Sri Lanka Land Development Corporation

# Annual Report & Accounts for the year 2022

Ministry of Urban Development & Housing

## OUR VISION

Create and manage eco- friendly and sustainable environment in par with national development policies.

## OUR MISSION

Providing engineering services in stormwater drainage, wetland management and infrastructure development to upgrade the living standards of people through a highly competent and motivated workforce.

# CONTENTS

# Chairman's Message

It gives me great pleasure to present the Annual report and audited financial statements of Sri Lanka Land Development Corporation (SLLDC) for the financial year ended 31st December 2022.

I am delighted to announce that, despite the pandemic scenario and the prevalent economic crisis in the country, we were able to conclude the year 2022 successfully with proper strategies in place for managing the diverse portfolio of businesses fostering sustainable development. Direct project costs were significantly reduced through the implementation of various cost-cutting strategies, and efforts were made to identify avenues for investment. The Corporation recorded a revenue of Rs.4,290Mn and a profit after tax of Rs.311Mn during the year under review. The Corporation generated the highest revenue of Rs.1,896 million from off-shore sand sales while providing an eco-friendly construction material to the Industry. The Solid Waste Management Project at Kerawalapitiya generated significant revenue of Rs.112.6 million while offering a solution to waste management in Colombo.

The Corporation continued the flood mitigation operations in the Weras Ganga Storm Water Drainage and Environment Improvement Project, Kollonnawa Storm Water Drainage and Environment Improvement Project, and Metro Colombo Urban Development Project to reduce the flood risk in the Colombo Metropolitan Region, even with a lower profit margin during this challenging year. The establishment of the Integrated Flood Management System (IFMS), which is a real-time flood monitoring and warning system based on hydrological-hydraulic modelling with real-time meteorological data inputs, is a crucial endeavour made to lessen vulnerability to floods in the Colombo region.

I would like to take this opportunity to express my profound gratitude to His Excellency the President, Honourable Prime Minister, Honourable Minister of Urban Development and Housing, Honourable State Ministers of Urban Development and Housing, Honourable State Ministers of Coast Conservation and Low-lying Lands Development, and the Secretaries to the Cabinet Ministry and State Ministries for their guidance and leadership, which significantly contributed to our accomplishments. I congratulate the senior management of SLLDC for their contribution to the positive momentum of the Corporation's performance with their commitment, understanding, and cooperation throughout this extremely challenging year. The Corporation's value creation process has been built around our loyal and committed employees, and I wish to acknowledge, with gratitude, the contribution and commitment of our employees during this challenging period of time. On behalf of the Board of Directors and all employees of the SLLDC, I thank all our stakeholders for the support extended to the SLLDC throughout the year, as the current performance would not have been possible without their cooperation. I am extremely grateful to our clients, including the general public, and look forward to serving their needs better in the upcoming financial year. I would like to conclude by thanking my colleagues on the Board and the management for their valuable guidance and support during the year.

I conclude by noting that, as a responsible corporate entity operating in Sri Lanka for over 50 years, we will continue to play our role in promoting sustainable growth and contribute towards the revival of our economy.

**Eng. Hiran S. Balasuriya**
**Commodore**
**Chairman**
Date: 03.01.2023

# General Manager's Message

I am pleased to present the Annual Report and audited Financial Statements of Sri Lanka Land Development Corporation (SLLDC) for the year ended 31 December 2022. During which period the unprecedented global pandemic effected all walks of life and the GoSL taking steps to commence a vaccination program to control adverse effect of COVID 19. Despite the positive sign of a return to normalcy, the local economy took a major downfall during the latter part of the year. Although many obstacles were encountered by SLLDC business environment, these obstacles did not hinder the positive outcome of its business in the year under review.

The Corporation reported a revenue of Rs. 4,290 Mn and a profit after tax Rs. 311 Mn. This also includes income generated through client and own projects i.e. canal & lake dredging, reclamation & construction projects, sale of offshore sand for local industry and solid waste management at Kerawalapitiya Waste Park.

The highest revenue generated to the Corporation was derived from offshore sale sand to a volume of 207,063.66 cubes with a total turnover of Rs. 1,896 Mn.

Handling of the Weras Ganga Storm Water Drainage and Environment Improvement Project expedited by our in-house engineering group with the GoSL funds is a feather in our cap. The flooding in the areas of Kohuwela, Papiliyana, Raththanapitiya, Delkanda, Bellanwila, Boralesgamuwa, Werahera, Bokundara and Karadiyana where more than 650,000 residents who had been undergoing tremendous suffering has been relieved of their burden.

The Kolonnawa Strom Water Drainage & Environment Improvement Project, mainly implemented to carry out improvements to culverts in and around Kolonnawa area of the flood plains of Kelani River. The cumulative value of work done up to end of 2022 is Rs.581.97 Mn. During the year 2022, the canal maintenance work, formation of Vivekarama lake, detail designs of canals and related hydraulic structures of main and secondary canals of Passana, Dahamwela, Salalihini Mawatha. Demarcation of proposed acquisition boundaries in Dahamwela canal, construction of box culvert at Malpura and gabion work at Weliwala have been successfully completed.

Under Metro Colombo Urban Development Project, the flood safety level of the Colombo city has been upgraded by completing the construction of three storm water drainage pumping stations namely St Sebastian Northlock, St Sebastian Southlock and Ambatale as well as New Mutwal Storm Water Drainage tunnel and six flood gate structures within the Colombo Canal system together with augmentation of canals conveyance capacity and enhancement of outfall capacity of the Colombo drainage system. Apart from the above, Integrated Flood Management System (IFMS) has been established as a modern water management center in Sri Lanka working with real time data and forecasted data. IFMS issue necessary instructions to operate the above mentioned flood control facilities to mitigate floods and thereby reduce the flood damage in the city of Colombo.

The total revenue generated for the solid waste management at Kerawalapitiya Waste park is Rs.112.6 Mn.

The Corporation executes the powers vested upon the amended Act of 13 of 2021, authorizing to take legal action against persons or their agents on unauthorized filling and construction with the incorporate provisions to the Section 2(a)5, 2(b)5 and 4(a) 5, empowering the magistrate to issue interim order to prevent unauthorized reclamation and development activities and to remove earth used for landfilling.

In all key areas of operations the Corporation has improved its overall productivity, efficiency and profitability thus achieving the objectives of the Corporation in the year under review.

Our Corporation has significantly contributed to the economy of the country as a strategic partner in sustainable, eco-friendly infrastructure development using engineering excellence and resources within the ethnical frame work of the Corporation.

Finally, I would like to take this opportunity to express my sincere gratitude to the Hon Minister, Ministry of Urban Development & Housing and the State Ministers for Coast Conservation & Low-Lying Land Development and State Ministry of Urban Development, Waste Disposal & Community Cleanliness, the Secretaries to the Ministry & State Ministries for their guidance and leadership given to expedite the work we planned for the year 2022. As Sri Lanka Land Development Corporation gears up for 2023, I wish to thank the Board of Directors for their valuable counsel and continued support. I also take this opportunity to thank the Senior Management and all employees of the Corporation for delivering the results set out before them in a challenging year. I wish to extend my gratitude to the officials of other organizations under the purview of the Ministry and State Ministries, our suppliers, contractors and all other stakeholders who helped us in numerous ways to make the year under review a success

**Eng. Srimathi Senadheera**
**General Manager**
Date: 03.01.2023

# Corporate Information

## Legal Status

Sri Lanka Land Development Corporation (formerly known as the Colombo District (Low lying Areas) Reclamation & Development Board and subsequently Sri Lanka Land Reclamation & Development Corporation) is a body corporate established under Act of Parliament No. 15 of 1968. By the Amendment Act No. 27 0f 1976 the objects of the Corporation were widened. By Amendment Act No.52 of 1982 the name of the Board has changed as Sri Lanka Land Reclamation & Development Corporation and widened its area of authority as to cover-up entire country. The Act again amended by Act Nos. 35 of 2006 and 13 of 2021 empowering the Corporation to take legal action against unauthorized filling and pollution of canals in the declared areas under the provisions of the act . Further, by amendment Act No. 11 of 2019, the Corporation name was amended again as Sri Lanka Land Development Corporation.

### Head Office

No. 3, Sri Jayawardenapura Mawatha
Welikada
Rajagiriya.
Tel. No. 2867369
E-mail : mail@sllrdc.lk
Website : www.landdevelopment.lk

### Regional Offices

- Colombo North
  Regional Engineer Office
  Avissawella Road
  Orugodawaththa
  Wellampitiya
  Tel. No. 2532600

- Colombo East
  Regional Engineer Office
  No. 28/10A Kirimandala Mawatha
  Nawala
  Rajagiriya
  Tel. No. 2863205

- Colombo South
  Regional Engineer Office
  No 19 Stafford Road
  Colombo 06
  Tel. No. 2589862

- Muthurajawela
  Regional Engineer Office
  No. 123 Kerawalapitiya
  Handala
  Wattala
  Tel. No. 3193130

### Auditors

Auditor General
National Audit Office
306/72, Polduwa Road
Battaramulla.

### Bankers

Bank of Ceylon
People's Bank

### Legal Advisor

Attorney General
Attorney General's Department
Hulftsdorp,
Colombo 12.

### Subsidiaries

- Land Reclamation & Development Company Limited (REDECO)
  No. 28/10A, Kirimandala Mawatha
  Nawala
  Rajagiriya
  Tel. No. 2876608
  E-mail : lrdcltd1@gmail.com

- L.R.D.C Services (Pvt) Ltd
  No. 28/10, Kirimandala Mawatha
  Nawala
  Rajagiriya
  Tel. No. 2861948
  E-mail : info@lrdcservices.com

# Board of Directors

| Name | Position | Period |
|---|---|---|
| Commodore Hiran Sacheendra Balasuriya | Chairman<br>Sri Lanka Land Development Corporation | 14.03.2022 to date |
| Mr. D A H Piyathilake | Ex-Officio<br>Additional Secretary<br>State Ministry of Coast Conservation &<br>Low-Lying Lands Development | 04.04.2022 - todate |
| Mr. Gamini Hewage | Ex-Officio<br>Director General<br>National Physical Planning Department | 04.04.2022 - todate |
| Ms. S A C Kulathilake | Treasury Representative<br>Director General of Management Audit<br>Ministry of Finance | 03.03.2022 - todate |
| Mr. Ananada Harischandra | Director | 09.08.2022- to date |
| Mr. Tissa Gunawardene | Director<br>Attorney-at-Law | 09.08.2022- to date |
| Mr. D S Dissanayake | Director<br>Mechanical Engineer | 09.08.2022- to date |
| Major General MRW De Zoysa (Rtd.) USP psc MSc (Defence) | Chairman<br>Sri Lanka Land Development Corporation | 05.12.2019 to 09.03.2022 |
| Eng.Nihal Siriwardene | Ex-Officio<br>Director General<br>Department of Irrigation | 18.05.2020 – 30.12.2022 |
| Mr. U N Mallawarachchi | Treasury Representative<br>Director<br>Department of National Planning | 13.01.2020 to 08.03.2022 |
| Mr. N H N L Nawarathne | Director<br>Senior Manager – Welfare<br>National Savings Bank | 07.01.2020 to 20.06.2022 |
| Mr. Dinesh Jayaweera | Director<br>Attorney-at-Law | 07.01.2020 to 20.06.2022 |
| Mr. D P Nandana Dissanayake | Director<br>Lecture<br>Accounting & Public Finance | 25.06.2021 to 20.06.2022 |
| Mr. H K Chamath Tharuka Alwis | Director<br>Coordinating Secretary | 23.02.2023 to 20.06.2022 |

# Senior Management Team

| | | |
|---|---|---|
| 01. | Eng. (Mrs.) M. A. S. M. K. Senadheera | - General Manager |
| 02. | Eng. W. R. C. Fernando | - Additional General Manager (Planning & Design) |
| 03. | Eng. C. B. Amarasinghe | - Additional General Manager (Implementation) |
| 04. | Eng. W. H. Keerthirathna | - Deputy General Manager (Research & Design) |
| 05. | Mr. J. A. P. K. Jayasinghe | - Deputy General Manager (Finance) |
| 06. | Eng. S. P. Muthumala | - Deputy General Manager (Drainage & Reclamation) |
| 07. | Eng. R. M. N. D. Rathnayaka | - Deputy General Manager (Special Project) |
| 08. | Eng. (Mrs.) A. H. Thushari | - Deputy General Manager (Special Project) |
| 09. | Eng. Y. P. C. De Silva | - Deputy General Manager (Construction) |
| 10. | Dr. N. S. Wijerathna | - Deputy General Manager (Wetland Management) |
| 11. | Dr. S. D. Dharmarathna | - Deputy General Manager (Supplies & Stores) |
| 12. | Eng. S. R. M. Prasad | - Deputy General Manager (Plant & Equipment) |
| 13. | Eng. O. V. W. R. Gunathilaka | - Deputy General Manager (Planning & Business Development) |
| 14. | Mr. Hemantha Kamalasiri | - Deputy General Manager (Lands & Marketing) |
| 15. | Major General E. K. J. K. Wijayasiri (Rtd) Lsc, MPA (PIM – USJ) | - Deputy General Manager (Human Resources Development) |
| 16. | Mr. A. L. A. S. K. Ambeygoda | - Deputy General Manager (Internal Audit) |
| 17. | Mrs. H. K. K. W. Ekanayake | - Chief Legal Officer |
| 18. | Eng. (Ms.) P. M. P. Wijerathna | - Assistant General Manager (Research & Design) |
| 19. | Eng. (Mrs.) S. N. Gamage | - Assistant General Manager (Research & Design) |
| 20. | Eng. K. M. N. K. Ranasinghe | - Assistant General Manager (Construction) |
| 21. | Eng. M. M. M. Moufer | - Assistant General Manager (Special Projects) |
| 22. | Eng. S. M. P. D. Siriwardhana | - Assistant General Manager (Drainage & Reclamation) |
| 23. | Eng. (Ms.) N. A. A. S. V. Nissanka | - Assistant General Manager (Wetland Management) |
| 24. | Eng. N. P. S. De Silva | - Assistant General Manager (Research & Design) |
| 25. | Mr. L. Thrimavithana | - Assistant General Manager (Human Resources Development) |
| 26. | Eng. (Ms.) P. P. Vineetha | - Assistant General Manager (Research & Design) |
| 27. | Mr. N. A. Wickramanayake | - Acting Assistant General Manager (Lands & Marketing) |

# Operational Review

## Drainage & Reclamation Division

***1. Projects under Treasury Funds***

***1.1 Maintenance of Canals, Lakes and Walkways***

Maintenance of main canal network in and around Colombo is one of the functions of Sri Lanka Land Reclamation & Development Corporation. For this purpose the funds are provided by the Treasury.

The amount of Rs. 212.20 Mn has been utilized by Drainage and Reclamation Division for maintenance of Canals, Lakes, walkway and recreational areas located in an around Metro Colombo area and suburbs by using Treasury Funds for year 2022.

**Maintenance of Canals:**

SLLDC is involving to maintain;

- 44 km length of Main Canals
- 52 km length of Secondary Canal

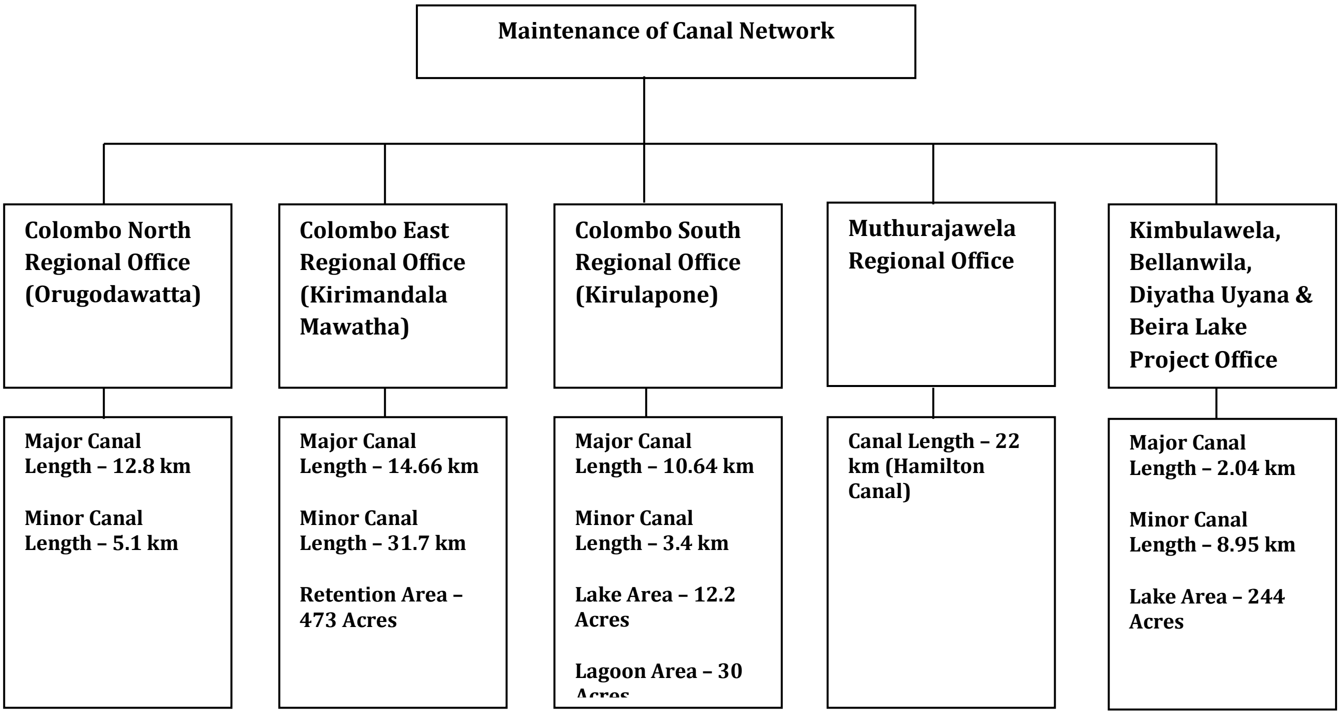
in and around Colombo Metropolitan Region to ensure pollution free clean and attractive environment.

**Maintenance of Lakes/ water bodies:**

- Diyawanna (Diyatha Uyana) Lake
- Parliament Lake
- Bellanwila Lake
- Thalawathugoda Lake
- Rampalawatte Retention pond
- Beira Lake

**Maintenance of Walkways**

- Diyatha Uyana
- Japan friendship Road
- Kimbulawela
- Chandrika Kumarathunga Mawatha, Malambe
- Bellanwila
- Wetland Park at Nugegoda
- Boralesgamuwa “Kelimadala”



***i. Maintenance and Rehabilitation of Canals, Lakes and Walkways***

***i.i Maintenance of major canals, minor Canals, Secondary canals in and around Colombo city***

Main purpose of maintenance of canal network in and around Colombo is prevention of local floods, which has been done with the involvement of the Colombo Municipal Council and other relevant stake holder agencies to prevent localised flooding.

Maintenance work in the canals involved,

- Surface clearing
- Canal bank maintenance and jungle cleaning
- Canal dredging work and transporting of dredged materials
- Canal bank protection using gabion boxes
- Cleaning of catch pits & cleaning of side drains, etc.

In addition to manual cleaning, Corporation deploys heavy mechanical equipment such as dredgers, excavators, back-hoe loaders, tractors and trucks to dredge and clean the canal embankments and its surrounding areas.

For operational purposes, the SLLDC is maintaining 03 Regional offices which are located at Orugodawatta (Colombo North), Nawala Kirimandala Mawatha (Colombo East) & Kirulapone (Colombo South).

**i.i.a Maintenance of Canals in Colombo Northern Region**

**St. Sebasthian South Canal**


**Dematagoda Canal**

- **Major issues**

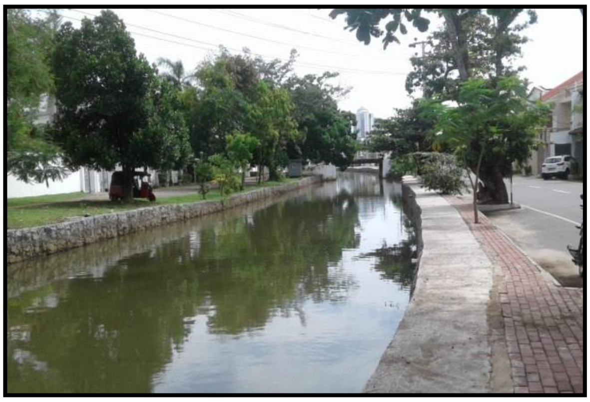
Residential populations near to the canals are mostly higher in the Colombo North regions rather than the other regions. The people who live near to the canals are not in good level of the educated and less awareness for the canal's aesthetic value and Local Authorities which are responsible for the solid waste manage have not been implemented proper collecting method of garbage from here.

Therefore, they are used to dump solid waste and waste line to the canal for their convenience. Collecting of solid waste at canals was major activity under the maintenance. The trapping and collecting of the garbage in the water is difficult, cost wasting and damaged to the water body and their biodiversity.


**Dumping Solid waste in to the Canal by Neighbourers**

**Disposal of Solid waste into Canal Bank**

**i.i.b Maintenance of Canals in Colombo East Region**



Heen Ela Canal

Kotte Canal

**i.i.c Maintenance of Canals in Colombo South Region**

Wellawaththa Canal

Dehiwala Canal

- **Major issues**

The people who are living near to the canal used to dispose the garbage/ solid waste into the canals. Finally these floating solid wastes are collected to the sea through the outfall of Dehiwala and Wellawaththa. This may be caused to degradation of biodiversity of the coastal environment. As the mitigation method, there has introduced the trash barriers to screen the floating solid waste and it would be the solution some extent. Hence, the surface cleaning is a major activity in here to daily attend by SLLDC. The trapping and collecting of the garbage in the water is difficult, cost wasting.

Under year 2022 SLLDC has attended the maintenance of the Colombo canal network with the total value of work done for is Rs. 226.41 million.

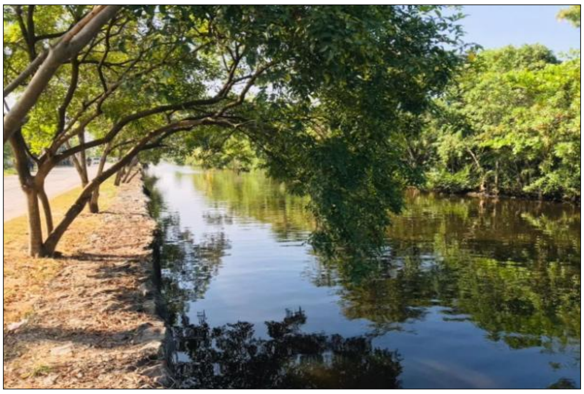
***i.ii. Maintenance of Hamilton Canal***

During year 2022 we attended regular canals & canal banks maintenance works for the Hamilton canal from Kelani Ganga end to Negombo lagoon (Length of 14.3Km) & Maha Oya end (Length of 7.7 km) where necessary.

Maintenance work in the canals involved,

- Surface clearing
- Canal bank maintenance
- Canal dredging work and transporting of dredged materials
- Canal bank protection using gabion boxes

Therefore, the total value of maintenance works done for the year 2022 was Rs. 18.22 million.



***i.iii. Maintenance of Lakes / ponds in surrounding Colombo Area***

SLLDC implemented several drainage proposals as a solution to unprecedented flood in November 11th 2010, where even the Parliament was inundated. Under the Treasury funds those drainage systems regularly maintained in order to protect inundation of the parliament and the surrounding area such as the Waters Edge and Kimbulawela during flooding.

Bellanwila area is one of the most important area having natural wetlands with rapidly developed, adjacent to the southern part of the Colombo city. This area frequently inundated during the rainy season. Under the Weras Ganga Storm Water Development project implemented the long term flood mitigation work such as creating lake & canal system with the agriculture lands which helps to increase the value of social & cultural background of this area.

Maintenance work in the canals/Lakes involved,

- Maintaining of feeding canal system
- Surface Cleaning of water body
- Maintenance of Canal bank, reservations, Boundary demarcated walk path and recreational areas.
- Enhancing flood retention capacity by dredging the Lake / Pond
- Controlling encroachment of Lake / Ponds

**A. Canals/Lakes in Diyawanna Lake**

**B. Canals/Lakes in Kimbulawela**

**C. Canals/Lakes in Bellanwila and Boralesgamuwa**


Benefits of this project included

- Prevent un-authorized encroachments from existing Walkways
- Solid Waste Management
- Improve the water quality of the water bodies.

Residents within the Parliament Upper Catchment & surroundings have been benefited specifically and the entire Colombo area in general has been benefitted by flood protection.
During year 2022 the total value is Rs. 78.12 million for maintenance works of the lakes/ponds in surrounding Colombo Area.

***i.iv. Maintenance of walkways & parking areas including solar light system in Colombo Area***

The numbers of projects have been completed under the Metro Colombo Urban Development Project to develop the commercial capital and its suburbs into a model green, clean and people friendly city, such as Diyatha Uyana Park, Lake, Nawala Wetland Park, Development of Japan Sri Lanka Friendship Road, Rampala watta Lake and Kimbulawela area are some of them.

Under these projects, created retention ponds the eco-friendly turfed secondary embankment designs have been introduced to the water retention areas such as Japan friendship road, Waters Edge, Kimbulawela and Chandrika Kumarathunga Mawatha to protect the eroding of the adjacent main roads and other important places from the wave generation. Also Walkways have been introduced to prevailing illegal land encroachments.

The maintenance of these parks have been carried out from SLLDC

- Clearing and Maintaining water bodies
- Maintaining the turfing area create a greenery view environment from surrounding
- Maintaining the developed urban landscaping and parking areas (tree planting along the bank)
- Creating and Maintaining created locations for social activities
- Tourism based ventures created new employment opportunities & scenery beauty

**A. Maintenance of Walk path in Waters Edge**

Diyatha Uyana Walkway

**B. Maintenance of Walk path in Kimbulawela**

Japan Friendship Walkway

Kimbulawela Walkway

**C. Maintenance of Walk path in Colombo East Region**

Pagoda Wetland Park

**D. Maintenance of Walk path in Bellanwila Area**

Bellanwila, Boralesgamuwa Wlakways

Benefits of this project included

- Prevent un-authorized encroachments from existing walkways
- Improve health of people by cleaning water bodies, parking areas and work path by motivating people for exercise around that area.
- Improve the water quality of the water bodies.
- Cost minimization by using solar light system

The total value of work done for year 2022 is Rs.65.17 million.

***Ii. Cleaning of Canals, Lakes and Drainage structures during Rainy period/Floods (The canals, Lakes and Drainage structures are not under SLLDC preview)***

Most of secondary canals which do not come under the preview of any organization also not being maintained by any organization. Every organization back out from this work as they haven't responsibilities. This was resulted in many minor flooding problems due to reducing of canal section and the blockages in canal links. In order to mitigate this problem it is necessary to improve these secondary canals and link canals. So these secondary canals also have been maintained by the SLLDC. Also improvement of the existing secondary canals results flood free environment.

Main activities in this project were as follows,

- Prevent encroachments in to the canals and there reservations
- Provide an access roads where necessary for maintenance work
- Control of solid waste disposal, discharge of sewerage

The objectives of this project include,

- Prevent an inconvenience to the public due to the localized flooding area
- Create better connection of the entire canal system
- Keep entire environment clean and beautiful

Accordingly the total value for maintenance work of these canals is Rs. 6.49 million for year 2022.

Before


After


Before


After

***Iii. Drainage improvements & taking remedial measures for the flood related issues in public places on request of disaster situation***

Frequent flooding is the most destructive form of natural hazards in Sri Lanka. This is true in terms of both loss of life and property damage. It is also the most prevalent form of natural hazard. In order to prevent this situation we have to be taken remedial measures to sort-out the problems affected to the general public.

During the last year the public places, societies and the religious places are located in and around parliament premises requested to get our immediate help to solve the drainage problems in and around their spaces.

The Total value for year 2022 is Rs. 0.88 million.

Drainage improvements & taking remedial measures for the flood related issues in and around Parliament Premises

***Iv. Maintenance of Canals in Kalu Oya Basin***

The Kalu Oya basin has experienced steady growth in residential & industrial sector. It has attracted new residents due to the lower property values. It is now targeted as a priority area for future urban expansion as the population of Colombo grows. With this rapid development it needs more attention on urban infrastructure, including storm water drainage to reduce vulnerability the natural hazards.

SLLDC, we are carrying out canal improvement & maintenance works by dredging of canals, desilting and canal Bank Protection works where necessary in both major and minor canal.

The objectives of the project were set up as follows,

- Decrease flood damage by improvement of the stormwater drainage system
- Raise the standard of living by reducing (or managing) the flood risk
- Improved safety and security for community
- Reduced disruption to social and commercial activities
- Reduced health risks to residents
- More attractive urban environment

Total value of Work done for year 2022 is Rs. 9.86 million.

***V. New & rectification canal bank protection work along the canals (Gabion work, Sheet Piling, RRM walls, RCC walls etc.)***

Under this provision of Treasury fund, allocated to rehabilitate and improve canal banks to serve the drainage needs of the Colombo Main Canal System.

During the period of 1992 to 1998 the canal system in and around Colombo was developed with the canal bank improvement works etc. and the now a day's some part of the canal banks damaged due to several reasons done by the public and the natural erosion of the canal Banks.

Considering the above facts, It is proposed to protect the banks of major canals in Colombo North region, Colombo South region and Colombo East region and its suburbs to avoid scouring & collapsing of canal banks and also to define the canal banks properly to maintain the maximum possible width.

Under this project following development works have been carried out these areas

- Supply and Packing Rubble on Embankment including Trimming and Forming of Slopes in Sea Plane Landing Bay at Diyatha Uyana
- Rubble Packing on ITN Lake Banks at Drain outlet

Total value of works done for the year 2022 is Rs. 0.48 million

Rubble Packing on Embankment including Trimming and Forming of Slopes in Sea Plane Landing Bay at Diyatha Uyana

Rubble Packing on ITN Lake Banks at Drain outlet

***Vi. Dredging, rehabilitation and maintenance of N1, N1 -iii, S1 and S2 Canals in Lunawa Canal network and urban landscaping of Lunawa Lake and its surroundings***

Lunawa Lake is in the south of the Colombo District covering 6.15 km from the Dehiwala-Mount Lavinia Municipal Council area in the North to the Moratuwa Municipal Council area in the South. The government in July 2000 launched the Lunawa Environment Improvement and Community Development Project with international funding, when the lagoon was heading for disaster.

In the proposed project area, the Lunawa Ela is the main canal, which runs through the low-lying area extending from North to South and flows into the Lunawa Lake. The basin is composed of many minor basins which drains storm water directly into the lake in the Western and Southern parts of the lake. The Lunawa lake is connected to the sea under the railway bridge located to the south of the Angulana Railway Station.


Annually SLLDC is maintaining the part of the main canal system. Dredging and some of rehabilitation works to be done in and around the Lagoon area and part of the Main Canal System, as well. Accordingly SLLDC has been attended cleaning and dredging works in Main Canal System in order to create a pleasant environment to the public, as social responsibility.

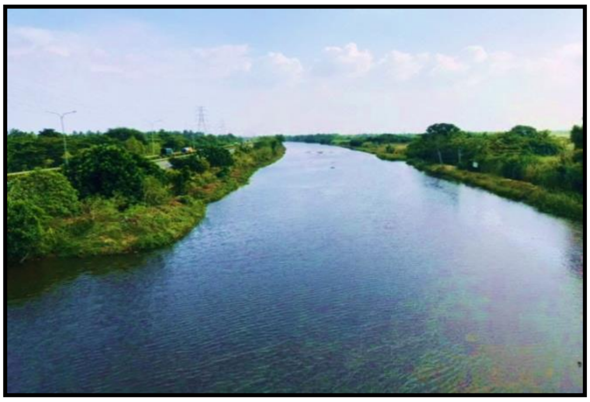
The outputs of this project were,

- Creating a hygienic environment in urban area for people's healthy life and for keeping dignity of the city at a high level through improvement of the storm water drainage system.
- Preventing floods in the project area where the economic and cultural activities, including education have been often disrupted.
- Improving the water quality of the canals and the sea that receives storm water from urban area.
- Create a pleasant environment by dredging, cleaning and maintaining part of the Main Canal System.
- Increasing of water carrying capacity of the canal by siltation
- Controlling the solid waste comes into the Lake and canal system.
- Preventing encroachments and illegal activities within the canal and lagoon reservations.

Therefore the total value of works done for the year 2022 is Rs. 9.70 million.

***Vii. Maintenance of Old Dutch canal and connected water bodies along the Colombo-Katunayake Express Way (CKE)***

During Construction of CKE way the nearby area has been severely flooded due to inland water. Later on the Old Dutch canals and connected water bodies has been improved and created to provide the free flow to the rain water in order to minimize the flood risk and to reduce the inland water related issues.



Accordingly SLLDC has been regularly attended to the maintains of the Old Dutch canals and connected water bodies and the total value of work done for year 2022 is Rs. 12.73 million.

## 1.2 Flood Mitigation Activities

***i. Improvement of Existing pumping station at Peliyagoda and its Annual maintenance & Operation***

The Existing pump house at Peliyagoda which developed for pumping storm water in Peliyagoda area during the Kelani River downstream at High Flood level. It consists of 2No.of Vertical Axial Pump (Electrical Driven) currently maintained by the SLLDC.

During 2022 budget allocation, SLLDC has attended for maintenance of existing Peliyagoda Pump House & its inflow Canals.

Main Objectives were,

- Rehabilitation of Existing Pumping station and its feeding canal
- The Annual Operational & Maintenance works.

Total value of work done for year 2022 for the above project is Rs.2.65 million.

***Ii. Drainage & environmental improvement works in Parliament Upper Catchment of Battaramulla and its surrounding area***

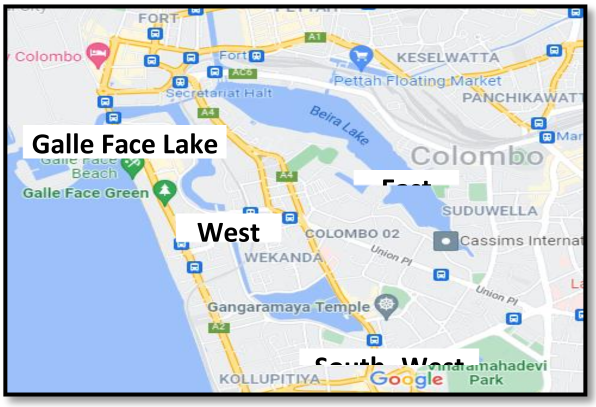
Main purpose of the project is flood mitigation of Parliament premises and its surroundings and conservation of wetland in upper catchment by improving the environment for Green City concept.
Other benefits of this project include,

- Create flood free, eco-friendly Green Environment by increasing retention capacity and urban Landscaping
- Prevent encroachments for land filling activities
- Solid Waste Management
- Improve the water quality
- Drainage Improvements
- Urban Landscaping

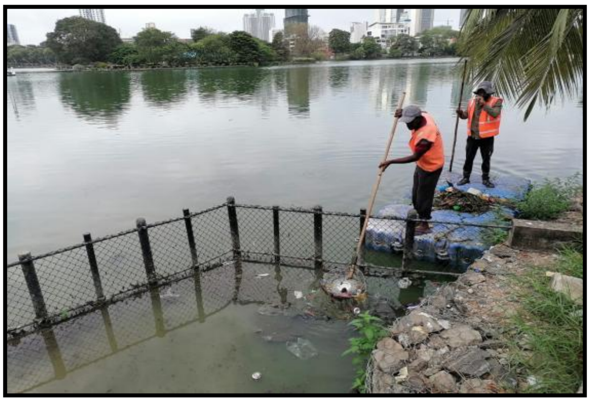
The total value of works done for the year 2022 is Rs. 0.64 million

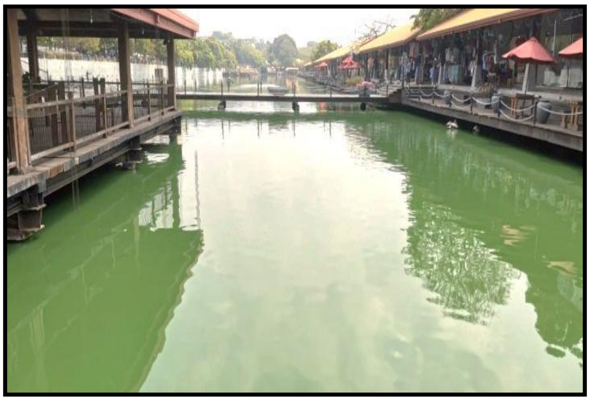
***1. Cleaning of Beira Lake by De-silting and Flushing - Restoration of Water Quality of Beira Lake Maintenance work in Beira Lake water body and its surrounding***

The Beira lake is located in Colombo District and the extent of the Beira lake is 65.4 ha. There have four main sections; such as, East Lake (43.3 ha), Galle Face Lake (2.6 ha), West Lake (6.1 ha) and South West Lake (11.4 ha). and St. Sebastian canal is connected to the East Beira Lake and mainly spilled water to the sea from Galle Face Lake to the sea.




The Beira Lake is depended on the water coming through the St. Sebastian Canal and run-off water coming through this urbainzed catchment. Therefore, Lake water body is generally recipients of municipal and industrial waste and wastewaters which lead to lake deterioration. According to that, SLLDC involved to do the necessary maintenance activities in the Beira Lake water body and its surrounding to mitigate the possible degradation in Lake.





The total value of works done for the year 2022 is Rs. 18.72 million

## Client Projects - 2022

***1. Proposed Rehabilitation of Rannakka Wewa at Kotugoda - Ja Ela***

Client : State Ministry of Urban Development, Waste Disposal and Community Cleanliness

Date of Commencement : 2021.07.05
Project Status : Ongoing
Estimated Cost : Rs. 160.40 Mn (without Con. & VAT)
Work Done in Year 2021 : Rs. 136.77 Mn

**Scope of Work**

- Dredging of Lake
- Formation of Walk path – 1200m
- Foot Bridge & Car Park area
- Play Ground
- Drainage Cross culverts
- Landscaping work

***2. Proposed Eco Agro Park At Holuwagoda - Galle***

| | | |
|---|---|---|
| Client | : | State Ministry of Urban Development, Waste Disposal and Community Cleanliness |
| Date of Commencement | : | 26.01.2021 |
| Project Status | : | Ongoing |
| Estimated Cost | : | Rs. 341.96 Mn (without Con. & VAT) |
| Work Done up to 2022 | : | Rs. 189.53Mn |

***<u>Scope of Work</u>***

- Dredging of Lake
- Formation of Walk path (958m)
- Steel Bridges (2 Nos of 8m span, 1 No of 4m Span)
- Construction of Childrens' Play area
- Construction of Market area
- Solar Powered Net Metering system

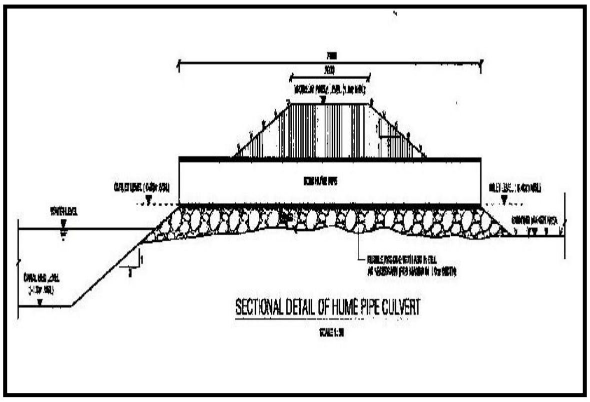
***3. Weli Oya Canal & Canal Bank Development Next to the Proposed Campus for IIHS at Kerawalapitiya***

| | | |
|---|---|---|
| Client | : | International Institute of Health Sciences (Pvt) Ltd - IIHS |
| Date of Commencement | : | 22.08.2022 |
| Project Status | : | Ongoing |
| Estimated Cost | : | Rs. 62.16 Mn (without Con. & VAT) |

Work Done up to 2022 : Rs. 22.45Mn

***Scope of Work***

- Dredging of Canal
- Canal Bank Formation
- Landscaping Work
- Drainage Crossing Culverts




### *4. Cleaning & Dredging work of Selected Canals at Gampaha Area*

Client : District Secretary - Gampaha
Date of Commencement : 03.11.2022
Project Status : On going
Estimated Cost : Rs. 14.52 Mn (without Con. & VAT)
Work Done up to 2022 : Rs.6.55 Mn

***Scope of Work***

**Cleaning of 05 Nos Canals in Gampaha Area**

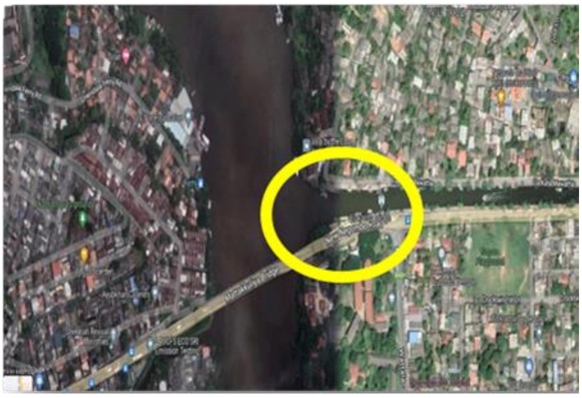
- Kalu Kola vila canal (450 m)
- Canal near Pallewela station (1175 m)
- Jaru Ela (250 m)
- Kundi Vila canal (410 m)
- Kalu Kotuwa Canal (900 m)

### *5. Dredging work on Hamilton Canal near its Outfall*

Client : Lakdhanavi LTD
Date of Commencement : 08.11.2022
Date of Completion : 28.12.2022
Project Status :Completed
Estimated Cost : Rs. 17.14 Mn (without Con. & VAT)
Work Done up to 2022 : Rs.22.76 Mn

***Scope of Work***

- Dredging of Hamilton Canal
- Transportation of Dredged material to Kerawalapitiya



### 6. *Development of walkway Track at Moragoda Ela*

| | | |
|---|---|---|
| Client | : | State Ministry of Urban Development, Waste Disposal and Community Cleanliness |
| Date of Commencement | : | 26.08.2021 |
| Date of Completion | : | 30.04.2022 |
| Project Status | : | Completed |
| Estimated Cost | : | Rs. 34.58 Mn (without Con. & VAT) |
| Work Done up to 2022 | : | Rs. 25.66 Mn |

***Scope of Work***

- Installation of Solar powered light post
- Supply & Fixing of pre-cast seating units and flower pots

# Weras Ganga Storm Water Drainage and Improvement Project

## 1. Introduction

As a result of the rapid urbanization in and around Colombo city, unplanned land filling and canal encroachments have been increased. The massive floods in Nugegoda, Raththanapitiya, Boralesgamuwa, Piliyandala & Werahera areas during rainy season is experiencing almost every year. Sri Lanka Land Development Corporation (SLLDC) with the assistance of Japan International Cooperation Agency (JICA) has prepared a comprehensive Master Drainage Plan for Colombo Metropolitan Region. As per the recommendations of the study, Weras Ganga Storm Water Drainage & Environment Improvement Project was launched in 2011.

The cabinet approval has been obtained for the aforementioned project on 30th August 2013 to commence construction work by SLLDC, since the SLLDC is the only organization who has the capacity to carry out major flood control projects, it compelled to do the entire designing work and the implementation & construction of the project. The revised cost of the project is Rs.11, 050 million.

## 2. Objectives

Main objective of this project is to mitigate flood by further widening of existing canal network, bank protection of canal banks, preserve flood retention areas and create lakes, improvement of existing culvert and bridges, construction of new structures, enhancing re-cultivation of abandoned paddy fields, water front recreational activities and restoration of Attidiya Bird Sanctuary. Since this project has mainly targeted for flood mitigation, the whole island and the residents of the area are benefited by minimizing flood damage. After the project commenced the land value of the area has been increased considerably.

Weras Ganga Storm Water Drainage & Environment Improvement Project is an investment for the nation which uses the local engineering technical capacity to build flood free canal system under gravity by local contractors of the Sri Lanka.

Currently cumulative value of work done up to the end of December 2022 is about Rs.10,670 million.

The project activities are continuing and the public enjoy the maximum benefit from the completed sections of the project.

## 3. Effective Catchment of the Project

The catchment size of the Weras Ganga Storm Water Drainage & Environment Improvement Project is about 55.5 $km^2$

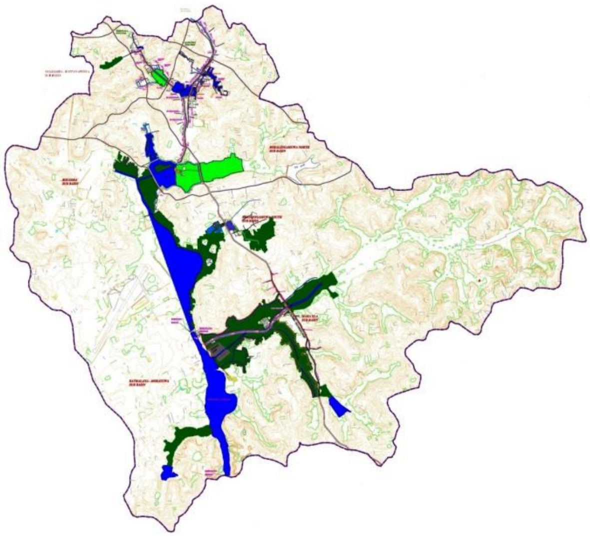


**Figure 1: Effective Catchment Area**

The whole catchment was divided in to six zones & constructions of all the six zones are completed at the end of year 2022.

## 4. Completed Construction Works and the Maintenance of Lakes, Walking Paths at the End of Year 2022

Under the project, approximately 40 Hectares extents of retention areas are being developed as Ponds & Lakes to enhance water retention capacity.

Accordingly, water retention capacity was improved with Walking Paths and enhancement of recreational areas such as Children Play Area, Open Gym, etc.

### 4.1 Manel Mawatha Lake

This lake is situated downstream of Rubberwaththa Lake adjoining to Manel mawatha & Rubberwaththa roads. Total area of the lake is 0.5 hectares. Walking Path is constructed with lighting arrangements to use even at night time.

### 4.2 Pepiliyana Lake

Pepiliyana Lake has been developed with a lake about 2 hectares in extent and a paddy area about 2 hectares in extent. Main purpose of this development is to maintain water retention.

### 4.3 Wela Road Lake, Walking Path and Vehicle Park

This lake is situated downstream of Manel Mawatha Lake adjoining to Old Kesbewa road. Total area of the lake is 1.1 hectares. Wela Road Lake has been developed for public use with Walking path and Vehicle Park. Walking Path is constructed with lighting arrangements to use even at night time.

### 4.4 Sooriyamal Mawatha Lake, Walking Path, Open Gym Area and Vehicle Park

This lake is situated in between the Colombo - Horana road and Mirihana - Dehiwala road. Sooriyamal Mawatha Lake is about 5 hectares in extent and has been developed for public use and recreational activities. It includes Walking path with open gym areas, car park, and few food and beverage outlets. Walking Path is constructed with lighting arrangements to use even at night time.

### 4.5 Werahera Lake Walking Path, Open Gym Area and Vehicle Park

Werahera Lake has been built to reduce flooding issues in Boralesgamuwa area. Werahera Lake includes recreational facilities such as walking path, open gym area , children play area and Parking area. This lake is situated adjoining to Horana - Colombo Road and the extent is about 2.0 hectares. Walking Path is constructed with lighting arrangements to use even at night time.

### 4.6 Rubber Watta Lake Walking Path, Open Gym Area and Vehicle Park

The Rubberwatta Lake, located in highly developed area near Delkanda city, has been built to reduce the flood issues that arise from time to time. Total extent of the lake is about 4 hectares. Rubberwatta Lake has been developed for public uses such as walking path, open gym area, children play area and car park. Walking Path is constructed with lighting arrangements to use even at night time.

### 4.7 Kattiya Junction Drainage Improvement, Walk Path and Open Gym Area

Kattya Junction development is within the highly urbanized area, which may eventually get flooded even with a low intensity of rain. This area has been developed with 3m span Concrete Canal and recreational areas such as open gym and few food and beverage outlets. Walking Path is constructed with lighting arrangements to use even at night time.

**4.8 Maintenance of Weras Ganga**

Cleaning of Weras Ganga Swamp (approximately 88 hectares) between Pitawella Bridge and Kospalana Bridge has been done when required to maintain the free flow of water.

# Research and Designs Division

Research and Designs (R&D) division is the consultancy arm of SLLDC. This division comprises the Engineering unit, both structural and drainage, Architectural unit, Quantity Surveying unit, Engineering Materials Testing Laboratory and Surveying unit and all units work together to accomplish the goals of the division.

Principally, the Engineering Unit provides engineering services in the fields of Hydrological & Hydraulic designs and Structural designs. Architectural Unit provides their expertise in architectural designs for building projects and landscaping works while other sections provide necessary technical support to complete the projects handed over to these two units.

## I. Engineering and Architectural Section

In general the works undertaken in year 2022 could be categorized as follows.

1. Client Projects
2. Treasury Funded Projects
3. Own Projects

1. Client Projects

RDA & UDA are the most important clients of R&D division.

- Projects undertaken by RDA

SLLDC had been entrusted by RDA to conduct the master drainage study for expressway projects. Accordingly, during the year 2022, the R&D division has carried out hydrological and hydraulic studies for Proposed Ruwanpura Expressway Project. In addition to this, drainage issues in Central Expressway Project during construction stage is attended to by SLLDC.

<u>Proposed Ruwanpura Expressway Project</u>

R&D division had been awarded the Hydraulic & Hydrology study for Ruwanpura Expressway. The proposed Ruwanpura Expressway project begins at Kahathuduwa, running via Ingiriya and ends at Kahawatta in Ratnapura district. The total length of the road is about 77km. The project comprises 3 sections as shown in Figure 01.

<u>Section I – Kahathuduwa to Ingiriya (24.5 km)</u>

Consultancy fee - Rs. 18 Mn
Physical Progress - 81 %

<u>Section II & III - Ingiriya to Kahawatta (52.5 km)</u>

Consultancy fee - Rs. 25 Mn
Physical Progress - 39 %

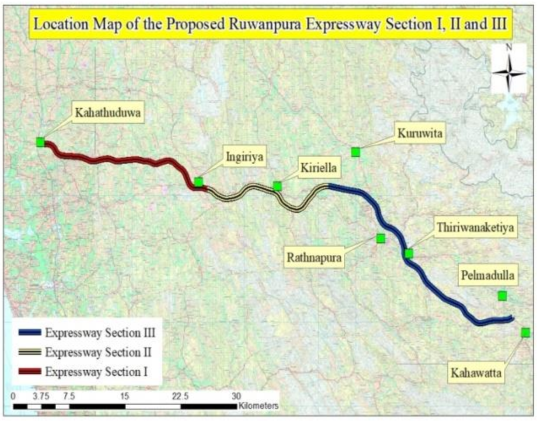



Figure 01: Proposed Trace for Ruwanpura Expressway Project

<u>Proposed Central Expressway Project.</u>

Research and Designs division had been awarded the Hydrological & Hydraulic study for the proposed Central Expressway Project. The expressway begins at Kadawatha, running via Kurunegala town and ends at Dambulla as shown in Figure 02. The total length of the expressway is about 185km. The total consultancy fee for the study is Rs.62.5M. During year 2022 SLLDC provided its consultancy for solving drainage issues during construction stage of the project.

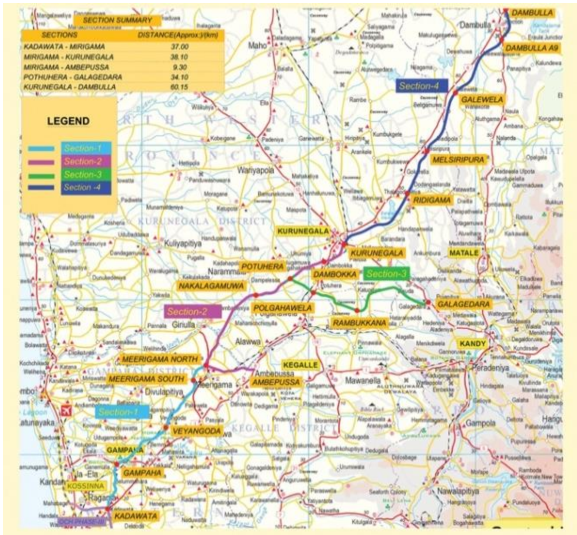



Figure 02: Proposed trace for Central Expressway Project

<u>Section I</u>
Hydrology review study completed.

<u>Section III</u>
Hydrology review study 44% completed.

<u>Proposed Bypass road at Kurunegala</u>
RDA has planned to construct a bypass road at Kurunegala town in order to avoid the traffic congestion in the town area. The proposed bypass road length is about 3.5km. The proposed trace for the bypass road is shown in Figure 03.

Consultancy fee for the Hydrology Study is Rs. 3.27 Mn and the progress is 77%.

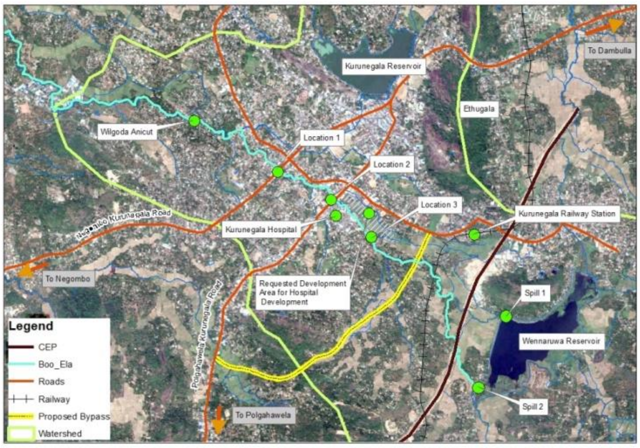



Figure 03: Proposed trace for Kurunegala Bypass Road.

- UDA Projects

The Urban Development Authority had planned to enhance the townships of several urban areas and the master drainage plans for those projects were awarded to SLLDC. The projects undertaken by R&D division are shown in Table 01.

Table 01: UDA projects

| No | Name of Project | Estimated Consultancy fee (Excl. VAT) (Rs Mn) | Present Status |
|---|---|---|---|
| 1 | Gampola Town Development project. | 2.79 | Progressing |
| 2 | Devinuwara Town development project. | 2.25 | Progressing |
| 3 | Drainage Design for Wewurukanala Town development project. | 2.10 | Progressing |
| 4 | Kirinda Town development Project. | 2.50 | Progressing |
| 5 | Storm water Drainage Management system at port area Mulathive. | 1.50 | Completed |
| 6 | Minuwangoda Town Development Project./ Stage 1 | 2.60 | Progressing |
| 7 | Ehaliyagoda Town Development Project. | 5.60 | Completed |
| 8 | Moronthuduwa Town Development Project. | 2.60 | Progressing |
| 9 | Godagama storm water drainage project. | 4.88 | Progressing |
| 10 | Hakmana Town Development Project | 4.15 | Progressing |
| 11 | Elpitiya Town Development Project | 4.63 | Progressing |
| 12 | Bandaragama Town Development Project. | 2.23 | Progressing |
| 13 | Homagama Town Development Project. | 4.00 | Progressing |
| 14 | Design of Drainage System racecourse Nuwaraeliya. | 1.77 | Progressing |
| 15 | Proposed Jogging track at Nelumwila Makewita Stage 11 | 0.70 | Completed |
| 16 | Welikada Prison relocation project - Millewa | 1.67 | Completed |

R&D division has also become part and parcel of designing and implementing following walk way projects awarded by UDA.

Table 02: Walk way projects awarded by UDA

| No | Name of Project | Estimated Consultancy fee (Excl. VAT) (Rs M) | Present Status |
|---|---|---|---|
| 1 | Rehabilitation of Oruthota Walk Path at Gampaha. | 1.63 | Progressing |
| 2 | Rehabilitation of Henarathgoda Walk Path at Gampaha. | 0.69 | Completed |
| 3 | Public Enhancement project ( Rehabilitation of Nelum pokuna) in Sri Sangaraja temple Ambalangoda. | 3.70 | Completed |
| 4 | Proposed Walkway & Landscape improvement of Ampitiya Wewa Beliattha Stage 1 | 2.39 | |
| 5 | Construction of walkway at lake Gregory Nuwaraeliya. | 2.40 | |
| 6 | Peralanda wet park -Stage 11 | 6.11 | Completed |
| 7 | Wetland Development work at kotagala-Stage 11 | 1.14 | Completed |
| 8 | Boralesgamuwa Wewa Surounding area -Stage 111 | 3.16 | Completed |
| | Boralesgamuwa Wewa Surounding area -Stage 1V | 7.31 | Completed |
| 9 | Proposed Jogging track at Nelumwila Makewita Stage 1 | 0.80 | Completed |

- Other Institutions

R&D division had provided their services to institutions such as LRDC Services Pvt. Ltd. and Ceylon Electricity Board.

<u>LRDC Services Pvt. Ltd.</u>

The architectural and structural designs of new office building were designed by R&D division in order to enhance their staff, services and provide a better service with modern facilities. The total consultancy fee was Rs.41.2 M. The architectural drawings of the proposed building is shown in Figure 04. Architectural designs completed. Structural designs 65% completed.

Figure 04: Architectural Plans of the Proposed office building

CEB Projects

- EIA Report for Proposed Land Development Project at Muthurajawela for CEB

R&D division was awarded the preparation of EIA report for the development of land at Muthurajawela. The land is located within the Urban Buffer Zone of Muthurajawela, and was released for development by a Gazette notification and Cabinet Decision. After getting environmental clearance the land will be developed for the establishment of LNG power plants by CEB.

The EIA report was forwarded to CEA for approval. However, the land requirement by CEB changed from 119 AC to 14 AC recently. Therefore an addendum to the report is being prepared to accommodate the changes. Total consultancy fee is Rs. 11.165 M. The component by CEB is Rs. 4.705 M. The balance will be borne by the Corporation, since part of the land is under the custody of SLLDC.

- De-silting of Katukithuloya railway culvert of Upper Kothmale Power Station

The main scope of the above project was De-silting of Railway Culvert, Culvert pond and Part of the Head pond. R&D division has undertaken to execute the entire project with P&E division. The total project value is Rs. 23 Mn.

Figure 06: Progress of De- silting

1. Treasury Funded Projects

There were 5 Treasury Funded projects undertaken during the year 2022.

Drainage Improvement Work in Piliyandala Master Plan

Piliyandala town is located within the suburb of Colombo administrative area. Therefore, it receives high pressure for development. The existing town is already congested. Therefore, UDA has proposed expansion of the town by developing an abandoned paddy land and relocating the bus stand, market etc. A bypass road extending from Jaliyagoda to Kesbewa junction is already constructed to avoid traffic congestion along Colombo/ Horana road & easy access to Southern highway. The Treasury allocation for year 2022 was Rs. 0.4M and 90% of the detailed designs had been completed. The layout plan of the project is shown in Figure 07.

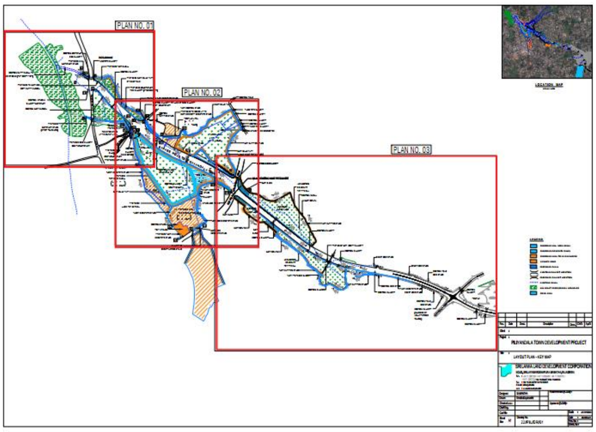


Figure 07: Layout Plan of Piliyandala Project

Water Level and Discharge Measurements Project

One of the major tasks of R&D division is to carry out Master drainage studies to formulate flood mitigation proposals. For the above study, Hydrological data, Hydraulic data and meteorological data with due accuracy are very essential features to be used. Presently, Sri Lanka Land Development Corporation has identified 126 locations within 7 basins named as,

- Bolgoda Basin
- Ja-ela Basin
- Mudun Ela Basin
- Kalu Oya Basin
- Greater Colombo Basin
- Kolonnawa Basin
- Barawa Basin

Water level and discharge measurement of the above basins are being taken monthly.

The Treasury allocation for the year 2022 is Rs. 3.5Mn.

Figure 08: Installation of water level gauges

Mudun Ela Storm Water Drainage & Environment Improvement Project

Mudun Ela Storm water drainage and environment improvement project (MSWD & EIP) has been formulated in order to provide technical solution for prevailing flooding issue of the study area namely Kelaniya, Pethiyagoda, Kohalwila and Peliyagoda.

Hydrological and Hydrodynamic study related to the project has already been completed by the end of 2022 and socio economic study of the project is planned to complete by mid of 2023.

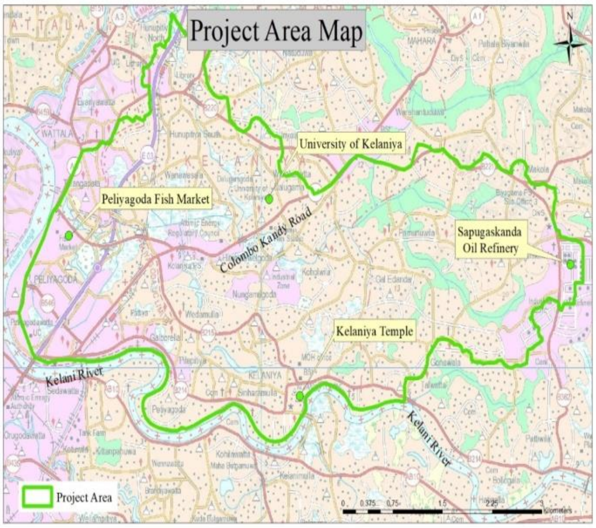



Figure 09: Project area of Peliyagoda Mudun Ela Sub Basin

Bindunu Ela Drainage Improvement Project

Unplanned development and urbanization around Bindunu Ela have caused frequent flooding in the surrounding area during monsoon period. Accordingly, upon the request made by District Secretariat of Kalutara, SLLDC has undertaken to formulate a flood mitigation proposal for Kalutara district. The main objective of the project is to rehabilitate Bindunu Ela to reduce flooding and restore paddy cultivation thereby uplift the socio-economic condition of the area.

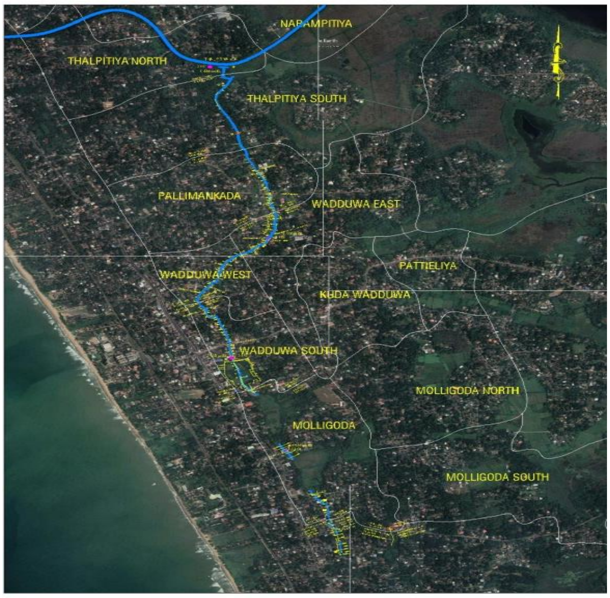



Figure 10: Layout Plan for Bindunu Ela Drainage Improvement Project

Preparation of Master Drainage Plans for Colombo and Outside Area.

With the objective of providing technical solutions for localized flooding issue in Western province, R&D division has initiated this programme, called “Localized flood mitigation programme 2022 – 2024”.

Accordingly, R&D division has conducted number of awareness programmes in district development committees making them aware about the programme. As a result R&D division receives massive number of complaints about Local drainage issues and summary of cases is as follows.

Table 03: Local drainage issues

| District | No. of cases received | No. of cases inspected |
|---|---|---|
| Gampaha | 16 | 16 |
| Colombo | 18 | 15 |
| Kalutara | 09 | 06 |

2. Own Projects

The Research and Designs division provides expertise to internal divisions of the Corporation by way of structural, architectural, drainage designs and procurement documents in order to maintain the standards of our construction works while being sustainable. Several projects had been undertaken during the year 2022.

- Real - Time Flood Control (RTC) Centre at Kirimandala Mawatha

The architectural design of the 12 storied RTC building was carried out by R&D division. The total consultancy fee for the project was Rs. 30M. Presently, five floors have been constructed as Phase 1 to facilitate the function of the Real Time Control System and Water Management of the Metro Colombo Basin. Figure 11 shows the front view of the RTC building.

Figure 11: Front view of the RTC Building Design

- Proposed Sport Complex at Kririmandala Mawatha

The project provides changing and restroom facilities and spectator areas with modern amenities for the existing cricket ground. The R&D division carried out the Structural and Architectural designs. The total consultancy fee for the project is Rs. 4.6M and currently construction works are in progress.

Figure 12: Side view and Front view of the Sport Complex

- <u>Proposed Relocation of the Workshop to Kerawalapitiya</u>

The aim of this project is to relocate the existing Workshop building to a 6 acre land at Kerawalapitiya. The structural and architectural designs are being done for various functions of the workshop such as workshop facilitate building, heavy machinery & dredging section, welding section, light vehicile , tools and spare parts section, tipper section, tinkering and painting section, machine shop, auto electrical/ AC section, long vehicles and internal parking section. Currently the design and construction works of workshop facilitate building had been completed and the project cost is Rs. 110.36Mn.

Figure13: Completed Workshop Facilitate Building

II. Engineering Materials Testing Laboratory

The EMT Laboratory carries out various tests for materials ranging from soil, concrete, aggregate and water, wastewater, sludge, sediments etc. Borehole investigations are carried out by using rotary (wash boring), percussion or hand auguring techniques. The EMT Laboratory owns one YWE D45 rotary drilling machine and one DANDO 2000 percussion drilling machine. The ICP-MS and Microwave digester allows the laboratory to test numerous heavy metal analyses in water, wastewater, sediments, sludge etc. expanding the scope and the strength of the laboratory.

The EMT Laboratory has earned Rs.26M income in 2021. It has supported numerous projects undertaken by SLLDC in 2022 and some are mentioned below.

- GCFC & EI Project
- Water quality monitoring of Diyawanna Lake
- Water quality Monitoring of Beira Lake
- Water quality monitoring of Hamilton Canal and Surrounding Canals
- Kolonnawa Storm water drainage & environment improvement project
- Bidunu Ela Rehabilitation & Storm Water Drainage Improvement, Wadduwa
- Oliyamulla Pumping Station Project
- Peliyagoda Housing Project
- Cricket Stadium – Kirimandala Mawatha
- Moragoda Ela Project

Furthermore, the EMT Laboratory monitors the quality of off shore sand by monitoring particle size distribution, water soluble chloride content and acid soluble shell content as per SLS 1397:2010.

III. Quantity Surveying Section

This section carries out pre-contract and post-contract activities in projects such as,

- Taking off quantities of all construction of building & civil engineering projects
- Preparation of estimates for projects carried out by SLLDC
- Attend bidding process for open tendering in order to get construction, reclamation and drainage related jobs to the corporation
- Preparation of Interim valuations & Final evaluation of projects carried out by SLLDC
- Evaluation of bidder's pre qualification
- Tender evaluation

- Preparing, negotiating and analyzing cost of tenderers and Contractors
- Preparation of Contract documents

This section provided services to the major projects undertaken by SLLDC in 2022. Moreover, quantity surveying services were provided for dredging, reclamation, drainage and construction activities of Construction division, Drainage & Reclamation division, Plant & Equipment division, Wetland Management division and Planning & Business Development division.

The total value of quantity surveying services provided for external and internal projects was Rs. 43Mn.

# Wetland Management Division

**Diyasaru Park**

**Introduction**

Wetland Management Division engages in sustainable development of Colombo city via effective wetland management. Diyasaru Park is a live example of a success story of human intervened restoration of wetlands, which converted a less diversed area in to a high biodiversity wetland with different habitats for wetland flora and fauna including marshy plants, mammals, birds, butterflies, fishes, amphibians, reptiles, dragonflies, crocodiles and endangered animals such as fishing cat, otter and purple face leaf monkey. Diyasaru park extends in an area of sixty (60) acres with some nature blended infrastructure such as study center, open study area, board walks, butterfly garden, children pond, canals, bird watching tower, resting hut, agriculture area, ecology laboratory, office, ticketing counter, car park, store room , changing room for events and labor hut. Diyasaru Park has become one of the major nature attractions in Colombo city which acts both as a wetland center that provides wetland related CEPA (communication, Education, Participation and Awareness) activities and tourist destination for both local and foreign tourists. We are working for the vision of "Releasing the stress of Urbanization "by annual activities of Diyasaru Park.

Study center

Broad walks

Resting hut

Open study area

**Achievements**

**WLI Asia Fund 2022**

Amount: KRW 10,000,000 LKR 574,076.50

Funds from: RRC-EA (WLI-Asia fund)

Activities

- Establishment of Diyasaru Nature Club
- Continuation of wetland weekend programs throughout the year
- Implementation of wetland seed collection campaigns
- Initiating a Souvenir shop to sell promotional materials.
- Conduct various Communication, Education, Participation and Awareness activities at Diyasaru Park.

Diyasaru Nature Club - දියසරු සොබාදම් මිතුරෝ

- Improve your knowledge on significance of urban wetlands, its features & services.
- Understand and act towards promoting the wise use of urban wetlands.
- A sense of pride knowledge that you have directly and actively supported the urban wetland conservation efforts.
- Opportunities to involve voluntarily in urban wetland management activities.
- Enhance your soft skills.
- General Membership for Nature lovers of age above 13 years.
- Junior Membership for Kids between age 4 to 12 years.

**Wetland Weekend Programs**

Conducts in every month from March 2022

07 wetland weekend programs and summer camp in 2022

On wetland related topics for general public

**Diyasaru Park receives Star Wetland Centre Award**
for

- communication and education activities
- Ambitious
- Urban location

Announced at the 14th COP of Ramsar Convention held in Geneva, Switzerland on 09 November 2022.

The Stars were awarded to 23 wetland visitor centers around the world.





**Diyasaru Newsletter**
Publishes bi-monthly, initiated with the funds from WLI-Asia fund
First issue on July 2022




**Diyasaru desk calendar-2023**


Concept:
Each month is dedicated to a commemoration day related to wetlands and wetland parks
Sponsored by: Butterfly Conservation Research Group- Sri Lanka (BCRG-SL)

**Citizen Science corner**
Citizen Science Corner by the Center for sustainability, University of Sri Jayewardenepura launched at Diyasaru Park on 20 Dec 2022 aims to increase the engagement of ordinary people in citizen science

**Maintenance of Diyasaru Park**

The park is being maintained properly by maintenance and cleaning of canals, cutting the grass in lawns and roadsides, cleaning the foot paths, removing the invasive plants, maintaining roofs of buildings, repairing the timber hand rails and bridges, maintaining the plant nursery, butterfly garden and home garden, fabricating the chain link fences etc. Though the maintenance of the park is challenging, our staff successfully copes with it to make the park is appealing to its visitors.

Areas under continuous maintenance for best appealing experiences

**Project: Restoration of canal banks of Kotte canal using soft banking approach**

Colombo has been accredited a Ramsar wetland city during the 13th Conference of the Parties to the Ramsar Convention on Wetlands in 2018 recognizing the significance of 19km$^2$ of urban wetlands within the city (15% of the land area of Colombo City). These wetlands include marshes, paddy fields, and connected by an extensive canal network. Some of these canals are being used for water-based transportation and recreation.

Kotte Canal, having a 2.91 km length and flowing through Kotte Marsh, is one such major canal within Colombo City. Erosion of canal banks in Kotte Canal has become noticeable in the recent past. It has accelerated due to the instability of the soil and the wave load caused by the boats. Only 2.09 km length (both left bank and right bank) of the canal bank had been protected earlier either by gabion or wet masonry walls. These methods are costly and cause negative impacts to the wetland environment.

Therefore, an environmentally sustainable soft banking system was proposed to restore these eroded canal banks in Kotte Canal. The objectives of this project are to (i) stabilize canal banks with an ecologically safe and cost effective, sustainable alternative and (ii) enhance aesthetics and ecosystem services provided by Kotte Canal.

Soft banking system contains coir geotextile, coir logs and specific cover crop. For the restoration of canal bank, *Vetiveria zizanoids* (Vetiver grass) was selected as a cover crop due to its intensive root network. Canal banks were improved to its original form by earth filling. Coir logs were installed to the toe of the canal bank to act as a primary barrier for the boat induced wave load. Coir geotextile was laid through the slope to control the soil erosion until *Vetiveria zizanoids* get stabilized. These coir products will persist for 3 to 5 years while *Vetiveria zizanoids* establish themselves and eventually roots in to the bank. When these products biodegrade, the plants and roots will remain to stabilize the bank with an intensive native root structure substrate.

The softbanking project was launched in pilot scale at the end of 2020 to assess the suitability of this method. During the first quarter of 2021, a 100 meter stretch of canal bank was completed near the Kotte canal starting point as a pilot project.

**Figure 1:** Just after finishing the restoration process

**Figure 2**: Three months after the project completion

Soft banking system in Kotte Canal will restore the natural vegetation of canal banks, thereby creating a favorable habitat for fauna, and allowing reptiles, amphibians and birds in marshy areas to enter the waterways easily. This system will improve water quality in urban areas by trapping solid particles and absorbing heavy metals in urban runoff before entering the waterways. In 2022, restore 300m along the Kotte Canal bank from Uswatte Mw.

This project will have immense benefits to community as well. It will results in increased property values, increased eco-tourism opportunities, pleasing canal banks, improved healthy life and enhanced self-satisfaction of working and living in a magnificent environment. The benefits would be to local and ultimately to the all citizens in the country.

**Colombo Water Quality Improvement Program**

City of Colombo faces increasing pressure from expanding populations, limited resources and growing impacts of climate change. Water pollution is one of major challenge which should be addressed sooner in order for city to provide healthy and sustainable living environment.

The SLLDC has jurisdiction over the canals and is responsible for their routine maintenance, primarily for conveyance of storm water, and also maintain pollution free waterways. Despite all the efforts by SLLDC to maintain pollution free waterways, canal network in Colombo has been polluted. The Wetland Management Strategy (WMS) study conducted in 2016 concluded that more than 65% of the drainage catchment of the CMR contains bad to very bad water quality.

Therefore, to minimize the increasing pollution and associated impacts, the need of implementing a long-term sustainable water quality management program for CMR was identified.

Accordingly, CWQM Program has planned and implemented in six steps i.e (1) build partnerships, (2) Characterize Colombo Catchment to identify problems, (3) set goals and identify issues, (4) Design of an Implementation Program, (5) Implement the Plan and, (6) Progress review and make adjustments.

Due to increasing population and urbanization, Parliament Lake catchment also has undergone various environmental, social, and economic changes over time. However, in 2016 as indicated in Wetland Management Strategy, catchment of Parliament Lake was categorized as having "good" quality water. Pollution of waterways in the catchment is one such issue, which has become prominent in the recent past.

During the second week of March 2021, an algal bloom appearing as a yellowish-brown color scum has been observed in Parliament Lake and connected waterways flowing to the Lake along Denzil Kobbekaduwa Mawatha and Ministry of Defence Road, Battaramulla. Subsequently, a Management Plan for restoration of water quality at Parliament Lake catchment was prepared by the Task Force for controlling pollution and improving the quality in waterways associated with Diyawanna Oya that flows alongside the House of Parliament of Democratic Socialist Republic of Sri Lanka. SLLDC was involved in management plan preparation process as a technical coordinator and member of Task Force. The Management Plan included seven goals, objectives, and actions with responsibilities, timeline and required resources. The goals of Management Plan are as follows;

Goal 1: Reduce frequency and severity of algal blooms
Goal 2: Enhance the aesthetic value of the Lake and recreation potential
Goal 3: Maintain a healthy and a diverse aquatic biological community structure
Goal 4: Restoration and protection of the shoreline
Goal 5: Acquire funding and develop resources to implement management plans and actions
Goal 6: Promote the participation of and contribution from the research community, private sector and any other interested groups
Goal 7: Monitor progress to update management objectives and strategies as appropriate

The activities given in Management Plan are categorized as short term, medium term and long term and these activities are being implemented by all the stakeholders including SLLDC. SLLDC has initiated following activities in the year 2022.

*Floating Treatment Wetlands:* Floating Treatment Wetland (FTW) is an effective and sustainable technology for wastewater treatment. It has been widely adopted for treating various kinds of polluted water including agricultural runoff, storm water, and industrial effluents. In 2022, 500 No. of Floating Treatment Wetlands were placed in identified locations in Parliament Lake sub-catchment 01 by SLLDC with the support of Sri Lanka Army *(Goal: 01-Reduce frequency and severity of algal blooms).*

*Identification of Eroded Canal Banks in Parliament Lake Catchment for Restoration:* A field survey to assess the canal banks in Parliament Lake catchment has been initiated in order to identify and map the existing condition of canal bank protection within the catchment, identify the length of stretches necessary for restoration and decide the method, cost and time estimates and control erosion along the entire shoreline area.

*Water quality monitoring:* Water quality of eight selected sampling points in sub-catchment 01 is being tested monthly by the EMT Laboratory of SLLDC. These data is being analyzed and interpreted by the Wetland Management Division.

*Research:* Research on "Species composition and abundance of Algae, Cyanobacteria and Dinoflagellates in Parliament Lake" was completed by Ms S.R Bandara (Department of Zoology, University of Sri Jayewardenepura) under the supervision of Snr. Prof. Pathmalal Manage, University of Sri Jayewardenepura and her research was outwardly supervised and facilitated by Wetland Management Division.

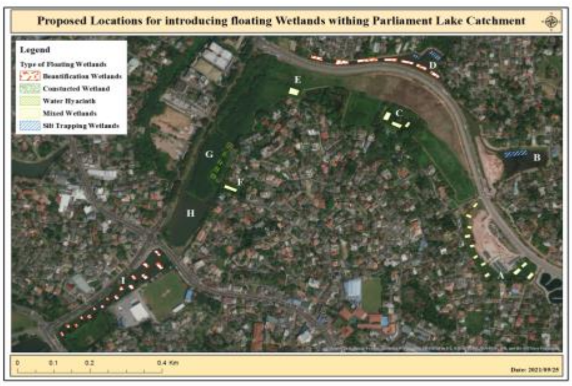
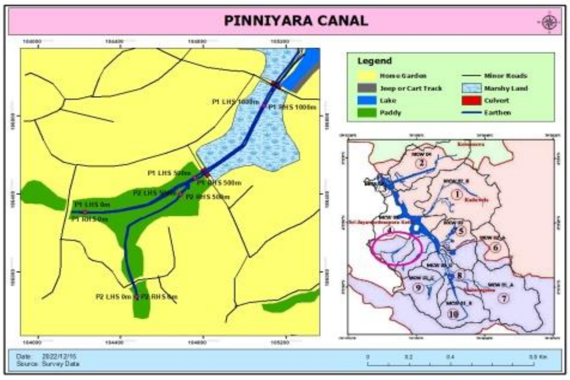



**Figure 01: Floating Treatment Wetlands at Parliament Lake sub-catchment 01**



| Location | QR Code | Location | QR Code |
|---|---|---|---|
| Pinniyara Canal (P-1) | | | |
| P1 LHS 0m | | P1 RHS 0m | |
| P1 LHS 100m | | P1 RHS 100m | |
| P1 LHS 200m | | P1 RHS 200m | |

**Figure 02: Canal bank survey to identify canal banks for restoration**

**Restoration of water quality at Beira Lake using Phytoremediation**

Beira Lake (BL) is a shallow water body extended in 65 hectares (162 acres) in Colombo with a mean water depth of 1.67 m. It comprised of four main basins; the East Lake, the Galle Face Lake, the West Lake and the Southwest Lake. Floating Market BL and Finger Section are two smaller and fragmented water bodies connected to the East Lake. The Beira Lake is connected to the Colombo Harbor via the McCallum lock gates, to the Kelani Ganga via the St. Sebastian canal, and to the Indian Ocean by a semi-circular spillway located near Old Parliament.

Originally the area around the Beira Lake was a marshland which was adapted to absorb and purify the pollutants incoming from its catchment. However these marshes have been converted to either built areas or roads in the urban setting, causing to release entire pollution load to the Beira Lake. Further, existing sewer and waste water, and storm water drainage lines are quite older than a century making those are below the required capacities, which enable the inhabitants of the lake to illegally connect waste water to the storm water drainage lines.

As a cumulative result of all these circumstances at Present Beira Lake is at a hyper eutrophicated status where the nutrient content (i.e. Nitrate and Phosphate loads) within the lake are in excess, creating unfavorable conditions for balanced aquatic ecological process, which is in alternatively promote the growth of harmful cyanobacteria (Blue Green Algae) which is the cause for green colored scums on Beira Lake water. Unpleasant appearance and occasional odor are major consequences of such algal blooms apart from the toxicity for both aquatic biota and human due to the algal toxins.

Restoration of such water bodies is challenging due to many reasons because of many reasons such as the need of site specific customized solutions which require high cost, space and technologies etc. On the other hand bearing such costs is not a viable approach without controlling the incoming pollution loads to the lake. Repairing and/or updating the sewer and waste water lines, and relocation of unorganized settlements are also time consuming.

Therefore SLLDC has taken measures to place Floating Treatment Wetlands (FTWs) at Beira Lake under the project of "Restoration of Water Quality at Beira Lake" supervision. Floating Treatment Wetlands (FTW) are the floating rafts with vegetation. These rafts are made up of light and durable material such as PVC and, specific plants such as Canna, Heliconia, and Vetiver are grown to absorb excess pollutants dissolve in water. The plants roots provide home to favorable bacteria which helps to clean water by providing suitable substrate. Plants absorb heavy nutrient loads such as nitrate and phosphate in the lake giving an added beauty to the lake.

The scientific research has proven the capability of these selected species for effective removal of excess nutrient from the lake system. Accordingly about 30% of the Beira Lake covered by FTWs may lead to reach the visible changes in Beira Lake including increased clarity of water, less occasional odor, growth of favorable aquatic organisms etc. Hence these FTWs will be used in future to landscape the water body while restoring the deteriorated water quality.

**Study: Assessment of Carbon sequestration potential of Colombo wetland complex**

Currently global warming and climatic change is increasing due to anthropogenic activities. Fossil fuel burning, deforestation, and urbanization like activities release large quantities of greenhouse gases into the atmosphere.

There are two major methods as geological and biological methods that contribute to capture $CO_2$ from the atmosphere. Soils and trees are widely regarded as the largest carbon storage sources and are called natural scrubbers or "carbon sinks". The photosynthesis process allows green plants to capture atmospheric $CO_2$ and convert it into organic carbon as they grow. Terrestrial and mostly trees store more carbon because they have greater volume and longer storage time. Various parts of plants such as leaves, wood, roots and soil are stored carbon in the atmosphere. Like all kinds of plants, uncultivated fields and grasslands are carbon sinks and thereby store carbon in the soil.

Soil organic carbon is the amount of carbon present in the organic matter of the soil. Soil organic matter includes all the material of biological origin found in soil like plant residues, living roots, biological organisms, and decomposing, decomposed or burnt material of varying sizes. The soil carbon is almost three times that in the above ground biomass and about double that in atmosphere.

There is always a cycle of entry and exit of the amount of carbon between the terrestrial ecosystem and the atmosphere, making variable amount or level of carbon content in the soil. Hence, soil carbon acts as a major determinant of the amount of $CO_2$ released into the atmosphere. Soil acts as a source or sink of greenhouse gases like $CO_2$, $CH_4$, $N_2O$ etc., depending on the management and land use.

Wetlands are globally important carbon sinks, storing vast amounts of carbon and thereby helping to mitigate climate change. At present, carbon emissions to the atmosphere are relatively high. Therefore, it is necessary to strike a balance between carbon emission and capturing processes. Plant photosynthesis usually captures carbon and tries to maintain this balance. According to the literature, wetland can hold more carbon than other environmental conditions. Therefore, wetlands give high contribution to maintain the balance between Carbon emission and capturing processes. Therefore, it is needed to calculate carbon sequestration rate in the wetlands. So this study is planning to measure the carbon sequestration capacity of wetlands in Colombo metropolitan area.

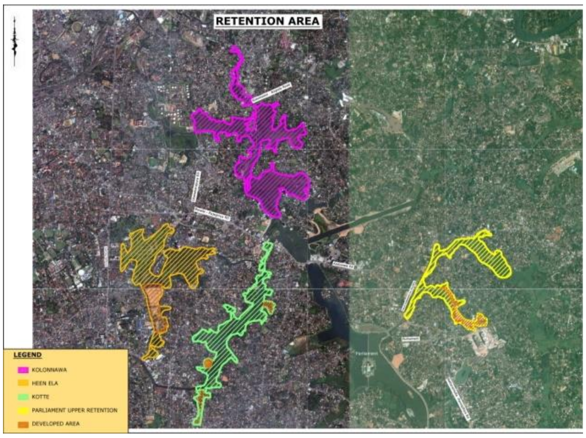
The Wetland Management Division of Sri Lanka Land Development Corporation is being continued this study within five selected wetlands namely, Kolonnawa marsh, Heen-ela marsh, Madinnagoda marsh, Diyasaru Park, and Kotte marsh. This is a laboratory and field based study done according to the wet and dry conditions of the environment.

This study provides a statistical database of how urban wetlands contribute to carbon sequestration process and ultimately provides an overview of how urban wetlands are important for reducing global warming. This will be an excellent study that will provide a basic platform for various research studies on wetlands in the future.

**<u>Wetland Encroachment Prevention Project – Stage I – Gothatuwa Area</u>**

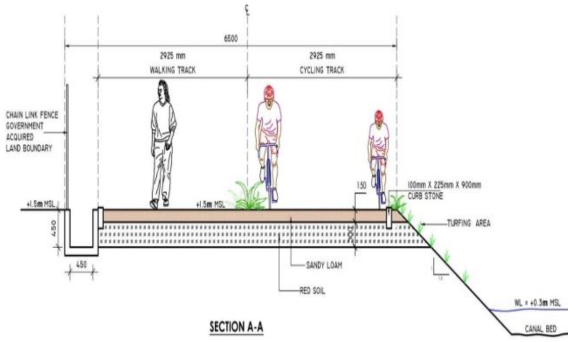
**<u>Preparation of a walkway around the acquired land boundary in Kolonnawa marsh</u>**

**Introduction**




After the project of Re-Opening of acquired land boundaries in main four marshes within the Colombo catchment, it could be identified, the extent of acquired land are losing very rapidly because of the unauthorized encroachments by the people around the periphery of the marsh. As a solution for this problem, we decided to prepare a walkway along the acquired land boundary to protect the water retention area.

As the 1st stage of this, the marsh depicted in Preliminary Plan no. PP CO 7415 in Kolonnawa marsh was selected.
The total length of periphery is 4000 m.




**Progress in 2022**
The following items were finished at the end of the year.

| | Scope of work | Progress up to December 2022 | Work Done 2022(Rs.) |
|---|---|---|---|
| 1 | Preparation of walk path using imported debris | 940 m | 38,086,119.33 |
| 2 | construction of concrete drain size 450x450 mm | 650 m | |
| 3 | Construction of catch pits | - | |
| 4 | Construction of Hume Pipe culverts | 6 | |

**<u>The Waste Management Park at Kerawalapitiya managed by Sri Lanka Land Development Corporation</u>**

Sri Lanka Land Development Corporation has started a compost production facility at proposed area at Kerawalapitiya Waste Management Park (KWP) since 1st June 2017 as medium term solution for the waste generated local authorities (Colombo and sub urban area).

The initial capacity of the composting plant is 100MT/day. The main intention of this project is to reduce the environment impact from the open dumping after Meethotamulla dump site failure. The project has achieved 100% source segregation of MSW within 9 months of the project initiation through law enforcement and awareness. At the initial stage of this project, KWP has received total of 750MT of waste and 550MT of Degradable waste were composted and 200MT of Non-Degradable waste were stockpiled. The available facilities were not sufficient to cater the total incoming waste. Hence, we have increased the compost production capacity by introducing new sieving machine at the KWP. Current daily compost production is around 30 MT at favorable weather and the whole compost quantity is provide to the Colombo Commercial Fertilizers Ltd.

At present, the daily incoming waste quantity is 150 MT due to commencement of the Waste to Energy Project at Kerawalapitiya.

Important Details related to the KWP

| | | |
|---|---|---|
| • Total waste received | - | 37,101.82MT |
| • Total Compost sale | - | 2,861.00MT |
| • Total Income from Waste Acceptance | - | Rs. 71,209,159.59 |
| • Total Income from Compost Sale | - | Rs. 41,428,890.00 |

KWP compost facility is equipped with weighbridge, 80 x 45 m$^2$ of concrete floor, Windrow Turner, 3Nos. of Compost sieving machine, 02 nos. of Long Arm Excavators, 02Nos. of Short Arm Excavators, 02 Nos. of Six-wheel Tippers, Four-wheel tractor, Backhoe Loader and Skid Steer. The windrow turner is improve the quality and yield of the compost through improving the degradation process by aeration.

Periodic compost quality testing is practiced to ensure the quality of compost from the accredited laboratories. The test results confirmed the suitability of "***MIHIJAYA***" Compost for the agricultural purposes. Further, the test result has confirmed the heavy metal content is far below the standard maximum permissible level which recommended by the Sri Lanka Standard Institute.

# Special Projects Division

Special Projects Division is one of the key divisions of SLLDC. The main functions of the Special Projects Division are carrying out hydrological studies, preparation of master drainage plans for government and private sector clients, detailed drainage designs for urbanized basins hydrological modeling works using state-of-the-art computer modeling software such as MIKE 11, MIKE 21, MIKE FLOOD, HEC-RAS and HEC-HMS. It contributes through several channels in strengthening the Corporation such as carrying out drainage designs, preparation of drainage management plans, project management, project implementation, drainage consultancy etc.

Special Projects Division has executed its' operations in several different scenarios in the year 2022 and they are as follows;

1. **Treasury Funded Projects**
   a. Proposed Madiwela South Diversion Project
   b. Proposed Urban Drainage Improvement Project for Moratuwa Rathmalana Area
   c. Installation of Pumps at Kalu Palama

2. **Foreign Funded Projects**
   a. Metro Colombo Urban Development Project (World Bank funded)

3. **Client Projects**
   a. Implementation
      i. Town Development & Beautification Project, Monaragala
      ii. Beautification and development of lakes from Kurunegala to Anuradhapura
   b. Consultancy
      i. Drainage Design Projects

4. **Own Projects**
   a. Rathgama Town Development Project

5. **Other Work**
   a. Procurement of works and consultancy projects
   b. Issuing recommendation for granting approved for development of paddy lands and low lying lands

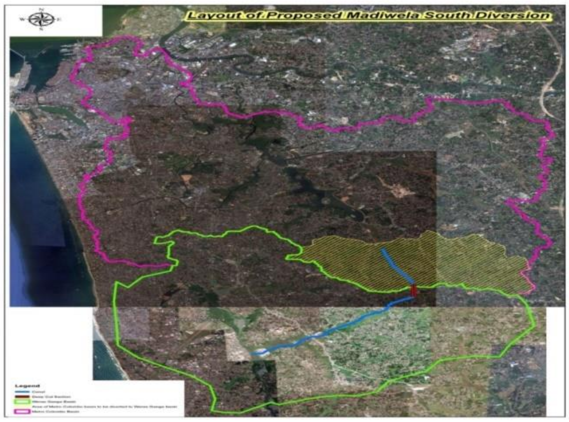
## 1. Treasury Funded Projects

Hydrological modelling, drainage designs, preliminary estimation and preparation of draft tender documents of three major projects were carried out under treasury funds.

### a. Proposed Madiwela South Diversion Project

Madiwela South Catchment (MSC) is one of the sub catchments about 15 $km^2$, located at upstream of Parliament lake of the Greater Colombo Basin. It is considered as a trans-basin diversion which diverts the flood water from the upstream part of the Metro Colombo basin to the Weras Ganga basin. As per the study carried out under Metro Colombo Urban Development Project, Madiwela South Diversion is no.01 rank intervention for the flood mitigation in the Metro Colombo basin.

After studying different options in previous years, it was identified, formation of a canal from Kimbulawala lake to Weras Ganga as the most feasible option to divert water in Madiwela South Catchment to Weras Ganga basin. This project is planned for 6 years including initial project preparation work - (planning, design, pre tendering), land acquisition, call for tenders and project implementation.




Some of the initial project initiation activities such as finalizing conceptual trace, surveying of new canal trace, social survey, environment survey, detailed designs (selected packages) were planned and completed during year 2022.

Total work done for year 2022 is LKR 9.0 Mn.

### b. Proposed Urban Drainage Improvement Project for Moratuwa-Rathmalana Area

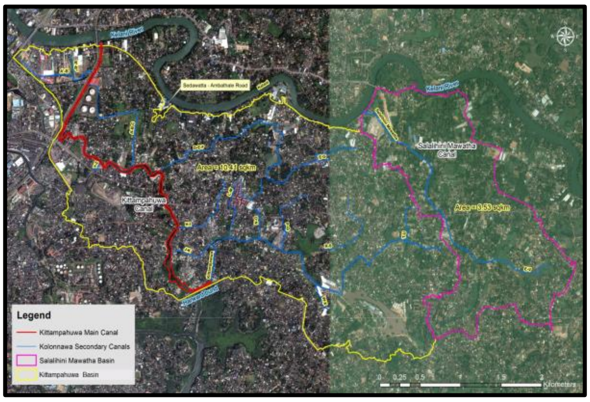
Moratuwa Rathmalana sub basin which is located southwards of Sri Lanka's Commercial Capital Colombo, is comparatively low land area. This sub basin is frequently subjected to local minor flooding mostly due to lack of proper drainage system for draining storm water runoff to the main stream, Weras Ganga.


To mitigate the public inconvenience in the area, drainage study is carried out and a detailed drainage plan is to be prepared to overcome the flooding issues in the Moratuwa Rathmalana sub catchment.

Scope of work includes, improvements of existing canal system, improvements of existing Road Side drains, replacement of culverts, replacement of bridge, construction of new culvert, construction of flood bund and construction of pumping station.
Total work done for year 2022 is LKR 9.0 Mn.

**c. Installation of Pumps at Kalu Palama**

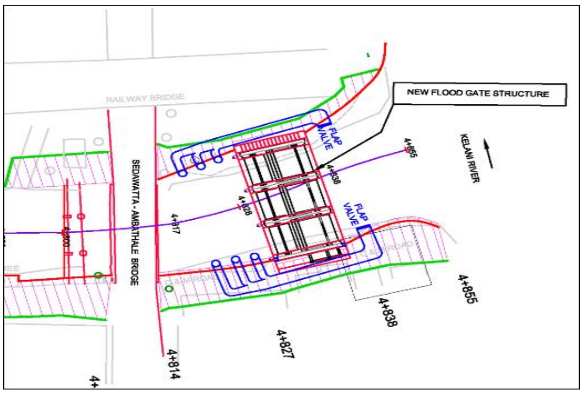
Kolonnawa, which is located just outside of Sri Lanka's commercial capital Colombo, is an area significantly linked to the capital socially and economically. Storm water runoff caused by the rainfall on almost the entire area flows into Kelani River, forming Kolonnawa catchment, which has an area of approximately 14 $km^2$. Kittampahuwa Canal is the most prominent waterway in this catchment, and has a set of flap gates at its confluence with Kelani River (near "Kalu Palama" railway bridge), which automatically closed during periods of high water levels in Kelani River (high Kelani condition), thus preventing back flow from the river entering the canal.

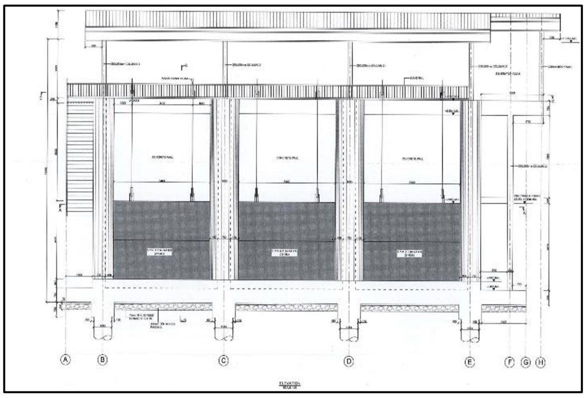



***Kolonnawa Catchment and Kittampahuwa Canal***

Being a low-lying area, it has long been considered as part of the flood plain of Kelani River, and had been left as an "unprotected area" during the design of Colombo flood protection bund during the early part of the twentieth century. As a result, the area is getting frequently inundated during high Kelani condition, due to the rainfall in upper reaches of the river basin, regardless of the actual local rainfall. However, due to the rapid urbanization and population growth, the area has now become vastly populated, and hence, this frequent flooding has become a significant disturbance to the people's lives and economic activities in the area.

Under Climate Resilience Improvement Project (CRIP) implemented by Irrigation Department, the river banks will be raised, to provide protection against major floods of the river. In such situations, if there is heavy rainfall in Kolonnawa catchment, pumping is required to drain out water from the catchment into the river. For this purpose, it is proposed to install gate mounted pumps at the vertical gate structure, which was constructed under Metro Colombo Urban Development Project (MCUDP). Based on the hydrological studies, 20m3/s has been determined as the maximum pumping capacity required at Kalu Palama.



Total work done for year 2022 is LKR 7.0 Mn.

**2. Foreign Funded Projects**

**a. Metro Colombo Urban Development Project (MCUDP)**

MCUDP aims to complement ongoing urban regeneration programs of the Government of Sri Lanka by reducing the physical and socioeconomic impacts of flooding in the Metro Colombo Region and improving priority local infrastructure and services. MCUDP is jointly financed by the International Bank for Reconstruction and Development (IBRD) of the World Bank Group and the Government of Sri Lanka. The total project cost is USD 321Mn (World Bank- USD 213Mn and GOSL -USD 108Mn) and the project is commenced on 10th July 2012 and successfully completed on 30th June 2022.

The Project is managed by the Project Management Unit of the Ministry of Urban Development and Housing, while implementation responsibilities rest with three Project Implementing Agencies: Sri Lanka Land Development Corporation (SLLDC), Urban Development Authority (UDA), and Colombo Municipal Council (CMC).

There are two main components of MCUDP;

Component 1: Flood and Drainage Management.
Component 2: Institutional Strengthening for Sustainable Metropolitan & Local Infrastructure and Service Provision and Implementation Support.

Sri Lanka Land Development Corporation (SLLDC), undertook the Flood and Drainage Management component which was the main component implemented under this project. This has supported the rehabilitation and improvement of priority flood and drainage management infrastructure identified as critical to improve the drainage network in the Colombo metropolitan region.
The project mainly focused on improving the outfall capacities of the existing drainage network, introduction of new diversion channels and storm water pumping stations.

The list of sub projects implemented through SLLDC under MCUDP are listed below.

| No. | Sub-project |
|---|---|
| Completed sub projects before 2022 | |
| 1 | Canal Bank Protection works to Dehiwala Canal |
| 2 | Construction of Aluth Mawatha Culvert, Box Drain, Mutwal Tunnel Manholes, Bank Improvements at Mutwal Sea Outfall And Canal Bank Protection works of Main Drain |

| No. | Sub-project |
|---|---|
| 3 | Construction of Canal Bank Protection Works of St. Sebastian South Canal |
| 4 | Dredging of Thalangama Tank |
| 5 | Conveyance improvement to Wellawatta canal at Gall Road Bridge |
| 6 | Improvements to Madiwela East Diversion Scheme : Stage – I |
| 7 | Improvements to Madiwela East Diversion Scheme : Stage - II |
| 8 | Improvements to Madiwela East Diversion Scheme : Stage - III |
| 9 | Construction of Canal Bank Protection Works of St. Sebastian North Canal |
| 10 | Kolonnawa Canal Diversion Scheme : Stage I |
| 11 | Kolonnawa Canal Diversion Scheme : Stage II |
| 12 | Kolonnawa Canal Diversion Scheme : Stage III |
| 13 | Kolonnawa Canal Diversion Scheme : Stage IV |
| 14 | Design and installation of flushing gates for water quality improvement |
| 15 | Design and building of St-Sebastian North lock Gates & Pumping Station |
| 16 | Construction of St. Sebastian South Pumping Station |
| 17 | Design and Building of Ambatale Pumping Station |
| Completed sub projects during 2022 | |
| 18 | Design and Building of Torrington Tunnel and New Mutwal Tunnel |
| 19 | Supply & Installation of Real Time Integrated Flood Management (RTC) System |

**Design and Building of Torrington Tunnel and New Mutwal Tunnel**

| | | |
|---|---|---|
| Contractor | : | China Petroleum Pipeline Engineering Company Ltd |
| Contract value | : | USD 32,098,189 + LKR 246,060,603.00 |
| Date of Commencement | : | 30.05.2018 |
| Date of Completion | : | 30.04.2022 |
| New Mutwal Tunnel | : | 3 m diameter, 700 m long, capacity is 15 m3/s. |
| Torrington Tunnel | : | Diameter of Main Tunnel is 3 m (1100 m long), and there is a network of spine and lateral tunnels (1.2 m – 2.0 m diameter; 2500 m long), capacity is 32 m3/s. |

Main scope of this sub project includes,

- Construction of inlet channel
- Construction of receiving shaft
- Construction of outlet channel
- Tunnel boring
- Construction of man holes

New Mutwal Tunnel

Torrington Tunnel

- **Real Time Control System (RTC)**

| | | |
|---|---|---|
| Engineers Estimate | : | Rs. 414 Mn |
| Date of Commencement | : | July 2017 |
| Date of Completion | : | 30th April 2022 |

Objectives

1. Develop an integrated flood control and water management information system

2. Provide early warning support for the Metro Colombo area
3. Develop optimal operational rules for the flood control facilities such as pumps and storage facilities considering also the potential storage and use water to make a pleasant urban environment.
4. Assess current and evolving future water related risks to Megapolis from urban development as well as climate change.

**a. Implementation**

**i. Town Development and Beautification Project, Monaragala**

Nelun Tank with 8.9 hc. is located in Monaragala District, Dambagalla at Makulla town adjacent to the Dambagalla Mariarawa Road. This is very eye-catching point for persons who travel by the Dambagalla Mariarawa Road. As this is tank in the dry zone, it will help to recharge the ground water and supply water during dry season. But, the storage capacity of the tank had reduced due to depositing of soil and growing of invasive water plants.

This Nelun Tank has been identified as the tank to rehabilitate with recreational amenities for people in Monaragala District. The project was commenced on 11th June 2021 to 31st May 2022. The maintenance period is from 31st May 2022 to 31st May 2023.

***Project scope***

i. Detailed Design Report with Architectural drawings
ii. Desilting, thereby increasing the storage capacity of Nelum wewa
iii. Construction of walking path around the tank
iv. Landscaping and beautification work in tank surroundings.
v. Establishment of solar power system and Single- and double-sided lamp posts including LED lamps and net metering.

The total work done for the year 2022 is LKR 17,983,938.26.

Condition before project implementation

Condition after project implementation

**ii. Beautification and development of lakes from Kurunegala to Anuradhapura**

Under the patronage of H.E. the President and the directives from Hon. State Minister of Tanks, Reservoirs and Irrigation Development related to Rural Paddy Fields, the Chairman of Sri Lanka Land Development Corporation (SLLDC) initiated to introduce the concept of Beautification and Development of lakes with its surroundings from Kurunegala to Anuradapura for the purpose of local and foreign tourists attractions to village level while increasing the irrigable area by enhancing lake capacity and living standards of the people.

A team of experts, including Hon. Minister of Irrigation and the Chairman (SLLDC) had revisited the Lakes and identified the possible and feasible numbers that can be developed under SLLDC perspectives (Annexure 01). The selected list with the prepared estimates have already been sent to the State Ministry of Tanks, Reservoirs and Irrigation Development related to Rural Paddy Fields for their approval for implementation.

However, SLLDC commenced surface clearing and dredging works initially, deploying machineries in Nine (09 Nos) Lakes except Galapita wewa, Kuda wewa & Near Ibbankatuwa wewa on 22.05.2021 as per the instructions given by the Chairman (SLLDC).

Project scope consists of

- Upgrade the beautification of surrounding environment for both local and foreign attractions.
- Enhancement of public health, living standards and quality of life.
- Enhancement of Lake capacity thereby increasing the Irrigable area for cultivation

1. **Kalagas Wewa, Ibbagamuwa (Kurunegala District)**


Before construction


After construction

2. **Kalammulla Wewa , Melsiripura (Kurunegala District)**


Before construction


During construction

3. **Kalahakele Wewa, Galewela (Mathale District)**


Before construction


During construction

4. **Puwakpitiya Wewa , Galewela (Mathale District)**


Before construction


During construction

5. **Saluapullana Wewa , Dambulla (Mathale District)**

Before construction

During construction

6. **Malawa Wewa, Kekirawa (Anuradhapura District)**

Before construction

During construction

7. **Ulankulama, Maradankadawala (Anuradhapura District)**

Before construction

During construction

8. **Thirappane wewa,Thirappane (Anuradhapura District)**

Before construction

During construction

9. **Galkulama Wewa, Galkulama (Anuradhapura District)**


Before construction

During construction

The total work done up to end of year 2022 is LKR 140,341,481.99

b. Consultancy

i. Drainage Design Projects

Special projects division undertakes the consultancy projects related to flood and drainage management and provision of hydrological data as requested by the third party organizations. The details of projects carried out during the year 2022 are tabulated below.

| | Project | Client | Value of work done |
|---|---|---|---|
| 1 | Construction of 2000 housing units for underserved settlements in Kotte & Maharagama | Urban Development Authority | 699,037.83 |
| 2 | Providing flood levels in Rajagiriya | Iconic Developments (Pvt) Ltd | 2,000.00 |
| 3 | Hydrological study for the section from Rajagiriya to Athurugiriya | Elevated Highway from New Kelani Bridge to Athurugiriya (RDA) | 2,430,000.00 |
| 4 | Orion stellar data centre at Orion city Dematagoda- Hydrology Study | Dialog Axiata PLC | 415,250.00 |
| 5 | Proposal for Rainwater drainage issue at SPMC premises up to Bolgoda Lake-Advance Payment | State Pharmaceutical Corporation | 131,613.78 |
| 6 | Preparation of flood risk information report | Havelock City (Pvt) Ltd | 42,423.53 |
| | Total work done 2022 | | 3,720,325.14 |

4. **Own Projects**

a. Rathgama Town Development Project

Rathgama is a small coastal town situated near the Galle City. The existing ground elevation of the Rathgama-Dodangoda main road and some local authority level roads in the town area is 1.7mMsSL and it experiences flooding every year and water level increase during a flood situation by nearly 2 feet. Over the years the town has grown in adhoc manner where it cannot find any public commercial space for the residents to conveniently shop their daily needs.

The city, with its urban features along the coast and linear urban form, received a less tourist attraction. Due to the loss of urban spaces to expand the city of Rathgama, no urban development has taken place so far. Existing coastal line and railway line were a major challenge to the city's expansion. These physical features are a limitation for urban development. Since Rathgama is a commercial hub, people from around the area, visit the city to fulfill their daily needs. Hence,
Rathgama Township Development and Drainage Improvement Project was an urgent need to New Town Expansion ensuring a flood free environment for the benefit of the people

Special Projects Division carried out the drainage study for selected area and prepared drainage design, estimation, and detailed drawings and submitted to obtain approval from National Planning Department and Central Environment Authority for the project. Total estimate of the project is abount LKR 1153 Mn.


5. **Other Work**

a. Procurement of works and consultancy projects

As a solution for the economic crisis in the country and to strengthen the self- sustainability of the corporation, Special Projects Division, has started to submit bids for work packages and drainage consultancy work under competitive bidding process. Accordingly, four bids became the lowest under works category and two bids became lowest under consultancy category by the end of year 2022.

b. Issuing recommendation for land matters

Special Projects Division has issued recommendations for land matters. This is one of the key objectives in the Corporation.

# Construction Division

**PROJECTS UNDER STATE MINISTRY OF URBAN DEVELOPMENT, COAST CONSERVATION WASTE DESPOSAL AND COMMUNITY CLEANLINESS**

**01** Construction of Real Time Flood Control and Water Management Centre at Kirimandala Mawatha
**02** Ragama- Peralandha Wetland area Recreational Development Project- Stage II
**03** Wetland Development Project at Kottagala- Stage II
**04** Development of Walk way Tracks at Lake Gregory- Nuwara Eliya
**05** Public Enhancement Project for Sri Sangaraja Temple at Randombe ,Ambalangoda
**06** Land Development and Improvement of Drainage System for Pilimatalawa Bus Stand and Mixed Development Project
**07** Land Development and Improvement of Drainage System for caring out Gannoruwa Mixed

**PROJECTS UNDER MINISTRY OF YOUTH AND SPORTS**

**08** Proposed Beach Volleyball and Beach Football Ground at Dadalla

**PROJECTS UNDER NATIONAL WATER SUPPLY & DRAINAGE BOARD**

**09** De-Silting of Water Intake at mahaweli River at Kandy- Kundasale Water Supply Scheme

**SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY**

**10** Renovation of Cafeteria, Media Building & Pavilion Gutters at Sugathadasa Out Door Stadium

**PROJECTS UNDER TREASURY**

**11** Maintenance work at "Suwatha Uyana" at Kadawatha
**12** Rathgama - Township Development and Drainage Improvement Project
**13** **CONSTRUCTION WORK UNDER WERAS GANGA STORM WATER & DRAINAGE SYSTEM**

**PROJECTS UNDER MCUDP**

**14** Construction of Culverts at Aluth Maratha, Mattakkuliya

**OWN FUNDED PROJECTS**

**15** Proposed Cricket Stadium at Kirimandala Mawatha
**16** Renovation Works of the Gymnasium at Kimbulawala

**STATE MINISTRY OF URBAN DEVELOPMENT, COAST CONSERVATION, WASTE DISPOSAL AND COMMUNITY CLEANLINESS**

### 1. Construction of Real Time Flood Control and Water Management Centre at Kirimandala Mawatha.

The project was awarded by Ministry of Megapolis & Western Development. The revised estimated value of the project is Rs. 752 Mn excluding VAT.

The project consists of Construction of five storied building (3250 Sqm) associated with all civil, MEP works and 02 Nos. of passenger elevators including landscaping work and sewerage treatment system.

The project was commenced on 20th December 2017 and the assigned work was completed by the end of October 2022.

The value of work done during the year 2022 was Rs. 127 Mn and the cumulative value of work done was Rs. 630 Mn.

### 2. Ragama- Peralandha Wetland area Recreational Development Project- Stage II

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The estimated value of the project is Rs.196 Mn. The project was commenced on 19th April 2021 and completed by the end of April 2022.

The project consists of Construction of gabion works, Spillway, Foot bridges, Side drains and road crossing structures, Street Lamps and recreational works.

The value of work done during the year 2022 was Rs. 103.1 Mn and the cumulative value of work done was Rs. 246.10 Mn.

### 3. Wetland Development Project at Kottagala- Stage II

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The estimated value of the project is Rs. 42 Mn. The project was commenced on 19th April 2021 and has been completed by end of April 2022.

The project consists of construction of Side drain and road crossing structures, spillway and construction of walk path.

The value of work done during the year 2022 was Rs. 33.27 Mn and the cumulative value of work done was Rs. 56.27 Mn.

### 4. Development of Walk way Tracks at Lake Gregory- Nuwara Eliya

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The estimated value of the project is Rs.88 Mn. The project was commenced on 26th August 2021 and has been completed by November 2022.

The project consists of construction of Gabion wall and walk path including land improvement around the Lake Gregory at Nuwara Eliya.

The value of work done during the year 2022 was Rs. 64.48Mn and the cumulative value of work done was Rs. 92.98 Mn.

### 5. Public Enhancement Project for Sri Sangaraja Temple at Randombe, Ambalangoda

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The estimated value of the project is Rs.67 Mn. The project was commenced on August 2021 and the assigned work has been completed by April 2022.

The project consists of dredging work at the Lake, Construction of walk path and Side drain, Culverts and Car park, children play area, Construction of Viewing deck and street lights.

The value of work done during the year 2022 was Rs. 34.35 Mn and the cumulative value of work done was Rs. 62.85 Mn.

**6. Land Development and Improvement of Drainage System for Pilimatalawa Bus Stand and Mixed Development Project**

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The awarded estimated value of the project is Rs.221.62 Mn. The same was revised to Rs.9.39Mn due to prevailing financial crises in the country. The project was commenced on March 2022 and the revised scope of work has been completed by June 2022.

The project consists of site clearing work and excavation of main canal.

The value of work done during the year 2022 was Rs. 8.02 Mn and the cumulative value of work done was Rs. 8.02 Mn.

**7. Land Development and Improvement of Drainage System for caring out Gannoruwa Mixed Development Project**

The above project was awarded by State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community Cleanliness. The awarded estimated value of the project is Rs.240.43 Mn. The same was revised to Rs.15.84Mn due to prevailing financial crises in the country. The project was commenced on April 2022 and the revised scope of work has been completed by July 2022.

The project consists of preparatory work and clearing canal and land area.

The value of work done during the year 2022 was Rs. 10.03 Mn and the cumulative value of work done was Rs. 10.03 Mn.

**PROJECTS UNDER MINISTRY OF YOUTH AND SPORTS**

**8. Proposed Beach Volleyball and Beach Football Ground at Dadalla**

The above project was awarded by Ministry of Youth and Sports. The total cost of the project is
Rs. 3.15 Mn which consists of preparation of Access road.

The project was commenced on March 2022 and has been completed at the end of May 2022.

Value of work done during 2022 was Rs. 3.15 Mn and cumulative value of the workdone was
Rs. 3.15 Mn.

**PROJECTS UNDER NATIONAL WATER SUPPLY & DRAINAGE BOARD**

**9. De-Silting of Water Intake at Mahaweli River at Kandy-Kundasale Water Supply Scheme**

The above project was awarded by National Water Supply & Drainage Board. The total cost of the project is Rs. 48.43 Mn which includes the Water Intake development work at the Kandy- Kundasale Water Supply Scheme.

The project was commenced on March 2022 and has been completed at the end of June 2022.

The value of work done during the year 2022 was Rs. 20.03 Mn and the cumulative value of work done was Rs. 20.03 Mn.

**PROJECTS UNDER NATIONAL SPORTS COMPLEX AUTHORITY**

**10. Renovation of Cafeteria, Media Building & Pavilion Gutters at Sugathadasa Out Door Stadium**

The above project was awarded by National Sports Complex Authority. The total cost of the project is Rs. 28.60 Mn which includes the Renovation of Cafeteria, Media Building and Pavilion Gutters.

The project was commenced on January 2022 and has been temporarily terminated by November 2022.

The value of work done during the year 2022 was Rs. 20.03 Mn and the cumulative value of work done was Rs. 20.03 Mn.

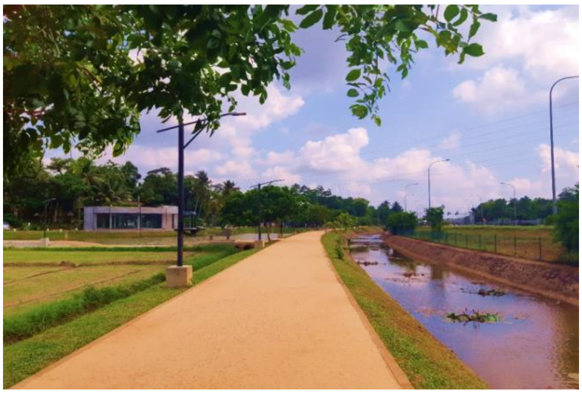
**PROJECTS UNDER TREASURY**

**11. Maintenance work at "Suwatha Uyana" at Kadawatha**

The total allocation for the above project for year 2022 was Rs. 11.06 Mn from treasury and the maintenance work is carried out throughout the year.

The project consists of Canal Surface Clearing, Canal Banks Clearing, Canal Inspection, Turf Cutting, Maintenance of Internal Roads, and Temporary Soil Transportation including loading, transporting and spreading and paying electricity bills.

The value of work done during the year 2022 Rs. 11.06 Million.



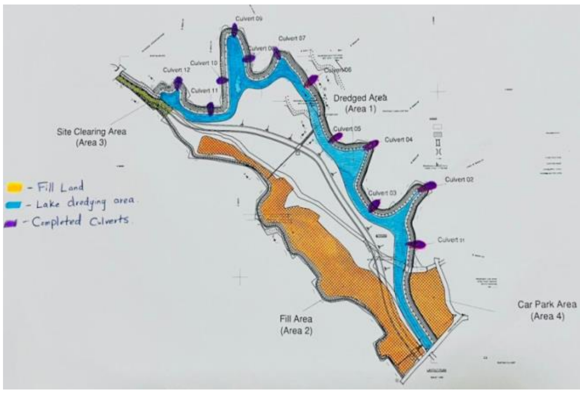
**12. Rathgama - Township Development and Drainage Improvement Project**

The above project was commenced in November 2021 by the construction division and the design is carried by the Special Project division under the Treasury allocation.

The total estimate of the project is Rs.409 Mn for Stage I. The project was commenced November 2021 and construction work carried out throughout the year 2022.

The project consists of Demolition and site clearance (7.5 Acres), Reclamation works (14.7 Acres), Construction of walking path, drains, culverts (12 nos) and canal improvement work.

The value of work done during the year 2022 Rs. 96.24 Million and the cumulative value of work done was Rs. 116.24 Mn.




**13. CONSTRUCTION WORK UNDER WERAS GANGA STORM WATER & DRAINAGE SYSTEM**

The construction works under Weras Ganga Storm Water and Drainage System has been commenced on 10th January 2020 and the following work carried out throughout the 2022 year.

i. Finishing works to allow Public use of Sooriyamal Mawatha Jogging tracks & recreation items.
ii. Finishing works to allow Public use of Wela Road Jogging tracks & recreation items.
iii. Construction of shops and washrooms at Sooriyamal Mawatha
iv. Construction of Culverts in Edirisinghe Road at Location 03.
v. Hume Pipe Culvert and Rubble Pitching at Location 01 and Culvert A,B & C between location 1-4.
vi. Construction of Catch Pits along Drain at Location 03-05
vii. Ranasinghe Mawatha Canal Improvement Works of Kalu Ela (Zone 01- Package 40)
viii. Construction of Outlet Structure of Rubberwatta Wewa.

ix. Construction of 02 No.of culverts at Upstream of Pangiriwaththa Road
x. Construction of Shops, Jogging Track and Darin at Kattiya Junction

The value of work done during the year 2022 is Rs. 32.15 Million and the cumulative value of workdone is Rs.291.35Mn.

**Shops and wash Rooms at Sooriyamal Mawataha**

**Jogging Track and Darin at Kattiya Junction**

**PROJECTS UNDER MCUDP**

**14. Construction of Culverts at Aluth Mawatha, Mattakkuliya**

The above project was commenced in May 2022 by and had been completed by December 2022.

The total estimate of the project is Rs.39.11 Mn. The project consists of construction of Pre-Cast 1500mm dia Hume pipe Culvert , 150m length boundary wall and reinstate damaged asphalt road.

The value of work done during the year 2022 Rs. 36.29 Million and the cumulative value of work done was Rs. 36.29 Mn.

**OWN FUNDED PROJECTS**

**15. Proposed Cricket Stadium at Kirimandala Mawatha**

The total estimate of the project is Rs. 68 Mn which includes construction of two storied building with finishing work and Sewerage treatment plant.

The date of commencement was May 2022 and the date of completion of the project will be 31st January 2023.

Value of work done during 2022 was Rs. 25.95 Mn and cumulative value of the work done was Rs. 25.95 Mn.

**16. Renovation Works of the Gymnasium at Kimbulawala**

The total estimated value for the Renovation of Gymnasium building is Rs.4.47Mn.
The above works have been commenced on May 2022 and scheduled to be completed by end of August 2022.

The total work done relevant to the above work is Rs.2.6Mn and the cumulative value of work done was Rs. 2.6 Mn for 2022.

# Lands & Marketing Division

**Lands and Marketing Division**

Lands and Marketing Division is one of the main functional arms of the Corporation that focus to carry out following main functions; i.e. Acquisition of lands suitable for development purposes, Acquisition of lands for water retention purposes, Management of water retention lands acquired for Greater Colombo Flood Control and Environment Improvement Project (GCFC&EIP) as the custodian of such land, Disposal of lands as per the guidelines on land alienation, Declaration of wetlands as per the amendment Act No. 35 of 2006, Relocation and issuing deeds to unauthorized occupants who are affected in such developments.

Land Acquisitions activities at Ragama, Kolonnawa and Oliyamulla areas for canal developments has been carried out in order to facilitate flood mitigation and drainage improvements in the respective areas.

Activates related to acquisition of lands at Panadura has been carried out by the Corporation with the intention of flood mitigation in the area. Further, the Corporation has initiated the acquisition of approximately 22 Acres of land area at Rathgama under Rathgama City Development Project.

Furthermore, activities related to acquisition of lands under Weras Ganga Storm Water Drainage and Environment Improvement Project (WGSWD&EIP) have been carried out by the Lands & Marketing Division.

Align with the Government Vision on ensure the food security in Sri Lanka; the Corporation has taken initiatives to utilize all possible lands for cultivation. Accordingly, approximately 26 Acres of land area acquired under Greater Colombo Flood Control & Environment Improvement Project (GCFC & EIP) and Weras Ganga Strom Water Drainage & Environment Improvement Project (WGSWD & EIP) have been allocated for private parties after entering into agreement for cultivation of Paddy and Short Duration Crops.

Muthurajawela area has been identified as a part of the logistic zone in Western Region by considering the proximity to main commercial hub of Colombo. Also with the development of Kerawalapitiya Outer Circular Highway Project, demand for lands at Muthurajawela area for logistics related projects were drastically increased. Accordingly, the Corporation has initiated many Logistics Development Projects in Muthurajawela area.

Several Land lots containing approximately 34 Acres were allocated to Hemas Logistics (Pvt) Ltd, Pyramid Lanka (Pvt) Ltd, East West Clearing and Forwarding Ltd, Dart Global Logistics (Pvt) Ltd and John Keells Logistics (Pvt) Ltd to set up multipurpose integrated logistics activities after obtaining competitive price through bidding process.

Accordingly during the year 2022, 4.5 Acres of land at Muthurajawela has been allocated to M/s Emergent Cold (pvt) Ltd to set up a Cold Storage Complex.

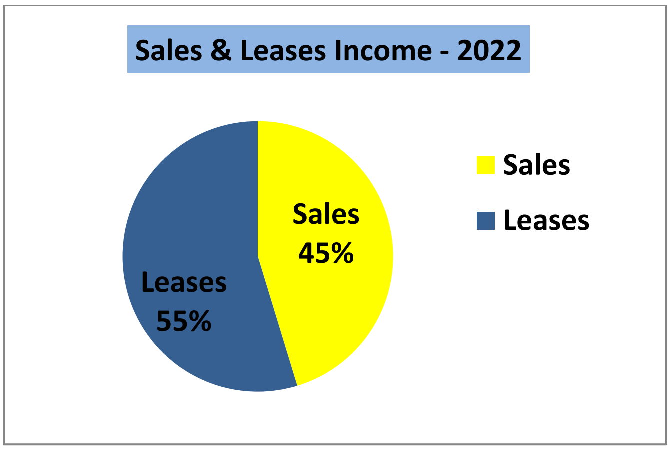
Most of the lands in Muthurajawela Industrial Zone have been disposed for Government & Private institutions and for nationally important projects during past few years. Some of the important projects located within the zone are Petroleum Tank Farm, Litro Gas Terminal and CEB power plant etc.

In addition, several land lots have been identified as suitable locations for expansion projects of Litro Gas Terminal Lanka (Pvt) Ltd, Ceylon Petroleum Storage Terminals and Ceylon Petroleum Corporation.

Approximately 100P of land at Mudun-Ela, Kelaniya Area has been transferred to Ceylon Electricity Board for a Grid Sub Station.

In order to resolve the Garbage issue in Colombo, the Corporation has allocated 10 Acres of land at Muthurajawela to Western Power Company (Pvt.) Ltd. This Waste to Energy Projects is expected to generate 10-20 Mw to the National Grid.

Lands and Marketing Division involves in disposal of lands through long term leases, short term leases, direct sales and sales for individual housing. Accordingly, the Division has achieved a cash flow of approximately Rs. 905.8 Mn from sales/leases during the year 2022.




Also with new dimensions of development in the recent past, the scope of the Corporation has been changed towards more development oriented and conservation of environment. More attention has been drawn towards flood control, conservation of Wetlands, beautification of canal banks and creation of walkways along canal banks by removing unauthorized constructions are under way.

In order to support the above works, Lands and Marketing Division involves in declaration of wetlands in the Country by stages. Also gazzetting of Canal Reservation areas has been done in consultation with other respective divisions.

Under the declaration works Western, Southern, Uva, Central, Sabaragamuwa and North Central, North Western Provinces have already been gazzetted. Declaration of Eastern, Northern Provinces are being carried out.

The Canal Reservations in Western Province have already been declared and the declaration of canal reservations in Southern & Uva Provinces are under way.

The Corporation also maintains marshy lands acquired for GCFC&EI Project for water retention purposes. Currently these lands are managed by the Lands & Marketing Division with the assistance of Legal Division, Security Unit and Special Enforcement Unit of the Corporation.

The Lands and Marketing Division has made arrangements to relocate the unauthorized occupants in marshy lands acquired by the Corporation. Such projects are located in Muthurajawela, Wedamulla, Pokuna Road, Dehiwala areas. Arrangements have been made to issue transfer deeds to such families.

The estimated revenue from sales and leases for the year 2023 would be Rs. 2,594 million

# Planning & Business Development Division

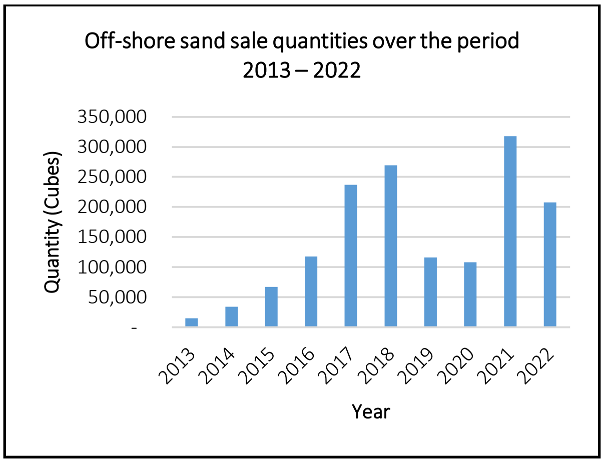
## 1. Selling of Off-Shore Sand for the Local Construction Industry

The off-shore sand obtained from the Kerawalapitiya is washed and sieved at the Washing & Sieving plant which is situated at Kerawalapitiya. Currently the washing and sieving plant supplies around 600 cubes per day. This off-shore sand is sold under the brand name "Sanstha Weli", complying with the specification issued by Sri Lanka Standard Institution (SLSI) for fine aggregates for concrete and mortar (SLS 1397:2010). Further "Sanstha Weli" has been awarded the SLS Certificate from SLSI and "Green Label Certificate" from Green Building Council of Sri Lanka as an Eco-friendly product.

The demand for off-shore sand has been tremendously increased in past few years due to its price and the change in the perception amongst the public regarding the suitability of sand for construction work.

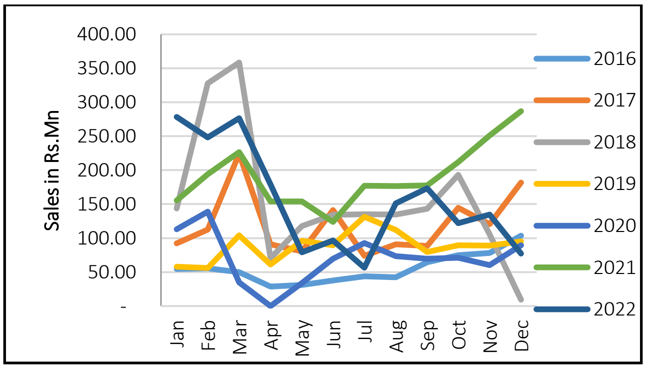
Following graph depicts the annual off-shore sand sales quantities from 2013 onwards.

Off-shore sand sale quantities over the period 2013 – 2022

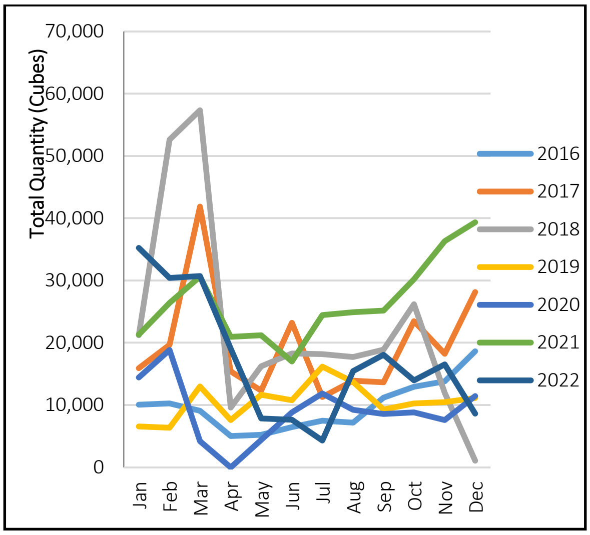



✶ The following graphs depict the sales pattern in last seven years.

Graph 01 – Monthly Off Shore Sand Sales



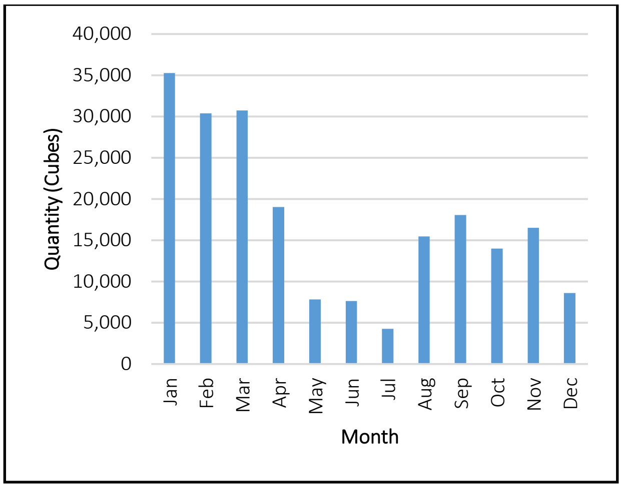

Graph 02 – Monthly Off Shore Sand Sold Quantities




The highest revenue contribution to the corporation derives from off shore sand sales. In 2022, the corporation was able to achieve a sales volume of 207,700.65 cubes compared to last couple of years and in terms of revenue it is LKR 1,371,880,449.52.

**Total Income (2022) : Rs. 1,371.89 Million**

**Monthly Off-shore sand sold quantities in 2022**




➢ **Revenue Generation Activities**

1. Diyatha Uyana

The Diyatha Uyana Park built in the banks of the Diyawanna Oya was opened in September 2012. Since its inception it has succeeded in attracting people from all walks of life from all over the country apart from those living in the vicinity. Built in a marsh land the park can be easily reached from the commercial capital. It is an ideal place for families to spend some quality time away from the hustle and bustle of the city.

The shooting colorful jets of water of the musical water fountain add much vibrancy to the whole setting.

The lush greenery and the peaceful environment as the waters of the Diyawanna Oya flow placidly, in addition to the water fountain close by, have provided the public with an ideal place in which to unwind, whatever time of day.

As one passes the Diyawanna Oya one cannot help but notice the green garden chairs placed in strategic locations for the public to relax in, take the weight off their feet, and enjoy the surroundings.

Food outlets are also available to cater to the needs of the visitors. The visitors can refresh themselves with a snack and drink in a healthy and relaxed atmosphere.

The aquarium at Diyatha Uyana attracts many kids and during the evenings crowds gather around the circular aquarium as it offers a moment of tranquility to the city dwellers' lives.

**Main features in the area are ;**

- beautiful flower plant shops located on the banks of the Diyawanna oya waters
- walk along the riverside.
- take a river-boat ride or Sail boats and paddle crafts
- leaf shaped bus stop
- cement seats and tables
- central water fountain
- fountain with changing colors
- children's play areas.
- relaxing environment – students can even study
- Food outlets – refresh with a snack and drink with local and international varieties
- walking, jogging and cycling along paved pathways.
- circular aquarium

Suitable venders have been selected through National Competitive Bidding process and awarded on monthly rental basis, for one year period which will be renewed on annually up to five years.

Income from utilization of Car Parks & Wash rooms by the general public has been included with effect from November 2022.

**Total Income (2022) : Rs. 76.31 Million**

2. Bellanwila


Locals in Colombo know about this place very well. And hundreds or thousands come here to for running, jogging and cycling every day. Visiting this very place is an interesting thing to do in Colombo at night.

Bellanwila Park, which is situated in Boralesgamuwa, Colombo, is little different than the other parks we have talked about up to now in Sri Lanka.

The Bellanwila Park has been built as the first step of the "Weras Ganga" project in 2014 with the objective of controlling the flood threat. The main features of this park are the walking track, bicycle track and food court. It is really a nice place to spend the evening with family or friends.

**Total Income (2022) : Rs. 3.99 Million**

### 3. Kimbulawala

The gym activities were opened with a membership of 103 members on 12.01.2015 and it has been increased up to 396 by now where it that gives an added value to healthy life style of general public.

This is accomplished by designing exercise programs which are effective, efficient and motivational. Our trainers are well qualified and keep up with new trends of the industry.

More importantly, they are very caring and supportive to the newly joined inexperienced members.

**Total Income (2022) : Rs. 18.82 Million**

### 4. Kelimadala

"Boralesgamuwa – Kelimadala Children Park" is situated in Colombo - Horana road. The Kelimadala Park has been built under the "Weras Ganga" project in 2018. This is the first children's park in Sri Lanka for children with special needs. The main features of this park are the walking track, food courts and children park .It is really a nice place to spend the evening with family or friends.

There are 21 different type of activities designed for the disabled children. Children who have special needs can participate in collective activities to the maximum extent possible under special security.

**Total Income (2022) : Rs. 1.21 Million**

### 5. Advertising Boards at Canal Reservation

Company's outdoor sign is often the first thing a potential customer sees. Company logo should be sufficiently bright and conspicuous to attract attention (without being garish) and sufficiently informative to let prospective customers know what's sold there. We have given the spaces in canal banks and other areas under the control of SLLDC to private parties to advertise their product, service or company with the permission of the municipal council of the area.



**Total Income (2022) : Rs. 4.47 Million**

### 6. Garton's Ark Restaurant

Garton's Ark is the largest sailing restaurant in Sri Lanka operating on the tranquil waters of the Diyawanna Oya, adjacent to the Urban Wetland Park in Nawala. It was launched in November 2014.

**Total Income (2022) : Rs. 4.29 Million**

**7. Swan Boat Service**

Leisure and serenity are the promises of the Diyawanna Oya. Swan Paddle boats offer a splash of jollity while a boat ride along its marshland banks will help the city dweller get back in touch with nature. We have led a private party to operate this facility to public.

**Total Income (2022) : Rs. 0.43 Million**

**8. Catamaran -38' Dinner Cruise vessel**

38' Dinner Cruise vessel is sailing restaurant at Diyawanna Lake around Diyatha Uyana from 24th January 2020. The sailing restaurant is covering 12 km in clear waters of Diyatha waterway passing beautiful islands inhabited with rare species of flora and fauna. We have given the space and water body under the control of SLLDC to Asia Cruise Lines & Travels Ltd to operate their sailing restaurant.

**Total Income (2022) : Rs. 0.73 Million**

**9. Cricket Ground at Kirimandala Mawatha**

In 2014, Sri Lanka Land Development Corporation has reclaimed a land at Kirimandala Mawatha for the construction of a Cricket Ground. From the beginning of the above ground, Cricket practices and the other relevant activities have been conducted.

SLLDC has been renting the cricket ground since April 2022.

**Total Income (2022) : Rs. 2.55 Million**

# Human Resources Development Division

**ANNUAL REPORT 2022**

Contribution of Human Resources Development & Administration Division

Core functions of the HRD Division

01. HR Operations (Administration)
    For the smooth operations of major HR functions and ensure the welfare of he employees.
02. HR Developments
    For the proper planning & development of human capital within the corporation to achieve individual as well as organizational objectives.
03. HR Training & Development
    To achieve and improve the skills of employees for the purpose of improving organizational performance.

| HR Operations | HR Development | HR Training |
|---|---|---|
| • Annual transfers and transfers on service<br>• Annual insurance handling with accidents and claims in manpower/property / vehicles/machinery & equipment<br>• Disciplinary administrations<br>• Employee welfare activities<br>• Terminations benefits<br>• Coordination with security unit, transport unit & medical center<br>• Salary & wages administrations<br>• Administration of the mail system<br>• Annual salary increments<br>• Managing trade union matters<br>• Employee grievances<br>• Time management<br>• Internal & external circulars | • HR Planning<br>• Recruitment & Selections<br>• Promotions<br>• HR policy development & Coordination<br>• Implementation of board decisions & senior management decisions<br>• Corporate planning details & annual budget preparations | • Conducting local & foreign training programs<br>• Conducting training needs assessments<br>• Preparation on the annual training plan<br>• Screening will be made through training committee officials for the nominating training sessions<br>• Implementation of post-training evaluation systems<br>• Providing financial assistance for higher studies<br>• Monitoring & enhancing processes, and procedures for achieving quality management systems of the SLLDC. |

**RECRUITMENT & SELECTION**

Number of recruitment made to date 31st December 2022

| Employees type | Amount |
|---|---|
| Permanent employees | 103 |
| Contract basis employees | 08 |
| Total | 111 |

Total number of employees as at 31st December 2022

| Description | Amount |
|---|---|
| Permanent employees | 1317 |
| Contract employees | 44 |
| Casual | 00 |
| Total | 1361 |

**TRAINING & DEVELOPMENT**

While access to learning and skills development was maintained in some contexts through a rapid shift by maintaining healthy guidelines issued by the medical authorities by maintaining new solutions with the participation of minimum numbers of employees for a program conducted whilst conducting training areas during Covid-19 pandemic spreading period.

All Local & foreign training functions were temporarily suspended with the government instructions in 2022. However, a minimum number of knowledge-sharing and experience-sharing workshop have been conducted among the staff in SLLDC amounting to Rs 1.0 Million.

**QUALITY MANAGEMENT SYSTEM OF THE SLLDC**

SLLDC is the leading organization having obtained all processes and services with the requirements of ISO 9001:2015 with effect from 06th April 2011.

# Legal Division

The Legal Division functions under powers conferred on the Sri Lanka Land Development Corporation (SLLDC) by the Act No. 15 of 1968 and subsequent amendments.

**Legal aspects of:**

1. Draft Legal documents in relation to Land Development, Resettlement, Community consultation and providing legal assistance to people living in Low Income Settlement areas.

2. Safe Guard the Corporation against the litigations in court by the Corporation and against the Corporation.

3. Advise on all matters pertaining to day today issues of the Corporation.

4. The Corporation is empowered to take legal action against all unauthorized fillings, violation of conditions given on drainage design, unauthorized occupants in the canal reservation and people who are polluting the canals, within the areas declared under the SLLDC Act and the amendment Act No. 35 of 2006 and 13/2001.

5. Prepare and attest all M.O.U., Sales Agreement, Contract/Consultancy Agreements, Long Term Lease, Annual Leases, Short-Term Leases, Transfer Deeds, related Legal Documents and Foreign Employment Bonds (No-pay/with pay), Car Loan Agreement, Power of Attorney and ownership of land titles for land clearance certificates.

# Audit Committee Report

**Role of the Audit Committee**

The Audit Committee is essentially a committee that plays a strategic role in assisting the Board to achieve its oversight responsibilities in areas such as an entity's financial reporting, internal control systems, risk management systems, and the internal and external audit functions. The Audit Committee is chaired by a Non- Executive Director and is comprised only of Non-Executive Directors. The Committee is assisted by the senior support staff and has an adequate blend of financial and audit expertise in order to carry out the Committee's duties effectively.

**Audit Committee Charter**

The Audit Committees of Public Enterprises are governed by the Public Enterprise Department Circular No: 01/2021, issued by the General Treasury.

**Key Focus**

The Audit Committee primarily focuses on assisting the Board in fulfilling its duties by providing an independent and objective review of the Corporation's financial reporting process and the operational functions.

**Meetings of the Committee**

During the year ended 31.12.2022, four meetings of the Committee were held. The minutes of the Committee meetings were recorded and were reported regularly to the Board of Directors. The Superintendent of Audit participated in the meetings as the Representative of the Auditor General. The Chief Internal Auditor of the Line Ministry attended the meetings by invitation.

Composition of the Committee has been changed after 1st Meeting in the year 2022 and attendance of the committee members at the meetings held in the year 2022 are stated below:

| Name of the Director | Position of the Committee | No. of Meetings attended |
|---|---|---|
| Mrs. S.A.C Kulathilake | Chairperson | 4 |
| Mr. N.H.N.L Nawarathne | Member | 1 |
| Mr. Dinesh Jayaweera | Member | 1 |
| Mr. Gamini Hewage | Member | 3 |
| Mr. Dhammika Dissanayake | Member | 3 |

**Internal Audit**

The Corporation has a separate Internal Audit Division. The Internal Audit Plan was presented and approved by the Audit Committee and the Committee reviews the progress of the coverage of the Internal Audit Plan. The Committee reviews the reports of the Internal Auditors at its quarterly meetings, which enabled the Committee to monitor the progress of the Internal Audit Plan.

**External Audit**

The Auditor-General was appointed as the External Auditor in terms of section 12 of the National Audit Act No.19 of 2018. The Superintendent of Audit and his staff appointed by the Auditor General, coordinate the External Audit functions of the Corporation.

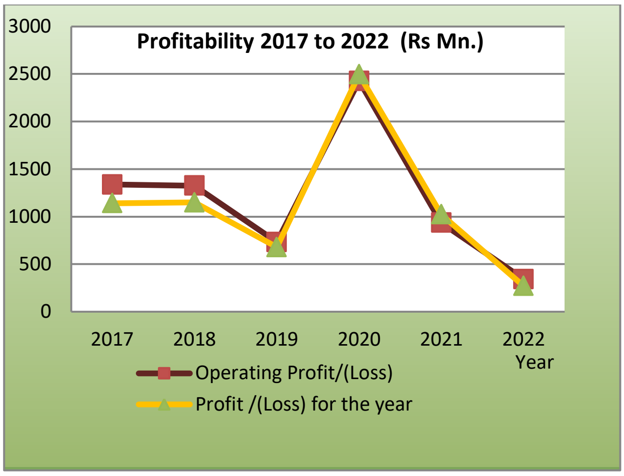
On behalf of the Audit Committee.

**S.A.C Kulathilake**
**The Chairperson - Audit Committee**
**11th March 2023**

# Financial Review

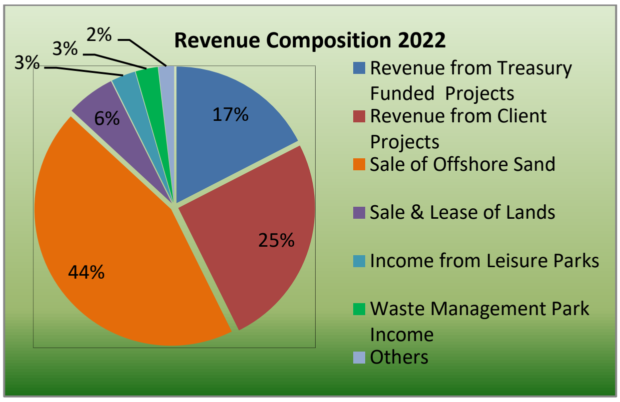
### Financial Performance of the Corporation

Maintaining the momentum of positive financial performance, this year too, the Corporation reported an Operating Profit of Rs.342 million and Profit after Tax of Rs.271 million. However, in comparison to the last year's performance, this year financial performance are lower in terms of total revenue, operating profit and the profit after tax. As usual this year too, sale of offshore sand became the number one contributor for the revenue and profits of the Corporation. The financial income has significantly increased as a result of high interest yield on held to maturity financial assets.





Sectorial wise composition of the Corporation's revenue for the year 2022 is shown below;




The arbitration case had with the sand dredging contractor over the dispute in the contract management was concluded in April 2023. Following the arbitral award, Rs.753 million was provided as compensations payable in the income statement for the year 2022. If not for this extra ordinary expenditure, profit for the year 2022 would be closer to Rupees one billion.

For the year 2022, the Corporation has created a value added of Rs.3,360 million and its distribution among the stakeholders is depicted in the latter part of this report.

It is worth to note that the Corporation's net assets are maintained above Rs.10 billion whereas its total assets are above Rs.20 billion. The liquidity of the organization is also maintained at a satisfactory level.

Despite satisfactory financial performance, it should be noted that the biggest challenge faced by the Corporation is the burden due to high amount of overheads it has to incur. In the year 2022, about 85% of the gross profit is utilized for overhead expenses.

### Group Financial Performance

After incurring heavy losses for 03 years continuously, in this year the subsidiary REDECO earned a profit of Rs.13 million which is admirable. As usual second subsidiary LRDC Services (Pvt) Ltd reported a net profit Rs.62 million which is also remarkable. Ultimately the positive financial performances of subsidiary companies have contributed for enhancing the group financial performances. However, the net worth of REDECO is still at negative Rs.17 million owing to heavy losses incurred by the Company in past years..

# Report of the Directors

The Directors are pleased to submit their report and the accounts of the Corporation for the year ended 31 December 2022.

**Principal Activities**
The principal activities of the Corporation have been described in the Operations Review and Note 1 to the Financial Statements.

**Operational review of the year**
The Operational review provides a detailed review of activities of the Corporation during the year.

**Turnover**
The Turnover of the Corporation for the year 2022 was Rs. 4290 million (2021: Rs. 6,793 million)

**Profit**
During the year under review the Corporation made a profit of Rs. 311 million compared to the profit of Rs. 1,029 million in 2021.

**State of Affairs**
The State of Affairs of the Corporation is as indicated in the Statement of Financial Position. (Page 77)

**Property, Plant and Equipment**
Movements in property, plant and equipment during the year is shown in the Note 8 to the Financial Statements.

**Taxation**
Provision for income tax is made based on the profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

**Directors' Interests in Contracts**
Directors do not have direct or indirect interest in the contracts or proposed contracts with the Corporation, other than those disclosed in Note 22 to the financial statements.

**Board Meeting**
During the year 2022, 11 Board Meetings were held. Number of Board Meetings attended by each Director is as follows.

| Name of the Director | Date of Appointment | Meetings Eligible to Attend | Number of Meetings Attended |
|---|---|---|---|
| Maj.Gen. M.R.W. De Zoysa (Rtd.) | 05.12.2019 | 01 | 01 |
| Mr. U.N.Mallawarachchi | 13.01.2020 | 01 | 01 |
| Mr. N.H.N.L. Nawarathne | 07.01.2020 | 06 | 06 |
| Mr. Dinesh Jayaweera | 07.01.2020 | 06 | 06 |
| Mr. H.K.Chamath Tharuka Alwis | 23.02.2021 | 06 | 06 |
| Mr. D.P. Nandana Dissanayake | 25.06.2021 | 06 | 05 |
| Commodore H. S. Balasuriya | 14.03.2022 | 10 | 10 |
| Eng.Nihal Siriwardene | 18.05.2020 | 11 | 06 |
| Mr. D. A. H. Piyathilake | 04.04.2022 | 08 | 07 |
| Mr. Gamini Hewage | 04.04.2022 | 08 | 07 |
| Ms. S. A. C. Kulathilake | 03.03.2022 | 10 | 10 |
| Mr. Ananda Harischandra | 09.08.2022 | 05 | 05 |
| Mr. Tissa Gunawardene | 09.08.2022 | 05 | 05 |
| Mr. D. S. Dissanayake | 09.08.2022 | 05 | 05 |

**Going Concern**
The Directors are of the view that the Corporation has the ability to continue as a going concern.

**Statutory Payments**
The Directors, to the best of their knowledge and belief, are satisfied that statutory payments in relation to the Government and the employees have been made up to date.

**Employees**
As at 31st December 2022 the Corporation was providing employment to 1361 persons. (2021: 1334)

**Post Balance Sheet Events**
All material events occurring after the date of Statement of Financial Position have been considered and where necessary adjustments have been made in the accounts.

**Extraordinary Items**
Transactions of exceptional/extraordinary nature, which require separate disclosure, have been reported in the notes to the Financial Statements.

**Auditors**
The National Audit Office will audit the accounts of the Corporation for the year 2022.

By order of the Board

**HKKW Ekanayake**
Board Secretary
22nd June 2023

# Auditor General's Report

**HUD/C/SLLDC/FA/22/01** **05th April 2024**

**Chairman**
**Sri Lanka Land Development Corporation**

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

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**1. Financial Statements**

**1.1 Qualified Opinion**

The audit of the financial statements of the Sri Lanka Land Development Corporation ("Corporation") and its subsidiaries ("Group") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, 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.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements of the Corporation and the Group give a true and fair view of the financial position of the Corporation and the Group as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**1.2 Basis for Qualified Opinion**

(a) Comments on financial statements – Group
In accordance with the Sri Lanka Accounting Standard No.24 and according to the Conceptual frame work although the related party transactions of goods, properties, sale of other assets, leasing, or transfers between the Corporation and the Group should be disclosed quantitatively and in detailed in the financial statements those information had not been disclosed in the consolidated financial statements.

(b) Sri Lanka Accounting Standard No. 01-Presentation of financial statements
As per paragraph 29 of the Standard, although the interest payable on land compensation should be stated as a separate subject/item in the financial statements, an amount of Rs.118.53 million interests had been stated under the compensation payable for land acquired.

(c) Sri Lanka Accounting Standard No.12- Income Taxes

(i) According to Note No.07, included in the financial statements tax expenditure was Rs.489.67 million and during the audit it was observed that Rs.25 million of special tax had been paid for the Treasury which was included in that expense. However as per the section 5 of the aforementioned Standard only income tax should be included in the tax expenditure due to the inclusion of the special tax paid for the Treasury the tax expenditure has been over calculated by that value.

(ii) As per 61(A) (a) of the Standard, if the item related to tax has been adjusted to other comprehensive income, although the deferred tax should also be adjusted to that comprehensive income, relating to actuarial gain of Rs.39.29 million deferred tax, the adjustments had not been made.

(d) Sri Lanka Accounting Standard No.16-Property, Plant, and Equipment

(i) In accordance with the paragraph 36 of the Standard, if an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. Nevertheless, only the vehicles worth Rs.301.39 million had been revalued in the year 2020, but 160 motor cycles and a jeep cost of Rs.24.74 million and 26.47 million respectively owned to the Corporation had not been revalued even in the year under review.

(ii) Although the useful life of non-current assets should be reviewed in accordance with paragraph 51 of the Standard, such a review had not been made regarding the residual value of Rs.2,066.84 million of assets in the financial statements as at 31 December 2022. Further, the costs of Rs. 670.81 million of 3,344 assets had been completely depreciated and they were still in use due to the non-reviewing of effective lifetime annually.

(e) Sri Lanka Accounting Standard No.40 -Investment property

(i) In accordance with paragraph 5 of the Standard, investment property is property held to earn rentals or for capital appreciation or both, however contrary to that two lands which had been given on lease basis Narammala land and the land located in lane 22 of Colombo 03 had been stated under property, plant and equipment without being identified as investment properties.

(ii) Contrary to the paragraph 79 (e) of Standard the fair value of a cost of Rs. 584.95 million of 07 lands and buildings had not been disclosed in the financial statements.

(f) Sri Lanka Financial Reporting Standard No. 08-Operating Segments

An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engage and the economic environments in which it operates and accordingly Paragraph 11of the Standard, the entity shall separately report information about each operating segment. However, identifying major segments through the maintaining of operations had not been separately reported in accordance with the standard.

(g) Sri Lanka Financial Reporting Standard No.13 -Fair Value Measurement

In accordance with paragraph 3 of the Standard property, plant and equipment and investment property should be value for purpose of financial reporting by qualified assessors however, in assessing property invested qualified assessors had not been used by the Corporation.

(h) Sri Lanka Financial Reporting Standard No. 15-Revenue from Contract

(i) According to the audit tests checks had been done regarding 51 percent out of revenue from contracts with customers in past years on final bills of 13 completed contracts were handed over to the customers, the income had not been identified as per completion stage periodically. Accordingly, due to delays in certifying the bills the income in the year under review was over valued by Rs.170.95 million along with related expenses. Further the number of bills rendered relating to contracts had been done in the year under review the related income and expenditure had not been included in the financial statements due to non-certifying by the customers. However required information had not been furnished for audit to determine that value.

(ii) Contract expenditure amounted Rs.13.52 million of 6 projects which completing contract works in laps years handed over to the customers and due to adjusting to the contract expenditure of the year under review without identifying as per the completion stages, expenditure of the year under review had been over valued by that amount.

(i) Sri Lanka Financial Reporting Standard No. 16- Leasing

(i) For the purpose of giving houses for dismantles due to the development activities of the flood controlling in Greater Colombo and development of environment project,144 number of houses constructed by the Corporation incurring Rs.86.1 million had been given to the dismantles by transfer certificates in year 2001. A value of Rs.33.51 million receivables from these householders as at 31 December 2022, without identifying separately as debtors and interest income, had been identified as debtors and other income under current liabilities in the financial statements.

(ii) In providing land and building for external parties on lease basis by the Corporation and in the occasions of extending those rent period it was observed that periodically no entered in to lease agreements and charging lease was not periodically done. Even there has been a possibility to acquire its land and buildings on the occasions of the non- payment of lease rent until the said rent had been paid the chance to use those properties was disclosed in audit test checks. Accordingly as per the agreements entered in to 53 numbers of external parties an amount of rent income receivable Rs. 151.53 million without adjusting relating to the previous years and due to identified in the year under review the income of the year under review had been over valued by that amount.

(j) A land with 02 acres located in Muthurajawela, which had been given to the Corporation on freehold basis by the Government has been selling according to the relevant Cabinet decision it was informed the Corporation that the expenditure incurred on the development of the land should be deducted from the sales value and the remaining balance should be credited to the Consolidated Fund by the Cabinet decision No. අමප/19/2832/16/11 dated 29 October 2019. Rs.272.62 million had been got by selling that land on 17 December 2019, accordingly the balance amount should be credited to the Consolidated Fund after deducting only Rs.21.02 million incurred for the development expenditure and that balance of Rs.251.60 million had not been credited to the Consolidated Fund even up to November 2023 and a provision had not been made in the financial statements identifying the payable amount as a liability.

(k) Rs. 6.23 million had been incurred for the Electronic Document Management System (EDMS) it was stated under the capital working in progress in the financial statements without being identified as an intangible asset.

(l) The income tax expenditure in the year under review has been calculated as Rs. 273.29 million by the Corporation however the income tax expenditure for the 2022/23 assessment year has been calculated as Rs. 309.31million therefore the income tax expenditure for the year had been under calculated by Rs. 36.01million.

(m) According to the schedule submitted by the land section the total lands and investment property owned to the Corporation was 1075 acres and 29.21 perches but according to the financial statements presented for the year under review the extent of lands and investment property was only 66 acres 03 roods 5.13 perches. Accordingly 1008 acres 1 rood and 24.08 perches of lands had not been identified in the financial statements. Further the assessment value was Rs. 39.73 million of 03 lands that have been given under the operational leasing by the Corporation had not been entered into the schedule of land and investment property as an investment property.

(n) A debit balance of Rs.2.35 million relating to 04 projects due to identifying for the contract income by the Corporation the contract income of the year under review had been under calculated by that value.

(o) An amount of Rs. 238.87 million had been stated in the financial statement as receivable from a subsidiary Company of Land Reclamation and Development Company to the Corporation. However, as per books of the relevant subsidiary Company it was stated as Rs. 229.75 million. Thus, a difference of Rs. 9.12 million was observed. As well, even though the payable amount to the company as per the financial statement of the Corporation amounted to Rs. 96.95 million, according to the books of the company the corresponding balance amounted to Rs106.25million. Thus, a difference of Rs. 9.3 million was observed. Reasons for this difference had not been disclosed.

(p) It was observed that cost of Rs. 8092.30 million of asset units of 10,608 as per the fixed assets register and it was able to obtain only a cumulative value relevant to this each asset category through the new Software of Accounting Programme (SAP) and the new Software of Accounting Programme had not been developed as per able to obtain detailed information relevant to each asset.

(q) Although the balance of compensation payable for lands was Rs.122.43 million as per the financial statements in the year under review the balance as per the schedules presented was Rs.130.36 million and a difference of Rs.7.93 million was observed between that.

(r) An amount of Rs 4.31 million had been included in the financial statements as expenditure for the flood control project of the Panadura City which was no any physical and financial progress had been obtained as per the progress report. Required details had not been furnished for audit for the confirmation of the accuracy and the relevance of this expense.

(s) Although the lease rent income receivable to Corporation relevant to the year under review for the land of Sasakawa building located was Rs. 2.44 million, due to identifying the lease rent income as Rs. 7.03 million for the year 2022, the profit of the year under review had been over calculated by Rs. 4.59 million.

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

**1.3 Other information included in the Group's 2022 Annual Report.**

The other information comprises the information included in the 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work I have performed on the other information that I have obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this in this regard.

**1.4 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 Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

**1.5 Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Corporation and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. I remain solely responsible for my audit opinion and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**2. Report on Other Legal and Regulatory Requirements**

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

2.1.1 Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Corporation as per the requirement of and 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 except the audit matters of 1.2 (a), (d) (i), (ii),(f),(j),(k),(o) and (p) described in the basis for Qualified Opinion section of my report 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 was 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

| | **Reference to the law regulations/order** | **Observation** |
|---|---|---|
| (a) | Inland Revenue Act No. 24 of 2017 | An amount of Rs.96 million income received from the investment property had been realized on the date of 18 October 2018 by the Corporation and in terms of the Act, action should be taken to calculating capital gain related to that and tax payable on that, to pay within a month |

| | | |
|---|---|---|
| | | and send relevant report to the Department of Inland Revenue however action had not been taken accordingly even 2 months has passed as at the date of 31 December 2022 being realizing the asset. |
| (b) | Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 757 (2) | If any differences shortages and misplacement is observed after the receipt of annual board of survey reports, the Accounting Officer is required to take appropriate actions in that respect. However, in respect of shortages of Rs.4.1 million and excesses of Rs.5.2 million, which were observed in the stock verification necessary adjustments had not been made even by 31 December 2023. |
| (c) | Public Finance Circular No.01/2016 dated 08 January 2016 | Services of an external persons could be obtained to fulfill an urgent services required and there in if it is personally satisfied that there is no qualified person in the entity, even though the service of an external person could be able to obtain only for two months with the personal approval of the secretary to the Ministry, as contrary to that 3 number of consultants have been recruited and Rs. 3.7 million of consultancy fee had been paid for the year under review. |
| (d) | Public Enterprise Circular No.01/2021dated 16 November 2021 | |
| | (i) Paragraph 2.3 of Guideline | The Corporate Plan for period of 5 years should be prepared as noted in Annexure 1, and this plan should be updated each year in line with the changes in the business environment. The Corporate Plan should be submitted to the General Treasury not later than 15 days before the commencement of the ensuing year, Accordingly a Corporate Plan had not been submitted for the year 2022 by the Corporation. |
| | (ii) Paragraph 5.3 of Guideline | 30 percent of the profit after tax should be distributed to the Consolidated Fund. Although Rs. 81.4 million of the profit after tax should be distributed to the Consolidated Fund only Rs. 25 million had been payed to the Consolidated Fund. |
| | (iii) Paragraph 3.2 of Manual | Requests pertaining to pay structure should be submitted by entities with a Board approval and recommendations of the Line Ministry, for the approval of the Director General, Department of Management Services with a copy to Director General, Department of Public Enterprises. However, the professional allowances for the 3 period as per increasing by 50 percent in each period had been paid only the approval of the Board of Directors. Accordingly the value of professional allowances had been paid without approval of the General Treasury was Rs. 7.93 million during the year under review. |
| | (iv) Paragraph 7.7 of Manual | The Board of Directors of the parent entity must establish a structure that facilitates oversight of the performance of the subsidiary companies and it should in line with the provisions of the Companies Act No.7 of 2007. As such, the Board of Directors should be discuss the performance of the subsidiaries at least quarterly and should ensure that an adequate return on |

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| | | investment could be obtained. |
| (e) | Section 9.6 of the Trade and Investment Policy Circular No. 01/2018 dated 15 February 2018. | It has been allowed to import motor vehicles on tax concession basis for the public officers based on their official ranks as a privileged to them. However, 2/3 of the loan interest that paid on loans obtained to import the motor vehicles by 12 officers amounting to Rs. 2.23 million had been reimbursed by the Corporation up to the end of the year under review without obtaining the approval of the General Treasury obtaining only the Board approval. |
| (f) | Decision No. අමප/22/1069/604/006 dated 07 August 2022 Cabinet of Ministers | In terms of section 7 of the Appropriation Act No. 30 of 2021 under the limitation of non-priority of government expenses under the vote No. 123-02-21-002-2506 implementing through the provision of General Treasury the provisioned amount had been deducted from Rs. 1,000 million to Rs. 500 million. Accordingly the maximum expenditure able to be incurred was Rs. 500 million. Even though after deducting the amount should be paid for the year 2021 Rs. 260.87 million from that Rs.500 million the balance was Rs.239.13 million under that vote Rs. 768.19 million had been incurred for the year under review. Accordingly under that vote Rs. 529.06 million had been incurred exceeding treasury provisions. |

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.

(i) An amount of Euro 575,000 that was related to the amount of Rs.85.67 million as at that date which was payable in the year 2011 for foreign company for excavating sea sand, action had not been taken to settle up to 31 December year under review and this liability had been increased up to Rs.222.48 million as at that date.

(ii) Awarding of contract or obtaining provision from the line Ministry for implementing the project of constructing a linear park and improving drainage associated with the Athurigiriya Kothalawala expressway interchange had not been made. Accordingly on the verbal instructions of the President in the discussion had been made between the former Chairman of the Corporation and the President this contract had been commenced on the date of 15 December 2020, however the approval of the secretary to the Ministry or the General Treasury had not been obtained for that. And also a Cabinet Memorandum had been presented by the Corporation to approve Treasury provisions and a comprehensive feasibility study on the project proposal should be carried out in pursuance of the recommendations of the National Planning Department as specified in the Cabinet decision such a study had not been done. A sum of Rs.213.95 million from the Corporation's funds had been spent by the month of December 2022 for the project and the value of the works completed as at the end of the year under review amounting to Rs.191.92 million been stated as work –in progress.
Furthermore, due to failure to entrust the maintenance of the constructed project to the Kaduwela Municipal Council the Corporation had to incur expenses of approximately Rs 3.81 million for maintenance up to November 2023.

(iii) The Cabinet approval had been granted on the date of 25 June 2019 to purchase an amphibious machine value of Rs.60 million for cleaning of Beira Lake. Due to awarding procurement for Rs.83.3 million without obtaining the approval of the Cabinet of Ministers exceeding that limit the difference of the cost amounting to Rs.23.3 million had to be incurred by the Corporation's funds on the date of 20 July 2022. According to the arbitration conditions reached with the supplier regarding the relevant payments settled a sum of Rs.94.19 million and Rs.11.73 million as the interest for late payments had to be paid for the machine.

(iv) Due to the delay in the payment of compensations related to the lands acquired by the Corporation during the period from 1981 to 2005, the compensations payable for those lands was Rs.122.43 million and the related interest was Rs.118.53 million as at 31 December in the year under review. Accordingly the interest payable by the end of the year under review was increased by Rs.5.89 million than the preceding year. And also it was further revealed that the number of unauthorized occupants has been increased due to the process of acquiring these lands had been in progress over a period ranging from 14 to 40 years.

(v) In order to lease a block of land belonging to the Corporation, an extent of 22 acres 02 roods and 37.14 perches, along with a building with 55900 square feet situated in Muthurajawela, to a private company for Rs.2,195.79 million on a 50 year long-term lease basis, a memorandum of understanding had been entered into on 02 June 2021 and an advance of Rs. 500 million had been obtained for this purpose, no steps had been taken to secure the remaining amount of Rs. 1,695.79 million and to execute a formal lease agreement even by November 2023.

(vi) The Project for the Construction of Compost production center at the Muthurajawella garbage management Park had been started by the Wet Land Management Division of the Corporation. The construction works of the building No. 3 of the building complex for the Compost factory, only piling works had been completed up to end of the year under review incurring Rs.75.80 million. Although it has been lapsed of 4 years for the Construction works, remaining constructions had not been completed as per estimated even by November 2023.

(vii) The construction works of the new 07 storied office building of the corporation was estimated to construct investing Rs.400 million and scheduled to be commenced the construction works on 22 September 2018 and planned to be completed as at end of the year 2019. After being incurred amounting to Rs.10.27 million for the piling works, the Contract activities had to be suspended due to financial inabilities of the selected contractor. Nevertheless, the Corporation had failed to select suitable contractor for the construction works up to end of the year 2023.

(viii) For the purpose of minimizing the security, environmental and social damage caused to the approximately 155,000 people residing in the Kelaniya, Biyagama, Wattala and Peliyagoda Divisional Secretariat divisions and the factories located therein from the floods occurring in those divisions, the Mudun Ela development project at a project cost of Rs.3,000 million had been started under the Treasury provisions in the year 2016. However it was impossible to complete the project activities the time duration of that had been extended up to 31 December 2025. The financial progress and the physical progress of the project as at the end of the year under review were only 68.05 per cent and 68.5 per cent respectively.

Further, Rs.600 million had been paid to the Urban Development Authority by the date of 31 December 2017 for purchasing 164 houses constructed by the Urban Development Authority, intended for the persons who lost their houses due to the land acquisitions for the construction activities of that project, however the houses had not been provided even by the end of the year under review, were 26 number.

In addition to that it had been proposed to construct 02 pumping houses in Oliyamulla as phase I and phase II under this project, with the expectation of completion by the end of 2020 and the constructions of the pump house under the phase II had been started on 26 March 2018. However, due to the construction thereof had not been completed even by the end of the year under review the two 5M3 /S water pumps purchased at a cost of Rs.83.40 million on 20 August 2018 even it has been lapsed of 5 years were remaining idle.

(ix) According to Section 2 (b) 1 of the Sri Lanka Land Development Corporation Act No.15 of 1968 the Corporation had been given the authority to identifying the boundaries of low, Marshy barren and Muddy lands located throughout the country, and as per able to control and supervise unauthorized land fillings and those published by gazette notifications, however regions had been gazette limited to 07. The Corporation had failed to control the unauthorized land fillings and settlements, though the boundaries of the lands had been gazette. For example even though the Corporation had identified 1,107 unauthorized constructions and fillings in 09 water basin regions in area of 399.91 hectares relevant to 05 Divisional Secretarial Divisions during the period from the year 1996 to the year 2019, the Corporation had failed to remove those identified unauthorized constructions up to 31 December of the year under review. According to Section 8(a) of Act the lands, acquired to fill and develop should be developed by the Corporation for the use of construction of buildings, for industrial commercial and agricultural activities. However, it was observed that out of lands extent of 800 acres that had been acquired by the Corporation in Muturajawella Mudun Ela area, in the year 1995 had only been developed 400 acres that was 50 Per cent out of the land even after being lapsed of 25years.

(x) As per the Gazette notification No. 1662/17 issued on the date of 14 July 2010 by the Corporation action should be taken to protect the reservation lands in canals in the Western Province, even though 12 years has been lapsed by the end of the year under review the aforesaid Gazette being issued no effective measures had been taken to identify those reservation lands or remove the unauthorized occupants from the reservation lands.

(xi) A cafeteria had been constructed by the Corporation at a land belonging to the Urban Development Authority (UDA) without being entered into an agreement, and it had been given to a Private Company on leased basis in the year 2017. Since ownership of the land is vested with the UDA it was impossible to recover the rent amounting to Rs. 24.58 million up to the year under review to the Corporation, though the cafeteria is owned by the Corporation but the ownership of the land has not for the Corporation.

(xii) As per the Note No. 14 ( Statutory liabilities) under the current assets of the statement of financial position stamp duty payable as at 31 December 2022 was Rs.7.78 million and out of that stamp duty payable relating to transferring lands was Rs.7.7 million. When checking the age analysis relevant to that it was observed that 93 percent out of the stamp duty payable had exceeded more than two years. Accordingly non -payment of these stamp duty for a long period of time was a problematic condition and it was observed that the reason for this was no action had been taken to settle lands by properly paying stamp duty soon as ended transferring the relevant land.

(xiii) The Corporation had entered into a contract agreement with a foreign private company in the year 2018 to excavate and pumping 4 million cubic meters out of the sea shore for supplying of sand for the construction industry. However, the project had been suspended on the date of 10 April 2020 by the top management as per their own willingness before the completion of the scope being agreed without a fair reason. In that occasion there had not been consider the financial loss had incurred to the Corporation due to terminate the agreement. Corporation has no paying attention for such facts that the extra cost incurring for the project, the contractor has been released to another project before ending the written agreement had been with the contractor due to non- giving of proper instruction to the contractor as per the agreement regarding the works should be fulfill by the contractor was problematic in audit. Arbitration has been made by the aggrieved party the Corporation has imposed to pay USD 2,073,976 (Rs. 753.08 million –as per the foreign exchange rate was as at the date) to the respective foreign private Company as compensation by that decision. Accordingly the whole amount had been identified as compensation payable in the financial statements of 2022 by the Corporation. In addition to that after deducting the amount of income tax USD 181,484.21(Rs. 60.2million) has paid by the Corporation on behalf of the contractor, the amount of compensation payable for contractor and USD 4,035,77.18 (Rs. 1,338.87million) relevant to the final bill had been paid for the contractor in the month of November 2023. It was observed that paying a large amount of compensation is inversely affected to the liquidity of the Corporation. However, due to action carelessly taking by the officers of the Corporation, this compensation had to be paid as per the terms and conditions of the agreement entered however, decipilinery actions had not made identifying responsible parties for that.

(xiv) A land located in 22 lane in Kollupitiya, had been given on lease rent basis to the Sasakawa Memorial Sri Lanka and Japan cultural center for 30 years and that lease period had been over by the date of 30 June 2017. As per the new assessment report which had taken from the Chief Assessor of Government by the Corporation on the date of 21 July 2017 for the extension of that lease agreement, the annual lease rent should be recovered on 30 years lease rent basis was Rs.12.68 million. But Sasakawa Trust has submitted an appeal informing that it was difficult to pay that lease rent and accordingly as per the decision of the Board of Directors the annual lease rent had been deducted up to Rs.1.59 million. It was observed in audit due to this deduction a rent income amount of Rs.11.09 million had annually been loss to the Corporation. As well an approval had been given by the Board paper No. HSB/5579 dated 30 August 2020 to extent the lease agreement up to 2024 with 10 percent of increasing in tax amount.
However there had not been entered in to any agreement in between the Corporation and the Sasakawa Trust regarding this land and building up to the date on 24 November 2023 of audited.

(xv) The Beira Lake cleaning Project by removing of sediments, the allocated provision of the Treasury amounting to Rs.800 million in order to implement the project Treasury provisions of Rs.216 million had been allocated to procure required machinery and equipment. However, exceeding that limit, 2 machines value of Rs.320.7 million had been purchased by the Corporation in August 2019 and a sum of Rs.219 million had been paid by the Corporation as installments of those machineries by December 2023. However it was informed that by the letter of Secretary to the Cabinet of Ministers No.20/1512/306/027TBR dated 09 April 2021 to take action to identify the party should be responsible for the loss had to be incurred by the Government in the aforesaid procurement procedure, Steps had not been taken to identify the responsible parties for that up to December 2023.
Furthermore, those machines were kept in idle at the Beira Lake site over 4 years without being used.

(xvi) Six trade stalls had been constructed by the Corporation situated near the Bellanwila temple were kept in idle without being taken action to lease out from the year 2016 up to 31 December 2023. Due to this the Corporation had lost of Rs. 3.6 million for the year under review, and Rs.21.6 million for the year 2016 and total of Rs.25.2 million was observed.

(xvii) A difference of Rs. 47.37 million was observed between the amounts had been reported to the Court by the Corporation as receivable for construction of the Medamulana D. A. Rajapaksa Memorial Centre and the expenses included in the financial statements of the Corporation. Due to this, it was observed that the said expenditure has identified as non-incurred expenses for the project. Accordingly further examining regarding this additional expenditure, although the management should take action to recover from the responsible parties for that, contrary to that as per the decision had been taken in the Board meeting No. MRW/5404 dated 28 June 2021 in terms of F.R.113 action had been taken to written off against the profit and remove from the books by the Corporation even without obtaining the approval of the Treasury.

(xviii) For the execution of drainage systems improvement project in the Kerawalapitiya area with an estimated value of Rs.41.44 million, a mobilization advance amount of Rs.18.02 million had been obtained from the Road Development Authority on 05 February 2018. Bills valued at Rs.15.60 million had been submitted after deducting Rs.6.22 million as mobilization advance to the Road Development Authority for making payments by 28 May 2018. Since the Road Development Authority, the contract awarder, did not remove the houses as expected to proceed with the remaining work of the project, the Corporation had been compelled to abandon the project and accordingly, it was observed that the flood is likely to occur in the area due to the blockage in the drainage systems.

(xix) The Kolonnawa Storm Water Drainage and Environment Improvement Project with an estimated cost of Rs.8,700 million, which was initially planned to implement under the World Bank aids, was subsequently planned to be implemented under the Treasury provisions according to the Cabinet decision. The project, which was initiated in the year 2018, should have been completed in 05 years. However, only the improvement of a 450-meter sub-canal, which connects to the Passenna Canal over a distance of 4.1 kilometers and 05 culverts, had been completed even by the end of the year 2021. The physical progress of this project was as low as 6 per cent. Non- receiving of Treasury Provisions as planned was the reason for this.

(xx) A sub-access road had been constructed a at a cost of Rs.112 million by the year 2018 before acquisition to enter in to the proposed land for Madinnagoda Housing project, However the land proposed could not be acquire up to December2023.

(xxi) An amount of Rs. 61.58 million receivable for the Corporation for construction of laboratory building of Atomic Energy Authority had been stated in the financial statements as receivable since year 2014, but those amount had not been recovered up to end of the year 2023. The cost which was included in this amount had incurred for micro piling amounting to Rs. 46.60 million the Atomic Energy Authority had not agreed to reimburse due to disagreement on planning errors of the building. Nevertheless, the Corporation had not taken any decipilinery action against the responsible parties for this erroneous planning.

(xxii) It had been decided by the Board of Directors of the Sri Lanka Land Development Corporation on 4 October 2018 that packing and selling sea sand should be start as a commercial business by the Land Reclamation and Development Company and for that a loan amounting to Rs.200 million was given to the company by the date of 07 May 2019. For this a land owned to the corporation was given to the company for the construction of a building without signing a lease agreement between two parties to carry out the related construction. However, Rs. 382.50million had been incurred for the project by the date of 14 June 2021 any project evaluation or a feasibility study had not been done before implemented this project which has high capital investment. The project had ceased in the year 2021. And action had been taken to give the relevant land and the sand packing center had constructed in it to a private institute on lease basis.

(xxiii) The Corporation had invested Rs.5 million on 04 November 2019.In order to establish a new subsidiary Company named Waste 2 Wealth (PVT) Ltd, However, the operations of the Company had been suspended and recovering the sum of Rs.2.46 million was doubtful.

(xxiv) A sum of Rs.5.53 million receivable to the Corporation as at 17 February 2015 relating to the construction of the second phase of the Horana bus stand had not been recovered from the Urban Development Authority even by the end of the year under review, it was observed that according to the cost reports prepared by the Corporation, to state a loss of Rs.12.35 million the Corporation had occurred due to the suspension of the project.

(xxv) A loss had incurred in the year 2021 and during the year under review was Rs. 6.81million and Rs.8.5 million respectively from the Agricultural Development Project conducted by the Corporation at the Kirimandala Mawatha from the year 2020 and the total cost incurred by the Corporation for the project was Rs. 22.08 million. Out of that labour cost was amounted to Rs. 10.71 million that was 99.93 per cent and in the year under review the labour cost was amounted to Rs. 9.18 million that was 81.02 per cent.

(xxvi)The land located at Kelaniya Wedamulla which had been assessed in the year 1995 leased value was Rs.35.5million for 50 years of lease period. However the lease period has been extended for 99 years the value of lease rent had not been changed and only added Rs.0.25 million to the previous value by the Corporation due to this it was observed that the annual lease rent charged for this land is under calculated.

(xxvii)There has been a risk of unavailability of sea stock for sea sand refining and processing activities due to the termination of excavating and pumping of sea sand to land from the year 2020 by the Corporation. Therefore unavailability of sea stock for sea sand refining and processing activities the Rs. 93.67 million values of machinery and equipment acquired from a subsidiary company could be idle.

2.3 **Other Matters**

(a) The debtors and other receivable balance of Rs.5,316.38 million included in the financial statements in the year under review, out of the trade debtors balance of Rs.1,922.12 million the balance remained receivable since a period between 2 and 5 years was Rs. 611,11 million and the balance exceeding five years was Rs.122.79 million. As well the total amount of receivable from the Client Projects to the Corporation included in that debtors and other receivable balance was Rs.1,077.88 million and out of that Rs. 210.45 million had been remained since a period between 4 and 5 years and Rs.122.02 million had been more than five years.

(b) The balance of refundable deposit included in the trade and other payable balance of Rs.3,230.58 million stated in the financial statements was Rs.94.26 million and out of the Rs.45.06 million of refundable deposit which included in that balance payable by the end of the year under review relating to the tenders had been awarded by the Corporation a balance of Rs.11.46 million were remained from 3-5 years, Rs.14.39 million from more than 5 years. As such in the balance of contract creditors of Rs.1,574.19 million included in the balance of contract creditors of Rs.1,347.43 million a creditors balance of Rs.4.74 million remained unsettled since a period between 2 and 4 years and the balance more than a period of 04 years was Rs.210.5 million.

(c) In general accounting procedure income generated and the expenditure incurred relevant to the year by an entity, after adjusting to the income statement relating to the year under review the net profit/loss generated after adjusting to the reserved income account the values of the relevant income/expenditure will be zero value. However, in the new accounting software package of the Corporation credit and debit balances relevant to 48 income accounts Rs.24,770.11 million and Rs.4.75 million respectively, debit balance of Rs.11,306.03 million relevant to 9 cost of sales accounts as such credit and debit balances relevant to 133 expenditure accounts Rs.11,680.32 million and Rs.2,358.13 million respectively had been stated as opening balances in the ledger. Further the trial balance prepared including items entered in the income statement through the software and items entered in the statement of financial position could be generated at the same time however, relevant software has not been developed as per fulfill the requirement and it was observed in audit that the trial balance has been generated two separate occasions.

(d) The approved cadre of the Corporation as at 31 December 2022 was 1,800 and the actual cadre as at that date was 1,331 and there were 469 vacancies and 29 excess. There had been vacancies in 7 posts in permanent cadre in the posts of top management of the Corporation by the end of the year under review. Recruitments had been made for 3 posts out of that by the December 2023 and recruitments had not been made for the rest of 4 posts even by the December 2023.

(e) Although the post of Deputy General Manager Human Resources in the approved cadre has been vacant by the December 2023 action had been taken by the Corporation to employee a retired officer who was over 60 years of age in this position on contract basis from 12 October 2020 to 31 December 2023 and without approval of the Cabinet of Ministers. In the actual cadre information furnished for audit this officer had not been included in the number of contract basis officers are in service.

(f) There are 76 permanent security service officers in the approved cadre of the Corporation security service facilities for the Corporation had been obtained paying Rs.59.5 million for LRDC Service Private Company during the year under review As such under the PL-01 category even there are 347 of permanent staff out of 412 approved labour position an amount of Rs.450.61 million had been incurred by the Corporation during the year under review for obtaining man power service from LRDC Service Private Company. And also Rs.107.34 million had been incurred for the cadre has taken from the REDCO Company for fulfilling the activities of the Corporation during the year under review by the Corporation.

(g) A Corporate Plan had been prepared only for the period of 5 years from 2018-2022 but in that plan the facts had not been included that a function which had conferred by the corporate Act identifying the low lying, marshy, waste or swampy

and specify were in island wide published in Gazette by Order as able to controlling and supervision of filling unauthorized lands and any area of land on a canal bank, identifying as a canal reservation as per avoiding building or any structure whether temporary or otherwise in that reservation area declared by Order published in the Gazette.
Further, the Corporation has not taken adequate steps to achieve strategies identified in the corporate plan even by the end of the year under review and the progress achieved as per the Key Performance Indicators introduced had not been evaluated. As well the financial statements have been anticipated relating to the period of time 2018-2022 had not included in the Corporate Plan.

(h) The action plan had not been prepared using standard format as per the Public Finance Circular No.01/2021 dated 16 November 2021. And further, the activities should be listed in logical sequence and in detail and assigning responsibility to specific officers for carrying out each activity and indicating specific time target should be made to achieve those activities. And also activities should be connected with the objectives need to be accomplished however the action plan for the year under review had not been prepared as per by the Corporation.

(i) As per the paragraph 6.6 of the Operational Manual Public Finance Circular No.01/2021 dated 16 November 2021 although the financial statements relating to the year 2022 should be handed over before the date of 28 February 2023 by the Corporation, the financial statements handed over to the Auditor General for audit six months after the specific date that was on the date of 20 August 2023.

(j) The financial income for the year under review had been increased by 223 percent with compared to the preceding year and increasing in fixed deposit interest income from Rs. 201.56 million to Rs. 1,017.57 million by 405 percent had mainly attributed to this increase. As well financial assets matured during the year under review had been increased by 85 percent compared to the preceding year and fixed deposit investments had been increased from Rs.3,680 million to Rs.6,810 million by Rs.3,130 million and a large amount out of this fixed deposit value had been invested using unsettled time deposits obtained from the customers.

(k) The profit of the Corporation year under review was decrease by 73 percent with compared to preceding year. The main reason for that was Rs.753.08 million had to paid as compensation to the contractor who was in charge of the sea sand excavation and pumping project as per the arbitration order.

(l) Performance reports indicating financial and physical progress regarding any project done by the Corporation except projects that implementing on Treasury provision had not been furnished for audit. Due to that reason it was impossible in audit evaluating performance of any project.

W.P.C.Wikramarathna
Auditor General

# Statement of Comprehensive Income

| For the Year ended 31st December | Note | GROUP 2022 Rs. 000 | GROUP 2021 Rs 000 | CORPORATION 2022 Rs. 000 | CORPORATION 2021 Rs 000 |
|---|---|---|---|---|---|
| Revenue from Contract with Customers | 1 | 6,725,264 | 8,605,497 | 4,289,956 | 6,792,977 |
| Direct Cost | 2 | (4,519,055) | (5,732,050) | (2,396,713) | (4,131,280) |
| **Gross Profit** | | **2,206,209** | **2,873,447** | **1,893,243** | **2,661,697** |
| Other Operating Income | 3 | 282,184 | 104,757 | 276,259 | 93,983 |
| **Gross Profit with Other Operating Income** | | **2,488,393** | **2,978,204** | **2,169,502** | **2,755,680** |
| Administrative Expenses | | (1,443,069) | (1,459,847) | (1,225,841) | (1,298,918) |
| Depreciation and Amortization | | (377,745) | (342,899) | (359,975) | (318,257) |
| Promotional Expenses | | (7,250) | (7,270) | (6,853) | (6,527) |
| Other Operating Expenses | | (233,949) | (196,864) | (233,949) | (196,864) |
| **Profit from Operations** | 4 | **426,380** | **971,324** | **342,884** | **935,114** |
| Claims Arising from Arbitration (Note 23.1) | | (753,081) | - | (753,081) | - |
| Finance Cost | 5 | (227,176) | (267,923) | (219,972) | (263,682) |
| Finance Income | 6 | 1,207,643 | 378,226 | 1,190,633 | 368,978 |
| Amortization of Deferred Income | 16 | 200,573 | 222,586 | 200,573 | 222,586 |
| **Profit before Taxation** | | **854,339** | **1,304,213** | **761,037** | **1,262,996** |
| Taxation | 7 | (507,439) | (263,761) | (489,671) | (239,825) |
| **Profit for the year** | | **346,900** | **1,040,452** | **271,366** | **1,023,171** |
| **Profit Attributable to:** | | | | | |
| Equity Holders of the Parent | | 331,793 | 1,036,996 | 271,366 | 1,023,171 |
| Non-Controlling Interest | | 15,107 | 3,456 | - | - |
| **Other Comprehensive Income** | | | | | |
| Actuarial Gain/(Loss) on Defined Benefit Plans | 18 | 38,930 | 19,735 | 39,288 | 5,634 |
| Surplus on Revaluation of PPE | | - | 33,973 | - | - |
| **Total Other Comprehensive Income for the year** | | **38,930** | **53,708** | **39,288** | **5,634** |
| **Total Comprehensive Income for the year** | | **385,830** | **1,094,160** | **310,654** | **1,028,805** |
| **Total Comprehensive Income attributable to :** | | | | | |
| Equity Holders of the Parent | | 370,795 | 1,081,088 | 310,654 | 1,028,805 |
| Non-Controlling Interest | | 15,035 | 13,072 | - | - |

The Accounting Policies and Notes on pages 80 to 95 form an integral part of these Financial Statements.

# Statement of Financial Position

| As at 31st December | Note | GROUP 2022 Rs. 000 | GROUP 2021 Rs.000 | CORPORATION 2022 Rs. 000 | CORPORATION 2021 Rs.000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant & Equipment | 8 | 2,338,568 | 2,354,352 | 2,243,052 | 2,237,181 |
| Intangible Assets | 9 | 14,733 | 2,452 | 14,658 | 2,286 |
| Investment Properties | 10 | 2,925,998 | 2,563,493 | 2,925,998 | 2,563,493 |
| Investment in Subsidiary Companies | 11 | - | - | 2,000 | 2,000 |
| Loans to Related Parties | 14 | - | - | 141,233 | 141,233 |
| Deferred Tax Assets | | 58,205 | 41,467 | - | - |
| | | **5,337,504** | **4,961,764** | **5,326,941** | **4,946,193** |
| **Current Assets** | | | | | |
| Inventories | 12 | 2,813,477 | 2,861,200 | 2,717,596 | 2,742,751 |
| Trade & Other Receivables | 13 | 6,061,259 | 5,218,110 | 4,854,204 | 4,417,284 |
| Taxation Recoverable | | 5,362 | 5,362 | - | - |
| Loans to Subsidiaries | 14 | - | - | 24,000 | 24,000 |
| Held to Maturity Financial Assets | | 7,011,627 | 3,869,781 | 6,810,000 | 3,680,002 |
| Cash & Cash Equivalents | 15 | 1,065,171 | 3,762,438 | 979,377 | 3,672,166 |
| | | **16,956,896** | **15,716,891** | **15,385,177** | **14,536,203** |
| **Total Assets** | | **22,294,400** | **20,678,655** | **20,712,118** | **19,482,396** |
| **EQUITY & LIABILITIES** | | | | | |
| **Capital & Reserves** | | | | | |
| Contributed Capital | | 1,000 | 1,000 | 1,000 | 1,000 |
| Capital Reserve | | 13,461 | 13,461 | 13,461 | 13,461 |
| Asset Revaluation Reserve | | 258,690 | 258,690 | 212,430 | 212,430 |
| Retained Earnings | | 10,690,605 | 10,319,711 | 10,388,440 | 10,077,786 |
| Non-Controlling Interest | | 87,608 | 72,546 | - | - |
| **Total Capital & Reserves** | | **11,051,364** | **10,665,408** | **10,615,331** | **10,304,677** |
| **Non-Current Liabilities** | | | | | |
| Staff Welfare Funds | | 107,473 | 95,143 | 107,473 | 95,143 |
| Compensation Payable on Lands Acquired | | 240,963 | 209,063 | 240,963 | 209,063 |
| Deferred Tax Liability | | 182,660 | 137,038 | 182,660 | 137,038 |
| Deferred Income | 16 | 429,301 | 439,877 | 429,301 | 439,877 |
| Interest Bearing Loans & Borrowings | 17 | 1,334,519 | 1,601,154 | 1,334,295 | 1,601,154 |
| Retirement Benefits Obligation | 18 | 519,717 | 509,520 | 304,779 | 337,071 |
| | | **2,814,633** | **2,991,795** | **2,599,471** | **2,819,346** |
| **Current Liabilities** | | | | | |
| Interest Bearing Loans & Borrowings | 17 | 268,199 | 274,608 | 266,859 | 266,859 |
| Trade & Other Payables | 19 | 4,019,579 | 2,168,141 | 3,230,579 | 1,666,523 |
| Taxation Payable | | 444,499 | 185,771 | 363,594 | 139,360 |
| Provision for Land Filling | | - | 557,993 | - | 557,993 |
| Dividend Payable | | 911 | 910 | - | - |
| Advances Received | 20 | 3,680,608 | 3,817,032 | 3,636,284 | 3,727,638 |
| Bank Overdrafts | 15 | 14,607 | 16,997 | - | - |
| | | **8,428,403** | **7,021,452** | **7,497,316** | **6,358,373** |
| **Total Liabilities** | | **11,243,036** | **10,013,247** | **10,096,787** | **9,177,719** |
| **Total Equity & Liabilities** | | **22,294,400** | **20,678,655** | **20,712,118** | **19,482,396** |

The Accounting Policies and Notes on pages 80 to 95 form an integral part of these Financial Statements.
The Financial Statements have been prepared and presented in compliance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

**JAPK Jayasinghe**
Deputy General Manager (Finance)

**Eng. (Mrs.) Srimathi Senadheera**
General Manager

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

**Eng. Hiran Balasuriya**
**Rear Admiral**
Chairman
22nd June 2023

**Mr. Gamini Hewage**
Director

# Statement of Changes in Equity

**GROUP**

| Description | Contributed Capital Rs'000 | Capital Reserve Rs'000 | Assets Revaluation Reserve Rs'000 | Retained Earnings Rs'000 | Non Controlling Interest Rs'000 | Total Rs.000 |
|---|---|---|---|---|---|---|
| **Balance as at 31.12.2020** | **1,000** | **13,461** | **231,512** | **9,265,800** | **59,475** | **9,571,248** |
| Profit/(Loss) for the year 2021 | - | - | - | 1,036,996 | 3,456 | 1,040,452 |
| Surplus on Revaluation of PPE | - | - | 27,178 | - | 6,795 | 33,973 |
| Actuarial Gain/(Loss) on Defined Benefit Plans | - | - | - | 16,915 | 2,820 | 19,735 |
| **Balance as at 31.12.2021** | **1,000** | **13,461** | **258,690** | **10,319,711** | **72,546** | **10,665,408** |
| Prior Year Adjustment | - | - | - | 99 | 27 | 126 |
| **Balance as at 31.12.2021 (Adjusted)** | **1,000** | **13,461** | **258,690** | **10,319,810** | **72,573** | **10,665,534** |
| Profit/(Loss) for the year 2022 | - | - | - | 331,793 | 15,107 | 346,900 |
| Actuarial Gain/(Loss) on Defined Benefit Plans | - | - | - | 39,002 | (72) | 38,930 |
| **Balance as at 31.12.2022** | **1,000** | **13,461** | **258,690** | **10,690,605** | **87,608** | **11,051,364** |

**CORPORATION**

| | Contributed Capital Rs.000 | Capital Reserve Rs.000 | Asset Revaluation Reserve Rs.000 | Retained Earnings Rs.000 | Total Rs.000 |
|---|---|---|---|---|---|
| **Balance as at 31.12.2020** | **1,000** | **13,461** | **212,430** | **9,048,981** | **9,275,872** |
| Profit/(Loss) for the year 2021 | - | - | - | 1,023,171 | 1,023,171 |
| Actuarial Gain/(Loss) on Defined Benefit Plans | - | - | - | 5,634 | 5,634 |
| **Balance as at 31.12.2021** | **1,000** | **13,461** | **212,430** | **10,077,786** | **10,304,677** |
| Profit/(Loss) for the year 2022 | - | - | - | 271,366 | 271,366 |
| Actuarial Gain/(Loss) on Defined Benefit Plans | - | - | - | 39,288 | 39,288 |
| **Balance as at 31.12.2022** | **1,000** | **13,461** | **212,430** | **10,388,440** | **10,615,331** |

The Accounting Policies and Notes on Pages 80 to 95 form an integral part of these Financial Statements.

# Cashflow Statement

| For the year ended 31st December | GROUP 2022 Rs. 000 | GROUP 2021 Rs.000 | CORPORATION 2022 Rs. 000 | CORPORATION 2021 Rs. 000 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Net Profit / (Loss) before Taxation | 854,339 | 1,304,212 | 761,037 | 1,262,996 |
| **Adjustments for;** | | | | |
| Depreciation and Amortization | 386,007 | 350,159 | 359,975 | 318,257 |
| Finance Costs | 227,176 | 267,924 | 219,972 | 263,682 |
| Finance Income | (1,207,643) | (378,226) | (1,190,633) | (368,978) |
| Amortization of Deferred Income | (200,573) | (222,586) | (200,573) | (222,586) |
| Provision for Doubtful Debts | (38,638) | (71,832) | (38,564) | (24,438) |
| Bad Debts Written Off | 3 | 81,501 | 3 | 81,501 |
| Profit on Sale of Property, Plant & Equipment | (95,361) | (136 ) | (95,281) | (115) |
| Provision for Slow Moving Inventories | 7,817 | 9,220 | 7,817 | 9,220 |
| Provision for Defined Benefit Obligations | 113,503 | 92,035 | 56,852 | 49,031 |
| **Operating Profit before Working Capital Changes** | **46,630** | **1,432,271** | **(119,395)** | **1,368,570** |
| **Changes in Working Capital** | | | | |
| (Increase) / Decrease in Inventories | (518,087) | (17,408) | (540,655) | 25,267 |
| (Increase) / Decrease in Trade & Other Receivables | (217,899) | 504,705 | 191,017 | 484,489 |
| Increase / (Decrease) in Compensation Payable | 31,900 | 3,341 | 31,900 | 3,341 |
| Increase / (Decrease) in Medical Fund | 12,330 | 13,625 | 12,330 | 13,625 |
| Increase / (Decrease) in Advance Received | (136,424) | (304,890) | (91,354) | (304,890) |
| Increase / (Decrease) in Trade & Other Payables | 1,809,327 | 12,115 | 1,521,945 | 45,828 |
| **Cash Generated from Operations** | 1,027,777 | 1,643;759 | 1,005,788 | 1,636,230 |
| Income Tax Paid | (219,828) | (43,814) | (219,815) | (37,649) |
| Gratuity Paid | (64,376) | (53,764) | (49,856) | (44,019) |
| ***Net Cash from / (used in) Operating Activities*** | **743,573** | **1,546,181** | **736,117** | **1,554,562** |
| **Cash Flows from Investing Activities** | | | | |
| Acquisition of Property, Plant & Equipment | (558,909) | (79,684) | (551,463) | (69,124) |
| Net Investment in Fixed Deposits | (3,141,846) | (146,332) | (3,129,998) | (135,644) |
| Interest Income Received | 621,028 | 462,986 | 601,257 | 450,978 |
| Proceeds from Sale of Property, Plant & Equipment | 99,386 | 8,679 | 96,018 | 2,776 |
| ***Net Cash from / (used in) Investing Activities*** | **(2,980,341)** | **245,649** | **(2,984,186)** | **248,986** |
| **Cash Flows from Financing Activities** | | | | |
| Loan Repayments | (268,198) | (1,829,214) | (266,859) | (1,827,697) |
| Interest Paid on Loans | (184,821) | (282,165) | (177,861) | (278,937) |
| Lease Rentals Paid | (5,090) | (7,312) | - | - |
| ***Net Cash from / (used in) Financing Activities*** | **(458,109)** | **(2,118,691)** | **(444,720)** | **(2,106,634)** |
| Net Increase / (Decrease) in Cash and Equivalents | (2,694,877) | (326,861) | (2,692,789) | (303,086) |
| Cash and Cash Equivalents at the beginning of the Year | 3,745,441 | 4,072,302 | 3,672,166 | 3,975,252 |
| Cash and Cash Equivalents at the end of the Year (Note 15) | **1,050,564** | **3,745,441** | **979,377** | **3,672,166** |

The Accounting Policies and Notes on Pages 80 to 95 form an integral part of these Financial Statements.

# Significant Accounting Policies

## 1. CORPORATE INFORMATION

### 1.1 Reporting Entity

Sri Lanka Land Development Corporation is a Public Corporation domiciled in Sri Lanka. The Corporation was incorporated on September 22, 1968 by Act No.15 of 1968.

The registered office and the principal place of business of the Corporation is situated at No. 03 Sri Jayawardenepura Mawatha, Welikada, Rajagiriya.

### 1.2 Consolidated Financial Statements

The consolidated financial statements of Sri Lanka Land Development Corporation for the year ended 31st December 2022 comprise the Corporation and its two subsidiaries (together referred to as the "Group"). The financial statements of all entities in the group have a common financial year which ends on 31st December. Sri Lanka Land Development Corporation do not have any identifiable parent of its own. The Corporation is the ultimate parent of the Group.

### 1.3 Principal Activities and Nature of Operations

During the year principal activities of the Corporation and its subsidiaries were as follows.

| Name of the Entity | Nature of Business |
|---|---|
| Sri Lanka Land Development Corporation | Drainage improvements, land developments, urban landscaping, management of wetlands, mining and sale of offshore sand, waste management, civil constructions and providing related engineering services |
| Land Reclamation and Development Company Ltd | Manufacturing and sale of cement blocks, pre cast items and civil construction works |
| LRDC Services (Private) Ltd | Providing security services and manpower supply |

Both subsidiaries of the Corporation have been incorporated in Sri Lanka under the Companies Act.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 General Accounting Policies

#### 2.1.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

#### 2.1.2 Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets that have been measured at fair value through profit or loss.

#### 2.1.3 Presentation and Functional Currency

The consolidated financial statements are presented in Sri Lanka Rupees which is the functional and presentation currency of the Group.

#### 2.1.4 Statement of Compliance

The statement of financial position, statement of comprehensive income, statement of changes in equity and cash flow, together with accounting policies and notes ("financial statements") of the Corporation and the Group as at 31st December, 2022 and for the year then ended have been prepared in compliance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka.

#### 2.1.5 Going Concern

The Directors have made an assessment of the Corporation and its subsidiaries' ability to continue as going concerns and do not intend either to liquidate or curtail the operations of respective entities.

#### 2.1.6 Comparative Information

The accounting policies have been consistently applied by the Corporation and the Group with those of previous year in accordance with the Sri Lanka Accounting Standards – LKAS 01 on "Presentation of Financial Statements". Comparative information is re-classified wherever necessary to conform to the current presentation.

#### 2.1.7 Materiality Aggregation and Offsetting

Assets and liabilities, income and expenses are not offset unless it is required or permitted by an Accounting Standards.

Each material class of items is presented separately in the financial statements. Items of the similar nature or functions are presented in aggregate unless they are material.

#### 2.1.8 Significant Accounting Judgments, Estimates and Assumptions

The preparation of Group's financial statements requires management to make judgments, estimates and assumptions that would affect the reported amounts of revenue, expenses, assets and liabilities and the disclosures. Any material adjustments causing to the carrying amounts of assets and liabilities due to these judgments, estimates and assumptions are considered in the next financial year.

## SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

### 2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at 31st December, 2022. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continues to be consolidated until the date when such control ceases.

**a) Subsidiaries**

Subsidiaries are all entities over which the Group has the power directly to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Group controls another entity. Subsidiaries are fully consolidated from the date which the control is transferred to the Group. They are de-consolidated from the date that control ceases.

| Name of the Entity | Effective Holding |
|---|---|
| Land Reclamation and Development Company Ltd (REDECO) | 80% |
| LRDC Services (Private) Ltd | 80% |

Total profits and losses of the Corporation and of its subsidiaries are included in consolidated statement of comprehensive income. All assets and liabilities of the Corporation and of its subsidiaries are included in the consolidated statement of financial position.

**b) Non-Controlling interest**

The interest of the outside shareholders in net assets of the Group and proportion of the profit after taxation applicable to outside shareholders are stated separately in the consolidated statement of financial position and the consolidated statement of comprehensive income under the heading "Non-Controlling Interest"

**c) Transaction eliminated on Consolidation**

All intra group balances, income and expenses and unrealized gains and losses and dividends resulting from intra group transactions are eliminated in full.

### 2.3 Assets and Bases of their Valuation

#### 2.3.1 Property, Plant & Equipment

Property, Plant and Equipment are stated at cost of purchase or construction, less accumulated depreciation. Cost of purchase or construction includes any attributable cost of bringing the assets to its intended working condition or use.

**Depreciation**

Depreciation is provided to write off the cost of Property Plant and Equipment on a straight-line basis over their estimated useful lives as disclosed below.

| | |
|---|---|
| Leasehold Land | Over Lease period |
| Buildings on Freehold Lands | 10 to 20 years |
| Heavy Plant & Machinery | 10 years |
| Small Plant and Machineries | 10 years |
| Light Motor Vehicles | 5 years |
| Heavy Motor Vehicles | 5 years |
| Office Equipment | 8 years |
| Kitchen & Welfare Equipment | 10 years |
| Furniture & Fittings | 10 years |
| Laboratory & Survey Equipment | 10 years |
| Boat Engines & Accessories | 10 years |
| Bicycles | 2 years |
| Convertainers | 10 years |
| Gym Equipment | 10 years |
| Solar Systems | 10 years |
| Other Fixed Assets | 10 years |
| Structures on Possession owned Lands | 10 years |

No depreciation is provided to write off the cost of the freehold lands.

The depreciation of an asset begins when it is available for use and ceases on the date when the asset is derecognized.

#### 2.3.2 Intangible Asset

An Intangible asset is recognized when it is probable that future economic benefits associated with the assets will flow to the entity and cost of the asset can be measured reliably.

The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any directly attributable cost of preparing the asset for its intended use.

An intangible asset carried at its cost less any accumulated amortization and any accumulated impairment losses.

**Amortization**

Amortization of intangible assets with a finite life is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date on which they are available for intended use. The estimated useful lives of intangible assets held by the corporation are as follows:

| | |
|---|---|
| Computer Software | 10 years |
| Other Intangible Asset | 10 years |

## SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

### 2.3.3 Investment Properties

Investment property is a property held to earn rental income but not held for sale in the ordinary course of business or using it for the production or supply of goods or services or for administration purposes. Investment properties are stated at the acquisition cost and subsequent development costs.

### 2.3.4 Inventories

Inventories are valued at the lower of cost and estimated net realizable value, after making due allowances for obsolete and slow moving items. The cost includes all the cost incurred in bringing inventories to its present location and conditions. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The costs of inventories are charged to Income Statement using the Weighted Average Cost formula when inventories are consumed or sold.

### 2.3.5 Work-in-Progress

Work-in-progress relates to long term construction projects in progress at the date of the Statement of Financial Position and is valued at direct cost comprising of material, labour and direct overheads attributable to the projects.

### 2.3.6 Trade and Other Receivables

Trade receivables are recognized at the amounts they are estimated to realize net of provisions for impairment. Other receivables and dues from related parties are recognized at fair value less provision for impairment. Provision is made in the accounts for bad and doubtful debts by considering their level of recoverability.

### 2.3.7 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 at Banks including REPO and Treasury Bills net of Bank Overdrafts.

### 2.3.8 Government Grants

Government grant received in the form of long term assets, has been recognized as a Deferred Income and annually recognized as an income over the useful life of the asset based on the capital approach.

Government grants (except long term assets) received during the year relating to operating activities have been recognized in full in the Statement of Comprehensive Income. The related costs are charged to the statement of Comprehensive Income in the same period.

Conditions and other contingencies attaching to the government grants will be considered and disclosed.

## 2.4 Liabilities and Provisions

### 2.4.1 Liabilities

Liabilities classified under current liabilities in the statement of financial position are expected to fall due within one year from the statement of financial position date. Items classified as non- current liabilities are those expected to fall due at a point of time after one year from the reporting date.

### 2.4.2 Retirement Benefit Obligations

#### 2.4.2.1 Defined Benefits Plans- Gratuity

The liability recognized in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation as calculated annually by independent actuaries using Project Unit Credit (PUC) method as recommended by LKAS 19-"Employees Benefit". Actuarial gains & losses for defined benefit plans are recognized in full in the period in which they occur in other comprehensive income.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years of continued service.

#### 2.4.2.2 Defined Contribution Plans

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statues and regulations.

**(a) Employees Provident Fund**

The Corporation contributes 12% and employees contribute 10% to the Employees' Provident Fund.

**(b) Employees Trust Fund**

The Corporation contributes 3% on behalf of the employees to the Employees' Trust Fund.

### 2.4.3 Taxation

**a) Income Tax**

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. 24 of 2017 and subsequent amendments thereto.

**b) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

## SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

### 2.5 Statement of Comprehensive Income

#### 2.5.1 Revenue

Corporation recognized revenue from contracts with customers as an when performance obligations are satisfied. The following specific criteria are used for the purpose of recognition of revenue.

**a) Sale of Goods**

Revenue from the sale of goods is recognized when the Corporation satisfies a performance obligation by transferring promised goods to a customer.

**b) Rendering of Services**

Revenue from the rendering of the service is recognized when the Corporation satisfies a performance obligation by transferring a promised service to a customer.

**c) Income from Land Sales**

When lands are sold by Tender or by other mode, the sale value is taken to revenue generally when the transfer deed has been executed or else if all payments have been received and there is no likelihood of the sale not being executed by a transfer deed.

**d) Construction Contracts**

Revenue from Construction contracts include the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

The Corporation recognizes revenue from construction contracts over the period during which the contract is carried out using output method towards the complete satisfaction of the performance obligation in accordance with SLRFS 15. Contract costs are usually recognized in the accounting periods in which the work to which they relate is performed.

However, recognition of revenue on the construction contracts which require approval of the Standing Technical Committee (STC) of Ministry of Housing is limited to 90% of the engineer certified work value until such approval is granted by the STC.

**e) Interest Income**

Interest Income is recognized on an accrual basis.

**f) Dividend Income**

Dividend Income is recognized when the right to receive dividend is established.

**g) Other Income**

Other Income is recognized on an accrual basis.

### 2.6 Borrowing Cost

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.7 Extraordinary Items

All relevant details have been disclosed in notes to the accounts.

### 2.8 Events Occurring After the Statement of Financial Position Date

All material events occurring after the statement of financial position date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

# Notes to the Financial Statements

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | | Rs. 000 | Rs.000 | Rs. 000 | Rs.000 |
| 1 | **Revenue** | | | | |
| | Revenue from Treasury Funded Projects | 748,404 | 2,352,481 | 748,404 | 2,352,481 |
| | Revenue from Client Projects | 1,104,352 | 1,773,550 | 1,082,429 | 1,686,642 |
| | Sale of Offshore Sand | 1,896,316 | 2,382,917 | 1,896,290 | 2,350,541 |
| | Sale of Lands | 96,000 | - | 96,000 | - |
| | Lease of Lands | 151,154 | 160,674 | 151,154 | 160,674 |
| | Consultancy Services | 22,203 | 16,836 | 22,203 | 16,836 |
| | Land Clearance Income | 42,509 | 31,944 | 42,509 | 31,944 |
| | Income from Leisure Parks and Recreational Areas | 122,247 | 75,153 | 123,499 | 76,382 |
| | Waste Management Park Income | 113,070 | 112,070 | 113,070 | 112,070 |
| | Income from EMT Lab | 4,579 | 4,404 | 4,579 | 4,404 |
| | Income from Hiring of Machineries | 9,819 | 1,003 | 9,819 | 1,003 |
| | Income from Security Services | 2,367,705 | 1,648,314 | - | - |
| | Sale of Blocks & Hume Pipes | 46,906 | 46,151 | - | - |
| | | **6,725,264** | **8,605,497** | **4,289,956** | **6,792,977** |
| 2 | **Direct Cost** | | | | |
| | Cost Incurred on Treasury Funded Projects | 459,736 | 1,692,670 | 688,077 | 1,692,670 |
| | Cost Incurred on Client Projects | 543,827 | 1,288,787 | 864,283 | 1,221,406 |
| | Cost of Offshore Sand Sold | 831,362 | 1,230,393 | 833,491 | 1,213,553 |
| | Cost of Land Sold | 631 | - | 631 | - |
| | Cost of Consultancy Services | 582 | 2,460 | 582 | 2,460 |
| | Cost of Miscellaneous Projects | 9,649 | 1,191 | 9,649 | 1,191 |
| | Cost of Providing Security Services | 2,638,210 | 1,499,987 | - | - |
| | Cost of Blocks & Hume Pipes sold | 35,058 | 16,562 | - | - |
| | | **4,519,055** | **5,732,050** | **2,396,713** | **4,131,280** |
| 3 | **Other Operating Income** | | | | |
| | Rent Income | 210,435 | 60,039 | 224,362 | 60,379 |
| | Advertisement Board Income | 4,140 | 10,544 | 4,140 | 10,544 |
| | Profit on Sale of PPE | (8) | 136 | (88) | 115 |
| | Legal Fees Collected | 2,877 | 1,606 | 2,877 | 1,606 |
| | Income from Circuit Bungalows | 5,035 | 1,451 | 5,035 | 1,451 |
| | Encashment of Bonds | 9,662 | 3,220 | 9,662 | 1,322 |
| | Recovery of Utility & Logistic Expenses | 12,694 | 7,475 | 12,694 | 7,475 |
| | Agriculture Farm Income | 1,006 | 873 | 1,006 | 873 |
| | Boat Transportation Income | - | 14 | - | 14 |
| | Document Fee & Supplier Registration | 2,435 | 3,335 | 2,435 | 3,335 |
| | Income from Sudunelumpura | 3,281 | 3,280 | 3,281 | 3,280 |
| | Income from Car Parks | 3,337 | | 3,337 | |
| | Miscellaneous Income | 27,290 | 12,784 | 7,518 | 3,589 |
| | | **282,184** | **104,757** | **276,259** | **93,983** |
| 4 | **Profit/(Loss) from Operations**<br>*Is stated after charging all expenses including;* | | | | |
| | Directors' Emoluments | 1,307 | 2,517 | 808 | 550 |
| | Auditors' Remuneration | 3,423 | 3,928 | 1,960 | 2,084 |
| | Defined Contribution Plan Cost -EPF & ETF | 130,084 | 245,005 | 118,192 | 114,327 |
| | Defined Benefit Plan Cost-Retirement Gratuity | 113,503 | 92,035 | 56,852 | 49,031 |
| | Exchange Gain/(Loss) | 263,163 | (32,665) | 263,103 | (32,665) |
| | Bad Debts Write-off | 3 | 81,501 | 3 | 81,501 |
| | Donation & CSR Activities | 378 | 4,719 | 282 | 4,502 |
| | Provision/(Reversal) for Bad & Doubtful Debtors | (38,639) | (79,887) | (38,564) | (32,495) |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | **2022** | **2021** | **2022** | **2021** |
| | | **Rs. 000** | **Rs.000** | **Rs. 000** | **Rs.000** |
| **5** | **Finance Costs** | | | | |
| | Interest on Banks Loans | 218,532 | 254,724 | 213,107 | 252,022 |
| | Interest on Compensation Payable for Lands Acquired | 5,900 | 847 | 5,900 | 847 |
| | Overdraft Interest | 1,490 | 525 | - | - |
| | Finance Charges on Leases | 244 | 1,014 | - | - |
| | Other Interests Paid | 1,010 | 10,813 | 965 | 10,813 |
| | | **227,176** | **267,923** | **219,972** | **263,682** |
| **6** | **Finance Income** | | | | |
| | Interest Income on REPO Investments | 154,767 | 150,633 | 146,274 | 146,867 |
| | Interest on Fixed Deposits Investments | 1,028,500 | 209,490 | 1,017,575 | 201,564 |
| | Interest Income on USD Account | 14,236 | 8,620 | 14,236 | 8,620 |
| | Staff Loan Interest | 8,007 | 12,195 | 7,655 | 11,879 |
| | Interest on Related Party Loans | - | - | 2,760 | 2,760 |
| | Interest Income on Other Sources | 2,133 | (2,712) | 2,133 | (2,712) |
| | | **1,207,643** | **378,226** | **1,190,633** | **368,978** |
| **7** | **Taxation** | | | | |
| | Provision for Income Tax for Current Year | 307,802 | 272,776 | 273,295 | 250,168 |
| | Under/(Over) Provision in respect of Previous Years | 145,754 | - | 145,754 | - |
| | Deferred Tax Provision/ (Reversal) | 28,883 | (9,015) | 45,622 | (10,343) |
| | Special Levy to Consolidated Fund | 25,000 | - | 25,000 | - |
| | | **507,439** | **263,761** | **489,671** | **239,825** |
| **7.1** | **Income Tax** | | | | |
| | Profit/(Loss) before Taxation | **854,339** | **1,304,212** | **761,037** | **1,262,996** |
| | Less: Disallowable Income | (1,647,621) | - | (1,639,148) | - |
| | Add: Disallowable Expenses | 1,156,213 | 370,485 | 1,080,850 | 299,867 |
| | | **362,931** | **1,674,697** | **202,739** | **1,562,863** |
| | Less: Allowable Expenses | (405,839) | 820,895 | (366,932) | (799,842) |
| | Profit/(Loss) from Business | (42,908) | 853,802 | (164,193) | 763,021 |
| | Interest Income | 1,176,396 | 279,345 | 1,176,396 | 279,345 |
| | Taxable Income | **1,147,885** | **1,136,565** | **1,012,203** | **1,042,366** |
| | Effective Tax Rate | 24%and30% | 24% | 24%and30% | 24% |
| | Income Tax Provision for Current Year | **307,802** | **272,776** | **273,295** | **250,168** |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

### 8 A Property, Plant & Equipment (Group)

| Assets Category | Cost/Valuation | | | | | Depreciations | | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 Rs.000 | Adjustments Rs.000 | Additions During the Year Rs.000 | Disposals During the Year Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Adjustments Rs.000 | Charge for the year Rs.000 | On Disposals Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Balance As at 31.12.2022 Rs.000 |
| **At Cost** | | | | | | | | | | | | |
| Freehold Lands | 12,005 | - | - | - | 12,005 | - | - | - | - | - | 12,005 | 12,005 |
| Leasehold Lands | 27,930 | - | - | - | 27,930 | 3,835 | - | 915 | - | 4,750 | 24,095 | 23,180 |
| Buildings on Freehold Land | 1,302,564 | (335,705) | 184,920 | - | 1,151,779 | 326,364 | (9,313) | 45,172 | - | 362,223 | 976,200 | 789,556 |
| Heavy Plant & Machinery | 2,269,917 | - | 439,705 | - | 2,709,622 | 1,771,906 | - | 154,672 | - | 1,926,578 | 498,011 | 783,044 |
| Small Plant & Machinery | 79,930 | - | 18,357 | - | 98,287 | 54,051 | - | 8,966 | - | 63,017 | 25,879 | 35,270 |
| Light Motor Vehicles | 385,872 | 34,570 | 75,400 | 4,610 | 491,232 | 192,320 | 21,211 | 84,654 | 1,458 | 296,727 | 193,552 | 194,505 |
| Heavy Motor Vehicles | 10,668 | - | 35,063 | - | 45,731 | 8,088 | - | 3,730 | - | 11,818 | 2,580 | 33,913 |
| Electric Cars | 175 | - | - | 175 | - | 70 | - | - | 70 | - | 105 | - |
| Motor Vehicles on Finance Lease | 34,570 | (34,570) | - | - | - | 21,211 | (21,211) | - | - | - | 13,359 | - |
| Office Equipment | 167,896 | 153 | 15,052 | 50 | 183,051 | 117,386 | 27 | 12,015 | 27 | 129,401 | 50,510 | 53,650 |
| Kitchen and Welfare Equipment | 28,076 | - | - | - | 28,076 | 27,905 | - | 66 | - | 27,971 | 171 | 105 |
| Furniture & Fittings | 80,779 | - | 36,928 | 161 | 117,546 | 43,149 | - | 6,022 | 81 | 49,090 | 37,630 | 68,456 |
| Laboratory and Survey Equipment | 151,642 | - | 2,784 | - | 154,426 | 83,287 | - | 19,088 | - | 102,375 | 68,355 | 52,051 |
| Boat Engines & Accessories | 92,135 | - | 5,918 | - | 98,053 | 54,263 | - | 17,766 | - | 72,029 | 37,872 | 26,024 |
| Bicycles | 2,524 | - | 240 | 12 | 2,752 | 2,184 | - | 198 | 11 | 2,371 | 340 | 381 |
| Convertainers | 113,160 | - | 6,885 | - | 120,045 | 61,645 | - | 9,156 | - | 70,801 | 51,515 | 49,244 |
| Gym Equipment | 18,290 | - | - | - | 18,290 | 12,313 | - | 3,673 | - | 15,986 | 5,977 | 2,304 |
| Solar Systems | - | - | 6,530 | - | 6,530 | - | - | - | - | - | - | 6,530 |
| Other Fixed Assets | 16,534 | (33) | 26,091 | - | 42,592 | 12,265 | - | 1,184 | - | 13,449 | 4,269 | 29,143 |
| Structures on Possession on Own Lands | 39,788 | - | 2,235 | - | 42,023 | 25,182 | - | 2,390 | - | 27,572 | 14,606 | 14,451 |
| | **4,834,455** | **(335,585)** | **856,108** | **5,008** | **5,349,970** | **2,817,424** | **(9,286)** | **369,667** | **1,647** | **3,176,158** | **2,017,031** | **2,173,812** |
| Capital Work In Progress | | | | | | | | | | | 337,321 | 164,756 |
| | | | | | | | | | | | **2,354,352** | **2,338,568** |

**8A.1** Four Buildings costing Rs. 335,705,093/- were transferred to Investment Properties (Note 10A) during the year 2022, as these buildings are held either for renting purpose or value appreciation purpose.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)
### 8B Property, Plant & Equipment (Corporation)

| Assets Category | Cost/Valuation | | | | | Depreciations | | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 | Adjustments | Additions During the Year | Disposals During the Year | Balance As at 31.12.2022 | Balance As at 31.12.2021 | Adjustments | Charge for the year | On Disposals | Balance As at 31.12.2022 | Balance As at 31.12.2021 | Balance As at 31.12.2022 |
| | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 | Rs.000 |
| **At Cost/Valuation** | | | | | | | | | | | | |
| Freehold Lands | 8,173 | - | - | - | 8,173 | - | - | - | - | - | 8,173 | 8,173 |
| Leasehold Lands | 10,012 | - | - | - | 10,012 | 1,690 | - | 318 | - | 2,008 | 8,322 | 8,004 |
| Buildings on Freehold Land | 1,266,196 | (335,705) | 184,920 | - | 1,115,411 | 311,426 | (9,313) | 42,388 | - | 344,501 | 954,770 | 770,910 |
| Heavy Plant & Machinery | 2,214,139 | - | 439,705 | - | 2,653,844 | 1,741,171 | - | 147,839 | - | 1,889,010 | 472,968 | 764,834 |
| Small Plant & Machinery | 79,930 | - | 18,357 | - | 98,287 | 54,051 | - | 8,966 | - | 63,017 | 25,879 | 35,270 |
| Light Motor Vehicles | 353,786 | - | 75,400 | - | 429,186 | 181,134 | - | 74,642 | - | 255,776 | 172,652 | 173,410 |
| Heavy Motor Vehicles | 4,300 | - | 35,063 | - | 39,363 | 1,720 | - | 3,730 | - | 5,450 | 2,580 | 33,913 |
| Electric Cars | 175 | - | - | 175 | - | 70 | - | - | 70 | - | 105 | - |
| Office Equipment | 139,732 | - | 13,521 | - | 153,253 | 98,030 | - | 9,580 | - | 107,610 | 41,702 | 45,643 |
| Kitchen and Welfare Equipment | 28,076 | - | - | - | 28,076 | 27,904 | - | 66 | - | 27,970 | 172 | 106 |
| Furniture & Fittings | 74,107 | - | 36,928 | - | 111,035 | 39,112 | - | 5,489 | - | 44,601 | 34,995 | 66,434 |
| Laboratory and Survey Equipment | 151,642 | - | 2,784 | - | 154,426 | 83,287 | - | 19,088 | - | 102,375 | 68,355 | 52,051 |
| Boat Engines & Accessories | 92,135 | - | - | - | 92,135 | 54,263 | - | 15,145 | - | 69,408 | 37,872 | 22,727 |
| Bicycles | 2,524 | - | 240 | 12 | 2,752 | 2,184 | - | 198 | 11 | 2,371 | 340 | 381 |
| Convertainers | 113,160 | - | 6,885 | - | 120,045 | 61,646 | - | 9,156 | - | 70,802 | 51,514 | 49,243 |
| Gym Equipment | 18,290 | - | - | - | 18,290 | 12,313 | - | 3,673 | - | 15,986 | 5,977 | 2,304 |
| Solar Systems | - | - | 6,530 | - | 6,530 | - | - | - | - | - | - | 6,530 |
| Other Fixed Assets | 11,925 | - | 26,092 | - | 38,017 | 8,332 | - | 1,058 | - | 9,390 | 3,593 | 28,627 |
| Structures on Possession on Own Lands | 39,788 | - | 2,235 | - | 42,023 | 25,181 | - | 2,390 | - | 27,571 | 14,607 | 14,452 |
| | **4,608,090** | **(335,705)** | **848,660** | **187** | **5,120,858** | **2,703,514** | **(9,313)** | **343,726** | **81** | **3,037,846** | **1,904,576** | **2,083,012** |
| Capital Work In Progress | | | | | | | | | | | 332,605 | 160,040 |
| | | | | | | | | | | | **2,237,181** | **2,243,052** |

**8B.1** Four Buildings costing Rs. 335,705,093/- were transferred to Investment Properties (Note 10B) during the year 2022, as these buildings are held either for renting purpose or value appreciation purpose.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

### 9 A Intangible Assets (Group)

| Assets Category | Cost/Valuation | | | | Amortization | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 Rs.000 | Additions During the Year Rs.000 | Disposals During the Year Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Charge for the year Rs.000 | On Disposals Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Balance As at 31.12.2022 Rs.000 |
| **At Cost** | | | | | | | | | | |
| Computer Software | 8,140 | 13,082 | - | 21,222 | 5,688 | 801 | - | 6,489 | 2,452 | 14,733 |
| Other Intangible Assets | 1,690 | - | - | 1,690 | 1,690 | - | - | 1,690 | - | - |
| | **9,830** | **13,082** | **-** | **22,912** | **7,378** | **801** | **-** | **8,179** | **2,452** | **14,733** |

### 9 B Intangible Assets (Corporation)

| Assets Category | Cost/Valuation | | | | Amortization | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 Rs.000 | Additions During the Year Rs.000 | Disposals During the Year Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Charge for the year Rs.000 | On Disposals Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Balance As at 31.12.2022 Rs.000 |
| **At Cost** | | | | | | | | | | |
| Computer Software | 5,823 | 13,082 | - | 18,905 | 3,537 | 710 | - | 4,247 | 2,286 | 14,658 |
| Other Intangible Assets | 1,690 | - | - | 1,690 | 1,690 | | | 1,690 | - | - |
| | **7,513** | **13,082** | **-** | **20,595** | **5,227** | **710** | **-** | **5,937** | **2.286** | **14,658** |

### 10 A Investment Properties (Group)

| Assets Category | Cost/Valuation | | | | | Depreciations | | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 Rs.000 | Adjustments Rs.000 | Additions During the Year Rs.000 | Disposals During the Year Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Adjustments Rs.000 | Charge for the year Rs.000 | On Disposals Rs.000 | Balance As at 31.12.202 2 Rs.000 | Balance As at 31.12.2021 Rs.000 | Balance As at 31.12.2022 Rs.000 |
| **At Cost** | | | | | | | | | | | | |
| Freehold Lands | 2,563,493 | - | 52,283 | (631) | 2,615,145 | - | - | - | - | | 2,563,493 | 2,615,145 |
| Buildings on Freehold Lands | | 335,705 | - | | 335,705 | | 9,313 | 15,539 | - | 24,852 | - | 310,853 |
| | **2,563,493** | **335,705** | **52,283** | **(631)** | **2,950,850** | **-** | **9,313** | **15,539** | **-** | **24,852** | **2,563,493** | **2,925,998** |

### 10 B Investment Properties (Corporation)

| Assets Category | Cost/Valuation | | | | | Depreciations | | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance As at 31.12.2021 Rs.000 | Adjustments Rs.000 | Additions During the Year Rs.000 | Disposals During the Year Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Adjustment s Rs.000 | Charge for the year Rs.000 | On Disposals Rs.000 | Balance As at 31.12.2022 Rs.000 | Balance As at 31.12.2021 Rs.000 | Balance As at 31.12.2022 Rs.000 |
| **At Cost** | | | | | | | | | | | | |
| Freehold Lands | 2,563,493 | - | 52,283 | (631) | 2,615,145 | - | - | - | - | | 2,563,493 | 2,615,145 |
| Buildings on Freehold Lands | | 335,705 | - | | 335,705 | | 9,313 | 15,539 | - | 24,852 | - | 310,853 |
| | **2,563,493** | **335,705** | **52,283** | **(631)** | **2,950,850** | **-** | **9,313** | **15,539** | **-** | **24,852** | **2,563,493** | **2,925,998** |

**10.1** The Corporation applies the cost model of Accounting for Investment Properties.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

**10.2** Details of the Investment Properties held by the Corporation as at 31/12/2022 are as follows.

| Property | Extent | | | 2022 Carrying Value Rs. 000 | 2022 Estimated Fair Value Rs. 000 | 2021 Carrying Value Rs. 000 | 2021 Estimated Fair Value Rs. 000 |
|---|---|---|---|---|---|---|---|
| Land at Muthurajawela | 64A | 1R | 24.7P | 1,758,419 | 4,104,000 | 1,758,419 | 4,121,880 |
| Land at Lake Drive | 1A | 0R | 12P | 3,081 | 14,068 | 3,081 | ** |
| Land at Wedamulla | 9A | 3R | 38P | 208,439 | 1,118,494 | 208,439 | 1,118,494 |
| Land at Ambalangoda | 14A | 3R | 45.04P | 38,556 | 1,115,300 | 38,556 | 300,630 |
| Land at Kirimandala Mawatha | 17A | 3R | 18.13P | 169,771 | 5,626,099 | 169,771 | 15,719,715 |
| Land at Attidiya | 2A | 1R | 20.43P | 2,695 | 9,978 | 2,695 | 200,000 |
| Land at Narahenpita Model Farm | 1A | 1R | 14.5P | 5,326 | 17,544 | 5,326 | 1,179,750 |
| Land at Mudun Ela | 139A | 1R | 17.49P | 138,520 | 539,060 | 139,151 | 223,455 |
| Land at 9th Lane – Kotte | 2A | 3R | 19.69P | 80,839 | 27,199 | 80,839 | 781,449 |
| Land at Ragama | 51A | 1R | 33P | 209,499 | ** | 157,216 | ** |
| Buildings on Freehold Lands | - | - | - | 310,853 | - | - | - |
| **Total** | | | | **2,925,998** | | **2,563,493** | |

Above estimated fair values have been determined by reference to the Chief Valuer's Valuation of the Lands in the area.
** Valuations are not available for land at Ragama and Building on Freehold Lands.

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | 2022 Rs. 000 | 2021 Rs.000 | 2022 Rs. 000 | 2021 Rs.000 |
| **11** | **Investments in Subsidiaries** | | | | |
| | Land Reclamation & Development Co. Ltd | - | - | 2,000 | 2,000 |

**11.1** Sri Lanka Land Development Corporation owns 80% of the issued share capital of Land Reclamation and Development Company Ltd.

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | 2022 Rs. 000 | 2021 Rs.000 | 2022 Rs. 000 | 2021 Rs.000 |
| **12** | **Inventories** | | | | |
| | General Stock | 528,524 | 432,571 | 486,426 | 377,238 |
| | Sea Sand Stock | 153,933 | 906,591 | 153,933 | 906,591 |
| | Lands for Sale | 12,401 | 12,401 | 12,401 | 12,401 |
| | Inventory & Tools | 149,419 | 121,009 | 149,412 | 120,949 |
| | Work-in-Progress-Consultancy Projects | 1,341 | - | 1,341 | - |
| | Work-in-Progress-Treasury Projects | 557,224 | - | 557,224 | - |
| | Work-in-Progress-Own Projects | 930,546 | 950,038 | 930,546 | 950,038 |
| | Work-in-Progress-Client Projects | 545,304 | 495,988 | 491,528 | 432,932 |
| | | **2,878,692** | **2,918,598** | **2,782,811** | **2,800,149** |
| | Provision for Slow Moving Stock | (65,215) | (57,398) | (65,215) | (57,398) |
| | | **2,813,477** | **2,861,200** | **2,717,596** | **2,742,751** |
| **13** | **Trade & Other Receivables** | | | | |
| | Trade Debtors | 3,067,999 | 2,309,092 | 1,922,115 | 1,559,820 |
| | Receivable from Treasury for Treasury Funded Projects | 1,996,572 | 2,524,977 | 1,996,572 | 2,524,977 |
| | Mobilization Advance Paid to Contractors | 59,441 | 183,456 | 64,566 | 161,807 |
| | Staff Loans and Advances | 378,135 | 348,354 | 378,135 | 343,081 |
| | Interest Receivable | 702,901 | 116,286 | 713,245 | 123,869 |
| | Rentals Receivable from Sudunelumpura Housing Project | 32,615 | 29,876 | 32,615 | 29,876 |
| | Other Debtors | 143,808 | 37,845 | 79,779 | 24,364 |
| | Deposits, Pre payments and Advances | 161,602 | 188,676 | 129,354 | 150,231 |
| | | **6,543,073** | **5,738,562** | **5,316,381** | **4,918,025** |
| | Provision for Bad & Doubtful Debts | (481,814) | (520,452) | (462,177) | (500,741) |
| | | **6,061,259** | **5,218,110** | **4,854,204** | **4,417,284** |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | 2022 Rs. 000 | 2021 Rs.000 | 2022 Rs. 000 | 2021 Rs.000 |
| 14 | **Loans to Related Parties** | | | | |
| | **Current** | | | | |
| | Working Capital Loan to REDECO (14.1) | - | - | 24,000 | 24,000 |
| | | - | - | **24,000** | **24,000** |
| | **Non-Current** | | | | |
| | Term Loan to REDECO (14.2) | - | - | 141,233 | 141,233 |
| | | - | - | **141,233** | **141,233** |

**14.1** The Corporation granted a working capital loan of Rs. 25 million to Land Reclamation & Development Company Ltd (REDECO) in the year 2017 at an interest rate of 13% per annum. The interest rate was subsequently reduced to 11.5% with effect from 01.01.2018. The loan is repayable in 50 equal installments of Rs. 500,000/- each per month commencing from 21.04.2017.

**14.2** The Corporation also granted a term loan facility of Rs. 200 million at an interest rate of 12% per annum to Land Reclamation & Development Company Ltd (REDECO) to invest in the sea sand washing, sieving, packing project in the year 2019. The loan is repayable in 120 equal installments of Rs. 1,666,667/- each per month, commencing from May 2021. However, as this project was not successful, on the request of REDECO, the Board Directors of the Corporation decided to defer charging interest on this loan for a period of 5 years with effect from 01.01.2021.

| | | GROUP | | CORPORATION | |
|---|---|---|---|---|---|
| | | 2022 Rs. 000 | 2021 Rs.000 | 2022 Rs. 000 | 2021 Rs.000 |
| 15 | **Cash & Cash Equivalents** | | | | |
| | Cash at Bank | 1,051,257 | 1,060,327 | 969,709 | 975,912 |
| | Cash in Hand | 13,121 | 12,491 | 9,668 | 10,254 |
| | REPO Investments | - | 2,686,000 | - | 2,686,000 |
| | Cash in Transits | 793 | 3,620 | - | - |
| | | 1,065,171 | 3,762,438 | 979,377 | 3,672,166 |
| | Bank Overdrafts | (14,607) | (16,997) | - | - |
| | Cash & Cash Equivalents for Cash Flow Statement | **1,050,564** | **3,745,441** | **979,377** | **3,672,166** |

**16 Deferred Income**

| 16A | GROUP | As at 31.12.2021 Rs.000 | New Grants Rs.000 | Amortization Rs.000 | As at 31.12.2022 Rs.000 |
|---|---|---|---|---|---|
| | On account of PPE received free from GCFC&EI Project | 45,767 | - | 17,400 | 28,367 |
| | On account of PPE received free from LEI&EI Project | 26,330 | 2,900 | 19,149 | 10,081 |
| | On account of PPE received free from MCUD Project | 222,692 | 128,065 | 135,050 | 215,707 |
| | On account of PPE acquired using Treasury Grants | 19,218 | - | 19,218 | - |
| | On account of PPE received free from Line Ministry | 259 | 23,922 | 316 | 23,865 |
| | On account of PPE received free from Presidential | 4,281 | - | 450 | 3,831 |
| | On account of PPE received free from Other Institution | - | 35,110 | 590 | 34,520 |
| | Grant from Presidential Secretariat for Improvements at Kerawalapitiya Waste Management Park | 121,330 | - | 8,400 | 112,930 |
| | | **439,877** | **189,997** | **200,573** | **429,301** |

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

| 16B | CORPORATION | As at 31.12.2021 Rs.000 | New Grants Rs.000 | Amortization Rs.000 | As at 31.12.2022 Rs.000 |
|---|---|---|---|---|---|
| | On account of PPE received free from GCFC&EI Project | 45,767 | - | 17,400 | 28,367 |
| | On account of PPE received free from LEI&EI Project | 26,330 | 2,900 | 19,149 | 10,081 |
| | On account of PPE received free from MCUD Project | 222,692 | 128,065 | 135,050 | 215,707 |
| | On account of PPE acquired using Treasury Grants | 19,218 | - | 19,218 | - |
| | On account of PPE received free from Line Ministry | 259 | 23,922 | 316 | 23,865 |
| | On account of PPE received free from Presidential Secretariat | 4,281 | - | 450 | 3,831 |
| | On account of PPE received free from Other Institution | - | 35,110 | 590 | 34,520 |
| | Grant from Presidential Secretariat for Improvements at Kerawalapitiya Waste Management Park | 121,330 | - | 8,400 | 112,930 |
| | | **439,877** | **189,997** | **200,573** | **429,301** |

**16.1** Deferred Income represents the grants received from the Government for acquisition of long term assets required to carry out projects entrusted by the Government. There are no unfulfilled conditions or other contingencies attached to these grants as at the Balance Sheet date.

### 17 Interest Bearing Loans & Borrowings

| 17A | GROUP | 2022 Amount Repayable Within 1 year Rs.000 | 2022 Amount Repayable After 1 year Rs.000 | 2022 Total Rs.000 | 2021 Amount Repayable Within 1 year Rs.000 | 2021 Amount Repayable After 1 year Rs.000 | 2021 Total Rs.000 |
|---|---|---|---|---|---|---|---|
| | Finance Leases (17A.1) | - | - | - | 4,846 | - | 4,846 |
| | Bank Loans (17A.2) | 268,199 | 1,334,519 | 1,602,718 | 269,762 | 1,601,154 | 1,870,916 |
| | | **268,199** | **1,334,519** | **1,602,718** | **274,608** | **1,601,154** | **1,875,762** |

| 17A.1 | Finance Leases | As at 31.12.2021 Rs.000 | New Leases Rs.000 | Repayments Rs.000 | As at 31.12.2022 Rs.000 |
|---|---|---|---|---|---|
| | Gross Liability | 5,090 | - | (5,090) | - |
| | Finance Charges allocated to future periods | (244) | - | 244 | - |
| | Net Liability | **4,846** | **-** | **(4,846)** | **-** |

| 17A.2 | Bank Loans | As at 31.12.2021 Rs.000 | Loans Obtained Rs.000 | Repayments Rs.000 | As at 31.12.2022 Rs.000 |
|---|---|---|---|---|---|
| | Term Loan From NSB | 1,868,013 | - | (266,859) | 1,601,154 |
| | Term Loan From BOC (17.A.2.1) | 2,903 | - | (1,339) | 1,564 |
| | | **1,870,916** | **-** | **(268,198)** | **1,602,718** |

**17A.2.1** Land Reclamation & Development Company Ltd (REDECO) obtained a term loan facility of Rs. 6,700,000/- from the Bank of Ceylon to purchase two Double Cabs. Fixed Deposits held by the Company have been secured for this loan facility. The loan is repayable in 50 equal monthly installments of Rs. 111,667/- each commencing from 29.08.2018. The applicable interest rate for the loan is 2% above the interest for Fixed Deposit.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

| 17B | CORPORATION | 2022 Amount Repayable Within 1 year Rs.000 | 2022 Amount Repayable After 1 year Rs.000 | 2022 Total Rs.000 | 2021 Amount Repayable Within 1 year Rs.000 | 2021 Amount Repayable After 1 year Rs.000 | 2021 Total Rs.000 |
|---|---|---|---|---|---|---|---|
| | Bank Loans (17B.1) | 266,859 | 1,334,295 | 1,601,154 | 266,859 | 1,601,154 | 1,868,013 |
| | | **266,859** | **1,334,295** | **1,601,154** | **266,859** | **1,601,154** | **1,868,013** |

| 17B.1 | Bank Loans | As at 31.12.2021 Rs.000 | Loans Obtained Rs.000 | Repayments Rs.000 | As at 31.12.2022 Rs.000 |
|---|---|---|---|---|---|
| | Term Loan From NSB (17 B.1.1) | **1,868,013** | - | 266,859 | **1,601,154** |
| | | **1,868,013** | - | **266,859** | **1,601,154** |

**17B.1.1** The Corporation obtained a term loan of Rs. 2,802 million from the National Savings Bank (NSB) for funding the Weras Ganga Storm Water Drainage and Environment Improvement Project. As per the loan agreement, the loan is repayable in 21 bi-annual installments of Rs. 133,429,531/- each commencing from 24.10.2018. This loan is secured by a Rs. 3,500 million Treasury Guarantee issued by the General Treasury. The interest rate applicable for this loan is six months AWPLR plus 2.5%.

### 18 Retirement Benefit Obligation

| | GROUP | | CORPORATION | |
|---|---|---|---|---|
| | 2022 Rs. 000 | 2021 Rs 000 | 2022 Rs. 000 | 2021 Rs 000 |
| At the beginning of the year | 509,520 | 490,984 | 337,071 | 337,693 |
| Provision made during the year (18.1) | 74,573 | 72,300 | 17,564 | 43,397 |
| Payment made during the year | (64,376) | (53,764) | (49,856) | (44,019) |
| At the end of the year | **519,717** | **509,520** | **304,779** | **337,071** |
| **18.1 Provision made during the year** | | | | |
| Current Service Cost | 62,235 | 49,589 | 18,088 | 18,633 |
| Interest Cost | 51,268 | 42,446 | 38,764 | 30,398 |
| | 113,503 | 92,035 | 56,852 | 49,031 |
| Net Actuarial (Gain)/ Loss | (38,930) | (19,735) | (39,288) | (5,634) |
| Total provision made during the year | **74,573** | **72,300** | **17,564** | **43,397** |

**18.2 Assumption used for Actuarial Valuation of Gratuity Provision**

**i). Mortality**
In service: A 1967/70 Mortality Table issued by the Institute of Actuaries, London. The rates given in this table represent the probabilities of 'death' occurring within one year of any given age.

**ii). Staff Turnover**

The staff turnover rates used in this valuation are based on the staff turnover statistics of the Corporation.

**iii). Disability**
Disability rates used in this valuation 10% of mortality table.

**iv). Retirement Age**
60 years as specified by the Corporation. The employees who are aged over the specified retirement age have been assumed to retire on their respective next birthdays.

**v). Rate of Discount**

Actuarial valuers use a long term discount rate of 18.00% per annum.

**vi). Salary Increases**

Valuers use Basic salary, salary scale revision and COLA revision with the next increment due dates.
***Basic Salary*** : 0.00% per annum.
***Salary Scale Revision*** : 12.00% per annum once in three years with next revision due in 2021 and 15.00% increase once in 6 years due to promotions in employee grade.
***COLA*** : 10.00% per annum with next increment due in 2021.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

### 18.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumption employed with all other variables held constant in the employee benefit liability measurement.

The sensitivity on the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the employment benefit obligation for the year.

| Increase/ (Decrease) in Discount Rate | Increase/ (Decrease) in Salary Escalation Rate | Effect on Employee Benefit Obligation CORPORATION | |
|---|---|---|---|
| | | 2022 Rs. 000 | 2021 Rs. 000 |
| +1% | * | 285,608 | 314,632 |
| -1% | * | 326,391 | 362,681 |
| * | +1% | 327,185 | 363,407 |
| * | -1% | 284,674 | 313,703 |

**18.4** The retirement benefit obligation of Sri Lanka Land Development Corporation is based on the Actuarial Valuations carried out by Messers. Acturial and Management Consultant (Pvt) Ltd. The Corporation adopted the Project Unit Credit method to determine the present value of retirement benefit obligation as recommended by LKAS 19.

**18.5** The Corporation has not externally funded the gratuity liability. However, adequate fixed deposit investments are maintained to meet future gratuity payments.

| | GROUP | | CORPORATION | |
|---|---|---|---|---|
| | 2022 Rs. 000 | 2021 Rs.000 | 2022 Rs. 000 | 2021 Rs.000 |
| **19 Trade & Other Payables** | | | | |
| Trade Creditors | 267,434 | 17,072 | 387,258 | 147,103 |
| Contract Creditors | 1,502,151 | 1,098,942 | 1,574,191 | 1,115,820 |
| Sundry Creditors including Accrued Expenses | 1,784,747 | 750,431 | 860,869 | 143,742 |
| Refundable Deposits | 139,132 | 139,021 | 94,259 | 102,483 |
| Interest Payable on Long Term Loans | 71,068 | 28,957 | 71,068 | 28,957 |
| Staff Creditors | 33,858 | 6,033 | 33,858 | 6,033 |
| Statutory Liabilities Payable | 221,189 | 127,685 | 209,076 | 122,385 |
| | **4,019,579** | **2,168,141** | **3,230,579** | **1,666,523** |
| **20 Advances Received** | | | | |
| Advance Received for Lease of Lands | 3,021,493 | 2,776,230 | 3,021,493 | 2,776,230 |
| Advances against Sale of Lands | 314,183 | 4,155 | 314,183 | 4,155 |
| Advance Received for Sea Sand Sales | 164,479 | 662,395 | 164,479 | 662,395 |
| Mobilization Advance Received | 103,640 | 307,919 | 59,316 | 218,525 |
| Other Advances Received | 76,813 | 66,333 | 76,813 | 66,333 |
| | **3,680,608** | **3,817,032** | **3,636,284** | **3,727,638** |

### 21. Assets Pledged

This Corporation has an arrangement with Bank of Ceylon to obtain bank guarantees upto of Rs.500 million. Fixed Deposits owned by the Corporation amounting to Rs. 500 million has been pledged as security against this facility.

### 22 . Related Party Disclosures

#### 22.1 Parent and Ultimate Parent Controlling Party

The Corporation does not have an identifiable parent of its own.

#### 22.2 Transactions with Subsidiaries

The Corporation and the companies within the Group engage in trading transactions under relevant commercial terms and conditions.

# NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

**22.2.1** Land Reclamation and Development Company Ltd (REDECO) is a subsidiary company of the Corporation. Major General MRW De Zoysa (Rtd.) (up to 09.03.2022) and Commodore (CE) Hiran Sacheendra Balasuriya (w.e.f. 14.03.2023), the Chairpersons of the Corporation and Mrs. MASMK Senadheera, the General Manager of the Corporation are also Director of REDECO.

During the year 2022, the Corporation had following transactions with REDECO.

a) Purchase of Cement Blocks and Concrete products for a value of Rs. 17,951,139/-. (2021 - Rs. 19,167,293/-)
b) Carrying out of the Construction Projects for Rs. 127,135,849/-. (2021 - Rs. 93,668,707/-)
c) Obtaining the service of washing & sieving of Sea Sand for a value of Rs. 32,416,586/- (2021: Rs.61,890,397/-)
d) Renting of the office building and two blocks of land at Kirimandala Mawatha. The lease rental received for the year 2022 is Rs. 606,410/-. (2021 - Rs. 600,000/-)

e) Interest for loans granted Rs. 2,760,000/- . (2021: Rs. 2,760,000/-)
f) The Corporation hires employees of REDECO and for that the Corporation has reimbursed following amounts to REDECO during the year.
- Payroll Cost Rs. 93,378,239/- (2021: Rs. 87,768,733/-)
- Management Fee Rs. 7,052,721/- (2021: Rs. 6,811,279/-)

**22.2.2** LRDC Services (Pvt) Ltd is a subsidiary company of the Corporation. Major General MRW De Zoysa (Rtd.) (up to 09.03.2022) and Commodore (CE) Hiran Sacheendra Balasuriya (w.e.f. 14.03.2023), the Chairpersons of the Corporation and Mrs. MASMK Senadheera, the General Manager of the Corporation are also Directors of LRDC Services (Pvt) Ltd.

During the year 2022, the Corporation had following transactions with LRDC Services (Pvt) Ltd.

a) Obtained Security Services for a value of Rs. 73,330,305/-. (2021: Rs. 71,153,682/-)
b) Obtained Manpower Services for a value of Rs.430,179,731/-. (2021: Rs. 512,845,163/-)
c) Received Rent of Rs. 13,320,213/-. for occupying the Corporation owned property (2021: Rs. 240,000/-)

**22.3 Transactions with Key Management Personnel**

The key management personnel of the Corporation are the members of its Board of Directors, the General Manager and the two Additional General Managers. Transactions with Key Management Personnel are as follows.

| | CORPORATION | |
|---|---|---|
| | **2022 Rs. 000** | **2021 Rs. 000** |
| Short Term Employee Benefits Paid | 11,169 | 13,205 |
| Sitting Fees Paid | 808 | 550 |

**22.4 Amounts due from Subsidiaries**

The amounts due from subsidiaries are included in the respective asset categories in the Statement of Financial Position. The amounts receivable from subsidiaries as at the balance sheet date are as follows;

| | | CORPORATION | |
|---|---|---|---|
| | | **2022 Rs. 000** | **2021 Rs. 000** |
| Land Reclamation & Development Company Ltd (REDECO) | - Loans Receivable | 165,233 | 165,233 |
| | - Other Receivables | 73,635 | 103,662 |
| LRDC Services (Pvt) Ltd | | 14,010 | 3,990 |
| | | **252,878** | **272,885** |

Primary terms and conditions for the loans granted to REDECO is disclosed under Note 14 to these financial statements.

**22.5 Amounts due to Subsidiaries**

The amounts due to subsidiaries are included in the respective liability categories in the Statement of Financial Position. The amounts due to subsidiaries as at the balance sheet date are as follows;

| | CORPORATION | |
|---|---|---|
| | **2022 Rs. 000** | **2021 Rs. 000** |
| Land Reclamation & Development Company Ltd (REDECO) | 96,949 | 83,563 |
| LRDC Services (Pvt) Ltd | 134,772 | 158,389 |
| | **231,721** | **241,952** |

**23. Post Balance Sheet Events**

**23.1** This Corporation entered into a contract agreement with a Danish Company, Rohde Nielsen A/S in 2018 for mining and pumping of 4,000,000 $m^3$ of Offshore sand for stock piling and reclamation purposes. However, on 10th April 2020 this Corporation terminated the contract agreement on force majeure ground after obtaining the advice of the Attorney General's Department. Consequently, the Contractor opted for Arbitration proceedings claiming damages and compensation. The Arbitration Tribunal issued their Arbitral Award on 28/04/2023. Accordingly, a provision was made for claims arising from arbitration amounting to Rs. 753,081,493/- as an expense in these financial statements.

**23.2** There have been no other events occurring subsequent to the balance sheet date which require adjustment to or disclosure in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

**24. Commitment & Contingencies**

**24.1 Contingent Liabilities**

There were Eight (08) Legal cases pending against the Corporation as at 31/12/2022 claiming damages and compensation. The details are as follows.

a) A former General Manager of the Corporation has filed a case claiming back wages amounting to Rs. 1,409,425/-.
b) Seven (07) other legal cases are pending against the Corporation claiming compensation. The total claim amount is Rs. 1,150,400,000/-.

The amounts mentioned above are the amounts claimed by the Plaintiff and the actual claim, if any, will be decided by the Courts.

**24.2 Commitments**

| | GROUP | | CORPORATION | |
|---|---|---|---|---|
| | **2022 Rs. 000** | **2021 Rs. 000** | **2022 Rs. 000** | **2021 Rs. 000** |
| Approved but not contracted for | - | - | - | - |
| Contracted but not provided for | - | 295,857 | - | 295,857 |
| | **-** | **295,857** | **-** | **295,857** |

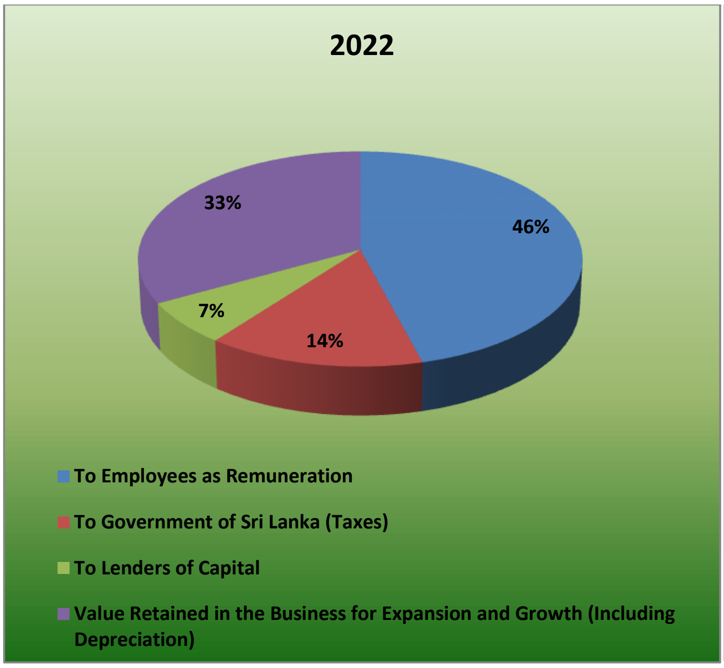
**25. Comparative Information**

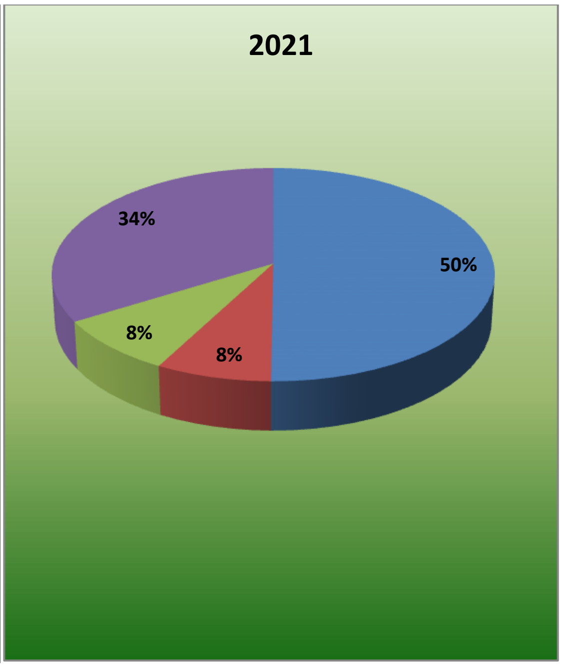
The presentation and classification of following item reported in the previous year (2021) are amended to ensure comparability with the current year presentation.

a) Staff Welfare Fund previously Classified under Equity in 2021 Annual Report was reclassified under Non Current Liabilities.

# Statement of Value Added

| | | CORPORATION | | |
|---|---|---|---|---|
| | | 2022 | | 2021 |
| | | Rs. 000 | | Rs. 000 |
| **Value Generated** | | | | |
| Revenue from Contract with Customers | | 4,289,956 | | 6,792,977 |
| Other Operating & Interest Income | | 1,466,892 | | 462,961 |
| | | 5,756,848 | | 7,255,938 |
| Less : Cost of Material and Services | | (2,396,713) | | (4,131,280) |
| | | 3,360,135 | | 3,124,658 |
| **Distribution of Value Added** | | | | |
| To Employees as Remuneration | 46% | 1,541,046 | 50% | 1,566,847 |
| To Government of Sri Lanka by way of Taxes | 14% | 489,671 | 8% | 239,825 |
| To Lenders of Capital | 7% | 219,972 | 8% | 263,682 |
| Value Retained in the Business for Expansion and Growth (Including Depreciation) | 33% | 1,109,446 | 34% | 1,054,304 |
| | 100.0% | 3,360,135 | 100.0% | 3,124,658 |



# Financial Highlights of the Corporation

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Rs. Mn | Rs. Mn | Rs. Mn | Rs. Mn | Rs. Mn | Rs.Mn | Rs. Mn | Rs.Mn | Rs.Mn | Rs.Mn |
| **Profit & Loss** | | | | | | | | | | |
| Revenue from Treasury Funded Projects | 748 | 2,352 | 2,379 | 2,786 | 2,367 | 2,969 | 5,629 | 1,306 | 1,620 | 1,025 |
| Revenue from Other Projects and Sources | 3,542 | 4,441 | 4,926 | 4,555 | 5,183 | 4,780 | 2,420 | 1,572 | 2,545 | 1,742 |
| Intersegment Revenue | - | - | - | (766) | (453) | (406) | (239) | (362) | (459) | (264) |
| **Total Revenue** | **4,290** | **6,793** | **7,305** | **6,575** | **7,097** | **7,343** | **7,810** | **2,516** | **3,706** | **2,503** |
| Direct Cost | (2,397) | (4,131) | (3,141) | (4,682) | (4,499) | (4,966) | (5,602) | (2,224) | (3,247) | (2,192) |
| **Gross Profit** | **1,893** | **2,661** | **4,164** | **1,893** | **2,598** | **2,377** | **2,208** | **292** | **459** | **311** |
| Other Operating Income | 276 | 94 | 76 | 100 | 96 | 190 | 50 | 61 | 48 | 54 |
| Overheads | (1,827) | (1,632) | (1,661) | (1,260) | (1,369) | (1,224) | (926) | (1,010) | (676) | (430) |
| **Operating Profit/(Loss)** | 342 | 935 | 2,426 | 733 | 1,325 | 1,338 | 1,333 | (657) | (169) | (65) |
| Claims Arising from Arbitration | (753) | - | - | - | - | - | - | - | - | - |
| Net Financial Income | 1,172 | 328 | 75 | 91 | 296 | 162 | 144 | 503 | 600 | 183 |
| **Profit before Taxation &Levy** | **761** | **1,263** | **2,501** | **824** | **1,621** | **1,500** | **1,476** | **(154)** | **431** | **118** |
| Taxation | (465) | (240) | 4 | 54 | (472) | (359) | (283) | (3) | (85) | (14) |
| Special Levy to Consolidated Fund | (25) | - | (9) | (200) | - | - | - | - | - | - |
| **Profit /(Loss) for the year** | **271** | **1,023** | **2,496** | **678** | **1,149** | **1,141** | **1,193** | **(157)** | **346** | **104** |
| **Financial Position** | | | | | | | | | | |
| Total Assets | 20,712 | 19,482 | 20,664 | 18,068 | 17,502 | 14,733 | 13,100 | 9,181 | 8,393 | 6,369 |
| Capital & Reserves | 10,615 | 10,400 | 9,357 | 6,897 | 5,896 | 4,690 | 3,572 | 2,373 | 2,544 | 2,106 |
| Non-Current Liabilities | 2,599 | 2,724 | 4,180 | 4,236 | 4,529 | 1,551 | 2,486 | 1,320 | 1,217 | 2,250 |
| Current Liabilities | 7,498 | 6,358 | 7,126 | 6,935 | 7,075 | 8,492 | 7,041 | 5,487 | 4,632 | 3,013 |
| **Cash Flow** | | | | | | | | | | |
| Cash Flow From Operating Activities | 736 | 1,555 | 4,693 | (744) | 1,467 | 579 | 2,272 | 444 | 231 | (303) |
| Cash Flow From Investment Activities | (2,984) | 249 | (227) | 666 | (1,025) | (1,646) | 5 | (245) | (98) | 797 |
| Cash Flow From Financing Activities | (445) | (2,107) | (1,038) | (170) | (438) | (386) | (301) | (10) | (2) | (28) |
| **Increase /(Decrease) in Cash & Cash Equivalents** | **(2,693)** | **(303)** | **3,428** | **(248)** | **04** | **(1,453)** | **1,976** | **189** | **130** | **465** |
| **Other Information** | | | | | | | | | | |
| Number of Employees | 1361 | 1334 | 1450 | 1408 | 1432 | 1448 | 1432 | 1411 | 1477 | 1315 |