9,301
Postage		-	4,640
Welfare		6,010	48,990
Electricity		2,837	4,315
Water		450	1,425
Travelling & Subsistence		650	17,000
Transport		197,284	1,486,512
Rent		36,000	269,750
Cook Allowance		5,563	104,000
Total Expense	1.2.4	292,594	4,681,792
Net Income		(292,594)	531,410



SINOHYDRO Corporation Limited - Kaluganga Project

	Notes	April - December 2020	April - March 2020
Income	1.1.5	997,000	1,547,829
<u>Project Expenses</u>			
Salaries		386,913	430,718
EPF		54,878	74,603
ETF		13,719	18,651
COL		70,400	121,781
Weekend Allowances		13,650	68,125
Site Allowances		20,000	49,194
Allowances		12,000	98,194
Fuel		77,750	-
Telephone		-	3,000
Welfare		7,562	5,225
Transport		323,900	86,520
Rent		84,000	-
Other Maintenance Charges		-	1,300
Cook Allowance		13,000	-
Total Expense	1.2.5	1,077,771	957,309
Net Income		(80,771)	590,520

China National Aero Tech. Inter. Eng. Corp. (CATIC)

	Notes	April - December 2020	April - March 2020
Income	1.1.6	-	472,516
<u>Project Expenses</u>			
Salaries		-	65,590
EPF		-	11,183
ETF		-	2,796
COL		-	17,600
Weekend Allowances		-	11,375
Site Allowances		-	5,000
Allowances		-	22,000
Fuel		-	28,000
Telephone		-	3,000
Printing & Stationery		-	2,893
Postage		-	270
Welfare		-	8,170
Travelling & Subsistence		-	2,050
Transport		-	134,714
Rent		-	16,750
Cook Allowance		-	8,177
Total Expense	1.2.6	-	339,568
Net Income		-	132,948



Maga Engineering Pvt. Ltd - Kurunegala

	Notes	April - December 2020	April - March 2020
Income	1.1.7	3,109,147	1,745,442
Project Expenses			
Salaries		711,227	339,268
EPF		100,131	51,560
ETF		25,033	12,890
COL		123,200	70,400
Bonus		27,000	30,375
Weekend Allowances		55,475	18,725
Site Allowances		35,000	20,000
Allowances		37,774	61,000
Fuel		114,000	133,747
Telephone		-	4,000
Printing & Stationery		485	3,000
Postage		2,520	2,435
Welfare		13,697	9,522
Electricity		-	1,522
Transport		1,070,833	546,370
Rent		183,333	125,000
Office Expenses		-	6,030
Travelling & Subsistence		-	250
Cook Allowance		29,565	30,194
Total Expense	1.2.7	2,529,273	1,466,288
Net Income		579,874	279,153

Maga Engineering Pvt. Ltd - Pothuhera Wadakada

	Notes	April - December 2020	April - March 2020
Income	1.1.8	4,024,817	-
Project Expenses			
Salaries		1,109,561	-
EPF		156,957	-
ETF		39,239	-
COL		220,000	-
Bonus		40,500	-
Weekend Allowances		168,875	-
Site Allowances		45,000	-
Allowances		80,774	-
Fuel		265,400	-
Printing & Stationery		14,530	-
Postage		280	-
Welfare		17,202	-
Electricity		43,857	-
Transport		1,000,000	-
Rent		158,334	-
Office Expenses		1,500	-
Cook Allowance		36,903	-
Total Expense	1.2.8	3,398,912	-
Net Income		625,905	-

KDA Weerasinghe Pvt. Ltd

	Notes	April - December 2020	April - March 2020
Income	1.1.9	805,000	-
Project Expenses			
Salaries		237,240	-
EPF		33,749	-
ETF		8,437	-
COL		44,000	-
Bonus		27,000	-
Weekend Allowances		14,175	-
Site Allowances		10,000	-
Allowances		7,000	-
Fuel		46,800	-
Printing & Stationery		3,790	-
Welfare		4,196	-
Electricity		1,985	-
Water		530	-
Transport		233,458	-
Rent		50,000	-
Total Expense	1.2.9	722,360	-
Net Income		82,640	-

NEM Construction Pvt. Ltd

	Notes	April - December 2020	April - March 2020
Income	1.1.10	1,165,714	-
Project Expenses			
Salaries		350,765	-
EPF		50,540	-
ETF		12,635	-
COL		70,400	-
Bonus		27,000	-
Weekend Allowances		21,350	-
Site Allowances		20,000	-
Allowances		12,000	-
Fuel		13,500	-
Printing & Stationery		720	-
Welfare		3,440	-
Travelling & Subsistence		450	-
Transport		358,440	-
Office Expenses		820	-
Total Expense	1.2.10	942,060	-
Net Income		223,655	-

Blasting Monitoring (Other Projects)

	Notes	April - December 2020	April - March 2020
Income	1.1.11	31,720	19,711
Project Expenses			
Travelling & Subsistence		650	-
Office Expenses		460	-
Total Expense	1.2.11	1,110	-
Net Income		30,610	19,711



Crack Survey

	Notes	April - December 2020	April - March 2020
Income	1.1.12	5,503,999	6,677,033
Project Expenses			
Salaries		1,116,274	520,643
EPF		159,803	85,779
ETF		39,951	21,445
COL		218,533	123,829
Weekend Allowances		93,800	63,600
Site Allowances		59,167	70,357
Allowance		41,989	70,357
Fuel		153,203	124,280
Telephone		-	6,500
Printing & Stationery		12,514	21,979
Postage		560	2,790
Welfare		22,449	34,179
Electricity		9,235	-
Travelling & Subsistence		35,500	31,777
Other Maintenance Charges		-	4,450
Payment for Estimations		327,000	26,000
Transport		699,042	390,755
Rent		51,333	60,000
Office Expenses		2,205	3,440
Cook Allowance		28,887	-
Total Expense	1.2.12	3,071,445	1,662,160
Net Income		2,432,554	5,014,874

Dust,Air,Noise & Vibration

	Notes	April - December 2020	April - March 2020
Income	1.1.13	905,080	1,587,072
Project Expenses			
Fuel		7,658	41,750
Telephone		-	3,500
Printing & Stationery		-	160
Welfare		-	12,120
Travelling & Subsistence		8,582	21,280
Transport		-	26,000
Office Expenses		-	400
Total Expense	1.2.13	16,240	105,210
Net Income		888,840	1,481,862

EVR

	Notes	April - December 2020	April - March 2020
Income	1.1.14	611,940	1,280,151
Project Expenses			
Fuel		10,200	32,500
Printing & Stationery		-	1,890
Welfare		-	14,350
Consultation Charges		87,500	162,500
Travelling & Subsistence		9,845	3,400
Office Expenses		-	520
Total Expense	1.2.14	107,545	215,160
Net Income		504,395	1,064,991

GPS Survey

	Notes	April - December 2020	April - March 2020
Income	1.1.15	148,720	503,571
<u>Project Expenses</u>			
Fuel		12,850	12,000
Telephone		-	1,000
Printing & Stationery		-	1,707
Welfare		-	4,495
Travelling & Subsistence		7,800	9,230
Transport		-	45,200
Office Expenses		-	1,800
Total Expense	1.2.15	20,650	75,432
Net Income		128,070	428,139

TO Services

	Notes	April - December 2020	April - March 2020
Income	1.1.16	6,779,517	12,453,896
<u>Project Expenses</u>			
Salaries		2,995,009	3,175,454
EPF		458,858	603,463
ETF		114,715	150,866
COL		836,000	1,258,400
Bonus		114,750	67,500
Weekend Allowances		116,325	159,750
Allowances		89,000	768,750
Fuel		23,000	38,000
Printing & Stationery		-	4,500
Welfare		5,890	-
Travelling & Subsistence		866,490	1,185,585
Vehicle Maintenance Charges		6,950	4,600
Insurance		-	5,829
Transport		-	20,760
Total Expense	1.2.16	5,626,986	7,443,456
Net Income		1,152,531	5,010,440

Mining Projects-Other

	Notes	April - December 2020	April - March 2020
Income	1.1.17	762,760	-
<u>Project Expenses</u>			
Fuel		9,000	-
Travelling & Subsistence		7,480	-
Office Expenses		432	-
Total Expense	1.2.17	16,912	-
Net Income		745,848	-

IEER

	Notes	April - December 2020	April - March 2020
Income	1.1.18	-	8,248,220
<u>Project Expenses</u>			
Other Allowance		-	17,000
Fuel		2,000	8,000
Printing & Stationery		-	595
Welfare		-	125,686
Consultation Charges		450,000	2,532,500
Travelling & Subsistence		9,500	82,036
Office Expenses		-	13,090
Chemical Charges		-	15,842
Transport		20,200	339,420
Translation Charges		220,000	-
Total Expense	1.2.18	701,700	3,134,168
Net Income		(701,700)	5,114,052

EIA

	Notes	April - December 2020	April - March 2020
Income	1.1.19	-	2,745,840
<u>Project Expenses</u>			
Other Allowances		-	3,000
Fuel		13,000	-
Printing & Stationery		-	1,797
Welfare		-	11,930
Consultation Charges		-	100,000
Travelling & Subsistence		3,015	-
Transport		-	39,120
Total Expense	1.2.19	16,015	155,847
Net Income		(16,015)	2,589,993

Sand, Graphite & Volume Survey

	Notes	April - December 2020	April - March 2020
Income	1.1.20	2,054,726	2,237,680
<u>Project Expenses</u>			
Other Allowance		81,500	116,100
Fuel		72,981	15,230
Printing & Stationery		825	-
Welfare		1,350	130,173
Travelling & Subsistence		183,566	196,022
Transport		18,080	533,080
Office Expense		520	432
Hiring Equipment/other		9,000	7,000
Power Auger Expenses		18,500	6,630
Labour Charges		-	6,000
Total Expense	1.2.20	386,322	1,010,667
Net Income		1,668,404	1,227,013

Geological Projects - Other

	Notes	April - December 2020	April - March 2020
Income	1.1.21	170,500	3,243,150
<u>Project Expenses</u>			
Other Allowance		9,000	-
Fuel		37,877	31,450
Printing & Stationery		-	680
Travelling & Subsistence		51,667	31,510
Transport		128,400	38,760
Office Expenses		-	2,820
Hiring Equipment/other		2,000	-
Power Auger Expenses		1,400	-
Chemical Charges		29,000	-
Total Expense	1.2.21	259,343	105,220
Net Income		(88,843)	3,137,930

Exploratory Drilling Project

	Notes	April - December 2020	April - March 2020
Income	1.1.22	2,838,850	-
<u>Project Expenses</u>			
Fuel		32,000	-
Printing & Stationery		280	-
Welfare		1,080	-
Travelling & Subsistence		93,220	-
Transport		93,600	-
Office Expenses		20,710	-
Borehole Expenses		2,207,050	-
Total Expense	1.2.22	2,447,940	-
Net Income		390,910	-

Mineral Exploration

	Notes	April - December 2020	April - March 2020
Income	1.1.23	225,500	-
<u>Project Expenses</u>			
Other Allowance		43,500	-
Fuel		19,430	-
Printing & Stationery		480	-
Travelling & Subsistence		235,940	-
Other Maintenance Charges		37,673	-
Office Expenses		4,350	-
Chemical Charges		216,000	-
Total Expense	1.2.23	557,373	-
Net Income		(331,873)	-



Kotikambokka Quartz Project

	Notes	April - December 2020	April - March 2020
Income	1.1.24	-	-
<u>Project Expenses</u>			
Salaries		67,920	324,002
EPF		10,131	56,952
ETF		2,533	14,238
COL		17,600	105,600
Bonus		-	13,500
Weekend Allowances		-	5,100
Other Allowance & Labour Charges		4,500	18,000
Allowances		2,000	48,000
Fuel		21,400	78,500
Telephone		-	10,000
Printing & Stationery		545	11,265
Postage		250	3,455
Welfare		8,970	138,261
Consultation Charges		-	514,042
Electricity		2,160	19,485
Water		1,460	20,660
Travelling & Subsistence		9,440	22,192
Other Maintenance Charges		7,000	-
Insurance		-	78,769
Transport		122,840	261,542
Rent		88,387	755,000
Security Charges		383,100	1,458,000
Office Expenses		348	11,880
Blasting Charges		-	40,646
Cook Allowance		4,403	71,500
Drilling Expenses		-	131,500
Internet Charges		2,000	9,025
Excavation & Loader Charges		-	35,910
Total Expense	1.2.24	756,987	4,257,025
Net Income		(756,987)	(4,257,025)

Calcite Project

	Notes	April - December 2020	April - March 2020
Income	1.1.25	-	-
<u>Project Expenses</u>			
Other Allowance & Labour Charges		48,000	-
Fuel		65,307	-
Printing & Stationery		3,099	-
Consultation Charges		72,000	-
Travelling & Subsistence		187,442	-
Transport		74,000	-
Office Expenses		2,000	-
Total Expense	1.2.25	451,847	-
Net Income		(451,847)	-



HR Assignment

	Notes	April - December 2020	April - March 2020
Income	1.1.26	22,767,384	39,749,977
<u>Project Expenses</u>			
Salaries		10,949,499	18,309,660
EPF		2,078,247	3,564,582
ETF		519,562	891,145
COL		3,886,884	6,875,388
Bonus		27,000	-
Weekend Allowances		54,600	74,100
Other Allowance		-	(50,323)
Allowances		2,739,451	4,814,204
Overtime		1,113,260	2,285,963
Travelling & Subsistence		45,500	-
Office Expenses		12,481	-
Total Expense	1.2.26	21,426,483	36,764,719
Net Income		1,340,901	2,985,258



Manampitiya

	Notes	April - December 2020	April - March 2020
Income - Sale of sand		282,095,283	516,585,230
Other Income - Manampitiya Yard Income		208,704	331,805
- Manampitiya Other Income		3,030,898	1,853,703
	1.1.27	285,334,885	518,770,738
Project Expenses			
Cost of Sand Manampitiya		207,309,101	362,588,560
Salaries		9,117,593	8,357,856
EPF		1,413,153	1,601,009
ETF		353,288	400,252
COL		2,689,252	3,471,635
Bonus		392,906	364,275
Weekend Allowances		60,662	112,570
Site Allowances		297,032	169,919
Other Allowance & Labour Charges		4,000	34,000
Allowances		573,631	4,137,906
Overtime		1,011,334	777,169
Fuel		1,953,955	1,010,067
Telephone		30,312	44,688
Printing & Stationery		229,365	810,607
Postage		25,680	50,965
Welfare		398,224	854,596
Electricity		98,881	429,683
Water		3,487	4,949
Consultation Charges		-	118,000
Travelling & Subsistence		49,700	558,008
Vehicle Maintenance Charges		-	33,450
Other Maintenance Charges		413,055	3,605,960
Payment for Estimation		-	8,000
Insurance		320,274	400,842
Transport		2,002,505	3,580,569
Rent		698,750	554,000
Security Charges		1,441,000	1,699,000
Legal Fees		-	123,500
Water Bowser Expenses		1,177,875	1,899,750
Wild Life Expenses		-	40,625
GSMB TS Loader Expense		-	30,600
Office Expenses		38,727	38,770
Hiring Equipment/other		-	114,025
GSMBTS Tipper Expenses		524,483	1,553,975
Internet Charges		31,929	37,242
Generator Expenses		20,400	1,290
Loading Charges		-	1,695,420
Yard Transport		106,050	18,900
TPL Charges		65,207	6,304
Mineral Tax		1,410,476	2,582,926
Total Expense	1.2.27	234,262,289	403,921,861
Net Income		51,072,596	114,848,877



Manampitiya Phase II

Notes

Income - Sale of sand

1.1.28

-

11,554,525

Project Expenses

Cost of Sand Manampitiya Phase II

-

6,866,200

Salaries

-

28,860

EPF

-

5,119

ETF

-

1,280

COL

-

8,800

Bonus

-

27,000

Allowances

-

5,000

Electricity

-

3,735

Transport

-

2,500

Mining License & Royalty

-

158,137

Office Expenses

-

(1,041)

Yard Transport Manampitiya Phase II

-

1,095,150

Mineral Tax

-

57,773

Total Expense

1.2.28

-

8,258,513

Net Income

-

3,296,013

Other Sand Mining Projects in Polonnaruwa

Aralaganwila

Notes

Income - Sale of sand

1.1.29

-

35,468,330

Project Expenses

Cost of Sand

-

15,022,800

Salaries

999,616

1,317,351

EPF

157,870

267,155

ETF

39,468

66,789

COL

316,800

607,650

Bonus

(13,500)

94,500

Weekend Allowances

-

8,637

Site Allowances

-

60,000

Other Allowance & Labour Charges

-

1,500

Allowances

-

503,290

Overtime

-

38,994

Fuel

-

68,500

Telephone

24,481

44,514

Printing & Stationery

-

28,482

Postage

-

6,250

Welfare

14,640

47,350

Electricity

22,808

63,671

Travelling & Subsistence

-

5,608

Vehicle Maintenance Charges

-

22,325

Other Maintenance Charges

1,405

13,000

Transport

-

44,608

Rent

-

3,600

Security Charges

-

153,750

Water Bowser Expenses

4,200

329,400

Office Expenses

-

3,077

Road Construction

-

15,000

Hiring Equipment/other

-

1,000

Excavation & Loader Charges

-

6,300

Internet Charges

4,628

20,805

Yard Transport Aralaganwila

-

9,955,200

Mineral Tax

-

177,342

Total Expense

1.2.29

1,572,415

28,998,447

Net Income

(1,572,415)

6,469,883

Boaththa

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.30	-	35,134,230
<u>Project Expenses</u>			
Cost of Sand		-	13,557,000
Salaries		1,444,648	1,182,401
EPF		225,909	230,592
ETF		56,477	57,648
COL		440,000	519,200
Bonus		11,540	81,000
Weekend Allowances		4,502	33,432
Site Allowances		41,667	82,672
Allowances		10,000	803,735
Overtime		-	62,450
Fuel		-	75,000
Printing & Stationery		-	7,566
Postage		-	3,950
Welfare		-	56,500
Electricity		14,543	44,527
Travelling & Subsistence		-	4,308
Transport		-	143,830
Water Bowser Expenses		36,000	536,000
Office Expenses		-	2,125
Inspection Charges		-	25,898
CEA Charges		-	130,889
Tractor Payment Boaththa		-	9,080,375
Rehabilitation		-	2,236,054
Mineral Tax		-	175,671
Total Expense	1.2.30	2,285,285	29,132,824
Net Income		(2,285,285)	6,001,407

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	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.31	-	-
<u>Project Expenses</u>			
Road Construction		-	108,000
Total Expense	1.2.31	-	108,000
Net Income		-	(108,000)



Lankapura

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.32	451,468	913,616
Project Expenses			
Cost of Sand		256,200	513,450
Salaries		825,041	810,176
EPF		127,517	151,437
ETF		31,879	37,859
COL		237,600	316,800
Bonus		40,500	40,500
Weekend Allowances		6,110	21,532
Site Allowances		45,000	82,500
Allowances		163,000	354,000
Overtime		25,301	4,858
Fuel		62,000	74,000
Telephone		8,000	13,676
Printing & Stationery		10,548	29,729
Postage		6,295	11,350
Welfare		28,260	62,522
News Paper & Periodicals		1,200	6,030
Travelling & Subsistence		-	4,308
Other Maintenance Charges		7,275	6,350
Transport		75,000	103,908
Rent		81,000	108,000
Office Expenses		920	-
Inspection Charges		-	27,000
TDL Charges		3,000	-
Internet Charges		14,408	17,906
CEA Charges		-	36,480
Mineral Tax		2,313	4,513
Total Expense	1.2.32	2,058,366	2,838,883
Net Income		(1,606,897)	(1,925,267)



Nidanwala

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.33	-	1,581,015
<u>Project Expenses</u>			
Cost of Sand		-	699,400
Salaries		747,734	1,129,952
EPF		116,844	213,906
ETF		29,211	53,477
COL		228,800	457,600
Bonus		-	67,500
Weekend Allowances		-	1,718
Site Allowances		-	67,500
Allowances		216,000	548,000
Overtime		-	25,765
Fuel		1,000	74,420
Telephone		-	12,676
Printing & Stationery		710	4,524
Postage		235	4,490
Welfare		2,663	19,105
Electricity		-	5,149
Water		-	5,370
Other Maintenance Charges		2,900	-
Transport		-	77,422
Rent		108,000	144,000
Water Bowser Expenses		-	85,500
Office Expenses		815	-
Tractor Payment Nidanwala		-	269,000
Internet Charges		14,408	17,906
CEA Charges		-	47,260
Mineral Tax		-	7,905
Total Expense	1.2.33	1,469,319	4,039,544
Net Income		(1,469,319)	(2,458,529)



Welikanda

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.34	-	18,811,235
Project Expenses			
Cost of Sand		-	10,711,125
Salaries		1,642,235	1,844,294
EPF		255,327	364,726
ETF		63,832	91,182
COL		486,413	806,723
Bonus		(4,500)	85,500
Weekend Allowances		3,112	35,498
Site Allowances		60,000	97,500
Allowances		90,000	723,107
Overtime		-	37,624
Fuel		32,500	41,500
Telephone		-	10,000
Printing & Stationery		1,956	20,616
Postage		3,360	7,674
Welfare		21,101	141,456
Electricity		30,994	53,772
Water		-	325
Travelling & Subsistence		-	4,308
Other Maintenance Charges		1,590	31,527
Insurance		-	(5,110)
Transport		-	145,170
Security Charges		183,000	1,184,000
Office Expenses		255	4,515
Internet Charges		15,153	21,170
Mineral Tax		-	94,056
Total Expense	1.2.34	2,886,328	16,552,258
Net Income		(2,886,328)	2,258,977



Other Sand Mining Projects

Kanthale Sand Project

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.35	89,643,132	76,712,509
<u>Project Expenses</u>			
Cost of Sand			
- Mining Cost		27,055,915	18,383,776
- Tractor Payment		36,704,543	29,752,224
Salaries		3,341,237	3,253,438
EPF		522,180	608,167
ETF		130,545	152,042
COL		1,033,148	1,275,016
Bonus		37,615	67,500
Weekend Allowances		86,925	146,843
Site Allowances		107,339	80,000
Other Allowance		21,000	64,500
Allowances		86,710	607,202
Overtime		361,475	532,684
Fuel		353,200	482,330
Telephone		-	17,000
Printing & Stationery		144,374	695,888
Postage		9,965	11,000
Welfare		59,050	232,977
Electricity		111,419	121,169
Water		-	8,650
Consultation Charges		-	132,500
Travelling & Subsistence		89,011	301,237
Other Maintenance Charges		90,517	230,465
Mahaweli Authority Payment		-	24,000
Insurance		-	36,000
Transport		1,642,858	2,552,648
Rent		392,000	1,112,234
Security Charges		2,868,000	2,120,000
Legal Fees		-	145,500
Water Bowser Expenses		265,000	100,000
Office Expenses		5,000	14,924
Hiring Equipment/other		36,000	188,000
Inspection Charges		-	31,954
Business Promotion Expenses		-	5,102
TPL Charges		71,153	187,052
Cook Allowance		13,000	71,500
TDL Charges		19,940	11,367
Loading Charges Kanthale		3,730,965	2,549,123
Labour Charges Kanthale		5,396,000	4,034,000
Total Expense	1.2.35	84,786,084	70,340,010
Net Income		4,857,048	6,372,499

Muthur Sand Project

	Notes	April - December 2020	April - March 2020
Income - Sale of sand	1.1.36	1,629,278	-
<u>Project Expenses</u>			
Cost of Sand		1,059,200	-
Salaries		368,970	-
EPF		56,948	-
ETF		14,237	-
COL		105,600	-
Bonus		54,000	-
Weekend Allowances		26,381	-
Site Allowances		22,500	-
Allowances		114,000	-
Overtime		43,847	-
Fuel		20,660	-
Telephone		300	-
Printing & Stationery		47,429	-
Postage		975	-
Welfare		21,450	-
Electricity		8,073	-
Travelling & Subsistence		69,980	-
Transport		281,120	-
Rent		160,000	-
TPL Charges		27,076	-
C Permit Charges		408,800	-
Total Expense	1.2.36	2,911,547	-
Net Income		(1,282,268)	



Sand Stock Yards

28th Mile Post Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.37	-	6,671,113
<u>Project Expenses</u>			
Cost of Sale		-	4,056,165
Salaries		-	537,683
EPF		-	107,434
ETF		-	26,859
COL		-	237,600
Bonus		3,736	35,876
Weekend Allowances		-	2,654
Site Allowances		-	72,500
Other Allowance & Labour Charges		-	6,500
Allowances		-	120,000
Overtime		-	159,882
Fuel		-	29,000
Telephone		-	4,676
Printing & Stationery		-	7,463
Postage		-	7,050
Welfare		-	78,291
Electricity		(5,351)	55,017
Water		(2,199)	36,396
Travelling & Subsistence		-	4,785
Transport		-	43,830
Rent		175,000	50,000
Security Charges		-	815,000
Mining License & Royalty		-	4,767
Office Expenses		-	2,320
Yard Transport 28th Mile Post		-	1,119,167
Internet Charges		-	16,363
TDL Charges		14,540	46,050
Mineral Tax		-	33,356
Total Expense	1.2.37	185,726	7,716,684
Net Income		(185,726)	(1,045,571)



Bakamoona Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.38	1,863,020	1,952,802
Project Expenses			
Cost of Sale		752,765	752,463
Salaries		331,816	325,570
EPF		51,434	63,764
ETF		12,858	15,941
COL		96,800	140,800
Bonus		13,500	13,500
Site Allowances		45,000	82,500
Other Allowance & Labour Charges		2,500	1,500
Allowances		2,000	65,000
Overtime		1,486	1,315
Fuel		1,140	7,500
Telephone		11,450	9,000
Printing & Stationery		7,824	7,725
Postage		3,820	5,365
Welfare		15,485	16,897
Travelling & Subsistence		235	5,170
Other Maintenance Charges		-	838
Transport		14,584	3,908
Rent		231,477	293,548
Mining License & Royalty		-	14,326
Office Expenses		2,803	1,953
TDL Charges		14,540	15,755
Yard Transport Bakamoona		536,000	584,000
Mineral Tax		9,315	9,764
Total Expense	1.2.38	2,158,833	2,438,102
Net Income		(295,812)	(485,300)

Hingurakgoda Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.39	8,600,978	6,476,059
Project Expenses			
Cost of Sale		6,047,008	4,490,282
Salaries		798,600	540,286
EPF		121,868	97,420
ETF		30,467	24,355
COL		228,800	201,548
Bonus		42,728	13,500
Weekend Allowances		-	2,493
Site Allowances		45,000	82,500
Allowances		14,000	76,000
Overtime		4,919	11,022
Fuel		34,000	39,000
Telephone		8,000	11,000
Printing & Stationery		5,375	7,828
Postage		8,650	8,105
Welfare		21,440	33,175
Travelling & Subsistence		-	5,688
Vehicle Maintenance Charges		6,105	21,060
Transport		22,834	3,908
Rent		225,000	300,000
Mining License & Royalty		-	14,326
TPL Charges		13,275	-
TDL Charges		14,540	31,510
Mineral Tax		43,005	32,380
Total Expense	1.2.39	7,735,614	6,047,386
Net Income		865,364	428,673



Medirigiriya Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.40	8,584,633	8,734,287
<u>Project Expenses</u>			
Cost of Sale		3,829,259	4,147,669
Salaries		588,688	612,168
EPF		89,651	110,267
ETF		22,413	27,567
COL		158,400	214,720
Bonus		27,000	27,000
Weekend Allowances		-	1,681
Site Allowances		67,500	70,500
Allowances		9,000	105,000
Fuel		22,000	40,000
Telephone		-	10,676
Printing & Stationery		7,295	12,520
Postage		9,160	6,625
Welfare		13,445	26,376
Electricity		19,101	17,400
Travelling & Subsistence		-	5,528
Other Maintenance Charges		-	11,320
Transport		42,500	33,908
Security Charges		814,000	1,065,000
Office Expenses		5,895	-
Yard Transport Medirigiriya		2,628,000	3,580,800
Internet Charges		14,408	17,906
TDL Charges		14,540	15,755
Mineral Tax		42,923	44,468
Total Expense	1.2.40	8,425,178	10,204,852
Net Income		159,454	(1,470,565)

Minneriya Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.41	7,964,342	8,499,233
<u>Project Expenses</u>			
Cost of Sale		3,774,964	4,161,643
Salaries		272,790	249,455
EPF		42,239	48,007
ETF		10,560	12,002
COL		79,200	105,600
Bonus		13,500	13,500
Site Allowances		45,000	82,500
Other Allowance & Labour Charges		1,500	3,400
Allowances		-	45,000
Overtime		2,747	1,541
Fuel		-	7,000
Telephone		12,000	9,000
Printing & Stationery		5,206	15,525
Postage		6,500	11,840
Welfare		21,478	19,990
Electricity		30,120	32,050
Water		-	385
Travelling & Subsistence		6,700	6,708
Other Maintenance Charges		950	8,756
Insurance		9,222	-
Transport		18,332	3,908
Rent		220,000	280,000
Security Charges		809,000	1,011,000
Office Expenses		6,666	7,833
Yard Transport & TPL Minneriya		2,364,000	2,344,000
TDL Charges		14,540	-
Mineral Tax		39,822	42,496
Total Expense	1.2.41	7,807,035	8,523,138
Net Income		157,306	(23,905)



Yakkala Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.42	3,291,013	6,463,148
<u>Project Expenses</u>			
Cost of Sale		2,182,118	4,445,769
Salaries		1,317,381	1,091,975
EPF		199,804	205,382
ETF		49,951	51,345
COL		352,000	439,707
Bonus		30,615	40,500
Weekend Allowances		-	1,950
Site Allowances		45,000	82,500
Other Allowance & Labour Charges		3,000	6,000
Allowances		24,000	209,833
Overtime		21,003	-
Fuel		1,000	-
Telephone		31,377	42,296
Printing & Stationery		19,289	25,430
Postage		6,310	8,360
Welfare		11,450	22,671
Electricity		28,254	52,557
Water		10,734	38,317
Travelling & Subsistence		19,890	25,300
Other Maintenance Charges		11,658	45,947
Insurance		65,677	-
Transport		8,600	-
Office Expenses		34,090	9,664
Hiring Equipment/other		15,750	-
Subscription & Registration Fee		25,735	-
TPL Charges		125,613	(2,326)
Internet Charges		-	4,719
TDL Charges		14,540	15,755
Mineral Tax		16,455	32,316
Total Expense	1.2.42	4,671,291	6,895,967
Net Income		(1,380,277)	(432,819)

New Town Stock Yard

	Notes	April - December 2020	April - March 2020
Income	1.1.43	9,949,331	-
<u>Project Expenses</u>			
Cost of Sale		5,244,104	-
Salaries		176,460	-
EPF		27,511	-
ETF		6,878	-
COL		52,800	-
Bonus		13,500	-
Site Allowances		30,000	-
Other Allowance & Labour Charges		12,000	-
Overtime		6,158	-
Fuel		16,500	-
Telephone		6,000	-
Printing & Stationery		18,329	-
Postage		2,830	-
Welfare		5,120	-
Electricity		24,500	-
Travelling & Subsistence		2,000	-
Other Maintenance Charges		63,967	-
Transport		50,000	-
Office Expenses		6,868	-
Hiring Equipment/other		12,000	-
Internet Charges		14,408	-
Yard Transport New Town		1,778,000	-
Mineral Tax		49,747	-
Total Expense	1.2.43	7,619,679	-
Net Income		2,329,652	-

Ampara Sand & Soil

	Notes	April - December 2020	April - March 2020
Income	1.1.44	-	-
Project Expenses			
TPL Charges		-	175,000
Total Expense	1.2.44	-	175,000
Net Income		-	(175,000)

Yan Oya

	Notes	April - December 2020	April - March 2020
Income	1.1.45	-	-
Project Expenses			
Telephone		-	48,377
Welfare		-	25,405
Travelling & Subsistence		-	7,675
Other Maintenance Charges		-	8,180
Transport		-	96,560
Rent		-	(120,000)
Office Expenses		-	1,220
Forest Yan Oya		-	429,800
Rehabilitation		-	71,500
Total Expense	1.2.45	-	568,717
Net Income		-	(568,717)

Hambantota Gravel Project

	Notes	April - December 2020	April - March 2020
Income	1.1.46	-	-
Project Expenses			
Security Charges		377,543	-
Total Expense	1.2.46	377,543	-
Net Income		(377,543)	-



Sand Bags Sale Centre

	Notes	April - December 2020	April - March 2020
Income	1.1.47	-	104,348
<u>Project Expenses</u>			
Cost of Sand - Sand Bag		-	27,600
Cost of Printed Bags		-	18,750
Salaries		-	142,065
EPF		-	33,608
ETF		-	8,402
COL		-	88,000
Allowances		-	50,000
Total Expense	1.2.47	-	368,424
Net Income		-	(264,076)

Other Projects

	Notes	April - December 2020	April - March 2020
Income	1.1.48	-	1,146,310
<u>Project Expenses</u>			
Other Allowance & Labour Charges		-	50,323
Fuel		4,500	-
Welfare		-	29,067
Travelling & Subsistence		10,156	20,140
Transport		5,400	716,196
Mining License & Royalty		243,559	-
Chemical Charges		-	9,720
Total Expense	1.2.48	263,615	825,446
Net Income		(263,615)	320,865

Other Income

	Notes	April - December 2020	April - March 2020
Sundry Income		305,342	2,217
Net Profit	1.1.49	305,342	2,217



Note 2 : Other Non Operating Income

	April - December 2020	April - March 2020
Interest State Mortgage Bank	180,304	359,847
Interest Sampath Bank	678,767	1,382,151
Interest People's Bank	13,745,525	31,764,211
Interest Distress Loan	416,639	396,000
Sampath Bank Savings A/C	-	665
People's Bank Savings A/C	63,078	83,670
Other Income	-	101,210
Income - Tender Deposit	35,185	99,871
	15,119,498	34,187,623

Note 3 : Administration Expenses

	April - December 2020	April - March 2020
Salaries	26,181,670	26,036,036
EPF	3,833,676	4,299,610
ETF	958,419	1,074,902
COL	5,902,889	7,157,123
Incentive	29,154	8,042,101
Bonus	727,015	861,063
Weekend Allowance	496,144	209,463
Site Allowance	1,057,167	1,078,048
Other Allowances & Labour Charges	79,900	115,975
Allowances	3,292,896	5,829,122
Overtime	874,094	723,248
Fuel	1,220,262	984,916
Telephone	820,663	1,014,930
Printing & Stationery	1,733,982	1,947,952
Postage	283,805	370,084
Welfare	944,792	7,049,597
News Papers & Periodicals	12,220	30,720
Electricity	826,062	1,100,956
Travelling & Subsistence	485,627	825,230
Vehicle Maintenance Charges	700	380
Other Maintenance Charges	428,624	2,753,456
Advertising	337,122	569,795
Board & Committee Fees	262,000	492,000
Training & Development	137,000	2,405,380
Insurance	5,952,915	5,232,150



Transport	4,608,342	3,085,002
Rent	2,700,000	3,600,000
Security Charges	629,750	853,637
Secretarial Fees	146,480	208,900
Legal Fees	338,500	244,500
Depreciation	11,816,053	14,205,415
Office Expenses	183,828	190,165
Subscription and Registration Fees	116,932	185,356
Audit Fees	1,255,380	2,981,240
Cleaning Services	966,000	1,252,736
NBT Expense	2,925	13,460,578
Professional Fees	-	280,000
GSMB Staff	-	20,000
Internet Charges	103,641	166,724
Generator Expenses	5,332	53,830
Other Expenses	8,160	3,500
Consultation Charges	-	1,179,466
Gratuity	4,064,657	10,031,018
Translation Charges	50,718	338,303
Business Promotion Expenses	237,375	135,352
Sponsorship	-	2,825,000
Write Off Expense	-	396,362
Air Ticket Charges	-	166,700
Awareness Programs Expenses	-	3,519,418
Research & Development	-	39,320
Lab Charges & Data Acquisition	-	4,775
Bad Debts	24,988	166,882
Doubtful Debts	43,054,707	-
	127,192,566	139,798,417

Note 4 : Finance Cost

	April - December 2020	April - March 2020
Bank Charges	240,156	1,458,250
	240,156	1,458,250

Note 5 : Income Tax Expense

	April - December 2020	April - March 2020
Income Tax for the Year	-	18,208,724
Profit adjustment of Fixed Assets Disposal - 2018/2019	-	427,642
Deferred Tax (Note No.8)		
Increase of Deferred Tax Asset		
Deferred Tax Asset - 2019/2020	4,947,071	-
Deferred Tax Asset - 2020	(19,266,292)	-
Deferred Tax Asset - 2018/2019	-	2,668,554
Deferred Tax Asset - 2019/2020	-	(4,947,071)
	<u>(14,319,221)</u>	<u>(2,278,517)</u>
Decrease of Deferred Tax Liabilities		
Deferred Tax Liabilities- 2019/2020	(284,149)	-
Deferred Tax Liabilities - 2020	990,919	-
Deferred Tax Liabilities - 2019/2020	-	284,149
Deferred Tax Liabilities - 2018/2019	-	(994,324)
	<u>706,770</u>	<u>(710,175)</u>
	<u>(13,612,451)</u>	<u>15,647,674</u>

Note 6 : Prior Year Adjustments

	April - December 2020	April - March 2020
6.1. Refund of License Fees-Mulative	-	51,000
6.2. Correction of Errors		
ETF 3%	-	54,096
AD Construction Creditor recorded as Site preparation Exp.(Hambantota Gravel)	-	1,250,200
Liability Recorded as Expense - Yard Transport Hingurakgoda	-	1,236,000
Total	<u>-</u>	<u>2,591,296</u>



Note 7: Property, Plant & Equipment

Note 7.1 At Cost

	Balance as at 01.04.2020 (Rs.)	Additions	Write Off / Disposal	Balance as at 31.12.2020 (Rs.)
Office Partitioning	22,210,956	320,508	-	22,531,464
Name Board	1,597,610	-	-	1,597,610
Furniture & Fittings	8,466,952	-	-	8,466,952
Computer & Accessories	15,719,264	3,117,100	-	18,836,364
Office Equipment	12,171,228	535,932	-	12,707,159
Field Equipment	34,415,920	18,056,842	-	52,472,762
Motor Vehicles	18,911,962	-	-	18,911,962
Laboratory Equipment	1,334,593	-	-	1,334,593
Communication Equipment	-	443,988	-	443,988
	114,828,484	22,474,369	-	137,302,853

Note 7.2 Depreciation

	Useful Life Time	Depreciation Rate	Balance as at 01.04.2020 (Rs.)	Charges for the Year	Write Off / Disposal	Balance as at 31.12.2020 (Rs.)
Office Partitioning	4 Yrs	25%	11,859,930	3,130,837	-	14,990,768
Name Board	4 Yrs	25%	913,042	207,188	-	1,120,230
Furniture & Fittings	4 Yrs	25%	5,327,834	931,024	-	6,258,859
Computer & Accessories	4 Yrs	25%	9,723,350	2,565,666	-	12,289,016
Office Equipment	4 Yrs	25%	6,295,860	1,627,006	-	7,922,866
Field Equipment	4 Yrs	25%	31,562,746	1,785,166	-	33,347,913
Motor Vehicles	4 Yrs	25%	17,407,795	1,504,167	-	18,911,962
Laboratory Equipment	4 Yrs	25%	1,277,551	13,875	-	1,291,426
Communication Equipment	4 Yrs	25%	-	51,124	-	51,124
			84,368,110	11,816,053	-	96,184,162
Net Book Value			30,460,374			41,118,691



Note 8: Deferred Tax

Difference on Property, Plant & Equipment

	Balance 31.12.2020	Accumulated Depreciation 31.12.2020	Book WDV 31.12.2020	Tax WDV 31.12.2020	Difference	Deferred Tax Rate : 24%	Deferred Tax Asset	Deferred Tax Liability
Office Partitioning	22,531,464	14,990,768	7,540,696	11,498,677	(3,957,981)	(949,915)	949,915	-
Name Board	1,597,610	1,120,230	477,380	453,150	24,230	5,815	-	5,815
Furniture & Fittings	8,466,952	6,258,859	2,208,093	2,448,803	(240,710)	(57,770)	57,770	-
Computer & Accessories	18,836,364	12,289,016	6,547,348	6,487,223	60,125	14,430	-	14,430
Office Equipment	12,707,159	7,922,866	4,784,294	4,264,110	520,184	124,844	-	124,844
Field Equipment	52,472,762	33,347,913	19,124,849	15,638,233	3,486,616	836,788	-	836,788
Motor Vehicles	18,911,962	18,911,962	-	-	-	-	-	-
Laboratory Equipment	1,334,593	1,291,426	43,167	44,400	(1,233)	(296)	296	-
Communication Equipment	443,988	51,124	392,865	355,191	37,674	9,042	-	9,042
	137,302,853	96,184,162	41,118,691	41,189,787			1,007,982	990,919

Difference on Gratuities

Provision for Doubtful Debts

Taxable Loss

	(21,787,588)	-	(21,787,588)	(5,229,021)	5,229,021	-
	(43,054,707)	-	(43,054,707)	(10,333,130)	10,333,130	-
	-	(11,233,997)	(11,233,997)	(2,696,159)	2,696,159	-
					18,258,310	-
					19,266,292	990,919



Note 9 : Inventories

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Sand Stock at Manampitiya	-	40,783
Sand Stock at Welikanda	18,000	18,000
Sand Stock at Aralaganwila	1,300	1,300
Sand Stock at Hingurakgoda	139,866	108,903
Sand Stock at Yakkala	211,717	139,281
Sand Stock at Bakamuna	52,582	113,870
Sand Stock at Mahawelithanna	3,059	3,059
Sand Stock at Nidanwala	158,532	158,532
Sand Stock at 28th Mile Post	54,506	54,506
Sand Stock at Minneriya	124,999	72,443
Sand Stock at Medirigiriya	175,736	289,019
Sand Stock at Boaththa	3,000	3,000
Sand Stock at Kanthale	13,550,081	15,874,114
Sand Stock at New Town	34,555	-
Sand Stock at Muthur	28,800	-
Gravel Stock at Welioya	1,500	1,500
Consumable Stock	5,135,102	3,469,487
Sand bags	7,588	7,588
Printed Sand bags	208,604	208,604
	19,909,527	20,563,988



Note 10 : Trade Receivables

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
AARKING Engineering (pvt)Ltd	-	6,013
Access Engineering Ltd	37,175	37,175
Access Engineering PLC	-	86,400
Ashoka Senadeera	308,359	308,359
B A Kanthi	49,950	49,950
B.J.Engineering	57,110	57,110
B.P.Gunarathna Company (Pvt)Ltd	314,245	314,245
Biue Ocean Group of Companies	62,756	62,756
C.Nihal Muthukumarana	3,785	28,785
C.P.Jayasinghe	26,798	26,798
Cargills Foods Company Pvt. Ltd	14,153	14,153
CATIC	158,117	158,117
CG Product & cons.(pvt)Ltd	34,258	-
China Harbour Eng.Com.Ltd (Halbarawa)	-	377,400
China Harbour Eng.Com.Ltd (Leenawatta)	1,623,759	1,313,278
China Harbour Eng.Com.Ltd	-	93,270
China Machinery Engineering Corporation	5,508	5,508
China National Electric Eng.Com.Ltd	5,101,528	3,305,440
China State Cons. Eng. Cor.Ltd	7,468,997	8,397,711
China State Cons. Eng. Cor.Ltd - Hambanthota Gravel	11,730	11,730
CML MTD Construction Ltd.	-	49,319
D.P.Jayasinghe Piling Co.(Pvt.)Ltd	346,979	346,979
Damsila Exports Pvt.Ltd	1,494,500	1,494,500
Dimuthu Lakmal	31,320	-
E.D.P.N. Ruwan Pathirana	11,917	11,917
Eastern Minerals Pvt.Ltd	1,359,750	1,359,750
Eranga Lakmal	51,240	51,240
G.Murugeswaran	-	161,460
G.Srikandarajah	679,308	679,308
Gunasena Mallawarachchi	117,300	234,600
H.Chamidu Sujana Mendis	7,400	7,400
H.L.Sumanasiri	163,504	163,504
H.M.K.P.L.D.H. Rathkinda	64,915	64,915
I.B.J.C.Samarasinghe	258,881	258,881
ICC Pvt. Ltd	669,757	669,757
Italy Lanka Real Estate Com.Pvt.Ltd	-	24,965
J.P.K.L.Engineering & Developers Pvt.Ltd	97,652	97,652
Jacob Sienna Leisure Pvt.Ltd	435,675	435,675
K.A.Advin	34,895	34,895
K.A.Karunadasa	40,000	40,000
K.D.A.Weerasinghe & Co.(pvt)Ltd.-Batapola	861,000	-
K.D.A.Weerasinghe (Pvt) Ltd	725,666	1,316,966
K.D.A.Weerasinghe (Pvt) Ltd (Madawachchiya)	88,822	88,822
K.D.Ebert & Sons Holding Pvt.Ltd	392,000	-
K.M.Nandasara	307,745	307,745





K.Sivanatham	129,060	129,060
K.T.Weerakoon	1,088,000	1,188,000
Kajen Construction	14,694	14,694
Kanthale Debtors	2,149,064	2,170,664
Kumagai Gumi Co.Ltd	13,910	13,910
L.J.M.Sajith Dilanga	31,320	-
Lalinda Liyanage	174,154	174,154
Lanka Ceramic PLC	69,207	69,207
Lanka Mineral Sands Limited	514,845	514,845
Lanka Phosphate LTD.	73,138	-
Leading Crusher Works	84,000	84,000
Limor Lanka Pvt. Ltd	727,358	967,358
M.A.I.M.P.Kumara	156,800	156,800
M.D.E Kodithuwakku	34,800	34,800
M.L.Jayarathne	21,948	21,948
M.N.S.Kumari	63,883	178,883
M.R.Sri Lal	792,376	792,376
Maga Eng.(Pvt) Ltd - Pothuhera-Wadakada	2,150,429	-
Maga Engineering (Pvt) Ltd - Kurunegala	834,840	1,540,861
Maga Engineering (Pvt) Ltd Central Exp	-	92,565
Maga Engineering (Pvt) Ltd	329,560	329,560
Marine Drive Hotel Project	7,840	23,520
Melanka Industrial Services Pvt.Ltd	72,121	72,121
Metal Mix (pvt) Ltd	70,200	164,571
Metro Colombo Solid Waste Mgnt.Project	91,282	-
Milroy Auto Engineers	5,851	5,851
Ministry of Environment	1,403,600	1,403,600
M.S.D.Perera	291,873	291,873
Mulathivu Debtors	99,000	99,000
N.Umesh	-	136,080
Neel Shantha	127,271	127,271
NEM Construction (pvt) Ltd	2,098,460	-
NEM Construction Pvt.Ltd - Bopitiya	1,047,200	-
Nimal Enterprises	606,061	478,423
Nimal Enterprises - Diddeniya	277,714	236,057
Nurani Estate	1,629,102	1,841,384
Office of the Chief Secretary-Anuradhapura	6,958	6,958
Olympus Construction (Pvt)Ltd	95,013	95,013
P.Achila Udara	90,000	90,000
P.M.D.Fernando	114,968	114,968
Pibidemu Polonnaruwa	3,576,208	1,116,213
Piramal Glass Ceylon PLC	321,149	122,037
Prime Logistic Services Inter. (Pvt) Ltd	78,000	78,000
Rasika Gayan Ekanayake	56,000	56,000
Reliance Holding	9,000	9,000
Road Development Authority	1,657,600	-
Road Development Authority (OCHP)	326,340	326,340
Romax Construction (Pvt.) Ltd	311,202	311,202
S.D.P.De Silva	50,000	50,000
S.K.D.Lakshman	296,619	296,619
S.K.Subasinghe	41,625	41,625
San Piling (pvt)Ltd	223,020	-



S.Wijerathne	-	86,125
Sarcon Development (pvt) Ltd	-	193,622
Senura Holdings (Pvt) Ltd	85,704	85,704
Senura Trading (Pvt) Ltd	329,027	329,027
SGS Lanka	-	28,836
Sinohydro Corporation Limited	12,000	995,647
Sky Enterprises	524,117	524,117
Sri Lanka Ports Authority	1,969,710	1,969,710
Superior Construction (Pvt)Ltd	-	65,090
Sripalie & Dhaly JV Pvt.Ltd	557,280	-
State Development & Cons.Corporation	354,780	-
T.Thevananttaraja	-	157,140
Tasma International Multy Ser.(pvt) Ltd	36,797	1,619,537
Thirupathi Constructions	104,070	104,070
Three Sanka Holdings Lanka (Pvt) Ltd	38,187	38,187
Tudawe Brothers (Pvt)Ltd	5,882	10,162
TMC Company Ltd	20,514	20,514
U.V.Buddika Ravindra	557,122	557,122
United Granite Products (Pvt) Ltd	155,227	155,227
Vista Venture International Pvt. Ltd	32,258	32,258
W.A.Dinesh Udaya Kumara	1,111,937	1,111,937
W.A.Pushpakumara	33,600	33,600
W.K.S.Kumara	88,562	88,562
W.S.Padmalal	56,656	56,656
W.U.S.Logistics (pvt) Ltd	-	73,200
Walkers Piling Pvt. Ltd	16,480	24,480
Wasantha Kuruppu	23,460	23,460
Y.A.Neel	65,688	65,688
Yahangala Estate	159,797	159,797
	54,391,968	47,231,333

Note 10.1

Gross Trade Receivables (Note 10)	54,391,968
Less: Provision for Impairment of Trade Receivables	(36,237,346)
Net Trade Receivables	18,154,622

Note 10.2

Provision for impairment of trade receivables

As at 31st December 2020, the ageing analysis of trade receivables, is as follows:

	Total	Past Due				
		60 days	120 days	180 days	240 days	360 days
As at 31st December 2020	36,237,346	547,648	447,697	413,100	2,255,093	32,573,808
As at 31st March 2020	-	-	-	-	-	-



Note 11: Other Receivables

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Field Advance	15,056	15,630
Other Advance	292,268	1,416,245
Festival Advance	62,355	62,355
ESC Receivable	119,999	3,365,145
ESC Receivable for Previous Years	262,860	262,860
Rent Advance	1,619,516	473,516
Distress Loan	14,135,809	10,613,935
Boat Loan	393,661	425,429
Ongoing Projects	-	2,049,600
Advance (Purchases)	1,050,695	1,493,194
Prepayment Insurance	3,581,712	-
WHT Recoverable	-	1,105,111
Prepaid Tax	17,297,197	15,796,088
Petty Cash Advance	85,087	466,009
Receivable Deposit	477,500	197,500
Deposit - Mulative Gravel Project	400,000	400,000
Advance - Department of Forest (Yan Oya)	454,506	454,506
Other Receivables	550,050	829,156
Interest Receivable	3,243,591	9,421,357
Fuel Deposit	1,200,000	500,000
Prepayment Mining License	1,624,716	889,303
Advance Kanthale	20,755,046	19,441,594
Receivable from Aralaganwila	6,872	6,872 *
Salary Advance	9,000	-
Total	67,637,496	69,685,405

Note 12 : Amount Due from Related Parties

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Geological Survey & Mines Bureau	14,628,570	18,879,819
	14,628,570	18,879,819

Note 12.1

Gross Amount Due from Related Parties (Note 12)	14,628,570
Less: Provision for impairment of Due from Related Parties	(6,817,361)
Net Amount Due from Related Parties	7,811,208

Note 12.2**Provision for impairment of Amounts Due from Related Parties**

As at 31st December 2020, the ageing analysis of receivables from Related Parties, is as follows:

	Total	Past Due				
		60 days	120 days	180 days	240 days	360 days
As at 31st December 2020	6,817,361	24,562	-	-	-	6,792,799
As at 31st March 2020	-	-	-	-	-	-

Note 13 : Investments

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Fixed Deposit - Sampath Bank	14,287,253	13,739,191
Fixed Deposit - State Mortgage Bank	3,500,000	3,500,000
Fixed Deposit - People's Bank	253,396,561	233,355,631
	271,183,814	250,594,822

Note 14: Cash & Cash Equivalents

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Sampath Bank A/C No.001710004982	7,733,839	13,772,102
People's Bank A/C No.337100140000881	8,744,115	41,835,843
Nations' Trust Bank A/C No.100270004596	57,632	4,455,347
Sampath Bank Savings A/C	-	9,112
People's Bank Savings A/C	2,295,188	2,232,110
	18,830,774	62,304,514

Note 15: Stated Capital

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
600,000 Shares @ Rs.10.00 (Note 15.1)	6,000,000	6,000,000
	6,000,000	6,000,000

Note 15.1: Share Holding (No of Shares)

Geological Survey & Mines Bureau	400,000	400,000
Lanka Phosphate Ltd.	100,000	100,000
National Gem & Jewellery Authority	100,000	100,000
	600,000	600,000

Note 15.2: Authorized Share Capital

2,000,000 Shares @ Rs.10.00 = Rs.20,000,000.

Note 16: Defined Benefit Plan

	Rs.
Balance as at 01st April 2020	17,722,931
Add: Provision made during the year	4,064,657
	21,787,588
Less: Benefits paid by the plan	-
Balance as at 31st December 2020	21,787,588



Note 17: Trade Payables

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Creditors Manampitiya	4,105,286	46,236
Creditors Welikanda	158,795	158,795
Creditors Lankapura	4,207	10,507
Creditors Nidanwala	7,175	7,175
Creditors Yan Oya	151,200	151,200
Creditors Kanthale	-	840,500
Wild Life Manampitiya	18,691,358	7,404,062
Wild Life Manampitiya Phase II	460	460
Wild Life Kanthale	2,845,886	566,106
Forest Department Muthur	209,632	-
Welfare Fund Manampitiya	5,460,762	7,760,762
Welfare Fund Manampitiya Phase II	156,050	156,050
CSR Fund - Manampitiya	359,396	626,646
CSR Fund - Manampitiya Phase II	62,420	62,420
CSR - Welikanda	142,815	142,815
CSR - Aralaganwila	231,081	231,081
CSR - Nidanwala	25,440	25,440
CSR - Boaththa	127,857	1,127,857
CSR - Kanthale	764,250	764,250
Rehabilitation - Manampitiya	12,257,304	8,504,314
Rehabilitation - Manampitiya Phase II	124,840	124,840
Rehabilitation - Welikanda	1,243,037	1,243,037
Rehabilitation - Aralaganwila	806,145	1,243,145
Rehabilitation - Lankapura	41,813	32,663
Rehabilitation - Nidanwala	314,103	314,103
Rehabilitation - Boaththa	66,600	66,600
Rehabilitation - Yan Oya	47,737	47,737
Rehabilitation - Kanthale	-	(935,289)
Mahaweli Authority - Welikanda	347,638	347,638
Mahaweli Authority - Aralaganwila	500	500
Mahaweli Authority - Katuwanwila	41,850	41,850
Mahaweli Authority - Weli Oya	228,960	228,960
Mahaweli Authority - Kanthale	13,514,040	-
Mining License & Royalty - Manampitiya	37,116,344	46,028,491
Mining License & Royalty - Manampitiya Phase II	165,598	1,327,986
Mining License & Royalty - Welikanda	2,790,111	2,934,053
Mining License & Royalty - Aralaganwila	1,504,998	1,558,566
Mining License & Royalty - Lankapura	67,894	118,172
Mining License & Royalty - Mahawelithenna	10	10
Mining License & Royalty - Nidanwala	512,200	698,133
Mining License & Royalty - Boaththa	311,716	1,337,112
Mining License & Royalty Kanthale	664,279	1,192,236
ML & Royalty - Yan Oya	84,647	84,647
ML & Royalty - WeliOya	19,801	19,801
Royalty Charges - Mulathive Gravel	-	272,994
Royalty Charges - Muthur	114,394	-

Local Development Fund - Manampitiya	6,861,863	5,166,900
LDF - Manampitiya Phase II	300	300
LDF - Aralaganwila	211,562	211,562
LDF - Lankapura	7,425	14,288
LDF - Mahawelithenna	-	56,775
LDF - Katuwanwila	-	62,925
Loading Payment - Manampitiya	2,560,950	3,237,131
Loading Payment - Manampitiya Phase II	78,606	78,606
Loading Charges - Welikanda	479,473	479,473
Loading Charges - Aralaganwila	88,988	88,998
Loading Charges - Mahawelithenna	836,990	836,990
Loading Charges - Nidanwala	9,001	9,001
Loading Charges - Boaththa	453,633	453,624
Loading Charges - Ampara	552,770	552,770
Loading Charges - Muthur	233	-
Yakkala Loading	462,070	462,070
Yard Transport Yakkala	1,061,574	1,143,068
Transport Charges Hingurakgoda	511,502	189,001
Pibidemu Polonnaruwa - Transport	24,001	1,062,466
Local Development Fund - Yan Oya	97,400	97,400
Department of Irrigation - Yan Oya	97,400	97,400
Retention Payable	3,432,397	1,866,921
Advance Received on Projects	26,947,840	28,186,566
Refundable Deposit - Full Body Lorries	648,000	648,000
Refundable Deposit	50,000	50,000
Refundable Tender Deposit	408,617	1,418,572
Performance Bond	250,000	100,000
Refundable Bid Bond	200,000	20,000
	152,223,223	133,505,470

Note 18: Accruals & Other Payables

	Notes	Balance as at 31.12.2020 Rs.	Balance as at 31.03.2020 Rs.
Staff Salary Payable		2,032,246	1,672,664
EPF & ETF Payable		2,510,478	2,481,041
WHT Payable		-	3,000
Incentive Payable		-	10,391,563
Bonus Payable		1,868,843	-
Stamp Duty		19,500	19,700
Staff Welfare Contribution		8,500	138,000
Provision for Penalty on Tax in Default	18.1	158,128	158,128
Accrued Audit Fees		2,361,000	1,105,620
Accrued Mineral Tax		659,583	519,651
Accrued Expenses		14,928,884	7,860,192
Accrued Income Tax	18.2	-	18,208,724
Provision for Penalty on Royalty		1,513,857	1,513,857
VAT Control		4,167,667	7,110,043
		30,228,686	51,182,183

Note 18.1 : Provision for Penalty on Tax in Default

The Company has paid Rs.1,581,277.24 as Taxes in Default in F/Y 2016/2017 for previous years and not paid the penalty of 10% on default tax. A request has been made to The Department of Inland Revenue to waive off total penalty and the approval is pending.

	Rs.
Tax in Default	1,581,277
Penalty on Tax in Default - 10%	<u>158,128</u>

Note 18.2 : Accrued Income Tax

	Balance as at 31.12.2020	Balance as at 31.03.2020
	Rs.	Rs.
Income Tax Payable	-	18,208,724
	<u>-</u>	<u>18,208,724</u>

Note 19 : Dividend Payable

Final dividend of Rs.5/- per share as the dividend for the financial year 2019/2020 has been declared on 30th November 2020 and the payment will be made after the Solvency Test.

Note 20 : Change in Financial Year

The financial year end of the Company was changed from 31st March to 31st December. Accordingly, the current financial statements are prepared for 09 months from 1st April 2020 to 31st December 2020. Comparative figures were taken from previous audited financial year (From 01st April 2019 to 31st March 2020).

Note 21 : Events After the Reporting Period

No circumstances have arisen after the reporting date which would require adjustments to, or disclosure in the financial statements.

Note 22 : Related Party Disclosures

Amount due from Related Parties

Amount Receivable as at 31st December 2020 = Rs. 14,628,570
(From Geological Survey & Mines Bureau)



Note 23 : Key Management Personal Compensation

Name	Designation	Payment (Rs.)
Mr.Anura Walpola	Chairman	523,329
Mr.R.M.S.P.K.Rathnayake	Former CEO	1,266,965
Mr.T.P.Aluthpatabadige	CEO	295,393
Mrs.J.V.G.Nimali	Director	70,000
Mr.Amitha Gamage	Director	24,000
Mr.Anil Ranasinghe	Director	84,000
Mr.Thilak Weerasinghe	Director	36,000
Total		2,299,687

Note 24 : Contingent Liabilities/Assets

There are two pending court cases against GSMB Technical Services (Pvt) Ltd, that can not be reasonably estimated as at 31st December 2020.



GSMB Technical Services (Pvt) Ltd
Period of Assessment 2020 (09 Months)

Summary of Sources of Income

	Notes	Rs.
Business Income	01	(26,318,309)
Investment Income	02	15,084,312
Total Assessable Income		(11,233,997)

Deductions

Qualifying Payments	-
Taxable Income	(11,233,997)

Income Tax Payable

April 2020 to December 2020	@ 24%	-
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Tax Credits

WHT	-
ESC	-
Self Assessment Payments	8,293,486
Income Tax Refund for the period 2020	8,293,486

* Balance tax refund B/F from Previous year	9,003,711
* Tax refund for 2020 (09 months)	8,293,486



GSMB Technical Services (Pvt) Ltd
Period of Assessment 2020 (09 Months)

Notes on Computation

01. Business Income

	Notes	Rs.
Net Profit/(Loss) Before Taxation		(56,903,035)
Add:		
Depreciation		11,816,053
Gratuity Provision		4,064,657
Disposal Loss - Capital assets		-
Provision for Doubtful Debts		43,054,707
Other Legal fees		184,500
		<u>59,119,917</u>
		<u>2,216,882</u>
Deduct:		
Capital Allowances	1.1	(13,450,879)
Interest		(15,084,312)
Gratuity Payment		-
Balancing allowance		-
		<u>(28,535,191)</u>
Profit/(Loss) from trade or business (as adjusted for tax purposes)		<u><u>(26,318,309)</u></u>

02. Investment Income

	Rs.
Interest State Mortgage Bank	180,304
Interest Sampath Bank	678,767
Interest People's Bank	13,745,525
Interest Distress Loan	416,639
Sampath Bank Savings A/C	-
People's Bank Savings A/C	63,078
	<u>15,084,312</u>

GSMB Technical Services (Pvt) Ltd

For the Year of Assessment 2020 (09 Months)

Notes on Computation

1.1 Depreciation allowance claimable

	Year of Purchase	Tax Allowance Rate	Purchase Cost of the Asset	Depreciation Allowance for the period 2020 (09 months)
			Rs.	Rs.
Furniture & Fittings	2014/15	20%	602,306	-
	2015/16	20%	304,719	-
	2016/17	20%	606,924	121,385
	2017/18	20%	1,287,707	257,541
	2018/19	20%	592,482	118,496
	2019/20	20%	2,731,818	546,364
Office Partition	2017/18	20%	2,541,400	508,280
	2018/19	5%	3,873,860	193,693
	2019/20	5%	8,214,594	410,730
	2020	5%	320,508	16,025
Fittings	2011/12	12.5%	6,655,090	-
	2012/13	12.5%	2,143,557	-
	2014/15	12.5%	2,521,408	315,176
	2015/16	33.33%	505,000	-
	2016/17	33.33%	2,880,000	-
Office Equipment	2013/14	12.5%	3,769,696	471,212
	2015/16	33.33%	386,986	-
	2016/17	33.33%	1,987,576	-
	2017/18	33.33%	357,028	-
	2018/19	20%	2,490,604	498,121
	2019/20	20%	4,731,870	946,374
	2020	20%	535,932	107,186
Laboratory Equipment	2013/14	12.5%	271,500	33,938
	2019/20	20%	74,000	14,800
Manampitiya Equipment	2010/11	12.5%	2,469,727	-
	2011/12	12.5%	376,234	-
Manampitiya Loader	2010/11	12.5%	8,981,370	-
Field Equipment	2015/16	12.5%	47,000	5,875
	2016/17	33.33%	2,838,690	-
	2017/18	33.33%	1,721,576	-
	2018/19	20%	1,394,771	278,954
	2019/20	20%	1,038,500	207,700
	2020	20%	18,056,842	3,611,368
Name Board	2010/11	12.50%	39,000	-
	2016/17	33.33%	127,140	-
	2018/19	20%	964,500	192,900
	2019/20	20%	112,250	22,450
Telephone System	2010/11	12.50%	60,420	-
Computers	2015/16	25%	199,200	-
	2016/17	25%	378,500	-
	2017/18	25%	1,853,250	463,313
	2018/19	20%	3,909,006	781,801
	2019/20	20%	4,049,900	809,980
	2020	20%	3,117,100	623,420
Motor Vehicles	2016/17	20%	9,025,000	1,805,000
Communication Equipment	2020	20%	443,988	88,798
				13,450,879

GSMB Technical Services (Pvt) Ltd

NOTES TO THE SCHEDULE

For the Year of Assessment 2020 (09 Months)

CAPITAL ALLOWANCE DETAILS

	Year of Purchase	Tax Allowance Rate	Purchase Cost of the Asset Rs.	Accumulated Allowance 2019/2020 Rs.	Allowance for the year 2020 (09 months) Rs.	W.D.V. 2020 Rs.
Furniture & Fittings	2014/15	20%	602,306	602,306	-	-
	2015/16	20%	304,719	304,719	-	-
	2016/17	20%	606,924	485,539	121,385	-
	2017/18	20%	1,287,707	772,623	257,541	257,543
	2018/19	20%	592,482	236,992	118,496	236,994
	2019/20	20%	2,731,818	546,364	546,364	1,639,090
Office Partition	2017/18	20%	2,541,400	1,524,840	508,280	508,280
	2018/19	5%	3,873,860	387,386	193,693	3,292,781
	2019/20	5%	8,214,594	410,730	410,730	7,393,134
	2020	5%	320,508	-	16,025	304,483
Fittings	2011/12	12.5%	6,655,090	6,655,090	-	-
	2012/13	12.5%	2,143,557	2,143,557	-	-
	2014/15	12.5%	2,521,408	1,891,056	315,176	315,176
	2015/16	33.33%	505,000	505,000	-	-
	2016/17	33.33%	2,880,000	2,880,000	-	-
Office Equipments	2013/14	12.5%	3,769,696	3,298,484	471,212	-
	2015/16	33.33%	386,986	386,985	-	-
	2016/17	33.33%	1,987,576	1,987,576	-	-
	2017/18	33.33%	357,028	357,028	-	-
	2018/19	20%	2,490,604	996,242	498,121	996,241
	2019/20	20%	4,731,870	946,374	946,374	2,839,122
	2020	20%	535,932	-	107,186	428,746
Laboratory Equipment	2013/14	12.5%	271,500	237,563	33,938	-
	2019/20	20%	74,000	14,800	14,800	44,400
Manampitiya Equipment	2010/11	12.5%	2,469,727	2,469,728	-	-
	2011/12	12.5%	376,234	376,234	-	-
Manampitiya Loader	2010/11	12.5%	8,981,370	8,981,368	-	-
Field Equipments	2015/16	12.5%	47,000	29,375	5,875	11,750
	2016/17	33.33%	2,838,690	2,838,690	-	-
	2017/18	33.33%	1,721,576	1,721,576	-	-
	2018/19	20%	1,394,771	557,908	278,954	557,909
	2019/20	20%	1,038,500	207,700	207,700	623,100
	2020	20%	18,056,842	-	3,611,368	14,445,474
Name Board	2010/11	12.50%	39,000	39,000	-	-
	2016/17	33.33%	127,140	127,140	-	-
	2018/19	20%	964,500	385,800	192,900	385,800
	2019/20	20%	112,250	22,450	22,450	67,350
Telephone System	2010/11	12.50%	60,420	60,420	-	-
Computers	2015/16	25%	199,200	199,200	-	-
	2016/17	25%	378,500	378,500	-	-
	2017/18	25%	1,853,250	1,389,937	463,313	-
	2018/19	20%	3,909,006	1,563,602	781,801	1,563,603
	2019/20	20%	4,049,900	809,980	809,980	2,429,940
	2020	20%	3,117,100	-	623,420	2,493,680
Motor Vehicles	2016/17	20%	9,025,000	7,220,000	1,805,000	-
Communication Equipment	2020	20%	443,988	-	88,798	355,191
			111,590,529	56,949,862	13,450,879	41,189,786

GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2020

1. CORPORATE INFORMATION

1.1 General

GSMB Technical Services (Private) Limited. (“Company”) is a liability limited company and a subsidiary company of Geological Survey and Mines Bureau, incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No.190/A, Ratnaweera Building, Stanley Thilakarathne Mawatha, Nugegoda and the principal place of business is also situated at the same place.

1.2 Nature of the Operations and Principle Activities

Basically the company is a service provider relating to mineral technology and principle activities of the company are as follows.

Blasting & Monitoring

Preparation of GPS Survey Reports

Crack Survey

Economic Viability Reports (EVR)

Initial Environmental Examination Reports (IEER)

Sand & Graphite Survey Reports

Technical Officer Services

Provides Human resources for mineral based industries and other allied industries

Dust, Air, Noise & Vibration Monitoring

Sale of Sand

Sale of Gravel & Soil etc.

2. BASIS OF PREPARATION

2.1 General

The financial statements have been prepared on a historical cost basis and are presented in Sri Lankan Rupees.

2.2 Statement of Compliance

These financial statements have been prepared in accordance with the Sri Lankan Financial Reporting Standard for Small and Medium-sized Entities issued by the Institute of Chartered Accountants of Sri Lanka.

2.3 Going Concern

The Company has made an assessment of its ability to continue as a going concern and they do not intend either to liquidate or to cease trading.



GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2020 (Contd)

2.4 Comparative Information

The accounting policies have been consistently applied by the Company and, are consistent with those used in the previous year. Prior year figures and phrases have been re-arranged where necessary to conform to the current year presentation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign Currency Translation

The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.2 Taxation

Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is provided using the temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the balance sheet.



GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2020 (Contd)

3.3 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae: -

Materials	- At purchase cost on first-in first-out basis
Finished Good/Services	- At the cost of direct materials
Good in Transit	- At purchase cost

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

3.4 Financial Instruments

Financial Assets

Trade and other receivables, Investments and cash and cash equivalents

These financial assets are recognized initially at the transaction price. Subsequently they are measured at amortized cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognized in profit or loss.

Other short-term financial assets

Other short-term financial assets comprise staff loans, refundable deposits and prepaid expenses. They are recognized initially at transaction price.

Financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are recognized initially at transaction price. After initial recognition they are measured at amortized cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.



GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2020 (Contd)

3.5 Property, Plant and Equipment

Property, Plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on a straight line basis over the useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

3.6 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3.6.1 Impairment of Financial Assets

For trade receivables, the Company applies simplified approach which has been approved by the Board of Management. The Company has established a provision for doubtful debts for the first time as at 31st December 2020 and adjusted to the trade debtors including receivables form related parties. The policy is as follows;

	Past Due				
If the Invoice date exceeds	60 days	120 days	180 days	240 days	360 days
Percentage of provision	10%	25%	50%	75%	100%

3.7 Retirement Benefit Obligations known as Severance Fund

Defined Benefit Plan - Gratuity

Gratuity is a defined benefit plan. Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the balance sheet.

The gratuity liability is not externally funded.

GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2020 (Contd)

Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for employees' provident fund contributions and employees' trust fund contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to employees' provident fund and employees' trust fund respectively.

3.8 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

(a) Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

(b) Interest

Interest income is recognized on an accrual basis using the effective interest method.

(c) Others

Other income is recognized on an accrual basis.

3.9 Directors Interest in Contracts

No directors of the company are directly or indirectly involved in any transactions.

4. Authorization

The financial statements were approved by the Board of Directors on 19th February 2021.



GSMB TECHNICAL SERVICES (PVT) LTD.

23rd June 2021

You're No: IEN/D/GSMBTS/1/20

My No. : GSMBTS/IA/NAO/ARF/202

The Auditor General,

National Audit Office

No. 306/72,

Polduwa Road,

Battaramulla.

The Auditor General,

Report of the Auditor General on the Financial Statements and other Legal and Regulatory requirements of the GSMB Technical Services (Pvt.) Ltd. Company for the year ended 31st December 2020 in terms of Section 12 of the National Audit Act No. 12 of 2018.

The Comments and explanations of the Company in regard to the aforesaid report are submitted herewith.

Anura Walpola

Chairman/GSMB Technical Services (Pvt.) Ltd.

Copies: Audit Superintendent,
 File

**Replies to the Auditor General's Report on the Financial Statements of the GSMB
Technical Services (Pvt.) Ltd. Company for the period of 09 months ended 31st December
2020 in terms of section of 12 of the National Audit Act No. 19 of 2018.**

1.2 Basis for the qualified Opinion

- (a) Only 3 motor cycles, out of the fixed assets of 8 motor cycles and one push bicycle existing in various projects of the Company, are used presently and the other assets were identified as assets to be disposed of when the Fixed Asset Survey Report was prepared. The report concerned was submitted to Board of Directors for its approval and the Board of Directors gave instructions to dispose of the said assets subsequent to their being valued by asset valuer. Accordingly, though a request was made from the Chief Value of Sri Lanka Valuation Department to get the services of a government valuer for that purpose, no response has been made for it until now.
- (b) The construction of protection dams in Mahaweli river in Suriyapura area in Kanthale was done upon an initial agreement made at the commencement of the Kanthale project and with effect from the beginning of the project an amount of money collected from every cube of sand used for the construction of the dam was credited into an Account of Allocations for Rehabilitation Work and deductions were recorded when making payments to the relevant parties for the construction of the dam. This is not an income obtained from mining sand as is mentioned in the audit report and this account is maintained as a Liabilities Account which is maintained as other liabilities accounts such as "Payments to Mahaweli Authority", "Royalty payments" , "Payments to the Department of Wild Life" and "Payments to Loaders" which are included in almost every other project. Although the debit balance of 4,519,376 rupees in that fund as at 31.12.2020 was shown in the Receivable Advance Account, the relevant amount of money can be covered after all the stocks of sand of the Kanthale Sand project are sold out.

2. Report on other Legal and Regulatory Requirements:

Rules / Reference to Directions.

- (a) An audit plan which is required to put into effect the Action Plan of the institution in an effective manner, had not been prepared due to the fact that an Internal Audit Section had not been operative in the Company for almost over last 2 years.

However, action is already being taken to prepare an audit plan as the audit section has been established again and the other activities of the audit section are also being carried out efficiently.

(b) (i) A Corporate plan was prepared in the year 2018 for GSMB Technical Services (Pvt.) Ltd. for the five years from the year 2019 up to 2023 and any of the lands and manufacturing buildings owned by the Company currently have not been included in the aforesaid plan. An approved institutional structure is not available in the Company at present and the current institutional structure has been submitted to the relevant institutions for obtaining approval.

(ii) A revised budget was prepared by us for the period of 9 months ended 31st December 2020 and it was submitted to the 147th meeting of the Board of Directors. Though the approval of the Board of Directors had been given to the said document in that meeting, it was not properly interpreted in the minutes of the aforesaid meeting. This error was rectified by the minutes of the meeting of Board of Directors held 25th January, 2021.

(iii) As an institution which provides technical services as well as an institution which makes an effort to provide publicity to its services within a broad range, we have identified the intervention of the Ministry as the principal means by which most of our clients get information regarding our services and seek the relevant services provided by us. Therefore, the Company felt the need of coordinating with the Secretary to the Ministry incessantly in order to have a constant relationship with the Ministry. Accordingly when the aforesaid need arose, the two employees who could be released from duties officially for carrying out the aforesaid co-ordination activity were attached to the Ministry. The relationship created with the Ministry was instrumental to facilitate the processes of several important tasks, such as the procedure of confirming the employees of the Company on their posts and the formulation of a Scheme of Recruitment for the Company, which had been lingering on for a long period of time.

I wish to specially inform that the active contribution of these persons was received for co-coordinating the activities such as Kotigambokka Quartz Mining Project, Balangoda Calcite Project and Sand Distribution Project that operate upon the recommendation of the Presidential Task Force. Accordingly our employees have been attached to the Ministry in order to fulfill the requirements of the Company but not to fulfill the requirements of the Ministry.

Therefore , I wish to state that no action has been done in contravention of section 8.3.9 of PED Circular No. 12 and the employees were attached to the Ministry only with the objective of fulfilling the aforesaid need of the Company.

(c) An action plan was prepared for the year 2020 and it was sent to the Ministry on 31.01.2020 for obtaining its approval for it.

2.2.4

(a) There are no institutions from which Micro mate machines with the Manufacturer Authorization for Sale in the Market can be purchased. Our Company had not purchased these machines earlier and it was for the first time that the procurement activities were commenced for purchasing them. Therefore, necessary sources could not be found for the preparation of a correct cost estimate. However, procurement activities were done under the methodology of “National Competitive Bidding” and it should be mentioned that the minimum number of bids to be received under “National Competitive Bidding” methodology is not set out in the Code of Procurement Guidelines.

(b) As the cost estimate had been made using the information on the internet in the previous procurement process, an erroneous cost estimate had been made. A cost estimate was prepared in this manner at least using the information on the internet as there were no institutions to be found in the market where this drilling machine with the Manufacturer Authorization could be purchased. The approval of the Additional Secretary of line Ministry, who provides approval for procurement activities, was not given for this first procurement activity due to the problems that existed in the procurement process.

Accordingly quotations were called again but “National Competitive Bidding” methodology was used for it due to the fact that there was not a source to prepare the cost estimate.

When any procurement tender is removed, quotations shall be called again having changed the details in the bidding document used for the previous procurement tender, as is mentioned in the Code of Procurement Guidelines, and the said course of action was followed accordingly. The institution which had substantively responded to procurement tender for the machine relevant for our requirement and had fulfilled the expected criteria for the relevant machine in the procurement evaluation was selected and a special consideration of the manufacturing country had not been included into the relevant criteria. At the same time the need of using the website did not arise as the relevant company had submitted all the files that had been informed to be produced with the bid.

(c) It is the officers of the Engineering / Geological Divisions that are appointed to the Technical Evaluation Committees of the Company. The occasions when the aforesaid officers are present in the institution are very limited given the urgency of the services required for different projects. Due to that reason meetings were not able to hold within the procurement time frame as per section 2.11.1 of the Code of Procurement guidelines.

It is further stated that it was difficult to find the sources required for the preparation of a cost estimate in terms of section 4.3.1 of the Procurement Guidelines due to the matters set out under sub section (a) and (b) of section 2.2.4 above.

At the same time it is informed that the Company published advertisements even on the Website of the Company in the procurement process related to the purchase of borehole machine and its accessories in addition to the advertisement published in a national newspaper.

2.3 Other matters

(a) The loader machine had remained in a unusable state since the latter part of the year 2016 and once it was found out that it cannot be used, it was inquired whether it could be repaired. At that point the repairer stated that the engine of machine should be activated for repairing the other parts of the machine and due to that reason the engine of the machine was repaired. However, the machine could not be operated even then and hence the amount spent for the repair of the machine was identified only as an expense but not as capital.

The loader machine is fully depreciated currently and though a request was made from Sri Lanka Valuation Department to obtain the service of a government value to make a revaluation of it no response has been made to that request until now.

(b) **Manampitiya Sand Project**

(1) A systematic methodology has been created and put into effect by Manampitiya Sand project to supply sand with effect from the year 2021. 15% of the total amount of sand has been allocated to be transported by the sand yards of the institution and institutions and action has been taken to distribute the remaining 85% of the total amount of sand under the token system. All the tipper trucks which came to obtain sand were registered with the company under the following three categories when providing sand under the token system.

1. Tipper trucks registered for Polonnaruwa district, with a loading capacity of more than 3 cubes.
2. Tipper trucks registered for Polonnaruwa district with a loading capacity of less than 3 cubes.
3. Tipper trucks registered for areas outside the Polonnaruwa district.

The aforesaid 85% of the total amount of sand produced was issued under the three categories mentioned above in a manner which is proportional to the number of tipper trucks with equal opportunities to all the tipper trucks.

(ii) All the recommendations related to the activities of the Manampitiya project are made and guidance required for it is made by the Manampitiya Follow up Review Committee which is headed by a Professor of Ecology and the activities of the said Committee have been discontinued temporarily due to the fact that the Professor that held the post of Chairman has resigned the post. Accordingly the Company has made a request from the Department of Wildlife Conservation to get a new chairman appointed to the aforesaid

Committee and action will be taken to recommence the Manampitiya Second Phase as per the recommendations of the aforesaid Committee once it is reactivated having made the appointment concerned.

- (iii) The police are taking legal action against Civil Security Officers who were deployed in Service there when the fire occurred on 19th November 2019. The CCTV system installed at that place had become inoperative and we had informed the company that had installed the CCTV system to repair it as the guarantee period given by that company to us had not expired. However, this incident happened before they could repair it.

A group of officers of the Head office inspected the scene of the fire on the day on which it occurred and proposed that it would be advisable to refer the case to the police to conduct an impartial investigation as it seemed like an arson attack regarding which charges may be leveled even against the officers of the Company.

Accordingly a request was made from the police under the hand of the Chairman to conduct an investigation into it and internal investigation was not conducted.

- (iv) The Company conducted a work study of the activities carried out by the Manampitiya Project and decided the cadre and the number of positions required for each activity. Accordingly 34 employees have been employed in the project. A job description has been handed over to each employee.

At the same time the services of five employees, who had worked in the Manampitiya Project on assignment basis and whose assignment ceased with effect from 31.12.2020 were terminated on 01.01.2021.

- (v) This container box was placed in that place at the inception of the second phase of the Manampitiya project in order to facilitate the activities of that project. The container box mentioned here was not able to be used due to the facts that the Department of Wildlife did not grant permission to have access road to the second phase of the project through expected place and the sand had to be issued using a methodology which was different from the methodology that had been formulated earlier.

It is kindly informed that action will be taken to use the aforesaid container box for the office requirements of the Manampitiya project.

A letter in regard to the non-availability of air-conditioning machine in a container box has not been received by the Head Office, as has been pointed out, in the audit query, and action will be taken in that regard after looking into that matter.

- (vi) An amount of 2,460,631.60 rupees had been received by 28. 04.2021 out of the amount of 3,576,208 rupees, which was due for the sand issued as at 31.12.2020 for the “Pibidemu Polonnaruwa” programme. A memorandum has been sent to the Polonnaruwa district Secretariat in order to collect the outstanding amount.
- (c) The relevant staff had to be retained in the year 2020 due to the fact that it had not been decided until the end of the year 2020, whether the Welikanda, Aralaganwila, Nidanwila and Boaththa projects would be recommenced or not though continuous attempts had been made with the relevant authorities to recommence the aforesaid projects in the year 2020. Accordingly, the company terminated the contract period on 31.12. 2020.

The Company fulfilled the qualifications required for the recommencement of the aforesaid projects and obtained the approval for it. Accordingly, the activities of the Welikanda, Aralaganwila, Nidanwala and Boaththa projects were recommenced with effect from 1st June 2021.

- (d) The special project Manager had made a request to recruit a civil engineer but no one was recruited for the post as the Election Commissioner’s Office had informed that no recruitment shall be made during that period of time. However, a civil engineer was recruited once Election Commissioner’s officer gave permission for it and subsequently all the payments were made under his authorization. When side walls are constructed, the work of the upper part of wall shall only be completed after completing the work of the base of the walls. Our construction work was continued under the instructions of the engineers and technical officers of the Department of Irrigation and Sri Lanka Mahaweli Authority. Our Civil Engineer continued the construction work under the instructions, guidelines and interventions of the aforesaid officers.

However, payments have been made based on the log records of the engineers of the Department of Irrigation and Sri Lanka Mahaweli Authority, and written request was made from the Department of Irrigation and Sri Lanka Mahaweli Authority to provide the completion certificate of the constructions. Hereafter payments will be made once the completion certificate of the aforesaid public institutions is received.

- (e) Both verbal and written communications had been made to Geological survey and Mines Bureau and other institutions to collect an amount of 43,561,337.04 rupees which had been six months overdue from those institutions and the company is taking further action to collect the said amount as quickly as possible.

(f) Kotigambokka Quartz project.

(i), (ii), (iii)

Even though the Kotigambokka Quartz Mining Project had been assigned to the Company in the year 2016, the said project has not been able to be commenced as the necessary approval was not received from the relevant public institutions. A cabinet decision was taken in October 2019, to obtain the concurrence of the Central Environmental Authority and the Department of Forest Conservation to the effect that an Initial Environmental Examination Report is sufficient instead of an Environmental Impact Assessment report.

The Department of Forest Conservation had given its approval to the Initial Environmental Examination Report of this project even by that time and we have inquired the aforesaid public institutions in writing whether an Initial Environmental Examination Report is sufficient for this as per the directions of the Cabinet of Ministers.

All the infrastructure facilities and the Mining licences required for commencing this project had been received by the end of the year 2016 but the commencement of the project had to be delayed and expenses had been made to protect the assets that had been obtained by 2017 and to make studies and obtain recommendations required for the commencement of the project.

The Technical Evaluation Committee which comprises the Central Environmental Authority and the Department of Forest Conservation has given concurrence by now to the effect that an Initial Environmental Examination report is sufficient for this project instead of an Environmental Impact Assessment Report and the Ministry has taken steps to submit a cabinet paper in that regard.

(g) Management of Employees

(1) Discussions were held with the Management Services Department based on matters pointed out by the audit query conducted by the National Audit Office and it was informed that the legal capacity of the Management Services Department in regard to the Company should be looked into for it and as per the instructions received there the services of a veteran consultant were obtained. It was identified in the discussion held by the aforesaid consultant with the managers that a staff of 224 members would be required for the current activities and for the activities of the future business opportunities which could be forecast. As the total process of the Management Services Department in this regard has not finished completely, it was planned to increase the minimum number of staff required for this from 5-6 up to 62 in order that the current business activities could be continued without undergoing any failure as an option to the problem of confirming these employees on their services. A cabinet

paper has already been submitted to the Ministry of Environment to obtain approval for the aforesaid staff.

Responsibilities were not able to be directly assigned to the audit assistant employed in the Internal Audit Division then as the aforesaid audit assistant belonged to the Management Assistant Grade and an internal auditor was not available in the Company. Accordingly, he was in a position in which he could be released from the official duties to be attached to the Ministry when the need concerned arose.

Similarly, the former assistant accountant was appointed as the internal auditor of the Company for the benefit of the Company in order to carry out the audit activities that have to be performed at present as she is the only officer who possesses appropriate knowledge and experiences regarding the audit activities of the company.

(iii) As Mrs. Rani Gunarathne, the Human Resources Consultant of our Company, who had been nominated to the Interview Board, had to attend to some urgent official duty; the Human Resources Manager of our Company was nominated to the Board of Interview in place of her. Marks have been awarded to the candidates in the interview with the concurrence of all the members of the Board of Interview and the candidate who was selected as the accountant has been awarded the marks based on her experiences and qualifications.

Even though some irregularity has been observed by the audit, as has been shown by the audit, in the use of a pen and a pencil for recording marks in the marks sheet, the aforesaid interview has been conducted in a fair and transparent manner and all the interviews conducted by the Company later on were conducted in a highly systematic manner avoiding the aforesaid defects.

Anura Walpola
Chairman
GSMB Technical Services (Pvt.) Ltd.

NATIONAL AUDIT OFFICE

Date: 14th June, 2021

My No. IEN/D/GSMB/TS/1/20

The Chairman,
GSMB Technical Services (Pvt.) Ltd.

Report of the Auditor General on the Financial Statements and other Legal and Regulatory Requirements of the GSMB Technical Services (Pvt.) Ltd. Company for the year Ended 31st December 2020 in terms of Section 12 of the National Audit Act No. 12 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the Financial Statements of the GSMB Technical Services (Pvt.) Ltd. Company for the period of 9 months ended 31st December 2020 which comprises the Statement of Financial Position as at 31st December 2020, and the Statement of Comprehensive Income and Retained Earnings for the period of 9 months then ended and the Financial Flow Statement and the Notes to the Financial Statements for the period of 9 months then ended and the Summary of Significant Accounting Policies was carried out under my direction in terms of the provisions of the National Audit Act No. 19 of 2018 to be read in conjunction with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report to Parliament in pursuance of the provisions of Article 154(6) of the Constitution will be tabled in Parliament in due course.

1.2 Basis of the Qualified Opinion

- (a) 08 motor cycles and one push bicycle which were in an unusable condition and had been purchased under different projects at a cost of 10, 003,442 rupees during the period of 2008 – 2015 were not included in the financial statements.
- (b) The income received from mining sand in the Kanthale Sand Project was 29,280,420 rupees and the expense incurred for the construction of 03 protection dams across the Mahaweli River was 33,799,796 rupees. Other than recording the aforesaid income and expenses in income and expense accounts in financial statements separately, they had been recorded in an control account named “Rehabilitation Kanthale”. The Company had spent an amount of 4,519,376 rupees for the rehabilitation activities exceeding the income received from selling sand and the said amount had been recorded as a receivable advance.

The audit was carried out by me as per Sri Lanka Auditing Standards. My responsibilities under those standards are further described in the section of the Auditor’s Responsibilities for the Audit of the Financial Statements in this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other Information Included in the Annual Report of the Company for the Year 2020.

The information which is included in the Annual Report of the Company for the year 2020 but is not included in the financial statements and in my audit report on financial statements and which I hope to convey after the date of audit report is intended as other information. The management shall be responsible for this other information.

My opinion on the financial statements does not reveal other information and I shall make no opinion or make no certification whatsoever on such information.

In relation to my audit on the financial statements, my responsibility is to read the other information, identified above, when it is available, and in doing so to consider whether the other information is not materially consistent with financial statements or my knowledge obtained through the audit and some other means.

When I read the annual report of the company for the year 2020, if I observe that there are material misstatements in it, I shall communicate such matters to those charged with governance. If there are uncorrected misstatements furthermore, such misstatements shall be included in the report which I table in Parliament in due course in accordance with Article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

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

Management is responsible for the preparation and presentation of these financial statements in accordance with the Sri Lanka Accounting standards for small and medium scale entities and for the determination of such internal controls that are necessary to enable the preparation of financial statements that are free from material misstatements 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 matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations when other alternative is not available.

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

As per sub section 16(1) of the National Audit Act No. 19 of 2018, books and records should be properly maintained in regard to the income, expenditure, assets and liabilities of the company in order that its annual and periodic financial statements could be prepared.

1.5 Auditor's Responsibilities for Audit of the Financial Statements.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 it 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit in accordance with Sri Lanka Auditing standards, I exercised Professional judgment and maintained professional skepticism throughout the audit. I also

- Identified and assessed the material misstatements of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks and obtained audit evidence that was sufficient and appropriate to provide a basis for my opinion. The effect resulting from a fraud is higher than the effect resulting from a material misstatement and a fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal controls.
- Obtained an understanding of the internal control relevant in the audit in order to design audit procedures that were appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Concluded on the appropriateness of the management's use of the going concern basis of the company for accounting based on the audit evidence obtained, whether a material uncertainty existed related to events or conditions that might 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 on the financial statements or if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the institution to cease to continue as a going concern.
- Evaluated 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.

I communicated with those charged with governance regarding among other matters, significant audit findings including any significant deficiencies in internal controls that were identified during my audit.

2. Report of Legal and Regulatory Requirements.

2.1 National Audit Act No. 19 of 2018 and the Companies Act No. 07 of 2007 include specific provisions for the following requirements.

- 2.1.1 I obtained all the information and explanations required for the audit and as far as it appears from my examination proper accounting records have been kept by the Company as per the requirements of the section 12(a) of the National Audit at No. 19 of 2018 and section 163(2) (d) of the Companies Act No. 07 of 2007.
- 2.1.2 The financial statements of the Company are consistent with the requirements of section 151 of the Companies Act No. 07 of 2007.
- 2.1.3 The financial statements presented by the Company are consistent with the preceding year as per the requirement of Section 6(1) d (iii) of the National Audit Act No. 19 of 2018.
- 2.1.4 The financial statements presented include all the recommendations made by me in the previous year except the observations made in Para No. 1.2(a) as per the requirements of section 6(1) (d) (IV) of the National Audit No. 19 of 2018.

- 2.2 Based on the procedures followed and the fact that the evidence obtained was limited to matters that are material; nothing has come to my attention, which requires the following statements to be made.
- 2.2.1 To state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which is out of the ordinary course of business as per the requirement of section 12(d) of the National Audit Act No. 19 of 2018.
- 2.2.2 To state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12(f) of the National Audit Act No. 19 of 2018, except for the following observations.

Reference to Laws / Directions	Description
(a) Section 40 of the National Audit Act No. 19 of 2018.	An internal auditor had not been appointed to the Company and even an audit plan had not been formulated for the period of 9 months in the year under review.
(b) Public Enterprise Circular No. 12 dated (PED No. 12) 2 nd June 2003.	
i. Para No. 5.1.2	Details of the existing resources of the Company, the organizational structure, the objectives and targets to be achieved and the responsibilities to be performed within the planned period of time had not been included in the corporate plan formulated by the Company.
ii. Para No. 5.2.3	The approval of the Board of Directors had been granted to the revised budget prepared by the Company for the accounting period only on 25 th January, 2021.
iii. Para No. 8.3.9	Two employees of the Company had been attached to the Ministry of Environment with effect from 10 th September 2020 and they had been paid an amount of 283,240 rupees by the Company as salaries and allowances.
(c) Para No. 5.2 of the Public Finance Circular No. 1/2014 dated 17 th February, 2014.	An action plan had not been formulated for the year under review.

2.2.3 To state that the Company has worked in a manner which is incongruent to its power, duties and functions as per the requirements of section 12(g) of the National Audit Act No. 19 of 2018.

2.2.4 To state that as per the requirements of section 12(h) of the National audit Act N0. 19 of 2018, the resources of the Company had not been procured and utilized in a frugal, efficient and effective manner, in conformity with relevant rules and laws existing during the period of time except for the following observations.

- (a) Six micrometers had been purchased at a cost of 7,539, 000 rupees without following the procurement guidelines of 4.2.1, 7.11.1 and 5.4.10.
- (b) A cost estimate of 4,925, 000 rupees had been proposed to purchase a land borehole drilling machine based on the information obtained from the internet about a land borehole drilling machine made in China in 2018. Thereafter arrangements were made to purchase a Japanese machine at a cost of Rs. 12,873, 960 but the aforesaid purchase was stopped upon the defects of that procurement process being pointed out by the line Ministry.

However, a machine made in Germany had been purchased in the year under review, without preparing a cost estimate from the very supplier who had made the previous bids at a cost of 9,733,650 rupees. Sufficient details were not able to be found about this supplier when the websites were searched and a difference of 4,806,650 rupees could be observed between the initial cost estimate and the purchase price.

- (b) Para Nos. 2.11.1, 4.3.1, and 3.2.2 of the Code of Procurement Guidelines dated 25th January 2006, had not been followed when purchasing a borehole drilling machine and its accessories at a price of 10,512,342 rupees in the year 2020.

2.3 **Other matters**

- (a) Although 965,565 rupees had been spent for the repair of the loader machine, which had been purchased at a price of 8,883,520 rupees in the year 2009 but the book value of which had gone down to zero level, it was in a wholly unusable condition even by 10th July 2021.

(b) **Manampitiya Sand Project**

- (i) The Company had not introduced a reasonable and specific methodology to issue sand and the said sand mined in the project had been issued to the tipper trucks of the Eksath Mahaweli Tipper Ratha Sangamaya in Polonnaruwa, other Lorries in Polonnaruwa and the Lorries outside Polonnaruwa at the percentages of 75%, 10% and 15% respectively. In addition to that sand had been issued daily on a priority list which included the requests of politicians, the requests for common and religious activities and other requests.

- (ii) Sand mining activities of the II phase of sand mining project had not been carried out in the year under review.
 - (iii) The police report in regard to the fire that occurred in the project office in the year 2020 had been issued on 21st August 2020. According to the aforesaid report this fire had not been an accident but an intentionally planned arson attack made by pouring petrol on the documents kept in the Container boxes. However, steps had not been taken to identify the officers who were responsible for it and take action against them.
 - (iv) The Company had employed 29 employees in the project office and work site and paid 10,884, 034 rupees as salaries by 11th June, 2021 without having an approved cadre.
 - (v) Some group of persons had taken away the air conditioning machine that had been installed in a container box which remained unutilized in the project office and though the audit had informed the Company about the misplacement of it on 10th September 2020, no investigation had been carried out in that regard even by 11th June 2021.
 - (vi) Action had not been taken even by 11th June 2021 to collect an amount 1,115,576 rupees which was due for the sand issued by the Manampitiya project in the years 2017 and 2018 for the “Pibidemu Polonnaruwa” programme conducted in Polonnaruwa district.
- (c) The Mahaweli Authority had suspended the act of releasing lands until a systematic assessment was conducted in regard to the environmental, social damages caused by the mining of sand in Welikanda, Aralaganwila, Boaththa and Nidanwala Sand mining projects in Polonnaruwa district in the year under review. An amount of 8,213,347 rupees had been spent in vain during this period of time as expenses for the salaries of employees and other expenses.
- (d) The Company had deployed an apprentice engineer, who did not possess proper experiences in regard to the construction of dams, for a short period of time for supervising the construction work of 3 flood protection dams which was carried out simultaneously with the Kanthale Sand Mining project and for making recommendations for payment documents. Though recommendations had been made only for the work carried out during his period of service an amount of 47.79 million rupees had been paid without any certification for the work carried out during the period of time in which he was not deployed in service.
- The engineer of the Mahaweli Authority and the Department of Irrigation had not certified the payment documents when making payments for these constructions to the effect that the work has been completed in accordance with the proper standards.
- (e) An appropriate course of action had not been taken to collect an aggregate amount of 34,828,901 rupees that had remained in debtor balances for more than 6 months.

(f) **Kotigambokka Quartz Project**

- i. It had been assigned to this Company upon a Cabinet approval in the year 2017 to mine this quartz deposit and export quartz with a value addition. The approval of the Cabinet of Ministers had been granted to conduct an Initial Environmental Examination again instead of conducting an Environmental Impact Assessment. This project had not been commenced in the year under review as a long period of time had been taken to get the approval of the Department of Forest Conservation and the Department of Irrigation for the Initial Environmental Examination.
- ii. Even though a Cabinet decision had been made on 29th October 2019 to the effect that the concurrence of the Central Environmental Authority and the Department of Forest Conservation shall be taken initially in regard to the fact whether the Initial Environmental Examination would be sufficient instead of an Environmental Impact Assessment, the aforesaid institutions had not taken a decision in that regard until the end of the year under review.
- iii. An amount of 20,942,314 rupees had been spent during the period 2017-2020 as revenue expenditure and capital expenditure for the purposes of leasing a land to store quartz, purchasing a bridge scale for weighing the quartz which is mined and deploying security officers for the protection of the project though no income had been earned from the project from the year 2017.

(g) **Management of Employees.**

- i. Approval of the Management Services Department had been sought for a staff of 224 posts by proposing 69 posts in addition to the 175 employees employed in the Company in the year 2018. The Management Services Department had informed by its letter dated 6th September 2019 that it would take further action by looking into its legal capacity to provide approval to the staff of the Company as this Company is registered under the Companies Act but a clear decision had not been given to the Company even by 11th June 2021.
- ii. A person who had been recruited to the position of Audit assistant in the Company had been released to the office of the Minister of the line Ministry with effect from 10th September 2020 and he had been paid an amount of 148, 040 rupees as salaries in contravention of the section 8.3.9 of Public Enterprise Circular No. 12 dated 2nd June 2003. The Assistant Accountant of the Company had been appointed to the post of Internal Auditor with effect from 02nd December 2020 without following the due procedure. Furthermore, action had not been taken even by 11th June 2021 to fill the vacancy of the position of Assistant Accountant which had fallen vacant.

- iii. Recruitment has been made to the post of Accountant in the Company through an unsystematic interview in which incidents such as awarding marks in the interview by a person who was not a member of the Interview Board, placing signature by a member of the interview board only on the final marks sheet without putting marks in the assessment paper and putting marks with a pencil first and putting marks with a pen later and changing the marks.

W.P.C. Wickremaratne
Auditor General