

THE GEOLOGICAL SURVEY & MINES BUREAU (GSMB)

“We Lead the Mineral Industries in the Sri Lanka”

ANNUAL REPORT 2012

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CORPORATE INFORMATION

GENERAL

The Geological Survey & Mines Bureau (GSMB) is a statutory body established under the Mines and Minerals Act.No.33 of 1992 and the Head office is situated at, No.569, Epitamulla Road, Pitakotte. There are Fourteen regional offices at Matara, Kandy, Kurunegala, Rathnapura, Anuradhapura, Polonnaruwa, Badulla, Monaragala , Ampara & Hambantota, Trincomalee, Kanthale, Batticaloa, Jaffna.

VISION AND MISSION

Vision

To be the premier national geosciences agency that generates and disseminates geoscientific information and regulates mining processing of Sri Lanka's mineral resources in the most sustainable manner.

Mission

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

The functions of the GSMB are:

- To undertake systematic geological mapping of Sri Lanka and preparation of geological Maps.
- To identify and assess the mineral resources of Sri Lanka.
- To evaluate the commercial viability of mining for processing and export of such minerals
- To regulate the exploration and mining for minerals and processing, trading and export of minerals by issuing licenses.
- To undertake geological investigation, seismic activity monitoring, geological research and provide geological consultancy services.
- To advice the Minister on measures to be adopted for the promotion of the extraction and production of minerals on a commercial basis.
- To undertake projects in regard to engineering geology and provide advice and remedial measures caused in respect of geological hazards and disasters

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Chairman's Message



The Geological Survey & Mines Bureau (GSMB) is the prime State institution in discovering, promoting and investigating the country's mineral wealth.

All currently operating mineral-based industries, such as ceramic, cement, mineral sand and fertilizer owe their existence to the discoveries made by the GSMB and its predecessors throughout our history spanning more than a century.

Being the Nation's main geological science agency, the GSMB provides scientific understanding about earth resources, related issues and problems. The diversity of our geoscientific expertise enables us to carry out multi-disciplinary investigations and provide impartial scientific information to resource managers, planners, and other customers.

The GSMB serves the nation to describe and understand the Earth; minimize loss of life and property from natural disasters; manage geological and mineral resources; and enhance and protect our quality of life. We also consider

human resources development and technology transfer as our priority areas.

We believe that the recent advancements of GSMB is sufficiently portrayed in this document and therefore due recognition for our achievements will be given.

Review of the Performance

Geological Survey and Mines Bureau recorded a net profit of Rs. 665 million during the year, A 7.6% increase over the Rs. 618 million recorded last year. The Bureau's revenue rose 18% to Rs. 1,014 million for the year under review.

In Appreciation

My heartfelt and sincere thanks to the Board of Directors who have been extremely supportive in helping me to lead the Bureau.

Last but not least, thank you to the Bureau staff for your commitment, integrity, imagination and hard work, and for being our most valuable asset.

Dr. N P Wijayananda

Director General's Message



I believe that the year 2012 had been an eventful year of success in many key performance indicators of Geological Survey and Mines Bureau of Sri Lanka; enhancing people oriented public service, generating massive total income to the state treasury, decentralizing the constant close monitoring of environmental impacts of mining activities, creating awareness of all stake holders, drastic expansion of new licenses issued and completion of geological maps (1:100,000) of the island. All above were in line to make Sri Lanka to be the “Emerging Wonder of Asia” advocated by Mahinda Chinthana.

Our performance during the year 2012 has to be viewed in a scenario of stability prevailed in the macroeconomic environment of the country with the end of the war. The Sri Lankan economy maintained the post-war trajectory and momentum and recorded an economic growth rate of 8.6%. With the boom of the construction industry and the implemented fast track infrastructure development schemes posed a real time challenge for us to cater to increasing demand and I believe that GSMB was quite successful in adapting to change,

sometimes making paradigm shifts to get away with administrative “red tape”.

As a state organization it is with great pride that we were able to intervene with various charity and social activities distinctly couple with National Event of “Deyata Kirula” in association with this, we proud to draw attention that we were directly assisted for the construction of school building, Library development, Shrine room construction of Vimalagnana primary school in Thantirimale. In addition to this activities similar type of developments were taken place in Dodampottawa Primary school at Pannala & Koduruwawa junior school at Giriulla.

With respect to the year 2012, out of total earning of Rs1,104.9 Million, the income after expenditure and tax was Rs.665.5 Million. I would make my emphasis that the bureau has contributed Rs750 Million to the States Treasury. This was not possible, if not for the monumental commitment of our staff in all ranks.

We have further strengthened our staff to enhance people oriented public service. Mines

Division which functions as the most important section, functions now with over 168 employees attached to head office and all regional offices. In relation with rendering of service to the public, the establishment of our 14th regional office at Gampaha has to be highlighted as distinguished event in the year of 2012. These expansions will effectively facilitated to make a drive to further penetrating to areas where there is increased demand and the Bureau need to be easily accessible to customers in connected areas.

We have taken a structured approach to educate all stake holders and also we have initiated awareness programs in the year 2012. During this period bureau had conducted workshops, awareness programmes and educational programs. Prime objectives of these programs were to sort out major Mining related affairs, addressing of the concerns related to mining industry, to make aware of the state institutions and to educate the license holders about the rules and regulations stipulated in the Mines and Mineral Act No 33 Of 1992. We have successfully conducted 16 workshops, in the event of conducting those educating programs the collaborations are typically made with organizations such as Department of Irrigation, CEA, Respective divisional secretaries, Department of Police, etc. The bureau always advocated to have an open two way communication on the practical problems with the transport licenses and other related issues. This understanding let us to take opportune decisions. At this juncture, It is to be mentioned that we have conducted successful programs on degraded river banks such as Maha Oya, Kelani River and Kalu River and on changing the perspectives of river bank rehabilitation, aiming the sand miners and relevant state and private institutions. Massive rehabilitation programme was

lunched and successfully completed at Gampaha District connected with the river bank restoration of Kelani river under "Pavithra Ganga Scheme".

With respect to the year 2012, the bureau was successfully continued the previously initiated programme of Rock Blasting and this is to address a long standing need to enhance the quality of the rock blasting activities. With the abet of the scientific and systematic contribution those miners were able to proceed the mining activities in highly organized & safe manner. As far as the number of applications received during the year 2012, bureau has received 9,540 of new applications for mining license and this was an increase of 9.4 % as against the last year. In relation with the activities the mining division has conducted 167 test blasts and 8,332 numbers of inspections was carried out.

GSMB has put forwarded all efforts on sustainable development and to fulfill the requirement of the constant monitoring of the current environmental impacts regard to the mining activities, the management of the bureau had appointed 33 new field assistants for the year of 2012.

Systematic geological mapping and gathering of important geo-data of the country are two major functions of the Bureau. I am glad to note that the Geology Division of the Bureau has been able to complete the 1:100,000 series of Geological maps covering the entire island and during the year 2012 geologists were continuing with compilation of a revised geological map of 1:1,000,000 scale covering the country.

Another important programme undertaken by the Geology Division is mapping of sedimentary formations which are younger than two (02) million years (Quaternary Period).

These specifically include most of the coastal sediments and alluvial/fluviol sediments. Under this programme, 1:50,000 Quaternary maps of Kalutara (Sheet and Balapitiya- Ambalangoda sheets were completed and mapping of Chilaw and Battuluoya were undertaken.

Under the soil geochemical mapping programme over 1500 soils samples were collected covering Morawaka and Horowpathana 1:50,000 Sheets. In order to improve and accelerate the analytical process, laboratories were upgraded by adding an Inductively Coupled plasma optical Emission spectrometer (ICP- OES). Soil geochemical data will provide base data for future environmental monitoring in addition to their applications in mineral exploration, agriculture and health sectors.

There was significant development in monitoring of seismic activity in and around Sri Lanka. Officers were trained to interpret seismic data from three seismic stations (PALK at Pallekele, HALK at Hakmana and MALK at Mahakanadarawa) using Seiscomp software. Consequently, capacity of

relevant officers was enhanced to determine the locations and magnitudes of any local earth tremors which are not strong enough to be recorded by global seismic networks.

Bureau also undertook several projects for mineral surveys and core drilling work at the request of both private and government sector organizations and the income generated from these projects were around Rs.21Million.

Since the economic environment of the country is fast changing due to rapid economic growth advocated by the visionary leadership of the president, leaving us lot of scope for improvement change and challenge in the time to come. Year 2012 had been an eventful and successful, and we wish to continue to support the engine of growth in the future making a reality of Sri Lanka being the “Emerging Wonder of Asia”

Mr. B A Peiris

Board of Management

Chairman : Dr. N P Wijayanada

Members : Mr. B A Peiris
: Mrs. T de S A Wijenayake
: Mr. R S N Adikari
: Mr. M A Thajudeen
: Mr. K H W K Narada Sumanarathne
: Mr. N K P K Nemmawatta

Secretary to the Board /Legal Officer: Mrs. M S K Fernando

Senior Management



General Manager
Mr. M.W. Jayamanna



Chairmen
Dr. N P Wijayananda



Director General
Eng. B. A. Peiris

(GSMB)



Deputy Director (Geology)
Dr. W.K.B.N. (Prame)



Deputy Director (Mines)
Eng. D. Sajjana De Silva

Staff Members - Geology Division



Dr. W K B N Prame

Asst. Director (Geology)

Mr. K T U S De Silva

Geologists

Mr. C.H.E.R. Siriwardena

Mrs.D.P.R. Weerakoon

Mr.M.M.J.P. Ajith Prema

Mr.A.S.Jayakody

Mr.A.M.M.Rathnayake

Mr.P.N.Ranasinghe

Dr.W.I.S.Fernando

Mr.D.M.S.Dissanayake

Mr.S..T..Kalubandara

Miss.D.T.D.S. Wijesundara

Miss C. N. B. Wijeratne

Mr. A. M. D. U. Abeysinghe

Mr. A A C Priyantha

Chief Chemist

Mrs.Y.P.S.Siriwardana

Chemists

Mrs.V.R.Wanasinghe

Mrs.H.A.P.Jayalath

Mrs. R K M Suranganee

Librarian

Ms. P. N. Amarasuriya

Senior Technical Officer

Mr.K.S.J.Fernando

Technical Officers

Mr.B.D.Sirisena

Mr.M.A.R Manchanayake

Mr.M.D.Pathmasiri

Mr.M B M Silva

Mr.C D Gunamuni

IT Staff

Mr. DMK Dassanayake

Mr. KARP Wickramasinghe

Mr. PGBP Tilakaratne

Research Assistants

Mr.M.B.U.H.De Silva

Mr.W.H.D.C.Ruckmal

Draftsmen

Mrs.N.S.K.Karunadhipathi .

Mr. P Priyanga

Cartographer

Mrs.G.D.T.D.Nandadasa

Librarian

Ms. PN Amarasuriya

Staff Members - Mines Division



Eng. D. Sajjana de Silva

Chief Mining Engineer

Eng. LA Fernando

Mining Engineers

Eng. Dammika Prasad

Eng. WGS Kokila

Eng. Asanka Rupawansa

Eng. IMTN Illankoon

Eng. UHT Priyantha

Eng. KV Jagath

Eng. NWCP Lanka

Eng. TMW Bandara

Eng. KAS Dharmasiri

Eng. AP Wimalasena

Eng. D Mayoora

Eng. HACKW Bandara

Eng. M.R.M. Farees

Eng. K Logagoury

Eng. W Wimalarathne

Eng. HP Siriwardhane

Eng. SAIJ Rodrigo

Eng. UN Dilanthi

Eng. WAAC Wanniarachchi

Eng. G Jeyarupan

Eng. Hasitha Adhikari

Registrar (Mineral Titling)

Mrs. KAP Hemalatha

Asst. Registrars

Mr. T Dahanayake

Ms. DDRS Maduwantha

Mr. AM Samarasekara

Ms. V Ganegama

Mr. PRD De Silva

Ms. WMPS Weerasundara

Ms. EMGNS Ekanayake

Ms. MTD Wanigasinghe

Ms. HMAG Karunaratne

Mr. Neel Vithanage

Ms. S Tharsini

Ms. Gayathri Perera

Ms. Anoma Wijerathne

Staff Members – Finance and Administration



Mr. M W Jayamanna

Finance Manger

Ms. RPD Paththamperuma

Administrative Officer

Mr. GMW Perera

Staff Members Internal Audit

Internal Auditor

Mr. T L Chandrasena

About the Bureau

We lead the Mineral Industries in Sri Lanka

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

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

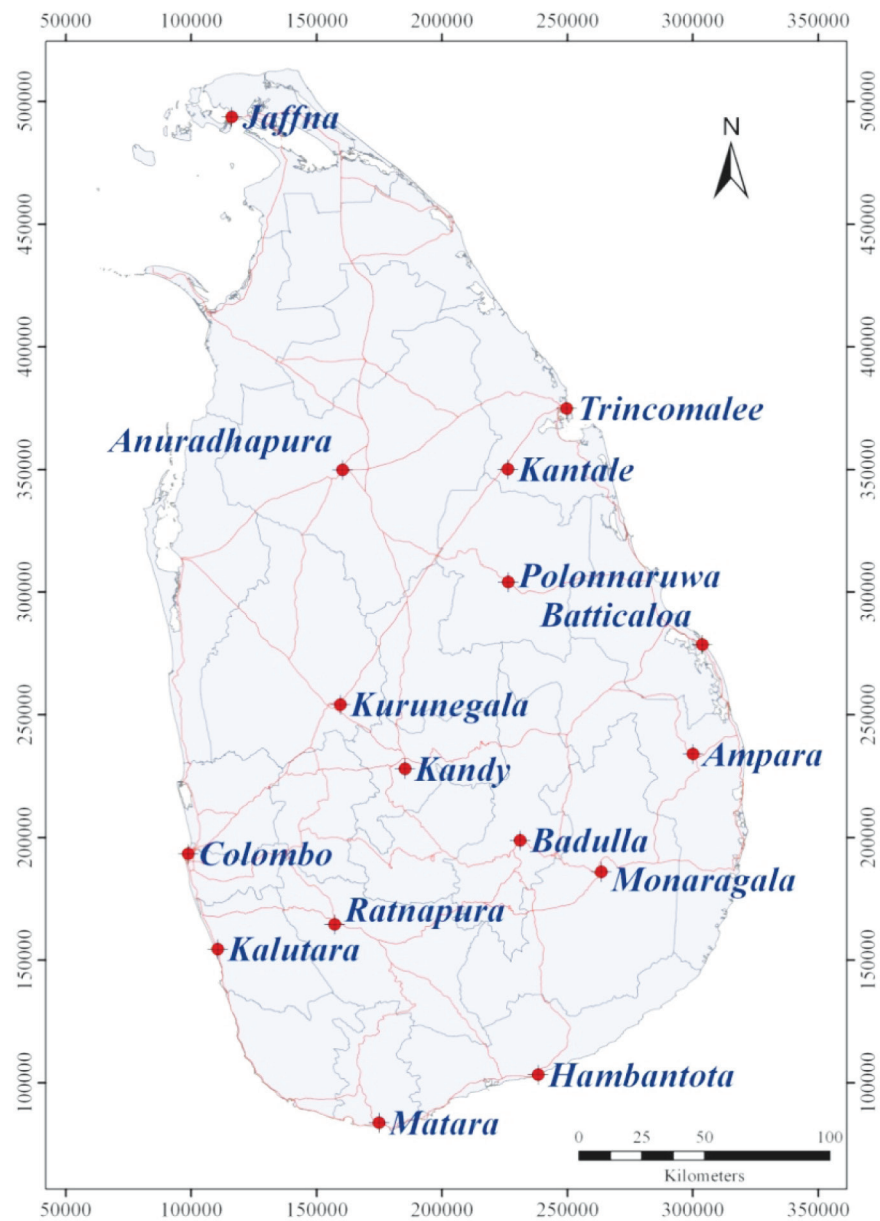
Sri Lanka being a small country, its sub surface mineral wealth is also equally small. Therefore, the organization, whilst encouraging the establishment of mineral based industries, emphasizes frugal use of minerals and warns against waste, as minerals are non-renewable commodities.

Being the nation's principal provider of the Geoscientific capability, GSMB advances the understanding about earth resources, related issues and problems. The diversity of the scientific expertise enables us to carry out multi-disciplinary investigations and provide impartial scientific information including a series

of Geoscientific maps to resource managers, planners, and other customers. The GSMB serves the nation to describe and understand the Earth; minimize loss of life and property from natural disasters; manage geological, energy, and mineral resources; and enhance and protect our quality of life.

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

The Mines Division is presently functioning with 14 Regional Offices at Kandy, Matara, Kurunegala, Badulla, Ratnapura, Anuradhapura, Ampara, Monaragala, Hambantota, Trincomalee, Kalutara, Jaffna, Batticaloa and Gampaha and with 2 sub offices at Hasalaka and Kantale. The major activities of these Regional Offices are to cater better services for the customers who are engaged in various Mining Industries in relevant provinces and control the illegal mining activities.



GSMB widen its service all over the country

Contact Details of the Bureau

Our Offices	Address	Office Leader	Tel/Fax
Head Office	No. 569, Epitamulla Road, Pitakotte	Director General	+94-11-2886289 +94-11-2886290
Ampara	No. J734, Jayawardanepura, Ampara	Eng. HACKW Bandara	+94-63-2223385
Anuradhapura	No. 596/69, Bandaranayke Mawatha, Anuradhapura.	Eng. KAS Darmasiri	+94-25-2223535
Badulla	No. 6/3, Bandaranayke Mawatha, Badulla	Eng. TMW Bandara	+94-55-2222787 055-2225210
Bataloa	Bataloa District Secretariat Office Bataloa	Eng. MRM Farees	+94-65-3064576
Hambantota	Divisional Secretariats Building Complex, Hambantota	Eng. L Asela Fernando	+94-47-2222477
Jaffna	Hostel Bldg., National Housing Development Authority Chundikuli, Jaffna	Eng. D Mayooraan	+94-21-2224595
Kalutara	No. 9A, Mosque Road, Wettumakada, Kalutara – South	Eng. KV Jagath	+94-34-2223743
Kandy	Janasawigama, Palkelele, Kandy	Eng. Dammika Prasad	+94-81-2421294
Kurunegala	No. 11, Monnekulama Road, Wahara, Kurunegala	Eng. SAIJ Rodrigo	+94-37-2230858
Matara	No. 8, Flower House, Elawella Mawatha, Matara	Eng. UHT Priyantha	+94-41-2220593
Monaragala	196/6, Wallawaya Road, Moneragala	Eng. WGS Kokila	+94-055-2277392
Ratnapura	168/9, New Town, Ratnapura	Eng. TS Kumara	+94-45-2224371
Trincomalee	Divisional Secretariats Office Trincomalee	Eng. W Wimalaratne	+94-26-3202411
Kanthale	85 Junction, Agbopura, Kantale	Eng. W Wimalaratne	

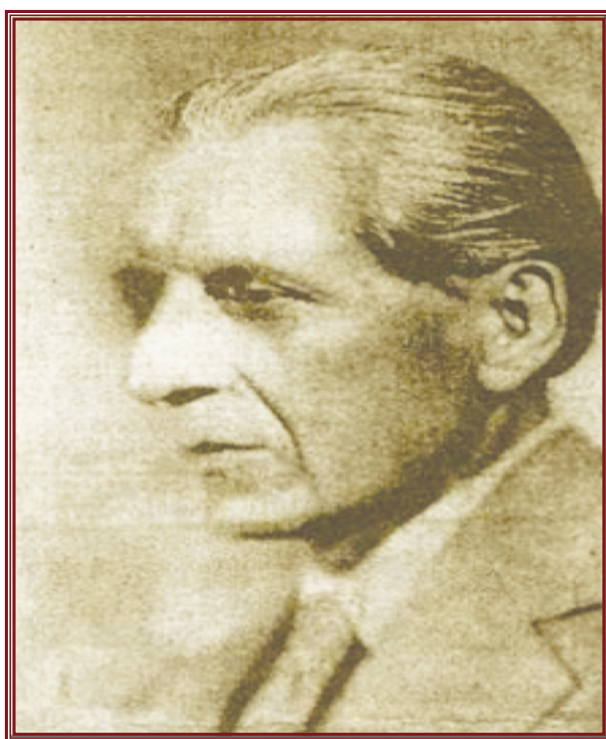
Historical Background

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

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

the functions of the Geological Survey with the new responsibilities of a modern Mines Department.

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



Dr. Ananda Koomaraswamy

Divisional Performance

GENERAL

The major functions of the Geological Survey and Mines Bureau (GSMB) are of technical and regulatory nature. These functions of the GSMB are performed by two Divisions namely Geological Survey Division and Mines Division each headed by a Deputy Director. The Geological Survey Division mainly undertakes geological mapping, geo-data gathering, mineral exploration and geological investigations whereas the Mines Division is responsible for regulatory activities as per the

Mines and Minerals Act # 33 of 1992.

There are fourteen regional offices to carry out the duties of the GSMB in various parts of the country, especially to regulate the mining activities of respective areas. Due to inadequate number of staff in certain sections, the services of available staff had to be diverted to prioritized work. In order to address this issue a cadre revision has been proposed.

GEOLOGICAL SURVEY DIVISION

The year 2012 was another eventful year for the Geology Division. On 01st of January 2012, Bureau was shifted to a new building at 569, Epitamulla Road, Pitakotte. However, analytical laboratory and petrological laboratory remained at No. 4, Senanayaka Building, Galle road, Dehiwala. Settling at new location (i.e. installation of facilities, arrangement of furniture) made significant interruptions to routine work during first 2-3 months of the year. This situation together with unavailability of adequate number of field vehicles caused some delay in field

programmes. However, with the procurement of five (05) field vehicles the situation improved in the latter half of the year. Activities of the Geology Division are twofold. Geological/geochemical mapping, geo-data gathering and research studies are funded by the GSMB while client responsive projects such as core drilling, geological/geophysical surveys and laboratory testing are undertaken aiming at a significant income. The total income thus earned from various client responsive projects and laboratory testing exceeded Rs. 21,000,000/=.

Projects Undertaken with GSMB Funds

Precambrian Mapping

Geological Map (Basement Map) Preparation:

Preparation of geological maps is one of the key functions of the Bureau and the geological maps which contain the geo-information of the terrain are used in a wide range of activities including mineral and ground water exploration, major construction and civil engineering works and preparation of landslide hazard maps etc.

Sheet No 12 (Aralaganvila - Paddiruppu) was the only remaining geological map to be completed under 1:100,000 geological mapping programme. Digital compilation and reviews by editorial committee were completed and the map is now ready for printing. The officers involved in this programme were Mr. Ajith Prema (Geologist), Ms. D.T.D.S. Wijesundara (Geologist), Ms. C.N.B. Wijerathne (Geologist) and Mrs. T. Nandadasa (Cartographer).

Fig.1: Digitization of Sheet No.12 (left) and completed map (right)

Preparation of 1:500,000 Geological Map of Sri Lanka:

Since the 1:100,000 geological mapping (Precambrian basement mapping on 1:100,000 scale) has been completed it was opportune to compile a 1:500,000 geological map of Sri Lanka based on published 1:100,000 maps. This work continued throughout the year 2012. Officers assigned

for this programme were Mr. Ajith Prema (Geologist), Mr. S.T. Kalubandara and Mrs. S. Karunadhipathi (Cartographer). Initially, 1:250,000 scale geological maps (comprised of four sections) were prepared by composing the available geological data of 1:100,000 published geological maps.



Quaternary Geological Map Preparation:

‘Quaternary’ period of the geological history spans from recent to about two million years ago. Quaternary formations of Sri Lanka are mainly restricted to coastal sediments, alluvial sediments in flood plains and soil formations. Yet, these formations are highly significant as

they include economically important clay and sand deposits, coral deposits, fertile soil cover and host most of the ground water bodies,

The Geological Survey and Mines Bureau launched a project entitled 'Quaternary Geological Mapping' in 2008. Compilation and digitization of Matara, Kalutara and Balapitiya-Ambalangoda 1:50,000 sheets were completed before 2012. Review by editorial committee was completed during 2012 and these maps were ready for printing by the end of 2012. Filed work in 1:50,000 Battuluoya sheet and compilation of Chillaw 1:50,000 Quaternary were also completed during the year 2012.

Pedogeochemical (Soil Geochemical) Mapping

The soil geochemical mapping programme was initiated in year 2008 to study the geochemical characteristics of soil. These maps are useful in mineral exploration, environmental monitoring, agricultural research and geo-health hazard studies. Geochemical mapping has been carried out on 1:50,000 base maps. Field work and chemical analysis of Hambantota, Badulla and Anuradhapura 1:50,000 sheets have been completed using existing Atomic Absorption Spectrometer (AAS) and preliminary element distribution maps have been compiled. However, since the number of chemical elements that can be analyzed by the AAS is limited it was planned to reanalyze the same samples with a faster and a better analytical instrument that could analyze for wide range of elements. Procurement of an Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES) was planned to support this project.

Thus, in February 2012, an ICP-OES was installed at a cost of about Rs. 16,500,000/=. Testing of instrument was continued until June 2012 and samples collected from above mentioned sheets were re-analyzed using ICP-OES for additional chemical elements. Analysis of soil samples using ICP-OES from Badulla, Hambanthota and Anuradhapura sheets were completed in 2012. Pre-analysis sample preparation from soils from Medawachchiya and Thimbolketiya sheets were also completed. Field work commenced with some delays due to unavailability of field vehicles and about 50% of soil sample collection (field work) covering Horowpathana and Morawaka sheets was also completed during 2012. The total number of samples collected during the year was about 800.

The staff involved in the soil geochemical mapping programme in 2012 were as follows:

Map	Officers Involved
Sheet : Morawaka	Mr. H.A.D.N. Sanjeewa (Geologist) Mr. M.B.M. de Silva (Technical Officer)
Sheet : Horowpathana	Mr. D.M.S. Dissanayake (Geologist) Mr. G.C.C. Ariyawansa (Technical Officer)
Analytical Laboratory	Ms. S. Siriwardena (Chief Chemist) Ms. P. Jayalath (Chemist) Ms. Vindya Wanasinghe (Chemist) Ms. N. Rathnayake (Chemist)

Upgrading of Seismic Monitoring System and Activities of the Seismic/Tsunami Alert Centre:

Improvement of existing facilities for monitoring of seismic activities in and around Sri Lanka and study of their hazard implications were necessary in geo-hazard mitigation efforts. GSMB had the opportunity to upgrade the existing monitoring capacity in the field of seismology under the mutual collaboration with Geo-Science Research Centre (GFZ) in Germany. After signing of Memorandum of Understanding between the two parties and carrying out feasibility studies with German experts to find out the suitable locations to install stations in previous years two seismometers were installed at Mahakanadarawa near Mihinthale area and Hakmana. The officers involved in this project were Ms. S.N.B. Thaldena (Geophysicist) and Mr. S.W.M. Senevirathne (Geophysicist).

In 2010, seismic sensors were installed in constructed seismic vaults (rock chamber below the surface level) in a hard rock. In 2011, Geofon seismic stations were upgraded with power supply unit and solar panel system to maintain the zero level of power failures with the support of German experts.

As both Mahakanadarawa (MALK) and Hakmana (HALK) stations are connected to Indonesian Tsunami Early Warning network scientists can use the data from these stations to assess the possibility of generating of Tsunami from a particular event. Data from other stations of the Indonesian seismic network is also available for Sri Lanka under the collaborative project.

Consequent to the training provided to relevant officers in 2011, GSMB in 2012 gained the basic capacity to detect and describe minor earth tremors occurring in and around Sri Lanka. Such tremors may not be detected by the global seismic networks and therefore it is necessary to develop local capacity in this respect. Issuance of bulletines for seismic events was commenced in early 2012.

In 2012 several local tremors were reported from Padiyathalawa, Maduruoya, Siyambalanduwa, and Weheragala areas. The magnitudes calculated were between the range of 2-3 in Richter scale.

On 11th April 2012, just before the “New Year” festival, at 12.45 pm most parts of the island experienced a vibration due to two consecutive great earthquakes (8.7 & 8.4 Richter scale) occurred in Indian Ocean, 1600km east of Sri Lanka.

This event was promptly analysed at the GSMB and informed the Disaster Management Centre (DMC), Department of Meteorology and Media. This particular case was well handled by all stake holder Institutions. It was a significant emergency situation successfully handled by the GSMB’s Seismic Data and Tsunami Alert Centre and its staff working around the clock.



Figure 2: Locations of three (03) seismic stations (left) and Epicentre area of earth tremor occurred on 28.08.2012, near Maduru Oya (right)

Minerals Yearbook 2012 and Other Publications:

This publication contains mineral statistics including production, consumption, exports of local minerals and import of minerals during the calendar year 2011. The Minerals Yearbook 2012 was published in August 2012. The Mineral Yearbook 2012 was compiled by Ms. C.N.B. Wijerathne (Geologist), Mr. Pradeep Wickramasinghe (Technical Officer), Mr. Priyantha Manawansa (Clerk) and Mr. Sudarma Vithana (Clerk). Dr. W.K.B.N. Prame (Deputy Director-Geology) supervised this activity while Mr. S.M.A.T.B. Mudunkotuwa (former Director General, GSMB) assisted in capacity of a consultant.

Income Generating Projects

Kaolin and Ball Clay Survey in Southwest Sector of Sri Lanka

This survey undertaken in late 2011 at the request of Ministry of Industries and Commerce and Ceramic Council of Sri Lanka continued into the year 2012. The survey area was divided into three divisions namely area between Keleni Ganga & Deduru Oya, area between Kalu Ganga & Keleni Ganga and area between Gin Ganga & Kalu Ganga. A separate report was submitted to each area. The total income from the project was Rs. 8,000,000/=. Of this total amount Rs. 6,000,000/= had been paid in 2011 while the balance payment was paid in 2012 upon submission of the final report. Selected samples from auger holes were submitted to relevant factories for laboratory testing. The survey identified several promising ball clay occurrence and a kaolinite occurrence. The officers involved were Mr. S.T. Kalubandara (Geologist), Ms. Dharani Wijesundara (Geologist), Mr. Tharanga Munasinghe (Geologist).

Augering and Geophysical Surveys at Elehera North Canal Project:

Integrated augering and geophysical (electrical resistivity) investigations were undertaken at the request of Mahaweli Consultancy Bureau (Pvt.) Ltd. The total income received from this project was Rs. Rs.6,084,960/=. The officers involved were Mr. A.S. Jayakody (Geologist), Mr. S.N. de Silva (Geophysicist), Mr. A.M.M. Rathnayaka (Geologist), Mr. K.S.J. Fernando (Drilling Executive) and Mr. C. Palihadeniya (Technical Officer).

Strategic Environmental Assessment - Uva Province

A rapid mineral resource survey covering Badulla and Monaragala Districts was undertaken at the request of Disaster Management Centre. The information gathered was to be used in Strategic Environmental Assessment of Uva Province. Income received from this work was

Rs. 2,488,543/=. Officers involved were Mr. D.M.S. Dissanayaka (Geologist), Ms. C.N.B. Wijerathna (Geologist) and Dharshana Abeysinghe (Geologist).

Strategic Environmental Assessment – Gampaha District

A rapid mineral resource survey covering Gampaha District was undertaken at the request of Disaster Management Centre. The information gathered was to be used in Strategic Environmental Assessment of Gampaha District. Income received from this work was Rs. 800,614/=. Officer involved was Ms. Chandima Fernando (Geologist).

Integrated Geological, Geophysical and Drilling under Minipe Project

This work was also undertaken at the request of Mahaweli Consultancy Bureau (Pvt.) Ltd. Total income generated from the project was Rs. 2,463,500/=. Officers involved were Mr. A.S. Jayakody (Geologist), Mr. S.N. de Silva (Geophysicist), Mr. A.M.M. Rathnayaka (Geologist), Mr. K.S.J. Fernando (Drilling Executive) and Mr. Chandima Palihadeniya (Technical Officer).

Report/Data Sale -Miocene Limestone Investigations in Poonareen

Following the rapid resource assessment surveys under “Uthuruwasanthaya”, it was decided to put down several test drill holes in promising locations for limestone deposits. During the period of July – September 2010, 05 holes were drilled with total meterage of 209.8m. Chemical analysis of limestone samples was also completed in 2011. Investigations revealed the presence of good quality limestone below the ground level.

In 2012, Tokyo Cement (Lanka) Ltd. showed interest in this report which was available in the library and made a request to the GSMB to release the report for company’s future raw material requirement planning purpose. The report was released to the company at a price of Rs. 2,257,128/=.

Drilling & Soil Investigations for Colombo Commercial Co.

Drilling investigations and soil testing for above company brought an income of Rs. 379,394/=.

Mineral Sand Survey for Supreme Solutions (Pvt) Ltd.

Above survey brought an income of Rs. 1,619,404/=

Mineral Sand Survey for V.V. Minerals (Pvt.) Ltd.

An income of Rs. 720,000/= was generated from above survey.

Laboratory Services, Equipment hiring and other Library Data Sale

Income generated from laboratory services, equipment hiring and library data/map sales exceeded Rs. 3,000,000/=

Mineral Intelligence Unit:

Mineral Intelligence Unit continued their work related to correspondence with stakeholders with regard to mineral investment agreements, mineral policy, exploration proposals and related activities. The Officers involved were Ms. D.P.R Weerakoon (Geologist), Ms. H. Liyanarachchi (Registrar-Mining Division), Mr. M.M.J. Ajith Prema (Geologist) and Mr. T. Dahanayaka (Asst. Registrar-Mining Division).

Laboratory Upgrading:

In a major move to upgrade the existing laboratory facilities, several new instruments were added to the GSMB laboratories. These include the Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES) and Frantz Isodynamic Separator installed under 2011 capital budget. Functionality of the newly installed instruments were tested during first two (02) months and these instruments were calibrated for routine work.

Under the capital budget of 2012, a hand-held XRF spectrometer at a cost of Rs. 5,300,000/= and a semi-automated rock slide trimming machine at a cost of Rs. 7,500,000/= were added to the Petrology laboratory of the Bureau. The new equipment will enhance sample processing, mineral identification and analytical capacities of the laboratories.

Services and Activities of the Library & Awareness Programmes

During the year 2012 the Bureau spent about Rs. 2,200,000/= to purchase scientific journals.

The Bureau also participated in a number of exhibitions, school science programmes and awareness programmes organized by schools, the Geological Society of Sri Lanka and various other societies. It was noted that exhibition stalls organized by the Bureau were very popular and informative. GSMB's exhibition stall at the "Deyata Kirula" held at

Oyamaduwa, Tanthirimale was an attraction for the visitors. The officers involved from the Geology Division were Mr. S.N. De Silva (Geophysicist), Mr. C. Amarasinghe (Geologist), Mr. S.W.M. Seneviratne (Geophysicist), Mr. H.D.N. Sanjeewa (Geologist), Mr. Dhrashana Abeysinghe (Geologist), Mr. Amila Heetiarachchi (Technical Officer), Mr. Chamara Gunamuni (Technical Officer) and Mr. G.C.C. Ariyawansa (Technical Officer).

Other Activities

Other Activities

Preliminary Vein Quartz Survey at Kotikambokka, Wellawaya:

Subsequent to a discussion held with Hon. Minister, a field survey was conducted in the area of Vein Quartz deposit in Kotikambokka, Wellawaya. Preliminary survey revealed that there were about 200,000 metric tons of vein quartz in the surveyed area in addition to well-known deposit at Randeniya.

Sand Survey along the Keleni River

A survey to assess sand deposits along the Keleni river commenced in March 2012 and report was submitted in May 2012. Officer involved was Ms. Chandima Fernando (Geologist).

Investigations of Gold Occurrence in Keleni Ganga

Following the reports that the dwellers along certain stretches of Kelani Ganga had embarked on gold panning, Bureau took steps to issue short-period permission for this activity. These steps helped to regulate the activities. Geology Division undertook a survey cover the up-stream and down- stream stretch of about 10 km along the area of interest. Preliminary results indicated that the gold occurrence was a localized phenomenon.

Airborne Survey:

Financial Agreement has been submitted for scrutinization by the External Resources Department/Government Treasury.

Participation in Overseas Study Programmes, Trining Programmes, Workshops and Seminars

Name	Training Course/Meeting/Workshop	Period	Country
Mr. M.M.A.J. Ajith Prema (Geologist)	Group Training Course on Global Seismological Observation 2012	11 January -09 March 2012	Japan
Ms .S.N.B. Thaldena (Geophysicist) Mr. A.A.C. Priyantha (Geologist)	PROTECTS Training Programe on "Introduction to Seismology and Introduction to Seismic stations", "Locating and calculating magnitudes of events with SeisComP3" and "Seismic stations installation and maintenance"	12 March - 06 April 2012	Jakarta
Mr. S.N.De Silva (Geophysicist)	On-Site Inspection Expert Meeting on Inspection Team Functionality 2012 Build-Up Exercise BUI 1 – IFE 14	20 – 23 March 2012 12 – 21 April 2012 21.04.2012	Vienna Austria
Mr.S.W.M.Senevirathna (Geophysicist)	On job Training Programe for Tsunami Watch Standers at RIMES	18 April – 18 July 2012	Bangkok, Thailand
Dr.W.K.B.N.Prame (Deputy Director) Mr.S. N. de De Silva	CTBTO On-Site Inspection (OSI) Health and Safety	14.05.2012-	Vienna,

(Geophysicist) Ms.D.T.P.S. Wijesundara (Geologist)	Training Course	18.05.2012	Austria
Ms. D.T.P.S.Wijesundara (Geologist)	ITC Refresher Course	11 – 23 June 2012	Pakistan
Dr. W.K.B.N.Prame (Deputy Director)	Interregional Meeting on Planning and Co-ordination with focus on “Uranium Exploration & Production Priorities Outlook.	26 – 29 June 2012	Finland
Ms. S.N.B. Thaldena (Geophysicist)	Intensive Policy Course “Multilateral Verification, Collective Security: The Contribution of the CTBT”	16 – 20 July 2012	Vienna Austria
Mr. H.A.D.N. Sanjeewa (Geologist)	On job Training Programe for Tsunami Watch Standers at RIMES	01 August – 01 November 2012	Bangkok, Thailand
Mrs. D.P.R. Weerakoon (Geologist)	34 th International Geological Congress	05 – 10 August 2012	Brisbane Australia
Mr. K.T.U.S. De Silva (Asst. Director)	34 th International Geological Congress Short-Term Training/Field visit Program	05 – 10 August 2012 10-11 August 2012	Brisbane Australia Perth, Australia
Mr. P.P. Maddumage (Draughtsman) Mr. B.P.Thilakarathne (Technical Officer) Mr. L.B. Dhanushka Lahiru (Clerk)	Training Programe on Routine Duties at Tsunami Warning Center, RIMES, Bangkok	19 – 25 August 2012	Bangkok

Mr. W.H.D.C. Rukmal (Research Assistant) Ms. Zahra Juhoor (Technical Officer)	Training Programe on Routine Duties at Tsunami Warning Center, RIMES, Bangkok	10 – 19 September 2012	Bangkok, Thailand
Mr. A.S. Jayakody (Geologist)		24 – 28 September 2012	South Africa
Mr. W.K.B.N. Prame (Deputy Director)	Workshop on resent development in evaluation of Uranium and Thorium resources	15 – 18 October 2012	Lisbon, Portugal
MR.A.A.C Priyantha (Geologist)	RIMES	17 November - 14 February 2013	Bangkok, Thailand
Mr.S.M.W.Senevirathne (Geophysicist)	PROTECTS Training Programe, Seismology, Indonesia	19 November - 01 December 2012	Jakarta, Indonesia
K.T.U.S. De Silva (Asst. Director)	Interregional training course on uranium deposit models and exploration	12-16 December 2012	China
A.M.M. Rathnayake (Geologist)	Inter-regional Training course on Uranium Production from Phosphate Rocks	10-14 December 2012	Jordan

MINES DIVISION

Major Functions of the Mining Division

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

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

Services available

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

Income Generated through Issuing Licenses

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

- Exploration licenses
- Mining licenses (Artisanal, Industrial, Reserved Minerals)
- Trading licenses
- Export licenses
- Transport licenses

Details of these licenses are as follows:

a) Exploration licenses (EL)

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

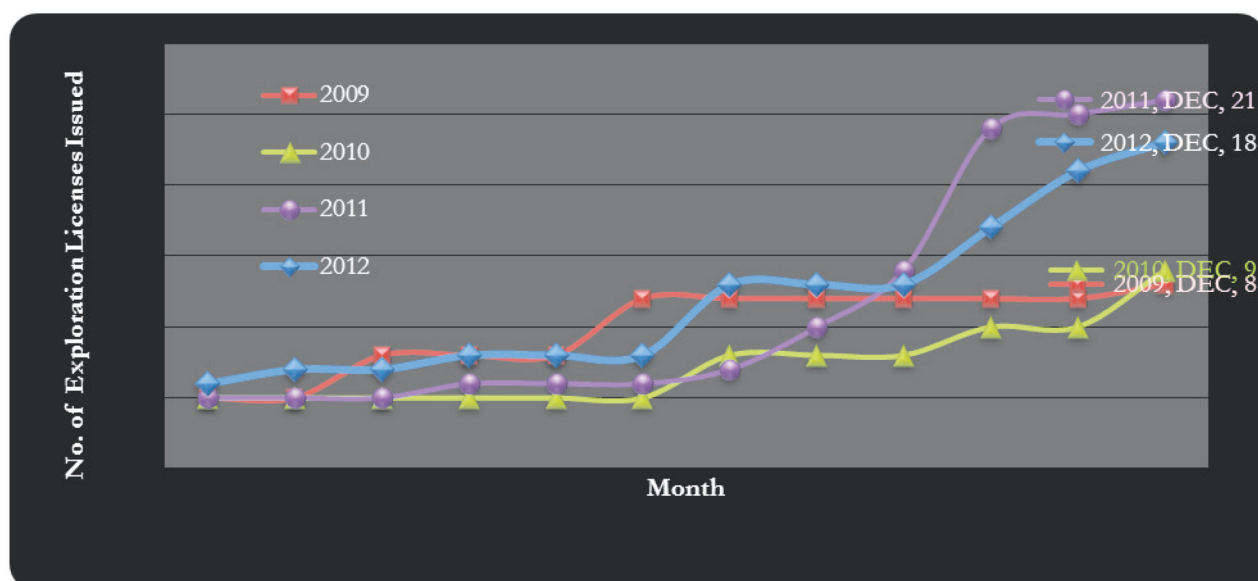


Fig. 1: Exploration licences issued during the period of 2009 to 2012

Exploration licenses issued in Year 2012 - 18

b) Mining Licenses

Artisanal Mining Licenses (AML)

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

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

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

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

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

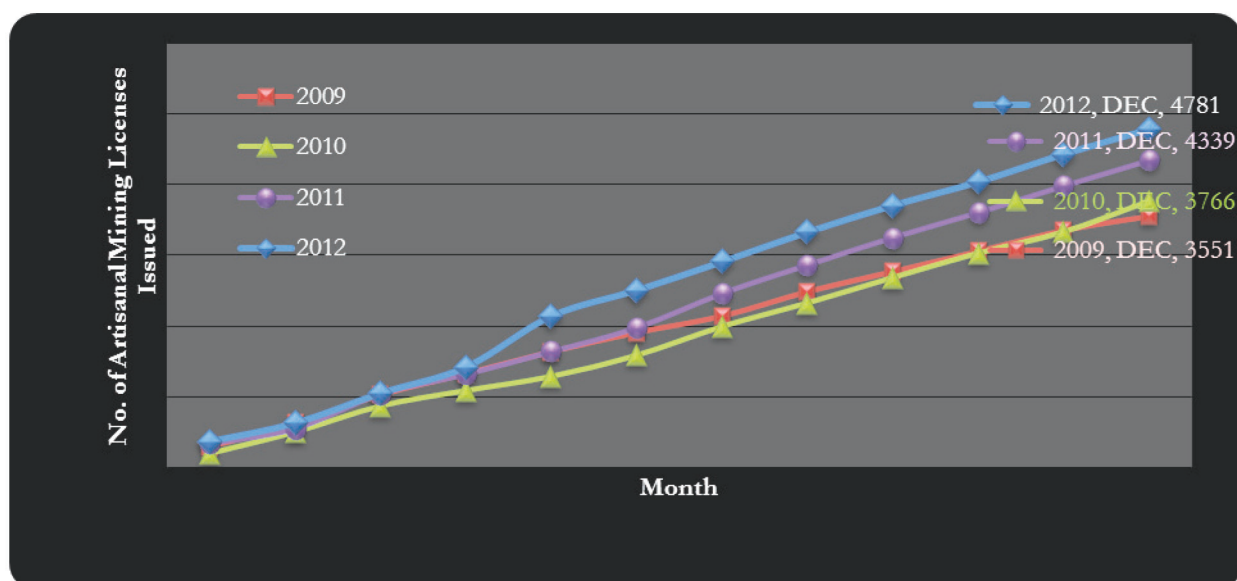


Fig.2: Artisanal Mining Licences issued during the period of 2009 to 2012

Artisanal Mining Licenses issued in Year 2012 -

Category A 1465

Category B 3316

Industrial Mining Licenses (IML)

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

Category A (include one or more of following conditions)

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

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

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

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

- Blasting method - single shot-hole

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

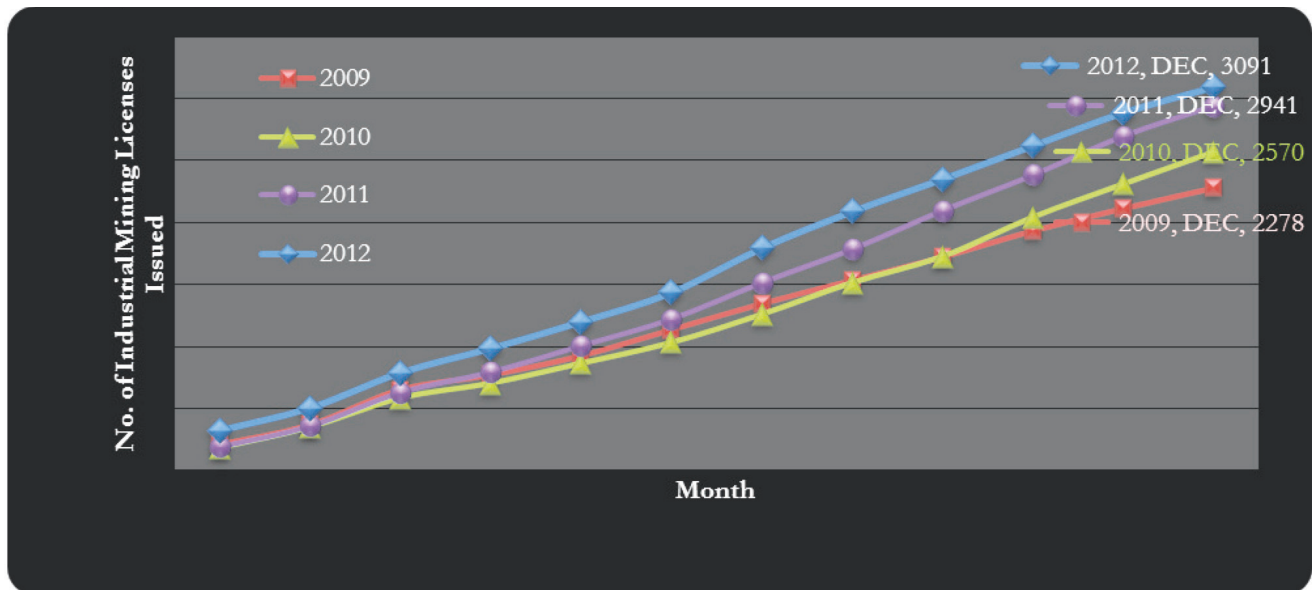


Fig.3: Industrial Mining Licences issued during the period of 2009 to 2012

Industrial Mining Licenses issued in Year 2012 -

Category A	160
Category B	1381
Category C	1550

Reserved Minerals (RML)

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

c) Trading Licenses (TDL)

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

Category A - to trade in minerals for export

Category B - to trade in minerals locally

Category C - to trade in bricks and lime produced manually.

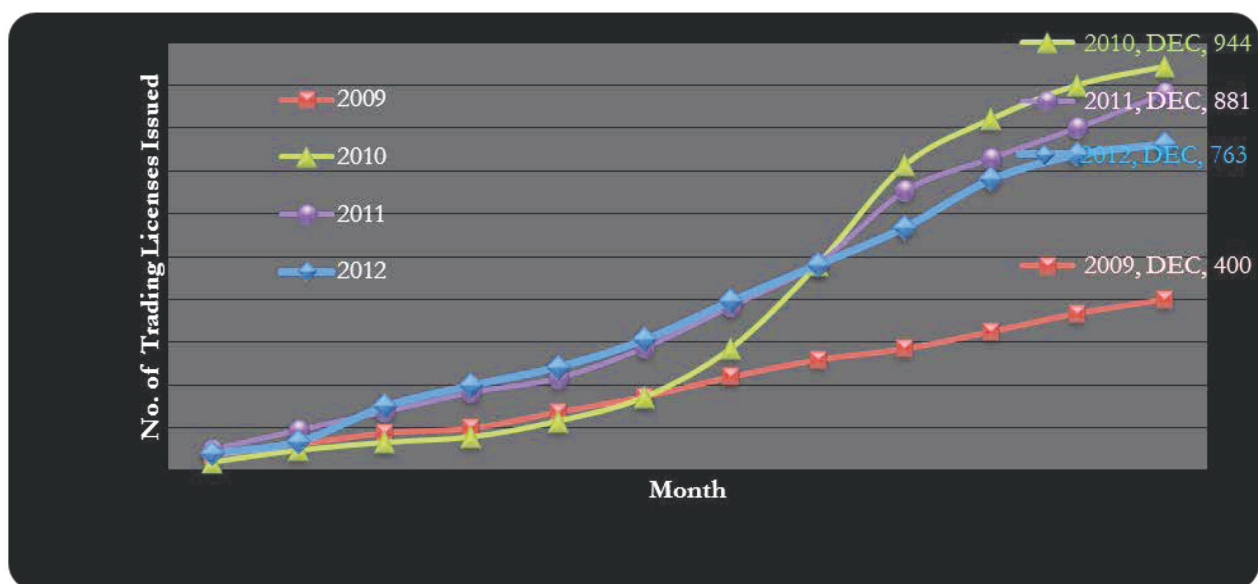


Fig.4: Trading Licenses issued during the period of 2009 to 2012

Trading License issued in Year 2012

Category A	10
Category B	753

d) Transport Licenses

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

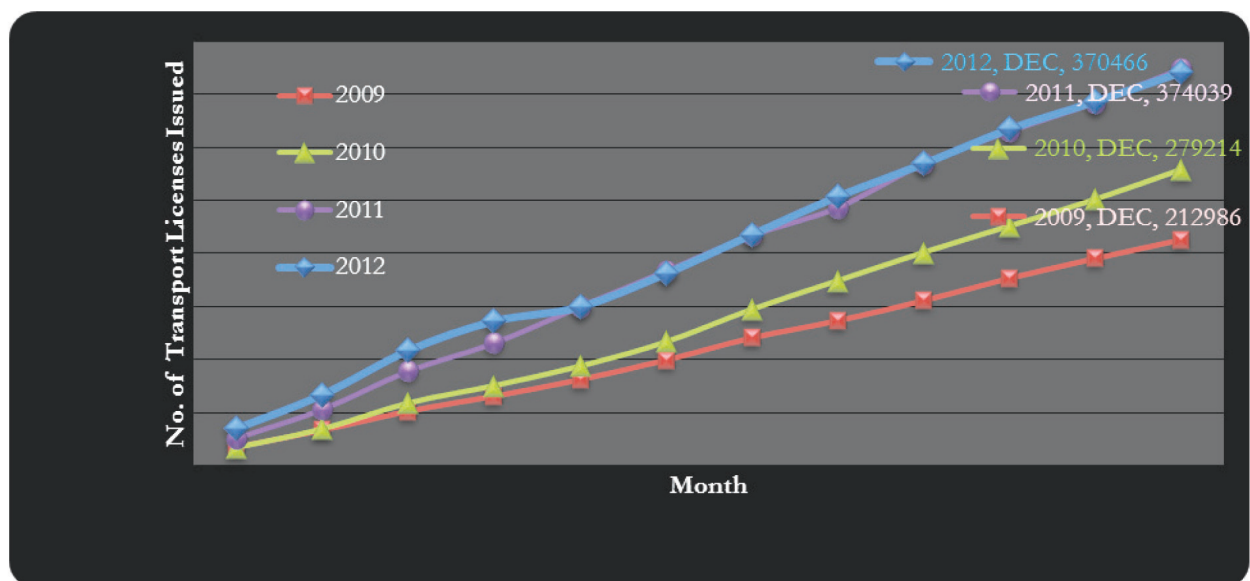


Fig.5: Transport Licenses issued during the period of 2009 to 2012

Transport Licenses issued in Year 2012 – 370,466

e) Export of Minerals

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

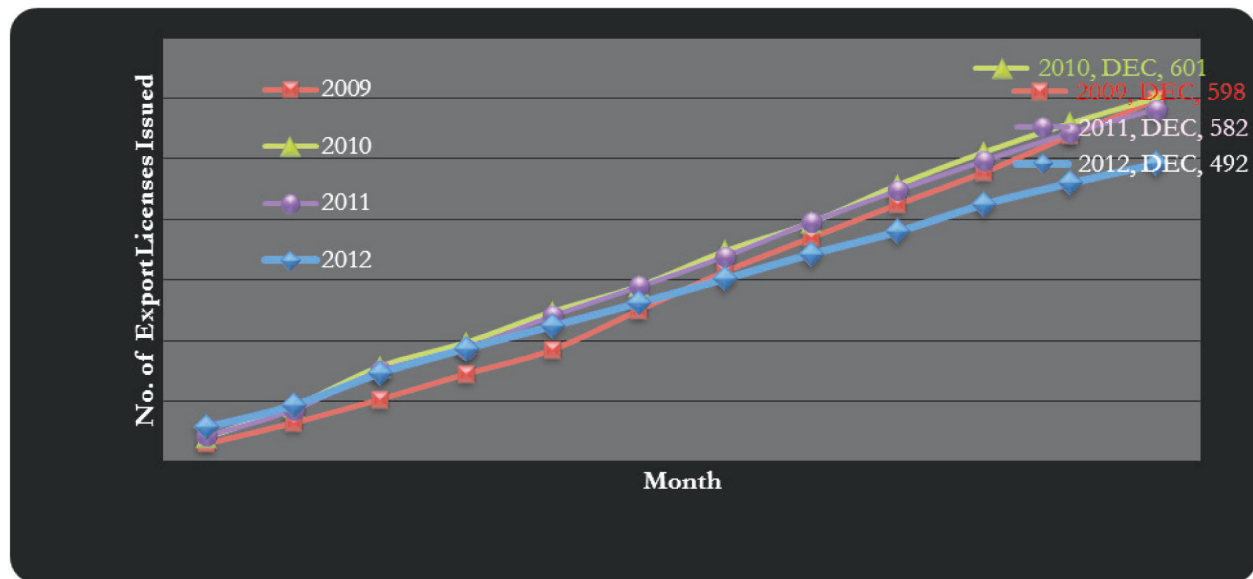


Fig.6: Export Licenses issued during the period of 2009 to 2012

Export Licenses issued in Year 2012 – 492

Royalty Income

Following chart shows the royalty income collected by the GSMB on behalf of the Government of Sri Lanka. It clearly shows a general increase of royalty collection.

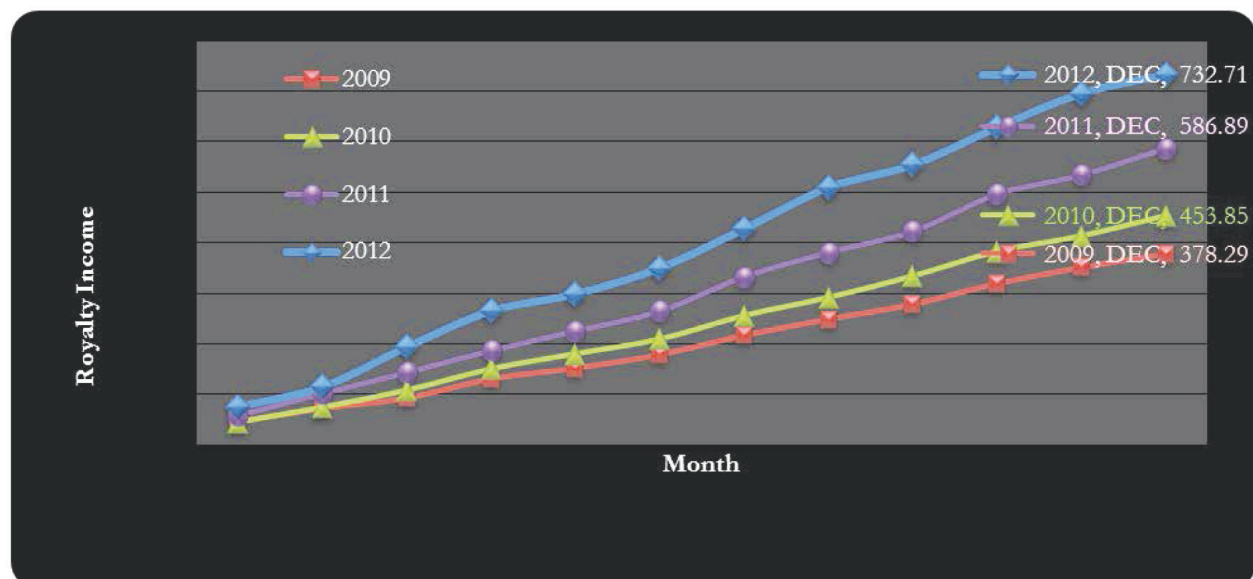


Fig.7: Royalty income during the period of 2009 to 2012

Income generated by Mines Inspection

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



Fig. 8: Income generated by mines inspection during the period of 2009 to 2012

Income generated by Issuing Licenses

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



Fig.9: Income generated by issuing licenses during the period of 2009 to 2012

Regional Offices:

The Mines Division is presently functioning with 14 Regional Offices at Kandy, Matara, Kurunegala, Badulla, Ratnapura, Anuradhapura, Ampara, Monaragala, Hambantota, Trincomalee, Kalutara, Jaffna, Batticaloa and Gampaha and with 2 sub offices at Hasalaka and Kantale. The major activities of these Regional Offices are to cater better services for the customers who are engaged in various Mining Industries in relevant provinces and control the illegal mining activities.

Decentralization of issuance of Mining Licenses

Regional Offices from 2008

<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Anuradhapura</i>	<i>Anuradhapura</i>	<i>Anuradhapura</i>	<i>Anuradhapura</i>	<i>Anuradhapura</i>
<i>Badulla</i>	<i>Badulla</i>	<i>Badulla</i>	<i>Badulla</i>	<i>Badulla</i>
<i>Kandy</i>	<i>Kandy</i>	<i>Kandy</i>	<i>Kandy</i>	<i>Kandy</i>
<i>Kurunegala</i>	<i>Kurunegala</i>	<i>Kurunegala</i>	<i>Kurunegala</i>	<i>Kurunegala</i>
<i>Matara</i>	<i>Matara</i>	<i>Matara</i>	<i>Matara</i>	<i>Matara</i>
<i>Polonnaruwa</i>	<i>Polonnaruwa</i>	<i>Polonnaruwa</i>	<i>Polonnaruwa</i>	<i>Polonnaruwa</i>
<i>Ratnapura</i>	<i>Ratnapura</i>	<i>Ratnapura</i>	<i>Ratnapura</i>	<i>Ratnapura</i>
<i>Ampara</i>	<i>Ampara</i>	<i>Ampara</i>	<i>Ampara</i>	<i>Ampara</i>
<i>Monaragala</i>	<i>Monaragala</i>	<i>Monaragala</i>	<i>Monaragala</i>	<i>Monaragala</i>
<i>Hambantota</i>	<i>Hambantota</i>	<i>Hambantota</i>	<i>Hambantota</i>	<i>Hambantota</i>
	<i>Batticaloe</i>	<i>Batticaloe</i>	<i>Batticaloe</i>	<i>Batticaloe</i>
		<i>Jaffna</i>	<i>Jaffna</i>	<i>Jaffna</i>
		<i>Kanthale</i>	<i>Kanthale</i>	<i>Kanthale</i>
		<i>Trincomalee</i>	<i>Trincomalee</i>	<i>Trincomalee</i>
		<i>Kalutara</i>	<i>Kalutara</i>	<i>Kalutara</i>
			<i>Hasalaka</i>	<i>Hasalaka</i>
				<i>Gampaha</i>

The Regional Mining Engineers attached to the Regional Offices in Year 2012 are as follows:

<u>Regional Office</u>	<u>Regional Mining Engineer</u>
Kandy	Mr. Dammika Prasad
Kurunegala	Mr. S.A.I.J. Rodrigo
Matara	Mr. U.H.T. Priyantha
Badulla	Mr. T.M.W. Bandara
Anuradhapura	Mr. K.A.S. Dharmasiri/ Mr. Chamila Karunananda
Ratnapura	Mr. T.S. Kumara
Ampara	Mr. H.K.C.K.W. Bandara
Monaragala	Mr. W.G.S. Kokila
Hambantota	Mr. L. Asela Fernando/ Mr. Asanka Rupawansa
Trincomalee	Mr. K.N.W.K. Wimalarathna
Batticaloa	Mr. M.R.M. Farees
Jaffna	Mr. D. Mayoora
Kalutara	Mr. K.V. Jagath
Gampaha	Mr. H.K.M. Gunasekara

Special activities done by Mines Division

Educational programmes

Certificate Course on Industrial Rock Blasting:

Fulfilling a long-standing need, the Mines Division of the Geological Survey and Mines Bureau conducted the first 3-month duration certificate course on rock blasting designed for technical, supervisory level engaged in the Sri Lankan rock blasting industry in collaboration with the Defense Ministry and Central Environmental Authority in June, 2011. The second programme was conducted in May, 2012. Major objective of this blasting course is to provide better theoretical and practical knowledge about blasting materials, methodologies and social & environmental impacts related to quarry blasting activities.

The programme planned to be conducted annually will result in raising the safety standards and blasting productivity.



Workshops and Seminars organized by the mines division

The Mines Division has carried-out several workshops and Seminars at various districts in order to sort out major industrial problems related to mining activities and make aware state organization & licence holders about Bureaus regulatory functions according to Mines and Mineral Act. The major objective of these workshops was to improve coordination between GSMB and other state organizations such as Divisional Secretaries during the implementation of Mines and Mineral Act. The details of the workshops and Awareness Programmes conducted by the Mines Division are as follows.

Workshop/ Awareness Programme	Date	Theme
1. Awareness Programme with Central Environmental Authority at Embilipitiya	2012.07.27	Inspection and awareness
2. Field inspection with Ruwanwella District Secretariat	2012.07.31	Petition inspection and awareness
3. Workshop with Hon. Minister at Jacob Park Hotel at Trincomalee	2012.08.20	Seminar with Mining License Holders
4. Workshop at Paduwasnuwara	2012.09.04	Introducing of legal procedure for Metal Quarry License Holders
5. Workshop at Anamaduwa regard Mee Oya Project	2012.09.14	Regarding Mining Act
6. Awareness programme with Central Environmental Authority at Dankotuwa	2012.10.01	Regarding Mining Act
7. Awareness programme with Central Environmental Authority at Chilaw	2012.10.16	Regarding Mining Act
8. Workshop at Matale	2012.09.17	Inspection and awareness
9. District Environment Field Inspection at Hanguranketha	2012.09.27	Regard District Disaster Management
10. Awareness programme with Badulla District Secretariat	2012.08.13	District Environment committee meeting
11. Awareness programme with Central Environmental Authority at Kandy	2012.09.11	Introduce of legal Procedure and transport License details to Mining license holders

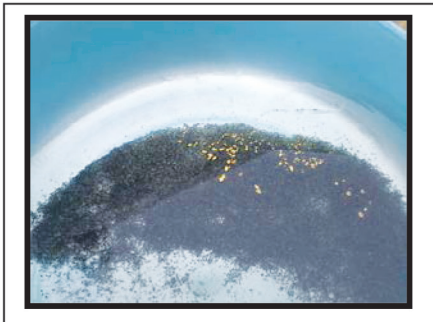
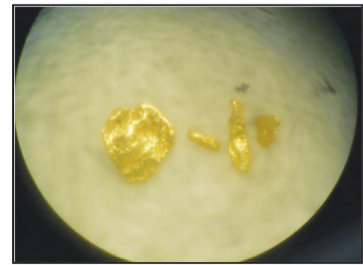
Workshop/ Awareness Programme	Date	Theme
12. Workshop at Trincomalee	2012.09.10	Inspection and awareness
13. Awareness Programme at Chunnakkadu, Muthur and Kinniya	2012.09.20	Introduce of legal Procedure and transport License details to Mining license holders
14. Workshop at Katana Police Academy	2012.02.17	Introduce of Legal procedure (Mines and Mineral) to Police officers for issuance of license
	2012.03.30	
	2012.04.04	
	2012.08.08	
15. Workshop at Mathugama	2012.02.17	Regarding Mines Act
16. Workshop with Central Environmental Authority at Batticaloa	2012.04.24	Regarding Mines Act
17. Pugoda Gold Survey	2012.05.25	Monitoring Gold survey and for issue mining License
18. Workshop and Seminar at Anuradhapura	2013.08.29	Regarding Mines Act
19. Workshop and Seminar at Katana	2012.09.11	Introduce of Legal procedure (Mines and Mineral) to Police officers for issuance of license
20. Workshop at Ridigama Divisional Secretary	2012.02.19	Seminar with Mining License Holders
21. Awareness Programme with Road Development Authority Hanguranketha	2012.10.25	Regarding Transportation and rehabilitation of road const

Workshop/ Awareness Programme	Date	Theme
22. Workshop at District Secretariat	2012.10.02	District Sand Committee Meeting
23. Awareness programme and Mobile	2012.10.22	Field Inspection of Sand mining Holders of Mahiyangana
24. Workshop at Badulla District Secretariat	2012.12.06	Instructing of Metal quarry Association
25. Workshop at Uva Provincial Council	2012.10.25	Meeting with environment Assassination project
26. Awareness programme with Mahiyangana sand committee	2012.10.16	Meeting With Mahiyangana Sand Committee

“Gold Rush” in the Kelani River:

In early 2012, a kind of “gold rush” was emerged in the Kelani River around Pugoda area as minute gold grains were found in the river sands and large crowd started gold panning in the riverbed. This incident attracted wide media publicity and considering the social and environmental impacts and possible environmental threats an immediate action has been taken by the GSMB to control all illegal gold mining in the river. A short field investigation was carried out in the area immediately by the GSMB.

Therefore, steps have been taken to issue mining licenses for the requests of the immediate surrounding imposing strict environmental regulations. Since this is a precious mineral and because of the large scale activities, the bureau was determined to issue artisanal license based on the Grama Niladari divisions along the Kelani River up to Hanwellla. From May 2012 the Bureau started issuing gold licenses which valid for period of 3 months. And presently 501 licenses were issued, from these licenses Rs. 1 million income was generated. A mobile service was held to issue permits and the bureau is constantly monitoring the activities taking place at this site.



දැනට දන්නේ ක්වෙමිටර් 10ක පමණ දුරක

භූ විද්‍යා සම්ප්‍රදාය හා පරිසර සැකසීම කාර්යාලයේ විශේෂ අධ්‍යක්ෂ ජනරාල් අතිරේක පිරිස් මහතා:-

- * පැරණි ගමේ ගිණිගස් රහස්‍ය කිවියන්ද? නිවසක්ද හැදෑරූ යන්න ගැන කතා කරන්න කාමි කල් වැඩිවී, පැතිරීලා තිබෙන දුර ප්‍රමාණය ගැන සුළු සුළු තොරතුරු පමණක් තිබෙන්නේ. සුළුපිට ලැබෙන බවයි දැන ගන්න ලැබිල තිබෙන්නේ.
- * සමාජයේ පැතිර යනවා සම්බන්ධ පිරිසක් මේ රහස්‍ය ගතට ගෙනේ දැමුවා කියලා.
- * මිනිස්සු යම් යම් අදහස් පළ කරන්න පුළුවන්. නමුත් කවුද එහෙම රහස්‍ය ගතට විසිකරන්නේ. ඒවා පුහු මත. එහෙම කරන කිසි කෙනෙක් නැහැ.
- * කොයි තරම් දුරකට මේවා ව්‍යාප්ත වෙලා තිබෙනවාද?
- * කුමාරිමුල්ල, පුලොඩි ප්‍රදේශයේ කිලෝ මීටර් දහයක කොටසක පැතිරිලා තිබෙන බවයි දැනගන්න තිබෙන්නේ. ඊට වඩා ප්‍රදේශයක තිබෙනවාද කියා හොයන්න යම් කාලයක් ගත වෙනවා. දැනට වුණේ මිනිස්සුනේ හොයාගෙන තිබෙන්නේ. ඊට එතො කැන්ඩල කිහිපයක් මිනිස්සු හොයා ගනිවි. අපට කලින් ඒවා මිනිස්සු හොයා ගනිවි.
- * ඒ කියන්නේ ඉහළ ප්‍රදේශවල තිබිය හැකියි කියලද?
- * ගවේශණයක් නොකර නිශ්චිතවම කියන්න බැහැ. වගකීමකින් තොරව ඒ වගේ ප්‍රකාශ කරන්න බැහැ.
- * කොහොමද මේවා ලැබෙන්න ඇත්තේ, මේ කාලේදී ලැබෙන්න මොනවා හරි විශේෂත්වයක් තිබුණද?
- * අප සැක කරනවා පස් තට්ටු යට තිබිලා ජලයත් සමඟ මතු වෙන්න ඇති කියලා. භූ විද්‍යාඥයන් ඒ සම්බන්ධව සොයාගෙන යනවා.

කිහිණ කරනවාද?
කාල නිර්ණය කරනවා.

Established Gampaha Regional Office

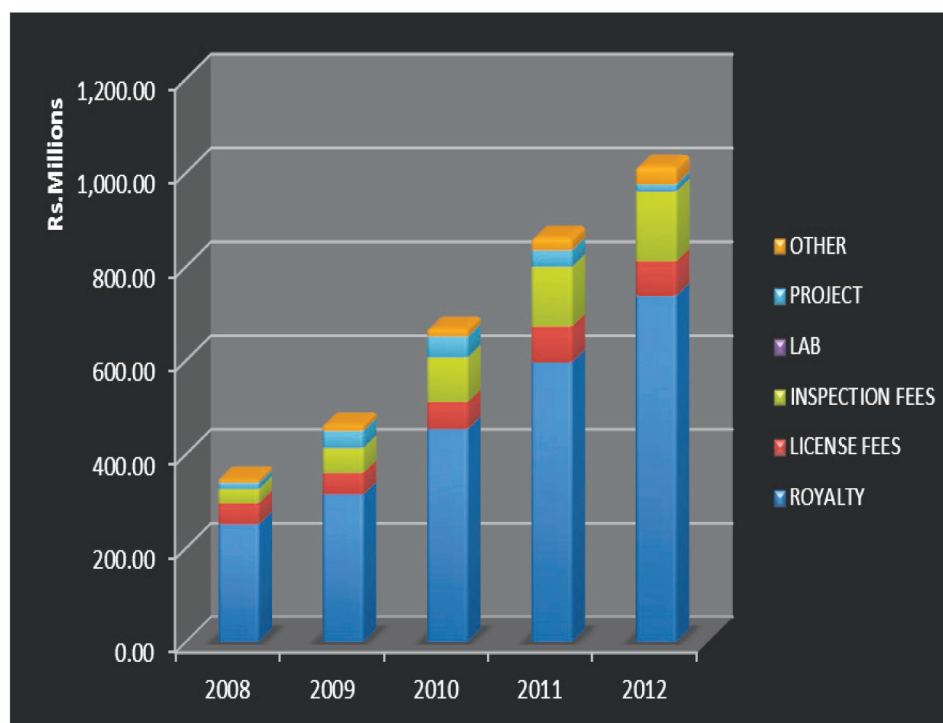
The regional office Gampaha was ceremonially opened on 5th October 2012 at werellawatta Yakkala .This remarkable occasion happened to be a significant milestone in the history of the bureau as this fourteenth regional office becoming the very first regional office built by its own funds and design & constructed compatible with the specific requirements of bureau. Establishing a regional office at Yakkala under the exercise of decentralization and dedicating the authority to regional level, has to be highlighted as a prudent decision if we look upon the angle of the betterment of the of mining license holders residing in the district of Gampaha . District of Gampaha is one of mineralogically sound and significant district located in western province so as its embodies plenty of mineral resources such as Metal aggregate ,Clay, Sand, Gold ,etc. In connection with the new establishment the bureau is able to render its service in more efficient and effective manner to regulate the mineral utilization within the district while facilitating to receive the intended service to the mining license holders in more well-organized convenient manner. Presently there exists more than 2000 functioning mining & trading licenses in the district , so it is expected that this regional office may moves ahead as one of momentous regional office with respect to all aspects the bureau.



Financial Review

Total turnover of the Bureau in the preceding 5 years.

Details	2008	2009	2010	2011	2012
Total turnover (Rs. Mn)	347	347	668	862	1014



Performance of the Legal Section

The functions of the Legal Section include representing the Geological Survey & Mines Bureau (GSMB) in cases filed by and against the Bureau.

There are 12 Cases Pending in Courts. (Supreme Court, Court of appeal, High Court, District Court, and Magistrate Court) 6 New Cases were filed in year 2011 against those who were engaged in unauthorized mining activities.

Four awareness programs have been held for Police Officers and Special Task Forces Camp at Trincomalee, Sri Lanka Police Academy at Katana, Police Academy at Kurunegala and Batticaloa in order to aware them about the amended Mines and Minerals Act and legal issues of Mines and Minerals act.

Meetings have been held at Police Head Quarters and Geological Survey & Mines Bureau with Director Legal and Director Criminal of Police Department in order to aware them about the illegal transportation of sand and its issues and to obtaining help of Police Department to legalize Mineral Mines and Transportation.

Action has been taken to finalize the “amendments”, proposed for the Regulation of Mines and Minerals Act of Geological Survey & Mines Bureau. A work shop has been held on 17th and 18th of February 2012, at Kukuleganga Holiday Resort at Molkawa with Resources Persons and Members of Board of Management and Officers of Geological Survey & Mines Bureau.

Amendments to the Mines & Minerals Act to Transport Licences have been drafted and forwarded to the Ministry of Environment for its observation.

As directed by Supreme Court Case No. 81/2004 discussions were held at Geological Survey & Mines Bureau with stake holders to conduct a survey on sand availability in river Maha Oya. Accordingly, 1st phase has been started on 2011.07.07 from Othara Wadiya to Bambukuliya to attached mainly Geological Survey & Mines Bureau, Irrigation Department, Central Environment Authority, Provincial Environmental Authority (NWP) and Environmental Foundation Ltd.

Many discussions have been held for its progress, preparing the final report and management plan of the Ma Oya sand survey at Geological Survey & Mines Bureau Head Office. Further, actions have been taken for implementation of the 2nd phase of sand survey along river Maha Oya and 5 years Management Plan.

The titles of Regional Office premises have been checked and necessary arrangement were made to execute the relevant Lease Agreements for 14 Regional Offices.

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

Number of Court Cases - 2012 / 2013

Supreme Court Applications	-	04
Court Of Appeal Application	-	07
Magistrate Court Cases	-	03
District Court Cases	-	03
Labour Court Cases	-	01
Human Rights Commission Cases	-	07

Corporate Governance

The GSMB is governed by a Board of Management. The members of the Board of Management (BOM) are appointed by the Hon. Minister in charge of the subject from suitably qualified persons as per the requirements of the Mines and Mineral Act. As per the Mines and Mineral Act # 33 of 1992 there were five members in the BOM. They are three members appointed by the Hon. Minister, the Director as the Chief Technical Officer and the Treasury representative. The Legal Officer of GSMB serves as the Secretary to the BOM.

By the amended Mines and Mineral Act #66 of 2009 the number of constituent members of the BOM was expanded to cover the subjects of industries and environment. Also, the post of Director was re designated as Director General and he has become the Chief Executive Officer. Accordingly there are seven members in the BOM and they are as follows.

- Three members appointed by the Minister from among persons who appear to the Minister to have knowledge of Geology, Mining or Business Management, Finance and Law
- One member appointed by the Minister in consultation with Minister in charge of the subject of Finance
- The Director General of Geological Survey and Mines Bureau
- The secretary to the Ministry of the Minister in charge of the subject of industries or his representative

- The secretary to the Ministry of the Minister in charge of the subject of environment or his representative

Presently three members appointed by the Hon. Minister consists of a Professional Geologist, Chartered Accountant and HR Manager. Secretary to the Ministry of Industries is represented by a Director of the Ministry. Secretary to the Ministry of Environment is represented by Addl. Secretary / Natural Resources and Treasury by a lawyer. Director General is a Chartered Mining Engineer.

The BoM holds its meetings monthly in the last week of every month. Prior to every BoM meeting the Audit and Management Committee (AMC) of GSMB holds its meeting monthly. The AMC consists of all members of BoM other than the Chairman and the DG. The AMC is convened by the Auditor of GSMB and the Audit Superintendent of Auditor General's Department is also a mandatory member. The AMC follows the guidelines of the Public Enterprises Department of the Treasury.

In order to strengthen the mutual understanding among the Board Members and to obtain first hand information of the officers of the regional offices the BOM makes outings as permissible. Also as a milestone step the BOM approved a Government Process Re-engineering Study as a strategy to remarkably improve the whole range activities of the Bureau. The study has been completed and as the next step according recommendation a computer system will be designated, developed and implanted.

GEOLOGICAL SURVEY & MINES BUREAU

ACCOUNTING POLICIES - 31ST DECEMBER 2012

COPERATE INFORMATION

General

The Geological Survey & Mines Bureau (GSMB) is a statutory body established by Act No. 33 of 1992 and the principal place of business is situated at No. 569, Epitamulla Road, Pitakotte.

Principal Activities

- To undertake the systematic geological mapping of Sri Lanka and preparation of Geological Maps.
- To identify and assess the mineral resources of Sri Lanka.
- To evaluate the commercial viability of mining for processing and export of such minerals.
- To regulate the exploration and mining for minerals and the processing trading in and export of such minerals by the issue of licenses.
- To advice the Minister on resources to be adopted for the promotion of the extraction and production of minerals, on a commercial basis.

Number of Employees

The number of permanent employees at the end of the year was 294.

GENARAL ACCOUNTING POLICIES

General

Statement of compliance

The financial statements of the Bureau have been prepared in accordance with the generally accepted accounting principles, concepts and the accounting standard lay down by the institute of Chartered Accountants of Sri Lanka.

Basis of preparation

Financial Statements have been prepared under the historical cost convention. No adjustment has been made for inflationary factors affecting the accounts. Wherever there are exceptions and wherever appropriate, the accounting policies followed have been disclosed in the notes.

Going Concern

The Directors confirm that the Bureau has adequate resources to continue in operations to justify applying the going concern basis in preparing these financial statements.

Comparative Information

Comparative Information has where necessary been reclassified to confirm with the current year's presentation.

ASSETS AND BASES OF THEIR VALUATIONS

Accounts Receivable

Accounts receivable are stated at the amounts they are estimated to be realized.

Inventories

Inventories have been valued at the lower of cost or net realizable value. Costing this context is confined to aggregate cost of purchase and includes all expenses incidental to purchasing.

Investments

Investments are stated at cost.

GSMB Technical Services (Pvt) Ltd

GSMB has invested Rs 4,000,000 in GSMB Technical Services (Pvt) Ltd. This company has been incorporated by the companies Act. Rules & regulations are relevant to the companies Act.

During the year 2012 GSMB Technical has declared dividends. This has been shown in the Financial Statements of GSMB. As the company's year-end 31/3/2013, dividend receivable cannot be shown in the Financial Statements of GSMB.

As per the audited Financial Statements presented by the GSMB Technical Services (Pvt) Ltd for the year ended 31/3/2012. The financial information are as follows. (01/01/2012-31/03/2012)

	Rs.
Total Income	177,234,321.40
Total Expenses	165,086,392.50
Net Profit	<u>12,147,929.00</u>

As per the non audited Financial Statements presented by the GSMB Technical Services (Pvt) Ltd for the year ended 31/12/2012. The financial information are as follows. (01/04/2012-31/12/2012)

	Rs.
Total Income	428,738,461.25
Total Expenses	411,992,234.81
Net Profit	<u>16,746,226.44</u>

Property Plant and Equipment

Property Plant and Equipment are stated at a cost or valuation less aggregate depreciation. The cost of an item of property plant & equipment comprises its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use.

Depreciation of property, plant and equipment of the Bureau is provided on a straight line basis, over the period appropriate to the estimated useful life of the assets as follows.

	Useful life (Year)	Rate Per Annum
Building	5	20.0%
Plant & Machinery	8	12.5%
Motor Vehicles	5	20%
Furniture & Fittings	10	10%
Office Equipment	5	20%
Field Equipment	5	20%
Mapping Equipment	5	20%
Communication	8	12.5%
Library Books / Maps	5	5%

No depreciation has been provided on land. Full depreciation is provided on Property, Plant & Equipment purchased during the year.

Leasing of Property Plant & Equipment

Assets obtained under finance leases, which substantially transfer the entire risks and rewards incidental to that of ownership are capitalized at the cash price of the assets concerned. Assets obtained under such finance leases are depreciated on the same rate, as applicable to other Property, Plant & Equipment.

Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand, deposits in banks & call deposits.

For the purpose of cash flow statement, cash and cash equivalents include cash in hand and call deposits in banks, net of outstanding bank overdrafts.

LIABILITIES & PROVISIONS

Provisions

Provisions are made for all obligations existing as at the balance sheet date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

Defined Benefit Plan –Gratuity

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

Defined Contribution Plans Employees' Provident fund & Employees' Trust fund

Employees are eligible for Employees' Provident fund contribution and Employees' Trust Fund Contributions in line with the respective statutes and regulations. Bureau contributes 12% and 3% of gross emoluments of the employees to Employees' Provident Fund and Employees' Trust fund respectively.

COMPREHENSIVE INCOME STATEMENTS

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bureau and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration receivable. The following specific criteria are used for the purpose of recognizing revenue.

a) Rendering of Services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

b) Interest

Interest Income is recognized on an accruals basis.

c) Others

It is the policy that net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other noncurrent assets including investment are been accounted for in the income Statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

d) Royalty income

Income received under royalty has been accounted on a cash basis.

The mines & Mineral Act allows royalty of a particular year to be paid in the following year up to 20th April of the year. As the Royalty cannot be ascertained until the declaration is made a provision cannot be made in this regard. A change to the regulations in the year 2006 allowed GSMB to collect an advance on Royalty. This could be set off any unpaid Royalty at the end of the licensing period or will have to be refund in full to the license's holder.

Expenses

All expenses incurred in the running of the business maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

CASH FLOW

The cash flow of the Bureau has been presented using the indirect method in accordance with the Sri Lanka accounting standard No.7 –Cash flow statement.

TAXATION

GSBM is exempted for corporate tax.

POST BALANCE SHEET EVENTS

All material events occurring after the balance Sheet date and where necessary we make adjustments or disclosure to these financial statements.

Statement of Financial Position as At 31st December 2012

Asset	Note	Up to 31 st Dec. 12 Rs.	Up to 31 st Dec. 11 Rs.	Up to 31 st Jan. 11 Rs.
Non Current Assets	13			
Land , Bulding & Land Fencing		21,078,364.40	18,129,625.42	13,660,864.40
Land – Battaramulla (Lease Hold Property)		62,815,090.11	61,277,986.36	55,241,300.00
Land – Yakkala		9,391,549.00	35,588,016.41	35,588,016.41
Land-Orugodawatta		130,476,702.62	130,476,702.62	130,476,702.62
Building - Yakkala (Co-repository)		14,243,065.09	0.00	0.00
Buiding – Yakkala (Regional Office)		12,299,000.33	0.00	0.00
Building Portioning		1,189,466.37	234,339.73	380,745.50
Plant & Machinery		10,439,617.95	6,728,803.33	6,969,540.53
Motor Vehicles		122,548,061.86	97,472,416.84	131,335,725.22
Mapping Equipment		3,933,981.99	4,822,644.70	5,767,919.84
Drilling Spares – Note 14A		8,421,560.45	6,908,934.23	8,237,608.69
Lab Equipment		42,009,696.34	54,498,117.42	47,562,102.55
Field Equipment		3,914,119.03	5,227,411.95	6,892,707.31
Office Equipment		41,446,244.70	35,480,387.12	37,922,351.04
Communication Equipment		1,268,265.17	895,113.56	7 84,920.56
Furiniture & Fittings		4,689,634.86	3,611,262.93	3,746,773.14
Maps		306,191.20	287,092.09	315,370.85
Books – Library		13,133,008.64	16,279,966.14	13,801,264.48
Net Non Current Assets		503,603,620.11	477,918,820.85	498,683,913.14
Work In Progress				
Proposed GPR/ERP System		1,053,500.00	301,000.00	0.00
Investements				
Investments		4,000,000.00	4,000,000.00	4,000,000.00
Instrument Of G.S.N. Station		5,974,799.94	5,974,799.94	5,949,056.40
V-sat Installation		567,502.67	567,502.67	537,502.67

	Note	Up to 31 st Dec. 12	Up to 31 st Dec.11	Up to 31 st Jan.11
Current Assets		Rs.	Rs.	Rs.
Stocks – Stationery		3,040,305.30	1,749,156.31	2,385,413.03
Stocks – Hardware		8,030,898.44	3,741,840.82	3,337,412.88
Stocks – Library Books/Maps		694,692.80	485,084.96	617,110.69
Debtors	15	17,145,324.58	21,239,715.51	22,468,378.39
Debtors – Return Cheques		633,198.84	271,732.91	153,065.54
Debtors – G.S.M.B.Technical Services Ltd		1,049,671.79	1,770,886.33	1,273,869.97
Prepayments	16	7,008,256.92	3,162,468.56	2,929,006.57
Staff Loans – 1	17	37,266,615.14	34,284,435.44	33,021,079.75
Staff Loans – 2		8,200.00	8,200.00	8,200.00
Festival Advance	18	214,250.00	210,750.02	213,983.34
Special Advance	19	8,500.00	8,250.00	15,000.00
Advance Of Field Officers	20	4,818,151.97	1,656,101.96	1,637,051.96
Advances – Purchases	21	5,286,165.78	286,514.00	2,784,774.00
Advance & Loans B Account		208,775.26	208,775.26	208,775.26
Building Deposit		1,600,000.00	1,600,000.00	1,600,000.00
Building Deposit –Branch		1,266,000.00	1,366,000.00	100,000.00
Refundable Deposits		264,000.00	256,500.00	221,500.00
Rent Advance -		3,679,416.67	4,895,416.56	1,794,416.56
Books – Licensing		864,060.00	0.00	290,090.65
Deposits	22	710,946,451.07	897,049,667.02	1,225,772,455.42
Bank Of Ceylon – Current Account		290,774.76	1,207,497.00	9,243.08
Commercial Bank – Current Account		57,907.58	136,537.87	209,282.90
Sampath Bank – G.S.N.Station		203,433.36	1,286,645.22	1,415,089.25
Sampath Bank –Current Account		78,703.70	580,777.59	1,191,129.18
Peoples Bank – Matara		17,288.77	153,519.27	340,324.99
Peoples Bank –Current Account		357,025.27	414,012.03	75,619.53
Peoples Bank –Current Account (Galle RD BR)		4,839,671.24	650,189.62	4,122,514.06
Interest Receivable	23	13,553,074.06	11,719,810.78	22,264,535.34
Stamp Imprest – 1		460.00	460.00	460.00
Cash – 1		12,000.00	5,383.65	12,000.00
Total Assets		1,338,642,696.02	1,479,168,452.15	1,839,642,254.55

	Note	Up to 31 st Dec. 12 Rs.	Up to 31 st Dec.11 Rs.	Up to 31 st Jan.11 Rs.
Equity And Liabilities				
Consolidated Fund	24	27,652,883.05	27,652,883.05	27,652,883.05
Department Fund	25	1,746,725.68	1,746,725.68	1,746,725.68
Capital Fund	26	68,916,6550.00	68,916,655.00	68,916,655.00
Foreign Grants	27	1,984,210.00	1,984,210.00	1,984,210.00
Transferred To Treasury		(2,372,749,478.70)	(1,622,749,478.70)	(622,749,478.70)
B/F Income Over Expenditure		2,564,544,404.92	2,097,804,976.70	1,662,806,787.53
Income Over Expenditure		665,548,815.22	618,549,416.44	469,504,022.94
Revaluation Reserve		17,150,000.00	0.00	0.00
Non Current Liabilities				
Provision On Gratuity	28	31,211,546.88	27,769,919.63	24,068,711.26
Current Liabilities				
Creditors	29	18,308,657.56	6,777,347.15	8,779,964.65
E.P.F/E.T.F Payable	30	1,417,138.59	1,220,092.42	1,180,575.15
Advance – B Payable	31	42,082.20	42,082.20	42,082.20
Advance On G.S.N.Station	32	5,350,063.75	5,897,095.42	5,781,581.98
Advance On I.E.E.R.	33	6,526,567.30	6,278,776.30	5,345,476.30
Advance On Project	34	3,284,190.47	4,458,601.80	267,656.11
Advance On Chemical Analysis		68,342.50	200,118.50	38,962.50
Unpresented Cheques		783,617.70	150,332.25	0.00
Advance Received On Others		0.00	20,751.43	5,111.43
Rehabilitation/ Refundable Deposits		246,545.26	245,595.52	244,735.52
VAT/WHT/ESE Stamp Duty Payable		26,803,335.27	11,914,048.61	1,307,977.13
Advance On Royalties		155,422,082.65	128,693,341.95	99,981,452.51
Advance On Mining Licence	35	102,318,039.08	80,147,644.62	72,860,052.25
Accruals	36	12,066,271.64	11,447,316.18	9,876,110.06
Total Equity and Liabilities		1,338,642,696.02	1,479,168,452.15	1,839,642,254.55

Comprehensive Income Statement for the 12 Months Ending 31stDecember 2012

	Note		Up to 31 st Dec.12 Rs.	Up to 31 st Dec.11 Rs.
Income				
1	Treasury Grants		0.00	0.00
2	Royalty – 2012	01	737,582,218.82	596,030,750.29
3	License Fees:	02		
	Exploration		1,028,000.00	1,352,000.00
	Industrial		21,309,250.00	23,514,100.00
	Artisanal Mining		8,581,000.00	7,835,250.00
	Trading		4,190,000.00	4,796,400.00
	Export		2,445,000.00	2,910,000.00
	Transport		36,528,975.00	36,131,365.98
4	Inspection Fees		148,492,411.37	126,769,543.19
5	Laboratory Income	03	1,393,396.00	1,102,964.29
6	Project Income	04	13,531,163.14	33,951,570.37
	Gross Income		975,081,414.33	834,393,944.12
7	Other Operating Income	05	38,511,565.66	27,410,498.06
Expenses				
1	Geological	06	28,973,231.06	23,353,508.37
2	Mapping Expenses	07	6,758,054.94	6,343,832.92
3	Project Expenses	08	7,824,654.98	15,584,127.85
4	Regional Office	09	86,456,437.22	66,794,068.63
5	Mining	10	29,626,553.41	30,825,167.84
6	Administration	11	254,804,903.77	200,351,116.88
	Income Over Expenditure From Operations		599,788,144.61	518,552,323.69
	Interest Income	12	91,334,264.73	99,997,092.75
	Income Over Expenditure Before Tax For The Preiod		691,122,409.34	618,549,416.44
	Tax	13	25,573,594.12	0.00
	Income Over Expenditure After Tax For The Period		665,548,815.22	618,549,416.44
	Other Comprhensive Income		0.00	0.00
	Total Compehensive Income		665,548,815.22	618,549,416.44

Notes to the Financial Statements

Notes To The Accounts – Year 2012

Note : 01 - Royalty

This is the royalty collected in the year 2012

Note :02 - Licence Fees

This is the income realized on issue of licences

Note : 03 - Laboratory Income

This is the income earned on sample testing and chemical analysis

Note : 04 - Project Income

The amount shown represent the value of the realized income undertaken by the GSMB

	2012 Rs.	2011 Rs.
Project – Kaluganga		5,955,557.90
Project – Soil Tech (Geophysical Investigation)		273,900.00
Project – Madampe		551,662.50
Project – Upputharavai		1,707,358.06
Project – Parikanmadu		1,055,348.80
Project – Talaimannar (D.A.Perera)		1,679,623.50
Project – Chilaw – Waikkala		1,314,823.75
Project – Achchimale		7,908,595.00
Project – Kokilai (Pulmudei)		3,464,870.50
Project – Keolin Survey		7,780,683.16
Project – Talaimannar (Supreme)		2,259,147.20
Project – NCP Canal Bakamoona	5,282,000.00	
Project - MIN-EX-Trinco (Supreme)	1,619,404.64	
Project – Drill Colombo Commercial	338,745.00	
Project – Drilling Minipe	1,332,767.87	
Project – MIN-EX Gampha	755,114.00	
Project – Mineral Survey Monaragala	2,488,543.85	
Project – Wellawaya Iron Core	1,714,587.78	
	13,531,163.14	33,951,570.37

Note : 05 - Other Operating Income

	2012	2011
	Rs.	Rs.
Type Of Income		
Test Blast Income	3,525,000.00	2,863,175.00
Sale Of Publication	550,965.00	679,911.54
Mining Refund CGS	75,400.00	356,675.00
Feild Supervision	531,730.28	773,600.20
Export Sample Income	138,574.35	92,348.91
Supplier Registration	152,315.00	118,500.00
INT On Distrees Loans	1,422,376.58	1,331,375.01
Sundry Income Mining	11,047,353.57	13,350,706.91
Equipment Hiring	920,500.00	630,000.00
Sundry Income – Other – Note 5A	17,987,350.88	5,214,205.49
Dividend Income – Note 5AB	2,160,000.00	2,000,000.00
	38,511,565.66	27,410,498.06

Note :05A – Sundry Income – Other

Transfer Fee – Mining	12,200.00	5,000.00
Special Inspection Fee	0.00	1,384,200.00
Penalty On Not Providing Previous Licence	16,769,930.04	2,863,577.44
Traning Course Fee	465,000.00	182,500.00
MI UNIT Income	19,700.00	2,130.00
Sundry Income - GEO	12,023.00	35,489.28
Sundry Income	700,497.84	419,259.33
Office Cheargrs On Refund Licence	8,000.00	0.00
Suspend Account	0.00	322,049.44
	17,987,350.88	5,214,205.49

Note : 05B – Dividend Income

The dividend has been declared by the GSMB Technical Services for the year ended 31/03/2012

Expenses

Note : 06 - Geological Expenses

Account Type	Geological Rs.	Tsunami Rs.	Library Rs.	Laboratory Rs.	Total Rs. 2012	Total Rs. 2011
Salaries	9,529,613.14		324,176.93	2,783,628.38	12,637,418.45	10,358,911.34
Allowances	3,471,995.31		149,831.53	1,033,382.21	4,655,209.05	2,653,800.46
E.P.F.	1,143,553.53		38,901.23	334,035.40	1,516,490.16	1,234,494.69
E.T.F.	285,888.36		9,725.31	83,508.85	379,122.52	309,315.16
Wages	1,387,650.51		131,700.00	434,332.90	1,953,683.41	1,976,129.27
Overtime	231,560.33		28,316.49	13,483.44	273,360.26	445,982.92
Travelling	200,718.00		400.00	61,600.00	262,718.00	479,896.00
Fuel	54,506.00				54,506.00	62,915.10
Stationary	1,176,864.06		262,620.43	646,489.40	2,085,973.89	3,006,726.66
Newspapers			176,065.18		176,065.18	99,952.69
Courier Chargers			10,597.00		10,597.00	26,100.00
Other	457,527.78	2,445,870.32	566,986.79	1,497,702.25	4,968,087.14	2,699,580.08
	17,939,877.02	2,445,870.32	1,699,320.89	6,888,162.83	28,973,231.06	23,353,804.37

Note : 07 - Mapping Expenses

Account Type	Battuluoya Mapping Rs.	Horowpothana Mapping Rs.	Kalani-sand Mapping Rs.	Morawaka Mapping Rs.	Wellaway Mapping Rs.	Thisamaharama Mapping Rs.	Kalani-gold Mapping Rs.	Galle Mapping Rs.	Other Mapping Rs.	2012 Total Rs.	2011 Total Rs.
Salaries	204,174.20	562,625.05	29,467.73	523,446.72	91,512.79	298,759.84	160,590.74	150,749.84	0.00	2,021,326.91	1,437,483.16
Allowances	70,255.15	215,804.90	12,364.84	238,002.41	28,563.41	142,754.30	55,546.52	67,336.67	0.00	830,628.20	509,505.37
Wages	184,450.00	622,200.00	64,475.00	368,200.00	54,150.00	264,750.00	121,750.00	155,500.00	0.00	1,835,475.00	1,988,850.00
Overtime	6,800.68	23,313.45	0.00	60,631.83	0.00	22,575.97	0.00	11,760.00	0.00	125,081.93	106,729.29
E.P.F.	24,500.91	67,514.99	3,536.13	62,813.61	10,981.53	35,851.18	19,270.89	18,089.97	0.00	242,559.21	215,622.48
E.T.F.	6,125.22	16,878.76	884.03	15,703.40	2,745.38	8,962.80	4,817.71	4,522.50	0.00	60,639.80	
Travelling	57,975.00	148,726.00	2,450.00	135,399.00	58,140.00	162,150.00	34,375.00	71,050.00	0.00	670,265.00	981,024.00
Fuel	17,193.00	161,948.00	0.00	105,051.00	28,762.00	66,627.50	14,000.00	41,694.00	0.00	435,275.50	506,219.28
Other	53,970.00	139,514.00	12,845.00	115,327.00	23,784.00	74,597.39	38,577.00	59,094.00	19,095.00	536,803.39	598,399.34
	625,444.16	1,958,525.15	126,022.73	1,624,574.97	298,639.11	1,077,028.98	448,927.86	579,796.98	19,095.00	6,758,054.94	6,343,832.92

Account Type	General	NCP Canal Bakamoona Rs.	MIN-EX Trinco-Supreme Rs.	Drill Colombo Commercial Rs.	Drill Mapping Rs.	GEO-Mines Gampaha Rs.	Mineral survey Monaragala Rs.	Wellawaya Iron core Rs.	2012 Total Rs.	2011 Total Rs.
Salaries	591,437.74	899,430.00	80,062.50	50,741.67	221,506.33	253,479.17	349,792.50	48,791.61	2,495,241.52	4,219,873.49
Allowances	235,175.18	322,114.50	38,334.38	21,887.00	124,550.75	105,296.88	143,143.88	14,112.29	1,004,614.86	1,224,580.92
Wages	0.00	693,200.00	35,000.00	72,350.00	212,550.00	226,100.00	291,900.00	0.00	1,531,100.00	4,814,222.75
Overtime	0.00	15,847.18	5,780.14	15,409.49	49,771.83	6,512.32	15,567.57	0.00	108,888.53	273,707.23
E.P.F.	70,972.53	107,931.60	9,607.50	6,089.00	26,580.76	30,417.50	41,975.10	5,854.99	299,428.98	512,349.96
E.T.F.	17,743.13	26,982.90	2,401.88	1,522.25	6,645.19	7,604.38	10,493.73	1,463.75	74,857.26	128,087.90
Travelling	0.00	334,961.00	26,050.00	28,950.00	139,366.00	139,677.00	184,715.00	9,000.00	862,719.00	1,010,376.00
Stationary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,335.00
Fuel	0.00	164,041.60	28,560.00	50,271.00	177,368.00	63,181.00	190,909.00	0.00	674,330.60	1,220,590.20
Other	0.00	333,425.26	11,771.00	8,187.25	214,094.20	81,844.00	124,152.52	0.00	773,474.23	2,175,004.40
	915,328.58	2,897,934.04	237,567.40	255,407.66	1,172,433.06	914,112.25	1,352,649.35	79,222.64	7,824,654.98	15,584,127.85

Note : 09 - Regional Office Expenses

Account Type	Kandy Rs.	Matara Rs.	Kurunagala Rss.	A'pura Rs.	Badulla Rs.	P'uwa Rs.	Ratnapura Rs.	Ampara Rs.	Monaragala Rs.	Hambantota Rs.	Kantale Rs.	Jaffna Rs.	Trinco Rs.	Batticaloa Rs.	Kalutara Rs.	Gampaha Rs.	2012 Total Rs.	2011 Total Rs.
Salaries	3,176,365.93	1,797,344.53	2,623,005.72	1,717,846.99	2,040,836.28	280,048.33	1,985,488.50	1,115,150.81	1,387,04.85	1,378,921.97	334,754.89	422,042.91	1,538,047.80	721,581.13	2,647,608.26	301,962.25	23,488,111.15	19,366,173.31
Allowances	1,652,317.86	936,779.63	1,441,119.88	949,641.89	1,087,354.06	161,542.25	1,048,944.82	640,780.68	734,204.52	691,411.45	189,541.03	222,392.80	873,619.68	410,579.61	1,328,714.47	160,607.23	12,529,551.86	8,384,507.63
Wages	404,000.00	0.00	676,000.00	627,750.00	430,000.00	0.00	570,750.00	320,750.00	612,500.00	551,250.00	0.00	0.00	691,500.00	173,000.00	655,000.00	277,750.00	5,990,250.00	3,628,751.50
Overtime	302,304.23	63,347.23	253,483.55	135,965.83	108,393.54	0.00	61,703.34	66,884.12	201,813.48	75,609.16	80,341.22	0.00	135,219.99	49,555.23	125,906.10	11,549.43	1,672,076.45	2,329,044.85
E.P.F.	381,163.91	215,681.34	314,760.66	206,141.63	244,900.35	33,605.80	238,258.63	133,818.10	166,452.58	165,470.63	40,170.39	50,645.15	186,965.73	86,589.74	317,712.98	36,235.47	2,818,573.29	2,232,940.81
E.T.F.	95,290.99	53,920.34	78,690.20	51,535.41	61,225.10	8,401.45	59,564.65	33,454.52	41,613.13	41,367.65	10,042.65	12,661.29	46,741.43	21,647.43	79,428.26	9,058.87	704,643.37	580,985.16
Travelling	447,877.00	193,304.00	414,632.00	247,570.00	110,517.50	0.00	211,517.00	221,415.00	176,248.00	141,432.00	0.00	52,152.00	117,238.00	167,600.00	249,410.00	68,200.00	2,819,112.50	3,234,670.50
Rent	0.00	342,000.00	300,000.00	210,000.00	485,000.00	0.00	401,666.66	258,500.00	420,000.00	626,000.00	108,000.00	242,500.00	0.00	400,000.00	480,000.00	0.00	4,273,666.66	3,154,500.00
Fuel	888,798.13	438,525.71	1,033,291.38	761,710.00	470,017.64	0.00	543,318.04	542,717.81	511,260.12	326,028.40	0.00	430,625.14	452,748.90	496,091.64	438,816.30	101,395.00	7,435,344.21	5,030,287.13
Stationary	536,619.27	191,072.9	500,459.19	335,222.86	455,780.53	0.00	327,198.25	201,717.00	278,073.05	154,124.75	250.00	230,431.96	285,388.23	293,208.15	343,698.30	268,856.05	4,402,100.56	4,032,085.35
Telephone	218,471.66	176,924.88	176,919.71	120,567.00	150,546.08	0.00	133,669.07	133,718.47	154,472.00	158,776.98	0.00	65,960.98	123,566.67	110,458.25	238,452.32	10,567.56	1,973,071.63	1,543,484.31
Electricity	94,653.50	30,955.00	78,725.00	105,217.12	73,645.00	0.00	50,585.00	22,925.64	105,901.00	114,469.96	18,633.25	38,811.02	44,191.75	6,807.00	95,630.00	5,198.13	886,348.37	689,819.43
Security	555,600.00	558,900.00	553,200.00	561,000.00	836,700.00	381,000.00	580,800.00	558,900.00	561,000.00	543,300.00	553,500.00	587,700.00	230,400.00	465,000.00	553,800.00	331,200.00	8,412,000.00	5,508,528.55
Water																		
Repair																		
Other	961,991.13	369,685.41	1,120,653.26	676,024.06	690,930.99	0.00	671,351.47	524,048.38	972,687.18	613,581.04	129,967.01	416,814.47	397,063.42	419,922.48	767,838.62	319,920.25	9,051,587.17	6,987,290.10
	9,714,561.61	5,368,441.04	9,564,940.55	6,706,192.79	7,245,847.07	864,597.83	6,884,815.43	4,774,780.53	6,323,329.91	5,581,743.99	1,465,200.64	2,772,737.72	5,142,691.60	3,822,040.66	8,322,015.61	1,902,500.24	86,456,437.22	66,794,068.63

Note : 10 - Mining Expences

Account Type	2012 Rs.	2011 Rs.
Salaries	9,499,528.39	9,340,241.00
Allowances	4,397,985.16	3,501,505.48
Wages	5,046,885.77	6,148,802.82
Overtime	893,004.85	1,709,954.63
E.P.F.	1,164,687.41	1,150,611.78
E.T.P.	291,171.87	287,652.90
Travelling	814,703.00	1,519,734.00
Fuel	356,250.05	132,504.88
Stationary	6,447,816.62	4,837,100.28
Other	714,520.29	2,197,060.11
	29,626,553.41	30,825,167.84

Note : 11 - Administration Expences

Type Of Account	2012 Total Rs.	2011 Total Rs.
Salaries	13,622,718.22	13,151,685.43
Allowances	6,815,520.04	5,461,403.43
Wages	2,688,481.75	2,685,247.62
Overtime	1,896,163.08	1,665,514.39
E.P.F.	1,634,726.47	1,575,243.18
E.T.F.	408,681.55	393,856.46
Travelling – Local	782,912.40	641,380.60
Travelling – Foreign	9,282,762.61	672,950.00
Uniforms	188,607.70	169,857.40
Medical	6,322,078.50	5,401,581.88
Bonus	2,673,742.42	2,367,649.57
Welfare	3,449,376.97	2,932,796.73
Staff Traning	920,022.40	617,332.00
Membership Fees	189,455.87	253,357.97
Rent	4,440,000.00	23,380,800.00
Security	3,243,930.00	2,224,893.09
Cleaning	3,050,379.28	782,741.08
Electricity	4,567,268.91	7,762,252.19
Water	356,862.18	488,108.43
Telephone	4,692,337.27	2,336,117.35
Internet	96,813.73	206,446.84
Building Rent – Ministry	12,794,790.00	0.00

Fuel	5,608,553.36	3,710,873.25
MV Revenue Licence	241,554.80	110,851.62
Gratuity	4,113,994.50	4,921,477.37
MV – Repairs	6,169,424.93	4,403,377.37
MV – Service CGS	2,860,003.64	1,760,473.93
MV – Hiring CGS	385,383.50	902,831.62
Insurance – Personnel Accident	401,858.99	298,226.10
Insurance – Other	373,690.14	263,255.44
Insurance – Hospital	2,411,963.64	1,601,591.92
Insurance – MV	2,977,866.55	2,873,337.14
Insurance – Building	373,669.40	14,230.62
Insurance – Money in Transist	591,249.63	248,084.39
Maintenance - Building	2,210,779.50	19,890.00
Maintenance -Plant & Machinery	373,557.60	323,694.00
Maintenance - Elevator	53,918.91	269,646.07
Maintenance - Office Equip	2,574,942.99	1,891,838.38
Maintenance - Software	1,525,271.26	1,263,255.83
Board Fees/ Board Exp	640,490.98	444,570.21
Legal Fees	2,566,110.00	766,295.00
Audit Fees/A & M Fee	655,248.58	932,710.50
Professional Fees	0.00	179,575.23
Bank CGS	67,857.69	184,052.42
Postage	320,186.61	233,124.00
Stamp Fee	138,900.00	67,250.00
Stationary	3,284,756.97	3,171,817.02
Advertisement CGS	1,962,550.00	1,413,093.32
Trade Promotion	177,769.45	3,824,120.91
Depreciation	84,374,116.76	67,259,900.40
VAT/NBT/ESC	18,984,802.42	15,693,010.33
Donations	3,148,922.45	160,924.00
Rehabilitation	982,863.25	0.00
Other Expenses – Note 11A	19,496,013.92	5,972,522.85
	254,165,903.77	200,351,116.88

Note : 11A - Other Expences

Type Of Account	2012 Total Rs.	2011 Total Rs.
Interview Board Exp.	53,680.00	0.00
Vehicle Loan Interest Reimbursement	660,587.75	278,785.33
Housing Loan Interest Reimburesement	1,132,362.05	27,867.15
Disel Tax	507,233.30	87,400.00
Drivinig Licence	2,700.00	3,100.00
Vehicle Tracking System	261,895.09	1,526,359.93
Tender Board Exp.	326,375.00	0.00
Yakkala Exp.	3,145,612.51	1,905,643.00
Inventory – Below Than 5000	492,399.51	0.00
Consultancy Fee	617,500.00	0.00
Donation For Scholarship Grade 5	45,000.00	0.00
Other Office Exp.	12,250,668.71	2,143,367.41
	19,496,013.92	5,972,522.85

Note : 12 - Interest Income

	2012 Total Rs.	2011 Total Rs.
Peoples Bank – Galle RD	61,367,446.67	32,559,403.07
Peoples Bank	0.00	1,548,810.38
Bank Of Ceylon	0.00	1,525,947.75
INT On Treasury Biils	27,392,638.10	25,847,281.00
INT On Surflus AC	2,574,179.96	38,515,650.55
	91,334,264.73	99,997,092.75

Note : 13 - Income Tax

As per the Section 07 (B) of inland revenue act no 10 of 2006 GSMB is liable to pay income tax. Accordingly Rs.25,573,594.12 have been paid for the year 2011.

Note : 14 - Summery of Fixed Asset

	Opening Balance as at 01/01/2012	Addition During The Year	Adjustment Year	Balance as at 31/12/2012	Depreciation As at 01/01/2012	Adjustment	Charge for The Year	Cumulative Depreciation End of the year 31/12/2012	Net Value 31/12/2013	Net Value 31/12/2011
Land & Fencing	452,133.50			452,133.50	452,132.50			452,132.50	1.00	1.00
Building & Partitioning	2,126,583.35	1,314,660.00	(2,097,212.55)	1,344,030.80	1,892,243.62	(2,039,910.81)	302,231.62	154,564.43	1,189,466.37	234,339.73
Plant & Machinery	39,485,301.13	5,470,161.65	(61,088.47)	44,894,374.31	32,756,497.80		1,698,258.56	34,454,756.36	10,439,617.95	6,728,803.33
Motor Vehicle	171,854,769.34	40,633,926.00	(3,576,719.00)	208,911,976.34	74,382,352.50	(20,726,751.16)	32,708,313.14	86,363,914.48	122,548,061.86	97,472,416.84
Mapping Equipment	8,884,500.80	720,340.20	(4,200.00)	9,600,641.00	4,264,249.54		1,503,825.23	5,768,074.77	3,832,566.23	4,822,644.70
Lab Equipment	127,850,776.05	9,285,639.20	915,030.40	138,051,445.72	73,352,658.63		22,689,090.75	96,041,749.38	42,009,696.34	54,498,117.42
Field Equipment	9,462,143.80	253,492.40	(21,495.00)	9,694,141.20	4,234,731.85		1,545,290.32	5,780,022.17	3,914,119.03	5,227,411.95
Office Equipment	91,946,171.71	19,318,634.29	(70,135.22)	111,194,670.78	56,465,784.59	338,181.24	12,944,460.25	69,748,426.08	41,446,244.70	35,480,387.12
Communication Equipment	2,212,625.37	575,110.00	(83,783.10)	2,703,952.27	1,317,511.81		118,175.29	1,435,687.10	1,268,265.17	895,113.56
Drawing Equipment	202,393.44			202,393.44		75,678.44	25,299.24	100,977.68	101,4115.76	0.00
Furniture & Fitting	7,299,468.14	1,655,972.26		8,955,440.40	3,688,205.21		577,600.33	4,265,805.54	4,689,634.86	3,611,262.93
Maps	475,824.75			475,824.75	188,732.66	(42,890.31)	23,791.20	169,633.55	306,191.20	287,092.09
Books	209,607.84		(209,607.84)							209,607.84
Books Library	20,620,147.85	1,050.00	169,630.30	20,790,828.15	4,549,789.55		3,108,029.60	7,657,819.15	13,133,008.64	16,070,358.30
Spare Parts	374,010.40		(23,955.00)	350,055.40	239,377.50	(0.10)	21,216.06	260,593.56	89,461.74	134,632.80
Drilling Spare	9,419,769.24	2,838,870.01		12,258,639.25	2,830,416.90		1,248,671.99	4,079,088.89	8,179,550.36	6,589,352.34
Hardware Items	318,352.20	4,250.00	(3,400.00)	319,202.20	133,403.21		33,250.64	166,653.85	152,548.35	184,948.99
Building at Gampaha Regional Office		12,946,316.15		12,946,316.15			647,315.82	647,315.82	12,299,000.33	0.00
Co-repository yakkala werallawatta			25,896,481.90	25,896,481.90		6,474,120.45	5,179,296.31	11,653,416.76	14,243,065.09	0.00
Total	493,194,578.91	95,018,422.16	20,829,546.42	609,042,547.56	260,748,087.87	(15,921,572.15)	84,374,116.35	329,200,632.07	279,841,914.98	232,446,490.94

Note :15 - Debtors

	2012 Total Rs.	2011 Total Rs.
Debtors Project – 15A	14,933,274.64	18,936,777.71
Chemical Anallysis – 15B	37,865.00	37,865.00
Sundry Debtors – 15C	460,537.25	535,732.11
Inland Revenue GST Receiveble	973,143.00	973,143.00
Insurance Claim	103,103.70	118,796.70
H & S Insurance – 15D	113,732.35	113,732.35
Debit Notes - 15E	523,668.64	523,668.64
	17,145,324.58	21,239,715.51

Note :15A - Debtors (Project)

		2012 Total Rs.	2011 Total Rs.
2003-J1258	Star Building Quartz – Randeniya Wellawaya	116,270.53	116,270.53
2002-G588	Lanka Tiles – Kalutara Projects	10,260.37	10,260.37
2002-G513	Ceylon Electricity Bord – Pannipitiya Projects	48,985.20	48,985.20
-G809	Kegalle Plantation – Kegalle Projects	10,580.00	10,580.00
-G831	Overcies Tradind Co.Ltd	354,833.00	354,833.00
2008-G1054	Holsim Lanka Ltd – Holcim Project	61,964.95	61,964.95
2007-	W.S.Gold Co.Ltd - W.S.Gold Projects	140,174.97	140,174.97
2007-	Central Engineering Co. Bu. – Moragahakanda Projects	910,115.62	910,115.62
	Central Cultural Fund - Galle Projects	163,614.73	163,614.73
2009-G1226 , 1071	Central Engineering Co. Bu. – Moragolla Projects	246,235.56	246,235.56
2007-G1076	Geojin Quartz – Illukpelessa	825,489.34	825,489.34
2008-	Central Cultural Fund - Sigiriya Projects	183,975.78	183,975.78
2009-G1073	Central Cultural Fund - Galle Projects- Star bastian	69,310.28	484,712.28
2010-G1079	Central Cultural Fund - Galle Stage 1	111,805.93	175,750.49
2010-G1086	Central Cultural Fund - Galle Stage 11	131,964.82	52,135.58
2010-G1084	Tokyo Cement- Poonarine Project-Geophysical	168,000.00	168,000.00
2010-G1087	Damsila Exports (Pvt) Ltd- Thirukkivil Project	239,264.72	816,969.40
2011-G1559	Ministry of Industries & Co.- Keolin Survey Project	2,714,365.14	2,714,365.14
2011-G1560	Lanka Minaral Sand- Kokilai Pulmude		1,940,327.48
2011-G1556,1554	Holsim Lanka Ltd – Achchumale Projects		5,977,176.40
2011-G1100	Suppreem Solution- Parikkanmadu Mannar		590,995.33
2011-G1098	Suppreem Solution- Upputharavai Pesalei		956,120.52
2011-G1099	Suppreem Solution- Talaimanna Pesalei		1,265,122.44

2011-G1558	V.V.Minaral- Waikkal Project	722,602.60	722,602.60
2011-G1557	Central Engineering Co. Bu. – Kalugaga Projects	17,491.60	
2012-G1582	UNDP- Gampaha Project	400,164.00	
2012-G1583	Disaster Ma. Centre- Monaragala & Badulla Project	1,456,565.50	
2012-G1586	Mahaweli Co.Bu.- NCP Canal Bakamoona Project	4,829,240.00	
2012-G1595	Mahaweli Co.Bu.- Minipe Driling Project	1,000,000.00	
		14,933,274.64	18,936,777.71

Note : 15B - Debtors (Chemical Analysis)

		2012	2011
		Total	Total
		Rs.	Rs.
18-10-2003 – G624	Foundation Water Well Engineering	5,280.00	5,280.00
30-12-2003 – G640	Foundation Water Well Engineering	8,400.00	8,400.00
18-07-2004 – G654	Aquatic Resource Development & Quality Improvement Project	11,385.00	11,385.00
30-03-2004 – G651	Priyalal Dias	6,900.00	6,900.00
24-03-2004 –G650	General Metal Co.Ltd	1,300.00	1,300.00
Dec. 2006 - G950	N.B.R.O.	4,600.00	4,600.00
		37,865.00	37,865.00

Note : 15C - Sundry Dedtors

Minisrty Of Environment and Natural Resources

		Rs.
27-05-2009	Rangira Hardware – Construction of Ritigala Banda Pond	136,350.00
01-06-2009	S.A.Aberathne - Construction of Ritigala Banda Pond	72,000.00
01-06-2009	A.C.Palipana - Construction of Ritigala Banda Pond	115,500.00
01-06-2009	Udaya Enterprises - Construction of Ritigala Banda Pond	19,950.00
		343,800.00

Note : 15C - Sundry Dedtors

		Rs.
30-11-2012	Brown & Company Plc – Purchase of Battery	482.25
21-12-2012	Solis Hotel – Contribution for Transport Night 2012	22,500.00
31-12-2012	Fuel for Election 2012	93,755.00
		116,737.25

Note : 15-D - Debtors H & S Insurance Claim

			2012 Total Rs.	2011 Total Rs.
18-07-2003	3965	P.A.Suneetha	6,521.87	6,521.87
24-07-2003	4042	D.N.K.Silva	11,975.95	11,975.95
01-08-2003	4241	J.S.K.Udugamasuriya	5,781.10	5,781.10
29-08-2003	4498	S.A.Anura Kumara	28,735.00	28,735.00
30-09-2004	4754	J.S.K.Udugamasuriya	6,010.00	6,010.00
01-01-2004	5417	D.N.K.Silva	32,312.18	32,312.18
01-02-2004	5426	Raigamkorale	22,396.25	22,396.25
			113,732.25	113,732.35

Note : 15E - Debtor Debit Nots – Royalty

			2012 Total Rs.	2011 Total Rs.
2003	20	Ceylon Quarts Industries (Pvt) Ltd	432,871.84	432,871.84
2003	40	Ceyquartz MBI (Pvt) Ltd	90,796.80	90,796.80
			523,668.64	523,668.64

Note : 16 - Prepayments – Year 2012

Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Badulla R. Office for 1/7 – 9/3/2013	3,213.70	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Matara R. Office for 1/1/2013 – 9/3/2013	935.08	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Hambantota R. Office for 1/1/2013 – 8/7/2013	5,082.81	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Trinco.R. Office for 1/1/2013 – 7/4/2013	5,002.47	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Batticaloa R. Office for 1/1/2013 – 10/8/2013	15,472.10	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy of Minipe R. Office for 1/1/2013 – 5/11/2013	78,063.40	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy for 1/1/2013– 24/2/2013	73,332.36	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy for 1/1/2013 – 29/4/2013	12,628.05	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy for 1/1/2013 – 5/11/2013	97,213.78	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy for 1/1/2013 – 5/11/2013	60,987.43	
Sri Lanka Insurance Corporation Ltd	Money in Transist Insurance Policy for 1/1/2013 – 5/11/2013	236.71	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 2/7/2013	83,038.57	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 29/8/2013	237,861.57	

Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 03/10/2013Yakkala	213,844.34	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Kandy	9,606.67	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Matara	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Kurunagala	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 A'pura	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Monaragala	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Kantale	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Trincomalee	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Batticaloa	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Ampara	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 31/12/2013 Ampara	4,661.55	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Badulla	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Kalutara	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Hambantota	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 Jaffna	9,699.49	

Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 31/12/2013 Jaffna	4,661.55	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 17/9/2013 R'pura	9,699.49	
Sri Lanka Insurance Corporation Ltd	Burglary Insurance 1/1/2013 – 23/9/2013 Gampaha	7,921.03	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 –22/6/2013	192,223.16	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Kalutara	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Trincomalee	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Hambantota	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Ratnapura	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 A'pua	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Badulla	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Kurunagala	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Matara	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Kandy	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Kantale	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Batticaloa	16,988.59	

Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Yakkala	16,988.59	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Monaragala	1,701.09	
Sri Lanka Insurance Corporation Ltd	Business Premises Insurance 1/1/2013 -13/8/2013 Gampaha	2,206.13	
Sri Lanka Insurance Corporation Ltd	Electronic Equipment Insurance 1/1/2013- 8/11/2013	14,569.35	
Sri Lanka Insurance Corporation Ltd	Electronic Equipment Insurance 1/1/2013- 8/11/2013 Tsunami Center	1,760.92	
Sri Lanka Insurance Corporation Ltd	Personal Accident Insurance 1/1/2013-31/3/2013	4,483.35	
Sri Lanka Insurance Corporation Ltd	Personal Accident Insurance 1/1/2013-31/3/2013	1,839.65	
Sri Lanka Insurance Corporation Ltd	Personal Accident Insurance 1/1/2013-31/12/2013	462,571.59	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	468,467.21	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	6,000.07	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 21/3/2013	2,464.35	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	4,955.30	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	4,369.44	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	2,598.68	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013- 28/2/2013	6,334.58	

Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013-28/2/2013	10,669.70	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy 1/1/2013-28/2/2013	6,627.04	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	7,848.81	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	3,225.57	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	1,112.30	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	3,763.13	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	5,154.34	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	23,180.86	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	10,481.00	
Sri Lanka Insurance Corporation Ltd	Hospital & Surgery Insurance Policy January – February 2013	13,714.50	
Sri Lanka Insurance Corporation Ltd	Workmen's Insurance 1/1/2013 – 31/12/2013	218,297.14	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/1/2013-5/5/2013	420,695.88	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/1/2013-25/3/2013	24,202.87	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/6/2013-11/5/2013	169,353.95	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/1/2013-21/7/2013	79,087.90	

Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/10/2013-5/5/2013	84,877.20	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Insurance Premiums for 1/1/2013-3/12/2013	617,207.40	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Diesel tax January – March 2013	60,000.00	
Sri Lanka Insurance Corporation Ltd	Motor Vehicle Diesel tax 1/1/2013 – 13/9/2013	141,666.69	4,321,430.77
Fentons Ltd	Telephone System 1/1/2013 – 31/1/2013	5,000.00	
Metropolitan Communications (Pvt) Ltd	Telephone System 1/1/2013 – 31/1/2013	19,950.00	
Softlogic Information Technologies	Dell Server for the period of 1/1/2013 – 23/5/2013	76,203.64	
Softlogic Information Technologies	Dell Server for the period of 1/1/2013 – 1/6/2013	62,379.19	
Office Network (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 29/3/2013	1,249.97	
Office Network (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 28/3/2013	1,249.97	
Office Network (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 29/3/2013	1,287.47	
Office Network (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 21/5/2013	2,060.00	
Metropolitan Office (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 28/2/2013	808.00	
Metropolitan Office (Pvt) Ltd	Fax Machine for the period of 1/1/2013 – 27/4/2013	1,442.00	
Brown & Company plc	Fax Machine at Kalutara office 1/1/2013 – 23/9/2013	4,039.08	

Office Network (Pvt) Ltd	Fax Machine at Kurunagala office 1/1/2013 – 28/11/2013	4,166.68	
Office Network (Pvt) Ltd	Fax Machine at Matara office 1/1/2013 – 29/11/2013	4,166.68	
Office Network (Pvt) Ltd	Fax Machine 1/1/2013 – 29/10/2013	5,416.68	
Metropolitan Office (Pvt) Ltd	Photocopy Machine 1/1/2013 – 29/8/2013	15,750.00	
Metropolitan Office (Pvt) Ltd	Photocopy Machine 1/1/2013 – 30/6/2013	7,500.00	
Gestetner of Ceylon PLC	Photocopy Machine 1/1/2013 – 9/8/2013	7,173.92	
Metropolitan Office (Pvt) Ltd	Photocopy Machine 1/1/2013 – 30/5/2013	10,000.00	
Metropolitan Office (Pvt) Ltd	Photocopy Machine 1/1/2013 – 6/6/2013	10,416.69	
Jhon Keells Office Automation	Photocopy Machine 1/1/2013 – 7/11/2013	9,672.62	
Jhon Keells Office Automation	Photocopy Machine 1/1/2013 – 27/12/2013	11,009.67	
Hideki Internationl (Pvt) Ltd	Photocopy Machines 1/1/2013 – 8/2/2013	2,291.64	
Hideki Internationl (Pvt) Ltd	Photocopy Machines at Matara R.O. 1/1/2013 – 17/6/2013	4,583.36	
Hideki Internationl (Pvt) Ltd	Photocopy Machines at A'pura R.O. 1/1/2013 – 17/6/2013	5,958.36	
Hideki Internationl (Pvt) Ltd	Photocopy Machines at Badulla R.O. 1/1/2013 – 17/6/2013	5,958.36	
Gestetner of Ceylon PLC	Photocopy Machines at Ampara R.O. 1/1/2013 – 31/8/2013	8,000.00	
Metropolitan Office (Pvt) Ltd	Photocopy Machines at Hambantota January – September 2013	10,875.00	

Jhon Keells Office Automation	Photocopy Machinesat Kurunagala 1/1/2013 – 29/11/2013	10,639.88	
Network Information Technologies	Computers for January – August 2013	429,120.00	
Lapro Technologies Ltd	Printer for 1/1/2013 – 18/5/2013	44,906.23	
E-W Information Systems Ltd	Computers & Printers 1/1/2012 – 11/11/2013	203,863.64	
E-W Information Systems Ltd	Printer for 1/1/2013 – 31/8/2013	123,347.03	
Springfields (Pvt) Ltd	Risograph Machine 1/1/2013 – 20/10/2013	18,841.67	
Jhon Keells Office Automation	Risograph Machine 1/1/2013 – 27/12/2013	11,458.34	
ETA Melco Engineering Ltd	Elevator – 1/1/2013 – 7/10/2013	156,081.09	
Fire Alert Engineering Services Ltd	Fire Protection System 1/1/2013 – 31/10/2013	60,416.67	
Telecommunications Regulation Commissior	Sattelite Licence for 1/1/2013-31/12/2013	90,000.00	
Trade Promotion (Pvt) Ltd	Generator 1/1/2013 – 30/11/2013	66,256.67	
Softlogic Information Technologies	Laptop for 1/1/2013 – 19/6/2013	35,500.00	
Brown & Company Plc	Franking Machine – January – June 2013	5,000.02	
Brown & Company Plc	Cash Counter 1/1/2013 – 24/2/2013	1,666.69	
Brown & Company Plc	Cash Counter - Kandy 1/1/2013 – 24/2/2013	1,666.70	
Brown & Company Plc	Cash Counter - Kandy 1/1/2013 – 24/2/2013	1,666.70	
Brown & Company Plc	Cash Counter - Matara 1/1/2013 – 14/9/2013	7,791.68	

Brown & Company Plc	Cash Counter – Matara 1/1/2013 – 14/9/2013	7,791.68	
Brown & Company Plc	Cash Counter- Monaragala 1/1/2013 – 14/9/2013	7,791.68	
Brown & Company Plc	Cash Counter - Kalutara 1/1/2013 – 14/9/2013	7,791.68	
Network Information Technologies	Kaspersky Virus Guard 1/6/2013 – 30/4/2013	19,166.64	
Bluechip Technical Services Ltd	Fingertec Unit for Kantale R.O. 1/1/2013 – 22/6/2013	5,698.76	
Bluechip Technical Services Ltd	Fingertec Unit for Trinco R.O. 1/1/2013 – 22/6/2013	5,698.76	
Bluechip Technical Services Ltd	Fingertec Unit for Jaffna R.O. 1/1/2013 – 19/9/2013	7,760.00	
Bluechip Technical Services Ltd	Fingertec Unit for Kalutara R.O. 1/1/2013 – 22/6/2013	5,698.76	
DJP Holding	Finger Scaners for Kurunagala 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Kandy 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for R'pura 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Badulla 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Monaragala 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for A'pura 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Matara 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Hambantota 1/1/2013 – 9/9/2013	9,090.92	
DJP Holding	Finger Scaners for Ampara 1/1/2013 – 9/9/2013	9,090.92	

Bluechip Technical Services Ltd	Fingertec Unit - Head Office 1/1/2013 – 14/7/2013	25,220.00	
EWIS Software Ltd	Financial , Payroll & Inventory System – January – November 2013	178,523.13	
Softlogic Information Technologies	HR Management System - January 2013 – January 2013	8,333.36	
Techno Minders Ltd	GSP Tracking System 1/1/2013 – 23/9/2013	470,058.14	2,398,22.37
	Subscription for Geographic Manazine Year 2013	5,222.91	5,222.91
Divisional Secretary - Dehiwala	Motor Vehicle Revenue Licences for 1/7/2013 – 5/5/2013	32,045.46	
Divisional Secretary - Dehiwala	Motor Vehicle Revenue Licences for 1/1/2013 – 8/9/2013	4,414.87	
Divisional Secretary - Dehiwala	Motor Vehicle Revenue Licences for 1/1/2013 – 16/9/2013	24,968.75	61,429.08
	Kurunegala Polpitigama Project Expenses	221,953.80	221,953.80
	Balance	7,008,256.92	7,008,256.92
	General Insurance Policies	4,321,430.77	
	Office Equipment Maintenance	2,398,220.37	
	Susbscription for Magazines	5,222.91	
	Motor Vehicle Revenue Licences	61,429.08	
	Kurunegala Polpitigama Project Expenses	221,953.80	
		7,008,256.92	

Note : 17 - Staff Loan

Distress loan recoverable from G.S.M.B. employees

Note : 18 - Festival Advance

Festival advance recoverable from G.S.M.B. employees

Note : 19 - Special Advance

Special advance recoverable from G.S.M.B. employees

Note : 20 - Advance - Staff

This represent the advance given to filed staff and branch office

Note : 21 - Advance - Purchases

Advance paid on purchase of items from foreign suppliers

Note : 22 - Deposits

	2012 Total Rs.	2011 Total Rs.
These are the deposits done by the bureau		
Deposit – Bank Of Ceylon	0.00	-
Deposit – Sampath Bank – (G.S.N.Station)	5,146,630.39	4,610,450.20
Deposit – Peoples Bank		
Deposit – Peoples Bank – Galle RD Branch	516,421,790.48	455,335,320.21
State Institution Surplus Fund	5,229,316.49	45,265,838.10
Treasury Bills	184,148,713.71	391,838,058.51
	710,946,451.07	897,049,667.02

The amount of Rs.2, 372,749,478.70 has been transferred to “Grants given to treasury” account. This is shown under the equity and liabilities.

Note :23 - Interest Receivable

	2012 Total Rs.	2011 Total Rs.
Peoples Bank		
Peoples Bank – Galle RD Branch	10,814,303.40	5,743,007.62
Bank Of Ceylon		
Int On Treasury Bills	2,738,770.66	5,976,803.16
	13,553,074.16	11,719,810.78

Note: 24 -Consolidated Fund

This represent the total net value of assets transferred from Geological dept (GSD) to GSMB in 1993.

Note: 25 - Depertment Fund

G.S.M.B.Had to use funds allocated for G.S.D.at the initial stages.
This represent such funds use by G.S.M.B.

Note: 26 -Capital Fund

This represents the capital grants received by the G.S.M.B. from 1993 to 2001.

Note: 27 - Foreign Grants

G.S.M.B. Received ausaid from the givt. Of Australia to purchasa
Computers in the year 2001.
This represent the value of such grants.

Note: 29 - Creditors

	2012 Total Rs.	2011 Total Rs.
Creditors On Purchasing – 28 – A	18,052,837.86	6,001,386.32
Sundry Creditors	255,819.70	775,960.83
	18,308,819.56	6,777,347.15

Note:29A - Creditors on purchasing

10% Retention	
Ups	380.00
Fax Machines	7,960.00
Flask	1,080.00
Chemicals	225.00
Printer	3,700.00
Burrents	630.00
Computers	6,600.00
Burrents	380.00
Measuring Cylinder	915.00
Lab items	5,400.00
Software Package	19,800.00
Plastic Bottles	4,400.00
Printer	11,500.00
Sound Level Meter	5,560.00
Chemicals	1,770.00
DE- Lanizer	41,304.30
Geological Chisels	2,994.00
Digital Micrometer	5,300.00
Chemicals	5,812.50
Multimedia Projectors	91,000.00
Laborotory Oven	15,382.00
Chairs	8,436.00
Electric Oven	14,512.00
Lab Stand	2,420.00
Chemicals	1,672.50

GPS	66,000.00	
Pipettes	1,250.00	
Chemicals	1,043.50	
Lap Top	14,810.00	
Lap Top	14,810.00	
GPS	28,025.00	
GPS	112,100.00	
Chemicals	8,650.00	
Scanners & Hard Disk	3,468.00	
Digital Copier	50,000.00	
Computers	189,540.00	
Lap Top	193,781.00	
Fax Machine	21,600.00	
Scanner	6,780.00	
Lab Equipments	545,430.00	
Horse , GAS Regulator	261,100.00	
Multimedia Projectors	99,450.00	
Cord Boxes	99,200.00	
Drilling Equipments	104,874.50	
Printer	178,730.00	
		2,259,775.30

Payments on Next Months

TPL Cards	4,375.00
Computer Forms	45,472.00
Pressure Gage	4,000.00
Hose & Fittings	5,744.50
Glass Pad	3,360.00
Iron Beam	68,880.00
Cups	2,825.00
Water Bottles	2,755.00
Water Bottles	2,030.00
Water Bottles	2,900.00
Desk Calenders	1,050.00
Water Bottles	1,450.00
Lock	950.00
Chemicals	33,040.00
Cartridges	7,000.00
Chemicals	13,440.00
Battery	11,417.50
Books	113,200.00
Books	296,965.00
Umbrella	520.00
Tyres	18,500.00
Books	63,700.00
Library Books	1,050.00

File Covers	23,750.00	
Duplicating Papers	56,000.00	
Water Bottles	2,030.00	
Fans	31,914.00	
Core Boxes	17,442.00	
Receipt Books	999,999.84	
Double Cab	7,584,999.52	
Water Bottles	2,755.00	
Water Bottles	5,365.00	
Greeting Cards	115,000.00	
Drilling Equipments	351,254.40	
Drilling Equipments	1,063,552.00	
Drilling Equipments	2,826,499.20	
Drilling Equipments	1,290,777.60	
UPS	99,120.00	
Computer Items	13,400.00	
UPS	147,840.00	
Greeting Cards	57,500.00	
Printers	394,600.00	
Water Bottles	4,640.00	
		15,793,062.56
Balance		18,052,837.86

Note: 30 - E.P.F. / E.T.F. Payable

	2012 Total Rs.	2011 Total Rs.
E.P.F. Payable	1,247,081.97	1,077,649.26
E.T.F. Payable	170,056.62	142,443.16
	1,417,138.59	1,220,092.42

Note: 31 - Advance "B" Payble as at 31/12/2012
(Other Loans Payble Outside)

	2012	2011
	Total	Total
	Rs.	Rs.
1. Mr.B.Jayanetti	3,032.00	3,032.00
2. Mr.S.Chandrasiri	727.76	727.76
3. Mr.Samarasinghe De Silva	4,961.07	4,961.07
4. Mr.Shelton Alwis	392.96	392.96
5. Mr.H.B.A.P.K.Gunawardhane	502.21	502.21
6. Mr.P.L.Hemasiri	5,992.04	5,992.04
7. Mr.A.Jayasena Perera	551.41	551.41
8. Mr.T.D.T.N.Siriwardhane	111.30	111.30
9. Mr.N.P.Dayasena	3,273.47	3,273.47
10. Mr.H.Premarathne	6,742.83	6,742.83
11. Mr.M.H.L.Tisera	1,232.81	1,232.81
12. Mr.K.Seylin Silva	2,664.84	2,664.84
13. Mr.E.A.Pathmasiri	725.41	725.41
14. Mr.S.S.Herath	1,397.07	1,397.07
15. Mr.B.A.Somasiri	1,160.63	1,160.63
16. Mr.W.A.A.Perera	5,264.15	5,264.15
17. Mr.G.K.Wijesena	3,350.24	3,350.24
	42,082.20	42,082.20

Note: 32 - Advance On G.S.N. Station

GSMB Received funds from university of California to maintain the activities at Pallekelle G.S.N. Station.
This Represent such money received.

Note: 33 - Advance Received On I.E.E.R.

	2012	2011
	Total	Total
	Rs.	Rs.
Pumantha Enterprises	3,180.00	3,180.00
BAT Construction Industries	18,500.00	18,500.00
General Mines (Pvt) Ltd	2,670.00	2,670.00
I.C.C.Ltd	910.00	910.00
Sun Been Graphite Ltd	5,220.00	5,220.00
Road Development Constructions	6,730.00	6,730.00
Keangama Enterprises	7,202.00	7,202.00
Maga Engineering	20,000.00	20,000.00

Ceylon Fishery Habour	7,520.00	7,520.00
Keangama Enterprises	20,000.00	20,000.00
Road Development Authority	1,833.46	1,833.46
C.G.R.Quarry Site at Ambepussa – Keenadeniya	23,120.00	23,120.00
Metal Quarry at Habarana (RCDC)	36,800.00	36,800.00
Metal Quarry at Talagala ,Horana – (Lanka Quarries (Pvt) Ltd.)	8,075.00	8,075.00
Quarry Site at Kuleegoda – Ambalangoda	14,845.00	14,845.00
Hapugastanna Plantation Ltd.	12,462.50	12,462.50
Metal Quarry at Dampe ,Mdulawa	14,122.50	14,122.50
Metal Quarry at Wikiliya , Balangoda	5,931.84	5,931.84
Lanka Quarries (Pvt) Ltd	18,800.00	18,800.00
Diyagampola – Kotadeniyawa in Gampaha Distric.	17,200.00	17,200.00
Dedigamuwa Kaduwela Project of W.A.Perera & Co.Ltd.	24,400.00	24,400.00
M/S Keangnam Enterprises (Pvt) Ltd	18,200.00	18,200.00
W.K.K.Senok Mining (Pvt) Ltd	8,600.00	8,600.00
Metal Quarry at Thudugala Dodangala , Kalutara	11,500.00	11,500.00
Metal Quarry project – ICC Kalutara	11,500.00	11,500.00
Star Building Quartz (pvt) Ltd	36,000.00	36,000.00
United Granite products (Pvt) Ltd	16,000.00	16,000.00
Keangnam (Pvt) Ltd	15,200.00	15,200.00
Metal Quarry at Maligagodella eatate, Kimbulapitiya	12,400.00	12,400.00
Quarry of Mr.D.D.Nandasena	14,400.00	14,400.00
Trambo Organization Ltd	12,000.00	12,400.00
Metal Quarry Project – Mr.R.A.Sarath	11,000.00	11,000.00
Per Aarsleff A/S	7,000.00	7,000.00
China Harbor Engineering Company	7,000.00	7,000.00
Southern Group Civil Constructions (Pvt) Ltd	7,000.00	7,000.00
Metal Quarry at Thulhiriya – Keangam Emterprises Ltd	11,000.00	11,000.00
Peraj Mining (Pvt) Ltd	7,000.00	7,000.00
S.C.K.Gamage	7,000.00	7,000.00
Oru Mix Asphalt (Pvt) Ltd	11,000.00	11,000.00
Quarry at Agalawatta – Mr.M.N.M.Nafas	6,000.00	6,000.00
K.D.Ebert & Sons Metal Crusher (Pvt) Ltd	6,000.00	6,000.00
Senok Mining (Pvt) Ltd	6,000.00	6,000.00
Mr.S.P.Amarasinghe	15,000.00	15,000.00
Mr.S.K.Karunarathne	11,000.00	11,000.00
N.J.Equipment (Pvt) Ltd	11,000.00	11,000.00
Metal Mix (Pvt) Ltd	11,000.00	11,000.00
Tarmac Quarry Products (Pvt) Ltd	11,000.00	11,000.00
Maga Engineering (Pvt) Ltd	7,000.00	7,000.00
CA & Company	11,000.00	11,000.00
Sinohydro Corpporation	2,800.00	2,800.00
International Construction Consortium Ltd	3,000.00	3,000.00
Tudawe Brothers Ltd	3,000.00	3,000.00
J.Lanka Construction Co. (Pvt) Ltd	3,400.00	3,400.00
Boulder Mix (Pvt) Ltd	70,000.00	70,000.00

Maga Engineering (Pvt) Ltd	41,000.00	41,000.00
Romec Con. – Fab (Pvt) Ltd	41,500.00	41,500.00
Sunbee Granite Projects (Pvt) Ltd	41,000.00	41,000.00
Senok Trade & Combine Ltd	40,500.00	40,500.00
Romak Con Fab (Pvt) Ltd	3,000.00	3,000.00
CML – MTD Construction Ltd	3,400.00	3,400.00
Maeda Corporation	3,800.00	3,800.00
Daya Construction Ltd	400.00	400.00
Maga Engineering (Pvt) Ltd	0.00	(35,000.00)
Taisei Corporation	30,000.00	30,000.00
Keangama Enterprises Ltd	40,000.00	40,000.00
J.B.L.Kumara	41,000.00	41,000.00
Hyndai Engineering & Construction Co.LTD	70,000.00	70,000.00
Maga Engineering (Pvt) Ltd	35,000.00	70,000.00
China Harbour Engineering Company	110,000.00	110,000.00
United Granite Production (Pvt) Ltd	40,000.00	40,000.00
Entro Quarty	5,000.00	5,000.00
D.D.C.Kumara	2,000.00	2,000.00
K.D.A.Weerasinghe & Co. (Pvt) Ltd	38,000.00	38,000.00
K.D.A.Weerasinghe & Co. (Pvt) Ltd	37,500.00	37,500.00
Daya Construction Ltd	20,000.00	20,000.00
Hesei Construction	15,000.00	15,000.00
China Geo Engineering Co. (SL)	40,000.00	40,000.00
Keangama Enterprises Ltd	20,000.00	20,000.00
P.G.K.G.Sirisena	122,000.00	122,000.00
Keangama Enterprises Ltd	45,000.00	45,000.00
Mr.C.P.L.Gunawardhane	35,000.00	35,000.00
Keangama Enterprises Ltd	70,000.00	70,000.00
CML MTD Construction Ltd	76,838.00	83,000.00
Sri Lanka Ports Authority	50,000.00	50,000.00
Keangama Enterprises Ltd	36,320.00	40,000.00
W.A.Perera & Co.Ltd	17,000.00	17,000.00
CML – MTD Construction Ltd	35,000.00	35,000.00
China Harbour Engineering Company	35,000.00	35,000.00
Metal Mix (Pvt) Ltd	35,000.00	35,000.00
D.D.Nnadasena	31,000.00	31,000.00
Metal Mix (Pvt) Ltd	35,000.00	35,000.00
State Development & Construction Corporation	27,000.00	27,000.00
United Granite Production (Pvt) Ltd	31,000.00	31,000.00
Keangama Readymix (Pvt) Ltd	35,000.00	35,000.00
Oru Mix Asphalt (Pvt) Ltd	33,000.00	33,000.00
Southern Group Civil Construction (Pvt) Ltd	35,000.00	35,000.00
International Construction Consortium (pvt) Ltd	35,000.00	35,000.00
Daya Constructions (pvt) Ltd	35,000.00	35,000.00
Maga Engineering (Pvt) Ltd	21,000.00	21,000.00
Taiese Metal Quarry	30,000.00	30,000.00

Business Promoters & Part. Ltd	105,000.00	105,000.00
Maga Engineering (Pvt) Ltd	137,000.00	137,000.00
Senarath Engineering & Agro Business (Pvt) Ltd	35,000.00	35,000.00
Road Development Authority	53,000.00	53,000.00
CA & Company	45,000.00	45,000.00
Hyundai Engineering & Construction Company Ltd	55,000.00	55,000.00
China Harbour Engineering Company	40,000.00	40,000.00
Havael Construction (Pvt) Ltd	40,000.00	40,000.00
China Harbour Engineering Company Ltd	137,000.00	137,000.00
Maeda Corporation (pvt) Ltd	40,059.00	43,889.00
International Construction Consortium (pvt) Ltd	88,765.00	88,765.00
P.G.K.G.Sirisena	34,000.00	34,000.00
ICC – UE Joint Venture	34,000.00	34,000.00
CA & Company	34,000.00	34,000.00
Road Development Authority	144,000.00	144,000.00
Road Development Authority	144,000.00	144,000.00
Dinushi Metal Crusher & Agro Tech (pvt) Ltd	95,000.00	95,000.00
Maga Beguma Road Construction Equipment Co. (Pvt) Ltd	34,000.00	34,000.00
Keangama Enterprises Ltd	34,000.00	34,000.00
Nimal Enterprises	105,000.00	105,000.00
Maga Engineering (Pvt) Ltd	39,000.00	39,000.00
I.P.C.Jayawardhana	109,000.00	109,000.00
Maga Engineering (Pvt) Ltd	144,000.00	144,000.00
CA & Company	54,000.00	54,000.00
W.A.Perera & Co. Ltd	53,920.00	54,000.00
H.Amarasinghe	54,000.00	54,000.00
Master Holding Metal Crushers (Pvt) Ltd	143,000.00	143,000.00
Maga Engineering (Pvt) Ltd	144,000.00	144,000.00
Ruhunu Development Construction & Engineers (Pvt) Ltd	132,000.00	132,000.00
Sinohydro Corporation Ltd	142,000.00	142,000.00
U.V.B.Ravindra	90,000.00	90,000.00
M.L.Jayarathne	109,000.00	109,000.00
Road Development Authority	35,000.00	35,000.00
Chanaka Metal (Pvt) Ltd	88,000.00	88,000.00
J Lanka Construction (Pvt) Ltd	49,423.00	54,000.00
Metal Mix (Pvt) Ltd	88,000.00	88,000.00
Prime Logistic Services International (Pvt) Ltd	32,000.00	32,000.00
K.D.Ebert & Sons Holdings (Pvt) Ltd	22,000.00	22,000.00
Maga Engineering (Pvt) Ltd	32,000.00	32,000.00
Havael Construction (Pvt) Ltd	31,920.00	32,000.00
D.R.Jayasinghe	97,500.00	97,500.00
Thudawe Borthers (Pvt) Ltd	22,000.00	22,000.00
Keangama Enterprises Ltd	34,000.00	34,000.00
Maga Engineering (Pvt) Ltd	32,000.00	32,000.00
China Harbour Engineering Company	27,000.00	32,000.00
Maga Engineering (Pvt) Ltd	40,000.00	40,000.00
Keangama Enterprises Ltd	40,000.00	40,000.00

Jayasinghe Metal Crushers	138,000.00	138,000.00
Keangama Enterprises Ltd	34,000.00	34,000.00
CDPO / Sri Lanka Air Force – HQ	126,000.00	126,000.00
Southern Group Civil Construction (Pvt) Ltd	34,000.00	34,000.00
Lanka Quarries (Pvt) Ltd	34,000.00	34,000.00
Mr.S.D.R.Senadeera	142,000.00	142,000.00
Chief Engineering Way & Works	34,000.00	34,000.00
Consulting Engineering & Contractors (Pvt) Ltd	34,000.00	34,000.00
Daan International Conaultancy Company (Pvt) Ltd	34,000.00	34,000.00
S.Mallawaarchchi	33,000.00	33,000.00
Keangama Enterprises Ltd	33,000.00	0.00
China National Aero Technology International Eng, Co.	33,000.00	0.00
China Harbour Engineering Company	32,500.00	0.00
Consulting Engineering & Contractors (Pvt) Ltd	28,915.00	0.00
Quarrying & Mining Management (Pvt) Ltd	32,500.00	0.00
P.G.A.Wijesiri	26,810.00	0.00
Sri Ram Construction (Pvt) Ltd	32,500.00	0.00
Southern Group Civil Construction (Pvt) Ltd	29,475.00	0.00
Sinohydro Corporation Ltd	22,500.00	0.00
	6,526,567.30	6,278,776.30

Note: 34 - Advance Received On Projects

		2012	2011
		Total	Total
		Rs.	Rs.
	Balance (CECB)	32,248.97	40,049.91
G1382	Tokyo Cement Company (Lanka) PLC		(165,760.00)
G1552	Hydro Power Project		(29,960.00)
	D.A.Perera – Talaimanna Project		(940,589.16)
	Kalugaga Project		1,430,372.25
	Mahagama Project		3,958,728.80
	Alchemy – Vakara Projects		165,760.00
26-Dec-2012	Alchemy Heavy Metals (Pvt) Ltd – Sand Survey	963,255.00	
26-Dec-2012	Alchemy Heavy Metals (Pvt) Ltd – Sand Survey	1,325,431.50	
26-Dec-2012	Alchemy Heavy Metals (Pvt) Ltd – Sand Survey	963,255.00	
		3,284,190.47	4,458,601.80

Note: 35 - Advance On Mining Licences

This is the money held for processing of licences applications. Once the licences is granted this is taken for income. If the licence is rejected the money held is paid back to client.

Auditors' Report



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } TM/J/GSMB/FA/2012
 எனது இல }
 My No }

ඔබේ අංකය }
 உமது இல }
 Your No. }

දිනය } 30 August 2013
 திகதி }
 Date }

The Chairman
 Geological Survey and Mines Bureau

Report of the Auditor General on the Financial Statements of Geological Survey and Mines Bureau for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

The audit of Financial Statements of the Geological Survey and Mines Bureau for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the statement of comprehensive income statement, 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 18(3) of the Mines and Minerals Act, No. 33 of 1992. My comments and observations which I consider should be published with the Annual Report of the Bureau 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 was furnished to the Chairman of the Bureau on 07 May 2013.

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 Generally Accepted Accounting Principles 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. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau'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 financial statements. Sub - sections (3 and 4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the 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

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

2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Geological Survey and Mines Bureau as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2:2 Comments on Financial Statements

2:2:1 Accounting Policies

Even though the fixed assets with Zero value should be brought to account at the revalued amount or the gross value of those assets, it had not been so done.

2:2:2 Accounting Deficiencies

The following observations are made.

- (a) Provision for depreciation in respect of the year under review had not been made on the GF² Stations at Mahakandarawa and Hakmana valued at Rs.5,465,178 shown under the lands and buildings.
- (b) Even though a portion of the Head Office premises had been given on rent to a private institution at a monthly rent of Rs.90,000, the rent income for the year under review amounting to Rs.1,080,000 had not been shown under the other income.
- (c) The cash flow statement presented had not been prepared in accordance with the practices.

- (d) Even though the fixed deposits amounting to Rs.67 million as at the end of the year under review had been shown in the financial statements, according to the dates of the fixed deposit certificates, those deposits did not relate to the year under review.

2:2:3 Accounts Receivable and Payable

The following observations are made.

- (a) According to the financial statements, a sum of Rs.17,145,324 remained receivable from the debtors as at 31 December 2012. Provision for bad and doubtful debts had not been made in that connection. The debtors balances older than 05 and 03 years included in that balance amounted to Rs.1,216,195 and Rs.2,101,360 respectively.
- (b) Cheques valued at Rs.576,499 issued to creditors had not been presented to the Bank. That balance included 09 cheques valued at Rs.199,720 issued in the year 2011 and 12 cheques valued at Rs.359,431 issued in the year 2012.

2:2:4 Lack of Evidence for Audit

The evidence indicated against each of the following items shown in the accounts had not been furnished to audit.

Items	Value	Evidence not made available
-----	-----	-----
	Rs.	
Fixed Assets	503,603,620	Board of Survey Reports
Building Rent of a Private Institution	1,080,000	Building Rent Agreement

2:2:5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliances with the following laws, rules, regulations and management decisions were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Finance Act, No. 38 of 1971	
Section 10 and 11	Investments in Treasury Bills amounting to Rs.184,148,713 and Rs.516,421,790 in fixed deposits had been made without obtaining the specified approval.
Section 14(1)	Even though a draft of the annual report should be prepared and a copy of that should be furnished to the Auditor General within 04 months after the close of the financial year, it had not been so done in respect of the years 2011 and 2012.
Section 14(3)	The Annual Report for the year 2011 had not been tabled in Parliament.
(b) Paragraph 5.2.5 of the Public Enterprises Circular No. PED/12 of 02 June 2003.	Even though the approved budget should be furnished to the relevant Ministry, the Department of Public Enterprises, the General Treasury and the Auditor General, it had not been so done.
(c) Financial Regulations	
Financial Regulation 371	The advances totalling Rs.334,502 granted to Field Officers had not been settled even by 31 July 2013. That balance included the balances of advances granted in the years 1993, 1994, 1996, 2002 and 2003.

Financial Regulation 756

The Bureau had not appointed a Board of Survey for the year under review for the conduct of a survey of the goods of the Head Office and the Regional Offices.

Financial Regulation 1647

Whenever there are three or more motor vehicles, a register of all the materials purchased and issued for those should be maintained. But it had not been so done.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the pre-tax operating results for the year ended 31 December 2012 amounted to a surplus of Rs.691,122,409 as compared with the corresponding surplus of Rs.618,549,416 for the preceding year, thus indicating an improvement of Rs.72,572,993.

The increase of the royalty income by a sum of Rs.141,551,469 had been the main reason for the improvement of the above mentioned financial result.

3:3 Analytical Financial Review

The following observations are made.

(a) Analysis of Income

The total income of the Bureau for the year under review as compared with the preceding year, had increased by a sum of Rs.143,125,709 or 14.88 per cent.

(b) Analysis of Expenditure

The total expenditure for the year under review as compared with the preceding year, had increased by a sum of Rs.70,552,716 or 20.6 per cent.

4. Operating Review

4:1 Performance

4:1:1 Geological Mapping

The following observations are made.

- (a) Even though 21 geological maps on the scale of 1:100,000 should have been printed, 15 maps only had been printed.
- (b) Even though maps of 1:50,000 scale should have been prepared for 07 Quaternary Mapping areas, the work on 04 maps had been completed and those had not been printed.
- (c) Even though Pedo-geological Mapping of 1:50,000 scale had been commenced from the year 2008 after the analysis of the chemical content of the soil, the mapping had not been completed even by the year 2012.

4:1:2 Issue of Licenses

The information on the targeted number of issue of licenses and the actual number for the year under review is given below.

Type of License -----	Targeted Number -----	Actual Number -----
Technical Mining Licenses (AML)	5,980	4,781
Industrial Mining Licenses (IML)	3,801	3,092
Trade Licenses (TDL)	1,160	763
Transport Licenses (TPL)	360,200	370,467
Export Licenses (EXL)	600	492
Exploration Licenses (EL)	--	73

The targeted levels of Technical Mining, Industrial Mining, Trade and Export Licenses had not been reached.

4:2 Management Inefficiencies

The following observations are made.

- (a) The daily collections of the Bank Accounts operated for the collection of the income of the Bureau had not been credited to the main Bank Account on the same day itself. The money so accumulated as at the end of the year under review amounted to Rs. ~~41,500,000~~ 41,500,000.
- (b) Equipment valued at Rs.9,285,635 had been purchased in the year under review for the laboratory of the Bureau. The net book value of the equipment as at the end of the year under review amounted to Rs.42,009,696.

The following observations are made in this connection.

- (i) The Certificate of Accreditation could not be obtained for the laboratory due to the failure to maintain the building with appropriately installed laboratory equipment.
 - (ii) The Performance Reports on the number of samples received in the year 2012 for the analysis of the underground chemical content of the earth and the number of analysis finalized had not been prepared.
 - (iii) The fees charged from the outside parties had not been revised and updated and the amount of advance obtained with the applications had not been determined.
- (c) Lands had not been rehabilitated in accordance with the terms and condition of the Mining Licenses. Even though the cancellation of the lincense holder's bonds amounting to Rs.3,025,000 and bring to account as income had been pointed out, action thereon had not been taken.

Audit Answers

12.09.2013

Your Number : TM/J/GSMB/FA/2012
My Number : GM/AD/9

The Auditor General,
Auditor General's Department
No. 306/72, Polduwa Road,
Battaramulla.

Explanation of the Bureau Regarding the Report of the Auditor General on the Financial Statements of the Geological Survey and Mines Bureau for the year ended 31st Deember, 2012 in terms of Section 14(2) C of the Finance Act No. 38 of 1971.

2.2 Comments on the Financial Statements

2.2.1 Accounting Policies

Most of the assets owned by the Bureau are scientific equipment. Even though inquiries were made from institutions such as universities and the Department of Irrigation in which qualified officers who are able to make a revaluaiton of the aforesaid items are available, no response was made by them. Therefore, this task has been carried out by an internal committee by now.

2.2.2 Accounting Deficiencies

- a. Steps will be taken to make provisions for the relevant depreciation as has been pointed out by the Auditor General.
- b. Steps will be taken to record the relevant rent income under other incomes in the future as has been pointed out in the audit.
- c. Steps will be taken to prepare the cashflow statement in accordance with the relevant practices.
- d. This error has occurred due to the fact that cheques were issued to make fixed deposits based on the balances in the cashbook. Necessary steps will be taken to do this based on the balance of the bank accounts in the future.

2.2.3 a. **Receivable and Payable accounts**

It has been noted down to record the creditors who have exceeded 3 years in Provisions for Bad Debts Accounts.

b. Letters have been sent to the creditors in order to inform them regarding the matter as per Financial Regulation No. 396 and steps will be taken to act in accordance with Financial Regulation No. 314 if responses are not made by them.

Lack of Evidence for the Audit

1. Fixed Assets : The Survey of goods has been completed. Steps will be taken to submit its report.
2. Building rent of a private institution - A lease agreement has not been signed with GSMB Technical Services Ltd. as it is a subsidiary of the Bureau.

2.2.5 **Non-compliance with Rules, Regulations and Management Decisions**

a. Finance Act No. 38 of 1971.

Sections 10 and 11.

1. Bureau is vested with powers to transact with banks and maintain funds under sections 13(e) and 17(1) of the Mines and Minerals Act No. 33 of 1992. Accordingly the Bureau has maintained accounts in this manner since 1993.

Section 14 (1)

Steps will be taken to submit the annual reports on time in the future.

Section 14 (3)

Steps have been taken by the Ministry by now to send the annual report of the year 2011 to Parliament.

- b. Action will be taken in accordance with the relevant circular in the future as has been pointed out by the Auditor General.
- c. Code of Financial Regulations

Financial Regulation No. 371

Steps have been taken to write off an amount of 19,411.09 rupees from the accounts , out of the advances provided to the field officers in the year 1993, which is not able to be recovered, upon the approval of the Ministry and also action has been taken to seek the approval of the Board of Directors to write off from the accounts the amount of 4090.88 rupees related to the years 1994 and 1996.

The remaining amount of 31000/03 rupees has been provided as advance for the projects which are being carried out by the Bureau at present. The relevant officers settled the aforesaid amounts of money once those projects were completed.

Financial Regulation No. 756

The survey of goods of the year 2012 has been completed by the Bureau by now. Steps will be taken to submit its report.

Financial Regulation No. 1647

Necessary steps have already been taken to maintain separate documents in regard to each vehicle, as has been pointed out by the audit.

3. Financial Review

3.1 Financial Results

As a result of the activities carried out by the Bureau to collect royalty within the year concerned, the income of the relevant fields and of the inspection fees increased. The other expenses of the Administration Branch have increased due to the increase of the number of employees who went overseas on scholarships, due to the expenses incurred on social activities and on fulfilling social obligations and also due to the expenses created as a result of new recruitments made to regional offices as field assistants.

3.2 Analytical Financial Review

a. Income Analysis

This income can be enhanced by the regulation of the functions of the regional offices.

b. Expenditure Analysis

It was observed that the expenses have increased due to the increase of the number of employees of the Bureau and the increase of the cost of the employees in congruence with that.

4. Operational Review

4.1 Performance

4.1.1 Preparation of Geological Maps

a) The 21 geological maps of 1 : 100,000 scale have been completed and 15 maps out of them were printed in Great Britain and Australia. Even though the remaining 06 maps cannot be printed in Sri Lanka due to the hugeness of those maps, coloured copies of them can be obtained. Tenders have been called internationally for the printing activities of the maps.

b) Quaternary mapping of the scale of 1 : 50,000

Printing of these maps was also delayed due to the aforesaid reason.

(c) This huge project which was meant for collecting data of soil chemistry had to face a number of challenges at the beginning. Collection of data for 3 maps has been completed by now and steps are being taken to recruit officers for the preparation of suitable maps and reports.

4.1.2 Issue of Permits

It is natural that there may be fluctuations in the number of permits issued due to natural and environment problems which may arise in the field of mining.

4.2. Management Inefficiencies

- a. Necessary action has been taken to regulate the methodology of collecting finance to the principal account of the Bureau as has been shown by the audit.
- b.
 - (i) The 4th floor of the building in which the laboratory is housed presently does not have necessary facilities. The new laboratory is being constructed in Pitakotte at present and subsequently the accreditation certificates can be obtained.
 - (ii) Steps will be taken to submit the performance reports of the laboratory in the future.
 - (iii) We intend to make a review on the advance receivable and , on the possibility of revising the relevant charges furthermore ,in the future.
- c. A systematic methodology has been formulated by now to recover the bank bonds.
- d. Even after the relevant recommendations were given in regard to the advances obtained as preliminary environmental monitoring fees, annual inspections have to be

carried out. Due to that reason the relevant balances have to be maintained for some time. A decision will be taken in the future in regard to the fact whether the finance of the parties related to 1993 should be held further as has been pointed out by the audit.

4.3 Inactive and Underutilized Assets.

- (a) A land was purchased from Orugodawatta area in order to construct the Head Office. However the Urban Development Authority did not grant approval for the construction saying tht the land concerned is required for another development activity of the government. Due to that reason the construction work concerned could not be carried out.
- (b) In 2010 action was initiated to construct the building in the land obtained on 30 year lease basis. (Preparing the building plan, filling the land) However the cabinet of Ministers took a decision to the effect that, as the Bureau has had to quit from the Senanayke building in which it is housed presently and a considerable period of time has to be spent to construct the relevant building, the land concerned should be handed over to the Ministry of Environment and the buiding in which the Ministry of Environment is housed, which is located at Epitamulla ,should be handed over to the Bureau.
- (c) The repository at Werallawatta in Yakkala and the regional office at Gampaha have been constructed by now. Plans are being made to construct a warehouse complex in this place as well. The Bureau is also considering the possibility of getting the rent paid for this reduced .
- (d) This has occurred due to the delay in obtaining from the regional offices, some goods purchased for them. Steps have been taken to correct this situation. The delay has been caused due to the fact that goods had to be obtained by travelling to Yakkala as a warehouse was not available in the head office.

4.4 Uneconomic transactions

Various sections of the institution have to be compartmentalized when carrying out its daily functions. As a permanent compartmentalization cannot be made, the cost incurred on it cannot be added to the value of the building. The cost of the compartmentalization has been recorded in separate accounts and relevant allocations have been made for depreciation.

4.5 Management of the Staff

- i The recruitment procedure was amended and it was referred to the Salaries Commission on 05th February 2013. This was delayed due to the fact that various employees and associations of the Bureau proposed amendments from time to time.

- ii Bureau has outsourced the services only with regard to the posts for which vacancies are not available at present or the posts of which the vacancies have not been able to be filled without delay due to certain reasons. Presently only the services of 20 clerks and 9 drivers are obtained in this manner. Even though 87 vacancies are available in the bureau presently, 11 vacancies have not been able to be filled out of them as the relevant salary scales have not been approved. 46 posts will be abolished in the next amendment as the bureau does not need those posts furthermore. Even though, applications were called for the posts of mining engineer, data management executive, geo-physicist and transport officer those vacancies have not been able to be filled due to the fact that their salary scales are low. Eventhough the vacancy of the Data Management Executive was filled once, the appointee left the post for better prospects within 6 months.
- iii The salary scales of the posts mentioned have not been approved. Therefore it has not been able to fill the aforesaid vacancies. Steps will be taken to fill the vacancies of those posts once the new proposals for restructure are approved.

4.6 Identified Damages

Mainly, damage has been caused to the building. It is not an asset of the bureau. The Attorney General has informed that the Bureau has no responsibility in that regard.

4.7 Building up Funds for Making Allocations for the Gratuity Payments of Employees

Measures have been taken upon a decision of the Board of Directors to create a separate fund for this.

4.8 Investment in Subsidiary Companies

This company has been established upon a decision of the Cabinet of Ministers. The relevant additional money is the charges collected by the Technical Services Company for the services provided by it and action is taken to provide a portion of this to Pradeshia Sabhas for maintaining the roads in the relevant area. Accordingly a number of problems which had arisen in regard to the maintenance of roads have been rectified and it is being considered to extend this process up to the other areas in the island as well.

5. Accountability and Good Governance

5.1 Corporate Plan

- a. Steps will be taken to study the facts pointed out by the audit as well and take measures accordingly when preparing the corporate plan in the future.

- b. When promoting minerals through the development of mineral based products, the Bureau has paid its special attention to the minerals which are exported. Main attention has specially been paid in regard to quartz and beach sand and the Hon. Minister has been educated on this.
 - i. Necessary steps are being taken by the Bureau at present for fulfilling the legal requirements of this through mineral investment agreements along with the approval for the cabinet of ministers, which is required in these tasks.
 - ii. Steps have already been taken in this regard and measures will be taken to regulate it furthermore.

5.2 Budgetary control

- (i) When the budgetary income and the actual income are considered, the actual income has increased more than the budgetary income not only in royalty income but also in laboratory income, other operational income and bank interest income.

The other actual incomes, namely, license income, inspection fees income and project income have decreased in comparison to the budgetary income.

- (ii) Only the expenses incurred on the Kaolin Project have been entered in to the budget as project expenses. However, due to the fact that we received several income generating projects during the year 2012 an expense which is more than the budgeted expense had to be incurred for them. However, the income has increased in comparison to the expenses due to the increase of the number of projects undertaken.

The expenses for geological section have increased only by a small percentage. (1.7 %)

New recruitments were made to the laboratory and an expense had to be incurred for gas, which is indicated under other expenses. At the same time expenses also increased due to the fact that the amount of stationery required for the laboratory increased.

Allocations had been made for the expenses of 12 maps in the action plan prepared by the geological section for the year 2012. However, only 08 maps were actually prepared due to weather changes and the lack of employees.

- (iii) Upon a decision to the effect that public service should be decentralized more and more for the benefit of the public, the regional office in Yakkala had to be opened with immediate effect at the end of the year 2012. Therefore 10 computers had to be

purchased for that office exceeding the limit specified in the budgetary estimate of the year 2012.

In addition to that the computer which was used to record daily attendance in the head office broke down and a computer had to be purchased for keeping records of daily attendance properly as per circulars issued by the government.

Similarly the computer which was used to issue mining licenses, which is a service meant for the public, also broke down and a computer had to be purchased for that in order that daily services for the public should be carried out properly. These expenses were made for unexpected urgent requirements .

Due to the reasons mentioned above the expenses made for computers and accessories exceeded the amount allocated for that purpose in the year 2012.

6 Systems and Control

Noted down to pay special attention to improve the field of systems and controls as has been pointed by the audit.

Mr. Senarath Jayasundara
Attorney-at-Law
Chairman
Geological Survey and Mines Bureau

Copies

- 1. Secretary, Ministry of Finance and Planning**
- 2. Ministry of Environment and Renewable Energy**

Corporate Social Responsibilities

One of our key challenges is the optimum utilization of mineral resources of the country in an efficient, safe and environmental friendly manner. In order to face this challenge, the necessity to control mining to reduce adverse socio-economic and environmental impact is highly important.

- **Rehabilitation Programmes**

Rehabilitation & restoration of degraded river bank of Maha Oya in Katana & Divlapitiya DS Divisions implemented under the main project of “Yali Pibidena Maha Oya”.



A rehabilitation work has been launched in the district of Gampaha, in Diulapitiya Divisional Secretariat Division, under the guidance of GSMB officers. The said location was previously utilized for uncontrolled mechanized mining in long period ago before establishment of GSMB. The restoration has been mainly carried out with the refilling of

demolished building debris, coconut roots & mainly Lateritic filling soils. Since there is an involvement of excavators, loaders and some other machinery, there will be a necessity of performing the reclamation activities under the guidance & supervision of GSMB officers. Since the activities were performed continuously the said exercise was terminated within a period of one week. The name of the land was “Rambutan watta” spread to large area, where the geological formation is basically alluvium clay. The above rehabilitation & reclamation activity was implemented under the programme of “Yali Pibidena Maha Oya” ongoing rehabilitation work associated to “Maha Oya”.



Rehabilitation of land called “Thotewatta” in the Divulapitiya District Secretary Division was carried out with filling of pits dotting the land using JCBs and backhoes.



Other Activities

- **Joint “Shramadana” Campaign**



- **Role played in fulfilling the Corporate Social Responsibility**

As a responsible state organization coming under the purview of the Ministry Environment, the Geological Survey and Mines Bureau constructed and donated a new school building along with a much-needed Image House and well-equipped library for Wimalagnana School, Thantirimale in the Anuradhapura District. This program was executed in parallel with the “Dayata Kirula” Program of the government which was in progress in the ancient city. The ceremony was marked by the attendance of the Hon. Minister of Environment Anura Priyadarshana Yapa, Secretary to the Ministry, Mr. B.M.U.B.Basnayaka, heads and senior offices of all institutions coming under the purview of the ministry. Geological Survey and Mines Bureau was represented by the Chairman Dr. N.P. Wijayananda, Director General Eng. Anil Peiris.

- **Plant Nursery at Yakkala**

Plant nursery of GSMB has established in the district of Gampaha, within the premises of GSMB. This plant nursery has the capacity of generating 5000 numbers of plants. It is been

planned to distribute these plants among the regional offices in order to cater for rehabilitation activities. The main plant species available in the necessary area, Mee, Naa, Kumbuk, Bamboo(green) etc.



- **Opening of the Assembly Hall and Image House of Konduruwawala**

The Geological Survey and Mines Bureau has always been responsive towards social and environmental issues of the country. It has nurtured corporate attitude and sensitivity over the years fulfilling its obligation to the society while maintaining a robust financial status. Period under the stewardship of Hon. Anura Priyadarshana Yapa, the Minister of Environment as the minister in-charge has seen a number of activities geared at local infrastructure development in various parts of the island. Programme executed by the Geological and Mines bureau is a fine example to other state institutions as well, in the fulfillment of Corporate Social Responsibility (CSR).



- Awareness posters

Mining division prepared and displayed posters which are relevant to aware people about illegal mining activities. These are the three posters displayed in gold mining area.

