

2022 ANNUAL REPORT



GSMB TECHNICAL SERVICES (PVT) LTD
MINISTRY OF ENVIRONMENT





Shaping Excellence in Every Endeavor

🌐 Pioneering Excellence 🌐

GSMB Technical Services (Pvt) Ltd is more than just a company; we are the driving force behind industry innovation and advancement. With a relentless commitment to excellence, we stand as a pillar of strength in the Mining and Geology Industry.

🤝 Collaborating Together

We extend an open invitation to you - our partners, colleagues, and industry enthusiasts - to join hands with us in forging new pathways and unlocking the potential of our industry. Together, we can pioneer excellence, redefine standards, and lead the way toward a brighter future.

💡 Unveiling Opportunities

In the spirit of collaboration, we invite you to come shake hands with us. Together, we can uncover new opportunities, drive sustainable growth, and create lasting value for our industry and beyond.





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Introduction

Welcome to GSMB Technical Services (Pvt) Ltd, a subsidiary company of the Geological Survey and Mines Bureau, fully controlled by the Ministry of Environment. Established on September 12th, 2001, GSMB Technical Services (Pvt) Ltd operates as a fully government-owned limited Liability Company, registered under the Company Act No. 07 of 2007. Our share capital is distributed with 66.66% held by the Geological Survey & Mines Bureau, 16.67% by the National Gem & Jewellery Authority, and 16.67% owned by Lanka Phosphate Limited.

As the sole government organization in Sri Lanka with the capabilities to provide technical knowledge, manpower resources, equipment, including analytical laboratories, and expert consultation, GSMB Technical Services (Pvt) Ltd plays a vital role in

supporting the industry. With two specialized divisions in Mining and Geology, we are committed to delivering the technical services required by the industry and exploring new income projects through our Special Project Unit.

Our focus as a geotechnical support and consultancy company is to contribute to the quality and productivity of mining and explorations in the industry. We strive to provide and facilitate technical services and consultancy support locally and regionally. GSMB Technical Services (Pvt) Ltd undertakes a wide range of industrial mineral explorations, large-scale mapping surveys, and consultancy services for mining and excavation. We are dedicated to continuously improving the quality of our services and productivity while minimizing the

environmental impact of mining activities in the country.

Building strong relationships with our clients is a priority for us. We aim to cater to various activities and deliver high-quality services and productivity to the industry. Our registered office and entire operations are based at Building No. 190/A, Rathnaweera Building, Stanley Thilakarathna Mawatha, Nugegoda.

At GSMB Technical Services (Pvt) Ltd, we are committed to providing exceptional technical expertise, reliable resources, and innovative solutions to support the mining industry in Sri Lanka.

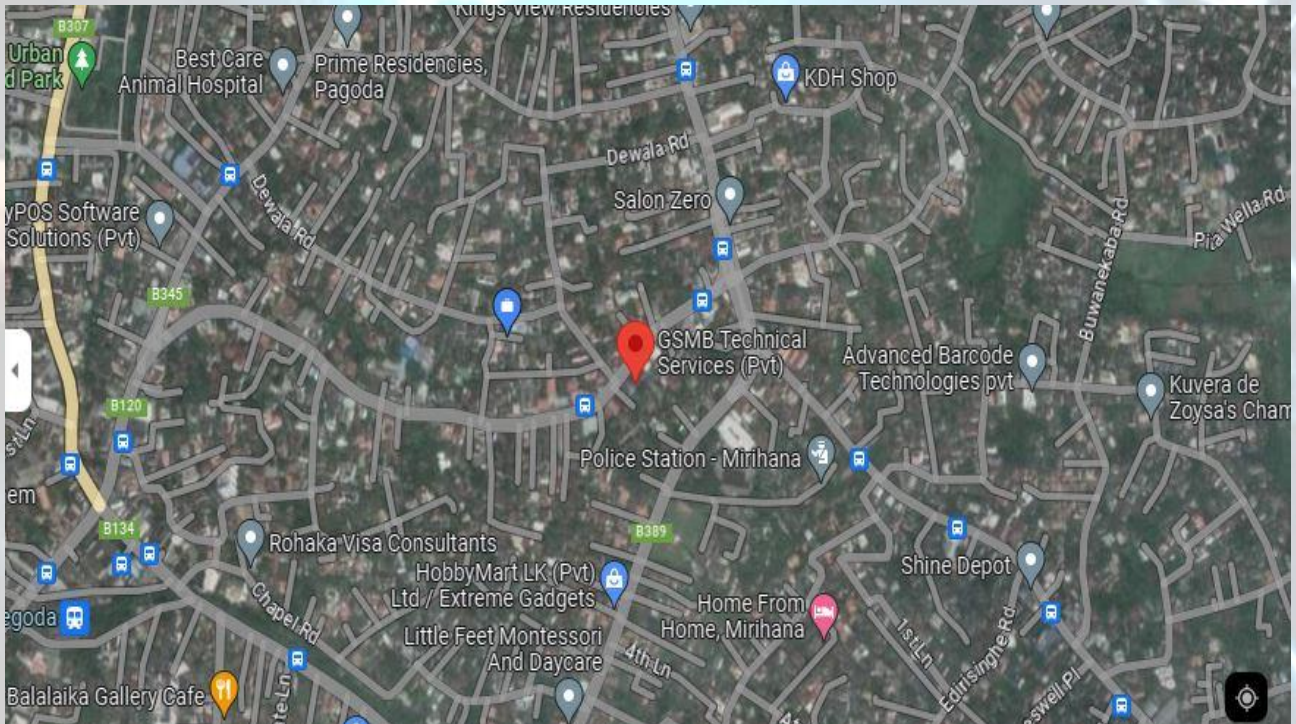
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Company Information



NAME OF THE COMPANY	: GSMB Technical Services (Pvt) Ltd
LEGAL FORM	: Registered as a Private Limited Liability Company on 12 th September 2001 by the registrar of companies under the Companies Act No 07 of 2007
CHAIRMAN	: Mr. Ravirajasinghe Sanjeevan (Chairman - Geological Survey & Mines Bureau)
BOARD OF DIRECTORS AS AT PRESENT	: 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) Ms. Thamara Adhikari – Director (Chief Financial Officer - Ministry of Finance)
CHIEF EXECUTIVE 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
Marketing & Planning Division	
Telephone	011-2515029
E- Mail	gsmbtsmarketing @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 Nation Trust Bank – Nawala Branch

Google Map Location (Head Office)



Note – The Location is based on 1:50000 scale with Sri Jayawardenapura Map area.

Scan the QR tag for Social Insights



www.gsmbts.gov.lk



@GSMB-TechnicalServices



GSMB Technical Services



GSMB Technical Services



gsmb_ts

03

About Us





Our 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.”



Our 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 shortlisted 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



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 Officer's



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

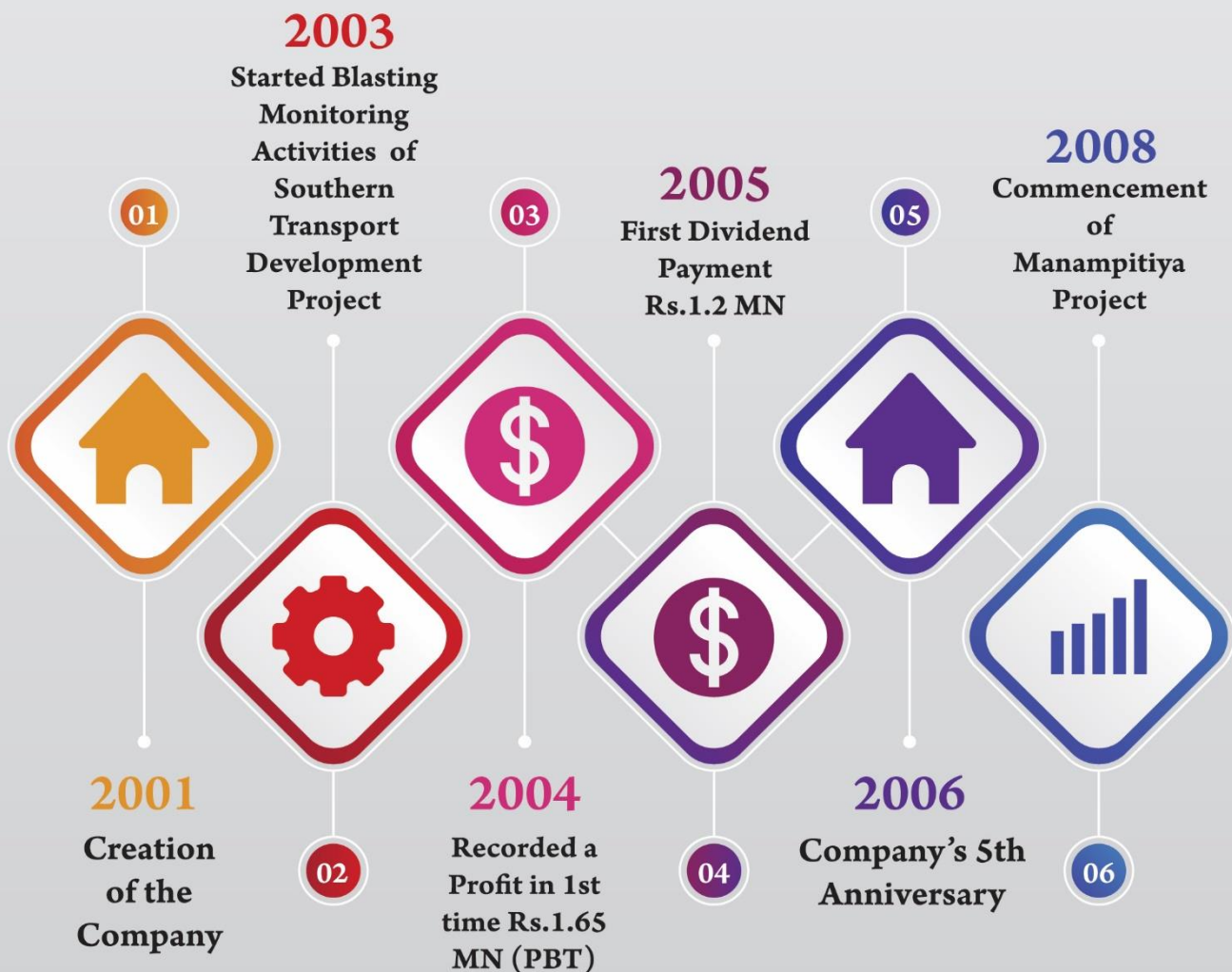


Mr. P.D. Maha Arachchi
Acting Chief Executive Officer
2022 July – 2023 January

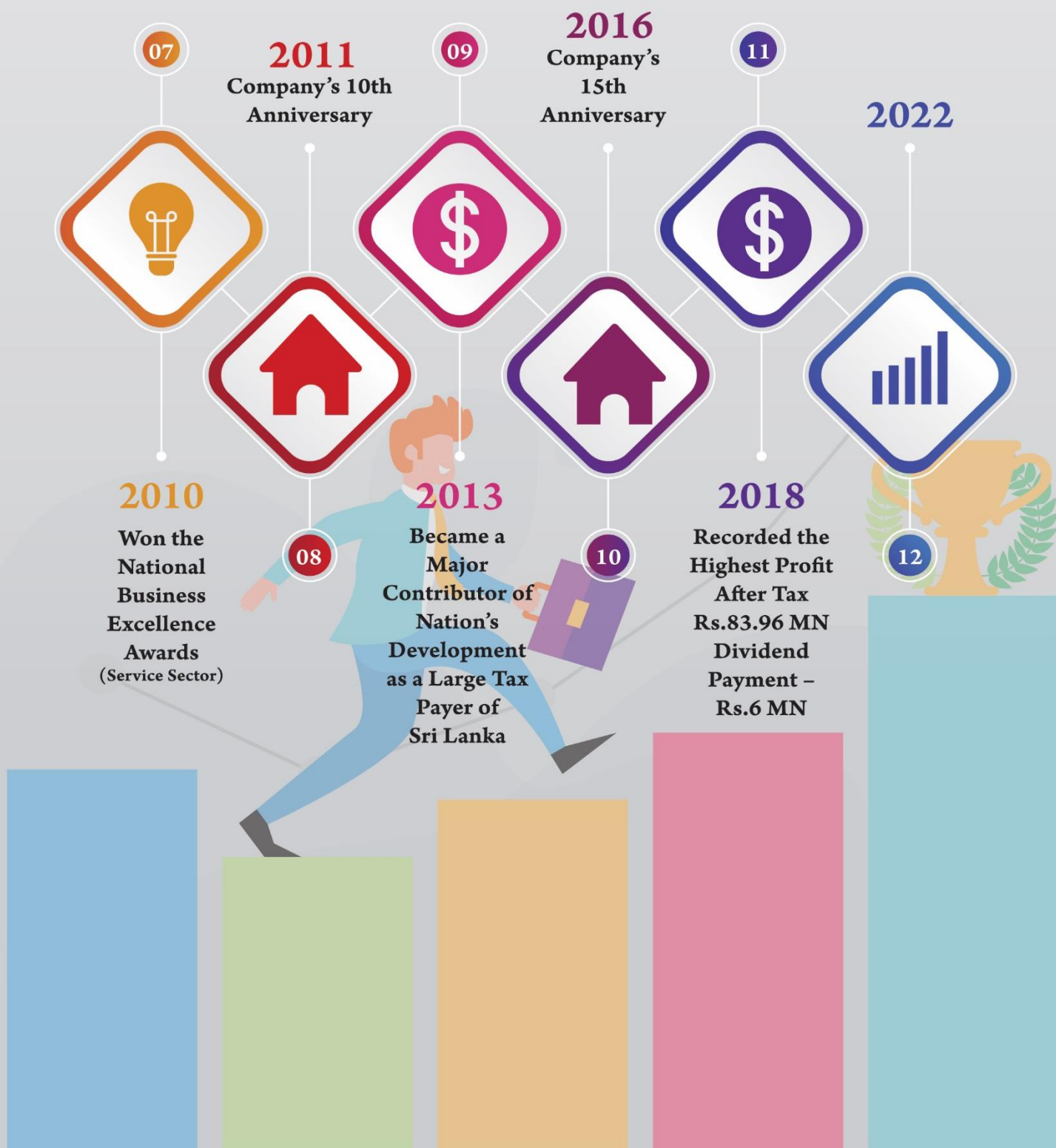


Eng. Jayarathna Hennayake
2023 February to Present

Our Sustainability Journey



- 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



22 Years of Service to the Mineral & Environment Sector

21 Years of successful operations which we recall with gratitude, the support and contribution made by many over the years including all past chairmen & Board of Directors, Clients, Employees of GSMB Technical Services (Pvt) Ltd, State Organizations, Executives of GSMB, Suppliers, Bankers & Many Others.

It was your involvement made this journey successfully possible.

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

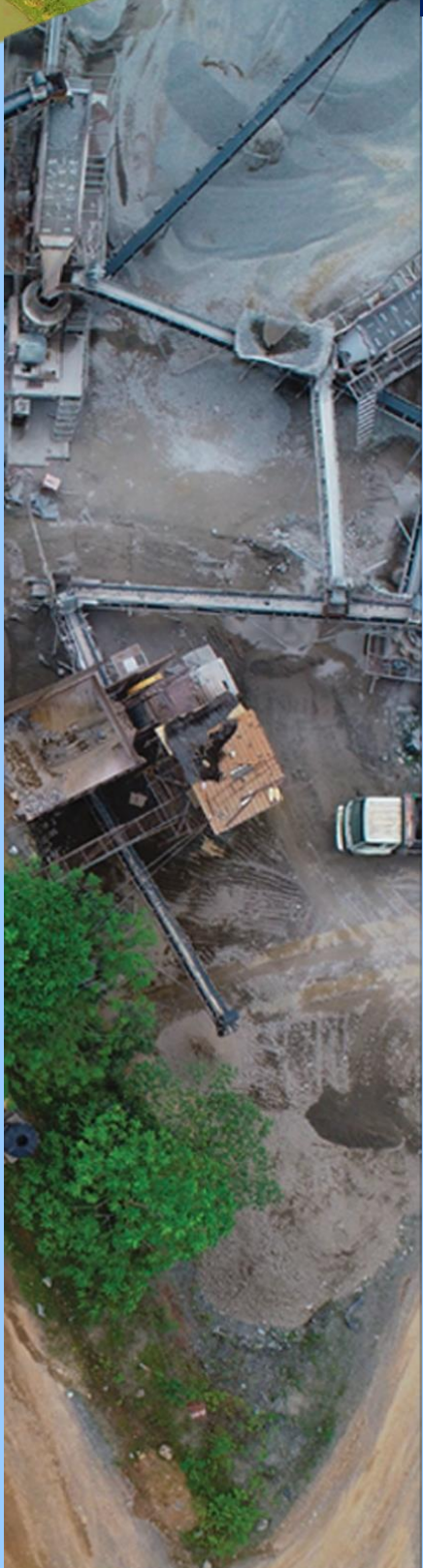








Business Portfolio

- 
- 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

04 Chairman's Review



GSMB Technical Services (Pvt) Ltd, a subsidiary of the Geological Survey and Mines Bureau (GSMB), is a fully controlled government organization in Sri Lanka specializing in mining and geology services. Established in 2001, our purpose is to fulfill the industry's technical service requirements that GSMB cannot offer due to regulatory constraints. Despite the prevailing economic crisis in the

country, we are committed to contributing to the Gross Domestic Product and generating revenue.

We offer a diverse range of technical and consultancy solutions, collaborating with government and private entities and utilizing cutting-edge technologies. Our focus is on producing economically viable minerals with value-added attributes to address the scarcity of raw materials in various sectors. Additionally, we prioritize customer satisfaction, employee welfare, and community development.

By embracing modern technologies and innovative approaches, we aim to

improve the lives of individuals in mining areas and create employment opportunities. We also strive to establish stable market rates for the sale of minerals in Sri Lanka, ensuring sustainable development and environmental stewardship.

With optimism, passion for innovation, and unwavering commitment to progress, GSMB Technical Services (Pvt) Ltd is poised to make a profound impact on the mining and geology industry in Sri Lanka. Our dedicated team, collaborations, and unwavering service will foster growth and prosperity for all.

Ravirajasinghe Sanjeevan
Chairman
06.06.2023

Board of Directors



Mr. Ravirajasinghe Sanjeevan
Chairman
Geological Survey and Mines Bureau
GSMB Technical Services (Pvt) Ltd



Mr. Viraj De. Silva
Chairman
National Gem & Jewellery Authority



Ms. Sandya Ambanwala
Chairman
Lanka Phosphate Ltd



Mr. Iqbal Hassen
Ministry of Environment



Ms. Thamara Adhikari
Chief Financial Officer
Ministry of Finance

Chief Executive Officer's Review



GSMB Technical Services (Pvt) Ltd, a subsidiary company of the Geological Survey and Mines Bureau, operates under the auspices of the Ministry of Environment. Its inception as a fully government-owned limited liability company on the memorable date of September 12th, 2001, marked a significant milestone in the provision of technical services for industries that faced regulatory constraints preventing the Geological Survey and Mines Bureau from fulfilling these needs.

At present, the Manampitiya Sand Mining Project serves as our company's primary

income source. Our resolute ambition is to exercise control over sand prices, ensuring its availability to our customers at concessional rates. To achieve this vision, we are diligently implementing diverse measures, driven by meticulous planning and unwavering dedication. Our aim is to strike a harmonious balance between affordability and accessibility, cementing our commitment to your utmost satisfaction.

Additionally, our Geology and Mining Divisions contribute significantly to our revenue by providing invaluable technical services to Sri Lanka's mining and geology sectors. As the Chief Executive Officer, my earnest intention is to elevate our company's brand name and establish it as a reputable professional institution within the industry. We also actively seek business opportunities with other government institutions, offering geological and mining services that bring mutual

benefits to all involved entities.

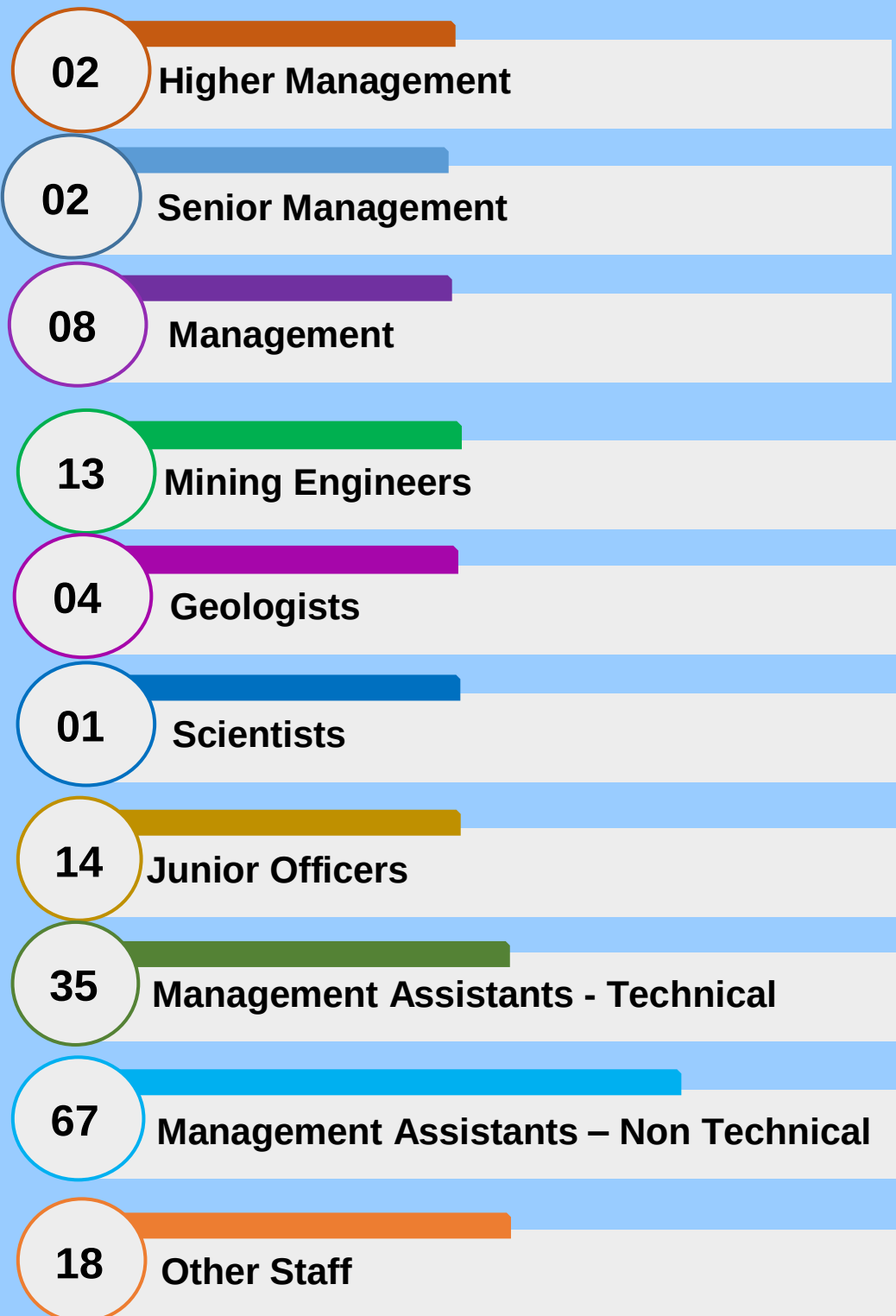
Looking ahead, we plan to expand our business and increase revenue by producing value-added mineral products using economically viable resources found in Sri Lanka, such as Calcium Carbonate and Quartz. This strategic initiative will not only bring profitability but also contribute to our country's economic development.

As the CEO, I extend my heartfelt gratitude to the esteemed stakeholders, dedicated Board of Directors, diligent management team, and all the hardworking employees of GSMB Technical Services. Your unwavering trust and confidence in our organization have been instrumental in propelling us forward on this remarkable journey of growth and achievement. Together, we shall continue to shape a prosperous future, where excellence and innovation thrive hand in hand.

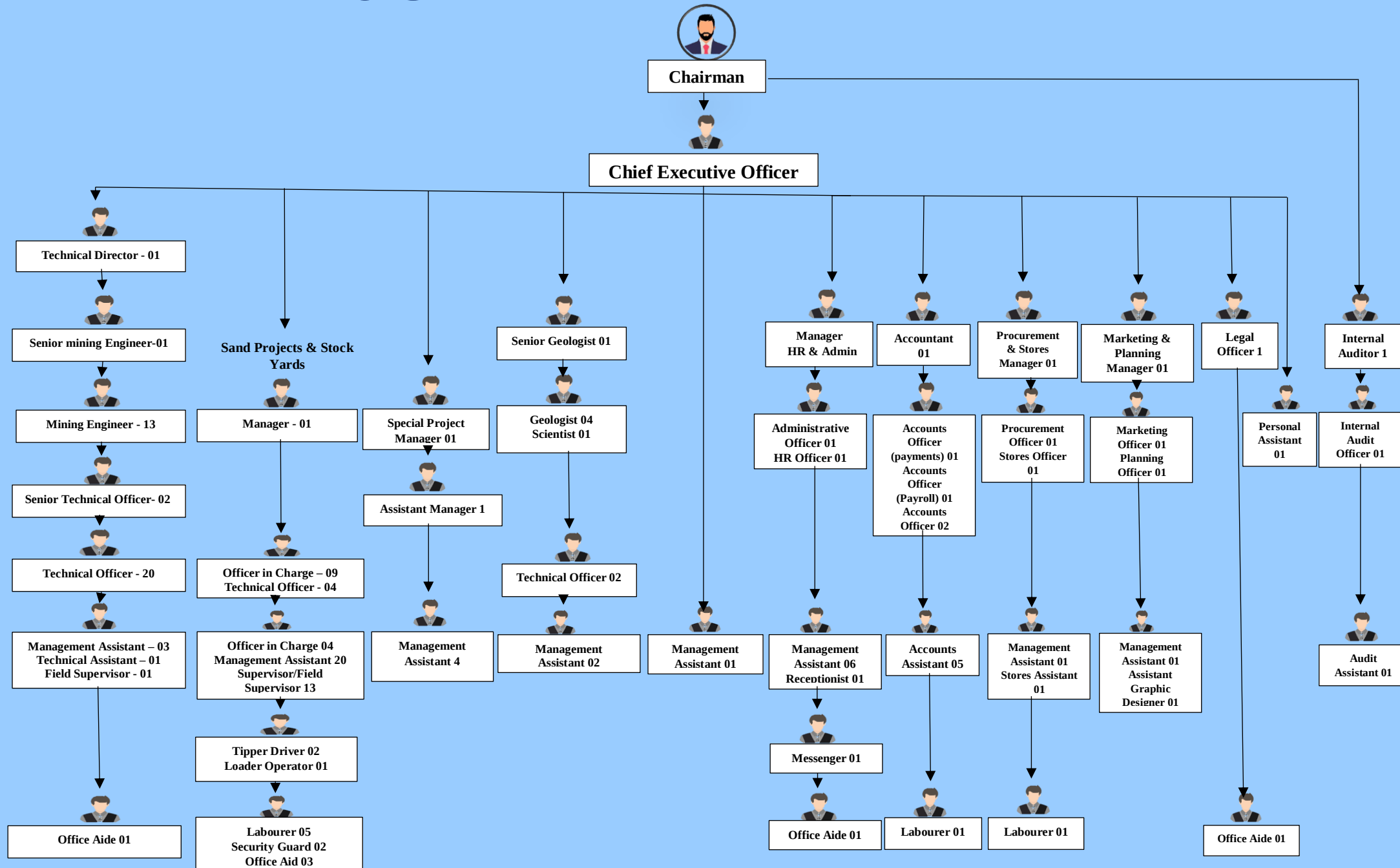
Eng. Jayaratne Hennayaka
Chief Executive Officer
06.06.2023

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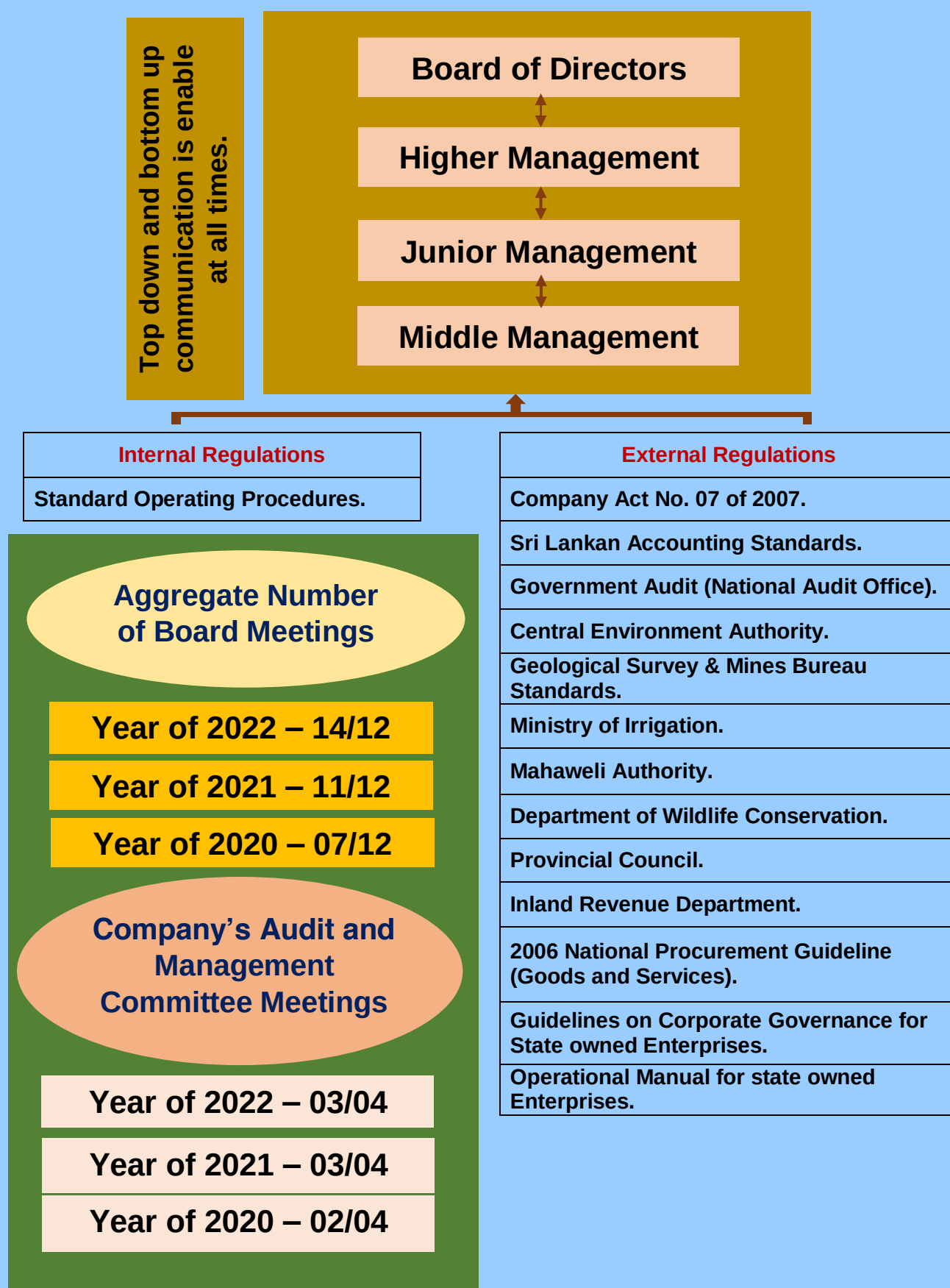
Our Staff



08 Organizational Chart



Governance Framework

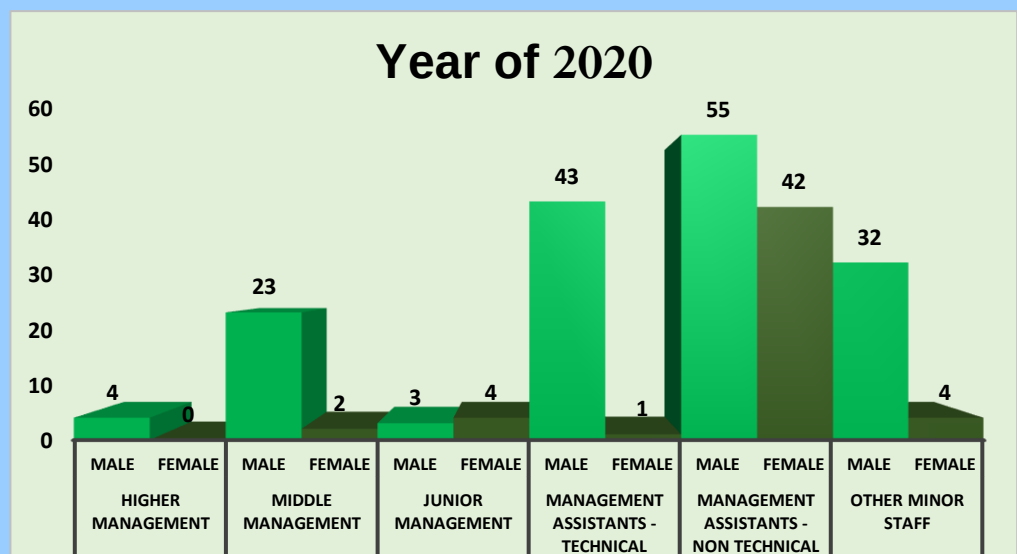
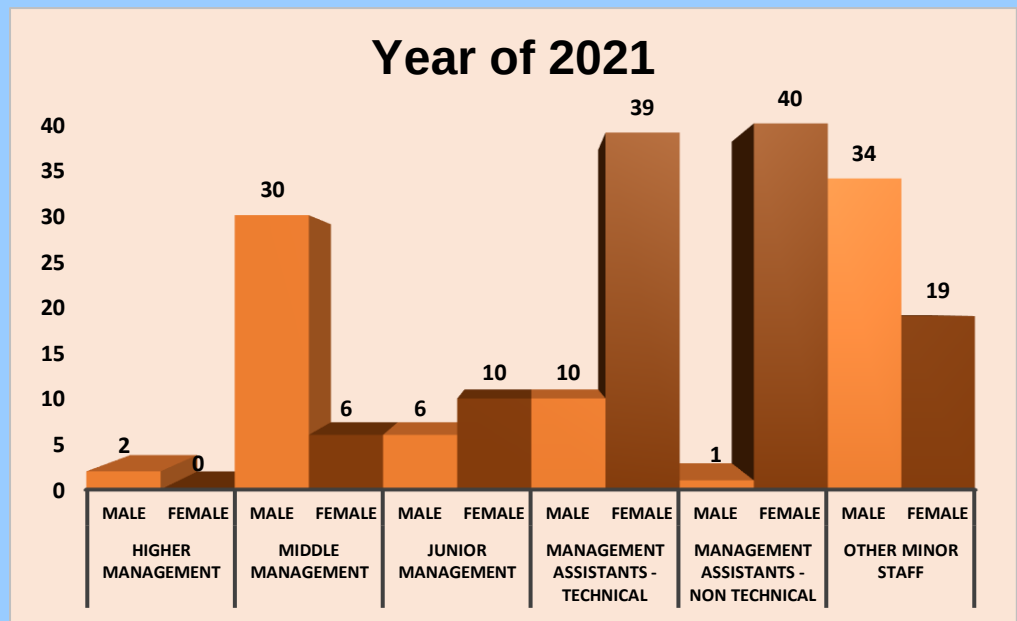
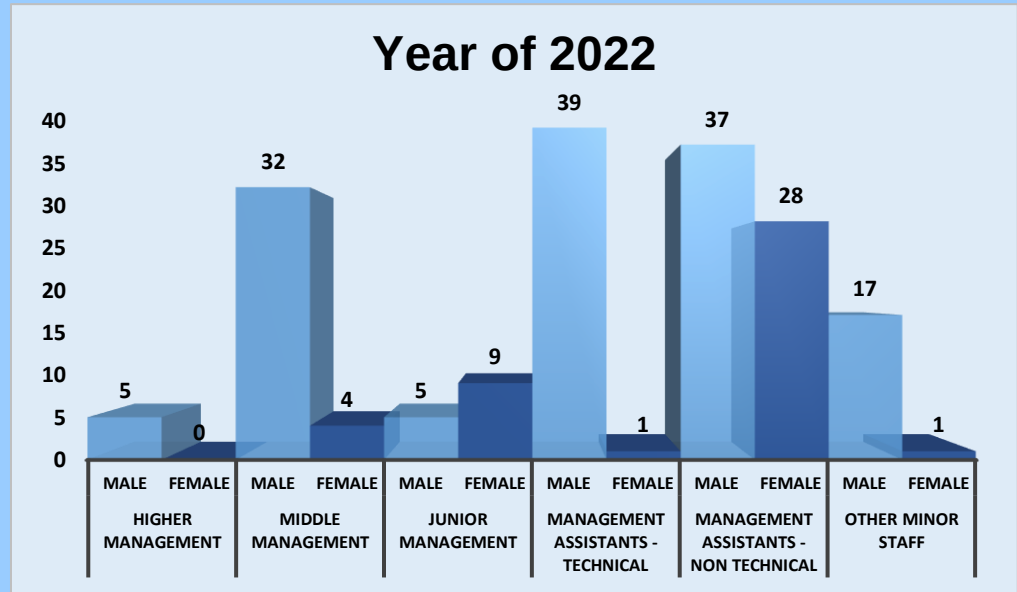


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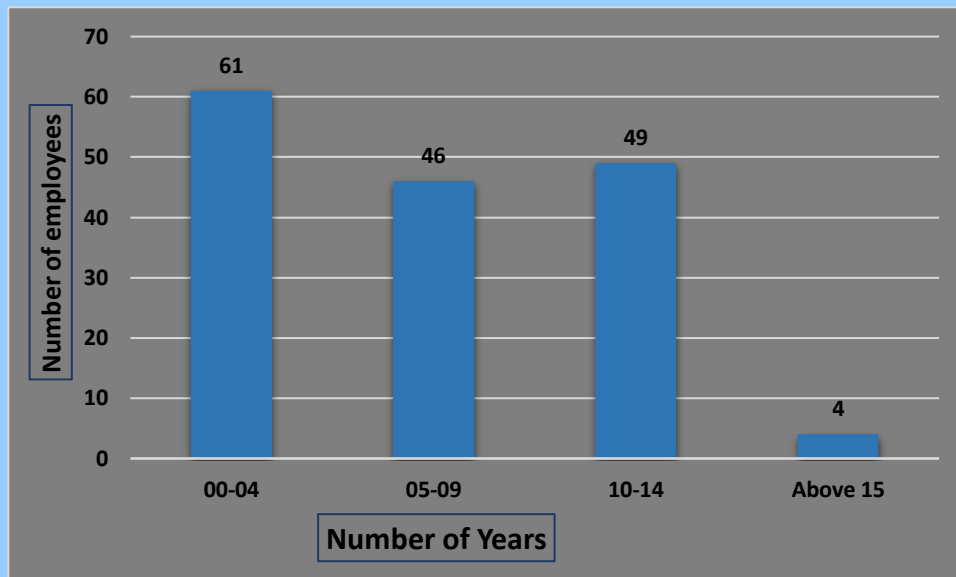
Human Capital of Our Company



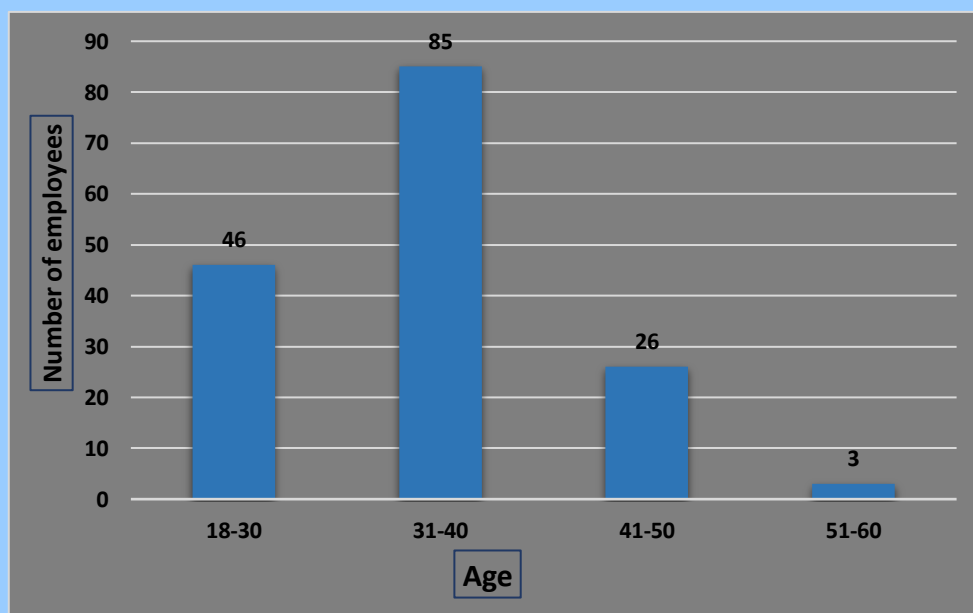
Gender Distribution



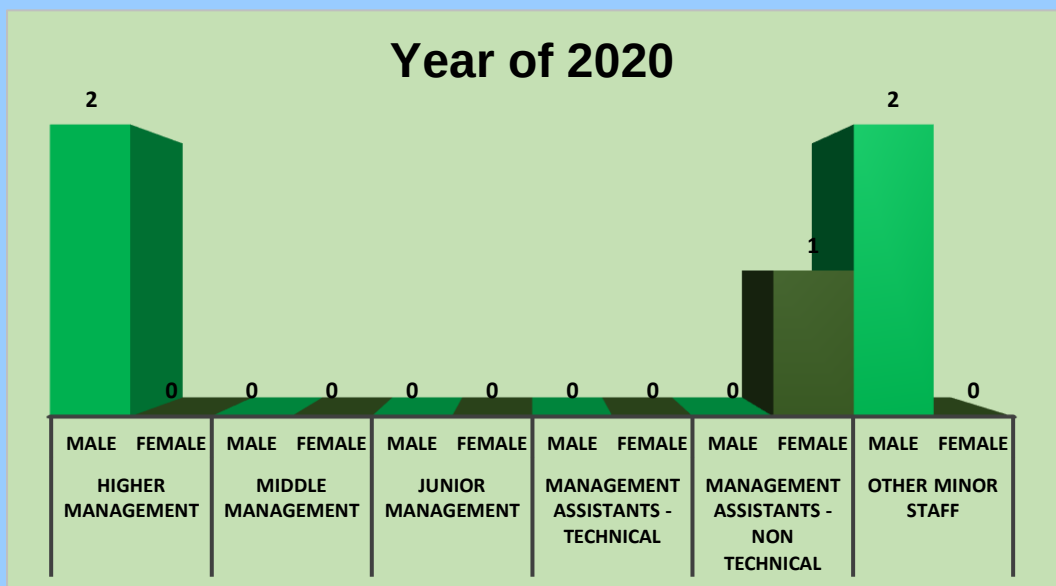
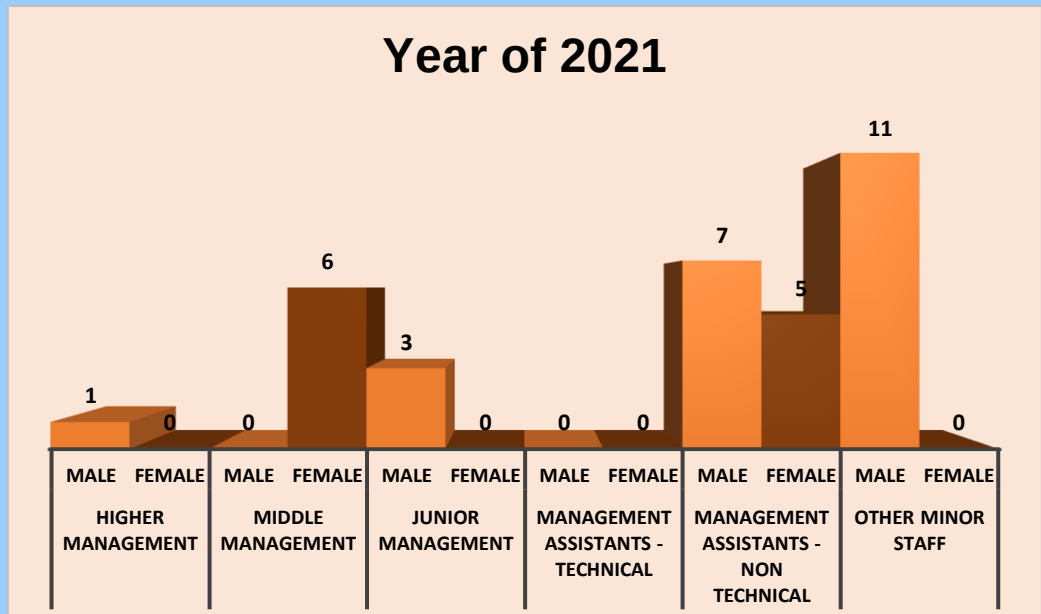
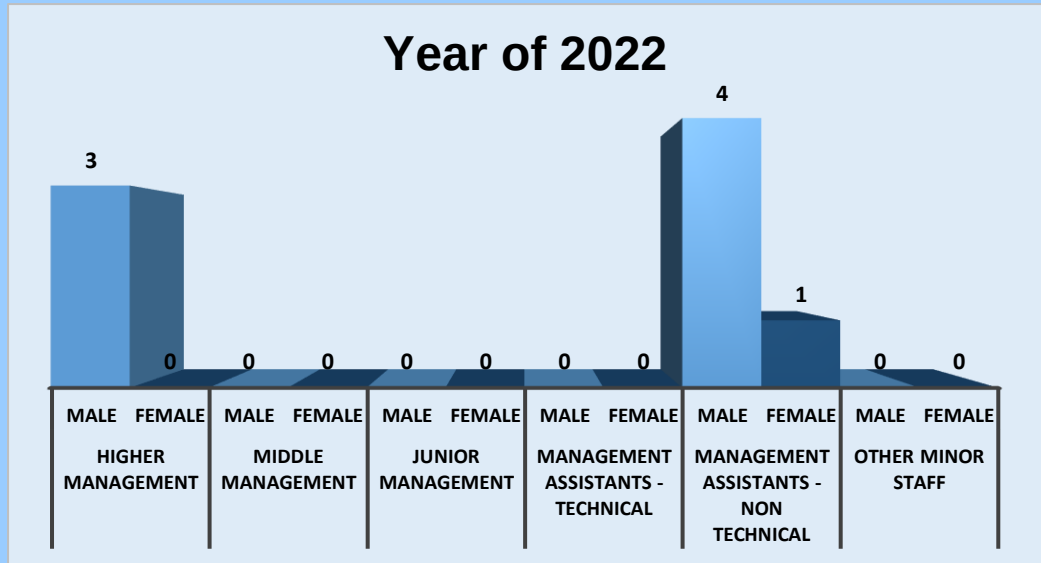
Loyal Employees by Service Period (2022)



Age Distribution (2022)

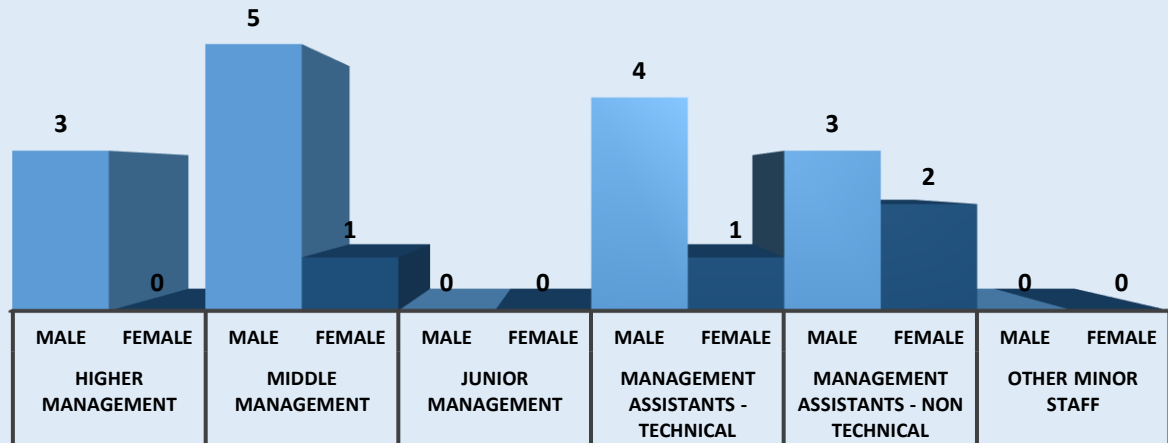


Recruitments

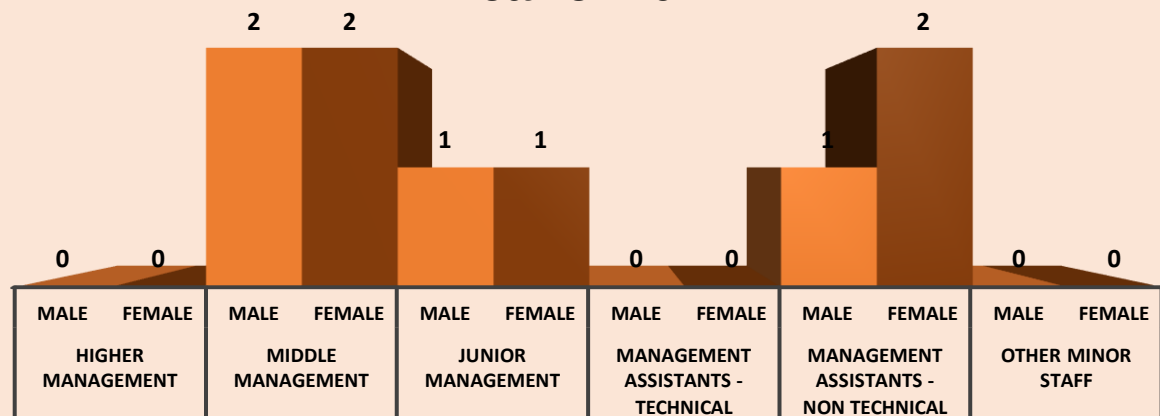


Resignation

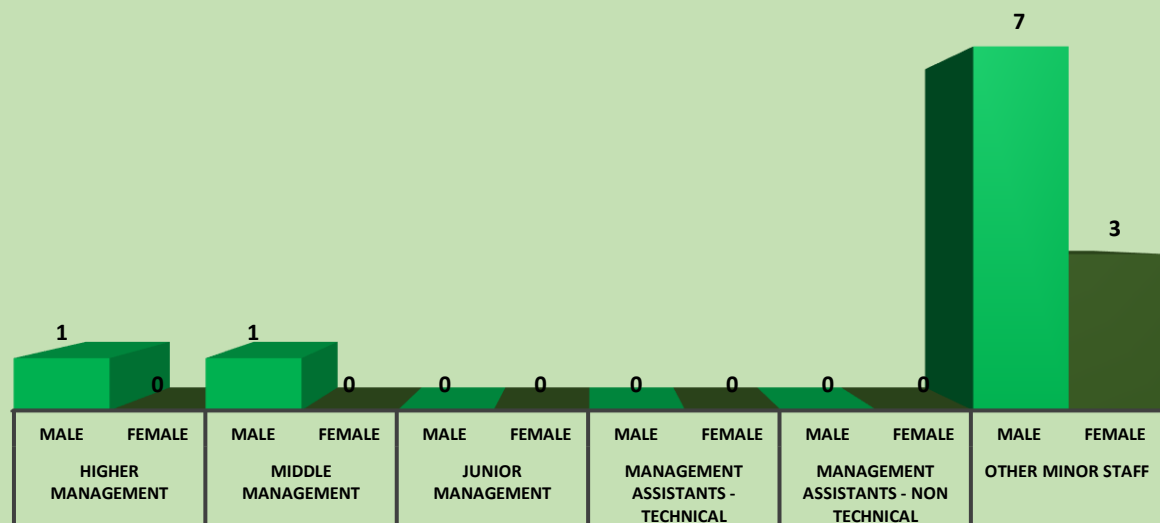
Year of 2022



Year of 2021



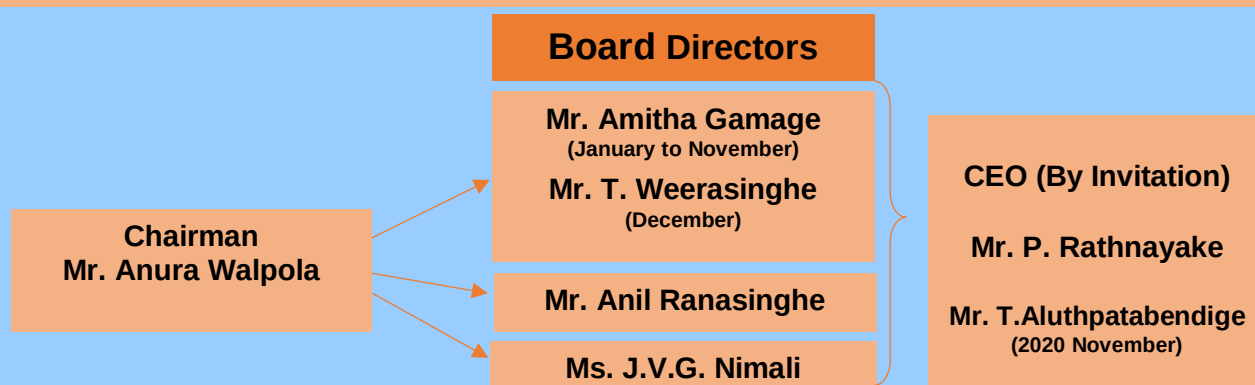
Year of 2020



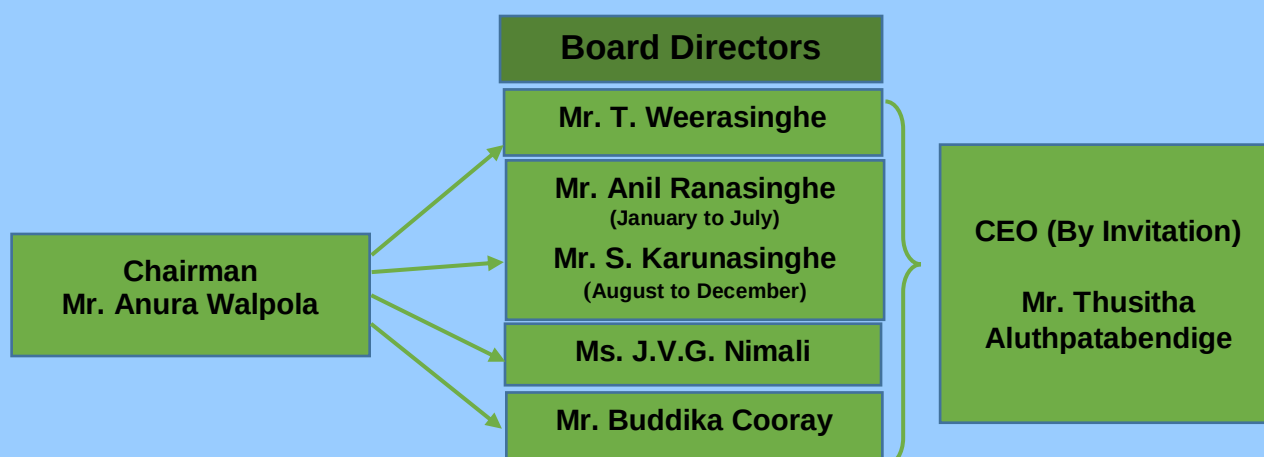
Board Representatives of GSMBTS

(2020-2022)

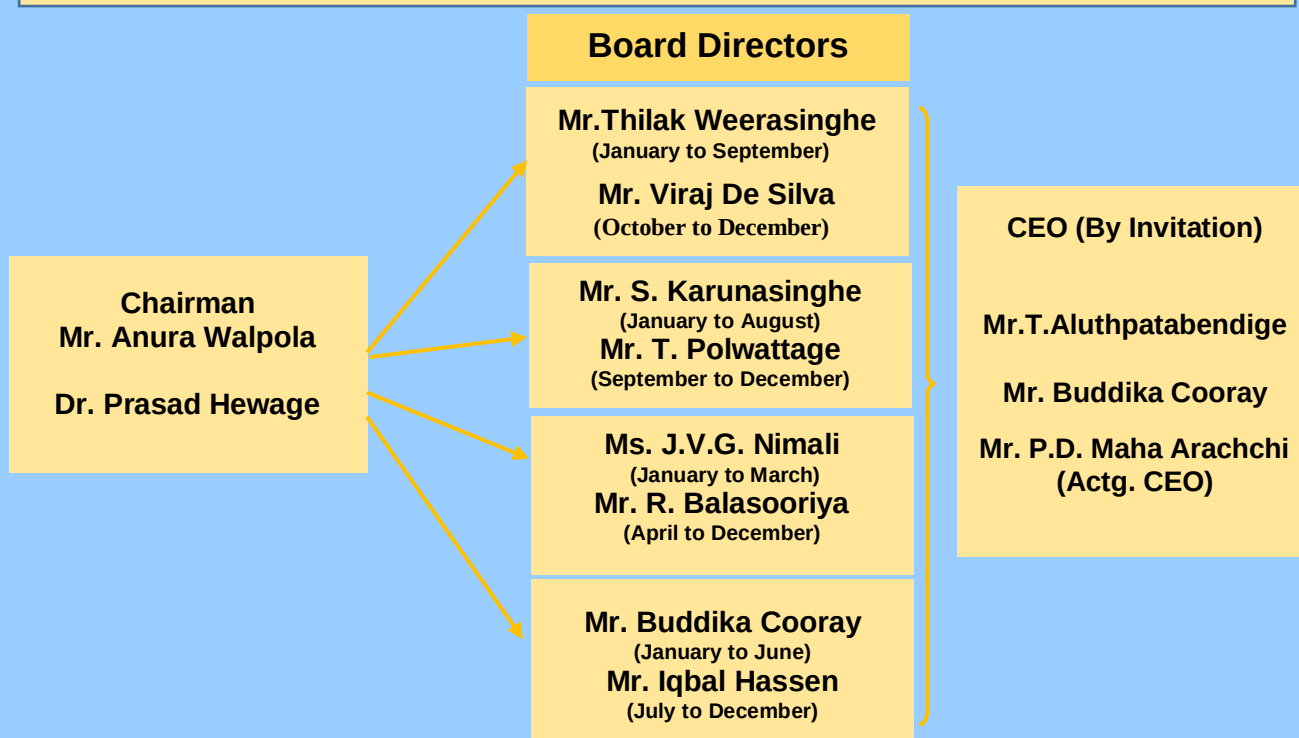
2020



2021



2022





Operational Environment



Our Strength

Mining Services



BLASTING MONITORING

Blasting monitoring is a compliance work which is carried out to confirm the blasting is carried out within the permitted conditions and to control blasting activities in order to prevent any possible structural damages and also to minimize the adverse effects which could arise due to Ground vibration and Air Blast over Pressure.

CRACKS SURVEYS

Crack surveys are carried out to identify and assess the structural damages which should be caused by a certain construction generates vibration. After the complete procedure, damages are estimated in a monetary value.



GPS SURVEYS

This is a location mapping procedure which is generally used to identify the surrounding dwelling of a construction / mining site. This GPS map is critical in decision making aspects such as selection of the most suitable location for the construction / Mining activity.

NOISE LEVEL MEASUREMENT AND CONTROL PLAN

This method is inculcated to ensure minimum noise pollution. One of the main hazards to the surrounding environments of the work site.

DUST MEASUREMENT

This is carried out to evaluate the amount of dust which a construction site produces and releases to the environment in terms of the total suspended particulate matter.



VIBRATION MONITORING

This is another compliance work carried out to control the vibration effects to the structures around a construction site.

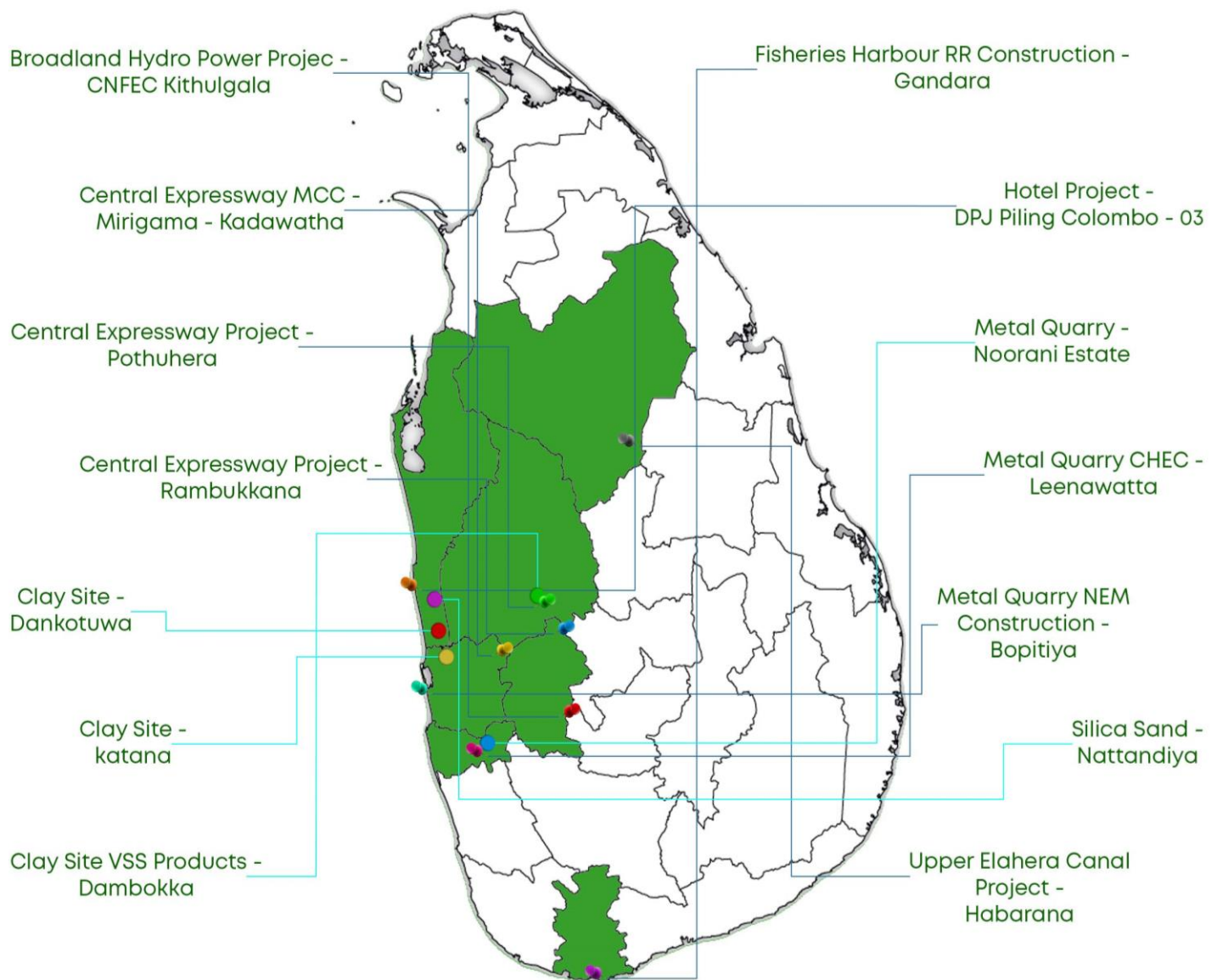
ECONOMICAL VIABLE REPORT PREPARATION

This process enables justification of the project and its benefit.

PROJECT PROPOSAL REPORT ON MINING FIELD

This report is a comprehensive account of the entire project and will reflect the benefits, and down sides to the final project.

Site Locations of Mining Projects



Legend

- | | |
|-------------------------------------|---------------------------|
| ● Broadland Hydro Power Project | - CNFEC Kithulgala |
| ● Central Expressway MCC | - Mirigama - Kadawatha |
| ● Central Expressway Project | - Pothuhera |
| ● Central Expressway Project | - Rambukkana |
| ● Clay Site | - Dankotuwa |
| ● Clay Site | - katana |
| ● Clay Site VSS Products | - Dambokka |
| ● Fisheries Harbour RR Construction | - Gandara |
| ● Hotel Project | - DPJ Piling Colombo - 03 |
| ● Metal Quarry | - Noorani Estate |
| ● Metal Quarry CHEC | - Leenawatta |
| ● Metal Quarry NEM Construction | - Bopitiya |
| ● Silica Sand | - Nattandiya |
| ● Upper Elahera Canal Project | - Habarana |

Geology Services



DRONE SURVEYS

This method is used to assess the most accurate and latest status of the landscape selected. When scaling river beds and mountains the in depth visuals which are obtained provides statistics that are vital prior to project commencement. Drone surveys are also used as a primary assessment method prior commencement of a project. This greatly increases the efficiency of project execution.



GEOPHYSICAL INVESTIGATION

- GPR ground penetrating radar
- Vertical Electrical Sounding
- Seismic surveys

TOPOGRAPHICAL SURVEY

This is one of the very first surface surveys done on a selected site prior to commencing a project. This reveals the exact status of the surface area and enables an assessment that lays beneath the selected premises.

SLOPE STABILIZING & GROUND IMPROVEMENT

- Soil Nailing
- Rock Bolting & Anchoring
- Grouting
- Shotcrete
- Gabion & retaining wall designs & constructions



GEOTECHNICAL INVESTIGATIONS

- Drilling Investigations Report
- Engineering Geology Laboratory Services

ENVIRONMENTAL STUDIES

- EIA Environmental Impact Assessment
- IEE Initial Environmental Examination studies.

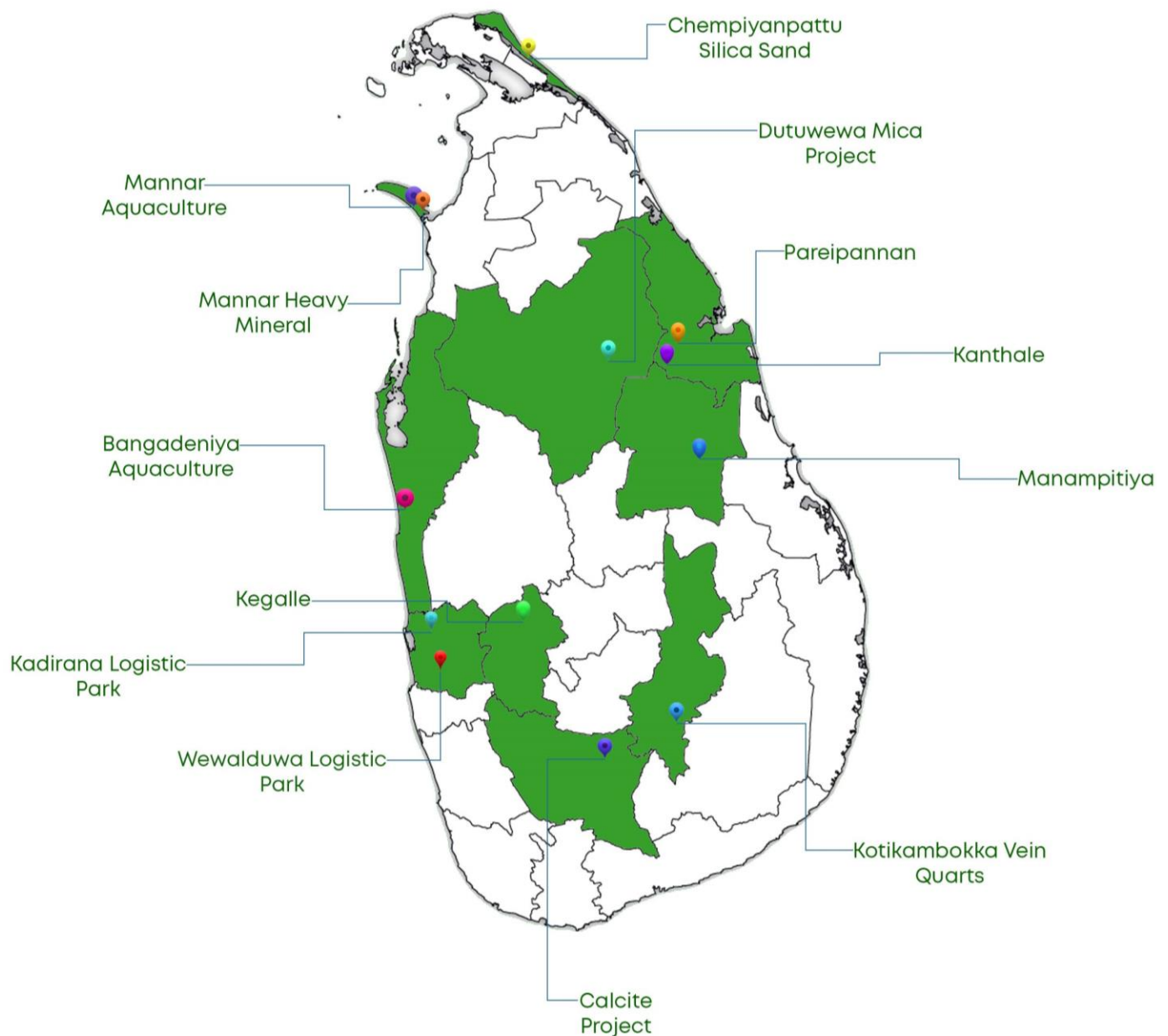


MINERAL EXPLORATION

This is to understand what lays under selected areas. The exploration usually starts by looking for interesting exploration zones and by the sampling of geological materials that seem to have an interesting mineral potential.

- Angering investigations.
- Detailed geological mapping.
- Shotcrete
- Ore Reserve estimation.
- Geophysical studies

Site Locations of Geological Projects



Legend

Mining Projects Locations

- Kanthale
- Kegalle
- Manampitiya
- Pareipannan

Geotechnical Investigation Projects Locations

- Kadirana Logistic Park
- Wewalduwa Logistics Park

Other Mineral Projects Locations

- Calcite project
- Chempiyanpattu Silica Sand
- Dutuwewa Mica Project
- Kotikambokka Vein Quartz
- Mannar Heavy Mineral

Other Projects Locations

- Bangadeniya Aquaculture
- Mannar Aquaculture

Sand Operations



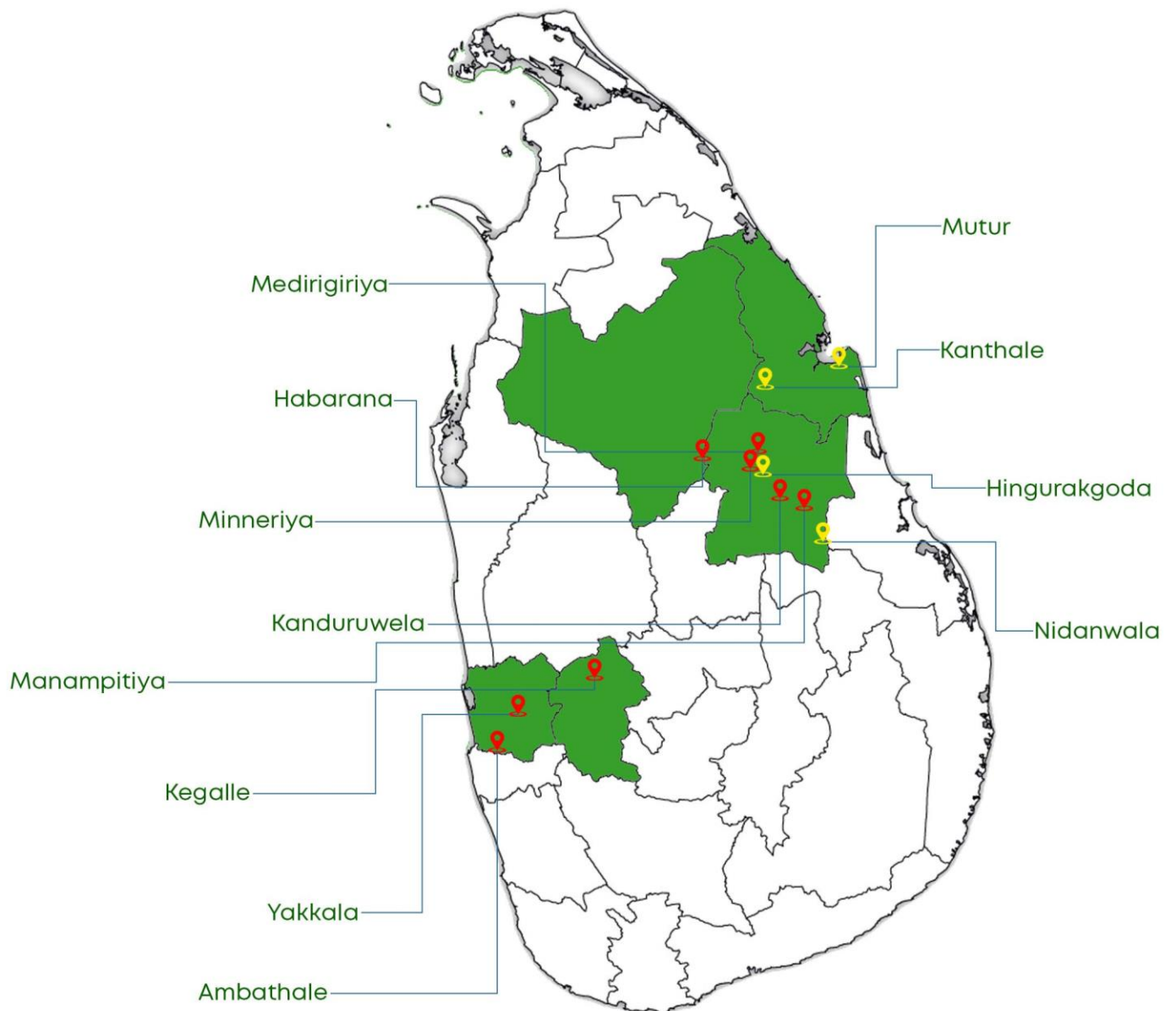
Sand Mining Projects

- GSMB TS, Yakkure Junction, Manampitiya
- GSMB TS, Wadamuna Junction, Welikanda
- GSMB TS, 503, Hansaya Palama, Aralaganwila
- GSMB TS, Nidanwala
- GSMB TS, Boaththa
- GSMB TS, Kanthale
- GSMB TS, Muthur

Sand Stock Yards

- GSMB TS, Yakkala Sand Stock Yard
- GSMB TS, Ambathale Sand Stock Yard
- GSMB TS, Kegalle Sand Stock Yard
- GSMB TS, Minihirigama, Minneriya
- GSMB TS, Mandalagiriya, Medirigiriya
- GSMB TS, Mandalagiriya, Hingurakgoda
- GSMB TS, New Town
- GSMB TS, Habarana

Site Locations of Sand Operations

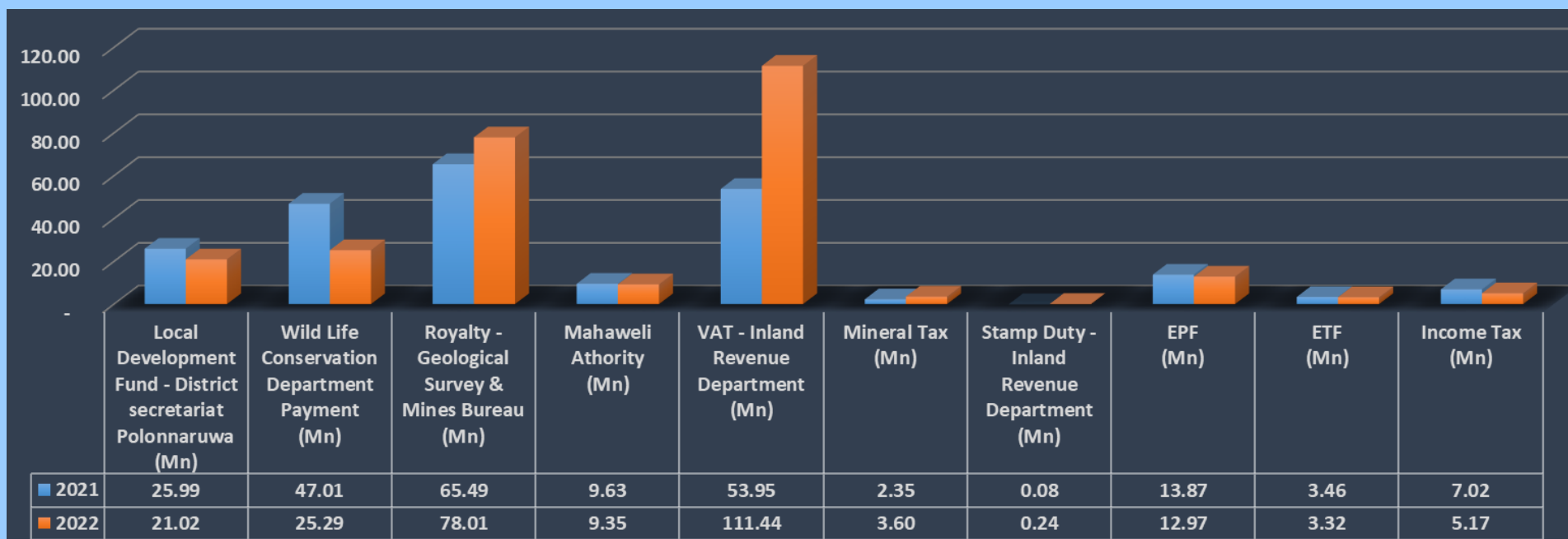


Legend

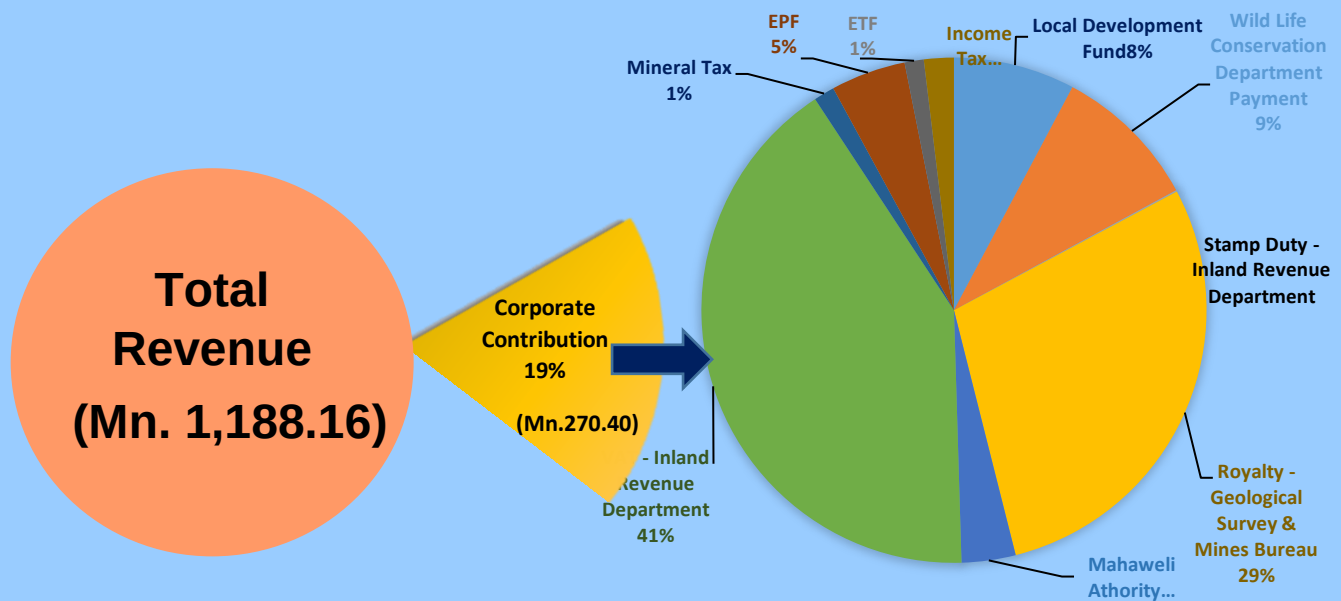
-  Sand Mining Projects
-  Stock Yards

13 Corporate Contributions to the Government and Compliance Commitments with the Laws and Regulations

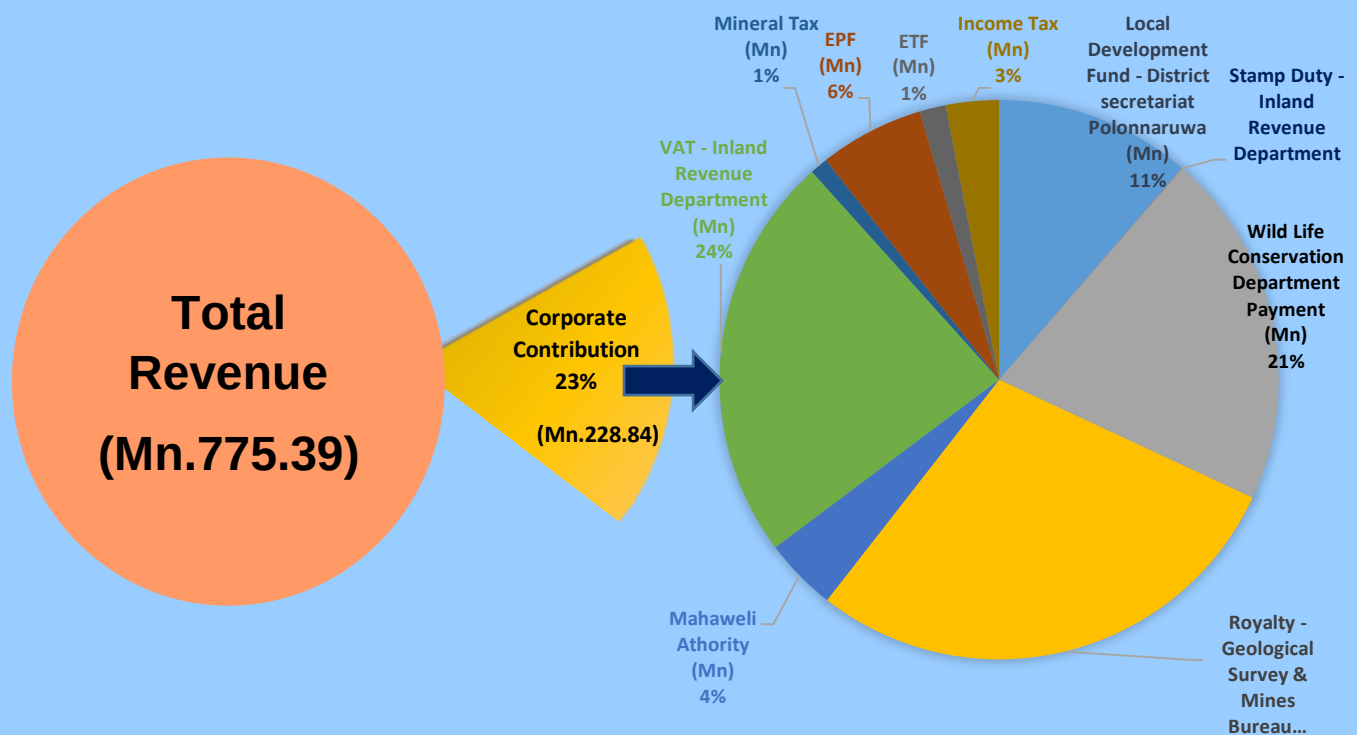
	Local Development Fund - District secretariat Polonnaruwa (Mn)	Wild Life Conservation Department Payment (Mn)	Royalty - Geological Survey & Mines Bureau (Mn)	Mahaweli Athority (Mn)	VAT - Inland Revenue Department (Mn)	Mineral Tax (Mn)	Stamp Duty - Inland Revenue Department (Mn)	EPF (Mn)	ETF (Mn)	Income Tax (Mn)
2021	25.99	47.01	65.49	9.63	53.95	2.35	0.08	13.87	3.46	7.02
2022	21.02	25.29	78.01	9.35	111.44	3.60	0.24	12.97	3.32	5.17
Total	47.01	72.30	143.50	18.97	165.39	5.95	0.32	26.83	6.78	12.18



Year of 2022



Year of 2021



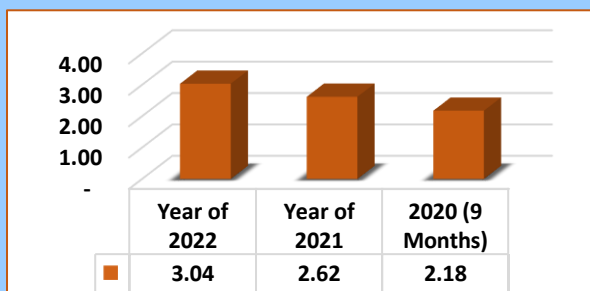


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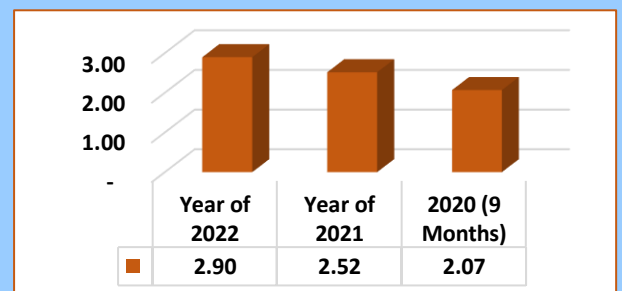
Ratio Analysis

Liquidity

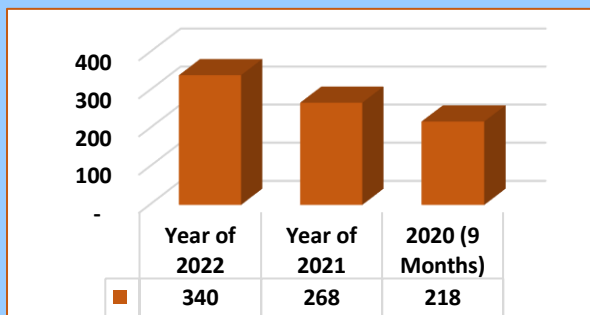
Current Ratio (Rs.Mn.)



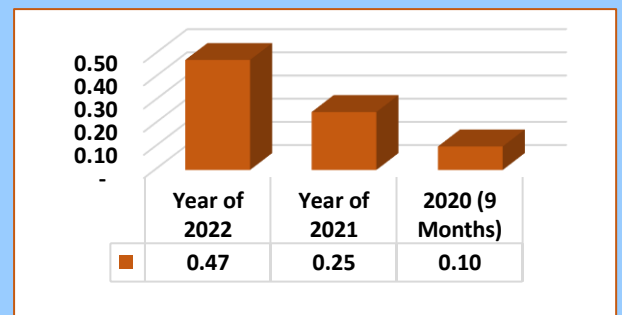
Quick Ratio (Rs.Mn.)



Net Working Capital (Rs.Mn.)

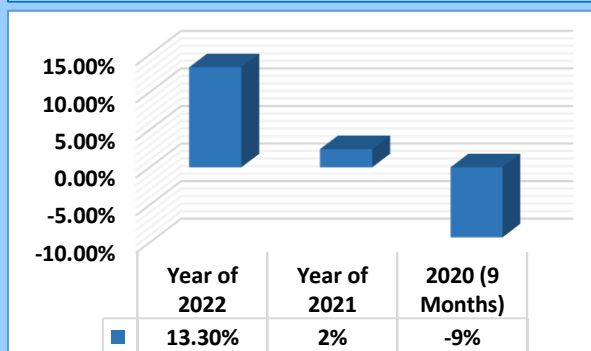
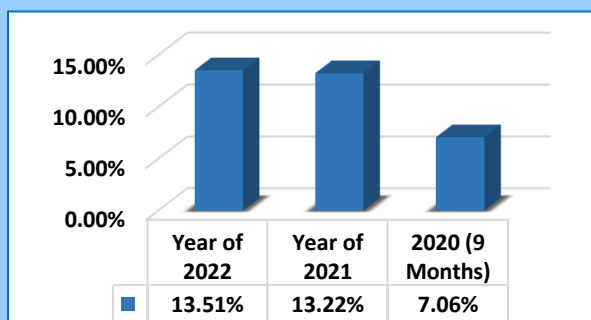


Cash Ratio (Rs.Mn.)

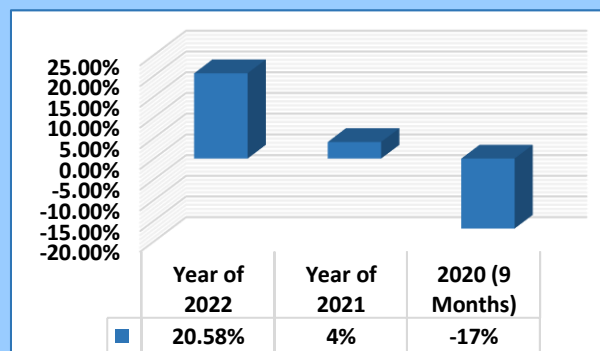
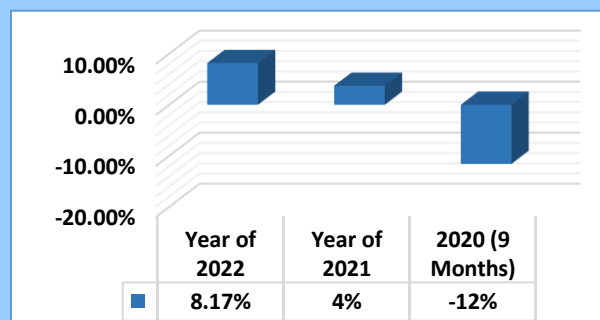


Profitability

Gross Profit Ratio

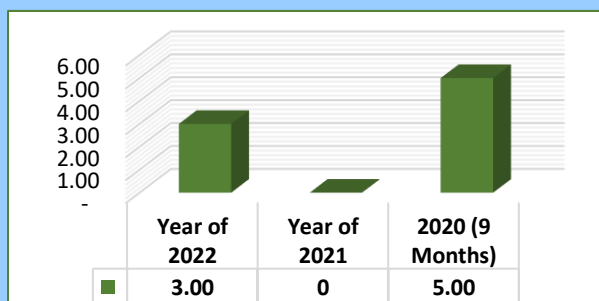


Profit Margin Ratio

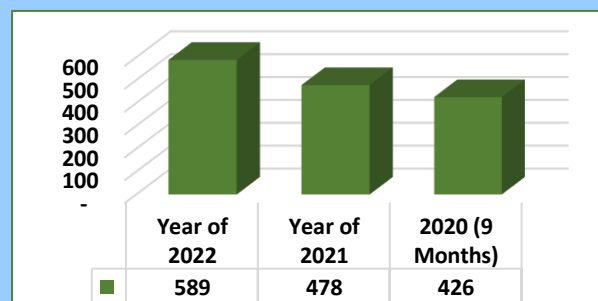


Investment Rates

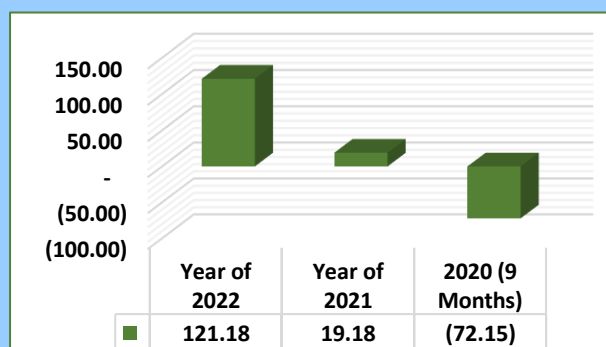
Dividend per Share (Rs.Mn)



Book Value per share (Rs.)

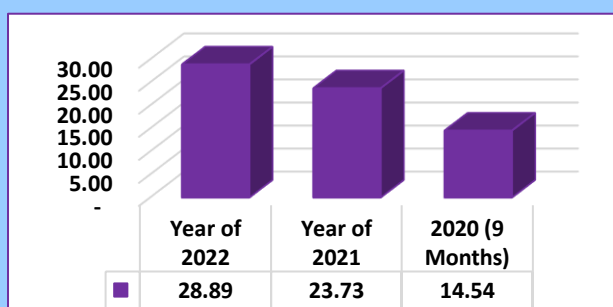


Earnings per share (Rs.Mn)

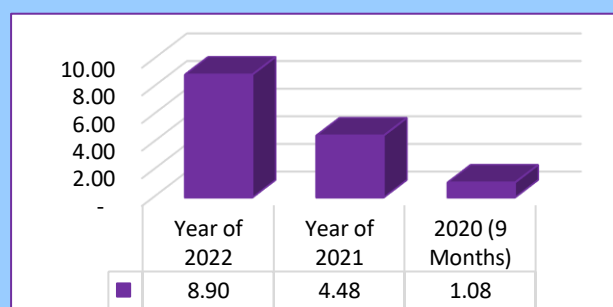


Functional rates

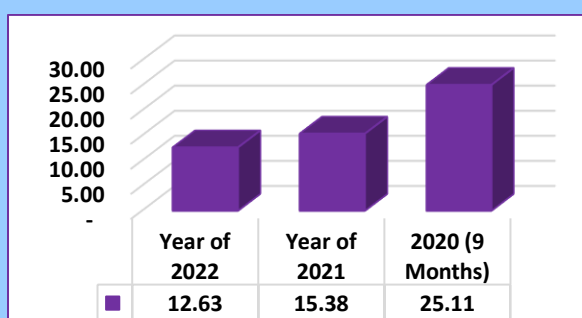
Inventory Turnover Ratio (turns)



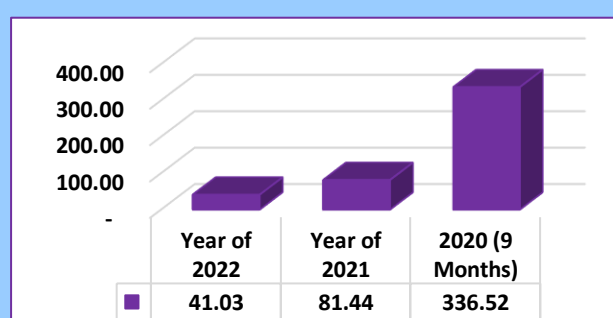
Debtors Turnover Ratio (turns)



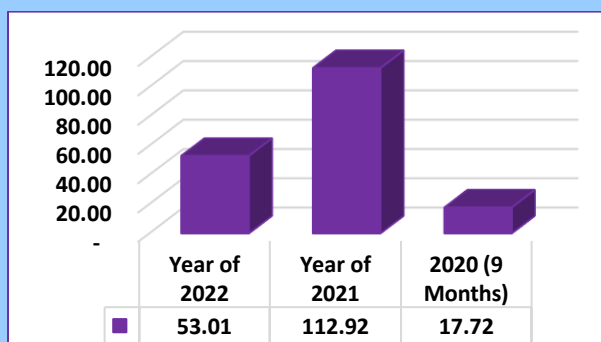
Average Inventory Period (Days)



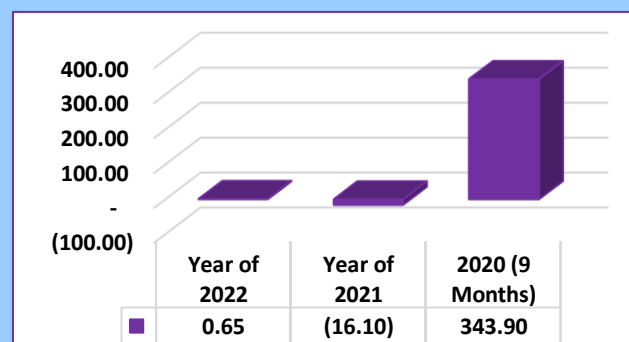
Average Debtors Period (Days)



Average Payable Period (Days)

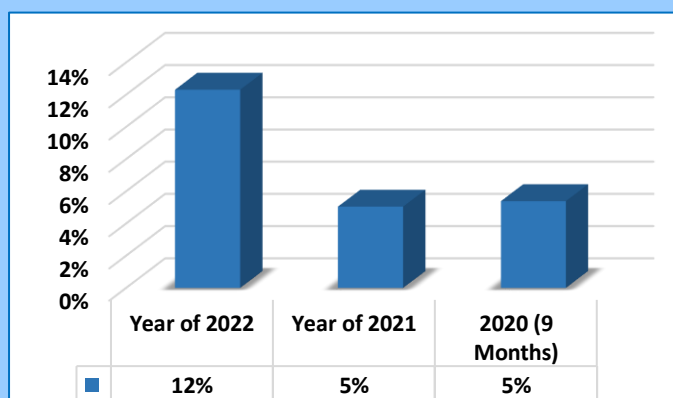


Cash Conversion Cycle



Leverage Ratio

Average FD Interest Rate (Rs.)





15 Financial Summary Comparison

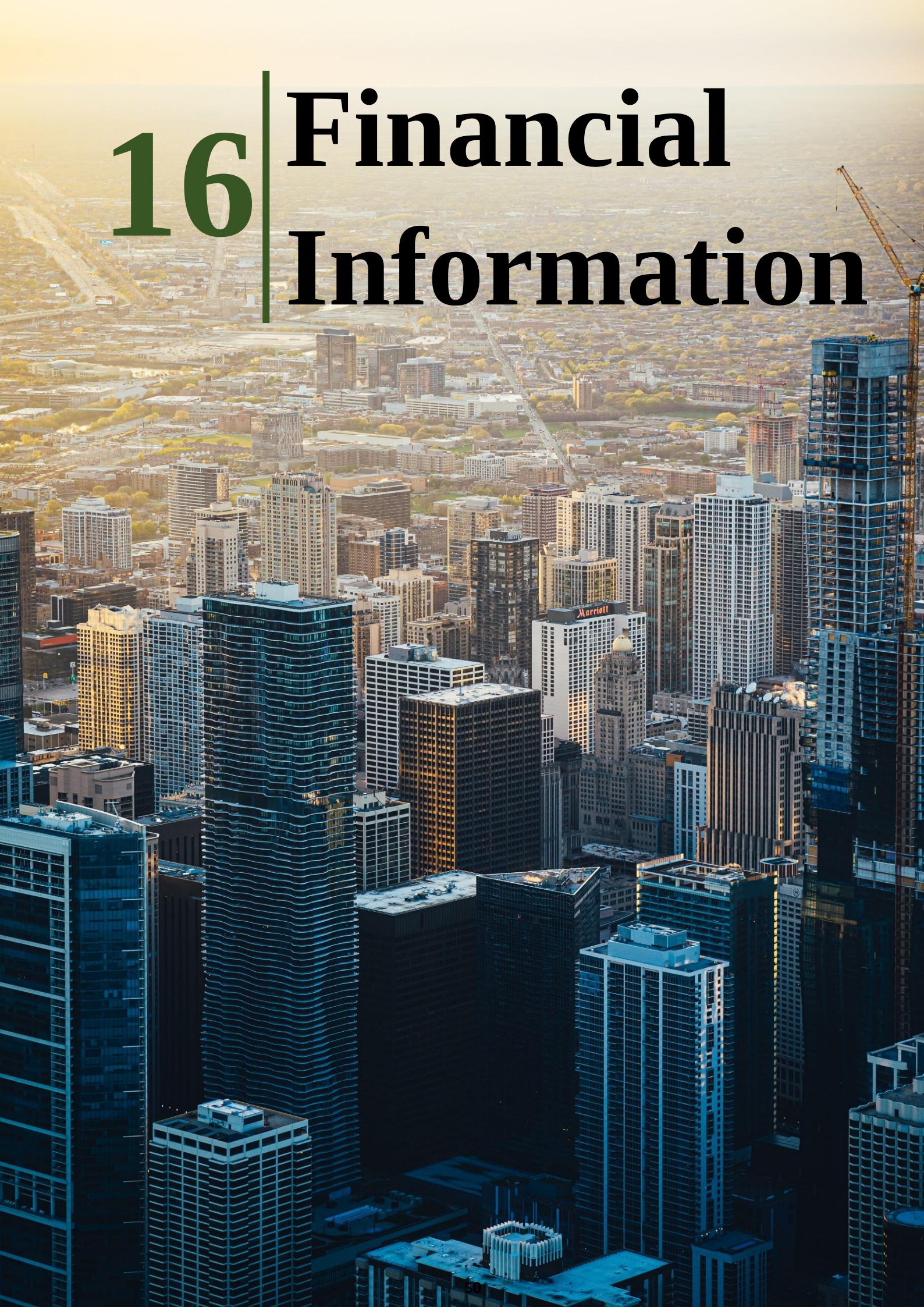
Statement of Financial Position

	2022 (Rs.)	2021 (Rs.)	2020 (9 Months) (Rs.)	2019/2020 (Rs.)	2018/2019 (Rs.)
ASSETS					
Non-Current Assets	39,418,647	45,123,812	60,384,983	35,407,445	26,566,276
Current Assets	507,233,618	432,981,243	403,527,441	469,253,009	496,380,541
Total Assets	546,652,265	478,105,055	463,912,424	504,660,454	522,946,817
EQUITY & LIABILITIES					
Capital & Reserves					
Stated Capital	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Retained Earnings	347,354,594	281,069,392	249,682,009	295,972,593	259,394,199
Total Equity	353,354,594	287,069,392	255,682,009	301,972,593	265,394,199
Non-Current Liabilities	26,229,213	25,741,213	22,778,507	18,007,080	9,244,714
Current Liabilities	167,068,458	165,294,450	185,451,908	184,680,781	248,307,904
Total Equity & Liabilities	546,652,265	478,105,055	463,912,424	504,660,454	522,946,817

<u>Revenue Statement</u>	2022	2021	2020 (9 Months)	2019/2020	2018/2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Revenue	1,147,048,282	752,762,978	475,844,596	837,211,438	826,144,454
Expenses of project	(992,138,527)	(653,216,559)	(442,255,617)	(676,607,623)	(682,902,830)
Gross profit	154,909,755	99,546,419	33,588,979	160,603,815	143,241,624
Other Non-Operating Income	41,112,524	22,626,266	15,119,498	34,187,623	20,018,168
Total Net Income	196,022,279	122,172,685	48,708,477	194,791,438	163,259,792
<u>Less : Expenditure</u>					
Total Administration Expenses	98,940,676	93,419,660	105,611,511	141,256,666	110,551,733
Profit Before Tax	97,081,603	28,753,025	(56,903,034)	53,534,772	52,708,059
Income Tax Expense (Deferred Tax Expense/Income)	(24,372,802)	(17,243,428)	13,612,451	(15,647,674)	(14,901,205)
Profit After Tax	72,708,801	11,509,597	(43,290,583)	37,887,098	37,806,854
Dividends	(1,800,000)	-	(3,000,000)	(3,900,000)	(6,000,000)

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Financial Information



GSMB TECHNICAL SERVICES (PVT) LTD
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Note	Balance as at 31st December 2022 Rs.	Balance as at 31st December 2021 Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipment	12	21,624,943	28,770,267
Deferred Tax Asset	13	17,793,704	16,353,544
Total Non Current Assets		39,418,647	45,123,812
Current Assets			
Inventories	14	23,162,142	16,954,671
Trade Receivables	15.1	11,684,120	12,261,289
Other Receivables	16	73,008,530	71,838,733
Amount Due from Related Parties	17	1,545,522	4,698,378
Investments	18	318,543,331	285,884,713
Cash & Cash Equivalents	19	79,289,973	41,343,460
Total Current Assets		507,233,618	432,981,244
Total Assets		546,652,265	478,105,056
EQUITY & LIABILITIES			
Capital & Reserves			
Stated Capital	20	6,000,000	6,000,000
Retained Earnings		347,354,594	281,069,392
Total Equity		353,354,594	287,069,392
Non Current Liabilities			
Defined Benefit Plan	21	25,944,060	25,155,530
Deferred Tax Liability	13	285,153	585,683
		26,229,213	25,741,213
Current Liabilities			
Trade Payables	22	49,926,615	81,244,267
Accruals & Other Payables	23	72,790,039	45,369,195
Amount Due to Related Parties	24	44,351,804	38,680,989
Total Current Liabilities		167,068,458	165,294,451
Total Equity & Liabilities		546,652,265	478,105,056
Net Asset Per Share		589	478

The Accounting Policies and Notes an integral part of these Financial Statements.
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 28th February 2023.


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


.....
Member of The Board Directors
GSMB Technical Services (Pvt) Ltd



GSMB TECHNICAL SERVICES (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Income from Projects	5.99	1,147,048,282	752,762,978
Expenses of Projects	6	(992,138,528)	(653,216,560)
Net Income from Projects		154,909,755	99,546,419
Other-Non-Operating Income	7	41,112,524	22,626,266
Total Net Income		196,022,279	122,172,685
Less : Expenditure			
Administration Expenses	8	(98,577,440)	(93,082,929)
Finance Cost	9	(363,236)	(336,731)
Total Expenses		(98,940,676)	(93,419,660)
Profit Before Tax		97,081,603	28,753,025
Income Tax Expense	9	(24,372,802)	(17,243,428)
Profit After Tax		72,708,801	11,509,597
Retained Earnings as at 1st January 2022		281,069,392	249,682,009
Profit After Tax		72,708,801	11,509,597
Dividends		(1,800,000)	-
Prior Year Adjustments	11	(4,623,599)	19,877,785
Retained Earnings as at 31st December 2022		347,354,594	281,069,392
Earnings Per Share		121.18	19.18
Dividends Per Share		3.00	-

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

GSMB TECHNICAL SERVICES (PVT) LTD**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Notes	Year Ending 31 st December 2022 Rs.	Year Ending 31 st December 2021 Rs.
<u>Cash Flows from Activities</u>			
Profit After Tax		72,708,801	11,509,597
Adjustments for :			
Depreciation	12	15,701,298	15,708,738
Prior Year Profit Adjustments	11	(4,623,599)	19,877,785
Expenses On Defined Benefit Plan	21	1,665,235	3,718,528
Provision for Doubtful Debts	7	(1,783,564)	(7,172,085)
Income Tax Adjustment	9	24,372,802	17,243,428
Write Off/Bad Debt	8	1,197,629	-
(Profit)/Loss on Disposals	8	-	25,938
Finance Income	7	(39,197,823)	(15,170,906)
Operating Profit Before Working Capital Changes		70,040,779	45,741,022
(Increase) / Decrease in Inventories		(6,207,470)	2,954,856
(Increase) / Decrease in Trade Receivables		2,034,546	13,260,269
(Increase) / Decrease in Other Receivables		6,935,760	(5,746,759)
(Increase) / Decrease in Amount Due from Related Parties		3,479,043	4,463,502
Increase / (Decrease) in Trade Payables		(31,317,652)	(33,811,825)
Increase / (Decrease) in Accruals & Other Payables		27,420,844	16,654,367
Increase / (Decrease) in Amount Due to Related Parties		5,670,815	-
Cash from / (Used in) Operations		8,015,885	(2,225,591)
Net Cash Generated from Operations		78,056,665	43,515,431
Gratuity Paid	21	(876,705)	(350,585)
Income Tax Paid		(8,674,418)	(14,735,916)
		(9,551,123)	(15,086,501)
Net Cash from / (Used in) Operating Activities		68,505,542	28,428,930
Cash Flow from Investing Activities			
Acquisition on Property, Plant & Equipment	12	(8,555,973)	(3,386,251)
Investment in Fixed Deposit	18	(32,658,618)	(14,700,899)
Finance Income		12,455,563	15,170,906
Net Cash (from) / used in Investing Activities		(28,759,028)	(2,916,244)
Cash Flow from Financing Activities			
Dividend Paid		(1,800,000)	(3,000,000)
Net Cash (from) / used in Financing Activities		(1,800,000)	(3,000,000)
Movement in Cash and Cash Equivalents		37,946,514	22,512,686
At the Beginning of the Year	19	41,343,460	18,830,774
Net Change in Cash and Cash Equivalents		37,946,513	22,512,686
At the End of the Year	19	79,289,973	41,343,460

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

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 569, Epitamulla Road, Pitakotte and the principal place of business carried out on No.190/A, Ratnaweera Building, Stanley Thilakarathne Mawatha, Nugegoda.

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.**

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-Classified /Re-arranged where necessary to conform to the current year presentation. Comparative period consists of twelve months from 1st of January 2021 to 31st December 2021.

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 effective 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 previously recognized 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

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 from 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.

$$\text{Gratuity Provision} = [(\text{Last Month Basic Salary} + \text{COL}) / 2] * \text{No of Years}$$

(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 28th February 2023.

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Note 5 : Net Income from Projects**

			January - December 2022	January - December 2021
			Rs.	Rs.
<u>Mining Projects</u>				
Blasting & Monitoring	Income	5.01	24,701,088	25,395,433
	Expenses	5.02	(15,591,571)	(16,662,328)
	Profit	5.03	9,109,518	8,733,105
Crack Survey	Income	5.04	17,377,439	16,384,310
	Expenses	5.05	(4,336,798)	(5,020,289)
	Profit	5.06	13,040,640	11,364,021
Dust, Air, Noise & Vibration	Income	5.07	1,179,547	1,616,860
	Expenses	5.08	(361,961)	(20,564)
	Profit	5.09	817,585	1,596,296
EVR	Income	5.10	478,249	2,022,655
	Expenses	5.11	(51,357)	(298,800)
	Profit	5.12	426,892	1,723,855
GPS Survey	Income	5.13	375,510	418,065
	Expenses	5.14	(38,570)	(42,256)
	Profit	5.15	336,940	375,809
TO Services	Income	5.16	8,907,088	13,965,122
	Expenses	5.17	(4,497,671)	(7,208,425)
	Profit	5.18	4,409,416	6,756,698
Mining Projects - Other	Income	5.19	-	79,300
	Expenses	5.20	-	(2,794)
	Profit	5.21	-	76,506
Mining Division	Expenses	5.22	(32,315,820)	18,340,365)
Total Net Income from Mining Projects	Income		53,018,920	59,881,746
	Expenses		(57,193,749)	(47,595,820)
	Profit		(4,174,829)	12,285,925

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Note 5 : Net Income from Projects**

<u>Geological Projects</u>			January - December 2022	January - December 2021
		Notes	Rs.	Rs.
Environmental Studies	Income	5.23	1,499,423	407,407
	Expenses	5.24	(1,087,575)	(426,554)
	Profit	5.25	411,848	(19,147)
Reserve Estimation	Income	5.26	558,967	2,849,970
	Expenses	5.27	(291,005)	(461,299)
	Profit	5.28	267,962	2,388,671
Geo-Technical Investigations	Income	5.29	45,653,358	1,773,700
	Expenses	5.30	(30,857,683)	(10,593,774)
	Profit	5.31	14,795,675	(8,820,074)
Mineral Exploration	Income	5.32	678,261	2,842,540
	Expenses	5.33	(141,290)	(2,033,359)
	Profit	5.34	536,971	809,181
Geological Projects - Other	Income	5.35	5,100,338	407,500
	Expenses	5.36	(2,250,500)	(596,555)
	Profit	5.37	2,849,838	(189,055)
Geology Division	Expenses	5.38	(13,750,570)	(14,991,582)
Total Net Income from Geological Projects	Income		53,490,347	8,281,117
	Expenses		(48,378,623)	(29,103,123)
	Profit		5,111,724	(20,822,006)
<u>Special Projects</u>				
Kotikambokka Quartz Project	Income	5.39	-	-
	Expenses	5.40	(784,359)	(770,013)
	Profit	5.41	(784,359)	(770,013)
Calcite Project	Income	5.42	-	-
	Expenses	5.43	(2,077,347)	(713,128)
	Profit	5.44	(2,077,347)	(713,128)
Special Projects Division		5.45	(5,690,569)	(4,095,924)
Total Net Income from Special Projects	Income		-	-
	Expenses		(8,552,276)	(5,579,064)
	Profit		(8,552,276)	(5,579,064)
Total Net Income from HR Assignment	Income	5.46	14,818,283	29,496,631
	Expenses	5.47	(19,018,703)	(27,411,299)
	Profit	5.48	(4,200,420)	2,085,332

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Note 5 : Net Income from Projects****Sale of Sand - Mining Sites**

		Notes	January - December 2022	January - December 2021
			Rs.	Rs.
Manampitiya	Income	5.49	894,342,995	434,421,800
	Expenses	5.50	(719,419,101)	(354,700,124)
	Profit	5.51	174,923,894	79,721,676
Aralaganwila	Income	5.52	6,609,669	10,776,805
	Expenses	5.53	(7,955,154)	(9,246,479)
	Profit	5.54	(1,345,485)	1,530,326
Boaththa	Income	5.55	3,218,858	23,714,779
	Expenses	5.56	(7,193,952)	(19,449,719)
	Profit	5.57	(3,975,095)	4,265,060
Lankapura	Income	5.58	-	522,146
	Expenses	5.59	-	(987,822)
	Profit	5.60	-	(465,676)
Nidanwala	Income	5.61	7,520,693	25,141,272
	Expenses	5.62	(7,618,234)	(16,572,754)
	Profit	5.63	(97,541)	8,568,518
Welikanda	Income	5.64	7,394,864	11,325,610
	Expenses	5.65	(6,704,655)	(10,001,361)
	Profit	5.66	690,209	1,324,249
Kanthale	Income	5.67	40,813,487	3,286,532
	Expenses	5.68	(31,323,088)	(9,282,842)
	Profit	5.69	9,490,399	(5,996,310)
Muthur	Income	5.70	1,038,479	7,730,442
	Expenses	5.71	(4,255,100)	(9,641,103)
	Profit	5.72	(3,216,621)	(1,910,661)
Total Net Income from Sale of Sand Mining Sites	Income		960,939,044	516,919,385
	Expenses		(784,469,284)	(429,882,204)
	Profit		176,469,760	87,037,181

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Note 5 : Net Income from Projects**

<u>Sale of Sand - Stock Yards</u>		Notes	January - December 2022	January - December 2021
			Rs.	Rs.
Bakamoona	Income	5.73	-	817,779
	Expenses	5.74	-	(1,135,953)
	Profit	5.75	-	(318,174)
Hingurakgoda	Income	5.76	4,587,458	17,061,995
	Expenses	5.77	(6,260,058)	(14,069,518)
	Profit	5.78	(1,672,600)	2,992,477
Medirigiriya	Income	5.79	6,428,248	22,307,386
	Expenses	5.80	(8,394,699)	(20,396,829)
	Profit	5.81	(1,966,450)	1,910,556
Minneriya	Income	5.82	5,567,994	19,947,182
	Expenses	5.83	(8,204,994)	(18,740,485)
	Profit	5.84	(2,637,000)	1,206,697
Yakkala	Income	5.85	14,160,874	29,023,186
	Expenses	5.86	(16,631,145)	(18,693,098)
	Profit	5.87	(2,470,271)	10,330,089
New Town	Income	5.88	7,958,790	23,300,139
	Expenses	5.89	(7,348,670)	(17,723,009)
	Profit	5.90	610,121	5,577,131
Habarana	Income	5.91	6,859,978	10,485,892
	Expenses	5.92	(7,926,619)	(9,429,980)
	Profit	5.93	(1,066,641)	1,055,913
Kegalle	Income	5.94	7,373,071	7,328,423
	Expenses	5.95	(8,263,460)	(6,463,491)
	Profit	5.96	(890,389)	864,933
Ambathale	Income	5.97	11,845,272	7,772,116
	Expenses	5.98	(11,496,247)	(6,880,686)
	Profit	5.99	349,025	891,429
Total Net Income from Sale of Sand Stock Yard	Income		64,781,686	138,044,099
	Expenses		(74,525,891)	(113,533,049)
	Profit		(9,744,206)	24,511,050
<u>Other</u>				
Other Income			-	140,000
Total Project Income		5.99	1,147,048,282	752,762,978
Total Project Expenses			(992,138,528)	(653,104,560)
Total Net Income from Projects			154,909,755	99,658,419

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Mining Division**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		<u>Rs.</u>	<u>Rs.</u>
<u>Blasting & Monitoring</u>			
Income	5.01	24,701,088	25,395,433
<u>Project Expenses</u>			
Salaries		4,494,281	6,039,327
EPF		644,914	871,571
ETF		161,228	217,893
COL		880,000	1,223,768
Professional Allowance		234,000	173,000
Interim Allowance		750,000	78,000
Weekend Allowances		212,725	285,050
Site Allowances		220,000	285,000
Allowances		413,400	277,500
Fuel		1,220,900	796,290
Telephone		-	10,000
Printing & Stationery		6,319	44,469
Postage		6,505	6,120
Welfare		68,093	71,626
Electricity		8,006	65,533
Water		23,262	1,888
Travelling & Subsistence		94,876	55,485
Other Maintenance Charges		3,000	-
Transport		4,087,668	5,177,540
Cook Allowance		215,700	130,935
Rent		1,186,000	809,333
Office Expenses		6,800	-
Payment for Estimation		490,000	42,000
SSCL		163,894	-
Total Expense	5.02	15,591,571	16,662,328
Net Income	5.03	9,109,518	8,733,105

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Mining Division**

<u>Crack Survey</u>	Notes	January - December 2022 Rs.	January - December 2021 Rs.
Income	5.04	17,377,439	16,384,310
<u>Project Expenses</u>			
Salaries		858,861	1,925,994
EPF		121,015	271,247
ETF		30,254	67,812
COL		149,600	334,400
Professional Allowance		62,000	93,000
Interim Allowance		127,500	50,000
Weekend Allowances		68,075	36,475
Site Allowances		45,000	110,000
Allowance		96,000	67,750
Fuel		99,500	206,600
Printing & Stationery		5,545	7,208
Postage		1,145	3,655
Welfare		2,905	25,368
Electricity		14,472	-
Travelling & Subsistence		293,906	155,552
Payment for Estimations		1,771,000	281,000
Transport		450,689	1,133,271
Rent		67,000	246,667
Office Expenses		3,439	4,290
Cook Allowance		22,500	-
SSCL		46,393	-
Total Expense	5.05	4,336,798	5,020,289
Net Income	5.06	13,040,640	11,364,021
<u>Dust, Air, Noise & Vibration</u>			
Income	5.07	1,179,547	1,616,860
<u>Project Expenses</u>			
Fuel		76,000	7,000
Printing & Stationery		-	196
Travelling & Subsistence		197,162	13,168
Transport		78,500	-
Office Expenses		6,740	200
SSCL		3,559	-
Total Expense	5.08	361,961	20,564
Net Income	5.09	817,585	1,596,296

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Mining Division**

<u>EVR</u>	<u>Notes</u>	January - December 2022	January - December 2021
		Rs.	Rs.
Income	5.10	478,249	2,022,655
<u>Project Expenses</u>			
Fuel		13,720	28,500
Printing & Stationery		-	1,220
Welfare		480	350
Consultation Charges		25,000	237,500
Travelling & Subsistence		9,955	30,830
Office Expenses		-	400
SSCL		2,202	-
Total Expense	5.11	51,357	298,800
Net Income	5.12	426,892	1,723,855
<u>GPS Survey</u>			
Income	5.13	375,510	418,065
<u>Project Expenses</u>			
Fuel		-	9,000
Printing & Stationery		-	2,226
Travelling & Subsistence		30,170	28,860
Transport		6,000	-
Office Expenses		2,400	2,170
Total Expense	5.14	38,570	42,256
Net Income	5.15	336,940	375,809
<u>TO Services</u>			
Income	5.16	8,907,088	13,965,122
<u>Project Expenses</u>			
Salaries		2,142,842	3,855,072
EPF		326,837	588,273
ETF		81,709	147,068
COL		580,800	1,047,200
Professional Allowance		-	3,000
Interim Allowance		495,000	182,500
Weekend Allowances		116,100	160,913
Site Allowances		-	5,000
Allowances		121,500	160,200
Fuel		27,890	43,350
Welfare		-	900
Travelling & Subsistence		526,191	1,005,440
Vehicle Maintenance Charges		38,374	9,510
Office Expenses		150	-
SSCL		40,277	-
Total Expense	5.17	4,497,671	7,208,425
Net Income	5.18	4,409,416	6,756,698

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Mining Division**

<u>Mining Projects - Other</u>	<u>Notes</u>	January - December 2022	January - December 2021
		Rs.	Rs.
Income	5.19	-	79,300
<u>Project Expenses</u>			
Fuel		-	1,000
Travelling & Subsistence		-	1,794
Total Expense	5.20	-	2,794
Net Income	5.21	-	76,506
<u>Mining Division</u>			
<u>Project Expenses</u>			
Salaries		13,510,194	10,177,656
EPF		1,960,291	1,486,091
ETF		490,073	371,523
COL		2,825,566	2,206,439
Bonus		800,000	-
Incentive		4,845,585	-
Professional Allowance		521,253	206,500
Interim Allowance		2,403,153	357,500
Weekend Allowances		573,486	455,300
Site Allowances		658,710	514,798
Allowances		916,330	450,297
Overtime		1,315	1,016
Fuel		71,750	77,600
Telephone		24,500	72,000
Printing & Stationery		673,420	840,663
Postage		2,400	-
Welfare		181,580	56,295
Travelling & Subsistence		1,550,618	827,248
Other Maintenance Charges		189,900	177,385
Transport		47,925	7,000
Office Expenses		12,459	11,200
Internet Charges		55,313	43,854
Total Expense	5.22	(32,315,820)	(18,340,365)

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Geology Division**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		<u>Rs.</u>	<u>Rs.</u>
<u>Environmental Studies</u>			
Income	5.23	1,499,423	407,407
<u>Project Expenses</u>			
Other Allowance & Labour Charges		-	12,000
Fuel		6,000	27,880
Welfare		-	300
Consultation Charges		1,049,000	325,000
Travelling & Subsistence		1,575	97,194
Office Expenses		-	240
Power Auger Expenses		-	78,000
Transport		31,000	73,440
Translation Charges		-	(110,000)
Total Expense	5.24	1,087,575	504,054
Net Income	5.25	411,848	(96,647)
<u>Reserve Estimation</u>			
Income	5.26	558,967	2,849,970
<u>Project Expenses</u>			
Other Allowance & Labour Charges		21,000	73,500
Fuel		16,000	35,600
Printing & Stationery		-	100
Welfare		-	150
Travelling & Subsistence		92,660	265,133
Transport		83,005	-
Rent		70,000	-
Office Expense		-	100
Power Auger Expenses		6,740	10,860
Lab & Data Acquisition		-	7,896
Chemical Charges		-	67,960
SSCL		1,600	-
Total Expense	5.27	291,005	461,299
Net Income	5.28	267,962	2,388,671

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Geology Division**

<u>Geo-Technical Investigations</u>	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
Income	5.29	45,653,358	1,773,700
<u>Project Expenses</u>			
Other Allowance & Labour Charges		345,400	113,000
Allowances		190,700	-
Fuel		130,797	47,501
Printing & Stationery		1,520	-
Welfare		9,296	1,096
Consultation Charges		420,000	-
Travelling & Subsistence		684,742	474,801
Other Maintenance		64,084	86,670
Transport		253,610	264,650
Hiring Equipment/other		108,500	1,199,010
Power Auger Expenses		37,220	2,500
Chemical Analysis Charges		317,000	-
Office Expenses		19,530	-
Drone Expenses		3,948	-
Subcontractor Payment		28,400,216	8,404,547
SSCL		(128,881)	-
Total Expense	5.30	30,857,683	10,593,774
Net Income	5.31	14,795,675	(8,820,074)
<u>Mineral Exploration</u>			
Income	5.32	678,261	2,842,540
<u>Project Expenses</u>			
Other Allowance & Labour Charges		10,800	-
Fuel		38,400	5,000
Printing & Stationery		520	-
Welfare		640	-
Travelling & Subsistence		40,130	38,379
Other Maintenance Charges		-	-
Office Expenses		5,500	-
Power Auger Expenses		13,300	-
Chemical Charges		32,000	-
Subcontractor Payment		-	1,989,980
Total Expense	5.33	141,290	2,033,359
Net Income	5.34	536,971	809,181

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements**

<u>Geological Projects - Other</u>	Notes	January - December 2022 (Rs.)	January - December 2021 (Rs.)
Income	5.35	5,100,338	407,500
<u>Project Expenses</u>			
Other Allowance & Labour Charges		6,000	21,000
Fuel		33,350	42,060
Travelling & Subsistence		64,865	221,470
Transport		151,255	129,320
Office Expenses		6,300	25,290
Hiring Equipment/other		2,000	-
Subcontractor Payment		1,861,909	-
Power Auger Expenses		-	3,000
SSCL		124,821	-
Bank Charges		-	154,415
Total Expense	5.36	2,250,500	596,555
Net Income	5.37	2,849,838	(189,055)
<u>Geology Division</u>			
<u>Project Expenses</u>			
Salaries		6,246,600	7,644,681
EPF		883,227	1,082,098
ETF		220,807	270,524
COL		1,113,626	1,372,800
Bonus		140,000	-
Incentive		1,089,084	-
Professional Allowance		288,774	203,000
Interim Allowance		949,113	227,500
Weekend Allowances		308,875	347,250
Site Allowances		492,742	660,000
Other Allowance & Labour Charges		-	2,000
Allowances		735,890	670,250
Overtime		24,691	34,360
Fuel		4,000	14,550
Telephone		18,000	23,000
Printing & Stationery		743,695	524,313
Postage		-	2,350
Welfare		30,450	-
Travelling & Subsistence		62,157	62,155
Other Maintenance Charges		147,278	67,490
Drone Expenses		3,948	-
Transport		32,027	1,380,901
Office Expenses		29,727	20,770
Internet Charges		145,859	167,189
Subscription & Registration Fee		40,000	32,400
Chemical Charges		-	182,000
Total Expense	5.38	(13,750,570)	(14,991,582)

Except Kanthale Sand Mining Project other Sand Mining Projects operation was overseen by the Geology Project Division.

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Special Projects Division**

	Notes	January - December 2022 Rs.	January - December 2021 Rs.
<u>Kotikambokka Quartz Project</u>			
Income	5.39	-	-
<u>Project Expenses</u>			
Salaries		396,300	169,750
EPF		52,836	20,370
ETF		13,209	5,093
COL		44,000	-
Interim Allowance		97,500	-
Bonus		20,000	-
Incentive		95,430	78,000
Other Allowance & Labour Charges		4,000	-
Allowances		5,000	78,000
Fuel		2,700	-
Postage		165	-
Welfare		9,170	-
Travelling & Subsistence		32,649	-
Office Expenses		11,400	-
Volume Survey		-	496,800
Total Expense	5.40	784,359	848,013
Net Income	5.41	(784,359)	(848,013)
<u>Calcite Project</u>			
Income	5.42	-	-
<u>Project Expenses</u>			
Other Allowance & Labour Charges		-	2,000
Business Promotion Expenses		-	-
Welfare		12,090	-
Fuel		-	21,680
Consultation Charges		1,200,000	588,000
Travelling & Subsistence		18,602	64,279
Other Maintenance Charges		-	1,469
Transport		54,780	-
Office Expenses		7,875	10,850
Chemical Analysis Charges		784,000	-
Inspection & Investigation		-	24,850
Total Expense	5.43	2,077,347	713,128
Net Income	5.44	(2,077,347)	(713,128)

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements**

<u>Special Projects Division</u>	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
<u>Project Expenses</u>			
Salaries		2,275,572	2,372,669
EPF		323,757	341,725
ETF		80,939	85,431
COL		422,400	475,043
Bonus		80,000	-
Incentive		575,400	-
Professional Allowance		116,000	56,000
Interim Allowance		340,000	77,500
Weekend Allowances		23,943	1,400
Site Allowances		120,000	130,000
Allowances		318,000	298,000
Overtime		24,588	-
Other Allowance & Labour Charge		13,500	-
Fuel		-	3,000
Telephone		12,000	9,904
Printing & Stationery		220,879	129,825
Welfare		12,570	448
Travelling & Subsistence		278,647	14,490
Consultation Charges		95,000	-
Other Maintenance Charges		139,000	25,690
Transport		134,565	-
Office Expenses		15,090	-
Internet Charges		68,719	74,798
Total Expense	5.45	(5,690,569)	(4,095,924)

Except for the Kanthale Sand Mining Project, the operation of the other Sand Mining Projects was overseen by the Geology Project Division. To correspond with segment data, all Sand Mining Projects were classified under "Sand Mining Projects".

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****HR Assignment**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
<u>HR Assignment</u>			
Income	5.46	14,818,283	29,496,631
<u>Project Expenses</u>			
Salaries		8,766,024	14,261,349
EPF		1,673,456	2,700,847
ETF		418,484	675,212
COL		3,151,935	5,024,271
Interim Allowance		105,000	35,000
Weekend Allowances		48,750	78,000
Allowances		4,304,765	3,537,883
Overtime		549,192	943,478
Travelling & Subsistence		-	155,259
SSCL		1,097	-
Total Expense	5.47	19,018,703	27,411,299
Net Income	5.48	(4,200,420)	2,085,332

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	<u>Notes</u>	<u>January – December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
<u>Manampitiya</u>			
Income - Sale of sand		884,714,634	425,492,393
Other Income - Manampitiya Yard Income		631,344	560,648
- Manampitiya Tipper Income		3,130,243	4,103,782
- Manampitiya Other Income		5,866,774	4,264,977
	5.49	894,342,995	434,421,800
<u>Project Expenses</u>			
Cost of Sand Manampitiya		524,347,174	318,792,500
Salaries		12,818,709	11,603,451
EPF		1,887,697	1,720,371
ETF		471,924	430,093
COL		3,666,709	3,224,774
Incentive		3,324,418	-
Bonus		888,110	-
Professional Allowance		36,000	21,000
Interim Allowance		3,162,064	507,500
Weekend Allowances		65,247	79,464
Site Allowances		447,500	448,548
Allowances		425,388	340,758
Overtime		883,325	1,516,251
Fuel		3,238,761	2,290,389
Telephone		72,693	73,744
Printing & Stationery		726,857	681,268
Postage		76,922	45,848
Welfare		1,172,770	583,357
Electricity		527,747	571,528
Water		17,068	7,471
Travelling & Subsistence		104,945	149,804
Vehicle Maintenance Charges		579,203	124,430
Other Maintenance Charges		740,372	250,390
Insurance		142,613	43,298
Transport		3,616,311	2,552,739
Rent		855,000	907,500
Security Charges		3,165,650	2,775,550
Water Bowser Expenses		1,015,250	1,029,250
Subscription & Registration Fee		139,506	105,754
Office Expenses		358,023	39,936
GSMBTS Tipper Expenses		186,129	1,174,896
GSMBTS Loader Expense		13,260	-
Internet Charges		27,517	35,365
Generator Expenses		105,728	56,000

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Cook Allowance		135,000	37,606
Yard Transport Manampitiya		64,800	322,941
Wild Life		20,229,622	-
Road & Other Cons-Rehabilitation		2,457,255	-
Inspection & Investigation		8,737,363	-
Mining License & Royalty		59,049,493	-
Loading Charges		38,420,246	-
LDF		13,435,350	-
License & TPL fee		115,088	28,887
Mineral Tax		4,423,510	2,127,463
SSCL		3,044,785	-
Total Expense	5.50	719,419,101	354,700,124
Net Income	5.51	174,923,894	79,721,676

Other Sand Mining Projects in Polonnaruwa**Aralaganwila**

Income - Sale of sand		6,560,163	10,776,805
Other Income		49,506	-
	5.52	6,609,669	10,776,805

Project Expenses

Cost of Sand		2,696,000	4,510,650
Salaries		1,314,080	1,015,870
EPF		206,266	159,920
ETF		51,566	39,980
COL		404,800	316,800
Bonus		20,000	-
Interim Allowance		345,000	90,000
Weekend Allowances		2,573	4,457
Site Allowances		82,500	52,500
Allowances		11,000	7,000
Overtime		49,593	108,317
Fuel		88,400	58,200
Telephone		29,003	34,565
Printing & Stationery		16,073	17,959
Postage		-	970
Welfare		13,700	16,005
Electricity		27,886	21,875
Travelling & Subsistence		-	1,280
Other Maintenance Charges		3,170	12,995

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Transport		125,500	71,500
Rent		120,000	84,000
Water Bowser Expenses		184,850	295,550
Office Expenses		11,077	1,280
Internet Charges		-	-
Loading Charges		473,418	383,731
Mahaweli Authority		112,200	-
Yard Transport Aralaganwila		1,133,600	1,872,650
Road & Other Cons-Rehabilitation		39,370	-
Mining License & Royalty		116,066	-
LDF		26,850	-
Inspection & Investigation		203,100	-
TDL Charges		13,500	14,540
Mineral Tax		32,795	53,884
SSCL		1,219	-
Total Expense	5.53	7,955,154	9,246,479
Net Income	5.54	(1,345,485)	1,530,326
<u>Boaththa</u>			
Income - Sale of sand		3,170,061	23,714,779
Other Income		48,796	-
	5.55	3,218,858	23,714,779
<u>Project Expenses</u>			
Cost of Sand		1,373,500	10,644,700
Salaries		1,730,987	1,415,686
EPF		270,976	222,682
ETF		67,744	55,671
COL		527,148	440,000
Bonus		20,000	-
Interim Allowance		450,000	125,000
Weekend Allowances		1,950	12,019
Site Allowances		83,393	35,000
Allowances		11,000	-
Overtime		13,254	308,419
Other Allowance & Labour Charge		1,800	-
Fuel		111,520	42,000
Printing & Stationery		44,484	59,814
Postage		-	1,520
Welfare		29,640	21,285

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Electricity		22,182	33,515
Travelling & Subsistence		1,500	980
Other Maintenance Charges		70,735	11,750
Transport		177,500	132,000
Rent		-	6,500
Water Bowser Expenses		111,800	336,000
Office Expenses		4,000	1,195
Subscription & Registration Fee		4,500	-
Road & Other Rehabilitation		91,200	-
Inspection & Investigation		954,050	-
Loading Charges		90,964	655,451
Mining License & Royalty		232,755	-
Mahaweli Authority		100,800	-
LDF		25,200	-
Tractor Payment Boaththa		537,200	4,741,000
TDL Charges		15,500	28,960
Mineral Tax		15,847	118,574
SSCL		823	-
Total Expense	5.56	7,193,952	19,449,719
Net Income	5.57	(3,975,095)	4,265,060
<u>Lankapura</u>			
Income - Sale of sand		-	512,528
Other Income		-	9,618
	5.58	-	522,146
<u>Project Expenses</u>			
Cost of Sand		-	290,850
Salaries		-	367,720
EPF		-	56,798
ETF		-	14,200
COL		-	105,600
Site Allowances		-	20,000
Fuel		-	10,500
Telephone		-	3,000
Printing & Stationery		-	24,790
Postage		-	3,695
Welfare		-	21,220
Other Maintenance Charges		-	3,300
Transport		-	20,000
Rent		-	36,000

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Internet Charges		-	3,086
Subscription & Registration Fee		-	4,500
Mineral Tax		-	2,563
Total Expense	5.59	-	987,822
Net Income	5.60	-	(465,676)

Nidanwala

Income - Sale of sand		7,405,509	25,141,272
Other Income		115,184	-
	5.61	7,520,693	25,141,272

Project Expenses

Cost of Sand		3,600,000	12,692,825
Salaries		1,404,015	1,075,040
EPF		213,345	163,853
ETF		53,336	40,963
COL		373,858	290,400
Bonus		20,000	-
Interim Allowance		343,361	82,500
Weekend Allowances		7,570	7,533
Site Allowances		67,500	52,500
Allowances		11,000	7,000
Overtime		22,191	186,460
Fuel		102,860	90,000
Printing & Stationery		5,719	24,924
Postage		800	2,250
Welfare		9,210	18,077
Electricity		2,233	3,747
Water		(1,802)	1,802
Other Maintenance Charges		750	11,000
Transport		96,500	106,000
Rent		153,500	84,000
Water Bowser Expenses		62,000	403,750
Office Expenses		(3,315)	545
Subscription & Registration Fee		4,500	-
Road & Other Cons-Rehabilitation		118,500	-
Inspection & Investigation		75,250	-
Mining License & Royalty		129,030	-
Mahaweli Authority		68,400	-
LDF		17,100	-

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Internet Charges		-	3,185
Loading Charges		623,525	1,098,694
Mineral Tax		37,026	125,706
SSCL		274	-
Total Expense	5.62	7,618,234	16,572,754
Net Income	5.63	(97,541)	8,568,518

Welikanda

Income - Sale of sand		4,516,562	11,325,610
Other Income		2,878,302	-
	5.64	7,394,864	11,325,610

Project Expenses

Cost of Sand		2,127,500	5,655,150
Salaries		1,220,237	895,263
EPF		186,556	138,056
ETF		46,639	34,514
COL		334,400	255,200
Bonus		20,000	-
Interim Allowance		295,026	72,500
Weekend Allowances		-	37,662
Site Allowances		59,516	35,000
Other Allowance & Labour Charge		1,000	-
Allowances		7,000	9,000
Overtime		15,536	86,359
Fuel		68,780	33,300
Telephone		5,000	-
Printing & Stationery		7,237	14,052
Postage		-	3,100
Welfare		58,445	45,342
Electricity		31,488	56,892
Insurance		8,589	-
Other Maintenance Charges		-	12,805
Transport		132,500	41,500
Security Charges		1,326,800	2,174,000
Inspection & Investigation		408,600	-
Mining License & Royalty		82,132	-
Mahaweli Authority		84,000	-
LDF		20,550	-
Office Expenses		-	160
Internet Charges		-	1,543

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		<u>Rs.</u>	<u>Rs.</u>
Loading Charges		130,584	343,337
Mineral Tax		22,563	56,628
SSCL		3,977	-
Total Expense	5.65	6,704,655	10,001,361
Net Income	5.66	690,209	1,324,249

Other Sand Mining Projects**Kanthale Sand Project**

Income - Sale of sand		40,621,133	3,286,532
Other Income		192,353	-
	5.67	40,813,487	3,286,532

Project Expenses

Cost of Sand			
- Mining Cost		9,815,850	1,248,315
- Tractor Payment		-	1,697,850
Salaries		2,599,560	1,941,501
EPF		394,108	294,576
ETF		98,527	73,644
COL		684,676	513,300
Bonus		40,000	-
Incentive		265,530	-
Professional Allowance		66,323	21,000
Interim Allowance		565,651	37,500
Weekend Allowances		31,425	9,888
Site Allowances		120,000	129,027
Other Allowance & Labour Charge		43,500	(22,000)
Allowances		36,000	44,611
Overtime		179,785	(1,003)
Fuel		465,733	100,400
Printing & Stationery		134,388	3,080
Postage		9,540	6,320
Welfare		60,558	24,110
Electricity		67,870	38,749
Consultation Charges		-	60,500
Travelling & Subsistence		184,997	28,065
Other Maintenance Charges		84,114	2,350
Transport		918,134	962,419
Rent		344,516	383,000
Security Charges		2,287,700	1,641,400

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Office Expenses		21,745	-
Internet Charges		3,850	-
TDL Charges		-	19,940
Power Auger Expenses		700	-
Inspection & Investigation		135,000	-
Subscription & Registration Fee		5,469	4,500
License & TPL fee		69,453	-
Loading Charges Kanthale		-	19,800
Wild Life		2,133,265	-
Mining License & Royalty		3,546,905	-
Mahaweli Authority		5,903,406	-
SSCL		4,809	-
Total Expense	5.68	31,323,088	9,282,842
Net Income	5.69	9,490,399	(5,996,310)

Muthur Sand Project

Income - Sale of sand		1,033,679	7,730,442
Other Income		4,800	-
	5.70	1,038,479	7,730,442

Project Expenses

Cost of Sand		672,000	5,025,600
Salaries		1,346,236	1,953,128
EPF		206,956	296,679
ETF		51,739	74,170
COL		378,400	519,200
Incentive		193,410	-
Bonus		40,000	-
Interim Allowance		319,919	95,000
Weekend Allowances		-	93,224
Site Allowances		100,000	90,000
Allowances		12,000	17,000
Overtime		-	119,600
Fuel		13,733	13,900
Telephone		-	-
Printing & Stationery		29,149	39,587
Postage		1,050	355
Welfare		1,950	11,720
Electricity		2,674	23,283
Water		934	5,474

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Mining Sites**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Travelling & Subsistence		583	2,885
Other Maintenance Charges		15,500	-
Transport		47,800	420,640
Rent		280,000	480,000
Mining License & Royalty		541,066	-
Road & Other Construction		-	350,000
License & TPL fee		-	9,657
Total Expense	5.71	4,255,100	9,641,103
Net Income	5.72	(3,216,621)	(1,910,661)

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

	Notes	January - December 2022 Rs.	January - December 2021 Rs.
<u>Bakamoona Stock Yard</u>			
Income	5.73	-	817,779
<u>Project Expenses</u>			
Cost of Sale		-	345,402
Salaries		-	305,100
EPF		-	47,172
ETF		-	11,793
COL		-	88,000
Site Allowances		-	20,000
Allowances		-	4,000
Fuel		-	8,000
Telephone		-	3,000
Printing & Stationery		-	2,487
Postage		-	1,500
Welfare		-	7,295
Transport		-	(5,000)
Rent		-	75,000
Office Expenses		-	2,115
Yard Transport Bakamoona		-	216,000
Mineral Tax		-	4,089
Total Expense	5.74	-	1,135,953
Net Income	5.75	-	(318,174)
<u>Hingurakgoda Stock Yard</u>			
Income	5.76	4,587,458	17,061,995
<u>Project Expenses</u>			
Cost of Sale		3,151,624	12,347,749
Salaries		715,804	714,683
EPF		110,185	110,050
ETF		27,546	27,513
COL		202,400	202,400
Incentive		187,710	-
Bonus		40,000	-
Interim Allowance		172,500	27,500
Weekend Allowances		-	3,127
Site Allowances		65,000	82,500
Allowances		-	8,000
Overtime		-	2,898
Fuel		39,000	44,000
Telephone		9,000	11,000
Printing & Stationery		1,840	4,160
Postage		-	6,110

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
Welfare		20,910	22,175
Electricity		15,794	1,154
Vehicle Maintenance Charges		5,730	32,380
Other Maintenance Charges		102,845	13,593
Insurance		9,463	9,227
Transport		-	(1,250)
Yard transport Hingurakgoda		1,037,917	-
Rent		300,000	300,000
Office Expenses		(116)	700
Internet Charges		3,850	-
TDL Charges		13,500	14,540
Mineral Tax		22,937	85,310
SSCL		4,618	-
Total Expense	5.77	6,260,058	14,069,518
Net Income	5.78	(1,672,600)	2,992,477
<u>Medirigiriya Stock Yard</u>			
Income	5.79	6,428,248	22,307,386
<u>Project Expenses</u>			
Cost of Sale		3,211,634	10,628,367
Salaries		542,230	791,537
EPF		81,964	120,328
ETF		20,492	30,082
COL		140,800	211,200
Bonus		20,000	-
Incentive		103,980	-
Interim Allowance		120,000	35,000
Weekend Allowances		975	-
Site Allowances		90,000	90,000
Allowances		12,000	12,000
Fuel		25,000	45,060
Telephone		-	2,000
Printing & Stationery		16,658	9,804
Postage		385	3,005
Welfare		30,735	13,975
Electricity		12,802	23,522
Water		9,733	20,466
Travelling & Subsistence		1,763	1,090
Other Maintenance Charges		95,864	1,533
Transport		26,500	60,000

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		<u>Rs.</u>	<u>Rs.</u>
Security Charges		1,150,100	1,516,300
Office Expenses		2,327	3,840
Yard Transport Medirigiriya		2,606,750	6,631,200
Internet Charges		14,247	15,942
Subscription & Registration Fee		4,500	4,500
TDL Charges		15,500	14,540
Mineral Tax		32,141	111,537
SSCL		5,620	-
Total Expense	5.80	8,394,699	20,396,829
Net Income	5.81	(1,966,450)	1,910,556

Minneriya Stock Yard

Income	5.82	5,567,994	19,947,182
<u>Project Expenses</u>			
Cost of Sale		2,944,078	10,077,192
Salaries		803,254	935,878
EPF		124,255	145,041
ETF		31,064	36,260
COL		232,206	272,800
Bonus		20,000	-
Incentive		96,780	-
Interim Allowance		190,403	52,500
Site Allowances		60,000	60,000
Allowances		7,500	-
Overtime		-	3,640
Telephone		12,000	11,000
Printing & Stationery		18,153	19,969
Postage		1,525	4,740
Welfare		47,081	29,324
Electricity		15,884	22,976
Travelling & Subsistence		1,541	7,000
Other Maintenance Charges		93,800	54,040
Transport		-	(1,250)
Rent		246,452	180,000
Security Charges		1,148,000	1,510,000
Office Expenses		6,380	8,201
Yard Transport & TPL Minneriya		2,042,167	5,178,000
Internet Charges		12,401	14,399
Subscription & Registration Fee		4,500	4,500
TDL Charges		15,875	14,540
Mineral Tax		27,840	99,736
SSCL		1,855	-
Total Expense	5.83	8,204,994	18,740,485
Net Income	5.84	(2,637,000)	1,206,697

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

<u>Yakkala Stock Yard</u>	<u>Notes</u>	January - December 2022	January - December 2021
		Rs.	Rs.
Income - Sale of sand		12,332,555	23,279,344
Other Income		1,828,319	5,743,842
	5.85	14,160,874	29,023,186
<u>Project Expenses</u>			
Cost of Sale		6,250,276	16,299,083
Salaries		838,366	1,115,756
EPF		129,116	171,907
ETF		32,279	42,977
COL		237,600	316,800
Incentive		177,303	-
Bonus		38,027	-
Interim Allowance		202,500	52,500
Site Allowances		65,000	70,645
Other Allowance & Labour Charges		1,000	16,000
Allowances		15,000	30,000
Telephone		33,348	35,214
Printing & Stationery		20,926	64,019
Postage		14,075	17,070
Welfare		28,495	18,761
Electricity		62,321	53,663
Water		28,933	38,474
Travelling & Subsistence		31,080	30,351
Other Maintenance Charges		315,205	24,765
Transport		6,000	55,000
Office Expenses		-	3,275
Security Charges		329,055	-
Internet Charges		1,550	-
Subscription & Registration Fee		59,500	32,500
Inspection & Investigation		74,419	-
Road & Other Construction		-	22,000
Transport & Loading Yakkala		7,354,960	-
License & TPL fee		174,422	-
TPL Charges		-	51,401
TDL Charges		14,540	14,540
Mineral Tax		61,663	116,398
SSCL		34,187	-
Total Expense	5.86	16,631,145	18,693,098
Net Income	5.87	(2,470,271)	10,330,089

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

<u>New Town Stock Yard</u>	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
Income	5.88	7,958,790	23,300,139
<u>Project Expenses</u>			
Cost of Sale		4,784,198	12,856,145
Salaries		415,020	442,030
EPF		64,586	68,884
ETF		16,147	17,221
COL		123,200	132,000
Bonus		20,000	-
Incentive		90,030	-
Interim Allowance		105,000	20,000
Weekend Allowances		-	1,471
Site Allowances		60,000	60,000
Overtime		-	4,615
Fuel		11,500	12,000
Telephone		3,000	7,000
Printing & Stationery		3,156	90
Postage		-	4,350
Welfare		9,313	16,255
Electricity		25,939	6,352
Other Maintenance Charges		56,800	-
Transport		35,000	52,500
Office Expenses		(40)	-
Hiring Equipment/other		-	-
Internet Charges		18,363	15,556
Subscription & Registration Fee		4,500	4,500
Yard Transport New Town		1,431,975	3,871,000
TDL Charges		13,500	14,540
Mineral Tax		39,793	116,501
SSCL		17,690	-
Total Expense	5.89	7,348,670	17,723,009
Net Income	5.90	610,121	5,577,131

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

<u>Habarana Stock Yard</u>	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		Rs.	Rs.
Income	5.91	6,859,978	10,485,892
<u>Project Expenses</u>			
Cost of Sale		3,353,387	4,878,972
Salaries		396,674	493,954
EPF		61,329	76,170
ETF		15,332	19,043
COL		114,400	140,800
Incentive		187,560	-
Bonus		40,000	-
Interim Allowance		97,500	35,000
Site Allowances		60,000	40,000
Other Allowance & Labour Charges		9,500	4,000
Allowances		1,000	8,000
Overtime		5,331	26,112
Fuel		4,500	38,500
Telephone		11,000	7,000
Printing & Stationery		10,492	12,730
Postage		300	1,780
Welfare		24,647	23,121
Electricity		4,847	2,038
Water		2,080	647
Internet Charges		3,850	-
Travelling & Subsistence		2,196	940
Other Maintenance Charges		43,650	16,700
Transport		5,000	37,500
Rent		345,000	210,000
Office Expenses		2,980	2,005
Yard Transport Habarana		3,059,700	3,288,000
TDL Charges		13,500	14,540
Mineral Tax		34,300	52,429
SSCL		16,565	-
Total Expense	5.92	7,926,619	9,429,980
Net Income	5.93	(1,066,641)	1,055,913

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

<u>Kegalle Stock Yard</u>	<u>Notes</u>	January - December 2022	January - December 2021
		Rs.	Rs.
Income - Sale of sand		7,370,852	7,328,423
Other Income		2,219	-
	5.94	7,373,071	7,328,423
<u>Project Expenses</u>			
Cost of Sale		4,793,302	4,642,488
Salaries		685,720	371,859
EPF		105,518	57,295
ETF		26,380	14,324
COL		193,600	105,600
Incentive		188,160	-
Bonus		40,000	-
Interim Allowance		165,000	30,000
Weekend Allowances		25,350	18,694
Site Allowances		82,500	40,645
Overtime		34,871	30,892
Other Allowance & Labour Charge		12,200	-
Printing & Stationery		25,052	25,864
Postage		8,870	7,440
Electricity		3,250	-
Water		6,033	-
Internet Charges		3,850	-
Welfare		-	8,263
Travelling & Subsistence		12,196	11,030
Rent		120,000	-
Security Charges		314,591	-
Office Expenses		-	1,800
Inspection & Investigation		54,200	41,535
TDL Charges		-	14,540
License & TPL fee		12,375	-
Subcontractor Payment		921,195	1,004,580
Yard transport Kegalla		392,322	-
Mineral Tax		36,854	36,642
SSCL		71	-
Total Expense	5.95	8,263,460	6,463,491
Net Income	5.96	(890,389)	864,933

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Accounts - 31st December 2022****Additional Notes to Note No. 5 : Project Income Statements****Sand Stock Yards**

<u>Ambathale Stock Yard</u>	<u>Notes</u>	January - December 2022	January - December 2021
		Rs.	Rs.
Income		11,844,160	7,772,116
Other Income		1,112	-
	5.97	11,845,272	7,772,116
<u>Project Expenses</u>			
Cost of Sale		6,454,925	4,776,641
Salaries		604,453	302,502
EPF		94,184	47,065
ETF		23,546	11,766
COL		180,409	89,703
Incentive		75,000	-
Interim Allowance		153,758	25,484
Weekend Allowances		12,675	9,825
Site Allowances		64,000	38,952
Allowances		8,533	5,000
Overtime		22,193	35,374
Printing & Stationery		40,087	16,207
Welfare		9,905	5,590
Travelling & Subsistence		36,029	25,646
Transport		-	10,000
Office Expenses		-	680
Inspection & Investigation		86,970	32,454
License & TPL fee		54	14,018
TDL Charges		17,300	14,540
Subcontractor Payment		1,570,352	1,380,379
Yard Transport Ambathale		1,959,676	-
Stamp Duty		7,200	-
Mineral Tax		59,221	38,861
SSCL		15,778	-
Total Expense	5.98	11,496,247	6,880,686
Net Income	5.99	349,025	891,429

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
		<u>Rs.</u>	<u>Rs.</u>
Note 6 : Operating Expense			
Cost of Sale		579,575,447	437,410,479
Salaries		66,126,017	72,187,456
EPF		10,123,374	11,259,071
ETF		2,530,965	2,814,768
COL		16,962,535	18,908,498
Bonus		2,306,137	-
Incentive		11,495,380	-
Professional Allowance		1,324,349	776,500
Interim Allowance		11,954,948	2,407,984
Weekend Allowances		1,499,718	1,641,748
Site Allowances		3,043,361	3,070,116
Allowances		7,659,006	6,032,249
Other Allowance & Labour Charges		465,700	221,500
Overtime		1,825,863	3,406,786
Fuel		5,910,795	4,152,861
Telephone		229,545	302,426
Printing & Stationery		2,752,165	2,571,023
Postage		123,682	122,178
Welfare		1,844,633	1,042,407
Electricity		845,394	924,826
Water		86,242	76,222
Consultation Charges		2,789,000	1,211,000
Travelling & Subsistence		4,355,736	3,770,608
Vehicle Maintenance Charges		623,307	166,320
Other Maintenance Charges		2,166,067	773,924
Drone Expenses		7,896	-
Payment for Estimations		2,261,000	323,000
Insurance		160,666	52,525
Transport		10,597,770	12,680,421
Rent		4,087,468	3,802,000
Security Charges		9,721,896	9,617,250
Water Bowser Expenses		1,373,900	2,064,550
Inspection & Investigation		10,728,951	98,839
Mining License & Royalty		63,697,446	-
Office Expenses		530,472	141,242
Cook Allowance		373,200	168,542
Chemical Charges		1,133,000	249,960
Wild Life Charges		22,362,887	-
GSMBTS Loader Expense		13,260	-
GSMBTS Tipper Expenses		186,129	1,174,896
Internet Charges		359,371	374,918
Yard Transport & TPL Minneriya		2,042,167	5,178,000

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

Notes	January - December 2022	January - December 2021
	Rs.	Rs.
Yard Transport Medirigiriya	2,606,750	6,631,200
Yard Transport Aralaganwila	1,133,600	1,872,650
Yard Transport Ambathale	1,959,676	-
Yard Transport Kegalla	392,322	-
Yard Transport Hingurakgoda	1,037,917	-
Yard Transport Bakamoona	-	216,000
Yard Transport Manampitiya	64,800	322,941
Yard Transport New Town	1,431,975	3,871,000
Yard Transport Habarana	3,059,700	3,288,000
Transport & Loading Yakkala	7,354,960	-
Labour Charges Kanthale	4,000	-
Mahaweli Authority Expenses	6,268,806	-
Mineral Tax	4,846,491	3,146,320
Hiring Equipment/Other	110,500	1,199,010
Power Auger Expenses	57,960	16,860
License & TPL fee	371,391	103,963
TDL Charges	132,715	179,760
Tractor Payment Boaththa	537,200	4,741,000
Generator Expenses	105,728	56,000
Loading Charges Kanthale	-	19,800
Loading Charges	39,738,737	2,481,213
Stamp Duty	7,200	-
Rehabilitation	2,706,325	372,000
Translation Charges	-	(110,000)
Subscription & Registration Fee	266,975	193,154
Lab & Data Acquisition	-	7,896
Volume Survey	-	496,800
Subcontractor Payment	32,753,672	12,779,485
LDF	13,525,050	-
Bank Charge	-	154,415
SSCL	3,407,235	-
Total Operating Expenses	992,138,528	653,216,560
Note 7 : Other Non Operating Income		
Interest State Mortgage Bank	577,940	176,486
Interest Sampath Bank	-	96,703
Interest People's Bank	31,972,773	14,151,181
Interest Bank Of Ceylon	5,832,192	-
Interest Distress Loan	562,224	676,726
People's Bank Savings A/C	252,543	69,810
BOC Savings A/C	152	-
Finance Income	39,197,823	15,170,906

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Income - Tender Deposit		96,175	88,426
Miscellaneous Income		34,963	-
Over Provision-Doubtful Debtors		1,783,564	7,366,935
Other Income		1,914,701	7,455,360
Total Other Non-Operating Income		41,112,524	22,626,266

Note 8 : Administration Expenses

Salaries	19,341,879	17,482,199
EPF	2,685,397	2,608,649
ETF	581,943	652,162
COL	4,559,178	4,362,141
Incentive	4,088,080	5,944,117
Bonus	716,942	485,715
Professional Allowance	378,032	214,000
Interim Allowance	3,854,996	741,613
Weekend Allowance	327,128	147,482
Site Allowance	463,645	542,903
Other Allowances & Labour Charges	110,500	162,800
Allowances	4,202,098	3,808,660
Overtime	926,741	1,010,120
Professional Fees	55,000	261,600
Fuel	3,508,254	2,449,859
Telephone	522,886	519,473
Printing & Stationery	3,708,805	2,234,435
Postage	508,593	446,449
Welfare	1,789,744	1,149,544
News Papers & Periodicals	67,960	50,410
Electricity	1,398,521	1,190,282
Travelling & Subsistence	918,682	276,624
Other Maintenance Charges	1,193,222	821,122
Advertising	1,730,975	1,010,253
Board & Committee Fees	884,315	752,800
Training & Development	744,176	194,000
Insurance	5,889,100	7,838,882
Transport	5,526,058	7,822,438
Rent	3,600,000	3,425,000
Security Charges	889,881	924,590
Secretarial Fees	271,900	-
Legal Fees	394,500	127,500
Depreciation	15,701,298	15,708,737
Office Expenses	167,173	75,488

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Notes	January - December 2022	January - December 2021
		Rs.	Rs.
Subscription and Registration Fees		233,308	108,753
Audit Fees		1,236,142	1,298,550
Cleaning Services		1,267,800	1,114,800
Internet Charges		338,386	402,863
Generator Expenses		26,600	4,800
Gratuity		1,665,235	3,718,528
Translation Charges		32,518	378,278
Business Promotion Expenses		303,500	21,100
Awareness Programs Expenditure		431,250	-
Sponsorship		-	370,000
Write Off Expense		1,176,382	25,938
Bad Debts		21,247	-
Under Provision-Doubtful Debtors		-	194,850
Web Site Maintenance		124,200	2,200
Stamp Duty		375	225
SSCL		12,896	-
Total Administration Cost		98,577,440	93,082,929
Note 9 : Finance Cost			
Bank Charges		363,236	336,731
Total Finance Cost		363,236	336,731
Note 10 : Income Tax Expense			
Income Tax for the Year		26,451,091	13,108,006
(Over)/Under Provision		(337,599)	1,627,910
Increase of Deferred Tax Asset			
Deferred Tax Asset - 2020		-	19,266,292
Deferred Tax Asset - 2021		16,353,544	(16,353,544)
Deferred Tax Asset - 2022		(17,793,704)	-
Deferred Taxation Charge / (Reversal)		(1,440,160)	2,912,748
Decrease of Deferred Tax Liabilities			
Deferred Tax Liabilities - 2020		-	(990,919)
Deferred Tax Liabilities - 2021		(585,683)	585,683
Deferred Tax Liabilities - 2022		285,153	-
		(300,530)	(405,236)
Income Tax Expense		24,372,802	17,243,428

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

<u>Notes</u>	<u>January - December 2022</u>	<u>January - December 2021</u>
	<u>Rs.</u>	<u>Rs.</u>
Note 11 : Prior Year Adjustments (PYA)		
CSR- Transferred to Income	-	1,586,352
Rehabilitation- Transferred to Income	-	13,762,916
Staff Welfare Fund- Transferred to Income	-	5,200,752
Excess Liabilities	11,034,749	-
Refund of Honorium Payment	-	100,000
Total Income Recognized As PYA	11,034,749	20,650,020
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)
Rehabilitation	(10,829,734)	-
VAT Expenses	(1,975,044)	-
CEA Clearance	(37,448)	-
Rent	(53,548)	-
Mahaweli Authority	(2,719,944)	-
Fuel Expenses	(42,630)	-
Total Expenses Recognized As PYA	(15,658,348)	(772,234)
Net Prior Year Adjustments	(4,623,599)	19,877,785

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****Note 12 : Property, Plant & Equipment**

Cost	Balance as at 01.01.2022 (Rs.)	Additions (Rs.)	Write Off / Disposal / Transfers (Rs.)	Balance as at 31.12.2022 (Rs.)	
Office Partitioning	23,283,343	-	-	3,283,343	
Name Board	1,684,881	-	-	1,684,881	
Furniture & Fittings	8,586,202	950,588	-	9,536,790	
Computer & Accessories	19,262,864	2,286,000	-	21,548,864	
Office Equipment	13,417,490	1,690,300	-	15,107,789	
Field Equipment	53,733,782	3,629,085	-	57,362,868	
Motor Vehicles	18,911,962	-	-	18,911,962	
Laboratory Equipment	1,334,593	-	-	1,334,593	
Communication Equipment	443,988	-	-	443,988	
	140,659,105	8,555,973	-	149,215,078	
Depreciation	Balance as at 01.01.2022 (Rs.)	Charges for the Year (Rs.)	Write Off / Disposal / Transfers (Rs.)	Balance as at 31.12.2022 (Rs.)	Net Book Values 31.12.2022 (Rs.)
Office Partitioning	18,532,562	3,187,148	-	21,719,710	1,563,633
Name Board	1,399,182	199,609	-	1,598,791	86,090
Furniture & Fittings	7,312,177	970,092	-	8,282,269	1,254,522
Computer & Accessories	15,358,356	2,783,322	-	18,141,678	3,407,186
Office Equipment	9,966,494	2,148,702	-	12,115,196	2,992,593
Field Equipment	38,936,058	6,282,928	-	45,218,986	12,143,882
Motor Vehicles	18,911,962	-	-	18,911,962	-
Laboratory Equipment	1,309,926	18,501	-	1,328,426	6,167
Communication Equipment	162,121	110,997	-	273,117	170,871
	111,888,837	15,701,298	-	127,590,135	21,624,943
Net Book Value	28,770,267				

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****Note 12 : Property, Plant & Equipment**

Note 12.1 : During the year, the group acquired Property, Plant and Equipment aggregate value of Rs. 8,555,973/- (2021 - Rs. 3,386,251/-).

Note 12.2 : Property, Plant and Equipment includes fully depreciated assets that are still in use having a gross carrying amount of Rs. 90,645,552/- (2021 - Rs. 79,803,562/-).

Note 12.3 : The Re-valuation was not considered as of 31st December 2022. Since it is assumed that the carrying value of Property, Plant, and Equipment is not materially different from the fair value under SLASSMEs 17.15B.

Note 13: Deferred Tax Computation

	Book WDV	Tax WDV		Deferred Tax	Deferred Tax	
	31.12.2022	31.12.2022	Difference	(9 Months 24% - 3 Months 30%)	Asset	Liability
Office Partitioning	1,563,633	10,426,192	(8,862,559)	(2,259,953)	2,259,953	-
Name Board	86,090	74,813	11,278	2,876	-	2,876
Furniture & Fittings	1,254,522	1,378,383	(123,861)	(31,585)	31,585	-
Computer & Accessories	3,407,186	4,141,520	(734,334)	(187,255)	187,255	-
Office Equipment	2,992,593	2,939,186	53,407	13,619	-	13,619
Field Equipment	12,143,882	11,090,321	1,053,561	268,658	-	268,658
Motor Vehicles	-	-	-	-	-	-
Laboratory Equipment	6,167	14,800	(8,633)	(2,202)	2,202	-
Communication Equipment	170,871	177,595	(6,724)	(1,715)	1,715	-
	<u>21,624,943</u>	<u>30,242,810</u>			<u>2,482,709</u>	<u>285,153</u>
Defined Benefit Plan	25,944,060	-	25,944,060	6,615,735	6,615,735	-
Provision for Doubtful Debts	34,099,059	-	34,099,059	8,695,260	8,695,260	-
Taxable Loss	-	-	-	-	-	-
					<u>15,310,995</u>	<u>-</u>
					<u>17,793,704</u>	<u>285,153</u>

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
Note 14 : Inventories		
Sand Stock at Manampitiya	-	22,200
Sand Stock at Welikanda	-	18,000
Sand Stock at Hingurakgoda	1,045,306	43,120
Sand Stock at Yakkala	1,251,143	369,431
Sand Stock at Bakamuna	-	3,364
Sand Stock at Mahawelithanna	-	3,059
Sand Stock at Nidanwala	-	158,532
Sand Stock at 28th Mile Post	-	54,506
Sand Stock at Minneriya	1,119,646	46,220
Sand Stock at Medirigiriya	1,104,384	232,194
Sand Stock at Boaththa	-	3,000
Sand Stock at Kanthale	10,603,916	10,603,916
Sand Stock at New Town	217,250	932
Sand Stock at Muthur	18,800	28,800
Sand Stock at Habarana	1,065,314	33,564
Sand Stock at Kegalle	182,058	376,657
Sand Stock at Ambathale	130,780	124,465
Gravel Stock at Welioya	-	1,500
Consumable Stock	6,423,546	4,615,020
Sand bags	-	7,588
Printed Sand bags	-	208,604
Total Inventories	23,162,142	16,954,671
Note 15 : Trade Receivables		
A.M.Somawathi	88,562	88,562
Access Engineering PLC	-	37,175
Access Logistics Park Ekala (Pvt) Ltd	314,700	-
Ashoka Senadeera	308,359	308,359
B A Kanthi	49,950	49,950
B.C.Maduranga	14,154	-
B.J.Engineering	57,110	57,110
B.P.Gunarathna Company (Pvt) Ltd	314,245	314,245
Blue Ocean Group of Companies	62,076	62,076
Boulder Mix (Pvt) Ltd	149,795	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	79,423	158,117
China Harbour Eng.Com.Ltd (Leenawatta)	1,100,859	1,581,859
China Harbour Eng.Company Ltd	-	37,804
China Machinery Engineering Corporation	5,508	5,508
China National Electric Eng.Com.Ltd	1,361,054	141,732

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
China State Cons. Eng. Cor.Ltd	6,726,627	7,551,171
China State Cons. Eng. Cor.Ltd – Hambanthota Gravel	11,730	11,730
China State Construction Engi.Corpo.Ltd	924,128	-
D.P.Jayasinghe Piling Co. (Pvt) Ltd	1,372,989	944
D.Wanniarachchi	56,615	151,200
Damsila Exports (Pvt) Ltd	1,494,500	1,494,500
E.D.P.N. Ruwan Pathirana	11,917	11,917
Eastern Minerals (Pvt) Ltd	1,359,750	1,359,750
ESR Kelaniya Logistics Park (Pvt) Ltd	3,336,487	-
G.Murugeswaram	51,240	51,240
G.Srikandarajah	679,308	679,308
Gunasena Mallawarachchi	117,300	117,300
Global Group of Companies	26,784	-
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	208,881	258,881
J.P.K.L.Engineering & Developers (Pvt) Ltd	97,652	97,652
Jacob Sienna Leisure (Pvt) Ltd	435,675	435,675
K.A.Karunadasa	40,000	40,000
K.D.A.Weerasinghe & Co. (Pvt) Ltd - Batapola	361,000	1,229,000
K.D.A.Weerasinghe (Pvt) Ltd	157,919	332,462
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
Kumagai Gumi Co.Ltd	13,910	13,910
Lalinda Liyanage	174,154	174,154
Lalithweera Wanniarachchi	49,538	43,200
Lanka Mineral Sands Limited	514,845	520,045
Leading Crusher Works	84,000	84,000
Limor Lanka (Pvt) Ltd	727,358	727,358
Link engineering (Pvt)Ltd	70,872	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	57,883
M.R.Sri Lal	392,376	492,376
M.S.D.Perera	165,189	291,873
Maga Eng.(Pvt) Ltd - Pothuhera-Wadakada	-	501,900
Maga Engineering (Pvt) Ltd	315,505	1,015,100

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
Marine Drive Hotel Project	-	64,680
Melanka Industrial Services Pvt.Ltd	-	72,121
Metal Mix (Pvt) Ltd	42,462	64,800
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
Nawaloka Construction Company (Pvt) Ltd	4,067	-
NEM Construction (Pvt) Ltd	48,000	46,920
NEM Construction (Pvt) Ltd - Pothuhera	945,110	3,071,216
NEM Construction (Pvt) Ltd - Bopitiya	648,718	622,643
Nimal Enterprises	628,019	266,941
Nimal Enterprises - Diddeniya	172,144	277,714
Nurani Estate	-	1,946,087
Office of the Chief Secretary - Anuradhapura	6,958	6,958
Olympus Construction (Pvt) Ltd	65,013	95,013
Orial Construction	11,936	36,936
P.Achila Udara	90,000	90,000
P.M.D.Fernando	114,968	114,968
PGP Glass Ceylon PLC	175,366	80,287
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	1,514,631	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
Senura Holdings (Pvt) Ltd	85,704	85,704
Senura Trading (Pvt) Ltd	209,027	329,027
Sinohydro Corporation Limited	-	304,063
Sky Enterprises	524,117	524,117
Sri Lanka Navy	-	1,333,920
Sri Lanka Ports Authority	1,969,710	1,969,710
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	507,002	557,122

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
United Granite Products (Pvt) Ltd	112,387	155,227
Vista Venture International Pvt. Ltd	32,258	32,258
VSS Products (Pvt)Ltd	37,143	-
W.A.Dinesh Udaya Kumara	991,937	1,111,937
W.A.Pushpakumara	33,600	33,600
W.S.Padmala	56,656	56,656
Walkers Piling (Pvt) Ltd	16,480	16,480
Yahangala Estate	159,797	159,797
Total Trade Receivables	39,097,154	41,131,700
Note 15.1		
Gross Trade Receivables (Note 15)	39,097,154	41,131,700
Less: Provision for Impairment of Trade Receivables (Note 15.2)	(27,413,034)	(28,870,411)
Net Trade Receivables	11,684,120	12,261,289

Note 15.2**Provision for Impairment of Trade Receivables**

As at 31st December 2022, 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 2022	27,413,034	42,660	345,367	85,800	979,583	25,959,625
As at 31st December 2021	28,870,411	387,881	102,332	5,500	-	28,374,698

Note 16: Other Receivables

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
Field Advance	-	139,766
Other Advance	168,677	275,968
Festival Advance	115,250	164,625
ESC Receivable	-	119,999
Rent Advance	1,007,000	1,939,516
Distress Loan	11,390,180	11,620,365
Boat Loan	220,661	257,661
Advance (Purchases)	105,000	506,500

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
	Rs.	Rs.
Prepayment Insurance	6,063,265	3,867,191
Prepaid Tax	18,709,782	22,685,773
Petty Cash Advance	-	15,000
Receivable Deposit	700,000	477,500
Deposit - Mulative Gravel Project	400,000	400,000
Advance - Department of Forest (Yan Oya)	-	454,506
Other Receivables	-	60,000
Interest Receivable	30,061,150	3,318,890
Fuel Deposit	1,457,370	1,200,000
Prepayment Mining License	157,115	194,181
Advance Kanthale	-	20,554,846
Receivable from Lankapura	-	4,193
Salary Advance	25,670	-
Guarantee - Ceylon fishery Harbour	-	200,000
TPL Advance	77,410	78,685
Expressway Advance	-	10,000
Advance Mahaweli Authority	2,334,000	2,334,000
Receivable for Mining License & Inspection - Muthur	-	959,569
Inspection Advance	16,000	-
Total Other Receivables	73,008,530	71,838,733

Note 17 : Amount Due from Related Parties

Geological Survey & Mines Bureau	6,686,025	9,965,067
Less: Provision for impairment of Due from Related Parties (Note 17.1)	(6,686,025)	(7,012,211)
Net Amount Due from Related Parties	-	2,952,856
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
Net Amount Due from Related Parties	1,545,522	4,698,378

Note 17.1**Provision for impairment of Amounts Due from Related Parties**

As at 31st December 2022, 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 2022	6,686,025	-	-	-	-	6,686,025
As at 31st December 2021	7,012,211	-	-	-	361,933	6,650,278

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

	Balance as at 31.12.2022	Balance as at 31.12.2021
Note 18 : Investments	Rs.	Rs.
Fixed Deposit - People's Bank	248,530,198	282,208,676
Fixed Deposit - BOC	65,000,000	-
Fixed Deposit - State Mortgage Bank	5,013,133	3,676,037
	318,543,331	285,884,713
Note 19 : Cash & Cash Equivalents		
People's Bank C/A No. 337100140000881	16,117,412	22,086,021
People's Bank S/A No. 337200140004454	61,647,994	2,364,998
Bank of Ceylon C/A No. 89636201	529,625	-
Bank of Ceylon S/A No. 89633196	20,152	-
Sampath Bank C/A No. 001710004982	974,791	16,835,809
Nations Trust Bank C/A No. 100270004596	-	56,632
Total Cash & Cash Equivalents	79,289,973	41,343,460
Note 20 : Stated Capital		
600,000 Shares @ Rs.10.00 (Note 20.1)	6,000,000	6,000,000
	6,000,000	6,000,000
Note 20.1 : 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 20.2 : Authorized Share Capital		
2,000,000 Shares @ Rs.10.00 = Rs.20,000,000.		
Note 21 : Defined Benefit Plan		
Balance as at 01 st January 2022	25,155,530	21,787,588
Add: Provision made during the year	1,665,235	3,718,528
	26,820,765	25,506,115
Less: Benefits paid by the plan	(876,705)	(350,585)
Balance as at 31st December 2022	25,944,060	25,155,530

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

Note 22 : Trade Payables		Balance as at 31.12.2022	Balance as at 31.12.2021
		Rs.	Rs.
Creditors Manampitiya		3,361,150	2,092,686
Creditors Habarana		-	-
Creditors Welikanda		-	218,795
Creditors Nidanwala		-	197,175
Creditors Aralaganwila		-	85,628
Creditors Boaththa		-	55,000
Wild Life Manampitiya		14,271,516	3,175,862
Wild Life Manampitiya Phase II		-	460
Wild Life Kanthale		225,080	-
Forest Department Muthur		-	559,721
Mahaweli Authority - Welikanda		-	640,438
Mahaweli Authority - Aralaganwila		-	191,900
Mahaweli Authority - Katuwanwila		-	41,850
Mahaweli Authority - Weli Oya		-	228,960
Mahaweli Authority - Nidanwala		-	703,200
Mahaweli Authority - Boaththa		-	133,200
Mahaweli Authority - Kanthale		-	13,515,726
LDF - Manampitiya Phase I		3,365,850	2,235,525
LDF - Manampitiya Phase II		-	300
LDF - Welikanda		-	160,750
LDF - Aralaganwila		-	250,662
LDF - Nidanwala		-	350,675
LDF - Boaththa		-	131,600
LDF - Yan Oya		-	97,400
Loading Charges - Manampitiya		-	2,894,818
Loading Charges - Manampitiya Phase II		-	78,606
Loading Charges - Welikanda		-	479,473
Loading Charges - Aralaganwila		-	88,988
Loading Charges - Mahawelithenna		-	836,990
Loading Charges - Nidanwala		-	9,001
Loading Charges - Boaththa		-	453,633
Loading Charges - Ampara		-	552,770
Loading Charges - Muthur		-	27,203
Loading Charges - Yakkala		-	462,070
Yard Transport - Yakkala		-	515,000
Yard Transport - Kegalle		-	777,015
Yard Transport - Ambathale		-	954,574
Transport Charges Hingurakgoda		-	341,502
Pibidemu Polonnaruwa - Transport		-	24,001
Department of Irrigation - Yan Oya		-	97,400
Retention Payable		1,776,857	3,432,397
Advance Received on Projects	22.1	24,456,546	41,161,698
Refundable Deposit - Full Body Lorries		648,000	648,000
Refundable Tender Deposit		98,617	98,617
Performance Bond		655,000	1,685,000
Refundable Bid Bond		1,068,000	558,000
Total Trade Payable		49,926,615	81,244,267

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

Note 22.1 : Advance Received on Projects		Balance as at 31.12.2022	Balance as at 31.12.2021
		Rs.	Rs.
Mining Projects		8,591,688	14,362,624
Geological Projects		8,389,310	20,571,512
Other		7,475,548	6,227,563
Total Advance Received on Projects		24,456,546	41,161,698
Note 23 : Accruals & Other Payables			
Staff Salary Payable		125,759	1,591,626
EPF Payable		1,470,235	2,129,935
ETF Payable		220,535	424,482
Incentive Payable		15,693,303	5,944,117
Bonus Payable		179,267	485,715
Stamp Duty		67,700	20,950
Staff Welfare Contribution		24,250	8,500
Provision for Penalty on Tax in Default	23.1	158,128	158,128
Accrued Audit Fees		1,343,692	2,479,050
Accrued Mineral Tax		1,245,663	793,113
Accrued Expenses		11,596,554	9,537,212
Accrued Income Tax	23.2	26,451,091	13,108,006
Sundry Payables		50,000	78,755
SSCL Control		1,236,181	-
VAT Control		12,914,765	8,609,606
Petty Cash Advance		12,916	-
Total Accruals & Other Payables		72,790,039	45,369,195

Note 23.1 : 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 23.2 : Accrued Income Tax		
Income Tax Payable	26,451,091	13,108,006
	26,451,091	13,108,006
Note 24 : Amount Due To Related Parties		
Mining License & Royalty	19,943,034	37,167,131
Inspection Charges Payable	22,894,913	-
GSMB - Penalty on Royalty	1,513,857	1,513,857
Total Amount Due To Related Parties	44,351,804	38,680,989

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****Note 25 : Events Occurring After the Reporting Period**

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

Note 26 : 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	Period	Payment (Rs.)
Mr.Anura Walpola	Chairman	Jan - Feb 2022	16,071
Dr Senarath Hewage	Chairman	Feb - Dec 2022	1,023,894
R. Sanjeevan	Chairman	Dec - Dec 2022	76,902
Mr.T.P.Aluthpatabadige	CEO	Jan. 2022	247,430
Mr.B.B.S.Cooray	CEO	Feb - July 2022	1,238,272
M.H.D.P.Karunarathne	CEO	Aug. 2022	164,319
P.D.Mahaarachchi	Act.CEO	Sep - Dec 2022	68,734
Mrs.J.V.G.Nimali	Director	Jan - Feb 2022	30,000
Mr.Thilak Weerasinghe	Director	Jan - Oct 2022	176,000
Mr.K.S.I.Subasena	Director	Jan - Oct 2022	144,000
Mr.Ranjith Balasuriya	Director	April - Dec 2022	192,000
Mr.Iqbal Hussen	Director	July - Dec 2022	140,000
Mr.Thilanga Polwattage	Director	Sep- Nov 2022	32,000
Mr.Viraj de silva	Director	Nov - Dec 2022	48,000
Ms.G.A.M.S.P.Ambanwela	Director	Dec. 2022	16,000
Total			3,613,622

Note 27 : Commitments & Contingencies**Performance Bond**

There was no issued performance bonds as at 31.12.2022.

Litigation

Following Court actions have been initiated against the Company. As at 31/12/2022, 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
Mr. S.T Kalubandara Vs GSMBTS	Supreme Court	Calling Stage

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****Note 28 : 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.

Earnings Per Share	2022	2021
Amounts Used as Numerator-Net Profit/(Loss) Attributable to Ordinary Shareholders	72,708,801	11,509,597
Number of Ordinary Shares Used as Denominator Weighted Average Number of Ordinary Shares in Issue	600,000	600,000
Earnings Per Share	121.18	19.18

Note 29 : 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.

Net Assets Per Share	2022	2021
Net Assets Attributable to Ordinary Shareholders	353,354,594	287,069,392
Number of Ordinary Shares Used as Denominator Weighted Average Number of Ordinary Shares in Issue	600,000	600,000
Net Asset Per Share	589	478

Note 30 : 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 17 & 24

- 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 31 : 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:

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****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	2022	2021
Current Asset = Current assets/ Current liabilities	3.04	2.62
Quick Ratio = (Current Assets - Inventory)/ Current Liabilities	2.90	2.52

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st 31st December 2022****Tax Computation****32. Income Tax**

	Notes	12 Months Rs.	9 Months Rs.	3 Months Rs.
Assessable Income from Business Income	32	76,805,203	120,419,908	(43,614,706)
Assessable Income from Investment Income	32	39,197,823	18,743,707	20,454,116
Total Assessable Income		116,003,026	139,163,616	(23,160,590)

Deductions

Qualifying Payments		-	-	-
Taxable Income		116,003,026	139,163,616	(23,160,590)

Income Tax Payable @ Effective Rate

			24%	30%
1 st January 2022 to 31 st December 2022		26,451,091	33,399,268	(6,948,177)

Tax Credits

Tax Credit B/F	9,697,766
Current Period	8,336,819
Income Tax Liability	(26,451,091)
Tax Credit C/F	(8,416,506)

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022****Business Income Tax Computation****33. Business Income**

		12 Months	9 Months	3 Months
	Notes	Rs.	Rs.	Rs.
Net Profit / (Loss) Before Taxation		97,081,603	135,766,076	(38,684,473)
Prior Year Adjustments	10	(4,623,599)	-	(4,623,599)
Business Income prior to Tax Adjustment		92,458,004	135,766,076	(43,308,072)
Add:				
Depreciation	11.2	15,701,298	11,775,973	3,925,324
Gratuity Provision	20	1,665,235	641,148	1,024,088
Bonus Accrued	7	3,023,079	-	3,023,079
Incentive Accrued	7	20,583,459	-	20,583,459
		40,973,072	12,417,121	28,555,951
Deduct:				
Capital Allowances	33	11,744,701	8,808,526	2,936,175
Interest	6	39,197,823	18,743,707	20,454,116
Gratuity Payment	20	876,705	211,055	665,650
Over Provision for Doubtful Debts	14.2 & 16.1	1,783,564	-	1,783,564
Bonus Paid		3,023,079	-	3,023,079
Incentive Paid		-	-	-
		(56,625,873)	(27,763,288)	(28,862,584)
Profit/(Loss) from Trade or Business		76,805,203	120,419,908	(43,614,706)

GSMB TECHNICAL SERVICES (PVT) LTD
Notes to the Financial Statements - 31st December 2022
Note 34 : 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 31/12/2022				
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Partition	2011/12	12.50%	6,655,090	-	6,655,090	6,655,090	-	6,655,090	-
	2012/13	12.50%	926,013	-	926,013	926,013	-	926,013	-
	2017/18	20.00%	2,541,400	-	2,541,400	2,541,400	-	2,541,400	-
	2018/19	5.00%	3,873,860	-	3,873,860	774,772	193,693	968,465	2,905,395
	2019/20	5.00%	8,214,594	-	8,214,594	1,232,190	410,730	1,642,920	6,571,674
	2020	5.00%	320,508	-	320,508	32,050	16,025	48,075	272,433
	2021	5.00%	751,879	-	751,879	37,594	37,594	75,188	676,691
			23,283,343	-	23,283,343	12,199,109	658,042	12,857,151	10,426,192
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	20.00%	964,500	-	964,500	771,600	192,900	964,500	-
	2019/20	20.00%	112,249	-	112,249	67,350	22,450	89,800	22,449
	2021	20.00%	87,272	-	87,272	17,454	17,454	34,909	52,363
			1,684,881	-	1,684,881	1,377,264	232,804	1,610,068	74,813

GSMB TECHNICAL SERVICES (PVT) LTD

Notes to the Financial Statements - 31st December 2022

Note 34 : Capital Allowance Details

Asset Classification	Year of Purchase	Tax Allowance Rate	Cost			Capital Allowance			W.D.V. 2022
			Purchased Cost of the Asset	Disposal	Closing Balance	Opening	Allowance for the year (Addition & Disposals)	Closing)	
					As at 31/12/2022	As at 1/1/2022		As at 31/12/2022	
			Rs	Rs	Rs	Rs	Rs.	Rs	Rs
Furniture & Fittings	2014/15	12.50%	2,521,408	-	2,521,408	2,521,408	-	2,521,408	-
	2015/16	20.00%	221,614	-	221,614	221,614	-	221,614	-
	2015/16	33.33%	505,000	-	505,000	505,000	-	505,000	-
	2016/17	20.00%	606,924	-	606,924	606,924	-	606,924	-
	2017/18	20.00%	1,287,707	-	1,287,707	1,287,707	-	1,287,707	-
	2018/19	20.00%	592,482	-	592,482	473,984	118,498	592,482	-
	2019/20	20.00%	2,731,818	-	2,731,818	1,639,092	546,364	2,185,456	546,362
	2021	20.00%	119,250	-	119,250	23,850	23,850	47,700	71,550
	2022	20.00%	950,588	-	950,588	-	190,118	190,118	760,470
			9,536,790	-	9,536,790	7,279,578	878,830	8,158,408	1,378,383

Computers	2015/16	25.00%	5,329,408	-	5,329,408	5,329,408	-	5,329,408	-
	2015/16	25.00%	199,200	-	199,200	199,200	-	199,200	-
	2016/17	25.00%	378,500	-	378,500	378,500	-	378,500	-
	2017/18	25.00%	1,853,250	-	1,853,250	1,853,250	-	1,853,250	-
	2018/19	20.00%	3,909,006	-	3,909,006	3,127,204	781,802	3,909,006	-
	2019/20	20.00%	4,049,900	-	4,049,900	2,429,940	809,980	3,239,920	809,980
	2020	20.00%	3,117,100	-	3,117,100	1,246,840	623,420	1,870,260	1,246,840
	2021	20.00%	426,500	-	426,500	85,300	85,300	170,600	255,900
	2022	20.00%	2,286,000	-	2,286,000	-	457,200	457,200	1,828,800
			21,548,864	-	21,548,864	14,649,642	2,757,702	17,407,344	4,141,520

GSMB TECHNICAL SERVICES (PVT) LTD

Notes to the Financial Statements - 31st December 2022

Note 34 : 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 As at 1/1/2022	Allowance for the year (Addition & Disposals)	Closing	
					As at 31/12/2022			As at 31/12/2022	2022
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Equipments	2010/11	12.50%	60,420	-	60,420	60,420	-	60,420	-
	2013/14	12.50%	3,769,696	-	3,769,696	3,769,696	-	3,769,696	-
	2016/17	33.33%	1,118,637	-	1,118,637	1,118,637	-	1,118,637	-
	2018/19	20.00%	2,490,604	-	2,490,604	1,992,484	498,120	2,490,604	-
	2019/20	20.00%	4,731,870	-	4,731,870	2,839,122	946,374	3,785,496	946,374
	2020	20.00%	505,932	-	505,932	208,372	101,186	309,558	196,374
	2021	20.00%	740,330	-	740,330	148,066	148,066	296,132	444,198
	2022	20.00%	1,690,300	-	1,690,300	-	338,060	338,060	1,352,240
			15,107,789	-	15,107,789	10,136,797	2,031,806	12,168,603	2,939,186

Field Equipments	2010/11	12.50%	2,469,727	-	2,469,727	2,469,727	-	2,469,727	-
	2011/12	12.50%	376,234	-	376,234	376,234	-	376,234	-
	2012/13	12.50%	1,217,544	-	1,217,544	1,217,544	-	1,217,544	-
	2014/15	20.00%	482,153	-	482,153	482,153	-	482,153	-
	2014/15	33.33%	19,122,604	-	19,122,604	19,122,604	-	19,122,604	-
	2015/16	12.50%	47,000	-	47,000	41,125	5,875	47,000	-
	2015/16	20.00%	83,105	-	83,105	83,105	-	83,105	-
	2015/16	33.33%	386,986	-	386,986	386,986	-	386,986	-
	2016/17	33.33%	2,880,000	-	2,880,000	2,880,000	-	2,880,000	-
	2016/17	33.33%	2,838,690	-	2,838,690	2,838,690	-	2,838,690	-
	2017/18	33.33%	357,028	-	357,028	357,028	-	357,028	-

GSMB TECHNICAL SERVICES (PVT) LTD
Notes to the Financial Statements - 31st December 2022
Note 34 : 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 31/12/2022	As at 1/1/2022		As at 31/12/2022	2022
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Field Equipments	2010/11	12.50%	2,469,727	-	2,469,727	2,469,727	-	2,469,727	-
	2017/18	33.33%	1,721,576	-	1,721,576	1,721,576	-	1,721,576	-
	2018/19	20.00%	1,394,771	-	1,394,771	1,115,815	278,956	1,394,771	-
	2019/20	20.00%	1,038,500	-	1,038,500	623,100	207,700	830,800	207,700
	2020	20.00%	18,056,842	-	18,056,842	7,222,734	3,611,368	10,834,102	7,222,740
	2021	20.00%	1,261,021	-	1,261,021	252,204	252,204	504,408	756,613
	2022	20.00%	3,629,085	-	3,629,085	-	725,817	725,817	2,903,268
			57,362,868	-	57,362,868	41,190,627	5,081,920	46,272,546	11,090,321
Motor Vehicles	2015/16	20.00%	905,592	-	905,592	905,592	-	905,592	-
	2016/17	20.00%	9,025,000	-	9,025,000	9,025,000	-	9,025,000	-
	2010/11	12.50%	8,981,370	-	8,981,370	8,981,370	-	8,981,370	-
			18,911,962	-	18,911,962	18,911,962	-	18,911,962	-
Laboratory Equipment	2013/14	12.50%	271,500	-	271,500	271,500	-	271,500	-
	2014/15	20.00%	120,153	-	120,153	120,153	-	120,153	-
	2016/17	33.33%	868,940	-	868,940	868,940	-	868,940	-
	2019/20	20.00%	74,000	-	74,000	44,400	14,800	59,200	14,800
			1,334,593	-	1,334,593	1,304,993	14,800	1,319,793	14,800
Communication Equipment	2020	20.00%	443,988	-	443,988	177,595	88,798	266,393	177,595
			443,988	-	443,988	177,595	88,798	266,393	177,595
			149,215,078	-	149,215,078	107,227,566	11,744,701	118,972,268	30,242,810

GSMB TECHNICAL SERVICES (PVT) LTD**Notes to the Financial Statements - 31st December 2022**

		Balance as at 31.12.2022	
		Rs.	Rs.
Note 35 : Re-Classification Adjustment			
Note 35.1 - Trade Payables			
Total Trade Payable Before Re - Classification			118,411,398
Mining License & Royalty - Manampitiya Phase	29,351,643)		
Mining License & Royalty - Manampitiya Phase II	(165,598)		
Mining License & Royalty - Welikanda	(3,168,056)		
Mining License & Royalty - Aralaganwila	(1,672,341)		
Mining License & Royalty - Lankapura	(53,399)		
Mining License & Royalty - Mahawelithenna	(10)		
Mining License & Royalty - Nidanwala	(1,374,414)		
Mining License & Royalty - Boaththa	(552,020)		
Mining License & Royalty - Kanthale	(725,201)		
Mining License & Royalty - Yan Oya	(84,647)		
Mining License & Royalty - WeliOya	(19,801)		(37,167,131)
Total Trade Payable After Re - Classification			81,244,267
Note 35.2 - Amount Due To Related Parties			
Total Amount Due To Related Parties Before Re - Classification			1,513,857
Mining License & Royalty - Manampitiya Phase	29,351,643		
Mining License & Royalty - Manampitiya Phase II	165,598		
Mining License & Royalty - Welikanda	3,168,056		
Mining License & Royalty - Aralaganwila	1,672,341		
Mining License & Royalty - Lankapura	53,399		
Mining License & Royalty - Mahawelithenna	10		
Mining License & Royalty - Nidanwala	1,374,414		
Mining License & Royalty - Boaththa	552,020		
Mining License & Royalty - Kanthale	725,201		
Mining License & Royalty - Yan Oya	84,647		
Mining License & Royalty - WeliOya	19,801		37,167,131
Total Amount Due To Related Parties After Re - Classification			38,680,989

Comparative Mining license and royalty payables were reclassified under related party payables to ensure consistency of presentation.



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NATIONAL AUDIT OFFICE



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2023 අප්‍රේල් 28 දින

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පීඑස්එම්එස් තාක්ෂණ සේවා(පුද්) සමාගම.

පීඑස්එම්එස් තාක්ෂණ සේවා (පුද්) සමාගමේ 2022 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන සහ වෙනත් නෛතික හා නියාමන අවශ්‍යතා පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 12 වන වගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

යථෝක්ත වාර්තාව මේ සමඟ එවා ඇත.

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විගණකාධිපති

පිටපත් :- 1. ලේකම්, පරිසර අමාත්‍යාංශය

2. ලේකම්, මුදල්, ආර්ථික ස්ථායීකරණ සහ ජාතික ප්‍රතිපත්ති අමාත්‍යාංශය





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2023 අප්‍රේල් 28 දින

Chriaman,

GSMB Technical Services (Pvt.) Ltd.

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the GSMB Technical Services (Pvt.) Ltd for the year ended on 31st December 2021 in terms of Section 12 of the National Audit Act No 19 of 2018.

1. Financial Statements

1.1 Qualified Audit Opinion

The Audit of Financial Statements of the GSMB Technical Services (Pvt.) Ltd for the year ended on 31st December 2022 comprising the Statement of Financial Position for the 31st December 2022, the Statement of Extended Income and Retained Earnings for the year ended on that date, the Cash Flow Statement, Notes to the Financial Statement and a summary of significant Accounting Policies for the year ended on that date was carried out under my direction in pursuance of provisions of the National Audit Act No 19 of 2018 read together with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. This report will be tabled in the Parliament in due course as per Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the section "Basis for the Qualified Audit Opinion" of this report, The Financial Statements of the Company give a true and fair view of the Financial Position of the Company, as at 31st December 2022 and its Financial Performance and the cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium Scale Enterprises.

1.2 Basis for the Qualified Audit Opinion

- 785 items of non-current assets with fully depreciated cost of Rs.90,645,552 as per paragraph 17.19 of Sri Lanka Accounting Standards for Small and Medium Sized Enterprises are still in use by the company but the useful life and scrap value of the assets had not been reassessed to present the fair value in the financial statements.
- In adjusting the changes in working capital in the cash flow statement, the net cash flow generated from operating activities was overstated by Rs.8,105,557 due to recording the increase in other receivables by Rs.1,169,797 as a cash inflow of Rs.6,935,760 instead of recording it as a cash outflow.





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- c. It was not possible to verify the accuracy of the value of the sand stock which was stated as Rs.16,738,596 during the audit due to the fact that physical verification of the sand stock held at the end of the reviewed year had not been done and the as the value had not been accounted for. There, the stock value of Kantale sand project at the end of last year which was Rs. 10,603,916 was reported as the last stock of the reviewed year and no adjustments had been made to the accounts regarding the stock shortage of 3658 cubes of sand in that project.
- d. According to the financial statements of the company, the balances payable by the company to the Geological Survey and Mines Bureau and the balances due to the company from the bureau are Rs.44,351,804 and Rs.1,545,522 respectively, but according to the financial statements of the bureau, the balances due and payable by the bureau were Rs.71,711,804 and Rs. 9,142,975 respectively. Accordingly, changes of Rs.27,360,000 and Rs.7,597,453 were observed respectively.
- e. In the year under review, due to the understatement of state expenditure by Rs.12,800,273 in the accounts, the profit was also overstated by the same amount.
- f. For the year under review, the sum of Employees' Provident Fund and Employees' Trust Fund expenses was understated by Rs.284,229 in the accounts, therefore the profit was also overstated by the same amount.

I have conducted the audit following the Sri Lanka Auditing Standards (SLAS) and my responsibility under these Auditing Standards has been further explained under the section the responsibility of the auditor. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other details in the Annual Report 2022 of the Company

Other details, here, means the details included in the Annual Report 2022 of the company expected to be given to me after the date of this audit report but not included in the financial statements and my audit report on that. The management is responsible for other details mentioned here.

My opinions on the financial reports do not cover the other details and I do not express any assurance of any type or an opinion with regard to this.

In respect of my audit on 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.





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If, while reading the Company's 2022 Annual Report, I conclude that there are material misstatements, those facts must be communicated to the controlling parties for correction. If there are any further uncorrected misstatements, they will be included in the report which I will table in Parliament in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibility of the Management and Authorities of Administration on the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards for Small and Medium Scale Enterprises, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

It is the responsibility of the Management to decide upon the ability of the Company to operate continuously, and the Management is also responsible for accounting on the basis of continuous operation of the Institution and to disclose matters that relate to the continuous operation of the Institute, in every instance other than when the Management decides to liquidate the Institution or to stop operating where no other option is available.

The responsibility of checking over the financial reporting process of the Company is borne by the authorities of management.

The Company has to properly maintain ledgers and reports on its own Income, Expenditure, Assets and liabilities in a manner that the annual and timely financial statements can be prepared in accordance with sub section 16 (1) of the National Audit Act No 19 of 2018.

1.5 Auditor's Responsibility over the audit of financial statements

My objective is to provide a fair confirmation that the financial statements are free from material misstatements arising due to, fraud and error and to issue the auditor's report which includes my opinion. Although reasonable assurance is an assurance of high standard, it will not be an assurance that it will always disclose material misstatements when conducting an Audit as per the Sri Lanka Auditing Standards. Material misstatements may occur due to the individual and collective effects of fraud and error, and it is expected that it may affect the economic decisions taken by the users based on these financial statements.

The Audit conducted by me was done with a professional judgment and skepticism in accordance with the Sri Lanka auditing standards, and further





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- For the identification and assessment of quantitative misstatements possible in financial statements due to fraud or error, appropriate audit procedures have been planned and implemented for the finding of a base for the audit opinion expressed. The effect caused by a fraud is powerful comparable to effect of a misstatement causing from error because fraud is usually committed by reasons like collusion, preparation of false documents, intentional avoidance, misstatement or avoidance of internal controls.
- Although an understanding of the internal control of the Institution was procured in order to design audit procedures that are appropriate in the circumstances, it was not intended for making an opinion on the effectiveness of the Institute's internal control.
- The appropriateness of the accounting policies and the fairness of the accounting estimates used and the appropriateness of related disclosures made by the management were evaluated.
- The relevance of using the basis of continuous operation of the Institute for accounting was decided based upon the audit evidence obtained regarding the existence of a quantitative indecision regarding the continuous operation of the Institution, due to instances or circumstances. If I deduce that there is adequate indecision, the attention of my audit report is to be directed at the related disclosures in the financial statements and if the said disclosures are insufficient my opinion has to be modified. However, continuous operation might end upon future incidents or situations.
- The presentation, structure and the content of the financial statements that include the disclosures were evaluated and it was agreed that the transactions and instances that provided a base for that were entered in a suitable and a fair manner in the financial statements.

I will notify the administrating authorities regarding the important audit findings, major internal administrative weaknesses and other such information identified in my Audit.



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

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2. Report on other legal and regulatory requirements

2.1 The National Audit Act No 19 of 2018 and the Companies Act No 7 of 2007 includes special provisions with regard to the requirements mentioned below.

2.1.1 Except for the effects of the matters described in the section "Basis for the Qualified Audit Opinion" of this report, I have obtained all the information and explanations required for the audit, as per the requirements mentioned in clause 163 (2) of the Companies Act No 7 of 2007 and the Section 12 (a) of the National Audit Act No. 19 of 2018, and the Company had kept proper financial reports as evidenced by my review.

2.1.2 As per the requirement mentioned in Section 6 (i) (d) (iii) of the National Audit Act No. 19 of 2018 the financial statements of the Institute are consistent with the preceding year.

2.1.3 As per the requirement mentioned in Section 6 (i) (d) (iv) of the National Audit Act No. 19 of 2018, except for the observations in 1.2 (a) and (b) described in the section Basis for the Qualified Audit Opinion of my report the financial statements produced include the recommendations made by me in the previous year .

2.2 Upon the procedure followed and evidences obtained and upon limitation to quantitative facts, nothing worthy of making the following statements came under my attention.

2.2.1 As per the requirement mentioned in Section 12 (d) of the National Audit Act No. 19 of 2018, that any member of the Institution has any direct or indirect connection that is outside of a general business condition regarding any contract entered in to by the Company.

2.2.2 As per the requirement mentioned in Section 12 (f) of the National Audit Act No. 19 of 2018, that the Company has acted in non-compliance with any relevant written law or to any other general or special provisions issued by the administrative board of the Company apart from the following observations.





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Reference for Regulations/ Directives

Description

(a) Paragraph 11 of State Finance Circular No. 01/2020 dated 28 August 2020

The company had not conducted asset surveys for the years 2020 and 2021

(b) Paragraph 3.5 of State Business Circular No. 02/2013 dated 11 September 201

At the end of the year under review, an amount of gratuity which was payable amounting to Rs.25,944,060 had been identified, but the said amount had not been deposited in a separate account.

(c) Paragraphs 03 and 05 of Management Services Circular No. 01/2014 dated January 06, 2014

Although the monthly Cost of Living allowance that can be paid to employees is Rs.7,800, the company had paid Cost of Living allowances amounting to Rs.8,800 each from year 2015. Accordingly, Rs. 2,180,000 had been overpaid in the year under review and no efforts had been

2.2.3 According to the requirement mentioned in Section 12 (g) of the National Audit Act No. 19 of 2018, actions were made inconsistently with the powers, duties and functions of the company.

2.2.4 That the Company's resources have not been procured and used in accordance with the relevant rules in a timely manner, efficiently and effectively as required by Section 12 (h) of the National Audit Act No. 19 of 2018.

2.3 Other Audit Observations

(a) In the trade receivable balance of Rs.39,097,154, there had been 180 balances of which the total for more than five years was Rs.15,897,962. No action had been taken to recover these balances even by the date of audit, i.e. 15th March 2023

(b) During the period between 2010 - 2022, a total of 222 organizations and individuals had paid advances amounting to Rs.24,456,546 to the company in order to obtain various services and in that there were 84 advances amounting to Rs.3,326,538 which had exceeded 05 years. These advances were not settled even on 15 March 2023, the date of audit.





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(c) During the year under review, losses amounting up to Rs.1,345,485, Rs.3,975,095, Rs.97,541 and Rs.3,216,621 were received respectively from the Aralaganwila, Bo Atta, Nidanwala and Muthur sand projects operating in the vicinity of Maduru Oya.

(d) The company's asset impairment policy for trade receivable balances had also been followed in relation to the balance of Rs. 6,686,025 due from its parent institute ie. The Geological Survey and Mines Bureau and the entire balance was set aside as a doubtful loan and confirmation of the uncertainty of debt recovery had not been done.

(e) Sand Mining in Kantale and River Bank Conservation Project

In 2019, the Mahaweli Authority of Sri Lanka assigned the company to remove the sand deposit of 103,128 cubes which posed as a threat to the protection dam of the Mahaweli River flowing from Suriyapura area of the Kantale Divisional Secretariat Division. The agreement between the company and the authority had been extended on several occasions and the last time this agreement was extended, it was from January 20th January 2022 to 19th July 2022. The following particulars are observed in relation to it.

- (i) This project was stopped from 10th of July 2022 and was not extended again, nevertheless Rs. 2,977,062 worth of idle expenses including salaries, allowances, house rents, office expenses, etc. had been incurred, from 1st of August 2022 to 31st of December 2022,
- (ii) The company had planned to construct 03 groynes (erosion barriers) in the Mahaweli River at a cost of Rs.168,254,363 from the rehabilitation money collected from the sand buyers under the aforementioned Sand Mining Project. By the end of the year under review, Rs.6,109,058 had been paid to the farmers' organizations for the construction of these erosion barriers and only one erosion barrier had been completed. The construction progress of the was 70% and 54%. The contract period of these erosion control constructions has now been exceeded, and it was estimated that an amount of Rs.29,807,352 and Rs.38,410,355 respectively was needed to complete the work of remaining 02 groynes (erosion barriers). It is observed that the dam of Mahaweli river may be damaged during floods as the work of the remaining 02 groynes (erosion barriers) has not been completed.





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மேன் ஈ.வை
எனது இல.
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- (f) The excavation work of the Kotikambokka Quartz deposit mining project, which was to be implemented in 2017, had not started even by 15th March 2023, the date of audit and an amount of Rs.22,528,495 Idle expenses had been incurred on surveying, purchase of fixed assets and payment of employee wages from year 2017 to 31st of December 2022, The Weigh Bridge purchased for 2.2 million in 2017, had become an idle asset.
- (g) The loader machine worth Rs.8,883,5200 in the possession of the Manampitiya sand mining project was in a non – operational state from 16th July 2017 and although an engine repair at the cost of Rs.840,517 had been done in 2019 without proper technical evaluation of the machine, it had remained in a non – operational state. After leaving the machine in a non – operational state for 4 years, in March 2022, the board of directors had granted approval for a repair at a cost of Rs.3,592,620 from the supplier company of the machine, still the repair had not been done.

(h) Calcite Project

The company had signed a memorandum of understanding (MOU) with the Postgraduate Institute of Science of the University of Peradeniya to carry out a project with the objective of mining the calcite deposit in Rajawaka Reserve in Balangoda Divisional Secretariat Division of Ratnapura District, to add value to it through exporting it and using it for the local market. The following observations are made in this regard

- I. According to the project proposal dated 10th July 2020 prepared by the said post-graduate institute for the company, the completion of a detailed geological map of the proposed mining area and estimating the amount of calcite that can be mined in the deposit and other minerals in the deposit which are also the services provided by the company to the clients, the Postgraduate Institute of Science of the University of Peradeniya was selected whereas the company itself could have performed aforementioned services
- II. The Board of Directors of the company had not approved the cost estimate of the project which was Rs. 7,195,500 as per the estimate of the Postgraduate Institute of Science of the University of Peradeniya . Nevertheless an expenditure of Rs. 3,349,106 had been incurred out of it as of 31st December 2022, and the amount of calcite that could be mined had not been determined by the date of the audit, which was 25th of January 2023.



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- III. Although a request has been made to the Divisional Secretary of Kalthota to obtain a land on a long-term lease basis to set up a factory for calcite-related products. The Divisional Secretary had not granted approval for the request since the said land was located within the Rajawaka Reserve, which has been named as a Reserve.
- IV. Although the approval of the Minister of Environment and the Minister of Lands was to be obtained for calcite mining, according to Section 30(d) of the Mines and Minerals Act No. 33 as amended by the Mines and Minerals (Amended) Act No. 66 of 2009, the company had not followed course.
- V. Although the company had later on made plans to use the calcite-containing mineral waste dumped by private calcite mining miners operating in Balangoda, Rajawaka area, to make value-added products using calcite, the suppliers of the waste and the quantity that can be supplied were not determined. It was further observed that the decision taken by the company is not practical as it was discovered during the audit that only 3 private calcite mining licenses were currently in operation in Balangoda area.
- VI. The Post Graduate Institute of Science of the Peradeniya University had reported to the company that it owns 6 patents for value-added products related to calcite mineral, and the audit upon inquiry from the National Intellectual Property Office had been reported that the said institute had only one patent, therefore it is observed that the selection of stakeholders in the calcite mining project has not been done properly by the company .
- (I) As per the decision of the Cabinet of Ministers dated 08th June 2001, made on the day the company was established, the staff of the company should be limited to 5 or 6 including the chief executive officer and other employees required for the company were to be recruited on contract basis. Accordingly, at the end of the year under review, a group of 164 employees were working on contract basis and no permanent employees had been recruited till the date of the audit.

W.P.C. Wickramaratne
Auditor General







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