

වාර්ෂික වාර්තාව வருடாந்த அறிக்கை Annual Report

2024



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மாணிக்கம் மற்றும் ஆபரண ஆராய்ச்சி மற்றும் பயிற்றுவிப்பு நிறுவனம்
Gem and Jewellery Research and Training Institute



Gem and Jewellery Research and Training Institute

Annual Report 2024

Gem and Jewellery Research and
Training Institute
“Ruwan Sewana”
No. 73/5/A,
Welivita
27.02.2025

Hon. Minister
Ministry of Industries
P.O. Box 570,
73/1
Galle Road,
Colombo-03

Hon. Minister,

Annual Report 2024

In terms of sub section 14 (2) of the Finance Act No.38 of 1971, the following documents are submitted to you.

1. Administration Reports of the Gem and Jewellery Research and Training Institute for the year 2024
2. The performance report as at 31st December, 2024.

Yours faithfully,



Mr. G.W.A. Rohan Fernando
Chairman
Gem and Jewellery Research and Training Institute

Mission

To enhance the Competitive capability of Sri Lanka Gem & Jewellery Industry by providing high quality Research & Training services, conducting workshops, Seminars, and by publication of books and papers on related subjects leading to Exploration of Gem Deposits, Technological Innovation, Skill and Competency Development and Quality Improvement for the satisfaction of our Stakeholders

Objectives

Explore gem resource potential areas of Sri Lanka and harvest these resources through sustainable methodologies, and contribute to the national economy by producing tradesmen with training in new technological methodologies.

2.1. Composition of the Board of Directors

The composition of the Board of Directors for the year 2024 was as follows

1	Mr. G.W.A. Rohan Fernando	Chairman Gem and Jewellery Research and Training Institute	Chairman of the Board of Directors From 27.12.2024
2	Mr.K.N.P. Jayarathne	Director (Acting) Department of National Planning Ministry of Finance	Member of the Board of Directors From 01.04.2022 to 20.09. 2024
3	Mr. S.G.L.Fernando	-	Member of the Board of Directors From 08.12.2022 to 20.09 2024
4	Mr. Janaka Udayakumara	Director General National Gems and Jewelery Authority	Member of the Board of Directors From 28.12.2023 to 20.09.2024
5	Dr. S. Perera	Chairman Geological Survey and Mines Bureau	Member of the Board of Directors From 15.12.2023 to 26.02.2024
6	Mr.S.A.W.K. Jayasekara	Director (Planning) Acting Ministry of Industries	Observer of the Board of Directors From 31.01.2022 to 20.09. 2024

Senior Management



Professor G.W.A. Rohan Fernando
Chairman
BSc (Hons), MPhil (Perad);
PhD (Mainz, Germany);
CGeol. (IGSL)



Mr. B.G.R.W. Gamlath
Director General (Acting)
Director (Training and Development)
B.Sc.(Phy-Sp),
M.Sc. in Gemmology (SL),
MGA(SL), FGA, MBA(Reading)



Mr.R.M.N.G.K.Jayasinghe
Director (Research) Acting
B.Sc.(Geology), M.Sc.(GIS & RS),
M.Phil.(Reading)
MGS(SL), MGA(SL), MGIS(SL)



Mr. S.L.J. Muhandiram
Deputy Director (Finance)
MPAcc(USJP),
B.com(Sp) Accountancy
(Hons) (USJP),CBA(ICASL),
Adv.Cer(Procurement)ICTAD



Mrs. M.A. Nadeeka Chamini Manthirathna
Assistant Director (Administration and Human Resource) Acting
B.Tec.(Sp) Material Science ,
M.Sc (Nano Science Technology Reading)

3. Chairman's review of the opportunities and challenges of the year under review

3.1 Opportunities

❖ Demand for research and training

Established by an Act of Parliament for the development and regulation of training and research activities in the gem and jewellery industry, this institute is currently engaged in providing the skills and knowledge required for innovative design, covering the process of value enhancement from gem mining to the production of jewellery for the international market, through the implementation of training and research programs. The institute has already implemented nearly 21 training courses across 15 centers, ranging from certificate level to diploma level, covering a wide range of fields. In the nearly three decades since its establishment, no other public or private sector training institute has emerged to challenge this institute, and it has been observed that there is no current market trend indicating the establishment of new training institutes capable of posing such a challenge. Accordingly, it can be recognized that the institution possesses the expertise to continue the dissemination of knowledge while maintaining the capacity to compete with other countries in both the domestic and international gem markets.

❖ Technical facilities

The institution possesses extensive machinery, equipment, and computer software that enable it to produce trained and skilled workers with advanced technical expertise for the gem and jewelry industry, carry out environmentally friendly gem exploration research, and introduce new products relevant to the gem and jewelry sector. Also, the institute has human resources with extensive training and knowledge, capable of operating these machines. It possesses gemmological laboratories, gem-cutting training units, computer-aided jewellery design facilities, as well as 3D printing, casting, and electroplating technical facilities, all of which can be utilized for training courses at an international standard. Additionally, the institute is equipped with modern instruments such as an X-Ray Fluorescence Spectrometer, Magnetic Separator, Specific Gravity Scale, Laser Diffraction Particle Size Analyser, Fourier-Transform Infrared Spectroscope, Raman Spectroscope, and Ultraviolet-Visible Spectroscope, which are employed for research related to the gem industry.

❖ Opportunities for expansion of operations of the Institute and development

The institution possesses the capacity to implement a wide range of developmental activities that go beyond the primary objectives for which it was established under the parliamentary act. It is capable of organizing annually high-standard certificate award ceremonies, hosting research conferences of international standards, and establishing and maintaining a students' association, among many other initiatives.

❖ Implementation of joint cooperation programs for the development of the industry

In order to promote a sustainable, environmentally friendly, and ethical development of the gems and jewellery industry in the country, the institute seeks to implement its activities as far as possible through joint venture programs with external institutions. Under this framework, the institute

collaborates with the National Gems and Jewellery Authority, the Geological Survey and Mines Bureau, the National Science Foundation, the Department of Museums, and universities such as Peradeniya, Sabaragamuwa, and Uva Wellassa, as well as with the FGA, the Gem and Jewellery Institute of Thailand (GTI), and foreign governments and institutions such as the Government of Pakistan. The institute has the capacity to implement joint programs with various external partners to further advance the industry.

❖ **Promotional programs of the Institute**

Publicity and awareness activities relating to the Institute's research and training are given high priority. For this purpose, social media—widely used for advertising at present—has been effectively utilized to promote the functions of the Institute. At the same time, given the nature of the industry, traditional awareness and promotional methods are also employed, tailored to specific age groups, regional contexts, and the professional and educational levels of those engaged in the industry.

3.2. Challenges

❖ Inadequacy of technology, financial infrastructure and physical facilities.

There is a noticeable delay in the dissemination of up-to-date technical knowledge on machinery and the latest trends in the gem industry to local stakeholders. Furthermore, the staff of the Institute has limited opportunities for higher education to acquire knowledge at an international level. The use of modern machinery and training equipment, both for training courses and research, remains at a low level, while inadequate infrastructure has hindered the achievement of the Institute's developmental goals. The absence of permanent building facilities further constrains institutional progress. The training units used for research and training require significant upgrading to meet international standards, and gemmology laboratories are in need of modern equipment for laboratory testing. Adequate financial allocations are therefore essential to address these requirements.

❖ Delay in Human Resource Development

According to the employee plan of the Institute, 136 permanent positions are approved; however, only 64 employees are currently in service. The organization therefore lacks sufficient staff to carry out its activities in an optimal and efficient manner, with several key vacancies directly affecting operations. In addition, there is a shortage of academically qualified staff, which is essential for an educational institution, and it is necessary to recruit graduates to strengthen the academic cadre. Although there is strong demand for the Institute's research and training activities, the lack of human resources has hindered their effective implementation. Accordingly, it is imperative to provide staff with local and international training opportunities and to urgently recruit personnel to fill existing vacancies.

❖ Legitimacy in carrying out the functions of the institute.

It has been identified that the powers and functions assigned to the Institute under the Act by which it was established should at present be subjected to revision. As a result of having to act within these limitations in carrying out institutional activities, opportunities to perform certain functions have been missed. Accordingly, a mechanism for regulating educational institutions with international standards should be prepared. Likewise, a standardized level of education should be prescribed for those entering

the industry, and in order to achieve sustainable development of the industry, for the operation of the industry in accordance with an ethical system with the professionalism of those employed in the industry, and for an environment-friendly industry, the necessary legal framework relevant to this industry should be established and a regulatory mechanism for the same should be prepared.

❖ Unfulfilled requirements.

There exists a continuing need to involve professionals with higher education in the gem and jewellery industry for training and research activities. Likewise, the strengthening of the Institute with modern technology required for the introduction of quality products to the industry as well as to the market, and for environmentally friendly mining methods and experimental research, remains at a slow pace and is at a level that should be developed in a sustainable and systematic manner.

4. Report of the Board of Directors

4.1. Objectives

The Gem and Jewellery Research and Training Institute was established by Gazette Notification No. 882 dated 28th July 1995 in accordance with Section 25 (1) of the National Gem and Jewellery Authority Act No. 50 of 1993. The main objective of the Institute is regulation, promotion and development of the Gem and Jewellery Industry through research and training facilities in the industry.

4.2. Powers of the institution

Conducting surveys on gem minerals and their deposits in Sri Lanka and carrying out scientific research on the following related matters.

4.2.1. To conduct surveys on gem minerals in Sri Lanka

- a) Location of gems
- b) Identification of gems
- c) Methods of enhancing gem stones.
- d) Any other related aspects and gemmological research.

4.2.2 To provide Technical and other advice including invention of machinery for the development of the Gem and Jewellery Industry in areas such as mining, gem cutting, jewellery making, devices for the treatment of gem stones and making of jewellery.

4.2.3 To provide training in -

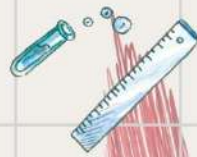
- (a) Gem cutting
- (b) Production of Jewellery;
- (c) Gemmology including diamonds;
- (d) Jewellery designing;
- (e) Enhancement of gem stones;
- (f) Any other related aspects of the gem and jewellery industry

4.2.4 To conduct Workshops, Seminars and to publish Papers, Books on related topics, work done etc.

4.2.5 To do such other things as are necessary to facilitate the proper discharge of the functions of the Institute.



TRAINING DIVISION



5. Training Division

In the year 2024, a range of initiatives was undertaken to quantitatively increase the number of technically skilled personnel capable of producing high-quality, internationally marketable products in the gems and jewellery sector through the enhancement of structured professional education and training, including the development of training programs, the introduction of new curricula, the development of training centers, the implementation of national vocational qualification (NVQ) standards for programs, the execution of courses accredited by Gem-A (Gemmological Association of Great Britain), and the development of degree-level qualifications.

5.1. Implementation of training courses.

By identifying subject areas that have gained professional recognition in the international market and are in increasing demand, nearly 21 training course syllabi have been developed in accordance with the standards of the Tertiary and Vocational Education Commission (TVEC). In addition, short-term courses that can be customized to meet individual requirements have also been arranged. Training courses have been implemented to cover all three levels—primary, secondary, and tertiary—of the gems and jewellery industry, thereby enabling the enrolment of 1,334 trainees in 2024 for the two main sectors of the industry, namely the gem sector and the jewellery sector. Under this initiative, the institution has generated an income of Rs. 33.88 million.

Training course		No. trainees enrolled in 2022	No. trainees enrolled in 2023	No. trainees enrolled in 2024
01	Basic Gemmology	147	229	218
02	Gemmology	148	240	204
03	Hybrid Gemmology	22	22	16
04	Gem Colourgrading & Marketing	24	23	-
05	Geuda Heat Treatment	102	212	117
06	Gemstone carving	07	-	-
07	Gem cutting and polishing NVQ 3 / NVQ 4	235	429	400
08	10 Day Gem Cutting Course	8	18	46
09	Valuation and marketing of gems	-	36	-
10	Jewelry designing	69	80	53
11	Computer Aided Jewellery Designing	17	57	57
12	Jewelry manufacturing NVQ 4	25	138	105
13	Costume Jewellery Manufacturing	15	-	08
14	Jewellery Stone Setting	30	38	46
15	Casting and Electroplating	-	10	07
16	Diploma in Gemmology	13	23	40
17	Diploma in jewellery	-	13	-
18	Short-term courses	07	09	17
Grand total		869	1577	1334

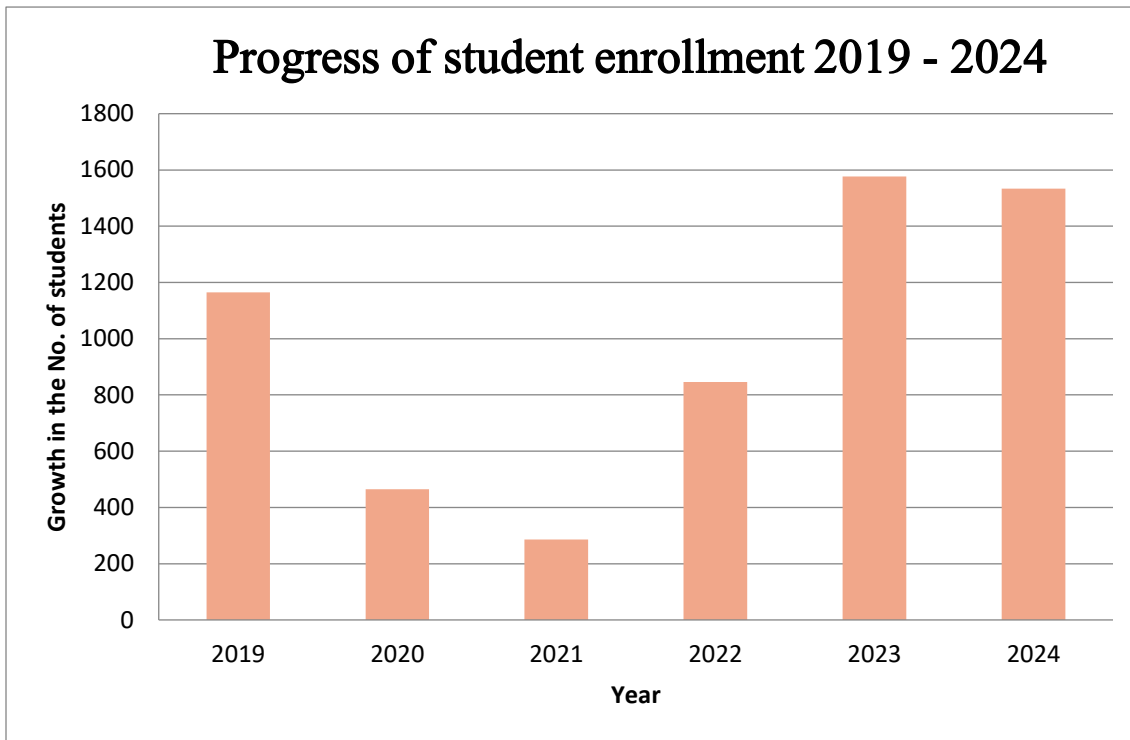
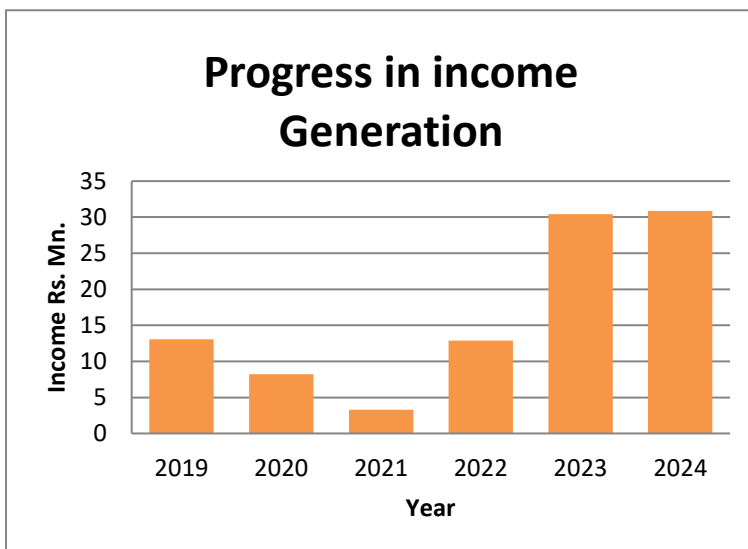


Table 1 – Progres of student enrollment



Year	Income Rs. Mn.
2019	13.06
2020	8.2
2021	3.3
2022	12.86
2023	30.4
2024	33.88

Table 2 – Growth in income

5.1.1. Verification of Professional Competency relevant to the Gem and Jewellery Industry (Commencement of the issuance of certificates under the RPL methodology)

Arrangements have been made to provide an opportunity under the Recognition of Prior Learning (RPL) 2024 scheme for craftsmen engaged in the industry who possess formal education and skills relevant to the field, but who do not hold an acceptable certificates for the same, as well as those with knowledge and experience in the industry, to obtain a nationally and internationally recognized certificate by assessing their competencies based on prior learning. This initiative will also enable the increase of the institution's revenue.



5.2. Development of Training Centers

Measures were taken to successfully operate 15 regional centers including the head office of the institution during this year, covering the entire island, namely the centers at Kaduwela, Ratnapura, Kandy, Attanagalla, Nivithigala, Jaffna, Batticaloa, Badulla, Laggala, Senapura, Maradana, Ratnapura Youth Services Council, Gampola, Galle and Naula.

5.3. Educational Development in the Gem and Jewellery Industry

5.3.1. Upgrading the Subject of Gemmology to NVQ Level 5 / 6

Measures were taken to develop the curriculum in order to obtain the National Vocational Qualifications Level 5 / 6 (NVQ 5 / 6) for the field of Gemmology and to achieve the capacity to implement training courses.



5.3.2. Implementation of Courses Qualifying for Membership of the Gemmological Association of Great Britain

From the year 2024, the institution started to function as an educational center facilitating the study of the GEM-A (Gemmological Association of Great Britain) course, which is an international qualification confirming professional recognition in the field of gemmology. Individuals in the country thereby have the opportunity to follow the courses through our institution and obtain the FGA qualification locally, without having to go abroad, while also creating the potential to expand the generation of institutional income through this process.

5.3.3. Awarding of Degree Qualifications in the Field of Gem and Jewellery Studies

Measures have been initiated to develop courses for the conferral of degree qualifications in the field of gem and jewellery studies through Uva Wellassa University, for students who obtain basic certificate and diploma qualifications relevant to the gem and jewellery industry.

5.3.4. Conducting a Certificate Awarding Ceremony for Students Who Have Completed the Courses

Through the certificate awarding ceremony, the achievements of the institution's students are formally recognized, thereby introducing and integrating them into the industry. This strengthens the relationship between the institution and the students, while promoting the institution's reputation by showcasing the students' academic excellence.

This opens up opportunities for establishing connections with other institutions and individuals relevant to the industry. As the certificate awarding ceremony fosters continuous academic and professional development, the institution's certificate awarding ceremony for the 2023/2024 academic year was held on 19 December 2024. On that occasion, the institution was able to



confer professional qualifications relevant to the gem and jewellery industry to 220 certificate recipients.

5.4. Technological Development in the Gem and Jewellery Industry

5.4.1. Conducting Technical Workshops

A series of technical workshops relevant to the field, such as gem identification, gem cutting and polishing, and heat-treatment of Geuda, were conducted focusing on external institutions. In 2024, action was taken to conduct training workshops focused on the banking system, addressing the high training needs in the jewellery industry, including jewellery standardization, assaying and detection of counterfeit gold items, and methods of refining gold.

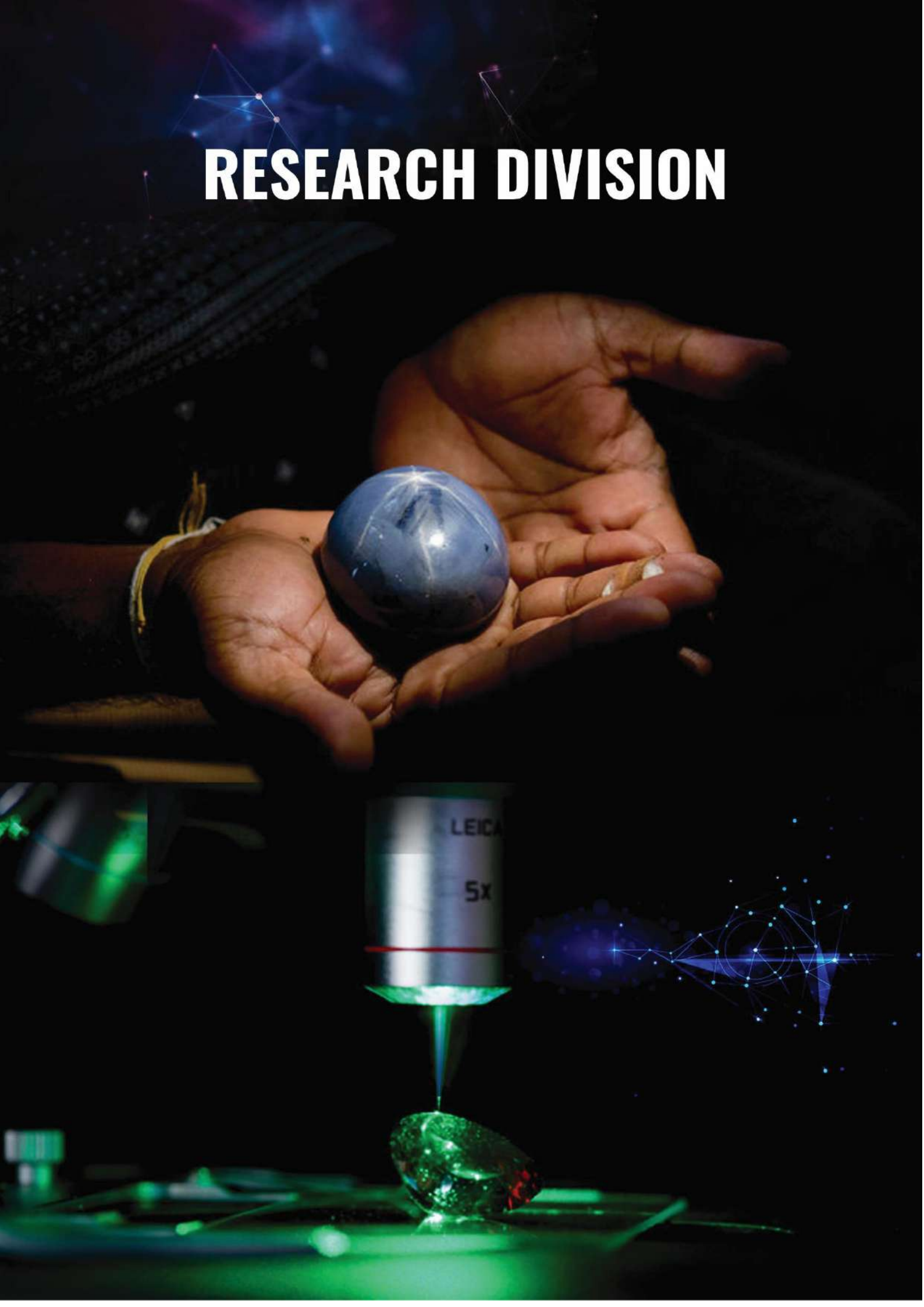


Placing the trainees in the industry

In the year 2024, out of 1,332 trainees enrolled for the gem and jewellery industry, 507 had successfully completed their courses by the end of the year. Other courses continue to be in progress. Steps have been taken to direct the students who out of them wish to pursue employment opportunities in the industry to prestigious factories in the gem and jewelry sector.



RESEARCH DIVISION



6.1 Progress of the 2024 Research Programmes

6.1 Project :- Exploration and Evaluation of Gem Deposits in Sri Lanka

This project is being implemented at the Divisional Secretariat level to contribute to the national economy of Sri Lanka through the existing gem deposits, as well as to prepare a set of maps at a scale of 1:50,000. In this task, a corresponding gem resource map and technical report are prepared at each Divisional Secretariat level.

6.1.1 Kolonna Divisional Secretariat Division

This division is located in the southern part of the Ratnapura District. The main gem deposits identified in this area include the alluvial deposits associated with the Arapowru River and its tributaries, the Andaluwa River alluvial deposits, the residual deposits in the Halwinnna area, and the residual deposits in the Ginigalgoda area. Among these deposits, varieties of gemstones such as sapphire, topaz, geuda, spinel, tourmaline, and zircon are abundantly found. Throughout the division, active gem mines are observed only to a limited extent, and gem mining is carried out both through open pits without tunnels reaching depths of 20–30 feet, as well as through shallow pits of about 5–20 feet in depth. However, in the residual deposit associated with the Ginigalgoda area, tunnel mining operations of about 150 feet in depth can be observed.

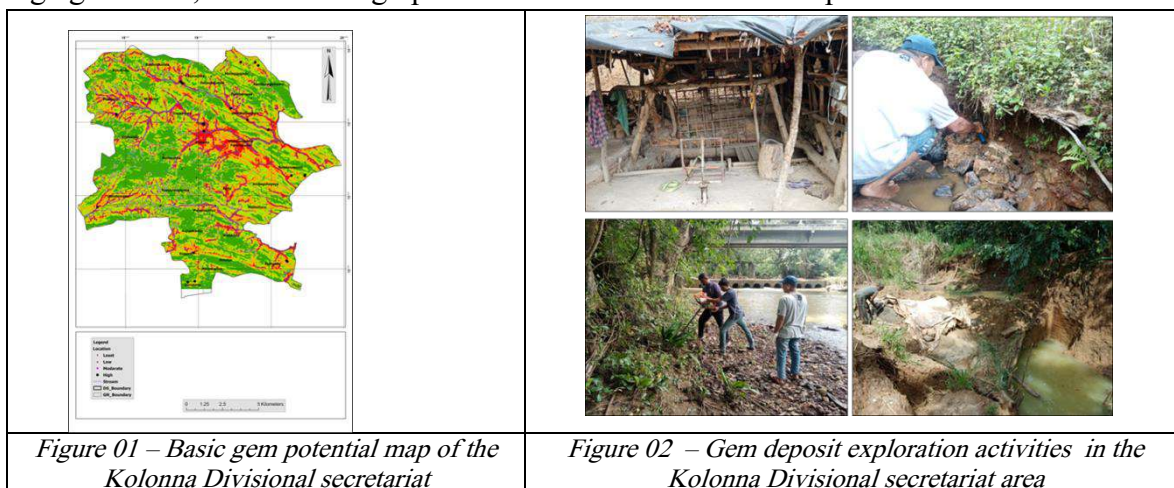


Figure 01 – Basic gem potential map of the Kolonna Divisional secretariat

Figure 02 – Gem deposit exploration activities in the Kolonna Divisional secretariat area

6.1.2 Palmadulla Divisional Secretariat Division

The gem resource map and report have been updated based on laboratory data. The alluvial deposits of the Denawak Oya and the Wae River, together with the residual gem deposits associated with the Neelagama and Morathota areas, were identified as the main gem deposits, and it was also observed that varieties of gemstones such as sapphire, ruby, topaz, geuda, spinel, tourmaline, garnet, and zircon are abundantly found.

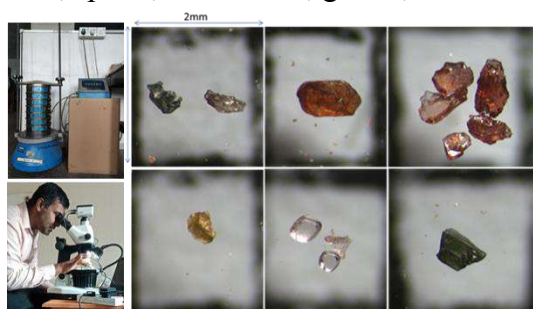


Figure 03 – Basic gem potential map of the Kolonna Divisional secretariat

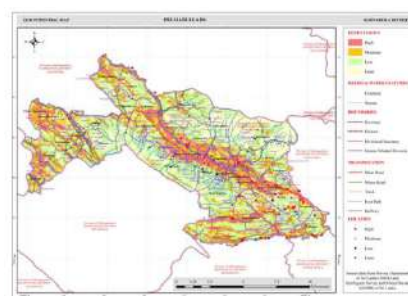


Figure 04 – Gem potential map of the Palmadulla Divisional Secretariat area

6.1.3 Ayagama Divisional Secretariat Division

The gem resource map and report have been updated based on laboratory data. The alluvial deposits of the Kalu Ganga, Galathura Oya, Heen Ganga, and Pasganga Ela, together with the residual gem deposits in the Pallekada area, were identified as the main gem deposits, and it was also observed that varieties of gemstones such as sapphire, topaz, geuda, spinel, tourmaline, garnet, and zircon are abundantly found.

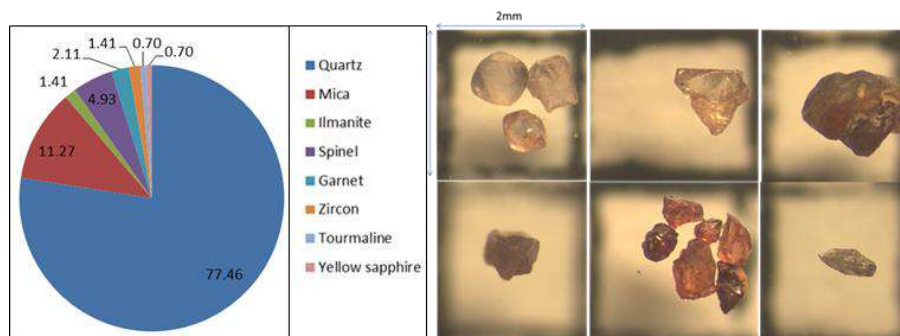


Figure 05 – Laboratory study results of the samples from the Ayagama area.

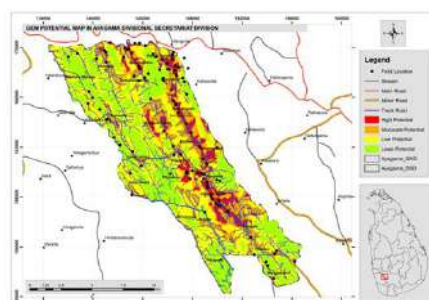


Figure 06 – Gem potential map of the Ayagama Divisional Secretariat area

The preparation of gem resource maps and the compilation of their reports for the Divisional Secretariat Divisions of Ingiriya, Dehiowita, and Kiriella, which could not be completed in the year 2023, have now been finalized.

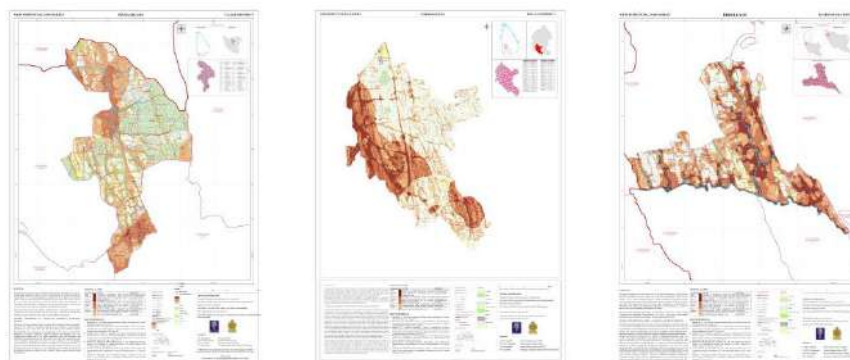


Figure 07,08,09 – Gem potential map of the Ingiriya, Dehiowita and Kiriella Divisional Secretariat areas

For the study on the recovery of rare earth elements, Au, and other rare metals from gem gravel, samples obtained from the Kalu Ganga and Mahaweli Ganga basins in Ratnapura are under laboratory analysis, and for the study on the origin of corundum, samples collected from Ratnapura, Kolonna, Buttala, Ela Hara, and Bakamuna areas are also under laboratory analysis.

6.2 Project: Enhancing Value Addition in the Gemstone Sector

6.2.1. Study of Heat Treatment of Dark Dravite Tourmaline and Its Color Change

Dark Dravite Tourmaline was subjected to heat treatments under various conditions, and the resulting changes in color were studied. In this study, UV-Visible and FTIR absorption

spectra indicated that the composition of Fe and Mn ions changes during these heat treatments, resulting in a yellow–orange color (Figure 10).

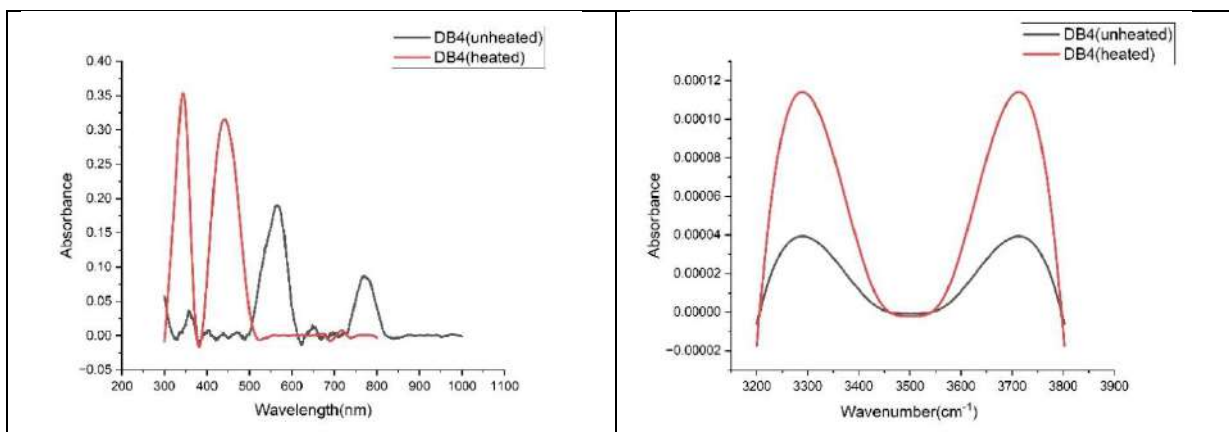


Figure 10 – The UV–Visible and FTIR absorption spectra are shown for the conditions before and after heat treatment.

6.2.2. Study of the Potential for Color Enhancement of Young Geuda Using a Lakmini Furnace through Heat Treatment

Young Geuda found in from Sri Lanka was subjected to heat treatment at a maximum temperature of 1850 °C under oxidizing conditions for a duration of 2 hours. Subsequently, these samples were heat-treated for 12 hours at temperatures of 1300–1400 °C, 1400–1500 °C, and 1500–1600 °C. Their color was then studied. UV–Visible and FTIR absorption spectra indicated that the second heat treatment resulted in a decrease in color intensity (Figure 11).

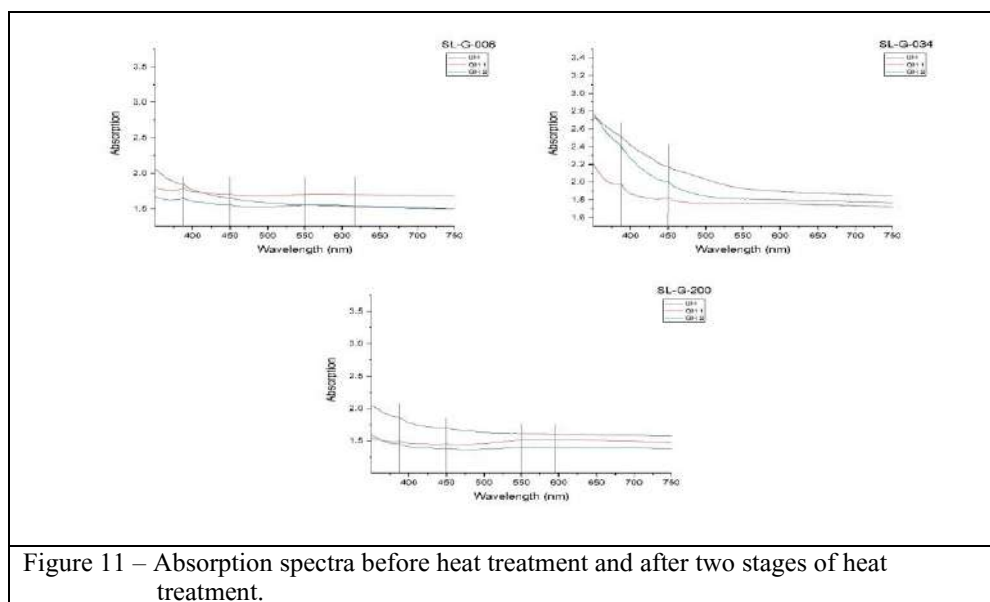
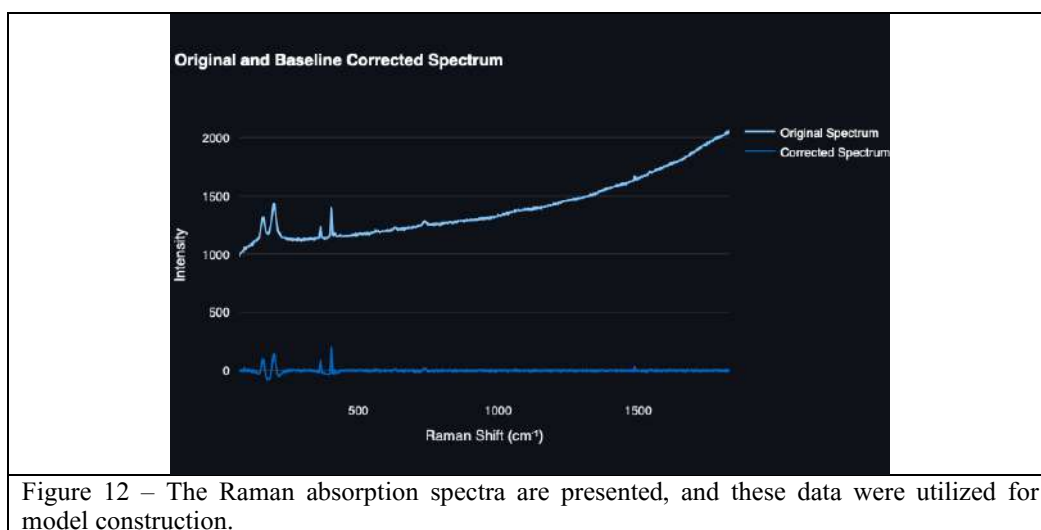


Figure 11 – Absorption spectra before heat treatment and after two stages of heat treatment.

6.2.3. Model for determining color before Heat Treatment using Raman Absorption Spectra and Microscopic Photography

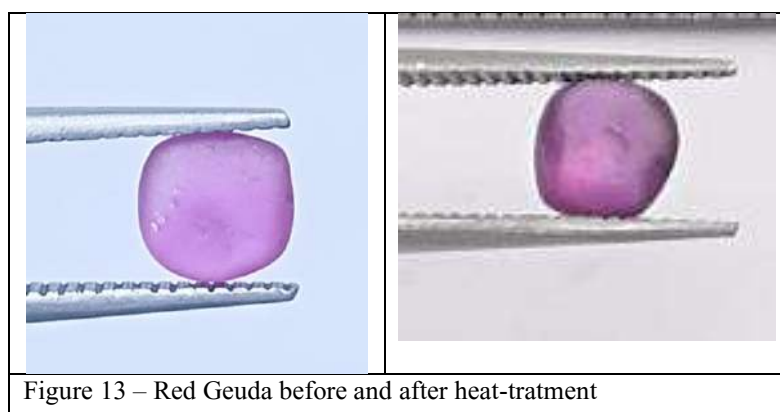
A major challenge in the Geuda industry is predicting the potential color of Geuda prior to heat treatment. For this purpose, 160 samples of various types of Geuda were subjected to Raman absorption spectra and microscopic photography with high accuracy before heat treatment. Subsequently, the samples were heat-treated, and their color was graded according to GIA color standards. A machine learning model was then developed using

Python. In this process, the model based on Raman spectral studies achieved an 80% success rate, while the model based on microscopic studies achieved a 50% success rate. This work continues to be pursued. Figure 12 shows the Raman absorption spectra.



6.2.4. Heat Treatment of Red Geuda preventing the development of blue color

It was confirmed that red Geuda can be heat-treated in such a way that blue color does not develop by supplying additional oxygen as a secondary gas through the Lakmini furnace. The color change in red Geuda before and after heat treatment is shown in Figure 13.



6.3 Project: Identification of the Effect of a Third Gas (H₂, N₂, Ar, CO₂) on Color Enhancement in Gemstones and Establishment of Heat Treatment Conditions for Geuda Using an Electric Furnace

The effect of supplying a third gas during heat treatment in a Lakmini furnace on enhancing the color of lower-quality gemstones has not yet been scientifically studied. Therefore, the existing Lakmini furnace in the gem sector has been upgraded (Figure 14), and studies on the supply of the third gas are currently underway.

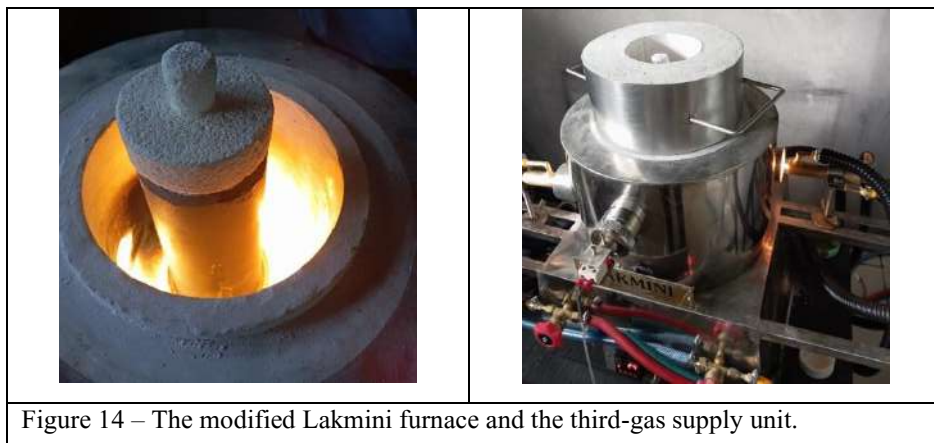


Figure 14 – The modified Lakmini furnace and the third-gas supply unit.

6.4 Conducting an International Research Conference

The second international research conference was successfully held on 2 August 2024 at the Bandaranaike Memorial International Conference Hall, with the technical support and participation of officials from the GIT Institute in Thailand, where 17 research abstracts were presented.



Figures 14, 15, and 16 – Moments from the research symposium and its research volume.

6.5 Project: Production of Colored Alloy Gold Using Nanotechnology

A new method for producing gold nanoparticles has been identified, and the purchase of the corresponding chemical materials is currently underway.



Figure 04 – Research conducted for the production of a colored gold alloy.

6.6 Project: Establishment of a Laboratory Quality Management System

Institutional laboratory accreditation has been initiated under ISO 17025:2017 laboratory standards. This process is being carried out under the guidance of the Industrial Technology Institute, and the documentation for accreditation has been completed and the application is scheduled to be submitted. The full implementation of the laboratory quality management system is expected to be completed during 2025.

6.7 Survey to Identify Technological and Skill Gaps in Sri Lanka's Gem and Jewelry Industry

The primary work is being carried out in collaboration with the Department of Census and Statistics, and the preparation of the corresponding questionnaire is in its final stage

6.8 Study on Establishing a Gem based Tourism Enterprise in Sri Lanka

Approximately 200 questionnaires were completed by individuals associated with the gem sector to collect data, and the analysis of this data is currently underway.

6.9 Project: Publication of a Book

Work is underway for the publication of the book on Geuda heat treatment. Four chapters of this book which consist of five chapters, has been completed.

6.10 Project: Workshops

6.10.1. Workshop on Gem Analysis Using High-Tech Instruments

A workshop on advanced instrumental analysis for gemmology (Workshop on Advanced Instrumental Analysis for Gemmology) was conducted on 30 November and 1 December 2024 at the High-Tech Laboratory of the institute, with the participation of approximately 12 gem-related industry professionals. Through this workshop, the Institute earned a total of Rs. 176,000.00 during the year 2023.



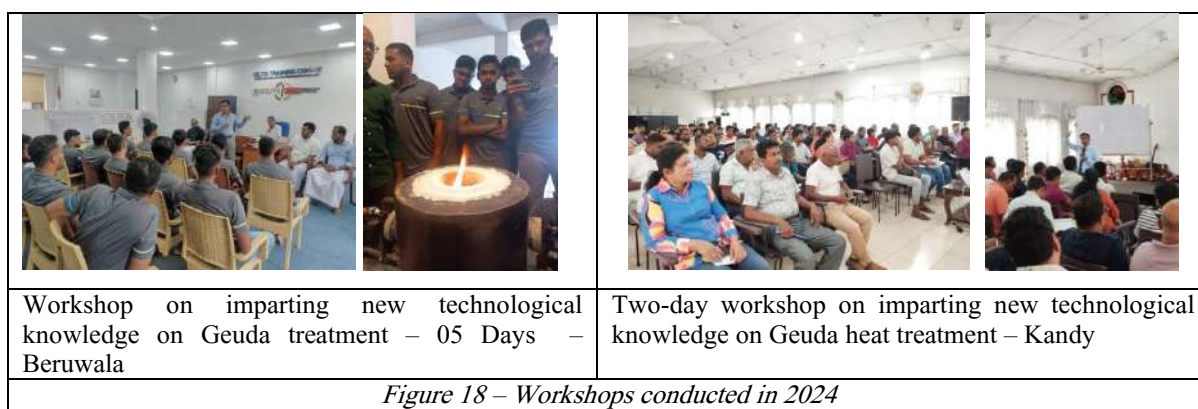
Figure 17 – Workshop on high-tech equipment.

6.10.2. Workshop on imparting of New Knowledge on Geuda Heat Treatment

During the year 2024, two workshops were conducted to provide new technological knowledge on Geuda heat treatment.

- Five-day workshop on new technological knowledge in Geuda heat treatment – Beruwala
- Two-day workshop on new technological knowledge in Geuda heat treatment – Kandy

The outcomes of these workshops were satisfactory, as confirmed through workshop evaluation forms. The workshops conducted in Beruwala and Kandy are shown in Figure 18 below.



6.11 Project: Release of Publications

- **Jayasinghe, R.M.N.P.K.** 2024. Sedimentology and Geochemistry of Kalu River Gem-Bearing Sediments in Sri Lanka: Implication for Provenance and Paleoclimate, Himanshu Publications, India. pp. 346-369.
- **Jayasinghe R.M.N.P.K.** 2024. Sedimentology and Geochemistry of Kalu River Gem-Bearing Sediments in Sri Lanka: Implication for Provenance and Paleoclimate. Proceedings of International Conference of Department of History, Mohanlal Sukhadia University, Udaipur, Rajasthan, India, pp 73.
- **S. Illangasinghe**, H. M. M. Kulasooriya, Y. Zhang, M. Chen, L. V. Ranaweera, N. Jayasinghe. Characterization of a new type of Sinhalite from Sri Lanka: Microscopic Inclusions, 3D Fluorescence Imaging, and Trace Element Analysis. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- K. U. K. Kodikara, U. L. T. S. Randeepa, V. Wickramaratna, **S. Illangasinghe**, C. Wawegedara, N. Jayasinghe. Identification of Potential to Develop Gem Tourism in Rathnapura District, Sri Lanka. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- A. H. P. K. Seenigama, P. G. B. L. Bandara, R. G. C. Jaliya, **S. Illangasinghe**. Raman Spectroscopic Investigation of Fluorescent and Non-Fluorescent Sri Lankan Corundum. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- **S. Illangasinghe**, Y. Zhang, M. Chen, N. Jayasinghe. Colour Zoning in Heat-Treated Geuda Sapphire due to Trace Element Composition. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- V. Wickramaratna, **S. Illangasinghe**, C. Jaliya, C. Arthanayaka. Investigating Heat Treatment Effect on Sri Lankan Black/Brown (Maangu) Tourmaline: A Study of Colour Transformation and Clarity Enhancement. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- P. G. B. R. L. Bandara, A. H. P. K. Seenigama, R. G. C. Jaliya, **S. Illangasinghe**. Differentiating Madagascar and Sri Lankan Low-grade Sapphire using UV-visible spectroscopy. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*

- S. Diyabalanage, **S. Illangasinghe**, N. Jayasinghe. Application of Geochemical Signature of Sediments to Delinate Gem Potential Area: Preliminary Investigation in Neelagama, Ratnapura, Sri Lanka. *The Gemmologists Association Research Symposium, 30th November 2024, Colombo, Sri Lanka.*
- G. L. H. Ramadasa, **S. Illangasinghe**, N. Jayasinghe, R. M. N. P. Rathnayake, P. D. Mahakumara, N. Ranasinghe, J. Senanayake, H.M.V.T. Welegama, S. Diyabalanage. Potential Detection Method for Gamma-Irradiated Rubies and Pink Sapphires Using UV-Visible and Infrared Absorption Spectroscopy. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- **S. Illangasinghe**, H. M. M. Kulasooriya, Y. Zhang, M. Chen, L. V. Ranaweera, N. Jayasinghe. Discovery and Characterization of High-Silica Sinhalite (MgAlBO₄) in Kiriella, Sri Lanka. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- P. R. U. S. Jayarathna, M. D. O. R. Jayalal, N. Manthreerathne, S. Illangasinghe, P. Jayasinghe. Enhancing the Beauty of Purple Geuda Spinel from Sri Lanka through Heat Treatment. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- **M.A.N.C. Manthreerathne**, M.N.M. Rifkhan, A.D.C. De Silva, M.H.M. Shamri, R.M.N.P.K. Jayasinghe. Evaluation of Non-Mercury Methods for Gold Refining in the small scale Jewellery Sector: A Comparative study. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- **W.R. Lakshanthi**, M.D.O.R. Jayalal, P.R.U.S. Jayarathna, S. Wijewardhane, Pathmakumara Jayasingha, R.M.N.P.K. Jayasinghe Identification of Potential Gem Tourism Sites and their Geospatial Distribution in Ratnapura District, Sri Lanka; An AHP and GIS approach. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- Suneth Neranjan, Pathmakumara Jayasingha, R.M.N.P.K. Jayasinghe, I.K.M.S.C.K. Illangasinghe. Application of Step Frequency Ground Penetration Radar (SFGPR) for Detecting Illegal Underground Tunnel Gem Mining in Ratnapura, Sri Lanka. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- D.M. Magalage, W.G.C.N. Wewegedara, R.S. Diyabalanage, R.M.N.P.K. Jayasinghe. Comparative Analysis of Untreated and Heat-Treated Sapphires from Different Localities within Sri Lanka by FT-IR Spectroscopy. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*
- M.H.M. Shamri, M.I. Ibrahim, B. Kowarthanan, **M.A.N.C. Manthrirathna**, R.M.N.P.K. Jayasinghe. Investigating Colour Variation in Sri Lankan Blue Sapphires using Raman Spectroscopy Analysis. *The GJRTI International Research Symposium, 2024. 2nd August 2024, BMICH, Colombo, Sri Lanka.*

6.12. **Provision of Technical Services**

6.12.1. **Exploration of Gem Deposits on Private Lands**

Exploration activities were carried out on the Perawatta land located in the Kirinda village of the Welangahinna Grama Niladhari Division in the Haputale Divisional Secretariat Division of Badulla District.

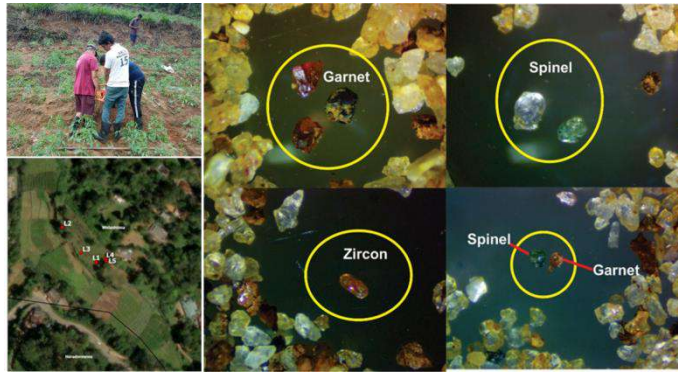


Figure 19 – Study on the location of gem deposits on private land

6.12.2. Heat Treatment Services

Under the provision of Geuda heat treatment services for external clients on a fee basis, five services were rendered using the Lakmini furnace, generating an income of Rs. 100,000 during this year.

6.12.3. Provision of High-Tech Laboratory Services

Under the provision of laboratory analysis services, the Institute earned Rs. 98,600.00 during the year 2024 through 6 ED-XRF analysis samples and 13 Raman analysis samples.



Administration and Human Resource Division

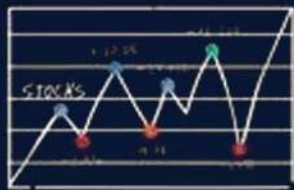
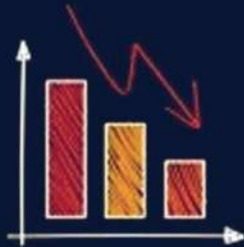
7.0 Administration and Human Resources Division

7.1 Staff Information as at 31 December 2024

Position/Grade		Approved cadre	Existing staff	Number of vacancies
Director General	HM 2-1	1	0	1
Director (Training and Development)	HM 1-1	1	1	0
Director (Research)	HM 1-1	1	0	1
Senior Research Officer (Exploration)	AR-2	1	1	0
Senior Research Officer (Colour Enhancement)	AR-2	1	0	1
Senior Research Officer (Innovation)	AR-2	1	0	1
Assistant Director (Administration and Human Resources)	MM 1-1	1	0	1
Assistant Director (Finance)	MM 1-1	1	1	0
Assistant Director (Program and Curriculum Development)	MM 1-1	1	1	0
Assistant Director (Gemmology)	MM 1-1	1	0	1
Assistant Director (Jewellery)	MM 1-1	1	1	0
Research Officer	AR-1	15	3	12
Lecturer	AR-1	4	0	4
Program Officer (Coordination and Development)	JM-1-1	1	1	0
Program Officer (Examination and Statistics)	JM-1-1	1	1	0
Internal Auditor	JM-1-1	1	1	0
Senior Training Officer	JM-1-1	6	0	6
Cartographer	MA-2-2	2	0	2
GIS Assistant	MA-2-2	1	1	0
System assistant	MA-2-2	1	1	0
Research Assistant	MA-2-2	11	0	11
Technical Assistant	MA-2-2	10	1	9
Training Officer	MA-2-2	23	13	10
Audit Assistant	MA-1-2	1	1	0
Management Assistant	MA-1-2	22	15	7
Drilling Machine Operator	PL-3	2	0	2
Driver	PL-3	6	5	1
Drilling Machine Operator Assistant	PL-2	2	0	2
Field and Laboratory Assistant	PL-1	16	12	4
		136	60	76

Staff Participation in Training Programs – 2024			
Local Training Programs			
#	Training Centres	Name of training program	Participants
1	Skills Development Fund (SDFL)	10-Day Certificate Course on Government Procurement Procedures	Mr. Ashoka Rajaratna Management Assistant
2		Certificate Course on Discipline Management	Mrs. Samadhi Vithanage Management Assistant Ms. Narmada Wijerathna Audit Assistant
3		Secretarial Practices	Ms. Bhanu Hemachandra Management Assistant
4		Occupational Health & Safety for better work life environment	Mr. Ruvindra Chandrakantha Training Officer Mr. Chinthaka Dissanayake Training Officer Mrs. D.W. Chitrangani Training Officer
5		Annual Fixed Assets, Survey on Stocks, and Disposal	For the Staff of the Institute
6	Prag Institute	Vehicle Fleet Management	Mrs. Kalpani Perera Management Assistant
7		Public procurement procedure	Mrs. Kalpani Perera Management Assistant
8		Payment & expenditure procedure	Mrs. Pabasara Kulathunga Management Assistant
9		Tax Law and Calculation of tax	Mrs. Dhammii Rupasinghe Management Assistant
10		Financial Statement 2024	Mrs. Dhammii Rupasinghe Management Assistant
11	International Language Center	Tamil Basic Course	Mr. Sajith Muhandiram Deputy Director (Finance)
12	Export Development Board	Awareness programme for gems & jewellery sector SMEs on promoting online presence at EDB E-market place and export procedure	Mrs. Nuwanthi Wijesinghe Assistant Director (Programs and Curriculum Development)
13	Sri Lanka Accreditation Board	Development of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	Mrs. Nuwanti Wijesinghe Assistant Director (Programs and Curriculum Development) Mrs. Nadeeka Manthirathna Research Officer
14	E –Minds academy (pvt)Ltd.	Digital Marketing Certificate & Diploma	Mr. S. Sutharsan Systems Assistant

DEBT



Savings

Deduction

Bills

Accounts Division



8.0 Finance Division

8.1 Audited financial information for the last 05 years.

(Rs.000)

	2020	2021	2022	2023	2024
Operating Revenue					
Treasury Grants recurrent	77,973.00	77,060.00	86,996.00	89,119.00	94,992.00
Other contributions	29,536.91	22,528.16	19,430.60	27,749.08	27,260.07
Course fees	12,409.64	3,542.50	15,529.05	30,820.87	38,194.05
Income From Services	72.5	12.00	246.00	216.00	112.00
Income From Geological Services					
Total Operating Revenue	119,992.05	103,142.66	122,201.65	147,904.95	160,558.12
Other Revenue	1,042.83	837.49	1,742.04	3,840.62	1920.98
Interest income	457.21	293.71	466.03	632.09	470.42
Other income	4680.0	1564.0			
Total Revenue	126,172.10	105,837.39	124,409.73	152,377.66	162,949.53
Less: Expenses					
(a)Personnel and Administration expenditure	91,624.36	84,691.33	99,431.65	106,582.99	119,241.81
(b)Depreciation and General expenditure	28,208.10	33,251.66	30,297.86	39,997.83	38,788.19
Total expenses	119,832.46	117,943.00	129,729.51	146,580.82	158,030.00
Surplus (Deficit)	6,339.64	(12,105.1)	(5,319.78)	5,796.84	4,919.53

8.2 Gem and Jewellery Research and Training Institute
Income and Expenditure Statement for the year ending 31st December 2024

Description	2024		2023	
	Rs.000	Rs.000	Rs.000	Rs.000
Operating Income				
Recurrent grants – Treasury		94,992.00		89,119.00
Other Income				
Course fees		38,194.05		30,820.87
Geuda heat treatment service charges		112.0		216.0
Interest income		470.42		632.09
Sundry income		1,920.98		3,840.62
13-year continuous education programme				
Operating Income total		135,689.45		124,628.58
Less – operating expenses				
Personnel emoluments		66,135.42		56,341.84
Travelling expenses		230.45		127.19
Supplies and consumable items		5,770.09		4,751.28
Maintenance expenses		7,171.78		5,641.31
Contractual services		32,152.51		32,452.49
Training programme expenses		5,243.84		4,745.96
Other operating expenses		2,488.14		2,482.42
Total operating expenses		119,192.26		106,542.49
Surplus / (Deficit) From Operating Activities		16,497.19		18,086.09
Less: Financial Cost		(49.55)		(40.50)
Grants- Capital Expenditure Portion	16,712.55		15,201.14	
Other Receipts	16,712.55		15,201.14	
Less: Depreciation and Amortization Expenses	(28,240.66)	(11,528.11)	(27,449.88)	(12,248.74)
Other Capital Investment Grants	(10,547.52)		(12,547.94)	
Less: Capital Investment Expenditure Improvements of Capital Assets	(10,547.52)		(12,547.94)	
NET Expenditure on Other Capital Investment		4,919.53		5,796.84
Non-Operating Revenue				
Add: Gain on Sales of Assets				
Net Surplus (Deficit) Before Extra-Ordinary Items		4,919.53		5,796.84
Extraordinary Items				
Net Surplus / (deficit) for the period Added:		4,919.53		5,796.84
Net Surplus / (Deficit) from previous years	(43,741.82)		(47,558.85)	
Less: Prior year Adj.		4,269.15		(1,979.82)
Net Surplus / (Deficit) C/F		(34,553.14)		(43,741.82)

Gem and Jewellery Research and Training Institute Balance Sheet as at 31.12.2024				
Description	2024		2023	
	Rs. 000	Rs.000	Rs.000	Rs.000
<u>Non-Current Assets</u>				
Property, Plant & Equipment	90,132.0		99,630.0	
Gratuity Fund	4,399.0	94,531.0	3,407.0	103,037.0
Fixed deposit		5274		4846
<u>Current Assets</u>				
Stock & Consumables	8809		7355	
Books for Sale				
Loan and Advances	7563		5538	
Deposits	850		1334	
Trade & Other receivables	12693		8718	
Poverty elimination project				
Prepayments	266		169	
Cash and bank	24,418	54,599	20,044	43,158
Total Assets		154,404		151,041
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Payables	882		5712	
Accrued expenses	9989	10,871	3386	9099
<u>Non-Current Liabilities</u>				
Minimata project	780		780	
Provisions for Gratuity	18,597		14941	
National Science foundation		19377		15721
Total liabilities				24820
Net Total Assets		124,156		126,221
<u>Net Assets/Equity</u>				
Contributed Capital	50,000		50,000	
Reserves	44,646		44,646	
Other contributions	850		850	
Staff Circulating Fund	2458		2,109	
Differed Income –Capital Grants	60755		72,358	
Accumulated Fund	(34,553)		(43,742)	
Total Net Assets/Equity		124,156		126,221

Gem and Jewellery Research and Training Institute
Cash Flow Statement for the year ending 31st December 2023

(₹.000)

Description	2024	2023
Cash Flows From Operating Activities		
Surplus/(Deficit) from Operating Activities	4,919.53	5,796.84
Non Cash Movements		
Depreciation	28,240.66	27,449.88
Interest	(470.42)	(632.09)
Adjustment of repair of Machinery and equipment	(198.24)	
Differed Capital income adjustments	(27,260.07)	(27,749.08)
Increase/decrease in other Non-current Liabilities	1,772.88	4,158.93
Lease rent	473.48	473.48
Provision for gratuity	5,049.57	1,692.39
Gratuity payments	(1,392.65)	(102.15)
Increase in current assets	(60.25)	(7,074.80)
Net Cash Flow from Operating Activities (A)	11,074.49	4,013.4
Cash Flow from Investment Activities		
Purchase of Property Plant and Equipment	(3,914.57)	(6,225.52)
Increase in Gratuity Fund	(2,400.00)	(2,451.62)
Interest income	820.24	883.29
Increase in fixed deposits	(427.74)	(542.37)
Payment of loans and advances	(4,953.33)	
Recovery of loans and advances	2,871.72	
Decrease in Gratuity Fund	1,304.94	
Net Cash Flow from Investment Activities (B)	(6,698.74)	(8,336.2)
Cash Flow from Financing Activities		
Capital grants		14,651.0
Minimata Project		601.25
Net Cash Flow from Financing Activities (c)		15,252.25
Net Increase /(Decrease) in Cash and Cash Equivalents (a)+(b)+(c)	4,375.75	10,929.43
Opening Cash balance	20,043.12	9,113.68
Cash/Cash Equivalents at the end of year	24,418.87	20,043.11

Chairman,
Gem and Jewellery Research and Training Institute

Auditor General's Report of the Gem and Jewellery Research and Training Institute in accordance with Section 12 of the National Audit Act No. 19 of 2018 on Financial Statements and Other Legal and Regulatory Requirements for the year ending as at 31st December 2024.

1. Financial Statements

1.1 Qualified Opinion

Financial Statements of Gem and Jewellery Research and Training Institute for the financial year, ending on 31st December 2024 including Statement of Financial Performance for the same year, Statement of Changes in Equity and Statement of Cash Flow, notes relevant to Financial Statements with the information of Accounting Policies, of Gem and Jewellery Research and Training Institute for the financial year, ending on 31st December 2024 were audited under my guidance in accordance with the provisions of the National Audit Act No. 19 of 2018, which should be read with the provisions of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka, and the provisions of Finance Act No. 38 of 1971. My Report shall be tabled in Parliament in due course as per the provisions of Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described under the basis for Qualified Opinion of this report, the financial statements of the Institute reflect a true and fair view of the financial position as at 31 December 2024 and its financial performance and cash flows for the year ending on that date in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- a) The balance of the Employees' Loan Revolving Fund of Rs. 2,458,479, other contributions and cash of Rs. 850,310 and deferred revenue balance of Rs. 60,754,680, which should have been shown as non-current liabilities, were shown as net assets/equity in the statement of financial position, contrary to paragraph 95 of Sri Lanka Public Sector Accounting Standard No. 01.
- b) While correcting prior period errors, the institution had not restated comparative figures for the period in which the error occurred, in accordance with paragraph 47 of Sri Lanka Public Sector Accounting Standard No. 03, when correcting 13 prior period errors totalling Rs. 6,157,875.
- c) As per paragraph 92 of Sri Lanka Public Sector Accounting Standards No. 07, the net value of property, plant and equipment, which was fully depreciated but still in use at a cost of Rs. 72,606,768, was not disclosed in the financial statements.
- d) Although the institution should have recognized the revenue and related expenses taking into account the closure situation in accordance with paragraph 20 of Sri Lanka Public Sector Accounting Standards No. 10, the institution did not take action to recognize the course revenue, and therefore the income for the year under review was understated by Rs. 5,154,360 due to the recognition of the course revenue. Furthermore, the income recognition policy was not disclosed in accordance with paragraph 39(a) of the standard. Although Rs. 7,232,524 was received from the course receipts in respect of the year 2025, it was not recognized and accounted for as previously received income. Therefore, the surplus was overstated and the liabilities were understated by an equal amount. The course income receivable of Rs. 7,281,724 for the year 2024 has been identified and accounted for as Rs. 5,046,250, which is an understatement of Rs. 2,235,474. Therefore, current assets and surplus have been understated by that amount.

- e) During the year under review, the capital grant of Rs. 15,657,141 received from the Ministry of Industry and Entrepreneurship Development was not recognised as income from non-exchange transactions in accordance with Sri Lanka Public Sector Accounting Standards No. 11 and was stated as deferred income under equity less depreciation.
- (f). According to paragraph 76 of Sri Lanka Public Sector Accounting Standards No. 19, the post-employment benefit obligation and the present value of the related service cost in respect of the gratuity provisions amounting to Rs. 18,597,495 had not been disclosed in the accounts.
- (g) The Authority reimburses the expenses of a project implemented jointly with the National Gem and Jewellery Authority, and Rs. 2,543,628 was reimbursed by the Authority during the year under review out of the expenses of Rs. 4,937,034 incurred during the year. The accounting policy for this had not been disclosed, and the expenses and grants received related to the project had been accounted for through a control account and the balance receivable at the end of the year was Rs. 2,015,285
- (h) Although, as per the capital accounting policy of the institution, a depreciation amount in proportion to the depreciation of fixed assets relating to capital grants should be recognised in the statement of financial performance, without taking action accordingly, Rs. 16,712,556 was deducted from the capital grants balance as depreciation and Rs. 60,754,680 was shown under the title as deferred income. Furthermore, although the depreciation amount deducted from the deferred income account was Rs. 16,712,556, there was a difference of Rs. 11,527,997 as the depreciation provision for the year was Rs. 28,240,553.
- (i) The depreciation of office furniture worth of Rs. 4,944,779 purchased in the year under review and the previous year had been over-accounted for by Rs. 1,258,695. Although the depreciation of fixed assets should be based on the date and value of each asset item being put into use, depreciation was instead calculated for the asset group, and Rs. 28,240,553 was shown in the accounts as depreciation for the year under review.

- (j) Although the intangible assets had been fully depreciated by the end of the year under review, the assets were overstated by that amount due to the value of Rs. 3,908,630 being stated in the financial statements.
- (k) Course income of Rs. 2,714,164, which had been directly credited to a current account during the period from 2022 to 2024, had not been identified and accounted for. The current assets balance had been overstated due to the inclusion of a balance of Rs. 754,000, which had been settled in 2021, in the course fees receivable..

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAS). My responsibilities under those auditing standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other Information of the Institute Included in the Annual Report 2024

Other information means information included in the 2024 annual report of the institution obtained by me before this audit report, but not included in the financial statements and my audit report. Management is responsible for this other information.

Other information is not covered in my opinion regarding financial statements, and I do not express any kind of assurance or opinion on that.

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

If I conclude that other information is quantitatively misstated based on other information I have obtained and procedures I have completed before the date of this audit report, I shall report that fact. I have nothing to report in this regard.

1.4 Responsibility of the Management and the Administration on Financial Statements

Preparation of these financial statements according to Sri Lanka Public Sector Accounting Standards and fairly submission, and determination of the internal controls required to be able to prepare financial statements without material misstatement due to fraud or errors is the responsibility of the management

It is the responsibility of management to determine the continuous existence of the organization in the preparation of financial statements. If management decides to liquidate or cease the operation of the organization when there is no other option, it is the responsibility of the management to keep accounts based on the continuity of the organization and to disclose the facts relevant to the continued existence of the organization.

Responsibility for the inspection of the financial reporting process of the institute will be borne by the administration.

Books and records of all its Income, Expenditure, Assets and Liabilities should be properly maintained so as to be able to prepare the annual and periodic Financial Statements of the Institution in terms of Sub-Section 16 (1) of the National Audit Act No. 19 of 2018.

1.5 Auditor's Responsibility for Auditing Financial Statements

My purpose as a whole is to provide a fair confirmation on financial statements that there are no material misstatements caused by fraud and errors and to issue the Auditor's Report, which includes my opinion. Fair certification is a high level of certification, but auditing in accordance with Sri Lanka Auditing Standards does not always guarantee that it will detect a material misstatement. Frauds and errors can result in material misstatements due to an individual or collective influence, and its adequacy depends on the impact on the economic decisions made by users based on these financial statements.

As a part of the audit in accordance with Sri Lanka Auditing Standards, I conducted the audit with professional judgment and professional skepticism. Further,

- Appropriate audit procedures were designed and implemented from time to time to identify and assess the risk of material misstatement in financial statements due to fraud or error in providing a basis for my stated opinion. The effects of fraud are higher than the effects of material misstatement, as fraud may involve collusion, forgery, intentional omissions, or the override of internal control.
- An understanding of the internal control of the organization gained in order to plan appropriate audit procedures, but it did not intend to express an opinion on the effectiveness of the internal control of the institute,
- The appropriateness of used accounting policies, reasonability of accounting estimates and disclosures made by management were evaluated.
- The relevance of using the basis of the institution's continuous existence for accounting was determined based on the audit evidence obtained as to whether there was a material uncertainty about the continuity of the institute due to events or conditions. If I conclude that there is sufficient uncertainty, attention should be paid to the disclosures that were made in the financial statements in my audit report, and if that disclosure is not sufficient, my opinion should be modified. However, continuous existence may end based on future events or conditions.
- Appropriate and reasonable inclusion of transactions and events, based on the structure and content of financial statements, and the overall presentation of the financial statements, was valued.

I make the administration aware of the important audit findings identified during my audit, internal control weaknesses, and other matters.

2. Report on other legal and supervisory requirements

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

2.1.1 Except for the effect of the matters described in the Basis for Qualified Opinion section of my report, as per the requirements of section 12(a) of the National Audit Act No. 19 of

2018, all relevant information and explanations for the audit have been obtained by me and, according to my opinion, the auditee-entity had maintained financial reports rationally.

2.1.2 As per the requirements of section 6 (I) (d)(III) of the National Audit Act No. 19 of 2018, financial statements presented for audit are consistent with the previous year.

2.1.3 As per the requirements of section 6 (I) (d)(IV) of the National Audit Act No. 19 of 2018, recommendations made by the Auditor-General in the previous year had been included in the submitted financial statements.

2.2 Restricting to the action taken, received evidence and obtained quantitative facts, none of the following statements came to my notice.

2.2.1 In accordance with the requirements of Section 12 (d) of the National Audit Act No. 19 of 2018, any member of the Board of Directors of that Institution shall have a direct or indirect involvement in any contract relating to that Institution in a manner other than the normal business condition.

2.2.2 As per the requirements of Section 12 (f) of the National Audit Act No. 19 of 2018, the auditee entity has not acted in accordance with the applicable written law or the general or special instructions issued by the institution's board of directors.

Reference to rules, regulations/orders

Gazette No. 2310/29 dated 14th December
2022

Part 1, Section 139 of the Rules of
Procedure of the Public Service Commission
published by the Government Extraordinary

Non-compliance

Although an acting appointment should be limited to a maximum period of one year, as of 31 December 2024, 2 years and 3 years had passed since the appointment of acting

officers to the posts of Director General and Director (Research), respectively. Suitable officers had not been permanently appointed to those posts.

- 2.2.3 In accordance with the requirements of Section 12 (g) of the National Audit Act No. 19 of 2018, except for the following observations, the auditee entity has not performed according to its powers, functions, and duties.

Powers, Duties, Functions

Section 25 (1) E of the National Gem and Jewellery Authority Act No. 50 of 1993, and Section (6) of Gazette Notification No. 882 of 28 July 1995.

Non-compliance

Although the number of members of the Board of Directors of the Institute should not exceed five, it was 06 for the year 2025. At that time, an Assistant Secretary of the Ministry of Industry and Entrepreneurship Development, who was not named as a Director in the Gazette Notification, had been appointed as a Director.

- 2.2.4 In accordance with the requirements of Section 12 (h) of the National Audit Act No. 19 of 2018, except for the following observation, the resources of the auditee entity had not been procured and utilized economically, efficiently and effectively within the time frames in compliance with the applicable laws.

The construction of the Rathnapura District Office of the Gem and Jewellery Research and Training Institute, on the land acquired on a 30-year lease at a cost of Rs. 14,204,402, had not commenced by the end of the year under review and had remained idle for more than 8 years.

2.3 Other Matters

- (a) Although the curricula of 21 training courses related to the subject areas with increasing demand had been developed, students were enrolled and implemented during the year for only 14 courses, and no candidates had been enrolled for 7 courses. The number of students enrolled for these 14 courses during the year under review had decreased by 14 percent from 1577 to 1334 compared to the previous year. The training courses on Gem Colour Grading and Marketing, Gem Price Appraisal and Marketing, and Diploma in Jewellery, which had been implemented in the previous year, had not been conducted.

(b) Personnel Management

- (i) As of 31st December 2024, 76 out of the approved staff of 136, i.e. 56 percent of the total approved staff, were vacant. Of these, 22 senior officers, i.e. 73 percent of the approved posts, 06 junior officers, i.e. 67 percent of the approved posts, and 39 junior officers, i.e. 55 percent of the approved posts, were vacant. During the year under review, there were instances where there was no employee to perform the duties of 33 posts under 12 approved post categories.
- (ii) The post of Director (Research) remained vacant since the date of approval of the staff in June 2011, and 15 out of 19 senior posts approved for research activities remained vacant. Furthermore, 42 out of 50 posts approved for research activities, i.e. 84 percent, remained vacant. This was an obstacle to the successful implementation of research activities, which is the key area of the Institute.
- (iii) The fact that 06 Senior Training Officer posts, 04 Lecturer posts and 10 Training Officer out of 23 posts approved for the training functions of the Institute are vacant has adversely affected the performance of the training functions of the Institute. Since the officer holding the post of Director (Training and Development) has been appointed as the Acting Director General, his contribution to the training functions of the Institute

cannot be obtained. Since the gem and jewellery industry has undergone a major transformation in the technical, , artisanal and marketing aspects at present, it is essential to have academic staff with appropriate educational qualifications. However, since the majority of the employees employed in the training sector are general technical staff who have completed certificate courses, it has become a challenge to provide training with training in new technologies and techniques.

- (c) The Sri Lanka Gem Exploration and Evaluation Project, at an estimated cost of Rs. 300.65 million during the period 2017 - 2031, had planned to conduct gem exploration in 50 Divisional Secretariat Divisions of 05 districts and issue reports and maps. However, by the end of the year under review, with the cost of Rs. 30,589,687, exploration had been conducted in 17 Divisional Secretariat Divisions of 04 districts and reports and maps had been issued for only 17 land areas. Due to the lack of a formal agreement with the National Gem and Jewellery Authority regarding the future operation of this project, the necessary steps, including auctioning the relevant reports and maps and issuing permits, had not been taken. Furthermore, the revenue generated from the auction of the gem potential sites identified by the project during the period 2017 to 2021 is Rs. 174.15 million, which is projected to cover the costs of the second and third phases of the research to be carried out during the period 2022 to 2031. However, no revenue was generated from the auction of the gem potential lands identified during the research in 2022 and 2023.
- (d). An electric furnace for gem burning was purchased in 2013 for Rs. 10,977,344. It remained idle for six years. In 2020-2021, the machine was upgraded with spare parts and electrical circuits for Rs. 3,953,540. During that same period, the machine was used for only five research runs and remained idle at the end of the year under review.
- (e) Under the trade and other receivables balance, the course fees receivable amounting to Rs. 3,122,1850, which were over 02 years old as at 31 December 2024, had not been collected.

- (f) Treasury approval had not been obtained for the Employees' Revolving Loan Fund, which was maintained with an amount of Rs. 2,458,479 at the end of the year under review.

Sgd: Illegibly
G.H.D. Dharmapala
Auditor General (Acting)