



**Annual
Report
2018**

ANNUAL REPORT

2018



Ministry of Mahaweli Development and Environment

GEOLOGICAL SURVEY AND MINES BUREAU

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VISION

“CONTRIBUTE TOWARDS THE SOCIO ECONOMIC DEVELOPMENT OF SRI LANKA BY UNDERSTANDING AND MANAGING EARTH AND ITS DYNAMISM TO UPLIFT PEOPLE’S LIVING STANDARDS AND LIVELIHOODS WHILE UPHOLDING SOCIAL, CULTURAL AND ENVIRONMENTAL VALUES”.

MISSION

“MANAGEMENT OF NATURAL RESOURCES AND THE ENVIRONMENT BY INVESTING IN RESEARCH TO UNDERSTAND EARTH AND ITS DYNAMISM, COMPILING A NATIONAL PORTFOLIO OF GEOLOGICAL RESOURCES, REGULATING EXPLORATION AND MINING FOR MINERALS AND PROCESSING, EXPLORING SUSTAINABLE STRATEGIC SERVICE PROVISIONS, PROVIDING EXPERT EARTH-SCIENCE INFORMATION AND STRATEGICALLY CONTRIBUTING TOWARDS THE SOCIO ECONOMIC DEVELOPMENT OF SRI LANKA IN COMPLIANCE WITH THE TECHNO- ECONOMIC AND SCIENTIFIC-SUSTAINABLE DEVELOPMENT”.

STRATEGIC OBJECTIVES

GIVEN THE BOOAD RANGE AND COMPLEXITY OF GSMB’S PROGRAMS, THE PLAN IS NOT AN INVENTORY OF ALL OBJECTIVES AND INITIATIVES GSMB WILL PURSUE ON ALL ACTIONS THAT IT WILL UNDERTAKE. INSTEAD, THE PLAN PRESENTS PRIORITIZED OBJECTIVES REFLECTING IMPORTANT CHANGES AND OUTCOMES THAT GSMB HOPES TO ACHIEVE, AND KEY STRATEGIES THAT INDICATE THE MAIN APPROACHES GSMB INTENDS TO TAKE TO MEET THESE OBJECTIVES.

THERE ARE 10 OBJECTIVES AND STRATEGIES OUTLINED FOR GSMB DISCUSSED UNDER EACH OF THE FOUR STRATEGIC FRAMEWORKS WITH THEIR RESPECTIVE STRATEGIES FOR ACHIEVEMENT.

STRATEGIC OBJECTIVES

- | | |
|-------------------------|--|
| 01. STRATEGIC OBJECTIVE | Reworking legislative framework for transparent, safe, Scientific, sustainable and Competitive Regulatory Climate. |
| 02. STRATEGIC OBJECTIVE | Enhance physical and human resource capacity building |
| 03. STRATEGIC OBJECTIVE | Pursuing excellence in geoscience Research by promoting Studies, projects and collaborations. |
| 04. STRATEGIC OBJECTIVE | Expanding resource and reserve base by stepping up Exploration through accelerating partnership with resource Rich countries. |
| 05. STRATEGIC OBJECTIVE | Acquiring and preserving geoscience materials and Information and compile a national portfolio of geological Resources of Sri Lankan. |
| 06. STRATEGIC OBJECTIVE | Facilitating techno-economic scientific and sustainable Development in the mineral sector. |
| 07. STRATEGIC OBJECTIVE | Safety and mine rescue |
| 08. STRATEGIC OBJECTIVE | Serving the public and geoscience community and establish Community relations. |
| 09. STRATEGIC OBJECTIVE | Enhance avenues of service generation for sustained Development of the mission. |
| 10. STRATEGIC OBJECTIVE | Strategically reduce the economic, social and environmental Impacts due to natural hazards by monitoring earth Dynamism and natural environment. |

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Chairman's Message

The Geological Survey and Mines Bureau, successor to former Geological Survey Department has a history of more than 115 years. Currently the GSMB is functioning as per the mandate given by Mines and Minerals Ac., No. 33 of 1992. Activities planned to achieve Bureau's corporate goals are implemented through its main technical Divisions namely Geological Survey Division and Mining Division. Among the major strengths of the GSMB is its highly qualified and competent professional staff that includes 35 scientists 40 engineers.

Mines Division which offers its services through Head Office and 16 regional offices is mainly responsible for regulatory functions of the Bureau. In view of diversity and complexity attached with regulation of exploration, mining, mineral transport and environmental monitoring, this Division is deemed to face with an arduous challenge. With the view of further decentralizing services to remote areas Bureau was able to established three new sub offices in, and Mannar Districts. Two areas that required our immediate attention were close monitoring of all mining activities and minimizing illegal mining. During the year 2018 action has been initiated to address these issues by increasing the necessary cadres and also establishing a capable Enforcement with the support of Special Task Force. And also align sand miners with environment friendly mining, "Green Ferry" concept has been introduced. In order to control the irregularities of mineral transport we have also introduced a vehicle tracking system which will ultimately minimize illegal mining. We have also introduced "One Stop Shop" methodology for issuing small and medium scale mining licenses and it was implemented in 4 districts in 2018.

One of the Main functions of the Bureau is to gather geo-data necessary for planning and development. This exercise is carried out by the Geology Division through its extensive field and laboratory work. Among the areas that made significant progress during the year 2018 were soil geochemical mapping, construction material survey and nuclear raw material survey. We have initiated the action to enhance the scientific and technical facets of the Bureau which is now mostly seen as a licensing office for mining and transport of construction material. In order to plan systematic exploration of the country, arrangements are being made to conduct an island-wide airborne geophysical survey which will produce valuable data sets for scientists of the GSMB as well as other institutions. Approval of the Cabinet of Ministers was obtained to construct a new laboratory building at an estimated cost of Rs. 500,000,000/=. Procurement procedures were initiated to establish a seismic station in the eastern part of the country strengthening the monitoring capacity of earthquakes and tremors.

Bureau also maintained a sound financial position and I am happy to mention that GSMB was able to make a contribution of Rs. 02 billion to the General Treasury during the year 2018. With this background I am happy to forecast a more successful and prosperous 2019.

Mr. Asela Iddawela
Chairman

Director General's Message

As the Director General of GSMB, it gives me a great pleasure to write this message to the Annual Report of 2018, representing the management and the staff. Some of the more significant achievements of the Bureau in the year 2018 are included in this report.

We continue to make progress through new territory in the Geology and Mines Divisions in the year 2018. Despite many changes, GSMB was able to achieve its highest recorded profit since its inception. Total profit of the bureau for the year was Rs. 391,019,539 while implementing its functional activities and contributing Rs.1,500 million to the General Treasury. It was a significant achievement comparing the total profit of Rs. 686,578,904 earned in the previous fiscal year.

Our mission is to provide geoscientific information, advice and services to the policy makers and the community and to promote and manage the mineral resources of the country for economic development while ensuring environmental sustainability. It regulates exploration, extraction, value addition, transportation and trading of minerals.

Geology Division of GSMB has completed the construction raw material survey initiated in February 2018. This survey was designed to cater the huge demand of construction raw materials generated due to on-going accelerated development projects in Sri Lanka and to fulfill their future requirements. This survey is carried out on the request of the Department of National Planning with their sponsorship of Rs. Sixty Million (Rs. 60 Million).

The island-wide geochemical mapping programmed is continued by the GSMB that was initiated to study the geochemical characteristics of soil. These maps are useful in mineral exploration, environmental monitoring, and agricultural research and in geo-health hazard studies.

GSMB has carried out a preliminary Provincial Mineral Surveys covering North Central Province (NWP) to identify new location of mineral in order to publish new provincial mineral map of NWP. GSMB has carried out a preliminary Provincial Mineral Survey covering North Central province (NCP) province to identify new locations of mineral in order to publish new provincial mineral map of NCP. The survey was completed in late 2018. IAEA Assisted Nuclear Raw Material Survey using car-borne gamma ray spectrometer was carried out in the Aluthgama – Galle 1: 100,000 sheets. This survey has already discovered three main anomalous radioactive zones which are being further explored. The nuclear raw material survey from coastal stretch from Talaimnna to Galle which was started in 2017 but had some setbacks as the officials assigned for other priority works is continued in year 2018.

The total income of the Bureau for 2018 was approximately Rs.5188 million and bulk of the income was attributed by the Mines Division. The main tasks of the Mines Division include site inspection, test blasts, inquiring public complaints, issuing of licenses for mining, trading, exploration and transport and minimizing illegal mining. The increase in revenue that exceeds 150% compared to the previous year was mainly due to bureau's efforts to control and minimize the illegal activities.

I am pleased to document that the Geological Survey and Mines Bureau has made a substantial progress in 2018 in achieving its targets and the experience gained during the year will immensely help for planning future activities. The support of the Ministry of Mahaweli Development and Environment throughout our activities was very much beneficial particularly in the aspects of developing the mineral sector while protecting the environment and all lives in Sri Lanka.

I would like to express my sincere thanks to the Chairman, Board of Management, and the staff of GSMB for their devotion in achieving these successes to mark as a major contributor to the national development of Sri Lanka.

Dr. C.H.E.R. Siriwardana
Director General

BOARD OF MANAGEMENT

Chairman	:Mr.W.M.A.S.Iddawela
Members	:Mr. M.P.D.U.K. Mapa Pathirana
	:Ms.Biyanka N. Gamage
	:Mr.D. Masanka H. Liyanage
	:Mr.E.M.A. Ekanayake
	:Mr.W.K.B.M. Prame
Secretary to the Board /Legal Officer : Mrs. M .S. K. Fernando	

SENIOR MANAGEMENT

Chairman	: Mr.W.M.A.S.Iddawela
Director General	: Dr.C.H.E.R.Siriwardhane
General Manger	: Mr. M.W. Jayamanna
Senior Director (Geology)	: Mr.K.T.U.S. De Silva
Senior Director (Mines)	: Eng. D.Sajjana de Silva
Director (Environment Impact Assessment & Regions)	: Mr.L.A.Fernando
Director (Lab & Material Testing)	: Mrs.Y.P.S.P.Siriwardhane
Director (Mapping & Geological Information)	: Mr.M.M.J.P.Ajith Prema
Director (Mineral Titling)	: Mrs.K.A.P.Hemalatha
Director (Finance)	: Mr.N.P.C.Ekanayake

ABOUT THE BUREAU

We lead the Mineral Industries in Sri Lanka

The GSMB, established for provision of services under the Mines and Minerals act, No.33 of 1992, is the lead agency in mineral development underscores the Government's commitment to promoting mineral-based industries.

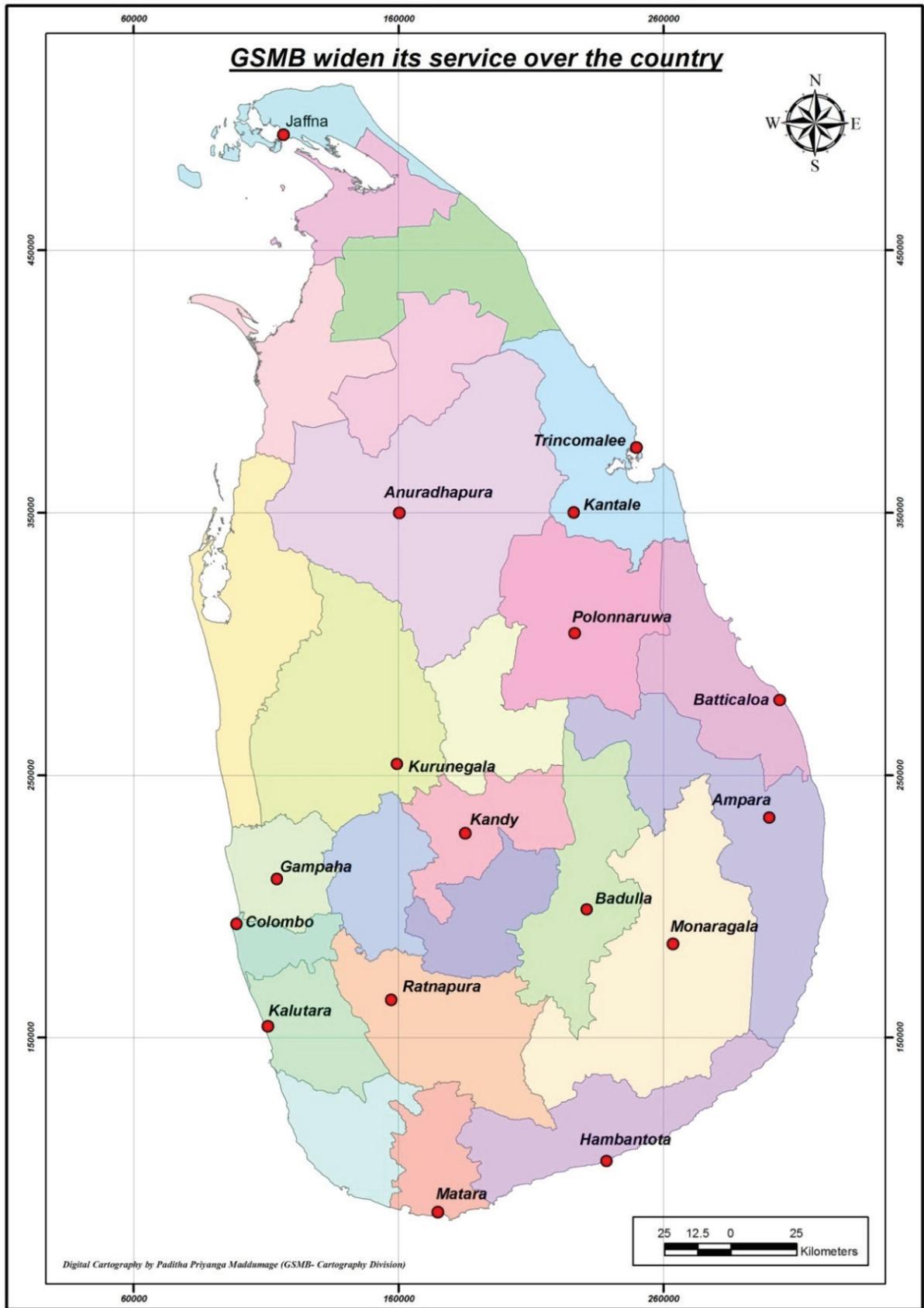
The Geological Survey and Mines Bureau (GSMB), being the authorized agency for the minerals development in Sri Lanka, is the organization for mineral investigations carried out to date and the accrued benefits to the country.

Sri Lanka being a small country, its sub surface mineral wealth is also equally small. Therefore, the organization, whilst encouraging the establishment of mineral based industries, emphasizes frugal use of minerals and warns against waste, as minerals are non-renewable commodities.

Being the nation's principal provider of the Geoscientific capability, GSMB advances the understanding about earth resources, related issues and problems. The diversity of the scientific expertise enables us to carry out multi-disciplinary investigations and provide impartial scientific information including a series of Geoscientific maps to resource managers, planners, and other customers. The GSMB serves the nation to describe and understand the Earth; minimize loss of life and property from natural disasters; manage geological, energy, and mineral resources; and enhance and protect our quality of life.

The Bureau has four primary operations: geological mapping and mineral exploration, mining titles and mining regulation (core activity); client responsive activities (mineral resource surveys, laboratory services, geophysical and drilling contracts) and geo-science information (access to published and unpublished reports, maps and other archives in its Library).

The Mines Division is presently functioning with 15 Regional Offices at Kandy, Matara, Kurunegala, Badulla, Ratnapura, Anuradhapura, Ampara, Monaragala, Hambantota, Trincomalee, Kalutara, Jaffna, Batticaloa, Gampaha, Polonnaruwa, and Colombo and with 2 sub offices at Hasalaka and Kantale. The major activities of these Regional Offices are to cater better services for the customers who are engaged in various Mining Industries in relevant provinces and control the illegal mining activities.



CONTACT DETAILS OF THE BUREAU

Our Office	Address	Office Leader	TEL/FAX
Head Office	No: 569, Epitamulla Road, Pitakotte	Director General	+94-11-2886289 +94-11-2886290
Ampara	No: 669, New Town, Ampara	Mr. H.A.C.K.W. Bandara	+94-63-2223385
Anuradhapura	No: 596/69, Bandaranayake Mawatha, Anuradhapura	Mr. C.K. Karunananda	+94-25-2224388
Badulla	No: 52/A, Rathwatha, Badulla	Mr. W.K.A.S. Rupawansa	055-2225210 +94-55-2222787
Bataloa	No: 239, Bar Road, Bataloa	Mr. M.R.M. Farees	+94-65-2222266
Colombo	No: 569, Epitamulla Road, Pitakotte	Mr. N. Ramesh	+94-11-2869478 +94-11-2869479
Hambantota	No: 21, Terrace Street, Hambantota	Mr. U. H.T. Priyantha	+94-47-2222477
Gampaha	No: 06, Werellawatta, Yakkala	Mr. S.A.I.J. Rodrigo	+9433-2231430
Jaffna	No: 170, Kolomputhurei Road, Jaffna	Mr. D. Jayarobon	+94-21-2224595
Kaluthara	No: 9A, Mosque Road, Wettumakada, Kaluthara-South	Mr. W.A.A.C. Wanniarachchi	+94-34-2225580
Kandy	Janasawigama, Pallekele, Kandy	Mr. A.P. Wimalasena	+94-81-2421294 +94-81-2421474
Kurunegala	No: 15/B, Negombo Road, Malkaduwawa, Kurunegala	Mr. K.N.W.K. Wimalarathne	+94-37-2230858 +94-37-2232542
Mathara	No: 224, Sunanda Mawatha, Walgama, Mathara	Mr. D.L.T.M. Dugles	+94-41-2236765
Monaragala	No: 190/6, Wellawaya Road, Monaragala.	Mr. T.M.W. Bandara	+94-55-2277392 +94-55-2276882
Rathnapura	No: 66, Sri Saranankara Mawatha, Hidellana, Rathnapura.	Mr. T.S. Kumara	+94-45-2228117
Trincomalee	Divisional Secretariat Office, 4 th Mile Post, Kachcheriya, Trincomalee	Mr. P.A.S. Kumarasinghe	+94-26-3202411
Polonnaruwa	Divisional Secretariat Office, New Town, Polonnaruwa.	Mr. W.G.B.T. Kumara	027-2226366

HISTORICAL BACKGROUND



The Geological Survey and Mines Bureau is the proud successor to a series of geo-scientific departments which spans more than a century, starting as the Mineral Survey of Ceylon (MSC) in 1903 headed by Dr. Ananda Coomaraswamy. Throughout the history, these departments had an exceptional record of discovering, promoting and acquiring data on the country's mineral resources, to which all currently operating mineral-based industries owe their existence.

By 1939, the MSC was known as the Department of Mineralogy and in 1962 renamed again as the Geological Survey Department. On 18th March 1993 the Bureau was established through the Mines and Minerals Act#33 of 1992 to combine the functions of the Geological Survey with the new responsibilities of a modern Mines Department.

The establishment of the Bureau as the lead agency in mineral development underscores the Government's commitment to promoting mineral-based industries. Minerals, by providing substitutes for expensive imports; commodities for the building and construction industry and the raw materials for export industries, create employment and generate income for the country. The Bureau is also responsible for maintaining the national geo-science database, and ensuring that this information is made available to the public.

Future Plans of the Geological Survey and Mines Bureau

The following plans are outlined as future major activities to be carried out in the two main areas of Geology and Mining divisions,

1. Completing the Government Process Reengineering Activities based on the proposals submitted by PWC,
2. Establishment of a modern Engineering Geological Laboratory,
3. Enhancement of petrology laboratory infrastructure,
4. Enhancement of Analytical Laboratory facilities,
5. Development of state-of-art Geological infrastructure,
6. Development of Drilling equipment storage,
7. Establishment of a engineering design unit,
8. Enhancement of rehabilitation of mine closer activities,
9. Improvement of EIA/IEER activities,
10. Conducting market value surveys,
11. Establishment of new regional offices,
12. Acquire lands for regional offices,
13. Introducing a TPL tracking system,
14. Introducing a GPR,
15. Process standardization by obtaining 5S and ISO standards,
16. Quaternary mapping,
17. Soil geochemical mapping,
18. Publications of year books,
19. Stream sediment surveys of river basins,
20. Nuclear raw material survey,
21. Quantifying of seismic,
22. Geo-engineering properties of subsurface layers of metropolitan areas, geophysical survey on possible extension of the Eppawala phosphate deposit,

DIVISIONAL PERFORMANCE

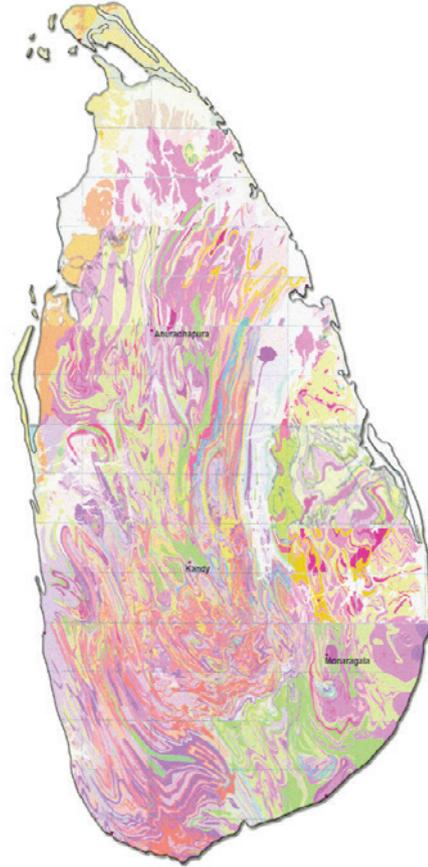
1.0 GEOLOGY DIVISION (GD)

1.1 PROGRESS OF THE GD DURING YEAR 2018

1.1.1 Action Plan Activities (GSMB Funds)

(a) Printing of Geological Maps:

Publishing of the geological maps covering entire Sri Lanka is one of the major functions of the Bureau. The geological maps which contain the geo-information of the terrain are used in a wide range of activities including mineral and ground water exploration, major construction and civil engineering works and preparation of landslide hazard maps etc. The GSMB completed the printing of all 21 geological maps (1: 100,000 scale) covering the entire country in year 2014 and 04 no. of 1: 250,000 scale geological maps were published in year 2017. The preparation of 1:500 000 scale map of entire island is being prepared.

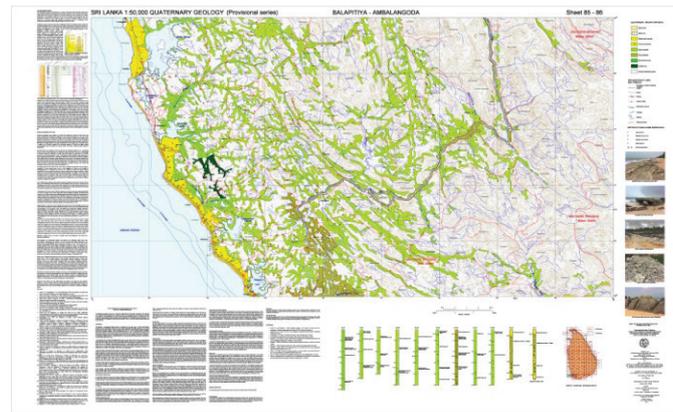
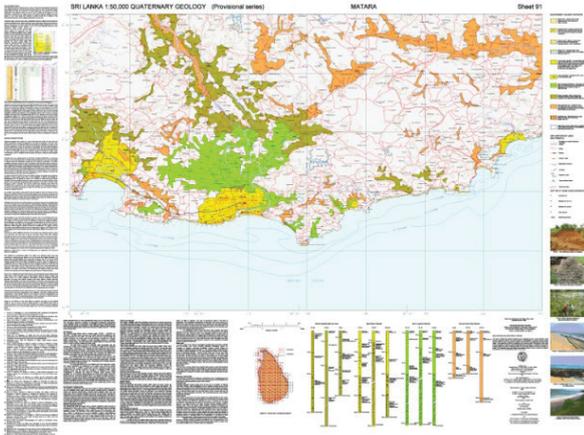


(b) Quaternary Mapping (Coastal Zone) Program

The 'Quaternary' period of the geological time scale span from about two million years ago to the present. The quaternary formations of Sri Lanka are mainly restricted to coastal sediments, alluvial sediments in the flood plains and include soil formations. Yet, these formations are highly significant as they include economically important clay and sand deposits, coral deposits, the fertile soil cover and ground water bodies, The Geological Survey & Mines Bureau launched a project entitled "Quaternary Geological Mapping" in 2008.

Printing of Quaternary Mapping Programme

Field work and Compilation work of 1: 50 000 scale quaternary maps including Matara, Kalutara and Ambalangoda-Balapitiya sheets have been completed during the previous years and those 03 maps were published in October 2017.



Office work of Quaternary Mapping

Map compilation of Puttalam, Silawatturai, Hambantota and Tissamaharama sheets were carried out.

Detailed Drilling in Puttalam, Kalpitiya and Silawatura

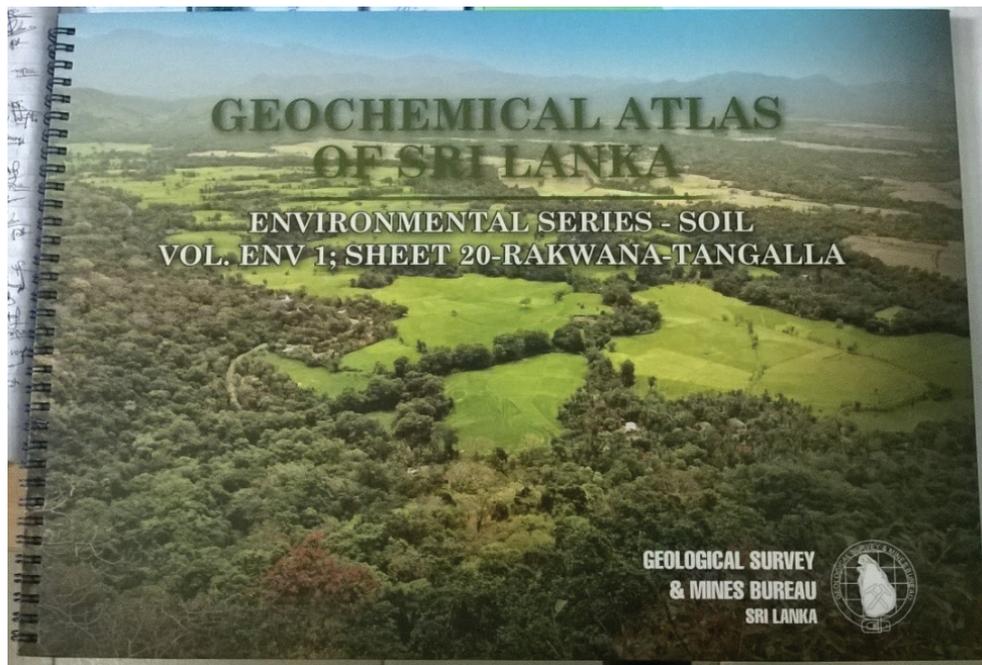
Detailed Drilling was carried out on Puttalam, Sillawaturai and Kalpitiya sheets and remaining 04 drill holes will be conducted in 2019.

(c) Soil Geochemical Mapping Programme

The soil geochemical mapping programme was initiated in year the 2008 to study the geochemical characteristics of soil. These maps are useful in mineral exploration, environmental monitoring, and agricultural research and in geo-health hazard studies. Geochemical mapping work is being carried out on 1:50,000 scale base maps. Two soil samples are collected from the surface and 2m depth, for each 1 km² grid area at each 4km². The chemical properties are analyzed using the Atomic Absorption Spectrophotometer (AAS) and the Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES).

Compilation and Printing of Soil Geochemical Mapping Programme

Printing of the Geochemical Atlas of Sheet No 20 (Rakwana- Tangalle) using analytical data of six 1,50,000 sheets Thimbolketiya, Matara, Rakwana, Tangalle, Morawaka and Hambantota has been completed within previous years and the Atlas of Sheet No.20 was published on October 2017. The compilation work of Sheet No. 08 was in progress.



Laboratory work of Soil Geochemical Mapping Programe

Analytical work Sheet No 08 (Anuradapura- Polonnarua) and sheet No 06 was being carried out during said period.

Field work of Soil Geochemical Mapping Programme

The field work of Sheet No. 23: Nilaweli & Sheet No. 6: Pankulam were completed and Sheet No. 28: Trincomalee was being carried out.

(d) The “Minerals Year Books - 2015” and “Minerals Year Books - 2016”

The Mineral Year Book of Year 2015 was published. Data have been gathered for Mineral Year Book 2016 and 2017.

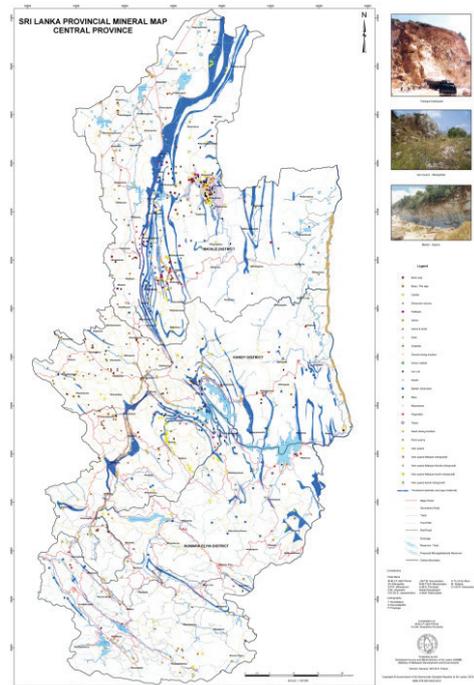
(e) Brick & Tile clay Survey along Ma Oya to identify locations of industry

Brick & Tile clay survey along Ma Oya to identify promising clay bearing areas was commenced within the last quarter of year 2017 and 90% of the field work has been completed. This field work was temporarily hold as the officer assigned had to attend Island wide Construction Raw Material Survey.

(f) Provincial Mineral Surveys and Provincial Mineral Maps

Field work of Sabaragamuwa, Uva & North Central Provinces was completed.

Data compilation on Uva province mineral map was completed and Sabaragamuwa was being carried out. These two maps will be published in year 2019.



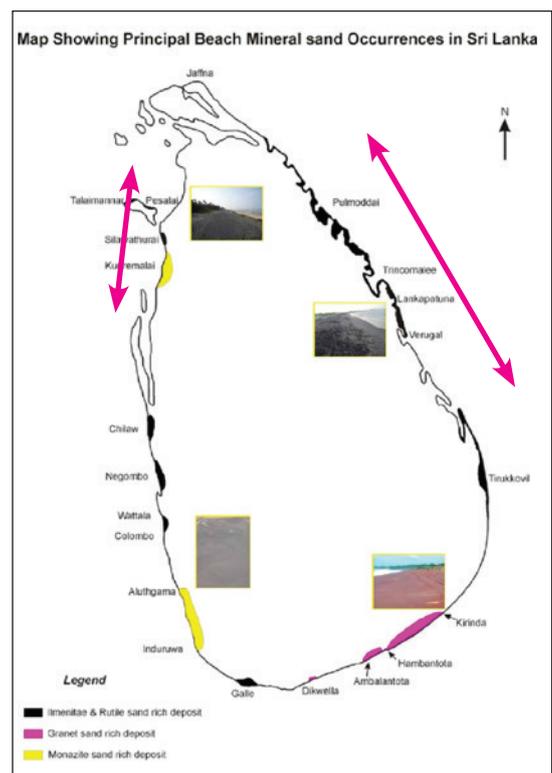
(g) The International Atomic Energy Agency (IAEA) Assisted Nuclear Raw Material Survey and Allied Activities

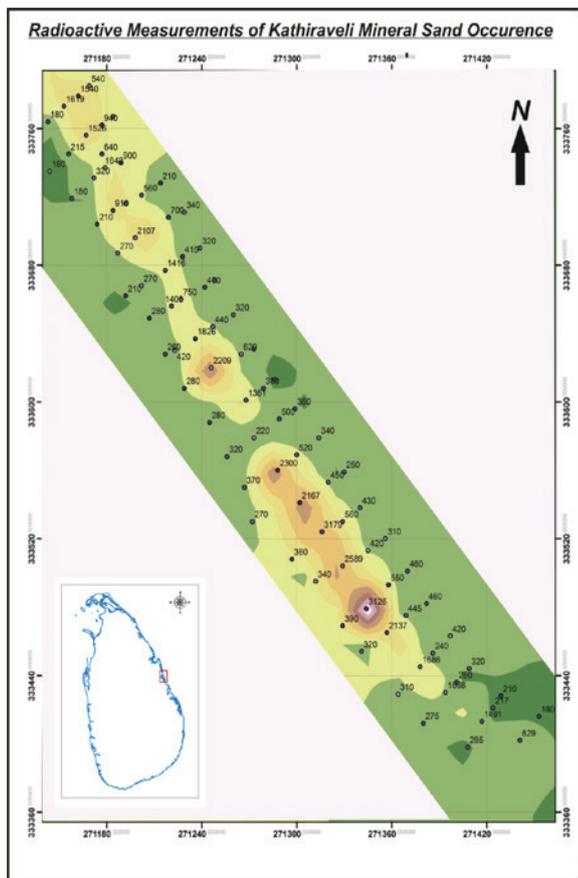
Car-borne Gamma Ray Spectrometer Survey

The detailed geological investigation of identified radioactive anomaly at Naula area was conducted and data analysis is in progress.

Nuclear Raw Material Survey along the Coastal Stretch from Talaimnnar to Galle

The nuclear raw material survey along the coastal stretch from Mannar to Galle was started and Field work is completed. Aluthgama – Galle field work is also completed. In this survey about 4 areas of radioactive anomaly zones were identified and detail survey within these identified zones will be conducted in due course.



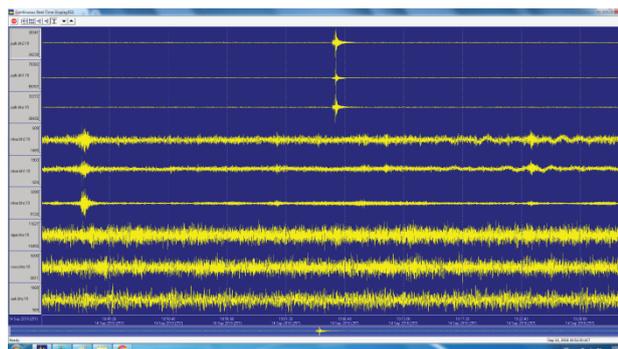


(h) Improvements to the Seismic Data and Tsunami Alert Centre and Maintenance of the three Seismic Stations

The three seismic stations installed by the GSMB together with other donor agencies were functioning smoothly and data from these stations were transmitted to the Data Center at the Head Office, GSMB without any major problem. The data availability of the three seismic stations was within the satisfactory level in 2018.



Tsunami Alert Centre at GSMB



Seismic record in PALK seismic station (recent earth quake occurred in Trincomalee on 14th Sep 2018)

The Data Center has successfully responded to public complaints on earth tremors, earth vibrations and Indian Ocean earthquake events during year 2018 too.

In addition to the earthquake monitoring, the Seismic Data and Tsunami Alert Centre act as the receiving point of the public complaints on GSMB related mining activities through numbers of 011 2 862 862 and 1921. The duty officers at the data center recorded the complaints and forwarded to Mines Division.

(i) Upgrading the GSMB-Library

Purchasing Library Text Book

The Library Committee has finalized the list of textbooks to be purchased for the year 2018 and total of Rs. one million was allocated. However none of the book was purchased as the management considered about E-Book concept.

Museum Development 2018

The Proposal of the museum development was submitted to the Director General through the Deputy Director (Geology). Library and Museum Committee selected the (85 specimens) crystals, Minerals and Rock Specimens from the catalogue of WARD'S Natural Science establishment USA and selected specimens were purchased. Several members of the Museum Development Committee was visited the National Museum and get their advised about how to create display cabinets, build a lightning system and others. These instructions are discussed with the museum development committee and proposal was submitted for approval.

Library Digitization Project 2016-2019

Geological Survey and Mines Bureau was started the Digital Library Project in collaborations with National Science Foundation in mid-year 2016 and phase III of this project was started in year 2017.

Phase iii

1. Selected documents (Documents types: Technical Reports and other reports, Newspaper Clipping) for scanning and 50200 number of pages selected to scan.
2. Created tag systems for above 50200 pages.
3. Documents scanning process was in progress.

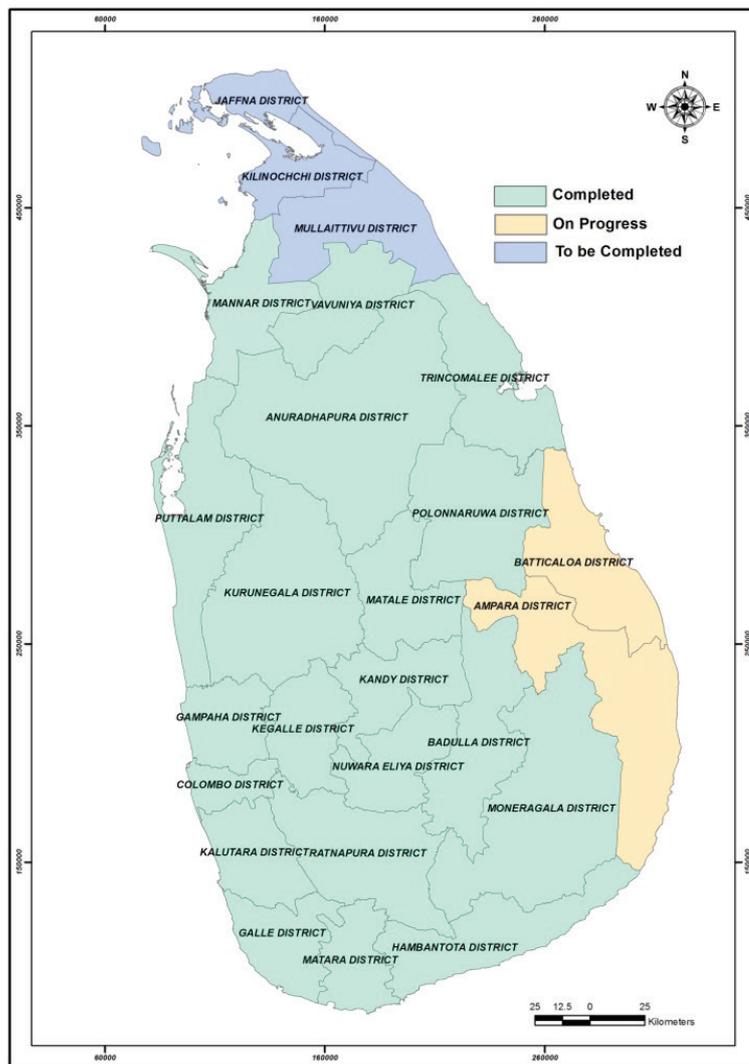
New Library Software (KOHA) 2017

Geological Survey and Mines Bureau Library is currently using "Automated online Library System" as a Library Software, since 2010, developed by the Sri Lanka Institute of Information Technology in Malabe. This software is commercial software (Software cost is 8,000,000/=) and the annual maintenance cost Rs. 84,000/=. However, AOLS commercial software allowed only limited modifications and customized services.

Therefore, it was suggested to introduce software “KOHA”: integrated open source software which is very popular among many Universities, Government Institution, and Research Institution in Sri Lanka as well as worldwide. Also, this software agrees to International Library rules. (Z39.50, MARC, UNIMARC) The Library has been requested to buy KOHA software in this year. Initial actions have been taken to purchase this software.

(j) Island wide Construction Raw Material Survey

In order to cater the huge demand of construction raw materials generated due to on-going accelerated development projects in Sri Lanka and to fulfill their future requirements, Geology Division of GSMB started a qualitative and quantitative construction raw material survey for and demands, since end of February 2017. This survey is carried out on the request of the Department of National Planning with their sponsorship of Rs. Sixty Million. The aim of the survey is to identify suitable locations evaluating the quality and quantity to mine metal/rocks, gravel, soil and sand throughout the Island. Recommendations will be given for suitable sites with highly consideration of residential areas, water sources, landslide prone areas with the environment concern. The priority was given for Kandy



Express Way, proposed road at Kurunegala, extended Southern Express Way from Matara, extended Express Way towards Negombo and constructions at Colombo under the Ministry of Megapolis. 19 Districts were completed and all final reports were handed over to Ministry of National Policies and Economic affairs.

(k) Stream Sediment Survey of River Basin

Stream sediment survey at Walawe Ganga has been carried out and field work is completed. The report preparation is in progress.

1.1.2 Petrology Laboratory

1. Direct income from the testing done for the individual clients

Number of sample	Income (Rs.)
579	3,764,183.00

2. Other analysis done for projects and field works on requests of the officers of GSMB (Free of Charge)

Sample nature	Number of samples	Value of the analysis (Rs.)
Rock	25	81,000.00
Sand	59	294,500.00
Total		375,500.00

3. Participation at exhibitions and school science programs and preparation of sample sets (free of charge)

- i. Jewels 2018 exhibition held at Taj Samudra on 17th and 18th November 2018.
- ii. "X-Ban Educational- Science and Technology exhibition 2018 held at Bandaranayake College Gampaha.
- iii. Educational exhibition held at Kegalu Balika Vidyalaya on 2nd - 3rd November 2018.
- iv. 20th Anniversary Educational exhibition held at Leeds International School on 25th 26th October 2018.
- v. Zonal level Science exhibition 2018 held at Akkaraipattu Muslim Maha Vidyalaya from 10th to 14th October 2018.
- vi. Educational Exhibition held at St John's College Panadura on 5th October 2018
- vii. Educational exhibition held at D.S Senanayake Central College Meerigama on 28th February and 1st and 2nd March 2018.
- viii. Educational Exhibition held at Maliyadewa Balika Vidyalaya Kurunegala on 29th and 30th June 2018.
- ix. Annual Science day exhibition held at Gothami Balika Vidyalaya Colombo 10 on 29th June 2018

- x. “Kithudewu Shilpa Prabha – 2018” Educational exhibition held at Kristudewa Balika widyalaya on 6th – 9th July 2018
 - xi. Educational exhibition held at Sirimawo Bandaranaike Vidyalaya Colombo on 7th and 8th March 2018
- About 75 sample sets were prepared and provide to School teachers and Students.

4. Other Analysis done for Magistrate Court and Sri Lanka Custom

Analysis requested by	S a m p l e Nature	Number of Samples	Value of the Analysis Rs.
Magistrate Courts	Sand/Rock	17	110,500.00
Custom	Sand	14	56,000.00
Total			166,500.00



1.1.3 Analytical Laboratory

CHEMICAL ANALYSES CARRIED OUT FOR OUTSIDE CLIENTS

- Analysis of 300 samples consisting of limestone, quartz, dolomite, graphite, feldspar, soil, sand, cement, mica, mineral sand, clay, water, digested rocks, and other metal alloys and body mixtures of tiles and ceramic etc, were carried out by the laboratory on the requests made by various institutions and individuals. This brought Rs 2,144,500.00 (without taxes) as Analytical laboratory income.

CHEMICAL ANALYSES DONE FOR THE PROJECTS UNDERTAKEN BY GEOLOGY DIVISION.

** This income is included in the relevant project income of the geology division.

Name of the project	Number of samples	Income (Rs)
1. Tokyo Cement limestone project	83	581,000.00
2. M.G.M Mines & Minerals (Pvt) Ltd/ Sand	50	300,000.00
3. Cement raw material Survey for Tokyo Cement Lanka (Pvt) Ltd	110	1,320,000.00
4. Water Quality Testing of Dedduwa area for Southwest Coast Development Project	31	704,000.00
Total		2,905,000.00

CHEMICAL ANALYSES DONE ON THE REQUEST OF GSMB OFFICERS FOR THEIR RESEARCH/ PROJECTS

Analysis requested by/ project	Sample nature/ Number of samples	Type of the analysis carried out	Value of the analysis
1. Red Earth Sample Analysis	Clay/01 No Red Earth/03	Full analysis	48,000.00
2. Bolgoda sand survey	Sand/04	Pb,Cd,As,Hg	9,000.00
3. Stream sediment survey	Sediment/12Nos	Heavy metals including gold and silver	144,000.00
4. To check water quality for drinking after treatment	Water /05 Nos	Full analysis	45,000.00
5. To check the suitability for construction work	Sand/ 4 Nos	Salinity, Chloride, Organic matter and carbonates	20,000.00

6. Value addition work	Rock / 2 Nos Ilmenite/05Nos	Full analysis	99,000.00
7. Export Sample analysis	Quartz/02Nos	Full analysis	12,000.00
8. Hydrogeological impacts of rock quarrying on groundwater	Water/14Nos	Full analysis	63,000.00
9. Samples collected from Sri Lanka Customs by GSMB team	Mixture of soil/ Organic matter/14 samples	Gold only	28,000.00
Total value of the analysis			450,000.00

SAMPLES DONE FREE OF CHARGE FOR REGULATORY WORK

Analysis requested by/ project	Sample nature/ Number of samples	Type of the analysis carried out	Value of the analysis
1. Petrology laboratory/ Courts samples	Sand/ 10 nos	Salinity	Rs 10,000.00
2. Sri Lanka Customs	Soil /5Nos	For gold	Rs 10,000.00
3. Government Audit Department	Soil/ 4Nos	For gold	Rs 8000.00
Total value of the analysis			Rs 28,000.00

ACTION PLAN WORK - GEOCHEMICAL MAP PREPARATION.

(a) Sheet No 20: Rakwana- Tangalle

Printing of the Geochemical Atlas of Sheet No 20 (Rakwana- Tangalle) using analytical data of six 1:50,000 sheets Thimbolketiya, Matara, Rakwana, Tangalle, Morawaka and Hambantota has been completed and the Atlas is available for sale.

(b) Sheet No 08: Anuradapura- Polonnaruwa.

Completed the chemical analysis of 250 samples collected from Kekirawa sheet for the preparation of geochemical map Sheet No 08: Anuradapura- Polonnaruwa

(c) Sheet No 06: Vauniya- Trincomalie

Completed the analysis of 500 samples collected from Madawachchiya & Horowpatana 1:50,000 Sheets for the preparation of Geochemical map Sheet No 06 and commenced the chemical analysis of Vauniya and Pankulam.

LABORATORY ACCREDITATION – ISO 17025.

Completed the preparation of required documents (Quality Manual, Procedure Manual, Method Manual and audit reports) and the application was sent to Sri Lanka Accreditation Board with required documents to get ISO 17025 for Analytical Laboratory.

02nd INTERNATIONAL MINERAL SYMPOSIUM - 2018

In response to the challenging economic and environmental setting in mineral sector, the Ministry of Mahaweli Development and Environment of Sri Lanka initiated Second International Mineral Symposium, with the collaboration of Geological Survey and Mines Bureau. It was concluded fruitfully in November 2018, with having positive impact on mineral sector.

The Mineral Symposium 2018 was coinciding with the Sri Lanka NEXT: Blue Green Era is dedicated to a holistic approach of the **earth resources** of the nation, in a balanced manner weighing the **economic benefits** and the **environmental impact**. It was understood that there are so many small-scale researches are scattered throughout the country which are valuable for the development of mineral sector. However, when look back after two years, it is observed that some researches which were presented in the last year symposium are being used for the beneficiation of the countries' economy and the others have been extended for research further. Therefore, with realizing the importance of the forum on the stakeholders and the country, the Ministry is eager to continue the process on annual basis in an advanced manner based on the lessons learnt from the initial step.



FORMULATING MINERAL POLICY

One of the main and important aspects that the GSMB engaged in was formulating of the Mineral Policy in year 2017/18. The initial DRAFT policy prepared by a committee appointed by the Science and Technology Ministry was further enhanced and necessary components were added in this process. The final DRAFT of the Mineral Policy has been presented to the Ministry of Mahaweli and Environment and the Ministry of Science and Technology, which the both hierarchies of the two ministries agreed in principle and the defence before the public would be materialize shortly. GSMB carried out a Stakeholder meeting on draft mineral policy at Ministry of Mahaweli Development and Environment Auditorium on 18th October 2018.

GEOPHYSICAL WORK:

During this period the Exploration Geophysical unit involved in the following projects

Itm.	Project	Objective	Progress
01	Bedrock Characters of River Mahaweli in sand mining regions AP/2018/EGPY/Mahaweli	Identifying of possible impact due to sand mining on flood plains with reference to bedrock depths	08 days were spent on this work and 16 VES were completed. About 30% of fieldwork was concluded.
02	Mapping of dolerite dykes of Sri Lanka AP/2018/EGPY/Dykes	Complete the dyke map in academic and geothermal potential perspectives	Maduru Oya, Gomarankadawa areas has been mapped and locations were selected for magnetic mapping – 20% field work completed (08 days)
03	Development of geophysical instrument test site. AP/2018/GEPY/Test site	Provide a central facility for geophysical equipment testing and conduct of programs to disseminate knowledge on the same.	Discussions were initiated with military for possible site at Fox Hill.
04	Inventory on Vein Quartz AP/2018/GEPY/VQ	Compile a detailed database on vein quartz with available reserves and quality of the same.	Sites were visited and a questioner has been prepared to obtain information from the industries (Quartz) – 04 days

05	Eppawala Survey AP/2018/GEPY/Eppawala	Compile a map	Eppawala mapping has been completed. Dolorite samples were sent for age dating.
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1.1.5 CLIENT RESPONSIVE PROJECTS AND ACTIVITIES (INCOME GENERATING)

Table 1: summary of the income generated from various projects during the year 2018

Name of Project and Client (Company)	Income (Mn.)
Geotechnical Investigation of Proposed Dedduwa Development Project Southern Development Board	6.7
Ground Conditions of the Proposed Buddha Statue at Pupudugama Sri Jinaraja Temple Madurankuliya	Donation
Ball Clay Survey at Akuressa area for Lanka Ceramic PLC	1.1
Conservation project at Sigiriya Central Cultural Fund	5.1
Drilling Investigation - proposed building at Balapitiya Hospital Southern Province Health Ministry	0.6
Drilling Investigation - proposed building at Elpitiya Hospital Southern Province Health Ministry	0.7
Geotechnical Investigation at Gin Nilwala Project Irrigation Department	3.0

2. MINES DIVISION

MAJOR FUNCTIONS OF THE MINES DIVISION

The Mines Division is presently functioning with sixteen Regional Offices. These offices have been established to provide our services for the customers engaged in various mining industries. With the recent amendments to the Mines and Minerals Act # 33 of 1992 wider power has been given to the Bureau to control illegal mining activities. The main work includes site inspection, test blasts, inquiring public complaints, issuing of licenses for mining, trading, exploration and transport and minimizing illegal mining activities. Major functions of the Mines Division include;

- Evaluate commercial viability of mining for processing and export of minerals under the Mines & Minerals Act No.33 of 1992
- Regulate the exploration and mining for minerals and the processing, trading in and export of such minerals by the issuance of licenses
- Advise the minister on measures to be adopted for the promotion of the extraction and production of minerals on a commercial basis

SERVICES AVAILABLE

- Mine inspection (mobile service – issuing licenses, technical advices)
- Expert services (blasting techniques, license upgrading, safety methods, test blasts, crack surveys)
- Awareness Programmes (Awareness Programmes for public officers & license holders, Workshops for people engage in mining activities, Exhibitions)
- Rehabilitation Programmes (motivating mines to safeguard the environment and supervising the environment protection and rehabilitation activities carried out by mines).

INCOME GENERATED THROUGH ISSUING LICENSES

Under the Mines & Minerals Act No. 33 of 1992, the GSMB issues following types of licenses.

- Exploration licenses
- Mining licenses (Artisanal, Industrial, Reserved Minerals)
- Trading licenses
- Export licenses
- Transport licenses
- Details of these licenses are as follows

▪ **Exploration Licenses (EL) – (Income)**

An Exploration license grants the license-holder the exclusive right to explore for all mineral categories authorized by the license.

▪ **Mining Licenses**

Artisanal Mining Licenses (AML) – (Income)

Grants the license-holder the exclusive right to mine, process and trade in all minerals specified in the license within an area not exceeding ten hectare or to a depth not exceeding twenty five meters.

Category A - which shall include one or more of the under-mentioned conditions?

- The depth of bore hole to be less than 1.5 meters
- The production volume to be not less than 100 m³ and not more than 600 m³ per month
- No machinery to be used

Category B - which shall include any one or more of the under mentioned conditions

- The depth of the borehole to be less than 1.5 meters
- Production volume to be not exceeding 100 m³ per month
- No machinery to be used

Industrial Mining Licenses (IML) – (Income)

Grants exclusive right to explore for, mine, process and trade in all minerals mined within the area specified in such license. There are three categories of Industrial Mining Licenses.

Category A (include one or more of following conditions)

- Blasting method - multi-borehole using delay elements
- The depth of the bore hole - more than 3.0 meters
- Production volume - more than 1500 m³ per month
- Machinery to be used - track drills, jack hammers, rock breakers, front-end loaders and other machinery

Category B (include one or more of the following conditions)

- The blasting method - single borehole
- The depth of boreholes - not less than 1.5 meters and not more than 3.0 meters
- The production volume - between 1500 m³ and not more than 1500 m³ per month
- Only jack hammers to be used

Category C (include one or more of the following conditions)

- Blasting method - single shot-hole

- Depth of the bore hole - less than 1.5 m
- Production volume - should less than 600 m3 per month
- Only jack hammers to be used

Reserved Minerals (RML) – (Income)

License to explore, for, mine, process and trade in reserved minerals may be granted with the approval of the Minister.

▪ **Trading Licenses (TDL) – (Income)**

A trading license shall grant the non-exclusive right to purchase, store, process, trade in and, with the special authorization of the Director; to export minerals in respect of which the license is issued.

- Category A - to trade in minerals for export
- Category B - to trade in minerals locally
- Category C - to trade in bricks and lime produced manually.

▪ **Transport Licenses – (Income)**

License to transport mineral-bearing substances or minerals shall be issued for such quantity and period and for such minerals as may be specified in such license. All exploration, mining and trading licenses shall require a transport license to transport mineral-bearing substances or minerals.

▪ **Export of Minerals – (Income)**

All exploration, mining and trading licensees shall obtain the special authorization of the Director of the GSMB to export minerals in respect of which the license is issued.

Royalty – (Income)

Following chart shows the royalty income collected by the GSMB. It clearly shows a general increase of royalty collection.



Fig.1: Income generated by royalty during the period of 2005 to 2018

Year	Royalty Income (Rs. Mn.)	Year	Royalty Income (Rs. Mn.)
2005	143.06	2012	732.71
2006	150.26	2013	681.27
2007	199.66	2014	1,128.46
2008	284.05	2015	1,293.43
2009	378.29	2016	1,578.58
2010	453.85	2017	2,569.32
2011	586.89	2018	4202.44

Income generated by Mines Inspections

Rapid increase of Income generated by Mines Inspections shows in following graph tells the rapid development of the Mineral Industry of the country.

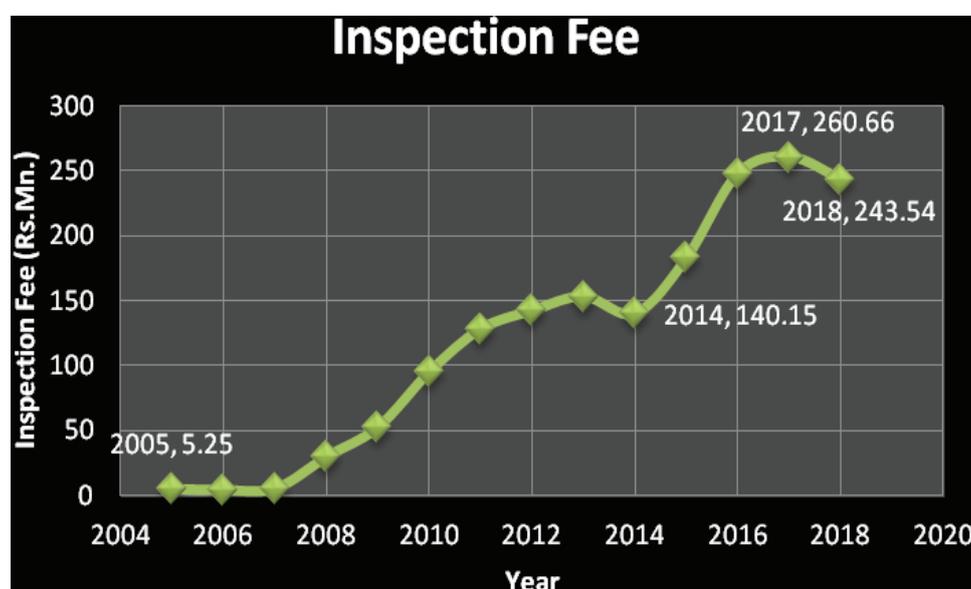


Fig. 2: Income generated by mines inspection during the period of 2005 to 2018

Year	Inspection Fees (Rs. Mn.)	Year	Inspection Fees (Rs. Mn.)
2005	5.25	2012	142.52
2006	4.43	2013	153.23
2007	5.61	2014	140.15
2008	30.07	2015	182.94
2009	52.76	2016	247.95
2010	95.45	2017	260.66
2011	128.42	2018	243.54

Income generated by issuing Licenses

The amount of licenses issued by the bureau for various minerals in 2018 is depicted by the table below.

Table 1: No. of licenses issued in 2018

License type	License category	Unit License Fee	No. of Licenses issued	Total Charge
Exploration	EL		34	6,247,000.00
Mining	IML/A	20000	378	7,560,000.00
	IML/B	8000	1900	15,200,000.00
	IML/C	4000	493	1,972,000.00
	AL/A	3000	1747	5,241,000.00
	AL/B	1250	2395	2,993,750.00
Trading	TDL/A	7500	10	75,000.00
	TDL/B	5000	3729	18,645,000.00
	TDL/C	1000	6	6,000.00
Transport	TPL	90	936511	84,285,990.00
Export		5000	649	3,245,000.00
Total			947,852	145,470,740.00

Following chart shows the income generated by issuing licenses for exploration, mining, trading, transportation and export of minerals.

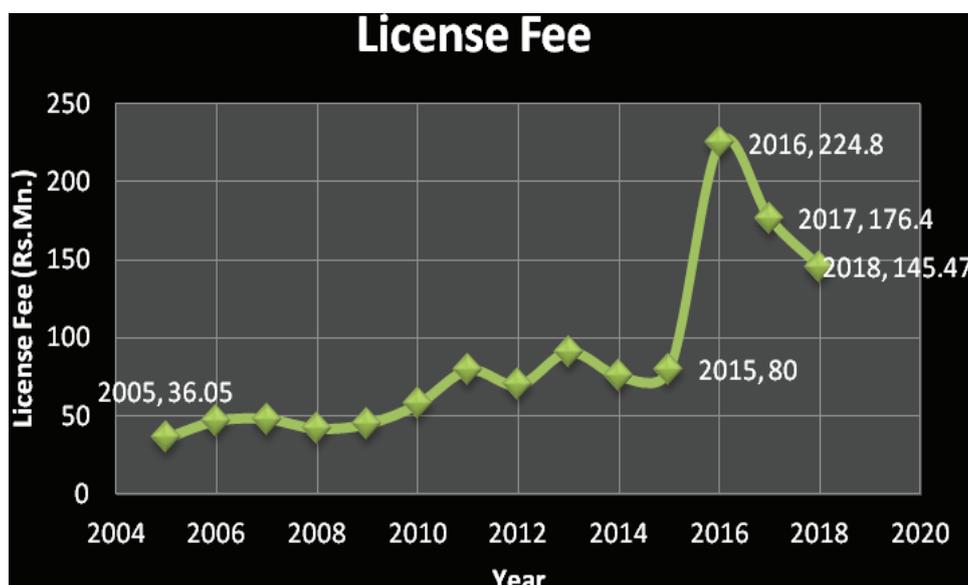


Fig.3: Income generated by issuing licenses during the period of 2005 to 2018

Year	License Fees (Rs. Mn.)	Year	License Fees (Rs. Mn.)
2005	36.05	2012	69.82
2006	47.04	2013	91.15
2007	48.04	2014	75.60
2008	41.90	2015	80.00
2009	45.07	2016	224.80
2010	57.64	2017	176.40
2011	79.46	2018	145.47

Geological Survey & Mines Bureau - Mines Division

Summary Performance (Financial and Physical) - Year 2018

Rs. Million

Components/Activity		* F P	Type of Funds	Unit	Annual Allocation & Target	Financial and Physical Progress
1.1	Issuing licenses as per the Mines & Minerals Act No.33 of 1992 Artisanal Mining Licenses (AML)					
1.1.1	AML - A	F P	Income	Rs. Mn. No.	4.998 1666	5.241 1747
1.1.2	AML - B	F P	Income	Rs. Mn. No.	3.000 2400	2.994 2395
1.2	Industrial Mining Licenses (IML)					
1.2.1	IML - A	F P	Income	Rs. Mn. No.	20.000 1000	7.560 378
1.2.2	IML - B	F P	Income	Rs. Mn. No.	42.496 5312	15.200 1900
1.2.3	IML - C	F P	Income	Rs. Mn. No.	20.000 5000	1.972 493
1.3	Trading Licenses (TDL)					
1.3.1	TDL - A	F P	Income	Rs. Mn. No.	0.495 66	0.075 10
1.3.2	TDL - B	F P	Income	Rs. Mn. No.	15.275 3055	18.645 3729

1.3.3	TDL - C	F	Income	Rs. Mn.	0.006	0.006
		P		No.	6	6
1.4	Transport Licenses (TPL)	F	Income	Rs. Mn.	75.000	72.769 Final Account)
		P		No.	833,333	808544
1.4.1	Hardware TPL	F	Income		23.350	33.947 (Final Account)
1.5	Export Permits	F	Income	Rs. Mn.	3.000	3.245
		P		No.	600	649
1.6	Exploration Licenses (EL)	F	Income	Rs. Mn.	15.000	6.247
	Collection of Royalty (Final Account)	F	Income	Rs. Mn.	8372.7477	4202.44
	Inspection Charges of Mining	F	Income	Rs. Mn.	286.505	243.540
	Conducting of Test Blast	F	Income	Rs. Mn.	6.100	4.827
	Office Charges on Refund License	F	Income	Rs. Mn.	0.200	0.443
	Sale of Posters	F	Income	Rs. Mn.	0.293	0.022
	Transfer Fee_Mining	F	Income	Rs. Mn.	0.015	0.0055
	Mining Income - Sundry	F	Income	Rs. Mn.	0.500	0.568
	Penalty on not forward Previous License	F	Income	Rs. Mn.	44.250	0.001
	Penalty on not prev. License	F	Income	Rs. Mn.		45.253
	Letter for Exports of sample	F	Income	Rs. Mn.	0.081	0.536
	Office Charges on Refund Bank Guarantee	F	Income	Rs. Mn.	0.350	0.615
	Photocopy Charges (Collection)	F	Income	Rs. Mn.		0.021
	Training Course Fee	F	Income	Rs. Mn.		0.513
	Communication Fee on Exploration License	F	Income	Rs. Mn.	0.400	0.120
	Service Charges on TPL - SLLRDC	F	Income	Rs. Mn.	3.100	3.004
	Income From DS Office	F	Income	Rs. Mn.	3.100	18.925
	Mining License Detail Board	F	Income	Rs. Mn.		2.350
	Export of Samples	F	Income	Rs. Mn.	0.781	0.0595
	Total				8941.0427	4691.144

Regional Offices:

The Mines Division is presently functioning with sixteen (16) Regional Offices at Ampara, Anuradhapura, Badulla, Batticaloa, Colombo, Gampaha, Hambantota, Jaffna, Kalutara, Kandy, Kurunegala, Matara, Monaragala, Polonnaruwa, Ratnapura, Trincomalee and with two (2) sub offices at Hasalaka and Kantale. The major activities of these Regional Offices are to cater better services for the customers who are engaged in various Mining Industries in relevant provinces and control the illegal mining activities.

The Regional Mining Engineers attached to the Regional Offices in Year 2018 are as follows:

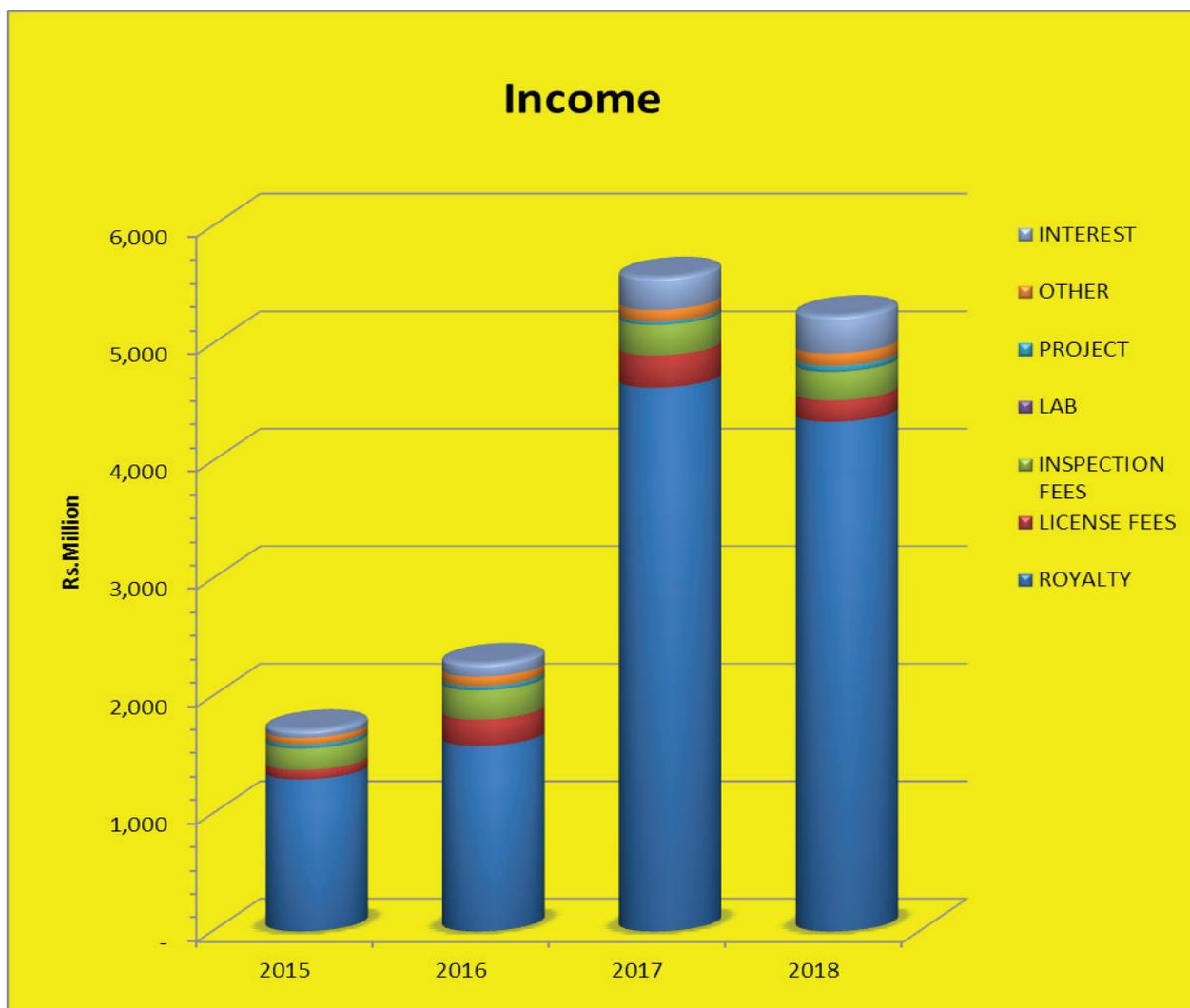
Regional Office	Regional Mining Engineer / Mining Engineer
Ampara	<u>Eng.H.A.C.K.W.Bandara</u> , <u>Eng.H.M.J.C Weerasooriya</u>
	<u>Eng.C. K.Karunananda</u> , <u>Eng.J.M.E.P.K.Jayasekera</u> , <u>Eng.S.A.J Kumarasiri</u>
Badulla	<u>Eng.W.A.S.Rupawansa</u> , <u>Eng.E.M.K.B.Ekanayaka</u>
Batticaloa	<u>Eng.M.R.M.Farees</u>
Colombo	<u>Eng.K.D.P.Karunanayake</u> , <u>Eng.I.G.V Sandamali</u>
Gampaha	<u>Eng.S.J.I.Rodrigo</u> , <u>Eng.W.Gajasinghe</u>
Hambantota	<u>Eng.U.H.T.Priyantha</u> , <u>Eng.S.P.K.Pathirana</u>
Jaffna	<u>Eng.D.Mayooran</u> , <u>Eng.C.Jayaroopan</u> , <u>Eng.R.R.Kulas</u>
Kalutara	<u>Eng.W.A.A.C.Wanniarachchi</u> , <u>Eng.U.L.H.Chathurani</u>
Kandy	<u>Eng. A.P. Wimalasena</u> , <u>Eng.A.M.H.V.Adhikari</u> , <u>Eng.G.V.A.D.C.Godagama</u>
Kurunegala	<u>Eng. K.N.W.K.Wimalarathna</u> , <u>Eng.R.M.C.P.Rajapaksha</u> , <u>Eng.W.M.N.T Warnasooriya</u>
Matara	<u>Eng.D.L.P.M Dauglas</u>
Monaragala	<u>Eng.T.M.W.Bandara</u> , <u>Eng.S.S.Hewawasam</u>
Polonnaruwa	<u>Eng.K.G.G.Kumburuhena</u> , <u>Eng.W.G.B.T.Kumara</u> , <u>Eng.W.M.T.U Jayasinghe</u>
Ratnapura	<u>Eng.T.S.Kumara</u> , <u>Eng.R.M.D.Rathnayake</u>
Trincomalee	<u>Eng.P.A.S.Kumarasinghe</u> , <u>Eng.K.Vigneshamoorthy</u>

03. Financial Review

Compared to the previous year the Geological Survey and Mines Bureau shows a comparatively low value as far as its income and expenditure is concerned. The Bureau gets a net profit of Rs. 391 million (2017 – Rs. 687 million) for the year ended in 31 December 2018. The revenue of the Bureau in the year under review went up in 144% upto Rs. 4918.62. (In 2017 it was Rs. 5288.69)

Royalty income (2018 – Rs. 4336 million – 2017 – Rs. 4626) License fees (2018 Rs. 182 million – 2017 – Rs. 275.6) Inspection fees (2018 Rs. 244 million- 2017 Rs. 260 million) Laboratory income (2018 : Rs. 4.1 million, 2017 Rs. 2.5 million) Project income (2018 : Rs. 323 million, 2017 Rs. 281 million) are included in the revenue of the Bureau. Compared to the previous year there were new projects to be engaged.

There is no distinct profit compa red to the previous year and its impact is Rs. million



04. Legal Division

The many function of the Legal Division is representing the Bureau in cases filed by and against the Bureau.

There were 46 Cases Pending in Courts, Supreme Court, Court of appeal, District Court, High Court, Human Rights Commission and 09 Cases were filed, against those who were engaged in unauthorized mining activities.

The Enforcement Unit and operation of Hotline number 1921 have been attached to legal section from the month of with temporary appointed officers. Accordingly 14 raids / investigations were conducted and 7 cases have been filed against the illegal miners. An amount of Rs. 610,000/- were collected as fine.

Sixteen Consultations were held with Attorney General's Department to discuss the issues of above cases and to obtain legal opinion.

Nine awareness programs were held for Police Officers, Special Task Forces Officers and other Government Officers and National Police Academy at Katana, Colombo Police Academy at Maradana, and in the district of Anuradhapura, Ampara, Mathara, and Kegalle in order to aware them about the legal issues of Mines and Minerals Act.

As directed by Supreme Court Case No. 81/2004 Legal Division, coordinated the discussions held at Geological Survey & Mines Bureau with stake holders to implement the Ma Oya Management Plan. Legal Division has also coordinated the Central Environment Authority, Irrigation Department, Environmental Foundation Ltd, Divisional Secretaries Offices, Police station on the relevant issues, and the map preparation non finalized by the Geology Division to be handed over to gazette the Sensitive Zone along river Ma Oya.

The meetings of Board of Management have been conducted and Minutes were prepared and followed up actions were distributed by the legal section according to the discussions taken at the Board of Management.

The minutes of Committee of Audit & Management Meeting were prepared and followed up actions have also been taken by the legal section according to the discussions taken at the Committee of Audit & Management and Board of Management.

2176 Letters and 242 Licenses Files were forwarded to the section for obtaining legal advices on various matters relevant to implementing Mines & Minerals Act, other laws and land title issues.

Legal Actions were taken on Royalty Arrears, Rehabilitated lands and Projects debtors scrutinized, prepared and followed up the each files.

Follow up actions were taken to obtain the ownership for the reserved lands for Katharagama Circuit Bungalow, Ampara Regional Office, Ratnapura Regional Office, Polonnaruwa Regional Office files.

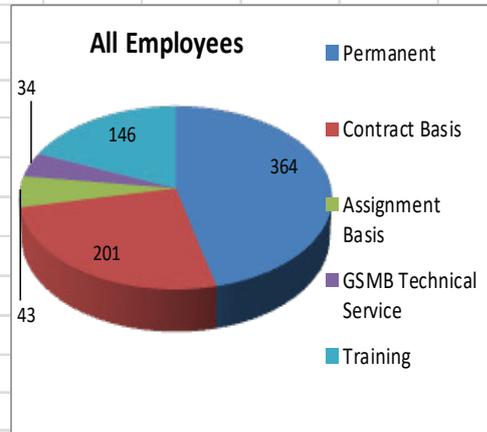
The titles of Regional Office properties have been checked and necessary arrangement were made to execute the five (5) Lease Agreements for Regional Offices.

Four Agreements have been prepared for Drilling Projects undertaken by Geology Division.

Non Notarial Agreements of Geological Survey & Mines Bureau relevant to the GSMB projects, Mineral Investigation Unit, Janitorial Servicers, Security Servicers, Vehicle Agreements and other agreements were prepared execute and provide the necessary advices.

REVIEW ON HUMAN RESOURCES

All Employees	
Permanent	364
Contract Basis	201
Assignment Basis	43
GSMB Technical Service	34
Training	146

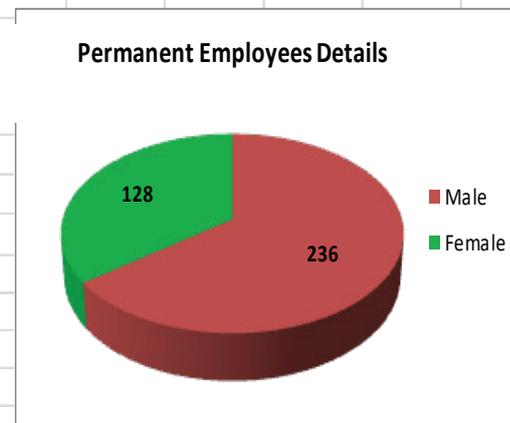


EMPLOYEES LIST - HEAD OFFICE & REGIONAL OFFICES

Employees List - Head Office & Regional Offices	
Head Office	197
Regional Office	167



PERMANENT EMPLOYEES DETAILS	
Male	236
Female	128
Total	364



Corporate Governance

Good corporate governance is globally accepted as being fundamental to an organization's competitiveness, growth and sustainability. There is great attention on Board of Management to discharge their duties with high ethical values and accountability in their commitment to good governance practices.

For our Bureau to be successful over the long term and create value of customers, it must create value for society. Our approach to Creating Value is built upon a set of strong principles and values set by the Board of Directors. We regularly review our governance against legal requirements and best practices.

The Board is the custodian of the Bureau's values and of its long-term vision, and provides strategies direction and guidance to the Bureau. The Board receives regular updates, including between meetings if necessary, on a range of matters including core activities, financial, legal and customer affairs.

The GSMB is governed by the Board of Management. The members of the Board of Management (BOM) are appointed by the Hon. Minister in charge of the subject as per the requirements of the Mines and Mineral Act. The Board of Management is consisted of 7 members and they are as follows. The Legal Officer of GSMB serves as the Secretary to the BOM.

- **The Secretary to the Ministry of the Minister in charge of the subject of industries or his representative**
- **The Secretary to the Ministry of the Minister in charge of the subject of environment or his representative**
- **Three members who appear to the Minister to have demonstrated practical experience and possess knowledge in the field of Geology, Mining, Business Management, Finance and Law**
- **One member appointed by the Minister in consultation with the Minister in charge of the subject of Finance**
- **The Director General of Geological Survey and Mines Bureau**

Board Meetings

The Board of Management meets monthly and holds additional meetings as and when the Board thinks appropriate.

Fourteen (14) Board meetings were held during FY2018. The Agenda and draft minutes for Board meetings are prepared by the Board Secretary with details of decisions reached, any concerns raised and dissenting views expressed and are circulated to all members for comments before each meeting with Board papers within three business days before the intended date of the Board of Management. At each regular Board meeting, Head of the divisions of the Bureau made presentations to the Board on various aspects, including the Bureau performances, financial performances etc.

The Board of Management of the Bureau plays an active role in participating the Bureau's meeting through contribution of their professional opinions and active participation in discussion.

FINANCIAL REPORTS

Geological Survey and Mines Bureau

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL POLICIES

1.1.1 Reporting entity

The Geological Survey and Mines Bureau (GSMB) is a statutory body established by Act No. 33 of 1992 under the Mines and Minerals Act. The principal place of business is situated at No. 569, Epitamulla Road, Pitakotte. GSMB is presently functioning with 16 Regional offices situated in Kandy, Matara, Kurunegala, Badulla, Ratnapura, Anuradhapura, Ampara, Monaragala, Hambantota, Trincomalee, Kalutara, Jaffna, Baticalo, Gampaha, Polonnaruwa and Colombo.

1.1.2 Subsidiary and Sub-Subsidiaries

The Bureau has invested in 66% of the issued share capital of the Geological Survey and Mines Bureau Technical Services Private Limited (400,000 Shares) and Its registered office is located at No.190/A, Stanly Thilakeratne Mawatha, Nugegoda.

Principal activities of the GSMB Technical Services (Pvt) Ltd. is to carry out trading activities and project trading activities to control and regulate the prices of sand in the market. It is selling sand at a subsidized price as a government policy decision, mainly to support the construction sector and the company has set up locations for trading activities. Also the private company has undertaken technical support services as projects to its clients and services such as manpower and technical expert related work is provided to its clients which are not coming under the GSMB mandate.

The Chairman of the GSMB is also the Chairman of GSMB Technical Services (Pvt) Ltd. and no other Director(s) or employees of GSMB are appointed to the Board of the subsidiary company.

1.1.3 Preparation of Consolidated accounts

The accounting year of the subsidiary company is different from the accounting year of the Parent company i.e. GSMB and therefore action has been taken by the Subsidiary company to legally change the accounting period that will match the accounting year of GSMB so that consolidated accounts could be prepared and presented. As the auditors of both the Parent company, i.e. GSMB and the Subsidiary company, i.e. GSMB Technical Services (Pvt) Limited is the Auditor General's Department, consolidation of accounts will be prepared once Company Registrar and the Tax Department clearance is received to legally change the accounting period of the Subsidiary Company.

1.1.4 Date of Authorization for Issue

The Financial statements were authorized for issue by the Board on 21st February 2019.

1.1.5 Principal activities and nature of operations

To undertake systematic geological mapping of Sri Lanka and preparation of Geological Maps ,To identify and assess the mineral resources of Sri Lanka, To evaluate the commercial viability of mining for, processing and export of such Minerals, To regulate the exploration and mining for minerals and processing, trading in and Export of such minerals by the issue of licenses, To advice the Minister on measures to be adopted for the promotion of the extraction and production of minerals on a commercial basis, To disseminate in appropriate media, information and data acquired during the exercise of functions under the Act; To undertake projects in regard to engineering geology and provide advice and Remedial measures caused in respect of geological hazards and disaster.

1.1.6 Basis of Preparation

(a) Statement of Compliance

The financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements. These statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards issued by the Institute of chartered Accountants of Sri Lanka.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis except where appropriate disclosures are made with regard to fair value under relevant notes.

(c) Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements in order to enhance the understanding of the financial statements of the current period and to improve the inter-period comparability.

Port City Royalty and Treasury Royalty payments had been previously adjusted in the Statement of Financial Position under retained earnings. However the Auditor General had commented that this should be adjusted in the Statement of Financial Performance. Therefore this has been adjusted accordingly under operating expenses. Thus the restated comparative information is given below;

	2017 Actual Rs.	2017 (Restated) Rs.
Income	5,188,535,575.16	5,188,535,575.16
Other Income	100,148,439.17	100,148,439.17
Operating Expenses	(325,780,790.51)	(4,391,480,394.31)
Administration Expenses	<u>(415,920,677.96)</u>	<u>(415,920,677.96)</u>
Operating Profit	4,546,982,545.86	481,282,942.06
Net Finance Income	<u>281,010,362.65</u>	<u>281,010,362.65</u>
Profit Before Tax	4,827,992,908.51	762,293,304.71
Income Tax Expenses	<u>75,714,400.00</u>	<u>75,714,400.00</u>
Profit for the year	<u>4,752,278,508.51</u>	<u>686,578,904.71</u>

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in reporting the Public Sector Accounting Standards volumes I,II and III issued by the Institute of Chartered Accountants of Sri Lanka.

It is also disclosed that when the presentation or classification of items in the financial statements have been amended, comparative amounts have also been reclassified to conform with the current in order to provide a better presentation. Hence **Fixed Assets**, **Current Assets** and **Equity** classification errors have been corrected as per **SLPSAS** and **Treasury guide lines**.

(d) Financial and presentation currency

These financial statements prepared in Sri Lanka Rupees which is the functional and presentation currency of the GSMB.

All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, unless stated otherwise.

(e) Use of Estimates and Judgments

These preparation and presentation of financial statements in conformity with Public Sector Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and estimates. Actual results may differ from these estimates and judgments used.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Information about significant areas of estimates, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements as included in the notes to the financial statements.

1.1.7 Presentation of Budget information in Financial Statements

The Budget that was originally approved by the Board of Directors for the year was amended due to necessities of reallocation within the budget and also in certain instances due to decisions taken to carryout activities of the Bureau.

1.2 ASSETS AND BASIS OF THEIR VALUATION

1.2.1 Property, Plant & Equipment

(a) Recognition and Measurement

Items of property, plant and equipment are stated at cost or at their fair value less accumulated depreciation or impairment losses.

The **Battaramulla** and **Orugodawatta** properties which were shown in the Balance Sheet have been adjusted during the accounting year on a Cabinet Decision.

Similarly Drilling and other consumable items which were previously shown under Plant and Machinery, Drilling Spares and Field Equipment was a classification error and reclassified under Current Assets "Drilling and other Consumable items" during the current financial year.

GSMB considers the minimum value of fixed assets as rupees 5,000, all items of property, plant and equipment are initially recorded at cost less accumulated depreciation or impairment losses. Significant components of an asset are identified and depreciated separately. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity derecognizes the replaced part, and recognizes the new part with its own useful life and depreciation. All other repair and maintenance costs are recognized in the income statement as incurred.

(b) Cost

Cost of Property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for intended use.

Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or increase the earning capacity of the assets have been treated as capital expenditure.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure is capitalized only if it is probable that the future economic benefits embodied within the part will flow to the GSMB and its cost can be measured reliably.

(c) Restoration Costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

(d) Revaluation of certain selected class of assets

The Bureau decided to revalue selected certain class of fixed assets only and initially **Field Equipment** and **Plant and Machinery** were revalued by the Valuation Department Chief Valuer.

However we have written to the valuation department to send us a breakdown of the items valued and since only a summary has been forwarded to GSMB at the

end of this accounting year, necessary entries with regard to assets revalued can be made in the books of accounts only after such details are received.

GSMB will adopt as a policy to revalue such assets every five years and will revalue **Motor Vehicles** and **Communication Equipment** during the course of the next financial year.

(e) Depreciation

Depreciation is charged to the statement of comprehensive income on the straight line method on the cost of all property, plant and equipment other than freehold land, in order to write-off cost of such assets over the following estimated useful lives.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the assets is included in the statement of comprehensive income in the year the asset is derecognized.

The principal annual rates used are:-

Category of Assets	Useful life	Rate of Depreciation
Buildings	20 years	5%
Plant & Machinery	8 years	12.5%
Laboratory Equipment	5 years	20%
Motor Vehicles	5 years	20%
Furniture and Fittings	10 years	10%
Office Equipment	5 years	20%
Field Equipment	5 years	20%
Mapping Equipment	5 years	20%
Communication Equipment	8 years	12.5%
Library Books and Maps	20 years	5%

1.2.2 Work In Progress

Construction work at the **Werellawatte** site, laboratory building work at **Pitakotte**, regional office in **Anuradhapura**, regional office work in **Rathnapura** and regional office work in **Polonnaruwa** have not been fully completed. Therefore we have obtained a certificate confirming the percentage of completion and the value at each construction site from a qualified Civil Engineer Mr. K.A. Munasinghe, (Chartered Engineer) as at the end of the accounting year.

1.2.3 Inventory

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course business less estimated costs of completion and selling expenses. The cost includes expenditure in acquiring the inventories and bringing them to the existing location and condition less impairment of obsolete and slow moving items. GSMB is using the first in first out method when issuing stocks.

It is also disclosed that last year certain Drilling and Consumable items were erroneously classified under “Consumable items”, and the classification error has now been corrected.

1.2.4 Impairment of Assets

The carrying amounts of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

1.2.5 Financial Assets

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when and only when, GSMB has a legal right to offset the amounts the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Financial assets of GSMB include cash and short-term investments and trade and other receivables.

(a) Loans and receivables

Loans and receivables comprise trade receivables, employee loans, deposits, advances, other receivables and cash and cash equivalents.

GSMB continues to record and present employee loans at contracted amounts.

(b) Held to Maturity Investments (HTM)

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the GSMB has the positive intention and ability to hold them to maturity. Investments in government securities and in fixed deposits have been classified under HTM investments.

1.2.6 Impairment of Financial Assets

GSMB assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired and if such impairment has occurred, that amount of impairment is calculated by taking the difference between the asset’s carrying amount and the present value of estimated future cash flows.

1.2.7 Cash and Cash equivalents

Cash and cash equivalents comprise cash in hand and deposits at bank.

1.3 LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date. Non-current liabilities are those balances that fall due for payment after one year from reporting date.

All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the GSMB has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

1.3.1 Provision for Bad and Doubtful Debts

Although the Bureau has limited in entering in to credit transactions, project work that is undertaken on a pre-signed agreement, certain amounts that is due to the GSMB on such contacts are long outstanding and provision has been made for such outstanding amounts using the following criteria.

Debtors Outstanding Amount	Outstanding for less than a year	Outstanding for more than a year and less than two years	Outstanding for more than two years and less than three years	Outstanding for more than three years and less than four years	Outstanding for more than five years
Provision Amount	No Provision	40% of the Debtors Value	50% of the Debtors Value	60% of the Debtors Value	100% Provision

1.3.2 Grants

1.3.2.1 Accounting for Grants

Grants that compensate the GSMB for expenses incurred are recognized as revenue in the statement of comprehensive income in the same period in which the expenses are recognized. Grants that compensate the GSMB for the cost of an asset are recognized in the statement of comprehensive income on a systematic basis over the useful life of the related asset.

1.3.3 Employee Benefits

(a) Provision for retiring gratuity

GSMB has adopted the benefit plan as required under the Payment of Gratuity Act No. 12 of 1983 for all eligible employees. The benefit plan is unfunded. Provision for gratuity is computed by GSMB taking into account the guidance of Public Sector Accounting Standard SLPSAS 19 Employee Benefits.

Defined benefit plans estimate the amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

(b) Defined contribution plans

A defined contribution plan is a post-employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as an expense in the statement of comprehensive income as and when they are due.

(c) Employees' Provident Fund

GSMB and employees contribute 12% and 10% respectively on the salary of such employee to the Employee Provident Fund.

However GSMB has held discussions with the Department of Labour to maintain the correct ratio of employee contributions.

(d) Employees' Trust Fund

GSMB contributes 3% on the salary of each employee to the Employee's Trust Fund.

1.3.4 Trade and Other Payables

Trade and other payables are stated at cost.

1.3.5 Taxation

Provision for taxation has been made on the basis of profit for the year as adjusted for taxation purposes in accordance with the Inland Revenue Act No 10 of 2016 and the new Inland Revenue Act No 24 of 2017. The Bureau is liable for income tax on its total earnings effective from 01.04.2018 and taxes are computed at the rate of 28% for earnings after the effective date.

ESC is payable on the liable income. GSMB has paid all ESC liabilities. ESC is set off against income tax liability.

GSMB is liable to value added tax (VAT) and has complied the provisions of VAT act. VAT payable and/or recoverable amounts are reflected in the Statement of Financial Position

1.3.6 Deferred Taxation

As at the date of the balance sheet there is no differed tax liability.

1.3.7 Foreign Currency Transaction

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rates of exchange prevailing at the time the transactions were affected.

1.3.8 Capital Commitments and Contingent Liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured. Capital commitments and contingent liabilities of the GSMB are disclosed as stated below.

- 1) The Department of Inland Revenue has issued assessments / notices for past years tax delays / defaults on VAT, but this matter has been appealed by GSMB. Since this is still under negotiation, we are not in apposition to assess the exact amount of liability.
- 2) GSMB had rented out premises for the Badulla regional office during the period 2010-2011 and a fire had taken place. The landlord is of the view that the fire took place due to negligence on the part of GSMB and has filed a case in the Badulla District courts under case number M 7523, claiming a sum of rupees 1,136,348 as compensation. However the Attorney General is of the view that GSMB is not liable for the damage caused to the building due to the fire and as the proceedings of this case is still under way, no provision has been made in the books of accounts.

1.4 STATEMENT OF COMPREHENSIVE INCOME

1.4.1 Revenue Recognition

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

(b) Interest Income

Interest income is recognized on a time proportion basis that takes into accounts effective yield on the assets.

(c) Other Income

Other income is recognized on accrual basis.

Net gains and losses of a revenue nature on the disposal of property, plant & equipment and other non current assets have been accounted for in the income statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

(d). Government Grants

Government grants related to development activities which can be treated in the nature of revenue and differed revenue are accounted under the income approach.

(e) Royalty Income

Port City Royalty is a book entry between the Ministry of MegaPolis and Western Development and the Ministry of Mahaweli Development and Environment and there have been no liquid cash transactions in this regard during the accounting year under review.

(f) Investment Income

Dividend income was received from the subsidiary company as a dividend of rupees 10 per share was declared during the year.

1.4.2 Expenditure

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

1.5 CASH FLOW STATEMENT

Cash Flow statement has been prepared in accordance with SLPSAS 2.

Interest paid is classified as operating cash flow and interest received is classified as investing cash flow.

1.6 EVENTS AFTER THE REPORTING DATE

The materiality of events occurring after the reporting date is considered and appropriate adjustments wherever necessary are made in the accounts.

No circumstances have arisen since the reporting date which requires material adjustments or disclosure in the financial statements.

1.7 RELATED PARTY TRANSACTIONS

No Director(s) is interested in contracts and /or proposed contracts with the Bureau as at the reporting date. However the Chairman of GSMB is also the Chairman of the Subsidiary Company (GSMB Technical Services Pvt. Ltd). Senior Mining Engineer of GSMB is a Board Director of SLRDC; (i.e. a Public Institution).

1.7.1 Fair Value or Revaluation as Deemed Cost

Freehold property, plant and equipment are carried in the statement of financial position prepared in accordance with the SLPAS, using the cost modal. The GSMB has not elected to use the fair value as deemed cost.

1.7.2 Significant Accounting Judgment, Estimates and Assumptions

Standards issued and effective during the year have been adopted by the GSMB when presenting the Financial Statements.

STATEMENT OF FINANCIAL POSITION

GEOLOGICAL SURVEY AND MINES BUREAU
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 ACTUAL Rs.	2017 ACTUAL Rs.
ASSETS			
Non Current Assets			
Property, Plant & Equipments	1	232,550,710.22	456,925,091.72
Working Progress	2	15,930,903.41	2,102,992.40
Total Non - Current Assets		248,481,613.63	459,028,084.12
Investment	3	4,000,000.00	4,000,000.00
Current Assets			
Inventory	4	28,389,287.00	29,674,914.65
Trade & Other Receivables	5	402,265,511.61	163,322,976.28
Fixed Deposits	6	3,006,055,847.12	2,615,685,616.82
Cash & Cash Equivalent	7	69,533,328.30	63,869,201.18
Total Current Assets		3,506,243,974.04	2,872,552,708.93
Total Assets		3,758,725,587.67	3,335,580,793.05
EQUITY & LIABILITIES			
Equity			
Capital Contributed By Treasury (Consolidated)	8	27,652,883.05	27,652,883.05
Capital Contributed By Treasury (Departmental)	9	1,746,725.68	1,746,725.68
Capital Contributed By Treasury (Capital)	10	68,916,655.00	68,916,655.00
Revaluation Reserves	10A	129,978,094.46	129,978,094.46
Retained earnings	11	2,548,478,323.17	2,331,388,487.40
Total Equity		2,776,772,681.36	2,559,682,845.59
Remittance Received (Overcies)	12	10,688,163.25	13,691,615.02
Distress & Employee Benefit Account	13	30,052,605.60	28,109,799.00
Non Current Liabilities			
Provision on Gratuity	14	137,248,877.00	118,775,502.50
Current Liabilities			
Creditors and Payables	15	365,596,268.11	277,708,812.67
Other Payables	16	438,366,992.35	337,612,218.27
		981,952,906.31	615,321,030.94
Total Equity & Liabilities		3,758,725,587.67	3,335,580,793.05

STATEMENT OF FINANCIAL PERFORMANCE

GEOLOGICAL SURVEY AND MINES BUREAU
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Note	2018 ACTUAL Rs.	2017(Restated) ACTUAL Rs.
Income	17	4,812,776,182.27	5,188,535,575.16
Other Income	18	105,835,411.02	100,148,439.17
Operating Expenses	19	(4,200,324,820.68)	(4,391,480,394.31)
Administration Expense	20	(470,050,746.43)	(415,920,677.96)
Operating Profit		248,236,026.18	481,282,942.06
Net Investment Income	21	323,407,256.13	281,010,362.65
Profit Before Tax		571,643,282.31	762,293,304.71
Income Tax Expenses	22	180,623,742.47	75,714,400.00
Profit for the Year		391,019,539.84	686,578,904.71

NOTES TO THE FINANCIAL STATEMENTS

GEOLOGICAL SURVER & MINES BUREAU

Note 01

Property, Plant & Equipments

	Balance as at 01.01.2018 Rs.	Additions during the Year Rs	Disposal Items Rs	Balance as at 31.12.2018 Rs.
At Cost				
Land Fencing	639,713.50	-	-	639,713.50
Land	215,395,508.75	-	199,962,532.96	15,432,975.79
Building	77,724,358.78	423,062.50	-	78,147,421.28
Building Partioning	19,100,313.56	5,521,963.35	-	24,622,276.91
Plant & Machinery	90,508,451.90	855,239.13	5,049,288.16	86,314,402.87
Motor Vehicles	237,465,299.00	-	-	237,465,299.00
Mapping Equipment	9,361,968.44	-	258,584.00	9,103,384.44
Drilling Spares	27,509,264.60	4,459,314.03	1,825,999.84	30,142,578.80
Lab Equipment	207,542,036.30	551,940.00	610,022.00	207,483,954.30
Field Equipment	13,422,243.16	632,627.96	438,889.83	13,615,981.29
Office Equipment	147,725,209.09	29,040,953.08	18,367,282.02	158,398,880.15
Communication Equipmnet	7,798,584.79	1,744,391.50	303,220.00	9,239,756.29
Furniture & Fittings	23,201,007.22	10,023,060.72	59,600.00	33,164,467.94
Maps	475,824.75	-	-	475,824.75
Library Books	29,153,575.90	-	-	29,153,575.90
Museum Items	812,055.87	525,000.00	-	1,337,055.87
	1,107,835,415.61	53,777,552.27	226,875,418.81	934,737,549.08

	Balance as at 01.01.2018 Rs.	Charge for the year Year Rs	Disposal Items Rs	Balance as at 31.12.2018 Rs.
Depreciation				
Land Fencing	624,080.65	15,630.85	-	639,711.50
Building	52,222,637.96	2,275,774.62	-	54,498,412.58
Building Partioning	11,248,344.76	3,792,060.30	-	15,040,405.06
Plant & Machinery	57,608,621.44	7,694,548.43	4,894,997.61	60,408,172.26
Motor Vehicles	195,615,132.19	17,607,973.13	-	213,223,105.32
Mapping Equipment	8,799,674.07	220,564.43	258,582.86	8,761,655.64
Drilling Spares	16,660,940.30	2,705,207.32	1,485,150.23	17,880,997.39
Lab Equipment	143,369,496.10	27,274,235.20	610,017.30	170,033,714.00
Field Equipment	11,813,608.34	904,217.02	438,824.71	12,279,000.65
Office Equipment	123,983,598.97	10,546,432.89	18,199,337.97	116,330,693.89
Communication Equipment	4,479,636.85	846,600.26	266,334.78	5,059,902.33
Furniture & Fittings	9,976,380.78	2,396,642.34	-	12,373,023.12
Maps	288,589.55	23,791.20	-	312,380.75
Library Books	14,219,581.93	1,126,082.44	-	15,345,664.37
	650,910,323.89	77,429,760.43	26,153,245.46	702,186,838.86

Net Book Value 456,925,091.72 232,550,710.22

Note 02

Working Progress

Note 02

Working Progress

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Proposed Stores Complex at Werrellawatta	8,729,973.28	
Proposed Building at Yakkala Regional Office	578,585.00	-
Proposed GPR/ERP System	-	1,505,000.00
Proposed Building For Laboratory at Pitakotte	1,405,348.35	143,145.00
Pitakotte Building Develpment	-	
Proposed Building -Regional Office Anuradhapura	4,156,848.00	-
Proposed Building -Regional Office Rathnapura	486,446.40	454,847.40
Proposed Regional Office -Polonnaruwa	573,702.38	
		-
Working Progress	15,930,903.41	2,102,992.40

Note 03

Investments

Investment	4,000,000.00	4,000,000.00
	4,000,000.00	4,000,000.00

Note 04	2018	2017
Inventory	ACTUAL	ACTUAL
	Rs.	Rs.
Stationary	2,853,049.98	2,564,773.25
Consumable Item	10,970,107.91	17,694,287.50
Book Licence	99,643.20	8,747,326.60
Library Books	635,303.24	635,303.24
Maps	33,224.06	33,224.06
Hardware Items For Projects	-	-
Drilling & Other Consumable Items	13,797,958.61	0.00
Inventory	28,389,287.00	29,674,914.65

Note 5
Trade & Other Receivables

Rent Advance- Building	3,414,718.75	2,310,500.00
Advance & Loan (Advance 'B)	208,775.26	208,775.26
Building Deposit	141,000.00	141,000.00
Advance Paid For Local Purchases	5,083,033.17	1,296,515.57
Advance Paid for Field Officers	3,965,313.88	2,168,590.88
Special Advance	9,400.00	7,100.00
Festival Advance	45,700.00	65,250.00
Advance paid for Regional Office	0.00	2,289,300.00
Advance Paid for Other Employees	5,104,791.05	-
Advance Paid For Foreign Journals	31,050.00	14,850.00
Debtors - Project	20,514,184.01	3,324,590.56
Debtors - Chemical Analysis	149,917.50	149,917.50
Debtors - Return Cheques	2,834,994.04	140,314.48
Sundry Debtors	985,027.18	1,745,878.07
G.S.T. Recoverable	973,143.00	973,143.00
Debtors - Insurance Claim	(55,471.94)	-
Disposal of Assets	(8,679.96)	(0.00)
Debtors - H & S Insurance Claim	222,707.35	113,732.35
Debtors - Debit Notes	90,796.80	90,796.80
Transfer of Funds	-	(0.00)
S Vat Customers	2,624,424.92	-
W.H.T. Receivable from Bank	0.00	-
E.S.C. Receivable	13,133,185.00	(0.00)
With Holding Tax on Royalty (Minus)	0.00	-
Staff Loan (Distress) Comb.	46,071,519.25	58,627,459.42
Tsunami Loan	82,706.72	132,330.68
Deposit for Water	8,500.00	8,500.00
Deposit for Fuel	348,000.00	248,000.00
Deposits Sundry	86,500.00	86,500.00
Deposit For Regional Office Buildings	840,000.00	840,000.00
Interest Receivable on F/D B.O.C.	8,400,383.56	(0.00)
Interest Receivable on F/D Sampath Bank	0.00	0.00
Interest Receivable on F/D Peoples Bank	539,383.56	0.00
Receivable Interest on Treasury Bills	3,850,318.90	3,169,063.31
Int.Receivable PPLS Bank Galle Road	73,871,557.40	78,771,040.89
Prepayments for sundry expenses	8,698,632.22	6,399,827.51
Prepayments Treasury Contribution	200,000,000.00	-
	402,265,511.61	163,322,976.28

Note 6
Fixed Deposits

Fixed Deposit Bank of Ceylon	362,000,000.00	0.00
Treasury Bills	299,014,127.33	275,406,691.58
Fixed Deposit Peoples Bank Galle Road Dehiwela	1,985,766,263.64	2,155,670,528.08
State Institutions temporary surplus Trust	7,943,836.71	7,478,142.37
Fixed Deposit Peoples BNK on Gratuity Provision	156,173,139.93	141,389,772.03
Fixed Deposit Peoples Bank Galle Rd.-For GSN FUND	8,426,550.90	7,631,551.92
FD-GSMB Distress Fund- PPLs Bank Pitakotte	31,731,928.61	28,108,930.84
Fixed Deposit -Nomal -PPLS Bank Pitakotte	155,000,000.00	0.00
Fixed Deposits	3,006,055,847.12	2,615,685,616.82

Note 7	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Cash & Cash Equivalents		
Commercial Bank Current A/C	11,243,187.66	4,427,628.67
Bank Of Ceylon Current A/C	728,951.62	5,604,511.35
Sampath Bank Current A/C	4,786,607.03	3,997,372.21
Peoples Bank Wellawatte Current A/C	25,000.00	677,353.24
Peoples Bank Matara Current A/C	457,627.93	2,981,718.68
Sampath Bank G.S.N. Station Cu.A/C	2,065,861.15	1,505,627.47
Peoples Bank Galle Rd,Dehiwela. Current A/C	38,130,826.66	43,097,941.40
Peoples Bank - Pitakotte	529,605.40	10,868.16
GSMB Savings Ac-337-2-001-7-6137984 Peoples Bank Galle Rd	10,328,032.74	0.00
Stamp Imprest - Admin.	36,650.00	54,180.00
Petty Cash Imprest - Wijitha	49.60	12,000.00
Petty Cash Imprest - Kandy	74,082.00	125,000.00
Petty Cash Imprest - Matara	70,165.00	65,000.00
Petty Cash Imprest - Kurunegala	50,305.00	140,000.00
Petty Cash Imprest - Anuradhapura	184,435.33	100,000.00
Petty Cash Imprest - Badulla	105,585.47	150,000.00
Petty Cash Imprest - Polonnaruwa	46,324.00	100,000.00
Petty Cash Imprest - Rathnapura	21,018.00	80,000.00
Petty Cash Imprest - Ampara	96,790.00	90,000.00
Petty Cash Imprest - Monaragala	144,270.00	110,000.00
Petty Cash Imprest - Hambanthota	44,699.74	100,000.00
Petty Cash Imprest - Jaffna	36,480.76	80,000.00
Petty Cash Imprest - Trincomalee	39,468.00	80,000.00
Petty Cash Imprest - Batticolo	130,000.00	60,000.00
Petty Cash Imprest - Kaluthara	76,562.00	90,000.00
Petty Cash Imprest - Gampaha	49,745.01	90,000.00
Petty Cash Imprest - Hasalaka	20,000.00	20,000.00
Petty Cash Imprest - Colombo	10,996.20	20,000.00
	69,533,328.30	63,869,201.18
Note 08		
Capital Contributed By Treasury (Consolidated)		
This represent the total net value of Assets transferred from Geological Dept (GSD) to GSMB in 1993		
Capital Contributed By Treasury (Consolidated)	27,652,883.05	27,652,883.05
Note 09		
Capital Contributed By Treasury (Departmental)		
GSMB had to use funds allocated for GSD at the initial stage This represent such funds use by GSMB		
Capital Contributed By Treasury (Departmental)	1,746,725.68	1,746,725.00
Note 10		
Capital Contributed By Treasury (Capital)		
This represent the capital grants received by the GSMB from 1993 to 2001		
Capital Contributed By Treasury (Capital)	68,916,655.00	68,916,655.00
Note 10 A		
Revaluation Reserve	129,978,094.46	129,978,094.46
Revaluation Reserve		
Note 11		
Retained Earning	2018	2017
Retained Earnings	3,633,241,592.13	3,120,592,391.49
Add. Income Over Expenditure	391,019,539.84	686,578,904.71
Less. Grant given to Trea	(1,475,782,808.80)	(1,475,782,808.80)
	2,548,478,323.17	2,331,388,487.40
Note 11 A	2018	2017
Treasury Transferred up to 31-12-2016		1,010,235,812.00
Treasury Grants given from Port City Income -2017	2,221,194,662.40	3,031,246,600.60
Treasury Grants given by Cheque - 2017	1,500,000,000.00	1,500,000,000.00
	3,721,194,662.40	5,541,482,412.60
Note 12		
Remittance Received (Overseas) (Foreign Grants)		
GSMB received AUSAID from the GOVT Of Australia to purchase Computers in the year 2001 and below grants received from United States of America and International Atomic Energy Agency in Vienna during the year. This represent the value of such grants.		
Remittance Received (Overseas) (Foreign Grants)	10,688,163.25	13,691,615.02
Item	Donated by	
DC Power Monitor / CISCO 890 Router	United States Of America	
XRF Spectrometer	International Atomic Energy Agency (IAEA) in Vienna	
Mobile Radiation System	International Atomic Energy Agency (IAEA) in Vienna	
Note 13		
Distress & Employee Benefits Account		
This is funded by welfare Activities and the amount recovered from incentive payment to staff.		
Distress & Employee Benefits Account	30,052,605.60	28,109,799.00

Note 14**Gratuity**

Provision has been made for retiring gratuity Payable under gratuity Act No. 12 of 1983. The liability to an employee arises only on completion of 5 years of continued service.

Gratuity Provision (Long Term Liability)	137,248,877.00	118,775,502.50
	<u>137,248,877.00</u>	<u>118,775,502.50</u>

Note 15**Creditors and Payables**

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Staff Salary Payble	35,165.00	0
Mobitel Pvt. Ltd	(761,657.60)	
Mobitel Pvt. Ltd		(120,392.70)
Unpresented Cheques	1,014,588.92	1,274,420.00
Sundry creditors	1,000.00	1,000.00
creditors on purchasing	7,531,659.57	4,295,403.27
Gratuity Payable (Over 55 Years Age)	25,642,236.00	22,614,270.00
E.P.F. Payble	6,301,434.84	2,790,527.59
E.T.F. Payble	859,286.56	380,526.51
Inland Revenus - Sramp Duty	4,806,459.78	4,395,522.43
Payee Tax Payble	38,916.85	126,808.07
V.A.T. Payble	44,133,929.91	37,611,381.33
E.S.Charges Payble	3,479,615.00	3,460,034.00
N.B.T. Payble	9,295,513.60	8,545,430.09
Income Tax Payble	94,863,340.38	34,125,230.00
S.V.A.T.Payble	2,624,424.92	-
With Holding Tax Payble	385,898.01	-
Accrued Exp.on Electricity	695,670.30	1,312,328.21
Accrued Exp. On Telephone	1,085,447.12	1,992,070.62
Accrued Exp on Cleaning	829,775.00	742,620.83
Acrued Exp. On Security	5,682,423.37	6,452,559.63
Accrued exp on Building rent	495,624.74	407,604.03
Accrued Exp. On Water	29,485.00	78,820.29
Accrued Exp. On Audit Fee	3,574,000.00	4,100,000.00
Accrued Exp on Incentive	124,217,395.71	127,875,289.63
Accrued Sundry Expenses	25,007,438.58	15,247,358.84
Provision For Bad Debts	3,727,196.55	
Total	<u>365,596,268.11</u>	<u>277,708,812.67</u>

Note. 16**Other Paybles**

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Advance Received On Project		1,614,811.30
Advance Received on Chemical Analysis	479,000.01	24,000.00
Advance Received On Expoet Of Sample		
Advance on I.E.E.R	137,685.00	137,685.00
Advance On G.S.N Station 17A	10,703,147.66	9,137,179.39
Advance Received on Printing Tc s		
Advance received on Pettrological Lab	276,000.00	782500
Advance Received on Exploration Licence	21,730,232.83	17,794,232.83
Advance Received on IML . A.	36,137,814.60	25,884,875.63
Advance Received On I.M.L. - B	35,233,499.76	31,648,207.86
Advance Received on I.M.L. - C	7,007,741.88	6,937,839.91
Advance Received on R.M.L.		
Advance Received on A.M.L. - A	11,929,459.69	11,594,497.45
Advance Received on A.M.L. - B	7,609,358.82	6,879,246.45
Advance Received on T.D.L. - A	232,900.36	175,150.36
Advance Received b on T.D.L. - B	7,453,004.44	5,606,923.48
Advance Received on T. D. L. - C	16,496.57	18,696.55
Advance Received on T.P. L.		
Excess Money On Mining Licence	41,522.88	41,321.03
Advance Received on Royalty	195,672,322.85	149,403,876.03
Bank Gurantee Received from Banks	101,955,175.00	69,898,675.00
Bank Gurantee Amount Assign For Rehabilitation	1,745,630.00	
Refundable Deposit	6,000.00	32500
Total	<u>438,366,992.35</u>	<u>337,612,218.27</u>

Note 17	2018	2017
Income	ACTUAL	ACTUAL
	Rs.	Rs.
Royalty 17 A	4,336,254,835.78	4,626,025,318.08
Licence Fee 17B	182,010,668.01	275,649,686.79
Inspection (Mineral Exploration) 17C	243,540,031.79	260,394,886.53
Lab 17D	4,106,800.00	2,566,300.00
Project 17E	46,863,846.69	23,897,133.76
	<u>4,812,776,182.27</u>	<u>5,188,533,325.16</u>

17A**Royalty**

Royalty - Building material	3,643,932,896.07	3,916,362,415.94
Royalty - Industrial Minerals	520,229,459.92	512,909,044.12
Royalty on Precious Metals	0.00	2,250.00
Previous - Building Material	128,392,241.07	141,958,742.30
Penalty - Building Materila	36,846,830.22	48,573,973.12
Penalty - Industrial Mineral	1,434,752.16	2,319,469.47
Penalty on Precious Metal	0.00	450.00
Total	<u>4,336,254,835.78</u>	<u>4,626,025,318.08</u>

Note 17A	2018	2017
Income	ACTUAL	ACTUAL
	Rs.	Rs.
<u>ROYALTY ON BUILDING MATERIALS</u>		
Royalty on Aggregate - AGG	210,068,593.20	259,919,312.04
Royalty on Brick Clay - BRC	9,156,962.96	6,918,145.20
Royalty on Cement Clay - CEM	0.00	0.00
Royalty on Dimension Stone - DIS	43,249,247.10	34,246,162.58
Royalty on Dolomite - DOL	3,822,889.44	3,849,073.44
Royalty on Gravel - GRA	81,010,828.57	53,265,159.28
Royalty on Laterite - LAT	0.00	0.00
Royalty on Limestone - LIS	5,730,422.50	4,763,434.97
Royalty on Sand - SAN	14,335,526.60	10,180,111.37
Royalty on Tile Clay - TIO	0.00	31,410.00
Royalty - Sea Sand - SSND	2,313,494,346.49	2,506,699,511.60
Royalty - Inland Sand - ISND	204,523,478.86	165,314,068.55
Royalty - River Sand - RSND	635,356,438.47	799,573,899.10
Royalty - Process Sand - PSND	123,184,161.88	71,602,127.81
Total	3,643,932,896.07	3,916,362,415.94
<u>ROYALTY ON INDUSTRIAL MINERALS</u>		
Royalty on Allanite - ALA	0.00	0.00
Royalty on Apatite - APA	29,313,088.64	23,362,075.91
Royalty on Ball Clay - BAL	2,604,120.00	5,984,765.36
Royalty on Calcite - CAL	1,467,198.00	1,640,491.92
Royalty on Ceramic Clay - CEC	0.00	32,000.00
Royalty on Coral - COR	16,200.00	12,870.00
Royalty on Dolomite - DOM	608,231.31	920,274.28
Royalty on Feldspar - FEL	2,290,946.59	3,842,948.81
Royalty on Fluorspar - FLU	0.00	0.00
Royalty on Garnet - GAR	8,271.64	0.00
Royalty on Graphite - GRP	60,357,227.83	49,798,292.67
Royalty on Ilmenite - ILM	92,034,090.35	75,969,753.50
Royalty on Kaolin - KAO	2,705,031.17	3,064,573.05
Royalty on Limestone - LIM	127,797,741.39	145,501,621.50
Royalty on Mica - MIC	7,657,695.30	7,048,940.00
Royalty on Monazite - MON	0.00	0.00
Royalty on Silica Sand (SLS)	1,411,192.68	1,263,084.73
Royalty on Rutile - RUT	27,568,278.99	16,734,677.63
Royalty on Salt - SAL	0.00	0.00
Royalty on Shell Beds - SHE	609,024.00	1,150,307.68
Royalty on Zircon - ZIR	33,542,850.54	37,244,694.75
Royalty on Quartz - QUZ	130,238,271.49	139,335,222.33
Royalty on Granite - GRN	0.00	2,450.00
Total	520,229,459.92	512,909,044.12
<u>ROYALTY ON PRECIOUS METALS</u>		
Royalty on Gold - GOL	0.00	2,250.00

GEOLOGICAL SURVER & MINES BUREAU

ROYALTY - PREVI. YEAR ROY. ON BUILDING MATERIALS

Previ.Year Roy.on Aggregate - AGG	108,021,763.69	121,338,950.90
Previ.Year Roy.on Brick Clay - BRC	77,627.76	76,116.53
Previ.Year Roy.on Cement Clay - CEM	0.00	0.00
Previ.Year Roy.on Dimension Stone	28,200.00	0.00
Previ.Year Roy.on Dolomite - DOL	1,946,443.45	1,512,072.00
Previ.Year Roy.on Gravel - GRA	2,801,719.32	1,976,016.90
Previ.Year Roy.on Laterite - LAT	0.00	0.00
Previ.Year Roy.on Limestone - LIS	100,710.90	0.00
Previ.Year Roy.on Sand - SAN	522,008.64	361,302.03
Previ.Year Roy.on Tile Clay - TIO	0.00	0.00
Previ.Year Roy. Sea Sand -SSND	5,835,641.60	7,269,932.80
Previ.Year Roy. Inland Sand - ISND	477,768.00	901,326.20
Previ.Year Roy. River Sand - RSND	8,580,357.71	8,490,352.94
Previ.Year Roy. Process Sand - PSND	0.00	32,672.00
Total	128,392,241.07	141,958,742.30

Royalty - Previous Year Industrial Mineral

Previ.Year Roy.on Apatite - APA	0.00	0.00
Previ.Year Roy.on Ball Clay - BAL	1,262,554.10	803,222.13
Previ.Year Roy.on Calcite - CAL	236,760.00	650,404.21
Previ.Year Roy.on Ceremic Clay - CEC	0.00	0.00
Previ.Year Roy.on Coral - COR	0.00	0.00
Previ.Year Roy.on Dolomite - DOM	720,659.36	370,371.11
Previ.Year Roy.on Feldspar - FEL	975,458.54	886,744.64
Previ.Year Roy.on Fluorspar - FLU	0.00	0.00
Previ.Year Roy.on Graphite - GRP	0.00	0.00
Previ.Year Roy.on Ilmenite - ILM	0.00	0.00
Previ.Year Roy.on Kaolin - KAO	1,057,455.30	195,060.18
Previ.Year Roy.on Limestone - LIM	0.00	0.00
Previ.Year Roy.on Mica - MIC	0.00	0.00
Previ.Year Roy.on Monazite-MON	0.00	0.00
Previ.Year Roy Silica Sand - SLS	925,268.22	927,165.66
Previ.Year Roy.on Galss & Quart - QUZ	231,125.82	12,150.00
Previ.Year Roy.on Shell Beds - SHE	0.00	0.00
Previ.Year Roy.on Zircon - ZIR	0.00	0.00
Previ. Year Roy. on Granite -GRN	9,375.00	53,855.20
Total	5,418,656.34	3,898,973.13

PENALTY ON ROYALTY - BUILD.MATERIALS

Penalty on Roy.- Aggregate AGG	28,628,303.79	32,676,714.82
Penalty on Roy.- Brick Clay - BRC	43,681.90	34,514.81
Penalty on Roy.- Cement Clay - CEM	0.00	0.00
Penalty on Roy.- Dimension Stone DIS	960.00	0.00
Penalty on Roy.- Dolomite - DOL	508,957.89	578,903.88
Penalty on Roy.- Gravel - GRA	1,309,870.58	1,281,691.61
Penalty on Roy.- Laterite - LAT	0.00	0.00
Penalty on Roy.- Limestone - LIS	153,526.42	3,753.50
Penalty on Roy.- Sand - SAN	268,147.63	522,133.73

Penalty on Roy.- Tile Clay - TIO	0.00	0.00
Penalty on Roy.- Stone - STO	0.00	0.00
Penalty on Roy Sea Sand SSND	0.00	10,240.00
Penalty on Roy Inland Sand - ISND	432,354.59	7,632,786.02
Penalty on Roy River Sand - RSND	5,317,737.15	5,764,211.17
Penalty on Roy Process Sand - PSND	183,290.27	69,023.58

Total	36,846,830.22	48,573,973.12
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PENALTY ON ROYATY INDUST.MINERALS

Penalty on Roy.- Apatite - APA	0.00	0.00
Penalty on Roy.- Ball Clay - BAL	489,810.78	787,413.76
Penalty on Roy.- Calcite - CAL	125,050.37	177,285.71
Penalty on Roy.- Ceremic Clay - CEC	0.00	0.00
Penalty on Roy.- Coral - COR	0.00	0.00
Penalty on Roy.- Dolomite - DOM	183,787.70	163,408.37
Penalty on Roy.- Feldspar - FEL	97,376.44	565,572.24
Penalty on Roy.- Fluorspar - FLU	0.00	0.00
Penalty on Roy.- Garnet - GAR	0.00	0.00
Penalty on Roy.- Graphite - GRP	0.00	0.00
Penalty on Roy.- Ilmenite - ILM	0.00	0.00
Penalty on Roy.- Kaolin - KAO	64,318.00	40,797.09
Penalty on Roy.- Limestone - LIM	0.00	0.00
Penalty on Roy.- Mica - MIC	0.00	0.00
Penalty on Roy.- Monazite -MON	0.00	0.00
Penalty on Roy. Silica Sand -SLS	372,885.51	535,173.34
Penalty on Roy.- Glass & Quart - QUZ	86,148.36	3,596.40
Penalty on Roy.- Rutile - RUT	0.00	0.00
Penalty on Roy.- Shell Beds - SHE	0.00	0.00
Penalty on Roy.- Zircon - ZIR	0.00	0.00
Penalty on Roy. Granite -GRN	15,375.00	46,222.56

Total	1,434,752.16	2,319,469.47
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PENALTY ON ROYALTY - PRECIOUS.MATERIALS

Penalty on Roy.- Gold - GOL	0.00	450.00
Total		450.00

17 B**LICENCE INCOME**

Exploration License	6,247,000.00	5,837,000.00
Industrial Mining License A	23,060,000.00	144,248,643.80
Industrial Mining License B	14,752,000.00	14,532,000.00
Industrial Mining Licence - C	1,840,000.00	2,348,000.00
Reserved Mineral M. Licence	0.00	0.00
Artisanal Mining Licence - A	4,548,000.00	4,203,000.00
Artisanal Mining Licence - B	3,058,750.00	2,538,750.00
Trading Licence - A	75,000.00	90,000.00
Trading Licence - B	18,485,000.00	13,885,000.00
Trading Licence - C	6,000.00	5,000.00
Transport Licence	72,768,838.01	63,826,342.99
Artisanal Mining Licence B for Gold	0.00	0.00

Hardware Transport Licence	33,947,280.00	21,224,950.00
Exports License	3,222,800.00	2,911,000.00
Total	182,010,668.01	275,649,686.79

17 C**Inspection (Reserve Estimation and Mineral Explration)**

Inspection Charges	215,571,709.99	231,933,991.74
Major Site Special Inspection	15,698,000.00	15,782,150.00
Special Inspection on IML A	802,500.00	790,000.00
Special Inspection on IML B	7,765,092.30	8,155,824.79
Special Inspection on IML C	2,232,680.18	3,081,000.00
Special Inspection on AML A	1,409,049.32	508,420.00
Special Inspection on AML B	61,000.00	143,500.00
Monitoring Charges on Exploration		
Total	243,540,031.79	260,394,886.53

17 D**Laboratory Income**

Sample Testing Income - Lab	2,247,300.00	1,582,000.00
Petrology Lab Income	1,859,500.00	984,300.00
Total	4,106,800.00	2,566,300.00

17 E**Project Income**

Project Income - Proj.Habarana Huruluwewa	0.00	2,082,815.00
Project Income -Proj.Drill.Allee-Galewela	0.00	0.00
Project Incomr -Drilling Warakapola project	0.00	0.00
Project Income - GS-Min Ex Uwa Cen. Kandy	0.00	0.00
Project Income.- Mulathive GS-Min-Ex 2014	0.00	0.00
Project Income- East.min snd sv Pothuwil Amp	0.00	0.00
Proj. Income -.Gs.Drill/Aluketiya-MRL-2015	0.00	0.00
Project Income - Drill.Melsiripura-Plumbago 2015	0.00	0.00
Project Income - Chunnakulam-Jaffna -2015	0.00	0.00
Project Income - Drill-Battaramulla-2015	0.00	0.00
Project Income -Gs MinEx Clay Poonarien 2015	0.00	1,990,142.60
Project Income- - Jaffna -2016 C.E.B.	0.00	0.00
Project Income - Gphy Invest.-Getamanna -Maga Eng.	0.00	0.00
Project Income Kaluganga Moragahakanda WRDI	0.00	1,142,850.00
Project Income Poonarin Tokyo Cement -2016	6,279,748.00	4,289,400.00

Project Income -Ragala Nawalapitiya CEB -2016	0.00	637,000.00
Project Income -Highway Drill Meerigama -Neat Soliution	426,090.36	2,454,803.03
Project Income -Drill Deniyaya Hospitle Proj.	0.00	241,691.75
Project Income-Drill Padukka -Acess Eng.2016	0.00	440,030.54
Project Income -Jaffna Silica Sand MGM Mines-2017	2,096,551.03	1,704,361.46
Project Income Drilling Pathakada -Lankan Resources 2017	0.00	5,042,855.00
Project Income - Glass Sand Survey . M.G.M. Mines	0.00	0.00
Project Income - Deniyaya -Minis. of law order deve. 2017	0.00	945,500.00
Project Income - Drill Dodangaslanda - R.S. Mines	3,191,500.00	2,409,000.00
Project Income Jaffna Kilinochchi CMEC BPPE	0.00	516,684.38
Project Income - Drilling Thalagala -Modern Pack Lanka	356,000.00	0.00
Project Income - Drill. Dedduwa Southern Development Board	4,010,155.00	0.00
Project Drill Ball Clay -Akuressa Royal Ceramic	945,291.45	0.00
Project Drill -Balangoda Lanka Ceramic	619,579.99	0.00
Project Income -Sigiriya Stage 1 - CCF 2017	419,784.37	0.00
Project Income - Sigiriya stage 2 -CCF 2017	1,977,093.75	0.00
Project Income Sigiriya Stage 3 - CCF 2017	868,490.62	0.00
Project Income Sigiriya Stage -4 CCF 2017	1,066,640.26	0.00
Project Income - Heath Serv. Southern Prov.Elpititiya-2018	590,637.48	0.00
Project Income - Health Serv. Sourthern Prov. Balapitiya -2018	517,049.99	0.00
Project Income -Geo.Tech.Drill.NilWala - Matara-2018-Jagath	19,706,734.44	0.00
Project Income-Drill Lime stone Mannar- C G Cement	3,792,499.95	0.00
Total	46,863,846.69	23,897,133.76

Note 18**Other Income**

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Mining Div. Income	76,706,510.07	87,983,150.37
Geology Div. Income	2,774,632.09	1,934,944.42
Miscellaneous Income (Admin Other Income)	26,354,268.86	10,230,344.38
Total	105,835,411.02	100,148,439.17

Note 18 A - Detail of Other Income

Other Income

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
<u>MINING DIV. OTHER INCOME</u>		
Test Blast	4,812,000.00	5,487,000.00
Office Charges on Refund Licence	443,225.00	146,125.00
Technical Services & others	0.00	0.00
Sale of Posters	21,765.00	1,892.00
Transfer Fee _Mining	5,500.00	11,000.00
Mining Income - Sundry	568,356.64	431,083.63
Penalty on not forward Previous Licence	1,024.00	0.00
Penalty on not prev. Licence	45,252,590.77	40,202,937.19
Letter for Exports of sample	53,640.00	73,140.00
Office Charges on Refund Bank Gurantee	615,500.00	302,250.00
Photocopy Charges (Collection)	21,190.00	4,009.00
Traning Course Fee	513,000.60	1,217,644.00
Communication Fee on Exploration Licence	120,000.00	345,000.00
Service Charges on TPL - SLLRDC	3,003,980.42	2,756,478.50
Income From DS Office	18,924,812.64	36,125,251.05
Mine Site Monitoring	0.00	869,340.00
Processing Fee on - IML - A	0.00	0.00
Processing Fee on - IML - B	0.00	6,000.00
Processing Fee on - IML - C	0.00	0.00
Processing Fee on - AML - A	0.00	0.00
Processing Fee on - AML - B	0.00	4,000.00
Mining Licence Detail Board	2,349,925.00	0.00
Total	76,706,510.07	87,983,150.37
<u>GEOLOGY DIV. OTHER INCOME</u>		
Field Supervision - Consultancy	1,318,278.54	584,236.69
Export of Sample Letters	745,964.22	650,750.00
Equipment Hiaring Income	-	-
M.I.Unit Income -Geology	-	-
Inspection Chgs.on Export of Sample -Geology	-	33,500.00
Sundry Income Geology	26,566.33	96,246.53
Sale of Publications - Library	575,673.00	236,921.00
Sale of Maps	108,150.00	333,290.20
Sale of Mineral Boxes	-	-
Membership Fee	-	-
TOTAL	2,774,632.09	1,934,944.42
<u>MICELLANIOUS INCOME (ADMIN OTHER INCOME)</u>		
Supplier Registration	830,000.00	255,000.00
Sundry Income	530,629.94	1,018,844.69
Discount Income	0.00	0.00
Dividends Income	3,440,000.00	2,880,000.00
Suspense A/C	0.01	0.00
Rental Income	0.00	0.00
Profit on Disposal Assets	(151,442.47)	(74,126.72)

Differed Income	3,003,451.77	3,286,892.64
Interest on Staff Distress Loan Comb.	2,166,442.91	2,863,733.77
Interest on FD GSMB Distress Account	1,751,818.80	
Interest Income on FD - Gratuity Account	14,783,367.90	
TOTAL	26,354,268.86	10,230,344.38

Note 19

OPERATING EXPENSES

	2018	2017
	Actual	Actual
RESERCH EXPENSES	7,250.00	
LIBRARY	2,389,387.33	1,882,370.03
GEOLOGICAL DIVISION	54,386,291.72	30,991,586.02
TSUNAMI EXPENSES	4,656,333.49	3,588,927.94
G.F.Z. STATIONS EXPENSES	894,035.63	815,114.20
LABORATORY EXPENSES	15,456,899.96	10,934,404.62
MAPPING GENERAL EXPENSES	21,120.00	-
MAPPING FIELDS EXPENSES	11,000,862.37	3,817,118.56
ISLAND WIDE CONSTRUCTION RAW MATERIAL SURVEY	4,135,448.06	11,858,786.43
RESERCH STUDIES EXPENSES	278,677.00	1,581,928.50
GEOPHYSICAL SURVEYS & INVESTIGATIONS	98,449.50	15,800.00
DRILLING PROJECT FIELD EXPENSES 19 A	22,144,716.99	13,202,794.86
REGIONAL OFFICE EXPENSES 19 B	304,643,830.10	209,433,945.19
MINING DIVISION	3,780,211,518.53	37,673,814.16
	4,200,324,820.68	325,796,590.51

Note . 19 A

DRILLING PROJECT FIELD EXPENSES

	2018 Actual	2017 Actual
Project Kaluganga MoragahakandaO	-	23,056.49
Project -WalleipaduPunarien 2016	-	4,501,341.44
Proj.Hiway Drill.Meerigama	-	952,618.36
Drill Padukka-Access Engineering	-	11,787.85
proj drill Pathakada 2017-Lanka Reso	-	3,273,426.27
Proj.Glass Sand Vallipuram MG Mines 2017	-	1,523,381.53
Proj. Deniyaya -Minis. of law & oder 2017	-	614,582.56
Drilling on Dodangaslanda	1,728,012.69	1,889,630.54
Project Balangoda - Lanka Ceramic	-	255,085.32
Project Drill. Ball clay Akuressa Royal Ceramic -2018	204,693.05	157,884.50
Project Thalagala Moderen Pack Lanka - 2018	195,881.84	-
Project Suthern Development Lanka -Dedduwa -2018	3,959,576.97	-
Project Lanka Ceramic -2018	-	-
Project CCF Sigiriya Stage 1 -2018	129,725.48	-
Project CCF Sigiriya Stage 2 -2018	631,414.02	-
Project CCF Sigiriya Stage 3 -2018	243,311.97	-
Project CCF Sigiriya Stage 4 -2018	261,137.24	-
Dill -Geo. Tech -Elpitiya -Health Service Dept Sp	392,358.85	-
Dill -Geo. Tech - Balapitiya -Health Service Dept Sp	300,273.40	-
Dill -Geo. Tech - Nilwala - Matara 2018 Prof. Gunathilaka	14,098,331.48	-
DRILLING PROJECT FIELD EXPENSES TOTAL	22,144,716.99	13,202,794.86

Note 19 B**REGIONAL OFFICE EXP**

	2018 Actual	2017 Actual
KANDY REG. OFFICE EXPENSES	33,015,899.50	27,136,477.44
REGIONAL OFFICE - MATARA	14,417,652.87	10,361,955.45
REGIONAL OFFICE - KURUNEGALA	26,807,429.28	19,322,103.78
REGIONAL OFFICE - ANURADHAPURA	40,300,950.34	14,814,711.20
REGIONAL OFFICE - BADULLA	22,009,454.87	15,703,920.21
RIGIONAL OFFICE- POLONNARUWA	16,866,826.35	10,386,739.08
REGIONAL OFFICE - RATNAPURA	17,385,182.18	13,283,278.41
REGIONAL OFFICE -AMPARA	12,683,994.29	9,292,342.50
REGIONAL OFFICE - MONARAGALA	15,832,086.49	11,348,795.71
HAMBANTHOTA REGIONAL OFFICE	14,019,116.08	10,377,979.25
KANTHALE REGIONAL OFFICE *	2,284,264.35	2,445,487.29
JAFFNA REGIONAL OFFICE	13,929,522.28	10,809,798.40
TRINCOMALEE REGIONAL OFFICE *	12,973,515.59	10,386,458.04
BATTICALO REGIONAL OFFICE	13,654,337.91	9,294,938.56
KALUTHARA REGIONAL OFFICE	14,631,151.16	10,196,259.75
GAMPAHA - REGIONAL OFFICE	18,122,581.35	12,575,071.11
COLOMBO REGIONAL OFFICE	15,709,865.21	11,697,629.01
Regional Office Total Exp	304,643,830.10	209,433,945.19

*** Note**

Kanthale Sub office also managed by Tricomalee Regional office

Hence Total Tricomalee office exp.

15,257,779.94

12,831,945.33

Note 20

Administration Expenses

	2018 Actual	2017 Actual
PERSONAL EMOLUMENT (Admini Div. Exp)	223,389,422.57	192,735,961.18
CONTRACTUAL SERVICES	23,755,243.25	16,172,089.84
MOTOR VEHICLE EXPENSES	21,413,862.80	16,172,089.84
INSURANCE	11,322,793.71	9,815,813.51
MAINTANANCE EXPENSES	9,115,940.27	4,517,888.70
SERVICES EXPENDITURE	4,531,843.76	2,734,555.07
FINANCIAL EXPENDITURE	46,648.51	12,691.87
TAXES	4,768,982.88	18,288,017.66
YAKKALA STORES COMPLEX EXP.	5,499,527.03	5,269,678.87
OTHER EXPENDITURE - ADMIN	96,741,668.59	97,727,674.66
FINANCE SECTION	12,065,532.24	9,102,833.29
PROCUMENT SECTION	3,618,838.43	2,103,606.95
TRANSPORT SECTION	20,363,872.32	14,891,673.89
STORES SECTION	1,835,363.23	2,088,935.30
INTERNAL AUDIT - SECTION	6,078,538.80	4,134,170.38
LEAGAL SECTION	8,494,806.36	6,081,635.76
GENERAL MANAGER -SECTION	3,227,743.49	3,293,295.61
DIRECTOR GENERAL - SECTION	3,923,476.08	2,401,306.72
CHAIRMAN - SECTION	6,039,752.59	4,607,413.88
MEDIA UNIT	3,816,889.52	228,395.57
Administration Expenses Total	470,050,746.43	412,379,728.55

Note 21**INCOME ON INVESTMENTS**

	2018 ACTUAL Rs.	2017 ACTUAL Rs.
Interest on Commercial Bank		
Interest on Sampath Bank		
Interest on Peoples Bank	539,383.56	
Interest on Bank of Ceylon	8,400,383.56	
Interest on Treasury Bills	24,288,691.34	28,061,293.91
Interest on Surplus Trust Fund	465,694.34	723,761.79
Int.Income PPLS Bank Galle Road	289,388,903.49	240,817,905.37
Interest Income on FD - Gratuity Fund		11,407,401.58
Interest on Peoples Bank G.S.N. Fund		
Interest on FD GSMB Distress Fund		
Interest on Savings Acc. -Peoples Bank Galle F	324,199.84	
	323,407,256.13	281,010,362.65

NOTE - 22

INCOME TAX EXPENSESYEAR - 2018

			Amount Rs.
Net Profit as per Accounts			571,643,282.31
<u>Less:</u> <u>Exempt Income</u>			-
			<u>571,643,282.31</u>
<u>Less:</u> <u>Income which does not form part of business</u>			
Dividend Income	3,440,000.00		
Interest Income	324,228,532.83		<u>327,668,532.83</u>
			243,974,749.48
<u>Add:</u> <u>Deductions not Allowed</u>			
Depreciation on Fixed Assets	77,429,760.43		
Gratuity Provision	23,696,084.49		
Donation	613,180.00		
Contribution for construction of the Dharmashala at Rangiri Ulpotha	4,500,000.00		
Bad Debtors	3,727,196.55		
Foreign Travell Expenses	8,102,332.76		118,068,554.23
<u>Less:</u> <u>Deductions</u>			
Capital Allowances on Fixed Assets	39,228,180.00		
Gratuity Paid	1,958,862.00		<u>41,187,042.00</u>
Profit from Trade or Business			320,856,261.71
<u>Add:</u> Interest income on FD accounts	324,228,532.83		<u>324,228,532.83</u>
Total Statutory Income			645,084,794.54
Assessable Income			645,084,794.54
Taxable Profit			645,084,794.54
Tax Payable thereon Rs.			
Income tax Payable on Interest	324,228,532.83	28%	90,783,989.19
Income tax Payable on Business Profit	320,856,261.71	28%	89,839,753.28
Total Tax Payable			180,623,742.47
Provision for Taxation			180,623,742.47
<u>Tax Account Summary</u>			
Total Income Tax Payable			180,623,742.47
<u>Tax Credits</u>			
<u>ESC</u>	22,613,730.00		
<u>W.H.T.</u>	32,617,607.09		55,231,337.09
			<u>125,392,405.38</u>
Paid Amount			30,529,065.00
Balance Payment - 31-12-2018			94,863,340.38

Audit Report



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No. }

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මගේ අංකය
உமது இல.
Your No. }

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திகதி
Date }

2019 මැයි 31 දින

The chairman,

Geological survey and Mines Bureau .

The Report of the Auditor General in regard to the Financial Statements and Other Legal and Regulatory Requirements of the Geological Survey and Mines Bureau for the Year Ended as at 31st December 2018 ,in accordance with Section 12 of the National Audit act

1. Financial Statements

1.1 Qualified Opinion

The financial statements of the Geological Survey and Mines Bureau which are comprised of its statement of financial position, statement of financial performance , statement regarding the changes of equity , financial flow statement and the notes to financial statements and the summarized important accounting principles , for the year ended as at 31st December 2018, were audited as per my direction in accordance with the provisions of the Monetary Act No.38 of 1971 to be read with Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka .My report will be tabled in Parliament in due course in accordance with Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka .

It is my opinion that the financial position ,financial performance and the financial flow of the Bureau for the year ended as at 31st December 2018 indicate a true and reasonable position in accordance with the Accounting Standards of the Public sector of Sri Lanka except for the effects made by the matters pointed out in the section of “Basis for the Qualified Opinion” in my report

1.2 The Basis for the Qualified Opinion

- Even though the Bureau possessed 66% of the total equity capital of the GSMB Technical Services Company , a combined financial statement had not been submitted having combined the financial statement of the Bureau with that of the GSMB Technical Services Company
- The deferred income of 3,003,451 rupees and the royalty income of 2,221,194,662 rupees which should be adjusted with the profit under operational activities had not been adjusted ,contrary to Sri Lanka Accounting Standard No 02. Gratuity payments of 1,958,859 rupees which should have been recorded as financial flow under operational activities had not been added to the financial flow. Adjustments had not been paid for an amount of 5,514,806 rupees to be paid to the distress fund and an amount of 3,572,000 to be repaid out of that fund , which should be indicated under investment activities , and the amount of 1,942,806 rupees that was the difference of the aforesaid values ,treasury remittances of 1,500,000,000 rupees and the royalty payment of 2,221,194,662 rupees had been recorded as financial activities . Furthermore property ,plant and equipment adjustments of 14,899,366 rupees for which monetary investments had not been made have been recorded under investment activities .





- (c) Though 28 cases had been filed against the Bureau by outside parties and 18 cases had been filed by the Bureau against outside parties as at 31st December in the year under review , the relevant contingent liabilities had not been revealed in financial statements in accordance with Sri Lanka Public Sector Accounting Standard No.08 .
- (d) Even though the Bureau had prepared the financial statements on accrual basis ,the royalty income had been identified on financial basis and had been recorded in accounts as 4,336,254,836 rupees .Action had not been taken to identify accrued revenue as per paragraphs 34(b) and 37 of Sri Lanka Public Sector Accounting Standard No.10 and the accounting principle used for identifying the royalty income as per paragraph 39(b) of the standard had not been revealed in financial statements .
- (e) Though the amount of 200,000,000 rupees paid to the Treasury as royalty payment should have been recorded as an expenditure ,it has been recorded as a payment made for the future based on a management decision . Due to that reason profit of the year has been over stated by the aforesaid amount
- (f) An amount of 10,703,148 rupees that was left after expense out of an amount received for the maintenance of the Tsunami Alert Centre in Pallekelle has been recorded as a current liability without having a specific liability to repay it .
- (g) The tax liability and the tax expenditure has been recorded 22,459,000 rupees more than the real amount in financial statements due to the fact that the income tax was calculated from January 2018 though the Bureau owed an income tax liability from 11th April 2018 .At the same time deferred taxes had not been considered for the calculation of the income tax expenditure for the year under review and the relevant adjustments have not been made in the financial statements .
- (h) The relevant confirmation of the retention tax payment of 32,617,607 rupees that had been deducted as tax credit in the calculation of the income tax expenditure had not been made in audit .
- (i) The balance of 30,052,605 rupees that existed in a welfare fund which did not belong to the Bureau and the fixed deposit balance relevant for it have been recorded as a liability and an asset respectively while the fixed deposit interest of 1,751,819 rupees has been recorded as an asset of the Bureau .

The audit was carried out by me in accordance with Sri Lanka Accounting Standards .My responsibility under these accounting standards has been further described in the section of the auditor's responsibility in regard to the audit of the financial statements . The advice and the audit evidence received by me is sufficient and appropriate for providing basis for my opinion .

1.3 The Responsibility of the Management and the Governing Parties in regard to Financial Statements

It is the responsibility of the Management to prepare these financial statements in accordance with Sri Lankan Accounting Standards and determine the internal controls in order that these financial statements can be prepared devoid of quantitatively r erroneous statements that may be caused by

faults and frauds and can be submitted in a fair manner .

It is the responsibility of the Management to determine the capacity of the Bureau to continue as a going concern and it also has a responsibility to record accounts on the basis of going concern and reveal the details relevant for going concern except when the management of the Bureau decides to liquidate itself or to stop its operations as no other option is available .

The responsibility of the financial reporting of the Bureau is held by the governing parties of the Bureau .

Books and records of the income, expenditures, assets and liabilities of the Bureau should be duly maintained in order that the annual and current financial statements of the Bureau can be prepared as per sub section 16(1) of the National Audit Act No.19 of 2018 .

1.4 The Responsibility of the Auditor in regard to the Audit of the Financial Statements

My objective is to provide a fair assurance to the effect that that the financial statements are devoid of frauds and faults as a whole and issue the report of the Auditor which includes my opinion . Though the fair assurance is a higher level assurance , there is no assurance to the effect that quantitative misstatements are always revealed by it when auditing is done as per Sri Lanka Auditing Standards . Quantitative misstatements may be made by the impact of singular or collective impact of frauds and faults and it is expected that an impact will be made to the economic decisions taken by those who use the aforesaid financial statements .

The audit was carried out by me with professional judgment and professional suspicion in accordance with Sri Lanka Accounting Standards.

- The basis of my audit opinion is obtaining adequate and appropriate audit evidence to prevent the risks that may be caused by frauds and faults by planning audit procedures in a timely manner in identifying and assessing the risks of quantitatively erroneous statements that may be made in financial statements due to frauds and a faults . The impact made by frauds is stronger than the impact made by quantitatively erroneous statements , and the acts of misrepresentation, preparation forged documents and willful avoidance of internal controls cause frauds.
- Though some understanding was obtained in regard to the internal control of the Bureau in order to plan the audit procedures in a timely manner , it is not expected to express an opinion about the effectiveness of the internal control .
- The fairness of the accounting principles and the accounting estimates that were used and the appropriateness of the relevant revelations made by the management were appreciated .
- The relevance of using the principle of going concern as the basis of accounting in the Bureau was determined based on the audit evidence obtained in regard to the fact whether there is a quantitative uncertainty regarding Bureau's continuity as a going concern due to incidents and circumstances . If I conclude that a sufficient uncertainty is prevalent ,my audit report shall pay its attention to the revelations made in financial statements in that regard and my opinion shall be modified .
- The presentation ,structure and the contents of revelations made in the financial statements were evaluated and it was decided that the underlining transactions and circumstances of it have been evaluated in financial statements in a fair and appropriate manner .



The governing parties were informed about the important audit revelations ,the shortcomings in the main internal control system and other matters ,which were identified in my audit.

2. Other Legal and Regulatory Requirements

Special provisions are included in regard to the following requirements of the National Audit Act No.19 of 2018 .

- All the information and explanations required for the audit were obtained by me and except for the impacts made by the matters described in the section of “The Basis for the Qualified Opinion” in my report , the Bureau has maintained due financial reports as per my investigation in accordance with the requirements section 12(a) of National Audit Act No.19 of 2018 .
-
- The financial statements of the Bureau are in conformity with the previous year as per the requirements of section 6(1)(d) iii of the National Audit act No.19 of 2018 .
- The recommendations made by me in the previous year have been included in the financial statements that have been submitted , in accordance with the requirements of section 6(1) (d) (iv) of the National Audit Act No.19 of 2018.
-
- Nothing which could draw my attention to make the following statements was found within the procedures followed ,the evidence obtained and the fact being restricted to the quantitative facts .
-
- That any member of the governing board has a relationship outside the ordinary business activities directly or in any other manner in regard to any agreement related to the Bureau in accordance with the requirements of section 12 (d) of National Audit Act No.19 of 2018.
- That the Bureau has acted against any written law or other general or special provisions except for the following observations in accordance with the section 12 (f) of the National Audit Act No.19 of 2018.

References for Laws / Regulations	Description
(a) Mines and Minerals Act No.33 of 1992 (i) Section 28(4)	A methodology had not been prepared for providing licences for transporting the products made of stone

(ii) Sections 26(1) and 44 (b)

Even though the royalty charges collected by the Bureau on behalf of the government should be remitted to the Treasury , an amount of 4,326,254,835 rupees out of the total amount of 605,060,173 rupees collected as royalty charges in the year under review had been retained without being remitted to the Treasury. The sum total of the royalty charges retained in this manner within the previous four years was 1,530,541,421 rupees .

(iii) Section 52(2) and Mines and Mining Regulation No.21(a) amended as per Gazette No.958 dated 10th January 1997 Mines and Mining Regulation No.21(a) amended as per Gazette No.958 dated 10th January 1997

Bank bonds worth 101,955,175 rupees that had been obtained from 874 mining license holders , who had not rehabilitated the lands within a period of 3 months to 5 years subsequent to mining, have been cashed and recorded in accounts as a payable balance

Mines and Mining Regulation No.33(4) amended as per Gazette No.958 dated 10th January 1997

Steps had not been taken to submit recommendations to the Secretary and make amendments in regard to the specified trade value ,allowable reductions and royalty payments of mining products

(b) Section 6.2 (a) in Part II of the Gratuity Payment Act No.12 of 1983

Even though the gratuity payment should be calculated based on ½ of the salary , an overpayment of gratuity of 7,296 ,846 rupees had been made to 18 officials calculating their gratuity based on the full salary of a month and an over-allocation of 81,445,551 rupees had also been made for gratuity .Action had not been taken to recover the amount of 6,317,415 rupees paid as gratuity as has been informed by the Director General of Public Enterprises.

(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.



(i) Financial I Regulation No.371(5)

Action had not been taken to settle an unsettled sub-imprest total balance of 10,271,083 rupees during the year under review and an amount of 9,070,105 rupees had been recorded in accounts as trade and other receivables while an amount of 1,200,978 rupees had been recorded in accounts as cash and cash equivalents .

(ii) Financial Regulation No.1646

All the running charts of 06 vehicles had not been submitted while the running charts for a period of three months had not been submitted for 38 vehicles

(d) The PED circular No.12 dated 02nd June 2003

(i) Para 8.3.3

Even though the maximum payable incentive /bonus was the gross salary of two months , an incentive of an amount which is equivalent to the salary of 9.6 months had been paid to the employees without obtaining the approval of the Treasury, in contravention the aforesaid rule.

(ii) Para 6.5.3

The annual reports of the years 2015 up to 2017 had not been tabled in Parliament even by 30th april2019 .

(e) The PED circular No. 17 dated 28th October 2003

19 officers had been made participate in four foreign tours without the approval of the Treasury .

(f) PED circular No. 12/2000 dated 19th July 2000

Though responsible duties should not be assigned to trainees, 149 persons that had been getting training on official duties have been deployed in providing services in the Head Office and the Regional Offices .

•That the powers ,duties and functions of the Bureau had been exercised in a manner which is not in conformity with the requirements of Section 12 (g) of the National Audit

Act No.12 of 2018

- That the resources of the Bureau had not been used having procured them as per the relevant rules within the time frames in a frugal, efficient and productive manner except for the following observations, in accordance with section 12 (h) of the National Audit Act No. 19 of 2019 .

Supplies of noncapital goods and services had not been included into the procurement plan and the said plan had not been prepared in accordance with the budget . The procurement plan had not been approved by the Board of Directors and even a procurement time table had not been prepared .An amount of 18,027,184 rupees had been spent to purchase 94 computers, 77 printers and 48 laptops even outside the aforesaid procurement plan ,which had not been given approval .

3. Other Audit Observations

- (a) A performance based system had not been used to pay incentives and even though incentives should be paid based on the Mineral Exploration Income, an amount 110,166,984 rupees had been paid as incentives based on the Field Investigation Income of 12,678,745 rupees and Test Blast Income of 5,487,00 rupees . An amount of 9,588,514 rupees had been paid as incentives even to 99 employees that had been attached to the Bureau from the GSMB Technical Services Company .
- (b) 248 Employees had been employed for 25 positions on contract and assignment basis without obtaining the relevant approval and 17 of the aforesaid positions were outside the approved cadre . Action had not been taken to recruit persons for 87 vacancies that had existed in the Bureau by the end of the year under review and 11 vacancies of the approved cadre existed in 8 positions in the Geological Division. The persons recruited for the positions of mining engineer and cartographer did not possess the basic qualifications required. The appointments of 11 permanent employees had been predated but the reason for it was not observed and there were occasions when the appointments had been predated even for a date on which the approval of the Board of Directors was given .At the same time 20 employees been recruited exceeding the approved cadre of the Bureau whole 02 positions of Registrar ,32 positions of Management Assistant and 4 positions of Mining Engineer remained vacant .
- (c) A scientific methodology had not been adopted to calculate the amount of granite which is mined . The amount of royalty had been calculated in the year 2011 considering the sale price as 1500 rupees based on an internal circular, and action had not been taken to change the sale price to suit the present. Even though the shortcomings of mining deep into the earth contravening the conditions of mining licences of granite , not rehabilitating the lands after mining , mining without licenses , not entering into a bond or not making a security deposit , not taking action to obtain approval from the relevant authorities and not paying the royalty for the true amount mined were observed ,no remedial action has been taken in that regard .
- (d) An electric distance measuring meter purchased at a cost of 795,000 rupees in the year 2016 to measure the volume of mineral deposits had been kept in inoperative position
 for a period of 2 years .



- (e) Any action had not been taken in connection with the destruction caused to the environment by the persons who mined sand in sand deposit in Yan Oya contravening the conditions mentioned in the licence .Even the royalty charges of 27,419,690 rupees namely 26,876,20 rupees for 1,343,810 cubes of soil and 543,490 rupees for 3397 cubes of sand used for the construction work of the Yan Oya reservoir project, due from the relevant contracting company , had not been collected.
- (f) The royalty charges of 1,906,320 rupees due for 31,772 cubes of granite from 4 licence holders who had done mining exceeding the approved ceiling in Angunakolapalassa Divisional Secretariat Division had not been collected.
- (g) The Bureau had not taken steps until the date of audit to prepare a national policy of minerals and get approval for it as per the notification given by the cabinet of Ministers on 22nd May 2017 .
- (h) Though quartz should be exported with the highest value addition as per the Cabinet Decision No.අමප/17/0629/704/011 dated 05th April 2018 the quartz which was mined on the mining licences provided to 29 persons in 09 districts has been exported without any value addition .10914 cubes of quartz had been mined more than the amount allowed as per 3 mining licences that have been provided to mine quartz in Kotikambokka area in Wellawaya and action had not been taken to collect the royalty charges due from the licence holders for 22,904 cubes of quartz mined from the land which belonged to Department of Forest Conservation and the adjoining land of it .
- (i) Even though the powers of enforcing the Mines and Minerals Act had been vested with the Bureau it had failed to prepare the necessary methodology to take legal action against the contraventions of the Act .

W.P.C Wickremaratne

Auditor General

AUDIT REPORT - ANSWERS

18.01.2021

Your number :- IEN/D/GSMB/1/18

Auditor General

Department of Auditor General

No. 306 /72, Polduwa Rd,

Battaramulla

Report of the Auditor General on the Financial Statement and other legal and regulatory needs of the Geological Survey and Mines Bureau for the year ended 31 December 2018 in terms of section 12 of the National Audit Act No. 12 of 2018

Answers for the paragraphs in the draft report are as follows.

1.2 Basis for the qualified opinion

(a) Facts that could not be incorporated in the financial statements of the GSMB Technical Services (pvt) Ltd are mentioned in the final accounts.

(b) Money in the form of royalty profit under the port city project is not a financial transaction and since it is a non-financial item, it has not been adjusted in the cash flow statement as mentioned in your audit query. Non-financial items are not included in the cash flow statement.

Hence, I do not agree with the statement that the aforesaid amount of money has not been adjusted under the operational activities.

Rs. 1,958,859 under the gratuity payments included the amount that has been paid after collecting the amount that should be charged in paying gratuity and it has been shown as a cash flow. However, it has been included under financial activities and it will be marked under the operational activities in the future based on the audit observations.

The amount of Rs. 5,514,806 is not an investment. That was the amount transferred for serious illnesses and welfare activities out of the incentives that should be given to the employees. Further, Rs. 3,572,000 and the aforesaid Rs. 5,514,806 are adjusted under financial activities. It is not a maladjustment.

Rs. 173,929,704 adjusted for the previous year has not been erroneously adjusted in the cash flow statement. Expenses within that amount have been shown as operational activities in each year continuously.

Adjustments with regard to Rs. 1,500,000,000/- has been adjusted under operational financial activities.

(c) Out of the cases filed against the bureau by the outside parties, necessary revelations have been made under paragraph 1.3.8 No. (2) after considering the cases which has a financial impact.

(d) Action will be taken as shown in the audit.

(e) The decision of the board of directors was to pay Rs. 200,000,000 out of the amount paid to the General Treasury in the year under review to the year 2019. The note of the accounting officer indicated to consider it as a payment of the year 2019. The decision of the ministry was to consider it as a payment made to year 2019. In the letter dated 03.01.2019 the chief accounting officer has informed the General Treasury that as per the telephone conversation they had on 02.01.2019 it was the payment made for a project in 2019. Therefore, the audit observation in this regard should be changed.

(f) The amount of Rs. 10,703,148 /- was received as an advance for the emergency expenses made for Tsunami equipment. Therefore, it has been shown as a current liability.

(g) Advice was obtained from the Department of Inland Revenue before the income taxes are calculated. The Tax Act was amended in 2018 including this institution in the tax payable list for the first time. Under the revelations, it has been mentioned in paragraph 1.3.5. that Inland Revenue Department informed us that when the taxes for the year is calculated all the costs related to the tax should be calculated and after that, subtractions are allowed. For example, the amount under the capital allowance are calculated for the whole year without calculating it for a period of nine months and subtractions are allowed after that. So there is no increase in the calculation of taxes. There is no excess amount of taxes as shown in the audit query.

(h) Answer has been submitted.

- (i) The fact mentioned in this paragraph was discussed in the audit and management committee meeting. It has been revealed in that meeting that the net result has no impact on the final accounts since this is not a fund but only an amount collected from the officers and deposited in the bank and an interest was also received for that amount and as per the audit query the amount deposited was shown as an asset and the amount payable to the officers was shown as a liability. In that meeting it has been further revealed that the accounts were maintained in that manner that has been mentioned above with a view to maintaining the money with a proper control. However, assets and liabilities should be equal but the reason for the slight difference was due to the erroneous adjustment made to the income of the bureau though the interest for the bank deposit has been entered in a separate account. Action will be taken to adjust the relevant liability in a proper manner since the interest rate was an entitlement of the officers in the bureau.

Noncompliance to the laws/ regulations

(a) (i) section 28 (4)

Bureau has created a methodology to transport metal.

(ii) Sections 26 (1) and 44 (b) (i)

The Bureau acts in accordance with the mines and minerals act and the Bureau can maintain funds and it has the powers to settle its expenses out of that. However, the Bureau sends a surplus to the General Treasury every year.

(iii) Section 52 (2)

Action has been taken to acquire the bank securities that have been kept for the Bureau for the pits that have not been rehabilitated after the excavations and a methodology has been prepared to take legal action against them.

(iv) Necessary steps have been taken to do the necessary amendments in this regard.

(b) The Bureau has acted in accordance to the gratuity act and the Department of Labour has verified that. Accordingly, no additional payment has been made and there is no need to take it back.

(c) (i) This will be looked into and necessary steps will be taken in this regard.

(ii) Running charts have been given to all the vehicles by now.

(d) (i) PED 12 is about bonus and not incentives.

(ii) Annual reports for 2015 and 2016 has been directed to the Ministry.

(e) Only the incidental allowances, visa charges, warm clothing allowances and the course fees have been paid for those officers and combined allowance has not been paid. In addition to that the approval from the Treasury is not needed as the time in abroad is not in excess of 30 days.

(f) Due to the lack of a sufficient permanent cadre, certain responsibilities have to be assigned to staff members who are not in the permanent cadre. By now, the situation has been changed.

- From the year 2019, the procurement plan includes non-capital good supplies and service procurements.
- Rs. 49.5 has been allocated for laboratories and procurement activities have been finalized to purchase other equipment apart from geophysical laboratory equipment.

- Computers have been purchased for the service needs arose in 2018 due to the implementation of one stop project and green sands ferry concept to enhance the efficiency of the services rendered to the public.
- Licenses were printed using laser printers from 2012 to 2017 but the validity of the license faced problems because the letters faded during a short period. Therefore, the computer unit of the Bureau has recommended INK – JET printers instead of laser printers. Therefore, arrangements have been made to purchase those printers to fulfill the service needs, as the unit cost of this printer is comparatively low.
- These laptops have been purchased to increase the efficiency of the new officers recruited in 2018 to be engaged in field duties.

03. (a) It has been guaranteed that field test income and the test explosive charges will be allocated for mineral exploration activities. The field-test income that has been mentioned here as the income in 2017 does not consist of the money received only from issuing of licenses but it is an income received for mineral explorations.

(b) Applications have been called to fill the vacancies in most of the posts that have been mentioned in the audit. In addition to that, certain recruitments have been done by the Bureau on contract basis to fulfill the emergency service needs and this was done with the approval of the board of directors.

The cadre of the Bureau was approved in 2013 but the SOR was approved in December 2017. Therefore, a considerable period passed from the date the interviews were conducted until the recruitments were made. The officers who were eligible for internal promotions faces an injustice due to that delay. They were given some relief by giving appointments backdating the appointment of the date to the date the interview was conducted. Since they were internal officers the appointments were given backdated and such systems have been followed in such occasions from the inception of the Bureau.

Contract basis recruitments were made to fulfill the emergency service needs and that was done with the approval of the board of directors.

(c) With the advice from the University of Moratuwa a technical methodology has been adopted to measure the number of cubes removed from mineral and metal excavations.

(d) Electronic distance measuring device as shown in the audit has been used for the following surveys.

- Silica sand survey in the coastal area of Wallipuram and Champianthu in Jaffna district in the Northern Province. 2018 report number- MR/D/20/2018
- Building survey in Alampil in the district of Mulativ.
- Building survey in Silavatura in Mulative district. Report Number – MR/G/149/2019
- Quantity survey conducted in metal quarries in Vavunia district and the joint survey conducted with the audit section of the forest conservation department.

This equipment has been handed over to the mining division at present.

(e) Licenses were issued subject to the recommendations from the department of irrigation and forest conservation department to remove sand in the Yan Oya project. Bank guarantees have been obtained relating to the rehabilitation of excavated lands for which the licenses have been issued. Awareness raising was done with the patronage of the district secretary of Anuradhapura with the participation of the relevant institutions and the courses of action that should be taken to rehabilitate those excavated lands were introduced. In addition to that, action has already been taken to collect the royalty for the metal and sand used to construct Yan Oya reservoir project.

(f) The Bureau acts in accordance with the mines and minerals act and accordingly the Bureau can maintain funds. The Bureau can settle its expenses out of that money. Further, the Bureau provides a surplus money to the General Treasury every year.

(g) As per the instructions given by the cabinet of ministers, a national policy on minerals has been formulated and directed to the ministry of environment.

(h) According to the cabinet decision, quartz cannot be exported without value addition. Mining license owners do not export quartz and the exporters who own trade licenses purchase quartz. Quartz are exported as per the agreement signed by the secretary to the Ministry of Mahaweli Development and Environment and it is done after value addition.

The licenses given to excavate quartz in Kottambokka area in Wellawaya have been sold after value addition to the exporting organization and exportation has been done after collecting the royalty as per the regulations and the mines and minerals act.

(i) A raiding unit has been established attached to the legal division of the Bureau and legal action is taken with regard to those raids. Police department has reported that more than 9000 cases have been brought before the court out of the raids done by the Bureau in 2018 throughout the island.

Anura Walpola
Chairman
Geological Survey and Mines Bureau

**AUDIT & MANAGEMENT
COMMITTEE REPORT**

Audit & Management Committee Report - 2018

"Towards a State Owned Regulatory entity operated in better governance frame work trusted by people constantly involved in protecting Natural Resources and Environment"

Rules & Responsibilities of Audit Committee of GSMB are clearly described in the Charter

of the Board Audit and Management Committee which is based on the guiding principles in the Public Enterprise Guidelines for the good governance.

The committee is responsible to the Board of Management and reports its proceedings to the board regulatory.

The Audit Committee of the Geological Survey & Mines Bureau is comprised of three members of the Board of Management and chaired by Treasury representative namely:

1. Chairman - Ms. Biyanka N Gamage

(Director - Department of National Budget)

2. Member - Mr. M.P.D.U.K. MapaPathirana

(Additional Secretary – Ministry of Mahaweli Development & Environment)

3. Member - Mr. Mashanka H. Liyanage

(Asst. Director – (Policy Development) - Ministry of Industry & Commerce)

Rules & Responsibilities of Audit & Management Committee

The AMC continues to assist the Board of Directors in fulfilling effectively its responsibilities relating to financial and other connected affairs of the company. The Committee has been empowered to:

1. Review of the Annual Audit Plan, Work Program, Corporate Plan, Action Plan, Procurement Plan, Annual Budget and Capital Budget.
2. Reviewing the suitability and the quality of accounting policies and any changes in accounting policies and practices and their adherence to statutory and regulatory compliance applicable accounting standards.
3. Review and evaluate the internal control system covering Accounting Financial and

operational aspects based on audit reports and Management decisions of Board of Directors.

4. Review compliance of statutes, rules, regulations, Treasury circulars & directives.
5. Submit recommendations of the Committee to the Board of Management.
6. Review of the matters pertaining to organization’s staff discipline, performance elimination of wasteful expenditure and corrupt practices with the objective of making the GSMB cost conscious and productiveness.
7. Carrying out appropriate investigations to mitigate the fraud risk

Meeting of the committee

During the financial year ended 31st December 2018, four meetings of the committee were held. The proceedings of the committee meetings are recorded with adequate details and are reported regularly to the Board of Directors. The attendance of the committee members at the meeting as stated below. On the invitation of the committee the representative from Auditors General Dept. attended committee meetings during the year.

<u>Composition of the AMC as at 31st December 2018</u>	<u>Total number of meetings attended out of the total meetings held during the year 2018</u>
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Ms. Biyanka N Gamage	4
Mr. M.P.D.U.K. MapaPathirana	4
Mr. Mashanka H. Liyanage	4

Internal Audit

The GSMBhas its own Internal Audit sectionheaded by anInternal Auditor. The Internal auditProgram was presented and approved by the AMC and Committee regularly reviews and monitors the internal audit and the inspection functions.

External Audit

The AMC reviews the reports submitted by the Auditor General to ensure all reported instances of non compliance and irregular Accounting and Reporting issues are addressed on time.

Conclusion

The AMC is satisfied that the GSMB internal controls are effectively implemented and organization's assets are sufficiently safe guarded. The committee is satisfied that the internal audit section has been effective and independent throughout the year. In addition, the committee is also satisfied with the appropriateness of application of the accounting policies and thus gives a reasonable assurance that the Financial Statements of the GSMB are reliable. Further, the committee is satisfied that the Compliance Framework of the GSMB ensures that the GSMB complies with all applicable laws, rules and regulations and corrective and preventive actions were taken with regard to the reported non-compliances during the year under review.

The AMC approved this report on 30.01.2019.

Ms. Biyanka N Gamage.

Chairman

Audit and Management Committee.

CORPORATE SOCIAL RESPONSIBILITIES

Corporate Social Responsibilities

Special activities done by Mines Division and contribution to the national economy

Geological Survey and Mines Bureau took some special steps towards Environment Protection and the implementation of Sustainable Mining. Projects such as Wanaropa and Jala Nimna Haritha arana, can be considered as Major movement towards encouraging the public and the private organizations, to protect the Environment. "Green Sand Ferry Project" is a special movement to promote sustainable Mining in Sri Lanka. In addition, GSMB conducted several other Community Building projects, as a step towards developing the living standards of the rural population.

Green Sand Ferry

In accordance with the view of the general public of Sri Lanka , illicit ,excessive and improper river sand mining is said to be caused savior problematic issues to the riverine eco systems of the country, including effects such as deepening of river bed ,River bank destructions ,erosional and stability effects on the to the river banks & associated slopes , salinity instructions ,etc. Apart from the physical, chemical and geo technical impacts it is been recognized indirect sociological impacts.

With the identification of all above problematic environmental and distresses, it is been realized to make actions against the prevailing behavioral and natural effects without any dely. The proposed "Haritha Weli Thotupala" Green Sand Ferry, will be an appropriate & timely important apparently implementable environmental & sociological remedial concept which could be effectively make into action .The proposed Green Sand Ferry, creational environmental completion could be successfully implemented through all river sand mining license holders, on all respective river banks executed as large scale Island wide program in order to re green, restore and rehabilitate.

A workshop on "green sand ferry" concept was held on the 29th and 30th of August at Mas Fabric Park, Thulhiriya. Later division wise and regional awareness programs were held for the License holders. Around 3000 applications were submitted to GSMB accordingly





Wanaropa

"Jala Nimna Haritha Arana" project, in parallel with the "Wanaropa" program, commenced on 5th October 2018 at the Malwathu Oya Arippu bridge, in the Musali Divisional Secretariat Division of Mannar District, under the patronage of the Deputy Minister of Environment Mr. Ajith Mannapperuma and the Chairman of the Geological Survey and Mines Bureau Mr.Asela Iddawela.



"Wanaropa" program, organized by the Geological Survey and Mines Bureau, concurrently with the International Environmental Day, commenced at the Isurumuni Viharaya its gardens, on October 6, 2018, under the patronage of the Chief Court Incumbent of the Nuwara Gam palatha Ven.Mathawa Sri Sumangala Nayaka Thero.



Program continued at the Historical Somawathi Sacred site, on 02nd November 2018, under the patronage of President Mr. Maithripala Sirisena and the presence of the Chairman of the Geological Survey and Mines Bureau. Mr. Asela Iddawela and Director General CHER Siriwardena,



RO Plant

RO project is a program to eradicate the kidney diseases in the North Central province where GSMB donates Water Purification plant operated by Reverse Osmosis technology at Mihindu monastery, Anuradhapura, are donated to villages.

Donation of the 500th RO plant was held on 21/09/2018, with the presence of His Excellency the President, where the Jaya Sri Maha Bodhi also was offered with water purified by all the 500 RO plants.



04 Restoration of Kadawala wewa

Restoration of the Polonnaruwa, Thamankaduwa, Kadawara Wewa, in order to facilitate irrigation purposes of villagers, was held on 19/08/2018 with the assistance of GSMB technical Services, Sri Lanka Navy, GSMB and the Sand Mining Community at Thamankaduwa.





05. New Year festival

New Year Festival was held at Polonnaruwa National Playgrounds, on 5th May 2018, with the guidance of His Excellency the President, Mr. Maitrepala Sirisena and the presence of Manampitiya Sand Mining community, with the purpose of this festival was to commemorate the effort by the common public.



06. Awareness programs and tree plantation programs done by regional office

The Mines Division has carried-out several seminars and tree plantation programs at various districts in order to sort out major industrial problems related to mining activities and guide to the sustainable mining process.



Workshop/Awareness Program	Date	Purpose
Plants distribution Programme at Badulla RO	05.10.2018	Parallel to the tree plantation program “Wanaropa”
Awareness Programme at Library auditorium, Monaragala	07.08.2018 28.11.2018	To aware and encourage license holders for Green sand ferry competition
Plants distribution & awareness Program at Monaragala RO. Plantation has been done around Pammadilla Oya, Nilgala	20.12.2018	Parallel to the tree plantation program “Wanaropa”
Rehabilitation & awareness program in Kagalla	05.10.2018	Parallel to International Environment day
Awareness program at Kalutara DS office	13.03.2018	Aware the license holders to mine metal, graphite and quarts with correct technics,
Awareness program at Kalutara DS office	06.10.2018	To aware and encourage license holders for Green sand ferry
Tree plantation program around Kalu river at Uduwara, Millaniya	06.11.2018	competition Rehabilitation program



G S M B

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