



**STATE DEVELOPMENT & CONSTRUCTION  
CORPORATION**

**“Pioneers in Infrastructure Construction”**



**ANNUAL REPORT**

**2013**

**Ministry of Construction, Engineering  
Services, Housing & Common Amenities**



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## **STATE DEVELOPMENT & CONSTRUCTION CORPORATION**

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State Development & Construction Corporation (SD&CC) was established in 1971 under the Industrial Corporation Act No. 49 of 1957 to undertake Heavy Civil Engineering Contracts. The General Treasury is the sole share holder of the Corporation.

SD & CC has been undertaking Construction of Bridges, Roads & Highways, Dams, Irrigation Structures/Schemes, Hydro Power Tunnels & Power Houses, Water Supply Treatment Works, Buildings & Jungle Clearing and Land preparations.

SD&CC is also the premier organization for manufacturing of pre- cast concrete products ranging pre-stressed concrete bridge beams, transmission poles, Concrete railway sleepers etc.

In addition to the direct contribution to the National Economy by actively participating in the infrastructure developments of the country, SD&CC has been training Engineers and other technical staff without any form of subsidies from the Government and thereby offers invaluable service to the industry as well as to the country.

**CORPORATE INFORMATION**

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Name of the Enterprise	:	State Development & Construction Corporation (SD&CC)
Legal Status of the entity	:	Government Corporation
Act of Incorporation	:	Industrial Corporation Act. No. 49 of 1957
Year of Incorporation	:	1971
Registered Office	:	No.7, Borupana Road, Ratmalana. Tele. 0112-607560
Concrete Yards	:	<ol style="list-style-type: none"><li>i. Ratmalana Concrete Yard, No.7, Borupana Road. Ratmalana. Tele. 0112 – 632786</li><li>ii. Bopitiya Concrete Yard, Pannala Tele. 037-2288415</li><li>iii. Weragantota Concrete Yard, Mahiyanganaya . Tele. 055 – 2257101</li><li>iv. Medawachchiya Concrete Yard , Jaffna Road, Medawachchiya. Tele.No. 025-3899916</li><li>v. Peradeniya Sales Centre Tele. 081-2387056</li></ol>
Auditors	:	Auditor General's Department
Bankers	:	Bank of Ceylon. People's Bank Sampath Bank



## VISION, MISSION AND OBJECTIVES

### VISION

**“To be the best infrastructure Development & Construction Organization providing value for money for the nation.**

### MISSION

**“To assist the Economic Development of the country by participating the National infrastructure Development, various construction activities and carrying out such activities to the highest standard of quality and be the market leader in civil construction industry and heavy reinforced/ pre-stressed, pre- cast concrete industry”**

### OBJECTIVES

- (1) The investigation, investment, planning, designing, construction operation and management of buildings, civil engineering, other engineering projects or other ventures in Sri Lanka or abroad, owned by any party, either independently or in collaboration with any local or foreign company and the acquisition and holding of shares, in any such companies.
- (2) Execution or supervision of any of the above projects in Sri Lanka or abroad; either independently or in collaboration with any local or foreign firm or company, and the acquisition and holding of shares, in such company.
- (3) Planning, designing and fabrication of mechanical and electrical installations for the purposes referred to in paragraphs (1) and (2).
- (4) Manufacture and sale in Sri Lanka or abroad of concrete, reinforce concrete and pre-stressed concrete product required for engineering undertakings.
- (5) The extraction of construction raw materials and manufacture, sale, import and export of construction materials, machinery and equipment required for engineering projects/ undertakings. .
- (6) Carrying out of research into Construction materials, methods and techniques utilized for the purposes referred to in paragraphs (1) (2) (3) & (4).
- (7) To provide training opportunities to Managerial / Engineering /Technical personnel to enhance knowledge and modern technological and business skills in construction engineering and managerial fields required for the purposes referred to in paragraphs (1) (2) (3) and (4).
- (8) To continue as a strong self financing Govt. Organization.
- (9) To be a viable and profitable entity and maintain a minimum profit margin of 10%.
- (10) To achieve a sustainable turnover growth of 30%.
- (11) To identify and systematically manage risk.



## CHAIRMAN'S MESSAGE

I am pleased to present the Annual Report of the State Development & Construction Corporation for the financial year ended 31<sup>st</sup> December 2013.

### Overview of the Macroeconomic Environment

According to the Central Bank Report 2013 of Sri Lanka, the Sri Lankan economy recorded 7.3 per cent growth in 2013. Inflation remained at single digit levels for the fifth consecutive year. Economic growth was broad based with positive contributions from all sectors, supported by favorable weather conditions and improved global demand. Continued expansion in construction activities and the manufacturing sector supported by strong external demand, enabled the Industry sector to record a growth rate of 9.9 per cent, raising its share in GDP to 31.1 per cent. Looking ahead, the Sri Lankan economy is expected to maintain a high growth momentum in the medium term supported by an increase in investment, a favorable macroeconomic environment and continued recovery in the global economy.

### Overview of the Construction Industry

The Institute of Construction Training & Development (ICTAD) and the National Construction Association of Sri Lanka (NCASL) are the apex bodies and accredited representatives of the Sri Lankan construction industry. Many state-owned entities and private construction companies are registered with ICTAD. Unregistered informal contractors and international contractors also carry out construction work.

Construction sector GDP stood at 10% in 2013. The sector grows by 20% annually. The highest contribution has been made by the building construction sector which accounted for 51 % of the total value of work done. favorable macroeconomic conditions, increased economic activities, expansion of infrastructure development and gradual recovery of major trading partner economies fuelled the growth momentum of the construction sector.

The main State-owned construction companies are State Engineering Corporation of Sri Lanka (SEC), Central Engineering Consultancy Bureau (CECB) and State Development and Construction Corporation (SD&CC). Main private sector companies are ICC, Sanken, Maga, Nawaloka, Tudawe and Access Engineering, etc.

The construction industry was adversely affected by rising cost of electricity and fuel. So are labour costs, as the migration of skilled labour to the Middle East and elsewhere has created a shortage. The reduction in lending rates is expected to create a more conducive environment for the construction industry in the country.

### SD & CC Performance

The corporation recorded a turnover of Rs. 3,565 Mn during the year 2013 compared Rs. 3,534 Mn recorded in the previous year.

The corporation earned a net profit(before tax) of Rs. 97.2 Mn for the year 2013. This is an increase of 47% over the previous year's net profit of Rs. 65.8 Mn. This increase has been achieved from the significant increase in other income of the corporation.

The number of employees employed by the corporation as at the end of the year stood at 537.



## Challenges faced by the Corporation

Although SD&CC showed an improved financial performance in terms of net profits during the last several years, the availability of liquidity to meet its day to day commitments has been an issue to be addressed by the Ministry of Finance and Planning along with respective client organizations which are mostly government ministries and departments. Not providing adequate provisions or not getting required approvals for exceeding cost estimates due to variations to the contract by the respective client organization has been the root cause for this issue.

High turnover of Engineers and other professionals is also one of the major factors which hinder the growth of the organization. Delay in completion of projects due to not getting cash from client organizations for the work done resulting in repeated stoppage of work.

Restrictions imposed on the corporation to bid for projects financed by the Asian Development bank are also one of the factors which hindered the growth of the corporation. However despite all these serious challenges, SD&CC continued to strengthen and maintain its position in the industry.

SD&CC is confident that the growth and expansion in the operational position and the strength of our skilled and experienced staff will provide more capability to meet the challenges in the future.

## Conclusion

I take this opportunity to express my deep and sincere gratitude to Hon. Minister of Construction, Engineering Services, Housing & Common Amenities and Hon. Deputy Minister and secretary to the Ministry of Construction, Engineering Services, Housing & Common Amenities and other senior staff of the Ministry for their guidance and the cooperation given for the success of the performance of the organization.

I also wish to thank the Board of Directors for their tremendous contribution made and also the General Manager, Deputy General Managers, Senior Staff members and all other employees at all levels for their commitment and dedication as a team to achieve the goals of the corporation.

It is indeed necessary to extend my sincere appreciation to our valued clients including Ministry of Telecommunication and Information Technology, Road Development Authority, Department of Irrigation, Mahaweli Authority of Sri Lanka, all the Provincial Road Development Authorities, Ceylon Electricity Board and the Department of Railways for their trust and confidence kept on SD&CC. We look forward to keeping their trust and reinforcing further their confidence by serving them effectively and efficiently even better in the future.

**Chaminda Ediriwickrama**  
Chairman

***BOARD OF DIRECTORS & SENIOR STAFF MEMBERS*****BOARD OF DIRECTORS**

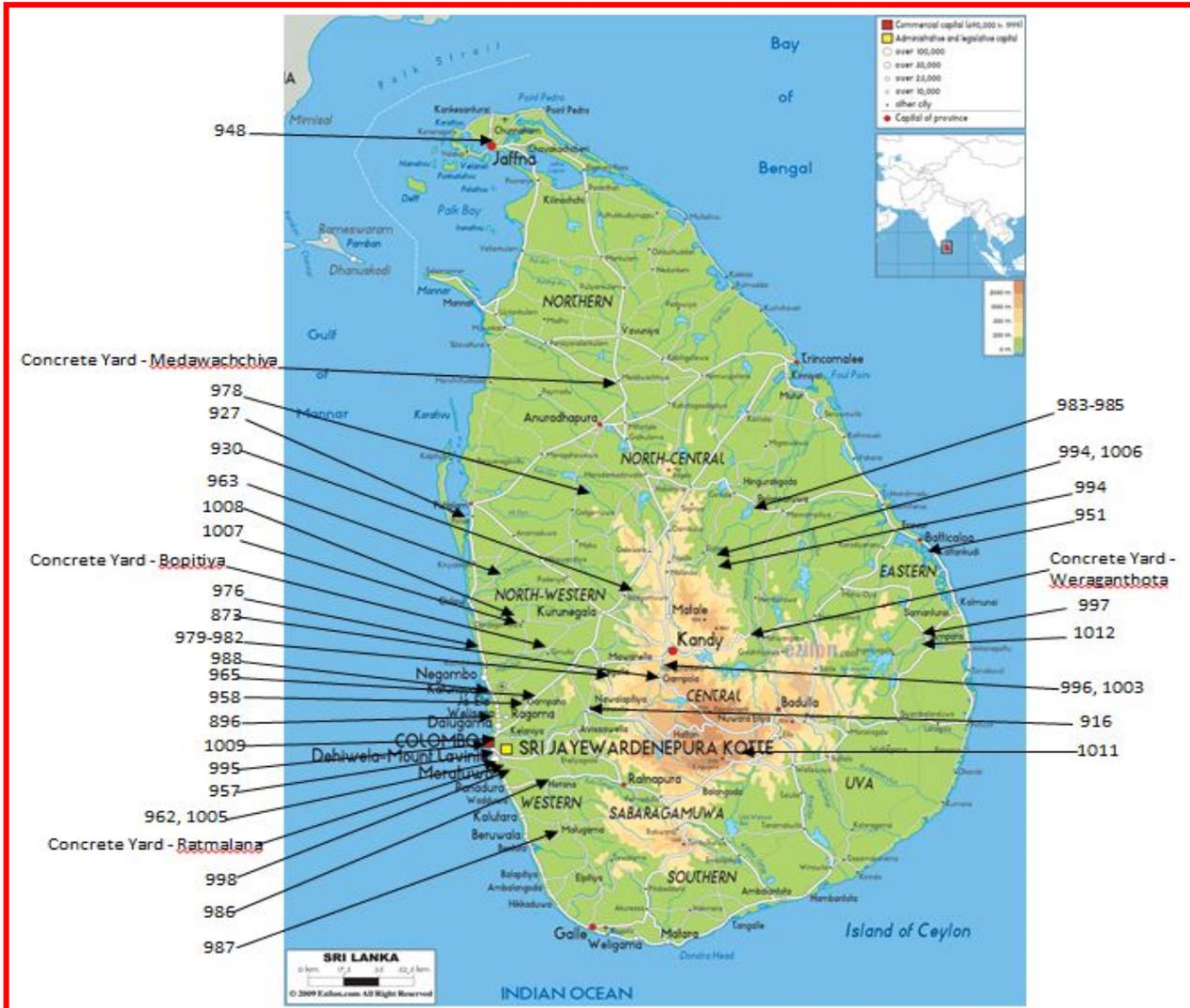
1. Mr. S. A. D. P. Gunawardena - Chairman
2. Mr. Deepal Gunasekera. - Working Director
3. Mrs. Champa N. Balasuriya - Treasury Representative
4. Mr. Dananjaya Nandasiri - Director
5. Mr. Prasantha Dias - Director
6. Mr. H.P.Cashian Herath - Director

**SENIOR STAFF MEMBERS**

1. Eng. M.D.S. Wijayabandara - General Manager
2. Eng. D.S.D.D.C. Rajasinghe - Dep. General Manager (Development & Planning)
3. Eng. S.M.S. Shakoor - Dep. General Manager (Construction)
4. Eng. V.L. Weerathunga - Dep. General Manager ( Mechanical)
5. Eng. Mrs. H. Damayanthi - Dep. General Manager (Performance Monitoring)
6. Mr. M.G. Chandralal Fernando- Dep. General Manager ( Finance)
7. Mr. K.A.G. Wickramasinghe - Senior Manager ( Human Resources & Admin.)
8. Mr. R.A.K. Nishantha - Chief Internal Auditor
9. Eng. W.A.D.R. Shantha Kumara- Chief Engineer - 1
10. Eng. K.A.U. Ranjan - Chief Engineer – 2
11. Eng. D.A.P. Damayanthi - Chief Engineer – 3
12. Eng. I.V.C.U. Kumara - Chief Engineer – 4
13. Eng. P.S.R. Perera - Chief Engineer (Electrical)
14. Eng. G. Sirithunga - Chief Engineer (Mechanical)
15. Mr. Rex de Silva - Revenue Collection Manager
16. Eng. E.K.G. Chandana - Works Manager ( Concrete Yard)
17. Mr. U.K.N. Nandalal - Chief Security Officer



# LOCATIONS OF CONSTRUCTION PROJECTS, GENERAL OFFICES AND CIRCUIT BUNGALOWS OF SD&CC



- 873-Ulupane Bridge
- 896-Hekitta minor flood protection
- 916-Ruwanwella Bridge
- 927-Palavi Bridge
- 930-Laboratory Building - Bathalagoda
- 948-Motor Traffic of Jaffna
- 951- New Kallady Bridge
- 957-Bridge No. 6/2 on Colombo - Horana Road (Rattanapitiya).
- 958-Bridge No. 5/1 on Mudungoda - Gampaha Road (Oruthota Bridge).
- 962- Construction of 04 Roads in National Zoological garden Dehiwala.
- 963-Specific Construction Work of Deduruoya Reservior Projects.
- 965-Construction & Completion of Sewerage Disposal System at Ranpokunagama.
- 976- Construction of Bridge No.3/1 & 3/3 on Wennappuwa Kirimetiyan Road.
- 978- Remedial work of Usgala - Siyabalangamuwa Dam
- 979-Kegalle District - Asphalt Surfacing of Provincial Roads in Mawanaella & Aranyake electorates.
- 982-Kegalle District - Asphalt Surfacing of Provincial Road in Yatiyantota, Deraniyagala & Ruwanwella Electorates.
- 983-Polonnaruwa District Asphalt Surfacing of Provincial Road in Polonnaruwa Electorates.
- 985-Polonnaruwa District Asphalt Surfacing of Provincial Road in Minneriya Electorates.

- 986- Construction of Factory Building for Polipto Lanka - Horana BOI Zone.
- 987-Reconstruction of Bridge No.21/3 on Thiruwanaketiya Agalawatta Road.
- 988-Water Supply scheme at Negambo Road Katunayaka Seeduwa.
- 994-Moragahakanda-Wellawela Road under Kaluganga left Bank Development Projects (3 Bridges).
- 995-Colombo Municipal Council Road Rehabilitation Project
- 996 & 1003 - Drawing Office II - Stage I - Phase I & II - Faculty of Engineering - Peradeniya.
- 997-New Construction (Hostel 01 No. & Gymnasium 01 No) at Hardy Advanced Technological Institute - Ampara
- 998-Reconstruction of Bridge no. 8/4 on Kottawa - Thalagala Road.
- 1005-Dehiwala- Mount Lavinia Municipal Council Development Project - Package II
- 1006-Asphalt surfacing of New Moragahakanda Diversion Road
- 1007-Administration Building of Kuliyapitiya Technical College
- 1008-Gymnasium of Wayamba University
- 1009-Repair & Renovation work for Sahaspura & Sinhapura Stage I Housing Schemes.
- 1011-Bridge no. 18/6 & 19/8 on Palugama - Boralanda - Haputhale Road.
- 1012-Construction of Bridge over Galoya Connecting Salgashandiya Right Bank Canal Road.



Construction of Ruwanwella Bridge



New Kallady Bridge



Reconstruction of Bridge No.21/3 on Thiruwanaletiya - Agalawatta Road



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## CORPORATE GOVERNANCE

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The objectives of State Development & Construction Corporation (SD&CC) and the means of attaining these objectives and monitoring the performance were emphasized through the corporate governance. Therefore, corporate governance promotes effective identification, monitoring and management of all material business risks.

SD&CC, being a fully Government owned institution operates under the purview of the Ministry of Construction, Engineering Services Housing & Common Amenities and the General Treasury. Board of Directors are directly accountable to the Government through the line ministry. Therefore the Board of Directors and the senior management of SD&CC have a duty to ensure that the organization governed and operated in the best interest of the Corporation and its stake holders in full compliance with the regulatory frame work.

In terms of the constitution , Parliament has full control of public finance and therefore public enterprises are subject to Parliamentary control. The cabinet of ministers is responsible for taking decisions relating to public enterprises. The General Treasury is responsible for financial and operational disciplines of the public corporations. For this purpose, the General Treasury issues regulations, rules, codes, guidelines and directives through circulars to ensure that the board of directors properly discharge their responsibilities with regard to the economic efficiency and effectiveness.

Except for the General Treasury Representative Director , the other appointments to the Board of Directors including head of the institutions of Government Corporations are made by the secretary to the line ministry based on the recommendation of the minister in charge under which the enterprise falls. The General Treasury, being the share holder, appoints one director.

The Board of Directors had no personnel interest which conflicted with the interest of the Corporation. The activities of the Corporation were conducted to build the Corporation to more financially and operationally viable entity in the construction industry. The manner and the extent to which SD&CC comply with good corporate governance are given below.



## CORPORATE GOVERNANCE PRINCIPLES

Principles of Corporate Governance	Methodology & Extent of Adherence
<b>Board of Directors</b>	
Composition of the Board	Board comprises of five non-executive directors, an executive director and Chairman. One non-executive director out of five non-executive directors is appointed by the General Treasury. They encompass a range of multi skills talents and expertise required to provide prudent and a reasonable guidance with respect to the operations and interest of the Corporation.
Holding of regular Board Meetings	Regular Board Meetings are held monthly, while special Board meetings are convened whenever necessary.
Availability of formal schedule of matters specially reserved to the decision making of the board.	<p><b><u>Board is responsible for:</u></b></p> <ul style="list-style-type: none"> <li>• Ensuring satisfactory performance of the Corporation as representatives of the line Ministry and the General Treasury.</li> <li>• <b><u>Formulation of policies and strategies</u></b> and monitoring successful implementation thereof</li> <li>• Appointment of the General Manger and key Management staff, approving the Organization structure and planning for succession of Senior Management.</li> <li>• Ensuring the implementation of an effective internal control system</li> <li>• Ensuring compliance with highest ethical, legal standards. Treasury Circulars, Public administration circulars and direction by the Ministry of Construction, Engineering Services, Housing &amp; Common Amenities.</li> <li>• Approval of annual Bonus and Medical leave which are beyond the authority of General Manager and Chairman .</li> <li>• Deciding of major capital investments in property plants and equipments.</li> <li>• Approval of the annual budget and the Corporate Plan.</li> <li>• Approval of Annual financial statements for publications.</li> </ul>



Corporation Secretary to the Board	SD&CC has no Corporation Secretary. The Secretary to the Chairman acts as the Board Secretary. She ensures that notices of all board meetings with relevant board papers are circulated in advance with the approval of Chairman. She minutes all the proceedings and the board meetings under the supervision of the Chairman who signs the minutes at the subsequent meeting.
Independent Judgment and best practice	Directors are committed to add value and bring independent judgment to bear on the decision making process of SD&CC and to carry out their duties free from any undue influence or control of other parties.
Reasonable time effort for matters of the Board and the Corporation.	The Board of Directors dedicates adequate time to matters of the Board and the Corporation. In addition to attending the regular monthly board meetings as well the audit and management committee meetings, matters are also referred to them by circulation.
Conducting board proceedings in a proper manner.	Chairman conducts board meetings ensuring effective participation of all the Directors, heeding to their concerns and maintaining the balance of power. The board is in full control of the Corporation.
Balance of the board	Majority of the Directors are non executive independent Directors, The Board comprises two senior government officers, two businessmen, a Bank Manager and a Treasury representative. The board believes that the combined knowledge & experience of the Board matches the strategic demands facing the Corporation.
Availability of adequate and timely management information	An organized management information system is in place. Accurate and relevant information relating to matters referred to the members of the board are made available to them well in advance. Whenever, the board finds that the information made available to them for a decision is insufficient, they call for additional information and the Chairman ensures that all Directors are properly briefed on the matters deliberated at the meetings.
Presence of a strong and independent non executive element in the board	Majority of the Directors are non executive independent directors.
Appraisal of Board Performance	There is no specific method in operation to assess the performance of the board . Therefore the board has the autonomy to implement a self assessment exercise covering the key functions under the following activities to assess the performance of the board where necessary. <ul style="list-style-type: none"> <li>• Discharge of statutory / regulatory duties and board responsibilities.</li> <li>• Corporate governance and monitoring of the Management.</li> </ul>



	<ul style="list-style-type: none"> <li>• Seeking &amp; contributing views &amp; opinions on strategic decision making.</li> <li>• Continuous progress review meetings by the line ministry.</li> <li>• Undertaking the succession plans to ensure comprehensive staff succession for engineers and CSS, Accountants and other skilled employees.</li> <li>• Overall view of management of the business by the Board of Directors.</li> </ul>
Appraisal of the General Manager and Senior Management	The board sets financial and non – financial goals and objectives for the General Manager and Senior Staff in line with the Corporate goals and objectives of the Corporation. The General Manager is entrusted with management of SD&CC's operations.
	The main corporate goals and objectives emanating from the Corporation's Corporate plan and the budget are incorporated as personal goals of the GM and Senior management whose performance is assessed by the Chairman and Board of Directors
<b>Major Transactions</b>	
Disclosure of major transactions and their impact on the consolidated net assets of the Corporation.	Done where relevant During the year 2012, The Economic Development ministry has been granted 86 machineries worth of Rs. 1,359 Mn.
<b>Accountability and Audit</b>	
<b>Financial Reporting</b>	
Disclosure of an assessment on the position and prospects of the Corporation	Corporation exercises management priority to timely submission of quarterly reports to the Treasury in accordance with a specified format enabling them to make a fair assessment of the Corporation's performance. The financial statements are prepared in accordance with Sri Lanka Accounting Standards, which are based on the international accounting standards. Therefore the Corporation's financial statements comply with the international accounting standards in all material respects.
Annual Report should contain a declaration by the Chairman.	Report of the Chairman is given on pages 04 & 05 of this Annual Report.
Presenting a statement setting out the responsibilities of the directors for financial statements and a statement by the Auditors about their reporting responsibilities.	The statement of Directors responsibilities for financial reporting is given on page 23 of this Annual Report. Auditors report on the financial statements of the Corporation for the year ended December 31 <sup>st</sup> ,2013 is given on page 26 of this annual report.
<b>Internal Controls</b>	
Maintaining a fair system of Internal controls covering financial & operational compliance and management to safe guard the Corporation's assets.	Management has put in place effective internal controls, and compliance systems to ensure that no legal, Financial regulations, Ministry & Treasury directions and other regulations are violated.



Direction	<p>i. Decisions made at the Meeting of the Board of Directors were communicated to the relevant officials for implementation and the outcomes were reported back to the Board of Directors.</p> <p>ii. Senior Staff Meeting with the participation of all the Heads of Divisions &amp; Chief Engineers were held monthly to discuss the operational, financial &amp; personnel matters and matters arising are brought to the notice of Board of Directors.</p> <p>iii. Progress monitoring meetings for Construction Division and the Concrete Yards were held every month with the participation of all the project/yard managers and the outcome was reported to the Board of Directors.</p>
<b>Audit Committee and Auditors</b>	
Availability of an audit committee comprising of independent non executive directors and reporting thereon in the Annual Report.	An active audit committee headed by the Director cum Treasury Representative above and represented by two other non executive directors is in place. Representatives from Auditor General's Department & the Ministry participate at these meetings by invitation.
Maintaining appropriate relationships with the external auditors to ensure their objectivity and independence .	SD&CC maintains appropriate relationships with the Auditor General's Department.
Board of Survey	Annual Survey of property, plant & equipment and inventories were conducted as at 31.12.2013
<b>Corporate Governance Disclosures</b>	
Disclosures of Corporate Governance practices adopted in the Corporation	<p>In order to strengthen the good corporate governance practices, already in place in the Corporation, it identifies the best Industry practices in accordance with the guide line given by the General Treasury for good governance and implement them.</p> <p>It is encouraging to note that the majority of the principles and practices recommended by the General Treasury are already in place in the Corporation. A few of the practices not found to be in place in the Corporation have been identified and corrective actions are being taken. It is also believed that the amendments proposed to the guide lines for good governance will improve the operational structure and the regulatory framework relating to corporate governance of the corporations and statutory boards.</p>



**New Construction (Hostel 01 No. & Gymnasium 01 No) at Hardy Advanced Technological Institute – Ampara - 997**



**Gymnasium of Wayamba University -**



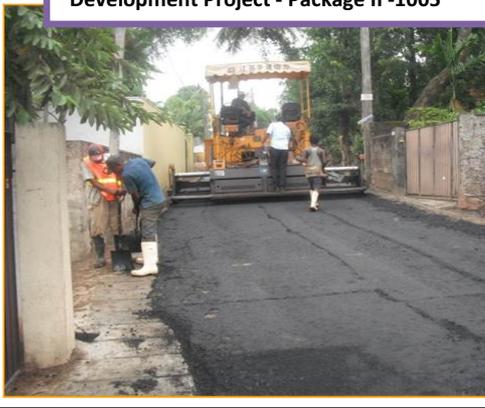
**Laboratory Building - Bathalagoda - 930**



**Ulapane Bridge -873**



**Dehiwala- Mount Lavinia Municipal Council Development Project - Package II -1005**



**Ruwanwella Bridge -916**



**Ulapane Bridge -873**



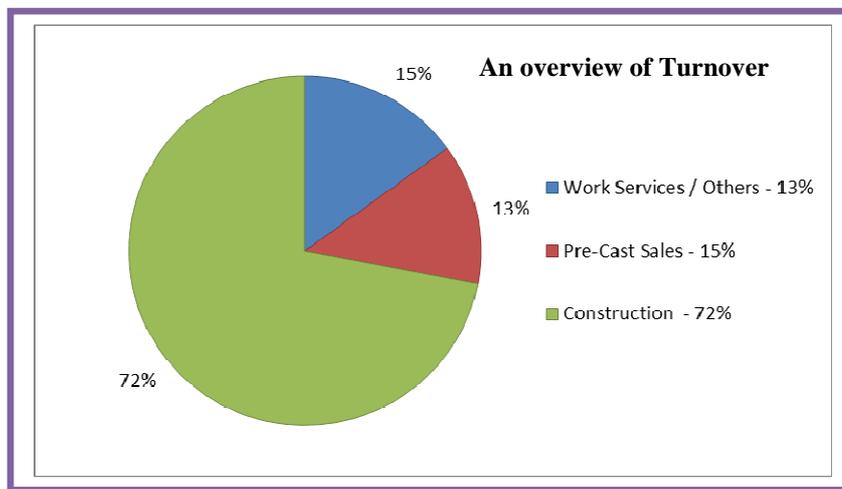
## OPERATIONAL AND FINANCIAL REVIEW

The financial statements of the Corporation, which form a part of this Annual Report, set out the financial performance. The operational and financial review discusses an over view of the SD&CC's operational and financial performance.

### Corporation's Results

The value of recognized income on projects during the year under review was Rs. 2,579 Mn. which has been identified as the Turnover from Construction activities during the year under review.

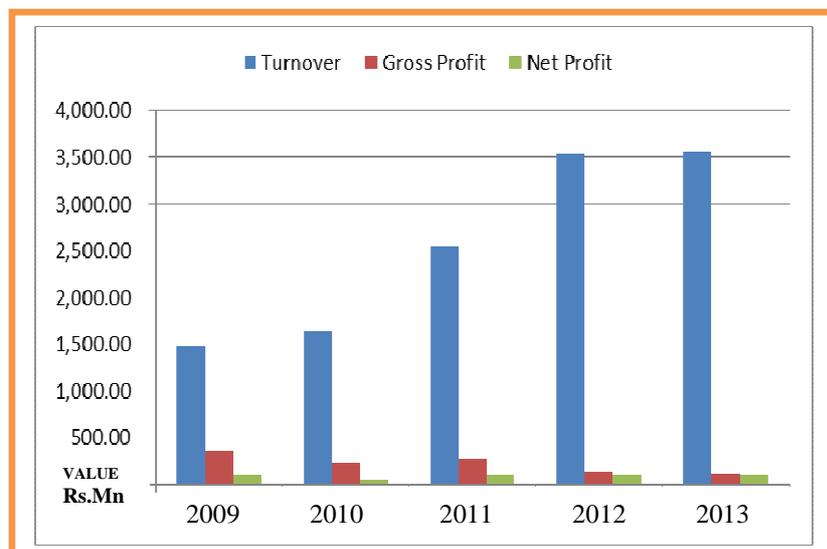
The Turnover from Concrete Yards was Rs. 523 Mn. during the year under review. The turnover from work services/other has made significant contribution by adding Rs.463 Mn. to the total turnover.



### Operating Profits

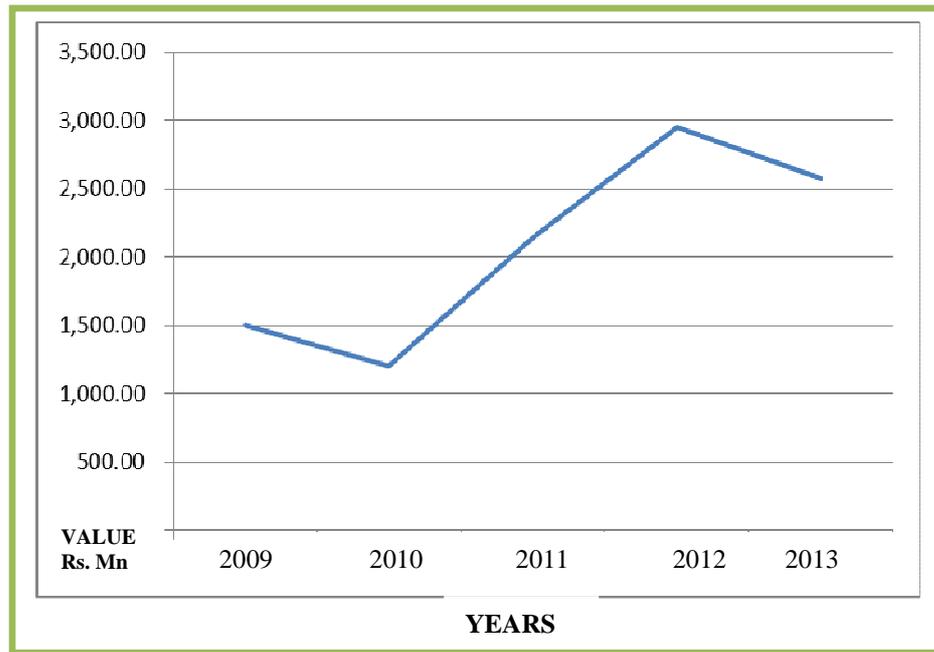
The profit before Taxation grew up to 97.21 Mn. Whilst profit growth was mainly driven by Concrete yards products, Road Project of Kegalle and Polonnaruwa, other activities and work services, the higher financial expenses in construction hampered overall growth in net profits.

### An Overview of Profit and Gross Profit to Turnover





### *Turnover from Construction Activities*



The performance of the construction projects closely monitored by the construction division through programs, resources scheduling with strict deadlines for preparation and submission of bills and certification therein. There is a slight decrease in turnover with compares to the previous year due to there is longer delays in respect of payment for progress bills as experience in the previous years. However, the management of the Corporation will adopt permanent solution to this delays of payment with the assistance of current Board of Members in near future.

### *Concrete Yard Sales*

SD&CC maintains 04 Concrete Yards at Ratmalana, Bopitiya, Weragantota and Medawachchiya and a sales centre at Peradeniya with the satisfying heavy internal demands from construction projects, the concrete yards catering demand of external clients like Ceylon Electricity Board, Sri Lanka Railway and other private sector contractors, producing PSC beams, transmission poles, RCC Pipes. Bridge components and miscellaneous products like paving slabs and stones, hollow blocks etc.

### *Work Services*

The turnover of work services was derive from the services rendered by Central Mechanical Division. The main objective of this division is to provide services to existing project of the Corporation. In addition to that the Traffic Light Signal Unit ( TLS) & Two Asphalt Plants Location in Polonnaruwa & Amithirigala also function under the Central Mechanical Division, from that TLS was established in 2005 to install and maintain Traffic Light signal systems for Road Development Authority. The contribution of this work services to the turnover of Corporation is 13%.



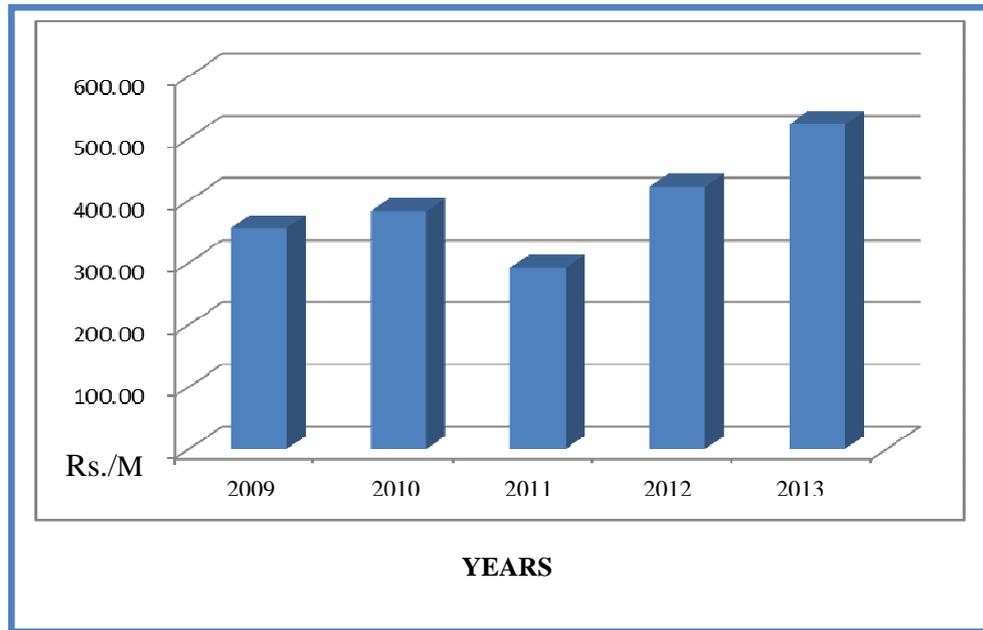
SUMMARY OF THE PROGRESS OF ONGOING PROJECTS AS AT 31. DEC. 2013				
Pro. Code	Project Name	Original contract value	Month of December 2013	Progress
			income (Rs. Million)	Phy %
<b>Bridges</b>				
951	New Kallady Bridge.	1,389.50 Revised	1228.90	100%
994	Construction bridges on of Moraghakanda-Wellawala road (Kalu ganga Left Bank Development)	88.84	38.73	50%
958	Bridge No. 5/1 on Mudungoda - Gampaha Road (Oruthota Bridge)	48.63 Revised	50.00	100%
957	Bridge No. 6/2 on Colombo - Horana Road (Rattanapitiya).	77.35 Revised	30.00	40%
927	Palavi Bridge.	87.27	73.14	78%
916	Ruwanwella Bridge.	74.17	86.57	90%
976	Construction of Bridge No.3/1 &3/3 on Wennappuwa – Kirimetiyanana Road.	89.01	67.00	100%
998	Reconstruction of Bridge no. 8/4 on Kottawa - Thalagala Road.	44.73	10.00	25%
987	Reconstruction of Bridge No.21/3 on Thiruwanaletiya Agalawatta Road.	43.19	37.87	60%
873	Ulapane Bridge	75.00	88.51	72%
1011	Bridge no. 18/6 &19/8 on Palugama - Boralanda - Haputhale Road.	71.80	-	
1012	Construction of Bridge over Galoya Connecting Salashandiya Right Bank Canal Road.	93.37	-	
<b>Roads</b>				
995	Colombo Municipal Council Road Rehabilitation Project Package - III	283.50	216.00	100%
979 982	Kegalle District Asphalt Surfacing of Provincial Road	3,900.00 (Approx.)	2952.10	75%
983 985	Polonnaruwa District Asphalt Surfacing of Provincial Road	2,192.00 (Approx.)	1774.20	93%
962	Construction of four Roads at National Zoological Gardens-Dehiwala	45.99	36.40	100%
1005	Dehiwala- Mount Lavinia Municipal Council Development Project - Package II	137.77	30.00	52%
1006	Asphalt surfacing of New Moragahakanda Diversion Road.	66.07	58.76	100%



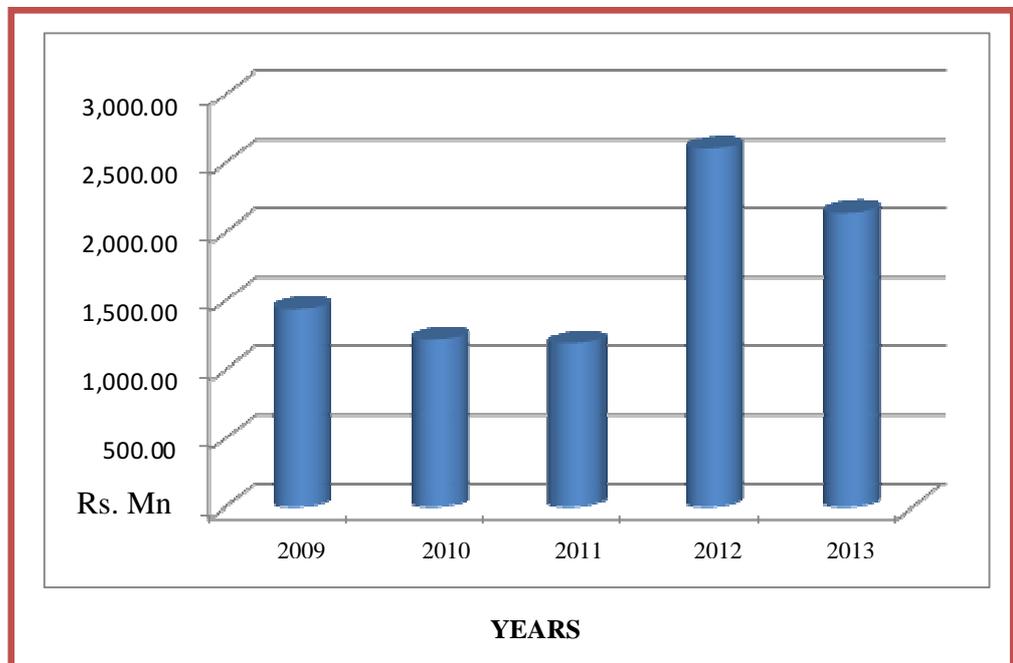
<b>Buildings</b>				
997	New Construction (Hostel 01 No. & Gymnasium 01 No) at Hardy Advanced Technological Institute - Ampara	424.00	278.91	68%
996	Drawing Office II (Do II) Stage I - Phase I Faculty of Engineering – Peradeniya.	10.55	8.83	100%
1003	Drawing Office II (Do II) Stage II - Phase I Faculty of Engineering – Peradeniya.	17.83	1.05	20%
986	Construction of Factory Building for Polipto Lanka - Horana BOI Zone.	15.38	14.79	99%
930	Laboratory Building - Bathalagoda	116.18 Revised	98.50	97%
948	Motor Traffic Building	24.08	17.60	95%
1007	Administration Building of Kuliypitiya Technical College	53.57	35.10	47%
1008	Gymnasium of Wayamba University	223.21	98.30	50%
1009	Repair & Renovation work for Sahaspura & Sinhapura Stage I Housing Schemes	67.37	3.00	25%
<b>Water Supply &amp; Irrigation &amp; Hydro power</b>				
963	Construction of Three Trough structures at Right-Bank Main Canal - Deduruoya Project	202.63	185.00	90%
978	Siyabalangamuwa Dam	119.86	102.63	95%
896	Hekitta MFP Structure	38.22	31.20	75%
988	Water Supply scheme at Negombo Road Katunayaka.	39.53	31.34	90%
<b>Miscellaneous (Others)</b>				
965	Cons.& completion of Existing Sewerage disposal system at Ranpokunagama -Stage I	17.14	11.28	100%
<b>02. Concrete Yards</b>				
01	Ratmalana		199.06	
02	Bopitiya		132.40	
03	Weragantota		161.67	
04	Medawachchiya		54.59	



### Pre-cast Sales



### Net Assets





## HUMAN RESOURCES

Human Resources is the main asset of the Corporation. In order to achieve the targets of the Corporation human resources have to be mentally and physically satisfied.

Corporation has been investing in the Development of Human Resource, as the Corporation believe that the real strength of any Organization depend on the capabilities of its Staff, in a rapidly changing business environment. Therefore all efforts were directed to have a well skilled and competent workforce in order to achieve forecasted results.

In the year 2013 many programs were worked out in order to develop knowledge, skills, and to maintain standards to keep the Employees satisfied and motivated. Human Resources look forward to fulfill the goals and objectives of the Corporation.

1. **Staff Promotions**

All members of the staff who were qualified for promotions in the year 2013 have been promoted.

2. **Staff Welfare**

Renewed the Medical Insurance Scheme and the Workmen Compensation Insurance Scheme for Employees sponsored by the Corporation.

All bonus payments were paid to the staff of the Corporation in April & December 2013.

3. **Salary Increases**

According to the relevant Government instructions Cost of Living Allowance was increased by Rs.. 750/- per month.

4. **Health Campaign**

Organized a Health Campaign for the entire Staff of the Corporation in Rathmalana, every employee underwent a Medical Test and was issued with a Comprehensive Health Test Report.

5. **Rewards to Employees**

All Employees who have completed 25 years of continuous service in the Corporation were felicitated with a gold sovereign and a moment as a token of appreciation of dedicated service at the 42<sup>nd</sup> Anniversary Celebrations of the Corporation.

6. **Training provided for External Institutions**

Proper training of personnel sent to us by External Institutions such as Universities, National Apprenticeship Board to be trained in various fields of construction is being continued as a contribution towards the general development of the country.



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**OUR STAFF STRENGTH**

<b>Designation</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Civil Engineers	59	55	48	59	54	44
Mechanical & Electrical Engineers	09	09	09	12	10	12
Senior Managers	03	03	03	03	03	03
Accountants	08	08	06	08	08	08
Other Staff Officers	08	08	10	16	17	16
Construction Superintendents (Civil/ Mechanical / Electrical)	32	18	20	19	23	26
Draftsman / Quantity Surveyor	05	05	02	03	03	02
Security Staff	38	36	34	29	25	29
Clerical & Allied Grades	98	98	88	95	98	86
Supervisory & Other Skill Grades	279	276	286	294	309	311
	<hr/>					
Total	<b>539</b>	<b>516</b>	<b>506</b>	<b>538</b>	<b>550</b>	<b>537</b>
	<hr/> <hr/>					



## AUDIT COMMITTEE REPORT

### REPORT OF THE AUDIT COMMITTEE - 2013.

The Audit Committee constitutes in accordance with the provisions of the Public Enterprise Circular No. PED 55 of 14.12.2010.

The Audit Committee should assist the Board in the task of overseeing to ensure that financial reporting is done in compliance with relevant Sri Lanka Accounting Standards and other applicable legal requirements, to ensure that all relevant rules and regulations and circulars issued by the government are complied with continuously reviewing and monitoring making recommendations to the Board on non-compliance, review the internal/external audit reports, management letters and recommendations of COPE, help the Board to take remedial actions, to introduce and implement adequate internal control system.

The Audit Committee comprises three non - Executive Directors of the Corporation and chaired by the Director representing the Treasury.

Auditor General's Department representative participated as an observer as per the above Circular and Chief Internal Auditor of Ministry also participated as an observer as appointed by the Ministry.

During the financial year 2013, four (04) Audit Committee meetings were held. In the year 2013, the Committee

- Reviewed and recommended the Internal Audit Programme - 2014.
- Paid attention for the issue of Annual Reports for the years 2010 and 2011.
- Paid attention for the preparation of Action Plan for the year 2013.
- Reviewed the Internal Audit reports ,covering the nature of the issues, responses by the Departmental Heads and corrective actions that were taken by the Management to overcome the noted deficiencies.
- Reviewed & made suitable recommendations about several internal control systems such as interdepartmental transactions in order to ensure the smooth operations of the Corporation.
- Reviewed the follow up actions taken by the respective Manager /Officer on the recommendations of the Committee.
- Reviewed the Auditor General's Management Report and Final Report and made follow up actions for rectifying accounting deficiencies and non - compliance of rules mentioned therein.

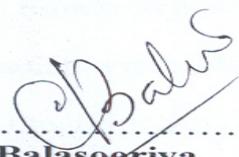


- Reviewed the financial statements ensure to compliance with Sri Lanka Accounting Standards. (SLFRS/LKAS)
- Paid attention to ensure that all relevant rules and regulations and circulars issued by the government are complied with.
- Considered the comments presented by the Management of the Corporation on the matters raised by the Auditor General.
- Considered the comments made by COPE and recommendations thereon.

The Audit Committee is of the opinion that terms of reference of the Committee cover the subjects in all material aspects.

**Audit Committee Members.**

- Mrs. C.N Balasooriya - Chairperson/Board Director/Treasury Representative.
- Eng. J.R Bopitiya. - Member/Board Director.(up to 04.06.2013)
- Eng.S.D.G.R Sandanayake - Member/Board Director.(up to 29.04.2013)
- Mr. H.P Casian Herath - Member/Board Director.(From 30.04.2013)
- Mr.Prashantha Dias. - Member/Board Director.(From 05.06.2013)



.....  
**C.N Balasooriya.**  
**Chairperson - Audit Committee**



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## STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The following statement sets out the responsibilities of the Directors in relation to the financial statements of the Corporation. These differ from the responsibilities of the Auditors, which are set out in their report.

Directors are required to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Corporation as at the end of the financial year and of the profit or loss of the Corporation for the financial year. In preparing the financial statements, appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgment and estimates have been made and applicable accounting standards have been followed.

The Directors are responsible for ensuring that the Corporation keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Corporation and for ensuring that the financial statements comply with the requirements of Sri Lanka Accounting Standards, guidelines by the General Treasury through Circulars and the Finance Act. They are also responsible for taking reasonable measures to safe guard the assets of the Corporation, and in that context to have proper regard to the establishment of appropriate systems of internal control to prevent and detect frauds and other irregularities.

The Directors continue to adopt the going concern basis in preparing accounts. The directors, after making inquiries and following a review of the Corporation's budget for the financial year 2014, including cash flows, projects in hand and borrowing facilities, consider that S&CC has adequate resources to continue in operations.

For and on behalf of the Board of ,

### STATE DEVELOPMENT & CONSTRUCTION CORPORATION .

**Chaminda Ediriwickrama**  
Chairman.

**10 YEARS PERFORMANCE SUMMARY.**

Description	2004 (Rs.)	2005 (Rs.)	2006 (Rs.)	2007 (Rs.)	2008 (Rs.)	2009 (Rs.)	2010 (Rs.)	2011 (Rs.)	2012 (Rs.)	2013 (Rs.)
1.Turnover	631,145,047	895,278,476	866,706,964	801,530,218	1,661,599,002	1,466,146,925	1,671,679,005	2,564,139,185	3,534,179,480	3,565,830,370
2. Operating Expenses	564,031,517	821,159,594	778,395,748	640,686,287	1,433,374,873	1,135,532,405	1,448,476,239	2,288,062,266	3,421,538,609	3,439,676,689
3.Gross Profit	67,113,530	74,118,881	88,311,216	160,843,931	228,224,129	330,614,520	223,202,767	276,076,919	112,640,871	126,153,681
4.Other Income	22,163,709	27,272,416	34,860,613	29,943,947	38,134,293	27,981,723	26,062,984	32,857,265	172,380,088	199,234,550
5.Admin. Expenses	65,918,806	71,237,696	81,774,444	123,463,375	125,068,134	122,178,408	142,633,691	143,558,270	133,379,468	170,114,913
6.Other Expenses	826,516	1,129,298	3,910,389	7,102,694	10,274,230	16,418,049	3,637,713	57,476,813	22,896,549	(9,582,288)
7.Financial Expenses	3,183,644	8,542,246	15,324,228	17,985,859	78,542,597	118,657,428	80,620,389	65,582,132	62,872,698	67,646,914
8. Net Profit before Taxation	19,348,273	20,482,057	22,162,767	42,235,949	52,473,459	101,342,358	22,373,957	42,316,969	65,872,244	97,208,693
9.Total Assets	1,211,903,454	1,603,788,374	1,819,160,861	2,114,755,333	2,449,643,021	2,626,565,287	2,443,174,386	3,558,253,858	5,115,747,833	4,892,581,938
10.Net Assets	778,437,230	924,911,474	934,220,347	960,188,471	1,002,231,695	1,091,458,958	854,278,282	819,601,521	1,871,466,720	1,792,746,938
11.ROCE - %	25.99	1.9	2	3.7	5	11.1	5.5	7.2	3.6	5.89
12.Return on Assets	1.6	1.2	1.22	2	2.14	3.86	0.92	1.18	1.29	1.99
13.Gross Profit Ratio - %	10.63	8.3	10.19	20	14	23	13	10.77	3.19	3.54
14.Net Profit Ratio - %	3.07	2.3	2.56	5	3	7	1.34	1.64	1.86	2.73
15.Current Ratio - Times	1.32	1.28	1:20	1:22	1:28	1:47	1.30	1.10	1.20	1.06



**විගණකාධිපති දෙපාර්තමේන්තුව**  
**கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்**  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

} EH/F/SDCC/FA/13

ඔබේ අංකය  
உமது இல.  
Your No.

}

දිනය  
திகதி  
Date

} 13 July 2015

The Chairman  
State Development and Construction Corporation

**Report of the Auditor General on the Financial Statements of the State Development and Construction Corporation for the year ended 31 December 2013 in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971**

The audit of financial statements of the State Development and Construction Corporation (SD&CC) for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 29 (2) of the State Industrial Corporation Act, No. 49 of 1957. My comments and observations which I consider should be published with the annual report of the Corporation in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act, will be issued to the Chairman of the Corporation in due course.

**1:2 Management's Responsibility for the Financial Statements**

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

**1:3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standard of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and





judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of the Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### 1.4 **Basis for Qualified Opinion**

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My opinion is qualified based on the matters described in paragraph 2.2 of this report.

### 2. **Financial Statements**

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#### 2.1 **Qualified Opinion**

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In my opinion, except for the effects of the matters described in the Basis for Qualified opinion paragraph, the financial statements give a true and fair view of the financial position of the State Development and Construction Corporation as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### 2.2 **Comments on Financial Statements**

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##### 2.2.1 **Sri Lanka Accounting Standards (LKAS)**

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The following observations are made.

- (a) **LKAS 11-Construction Contracts** - According to the Paragraph 11 of the Standard, the amount of contract expenditure should be increased when the penalties arise from the delays caused by the contractor. The clients had deducted the delay charges amounting to Rs.60,476,122 from the payment to the Corporation (Contractor) in time to time. However, that amount had been accounted as receivable without having substantial evidence for receiving. Further out of that an amount of Rs.34,006,337 relating to the construction works that were not in operation and completed and handed over long ago at the end of the year 2013. Hence, it is not prudent to accounts such delay charges as receivable.



- (b) **LKAS 16 – Property, Plant and Equipment (PPE)** - According to the Standard, the PPE of which the future economic benefits are embodied therein should be brought to the accounts. However, the land and buildings disclosed under Note-1.5 to the financial statements valued at Rs.75,820,875 had been utilized by the Corporation since 2005 but not brought to the accounts due to non-availability of the ownership in contrary to the provision in the standard.

### 2.2.2 Accounting Policies

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Corporation had adjusted, 80 per cent of the uncertified final bill value as revenue before receiving the clients certified bill in the year 2014 and this policy had not been disclosed in the financial statements.

### 2.2.3 Accounting Deficiencies

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The following observations are made.

- (a) Two balances in creditor accounts aggregating Rs.4,038,984 had been included in the construction debtor balance in the financial statements for the year 2013 and as a results, the construction debtor and trade creditor balances shown in the financial statements as at 31 December 2013 had been understated by similar amount.
- (b) The all activities of the Project bearing No. 905 had been completed before 2013 and handed over to the client. As the all bills had already been settled, there should not have a balance in due from customer account as at 31 December 2013. However, receivable balance of Rs.2,271,722 had been appeared in that account as at 31 December 2013 without being treated it as a loss to the Corporation.
- (c) Provision for Rs.34,433,731 due from a Joint Venture Company which is not in operation at present had not been made in the financial statements.
- (d) According to the financial statements of the Fujima State Corporation (Pvt) Ltd, a Joint Venture Company, the amount payable to the Corporation for the year ended 31 March 2010 was Rs.41,899,490 and no transactions had been taken place thereafter. However, no such balance was appeared in the financial statements of the Corporation as at 31 December 2013.
- (e) Differed income and the Government grant shown in the financial statements as at 31 December 2013 had been understated and overstated by Rs.13.5 million and Rs.15 million due to error in accounting of the amount paid to the Ministry of Economic Development for the assets granted to the Corporation in 2012 as donation.



- (f) Provision for penalties on the delayed payment of Pay as you Earn (PAYE) tax amounting to Rs.714,309 had not been made in the financial statements.

### 2.2.3 Unreconciled Differences

---

The following observations are made.

- (a) The balance of the Value Added Tax (VAT) payable as at 31 December 2013 according to the financial statements was Rs.381,574,519. However, according to the schedule furnished along with the financial statements it was Rs.363,288,397. According a difference of Rs.18,286,122 was observed between those two figures.
- (b) As reported in my previous year audit report, the value of Bitumen collected by the Corporation from the Ceylon Petroleum Corporation in the year 2012 was Rs.47 million. Nevertheless, the value of Goods Received Notes issued for them was Rs.51 million. As such the difference observed between those two figures was Rs.4 million and the reason for the difference was not made available for audit during the year under review as well.

### 2.2.4 Accounts Receivable and Payable

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The following observations are made.

- (a) Debtor balances of the Construction and Concrete Yard Divisions of the Corporation amounting to Rs.27,954,091 and Rs.36,078,652 respectively had remained outstanding for more than three years as at 31 December 2013. Of them Rs.24,328,500 and Rs.24,912,095 respectively were remained outstanding for a period of more than 05 years without being taken any recovery action. Further, age analysis for sundry debtor balances of Rs.37,680,993 as at 31 December 2013 was not furnished to audit.
- (b) Retention money receivable amounting to Rs.55,364,870 shown in the financial statements was remained outstanding for a period of more than five years as at 31 December 2013. Further, some of the Projects from which the retention money receivable had been completed and handed over to the clients several years ago and certain other Projects had been terminated due to various reasons. Hence, it was observed that those balances had been carried forward in the financial statements year by year without any substantial evidence for recovery.
- (c) A debit balance in mobilization advances received account as at 31 December 2013 amounting to Rs.3,434,903 was observed in relation to Projects bearing Nos. 873, 942 and 958 which were fully completed as at 31 December 2013. Prompt action had not been taken to clear this account.



- (d) Purchase advances for construction contract amounting to Rs.4,638,445 and Rs.18,969,116 had been remained outstanding for a period of more than 4 years and 02 years as at 31 December 2013 respectively without taking any recovery action. In addition to that, the age analysis for purchase advance of Rs.21,663,889 relating to Peliyagoda Office of the Corporation was not made available for audit.
- (e) Nation Building Tax (NBT) liability as at 31 December 2013 was Rs.9,099,277. Out of that Rs.6,342,105 was outstanding for more than 3 years.

**2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.**

The following instances of non-compliance were observed in audit.

<b>Reference to Laws, Rules and Regulation etc.</b>	<b>Non-compliance</b>
(a) Section 14(1) of the Finance Act, No. 38 of 1971	The Draft Annual Report for the year under review which should be submitted to the Auditor General together with the draft financial statements was not-submitted.
(b) Section 8.8 of the Public Enterprises Department Circular No PED/12 of 02 June 2003	Approval of the Board should be obtained for the delegation of financial authority, indicating limits of expenditure and no expenditure should be authorized, incurred or paid outside the limits of such delegated authority. Further, such delegation of authority should be updated and approved by the Board at the beginning of each year. However, the Corporation had not complied with those requirements.
(c) Chapter XIV of the Inland Revenue Act, No.10 of 2006	The Pay As You Earn (PAYE) Tax aggregating Rs.7,898,258 had been paid out from the Corporation funds for the period from 2009 – 2013 instead of being recovered from respective employees as per the Circular instructions.



### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented for audit, the operations of the Corporation for the year under review had resulted a pre-tax net profit of Rs.97,208,693 as compared with the corresponding pre-tax net profit of Rs.65,872,244 for the preceding year, thus indicating an improvement of Rs.31,336,440 in the financial results of the year under review. Increase of income from the Concrete Yards by Rs.523,169,652 was the main reason for this improvement.

#### 3:2 Analytical Financial Review

---

The following observations are made.

- (a) The gross profit margin for the year under review was 4 per cent as compared with that of 3 per cent in the previous year, thus showing a slight increase by 1 per cent. The actual gross profit margin of the year 2013 was far behind as compared with the target of 12 per cent.
- (b) Trade and other receivables of the year under review represented 50 per cent of the total assets and the ratio between the current assets and current liabilities of the year under review was 1:0.94. Hence, it was revealed that the Corporation had functioned in 2013 with a poor working capital management.

### 4. Operating Review

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#### 4.1 Performance

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The Corporation had handled 67 construction contracts to the value of Rs.12,474 million in the year 2013. However, the most of the construction works had delayed in the range of 6 to 82 months due to various reasons such as liquidity problems of the Corporation, non-receipt of the payments from clients in time, bad weather condition, design changed by the clients and management inefficiency etc and a total loss of Rs.70,347,822 had occurred from the delayed Projects up to 2013.

#### 4.2 Management Inefficiencies

---

The following observations are made.

- (a) According to the Corporate Plan 2011-2013, one of the main objectives of the Corporation is to carry out investigation, investment, planning, designing, construction operation and management of building, civil engineering, other engineering projects or other venture in abroad, and execution or supervision of the



projects in aboard. However, no any action and strategies had been identified to fulfill that objective even though income of Rs.245 million had been targeted for the year 2013 from these sources.

- (b) A delay chargers of Rs.6,185,652 had to be paid by the Corporation due to non-supply of concrete products to the Ceylon Electricity Board(CEB).

#### **4.3 Transactions of Contentious Nature**

---

The following observations are made.

- (a) Incentive amounting to Rs.12,719,216 had been paid to selected technical staff of the Construction Division of the Corporation in 2013 without having assessment of individual performance of technical staff.
- (b) The Corporation had paid a sum of Rs.12,009,295 as vehicle hiring charges to four officers who were appointed by the Ministry of Construction, Engineering services, Housing and Common Amenities, to inspect the works of the road Projects carried out by the Corporation in Kegalle under Janasewana Programme implemented by the Ministry during June 2012 to November 2014. However, the above payments had been made based on their incomplete running charts without being obtained any inspection reports.
- (c) Seven debtor balances aggregating Rs.3,153,875 had been written off during the year under review without being obtained the approval of the Board.

#### **4.4 Identified Losses**

---

The following observations are made.

- (a) Penalty imposed due to non-remittance of the Employee Provident Fund(EPF) and Employee Trust Fund(ETF) on due dates for the year 2013 was Rs.32,476,365.
- (c) Interest paid for non- payment of the employees gratuity on due dates in the year 2013 was Rs.693,264.

#### **4.5 Human Resources Released to Other Government Institutions**

---

Five employees had been released to the line Ministry without the approval of the Cabinet of Ministers as specified in the Public Enterprises Department Circular No. PED/12 of 02 June 2003 and the expenditure of Rs.2,216,971 incurred by the Corporation for those employees in the year 2013.

## 5. Accountability and Good Governance

### 5.1 Corporate Plan

The following observations are made with regard to the Corporate Plan prepared for the period 2011 – 2013.

- a) Specific objectives and strategies for the individual seven Sub-divisions operating under the Corporation had not been identified. Therefore, achieving the entire objectives as specified in the Corporate Plan is questionable.
- b) According to the following information, the targets set out in the Corporate Plan were either unrealistic or not taking proper follow-up actions to achieve them.

Item	Target as per the Corporate Plan	
	Plan	Actual
	Rs. million	Rs. million
Turnover growth	Not mentioned	Nil
Pre-cast concrete products	890	523
Consultancy fee	80	3.8
Overseas construction	200	-
Profit before tax	434	97
Net profit margin (%)	1	1.32

- (c) The Action Plan and the Budget prepared for the year under review had not been in line with the Corporate Plan.
- (d) The following strategies highlighted in the Corporate Plan had not been implemented even in the year under review.
  - Implementing the cost control and accounting system to set out competitive prices for concrete products
  - Disposal of non-moving concrete items
  - Carrying out sales promotion and advertising programmes for concrete products
  - Implement a proper cash disbursement system for internal sales in order to minimize the delay in supplying external orders due to cash flow problem.

### 5.2 Budgetary Control

Significant variances were observed between the budgeted and the actual income and expenditure thus indicating that the budget had not been made use of as an effective instrument of management control.



## 6. Systems and Controls

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Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Corporation from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Trade and Other Receivables
- (c) Trade and Other Payables
- (d) Performance Review
- (e) Human Resource Management
- (f) Statutory Payments
- (g) Assets Management
- (h) Project Administration and Sub-contracting
- (i) Utilization of Resources
- (j) Financial Management

W.P.C Wickramaratne  
Acting Auditor General

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

	Note	2013	2012
<i>(All Amounts Are In Sri Lanka Rupees)</i>			
Revenue	01	3,565,830,370	3,534,179,480
Cost Of Sales	02	(3,439,676,689)	(3,421,538,609)
<b>Gross Profit / (Loss)</b>		<b>126,153,682</b>	<b>112,640,871</b>
Other Income	03	190,718,883	165,476,136
<b>Profit / (Loss) Before Operating Expenses</b>		<b>316,872,565</b>	<b>278,117,007</b>
Administrative Expenses	04	(170,114,913)	(133,379,468)
Distribution Costs	05	-	-
Other Expenses	06	9,582,288	(22,896,549)
<b>Results From Operating Activities</b>		<b>156,339,940</b>	<b>121,840,990</b>
Financial Income	07	8,515,667	6,903,952
Financial Expenses	07	(67,646,914)	(62,872,698)
<b>Profit Before Tax</b>		<b>97,208,693</b>	<b>65,872,244</b>
Tax Expenses	08	(24,693,338)	(2,939,719)
<b>Profit From Continuing Operations</b>		<b>72,515,355</b>	<b>62,932,525</b>
Profit/(Loss) From Discontinued Operation Net of Tax		-	-
<b>Profit For The Year</b>		<b>72,515,355</b>	<b>62,932,525</b>
<b>Other Comprehensive Income</b>			
Defined Benefit Plan Actuarial Gains (Losses)	19.01	(8,337,932)	6,538,606
Tax On Other Comprehensive Income			-
<b>Other Comprehensive Income Net of Tax</b>		<b>(8,337,932)</b>	<b>6,538,606</b>
<b>Total Comprehensive Income</b>		<b>64,177,423</b>	<b>69,471,131</b>

The Significant Accounting Policies and Notes on pages 39 to 70 form an integral part of these Financial Statements.

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER**

**2013**

**2012**

(All Amounts Are In Sri Lanka Rupees)

Note

**ASSETS**

**Non - Current Assets**

Property, Plant & Equipment	09	1,903,341,497	2,052,226,096
Investments In Government Owned Companies	10	9,210,740	9,210,740
Other Investments, Including Derivatives	11	50,130,743	46,031,076
Deferred Tax Assets	12	6,850,855	6,850,855
<b>Total Non Current Assets</b>		<b>1,969,533,835</b>	<b>2,114,318,767</b>

**Current Assets**

Inventories	13	310,560,242	311,392,455
Other Investments, Including Derivatives	10	38,045,055	35,186,721
Income Tax Assets	14	75,672,867	99,732,958
Trade & Other Receivables	15	2,440,407,902	2,202,188,632
Cash & Cash Equivalents	16	58,362,036	352,928,300
<b>Total Current Assets</b>		<b>2,923,048,102</b>	<b>3,001,429,066</b>

**Total Assets**

**4,892,581,938**      **5,115,747,833**

**EQUITY & LIABILITIES**

**Capital & Reserves**

Capital		16,671,651	16,671,651
Capital Grant		51,140,000	51,140,000
Capital Reserves		6,629,760	6,629,760
Government Grant		1,074,333,747	1,217,230,952
Revaluation Reserve		763,088,808	763,088,808
Retained Earnings		(119,117,028)	(183,294,451)
<b>Total Equity</b>		<b>1,792,746,939</b>	<b>1,871,466,720</b>

**Non - Current Liabilities**

Lease Creditors	17	6,775,480	14,122,931
Loans & Borrowings	18	86,950,499	154,396,551
Retirement Benefit Obligation	19	56,440,533	47,984,168
Deferred Tax Liabilities	12	16,641,429	16,641,429
Trade & Other Payables	20	175,684,228	500,439,673
<b>Total Non Current Liabilities</b>		<b>342,492,170</b>	<b>733,584,752</b>

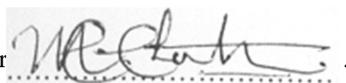
**Current Liabilities**

Trade & Other Payables	20	2,215,237,296	2,251,501,329
Loans & Borrowings	18	14,877,204	59,877,204
Lease Creditors	17	7,347,450	6,852,095
Bank Overdrafts	21	519,880,879	192,465,734
<b>Total Current Liabilities</b>		<b>2,757,342,830</b>	<b>2,510,696,362</b>

**Total Equity & Liabilities**

**4,892,581,938**      **5,115,747,833**

Chief Financial Officer  
20th May 2015

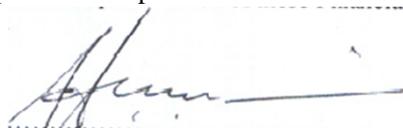


The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board.

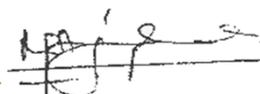
Chairman.....  
20th May 2015



Director.....  
20th May 2015



General Manager.....  
20th May 2015



The Significant Accounting Policies and Notes on pages 39 to 70 form an integral part of these Financial Statements.

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2013**

*(All Amounts Are In Sri Lanka Rupees)*

	Capital	Capital Grant	Capital Reserve	Revaluation Reserve	Government Grant	Retained Profit / (Loss)	Total Equity
Balance As At 1st January 2012	16,671,651	51,140,000	6,629,760	763,088,808	-	(17,928,698)	819,601,521
Adjustments	-	-	-	-	-	(234,836,884)	(234,836,884)
<b>Profit For The Year</b>	-	-	-	-	-	62,932,525	62,932,525
<b>Government Grant</b>					1,217,230,952		1,217,230,952
Total Other Comprehensive Income	-	-	-	-	-	6,538,606	6,538,606
<b>Balance As At 31<sup>st</sup>December 2012</b>	<b>16,671,651</b>	<b>51,140,000</b>	<b>6,629,760</b>	<b>763,088,808</b>	<b>1,217,230,952</b>	<b>(183,294,451)</b>	<b>1,871,466,720</b>
Adjustments	-	-	-	-	-	-	-
<b>Profit For The Year</b>						72,515,355	72,515,355
<b>Government Grant</b>					(142,897,205)		(142,897,205)
Total Other Comprehensive Income						(8,337,932)	(8,337,932)
<b>Balance As At 31<sup>st</sup>December 2013</b>	<b>16,671,651</b>	<b>51,140,000</b>	<b>6,629,760</b>	<b>763,088,808</b>	<b>1,074,333,747</b>	<b>(119,117,028)</b>	<b>1,792,746,939</b>

The Significant Accounting Policies and Notes on pages 39 to 70 form an integral part of these Financial Statements.

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

	<b>2013</b>	<b>2012</b>
	Note	
<b>Cash Flow From Operating Activities</b>		
Profit / (Loss) Before Tax	97,208,693	65,872,244
<b>Adjustments For ;</b>		
Depreciation	175,516,236	167,770,350
Staff Pre Paid Cost	127,712	216,423
Provision For Defined Benefit Plan	7,668,071	8,142,994
(Gain)/Loss On Disposal Of Property, Plant & Equipment	(2,419,372)	-
(Gain)/Loss On Translation Of Foreign Currency Loans	-	(4,671,336)
Impairment Loss On Trade & Other Receivables	(11,388,082)	22,053,047
Interest In Suspense	2,112,361	2,390,724
Finance Expenses	65,534,553	60,521,153
Deferred Income	(127,897,205)	(141,965,648)
Provision for Slow & Non Moving Stock	(98,891)	4,266,552
Finance Income	(8,515,667)	(6,903,952)
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	<b>197,848,410</b>	<b>177,692,550</b>
(Increase) / Decrease In Inventory	832,214	(105,401,432)
(Increase) / Decrease In Trade & Other Receivables	(203,145,906)	(80,194,232)
(Increase) / Decrease In Purchases & Sub Contract Advances	2,250,628	42,194,816
Increase / (Decrease) In Loans & Advances	(516,670,987)	289,169,975
Increase / (Decrease) In Trade & Other Payables	131,985,790	169,787,353
<b>Cash Generated From / (Used In) Operations</b>	<b>(386,899,851)</b>	<b>493,249,029</b>
Finance Cost Paid	(58,183,414)	(48,748,529)
Gratuity Paid	(16,855,803)	(10,208,634)
Tax Paid	(7,003,693)	(41,218,276)
<b>Net Cash Flow From / (Used In) Operating Activities</b>	<b>(468,942,761)</b>	<b>393,073,590</b>
<b>Cash Flows From / (Used In) Investing Activities</b>		
Acquisition Of Property, Plant & Equipment	(50,826,963)	(24,640,616)
Proceeds From Disposal Of Property, Plant & Equipment	2,854,213	-
Finance Income Received	7,290,212	5,462,487
<b>Net Cash Flow From / (Used In) Investing Activities</b>	<b>(40,682,538)</b>	<b>(19,178,129)</b>
<b>Cash Flows From / (Used In) Financing Activities</b>		
Repayment Of Loans & Borrowings	(63,958,052)	(92,047,578)
Proceeds From Borrowings	-	40,000,000
Repayment Of Finance Leases	(7,243,094)	(10,114,808)
<b>Net Cash Flow From / (Used In) Financing Activities</b>	<b>(71,201,146)</b>	<b>(62,162,386)</b>
<b>Net Increase / (Decrease) In Cash &amp; Cash Equivalents</b>	<b>(580,826,445)</b>	<b>311,733,076</b>
Cash & Cash Equivalents At The Beginning Of The Year	157,352,657	(154,380,419)
<b>Cash &amp; Cash Equivalents At The End Of The Year</b>	<b>16 (423,473,788)</b>	<b>157,352,657</b>

The Significant Accounting Policies and Notes on pages 39 to 70 form an integral part of these Financial Statements.



## **1. CORPORATE INFORMATION**

### **1.1 General**

State Development & Construction Corporation is incorporated under the Industrial Corporation Act No. 49 of 1957 and domiciled in Sri Lanka. The registered office and the principal place of business of the Corporation are located at No.07, Borupana Road, Rathmalana. The principal construction activities of the Corporation have been decentralized in to chief engineers' office in Peliyagoda, Peradeniya and Precast Concrete Production & Sales Centers located in Ratmalana, Bopitiya, Weragantota and Madawachchiya.

### **1.2 Comparative Information**

The accounting policies adopted are consistent with those used in previous financial year. Certain prior year figures and phrases have been rearranged whenever necessary to conform to the current year presentation.

### **1.3 Principal Business Activities**

The principal business activities of the Corporation are construction contracts, manufacturing of precast concrete products for construction requirements and undertaking of contracts for precast concrete products, sale of concrete, installation and maintenance of traffic light signal systems for Road Development Authority.

### **1.4 Number of Employees**

The number of employees at the end of the year was **537**

### **1.5 Date of Authorization for Issue**

The Financial Statements were authorised for issue by the Board of Directors on **30<sup>th</sup> September 2014**.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 General Accounting Policies**

#### **2.1.1 Basis of Preparation**

The Financial Statements of State Development & Construction Corporation comprises Statement of Financial Position, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity, Accounting Policies and Notes to the Financial Statements. These financial statements are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS /LKAS) and Interpretations laid down by the Institute of Chartered Accountants of Sri Lanka.

The effect of the transition to SLFRS/LKAS on previously reported financial positions, financial performances and cash flows of the Corporation is given in the notes to the financial statements.



The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

### **2.1.2 Foreign Currency Translation**

All foreign exchange transactions are converted in to Sri Lanka Rupees, which is the reporting currency, at the rate of exchange prevailing at the time the transaction was effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lanka Rupee equivalents using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognized in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

### **2.1.3 Related Party Relationships**

The Corporation has entered into a joint venture agreement with Mast Trust Holdings (Pvt.) Ltd, and created subsidiary relationship with Fujima State Corporation (Pvt.) Ltd, in past. Consolidated accounts are not prepared and investment in the subsidiary company is recorded at cost due to practical difficulties in preparing consolidated accounts.

### **2.1.4 Taxation**

#### **(a) Current Tax**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto.

#### **(b) Deferred Tax**

Deferred Tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets & liabilities for the financial reporting purpose and amounts used for tax purpose. Deferred tax is measured at the tax rate that is expected to apply to temporary differences when they are reversed the liability is settled, based on the laws that have been enacted by the reporting date.

Deferred tax assets are recognized to the extent that is probable that future taxable profits will be available against which such timing difference can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that the related tax benefit will be realized.

Deferred tax is separately calculated for the construction activities and other activities of the Corporation due to different tax rates applicable on those activities.



Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to setoff current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

### **2.1.5 Borrowing Costs**

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

## **2.2 Valuation of Assets& Liabilities and Their Bases of Measurement**

### **2.2.1 Property, Plant and Equipment**

#### **Cost and Valuation**

All items of property, plant and equipment are initially recorded at cost. The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are carried at revalued amounts less any subsequent depreciation thereon. All other property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

#### **Subsequent Expenditure**

Expenditure incurred to replace a component of an item of property, plant & equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognised as an expense when incurred.

#### **Revaluation**

Where items of property, plant and equipment are subsequently revalued, the entire classes of such assets are revalued at fair value. Revaluations are done with sufficient regularity. When an asset is revalued, any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of comprehensive income, in which case the increase is recognized in the statement of comprehensive income. Any revaluation deficit that offsets a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve and any excess recognized as an expense. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the asset sold is transferred to retained earnings.



## **Impairment**

The carrying value of property, plant & equipment are reviewed for impairment annually or when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indications exist and where the carrying values exceeds the estimated recoverable amount, the assets are written down to the recoverable amount. Impairment losses are recognized in the statement of comprehensive income unless it reverses a previous revaluation surplus for the same asset.

## **Depreciation**

Provision for depreciation is calculated by using straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic lives of such assets. The estimated useful lives of assets are as follows:

<b>Type of Asset</b>	<b>Years</b>
Land	Over Prolonged of Period
Buildings	Over 20 Years
Office Equipment	Over 10 Years
Plant & Machinery	Over 10 Years
Motor Vehicles	Over 05 Years
Other Assets	Over 10 Years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

## **Derecognition**

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

### **2.2.2 Leases**

#### **a) Finance Leases**

Property, plant and equipment on finance leases, which effectively transfer to the Corporation substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as finance leases at their cash price and depreciated over the period the Corporation is expected to benefit from the use of the leased assets. The corresponding principal amount payable to the lessor is shown as a liability. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the outstanding balance of the liability. The interest payable over the period of the lease is transferred to an interest in suspense account. The interest element of the rental obligations pertaining to each financial year is charged to the statement of comprehensive income over the period of lease.

The interest applicable for the year calculated using Internal Rate of Return (IRR) method has been charged to statement of comprehensive income.



The cost of improvements on leasehold property is capitalized if the criteria are met, disclosed as leasehold improvement under property plant and equipment, and depreciated over the estimated useful lives of the improvements.

## **b) Operating Leases**

Leases where the lesser effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases.

Rentals paid under operating leases are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

## **2.2.3 Financial Instruments**

### **1. Financial Assets**

#### **Initial Recognition and Measurement**

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate and determine the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The financial assets include cash and short-term deposits, trade receivables and other financial assets.

#### **Subsequent Measurement**

The subsequent measurement of financial assets depends on their classification as follows:

##### **a) Financial Assets at Fair Value Through Profit or Loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

##### **b) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment loss. Amortised cost is calculated by taking into account any discount



or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income. Short term receivables are measured at cost.

### **Staff Loans**

Staff loans are considered as financial assets under the loans and receivables in the statement of financial position of the Corporation. Staff Loans are measured at fair value using market interest rates that prevailed at the grant date. The difference between the fair value and loan amount is amortized over the term of the loan. Interest income is accrued using market interest rate.

### **Trade Receivables**

Trade receivables of the corporation includes construction debtors, retentions, liquidated damage receivables and concrete yard debtors which fall under the category of 'Loans and Receivables' under LKAS 39 are recorded at the transaction price, which is the amount of consideration given or received. Impairment provision on debtors is calculated at end each reporting period base on the past cash settlement patterns of the debtors and default probability ratio, impairment loss/(reverse) recognized in statement of comprehensive income

### **c) Held-To-Maturity Investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Corporation has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to maturity investments are measured at amortised cost using the effective interest rate method less impairment. Gains and losses are recognised in the statement of comprehensive income when the held-to-maturity investments are derecognised or impaired.

### **d) Available-For-Sale Financial Investments**

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised initially in other comprehensive income and accumulated under available for sale reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest rate method are recognised in the statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of comprehensive income when the financial asset is derecognised.

### **Derecognition**

The Corporation derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the



financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognised as a separate asset or liability.

### **Impairment of Financial Assets**

The Corporation assesses at each reporting date whether there is any objective evidence that a financial assets is impaired. A financial asset is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. The impairment loss is identified in the statement of comprehensive income.

## **2. Financial Liabilities.**

### **Initial Recognition and Measurement**

Financial liabilities within the scope of LKAS 39 are recognised when, and only when, the Corporation becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and other financial liabilities carried at amortised cost. This includes directly attributable transaction costs.

Financial liabilities of the Corporation include trade and other payables, loans & borrowings, bank overdrafts.

### **Subsequent Measurement**

The measurement of financial liabilities depends on their classification as follows;

#### **Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term and gains or losses are recognised in the statement of comprehensive income.

#### **Loans and Borrowings and Other Financial Liabilities**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.



Short term liabilities of the Corporation such as trade and other payables, advances & deposits and accruals are measured at cost.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

### **3. Fair Value of Financial Instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

#### **2.2.4 Impairment of Assets**

At each reporting date property plant & equipment, other assets and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in statement of comprehensive income. Similarly, at each reporting date inventories are assessed for impairment by comparing the carrying amount of each item of inventory with its selling price less costs to complete and sell. If an item of inventory is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of comprehensive income.

#### **2.2.5 Investments**

##### **a) Current Investments**

Current investments are stated at cost, it includes cost of acquisition, brokerages fees, duties and bank fees.

Unrealized gains and losses on current investments carried at market value i.e. reduction to market value and reversals of such reductions required to reflect current investments at the



lower of cost and market value, are credited or charged to statement of comprehensive income .

## **b) Associate Company Investments**

Investments in associate companies are accounted for on the equity method, whereby the share of profit of the associates attributable to the company is accounted for as income and the value of the investment (which was initially recognized at cost) adjusted by a like amount.

### **2.2.6 Inventories**

Corporation recognized inventory once significant risks and rewards of ownership on goods obtained by the entity. Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated selling expenses. The cost of inventory is based on the specific identification basis and includes expenditures incurred in acquiring inventories and bringing them to their existing location and condition.

Raw Materials	-	At actual cost on first-in first-out basis.
Finished Goods –Concrete Products	-	At actual cost
Work-in-progress	-	At the cost of direct materials, direct labours and an appropriate proportion of fixed production overheads based on normal operating capacity.
Consumables & Spares	-	At actual cost on First in First out basis

### **2.2.7 Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturity, i.e. three months or less from the date of acquisition are also treated as cash equivalents.

### **2.2.8 Recognition of Due From Customer and Due To Customer**

The gross amount due from customers for contract work is the net amount of;

- a) Costs incurred plus recognized profit : less
- b) The sum of recognized losses and progress billings

For all contracts in progress for which costs incurred plus recognized profits (less recognized losses) exceed progress billings.



The gross amount due from customers for contract work is the net amount of;

- a) Costs incurred plus recognized profit : less
- b) The sum of recognized losses and progress billings

For all contracts in progress for which progress billings exceed costs incurred plus recognized profit.

## **2.3 Liabilities and Provisions**

Liabilities are recognized in the statement of financial position when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditor or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as non- current liabilities in the statement of financial position.

A provision is recognized in the statement of financial position when the Corporation has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

### **2.3.1 Retirement Benefit Obligations**

#### **a) Defined Benefit Plan – Gratuity**

Gratuity is a Defined Benefit Plan. The Corporation is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the statement of financial position, equivalent to an amount calculated using formula method prescribed in LKAS 19.

#### **b) Defined Contribution Plan - Employees' Provident Fund & Employees' Trust Fund**

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulation.

## **2.4. Revenue**

### **2.4.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation, the revenue and associated costs incurred or to be incurred can be reliably measured and after transferring significant risks and rewards of ownership of the services provided or goods have been transferred to the customers and there is no effective control over the output. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognition of revenue.

#### **a) Construction Revenue**

The revenue from construction contract is recognized on a percentage completion method as per LKAS 11.



The stage of completion of a contract has been determined by the proportion of the contract costs incurred for the work performed to date bear the estimated total contract costs.

**b) Sale of Goods**

Revenue from sale of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer with the Corporation retaining neither a continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

**c) Interest**

Interest income is recognized on a time apportioned basis.

**d) Rental and Other Income**

Rental income is recognized on accrual basis.

**e) Gains & Losses**

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the statement of comprehensive income, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses. Gains and losses are arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis. Any losses arising from guaranteed rentals are accounted for in the year of incurring the same. A provision is recognized if the best estimate indicates a loss.

**2.5 Expenditure Recognition**

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the costs incurred and the earnings 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 have been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Corporation’s performance.

**2.6 Comparatives**

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.

**2.7 Events Occurring After the Reporting Date**

All material events after porting date have been considered, disclosed and adjusted where appropriate.



### **2.8.1 Segment Information**

The Corporation identifies its segments based on the criteria, given in the SLFRS 8 and relevant disclosures are made in the financial statement notes. Construction, Concrete Yards and Mechanical & others are segments identified by the Corporation.

### **2.9 Government Grant**

Government Grants including non-monetary grants at fair value shall not be recognized until there is reasonable assurance that:

The entity will comply with the conditions attaching to them &  
The grants will be received.

Corporation recognises Grants as Deferred Income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

Note

**NOTE 01 - REVENUE**

Construction Income		2,579,014,875	2,960,545,710
External Sales - Concrete Products		474,718,985	403,712,186
Internal Sales - Concrete Products		48,450,673	18,954,813
Anniversary Income		67,500	540,500
Work Services		34,290,336	15,165,986
Asphalt External Sales		40,659,889	22,021,192
Asphalt Internal Sales		377,700,931	112,684,969
Fabrication - Internal Sale		176,532	
Metal Products		10,750,650	554,125
<b>Total</b>		<b>3,565,830,370</b>	<b>3,534,179,480</b>

**NOTE 02 - COST OF SALES**

**Operating Expenses**

Employee Benefits	04.01	441,659,639	449,044,711
Cement		101,101,964	89,045,008
Sand		26,719,031	26,220,748
Metal		168,415,779	207,561,452
Steel		150,172,334	154,824,901
Timber		14,824,781	9,002,699
Fuel & Lubricants		163,586,027	145,653,000
Explosive & Blasting Materials		635,750	1,915,993
Rady Mix Concrete		29,862,601	31,708,383
Concrete Products		57,858,277	21,255,838
Machinery & Vehicle Spare Parts		21,443,107	21,690,844
Stationery Consumption		1,663,872	1,634,238
Tar Consumption		601,302,473	573,039,679
Electrical Spare Parts Consumption		31,740,364	9,254,221
Pipes & Drainages Items Consumption		10,912,761	4,128,604
Other Stocks		103,462,338	100,328,724
Earth Gravel		14,471,875	35,087,240
RDA - Steel		34,819	17,975
Hire Charges (Internal)		3,000	79,875
Hire Charges (External)		120,632,308	166,306,646
Transport Charges (Material)		16,508,327	44,178,355
Transport Charges (Others)		19,202,268	14,098,627
Storage Charges		-	2,100
Vehicle Insurance		1,562,223	1,675,896
Stores Insurance		-	7,030
Depreciation On Plant, Machinery & Equipment		123,781,473	123,110,552
Depreciation On Motor Vehicles		37,336,943	30,738,768
Repairs & Maintenance -Plant, Machinery & Equipment		857,633	1,458,745
Repairs & Maintenance - Vehicles (Work Shop)		1,438,568	1,547,788
Repairs & Maintenance -Plant, Machinery & Equipment (Transport)		177,920	34,845
Repairs & Maintenance -Plant, Machinery & Equipment (Other)		746,020	1,554,040

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

	2013	2012
	Note	
<b>Operating Expenses (Contd...)</b>		
Registration & Licence Fees	587,713	421,617
Sub Contracts	1,085,752,228	1,092,826,241
Discounts	-	273,717
Liquidation Damages	6,185,652	6,003,112
Assignments	3,830,498	5,446,314
Charges For Bonds	9,923,573	30,398,683
Telephone - Sites	2,689,992	2,945,739
Postage & Telex - Sites	28,806	295,269
Printing & Stationery - Sites	759,105	1,086,822
Travelling - Sites	6,490,934	5,293,277
Entertainment	3,076,556	3,110,135
Stamp Fees - Sites	10,630	3,086
Rent - Sites	10,620,360	12,438,000
Electricity - Sites	6,844,164	7,134,170
Computer	61,985	43,935
Water - Sites	2,035,870	1,726,318
Tender Fees -Sites	36,180	27,682
Security Expenses	-	54,280
Welfare & Recreation - Sites	36,950	16,441
Insurance - Sites	365,142	680
Insurance All Risk Policy - Sites	3,066,306	5,876,726
Newspapers & Periodicals - Sites	189,460	201,035
Sundry - Sites	5,372,606	4,639,921
Consultancy & Professional Fees	2,200,000	-
CIGFL	12,588,540	7,317,625
Building Repairs -Sites	621,967	69,145
Service Charges - Sites	3,335,131	3,901,276
Testing Charges -Sites	376,649	6,380,952
Advertisements	305,801	255,416
Repairs & Maintenance - Office Equipment	55,116	38,194
Rates & Taxes	300	3,000
Royalty Payment Agreement	(69,804)	64,978
Impairment provision for Slow & Non Moving Stock	(98,891)	4,266,552
Labour charges -Material	50,000	-
Stock adjustment 2012	-	9,866,497
Personal Accident Insurance	453,292	730,488
<b>Sub Total</b>	<b>3,429,897,283</b>	<b>3,479,364,849</b>
Add - Opening Stock	142,510,840	84,684,600
Less - Closing Stock	(132,731,434)	(142,510,840)
<b>Cost Of Sales</b>	<b>3,439,676,689</b>	<b>3,421,538,609</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

Note

**NOTE 03 - OTHER INCOME**

Transport Hire Charges		1,084,750	1,964,051
Metal & Rubble Sale		2,037,995	5,400
Deferred Income		127,897,205	141,965,648
Foreign Exchange Gain		-	4,671,336
Fines		17,285	710
Consultancy Fee		3,867,504	2,729,819
Sundry Income		52,741,284	13,070,236
Surcharges		1,264	10,400
Insurance Receivable		179,976	571,568
Income On House Rent (Head Office)		33,750	57,570
Hiring Income (Head Office Vehicle)		434,500	146,400
Miscellaneous		4,000	282,998
Profit On Disposal Of Property, Plant & Equipment		2,419,372	-
<b>Total</b>		<b>190,718,883</b>	<b>165,476,136</b>

**NOTE 04 - ADMINISTRATIVE EXPENSES**

Employee Benefits	04.01	84,328,564	84,393,232
Corporate Social Responsibility		150,000	-
Telephone		1,641,750	1,406,927
Postage & Telex		71,361	120,784
Printing & Stationery		274,315	60,069
Travelling & Subsistence		1,282,984	1,247,236
Entertainment		371,528	506,893
Advertising		1,184,754	1,623,127
Legal Charges		653,100	18,600
Audit Fees		250,000	200,000
Stamp Fees		605	27,750
Rate & Taxes		171,864	1,737,107
Electricity		3,889,123	3,734,755
Computer Expenses		61,665	333,093
Depreciation - Land & Buildings		5,406,502	5,214,770
Depreciation - Furniture & Fixture, Office & Welfare		2,129,068	2,020,075
Depreciation - Other Costs		6,880,250	6,686,185
Water		608,856	482,600
Non Refundable Tender Fees		167,061	212,178
Establishment		-	3,270
Security Expenses		-	282,691
Service Charges		12,235	58,478
Sundry Expenses		3,071,284	2,760,347
Consultancy & Professional Fees		1,324,000	889,500
Welfare & Recreation Expenses		54,000	74,920
Repairs & Maintenance - Land & Buildings		880	24,156
Repairs & Maintenance - Furniture & Fixtures		346,809	62,381
Repairs & Maintenance - Other Assets		248,120	372,779
Insurance Contractors All Risk Policy		2,506,904	292,876
Adjustment 2012		-	(2,162,731)

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

Note

**Administration Expenses (Contd...)**

Accident	15,203	-
Employees' Trust Fund Surcharges	1,184,318	-
Newspapers & Periodicals	301,690	50,709
Fixed Revaluation Charges	-	65,000
Testing & Laboratory Charges	-	293,622
Employees' Provident Fund - Surcharge	31,292,048	-
Death Donation On Duty	-	15,000
Gratuity Surcharges	693,264	381,155
Donations	75,803	125,000
Cement Consumption - Sites	-	10,485
Timber Consumption	70,140	-
Sand	-	5,250
Metal	-	1,620
Fuel Consumption	5,930,855	5,265,916
Spare Parts	441,839	58,100
Stationery	1,467,480	1,390,968
Electrical Items Consumption	66,160	60,484
Water Supply Items	32,274	13,753
Other Stocks Consumption	439,192	226,599
Sub Contracts	7,605,677	7,303,905
Repairs - Light Vehicles	718,603	462,765
Repairs - Plant & Machinery	55,875	1,500
Registration & Licence Fees	462,596	133,008
Bond Charges - Head Office	652,942	2,960,221
Internet & E-Mail - Head Office	10,000	-
Assignment - Head Office	1,030,423	792,600
Management Development - Head Office	150,153	86,605
External Hire - Head Office	4,105	765,556
Insurance Vehicles - Head Office	326,689	-
Anniversary Expenses	-	225,600
P rofit & Loss Adjustment	1	-
<b>Total</b>	<b>170,114,913</b>	<b>133,379,468</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

Note

**NOTE 04 . 01 - EMPLOYEE BENEFIT EXPENSES**

**Operating Expenses**

Work Services		2,218,548	1,006,388
Salaries & Wages -Permanent		81,856,773	79,007,329
Overtimes -Permanent		23,665,592	21,866,141
Employees' Provident Fund - Permanent Staff		11,065,654	9,028,554
Employees' Trust Fund -Permanent Staff		2,362,759	2,257,139
Salaries & Wages -Casual Staff		3,262,093	3,485,260
Overtime -Casual staff		561,902	537,275
Employees' Provident Fund -Casual Staff		277,456	221,904
Employees' Trust Fund -Casual Staff		56,451	54,883
Sub Contract Labour		219,316,260	232,959,383
surcharges		1,258,882	-
Special Allowances		1,216,365	1,142,230
Encashment Of Leave		1,050,674	2,633,084
Incentive Payments		4,676,143	8,513,932
Risk Allowances		244,025	343,700
Salaries - Contract		58,331,733	57,640,233
Overtime - Contract		20,221,935	18,770,629
Employees' Provident Fund - Contract		7,602,852	6,470,346
Employees' Trust Fund - Contract		1,668,283	1,617,587
Workers Compensation - Site		330,968	703,262
Workmen Compensation - Sites		414,289	403,496
Insurance Workmen Compensation - Sites		-	381,957
<b>Sub Total</b>		<b>441,659,639</b>	<b>449,044,711</b>

**Administrative Expenses**

Defined Benefit Pension Cost	19.01	7,668,071	8,142,994
Distress/ staff prepaid Loans Cost		127,712	216,423
Directors Fees		1,140,150	1,446,900
Chairman's Remuneration		512,333	840,000
Workmen Compensation - Head Office		-	32,963
Salaries & Wages		51,244,874	52,067,861
Overtime		7,098,964	6,918,593
Employees' Provident Fund		5,939,852	5,978,515
Employees' Trust Fund		1,484,963	1,492,258
Professional Subscription		332,902	415,452
Special Allowance		197,100	3,600
Shift Allowance - Head Office		-	18,320
Incentive Payments		8,043,073	5,154,463
Insurance Workmen Compensation		-	1,050,772
Pay As You Earn (PAYE) Tax		152,754	522,597
Training & Development - Head Office		385,813	91,523
<b>Sub Total</b>		<b>84,328,564</b>	<b>84,393,232</b>

**Total Employee Benefit Expenses**

**525,988,203**

**533,437,942**

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

Note

**NOTE 05 - DISTRIBUTION EXPENSES**

Business Promotion

-

-

-

**Total**

-

-

**NOTE 06 - OTHER EXPENSES**

Impairment Loss On Trade Receivables

(11,388,082)

22,053,047

Bank Debits Tax

22,070

-

Bank Charges

1,783,724

843,502

**Total**

**(9,582,288)**

**22,896,549**

**NOTE 07 - FINANCIAL INCOME & FINANCIAL EXPENSES**

**Financial Income**

Interest Income On Available-For-Sale Financial Assets

1,905,530

1,431,900

Interest Income On Held - To - Maturity Investments

6,302,857

4,992,754

Interest Income On Loans & Receivables

307,280

479,298

**Total Finance Income Recognized In Profit Or Loss**

**8,515,667**

**6,903,952**

**Financial Expenses**

Interest On Bank Overdrafts

35,193,372

30,106,773

Interest Expense on Financial Liabilities Measured At

Amortized Cost

28,675,245

28,915,578

Lease Interest

2,112,361

3,046,024

Other Financial Expenses

1,665,936

804,323

**Total Financial Expenses Recognized In Profit Or Loss**

**67,646,914**

**62,872,698**

**NOTE 08 - TAX EXPENSES**

**Current Tax Expense**

Current Tax On Profits For The Year

24,693,338

-

Adjustment For Under Provision In Prior Periods

-

-

**Total Current Tax**

**24,693,338**

**-**

**Deferred Tax Expense**

Change In Recognized Taxable Temporary Differences

-

1,675,928

Change In Recognized Deductible Temporary Differences

12

-

1,263,791

**Total Tax Expenses On Continuing Operations**

**24,693,338**

**2,939,719**

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION.**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31st DECEMBER 2013**

*(All amounts are in Sri Lanka Rupees)*

**NOTE 09 - PROPERTY, PLANT AND EQUIPMENT**

**Cost or Valuation**

Description	Note	Land	Buildings	Office Equipment	Plant & Machineries	Motor Vehicles	Other Assets	Total
<b>Balance at 1st January 2012</b>		<b>635,312,513</b>	<b>103,968,767</b>	<b>31,538,754</b>	<b>185,313,888</b>	<b>120,944,822</b>	<b>67,556,756</b>	<b>1,144,635,501</b>
Additions		-	1,428,274	2,749,371	1,224,555,550	144,984,500	5,530,367	1,379,248,061
Disposals		-	-	-	-	-	-	-
Adjustment		-	-	(110,175)	(371,705)	(1,792)	(735,875)	(1,219,547)
<b>Balance at 31st December 2012</b>		<b>635,312,513</b>	<b>105,397,041</b>	<b>34,177,950</b>	<b>1,409,497,733</b>	<b>265,927,531</b>	<b>72,351,248</b>	<b>2,522,664,016</b>
Additions		-	14,808,843	1,087,728	8,348,975	982,143	204,592	25,432,281
Disposals		-	-	-	304,576	1,060,001	-	1,364,577
<b>Balance at 31st December 2013</b>		<b>635,312,513</b>	<b>120,205,884</b>	<b>35,265,678</b>	<b>1,417,542,131</b>	<b>265,849,673</b>	<b>72,555,840</b>	<b>2,546,731,720</b>

**Accumulated Depreciation**

Description	Note	Land	Buildings	Office Equipment	Plant & Machineries	Motor Vehicles	Other Assets	Total
<b>Balance at 1st January 2012</b>		-	<b>34,692,398</b>	<b>21,283,327</b>	<b>142,335,224</b>	<b>82,117,679</b>	<b>30,138,456</b>	<b>310,567,084</b>
Depreciation charge for the year		-	5,214,770	2,020,075	123,110,552	30,738,768	6,686,185	167,770,350
Disposals		-	-	-	-	-	-	-
Adjustment		-	-	(6,988)	(2,960,815)	1	(342,557)	(3,310,360)
<b>Balance at 31st December 2012</b>		-	<b>39,907,168</b>	<b>23,296,414</b>	<b>262,484,960</b>	<b>112,856,447</b>	<b>36,482,084</b>	<b>475,027,073</b>
Depreciation charge for the year		-	5,406,502	2,111,068	123,781,473	37,336,943	6,880,250	175,516,236
Disposals		-	-	-	217,763	1,059,999	-	1,277,762
<b>Balance at 31st December 2013</b>		-	<b>45,313,670</b>	<b>25,407,482</b>	<b>386,048,670</b>	<b>149,133,391</b>	<b>43,362,334</b>	<b>649,265,547</b>

65,489,873	10,881,536	1,147,012,772	153,071,084	35,869,163	2,047,636,942
74,892,215	9,858,197	1,031,493,461	116,716,282	29,193,506	1,897,466,173

(Contd...)

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION.**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31st DECEMBER 2013**

*(All amounts are in Sri Lanka Rupees)*

**NOTE 09.01 - CAPITAL WORKING PROGRESS**

Description	Carpenter Work Shop (CY 51)	New Beam Bed (CY 52 & 53)	Stores (CY 812)	Construction of Gate & Wall (CY 53 & 812)	Work Shop (CY 52 & 53)	Batching Plant (CY 52 & 53)	Labour Hut, Tank, Toilets, Drain & Slab Bed (CY 812)	Front Road, Generator Room, Cycle Hut & Dust Under Wall (CY 53)	Upgrade building of Construction (HO 001)	Total
<b><u>Cost</u></b>										
Balance at 1st January 2013	364,614	3,592,996	592,065	39,478	-	-	-	-	-	4,589,154
Additions	-	11,681,470	-	359,374	241,274	1,725,528	667,410	306,906	1,113,053	16,095,014
Transfers to Building	-	(13,194,401)	-	(398,853)	(241,274)	-	(667,410)	(306,906)	-	(14,808,843)
<b>Total</b>	<b>364,614</b>	<b>2,080,065</b>	<b>592,065</b>	<b>-</b>	<b>-</b>	<b>1,725,528</b>	<b>-</b>	<b>-</b>	<b>1,113,053</b>	<b>5,875,324</b>
<b><u>Accumulated Depreciation</u></b>										
Depreciation 1st January 2013	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	102,014	-	11,198	10,586	-	8,720	4,132	-	136,650
Depreciation for Transfers	-	(102,014)	-	(11,198)	(10,586)	-	(8,720)	(4,132)	-	(136,650)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31st December 2013</b>	<b>364,614</b>	<b>2,080,065</b>	<b>592,065</b>	<b>-</b>	<b>-</b>	<b>1,725,528</b>	<b>-</b>	<b>-</b>	<b>1,113,053</b>	<b>5,875,324</b>

Carrying Amounts	Capital Work in Progress	Land	Buildings	Office Equipment	Plant & Machineries	Motor Vehicles	Other Assets	Total	
At 31st December 2012	4,589,154	635,312,513	65,489,873	10,881,536	1,147,012,772	153,071,084	35,869,163	2,052,226,096	
At 31st December 2013	5,875,324	635,312,513	74,892,214	9,858,197	1,031,493,461	116,716,282	29,193,506	1,903,341,497	(Contd...)

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION****NOTES TO THE FINANCIAL STATEMENTS (Contd.)****AS AT 31<sup>ST</sup> DECEMBER 2013***(All Amounts Are In Sri Lanka Rupees)*

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**1.3. RE-VALUATION OF LANDS AND BUILDINGS**

The Land and Buildings at No.07, Gregory's Avenue, Colombo 07 were revalued for Rs. 317.54 million and Rs. 37.99 million respectively based on the valuation method of contractor's principal on 28.03.2005 by an incorporated valuer. The effect of this revaluation has been incorporated in the accounts as at 31.12.2005.

**1.4. RE-VALUATION OF MOTOR VEHICLE**

Ten motor vehicles which had been fully depreciated were revalued on the basis of cost of major repairs and incorporated in the accounts .

**1.5. FIXED ASSETS NOT INCLUDED IN THE ACCOUNTS**

The following properties have not been taken into the books of accounts as at 31st December 2013. Since we do not have the ownership of the properties.

Location		Land Area	Buildings	Value (Rs.)
Peliyagoda	Block 01	16.45 perches	1.00	} 19,500,000
Peliyagoda	Block 02	12.22 perches	3.00	
Veragantota		4 Acr & 0.8 perches	-	} 7,080,000
Peradeniya	Block 01	2 Hect. & 0.95 perches	2.00	} 13,990,875
Peradeniya	Block 02	12.7 perches	-	
Medawachchiya		2 Acres	1.00	} 6,250,000
Polwatta - Ratmalana		116 perches	1.00	29,000,000
<b>TOTAL</b>				<b>75,820,875</b>

*(Contd...)*

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	Note	2013	2012
<b>NOTE 10 - INVESTMENTS IN GOVERNMENT OWNED COMPANIES</b>			
Devcoshowa (Pvt) Ltd		9,210,740	9,210,740
Lanka Machine Leasers (Pvt) Ltd			-
<b>Sub Total</b>		<b>9,210,740</b>	<b>9,210,740</b>
Provision For Investments			-
<b>Total</b>		<b>9,210,740</b>	<b>9,210,740</b>
<b>NOTE 11 - OTHER INVESTMENTS</b>			
<b><u>Non - Current Investments</u></b>			
Fixed Deposits - Held To Maturity		50,130,743	46,031,076
<b>Total</b>		<b>50,130,743</b>	<b>46,031,076</b>
<b><u>Current Investments</u></b>			
Savings Deposits		38,045,055	35,186,721
<b>Total</b>		<b>38,045,055</b>	<b>35,186,721</b>
<b>Total Investment</b>		<b>88,175,798</b>	<b>81,217,797</b>
<b>NOTE 12 - DEFERRED TAX ASSETS &amp; LIABILITIES</b>			
At The Beginning Of The Year		6,850,855	6,850,855
Transfer To / (From) Income Statements		2,939,719	2,939,719
<b>At The End Of The Year</b>	12.01	<b>9,790,574</b>	<b>9,790,574</b>
<b>NOTE 12.01 - DEFERRED TAX ASSETS / LIABILITIES</b>			
<b>Deferred Tax Liability</b>			
Capital Allowances For Tax Purpose		16,641,429	16,641,429
Retirement Benefit Obligation			-
<b>Total</b>		<b>16,641,429</b>	<b>16,641,429</b>
<b>Deferred Tax Assets</b>			
Capital Allowances For Tax Purpose		-	-
Retirement Benefit Obligation		6,231,977	6,231,977
<b>Total</b>		<b>6,231,977</b>	<b>6,231,977</b>
<b>Net Tax Assets / (Liabilities)</b>		<b>(10,409,452)</b>	<b>(10,409,452)</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	Note	2013	2012
<b>NOTE 13 - INVENTORIES</b>			
Cement		3,236,808	2,963,377
Sand		2,016,618	3,843,007
Metal		16,232,644	7,307,441
Steel		42,506,069	40,996,809
Timber		1,421,366	956,679
Fuel & Lubricants		3,243,865	2,504,813
Explosive & Blasting Materials		479,065	437,969
Concrete Items		4,962,920	6,264,268
Vehicle Spare Parts		16,116,551	13,371,463
Stationery		693,644	580,138
Tar		11,539,039	36,929,629
Electrical Goods		10,331,579	7,461,757
Pipes & Drainage Items		2,089,600	3,862,260
Other Stock Items		60,991,115	40,723,125
Earth Gravel Stock		12,000	83,825
Steel - RDA		-	167,357
Fabrication		4,822,350	4,694,250
Finished Goods - Concrete Items		132,474,189	141,727,082
Finished Goods - Metal Products		257,244	314,210,425
Stock Adjustments		1,301,236	-
		<b>314,727,903</b>	<b>629,085,675</b>
Provision for Slow & Non Moving stock		(4,167,661)	(4,266,552)
<b>Total</b>		<b>310,560,242</b>	<b>624,819,123</b>
<b>NOTE 14 - INCOME TAX ASSETS</b>			
Economic Service Charge		25,684,943	25,684,943
With Holding Tax On Projects		128,389,149	127,987,299
With Holding Tax On Interest		6,207,881	5,976,483
		<b>160,281,972</b>	<b>159,648,725</b>
Provision For The Year		(84,609,105)	(59,915,767)
<b>Total</b>		<b>75,672,867</b>	<b>99,732,958</b>
<b>NOTE 15 - TRADE &amp; OTHER RECEIVABLES</b>			
Trade Debtors	15.01	1,741,703,851	1,638,767,671
Retention	15.02	495,747,505	420,033,273
Sundry Debtors	15.03	37,680,993	30,294,132
Loans & Advances	15.04	7,319,342	8,392,843
Advances On Purchases & Sub Contracts	15.05	143,022,798	144,199,925
Other Advances & Deposits	15.06	14,933,412	14,906,292
<b>Total</b>		<b>2,440,407,901</b>	<b>2,256,594,136</b>
Non Current Trade & Other Receivables			-
Current Trade & Other Receivables		2,440,407,901	2,256,594,136
<b>Total</b>		<b>2,440,407,901</b>	<b>2,256,594,136</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	2013	2012
	Note	
<b>NOTE 15.01 - TRADE DEBTORS</b>		
Construction Debtors	128,016,108	187,831,901
Concrete Yard Debtors	112,506,201	102,094,751
Dues From Customers	1,501,181,543	1,348,841,018
<b>Total</b>	<b>1,741,703,851</b>	<b>1,638,767,671</b>
<b>NOTE 15.02 - RETENTION</b>		
Retention - Construction	435,271,383	358,693,272
Liquidated Damages Receivables	60,476,122	61,340,001
<b>Total</b>	<b>495,747,505</b>	<b>420,033,273</b>
<b>NOTE 15.03 - SUNDRY DEBTORS</b>		
Security Deposits Of Employees	776,974	798,905
Interest Receivable	65,707	82,040
Prepayments	1,073,212	696,416
Nation Building Tax Suspense Account	201,028	168,500
Nation Building Tax Receivables	1,130,343	1,130,343
Ready Mixed Debtors (Devcoshowa)	34,433,731	27,417,928
<b>Total</b>	<b>37,680,993</b>	<b>30,294,132</b>
<b>NOTE 15.04 - LOANS AND ADVANCES</b>		
Prepaid Cost On Distress Loans	528,340	423,712
Salaries & Wages Advances	947,549	2,090,018
Festival Advances	831,287	803,887
Travelling Advances	167,447	110,519
Distress Loans	2,993,789	2,965,166
Medical Insurance	-	(1,123)
Wages Advance - Casual	48,933	70,933
Contract Employees Salary Advances	1,315,100	1,648,637
Medical Insurance	486,898	281,096
<b>Total</b>	<b>7,319,342</b>	<b>8,392,843</b>
<b>NOTE 15.05 - ADVANCES ON PURCHASES &amp; SUB CONTRACTS</b>		
Letter Of Credit Margin Account	49,516,662	18,515,552
Purchase Advances - Head Office	545,519	668,494
Purchase Advances - Sites	15,996,093	23,277,727
Purchase Advances - Construction	20,682,443	27,293,931
Purchase Advances - Rathmalana Concrete Yard	1,968,559	7,539,475
Sundry Advances	5,121,079	947,587
MPCS Polonnaruwa	5,000	5,000
Fuel Advances	413,537	413,537
Service Advances	(11,900)	(11,900)
Purchase Advances - Peliyagoda (CE)	33,434,454	21,633,899
Sub Contract Advances	15,299,042	43,864,313
Purchase Advances - Awissawella (CE)	52,311	52,311
<b>Total</b>	<b>143,022,798</b>	<b>144,199,925</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	2013	2012
	Note	
<b>NOTE 15.06 - OTHER ADVANCES AND DEPOSITS</b>		
Tender Deposits (Refundable)	199,875	124,875
Fuel Deposit -Amithirigala 992	1,500,000	1,500,000
Electricity Board Deposits	1,350,065	1,336,141
Fuel Deposits - Dehiwala	500,000	-
Fuel Deposits -Galoya	200,000	-
Fuel Deposits -Kottawa	100,000	-
Water Deposit	426,231	297,536
Fuel Deposit - Weeragantota	20,000	20,000
Fuel Deposit - Rattanapitiya	100,000	100,000
Fuel Deposit - Head Office - Transport	300,100	300,100
Fuel Deposit - CME	415,000	415,000
Fuel Deposit - Katugastota WP -	4,421	4,421
Fuel Deposit - Thalduwa-Meevthigammana -	-	3
Fuel Deposit - Mawanella Aranyake Road	600,000	600,000
Fuel Deposit - Klegalle -Rambukkana Road	300,000	300,000
Fuel Deposit - Colombo Municipal Council	-	400,000
Fuel Deposit - Kegalle Polonnaruwa	400,000	100,000
Fuel Deposit - Palaviya	250,000	250,000
Fuel Deposit - Kallady	1,000,000	600,000
Fuel Deposit - Rantambe	-	150,000
Fuel Deposit - Deduruoya	-	300,000
Fuel Deposit - Kaluganga - Nikawathura	-	200,000
Fuel Deposit - Moragahakanda - Amban	700,000	700,000
Fuel Deposit - Yatiyantota Deraniyagala Road	1,800,000	1,800,000
Fuel Deposit - Medawachchiya	75,000	75,000
Fuel Deposit - Usgala -Siyabalangamuwa	500,000	500,000
Fuel Deposit - Polonnaruwa	1,000,000	1,000,000
Fuel Deposit - Medirigiriya	150,000	150,000
Fuel Deposit - Minneriya Road	-	500,000
Fuel Deposit - Horana-BOI - Fuel Deposit	-	150,000
Fuel Deposit - Thiruwanalettiya 987	100,000	100,000
Fuel Deposit - Galpottagama & Thanthirimale-	49,993	149,993
Fuel Deposit - Manick Farm -Chettikulam	200,000	200,000
Fuel Deposit - Pack 06	-	400,000
Fuel Deposit - Deduruoya	100,000	100,000
Fuel Deposit - Ruwanwella	50,000	-
Other Deposit - Embilipitiya Water Tank	-	-
Fuel Deposit - Deduruoya Reservoir	200,000	200,000
Fuel Deposit - Bopitiya Quarry Crusher -	405,000	405,000
Fuel Deposit - Dedigama Galigamuwa	300,000	300,000
Fuel Deposit - Monaragala	7,726	7,726
MPCS - Moratuwa	250,000	250,000
Fuel Deposit - Gatambe	-	90,496
Fuel Deposit - Ulapane	850,000	650,000
Fuel Deposit - Sengaloya	-	50,000
Fuel Deposit - Hekitta	30,000	30,000
Fuel Deposit - Bathalagoda	150,000	-
Fuel Deposit - Seeduwa Water Project	300,000	-
Fuel Deposit - Muwagama	50,000	-
Fuel Deposit - Kirimetiya	-	100,000
<b>Total</b>	<b>14,933,412</b>	<b>14,906,292</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	2013	2012
Note		
<b><u>Note 16 Cash At Bank</u></b>		
Bank Of Ceylon -71102809	-	856
Sampath Bank 001860000985 -(985)	-	242,409
Bank Of Ceylon -71103201	-	32,108
Bank Of Ceylon - Idamamoratuwa-682972	134,981	-
Bank Of Ceylon C/Y 229786-134	20,082	21,382
Bank Transfer Head Office	3,023,313	101,857
Bank Of Ceylon Giriulla - Bopitiya 3441284	432,710	2,558,533
Sampath Bank - 001860000365 (365)	1,598,912	1,755,665
Margin Account - Sampath Bank	1,370,896	1,370,896
People's Bank- 001860000 1620 -(1620)	-	1,035,475
Bank Of Ceylon Ratmalana - 0004146443	-	3,144
Bank Of Ceylon Ratmalana - 0038856597	-	710
Bank Of Ceylon Ratmalana - Peradeniya 0001274730	-	25,848
Bank Of Ceylon Peradeniya - 1274460	38,148	38,148
Bank Transfers ( Sites)	7,741,355	1,637,155
Bank Of Ceylon - Medawachhiciya	23,519	1,091,495
Sampath Bank - 1860000195 (195)	-	2,026,563
People's Bank - Ratmalana 080100921101178 (92)	98,765	8,722
People's Bank - Ratmalana 14	66,747	18,099,035
People's Bank - Ratmalana 38	4,180,031	-
Bank Of Ceylon Idama - 0610213103	39,471,212	322,750,079
Bank Of Ceylon Idama - 6510876	2,718	-
<b>Sub Total</b>	<b>58,203,391</b>	<b>352,800,082</b>
<b><u>Cash In Hand - Petty Cash</u></b>		
Rathmalana - Petty Cash	75,276	50,343
Chairman Office - Petty Cash	64	-
PMU Petty Cash	12,945	-
D&P Petty Cash	8,833	-
Kallady- Petty Cash	13	-
Circuit Bunglow - Peradeniya	2,530	-
Administration - Pety Cash	19,045	-
Kegalle - Petty Cash	1	-
Balance Work Kelenisiri - Petty Cash	25,000	25,000
Beutification - Petty Cash	14,074	22,783
Kegalle Rambukkana - Petty Cash	865	866
Siriwardhana (WS) - Petty Cash	-	25,000
Ampara Housing Scheme Petty Cash 1227	-	1,227
General Manager Office - Petty Cash	-	3,000
<b>Sub Total</b>	<b>158,645</b>	<b>128,218</b>
<b>Total</b>	<b>58,362,036</b>	<b>352,928,300</b>
Investments With Short Maturity	38,045,055	35,186,721
Unfavourable Cash & Cash Equivalents	(519,880,879)	(192,465,734)
<b>Total Cash &amp; Cash Equivalents for the purpose of Cash Flow Statement</b>	<b>(423,473,788)</b>	<b>195,649,287</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	Note	2013	2012
<b>NOTE 17 - LEASE CREDITORS</b>			
Balance As At The Beginning Of The Year		24,731,706	34,846,514
Obtained During The Year		-	-
		24,731,706	34,846,514
Repaid During the Year		(8,964,456)	(10,114,808)
		15,767,250	24,731,706
Interest In Suspense		(1,644,321)	(3,756,681)
<b>Net</b>		<b>14,122,929</b>	<b>20,975,025</b>
Lease Creditors Due Within One Year		7,347,450	6,852,095
Lease Creditors Due After One Year		6,775,480	14,122,931
<b>Total Lease Creditors</b>		<b>14,122,930</b>	<b>20,975,025</b>
<b>NOTE 18 - LOANS &amp; BORROWINGS</b>			
Balance As At The Beginning Of The Year		214,273,755	289,476,833
Borrowings During The Year		-	40,000,000
<b>Total</b>		<b>214,273,755</b>	<b>329,476,833</b>
Repaid During The Year		(63,958,052)	(92,047,578)
Written off Loan balance		(48,488,000)	(23,155,500)
<b>Net</b>		<b>101,827,703</b>	<b>214,273,755</b>
Repayable Within One Year		14,877,204	59,877,204
Repayable After One Year		86,950,499	154,396,551
<b>Total Loans &amp; Borrowings</b>		<b>101,827,703</b>	<b>214,273,755</b>
<b>NOTE 19 - RETIREMENT BENEFIT OBLIGATIONS</b>			
Balance As At The Beginning Of The Year		47,984,168	56,995,829
Charges To / (Reverse From) Income Statement	19.01	16,006,003	1,604,388
Payments Made During The Year		(7,549,637)	(10,616,050)
<b>Balance As At End Of The Year</b>		<b>56,440,533</b>	<b>47,984,168</b>
<b>NOTE 19.01 - PROVISION MADE DURING THE YEAR</b>			
Interest Cost		2,596,540	6,008,622
Current Service Costs		5,071,531	2,134,372
Net Actuarial (Gain) / Loss Recognized Immediately		8,337,932	(6,538,606)
<b>Total</b>		<b>16,006,003</b>	<b>1,604,388</b>
<b>NOTE 20 - TRADE &amp; OTHER PAYABLES</b>			
Trade Payables	20.01	472,937,497	873,600,172
Value Added Tax	20.02	381,633,457	211,242,261
Sundry Payables	20.03	508,922,256	191,626,089
Employee Benefit Payables	20.04	63,481,704	49,238,635
Refundable Advances & Retentions	20.05	787,451,637	979,367,179
Refundable Deposits	20.06	810,745	832,497
<b>Total</b>		<b>2,215,237,296</b>	<b>2,305,906,833</b>
Non Current Trade & Other Payables		175,684,228	500,439,673
Current Trade & Other Payables		2,215,237,296	2,305,906,833
<b>Total</b>		<b>2,390,921,524</b>	<b>2,806,346,506</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**  
**AS AT 31ST DECEMBER**

(All Amounts Are In Sri Lanka Rupees)

	2013	2012
	Note	
<b>NOTE 20 . 01 - TRADE PAYABLES</b>		
Creditors - Head Office	30,203,523	23,405,536
Creditors - Sites	374,667,296	760,786,214
Credit Balance of Debtors	46,998,869	54,405,504
Nation Building Tax	9,099,278	8,849,941
Nation Building Tax	80,804	140,856
Payment Received Material - Sites	11,733,827	25,858,221
Advances Control Account	153,900	153,900
<b>Total</b>	<b>472,937,497</b>	<b>873,600,172</b>
<b>NOTE 20 . 02 - VALUE ADDED TAX</b>		
With Holding Tax On Value Added Tax	-	(46,326)
Value Added Tax Receivable	(612,179)	(556,853)
Suspense Value Added Tax	12,405,510	10,618,572
Value Added Tax Payable	8,445,187	11,362,032
Value Added Tax Control Account	361,394,939	189,864,835
<b>Total</b>	<b>381,633,457</b>	<b>211,242,261</b>
<b>NOTE 20 . 03 - SUNDRY PAYABLES</b>		
Accrued Expenses	401,834,842	101,514,840
Auditor General	3,025,200	2,775,200
Flood Relief Advances	-	92,894
Refundable Deposits	4,330,609	3,661,000
EPF & ETF Surcharges	26,563,192	19,881,507
Interest On Cgf 100Mn Loan Payable	73,143,304	63,679,804
Janashakthi Insurance	25,087	19,276
Refundable Loan	22	1,568
<b>Total</b>	<b>508,922,256</b>	<b>191,626,089</b>
<b>NOTE 20 . 04 - EMPLOYEE BENEFIT PAYABLES</b>		
Net Salaries & Wages	2,268,214	2,543,811
Casual Wages Control Account	585,286	432,172
Cash Abatements -Control Account	380,776	565,777
PAYE payable	30,000	-
Employees' Provident Fund	53,870,197	32,873,657
Employees' Trust Fund	872,703	(322,606)
Contract Employees - Salaries	3,342,204	1,827,456
Gratuity Payables	-	9,333,994
Medical Insurance	497,119	482,541
Unpaid Bonus	6,000	
Unpaid Salaries & Wages	1,499,783	1,372,411
Unpaid Salaries & Wages - Advances	129,424	129,424
<b>Total</b>	<b>63,481,704</b>	<b>49,238,635</b>
<b>NOTE 20 . 05 - REFUNDABLE ADVANCES &amp; RETENTIONS</b>		
Mobilization Advances From Clients	734,576,329	919,309,568
Advances Against Orders -Concrete Yards	52,875,308	59,739,726
Advances Against Orders -Asphalt Plant	-	317,885
Special Advances	175,684,228	500,439,673
<b>Total</b>	<b>963,135,865</b>	<b>1,479,806,852</b>
<b>NOTE 20 . 06 - REFUNDABLE DEPOSITS</b>		
Security Deposits - Employees	810,745	832,497
<b>Total</b>	<b>810,745</b>	<b>832,497</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31ST DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

	2013	2012
		Note
<b>NOTE 21 - BANK OVERDRAFTS</b>		
Bank Of Ceylon - 75416320	200,841,425	-
Bank Of Ceylon - 683115 (649)	-	792,358
Bank Of Ceylon - 682972 -(972)	-	757,766
Bank Of Ceylon - 683116 (657)	100,316,418	99,988,244
Bank Of Ceylon - 6183114 (622)	162	171,389
Sampath Bank - 195	2,514,623	19,408,881
Sampath Bank - 241	127,366,730	-
People's Bank Ratmalna -801620112601	14,998,880	19,627,813
Sampath Bank - 001860000 349 -(349)	23,681,017	28,999,574
Bank Of Ceylon Weragantota- 3535848 (848)	66	593
People's Bank Ratmalana 08010038110178	-	1,212,600
People's Bank- .080100471101178	5,840,677	4,567,281
Sampath Bank - 001860000 1620	1,676,576	-
People's Bank Ratmalana - 08010056110178	-	5,429,508
People's Bank - Ratmalana 91101178-29	6,484,070	4,379,282
People's Bank Ratmalana 08010056110178	5,360,829	-
Cash In Transit	-	186,911
People's Bank Ratmalana 08010083110178	29,719,719	-
Bank Of Ceylon -6443	2,656	-
Sampath Bank - 985	1,077,031	-
Bank Of Ceylon - Idama 0006358457	-	682,474
People's Bank Ratmalana - 83-080100831101	-	5,392,137
Bank Of Ceylon - Idama 6510876 ( 876)	-	868,924
<b>Total</b>	<b>519,880,879</b>	<b>192,465,734</b>

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31ST DECEMBER**

**2013**

**2012**

*(All Amounts Are In Sri Lanka Rupees)*

**NOTE 22 - RELATED PARTIES**

Corporation has entered into a Joint Venture agreement with Mass Trust Holdings (Pvt) Ltd. to form a Company, Fujima State Corporation (Pvt) Ltd. SD&CC owns 51% of the authorized share capital of this Company and Mass Trust Holdings (Pvt) Ltd. 49% . Mr. A.V.P.V. Pandithasekara, Chairman of SD&CC as at the reporting date is a Director of Fujima Sate Corporation (Pvt) Ltd.

Devcoshowa (Pvt) Ltd. is a fully owned subsidiary of the Sate Development and Construction Corporation. However, Board of Directors independent from SD&CC had being managing the company's affairs since the year 1997. Currently, the entire operation of the Company has been closed down. As such the Ministry of Agriculture, Irrigation and Mahaweli Development has appointed a Board of Directors to liquidate the Company. This Board of Directors has paid compensation to all employees of this Company.

**Related Party Balances In Statement Of Financial Position**

Investment In Devcoshowa (Pvt) Ltd	9,210,740	9,210,740
Ready Mixed Debtors (Devcoshowa)	34,433,731	27,417,928

**NOTE 23 - TRANSACTIONS WITH RELATED PARTIES**

**NOTE 23.01 - TRANSACTIONS WITH PARENT / SUBSIDIARIES/ASSOCIATES**

<u>Company</u>	<u>Transactions</u>		
Devcoshowa (Pvt) Ltd	Cash Receipts	-	1,503,000
	Cash Payments	6,551,334	1,702,144
<b>Total</b>		<b>6,551,334</b>	<b>3,205,144</b>

**NOTE 23.02 - TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

Salaries To Key Management Personnel	1,652,483	2,286,900
<b>Total</b>	<b>1,652,483</b>	<b>2,286,900</b>

**NOTE 24 - ASSETS PLEDGED**

<u>Nature of Asset</u>	<u>Nature of Liability</u>		
<b>Property Indicated In Note. 09</b>			
Land & Buildings at Gregory's Avenue			
	Land & Buildings have been pledged against a bond & guarantee facility ( LKR 380,000,000) and an overdraft facility ( LKR 50,000,000) in Sampath Bank.	355,000,000	355,000,000
Land & Buildings at Rathmalana			
	Land & Buildings have been pledged against a bank facility (LKR 700,000,000) in Bank of Ceylon.	800,000,000	800,000,000

**NOTE 25 - EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

There were no material events occurring after the reporting date that require adjustments to or disclosure in the financial statement

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Contd.)**

**AS AT 31ST DECEMBER**

*(All Amounts Are In Sri Lanka Rupees)*

**2013**

**2012**

**NOTE 26 - SEGMENT INFORMATION**

<u>Segment Income and Expenses</u>	<b>Concrete Yard</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>	<b>Concrete Yard</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>
Revenue	523,169,658	2,579,014,875	463,645,838	3,565,830,370	422,666,998	2,960,545,710	150,966,771	3,534,179,480
Cost Of Sales	(412,970,117)	(2,432,434,204)	(594,694,968)	(3,439,676,689)	(293,169,729)	(2,776,154,183)	(352,214,698)	(3,421,538,609)
Other Income	1,084,750	184,505,992	5,128,141	190,718,883	1,964,051.00	149,366,803.55	14,145,281.70	165,476,136
Administrative Expenses	(20,424,122)	(120,300,066)	(29,411,625)	(170,114,913)	(11,428,432)	(108,220,895)	(13,730,141)	(133,379,468)
Distribution Costs	-	-	-	-	-	-	-	-
Other Expenses	1,150,457	6,776,301	1,655,531	9,582,288	(1,961,858.59)	(18,577,709.08)	(2,356,980.83)	(22,896,549)
Financial Income	-	-	8,515,667	8,515,667	-	-	6,903,952	6,903,952
Financial Expenses	(8,121,738)	(47,837,830)	(11,695,657)	(67,646,914)	(5,387,158.78)	(51,013,395.70)	(6,472,143.32)	(62,872,698)
<b>Profit Before Tax</b>	<b>83,888,887</b>	<b>169,725,068</b>	<b>(156,857,074)</b>	<b>97,208,693</b>	<b>112,683,871</b>	<b>155,946,332</b>	<b>(202,757,958)</b>	<b>65,872,244</b>
<u>Segment Assets</u>	<b>Concrete Yard</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>	<b>Concrete Yard</b>	<b>Construction</b>	<b>Other</b>	<b>Total</b>
<u>Non - Current Assets</u>								
Property, Plant & Equipment	54,113,654	1,849,227,843	-	1,903,341,497	39,107,438	1,990,132,937	22,985,722	2,052,226,096
Investments In Government Owned Companies	-	-	9,210,740	9,210,740	-	-	9,210,740	9,210,740
Other Investments, Including Derivatives	-	-	50,130,743	50,130,743	-	-	46,031,076	46,031,076
Deferred Tax Assets	829,285	5,402,692	-	6,850,855	829,285	5,402,692	-	6,850,855
<u>Current Assets</u>								
Inventories	205,095,479	89,172,321	16,292,442	310,560,242	193,324,251	69,380,302	48,687,902	311,392,455
Other Investments, Including Derivatives	-	38,045,055	-	38,045,055	-	35,186,721	-	35,186,721
Income Tax Assets	28,166,800	84,954,673	(37,448,605)	75,672,867	28,166,800	109,014,763	(36,987,354)	99,732,958
Trade & Other Receivables	165,322,792	2,225,347,911	49,737,199	2,440,407,902	118,243,704	2,016,899,210	67,045,718	2,202,188,632
Cash & Cash Equivalents	4,636,260	49,138,291	4,587,484	58,362,036	4,685,502	344,412,550	3,830,248	352,928,300
<b>Total</b>	<b>458,164,270</b>	<b>4,341,288,786</b>	<b>92,510,003</b>	<b>4,892,581,938</b>	<b>384,356,981</b>	<b>4,570,429,175</b>	<b>160,804,051</b>	<b>5,115,747,833</b>
<u>Segment Liabilities</u>								
<u>Non - Current Liabilities</u>								
Loans & Borrowings	-	51,900,499	35,050,000	86,950,499	-	83,538,000	94,014,051	154,396,551
Retirement Benefit Obligation	3,364,134	26,347,949	26,728,270	56,440,533	2,961,732	22,382,435	22,640,001	47,984,168
Lease Creditors	-	-	6,775,480	6,775,480	-	-	14,122,931	14,122,931
Deferred Tax Liabilities	4,667,485	11,355,066	-	16,641,429	4,667,485	11,355,066	-	16,641,429
Trade & Other Payables	-	175,684,228	-	175,684,228	-	500,439,673	-	500,439,673
<u>Current Liabilities</u>								
Trade & Other Payables	1,850,899,843	81,350,283	235,807,222	2,215,237,296	190,156,091	2,630,804,038	(569,458,800)	2,251,501,329
Loans & Borrowings	-	-	14,877,204	14,877,204	-	-	59,877,204	59,877,204
Lease Creditors	-	-	7,347,450	7,347,450	-	-	6,852,095	6,852,095
Bank Overdrafts	152,724,389	56,563,659	310,592,831	519,880,879	29,000,167	36,661,410	126,804,157	192,465,734
<b>Total</b>	<b>2,011,655,852</b>	<b>403,201,685</b>	<b>637,178,456</b>	<b>3,099,834,999</b>	<b>242,569,387</b>	<b>1,242,140,161</b>	<b>1,858,393,376</b>	<b>3,244,281,114</b>

**Other Segment - Head office, Mechanical Section (CMC) & Other Parts Of The Corporation**  
**Cost Allocation - Based on the operating cost incurred by each segment**

**STATE DEVELOPMENT & CONSTRUCTION CORPORATION**  
Disclosure Requirement As Per LKAS 11

PROJECT NAME	Revised Contract Sum	Estimated Cost	Total Cost incurred up to 2012	Cost incurred 2013	Total Cost incurred up to 2013	% Completion	DUE FROM/TO CUSTOMER									
							Revenue Recognition up to 2013	Revenue Recognition up to 2012	For the Year	Total Cost incurred to date as at 31.12.2013	Recognised Profit as at 31.12.2013	Bill Received (Cumulative) as at 31.12.2013	Due From customer	Due to Customer	Amount of Retention	Mobilisation Advance
873 ULAPONE	103,725,295.84	102,361,540.64	79,545,425.75	9,420,575.31	88,966,001.06	0.87	90,151,288.48	80,851,387.30	9,299,901.18	88,966,001.06	1,185,287.42	79,012,145.92	11,139,142.56	-	3,750,326.80	(2,760,238.23)
896 HEKITA FLOD PROTECTION	34,396,957.58	61,569,516.72	45,411,459.25	12,911,557.79	58,323,017.04	0.95	34,396,957.58	34,104,630.08	292,327.50	58,323,017.04	(23,926,059.46)	13,113,143.42	21,283,814.16	-	1,277,233.47	3,208,558.48
909 IHANDALA USWATAKAYAWA	32,117,908.30	27,847,774.36	27,676,176.32	171,598.04	27,847,774.36	1.00	32,117,908.30	32,893,891.42	(775,983.12)	27,847,774.36	4,270,133.94	18,113,829.30	14,004,079.00	-	1,587,180.07	1,113,916.65
912 KALAWANA RAKWANA ROAD	277,393,772.83	209,896,811.20	208,315,614.27	1,581,196.93	209,896,811.20	1.00	277,393,772.83	210,985,401.90	66,408,370.93	209,896,811.20	67,496,961.63	239,645,284.18	37,748,488.65	-	7,949,700.59	-
916 VEYANGODA RUWANWELLA ROAD	78,489,438.21	88,617,726.05	88,617,726.05	83,455,882.80	83,455,882.80	0.94	73,917,551.81	71,533,995.48	2,383,556.33	83,455,882.80	(9,538,330.99)	59,441,606.13	14,475,945.68	-	3,708,552.69	-
917 KADAWATA GANEMULLA	249,770,099.36	212,581,541.48	197,008,193.73	12,652,359.01	209,660,552.74	0.99	246,338,119.13	232,507,029.71	13,831,089.42	209,660,552.74	36,677,566.39	200,926,719.69	45,411,399.44	-	8,762,674.33	-
927 IPALAVI KALPITIYA - ROAD	88,933,126.06	71,479,180.98	59,139,575.43	2,858,625.88	61,998,201.31	0.87	77,137,059.73	73,580,408.24	3,556,651.49	61,998,201.31	15,138,858.42	58,595,516.79	18,541,542.94	-	4,363,486.27	513,638.32
929 HOSTEL BLOCK BATHALAGODA	167,141,413.13	127,271,788.08	107,284,228.06	19,987,560.02	127,271,788.08	0.95	158,784,342.47	112,405,703.19	46,378,639.28	127,271,788.08	31,212,554.39	139,400,000.00	19,384,342.47	-	4,740,039.60	-
936 VERUGALARI	90,563,462.84	62,532,187.68	62,532,187.68	-	62,532,187.68	1.00	90,563,462.84	82,650,859.81	7,912,603.03	62,532,187.68	28,031,275.16	79,278,771.88	11,284,690.96	-	4,852,317.67	-
948 MOTOR TRAFFIC OF JAFFNA	24,082,807.99	20,229,558.71	12,635,831.41	6,416,339.94	19,052,171.35	0.94	22,681,156.37	15,042,656.44	7,638,499.93	19,052,171.35	3,628,985.02	9,343,379.85	13,337,776.52	-	843,500.00	1,913,088.19
951 KALLADY - BRIDGE	1,329,826,142.64	1,320,000,000.00	963,490,001.95	317,712,190.65	1,281,202,192.60	0.97	1,290,739,522.52	993,288,661.80	297,450,860.72	1,281,202,192.60	9,537,329.92	1,228,076,767.17	62,662,755.35	-	61,403,838.36	-
957 CONST. OF BR.NO.26 - RATTANAPITIYA	65,269,963.63	51,243,793.56	26,572,667.96	10,598,380.13	37,171,048.09	0.73	47,345,303.47	34,067,523.03	13,277,780.44	37,171,048.09	10,174,255.38	24,160,014.85	23,185,288.62	-	2,416,001.49	249,945.00
958 BR.NO. 51. MULINDUGODA ORUTOTA - G	48,636,362.14	48,000,000.00	33,050,083.23	13,157,331.11	46,207,414.34	0.96	46,820,011.20	41,312,604.04	5,507,407.16	46,207,414.34	612,596.86	43,945,186.43	2,874,824.77	-	2,662,088.95	(77,544.05)
960 DELKANDA OLD KESBWA ROAD	12,427,683.00	9,942,146.40	174,129.00	50,000.00	224,129.00	0.02	280,161.25	217,661.25	62,500.00	224,129.00	56,032.25	5,256,422.40	-	(4,976,261.15)	525,642.24	-
962 ROADS - ZOOLOGICAL GARDEHIWALA	53,462,404.96	43,343,969.98	15,083,949.55	7,999,769.37	23,082,718.92	0.53	28,471,265.25	18,840,667.62	9,630,597.63	23,082,718.92	5,388,546.33	31,879,964.53	-	(3,408,699.28)	2,299,644.31	2,195,973.32
963 DEDURUGODA KON OYA PROJECT PAC	208,570,807.44	169,844,167.92	102,028,422.25	53,856,961.51	155,885,383.76	0.92	191,429,242.21	127,011,000.58	64,418,241.63	155,885,383.76	35,543,858.45	149,940,866.54	41,488,375.67	-	11,235,939.74	3,109,617.27
965 SEW.DISP. SYS.AT RANPOKUNAGAMA	10,103,954.21	11,663,606.15	8,611,012.90	3,052,593.25	11,663,606.15	1.00	10,103,954.21	10,012,805.69	91,148.52	11,663,606.15	(1,559,651.50)	10,103,954.21	-	1,135,395.42	-	-
966 REP.WORKS AT MALAWATTIA HOUSING	711,500.00	675,800.00	-	647,963.55	-	0.96	682,193.05	809,954.44	(127,761.39)	647,963.55	34,229.50	682,193.05	-	-	142,300.00	-
968 GABRON WALL ALONG BITT ROAD	4,094,900.00	1,607,300.00	1,607,300.00	-	1,607,300.00	1.00	4,094,900.00	2,060,641.03	2,034,258.97	1,607,300.00	2,487,600.00	4,094,900.00	-	-	-	-
971 RUKMANGAMA HOUSING SCHEME	20,002,010.00	16,401,648.20	4,985,801.32	-	6,080,245.51	0.30	6,080,245.51	6,080,245.51	0.00	4,985,801.32	1,094,444.19	18,842,340.60	-	(12,762,095.09)	1,000,000.00	-
973 BEAUTIFICATION ROAD	32,357,545.74	24,062,942.91	18,793,249.18	8,269,693.73	24,062,942.91	1.00	32,357,545.74	20,780,591.02	11,576,954.72	24,062,942.91	8,294,602.83	32,357,545.74	-	3,323,468.76	-	-
974 SAND SEALING ON JAFFNA 42	35,049,661.50	26,988,239.36	18,059,600.38	35,969.94	23,454,026.46	0.67	23,454,026.46	23,407,312.26	46,714.20	26,988,239.36	5,394,426.08	15,940,118.41	7,513,908.05	-	1,470,868.33	701,798.36
976 WENAPPUWA KIRIMETTIYANA ROAD 31	57,377,976.52	73,596,901.64	53,360,407.27	18,236,494.37	73,596,901.64	1.00	57,377,976.52	67,032,537.50	(9,644,561.18)	73,596,901.64	(16,218,925.12)	57,377,976.52	-	1,429,991.13	-	-
978 SIYABALANGAWUA DAM	141,692,783.70	120,118,235.67	65,976,202.60	26,486,525.75	92,462,728.35	0.77	109,070,045.08	79,955,349.59	29,114,695.49	92,462,728.35	16,607,316.73	83,134,468.18	25,935,576.90	-	6,035,262.22	-
979 ASPHALT SURFACING OF PROVINCIAL R	428,895,830.82	350,280,500.00	126,476,651.53	71,261,127.76	197,737,829.29	0.56	240,423,597.44	145,878,490.81	94,545,106.63	197,737,829.29	42,685,813.15	135,407,875.36	105,015,722.08	-	12,660,817.85	106,593,135.93
980 ASPHALT SURFACING OF PROVINCIAL R	1,065,577,567.99	960,500,600.00	460,566,393.26	207,163,127.23	667,729,520.49	0.70	742,863,447.54	531,218,446.67	211,645,000.87	667,729,520.49	75,133,927.05	612,040,696.88	130,822,750.66	-	49,542,747.67	147,331,860.90
981 ASPHALT SURFACING OF PROVINCIAL R	1,232,995,957.14	1,050,000,000.00	327,227,785.14	395,262,201.42	622,489,986.56	0.59	730,978,701.70	377,425,357.72	353,553,343.98	622,489,986.56	108,488,715.14	532,703,043.30	198,275,658.40	-	47,289,208.98	24,951,857.13
982 ASPHALT SURFACING OF PROVINCIAL R	1,840,133,543.90	1,600,000,000.00	498,505,588.95	331,872,843.36	830,378,433.31	0.52	955,004,504.64	574,977,611.25	380,026,893.39	830,378,433.31	124,626,072.33	701,051,485.13	253,935,019.51	-	66,586,801.41	152,286,521.11
983 ASPHALT SURFACING OF PROVINCIAL R	1,196,170,142.72	1,082,533,979.16	537,291,399.33	196,761,038.77	734,052,438.10	0.68	811,107,666.41	619,713,263.36	191,394,403.05	734,052,438.10	77,055,228.31	685,567,530.49	125,540,135.92	-	37,084,506.15	24,716,889.23
984 ASPHALT SURFACING OF PROVINCIAL R	734,276,709.80	645,000,000.00	212,011,597.47	106,636,125.92	318,647,723.39	0.49	362,752,871.19	244,534,715.50	118,218,155.69	318,647,723.39	44,105,147.80	332,439,905.39	30,312,965.80	-	18,815,450.15	21,785,720.79
985 ASPHALT SURFACING OF PROVINCIAL R	19,967,481.17	57,225,500.00	240,195,668.14	56,966,811.66	297,162,479.80	0.52	320,276,542.40	277,042,293.13	43,234,249.27	297,162,479.80	23,114,062.60	349,465,554.58	-	(29,189,012.18)	18,294,167.17	7,367,389.98
986 POLIPTO LANKA - FACTORY BUILDING	22,452,570.56	18,507,024.81	10,174,510.96	6,667,955.39	16,242,466.35	0.88	19,705,226.83	13,387,514.42	6,317,712.41	16,242,466.35	3,462,760.48	14,349,418.03	5,355,808.80	-	883,595.78	-
987 TIRUWANA KATIYA AGALAWATTIA RD.	37,912,456.49	53,146,825.56	18,390,816.37	32,621,662.76	36,389,913.70	0.96	36,389,913.70	22,983,887.87	13,406,025.83	51,012,479.13	(14,622,565.43)	25,631,820.35	10,758,093.35	-	2,159,267.14	1,652,471.40
988 WATER SUPPLY AT NEGAMBO ROAD	36,940,075.20	40,642,474.89	21,209,403.43	9,816,857.11	39,826,260.54	0.98	36,198,215.37	24,867,010.21	11,331,205.16	39,826,260.54	(6,288,045.17)	20,373,979.28	15,824,236.09	-	1,937,397.93	3,325,739.60
989 DAYATAKIRULA - EXHIBITION HALL	215,904,737.00	182,434,898.47	173,216,893.89	12,614,000.58	182,434,898.47	1.00	215,904,737.00	199,099,878.04	16,804,858.96	182,434,898.47	33,469,838.53	215,904,737.00	-	-	-	-
990 UPGRADING MAGURUWELLA ROAD	20,582,552.08	17,764,328.37	15,867,287.37	1,897,041.00	17,764,328.37	1.00	20,582,552.08	19,426,933.91	1,155,618.17	17,764,328.37	2,818,223.71	20,582,552.08	-	475,244.25	-	-
994 MORAGAHAKANDA WELLAWELLA ROAD	89,084,299.40	70,411,709.90	4,179,674.66	37,277,907.83	47,163,693.47	0.53	47,163,693.47	5,358,572.26	41,805,136.21	37,277,907.83	9,885,785.64	35,029,004.30	-	-	10,424,336.33	-
995 COLOMBO MUNICIPAL COUNCIL ROAD	283,513,616.98	266,140,621.24	13,843,163.96	174,444,512.22	188,287,676.18	0.71	200,578,625.91	17,747,646.10	182,830,979.81	188,287,676.18	12,290,949.73	138,625,914.60	61,952,711.31	-	13,862,591.42	12,143,759.38
996 MODIFICATION OF DRAWING OFF. II - old	11,120,088.77	12,000,000.00	767,439.93	10,882,566.53	11,095,758.83	0.97	11,095,758.83	11,110,533.66	9,685,225.07	11,095,758.83	(854,247.63)	6,170,295.14	4,625,463.69	-	527,567.83	4,432,448.26
997 DAYATAKIRULA - AMPARA	378,571,428.57	310,428,571.43	13,704,961.31	71,175,992.49	84,880,953.80	0.27	103,513,358.29	16,713,367.45	86,799,990.84	84,880,953.80	18,632,404.49	135,000,000.00	-	(31,486,641.71)	-	-
998 84 ON KPOTTAWA THALAGALA ROAD	42,759,904.05	33,035,134.31	384,734.97	9,135,802.67	9,520,537.64	0.29	12,323,160.92	512,979.96	11,810,180.96	9,520,537.64	2,802,623.28	8,091,509.95	4,231,650.97	-	809,151.00	2,972,810.86
999 KUKULEGANGA POWER HOUSE	9,085,449.39	4,645,658.03	4,645,658.03	4,645,658.03	4,645,658.03	1.00	9,085,449.39	9,085,449.39	9,085,449.39	4,645,658.03	4,439,791.36	9,085,449.39	-	435,688.50	-	-
1000 TRAFFIC LIGHT SYSTEM AT VEYANGODA	5,001,653.24	1,991,052.19	1,991,052.19	1,991,052.19	1,991,052.19	1.00	5,001,653.24	5,001,653.24	5,001,653.24	1,991,052.19	3,010,601.05	5,001,653.24	-	203,257.57	-	-
1004 COLOMBO KATUNAYAKA EXPRESSWAY	21,672,000.00	8,487,548.72	8,487,548.72	8,487,548.72	8,487,548.72	1.00	21,672,000.00	21,672,000.00	21,672,0							