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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

CAE/C/SDCC/FS/2022/12

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

20 November 2023

Chairman

State Development and Construction Corporation

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the State Development and Construction Corporation for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the State Development and Construction Corporation ("Corporation") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and statement of comprehensive Income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

I do not express an opinion on the accompanying financial statements of the Corporation. Because of the significance of the matters discussed in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



1.2 Basis for Disclaimer of Opinion

(a) Sri Lanka Accounting Standard No.01 - Presentation of Financial Statement

- (i) As per the paragraph No.25 of the standard and as per the paragraph 4.1 of the Conceptual framework for Financial Reporting, management shall make an assessment of entity's ability to continue as going concern and uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. However, management had not disclosed regarding going concern in the summary of significant accounting policies in the Financial Statement.

However, total asset of the corporation as at 31 December 2022 was Rs.7,592.7 million and external liabilities were Rs.6,754.25 million or 88 percent from the total asset. Further the recoverability of due from customers which was already identified as income by the finance division but not invoiced was amounting to Rs.1,898.86 million was uncertain but not sufficient provision was made.

- (ii) As per paragraph No.32 of the, the assets and liabilities, income and expenditure should not be offset against each other unless required or permitted by the Sri Lanka Financial Reporting Standards. However, credit balances of purchase advances and sundry advances amounting to Rs.4.27 million had been offset against the debit balances of such accounts. As such current assets had been understated by the same amount.
- (iii) As per the paragraph no.29 of the standard an entity shall present separately items of a dissimilar nature as functions unless they are immaterial. However it was observed that capital work-in-progress amounting to Rs.6.08 million had been included under Property Plant and Equipment without shown separately in the Financial Position statement.

- (b) According to the financial statements, a balance of Rs. 3,519.81 million remained as Due from Customers which was identified as income from construction contracts by the finance division but not invoiced to customers. However, as per the documents submitted by the construction division, only a sum of Rs. 1,620.95 million has been confirmed as Due from customers. As such, a difference of Rs. 1,898.86 million was observed and reasons for the difference were not determined. Therefore, it was observed that recoverability of this different amount is highly uncertain. Further, as per the age analysis, out of the total Due from customers Rs.2,560.22 million was over 3 years and Rs.1820.56 million was over 6 years. However, corporation had not been recognized these uncertainty and adequate provision had not been made.
- (c) Interest expense for term loans for the year under review has been decreased by Rs.102.82 million from Rs.199 million in previous year, due to approval of two deferments for repayment of loan installments and interests there on from March 2022 to January 2024 (21 months) by the Bank of Ceylon. However, Corporation had not disclosed the matter in the financial statements.
- (d) During the year under review an adjustment has been made through a journal entry, to the opening and closing finished good stock of cost of sales to the value of Rs.53.8 million. Accordingly closing stock under cost of sales has been duplicated And as a result profit for the year has been over stated by that amount.
- (e) Surcharge imposed by Inland Revenue Department for nonpayment of Value Added Tax, National Building Tax and Economic Service Charges aggregating to Rs.961.81 million had not been recognized or disclosed in the financial statement for the year under review.
- (f) As per information furnished to the audit, VAT payable as at 31 December 2022 was amounted to Rs.1,474.19 million including the VAT for the year under review amounted to Rs.124.43 million. However, the same had been shown as Rs.1,236.19 million in the Financial Statement. Thus, the VAT payable had been understated by Rs.238 million in the Financial Statement and reasons for the difference has not submitted to audit.

- (g) The corporation had recognized Rs.3.81 million as audit fee for the year under review. However, as per the details submitted all of these audit fees were not relevant to the year under review but relevant to previous years. Therefore profit for the year had been understated by same amounts.
- (h) Bond charges amounting to Rs.1.54 million had been included erroneously in welfare and Recreation expenses.
- (i) Audit was not provided with the requested supporting documents for the following balances. Therefore, it was unable to ensure the accuracy and validity of such balances.

Item of Account	Value Rs. Million	Evidence not made available
(i) Sundry Advances and Purchase Advances - Construction	19.47	Age Analysis
(ii) Letter of Credit Margin Account	151.08	Detail Schedule and Details of Goods Received
(iii) Sundry Debtor	29.91	Detail Schedules
(iv) Ready mix debtors	34.80	Detail Schedules
(v) Construction Debtors	399.37	Debtor Confirmations
(vi) Retention – Construction	573.10	Debtor Confirmations
(vii) Traffic Light System Debtors	28.47	Debtor Confirmations
(viii) Concrete Yard Debtors	52.64	Debtor Confirmations
(ix) Asphalt Debtors	1.62	Debtor Confirmations

As described above I was unable to confirm or verify by alternative means, material items included in the statements of financial position, statement of comprehensive income, statement of changes in equity and cash flow statement.

As a result of these matters, I was unable to determine whether any adjustment might have been found necessary in respect of recorded or unrecorded amounts and the elements making up the statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Corporation is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Corporation.

1.4 Auditor's Responsibilities for the Audit of the Financial Statements.

My responsibility is to conduct an audit of the Corporation's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However because of the matters described in the Basis for Disclaimer of Opinion section, I was not able to obtain sufficient appropriate audit evidences to provide a basis for an audit opinion on these financial statements.

2. Report on Other Legal and Regulatory Requirements.

2.1 The National Audit Act, No. 19 of 2018 includes specific provisions for following requirement.

2.1.1 I have not obtained all the information and explanation that considered necessary for the purpose of audit and I was unable to determine whether proper accounting records have been kept by the Corporation as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018

2.1.2 The Financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The Financial statements presented includes all the recommendations made by me in the previous year as per the requirement of Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention:

2.2.1 To state that any member of the governing body of the Corporation has any direct or indirect interest in any contract entered into by the Corporation which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Corporation has not complied with any applicable written law, general and special directions issued by the governing body of the Corporation as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for;

**Reference to Laws, Rules
Regulations and Management
Decisions etc.**

Non-compliance

- | | | |
|-----|---|---|
| (a) | Financial Regulations the Democratic Socialist Republic of Sri Lanka
F R 756 | Board of Survey Report had not been furnished to the Auditor General for the year under review up to 31 October 2023. |
| (b) | Value Added Tax Act
No.14 in 2022 | VAT and Surcharges thereon since 2006, amounting to Rs. 2,403 million had not been remitted to the Inland Revenue Department. |
| (c) | Nation Building Tax Act
No.09 in 2009 | Nation Building Tax and Surcharges thereon amounting Rs.7.15 million had not been paid since 2010. |
| (d) | Service Charges Amendment Act
No.13 of 2015 | ESC payable amounting to Rs.101.23 million had not been paid to Inland Revenue Department |
| (e) | Employee Provident Fund
Act No.15 in 1958 | EPF contributions and Surcharges thereon amounting Rs.143.26 million had not been paid to the Employment Provident Fund since 2020. |
| (f) | Public Enterprises Circular,
No. 01/2021 dated 16 November 2021, Section 6.6 | Draft annual report and accounts should be handed over to the Auditor General within 60 days after the close of the financial year. Nevertheless, financial statements pertaining to the year under review had been furnished to the Auditor General on 13 July 2023 delaying 134 days. |

- (g) Procurement Guideline/ NPA
Circular No.08, dated 25 January
2006,
Section 5.4.4 (iii)

The mobilization advances received shall be fully settled before the project works that reached to 90 per cent complete level. Nevertheless, such advances received amounting to Rs.10.28 million with regard to 12 fully completed projects had remained in the accounts as at 31 December 2022 without being settled.

- 2.2.3 To state that the Corporation has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

- 2.2.4 To state that the resources of the Corporation had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

3. Other Audit Observations

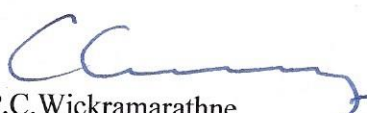
- (a) Term loan balances which were taken from two state banks, as at 31 December 2022 was Rs.1,848.24 million and the value of differed loan balances was Rs.1,727.18 million. In terms of these loans Rs.990.61 million had been granted under treasury guarantee and for Rs.518.60 million corporation has pledged the lands of the corporation as guarantee.

- (b) The project for Dismantling of Muwagama Old Bridge at Rathnapura had been undertaken on verbally instructions by the Corporation in the year 2013, without entering into formal contract agreement between Road Development Authority and the Corporation. After completing the dismantling process in 2019, the Corporation had submitted the invoice worth Rs.53.63 million to Road Development Authority to recover the cost of dismantling and transporting. This amount has not been recovered so far.

- (c) The Corporation had obtained loan for period of 03 months amounting to Rs.596.12 million from the State bank by discounting bills worth Rs.792.83 million received from the Road Development Authority with regard to construction contract done by the Corporation. The Corporation has paid interest amounting Rs.17.52 million due to non-settlement of these bills from Road Development Authority to the bank within prescribe period of 03 months.
- (d) Even though, Corporation had incurred Rs.5.84 million for Gemstone mining project contrary to the objectives of the corporation in the year under review at Monaragala. Any revenue had not been earned up to the year ended 31 December 2022.
- (e) It was observed in the physical inspection in Rathmalana that 39 motor vehicles, machinery and equipment at a cost of at Rs.114.98 million remained to be repaired as at 31 December 2022. Although a sum of Rs.19.23 million had been estimated for the repair, it had not been done by the Corporation up to 31 October 2023.
- (f) Debtors of concrete yard, construction, traffic light system and liquidated damages receivable, retention receivable and purchase advances totaling to Rs.691.23 million had remained over 03 years without being recovered.
- (g) Mobilization advances received was amounting to Rs.32.34 million as at 31 December 2022 remained over 05 years without being settled.
- (h) According to profit calculation schedule, the loss of totaling Rs.128.91 million had been identified from 17 construction projects out of 92 projects implemented as at 31 December 2022.
- (i) Human Resources Management
- (i) The approved permanent cadre of the Corporation as at 31 December 2022 was 489 while the actual cadre was 565. Accordingly, this was

shown an excess recruitment of 76 employees to the Corporation for the various positions.

- (ii) One post of higher management in the corporation had remained vacant as at 31 December 2022. In addition to that, there were 03 vacancies of 02 Chief Engineers (concrete yard) and a Chief Engineer (Design). However,
 - (iii) The approved cadre for civil engineers was 19; however 51 Civil Engineers had been recruited as contract basis without approval.
 - (iv) The 20 Security Guards had been recruited exceeding the approved cadre.
- (j) Due to Devcoshowa (Pvt) Ltd the fully own subsidiary of the Corporation had been inactive, the board had taken a decision in the year 2006 to wind up the Company. The winding up process was not completed even by 31 October 2023.


W.P.C. Wickramaratne
Auditor General



**State Development &
Construction Corporation**
"Pioneers in Infrastructure Construction"

**FINANCIAL STATEMENTS
FOR THE YEAR - 2022**

Ministry of Transport & Highways

STATE DEVELOPMENT & CONSTRUCTION CORPORATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER

		2022	2021 Restated
<i>(All Amounts Are In Sri Lanka Rupees)</i>	Note		
Revenue	01	2,545,681,276	4,215,539,157
Cost Of Sales	02	(2,182,230,696)	(3,812,409,551)
Gross Profit / (Loss)		363,450,580	403,129,606
Other Income	03	176,779,285	259,213,755
Profit / (Loss) Before Operating Expenses		540,229,866	662,343,361
Administrative Expenses	04	(309,983,536)	(176,664,778)
Other Expenses	05	(89,193,460)	(138,174,528)
Results From Operating Activities		141,052,869	347,504,054
Financial Income	06	8,018,943	7,789,263
Financial Expenses	06	(122,150,767)	(259,168,706)
Profit Before Tax		26,921,045	96,124,611
Tax Expenses	07	79,329,775	(16,734,552)
Profit For The Year		106,250,820	79,390,059
Other Comprehensive Income			
Defined Benefit Plan Actuarial Gains (Losses)	17.01	25,780,239	8,554,326
Revaluation Gain (Losses)		699,838,643	
Tax On Other Comprehensive Income		(217,685,664)	(1,197,606)
Other Comprehensive Income Net of Tax		507,933,217	7,356,720
Total Comprehensive Income		614,184,037	86,746,779

The Significant Accounting Policies and Notes on pages 05 to 36 form an integral part of these Financial Statements.



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

(All Amounts Are In Sri Lanka Rupees)		2022	2021 Restated
	Note		
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	08	1,673,671,208	1,042,535,835
Investments In Government Owned Companies	09	-	-
Deferred Tax Assets	11	103,612,894	95,283,568
Total Non Current Assets		1,777,284,101	1,137,819,402
Current Assets			
Inventories	12	683,234,037	447,173,812
Other Investments, Including Derivatives	10	98,652,577	30,000,000
Income Tax Assets	13	55,905,373	55,905,373
Trade & Other Receivables	14	4,692,595,531	4,824,148,857
Cash & Cash Equivalents	15	285,120,536	275,113,128
Total Current Assets		5,815,508,055	5,632,341,171
Total Assets		7,592,792,156	6,770,160,573
EQUITY & LIABILITIES			
Capital & Reserves			
Capital			
Capital Grant		16,671,650	16,671,650
Capital Reserves		51,140,000	51,140,000
Government Grant		6,629,760	6,629,760
Revaluation Reserve		199,285,140	216,660,477
Retained Earnings		1,146,143,425	656,256,375
Total Equity		(581,331,926)	(623,632,526)
		838,538,048	323,725,737
Non - Current Liabilities			
Loans & Borrowings	16	1,565,734,288	1,653,125,484
Retirement Benefit Obligation	17	58,983,584	59,408,198
Deferred Tax Liabilities	11	267,001,501	120,316,286
Total Non Current Liabilities		1,891,719,374	1,832,849,968
Current Liabilities			
Trade & Other Payables	18	4,446,168,188	4,297,443,559
Loans & Borrowings	16	282,515,292	171,633,802
Bank Overdrafts	19	133,851,255	144,507,507
Total Current Liabilities		4,862,534,734	4,613,584,868
Total Equity & Liabilities		7,592,792,156	6,770,160,573

Deputy General Manager-Finance.....
02 nd March 2023

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

Chairman.....
02 nd March 2023

Director.....
02 nd March 2023

General Manager.....
02 nd March 2023

The Significant Accounting Policies and Notes on pages 05 to 36 form an integral part of these Financial Statements.



STATE DEVELOPMENT & CONSTRUCTION CORPORATION
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2022

(All Amounts Are In Sri Lanka Rupees)

	Capital	Capital Grant	Capital Reserve	Revaluation Reserve	Government Grant	Retained Profit / (Loss)	Total Equity
Balance As At 1st January 2021	16,671,651	51,140,000	6,629,760	656,256,375	295,460,507	(710,379,305)	315,778,988
Profit For The Year	-	-	-	-	-	79,390,059	79,390,059
Amount of Government Grant Recognised as Income During The Year	-	-	-	-	(25,800,030)	-	(25,800,030)
Government Grant (Restated)-(Note 26)	-	-	-	-	(53,000,000)	-	(53,000,000)
Other Comprehensive Income	-	-	-	-	-	7,356,720	7,356,720
Balance As At 31st December 2021	16,671,651	51,140,000	6,629,760	656,256,375	216,660,477	(623,632,526)	323,725,737
Effect Of Prior Year Transactions						(81,996,388)	
Balance As At 1st January 2022	16,671,650	51,140,000	6,629,760	656,256,375	216,660,477	(705,628,914)	241,729,348
Profit For The Year	-	-	-	-	-	106,250,820	106,250,820
Revaluation	-	-	-	489,887,050	(735,714)	-	489,151,336
Amount of Government Grant Recognised as Income During The Year	-	-	-	-	(16,639,623)	-	(16,639,623)
Other Comprehensive Income	-	-	-	-	-	18,046,167	18,046,167
Balance As At 31st December 2022	16,671,650	51,140,000	6,629,760	1,146,143,425	199,285,140	(581,331,926)	838,538,048

The Significant Accounting Policies and Notes on pages 05 to 36 form an integral part of these Financial Statements.

STATE DEVELOPMENT & CONSTRUCTION CORPORATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER

	2022	2021 Restated
<i>(All Amounts Are In Sri Lanka Rupees)</i>		
	Note	
Cash Flow From Operating Activities		
Profit / (Loss) Before Tax	26,921,045	96,124,611
Adjustments For ;		
Depreciation	110,887,151	101,559,870
Provision For Defined Benefit Plan	47,060,571	11,774,245
(Gain)/Loss On Disposal Of Property, Plant & Equipment	(9,063,963)	(9,320,036)
(Gain)/Loss On Translation Of Foreign Currency Loans	(68,669,722)	-
Impairment Loss On Trade & Other Receivables	86,781,117	121,904,988
Finance Expenses	122,150,767	259,168,706
Deferred Income	(17,375,337)	(78,800,030)
Provision for Slow & Non Moving Stock	(359,238)	352,321
Government Grant Received		(53,000,000)
Finance Income	(8,018,943)	(7,789,263)
Operating Profit / (Loss) Before Working Capital Changes	290,313,448	441,975,413
(Increase) / Decrease In Inventory	(235,700,987)	(157,607,146)
(Increase) / Decrease In Trade & Other Receivables	(90,115,140)	(1,110,037,476)
(Increase) / Decrease In Purchases & Sub Contract Advances	130,344,241	(247,725,392)
Increase / (Decrease) In Advances & Retention	(365,430,236)	623,687,884
Increase / (Decrease) In Trade & Other Payables	541,633,592	493,985,039
Cash Generated From / (Used In) Operations	271,044,917	44,278,323
Finance Cost Paid	(140,935,703)	(247,780,947)
Gratuity Paid	(21,787,932)	(23,144,108)
Tax Paid	-	-
Net Cash Flow From / (Used In) Operating Activities	108,321,282	(226,646,733)
Cash Flows From / (Used In) Investing Activities		
Acquisition Of Property, Plant & Equipment	(46,277,850)	(78,124,838)
Proceeds From Disposal Of Property, Plant & Equipment	20,384,242	10,567,764
Investment in Fixed Deposits	(68,652,577)	27,925,796
Finance Income Received	3,475,835	4,596,929
Net Cash Flow From / (Used In) Investing Activities	(91,070,351)	(35,034,349)
Cash Flows From / (Used In) Financing Activities		
Repayment Of Loans & Borrowings	(46,917,100)	(452,324,827)
Proceeds From Borrowings	50,329,828	868,005,959
Government Grant Received	-	53,000,000
Net Cash Flow From / (Used In) Financing Activities	3,412,728	468,681,133
Net Increase / (Decrease) In Cash & Cash Equivalents	20,663,659	207,000,051
Cash & Cash Equivalents At The Beginning Of The Year	130,605,622	(76,394,429)
Cash & Cash Equivalents At The End Of The Year	151,269,281	130,605,622

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The Significant Accounting Policies and Notes on pages 05 to 36 form an integral part of these Financial Statements.



1. CORPORATE INFORMATION

1.1 General

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

1.2 Comparative Information

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

1.3 Principal Business Activities

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

1.4 Number of Employees

The number of employees at the end of the year was **565**.

1.5 Date of Authorization for Issue

The Financial Statements were authorised for issue by the Board of Directors on **06th July 2023**.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Basis of Preparation

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

The effect of the transition to SLFRS/LKAS on previously reported financial positions, financial performances and cash flows of the Corporation is given in the notes to the financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.



2.1.2 Foreign Currency Translation

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

2.1.3 Related Party Relationships

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

2.1.4 Taxation

(a) Current Tax

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

(b) Deferred Tax

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

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

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

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





2.1.5 Borrowing Costs

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

2.2 Valuation of Assets& Liabilities and Their Bases of Measurement

2.2.1 Property, Plant and Equipment

Cost and Valuation

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

Subsequent Expenditure

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

Revaluation

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





ACCOUNTING POLICIES (Contd...)

Impairment

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

Depreciation

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

Type of Asset	Years
Land	Over Prolonged Period
Buildings	Over 20 Years
Office Equipment	Over 10 Years
Plant & Machinery	Over 10 Years
Motor Vehicles	Over 05 Years
Computers & Accessories	Over 10 Years
Other Assets	Over 10 Year

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

Derecognition

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

2.2.2 Leases

a) Finance Leases

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

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





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

b) Operating Leases

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

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

2.2.3 Financial Instruments

1. Financial Assets

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

a) Financial Assets at Fair Value Through Profit or Loss

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

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

b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less





ACCOUNTING POLICIES (Contd...)

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

Staff Loans

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

Trade Receivables

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

Held-To-Maturity Investments

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

c) Available-For-Sale Financial Investments

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

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

Derecognition

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





ACCOUNTING POLICIES (Contd...)

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

Impairment of Financial Assets

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

2. Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Financial Liabilities at Fair Value through Profit or Loss

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

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

Loans and Borrowings and Other Financial Liabilities

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

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





Derecognition

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

3. Fair Value of Financial Instruments

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

2.2.4 Impairment of Assets

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

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

2.2.5 Investments

a) Current Investments

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

Unrealized gains and losses on current investments carried at market value i.e. reduction to market value and reversals of such reductions required to reflect current investments at the lower of cost and market value, are credited or charged to statement of comprehensive income.





b) Associate Company Investments

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

2.2.6 Inventories

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

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

2.2.7 Cash and Cash Equivalents

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

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

2.2.8 Recognition of Due from Customer and Due to Customer

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

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

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





ACCOUNTING POLICIES (Contd...)

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

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

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

2.3 Liabilities and Provisions

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

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

2.3.1 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

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

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

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions inline with respective statutes and regulation

2.4. Revenue

2.4.1 Revenue Recognition

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





a) Construction Revenue

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

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

b) Sale of Goods

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

c) Interest

Interest income is recognized on a time apportioned basis.

d) Rental and Other Income

Rental income is recognized on accrual basis.

e) Gains & Losses

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

2.5 Expenditure Recognition

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the costs incurred and the earnings of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to the statement of comprehensive income. For the purpose of presentation of the statement of comprehensive income, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Corporation's performance.



2.6 Comparatives

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

2.7 Events Occurring After the Reporting Date

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

2.8 Segment Information

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

2.9 Government Grant

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

- (a) The entity will comply with the conditions attached to them &
- (a) The grants will be received

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



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 01 - REVENUE			
Construction Income		2,059,987,261	3,371,051,882
External Sales - Concrete Yards		168,777,731	324,379,762
Internal Sales - Concrete Yards		118,877,060	139,653,904
Traffic Light Systems & Work Services		198,039,225	380,453,608
Total		2,545,681,276	4,215,539,157
NOTE 02 - COST OF SALES			
<u>Operating Expenses</u>			
Employee Benefits	04.01	643,740,912	755,840,745
Cement		32,971,442	66,628,006
Sand		10,141,658	30,641,024
Metal		51,967,821	173,083,899
Steel		152,637,430	573,907,397
Timber		7,635,253	13,411,115
Fuel & Lubricants		72,517,622	98,979,607
Explosive & Blasting Materials		324,795	1,185,035
Ready Mix Concrete		91,562,756	192,825,256
Concrete Products		144,706,973	89,528,722
Machinery & Vehicle Spare Parts		13,622,201	27,031,034
Stationery Consumption		2,369,436	3,781,966
Tar Consumption		38,525,183	195,117,596
Electrical Spare Parts Consumption		70,549,763	125,798,866
Pipes & Drainages Items Consumption		1,744,301	4,488,042
Other Stocks		131,138,127	241,382,171
Earth Gravel		12,270,762	41,574,927
Works Services		5,552,740	1,127,157
Capital Item Expenditure - RDA		3,683,077	5,558,702
Legal Charges		32,408	-
Hire Charges		125,974,402	221,849,811
Transport Charges (Material)		3,154,387	12,716,521
Transport Charges (Others)		6,693,893	8,409,992
Storage Charges		8,040	12,100
Vehicle Insurance		678,754	849,875
Depreciation On Plant, Machinery & Equipment		54,450,001	83,544,580
Depreciation On Motor Vehicles		22,682,127	1,997,420
Depreciation On Computers, Accessories & Software		1,501,165	1,191,095
Repairs & Maintenance -Plant, Machinery & Equipment		1,331,062	3,629,241
Repairs & Maintenance - Vehicles (Work Shop)		2,648,655	1,720,190
Repairs & Maintenance -Plant, Machinery & Equipment (Transport)		-	7,250
Repairs & Maintenance -Plant, Machinery & Equipment (Other)		4,309,594	3,526,294



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Operating Expenses (Contd...)			
Registration & Licence Fees		4,969,780	1,389,837
Sub Contracts		416,782,728	691,780,174
Liquidation Damages		2,131,965	6,880,135
Assignments		29,786,374	15,318,000
Charges For Bonds		18,012,242	43,904,434
Telephone - Sites		2,255,900	4,732,420
Postage & Telex - Sites		134,066	169,279
Printing & Stationery - Sites		1,936,449	1,729,000
Travelling - Sites		7,258,451	14,729,296
Entertainment		3,606,446	1,977,647
Stamp Fees - Sites		47,173	6,725
Rent - Sites		31,544,468	32,754,166
Electricity - Sites		4,737,272	9,050,799
Computer		55,200	34,150
Water - Sites		2,137,216	2,325,949
Tender Fees - Sites		326,619	583,338
Security Expenses - Sites		-	980,046
Welfare & Recreation - Sites		434,293	700,998
Insurance - Sites		-	336,021
Insurance All Risk Policy - Sites		11,763,442	19,080,601
Newspapers & Periodicals - Sites		19,730	31,640
Sundry Expenses - Sites		9,777,103	35,896,241
Consultancy & Professional Fees		865,000	660,483
Building Repairs - Sites		24,575	80,600
Service Charges - Sites		7,849,068	4,714,037
Testing Charges - Sites		9,289,018	14,808,534
Advertisements		102,960	303,825
Repairs & Maintenance - Office Equipment		253,500	13,891
Rates & Taxes		28,819	822,936
Impairment provision for Slow & Non Moving Stock		(359,238)	352,321
Personal Accident Insurance		686,810	688,347
Sub Total		2,277,584,169	3,888,181,505
Add - Opening Stock		247,779,912	118,203,000
Less - Closing Stock		(343,133,385)	(193,974,954)
Cost Of Sales		2,182,230,696	3,812,409,551



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021 Restated
NOTE 03 - OTHER INCOME			
Transport Hire Charges		5,953,765	16,673,092
Deferred Income		17,375,337	78,800,030
Consultancy Fee		8,649,086	5,786,821
Sundry Income		66,215,816	60,104,437
Government Grant Received For Salaries		-	53,000,000
Insurance Income		451,948	21,924,764
Income On Rent		399,649	13,604,550
Miscellaneous		-	25
Foreign Exchange Gain\Loss		68,669,722	-
Profit On Disposal Of Property, Plant & Equipment		9,063,963	9,320,036
Total		176,779,285	259,213,755
NOTE 04 - ADMINISTRATIVE EXPENSES			
Employee Benefits	04.01	214,288,124	108,858,454
Telephone		2,116,920	2,191,162
Postage & Telex		47,597	78,570
Printing & Stationery		-	705,246
Travelling & Subsistence		787,053	1,052,418
Entertainment		653,887	714,342
Advertising		882,648	692,863
Legal Charges		2,438,223	555,750
Audit Fees		3,812,400	-
Rate & Taxes		1,627,962	3,091,072
Electricity		3,142,337	4,074,886
Computer Expenses		253,048	99,925
Rental - GPS Tracking		-	199,120
Rent		-	257,400
Depreciation - Land & Buildings		7,472,380	7,351,389
Depreciation - Furniture & Fixture, Office & Welfare		9,378,091	1,902,311
Depreciation - Computer Accessories & Software		1,003,844	771,706
Depreciation - Other Assets		14,399,543	4,801,369
Water		1,196,344	1,430,066
Non Refundable Tender Fees		360,815	66,000
Service Charges		668,070	87,610
Sundry Expenses		9,383,155	4,394,273
Consultancy & Professional Fees		156,000	878,599
Welfare & Recreation Expenses		1,546,895	14,992
Repairs & Maintenance - Land & Buildings		14,339	790,823
Repairs & Maintenance - Other Assets		60,461	627,690
Insurance Contractors All Risk Policy		8,183,036	7,354,112



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Administration Expenses (Contd...)			
Newspapers & Periodicals		65,450	40,600
* Steel Consumption		6,431,040	-
* Timber Consumption		-	39,203
* Fuel Consumption		1,984,970	61,738
Stationery		5,762,939	3,969,407
* Electrical Items Consumption		323,573	288,196
* Water Supply Items		31,439	72,069
* Other Stocks Consumption		4,448,742	11,156,099
Sub Contract Labour		4,364,981	5,193,969
Repairs - Light Vehicles		300	16,400
Registration & Licence Fees		-	389,664
Bond Charges - Head Office		127,090	653,879
Assignment - Head Office		1,595,223	1,389,310
Training & Development - Head Office		460,320	326,300
Revaluation Loss		514,298	-
External Hire - Head Office		-	25,796
Total		309,983,536	176,664,778



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

Note

2022

2021

NOTE 04 . 01 - EMPLOYEE BENEFIT EXPENSES

Operating Expenses

Salaries & Wages -Permanent	235,401,430	224,506,991
Overtimes -Permanent	42,431,320	72,681,630
Employees' Provident Fund - Permanent Staff	21,384,730	22,370,580
Employees' Trust Fund -Permanent Staff	5,346,183	5,592,645
Salaries & Wages -Casual Staff	2,979,506	4,537,163
Overtime -Casual staff	130,919	604,767
Employees' Provident Fund -Casual Staff	226,464	315,152
Employees' Trust Fund -Casual Staff	56,616	78,788
Sub Contract Labour	208,301,717	295,562,571
Salaries Training	1,232,806	960,961
Workmen Compensation	4,921,623	5,491,719
Encashment Of Leave	429,152	1,259,561
Bonus Payment	4,082,500	2,289,500
Incentive Payments	574,984	1,135,863
Professional Subscription	6,380	6,292
Salaries - Contract	93,723,034	90,709,485
Overtime - Contract	12,048,911	16,902,440
Employees' Provident Fund - Contract	8,370,109	8,667,710
Employees' Trust Fund - Contract	2,092,527	2,166,927
Sub Total	643,740,912	755,840,745

Administrative Expenses

Defined Benefit Pension Cost	17.01	47,060,571	11,774,245
Directors Fees		1,201,200	674,000
Chairman's Remuneration		840,048	599,700
Salaries & Wages		134,974,186	58,517,934
Overtime		12,133,580	20,542,476
Employees' Provident Fund		11,524,364	12,585,676
Employees' Trust Fund		2,881,091	3,146,419
Professional Subscription		423,522	353,503
Gratuity Surcharges		2,121,063	-
Death Donation		-	100,000
Bonus Payment		1,128,500	564,500
Sub Total		214,288,124	108,858,454

Total Employee Benefit Expenses

858,029,036 **864,699,199**



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 05 - OTHER EXPENSES			
Impairment Loss On Trade Receivables		86,781,117	121,904,988
ESC Write off		-	14,759,188
Bank Charges		2,412,344	1,510,351
Total		89,193,460	138,174,528
NOTE 06 - FINANCIAL INCOME & FINANCIAL EXPENSES			
<u>Financial Income</u>			
Interest Income On Available-For-Sale Financial Assets		1,610,964	3,137,432
Interest Income On Held - To - Maturity Investments		6,126,649	4,368,045
Interest Income On Loans & Receivables		281,330	283,786
Total Finance Income Recognized In Profit Or Loss		8,018,943	7,789,263
<u>Financial Expenses</u>			
Interest On Bank Overdrafts		21,730,315	55,804,124
Interest Expense on Financial Liabilities Measured At Amortized Cost		96,708,228	199,532,654
Lease Interest		3,712,224	3,831,929
Other Financial Expenses			
Total Financial Expenses Recognized In Profit Or Loss		122,150,767	259,168,706
NOTE 07 - TAX EXPENSES			
<u>Current Tax Expense</u>			
Current Tax On Profits For The Year		-	-
Adjustment For Under Provision In Prior Periods		-	-
Total Current Tax		-	-
<u>Deferred Tax Expense</u>			
Change In Recognized Taxable Temporary Differences		(79,329,775)	16,734,552
Change In Recognized Deductible Temporary Differences	11		
Total Tax Expenses On Continuing Operations		(79,329,775)	16,734,552



STATE DEVELOPMENT & CONSTRUCTION CORPORATION.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

AS AT 31ST DECEMBER 2022

(All amounts are in Sri Lanka Rupees)

NOTE 08 - PROPERTY, PLANT AND EQUIPMENT

Cost or Valuation

Description	Note	Land	Buildings	Office Equipment	Computers, Accessories & Software	Plant & Machineries	Motor Vehicles	Other Assets	Total
Balance As at 1st January 2021		654,812,513	144,070,478	23,182,135	22,514,133	951,305,093	193,416,809	109,377,599	2,098,678,760
Additions		-	4,263,315	10,706,323	12,200,304	18,927,956	5,935,500	25,441,079	77,474,477
Disposals		-	-	(732,901)	(245,655)	(5,960,907)	(534,754)	(3,531,530)	(11,005,747)
Adjustment		-	-	(2,591,225)	647,872	(23,000,941)	13,701,643	(3,494,097)	(14,736,748)
Balance As at 31st December 2021		654,812,513	148,333,793	30,564,332	35,116,654	941,271,201	212,519,198	127,793,051	2,150,410,742
Additions		-	3,923,381	1,159,278	624,850	17,039,845	795,000	21,795,239	45,337,592
Disposals		-	-	(20,000)	(34,000)	(11,212,475)	(53,804)	-	(11,320,279)
Adjustment		-	-	10,535,168	(18,227,654)	(328,654,726)	70,109,607	(41,679,051)	(307,916,656)
Balance As at 31st December 2022		654,812,513	152,257,174	42,238,777	17,479,850	618,443,845	283,370,001	107,909,239	1,876,511,399

Accumulated Depreciation

Description	Note	Land	Buildings	Office Equipment	Computers, Accessories & Software	Plant & Machineries	Motor Vehicles	Other Assets	Total
Balance As at 1st January 2021		-	90,677,218	16,670,121	14,457,324	648,744,644	178,748,918	79,853,992	1,029,152,217
Depreciation charge for the year		-	7,351,389	1,902,311	1,962,801	83,529,580	1,997,420	4,801,369	101,544,870
Disposals		-	-	(511,061)	(199,473)	(5,708,171)	(508,016)	(2,831,297)	(9,758,018)
Adjustment		-	-	(4,952,816)	597,163	(19,233,154)	13,021,533	2,638,420	(7,928,854)
Balance As at 31st December 2021		-	98,028,607	13,108,555	16,817,815	707,332,899	193,259,855	84,462,484	1,113,010,215
Depreciation charge for the year		-	7,472,380	9,378,091	2,505,009	54,450,001	22,682,127	14,399,543	110,887,151
Disposals		-	-	(13,108,555)	(16,817,815)	(707,332,899)	(193,259,854)	(84,462,486)	(1,014,981,609)
Adjustment		-	-	-	-	-	-	-	-
Balance As at 31st December 2022		-	105,500,987	9,378,091	2,505,009	54,450,001	22,682,128	14,399,541	208,915,757

Balance As at 31st December 2021

654,812,513

50,305,186

17,455,777

18,298,839

233,938,302

19,259,343

43,330,567

1,037,400,527

Balance As at 31st December 2022

654,812,513

46,756,187

32,860,686

14,974,841

563,993,844

260,687,873

93,509,698

1,667,595,642

(Contd...)

AS AT 31 DECEMBER 2022
(All amounts are in Sri Lanka Rupees)

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Carrying Amounts

At 31st December 2021

At 31st December 2022

	Work in Progress	Land	Buildings	Office Equipment	Computers, Accessories & Software	Plant & Machinery	Motor Vehicles	Other Assets	Total
	5,135,309	654,412,513	50,305,186	17,455,777	18,258,839	233,938,302	19,259,343	43,330,567	1,042,533,836
	6,075,566	654,812,513	44,756,187	32,860,586	14,974,841	583,993,844	160,687,073	93,509,698	1,673,677,208

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

AS AT 31ST DECEMBER 2022

(All Amounts Are In Sri Lanka Rupees)

8.2. RE-EVALUATION OF LANDS AND BUILDINGS

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

8.3. RE-EVALUATION OF MOTOR VEHICLE

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

8.4. RE-EVALUATION OF MOTOR VEHICLE AND PLANT & MACHINERY GRANTED BY ECONOMIC DEVELOPMENT MINISTRY

Economic Development Ministry had granted Motor Vehicles and Plant & Machinery to the Corporation in year 2012.

Value of Motor Vehicles and value of Plant & Machinery had been recorded as Rs. 144,984,500 and as Rs. 1,214,212,100 respectively in year 2012.

Net Book Value of Motor Vehicles and Plant & Machinery stood at Rs. 62,593,331 and as Rs. 868,843,212 respectively as at 31.12.2014.

Values of Motor Vehicles and Plant & Machinery were revalued at Rs. 56,000,000 and Rs. 758,500,000 respectively as at 01.01.2015.

Values of Office Equipment, Plant & Machinery, Motor Vehicles, Computer Accessories & Software and Other Assets were revalued at Rs. 41,099,500.00, Rs. 601,549,000.00, Rs. 282,575,000.00, Rs. 16,889,000.00 and Rs. 86,114,000.00 respectively as at 01.01.2022.

8.5. FIXED ASSETS NOT INCLUDED IN THE ACCOUNTS

The following properties have not been taken into the books of accounts as at 31st December 2022. Since we do not have the ownership of the properties.

Location	Land Area	Buildings	Value (Rs.)
Weragantota	4 Acres & 8 perches	8.00	11,850,463
Peradeniya	89.5 perches	2.00	13,990,875
Peradeniya	12.7 perches	1.00	
Medawachchiya	1 Acre & 32 perches	8.00	11,024,473
Poliwatta - Ratmalana	113.5 perches	1.00	29,000,000
Lunugamwehera	5 Acres	2.00	2,674,988
Kalahagala	2 Acres	-	-
Medawachchiya	1 Acre & 112 perches	3.00	1,100,000
Weeravila	132.2 perches	-	-
TOTAL			69,640,799

Peliyagoda land has been taken for Colombo - Katunayaka Expressway - "Golden Gate Kalani" Bridge Peliyagoda.



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

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 9 - INVESTMENTS IN GOVERNMENT OWNED COMPANIES			
Devcoshowa (Pvt) Ltd		9,210,740	9,210,740
Sub Total			
Provision For Investments		9,210,740	9,210,740
Total		(9,210,740)	(9,210,740)
		-	-
NOTE 10 - OTHER INVESTMENTS			
Non - Current Investments			
Total		-	-
Current Investments			
Fixed Deposits		98,652,577	30,000,000
Total		98,652,577	30,000,000
Total Investment		98,652,577	30,000,000
NOTE 11 - DEFERRED TAX ASSETS & LIABILITIES			
At The Beginning Of The Year		(25,032,718)	7,100,560
Transfer To / (From) Income Statements		(138,355,889)	(32,133,278)
At The End Of The Year	11.01	(163,388,607)	(25,032,718)
NOTE 11.01 - DEFERRED TAX ASSETS / LIABILITIES			
Deferred Tax Liability			
Capital Allowances For Tax Purpose		267,001,501	120,316,286
Retirement Benefit Obligation			
Total		267,001,501	120,316,286
Deferred Tax Assets			
Capital Allowances For Tax Purpose		103,612,894	95,283,568
Retirement Benefit Obligation			
Total		103,612,894	95,283,568
Net Tax Assets / (Liabilities)		(163,388,607)	(25,032,718)



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

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 12 - INVENTORIES			
Cement		3,081,591	1,718,331
Sand		1,451,394	1,543,515
Metal		16,221,567	16,995,682
Steel		128,824,131	186,285,797
Timber		5,482,359	2,402,570
Fuel & Lubricants		2,953,256	3,190,530
Explosive & Blasting Materials		233,339	72,603
Concrete Items		16,120,152	48,243,752
Vehicle Spare Parts		13,881,691	16,899,889
Stationery		2,001,047	1,853,309
Tar		4,416,140	3,737,154
Electrical Goods		31,163,453	32,280,923
Pipes & Drainage Items		4,229,646	3,125,049
Other Stock Items		143,212,914	135,151,594
Earth Gravel Stock		3,724,449	3,951,273
Fabrication		1,630,100	3,800,700
Finished Goods - Concrete Items		278,113,510	193,825,980
Finished Goods - Metal Products		11,065,944	-
Steel RDA		552,461	311,296
Stock Adjustments		19,137,447	(203,594,343)
		687,496,592	451,795,605
Provision for Slow & Non Moving stock		(4,262,555)	(4,621,793)
Total		683,234,037	447,173,812
NOTE 13 - INCOME TAX ASSETS			
With Holding Tax On Projects		128,336,127	128,336,127
With Holding Tax On Interest		7,080,674	7,080,674
With Holding Tax On Rent		3,121,911	3,121,911
		138,538,712	138,538,712
Provision For Tax		(82,633,339)	(82,633,339)
Total		55,905,373	55,905,373
NOTE 14 - TRADE & OTHER RECEIVABLES			
Trade Debtors	14.01	3,713,746,390	3,680,179,197
Retention	14.02	560,805,077	505,541,544
Sundry Debtors	14.03	45,815,449	123,167,773
Loans & Advances	14.04	2,132,419	3,660,793
Advances On Purchases & Sub Contracts	14.05	343,442,837	482,007,868
Other Advances & Deposits	14.06	26,653,359	29,591,680
Total		4,692,595,531	4,824,148,856
Non Current Trade & Other Receivables			
Current Trade & Other Receivables		4,692,595,531	4,824,148,856
Total		4,692,595,531	4,824,148,856



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

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 14.01 - TRADE DEBTORS			
Construction Debtors		488,946,699	381,420,314
Concrete Yard Debtors		52,635,175	71,444,046
Traffic Light System Debtors		34,884,101	102,153,306
Asphalt Debtors		1,622,511	1,622,511
Provision for Doubtful Debtors		(97,062,624)	(108,526,998)
Due From Customers		3,519,815,424	3,478,090,854
Provision for Due From Customers		(300,807,383)	(265,418,279)
Trade Creditors - Debit balances		13,712,487	19,393,442
Total		3,713,746,390	3,680,179,197
NOTE 14.02 - RETENTION			
Retention - Construction		715,479,503	614,563,892
Provision for Retention - Construction		(241,311,180)	(218,192,107)
Liquidated Damages Receivables		236,033,768	232,632,756
Provision for Liquidated Damages Receivables		(149,397,014)	(123,462,996)
Total		560,805,077	505,541,544
NOTE 14.03 - SUNDRY DEBTORS			
Security Deposits Of Employees		925,434	926,730
Salaries & Wages Control Account		-	80,335,283
Interest Receivable		11,188,478	6,645,370
Rent Receivable		4,295,500	4,095,500
Sundry Debtors		29,914,674	29,995,655
Sundry Creditors - Debit balances		2,058,023	2,620,086
Provision For Sundry Debtors		(2,566,659)	(1,450,851)
Ready Mixed Debtors (Devco Showa)		34,802,842	34,802,842
Provision For Ready Mixed Debtors		(34,802,842)	(34,802,842)
Total		45,815,449	123,167,773
NOTE 14.04 - LOANS AND ADVANCES			
Prepaid Cost On Distress Loans		-	528,340
Salaries & Wages Advances		605,664	-
Festival Advances		118,000	616,750
Travelling Advances		313,735	333,735
Distress Loans		4,361,321	3,432,889
Bicycle Loan		-	5,000
Special Advance		330,000	330,000
Salary Advance - Casual Employees		-	(1,000)
Salary Advances - Contract Employees		49,014	6,274
Medical Insurance		(2,537,120)	(580,219)
Provision For Loans & Advances		(1,108,194)	(1,010,975)
Total		2,132,419	3,660,793
NOTE 14.05 - ADVANCES ON PURCHASES & SUB CONTRACTS			
Letter Of Credit Margin Account		134,822,839	129,072,060
Purchase Advances - Head Office		1,043,265	12,951,324
Purchase Advances - Sites		183,997,651	303,719,027
Purchase Advances - Construction		3,802,323	7,852,243
Purchase Advances - Concrete Yard		10,565,361	5,535,442
Sundry Advances		18,321,687	20,207,909
MPCS Polonnaruwa		-	5,000
Service Advance		76,806	83,306
Purchase Advances - Peliyagoda (CE)		21,484,694	21,484,694
Sub Contract Advances		15,299,042	15,299,042
Advances Control Account		-	86,244
Provision For Advances on Purchase & Sub Contract		(45,970,831)	(34,288,421)
Total		343,442,837	482,007,868

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

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 14.06 - OTHER ADVANCES AND DEPOSITS			
Tender Deposits (Refundable)		199,875	260,156
Other Deposit		2,484,958	1,809,958
Fuel Deposit - Amithirigala 992		2,400,000	2,400,000
Telephone Deposits		8,000	8,000
Electricity Board Deposits		3,131,750	3,103,095
Deposit-Construction Project		240,000	240,000
Water Deposit		740,661	790,661
Deposit - Land - UDA		70,000	70,000
House Rent Deposit		928,000	868,000
Fuel Deposit - Weeragantota		90,000	90,000
Fuel Deposit - Head Office - Transport		300,100	300,100
Fuel Deposit - CME		415,000	415,000
Fuel Deposit - Katugastota WP -		4,421	4,421
Fuel Deposit Control A/C		13,067,868	15,511,706
Fuel Deposit - Mawanella Aranayake Road		400,000	400,000
Fuel Deposit - Kegalle - Rambukkana Road		300,000	300,000
Fuel Deposit - Negombo General Hospital		300,000	300,000
Fuel Deposit - Sengaloya		300,000	300,000
Fuel Deposit - Pannegamuwa Weekly fair		50,000	50,000
Fuel Deposit - Yatiyantota Deraniyagala Road		1,300,000	1,300,000
Fuel Deposit - Medawachchiya		150,000	150,000
Fuel Deposit - Polonnaruwa		1,000,000	1,000,000
Fuel Deposit - 980		400,000	400,000
Fuel Deposit - Galpottagama & Thanthirimale-		49,993	49,993
Fuel Deposit - Manick Farm -Chettikulam		200,000	200,000
Other Deposit - Rathkinda		10,000	250,000
Fuel Deposit - Road close to Talaimannar		134,051	134,051
Fuel Deposit - Bopitiya Quarry Crusher -		655,000	655,000
Fuel Deposit - Monaragala		7,726	7,726
MPCS - Moratuwa		250,000	250,000
Fuel Deposit - Ulapane		600,000	600,000
Fuel Deposit - Blumendhal		11,534	11,534
Fuel Deposit - Lunugamwehera Concrete Yard		60,000	60,000
Fuel Deposit - Muwagama		3,000	3,000
Provision For Other Advances And Deposits		(3,608,579)	(2,700,721)
Total		26,653,359	29,591,680



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

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
Note 15 Cash At Bank			
Bank Of Ceylon - 80524651 (651)		153,277,878	84,608,156
Bank Of Ceylon - 84446216-(216)		110,268	-
People's Bank - Ratmalana - 080101091101178 (91)		3,820,790	809,328
Bank Of Ceylon - 84446221 (221)		11,286	788,506
Bank Of Ceylon - 82786331 (331)		17,065	3,478,306
Sampath Bank 1860000985 (985)		4,511	1,392,534
Bank Of Ceylon - 682972		520,075	1,069,907
Bank Of Ceylon - -9826701		-	20,563
Margin Account - Sampath Bank		-	2,516,759
Bank Of Ceylon Peradeniya - 1274460		-	38,148
Bank Of Ceylon - 683202 (202)		409,002	833,419
People's Bank - Ratmalana - 080100381101178 (38)		1,307,275	2,284,312
People's Bank - Ratmalana - 080100471101178 (47)		1,646,941	525,785
People's Bank - Ratmalana - 080100291101178 (29)		260,462	547,756
Bank Of Ceylon - 0080490546 (546)		15,341	405,341
Bank Transfer HO		-	86,484,820
Bank Transfer - Site		-	36,218
Bank Of Ceylon - 6510876		21,668	381,694
Bank Of Ceylon - 86654175 (175)		19,718	12,566,831
People's Bank - Ratmalana 080101361101178 (136)		1,827,580	864,372
People's Bank - Ratmalana 080101181101178 (118)		2,097,468	1,061,961
Pan Asia Bank - 101100630		1,971	-
Bank Of Ceylon -87643673 (673)		24,148	3,252,985
Bank Of Ceylon -87643690 (690)		21,458	1,026,879
Bank Of Ceylon - 82786425 (425)		49,007	-
Bank Of Ceylon -87643685 (685)		109,119	19,044,921
People's Bank - 080101271101178 (127)		23,778,893	-
Sampath Bank - 1860000365		-	304
Sampath Bank - 001860000 349 (349)		26,848	26,848
Bank Of Ceylon - 683116 (116)		-	58,373
Bank Of Ceylon -0087159349 (9349)		176,088	8,462,143
Bank Of Ceylon -0087159466 (9466)		191,003	2,204,103
Bank Of Ceylon - 87948734		15,000	25,250
Bank Of Ceylon - 87948785		29,983	17,233
Bank Of Ceylon - 87948798		19,000	25,250
Bank Of Ceylon - 683116 (116)		25,135	-
People's Bank - 080101721101178 (72)		33,810	-
People's Bank - 080101541101178 (54)		156,763	-
People's Bank - 080101451101178 (45)		1,305,045	-
People's Bank - 080101901101178 (90)		74,295	-
People's Bank - 080101631101178 (63)		50,000	-
Bank Of Ceylon - 88497527 (7527)		15,503	-
Bank Of Ceylon - 88497541 (7541)		15,000	-
Saving Deposits		87,574,689	31,647,400
Sub Total		279,060,087	266,506,406
Cash In Hand - Petty Cash			
Rathmalana C/Y - Petty Cash		217,184	64,645
Construction & Head Office		5,838,247	8,537,059
Peradeniya Sales Centre		3,801	3,801
Mechanical Division		1,217	1,217
Sub Total		6,060,449	8,606,722
Total		285,120,536	275,113,128
Unfavourable Cash & Cash Equivalents		(133,851,255)	(144,507,507)
Total Cash & Cash Equivalents for the purpose of Cash Flow Statement		151,269,281	130,605,621

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

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 16 - LOANS & BORROWINGS			
Balance As At The Beginning Of The Year		1,844,836,852	1,429,155,720
Borrowings During The Year		50,329,828	868,005,959
Total		1,895,166,680	2,297,161,679
Repaid During The Year		46,917,100	452,324,827
Net		1,848,249,580	1,844,836,852
Repayable Within One Year		282,515,292	191,711,368
Repayable After One Year		1,565,734,288	1,653,125,484
Total Loans & Borrowings		1,848,249,580	1,844,836,852
NOTE 17 - RETIREMENT BENEFIT OBLIGATIONS			
Balance As At The Beginning Of The Year		59,408,198	79,332,387
Cancel Payment		82,985	-
Charges To / (Reverse From) Income Statement	17.01	21,280,333	3,219,919
Payment/payables During The Year		(21,787,932)	(23,144,108)
Balance As At End Of The Year		58,983,584	59,408,198
NOTE 17.01 - PROVISION MADE DURING THE YEAR			
Interest Cost		22,701,861	7,990,082
Current Service Costs		24,358,710	3,784,163
Net Actuarial (Gain) / Loss Recognized Immediately		(25,780,239)	(8,554,326)
Total		21,280,332	3,219,919
NOTE 18 - TRADE & OTHER PAYABLES			
Trade Payables	18.01	797,697,251	867,857,755
Value Added Tax	18.02	1,236,197,185	1,111,086,511
Sundry Payables	18.03	1,373,462,809	954,950,597
Employee Benefit Payables	18.04	119,222,174	78,667,409
Refundable Advances & Retentions	18.05	918,485,607	1,283,915,843
Refundable Deposits	18.06	1,103,162	965,445
Total		4,446,168,188	4,297,443,559
Current Trade & Other Payables		4,446,168,188	4,297,443,559
Total		4,446,168,188	4,297,443,559

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

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 18 . 01 - TRADE PAYABLES			
Trade Creditors			
ESC Control AC		435,596,812	459,689,844
ESC Payable		77,812,628	14,759,188
Nation Building Tax		-	-
Payment Received Material - Sites		6,342,105	6,342,105
Unfavourable Debtor Balances		154,225,184	251,227,891
Dues to Customers		-	4,082,667
Total		123,720,522	131,756,060
		797,697,251	867,857,755
NOTE 18 . 02 - VALUE ADDED TAX			
Value Added Tax Control Account		1,236,197,185	1,111,086,511
Total		1,236,197,185	1,111,086,511
NOTE 18 . 03 - SUNDRY PAYABLES			
Sundry Creditors			
Auditor General		977,361,721	910,173,618
Refundable Deposits		-	2,825,200
Loan Interest Payable		9,668,304	3,089,097
Loan Capital Areas Payable		-	18,784,936
Bill Discounting		-	20,077,566
Audit Fee Payable		322,347,178	-
Letter of Credit		4,039,260	-
SSCL		40,598,604	-
EPF Surcharge Payable		504,795	-
Government Valuation Dept.		11,410,428	-
Refundable Loan		7,532,520	-
Total		-	180
		1,373,462,809	954,950,597
NOTE 18 . 04 - EMPLOYEE BENEFIT PAYABLES			
Salaries & Wages Payable - Permanent		316,927	47,290
Salaries & Wages Payable - Contract		6,865,902	12,800,482
Salaries & Wages Payable - Casual		191,871	536,636
Cash Abatements -Control Account		2,253,055	2,488,504
Flood Relief Advance		-	16,250
Employees' Provident Fund		107,548,404	60,961,028
Employees' Trust Fund		1,598,712	1,369,915
Medical Insurance		447,303	447,303
Total		119,222,174	78,667,409
NOTE 18 . 05 - REFUNDABLE ADVANCES & RETENTIONS			
Mobilization Advances From Clients		860,514,165	1,221,705,643
On Account Payments		8,684,946	-
Advances Against Orders -Concrete Yards		49,149,606	62,073,310
Advances Against Orders -Asphalt Plant		136,890	136,890
Total		918,485,607	1,283,915,843
NOTE 18 . 06 - REFUNDABLE DEPOSITS			
Security Deposits - Employees		953,162	965,445
Refundable Deposit - Welfare Building		150,000	-
Total		1,103,162	965,445

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

AS AT 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

	Note	2022	2021
NOTE 19 - BANK OVERDRAFTS			
Bank Of Ceylon - 82410946		24,965,503	25,122,361
Bank Of Ceylon - 82786425		-	325,102
Bank Of Ceylon - 75416320		21,286,918	22,352,098
Bank Of Ceylon - 683114 (114)		26,429	9,932,508
Sampath Bank - 1860000195 (195)		1,816,892	-
Sampath Bank - 1860000241		69,860,914	62,389,929
Pan Asia Bank - 101100630		-	99,996
Bank Of Ceylon -87643682 (682)		12,198,332	13,489,439
People's Bank 080101271101178 (1012)		33,500	13,500
People's Bank - 080101811101178 (81)		3,662,766	-
Bank Of Ceylon - 84446216-(216)		-	10,782,574
Total		133,851,255	144,507,507



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

FOR THE YEAR ENDED 31ST DECEMBER

(All Amounts Are In Sri Lanka Rupees)

2022

2021

NOTE 20 - RELATED PARTIES

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

Devcoshowa (Pvt) Ltd. is a fully owned subsidiary of the State Development and Construction Corporation. However, Board of Directors independent from SD&CC had been managing the company's affairs since the year 1997. Currently, the entire operation of the Company has been closed down and in the process of liquidation

Related Party Balances In Statement Of Financial Position

Investment In Devcoshowa (Pvt) Ltd	9,210,740	9,210,740
Ready Mixed Debtors (Devcoshowa)	34,802,842	34,802,842

NOTE 21 - TRANSACTIONS WITH RELATED PARTIES

NOTE 22.01 - TRANSACTIONS WITH PARENT / SUBSIDIARIES/ASSOCIATES

<u>Company</u>	<u>Transactions</u>		
Devcoshowa (Pvt) Ltd	Cash Receipts	-	-
	Cash Payments	-	-
Total		-	-

NOTE 21.02 - TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Salaries To Key Management Personnel	2,041,248	1,273,700
Total	2,041,248	1,273,700

NOTE 22 - ASSETS PLEDGED

<u>Nature of Asset</u>	<u>Nature of Liability</u>
Property Indicated In Note. 08	
Land at Gregory's Avenue	Land has been pledged against a loan facility (LKR 186,000,000, LKR 90,000,000, LKR 12,700,000), a bond & guarantee facility (LKR 200,000,000) and an overdraft facility (LKR 70,000,000) in Sampath Bank.
Land at Rathmalana	Land has been pledged against loan facility (LKR528,416,000) & guarantee facility (LKR 1,050,000,000) in Bank of Ceylon.
Land at Peliyagoda	Land has been pledged against loan facilities (LKR 84,000,000 & LKR 7,548,655) in Housing Development Finance Corporation (HDFC).

NOTE 23 - PROVISION FOR DEBTORS & OTHER RECEIVABLES

Provision has been made for Note 14.1 trade debtors (except due from customers) & Note 14.2 retention, based on the age analysis. Provision has been made for 'Due from customers' over five years' balance of Rs: 176,945,519.16 at a rate of 20% for the current year. Provision of 3% has been made for all other receivables in Note 14.3, 14.4, 14.5, & 14.6.

NOTE 24 - EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

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



NOTE 25 - PRIOR YEAR ADJUSTMENT

Prior year adjustment amounting to Rs.81,996,388 in the equity statement includes, payable amount to the government valuation department amounting to Rs.7,532,520, EPF surcharge payable amounting to Rs.11,410,428 and ESC payable amounting to Rs.63,053,440 aroused in the previous years.

Note 26 - RESTATEMENT OF FINANCIAL STATEMENT AS AT 31.12.2021

	Before Restating Year 2021	After Restating Year 2021
OTHER INCOME		
Transport Hire Charges	16,673,092	16,673,092
Deferred Income	78,800,030	78,800,030
Consultancy Fee	5,786,821	5,786,821
Sundry Income	60,104,437	60,104,437
Treasury Grant Received For Salaries	-	53,000,000
Insurance Income	21,924,764	21,924,764
Income On Rent	13,604,550	13,604,550
Miscellaneous	25	25
Profit On Disposal Of Property, Plant & Equipment	9,320,036	9,320,036
Total	206,213,755	259,213,755
EQUITY & LIABILITIES		
Capital & Reserves		
Capital	16,671,651	16,671,651
Capital Grant	51,140,000	51,140,000
Capital Reserves	6,629,760	6,629,760
Government Grant	269,660,477	216,660,477
Revaluation Reserve	656,256,375	656,256,375
Retained Earnings	(676,632,526)	(623,632,526)
Total Equity	323,725,737	323,725,737

The government grant amounting to Rs. 53Mn received in the year 2021 for the payment of salaries, had been accounted as capital grant in the year 2021. As stated in the above note It has been accounted as recurent grant by restating the financial statement of the year 2021.



STATE DEVELOPMENT & CONSTRUCTION CORPORATION
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FOR THE YEAR ENDED 31ST DECEMBER
(All Amounts Are In Sri Lanka Rupees)

2022

2021

NOTE 27 - SEGMENT INFORMATION

Segment Income and Expenses

	Construction	Concrete Yard	Traffic Light Systems & Work Services	Other	Total	Construction	Concrete Yard	Traffic Light Systems & Work Services	Other	Total
Revenue	2,059,987,261	287,654,791	198,039,225		2,545,681,276	3,371,051,882	464,033,667	380,453,608		4,215,539,157
Cost Of Sales	(1,642,440,295)	(187,637,126)	(196,482,988)	(155,646,287)	(2,182,230,696)	(2,827,905,884)	(485,042,399)	(310,131,166)	(189,330,101)	(3,812,409,551)
Gross Profit	417,546,966	100,017,665	1,556,237	(155,646,287)	363,450,580	543,145,998	(21,008,732)	70,322,442	(189,330,101)	403,129,606
Other Income					176,779,285					259,213,755
Administrative Expenses					(309,983,536)					(176,664,778)
Other Expenses					(89,193,460)					(138,174,528)
Financial Income					8,018,943					7,789,263
Financial Expenses					(122,150,767)					(259,168,706)
Profit Before Tax					26,921,045					96,124,611

Construction Projects

Disclosure Requirement As Per LKAS 11

PROJECT NAME	Initial Contract Sum Total	B.O.Q. + Certified Variation	Estimated Cost + Certified Variation	Cost incurred During The Year 2022	Total Cost Incurred up to 2022	Cost of Balance Work	Total Cost Incurred up to 2022 + Cost of Balance Work	% Completion	Revenue Recognition up to 2021	Revenue Recognition up to 2022	For the Year	Recognised Profit as at 31.12.2022	Bill Received (Cumulative) as at 31.12.2022	Due From customer = 506	Due to Customer = 0507	Amount of Retention	Mobilisation Advance
1171 CHILAN DISTRICT GENERAL HOSPITAL BUILDING KIRINJOYAT	108,739,599.46	114,593,429.92	85,841,864.25	3,431,053.34	79,423,556.07	3,000,000.00	82,423,556.07	86%	80,506,426.74	110,339,923.50	20,867,186.66	30,097,087.23	69,695,506.66	40,524,325.64		4,840,007.89	
1172 MUDANAPALLESSA	205,189,951.77	229,577,421.39	183,374,499.70	10,206,301.14	174,520,200.33	44,000,000.00	188,520,200.33	74%	187,285,717.78	162,865,417.44	5,719,645.65	38,665,382.11	134,814,444.11	28,370,873.33		9,025,179.05	4,979,358.62
1183 WALAWI RIVER BETWEEN THALIGALAS ROTHYAGAMA RIDDIOVA UDULWILA & RIDDIOVA UDULWILA	235,607,676.36	221,815,470.81	181,022,777.74	16,298,016.06	96,394,302.97	39,000,000.00	135,394,302.97	71%	130,537,597.44	157,922,863.39	27,394,465.95	61,527,760.42	135,087,142.37	22,834,821.02		9,884,696.94	9,547,975.78
1171 RIDDIOVA UDULWILA & RIDDIOVA UDULWILA	163,686,140.22	182,690,933.83	123,277,470.83	3,318,846.45	81,033,883.90	4,250,000.00	85,283,883.90	95%	142,393,701.14	146,331,876.07	3,022,935.93	64,397,992.47	88,301,451.78	48,500,214.79		7,094,970.77	1,949,038.97
1172 ARUBOKKOTA AT KESERUWATTI IN KATUNAYAKA DISTRICT	55,487,481.19	59,956,677.67	40,935,683.21	819,538.32	35,113,008.33	16,000,000.00	51,113,008.33	89%	30,312,247.51	35,032,405.90	4,720,158.39	(80,602.43)	13,747,543.74	21,384,865.16		1,347,202.78	5,781,179.51
1177 RAGINATHOTA	245,711,148.37	224,646,484.97	178,955,552.79	13,138,484.14	61,742,887.48	102,000,000.00	163,742,887.48	38%	48,851,977.34	84,707,995.51	34,855,116.17	22,864,708.03	62,550,240.31	32,397,115.20		5,374,390.09	30,312,417.06
1178 WALASALLA PALLEKANDA ROAD	90,193,458.14	80,056,088.07	66,650,882.52	10,092,742.45	46,568,116.31	28,000,000.00	74,568,116.31	82%	74,688,073.55	51,079,126.00	(23,549,547.55)	5,982,809.69	25,184,446.02	25,814,678.98		2,306,275.99	9,743,239.35
1179 KUMBIKALLA URUBOKKA ROAD IN MADAGODA	93,937,137.65	89,009,428.39	71,924,143.52	4,221,592.03	30,856,173.21	28,800,000.00	59,656,173.21	62%	31,797,404.47	40,010,448.07	8,314,044.24	9,054,276.76	20,354,942.21	19,755,698.76		1,859,368.77	10,610,213.20
1180 THULUNNA AND THULUNNA	39,049,930.16	85,580,542.19	68,657,785.22	5,245,589.20	32,558,116.05	12,000,000.00	44,558,116.05	79%	36,150,103.48	70,557,886.34	10,458,882.86	21,613,125.56	68,545,916.81	2,005,461.49		4,460,863.21	1,121,445.86
1181 KAMALE THOTUPULAN ROAD	43,383,141.25	42,811,331.49	34,834,573.50	6,448,203.28	35,018,532.78	1,950,000.00	36,968,532.78	86%	41,215,290.76	40,593,138.10	(692,152.66)	5,534,095.32	28,597,483.91	11,955,644.19		2,118,871.65	11,601,310.69
1185 KOTCHUPURANA AND SIVAKALAMPURAYA	39,757,805.50	39,998,862.61	31,782,548.73	1,784,151.04	38,846,842.39	1,000,000.00	40,846,842.39	98%	27,684,105.40	38,098,344.17	10,344,137.77	(1,008,298.22)	32,907,991.65	6,930,343.31		1,718,345.63	894,819.33
1186 BELATTIA DIVISION SECRETARY'S DIVISION	57,633,126.50	92,125,080.40	74,418,733.19	9,256,051.50	51,506,933.63	48,000,000.00	99,506,933.63	52%	41,749,371.08	47,686,480.88	5,936,109.81	8,020,452.54	40,578,788.41	6,706,692.28		3,995,800.20	7,655,539.93
1189 HANWELAPUGODA WAKE URUPOLLA ROAD	103,550,028.14	103,550,028.14	66,684,857.59	11,909,399.95	39,978,764.44	95,000,000.00	95,078,764.44	41%	25,617,280.14	42,576,979.95	16,959,719.81	3,598,275.51	23,156,952.58	19,420,397.37		2,115,658.30	15,618,945.92
1296 BRIDGE ACROSS CANAL - KIRINJOYAT HOSPITAL	22,774,583.41	26,593,698.07	21,650,855.71	17,232,152.49	19,432,152.49	1,200,000.00	20,632,152.49	93%	24,740,799.95	25,170,775.00	429,075.45	7,038,922.51	15,874,715.12	8,395,698.88		1,446,898.61	1,517,708.26
1296 NATIONAL SCHOOL KATUNAYAKA	22,033,925.84	20,023,867.65	15,998,085.01	2,350,962.71	14,648,000.00	17,010,967.71	31,658,967.71	14%	3,265,336.02	2,788,183.43	(477,152.59)	4,172,211.12	3,988,676.84	7,744,118.67		26,487.39	3,316,852.16
1297 BRIDGE DUBILGAMAHNA SPAN STEEL	38,068,678.00	34,851,539.09	27,878,220.74	3,844,887.78	15,977,068.18	14,950,000.00	30,927,068.18	50%	12,854,816.32	17,484,448.21	4,629,631.90	2,407,380.05	9,140,249.56	7,744,118.67		908,444.27	4,965,432.34
1294 CANAL IN SIDA IMPROVEMENTS	63,396,606.56	61,693,414.07	71,630,703.24	42,238,883.79	87,254,138.31	3,000,000.00	90,254,138.31	26%	30,745,138.48	78,258,081.38	47,440,901.89	10,851,833.07	30,770,881.39	47,453,379.99		2,007,668.48	51,316,591.05
1307 INTERSECTION JALIA - KARACHCHIMULLATTU ROAD	79,238,921.73	69,473,432.00	64,702,851.17	17,178,706.85	55,830,283.07	900,000.00	56,730,283.07	99%	59,851,170.67	59,856,969.02	18,031,698.36	13,017,885.95	21,357,566.23	47,499,302.70		3,072,726.49	8,296,886.03
1298 RECONSTRUCTION GALLE KARACHCHIMULLATTU ROAD	80,888,487.00	73,514,321.02	68,255,980.75	19,309,172.85	53,600,164.90	8,900,000.00	62,500,164.90	89%	56,552,812.87	64,349,521.97	7,794,078.70	10,468,616.87	43,300,923.77	21,045,897.80		2,228,689.45	5,892,175.80
1294 RECONSTRUCTION BRIDGE KARACHCHIMULLATTU ROAD	71,083,664.31	62,897,226.61	60,821,873.67	24,186,683.79	74,486,889.73	2,000,000.00	76,486,889.73	97%	46,881,950.83	61,284,481.83	14,392,531.00	(15,102,407.29)	58,195,481.31	3,699,000.52		3,556,170.22	
1279 ROAD UTHUPULWILA RELAWATTI - PITIGALA	109,833,005.34	93,320,191.05	99,270,933.77	13,978,983.81	79,152,585.63	35,000,000.00	114,152,585.63	89%	47,698,471.57	64,606,938.79	16,908,465.22	(14,145,646.84)	34,814,654.83	29,792,243.99			
1279 ROAD KOLUPITHA - SIDA IMPROVEMENTS	58,145,689.35	51,416,490.16	45,817,684.91	24,340,443.68	56,176,643.87	10,000,000.00	66,176,643.87	85%	24,148,194.94	43,548,695.33	19,400,500.39	(12,528,038.54)	23,340,245.70	20,008,559.63		2,443,604.53	5,318,820.69
1280 ROAD KIRINJOYAT KARACHCHIMULLATTU ROAD	93,172,118.89	84,980,292.71	75,347,647.91	13,285,343.24	55,195,159.78	27,000,000.00	82,195,159.78	96%	37,588,807.99	54,007,970.80	18,419,382.61	3,812,810.82	44,187,035.46	11,840,935.20		4,416,703.54	10,826,577.34
1280 ROAD KIRINJOYAT KARACHCHIMULLATTU ROAD	169,999,983.65	144,612,341.21	106,574,789.74	13,666,473.45	55,432,259.73	88,000,000.00	143,432,259.73	45%	45,827,968.41	63,147,671.74	17,326,713.33	7,715,412.01	42,346,565.02	20,300,676.72		4,382,447.59	15,692,654.99
1284 MOROWETHITA ARANDARA ROAD	189,844,772.91	183,714,654.93	147,372,658.17	47,372,658.17	133,686,979.94	37,530,000.00	171,216,979.94	78%	105,572,245.28	127,023,233.85	24,450,988.57	(6,533,746.99)	81,790,575.90	45,352,657.95		8,313,647.03	11,788,736.76
1285 ROAD KIRINJOYAT KARACHCHIMULLATTU ROAD	167,321,387.89	163,528,431.46	133,217,844.01	17,992,376.89	94,672,240.44	27,000,000.00	121,672,240.44	78%	138,531,706.12	127,233,988.06	18,792,228.44	32,651,767.42	98,383,765.10	28,850,231.96		8,366,669.39	8,651,832.15
1286 ROAD KIRINJOYAT KARACHCHIMULLATTU ROAD	177,114,443.37	169,541,400.82	138,487,216.63	29,029,859.90	117,339,929.03	40,000,000.00	157,339,929.03	79%	97,073,348.33	119,727,551.29	22,654,112.95	2,387,572.76	102,259,564.42	17,667,036.87		8,070,722.19	
1287 RECONSTRUCTION OF KARACHCHIMULLATTU ROAD	206,070,652.76	187,471,714.59	182,817,830.08	6,457,458.48	85,508,392.36	17,500,000.00	103,008,392.36	83%	109,850,421.74	155,432,024.32	45,581,602.58	70,083,633.46	87,540,822.26	6,789,120.09		8,754,682.20	
1288 KARACHCHIMULLATTU ROAD	112,031,544.28	111,946,054.11	108,755,394.38	7,425,011.98	84,658,587.77	30,240,000.00	114,898,587.77	74%	71,468,203.88	83,974,696.61	12,506,893.73	(684,488.19)	60,965,050.74	23,006,044.87		5,641,596.22	2,759,835.87
1288 KARACHCHIMULLATTU ROAD	1,688,551,899.80	2,112,285,789.77	2,676,355,210.15	487,801,860.02	1,952,703,822.55	375,910,260.05	2,328,614,082.60	77%	988,106,133.75	1,827,709,399.44	64,603,235.88	385,005,546.16	1,591,484,422.46	36,141,646.98		84,627,654.49	37,706,960.15
1290 ROAD KIRINJOYAT KARACHCHIMULLATTU ROAD	48,470,630.74	48,242,350.20	41,840,140.05	3,358,804.63	31,333,969.02	2,000,000.00	33,333,969.02	84%	43,144,601.54	46,470,792.86	3,326,191.32	12,938,802.14	34,553,239.99	11,917,853.57		2,423,831.84	
1281 RACE TUNNEL LAMPANA	91,794,895.00	135,000,720.18	84,751,065.18	39,486,770.09	40,131,510.03		40,131,510.03	100%	900,723.18	52,214,739.83	51,314,016.71	12,083,239.46	52,214,739.83			4,984,723.25	

PROJECT NAME	Initial Contract Sum	B.O.Q + Certified Variation	Estimated Cost + Certified Variation	Cost Incurred During the Year 2022	Total Cost Incurred up to 2022	Cost of Balance Work	Total Cost Incurred up to 2022 + Cost of Balance Work	% Completion	Revenue Recognition up to 2021	Revenue Recognition up to 2022	For the Year		Amount of Retention	Mobilisation Advance
											Recognised Profit as at 31.12.2022	Bill Received (Cumulative) as at 31.12.2022		
1284 CONNS RETAINING WALLS - KALAM ROAD	49,517,032.64	44,238,422.00	42,473,631.20	7,920,496.64	30,170,399.31	3,000,000.00	33,170,399.31	91%	28,338,453.59	40,231,366.87	13,892,113.31	10,110,987.56	22,345,188.22	2,234,519.92
1285 SAMBATHUR ROAD TO MLEENAVATH OF RURAL BRIDGE PROJECT	56,000,000.00	51,607,177.92	48,890,986.18	12,074,308.78	18,733,362.19	39,710,000.00	58,443,362.19	32%	6,900,002.06	16,375,933.18	3,472,591.12	2,357,789.01	12,146,533.45	4,220,055.73
1287 VVP ACCESS ROAD - DEFENCE HEADQUARTERS COMPLEX	22,669,489.80			30,288,544.45	80,469,227.25	7,856,014.96	203,115,609.11			117,432,478.09	45,976,864.41	66,483,351.64	117,432,478.09	
1297 28 X 0.5 OF STEEL BRIDGE	286,025,738.79					134,472,383.11								
1298	409,892,999.90		359,003,640.39	17,889,160.51	174,099,987.59	118,000,000.00	292,099,987.59	60%	187,875,065.78	218,810,056.58	30,336,900.89	44,717,098.99	186,109,866.66	22,700,096.92
1300 WAPAPATHA RD, RUTALAM TRINCOMALEE RD	211,290,000.00		199,103,427.96	21,176,796.99	70,447,140.79	53,000,000.00	133,447,140.79	53%	66,443,822.46	102,769,894.18	15,317,071.72	32,313,753.39	54,995,147.18	47,784,717.00
1301 JUNG, GRAMA + METH DAMBULLA BANAJUNA KALAGAHENNA ROAD	180,360,000.00		162,869,842.26	167,027,386.63	12,477,674.11	63,450,850.27	74,490,000.00	4%	57,058,818.83	75,009,104.19	17,950,295.36	11,509,253.92	33,398,984.21	41,610,169.88
1317 DAMBULLA BANAJUNA KALAGAHENNA ROAD - SECTION 6	186,676,035.90		150,747,996.32	25,912,344.72	58,078,109.00	99,470,000.00	148,548,109.00	39%	33,264,810.91	74,735,459.74	41,470,649.92	16,657,350.74	29,684,645.76	48,095,613.98
1318 LAGANA ROAD-FROM8500-ASHOKA-PAWANA-ACANA	203,658,728.21		144,860,786.47	9,573,891.25	83,453,415.97	28,000,000.00	111,453,415.97	70%	133,415,712.20	133,511,565.67	2,295,853.47	50,095,489.70	81,382,594.29	52,128,871.42
1319 NATAL ALUKURUA BRIDGE PANSLI GODA ROAD	204,315,469.00		161,858,728.96	3,752,655.38	10,373,913.27	96,000,000.00	106,373,913.27	10%	6,617,111.46	20,506,407.62	13,452,296.16	9,095,484.35	6,372,278.21	13,607,198.69
1320 MINUNANGODA ASHOKA-PAWANA-ACANA	70,545,137.51		161,622,407.91	9,274,678.86	25,376,205.54	109,200,000.00	134,576,205.54	19%	19,805,779.27	38,526,897.14	18,720,917.46	13,160,491.60	9,624,435.62	28,902,261.52
1321 MARUKKATHURA BRIDGE	170,227,067.62		169,964,561.10	10,031,233.05	26,176,104.77	39,000,000.00	65,176,104.77	40%	28,818,652.40	29,471,084.50	2,220,883.73	11,940,762.26	17,430,336.24	17,430,336.24
1322 BRIDGE														
1323 KALAGAHENNA MEEMURE BRIDGE	63,377,540.52		54,036,010.89	21,895,718.67	58,547,216.55	76,336,000.00	134,647,216.55	43%	59,516,619.46	69,747,091.98	10,330,472.52	11,399,875.43	50,782,082.61	18,960,000.37
1327 BRIDGE VITHUKADUWA WALEBODA	20,433,985.77		28,417,201.00	2,611,454.70	13,237,388.00	34,650,000.00	47,887,388.00	28%	13,997,544.52	15,102,893.36	1,115,348.85	1,865,904.36	1,865,904.36	15,102,893.36
1328 THORANWAKANDA KALUWALA MANADA BRIDGE	38,425,601.99		31,013,399.25	17,079,998.97	3,778,850.34	16,400,000.00	19,178,850.34	18%	3,656,098.94	3,660,379.64	34,370.70	81,529.30	1,677,251.52	1,983,128.12
1330 LURA OYA BRIDGE AMBAGAHENNA BRIDGE	81,637,700.70		69,156,010.99	815,838.14	16,514,850.25	29,600,000.00	30,415,838.14	2%	646,276.37	778,014.10	131,737.73	162,175.96	-	778,014.10
1333 RURAL BRIDGE PROJECT - KALABURCHI GANGA	85,497,552.59		2,884,162.73	16,531,176.45	2,238,116.85	2,500,000.00	4,738,116.85	47%	4,046,015.38	8,470,920.21	4,436,904.84	6,232,803.56	7,929,550.93	841,419.28
1335 RURAL BRIDGE PROJECT - KEGALLE DISTRICT	19,779,227.15		17,693,547.17	73,056,711.88	45,221,977.72	26,597,950.47	72,179,826.19	83%	25,394,810.81	46,491,264.88	20,136,393.87	269,226.96	34,391,827.53	11,099,371.15
1337 RURAL BRIDGE PROJECT - MATALE DISTRICT	51,555,203.62		48,712,649.22	8,368,314.73	21,794,247.80	20,731,919.16	42,526,569.86	91%	22,433,071.69	54,708,593.84	15,392,155.44	1,633,996.32	15,115,090.28	8,312,303.95
1339 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	83,927,766.34		56,771,893.15	2,978,408.27	9,912,618.02	22,542,008.13	32,454,626.15	31%	6,847,669.19	17,862,256.86	10,238,268.66	7,273,817.84	5,939,800.47	1,246,656.39
1340 RURAL BRIDGE PROJECT - KANDY DISTRICT	109,390,592.96		97,361,432.71	32,727,078.71	55,227,085.23	41,059,262.34	96,386,357.57	69%	39,316,348.40	105,932,627.19	15,392,155.44	84,339,914.45	24,934,854.07	29,773,848.77
1341 RURAL BRIDGE PROJECT - ANURADHAPURA DISTRICT	247,680,572.55		184,624,758.10	23,342,910.30	37,670,227.44	40,232,462.87	77,902,690.01	46%	21,551,812.70	71,694,688.39	44,760,001.85	33,506,971.12	25,000,907.86	80,951,719.21
1342 RURAL BRIDGE PROJECT - KOLLOMBO DISTRICT	125,552,033.86		112,457,303.63	17,102,193.95	14,117,722.57	43,403,819.20	56,521,541.77	64%	26,842,696.53	40,784,699.78	10,987,596.57	(2,519,119.42)	33,142,659.58	7,642,049.20
1343 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	56,985,784.41		50,536,607.02	48,132,036.69	37,670,227.44	21,735,866.58	59,403,693.05	81%	53,784,104.66	50,255,291.10	40,784,699.78	26,932,839.67	48,747,722.35	507,568.75
1344 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	75,603,378.16		66,728,653.24	13,504,447.65	23,332,461.43	7,842,211.23	30,980,692.66	70%	27,396,174.43	40,126,250.63	22,681,115.67	7,434,375.61	23,381,878.14	16,744,372.49
1347 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	71,963,757.99		61,205,700.38	19,307,664.89	47,530,626.44	28,594,167.07	76,124,793.51	65%	26,888,154.99	50,255,291.10	40,784,699.78	26,932,839.67	48,747,722.35	507,568.75
1348 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	191,889,184.27		137,371,054.39	17,707,061.08	35,282,805.03	32,228,167.52	67,510,962.55	57%	17,483,283.42	42,387,159.45	24,903,876.03	7,104,354.42	34,789,458.22	7,617,701.23
1349 RURAL BRIDGE PROJECT - KALABURCHI DISTRICT	82,154,764.26		72,719,278.12	18,912,879.44	33,471,654.31	79,099,298.51	112,738,669.38	30%	19,760,620.74	43,992,293.29	21,715,672.55	7,351,923.44	17,398,978.07	29,599,319.42
1350 RURAL BRIDGE PROJECT - HAMBANTOTA DISTRICT	93,007,989.14		82,860,940.20	7,915,91.14	3,525,826.34	27,671,721.46	61,889,355.77	47%	14,527,654.45	33,931,841.64	19,779,929.05	9,714,207.33	16,520,436.34	17,411,405.39
1351 RURAL BRIDGE PROJECT - GALLE DISTRICT	104,558,378.88		81,124,113.13	9,207,812.70	22,895,986.19	52,051,583.13	57,489,976.62	55%	28,322,181.31	45,687,633.31	13,326,578.46	13,921,609.69	34,846,678.85	10,618,059.49
1352 RURAL BRIDGE PROJECT - MATARA DISTRICT	60,567,484.32		51,752,562.99	8,151,978.60	20,072,194.41	18,183,752.20	39,135,927.61	64%	12,650,104.78	29,119,821.99	15,619,717.11	8,147,687.48	21,533,506.67	7,466,315.22

PROJECT NAME	Initial Contract Sum Total	B.O.Q + Certified Variation	Estimated Cost + Certified Variation	Cost Incurred During the Year 2022	Total Cost Incurred up to 2022	Cost of Balance Work	Total Cost Incurred up to 2022 - Cost of Balance Work	% Com- pleti- on	Revenue Recognition up to 2021	Revenue Recognition up to 2022	For the Year	Recognised Profit as at 31.12.2022	Bill Received (Cumulative) as at 31.12.2022	Due From customer = 506	Due to Customer = 0507	Amount of Retention	Mobilisation Advance
1353 RURAL BRIDGE PROJECT - PUTTALAM DISTRICT	129,690,192.26	99,751,499.25	66,588,311.30	447,147.97	17,109,990.20	62,634,866.44	79,744,856.64	21%	20,390,109.19	21,004,744.41	(6,995,364.70)	4,794,750.21	18,688,592.62	2,716,161.79		1,868,652.26	14,686,982.23
1354 RURAL BRIDGE PROJECT - KURNEGAL DISTRICT	230,331,130.60	205,979,010.29	196,076,247.90	29,639,126.15	64,393,405.96	106,365,793.50	175,659,188.16	37%	37,687,687.89	76,683,529.29	39,175,861.42	12,370,123.61	45,858,704.02	30,804,826.27		4,379,521.20	36,554,982.26
1355 RURAL BRIDGE PROJECT - KURNEGAL DISTRICT	88,742,506.29	89,746,846.17	76,991,752.44	17,059,289.49	43,100,412.35	26,476,209.71	69,576,611.06	62%	49,113,370.05	50,019,893.13	300,623.08	6,819,560.78	46,112,205.26	1,907,767.87		3,996,411.63	6,851,391.55
1356 RURAL BRIDGE PROJECT - BATTICALOA DISTRICT	60,714,506.69	53,729,704.93	51,171,147.75	17,059,289.49	15,068,776.89	15,134,680.99	30,204,457.86	50%	15,862,973.10	26,897,124.59	10,924,251.49	13,202,714.23	13,202,714.23	13,604,450.36		1,371,771.42	9,015,741.09
1357 RURAL BRIDGE PROJECT - JAFNA DISTRICT	10,458,891.23	7,040,852.10	6,996,868.79	1,441,943.97	7,040,852.10	3,844,421.62	10,895,273.72	64%	5,933,892.71	6,727,702.23	1,233,803.52	(13,140.87)	4,225,240.35	2,507,359.89		439,286.64	1,053,999.96
1358 RURAL BRIDGE PROJECT - MANAR DISTRICT	17,560,546.32	15,540,305.59	14,809,291.94	571,983.18	2,081,919.02	12,854,342.50	14,939,261.52	14%	1,583,579.41	2,195,114.84	592,536.44	84,195.82	1,032,834.43	1,133,260.41	(14,203.47)	107,135.65	2,917,739.04
1359 RURAL BRIDGE PROJECT - KURNEGAL DISTRICT	58,819,489.07	52,951,742.54	48,573,988.13	215,018.50	1,277,815.05	18,980,138.02	20,257,953.07	6%	1,110,044.02	3,283,278.41	2,173,234.39	2,005,463.38	3,287,532.28	4,690,270.94		461,724.43	1,683,692.18
1360 RURAL BRIDGE PROJECT - TRINCOMALEE DISTRICT	14,019,730.68	12,066,841.31	11,818,039.34	4,268,810.01	4,421,803.41	1,472,399.22	5,893,961.60	75%	3,805,909.18	9,307,514.25	8,921,905.09	4,085,910.84	4,617,294.31	5,488,871.51		414,760.60	7,601,983.60
1361 RURAL BRIDGE PROJECT - VAUVUNA DISTRICT	20,096,584.29	465,129.81	20,096,584.29	465,129.81	8,141,551.29	18,987,750.71	27,129,312.00	30%	7,250,685.26	8,844,601.29	1,593,916.02	703,040.00	3,305,729.78	3,634,635.07		4,035,420.42	
1362 RURAL BRIDGE PROJ KURNEGAL DISTRICT	20,221,007.71	21,232,095.10	20,221,007.71	891,014.17	3,303,637.29	15,995,834.65	19,299,672.14	17%	2,420,885.14	3,634,635.07	1,213,648.93	330,767.78	21,456,019.29	5,455,457.48		2,145,801.93	13,956,243.49
1363 RURAL BRIDGE PROJ KURNEGAL DISTRICT	96,877,810.00	104,108,383.90	98,309,322.00	16,472,926.90	22,659,534.63	65,000,000.00	87,659,534.63	28%	6,954,424.04	26,911,476.77	19,957,052.74	4,251,942.14	14,261,535.18	32,922,644.24		3,229,693.71	21,781,881.18
1370 PADUKA ROAD VAUVUNA DISTRICT	20,096,584.29	465,129.81	20,096,584.29	465,129.81	8,141,551.29	18,987,750.71	27,129,312.00	30%	7,250,685.26	8,844,601.29	1,593,916.02	703,040.00	3,305,729.78	3,634,635.07		4,035,420.42	
1371 BYPASS ROAD BRIDGE BETHARA RIVER	438,098,946.38	370,957,951.48	316,994,404.28	38,271,358.13	58,079,892.92	185,200,000.00	233,279,892.92	28%	24,925,796.89	99,398,364.70	71,483,097.81	38,309,781.78	96,330,201.77	30,050,155.93		6,533,005.18	18,236,297.55
1372 IITEPANA & HOMAWALA KURNEGAL DISTRICT	596,096,551.75	485,065,072.01	393,445,931.97	22,170,218.75	37,127,892.64	390,000,000.00	387,127,892.64	10%	17,094,345.11	46,578,155.26	29,483,810.15	9,450,302.92	28,026,320.91	18,951,834.35		2,804,552.77	40,904,035.15
1373 RIVER RIGHT BANK OF MANAWELI	213,888,418.87	203,860,851.65	149,993,188.17	38,315,113.43	5,418,270.01	100,950,000.00	152,369,270.01	34%	13,323,540.63	68,735,015.51	55,465,475.28	17,376,745.90	35,872,171.67	32,922,644.24		3,229,693.71	21,781,881.18
1374 TREATMENT PLANT PHASE 2	143,368,235.88	131,259,885.35	123,998,026.93	14,932,178.73	18,449,892.64	48,440,000.00	67,289,892.64	27%	5,019,248.74	36,000,512.68	30,981,263.94	17,550,620.04	9,935,699.63	26,163,822.06		983,688.06	29,939,015.06
1375 PAITHINGODIA BRIDGE BRIDGE 142 MADU GANGA	57,891,235.11	57,891,235.11	55,116,999.93	1,446,658.28	11,823,354.30	38,980,000.00	50,809,354.30	23%	381,372.00	13,478,145.70	1,648,792.40	-	-	13,478,145.70		7,889,170.21	
1376 KALAMANA TSM KURNEGAL DISTRICT	975,333,334.40	804,726,457.24	653,440,008.50	37,860,336.03	41,320,314.65	656,400,000.00	697,720,314.65	6%	3,520,229.25	63,445,135.64	59,924,906.39	63,445,135.64	-	-		-	-
1384 KOTTAIPPITTA BRIDGE BRIDGE NO 1 HANGUDODIA	76,596,864.72	67,169,372.55	39,380,053.93	1,185,102.33	5,053,437.44	20,200,000.00	25,253,437.44	20%	1,791,669.10	13,445,191.04	11,653,521.95	8,991,750.60	-	13,445,191.04		207,162.47	
1388 KALAMANA BR NO 1 ATAMPUGODIA IN	50,176,364.20	46,831,856.40	37,445,947.00	666,720.24	2,820,382.25	18,000,000.00	20,820,382.25	13%	2,328,983.83	5,900,198.89	3,571,615.06	3,779,508.64	7,971,634.71	-	(1,17,476.09)	68,724.57	
1387 KALAMANA TSM KURNEGAL DISTRICT	47,094,005.89	47,094,005.89	47,094,005.89	1,211,756.17	1,211,756.17	-	-	0%	-	-	-	(1,211,756.17)	687,945.68	-	(897,945.68)	-	-
1391 KALAMANA TSM KURNEGAL DISTRICT	325,340,500.00	288,245,160.00	230,311,155.00	3,154,457.37	3,154,457.37	-	-	0%	-	-	-	(3,154,457.37)	-	-	-	-	-
1392 DRAINAGES KANDY DISTRICT	39,327,193.57	39,327,193.57	35,389,952.38	11,681,860.84	11,681,860.84	18,058,975.75	30,740,856.60	38%	-	14,844,788.14	14,844,788.14	3,262,907.30	9,781,696.78	6,162,791.36		678,200.00	
Total	12,867,362,124.51	12,384,431,559.32	11,586,526,018.45	1,571,936,770.55	4,954,880,343.54	4,386,533,250.16	9,241,413,593.70		4,190,446,137.70	6,240,781,562.95	2,050,332,425.28	1,385,901,219.41	4,672,229,421.08	1,565,837,665.96	(3,271,232.13)	361,917,700.27	786,831,488.78

DISMANTLING OF OLD BRIDGE MINAGAMA																	
1020 BRIDGE MINAGAMA																	
1378 TANK BEHUBUTTA WHIST SALL																	
Total																	

TLS Unit																	
1305 STREET LIGHT, GUN POST NEZZANINE FLOOR	18,415,400.00	18,416,480.00	14,675,000.00	-	2,788,246.66	-	2,788,246.66	85%	13,885,594.00	17,495,556.00	3,609,962.00	14,707,307.34	13,885,594.00	-			
1313 MAGANEGUJA MAGANEGUJA BUILDING	17,376,145.92	16,950,614.79	-	-	1,565,701.16	-	1,565,701.16	85%	-	15,723,084.04	15,723,084.04	14,157,382.88	9,259,400.00	6,483,684.04			
1382 MAINTEN. TRAFFIC SIGNALS GALLE ROAD & DUPLI RD	13,686,000.00	13,596,000.00	10,994,516.13	7,437,696.25	10,114,704.31	-	3,381,295.69	100%	3,319,355.99	13,596,000.00	10,276,634.01	3,481,295.69	8,989,046.80	4,906,951.20		414,860.00	
1384 ROAD ROADS KURNEGALA DISTRICT	9,570,000.00	9,570,000.00	8,321,739.13	-	5,417,692.18	-	5,417,692.18	100%	6,230,691.01	9,570,000.00	3,339,308.99	4,152,007.82	6,733,495.47	2,836,594.53		478,500.00	
1393 STREET LIGHTING CAMO LODAGASTAR 4216 GASTOTA	3,732,870.00	3,732,870.00	3,245,373.81	641,092.89	2,795,376.42	-	2,795,376.42	100%	2,477,428.81	3,732,870.00	1,255,441.19	937,491.56	1,383,698.89	2,843,381.11		555,595.56	
Total	62,693,495.52	61,865,584.78	37,384,229.17	8,078,888.75	22,682,124.73	-	22,682,124.73		25,911,708.81	60,117,610.04	34,203,860.23	37,435,485.31	40,327,097.16	16,251,120.88	-	478,500.00	970,505.56

Grand Total	12,960,055,020.03	12,446,297,534.10	11,633,912,247.62	1,580,915,659.30	4,934,082,591.40	4,386,533,250.16	9,320,615,841.56		4,216,362,887.51	6,300,899,172.89	2,084,536,285.40	1,366,816,581.59	4,716,486,518.24	1,562,088,786.84	(3,271,232.13)	362,396,200.27	787,801,994.34
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