GSMB Technical Services (Pvt) Ltd

2021 ANNUAL REPORT

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GSMB TECHNICAL SERVICES (PVT) LTD
MINISTRY OF ENVIRONMENT

01

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 07 of 2007. The company holds a share capital of 66.66% by Geological Survey & Mines Bureau, 16.67% by National Gem & Jewellary Authority and 16.67 % owned by Lanka Phosphate Limited.

GSMB Technical Services (Pvt) Ltd is the only government organization in Sri Lanka that has 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 02

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 07 of 2007

BOARD OF DIRECTORS AS AT PRESENT :

Mr. Ravirajasinghe Sanjeepan - Director
(Chairman - Geological Survey & Mines Bureau)
Mr. Viraj De Silva - Director
(Chairman – National Gem & Jewellery Authority)
Ms. Sandya Ambanwela - Director
(Chairman - Lanka Phosphate Ltd)
Mr. Iqbal Hassen - Director
(Ministry of Environment)

CHIEF EXCEUTIVE OFFICER : Eng. Jayaratne Hennayaka

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
E- Mail	:	gsmbts2001@gmail.com

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
		Bank of Ceylon	- Pitakotte Branch

About Us

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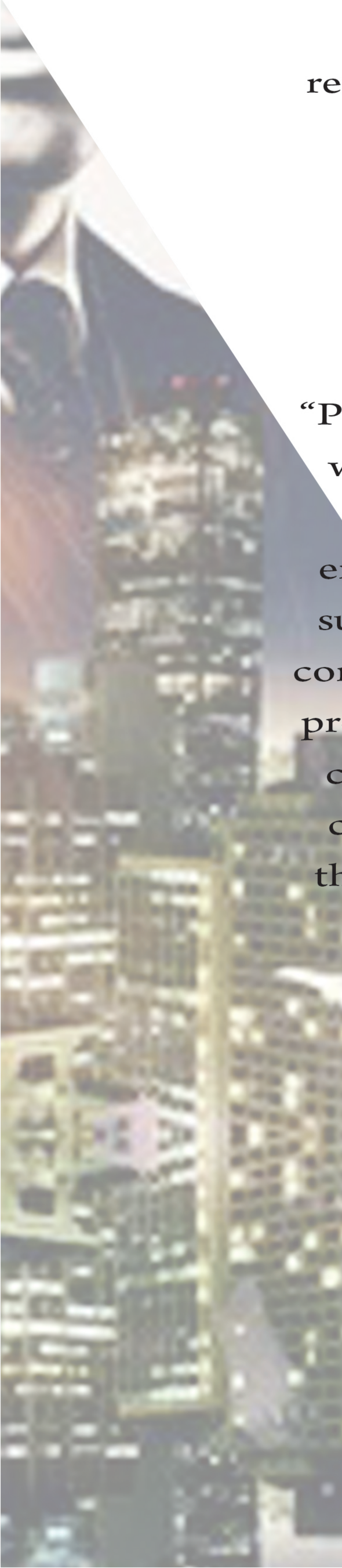
Vision

"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 - 2022 February

Dr. Senarath Hewage
2022 February - 2022 December

Mr. Ravirajasinghe Sanjeepan
2022 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 - 2022 January

Mr.Buddika Cooray
2022 January - 2022 July

Mr.P.D.Maha Arachchi
Acting CEO
2022 July - 2023 February

Eng. Jayaratne Hennayaka
2023 February 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

2006
Company's 5th Anniversary

2008
Commencement of Manampitiya Project

2010

Won the National Business Excellence Awards (Service Sector)

2011

Company's 10th Anniversary

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

2021

- **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**

21 Years of Service to the Mineral & Environment Sector

21 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.

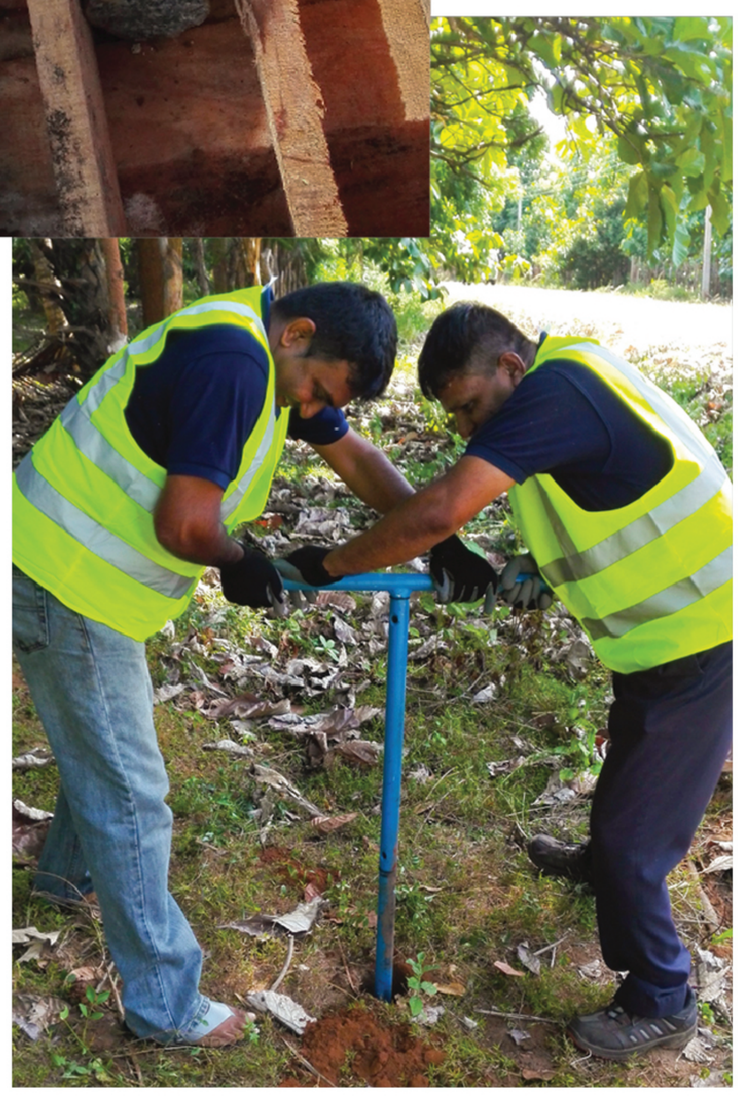
As we look towards the future,

We recommit ourselves to provide

the superior services to mineral sector.

OUR STAFF

- 02 Senior Management
- 08 Management
- 09 Mining Engineers
- 06 Geologists
- 01 Scientists
- 09 Junior Officers
- 13 Supervisors
- 41 Technical Officers
- 96 Other 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**

Statement of Chairman

It gives me a great pleasure to write this note and present the annual report for the financial year ending 31st December 2022. The 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 07 of 2007 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.

With this economic crisis the past few months have seen extreme fuel and gas shortages, currency depreciation leading to near hyperinflation, shortage of medicines, and long power cuts largely due to a shortage of foreign exchange. To improve the revenue with those challenges, we are expecting to contribute to Gross Domestic Production of the country by providing superior service with offering wide range of technical and consultancy services and produce value-added mineral products to the relevant industries. Further we focus to produce value added mineral products of economically viable minerals by adopting new technologies with partnership of other government and private organizations as a solution to inabilities in import of minerals as raw materials in several industries Sri Lanka.

Furthermore, we hope to place great value for our customers, employees, local communities and sound environmental management by adopting modern technologies rather than utilizing existing technologies while looking forward to make improvements to everyday lives of the communities around the mining areas in the country though creating job opportunities and provision variety of services. We provide greater benefits to general public by introducing stable market rates for sale of sand and other minerals in Sri Lanka.

Ravirajasinghe Sanjeepan
Chairman
(18.05.2023)

04 | BOARD OF DIRECTORS

Mr. Ravirajasinghe Sanjeepan
Chairman
GSMB/GSMBTS

Mr. Viraj De Silva
Chairman
National Gem & Jewellery Authority

Mrs. Sandya Ambanwela
Chairman
Lanka Phosphate Ltd

Mr. Iqbal Hassen

Ministry of Environment

Mrs. Tamara Adikari
Chief Financial Officer
Ministry of Finance

CO-WORKING SPACES
IDEA
STARTUP

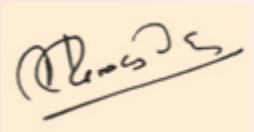
Statement of Chief Executive Officer

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 07 of 2007 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 main income source of the company while Geology and Mining Divisions contribute to the income through providing technical services in the Mining and Geology industries in Sri Lanka. However, my intension as the current Chief Executive Officer is to improve the company Brand Name and recognition as a reputed professional institute in the industry. Further, we hope to grab business opportunities from other Government institutions by provide geological and mining services in a way that mutually benefited to all government organizations.

Furthermore, GSMB TS is planning to enhance the business portfolio and revenue of the company by producing value added mineral products out of economically viable minerals of Sri Lanka. Currently Calcium Carbonate and Quartz are the identified minerals to be produce 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.

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



Eng. Jayaratne Hennayaka
Chief Executive Officer
(18.05.2023)

07 | Financial Information

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	Notes	Balance as at 31st December 2021	Balance as at 31st December 2020
		Rs.	Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	11	28,770,267	41,118,691
Deferred Tax Asset	12	16,353,544	19,266,292
Current Assets			
Inventories	13	16,954,671	19,909,527
Trade Receivables	14.1	12,261,288	18,154,622
Other Receivables	15	71,838,733	66,091,974
Amount Due from Related Parties	16	4,698,378	9,356,730
Investments	17	285,884,713	271,183,814
Cash & Cash Equivalents	18	41,343,460	18,830,774
		432,981,244	403,527,441
Total Assets		**478,105,056**	**463,912,424**
EQUITY & LIABILITIES			
Capital & Reserves			
Stated Capital	19	6,000,000	6,000,000
Retained Earnings		281,069,392	249,682,009
Total Equity		287,069,392	255,682,009
Non Current Liabilities			
Defined Benefit Plan	20	25,155,530	21,787,588
Deferred Tax Liability	12	585,683	990,919
Current Liabilities			
Trade Payables	21	118,411,398	152,223,223
Accruals & Other Payables	22	45,369,195	28,714,828
Amount Due to Related Parties	23	1,513,857	1,513,857
Dividend Payable		-	3,000,000
		165,294,451	185,451,908
Total Equity & Liabilities		**478,105,056**	**463,912,424**
Net Asset Per Share		478	426

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 24th February 2022.

.....
Chairman

.....
Member of the Board of Directors

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	Year Ending 31st December 2021	Year Ending 31st December 2020
		Rs.	Rs.
Cash Flows from Activities			
Profit After Tax		11,509,597	(43,290,584)
Adjustments for :			
Depreciation	11.2	15,708,738	11,816,053
Prior Year Profit Adjustments	10	19,877,785	-
Gratuity Provision	20	3,718,528	4,064,657
Provision for Doubtful Debts	14.2 & 16.1	(7,172,085)	43,054,708
Income Tax Adjustment	9	17,243,428	(13,612,451)
(Profit)/Loss on Disposals	7	25,938	-
Finance Income	6	(15,170,906)	(15,084,312)
Operating Profit Before Working Capital Changes		**45,741,022**	**(13,051,929)**
Increase / (Decrease) in Inventories		2,954,856	654,461
Increase / (Decrease) in Trade Receivables		13,260,269	1,252,849
Increase / (Decrease) in Other Receivables		(5,746,759)	2,047,909
Increase / (Decrease) in Amount Due from Related Parties		4,463,502	4,251,249
Increase / (Decrease) in Trade Payables		(33,811,825)	18,717,752
Increase / (Decrease) in Accruals & Other Payables		16,654,367	(20,953,497)
Increase / (Decrease) in Amount Due to Related Parties		-	-
Cash from / (Used in) Operations		(2,225,591)	5,970,723
Net Cash Generated from Operations		**43,515,431**	**(7,081,206)**
ESC Paid		-	(119,999)
Gratuity Paid	20	(350,585)	-
Income Tax Paid		(14,735,916)	(8,293,486)
		(15,086,501)	(8,413,485)
Net Cash from / (Used in) Operating Activities		**28,428,930**	**(15,494,691)**
Cash Flow from Investing Activities			
Acquisition on Property, Plant & Equipment	11.1	(3,386,251)	(22,474,369)
Investment in Fixed Deposit	17	(14,700,899)	(20,588,992)
Finance Income	6	15,170,906	15,084,312
Net Cash (from) / used in Investing Activities		**(2,916,244)**	**(27,979,049)**
Cash Flow from Financing Activities			
Dividend Paid		(3,000,000)	-
Net Cash (from) / used in Financing Activities		(3,000,000)	-
Movement in Cash and Cash Equivalents		**22,512,686**	**(43,473,740)**
At the Beginning of the Year	18	18,830,774	62,304,514
Net Change in Cash and Cash Equivalents		22,512,686	(43,473,740)
At the End of the Year	18	**41,343,460**	**18,830,774**

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 2021

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income from Projects	5.1	752,762,978	475,844,596
Expenses of Projects	5.2	(653,216,560)	(442,255,618)
Net Income from Projects		**99,546,419**	**33,588,979**
Other-Non Operating Income	6	22,626,266	15,119,498
Total Net Income		**122,172,685**	**48,708,476**
Less : Expenditure			
Administration Expenses	7	93,082,929	105,371,355
Finance Cost	8	336,731	240,156
Total Expenses		**93,419,660**	**105,611,511**
Profit Before Tax		**28,753,025**	**(56,903,035)**
Income Tax Expense (Deferred Tax Expense/Income)	9	(17,243,428)	13,612,451
Profit After Tax		**11,509,597**	**(43,290,584)**
Retained Earnings as at 1st January 2021		**249,682,009**	**295,972,593**
Profit After Tax		11,509,597	(43,290,584)
Dividends		-	(3,000,000)
Prior Year Adjustments	10	19,877,785	-
Retained Earnings as at 31st December 2021		**281,069,392**	**249,682,009**
Earnings Per Share		**19.18**	**(72.15)**
Dividends Per Share		**-**	**5.00**

GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER 2021

1.0 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 Principal Activities

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

- **Sale of Sand**
- **Mining Industry**
  - Blasting Monitoring
  - Crack surveys and damage estimations
  - GPS surveys
  - Noise level measurement and control plan
  - Dust Measurement
  - Vibration Monitoring
  - Economic viable report preparation
  - Project proposal report on mining field
  - Control and industrial blasting
- **Geology Industry**
  - Drone surveys
  - Geophysical investigation
  - Topographical surveys
  - Slope stabilizing and ground improvement
  - Geotechnical investigations
  - Environmental studies
  - Mineral exploration
- **Provides Human resources for mineral based industries and other allied industries.**

NATIONAL AUDIT OFFICE

2.0 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.

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. Comparative period consists of nine months from 1st of April 2020 to 31st December 2020.

2.5 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest rupee, except when otherwise indicated.

2.6 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements of the company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.01 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding overdrafts. Investments with short maturities i.e., three months or less from the date of acquisitions are also treated as cash equivalents.

3.02 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.

3.03 Taxation

a) 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.

b) 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.

3.04 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.

3.05 Financial Instruments

(a) 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.

(b) 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.

3.06 Related Party Transactions

- A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity),

- A person or a close member of that person's family is related to a reporting entity if that person is a member of the key management personnel of the reporting entity or of a parent of the reporting entity has control or joint control over the reporting entity; or has significant influence over the reporting entity.

- An entity is related to a reporting entity when the entity and the reporting entity are members of the same group.

- In considering each possible related party relationship, an entity shall assess the substance of the relationship and not merely the legal form.

3.07 Property, Plant and Equipment

a) Recognition and Measurement

All items of Property, Plant and Equipment are initially recorded at cost. Subsequent to the initial recognition the company records assets at cost less any accumulated depreciation and accumulated impairment loss thereon.

b) Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment other than freehold land, in order to write off such amounts over the following estimated useful lives by equal instalments. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

PPE Category	Depreciation Rate
Office Partitioning	25%
Name Board	25%
Furniture & Fittings	25%
Computer & Accessories	25%
Office Equipment	25%
Field Equipment	25%
Motor Vehicles	25%
Laboratory Equipment	25%
Communication Equipment	25%

c) Derecognition

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.

d) Revaluation

The company shall measure an item of property, plant and equipment whose fair value can be measured reliably at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ **materially** from that which would be determined using fair value at the end of the **reporting period.**

If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognized in **other comprehensive income** and accumulated in **equity** under the heading of **revaluation surplus**. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previouslyrecognized in profit or loss.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

3.08 Borrowing Costs Borrowing

costs are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.09 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.

3.10 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	Less than 61 Days	61-120 Days	121-180 Days	181-240 Days	241-360 Days	Above 361 Days
Percentage of provision	0%	10%	25%	50%	75%	100%

3.11 Contingent Asset and Liabilities

An entity shall not recognize a contingent asset as an asset. However, when the flow of future economic benefits to the entity is virtually certain, then the related asset is not a contingent asset, and its recognition is appropriate.

contingent liability is either a possible but uncertain obligation or a present obligation that is not recognized because it fails to meet one or both of the following conditions

- it is probable that the entity will be required to transfer resources embodying economic benefits in settlement; and
- the settlement amount can be measured reliably.

3.12 Retirement Benefit Obligations

(a) 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 for each employee once after completion of one year service period. The gratuity liability is not externally funded scheme.

Gratuity Provision = [(Last Month Basic Salary + COL) / 2] * No of Years

(b) 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.

3.13 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue is recognized upon satisfaction of performance obligations. The following specific criteria are used for the purpose of recognition of revenue.

- **Interest Income**

  Interest Income is recognized as the interest accrues (taking into account the effective interest rate) unless collectibles are doubtful.

- **Rendering of Services**
  Revenue from rendering of services is recognized by reference to the stage of completion.

- **Other Income**
  Other income is recognized on an accrual basis. Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non-current assets, including investments have been accounted for in the statement of comprehensive income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material are aggregated, reported and presented on a net basis.

3.14 Expenditure Recognition

- Expenses are recognized in the income statement on the basis of direct association between the cost incurred and the earning of specific item of income. All expenditure

  incurred in the running of the business and the maintenance of the property plant & equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

- For the purpose of presentation of Statement of comprehensive income, the Directors are of the opinion that function of expenses method presents fairly the elements of the company's performance, and hence such presentation method is adopted.

- Finance expenses are recognized in the statement of comprehensive income on effective interest cost basis

3.15 Net Asset Per Share

The Net Asset Per Share is arrived by dividing the net asset attributable to the equity holders of the Company by the number of shares of the company.

3.16 Earnings Per Share

The Company presents basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3.17 Dividend Per Share

The Company presents its dividend per share (DPS) for its ordinary shares. The DPS is calculated by dividing the total dividend by the number of ordinary shares.

3.18 Events after the end of the reporting period

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are two types of events:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period); and

(b) those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period).

Events after the end of the reporting period include all events up to the date when the financial statements are authorized for issue, even if those events occur after the public announcement of profit or loss or other selected financial information.

4. Authorization

The financial statements were approved by the Board of Directors on 24th February 2022.

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
Notes to the Accounts - 31st December 2021

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Note 5 : Net Income from Projects			
Note 5.1 : Income from Projects			
Mining Projects			
Blasting & Monitoring			
Broadlands Hydro Power Project (CNEEC)	5.1.1	-	1,845,800
China Harbour Eng. Com. Ltd - Leenawatta	5.1.2	5,854,540	3,479,000
China State Construction Engineering Corp. Ltd (CSCEC)	5.1.3	-	-
SINOHYDRO Corporation Limited - Kaluganga Project	5.1.4	-	997,000
Maga Engineering Pvt. Ltd - Kurunegala	5.1.5	1,127,580	3,109,147
Maga Engineering Pvt. Ltd - Pothuhera Wadakada	5.1.6	4,449,900	4,024,817
KDA Weerasinghe Pvt. Ltd	5.1.7	4,211,000	805,000
NEM Construction Pvt. Ltd	5.1.8	2,956,522	1,165,714
SINOHYDRO Corporation Limited - Basnagoda	5.1.9	1,603,490	-
RR Constructions (Pvt) Ltd.	5.1.10	352,000	-
NEM-KDAW-E&C	5.1.11	3,848,700	-
Blasting Monitoring (Other Projects)	5.1.12	991,702	31,720
		25,395,433	15,458,199
Crack Survey	5.1.13	16,384,310	5,503,999
Dust, Air, Noise & Vibration	5.1.14	1,616,860	905,080
EVR	5.1.15	2,022,655	611,940
GPS Survey	5.1.16	418,065	148,720
TO Services	5.1.17	13,965,122	6,779,517
Mining Projects - Other	5.1.18	79,300	762,760
		34,486,312	14,712,016
Total Mining Projects		**59,881,746**	**30,170,215**
Geological Projects			
Environmental Studies	5.1.19	407,407	-
Reserve Estimation	5.1.20	2,849,970	2,054,726
Geo-Technical Investigations	5.1.21	1,773,700	2,838,850
Mineral Exploration	5.1.22	2,842,540	225,500
Geological Projects - Other	5.1.23	407,500	170,500
Total Geological Projects		**8,281,117**	**5,289,576**
Special Projects			
Kotikambokka Quartz Project	5.1.24	-	-
Calcite Project	5.1.25	-	-
Total Special Projects		-	-

GSMB TECHNICAL SERVICES (PVT) LTD
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Notes to the Accounts - 31st December 2021

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
HR Assignment	5.1.26	**29,496,631**	**22,767,384**
Sale of Sand			
Manampitiya	5.1.27	**434,421,800**	**285,334,885**
Other Sand Mining Projects in Polonnaruwa			
Aralaganwila	5.1.28	10,776,805	-
Boaththa	5.1.29	23,714,779	-
Lankapura	5.1.30	522,146	451,468
Nidanwala	5.1.31	25,141,272	-
Welikanda	5.1.32	11,325,610	-
		71,480,611	**451,468**
Other Sand Mining Projects			
Kanthale	5.1.33	3,286,532	89,643,132
Muthur	5.1.34	7,730,442	1,629,278
		11,016,974	**91,272,410**
Sand Stock Yards			
28th Mile Post	5.1.35	-	-
Bakamoona	5.1.36	817,779	1,863,020
Hingurakgoda	5.1.37	17,061,995	8,600,978
Medirigiriya	5.1.38	22,307,386	8,584,633
Minneriya	5.1.39	19,947,182	7,964,342
Yakkala	5.1.40	29,023,186	3,291,013
New Town	5.1.41	23,300,139	9,949,331
Habarana	5.1.42	10,485,892	-
Kegalle	5.1.43	7,328,423	-
Ambathale	5.1.44	7,772,116	-
		138,044,099	**40,253,316**
Other			
Hambantota Gravel Project	5.1.45	-	-
Other Projects	5.1.46	-	-
Other Income	5.1.47	**140,000**	**305,342**
Total Income from Projects		**752,762,978**	**475,844,596**

GSMB TECHNICAL SERVICES (PVT) LTD
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Notes to the Accounts - 31st December 2021

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Note 5.2 : Expenses of Projects			
Project Wise Summary			
Blasting & Monitoring			
Broadlands Hydro Power Project (CNEEC)	5.2.1	42,000	1,379,294
China Harbour Eng. Com. Ltd - Leenawatta	5.2.2	3,957,872	2,751,095
China State Construction Engineering Corp. Ltd (CSCEC)	5.2.3	-	292,594
SINOHYDRO Corporation Limited - Kaluganga Project	5.2.4	-	1,077,771
Maga Engineering Pvt. Ltd - Kurunegala	5.2.5	793,133	2,529,273
Maga Engineering Pvt. Ltd - Pothuhera Wadakada	5.2.6	3,496,806	3,398,912
KDA Weerasinghe Pvt. Ltd	5.2.7	3,306,029	722,360
NEM Construction Pvt. Ltd	5.2.8	2,656,171	942,060
SINOHYDRO Corporation Limited - Basnagoda	5.2.9	881,274	-
RR Constructions (Pvt) Ltd.	5.2.10	99,850	-
NEM-KDAW-E&C	5.2.11	1,196,034	-
Blasting Monitoring (Other Projects)	5.2.12	345,160	1,110
		16,774,328	13,094,470
Crack Survey	5.2.13	5,020,289	3,071,445
Dust, Air, Noise & Vibration	5.2.14	20,564	16,240
EVR	5.2.15	298,800	107,545
GPS Survey	5.2.16	42,256	20,650
TO Services	5.2.17	7,208,425	5,626,986
Mining Projects - Other	5.2.18	2,794	16,912
Mining Division	5.2.19	18,340,365	9,226,855
		30,933,492	18,086,633
Total Mining Projects		**47,707,820**	**31,181,103**
Geological Projects			
Environmental Studies	5.2.20	426,554	717,715
Reserve Estimation	5.2.21	461,299	386,322
Geo-Technical Investigations	5.2.22	10,593,774	2,447,940
Mineral Exploration	5.2.23	2,033,359	557,373
Geological Projects - Other	5.2.24	596,555	259,343
Geology Division	5.2.25	14,991,582	9,537,344
Total Geological Projects		**29,103,123**	**13,906,038**
Special Projects			
Kotikambokka Quartz Project	5.2.26	770,013	756,987
Calcite Project	5.2.27	713,128	451,847
Special Projects Division	5.2.28	4,095,924	3,057,012
Total Special Projects		**5,579,064**	**4,265,847**

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Notes to the Accounts - 31st December 2021

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
HR Assignment	5.2.29	**27,411,299**	**21,426,483**
Sale of Sand			
Manampitiya	5.2.30	**354,700,124**	**234,262,289**
Other Sand Mining Projects in Polonnaruwa			
Aralaganwila	5.2.31	9,246,479	1,572,415
Boaththa	5.2.32	19,449,719	2,285,285
Lankapura	5.2.33	987,822	2,058,366
Nidanwala	5.2.34	16,572,754	1,469,319
Welikanda	5.2.35	10,001,361	2,886,328
		56,258,135	**10,271,714**
Other Sand Mining Projects			
Kanthale	5.2.36	9,282,842	84,786,084
Muthur	5.2.37	9,641,103	2,911,547
		18,923,945	**87,697,631**
Sand Stock Yards			
28th Mile Post	5.2.38	-	185,726
Bakamoona	5.2.39	1,135,953	2,158,833
Hingurakgoda	5.2.40	14,069,518	7,735,614
Medirigiriya	5.2.41	20,396,829	8,425,178
Minneriya	5.2.42	18,740,485	7,807,035
Yakkala	5.2.43	18,693,098	4,671,291
New Town	5.2.44	17,723,009	7,619,679
Habarana	5.2.45	9,429,980	-
Kegalle	5.2.46	6,463,491	-
Ambathale	5.2.47	6,880,686	-
		113,533,049	**38,603,355**
Other			
Hambantota Gravel Project	5.2.48	-	**377,543**
Other Projects	5.2.49	-	**263,615**
Total Expenses of Projects		**653,216,560**	**442,255,618**

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	January - December 2021	April - December 2020
	Rs.	Rs.
Expenses of Projects		
Expense Wise Summary		
Cost of Sale	437,410,479	294,215,177
Salaries	72,187,456	54,050,036
EPF	11,259,071	8,558,455
ETF	2,814,768	2,139,614
COL	18,908,498	14,977,022
Bonus	-	1,309,091
Professional Allowance	776,500	-
Interim Allowance	2,407,984	-
Weekend Allowances	1,641,748	1,200,304
Site Allowances	3,070,116	1,990,371
Allowances	6,032,249	5,407,495
Other Allowance & Labour Charges	221,500	230,500
Overtime	3,406,786	2,659,841
Fuel	4,152,861	3,664,041
Telephone	302,426	390,923
Printing & Stationery	2,571,023	1,260,219
Postage	122,178	87,390
Welfare	1,042,407	752,182
News Paper & Periodicals	-	1,200
Electricity	924,826	444,861
Water	76,222	19,947
Consultation Charges	1,211,000	609,500
Travelling & Subsistence	3,770,608	2,196,812
Vehicle Maintenance Charges	166,320	13,055
Other Maintenance Charges	773,924	890,395
Payment for Estimations	323,000	327,000
Insurance	52,525	395,173
Transport	12,680,421	9,787,318
Rent	3,802,000	3,303,614
Security Charges	9,617,250	6,875,643
Water Bowser Expenses	2,064,550	1,483,075
Licenses, Inspection & Royalty Charges	-	243,559
Office Expenses	141,242	173,188
Other Expenses	-	5,660
Cook Allowance	168,542	163,821
Chemical Charges	249,960	245,000
Road & Other Construction	372,000	-
GSMBTS Tipper Expenses	1,174,896	524,483

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Notes to the Accounts - 31st December 2021

	January - December 2021	April - December 2020
	Rs.	Rs.
Internet Charges	374,918	117,443
Yard Transport & TPL Minneriya	5,178,000	2,364,000
Yard Transport Medirigiriya	6,631,200	2,628,000
Yard Transport Aralaganwila	1,872,650	-
Mineral Tax	3,146,320	1,614,056
Hiring Equipment/Other	1,199,010	74,750
Inspection & Investigation	98,839	-
Power Auger Expenses	16,860	19,900
License & TPL fee	103,963	302,323
TDL Charges	179,760	110,180
Yard Transport Bakamoona	216,000	536,000
Tractor Payment Boaththa	4,741,000	-
Generator Expenses	56,000	20,400
Loading Charges Kanthale	19,800	3,730,965
Labour Charges Kanthale	-	5,396,000
Loading Charges	2,481,213	-
Yard Transport Manampitiya	322,941	106,050
Yard Transport New Town	3,871,000	1,778,000
Translation Charges	(110,000)	220,000
Subscription & Registration Fee	193,154	25,735
C Permit Charges	-	408,800
Borehole Expenses	-	2,207,050
Lab & Data Acquisition	7,896	-
Volume Survey	496,800	-
Yard Transport Habarana	3,288,000	-
Subcontractor Payment	12,779,485	-
Bank Charges	154,415	-
	653,216,560	**442,255,618**

Additional Notes to Note No. 5 : Project Income Statements

Broadlands Hydro Power Project (CNEEC)

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.1	-	1,845,800
Project Expenses			
Salaries		-	436,176
EPF		-	62,230
ETF		-	15,558
COL		-	88,000
Bonus		-	(4,216)
Weekend Allowances		-	80,150
Site Allowances		-	25,000
Allowances		-	41,774
Fuel		-	43,470
Payment for Estimation		42,000	-
Transport		-	437,153
Rent		-	154,000
Total Expense	5.2.1	42,000	1,379,294
Net Income		**(42,000)**	**466,506**

China Harbour Eng. Com. Ltd - Leenawatta

Income	5.1.2	5,854,540	3,479,000
Project Expenses			
Salaries		1,399,493	1,035,692
EPF		205,955	151,829
ETF		51,489	37,957
COL		316,800	237,600
Bonus		-	27,518
Professional Allowance		21,000	-
Interim Allowance		52,500	-
Weekend Allowances		14,600	-
Site Allowances		60,000	45,000
Allowances		47,750	53,774
Fuel		115,450	76,960
Telephone		10,000	1,000
Printing & Stationery		4,631	2,980
Welfare		2,700	-
Electricity		1,627	1,445
Water		1,888	5,485
Travelling & Subsistence		3,290	-
Transport		1,327,700	834,355
Cook Allowance		45,000	32,500
Rent		276,000	207,000
Total Expense	5.2.2	3,957,872	2,751,095
Net Income		**1,896,668**	**727,905**

China State Construction Engineering Corp. Ltd - CSCEC

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.3	-	-
Project Expenses			
Fuel		-	43,800
Welfare		-	6,010
Electricity		-	2,837
Water		-	450
Travelling & Subsistence		-	650
Transport		-	197,284
Rent		-	36,000
Cook Allowance		-	5,563
Total Expense	5.2.3	-	292,594
Net Income		-	**(292,594)**

SINOHYDRO Corporation Limited - Kaluganga Project

Income	5.1.4	-	997,000
Project Expenses			
Salaries		-	386,913
EPF		-	54,878
ETF		-	13,719
COL		-	70,400
Weekend Allowances		-	13,650
Site Allowances		-	20,000
Allowances		-	12,000
Fuel		-	77,750
Welfare		-	7,562
Transport		-	323,900
Rent		-	84,000
Cook Allowance		-	13,000
Total Expense	5.2.4	-	1,077,771
Net Income		-	**(80,771)**

Maga Engineering Pvt. Ltd - Kurunegala

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.5	1,127,580	3,109,147
Project Expenses			
Salaries		309,445	711,227
EPF		43,469	100,131
ETF		10,867	25,033
COL		52,800	123,200
Bonus		-	27,000
Weekend Allowances		-	55,475
Site Allowances		15,000	35,000
Allowances		9,000	37,774
Fuel		38,000	114,000
Printing & Stationery		705	485
Postage		840	2,520
Welfare		7,326	13,697
Transport		255,680	1,070,833
Rent		50,000	183,333
Cook Allowance		-	29,565
Total Expense	5.2.5	793,133	2,529,273
Net Income		**334,447**	**579,874**

Maga Engineering Pvt. Ltd - Pothuhera Wadakada

Income	5.1.6	4,449,900	4,024,817
Project Expenses			
Salaries		1,059,376	1,109,561
EPF		153,525	156,957
ETF		38,381	39,239
COL		220,000	220,000
Bonus		-	40,500
Professional Allowance		15,000	-
Interim Allowance		27,500	-
Weekend Allowances		105,300	168,875
Site Allowances		50,000	45,000
Allowances		50,000	80,774
Fuel		93,700	265,400
Printing & Stationery		9,000	14,530
Postage		-	280
Welfare		10,305	17,202
Electricity		31,624	43,857
Travelling & Subsistence		300	-
Transport		1,421,128	1,000,000
Rent		166,667	158,334
Office Expenses		-	1,500
Cook Allowance		45,000	36,903
Total Expense	5.2.6	3,496,806	3,398,912
Net Income		**953,094**	**625,905**

KDA Weerasinghe Pvt. Ltd

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.7	4,211,000	805,000
Project Expenses			
Salaries		1,213,147	237,240
EPF		170,990	33,749
ETF		42,747	8,437
COL		211,768	44,000
Bonus		-	27,000
Professional Allowance		70,000	-
Interim Allowance		35,000	-
Weekend Allowances		-	14,175
Site Allowances		60,000	10,000
Allowances		37,750	7,000
Fuel		243,420	46,800
Printing & Stationery		10,695	3,790
Postage		3,560	-
Welfare		2,300	4,196
Electricity		-	1,985
Water		-	530
Travelling & Subsistence		3,470	-
Transport		1,201,182	233,458
Rent		-	50,000
Total Expense	5.2.7	3,306,029	722,360
Net Income		**904,971**	**82,640**

NEM Construction Pvt. Ltd

Income	5.1.8	2,956,522	1,165,714
Project Expenses			
Salaries		973,926	350,765
EPF		141,159	50,540
ETF		35,290	12,635
COL		202,400	70,400
Bonus		-	27,000
Professional Allowance		12,000	-
Interim Allowance		20,000	-
Weekend Allowances		15,600	21,350
Site Allowances		50,000	20,000
Allowances		43,000	12,000
Fuel		163,150	13,500
Printing & Stationery		5,945	720
Postage		1,420	-
Welfare		20,415	3,440
Electricity		24,774	-
Travelling & Subsistence		450	450
Transport		729,975	358,440
Rent		216,667	-
Office Expenses		-	820
Total Expense	5.2.8	2,656,171	942,060
Net Income		**300,351**	**223,655**

SINOHYDRO Corporation Limited - Basnagoda

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.9	1,603,490	-
Project Expenses			
Salaries		422,885	-
EPF		61,306	-
ETF		15,327	-
COL		88,000	-
Professional Allowance		15,000	-
Interim Allowance		25,000	-
Weekend Allowances		29,075	-
Site Allowances		25,000	-
Allowances		46,750	-
Printing & Stationery		975	-
Welfare		9,168	-
Electricity		103	-
Travelling & Subsistence		1,750	-
Rent		100,000	-
Cook Allowance		40,935	-
Total Expense	5.2.9	881,274	-
Net Income		**722,216**	**-**

RR Constructions (Pvt) Ltd.

Income	5.1.10	352,000	-
Project Expenses			
Fuel		20,000	-
Transport		79,850	-
Total Expense	5.2.10	99,850	-
Net Income		**252,150**	**-**

NEM-KDAW-E&C

Income	5.1.11	3,848,700	-
Project Expenses			
Salaries		541,985	-
EPF		77,710	-
ETF		19,428	-
COL		105,600	-
Professional Allowance		40,000	-
Interim Allowance		30,000	-
Weekend Allowances		81,125	-
Site Allowances		20,000	-
Allowances		34,250	-
Fuel		122,570	-
Printing & Stationery		12,518	-
Postage		300	-
Welfare		16,712	-
Electricity		7,406	-
Travelling & Subsistence		5,131	-
Transport		81,300	-
Total Expense	5.2.11	1,196,034	-
Net Income		**2,652,666**	**-**

Blasting Monitoring (Other Projects)

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.12	991,702	31,720
Project Expenses			
Salaries		119,070	-
EPF		17,456	-
ETF		4,364	-
COL		26,400	-
Weekend Allowances		39,350	-
Site Allowances		5,000	-
Allowances		9,000	-
Welfare		2,700	-
Travelling & Subsistence		41,094	650
Transport		80,725	-
Office Expenses		-	460
Total Expense	5.2.12	345,160	1,110
Net Income		**646,542**	**30,610**

Crack Survey

Income	5.1.13	16,384,310	5,503,999
Project Expenses			
Salaries		1,925,994	1,116,274
EPF		271,247	159,803
ETF		67,812	39,951
COL		334,400	218,533
Professional Allowance		93,000	-
Interim Allowance		50,000	-
Weekend Allowances		36,475	93,800
Site Allowances		110,000	59,167
Allowance		67,750	41,989
Fuel		206,600	153,203
Printing & Stationery		7,208	12,514
Postage		3,655	560
Welfare		25,368	22,449
Electricity		-	9,235
Travelling & Subsistence		155,552	35,500
Payment for Estimations		281,000	327,000
Transport		1,133,271	699,042
Rent		246,667	51,333
Office Expenses		4,290	2,205
Cook Allowance		-	28,887
Total Expense	5.2.13	5,020,289	3,071,445
Net Income		**11,364,021**	**2,432,554**

Dust, Air, Noise & Vibration

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.14	1,616,860	905,080
Project Expenses			
Fuel		7,000	7,658
Printing & Stationery		196	-
Travelling & Subsistence		13,168	8,582
Office Expenses		200	-
Total Expense	5.2.14	20,564	16,240
Net Income		**1,596,296**	**888,840**

EVR

Income	5.1.15	2,022,655	611,940
Project Expenses			
Fuel		28,500	10,200
Printing & Stationery		1,220	-
Welfare		350	-
Consultation Charges		237,500	87,500
Travelling & Subsistence		30,830	9,845
Office Expenses		400	-
Total Expense	5.2.15	298,800	107,545
Net Income		**1,723,855**	**504,395**

GPS Survey

Income	5.1.16	418,065	148,720
Project Expenses			
Fuel		9,000	12,850
Printing & Stationery		2,226	-
Travelling & Subsistence		28,860	7,800
Office Expenses		2,170	-
Total Expense	5.2.16	42,256	20,650
Net Income		**375,809**	**128,070**

TO Services

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.17	13,965,122	6,779,517
Project Expenses			
Salaries		3,855,072	2,995,009
EPF		588,273	458,858
ETF		147,068	114,715
COL		1,047,200	836,000
Bonus		-	114,750
Professional Allowance		3,000	-
Interim Allowance		182,500	-
Weekend Allowances		160,913	116,325
Site Allowances		5,000	-
Allowances		160,200	89,000
Fuel		43,350	23,000
Welfare		900	5,890
Travelling & Subsistence		1,005,440	866,490
Vehicle Maintenance Charges		9,510	6,950
Total Expense	5.2.17	7,208,425	5,626,986
Net Income		**6,756,698**	**1,152,531**

Mining Projects - Other

Income	5.1.18	79,300	762,760
Project Expenses			
Fuel		1,000	9,000
Travelling & Subsistence		1,794	7,480
Office Expenses		-	432
Total Expense	5.2.18	2,794	16,912
Net Income		**76,506**	**745,848**

Mining Division

Project Expenses			
Salaries		10,177,656	5,349,770
EPF		1,486,091	775,152
ETF		371,523	193,788
COL		2,206,439	1,170,400
Bonus		-	218,550
Professional Allowance		206,500	-
Interim Allowance		357,500	-
Weekend Allowances		455,300	100,800
Site Allowances		514,798	280,000
Allowances		450,297	385,290
Overtime		1,016	29,471
Fuel		77,600	-
Telephone		72,000	69,500
Printing & Stationery		840,663	313,425
Welfare		56,295	14,725
Travelling & Subsistence		827,248	167,884
Other Maintenance Charges		177,385	136,800
Transport		7,000	12,000
Office Expenses		11,200	9,298
Internet Charges		43,854	-
Total Expense	5.2.19	**18,340,365**	**9,226,855**

Additional Notes to Note No. 5 : Project Income Statements

Environmental Studies

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.19	407,407	-
Project Expenses			
Other Allowance & Labour Charges		12,000	-
Fuel		27,880	15,000
Welfare		300	-
Consultation Charges		325,000	450,000
Travelling & Subsistence		97,194	12,515
Office Expenses		240	-
Power Auger Expenses		500	-
Transport		73,440	20,200
Translation Charges		(110,000)	220,000
Total Expense	5.2.20	426,554	717,715
Net Income		**(19,147)**	**(717,715)**

Reserve Estimation

Income	5.1.20	2,849,970	2,054,726
Project Expenses			
Other Allowance & Labour Charges		73,500	81,500
Fuel		35,600	72,981
Printing & Stationery		100	825
Welfare		150	1,350
Travelling & Subsistence		265,133	183,566
Transport		-	18,080
Office Expense		100	520
Hiring Equipment/other		-	9,000
Power Auger Expenses		10,860	18,500
Lab & Data Acquisition		7,896	-
Chemical Charges		67,960	-
Total Expense	5.2.21	461,299	386,322
Net Income		**2,388,671**	**1,668,404**

Geo-Technical Investigations

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.21	1,773,700	2,838,850
Project Expenses			
Other Allowance & Labour Charges		113,000	-
Fuel		47,501	32,000
Printing & Stationery		-	280
Welfare		1,096	1,080
Travelling & Subsistence		474,801	93,220
Other Maintenance		86,670	-
Transport		264,650	93,600
Hiring Equipment/other		1,199,010	-
Power Auger Expenses		2,500	-
Office Expenses		-	20,710
Borehole Expenses		-	2,207,050
Subcontractor Payment		8,404,547	-
Total Expense	5.2.22	10,593,774	2,447,940
Net Income		**(8,820,074)**	**390,910**

Mineral Exploration

Income	5.1.22	2,842,540	225,500
Project Expenses			
Other Allowance & Labour Charges		-	43,500
Fuel		5,000	19,430
Printing & Stationery		-	480
Travelling & Subsistence		38,379	235,940
Other Maintenance Charges		-	37,673
Office Expenses		-	4,350
Chemical Charges		-	216,000
Subcontractor Payment		1,989,980	-
Total Expense	5.2.23	2,033,359	557,373
Net Income		**809,181**	**(331,873)**

Geological Projects - Other

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.23	407,500	170,500
Project Expenses			
Other Allowance & Labour Charges		21,000	9,000
Fuel		42,060	37,877
Travelling & Subsistence		221,470	51,667
Transport		129,320	128,400
Office Expenses		25,290	-
Hiring Equipment/other		-	2,000
Power Auger Expenses		3,000	1,400
Chemical Charges		-	29,000
Bank Charges		154,415	-
Total Expense	5.2.24	596,555	259,343
Net Income		**(189,055)**	**(88,843)**

Geology Division

Project Expenses			
Salaries		7,644,681	5,623,583
EPF		1,082,098	803,460
ETF		270,524	200,865
COL		1,372,800	1,064,800
Bonus		-	95,625
Professional Allowance		203,000	-
Interim Allowance		227,500	-
Weekend Allowances		347,250	278,463
Site Allowances		660,000	500,167
Other Allowance & Labour Charges		2,000	-
Allowances		670,250	462,584
Overtime		34,360	9,722
Fuel		14,550	-
Telephone		23,000	129,247
Printing & Stationery		524,313	260,248
Postage		2,350	-
Welfare		-	2,250
Travelling & Subsistence		62,155	150
Other Maintenance Charges		67,490	101,691
Transport		1,380,901	-
Office Expenses		20,770	4,490
Internet Charges		167,189	-
Subscription & Registration Fee		32,400	-
Chemical Charges		182,000	-
Total Expense	5.2.25	**14,991,582**	**9,537,344**

Additional Notes to Note No. 5 : Project Income Statements

Kotikambokka Quartz Project

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.24	-	-
Project Expenses			
Salaries		169,750	67,920
EPF		20,370	10,131
ETF		5,093	2,533
COL		-	17,600
Other Allowance & Labour Charges		-	4,500
Allowances		78,000	2,000
Fuel		-	21,400
Printing & Stationery		-	545
Postage		-	250
Welfare		-	8,970
Electricity		-	2,160
Water		-	1,460
Travelling & Subsistence		-	9,440
Other Maintenance Charges		-	7,000
Transport		-	122,840
Rent		-	88,387
Security Charges		-	383,100
Office Expenses		-	348
Volume Survey		496,800	-
Cook Allowance		-	4,403
Internet Charges		-	2,000
Total Expense	5.2.26	770,013	756,987
Net Income		**(770,013)**	**(756,987)**

Calcite Project

Income	5.1.25	-	-
Project Expenses			
Other Allowance & Labour Charges		2,000	48,000
Fuel		21,680	65,307
Printing & Stationery		-	3,099
Consultation Charges		588,000	72,000
Travelling & Subsistence		64,279	187,442
Other Maintenance Charges		1,469	-
Transport		-	74,000
Office Expenses		10,850	2,000
Inspection & Investigation		24,850	-
Total Expense	5.2.27	713,128	451,847
Net Income		**(713,128)**	**(451,847)**

Special Projects Division

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Project Expenses			
Salaries		2,372,669	1,707,599
EPF		341,725	254,235
ETF		85,431	63,559
COL		475,043	423,592
Bonus		-	45,225
Professional Allowance		56,000	-
Interim Allowance		77,500	-
Weekend Allowances		1,400	14,950
Site Allowances		130,000	100,000
Allowances		298,000	139,742
Overtime		-	29,118
Fuel		3,000	-
Telephone		9,904	59,257
Printing & Stationery		129,825	148,599
Welfare		448	9,555
Travelling & Subsistence		14,490	24,370
Other Maintenance Charges		25,690	13,915
Office Expenses		-	11,536
Other Expenses		-	5,660
Internet Charges		74,798	6,101
Total Expense	5.2.28	**4,095,924**	**3,057,012**

Additional Notes to Note No. 5 : Project Income Statements

HR Assignment

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.26	29,496,631	22,767,384
Project Expenses			
Salaries		14,261,349	10,949,499
EPF		2,700,847	2,078,247
ETF		675,212	519,562
COL		5,024,271	3,886,884
Bonus		-	27,000
Interim Allowance		35,000	-
Weekend Allowances		78,000	54,600
Allowances		3,537,883	2,739,451
Overtime		943,478	1,113,260
Travelling & Subsistence		155,259	45,500
Office Expenses		-	12,481
Total Expense	5.2.29	27,411,299	21,426,483
Net Income		**2,085,332**	**1,340,901**

Additional Notes to Note No. 5 : Project Income Statements

Manampitiya

		Notes	January - December 2021	April - December 2020
			Rs.	Rs.
Income	- Sale of sand		425,492,393	282,095,283
Other Income	- Manampitiya Yard Income		560,648	208,704
	- Manampitiya Tipper Income		4,103,782	3,030,898
	- Manampitiya Other Income		4,264,977	-
		5.1.27	**434,421,800**	**285,334,885**
Project Expenses				
Cost of Sand Manampitiya			318,792,500	207,309,101
Salaries			11,603,451	9,117,593
EPF			1,720,371	1,413,153
ETF			430,093	353,288
COL			3,224,774	2,689,252
Bonus			-	392,906
Professional Allowance			21,000	-
Interim Allowance			507,500	-
Weekend Allowances			79,464	60,662
Site Allowances			448,548	297,032
Other Allowance & Labour Charges			-	4,000
Allowances			340,758	573,631
Overtime			1,516,251	1,011,334
Fuel			2,290,389	1,953,955
Telephone			73,744	30,312
Printing & Stationery			681,268	229,365
Postage			45,848	25,680
Welfare			583,357	398,224
Electricity			571,528	98,881
Water			7,471	3,487
Travelling & Subsistence			149,804	49,700
Vehicle Maintenance Charges			124,430	-
Other Maintenance Charges			250,390	413,055
Insurance			43,298	320,274
Transport			2,552,739	2,002,505
Rent			907,500	698,750
Security Charges			2,775,550	1,441,000
Water Bowser Expenses			1,029,250	1,177,875
Subscription & Registration Fee			105,754	-
Office Expenses			39,936	38,727
GSMBTS Tipper Expenses			1,174,896	524,483
Internet Charges			35,365	31,929
Generator Expenses			56,000	20,400
Cook Allowance			37,606	-
Yard Transport Manampitiya			322,941	106,050
License & TPL fee			28,887	65,207
Mineral Tax			2,127,463	1,410,476
Total Expense		5.2.30	354,700,124	234,262,289
Net Income			**79,721,676**	**51,072,596**

Other Sand Mining Projects in Polonnaruwa

Aralaganwila

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.28	10,776,805	-
Project Expenses			
Cost of Sand		4,510,650	-
Salaries		1,015,870	999,616
EPF		159,920	157,870
ETF		39,980	39,468
COL		316,800	316,800
Bonus		-	(13,500)
Interim Allowance		90,000	-
Weekend Allowances		4,457	-
Site Allowances		52,500	-
Allowances		7,000	-
Overtime		108,317	-
Fuel		58,200	-
Telephone		34,565	24,481
Printing & Stationery		17,959	-
Postage		970	-
Welfare		16,005	14,640
Electricity		21,875	22,808
Travelling & Subsistence		1,280	-
Other Maintenance Charges		12,995	1,405
Transport		71,500	-
Rent		84,000	-
Water Bowser Expenses		295,550	4,200
Office Expenses		1,280	-
Internet Charges		-	4,628
Loading Charges		383,731	-
Yard Transport Aralaganwila		1,872,650	-
TDL Charges		14,540	-
Mineral Tax		53,884	-
Total Expense	5.2.31	9,246,479	1,572,415
Net Income		**1,530,326**	**(1,572,415)**

Boaththa

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.29	23,714,779	-
Project Expenses			
Cost of Sand		10,644,700	-
Salaries		1,415,686	1,444,648
EPF		222,682	225,909
ETF		55,671	56,477
COL		440,000	440,000
Bonus		-	11,540
Interim Allowance		125,000	-
Weekend Allowances		12,019	4,502
Site Allowances		35,000	41,667
Allowances		-	10,000
Overtime		308,419	-
Fuel		42,000	-
Printing & Stationery		59,814	-
Postage		1,520	-
Welfare		21,285	-
Electricity		33,515	14,543
Travelling & Subsistence		980	-
Other Maintenance Charges		11,750	-
Transport		132,000	-
Rent		6,500	-
Water Bowser Expenses		336,000	36,000
Office Expenses		1,195	-
Loading Charges		655,451	-
Tractor Payment Boaththa		4,741,000	-
TDL Charges		28,960	-
Mineral Tax		118,574	-
Total Expense	5.2.32	19,449,719	2,285,285
Net Income		**4,265,060**	**(2,285,285)**

Lankapura

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand		512,528	451,468
Other Income		9,618	-
	5.1.30	522,146	451,468
Project Expenses			
Cost of Sand		290,850	256,200
Salaries		367,720	825,041
EPF		56,798	127,517
ETF		14,200	31,879
COL		105,600	237,600
Bonus		-	40,500
Weekend Allowances		-	6,110
Site Allowances		20,000	45,000
Allowances		-	163,000
Overtime		-	25,301
Fuel		10,500	62,000
Telephone		3,000	8,000
Printing & Stationery		24,790	10,548
Postage		3,695	6,295
Welfare		21,220	28,260
News Paper & Periodicals		-	1,200
Other Maintenance Charges		3,300	7,275
Transport		20,000	75,000
Rent		36,000	81,000
Office Expenses		-	920
TDL Charges		-	3,000
Internet Charges		3,086	14,408
Subscription & Registration Fee		4,500	-
Mineral Tax		2,563	2,313
Total Expense	5.2.33	987,822	2,058,366
Net Income		**(465,676)**	**(1,606,897)**

Nidanwala

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.31	25,141,272	-
Project Expenses			
Cost of Sand		12,692,825	-
Salaries		1,075,040	747,734
EPF		163,853	116,844
ETF		40,963	29,211
COL		290,400	228,800
Interim Allowance		82,500	-
Weekend Allowances		7,533	-
Site Allowances		52,500	-
Allowances		7,000	216,000
Overtime		186,460	-
Fuel		90,000	1,000
Printing & Stationery		24,924	710
Postage		2,250	235
Welfare		18,077	2,663
Electricity		3,747	-
Water		1,802	-
Other Maintenance Charges		11,000	2,900
Transport		106,000	-
Rent		84,000	108,000
Water Bowser Expenses		403,750	-
Office Expenses		545	815
Internet Charges		3,185	14,408
Loading Charges		1,098,694	-
Mineral Tax		125,706	-
Total Expense	5.2.34	16,572,754	1,469,319
Net Income		**8,568,518**	**(1,469,319)**

Welikanda

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.32	11,325,610	-
Project Expenses			
Cost of Sand		5,655,150	-
Salaries		895,263	1,642,235
EPF		138,056	255,327
ETF		34,514	63,832
COL		255,200	486,413
Bonus		-	(4,500)
Interim Allowance		72,500	-
Weekend Allowances		37,662	3,112
Site Allowances		35,000	60,000
Allowances		9,000	90,000
Overtime		86,359	-
Fuel		33,300	32,500
Printing & Stationery		14,052	1,956
Postage		3,100	3,360
Welfare		45,342	21,101
Electricity		56,892	30,994
Other Maintenance Charges		12,805	1,590
Transport		41,500	-
Security Charges		2,174,000	183,000
Office Expenses		160	255
Internet Charges		1,543	15,153
Loading Charges		343,337	-
Mineral Tax		56,628	-
Total Expense	5.2.35	10,001,361	2,886,328
Net Income		**1,324,249**	**(2,886,328)**

Other Sand Mining Projects

Kanthale Sand Project

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.33	3,286,532	89,643,132
Project Expenses			
Cost of Sand			
- Mining Cost		1,248,315	27,055,915
- Tractor Payment		1,697,850	36,704,543
Salaries		1,941,501	3,341,237
EPF		294,576	522,180
ETF		73,644	130,545
COL		513,300	1,033,148
Bonus		-	37,615
Professional Allowance		21,000	-
Interim Allowance		37,500	-
Weekend Allowances		9,888	86,925
Site Allowances		129,027	107,339
Other Allowance & Labour Charge		(22,000)	21,000
Allowances		44,611	86,710
Overtime		(1,003)	361,475
Fuel		100,400	353,200
Printing & Stationery		3,080	144,374
Postage		6,320	9,965
Welfare		24,110	59,050
Electricity		38,749	111,419
Consultation Charges		60,500	-
Travelling & Subsistence		28,065	89,011
Other Maintenance Charges		2,350	90,517
Transport		962,419	1,642,858
Rent		383,000	392,000
Security Charges		1,641,400	2,868,000
Water Bowser Expenses		-	265,000
Office Expenses		-	5,000
Hiring Equipment/other		-	36,000
TPL Charges		-	71,153
Cook Allowance		-	13,000
TDL Charges		19,940	19,940
Subscription & Registration Fee		4,500	-
Loading Charges Kanthale		19,800	3,730,965
Labour Charges Kanthale		-	5,396,000
Total Expense	5.2.36	9,282,842	84,786,084
Net Income		**(5,996,310)**	**4,857,048**

Muthur Sand Project

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand	5.1.34	7,730,442	1,629,278
Project Expenses			
Cost of Sand		5,025,600	1,059,200
Salaries		1,953,128	368,970
EPF		296,679	56,948
ETF		74,170	14,237
COL		519,200	105,600
Bonus		-	54,000
Interim Allowance		95,000	-
Weekend Allowances		93,224	26,381
Site Allowances		90,000	22,500
Allowances		17,000	114,000
Overtime		119,600	43,847
Fuel		13,900	20,660
Telephone		-	300
Printing & Stationery		39,587	47,429
Postage		355	975
Welfare		11,720	21,450
Electricity		23,283	8,073
Water		5,474	-
Travelling & Subsistence		2,885	69,980
Transport		420,640	281,120
Rent		480,000	160,000
Road & Other Construction		350,000	-
License & TPL fee		9,657	27,076
C Permit Charges		-	408,800
Total Expense	5.2.37	9,641,103	2,911,547
Net Income		**(1,910,661)**	**(1,282,268)**

Additional Notes to Note No. 5 : Project Income Statements

Sand Stock Yards

28th Mile Post Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.35	-	-
Project Expenses			
Bonus		-	3,736
Electricity		-	(5,351)
Water		-	(2,199)
Rent		-	175,000
TDL Charges		-	14,540
Total Expense	5.2.38	-	185,726
Net Income		-	**(185,726)**

Bakamoona Stock Yard

Income	5.1.36	817,779	1,863,020
Project Expenses			
Cost of Sale		345,402	752,765
Salaries		305,100	331,816
EPF		47,172	51,434
ETF		11,793	12,858
COL		88,000	96,800
Bonus		-	13,500
Site Allowances		20,000	45,000
Other Allowance & Labour Charges		-	2,500
Allowances		4,000	2,000
Overtime		-	1,486
Fuel		8,000	1,140
Telephone		3,000	11,450
Printing & Stationery		2,487	7,824
Postage		1,500	3,820
Welfare		7,295	15,485
Travelling & Subsistence		-	235
Transport		(5,000)	14,584
Rent		75,000	231,477
Office Expenses		2,115	2,803
TDL Charges		-	14,540
Yard Transport Bakamoona		216,000	536,000
Mineral Tax		4,089	9,315
Total Expense	5.2.39	1,135,953	2,158,833
Net Income		**(318,174)**	**(295,812)**

Hingurakgoda Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.37	17,061,995	8,600,978
Project Expenses			
Cost of Sale		12,347,749	6,047,008
Salaries		714,683	798,600
EPF		110,050	121,868
ETF		27,513	30,467
COL		202,400	228,800
Bonus		-	42,728
Interim Allowance		27,500	-
Weekend Allowances		3,127	-
Site Allowances		82,500	45,000
Allowances		8,000	14,000
Overtime		2,898	4,919
Fuel		44,000	34,000
Telephone		11,000	8,000
Printing & Stationery		4,160	5,375
Postage		6,110	8,650
Welfare		22,175	21,440
Electricity		1,154	-
Vehicle Maintenance Charges		32,380	6,105
Other Maintenance Charges		13,593	-
Insurance		9,227	-
Transport		(1,250)	22,834
Rent		300,000	225,000
Office Expenses		700	-
TPL Charges		-	13,275
TDL Charges		14,540	14,540
Mineral Tax		85,310	43,005
Total Expense	5.2.40	14,069,518	7,735,614
Net Income		**2,992,477**	**865,364**

Medirigiriya Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.38	22,307,386	8,584,633
Project Expenses			
Cost of Sale		10,628,367	3,829,259
Salaries		791,537	588,688
EPF		120,328	89,651
ETF		30,082	22,413
COL		211,200	158,400
Bonus		-	27,000
Interim Allowance		35,000	-
Site Allowances		90,000	67,500
Allowances		12,000	9,000
Fuel		45,060	22,000
Telephone		2,000	-
Printing & Stationery		9,804	7,295
Postage		3,005	9,160
Welfare		13,975	13,445
Electricity		23,522	19,101
Water		20,466	-
Travelling & Subsistence		1,090	-
Other Maintenance Charges		1,533	-
Transport		60,000	42,500
Security Charges		1,516,300	814,000
Office Expenses		3,840	5,895
Yard Transport Medirigiriya		6,631,200	2,628,000
Internet Charges		15,942	14,408
Subscription & Registration Fee		4,500	-
TDL Charges		14,540	14,540
Mineral Tax		111,537	42,923
Total Expense	5.2.41	20,396,829	8,425,178
Net Income		**1,910,556**	**159,454**

Minneriya Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.39	19,947,182	7,964,342
Project Expenses			
Cost of Sale		10,077,192	3,774,964
Salaries		935,878	272,790
EPF		145,041	42,239
ETF		36,260	10,560
COL		272,800	79,200
Bonus		-	13,500
Interim Allowance		52,500	-
Site Allowances		60,000	45,000
Other Allowance & Labour Charges		-	1,500
Overtime		3,640	2,747
Telephone		11,000	12,000
Printing & Stationery		19,969	5,206
Postage		4,740	6,500
Welfare		29,324	21,478
Electricity		22,976	30,120
Travelling & Subsistence		7,000	6,700
Other Maintenance Charges		54,040	950
Insurance		-	9,222
Transport		(1,250)	18,332
Rent		180,000	220,000
Security Charges		1,510,000	809,000
Office Expenses		8,201	6,666
Yard Transport & TPL Minneriya		5,178,000	2,364,000
Internet Charges		14,399	-
Subscription & Registration Fee		4,500	-
TDL Charges		14,540	14,540
Mineral Tax		99,736	39,822
Total Expense	5.2.42	18,740,485	7,807,035
Net Income		**1,206,697**	**157,306**

Yakkala Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income - Sale of sand		23,279,344	3,291,013
Other Income - Yard Transport		5,743,842	-
	5.1.40	29,023,186	3,291,013
Project Expenses			
Cost of Sale		16,299,083	2,182,118
Salaries		1,115,756	1,317,381
EPF		171,907	199,804
ETF		42,977	49,951
COL		316,800	352,000
Bonus		-	30,615
Interim Allowance		52,500	-
Site Allowances		70,645	45,000
Other Allowance & Labour Charges		16,000	3,000
Allowances		30,000	24,000
Overtime		-	21,003
Fuel		-	1,000
Telephone		35,214	31,377
Printing & Stationery		64,019	19,289
Postage		17,070	6,310
Welfare		18,761	11,450
Electricity		53,663	28,254
Water		38,474	10,734
Travelling & Subsistence		30,351	19,890
Other Maintenance Charges		24,765	11,658
Insurance		-	65,677
Transport		55,000	8,600
Office Expenses		3,275	34,090
Hiring Equipment/other		-	15,750
Subscription & Registration Fee		32,500	25,735
Road & Other Construction		22,000	-
TPL Charges		51,401	125,613
TDL Charges		14,540	14,540
Mineral Tax		116,398	16,455
Total Expense	5.2.43	18,693,098	4,671,291
Net Income		**10,330,089**	**(1,380,277)**

New Town Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.41	23,300,139	9,949,331
Project Expenses			
Cost of Sale		12,856,145	5,244,104
Salaries		442,030	176,460
EPF		68,884	27,511
ETF		17,221	6,878
COL		132,000	52,800
Bonus		-	13,500
Interim Allowance		20,000	-
Weekend Allowances		1,471	-
Site Allowances		60,000	30,000
Other Allowance & Labour Charges		-	12,000
Overtime		4,615	6,158
Fuel		12,000	16,500
Telephone		7,000	6,000
Printing & Stationery		90	18,329
Postage		4,350	2,830
Welfare		16,255	5,120
Electricity		6,352	24,500
Travelling & Subsistence		-	2,000
Other Maintenance Charges		-	63,967
Transport		52,500	50,000
Office Expenses		-	6,868
Hiring Equipment/other		-	12,000
Internet Charges		15,556	14,408
Subscription & Registration Fee		4,500	-
Yard Transport New Town		3,871,000	1,778,000
TDL Charges		14,540	-
Mineral Tax		116,501	49,747
Total Expense	5.2.44	17,723,009	7,619,679
Net Income		**5,577,131**	**2,329,652**

Habarana Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.42	10,485,892	-
Project Expenses			
Cost of Sale		4,878,972	-
Salaries		493,954	-
EPF		76,170	-
ETF		19,043	-
COL		140,800	-
Interim Allowance		35,000	-
Site Allowances		40,000	-
Other Allowance & Labour Charges		4,000	-
Allowances		8,000	-
Overtime		26,112	-
Fuel		38,500	-
Telephone		7,000	-
Printing & Stationery		12,730	-
Postage		1,780	-
Welfare		23,121	-
Electricity		2,038	-
Water		647	-
Travelling & Subsistence		940	-
Other Maintenance Charges		16,700	-
Transport		37,500	-
Rent		210,000	-
Office Expenses		2,005	-
Yard Transport Habarana		3,288,000	-
TDL Charges		14,540	-
Mineral Tax		52,429	-
Total Expense	5.2.45	9,429,980	-
Net Income		**1,055,913**	-

Kegalle Stock Yard

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.43	7,328,423	-
Project Expenses			
Cost of Sale		4,642,488	-
Salaries		371,859	-
EPF		57,295	-
ETF		14,324	-
COL		105,600	-
Interim Allowance		30,000	-
Weekend Allowances		18,694	-
Site Allowances		40,645	-
Overtime		30,892	-
Printing & Stationery		25,864	-
Postage		7,440	-
Welfare		8,263	-
Travelling & Subsistence		11,030	-
Office Expenses		1,800	-
Inspection & Investigation		41,535	
TDL Charges		14,540	-
Subcontractor Payment		1,004,580	-
Mineral Tax		36,642	-
Total Expense	5.2.46	6,463,491	-
Net Income		**864,933**	-

Ambathale Stock Yard

Income	5.1.44	7,772,116	-
Project Expenses			
Cost of Sale		4,776,641	-
Salaries		302,502	-
EPF		47,065	-
ETF		11,766	-
COL		89,703	-
Interim Allowance		25,484	-
Weekend Allowances		9,825	-
Site Allowances		38,952	-
Allowances		5,000	-
Overtime		35,374	-
Printing & Stationery		16,207	-
Welfare		5,590	-
Travelling & Subsistence		25,646	-
Transport		10,000	-
Office Expenses		680	-
Inspection & Investigation		32,454	-
License & TPL fee		14,018	-
TDL Charges		14,540	-
Subcontractor Payment		1,380,379	-
Mineral Tax		38,861	-
Total Expense	5.2.47	6,880,686	-
Net Income		**891,429**	-

Additional Notes to Note No. 5 : Project Income Statements

Hambantota Gravel Project

	Notes	January - December 2021	April - December 2020
		Rs.	Rs.
Income	5.1.45	-	-
Project Expenses			
Security Charges		-	377,543
Total Expense	5.2.48	-	377,543
Net Income		-	**(377,543)**

Other Projects

Income	5.1.46	-	-
Project Expenses			
Fuel		-	4,500
Travelling & Subsistence		-	10,156
Transport		-	5,400
Mining License & Royalty		-	243,559
Total Expense	5.2.49	-	263,615
Net Income		-	**(263,615)**

Other Income

Sundry Income	5.1.47	140,000	305,342
Net Profit		**140,000**	**305,342**

GSMB TECHNICAL SERVICES (PVT) LTD
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STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
Notes to the Accounts - 31st December 2021

	January - December 2021	April - December 2020
	Rs.	Rs.
Note 6 : Other Non Operating Income		
Interest State Mortgage Bank	176,486	180,304
Interest Sampath Bank	96,703	678,767
Interest People's Bank	14,151,181	13,745,525
Interest Distress Loan	676,726	416,639
People's Bank Savings A/C	69,810	63,078
Income - Tender Deposit	88,426	35,185
Over Provision-Doubtful Debtors	7,366,935	-
	22,626,266	**15,119,498**
Note 7 : Administration Expenses		
Salaries	17,482,199	13,500,717
EPF	2,608,649	2,000,829
ETF	652,162	500,207
COL	4,362,141	3,244,097
Incentive	5,944,117	29,154
Bonus	485,715	367,615
Professional Allowance	214,000	-
Interim Allowance	741,613	-
Weekend Allowance	147,482	101,932
Site Allowance	542,903	177,000
Other Allowances & Labour Charges	162,800	79,900
Allowances	3,808,660	2,305,279
Overtime	1,010,120	805,782
Fuel	2,449,859	1,220,262
Telephone	519,473	562,659
Printing & Stationery	2,234,435	1,011,711
Postage	446,449	283,805
Welfare	1,149,544	918,262
News Papers & Periodicals	50,410	12,220
Electricity	1,190,282	826,062
Travelling & Subsistence	276,624	293,223
Vehicle Maintenance Charges	-	700
Other Maintenance Charges	821,122	176,218
Advertising	1,010,253	337,122
Board & Committee Fees	752,800	262,000
Training & Development	194,000	137,000
Insurance	7,838,882	5,952,915
Transport	7,822,438	4,596,342
Rent	3,425,000	2,700,000

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
Notes to the Accounts - 31st December 2021

	January - December 2021	April - December 2020
	Rs.	Rs.
Security Charges	924,590	629,750
Secretarial Fees	-	146,480
Legal Fees	127,500	338,500
Depreciation	15,708,737	11,816,053
Office Expenses	75,488	158,504
Subscription and Registration Fees	108,753	116,932
Audit Fees	1,298,550	1,255,380
Cleaning Services	1,114,800	966,000
NBT Expense	-	2,925
Professional Fees	261,600	-
Internet Charges	402,863	97,539
Generator Expenses	4,800	5,332
Other Expenses	-	2,500
Gratuity	3,718,528	4,064,657
Translation Charges	378,278	50,718
Business Promotion Expenses	21,100	237,375
Sponsorship	370,000	-
Write Off Expense	25,938	-
Bad Debts	-	24,988
Under Provision-Doubtful Debtors	194,850	43,054,707
Web Server Maintenance	2,200	-
Stamp Duty	225	-
	93,082,929	**105,371,355**

Note 8 : Finance Cost

Bank Charges	336,731	240,156
	336,731	**240,156**

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
Notes to the Accounts - 31st December 2021

	January - December 2021	April - December 2020
	Rs.	Rs.
Note 9 : Income Tax Expense		
Income Tax for the Year	13,108,006	-
Under Provision for the Year 2020	1,627,910	-
Deferred Tax (Note No.12)		
Increase of Deferred Tax Asset		
Deferred Tax Asset - 2019/2020	-	4,947,071
Deferred Tax Asset - 2020	19,266,292	(19,266,292)
Deferred Tax Asset - 2021	(16,353,544)	-
	2,912,748	(14,319,221)
Decrease of Deferred Tax Liabilities		
Deferred Tax Liabilities- 2019/2020	-	(284,149)
Deferred Tax Liabilities - 2020	(990,919)	990,919
Deferred Tax Liabilities - 2021	585,683	-
	(405,236)	706,770
	17,243,428	**(13,612,451)**

Note 10 : Prior Year Adjustments

CSR- Transferred to Income	1,586,352	-
Rehabilitation- Transferred to Income	13,762,916	-
Staff Welfare Fund- Transferred to Income	5,200,752	-
Total amount Transferred to Income	20,550,020	-
Refund of Honorium Payment	100,000	-
Advances Settlements		
Repair & Maintenance - Welikanda	(320,345)	-
Expenses on Awareness programmes	(132,900)	-
Expenses on Transport	(56,129)	-
ESC Receivable for Previous years	(262,860)	-
Total	**19,877,785**	**-**

Note 11: Property, Plant & Equipment

Note 11.1 At Cost

	Balance as at 01.01.2021 (Rs.)	Additions	Write Off / Disposal	Balance as at 31.12.2021 (Rs.)
Office Partitioning	22,531,464	751,879	-	23,283,343
Name Board	1,597,610	87,271	-	1,684,881
Furniture & Fittings	8,466,952	119,250	-	8,586,202
Computer & Accessories	18,836,364	426,500	-	19,262,864
Office Equipment	12,707,159	740,330	30,000	13,417,490
Field Equipment	52,472,761	1,261,021	-	53,733,782
Motor Vehicles	18,911,962	-	-	18,911,962
Laboratory Equipment	1,334,593	-	-	1,334,593
Communication Equipment	443,988	-	-	443,988
	137,302,853	3,386,251	30,000	140,659,105

Note 11.2 Depreciation

	Balance as at 01.01.2021 (Rs.)	Charges for the Year	Write Off / Disposal	Balance as at 31.12.2021 (Rs.)
Office Partitioning	14,990,768	3,541,795	-	18,532,562
Name Board	1,120,230	278,952	-	1,399,182
Furniture & Fittings	6,258,859	1,053,318	-	7,312,177
Computer & Accessories	12,289,016	3,069,340	-	15,358,356
Office Equipment	7,922,866	2,047,691	4,063	9,966,494
Field Equipment	33,347,913	5,588,145	-	38,936,058
Motor Vehicles	18,911,962	-	-	18,911,962
Laboratory Equipment	1,291,426	18,500	-	1,309,926
Communication Equipment	51,124	110,997	-	162,121
	96,184,162	15,708,738	4,063	111,888,837
Net Book Value	**41,118,691**			**28,770,267**

Note 11.3 : During the year, the group acquired Property, Plant and Equipment aggregate value of Rs. 3,386,251/- (2020/9 Months - Rs. 22,474,369/-).

Note 11.4 : Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 79,803,562/- (2020/9 Months - Rs. 70,567,612/-).

Note 12: Deferred Tax

Difference on Property , Plant & Equipment

	Book WDV 31.12.2021	Tax WDV 31.12.2021	Difference	Deferred Tax Rate : 24%	Deferred Tax Asset	Deferred Tax Liability
Office Partitioning	4,750,780	11,084,234	(6,333,454)	(1,520,029)	1,520,029	-
Name Board	285,699	307,616	(21,917)	(5,260)	5,260	-
Furniture & Fittings	1,274,025	1,306,624	(32,599)	(7,824)	7,824	-
Computer & Accessories	3,904,508	4,613,221	(708,713)	(170,091)	170,091	-
Office Equipment	3,450,995	3,280,693	170,302	40,873	-	40,873
Field Equipment	14,797,725	12,543,155	2,254,570	541,097	-	541,097
Motor Vehicles	-	-	-	-	-	-
Laboratory Equipment	24,667	29,600	(4,933)	(1,184)	1,184	-
Communication Equipment	281,868	266,393	15,475	3,714	-	3,714
	28,770,267	33,431,536			1,704,388	585,683
Defined Benefit Plan	25,155,530	-	25,155,530	6,037,327	6,037,327	-
Provision for Doubtful Debts	35,882,623	-	35,882,623	8,611,829	8,611,829	-
					14,649,157	-
					16,353,544	**585,683**

Note 13 : Inventories

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Sand Stock at Manampitiya	22,200	-
Sand Stock at Welikanda	18,000	18,000
Sand Stock at Aralaganwila	-	1,300
Sand Stock at Hingurakgoda	43,120	139,866
Sand Stock at Yakkala	369,431	211,717
Sand Stock at Bakamuna	3,364	52,582
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	46,220	124,999
Sand Stock at Medirigiriya	232,194	175,736
Sand Stock at Boaththa	3,000	3,000
Sand Stock at Kanthale	10,603,916	13,550,081
Sand Stock at New Town	932	34,555
Sand Stock at Muthur	28,800	28,800
Sand Stock at Habarana	33,564	-
Sand Stock at Kegalle	376,657	-
Sand Stock at Ambathale	124,465	-
Gravel Stock at Welioya	1,500	1,500
Consumable Stock	4,615,020	5,135,102
Sand bags	7,588	7,588
Printed Sand bags	208,604	208,604
	16,954,671	**19,909,527**

Note 14 : Trade Receivables

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
A.M.Somawathi	88,562	-
Access Engineering PLC	37,175	37,175
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
Blue Ocean Group of Companies	62,076	62,756
Boulder Mix (pvt) Ltd	81,000	-
C.Nihal Muthukumarana	3,785	3,785
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 (Leenawatta)	1,581,859	1,623,759
China Harbour Eng.Company Ltd	37,804	-
China Machinery Engineering Corporation	5,508	5,508
China National Electric Eng.Com.Ltd	141,732	5,101,528
China State Cons. Eng. Cor.Ltd	7,551,171	7,468,997
China State Cons. Eng. Cor.Ltd - Hambanthota Gravel	11,730	11,730
D.P.Jayasinghe Piling Co.(Pvt.)Ltd	944	346,979
D.Wanniarachchi	151,200	-
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.Srikandarajah	679,308	679,308
Gunasena Mallawarachchi	117,300	117,300
H.Chamidu Sujan Mendis	7,400	7,400
H.L.Kulathilaka	290,636	-
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
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
K.A.Karunadasa	40,000	40,000
K.D.A.Weerasinghe & Co.(pvt)Ltd.-Batapola	1,229,000	861,000
K.D.A.Weerasinghe (Pvt) Ltd	332,462	725,666
K.D.A.Weerasinghe (Pvt) Ltd (Madawachchiya)	88,822	88,822
K.D.Ebert & Sons Holding Pvt.Ltd	392,000	392,000
K.M.Nandasara	307,745	307,745
K.M.T.Udayanga	33,637	-
K.Sivanatham	129,060	129,060
K.T.Weerakoon	-	1,088,000

Kajen Construction	-	14,694
Kanthale Debtors	-	2,149,064
Kumagai Gumi Co.Ltd	13,910	13,910
L.J.M.Sajith Dilanga	-	31,320
Lalinda Liyanage	174,154	174,154
Lalithweera Wanniarachchi	43,200	-
Lanka Ceramic PLC	-	69,207
Lanka Mineral Sands Limited	520,045	514,845
Lanka Phosphate LTD.	-	73,138
Leading Crusher Works	84,000	84,000
Limor Lanka Pvt. Ltd	727,358	727,358
Link engineering (pvt)Ltd	100,872	-
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	57,883	63,883
M.R.Sri Lal	492,376	792,376
M.S.D.Perera	291,873	291,873
Maga Eng.(Pvt) Ltd - Pothuhera-Wadakada	501,900	2,150,429
Maga Engineering (Pvt) Ltd	1,015,100	329,560
Maga Engineering (Pvt) Ltd - Kurunegala	-	834,840
Marine Drive Hotel Project	64,680	7,840
Melanka Industrial Services Pvt.Ltd	72,121	72,121
Metal Mix (pvt) Ltd	64,800	70,200
Metro Colombo Solid Waste Mgnt.Project	-	91,282
Milroy Auto Engineers	5,851	5,851
Ministry of Environment	1,403,600	1,403,600
Mulathivu Debtors	99,000	99,000
N.A.W.Neththasinghe	3,240	-
Neel Shantha	-	127,271
NEM Construction (pvt) Ltd	46,920	2,098,460
NEM Construction (Pvt)Ltd - Pothuhera	3,071,216	-
NEM Construction Pvt.Ltd - Bopitiya	622,643	1,047,200
Nimal Enterprises	266,941	606,061
Nimal Enterprises - Diddeniya	277,714	277,714
Nurani Estate	1,946,087	1,629,102
Office of the Chief Secretary-Anuradhapura	6,958	6,958
Olympus Construction (Pvt)Ltd	95,013	95,013
Orial Construction	36,936	-
P.Achila Udara	90,000	90,000
P.M.D.Fernando	114,968	114,968
Pibidemu Polonnaruwa	-	3,576,208
Piramal Glass Ceylon PLC	80,287	321,149
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	1,657,600
Road Development Authority (OCHP)	326,340	326,340
Rocell Ceramic Ltd	176,211	-
Romax Construction (Pvt.) Ltd	311,202	311,202
RR Construction Pvt. Ltd	380,160	-
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
Senura Holdings (Pvt) Ltd	85,704	85,704
Senura Trading (Pvt) Ltd	329,027	329,027
Sinohydro Corporation Limited	304,063	12,000
Sky Enterprises	524,117	524,117
Sri Lanka Navy	1,333,920	-
Sri Lanka Ports Authority	1,969,710	1,969,710
Sripalie & Dhaly JV Pvt.Ltd	-	557,280
State Development & Cons.Corporation	-	354,780
Tasma International Multy Ser.(pvt) Ltd	36,797	36,797
Thirupathi Constructions	104,070	104,070
Three Sanka Holdings Lanka (Pvt) Ltd	38,187	38,187
TMC Company Ltd	20,514	20,514
Tudawe Brothers (Pvt)Ltd	5,882	5,882
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
W.S.Padmalal	56,656	56,656
Walkers Piling Pvt. Ltd	16,480	16,480
Wasantha Kuruppu	-	23,460
Y.A.Neel	-	65,688
Yahangala Estate	159,797	159,797
	41,131,700	**54,391,968**

Note 14.1

Gross Trade Receivables (Note 14)	41,131,700	54,391,968
Less: Provision for Impairment of Trade Receivables (Note 14.2)	(28,870,411)	(36,237,346)
Net Trade Receivables	**12,261,288**	**18,154,622**

Note 14.2

Provision for Impairment of Trade Receivables

As at 31st December 2021, The impairment of trade receivables, is as follows:

Period	**Total**	**Past Due**				
		61-120 Days	121-180 Days	181-240 Days	241-360 Days	Above 361 Days
As at 31st December 2021	28,870,411	387,881	102,332	5,500	-	28,374,698
As at 31st December 2020	36,237,346	547,648	447,697	413,100	2,255,093	32,573,808

Note 15: Other Receivables

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Field Advance	139,766	15,056
Other Advance	275,968	292,268
Festival Advance	164,625	62,355
ESC Receivable	119,999	119,999
ESC Receivable for Previous Years	-	262,860
Rent Advance	1,939,516	1,619,516
Distress Loan	11,620,365	14,135,809
Boat Loan	257,661	393,661
Advance (Purchases)	506,500	1,050,695
Prepayment Insurance	3,867,191	3,581,712
Prepaid Tax	22,685,773	17,297,197
Petty Cash Advance	15,000	85,087
Receivable Deposit	477,500	477,500
Deposit - Mulative Gravel Project	400,000	400,000
Advance - Department of Forest (Yan Oya)	454,506	454,506
Other Receivables	60,000	50
Interest Receivable	3,318,890	3,243,591
Fuel Deposit	1,200,000	1,200,000
Prepayment Mining License	194,181	629,194
Advance Kanthale	20,554,846	20,755,046
Receivable from Aralaganwila	-	6,872
Receivable from Lankapura	4,193	-
Salary Advance	-	9,000
Guarantee - Ceylon fishery Harbour	200,000	-
TPL Advance	78,685	-
Expressway Advance	10,000	-
Advance Mahaweli Authority	2,334,000	-
Receivable for Mining License & Inspection-Muthr	959,569	-
Total	**71,838,733**	**66,091,974**

Note 16 : Amount Due from Related Parties

		Balance as at 31.12.2021	Balance as at 31.12.2020
		Rs.	Rs.
Geological Survey & Mines Bureau			
Trade Receivables		9,965,067	14,628,570
Less: Provision for impairment of Due from Related Parties (Note 16.1)		(7,012,211)	(6,817,361)
Net Amount Due from Related Parties		2,952,856	7,811,208
Other Receivables	- Yan Oya Accommodation	150,000	150,000
	- HR Assessment of GSMB	400,000	400,000
	- Security Deposit for TPL	200,000	-
	- Mining License Mundeniaru	995,522	995,522
		4,698,378	**9,356,730**

Note 16.1

Provision for impairment of Amounts Due from Related Parties

As at 31st December 2021, The impairment of the related party receivables, is as follows:

Period	Total	Past Due				
		61-120 Days	121-180 Days	181-240 Days	241-360 Days	Above 361 Days
As at 31st December 2021	7,012,211	-	-	-	361,933	6,650,278
As at 31st December 2020	6,817,361	24,562	-	-	-	6,792,799

Note 17 : Investments

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Fixed Deposit - Sampath Bank	-	14,287,253
Fixed Deposit - State Mortgage Bank	3,676,037	3,500,000
Fixed Deposit - People's Bank	282,208,676	253,396,561
	285,884,713	**271,183,814**

Note 18: Cash & Cash Equivalents

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Sampath Bank A/C No.001710004982	16,835,809	7,733,839
People's Bank A/C No.337100140000881	22,086,021	8,744,115
Nations' Trust Bank A/C No.100270004596	56,632	57,632
People's Bank Savings A/C No.337200140004454	2,364,998	2,295,188
	41,343,460	**18,830,774**

Note 19: Stated Capital

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
600,000 Shares @ Rs.10.00 (Note 19.1)	6,000,000	6,000,000
	6,000,000	**6,000,000**

Note 19.1: 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 19.2: Authorized Share Capital

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

Note 20: Defined Benefit Plan

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Balance as at 01st January 2021	21,787,588	17,722,931
Add: Provision made during the year	3,718,528	4,064,657
	25,506,115	21,787,588
Less: Benefits paid by the plan	(350,585)	-
Balance as at 31st December 2021	**25,155,530**	**21,787,588**

Note 21: Trade Payables

	Notes	Balance as at 31.12.2021	Balance as at 31.12.2020
		Rs.	Rs.
Creditors Manampitiya		2,092,686	4,105,286
Creditors Welikanda		218,795	158,795
Creditors Lankapura		-	4,207
Creditors Nidanwala		197,175	7,175
Creditors Yan Oya		-	151,200
Creditors Aralaganwila		85,628	-
Creditors Boaththa		55,000	-
Wild Life Manampitiya		3,175,862	18,691,358
Wild Life Manampitiya Phase II		460	460
Wild Life Kanthale		-	2,845,886
Forest Department Muthur		559,721	209,632
Welfare Fund Manampitiya		-	5,460,762
Welfare Fund Manampitiya Phase II		-	156,050
CSR Fund - Manampitiya		-	359,396
CSR Fund - Manampitiya Phase II		-	62,420
CSR - Welikanda		-	142,815
CSR - Aralaganwila		-	231,081
CSR - Nidanwala		-	25,440
CSR - Boaththa		-	127,857
CSR - Kanthale		-	764,250
Rehabilitation - Manampitiya		-	12,257,304
Rehabilitation - Manampitiya Phase II		-	124,840
Rehabilitation - Welikanda		-	1,243,037
Rehabilitation - Aralaganwila		-	806,145
Rehabilitation - Lankapura		-	41,813
Rehabilitation - Nidanwala		-	314,103
Rehabilitation - Boaththa		-	66,600
Rehabilitation - Yan Oya		-	47,737
Mahaweli Authority - Welikanda		640,438	347,638
Mahaweli Authority - Aralaganwila		191,900	500
Mahaweli Authority - Katuwanwila		41,850	41,850
Mahaweli Authority - Weli Oya		228,960	228,960
Mahaweli Authority - Nidanwala		703,200	-
Mahaweli Authority - Boaththa		133,200	-
Mahaweli Authority - Kanthale		13,515,726	13,514,040
Mining License & Royalty - Manampitiya		29,351,643	37,116,344
Mining License & Royalty - Manampitiya Phase II		165,598	165,598
Mining License & Royalty - Welikanda		3,168,056	2,790,111
Mining License & Royalty - Aralaganwila		1,672,341	1,504,998
Mining License & Royalty - Lankapura		53,399	67,894
Mining License & Royalty - Mahawelithenna		10	10
Mining License & Royalty - Nidanwala		1,374,414	512,200
Mining License & Royalty - Boaththa		552,020	311,716
Mining License & Royalty Kanthale		725,201	664,279

	Notes	Balance as at 31.12.2021	Balance as at 31.12.2020
ML & Royalty - Yan Oya		84,647	84,647
ML & Royalty - WeliOya		19,801	19,801
Royalty Charges - Muthur		-	114,394
Local Development Fund - Manampitiya		2,235,525	6,861,863
LDF - Manampitiya Phase II		300	300
LDF - Welikanda		160,750	-
LDF - Aralaganwila		250,662	211,562
LDF - Lankapura		-	7,425
LDF - Nidanwala		350,675	-
LDF - Boaththa		131,600	-
Loading Payment - Manampitiya		2,894,818	2,560,950
Loading Payment - Manampitiya Phase II		78,606	78,606
Loading Charges - Welikanda		479,473	479,473
Loading Charges - Aralaganwila		88,988	88,988
Loading Charges - Mahawelithenna		836,990	836,990
Loading Charges - Nidanwala		9,001	9,001
Loading Charges - Boaththa		453,633	453,633
Loading Charges - Ampara		552,770	552,770
Loading Charges - Muthur		27,203	233
Yakkala Loading		462,070	462,070
Yard Transport Yakkala		515,000	1,061,574
Transport Charges Hingurakgoda		341,502	511,502
Pibidemu Polonnaruwa - Transport		24,001	24,001
Local Development Fund - Yan Oya		97,400	97,400
Department of Irrigation - Yan Oya		97,400	97,400
Retention Payable		3,432,397	3,432,397
Advance Received on Projects	21.1	41,161,698	26,947,840
Refundable Deposit - Full Body Lorries		648,000	648,000
Refundable Deposit		-	50,000
Refundable Tender Deposit		98,617	408,617
Performance Bond		1,685,000	250,000
Refundable Bid Bond		558,000	200,000
Yard Transport Kegalle		777,015	-
Yard Transport Ambathale		954,574	-
		118,411,398	**152,223,223**

Note 21.1 : Advance Received on Projects

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Mining Projects	14,362,624	10,230,778
Geological Projects	20,571,512	4,775,366
Other	6,227,563	11,941,696
	41,161,698	**26,947,840**

Note 22: Accruals & Other Payables

	Notes	Balance as at 31.12.2021	Balance as at 31.12.2020
		Rs.	Rs.
Staff Salary Payable		1,591,626	2,032,246
EPF & ETF Payable		2,554,417	2,510,478
Incentive Payable		5,944,117	-
Bonus Payable		485,715	1,868,843
Stamp Duty		20,950	19,500
Staff Welfare Contribution		8,500	8,500
Provision for Penalty on Tax in Default	22.1	158,128	158,128
Accrued Audit Fees		2,479,050	2,361,000
Accrued Mineral Tax		793,113	659,583
Accrued Expenses		9,537,212	14,928,884
Accrued Income Tax	22.2	13,108,006	-
Sundry Payables		78,755	-
VAT Control		8,609,606	4,167,667
		45,369,195	**28,714,828**

Note 22.1 : Provision for Penalty on Tax in Default

The Company has paid Tax Default Rs.1,581,277.24 for the period 2016/2017.But imposed penalty has not been paid (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%	**158,128**

Note 22.2 : Accrued Income Tax

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Income Tax Payable	13,108,006	-
	13,108,006	**-**

Note 23 : Amount Due To Related Parties

	Balance as at 31.12.2021	Balance as at 31.12.2020
	Rs.	Rs.
Geological Survey & Mines Bureau		
Other Payables - Penalty on Royalty	1,513,857	1,513,857
	1,513,857	**1,513,857**

GSMB TECHNICAL SERVICES (PVT) LTD
NO:190/A, RATNAWEERA BUILDING,
STANLEY THILAKARATHNE MAWATHA, NUGEGODA.
Notes to the Accounts - 31st December 2021

Note 24 : Events Occurring After the Reporting Period

There have been no material events occurred after the Reporting Period.

Note 25 : Transactions with Key Management Personnel of the Company

Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the company. Such key management personnel of the company are the members of its Board of Directors and the members of corporate management, that of its parent, and Chief Executive Officer, Independent Transactions with Key Management Personnel and transactions with the Close Family Members (CFMs) of the KMPs , if any, also been have taken into consideration in the following disclosure.

Name	Designation	Payment (Rs.)
Mr.Anura Walpola	Chairman	641,078
Mr.T.P.Aluthpatabadige	CEO	2,572,518
Mrs.J.V.G.Nimali	Director	140,000
Mr.Thilak Weerasinghe	Director	156,000
Mr.Anil Ranasinghe	Director	96,000
Mr.B.S.Cooray	Director	132,000
Mr.K.S.I.Subasena	Director	36,000
Total		**3,773,596**

Note 26 : Commitments & Contingencies

Performance Bond

Bank	Project Name	Bond Amount (Rs.)	Project Value (Rs.)	Expire Date
People's Bank	CSIAP	4,399,450	43,994,503	28/02/2022

Litigation

Following Court actions have been initiated against the Company. As at 31/12/2021, it is uncertain obligation or a present obligation that was not recognized due to settlement amount cannot be measured reliably and not probable that the entity will be required to transfer resources embodying economic benefits in settlement.

Case Detail (Against Cases)	Court	Progress (Trial/Calling/ Final Stage)
Traffic Tours, Travels and Transport Services (Pvt) Ltd. Vs GSMBTS	Nugegoda DC	Trial Stage
Rufus Sarath Anthony Vs GSMBTS	Homagama LT	Trial Stage
Commissioner of Labour Polonnaruwa Vs GSMBTS	Polonnaruwa MC	Calling Stage

Note 27 : Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2021	2020 (9 Months)
Amounts Used as Numerator-Net Profit/(Loss) Attributable to Ordinary Shareholders	11,509,597	(43,290,584)
Number of Ordinary Shares Used as Denominator Weighted Average Number of Ordinary Shares in Issue	600,000	600,000
Earnings Per Share	19.18	(72.15)

Note 28 : Net Assets Per Share

The Net Assets Per Share is arrived by dividing the net asset attributable to the equity holders of the Company by the number of shares of the company.

	2021	2020 (9 Months)
Net Assets Attributable to Ordinary Shareholders	287,069,392	255,682,009
Number of Ordinary Shares Used as Denominator Weighted Average Number of Ordinary Shares in Issue	600,000	600,000
Net Asset Per Share	478.45	426.14

Note 29 : Related Party Disclosure

• Significant Related Party Disclosure :
The Company carried out following transactions with related parties in the ordinary course of its business on an arms-length basis at commercial rates during the year.

Refer Notes 16 & 23

• Terms and Conditions
Transactions with related parties are carried out in the ordinary course of business on relevant commercial terms. Outstanding balances at the year-end are unsecured and net settlement occurs in cash.

Note 30 : Financial Risk Management Objectives and Policies

The company principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the company's investments, operations and to provide guarantees to support its operations. The Company has, trade and other receivables and cash and other short - term deposits that arrive directly from its operations. The Company Directors and senior management oversees the management of these risks. The company senior management is supported by the Audit committee that advises on financial risks and the appropriate financial risk governance framework for the company. The Audit committee provides assurance to the Board of Directors that the company financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and company risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits with financial institutions.

• **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not exposure to the risk of changes in market interest rates. The company fixed deposits with fixed interest rates up to each maturity date.

• **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company does not exposure to the risk of changes in foreign exchange rates. The foreign currency related risks associated with the imports of plant & machinery are within the acceptable range of the company risk appetite and would be accommodated by the project contingency measures.

• **Commodity Price Risk**

The company is principally engaged in sand mining. The project would pay pre-agreed cubes or permit or license wise unit prices for the mining or sales of cubes to the respective government institutions, thus the impact of commodity prices would have material impact on the earnings of the company. All operation activities, prices will be evaluate based on market competition, inflation and other factors.

b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions. Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management.

Financial Instruments and Cash Deposits Credit risk from balances with banks and financial institutions is managed by the company's Finance Department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on a regular basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

c) Liquidity Risk

The company monitors its risk to a shortage of funds using continuous cash flow forecasts & cash budgeting. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital loans, short term loans, leases and hire purchase contracts.

Liquidity Risk Ratios		**2021**	**2020 (9 Months)**
Current Asset	Current assets/ Current liabilities	2.62	2.18
Quick Ratio	(Current Assets - Inventory)/ Current Liabilities	2.52	2.07

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31. Income Tax

	Notes	Rs.
Assessable Income from Business Income	32	39,445,785
Assessable Income from Investment Income	32	15,170,906
Total Assessable Income		54,616,691
Deductions		
Qualifying Payments		-
Taxable Income		54,616,691
Income Tax Payable @ 24%		
1st January 2021 to 31st December 2021	24%	13,108,006
Tax Credits		
Tax Credit B/F		17,297,197
Current Period		5,508,575
Income Tax Liability		(13,108,006)
Tax Credit C/F		**9,697,766**

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32. Business Income	**Notes**	**Rs.**
Net Profit / (Loss) Before Taxation		28,753,025
Prior Year Adjustments	10	19,877,785
Business Income prior to Tax Adjustment		48,630,810
Add:		
Depreciation	11.2	15,708,738
Gratuity Provision	20	3,718,528
Accounting Loss on Disposal - Capital assets	11	25,938
Sponsorship	7	370,000
ESC Tax in Default	10	262,860
Bonus Accrued	7	485,715
Incentive Accrued	7	5,944,117
		26,515,895
Deduct:		
Capital Allowances	33	11,114,502
Interest	6	15,170,906
Gratuity Payment	20	350,585
Tax Loss on Disposal - Capital Assets		24,000
Over Provision for Doubtful Debts	14.2 & 16.1	7,172,085
Bonus Paid		1,868,843
		35,700,920
Profit/(Loss) from Trade or Business		**39,445,785**

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Note 33 : Capital Allowance Details

Asset Classification	Year of Purchase	Tax Allowance Rate	Cost			Capital Allowance			W.D.V.
			Purchased Cost of the Asset	Disposal	Closing Balance	Opening	Allowance for the year (Addition & Disposals)	Closing	
					As at 31/12/2021	As at 1/1/2021		As at 31/12/2021	2021
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	2014/15	20%	602,306	-	602,306	602,306	-	602,306	-
	2015/16	20%	304,719	-	304,719	304,719	-	304,719	-
	2016/17	20%	606,924	-	606,924	606,924	-	606,924	-
	2017/18	20%	1,287,707	-	1,287,707	1,030,164	257,543	1,287,707	-
	2018/19	20%	592,482	-	592,482	355,488	118,496	473,984	118,498
	2019/20	20%	2,731,818	-	2,731,818	1,092,728	546,364	1,639,092	1,092,726
	2021	20%	119,250	-	119,250	-	23,850	23,850	95,400
									1,306,624
Office Partition	2017/18	20%	2,541,400	-	2,541,400	2,033,120	508,280	2,541,400	-
	2018/19	5%	3,873,860	-	3,873,860	581,079	193,693	774,772	3,099,088
	2019/20	5%	8,214,594	-	8,214,594	821,460	410,730	1,232,190	6,982,404
	2020	5%	320,508	-	320,508	16,025	16,025	32,050	288,458
	2021	5%	751,879	-	751,879	-	37,594	37,594	714,285
									11,084,234
Fittings	2011/12	12.5%	6,655,090	-	6,655,090	6,655,090	-	6,655,090	-
	2012/13	12.5%	2,143,557	-	2,143,557	2,143,557	-	2,143,557	-
	2014/15	12.5%	2,521,408	-	2,521,408	2,206,232	315,176	2,521,408	-
	2015/16	33.33%	505,000	-	505,000	505,000	-	505,000	-
	2016/17	33.33%	2,880,000	-	2,880,000	2,880,000	-	2,880,000	-
									-
Office Equipments	2013/14	12.5%	3,769,696	-	3,769,696	3,769,696	-	3,769,696	-
	2015/16	33.33%	386,986	-	386,986	386,986	-	386,986	-
	2016/17	33.33%	1,987,576	-	1,987,576	1,987,576	-	1,987,576	-

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Note 33 : Capital Allowance Details

Asset Classification	Year of Purchase	Tax Allowance Rate	Cost			Capital Allowance			W.D.V.
			Purchased Cost of the Asset	Disposal	Closing Balance	Opening	Allowance for the year (Addition & Disposals)	Closing	
					As at 31/12/2021	As at 1/1/2021		As at 31/12/2021	2021
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Name Board	2010/11	12.50%	393,720	-	393,720	393,720	-	393,720	-
	2016/17	33.33%	127,140	-	127,140	127,140	-	127,140	-
	2018/19	20%	964,500	-	964,500	578,700	192,900	771,600	192,900
	2019/20	20%	112,250	-	112,250	44,900	22,450	67,350	44,900
	2021	20%	87,271	-	87,271	-	17,454	17,454	69,817
									307,616.48
Telephone System	2010/11	12.50%	60,420	-	60,420	60,420	-	60,420	-
									-
Computers	2015/16	25%	5,329,408	-	5,329,408	5,329,408	-	5,329,408	-
	2015/16	25%	199,200	-	199,200	199,200	-	199,200	-
	2016/17	25%	378,500	-	378,500	378,500	-	378,500	-
	2017/18	25%	1,853,250	-	1,853,250	1,853,250	-	1,853,250	-
	2018/19	20%	3,909,006	-	3,909,006	2,345,403	781,801	3,127,204	781,802
	2019/20	20%	4,049,900	-	4,049,900	1,619,960	809,980	2,429,940	1,619,960
	2020	20%	3,117,100	-	3,117,100	623,420	623,420	1,246,840	1,870,260
	2021	20%	426,500	-	426,500	-	85,300	85,300	341,200
									4,613,221
Motor Vehicles	2015/16	20%	905,592	-	905,592	905,592	-	905,592	-
	2016/17	20%	9,025,000	-	9,025,000	9,025,000	-	9,025,000	-
									-
Communication Equipment	2020	20%	443,988	-	443,988	88,798	88,798	177,595	266,393
									266,393
			140,689,102	**30,000**	**140,659,102**	**96,113,065**	**11,114,502**	**107,227,566**	**33,431,536**

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Note 33 : Capital Allowance Details

Asset Classification	Year of Purchase	Tax Allowance Rate	Cost			Capital Allowance			W.D.V.
			Purchased Cost of the Asset	Disposal	Closing Balance	Opening	Allowance for the year (Addition & Disposals)	Closing	
					As at 31/12/2021	As at 1/1/2021		As at 31/12/2021	2021
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	2017/18	33.33%	357,028	-	357,028	357,028	-	357,028	-
	2018/19	20%	2,490,604	-	2,490,604	1,494,363	498,121	1,992,484	498,120
	2019/20	20%	4,731,870	-	4,731,870	1,892,748	946,374	2,839,122	1,892,748
	2020	20%	535,932	30,000	505,932	107,186	101,186	208,372	297,560
	2021	20%	740,330		740,330	-	148,066	148,066	592,264
									3,280,693
Laboratory Equipment	2013/14	12.5%	271,500	-	271,500	271,500	-	271,500	-
	2019/20	20%	74,000	-	74,000	29,600	14,800	44,400	29,600
									29,600.00
Manampitiya Equipment	2010/11	12.5%	2,469,727	-	2,469,727	2,469,727	-	2,469,727	-
	2011/12	12.5%	376,234	-	376,234	376,234	-	376,234	-
									-
Manampitiya Loader	2010/11	12.5%	8,981,370	-	8,981,370	8,981,370	-	8,981,370	-
									-
Field Equipments	2014/15	33.33%	19,122,604	-	19,122,604	19,122,604	-	19,122,604	-
	2015/16	12.5%	47,000	-	47,000	35,250	5,875	41,125	5,875
	2016/17	33.33%	2,838,690	-	2,838,690	2,838,690	-	2,838,690	-
	2017/18	33.33%	1,721,576	-	1,721,576	1,721,576	-	1,721,576	-
	2018/19	20%	1,394,771	-	1,394,771	836,862	278,954	1,115,816	278,955
	2019/20	20%	1,038,500	-	1,038,500	415,400	207,700	623,100	415,400
	2020	20%	18,056,842	-	18,056,842	3,611,366	3,611,368	7,222,734	10,834,108
	2021	20%	1,261,021	-	1,261,021	-	252,204	252,204	1,008,817
									12,543,155

National Audit Office

My No.} IWR/C/GSMBTS/1/2.1 Your No.} Date } 25th May 2022

The Chairman

GSMB Technical Services (Pvt.) Ltd. Company

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 as at 31st March 2019 in terms of Section 12 of the National Audit Act No. 12 of 2018.

The said report is attached herewith.

Auditor General

Copies: 1. Secretary, Ministry of Environment

2. Secretary, Ministry of Finance

The Chairman

GSMB Technical Services (Pvt.) Ltd. Company

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 as at 31st March 2021 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 GSMB Technical Services (Pvt.) Ltd. Company for the year ended as at 31st March 2019 which comprises the Statement of the Financial Position as at 31st March 2019, Statement of Comprehensive Income and Retained Earnings for the year then ended and the Financial Flow Statement for the year then ended along with Notes to the Financial Statements, Summary of Significant According Policies, was carried out under my direction in pursuance of article 154(I) of the Constitution of Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154(6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of my report, a true and fair view of the financial position of the company as at 31st March 2021 and of its financial performance and its cash flows for the year then ended is given in accordance with Sri Lanka Accounting Standards for Small and Medium Scale Entities.

1.2 Basis for Qualified Opinion

(a) The company had overpaid a total amount of Rs.20, 554,846 as Rs. 16,235,670 in the previous year and Rs.4, 319,176 in the year under review more than the amount collected for the construction of protection dams under the Kanthale project and those values had been debited to the "Advance Kantale" account without accounting as expenses.

(b) Even though the fully depreciated cost of non-current assets amounting to Rs.79,803,562 has been used by the company in accordance with paragraph 17.19 of the Sri Lanka Accounting Standard for Small and Medium Enterprises, no reassessment of the effective useful life of the assets and the value of the debris has been undertaken for the fair value to be shown in the financial statements.

(c) At the end of the year under review, without physically verifying the sand balances in the company's sand projects, the value of the remaining sand stocks had been shown in the accounts as Rs.12, 123,460 based on the balances in books.

(d) The Company had received a contract for providing engineering services worth Rs.43,954,503. During the year under review, an amount of Rs.13, 198,351 had been received and this amount had been credited to an advance account. The company had paid Rs. 8,404,546 to another company and Rs. 1,745,004 as transportation expenses and salaries to the company's officials to carry out the work of this project and these values had been accounted as expenses in the financial statements without proper identification of the company's income and expenses.

(e) The amount of income tax paid in cash for the reviewed year was Rs. 7,016,486; however, the cash flow statement had it listed as Rs. 14,735,916 with an over entry of Rs. 7,719,430 .

The audit was carried out by me as per Sri Lanka Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements. 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 Company's 2021 Annual Report

Other information means the information that is included in the company's 2021 annual report, which I obtained before the date of this audit report, but which is not included in the financial statements and in my audit report on the same. Management is responsible for this other information.

My opinion on the financial statements does not cover other information and I do not express any assurance or opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when available and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained during the audit or otherwise.

If I conclude that the other information is materially misstated based on the information obtained by me and the work performed by me prior to the date of this audit report, I am required to report those facts. I have nothing to report in this regard.

1.4 Responsibilities of 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 whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing 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 the Audit of the Financial Statements.

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but 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 an 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 is sufficient and appropriate to provide a basis for my opinion. The effect resulting from a fraud is higher the effect resulting from a material misstatement and a fraud may involve collusion, forgery, intentional omissions, or the override of internal controls.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluated the appropriateness of 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

- If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify my opinion. 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 communicate with those charged with governance regarding, among other matters, significant audit findings including any significant deficiencies in internal control that were identified during my audit.

2. Report on Other 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 Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that is 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 Act No.19 of 2018 and section 163(2) (d) of the Companies Act No. 07 of 2007

2.1.2 The financial statements presented by the company are consistent with the preceding year as per the requirement of section 6 (I) (d) (iii) of the National Audit Act No. 19 of 2018.

2.1.3 The financial statements presented include all the recommendations made by me in the previous year except the observation made in Para No 1.2 (a) as per the requirement 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 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 are 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	**Observations**
a) Public Enterprise Department Circular No.12 (PED/12)dated June 02, 2003	
Para No. 5.1.2	In the corporate plan prepared by the Company, the current resources, organizational structure and objectives to be achieved during the planning period of the company were not clearly included.
Para No. 8.3.9	Two employees recruited to the company had been attached to the Ministry of Environment with effect from September 10, 2020, and the company had paid Rs. 283,240 as their salaries and allowances.

2.2.3 The company has worked in a manner that is incongruent with its powers, duties, and functions as required by Section 12(g) of the National Audit Act No. 19 of 2018 except for the following observations:

Powers, Duties, Functions	Observations
Articles of Association of the Company	
Section 12	A system had not been developed to provide updated geological data and information to the new and existing mineral based industries elsewhere in Sri Lanka
◌ූSection 19	Although the objective is to provide management and clerical services to mineral-based and other allied industries, the company has maintained a profit of 10 percent by providing 55 employees to the Geological Survey and Mines Bureau, which acts as the mineral regulatory agency of Sri Lanka, but does not run mineral-based industries.

2.2.4 As per the requirements of section 12(h) of the National Audit Act No 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) The procurement plan had not been prepared in accordance with the provisions of paragraph 4.2 of the Procurement Guidelines. Although it had been planned to procure goods and services worth Rs. 127,138,489, goods worth Rs. 3,386,251 had been bought while the procurement plan had not been updated.

(b) Under the Climate Friendly Irrigation Agriculture Project, the Ministry of Agriculture had awarded a contract of Rs. 43,954,503 to the Company for the engineering surveying of 755 tanks in Mutative District, and all the work to be done under this contract had been given to another company on the basis of a joint venture agreement, with the approval of the board of directors, without calling for bids.

03. Other Audit Observations

(a) The accounts showed Rs. 4,698,378 and Rs. 1, 53,857 as sums due and payable to the Geological Survey and Mines Bureau, respectively. These figures were Rs. 3,267,161 and Rs. 27,360,000, respectively, as confirmed by the Bureau. As a result, there was a discrepancy of Rs. 1,431,017 and Rs. 25,846,143, respectively.

(b) An amount of Rs.7,012,211 to be collected from the Geological Survey and Mines Bureau had been set aside for impairment losses without checking the recoverability of the debt.

(c) The total amount owed from government institutions for more than five years was Rs. 16,762,257 in the debtor balance of Rs. 51,096,767 in the year under review, and these balances had failed to be recovered by March 31, 2022.

(d) The Mutative gravel project was finished in 2015, and although a request for the return of the Rs. 400,000 that had been deposited in the care of the Mutative District Forest Officer for that project in 2014 had been made on August 10, 2021, it had not been granted.

(e) Though the company had paid an amount of Rs.999, 946 to the Department of Forest Conservation for mining 1423 cubes of sand in Yanoya project, only 974 cubes had been mined. This project was not functioning after March 2018 and though it was informed on December 1, 2021, that the overpayment of Rs. 454,506 for 449 sand cubes should be refunded, the said amount was not refunded.

(f) In the year 2018, the company had paid an amount of Rs. 400,000 for a consultant who conducted an evaluation regarding the human resource requirement and training of the Geological Survey and Mines Bureau and this amount has not been recovered from the Bureau until now. Also, an amount of Rs.150, 000 paid by the company for the Yanoya project office as well as the Yanoya building and employee accommodation has not been recovered from the Geological Survey and Mines Bureau.

(g) During the period of 2010–2021, the total amount given to the company by institutions and individuals for obtaining various services from the company was Rs. 41,161,688, and the value of the advances exceeding 5 years in that amount was Rs. 5,586,101. These advances remained unsettled as of 31st March 2022.

(h) A fine of Rs. 1,513,857 that had to be paid to the Geological Survey and Mines Bureau in the year 2018 for the non-payment of royalty charges at the due time for the mining licenses obtained for five sand projects

had not been paid even during the year under review.

(I) (I) Manampitiya Sand Project

(i) Even though a methodology had been formulated to mine and issue sand, an internal circular had not been issued for that under the hand of the Chief Executive Officer after obtaining the approval of the Board of Directors.

(ii) Many of the contracts entered into between sand ferry holders and the company for mining sand had not been signed by any person on behalf of the Company and for some contracts both parties had not placed their hands. Also, the amount of sand to be excavated and delivered monthly had been not mentioned in those agreements.

(111) Though the approval of the Board of Directors had been obtained to increase the price of sand, which was Rs. 4,830 for 1 cube, up to Rs. 6,450 by Rs. 1,620 and to pay Rs. 1,000 of which to the laborers that mine sand, Rs. 600 to Rs. 800 out of that amount was being paid to the sand ferry holders. Also, the company's attention had not been focused on imposing a control price together with the Consumer Affairs Authority to control the high sand prices in the districts outside Polonnaruwa district.

(1v) 211 mining licenses had been obtained for this project and though 211 sand ferries should have been functioning under the aforesaid number of licenses, only 144 sand ferries were actually operating. Sand ferry holders were appointed for 61 sand ferries, but they were not operative and sand ferry holders were not appointed for 06 sand ferries.

(v) 85 percent of the amount of sand mined under this project is given under the token system, and 60 percent of the amount of sand given under the token system is given for lorries with a loading capacity of 3 cubes or more, and 20 percent of that sand is given for the lorries with a loading capacity of less than 3 cubes, which are registered in Polonnaruwa district, while another 20 percent of that sand is given for the lorries outside the district. Since there are 749 registered Lorries with the loading capacity of 03 cubes and above in the Polonnaruwa district to get sand, it took between 16-21 days for a lorry to get one load of sand. Also, 172 Lorries outside Polonnaruwa

district are registered to receive sand and it took 06 months for those Lorries to receive another load of sand after one load of sand.

(vi) Sand ferry owners' associations had informed the minister in charge of subject in writing that during 06-07 months of the year in the area below the Manampitiya bridge, when the water level of the river decreases, it is difficult to remove the sand from the large sand deposits deposited in the middle of the river due to fact that it if difficult to reach there by boat. According to the report of the follow-up committee of the Department of Forest Conservation, it was recommended that it is appropriate to use convey belt to remove these sand deposits, but no appropriate measures were taken for that.

(vii) Action had not been taken by the Sand ferry holders to obtain as insurance cover for the laborers that mine sand.

(viii) Although 10 percent of sand is given to the company's sand yards and 05 percent on the approvals of the head office, 50-75 percent more than the prescribed amount of sand was released to the sand yards and on priority basis.

(viii) For the rehabilitation of the river bank and sand mining road, the fee of Rs.40 per 01 sand cube has been increased to Rs.100. Under this, an amount of Rs. 16,782,443 was collected as at October 31, 2021, but only Rs. 100,100 was spent during the relevant period. The road leading to the sand mining area was in a very dilapidated condition, but the road had not been upgraded

(ix). A loader purchased for this project in 2009 for Rs.8, 883,520 was withdrawn from service in 2012 due to mechanical faults. In the year 2019, it was repaired again at a cost of Rs. 966,595, but it could not be restored.

As this machine was parked without a cover in the project site, the parts got rusted and an electricity generator worth Rs. 2,423,224 remained in a dilapidated condition exposed to rainwater and sunlight without any cover.

(I) Kanthale Sand Project

Under this project, 41,773 sand cubes were sold out of the 46,306 sand cubes mined and transported to a sand warehouse, with which silt had got collected due to being left unsold for about 10 months and the remaining 4533 cubes were tendered for sale. The tenderers informed that only less than 1000 sand cubes are available in this place and 875 sand cubes were sold to a tenderer. Accordingly there was a shortage of 3658 sand cubes of which the cost was Rs.12, 107,980.

(J) It was observed during the physical inspection that the buyer, who bought the sand with which a little silt had got mixed, cleaned it using a machine at the sand project site itself and sold it a price of Rs 10,000 a cube. Accordingly, it was observed that an external party had earned a profit of more than Rs. 5 million.

(K) In parallel with the removal of sand, it was planned to construct 03 flood protection dams and an amount of Rs.59, 978,547 was collected and used for the construction of the erosion barriers numbered 04, 05 and 06. Its construction progress was 100, 69 and 53 percent respectively.

(L) Due to the fact that the sand used at the site of the Muthur sand project is not suitable for the concrete used for construction work, the project for the construction of the Defense Headquarters had rejected the use of the sand mined from this place for the relevant construction work.

The company had obtained 24 mining licenses and carried out sand mining at this place and 1,397 sand cubes had been mined from 18 August 2020, when the project started, to 31 December 2021 and a loss of Rs.1, 910,661 had been incurred during the relevant period.

(K) The Wellawaya Kotigambokka Quartz Project, which was planned to be started in the year 2017, was not started in the year under review and incurred an amount of Rs. 21,712,327 as revenue and capital expenses during 2017–2021, including leasing land for storing the mined quartz, purchasing a bridge scale for weighing the mined quartz, and employing workers for its security.

(L) An amount of Rs.5,616,811, which had been collected by charging Rs.50 from 01 sand cube , for labor welfare had not been spent on welfare but had been added to the income of the company upon a decision of the Board of Directors of the Company.

(M) In the Cabinet meeting held on June 08, 2001, it was approved that the staff of the company should be limited to 5-6 including the Chief Executive Officer and that the employees required for the projects should be obtained on contract basis. At the end of the reviewed year, a group of 240 employees were working on a contract basis, and although the company had prepared drafts of cabinet papers to increase the permanent staff to 64 and submitted them to the line ministry on January 21, 2021, approval of the cabinet of ministers had not been obtained even February 28, 2022.

W. P. C. Wickremaratne

Auditor General

09th June 2022
Your No. : IEN/D/GSMBTS/1/21
My No. : GSMBTS / ARA-F / 2021

The Auditor General,
National Audit Office,
No. 306/72,
Polduwa Road,
Battaramulla.

The Auditor General,

Report of the Auditor General on the Financial Statements of GSMB Technical Services (Pvt.) Ltd. for the year ended as at 31st March 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018.

The explanation and comments of the company in regard to the aforesaid report are submitted herewith.

Dr.Senarath Hewage
Chairman
GSMB Technical Services (Pvt.) Ltd.

Copies: Superintendent of Audit

Replies to the Auditor General's Report on the Financial Statements and Other Legal and Regulatory Requirements of the GSMB Technical Services (Pvt.) Limited Company for the year ended 31st March 2021 in terms of the Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.2 Basis for the Qualified Opinion

(a) The Kantale sand project is intended to be completed this year and after the sale of all the sand cube quantities, the excess amount paid for the protection dams will be deducted from the profit as an expense.

(b) There are mostly non-quantifiable assets in fixed assets which are in continuous use by the company but are fully depreciated. And we have identified several items that can have a quantitative effect between the carrying value and fair value. Only motor vehicles and machinery, of which the market value can be considered to have changed in higher percentages currently, are considered for revaluation and since the asset class itself must be revalued, only the selected asset class with a quantitative effect is taken into consideration. However, necessary action is being taken at this point to revalue only the motor vehicles and the machinery using a proper methodology, regardless of the fixed assets that cost more than their value for the revaluation process

(c) Every sand project and sand yard of the company is verified by the on-site officer on a daily basis and monthly summaries are sent to the head office. The concerned officer is responsible for the sand stock of the project and based on the relevant summaries and documents signed by him/her, the head office shows the sand stock value in the books of account. Accordingly, the physical stock as on 31.12.2021 has been certified and handed over to us by the respective officer in charge. However, action will be taken in the future by drawing the attention of the Board of Directors on the stock balances shown in the projects that are not currently operational.

(d) In the year 2021, the expenses incurred on behalf of the CSIAP project have been properly recorded in the expense account and the advances received for the project have not been recorded as an income received in the year 2021 but in the liability advance account.

- sufficient proof (work completion reports, survey reports) to be recorded as income was not received on the balance sheet date and they had not given a satisfactory report of the work done by our Company until then, the advance given by them to us for the CSIAP project until then has been recorded in accounts as a liability. Once the CSIAP project provides an assurance, it will be accounted as income in the future.

- Value added tax (VAT) must be paid by the entity whenever it is reported as income. If the advance received for the relevant project is reported as income without sufficient evidence, and if the advance received for the relevant project has to be refunded, it will be problematic to recover the value added tax (VAT) paid for the income back to the institution.

- It was necessary to ascertain whether this project is a strategic development project and the inquiries made about it had not been answered by the Inland Revenue Department even as of the balance sheet date.

  If this had been a strategic development project, we would have been able to get tax exemptions for it.

(e) According to the cash flow statement, the amount of tax paid by us is shown as Rs. 14,735,916 and under the self-assessment system, we have paid Rs. 7,016,486 for two quarters in the year 2021. Thus, two quarters have not been paid under the self-assessment system, due to the fact that there was an excess amount of tax paid on the basis of self-assessment system and losses had been incurred in the previous year. (Currently, the Inland Revenue Department is conducting a tax audit in this regard and the necessary activities are being carried out to offset the excess taxes paid.)

As the amount of tax applicable to the current year is fully offset from the total self-assessment payments mentioned above, it is shown as tax payment in the cash flow statement. And the amount of tax paid is equal to the amount of estimated tax.

2. Report on Other Legal and Regulatory Requirements

2.2.2 Reference to Rules/ Directions

a)

(i) The corporate plan of the GSMB Technical Services (Pvt) Ltd. was prepared in 2018 as a five-year plan for the years 2019-2023 , and as the company currently does not have any land or production buildings, it has not been included in the plan. There was no organizational structure during the preparation of the corporate plan and now an organizational structure has been prepared and referred to the relevant institutions for approval.

Due to the nature of the products and services offered by the company during the planning period, though specific goals and responsibilities cannot be included in the five-year plan, guidelines are included in the corporate plan. Since the nature of the projects implemented by the Company changes greatly every year, an annual action plan that assigns responsibilities and targets for them is prepared in accordance with the corporate plan and the company operates accordingly.

(ii) As action is being taken to establish a combined follow-up review and media unit in the Ministry to examine the progress of the projects and programs implemented in the institutions under the Ministry as well as to conduct a wide media campaign to educate the public about the projects and programs implemented in the institutions under the Ministry, the Additional Secretary (Control) of the Ministry of Environment, Mr. R. A. R. Rapasingha, has requested through a letter sent by him that two suitable officers be attached on a temporary basis for the above duties related to our company.

Accordingly, from 10/09/2020, a management assistant and an office assistant were assigned for the purpose.

According to the letter sent by Mr. R.R Rapasinghe, Additional Secretary (Control) of the Ministry of Environment, the said management assistant was re-attached to our institution with effect from 05.17, 2022

2.2.3 Powers, Duties, Activities

(a)

(i) The main activities of the Geological Survey and Mines Bureau include quantity surveying, geological mapping, and identification of the minerals existing in the country. The company has the capacity for providing geological data and information requested by any client on behalf of the mining and mineral industry in Sri Lanka or elsewhere in accordance with Article Twelve of the Company's Constitution, implementing it as a commercial project to collect money from the client based on the existing role in the information exploration project and providing the information updated up to the relevant date.

(ii) As provisions incorporated in the constitution of the GSMB Technical Services (Pvt.) Ltd. Company, employees can be employed in other organizations at the discretion of the company. Accordingly, the company has attached employees to the of Geological Survey and Mines Bureau with a profit of 10% on the written request of that Bureau.

2.2.4

(a) A major procurement plan that includes procurement activities for at least the next three years including fiscal year 2021, has not been prepared. This is due to the fact that it is difficult to predict the next few years as our organization is mainly based on projects and there is no specific time limit for starting projects.

However, a procurement plan has been prepared for the financial year 2021 and action has been taken to obtain approval of the Board of Directors for it, of which the total value Rs.129, 224,586.62.

In the year 2021, it was not possible to carry out the procurement as planned due to the covid pandemic that affected the country. This occurred due to the fact that there were not enough goods and services in the market to be purchased at competitive prices in the market. Therefore, the necessary goods and services for carrying out the operations of the institution were to be procured, but could not be procured according to the procurement plan. Therefore, the real expense has taken a very low value.

Also, various needs of different sectors of the organization were included in the procurement plan and the goods and services that were required for fulfilling aforesaid the needs were expected to be purchased at any time during the year and the procurement plan was maintained without revision until the end of the year.

However, the documents related to actual purchases have been updated with values.

A national competitive bidding was conducted on the basis of a public notice for the "Climate Sustainable Agriculture Project" (CSIAP), where a requirement of the project was to carry out an engineering survey and soil inspection.
The following districts were given an opportunity to submit bids separately.

- Mulativu District
- Trincomalee District
- Batticaloa District
- Ampara District
- Monaeragala District
- Hambantota District
- Anuradhapura District
- Kuranegala District
- Puttlam District

Accordingly, as the company did not have enough experts, experience and, necessary equipment to carry out engineering surveys, which is one of the 2 main tasks of this project it was necessary to select other parties who are qualified for it.

Accordingly, Since it was felt that it might take about a month and a half if a tendering procedure were followed to select the parties, the approval of the Board of Directors was obtained to select the parties with experience and equipment in this field and submit bids for this project through a joint venture agreement with them as it is possible to carry out integrated projects according to the company's mandate.

Furthermore, as stated in the audit agreement, this party is not assigned all of the project's tasks, and they are only assigned to conduct engineering measurement surveys. The fullest capacity of conducting soil surveys, the other task of the project, is held by the institution's geological department and it is scheduled to be implemented as the project's second phase.

For this project, the expenses incurred by the other party used for the joint venture agreement for their tasks are obtained separately for each component and the expenses components were obtained for the expenses to be made by the organization as well. Then the dividend percentage of about 30% was added to these expenses before the bids were submitted. Accordingly, the technical evaluation of the bids submitted by the institution went one step further and were also selected as the lowest bids.

25 tanks were provided opportunity to submit bids, and a total of 16 million worth of bids were issued. At the time of awarding the contract, the number of tanks increased to 75, and the contract was awarded having increased its value to 43 million rupees.

This is the project with the highest contract value out of the projects received by the geological department since 2011, and it is a great achievement for the institution.

Also, due to experience in submitting bids for this project, the Geological Section submitted bids for another 4 geotechnical projects and was selected as the lowest bid. The total contract value of these 4 projects is approximately 60 million.

3. Other Audit Observations

The balance to be received from the Geological Survey and Mines Bureau includes transactions that occurred based on mutual understanding and verbal agreement, so recovery was delayed due to a lack of response to phone calls and correspondence made on multiple occasions, as only limited documentation was available. Also, due to the uncertainty caused by the Easter Day attack, payment of royalties to the Geological Survey and Mines Bureau was delayed by three days, and the fine imposed by them is shown in our books of account.

At the end of the negotiations to be conducted in the future under the leadership of the Chairman, in order to reach an agreement between the Geological Survey and Mines Bureau and the Company to set off the balances due from and payable to the Geological Survey and Mines Bureau, action will be taken to collect or write off or set off the relevant amounts as required.

(b) The company has on many occasions sent reminder letters regarding the amount due from the Bureau of Geological Survey and Mines and has also given verbal notices. Also, these balances include insufficient written balances, transactions made on the basis of verbal agreement, and recovery of those values seem to be doubtful.

According to the bad and doubtful debt allotment policy approved by the Board of Directors of the company, a doubtful debt allotment of 7,012,211 was made for the debtor's balance of Geological Survey and Mining Bureau as on 31.12.2021.
In this regard, we have presented sufficient facts in every previous internal audit committee meeting and we hope to settle all balances related to this related party through the upcoming discussions led by the Chairman of the Company.

(c)

- Answer 03 (a) applies to the debtor balance of the Geological Survey and Mines Bureau.
- An invoice has been issued for the preparation of green gardens and though we informed of this to the Ministry of Environment several times over the phone and in writing, no response has been received.
- After the Ministry of Environment informed us that we should direct this matter of the balance to the Ministry of Environment's Environmental Planning and Economic Division, we sent a letter to the Ministry of Environment on February 25, 2022, and they responded that they were not aware of the balance. We were instructed to return the aforementioned letters to the Secretary of the Ministry of Environment. (Although letters were sent earlier to the Secretary of the Ministry of Environment, no response was received.)
- Letters have been sent on several occasions to settle the balance related to the Ports Authority, but no response has been given in writing and it was informed by phone that such a balance does not appear in their accounts and it is difficult to check as it is a balance related to the year 2010.
- Reminder letters have also been sent to the Road Development Authority and no written response has been made. It was also informed over the phone that it is difficult to check these balances as they relate to the year 2015.

  Due to the fact that most of the above-mentioned government agencies have not sent the reply letters, the actions to be taken regarding these balances have become uncertain and due to the weaknesses in the existing documents, it has not been possible to demand the due balance strictly. However, it appears that there is no other option but to write off these balances on the advice of the Board of Directors.

(d) The recovery of this balance was delayed for a long time due to the misplacement of the original copies of the deposit slips for the amount of Rs400, 000 deposited for the Mulativu gravel project. Although we submitted the photocopies to the Mulativu District Forest Office, they refused to refund the deposit based on that. Accordingly, we made further requests and gave them an affidavit dated 23 December 2021 confirming that we submitted the photocopies as the originals were missing and that we would not demand the deposit again if the originals were found one day. With the presentation of the relevant document, although verbal consent was given to release the above mentioned balance, it has not been paid till now and the matter is being worked on continuously.

(e) Though written inquiries have been made to the Department of Forest Conservation to recover the overpaid amount for the Yan Oya project, no response has been received so far. It was also informed that it is not possible to check this based on the information provided, and that there is no agreement to refund, for whatever reason, this fee that was received before mining as land use fees. However, we have been told that it is difficult to make that refund as per their corporate policy despite the fact that we requested it as a government agency.

(f) Although we have given written notices along with all the relevant documents on several occasions to recover the amount due to us from the Geological Survey and Mines Bureau, they have not responded to it until now. (The last notification was made on December 01, 2021) Both parties hope to reach a consensus in the future. At the end of the negotiations to be held in the future under the leadership of the Chairman in order for both parties to reach an agreement on the balances to be received from the Geological Survey and Mines Bureau and to be paid to them, the recovery, setting off or writing off will be done according to the actions that should be taken.

(g) There are advances for various projects in the account books due to the fact that the tasks related to the advances given to the Company by various institutions and individuals have not yet been completed or they have not submitted written evidence to transfer it to income. Focusing on the advances received from various projects, which have exceeded many years, we will discuss with the management of the institution and take appropriate action as per the advice of the Board of Directors.

(h) Although we have made requests to withdraw the fine amount, no good response has been given so far.
At the end of the negotiations to be held in the future under the leadership of the Chairman in order for both parties to reach an agreement on the balances to be received from the Geological Survey and Mines Bureau and to be paid to them, the recovery, setting off, or writing off will be done according to the actions that should be taken.

(I) Manampitiya Sand Project

(i) When starting a project in the Company, their initial methods and cost estimates are referred to the Board of Directors and the necessary approvals are obtained, and it is the responsibility of the senior management of the Company to regulate the related projects while remaining within the specified cost estimates. The main reason for that is the fact that the senior management has the most accurate understanding of the scientific components that must be regulated in the relevant project.

Likewise, the Manampitiya sand mining project and the cost estimate update are all done subject to the approval of the board of directors, and a series of active instructions prepared by the senior management to fulfill the project objectives imposed by the Supreme Court, which are the basic scientific components that are the basis for the regulation of the project has been issued.

(ii) All updated contracts are in the process of being signed by the manager. According to a condition mentioned in this agreement, it is stated that the decline in production due to weather conditions will be ignored. A new price revision has been included in the updated contracts.

The project had a lot of difficulty in retaining workers in the project with the high wages paid by the private licensees, and as a solution to that situation, some conditions had already been relaxed as a relief for the service providers.

(iii) It was a big problem to hire direct workers for this project and get stable service from them while running the project. The main reasons are the problems in providing the infrastructure required by them.

Therefore, the management had decided to re-implement the process of sand mining under the sand ferry holders that existed during the period 2008-2015, when the project was implemented in a more stable manner.
Accordingly, according to the previous method, the sand ferry holders are given all payments for providing workers and the infrastructure they need, and the workers should receive a fair remuneration. Money should also be allocated to cover the costs of the infrastructure provided by the sand ferry holders. Hence, a difference is shown in the payments made to the sand ferry holders and the workers.

(iv) The exhaustion of high-quality sand deposits in the river and the suspension of further sand mining in the aforementioned locations due to the risk of exceeding the river bed level can be cited as reasons for the mining licenses becoming inactive. Although these licenses are inactive, the ability to start mining with the creation of high-quality sand deposits in these areas during flood situations can be cited as the reasons for maintaining them. As mentioned here, these are the sand ferries related to inactive licenses, so their operation will start again with the creation of sand deposits, and currently sand production is going on in these sand ferries.

(v) As mentioned earlier, this project is a project that takes necessary steps to release sand at a reasonable price to the end customer, and the organization is not bound by the number of times sand is loaded into the Lorries registered in the project under any category. The time intervals mentioned here are the time intervals required to obtain sand under the token system, and most of these contribute to the sand supplies issued by the lorry company under the control price and carry out sand loading more times than these times. And the agency has not prevented these Lorries from getting sand from all the sand markets and projects located all over the island, and if they are not satisfied with the loading times here, they

have the freedom to refer to other mining sites. It should also be mentioned that in addition to sand, building materials such as granite and gravel can also be transported in these Lorries and income can be generated.

(vi) Approval has been given for this project According to a Supreme Court decision, in a context in which there is no ability as per law to issue licenses to mine sand in Manampitiya National Park and all mining activities should be done in accordance with artisanal mining license.

Requesting permission to use mechanical mining methods is an act of Challenging the Wildlife Ordinance and the Supreme Court decision given To the project.

(vii) At the time the workers were directly employed by our company, the company had provided a workers' compensation insurance coverage for them. As the services of the workers were obtained through sand ferry holders Since October 2020, the relevant insurance coverage was not extended.
Based on the instructions received from the Ministry of Environment, the Company prepared a welfare program for the sand mining workers, which included the provision of a workers' compensation insurance coverage. Arrangements are being made to get a suitable insurance scheme from an insurance company for that.

(viii) Although a percentage distribution is mentioned under the method of releasing sand, releasing sand with changes in those percentages is a step taken to control the price of sand as a primary objective of the project, and the Company has no control over the price of the sand released under the token method when it reaches the final customer

This project is not implemented to satisfy the intermediaries and the agency will take steps to vary the percentage of sand released, to provide sand at a fair price to the end customer.

(ix) Arrangements have been made by now to call for tenders for road reconstruction under the Rehabilitation Fund and the estimated cost is close to six million rupees.

(x) Since this JCB loading machine owned by GSMB Technical Services (Pvt) Ltd. is used for heavy duty, no cover was used for this machine and the scratches and rusting of such machines do not cause any obstacles to the operation of the machine. However, the Company has now started the process of repairing the machine

(J) Kanthale Sand Project

(i) According to the contract, the contractor agreed to wash and sell mud-mixed sand, but the sand that should have been washed was left, and the sand with which only a small amount of mud was mixed was sold. As a result of not getting all of the sand contained in the land, the agency has not released the security deposit deposited by the contractor. A portion of the sand to be washed has already been collected on the ground, with more to come.

(ii) Since the project was inactive for more than a year, it was necessary to sell sand mixed with mud to stop the monthly operating expenses. This sand was spread over five acres of land and the sand was collected and washed for sale
Therefore, a buyer was given the opportunity to wash the sand from the land and sell it, but the retained bond was not released because the buyer loaded the sand, with which only a minimal amount of mud was leaving the sand layer at ground level.

(iii) Agree with the audit query. In this audit query, the fourth erosion barrier should be treated as one, the fifth erosion barrier as two and the sixth erosion barrier as three. Each erosion barrier is divided into four sub-sections for the ease of construction identification.

(K) Our Company is not aware of the communication made by the Army Headquarters regarding this sand deposit.
Despite the fact that applications for mining licenses were submitted to the Geological Survey and Mines Bureau in March 2020 after receiving the Department of Forest's recommendations, the licenses were only issued five months later, in August 2020. After that, as the rainy season arrived in the area, it became difficult to complete the project's work. As a result, only that many sand cubes could be mined.

If licenses were issued by the Geological Survey and Mines Bureau within the period of application, the project could be successfully maintained during the rainy season. The company had to bear this loss due to the failure to maintain the project as a result of the rain.

(L) According to the Secretary to the Ministry's written instructions, the preliminary work required to mine and sell the aforementioned quartz deposit was completed on May 10, 2016. As a result, an industrial mining license has been obtained with the approval of all necessary institutions to be valid beginning October 13, 2016. The required minimum payments have been made since then.

Furthermore, the report of the technical evaluation committee appointed for the procurement has been forwarded to the procurement committee appointed by the Cabinet for this project and accordingly arrangements were made to hold the first committee meeting on 02-05-2022 at the Ministry of Environment.

But the said meeting did not take place on that day and due to the change of the Cabinet and the reshuffle of the positions of the Ministry Secretaries, it is necessary to prepare a new procurement committee. Currently, according to the Ministerial Paper No. ඛ්ඔඅ/21/17 86/317/047, necessary action is being taken to carry out further activities and to update the mining license.

(M) According to Sri Lanka Accounting Standard No.21.4 for Small and Medium Enterprises, as per the criteria for identifying "allocations", an allocation for welfare activities and rehabilitation activities cannot be made under the following criteria.

- Absence of legal and contractual obligation to pay
- The payment cannot be quantified and the possibility of a cash flow is uncertain

Due to the aforementioned issues, the Company has adjusted the income added to the liability account so far to the profit and loss account. The future rehabilitation or welfare payments will be adjusted to the profit and loss accounts an expenses per the circulars, the decisions of the Board of Directors.

Double Entry Notes								
	Previous				Post (Current)			
1	Issuing Receipts to the Customers							
	Bank/Cash	Debit		Assets	Bank/Cash	Debit		Assets
	Sale of sand		Credit	Income	Sale of Sand		Credit	Income
	Allocation for Rehabilitation		Credit	Liabilities	VAT		Credit	Liabilities
	Allocation for Welfare		Credit	Liabilities				
	Tax and Fees for Public Institutions		Credit	Liabilities				
	Transport		Credit	Liabilities				

2	Amount to be paid to Public Institutions							
					Fees of Public Institutions	Debit		Expenses
					Fees for Public Institutions		Credit	Liabilities
3	Payments to the Public Institutions							
					Fees for Public Institutions	Debit		Liabilities
					Cash/Banks		Credit	assets
4	Payments for Rehabilitation, Welfare or Transport							
	Allocations for Rehabilitation	Debit		Liabilities	Rehabilitation Expenses	Debit		Expense
	Allocations for Welfare	Debit		liabilities	Welfare Expenses	Debit		Expense
	Transport	Debit		Liabilities	Transport	Debit		Expense
	Cash/Bank		Credit	Assets	Cash/Bank		Credit	Assets

Also, spending the money that is or has been collected for rehabilitation or welfare, in case of need, is done on the circulars and approval of the Board of Directors as mentioned above, and there is no condition that the collected money must be spent.(No legal or constructive obligation) It is only necessary to spend as per requirement.

(N) In response to our Company's letters dated 12.01.2021, 13.05.2021, 28.09.2021, and 12.11.2021 sent to the Department of Management Services via the Ministry of Environment regarding the fact of confirming the staff on their posts, the Department of Management Services informed us that the policies on human resource management should be decided in accordance with the Manual for the Operation of Public Enterprises and the Guidelines for Corporate Administration in Public Enterprise, issued by the Department of Public Enterprises through the Circular No.01/2021

As per the instructions given in the audit management committee meeting regarding the fact of confirming the staff of our company on their posts, action was taken to obtain the approval of the Board of Directors for the organizational chart and the scheme of recruitment. A committee appointed by the Board of Directors met to frame the scheme of recruitment of the Company and the said committee proposed some amendments to the then organizational chart of the Company. Scheme of Recruitment was prepared based on the posts included in the revised organizational chart. Board of Directors' approval No.161 dated 24/02/2022 has been received for the Scheme of Recruitment. The Board of Directors' approval No. 162 dated 29/03/2022was received for the organizational chart of the Company. Accordingly, as per the instructions incorporated in the Operational Manual on Human Resource Management, the Board of Directors has forwarded the Scheme of Recruitment and Organizational Chart of company to the ministry for its approval.

Inquiries were made from the Ministry over the telephone in this regard, and the Ministry has informed us that the approval for the scheme of recruitment and the organizational chart of our company is currently in progress.

As soon as the approval is received from the Ministry, as per the instructions incorporated in the Public Enterprises Operational Manual, the Organizational Chart and the Scheme of Recruitment of the Company will be sent to the Director General of the Department of Management Services for his approval through the Ministry, with a copy to the Director General of the Department of Public Enterprises.

Dr. Senarath Hewage
Chairman
GSMB Technical Services (Pvt) Ltd.

PASS Professional Assignments and Secretarial Services (Pvt) Ltd.

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Reg No. :P V 229

GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

NOTICE OF MEETING

Notice is hereby given that the Twenty First Annual General Meeting of **GSMB TECHNICAL SERVICES (PRIVATE) LIMITED** will be held on **Friday, 23rd September 2022 at No. 190A, Stanley Tillekeratne Mawatha, Nugegoda at 4.00 p m** for the following purposes:

1. To receive and consider the Report of the Directors and the Statement of Accounts for the year ended 31st December 2021 with the Report of the Auditors thereon.

2. To re-elect Mr. Karunasinghege Sujeewa Indrajith Subasena who retires by rotation at the Annual General Meeting as a Director.

3. To re-elect Mr. Balasuriya Kankanamalage Ranjith Balasuriya who retires by rotation at the Annual General Meeting as a Director.

4. To re-elect Mr. Ahmed Iqbal Hassen who retires by rotation at the Annual General Meeting as a Director.

5. To appoint The Auditor General's Department as Auditors and Authorize the Directors to determine their remuneration subject to the recommendation and approval of the Auditor General.

By Order of the Board
PROFESSIONAL ASSIGNMENTS & SECRETARIAL SERVICES (PVT) LTD
SECRETARIES
29th August 2022

NOTE

- A member is entitled to appoint a proxy and vote instead of himself and a proxy need not be a member of the company.
- A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the Registered Office, No. 569, Epitamulla Road, Pita Kotte, not less than twenty four hours before the time fixed for the meeting.

GSMB TECHNICAL SERVICES (PRIVATE) LIMITED

P R O X Y

I/We……...…….

Of……...…….

Being a member of the above-named Company hereby appoint……..

…….of……or

failing him……..……

of……
as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 23rd September 2022 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Signed this……day of ……..Two thousand and Twenty Two

Signature…….

NOTE

- A Proxy may vote as he thinks fit on any resolution brought before the Meeting.
- A Proxy need not be a member of the Company.
- Instructions as to completion are noted on the reverse hereof.

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the form of proxy after filling in legibly your full name and address by signing on the space provided and please fill in the date of signature.

2. Kindly return the completed form of proxy to the company after deleting one or other of the alternate words indicated in the body of the form overleaf.

3. The completed form of proxy should be deposited at the Registered Office of the Company at No. 569, Epitamulla Road, Pita Kotte, not less than 24 hours before the appointed time for the holding of the meeting.