Sri Lanka Land Development Corporation

Annual Report & Accounts for the year 2023

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

I have great pleasure in presenting Sri Lanka Land Development Corporation's (SLLDC) annual report and audited financial accounts for the financial year that concluded on December 31, 2023.

Since assuming the duties as the Chairman of Sri Lanka Land Development Corporation in March 2022, I wish to emphasize that this is the most interesting and challenging period of my career to date.

It brings great satisfaction to me to declare that, in spite of the prevailing economic crisis in the country, SLLDC has achieved a successful conclusion to the year 2023 by implementing efficient initiatives to oversee a diverse portfolio of businesses that promote sustainable development. Efforts were made to identify potential investment opportunities while implementing diverse cost-cutting strategies that resulted in a substantial reduction in direct project expenses.

We consider it as our responsibility, being a large state-owned engineering organisation, to adopt more sustainable business models, which give equal importance to Environment, Social, and Governance factors in addition to financial performance. Therefore, in fulfilment of its social responsibility, the Corporation continued flood mitigation operations beyond the budgetary allocations of treasury in order to reduce the risk of flooding in the Colombo Metropolitan Region. Successful implementation of the Integrated Flood Management System (IFMS), a real-time flood monitoring and warning system that combines real-time meteorological data inputs with hydrological-hydraulic modeling, could minimize the Colombo region's flooding.

We investigated a range of investment alternatives, such as public-private partnership models, to ensure an uninterrupted supply of offshore sand to the construction industry.

In order to maximize the efficiency of business operations, SLLDC expanded the utilization of ERP (enterprise resource planning) software for managing procurement, accounting, project management, and other routine business activities.

I am pleased to extend my sincere appreciation to the following individuals for their invaluable guidance and leadership: His Excellency the President, the Honourable Prime Minister, the Honourable Minister of Urban Development and Housing, and the Secretary to the Cabinet Ministry. Their support and direction were crucial in the successful completion of this tenure. I extend my sincere thanks to the senior management of SLLDC for their dedication and collaboration, throughout this exceptionally challenging year, which have contributed to the corporation's positive performance. I would like to express my gratitude to our employees for their contributions and devotion during this difficult time period. On behalf of the Board of Directors, I would like to express my gratitude to all of our stakeholders for the support that they have provided to the SLLDC throughout the course of the year, as without their support, the current performance would not have been attainable. I would like to express my sincere appreciation to all of our customers, including the general public and I am looking forward to meet their requirements in a more efficient manner over the upcoming financial year. Further, I would like to express my heartfelt thanks to my fellow Board Members for the valuable leadership and support they offered throughout the course of the year.

I conclude by noting that, having been a responsible corporate entity in Sri Lanka for more than five decades, we shall maintain our commitment upholding the fundamental values of social accountability, environmental stewardship, and economic viability in all our business activities and management procedures, which will contribute to good corporate citizenship, foster sustainable development, and make a positive contribution to the revitalization of our economy.

Eng. Hiran S. Balasuriya
Rear Admiral
Chairman
15th January 2024

General Manager's Message

I am pleased to present the Annual Report and Audited Financial Statements of Sri Lanka Land Development Corporation for the year ended 31st December 2023, which concluded on a positive and profitable note despite the country's challenging economic environment.

The Corporation reported a revenue of Rs. 5,431 Mn and a profit after tax Rs. 938 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.

Under the Weras Ganga Storm Water Drainage and Environment Improvement Project, it has been addressed to the flooding issues in the areas of Kohuwala, Paliliyana, Raththanapitiya, Delkanda, Bellanwila, Boralesgamuwa, Werahera, Bokundara and Karadiyana having more than 700,000 residents who had been suffered during the last 20 years. It is a newly added Land mark project to the Corporation history implemented by our in-house Engineering experts with the GOSL funds. Under this project 10 lakes with walk paths and recreational areas have been developed while completing about 50km of drainage network with structures in the Colombo-South suburban areas by uplifting the living standard of the people.

The Kolonnawa Strom Water Drainage & Environment Improvement Project, mainly implemented to remove bottlenecks in the drainage system by improving drainage crossing structures in and around Kolonnawa area of the flood plains of Kelani River. The cumulative value of work done up to end of 2023 was Rs.836.76 Mn. During the year 2023, the canal maintenance work, Engineering Detail designs of canals and related hydraulic structures of secondary canals of Dahamwela, Passanna and Salalihini Mawatha, formation of Thuppawela Lake, construction of box culvert at Majidiwaththa, construction of box culvert at Bopatta, construction of box culvert at Wennawatta and related acquisition work 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 in a modern water management center in Sri Lanka working with real time data and forecasted data. IFMS releases necessary instructions to operate the above mentioned flood control facilities to mitigate floods. With the timely flood mitigation operations through the above developed system, SLLDC could reduce the flood damage in the city of Colombo, drastically.

The Sri Lanka Land Development Corporation implemented Oliyamulla Storm Water Drainage and Environment Improvement Project aiming to mitigate floods in Wattala and Kelaniya areas. The other objectives of this project are to provide land developments for future infrastructure facilities and to improve the livelihood of the people in Kelaniya and Wattala areas.

The Proposed Project mainly consists of 02 Nos of 15m3/s and 20 m3/s Capacity Pumping Stations, Reconstruction of Bridge Peliyagoda – Puttalam main road, Formation of Bunds and Lake Dredging, Rehabilitation of Canals and Recreational activities with the resettlement of identified houses in this project area. Up to end of year 2023, the project financially utilized LKR. 2,348.16 Mn and achieved 97% of progress from the Construction of Pumping Station – II.

With the economic situation of the country, the Corporation took proactive measures to obtain external construction contracts through competitive bidding and was able to secure eight (8) contracts worth around Rs. 450 million for the rehabilitation of minor irrigation schemes in North Western, North Central, Eastern and Southern provinces under the World Bank-funded Climate Smart Irrigated Agriculture Project (CSIAP). Construction works implemented as planned, and the bidding process has been strengthened to win more such contracts in the future.

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 Hon Minister and the Secretary to the Ministry of Urban Development & Housing and Chairman of our Corporation for their guidance and leadership given to expedite the work we planned for the year 2023.

As Sri Lanka Land Development Corporation gears up for 2024, 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 express my sincere gratitude to the 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
23rd January 2024

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 Of 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

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

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.

Board of Directors

Name	Position	Period
Rear Admiral Hiran Sacheendra Balasuriya	Chairman Sri Lanka Land Development Corporation	14.03.2022 - to date
Eng .Ajith Gunasekera	Ex-Officio Director General Department of Irrigation	04.07.2023 - to date
Mr.D.A.H.Piyathilake	Ex –Officio Addl. Secretary	04.04.2022 to date
Mr. Gamini Hewage	Ex –Officio Director General National Physical Planning Department	04.04.2022 to date
Mr. Ananda Harischandra	Director	09.08.2022 to date
Mr. Tissa Gunawardene	Director Attorney –at-Law	09.08.2022 to date
Mr.D.S.Dissanayake	Director Mechanical Engineer	09.08.2022 to date
Mr.S. Tharshan	Director Department of State Accounts Ministry of Finance	10.10.2023 to date

Directors Resigned during the year 2023

Eng.(Mrs.) Deepika Thrimahavithana	Director General Irrigation Department	02.01.2023 - 04.07.2023
Ms. S.A.C. Kulathilake	Treasury Representative Director General of Management Audit	03.03.2022 - 26.09.2023

Senior Management Team

01	Chairman	-	Rear Admiral Eng. Hiran Balasuriya
02	General Manager	-	Eng. (Mrs.) M. A. S. M. K. Senadheera
03	Additional General Manager (Implementation)	-	Eng. (Mr.) C. B. Amarasinghe
04	Additional General Manager (Planning & Design)	-	Eng. (Mr.) W. R. C. Fernando
05	Deputy General Manager (Drainage & Reclamation)	-	Eng. (Mr.) S. P. Muthumala
06	Deputy General Manager (Urban Water Management)	-	Eng. (Mrs.) A. H. Thushari
07	Deputy General Manager (Construction)	-	Eng. (Mr.) Y. P. C. de Silva
08	Deputy General Manager (Wet Land Management)	-	Dr. S. K. N. S. Wijayarathne
09	Deputy General Manager (Research & Design)	-	Eng. (Mr.) W. H. Keerthirathna
10	Deputy General Manager (Special Projects)	-	Eng. (Mr.) R. M. N. D. Rathnayake
11	Deputy General Manager (Planning)	-	Eng. (Mr.) O. V. W. R. Gunatilleke
12	Deputy General Manager (Plants & Equipment)	-	Eng. (Mr.) S. R. M. Prasad
13	Deputy General Manager (Human Resource Development)	-	Major General E. K. J. K. Wijayasiri (Rtd.)
14	Deputy General Manager (Finance)	-	Mr. J. A. P. K. Jayasinghe
15	Deputy General Manager (Lands & Marketing)	-	Mr. A. A. H. Kamalasiri
16	Deputy General Manager (Supplies)	-	Mr. S. D. Dharmarathna
17	Deputy General Manager (Internal Audit)	-	Mr. A. L. A. S. K. Ambegoda
18	Chief Legal Officer	-	Mrs. H. K. K. W. Ekanayaka
19	Assistant General Manager (Environment)	-	Eng. (Ms.) P. M. P. Wijerathne
20	Assistant General Manager (Drainage & Structural Design)	-	Eng. (Mrs.) S. N. Gamage
21	Assistant General Manager (Construction)	-	Eng. (Mr.) K. M. N. K. Ranasinghe
22	Assistant General Manager (Projects & Procurement)	-	Eng. (Mr.) M. M. M. Moufer
23	Assistant General Manager (Planning)	-	Eng. (Mrs.) N. P. S. De Silva
24	Assistant General Manager (Drainage)	-	Eng. (Mr.) S. M. P. D. Siriwardhana
25	Assistant General Manager (Wetland Management)	-	Eng. (Ms.) N. A. A. S. V. Nishshanka
26	Assistant General Manager (Research & Design)	-	Eng. (Ms.) P. P. Vinitha
27	Assistant General Manager (Architectural)	-	Mr. K. M. S. B. Athapattu
28	Assistant General Manager (Human Resource Development)	-	Mr. L. Thrimawithana
29	Assistant General Manager (Lands & Marketing)	-	Mr. N. A. Wickramanayake
30	Assistant General Manager (Finance)	-	Mrs. S. M. A. G. K. Sammandapperuma

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 region is one of the major functions of Sri Lanka Land Development Corporation. For this purpose the funds are provided by the Treasury.
The amount of Rs. 223.19 Mn has been utilized by Drainage and Reclamation Division for maintenance of Canals, Lakes, walkway and recreational areas located in an around Metro Colombo Urban area and suburbs by using Treasury Funds for year 2023.

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
- Angoda Malpura Lake
- Village Tank at Rukmalgama
- Parliament Lake
- Bellanwila Lake
- Thalawathugoda Lake
- Rampalawatte Retention pond
- Kimbulawela Lake

Maintenance of Walkways

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

Maintenance of Canal Network

Colombo North Regional Office (Orugodawatta)	Colombo East Regional Office (Kirimandala Mawatha)	Colombo South Regional Office (Kirulapone)	Muthurajawela Regional Office	Kimbulawela, Bellanwila, Diyatha Uyana & Beira Lake Project Office
Major Canal Length – 12.8 km Minor Canal Length – 5.1 km	Major Canal Length – 14.66 km Minor Canal Length – 31.7 km Retention Area – 473 Acres	Major Canal Length – 10.64 km Minor Canal Length – 3.4 km Lake Area – 12.2 Acres Lagoon Area – 30 Acres	Canal Length – 22 km (Hamilton Canal)	Major Canal Length – 2.04 km Minor Canal Length – 8.95 km Lake Area – 244 Acres

Total Main Canals Length: 44.25 Km
Total Minor Canals Length: 52.82 Km

i. Maintenance and Rehabilitation of Canals, Lakes and Walkways

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

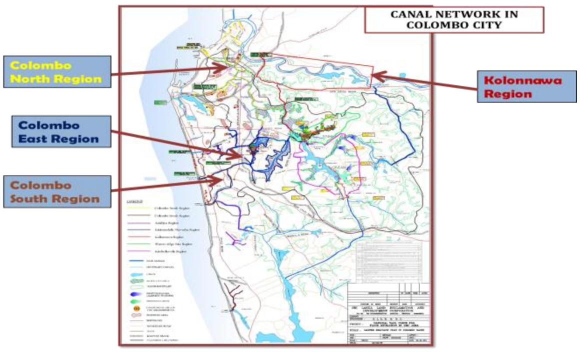
Main purpose of maintenance of canal network in and around Colombo region is prevention of local floods, which has been done with the incorporation of the Colombo Municipal Council and other relevant stake holders agencies to prevent localized flooding.

Maintenance work in the canals involved,

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

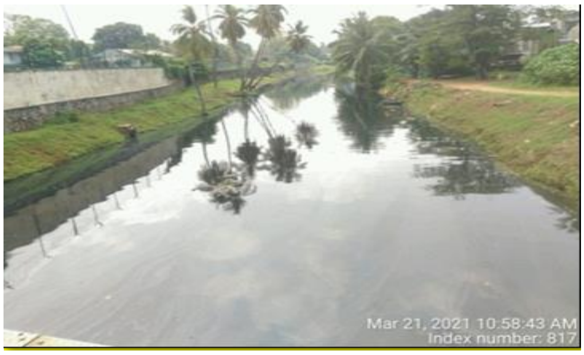
In addition to manual cleaning, Corporation deploys heavy mechanical equipment such as Dredgers, Excavators, Back-hoe loaders, Tractors and Trucks to dredge and clean the canal embankments and its surrounding areas.

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 pollute to the water body and damage their biodiversity.

Dumping Solid waste in to the Canal by Neighbourers

Disposal of Solid waste into Canal Bank

1.1.1.b Maintenance of Canals in Colombo East Region

Heen Ela Canal

Kotte Canal

1.1.1.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. 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 2023 SLLDC has attended the maintenance of the Colombo canal network with the total value of work done for is Rs. 223.19 million.

i.ii. Maintenance of Hamilton Canal

During year 2023 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. For operational purposes, the SLLDC is maintaining Muthurajawela Regional office which is located at Kerawalapitiya.

Maintenance work in the canals involved,

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

Therefore, the total value of maintenance work performed for the year 2023 was Rs. 19.94 million.

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

SLLDC has implemented several drainage improvement projects as a solution to unprecedented flood in November 11th 2010, which in undated the Parliament as well. Under the treasury funds those drainage systems regularly maintained in order to protect inundation of the parliament and the surrounding areas such as Waters Edge and Kimbulawela during flooding.

Rapidly developing Bellanwila area is one of the most important areas having natural wetlands, adjacent to the southern part of the Colombo city. This area frequently gets inundated during heavy rain. Under the Weras Ganga storm water development project, the long term flood mitigation work implemented such as creating lakes & canal system with the agriculture lands which helped to uplift the social & cultural background of the 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
- Solid Waste Management
- Improve the water quality of the water bodies.

Specially, the residents within the Parliament Upper Catchment & surroundings and the entire Colombo area in general has been benefitted by flood protection.

During year 2023 the total value is Rs. 90.56 million for maintenance works of the lakes/ponds in surrounding Colombo Area.

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

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, Diyatha Uyana Park, Lake, Nawala Wetland Park, Development of Japan Sri Lanka Friendship Road, Rampala watta Lake and Kimbulawela area are some of the developments under the projects.

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 prevent illegal land encroachments.

The maintenance of these parks have been carried out by SLLDC

- Clearing and Maintaining water bodies
- Maintaining the turfing area to create a greenery view in the environment
- 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 to generate new employment opportunities, while adding scenic 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
- Improve health of people by cleaning water bodies, parking areas and work path by motivating people to 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 2023 is Rs.67.42 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 the secondary canals which do not come under the preview of any organization are not being maintained any organization. This has resulted in minor flooding problems due to reducing of canal sections and the blockages in canal links. In order to mitigate this problem it is necessary to improve these secondary canals and link canals. 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. 12.35 million for year 2023.

Cleaning of Canals/Lakes at Colombo Municipal Area (Kadiranawatta Canal)

Cleaning of Canal /Lakes at Peliyagoda area (Manning market canal in Peliyagoda)


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 take remedial measures to sort-out the problems affected the general public.

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

The Total value of work done for those measures for year 2023 is Rs. 1.51 million

Drainage improvements & taking remedial measures during flood in and around Parliament Area

Due to heavy rain large trees have fallen down to Hamilton Canal (Negombo)

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,

- Decreasing 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 2023 is Rs. 11.27 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.

Canal bank improvement along the Hamilton Canal near Eththukala, Negombo and Uswetakeiyawa, Muthurajawela

Total value of works done for the year 2023 is Rs. 2.74 million.

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 areas for people's healthy life style 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 2023 is Rs. 9.83 million.

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

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 2023 is Rs. 17.42 million.

Flood Mitigation Activities

i. Improvement of Existing Pumping Station at Peliyagoda and its Annual maintenance & Operation

The Existing Pumping Station at Peliyagoda which developed for pumping storm water in Peliyagoda area during the high flood levels in Kelani River downstream. It consists of 2 No.of Vertical Axial Pump (Electrical Driven) currently operated & maintained by the SLLDC.

During 2023 budget allocation, SLLDC has attended for maintenance of existing Peliyagoda Pumping Station & 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 2023 for the above project is Rs.4.51 million.

ii. Drainage Improvement & Urban Landscaping projects in Outside Colombo

The scope of these projects are rehabilitation of lakes, desilting and dredging of the illegal filling done by the encroachers, construction of Foot paths along the lake bund and keep in the environment clean and create a better connection of the canal system related to development etc in major cities and location Outside Colombo District in order to mitigate the flood risks.

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
- Drainage Improvements
- Urban Landscaping

During 2023 budget allocation, SLLDC has attended for following projects under this category and total value of work done for year 2023 for the above is Rs.70.38 million.

- Drainage Improvement Project in Panadura
- Canal Dredging Work at Univotec, Rathmalana
- Improvement of Drainage Facility in Enderamulla Area
- Dredging and Cleaning of Wewalduwa Canal
- Drainage Improvement Work in Welisara Area
- Desilting Works of Kimbulapitiya Oya at Katana - Gampaha District
- Drainage Improvement Work in Biyagama area
- Surface Clearing Work at Tank Located at Wahakotte , Galewela
- Surface Clearing Works of Canals at Tyre junction – Kelaniya
- Surface Clearing Works of Pump House Canal – Peliyagoda

Drainage Improvement Work in Biyagama area

Before

After

Desilting Works of Kimbulapitiya Oya at Katana - Gampaha District

Before

After

v. Drainage & environmental improvement works in Parliament Upper Catchment and its surrounding area

Main purpose of the project is flood mitigation in parliament premises and its surroundings and conservation of wetlands 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 2023 is Rs. 4.49 million.

Before

After

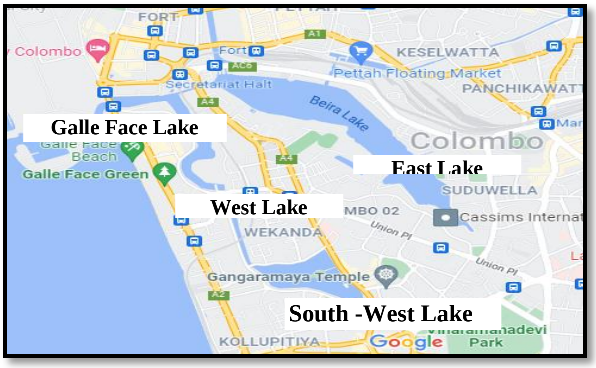
Maintenance work in Beira Lake water body and its surrounding

The Beira Lake receives water through the St. Sebastian Canal and run-off from its urbainzed catchment. Therefore, Lake Water body generally receives municipal and industrial waste and wastewaters which lead to lake deterioration. SLLDC involved in necessary maintenance activities in the Beira Lake water body and its surrounding to mitigate the possible degradation of Lake.

Main purpose of this project is to maintain the Beira Lake water body and its surrounding. The Beira Lake is located in the Middle Part of Colombo City and the extent of the

Beira lake is 161.2 Acres. The Beira lake water body have following main sections;

- East Lake (100.6 Acres)
- Galle Face Lake (5.4 Acres)
- West Lake (21.3 Acres)
- South West Lake (27.2 Acres)
- Kelani Vally Basin (Finger Section) Area (2.5 Acres)
- Main Basin (Floating Market) Area (4.2 Acres) 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



During rainy period

The total value of works done for the year 2023 is Rs. 20.24 million

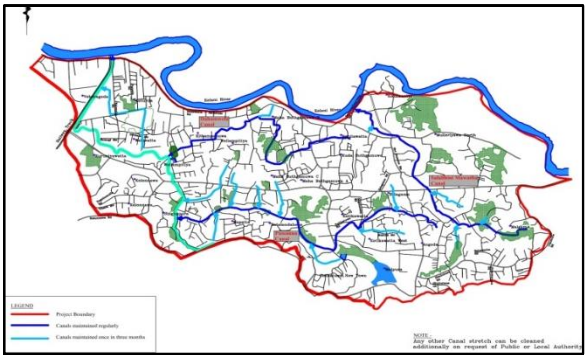
Kolonnawa Storm water Drainage and Environment Improvement Project

Annually SLLDC is maintaining the main canal system in Kolonnawa Area. Also Dredging and surface clearing have been done in several sub canals in and around the Kolonnawa area to mitigate the flood in Kolonnawa. Surrounding areas.

such as,

- Kiththampahuwa Canal
- Dahamwela Canal
- Salalihini Mawatha Canal
- Passenna Canal and sub canals is connected to the Main Canals

The total value of work done for the year 2023 is Rs. 75.70 million.



During rainy period

After Cleaning

Client Projects - 2023

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

Client : State Ministry of Urban Development, Waste Disposal and Community Cleanliness
Starting Date : 2021.07.05
Completion date : 2023.02.28
Estimated Cost : Rs. 146.98 Mn (without Con. & VAT)
Work done up to end of December 2023 :Rs. 146.98 Mn

Scope of the Work

- Dredging of Pond (Area 72,843 m2- up to depth 1m)
- Preparation of walk path
- Construction of Steel Bridge (6m x3m size)
- Construction of Hume pipe culverts with wings walls
- Supply & Fixing of pre-cast seating units
- Bund preparation work and construction Causeway
- Preparation of Play Ground
- Construction of Car Park
- Landscaping work

2. Proposed Eco Agro Park At Holuwagoda - Galle

Client : State Ministry of Urban Development, Waste Disposal and Community Cleanliness
Starting Date : 26.01.2021
Project Status : Ready to handover
Estimated Cost : Rs. 341.96 Mn (without Con. & VAT)
Cumulative Work Done up to end of Dec 2023 : Rs. 397.04 Mn.

Completed Work Items

- 02 Nos. 8m Steel Bridge
- 4m Steel Bridge
- Dredging and formation of Lake
- Drain work at Market area
- Filling work at Market area
- Market area slope and rubble pitching work
- Market area concrete ramp work & staircase concreting
- 06 Nos. Hume pipe culverts
- Supply and installation of play equipment for Proposed Children Park Area
- Construction of extended culvert
- Formation of walk path

Balance Work Items

- Re attending the dredging work of Lake
- Construction of newly proposed drain by UDA on 01.02.2024

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

Client : International Institute of Health Science (Pvt) Ltd.

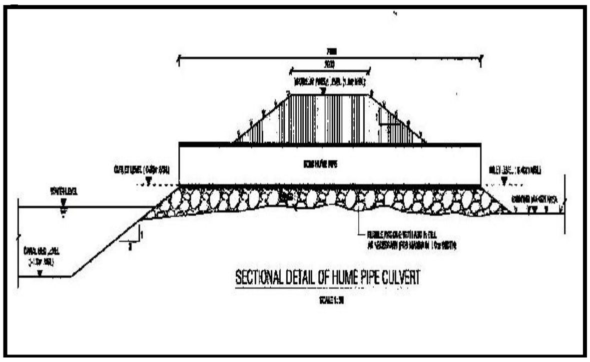
Starting Date : 21.08.2022
Project Status : Temporally suspended due to delaying of Payment
Estimated Cost : Rs. 79.77 Mn (without Con. & VAT)
Cumulative Work Done up to end of Dec 2023 : Rs. 55.64 Mn.

Completed Work Items

- Canal Dredging
- Surface cleaning
- Canal Bank preparation
- Raising of top level of the bund (upto + 1.55 m MSL)

Balance Work Items

- Raising of top level of the bund (upto + 1.8 m MSL)
- Rip rap protection
- Turfing
- Planting of Karanda Trees



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

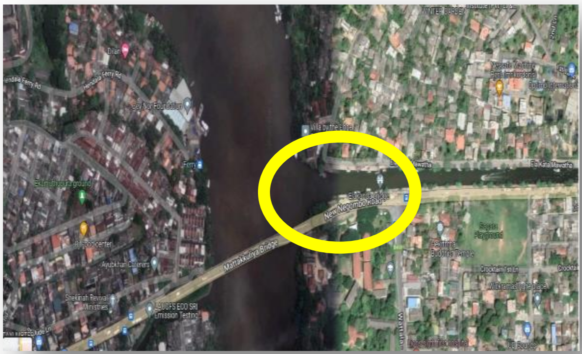
Client: District Secretary – Gampaha

Starting Date : 03.11.2022
Completion Date : 23.07.2023
Estimated Cost : Rs. 14.53 Mn (without Con. & VAT)
Cumulative Work Done up to end of Dec 2023: Rs. 14.53 Mn

Completed Work Items

Cleaning of 07 Nos Canals in Gampaha Area

- Jaru Ela (250 m)
- Kalu Kotuwa Ela (650 m)
- Kundi Vila canal (1,360 m)
- Kalu Kola vila Connection canal (450 m)
- Canal near Pallewela station – Up stream (2,100 m)
- Horakandawila Ela (1,100m)
- Canal near Pallewela station – Down stream (410 m)



5. Dredging work on Hamilton Canal near its Outfall to facilitate for Cargo Movement

Client : Lakdhanavi Limited

Phase I

Starting Date : 08.11.2022
Completion Date : 21.02.2023

Estimated Cost : Rs. 21.69 Mn (without Con. & VAT)
Cumulative Work Done upto end of 2023: Rs. 24.56 Mn
Cumulative Payments Received upto end of 2023: Rs. 24.56 Mn

Completed Work Items

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

Phase II

Starting Date : 01.12.2023
Completion Date : 15.12.2023
Estimated Cost : Rs. 12.97 Mn (without Con. & VAT)
Cumulative Work Done up to end of 2023: Rs. 6.47 Mn
Cumulative Payments Received up to end of 2023: Rs. 6.47 Mn.

Completed Work Items

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

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 was experienced 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, 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 of the project. The revised cost of the project is Rs.11, 050 million.

Weras Ganga Storm Water Drainage & Environment Improvement Project is an investment for the nation which uses the local engineering technical expertise to build flood free canal system flows under gravity.

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

2. Maintenance of Work of the Canals, Lakes, Walking Paths and Retention Areas.

2.1 Maintenance of Canals

Prioritizing the maintenance of the developed drainage system which includes canals (main, secondary & tertiary) about 30 km in length for prevention of flood in Weras Ganga Project.

2.1-1 Concrete Canal
Total Concrete Canal Length – Approx. 2.5 km

2.1-2 Sheet Pile Concrete Canal
Total Canal Length – Approx. 0.5 km

2.1-3 Gabion Canal
Total Gabion Canal Length – Approx. 3.5km

2.2 Maintenance of Lakes

Under the project, approximately 40 Hectares extents of retention areas are being developed as Ponds & Lakes to enhance water retention capacity.
While improving water retention capacity, enhancement of recreational activities of the public was improved with Walking Paths Children Play Area, Open Gym, etc.

2.2-1 Manel Mawatha Lake
- Total area of the lake - Approx.0.5 hec
- Bund Road Length – Approx. 0.5 km
- Periphery Canal Length – Approx. 0.5km
- Green Net Length – Approx. 0.5km

2.2-2 Pepiliyana Lake
- Total area of the lake - Approx. 2.0 hec
- Bund Road Length – Approx.0.9 km
- Periphery Canal Length – Approx. 1.2km
- Green Net Length – Approx. 1.2km

2.2-3 Wela Road Lake
- Total area of the lake – Approx. 1.1 hec
- Bund Road Length – Approx. 0.5 km
- Periphery Canal Length – Approx. 0.5km
- Green Net Length – Approx. 0.5km

2.2-4 Field Avenue Lake
- Total area of the lake – Approx. 0.5 hec
- Bund Road Length – Approx. 0.6 km
- Periphery Canal Length – Approx. 0.5km
- Green Net Length – Approx. 0.5km

2.2-5 Werahera Lake
- Total area of the lake – approx.. 2.0 hec
- Bund Road Length – 0.9 km
- Periphery Canal Length – Approx. 1.0km
- Green Net Length – Approx. 1.0km

2.2-6 Rubber Watta Lake
- Total area of the lake – Approx. 4.0 hec
- Bund Road Length – 2.0 km
- Periphery Canal Length – Approx. 2.0km
- Green Net Length – Approx. 2.0km

2.2-7 Sooriyamal Mawatha Lake
- Total area of the lake – Approx. 5.0 hec
- Bund Road Length – 1.2 km
- Periphery Canal Length – Approx. 1.0km
- Green Net Length – Approx. 1.0km

2.3 Maintainenance of Marshes

As part of the original project plan, it is crucial to protect acquired marshes in order to maintain their natural state and preserve the acquired retention capacity. Therefore, the project maintains the retention capacity of Maha Ela, Bellanwila, Pillewa, Katuwawala, Nawinna, Sunethradevi & Weras Ganga retention areas.
Inadditiion to that 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.

2.3-1 Maintenance of Weras Ganga

Research and Designs Division

Research and Designs 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. All units work together to accomplish the goals of the division.

In General, the Engineering Unit provides engineering services in the fields of Hydrological & hydraulic designs and Structural designs. Architectural Unit provides their expertise in architectural designs mainly for building projects and landscaping works while other units provide necessary technical support to complete projects undertaken by the division.

I. Engineering and Architectural Section

In general projects undertaken by the Research & Designs Division in year 2023, could be categorized as follows.

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

1. Client Projects

RDA, UDA and some Local Authorities in Western Province are the most important clients for 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 2023, the R&D division has carried out hydrological and hydraulic studies for Proposed Ruwanpura Expressway Project and Proposed Central Expressway Project.

Proposed Ruwanpura Expressway Project

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 comprised with 3 sections as shown in Figure 01.The total consultancy fee for the study is Rs. 31M upto 2023 year. Currently, 60% of the Section I designs have been completed and EIA report of Section I and Section II has been completed.

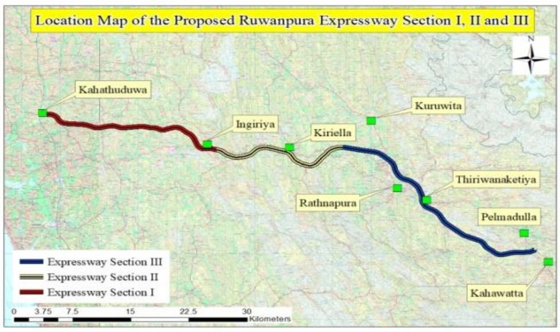


Figure 01: Proposed Trace for Ruwanpura Expressway Project

Proposed Central Expressway Project.

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.

Main Hydrology and Hydraulis study had completed before year 2015. In year 2023, SLLDC has been asked for providing consultancy service during project implementing phase of section 01 and section 03. R&D division successfully provided required sevice.

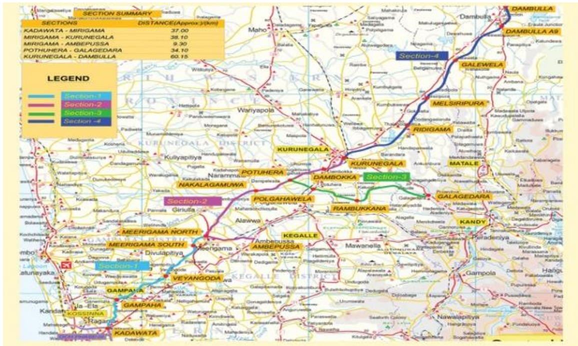


Figure 02: Proposed trace for Central Expressway Project

Proposed Bypass road in Kurunegala

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. SLLDC task was to provide RDA with cross drainage requirement.

Figure 03: Proposed trace for Kurunegala Bypass Road.

- Other Institutions

Municipal Council – Minuwangoda

Urban Development Authority (UDA) has prepared a Master development proposal to Minuwangoda town. Due to lack of available high ground, UDA planned to develope paddy field located adjoin, to Sathipola. Preparation of drainage and reclamation plan for the above development is undertaken by SLLDC. Accordingly SLLDC carried out comprehensive drainage study and prepared detailed drainage plan for the project. The consultancy fee for the study is 2.2Mn (Excluding VAT).

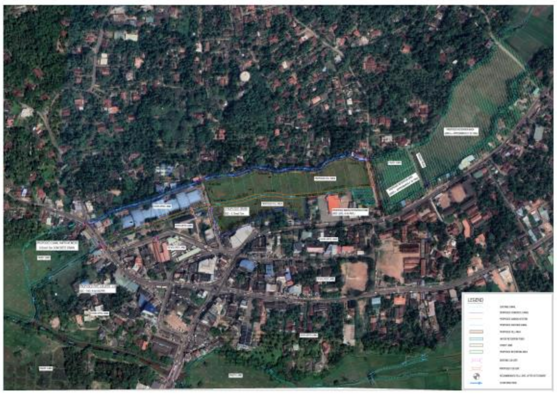


Figure 04: Project area of Minuwangoda Town Development Project

CEB Projects

- **De-silting of Katukithuloya railway culvert and connected canals of Upper Kothmale Power Station**

The main scope of the above project was to De-silting of Railway Culvert, Culvert pond and Part of the Head pond. R&D division had inspected the site and carried out the project together with plant and equipment division (P&E). The total value of work development for the year 2023 in Rs. 35 M.

Figure 05: Progress of De- silting

2. Treasury Funded Projects

Drainage and Environment Improvement Project for Piliyandala Bypass Road

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 2023 was Rs. 22M. The main task covered under above allocate is as follows.

- Construction of 3.5m wide concrete drain
- Dredge and cleaning of existing canal is the aquived land
- Detail design

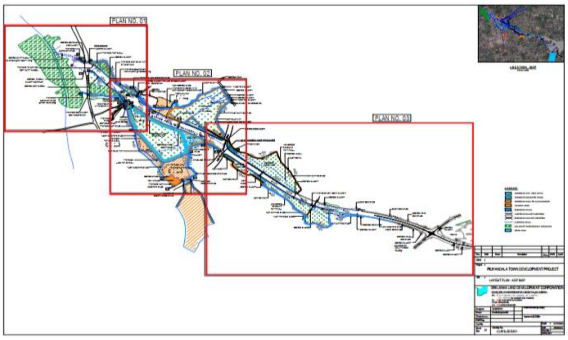


Figure 06: Layout Plan of Piliyandala Project

Water Level and Discharge Measurements Project

One of the major objectives of Sri Lanka Land Development Corporation is to carry out Master drainage studies to mitigate flood damage for future scenarios. Master drainage studies are based on the existing condition and behavior of water bodies, lakes and major channels. Water level and discharge measurements are very important parameters to be used in the drainage studies.

Presently, SLLDC has identified 126 locations within 7 basins named as follows for collecting water level readings.

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

The Treasury allocation for the year 2023 is Rs. 3Mn.

Figure 07: Installation of water level gauges

Detail Drainage Study in Mudun Ela Drainage and Environment Improvemnet Project

Mudun Ela basin is a very flat and low lying watershed which falls within Kelaniya and Biyagama Divisional Secretariat. Due to its low lying nature it undergoes flooding quite frequently. This is a highly urbanized area on the immediate outskirts of the capital city, Colombo. SLLDC has therefore planned to mitigate flooding to prevent inconvenience to the public

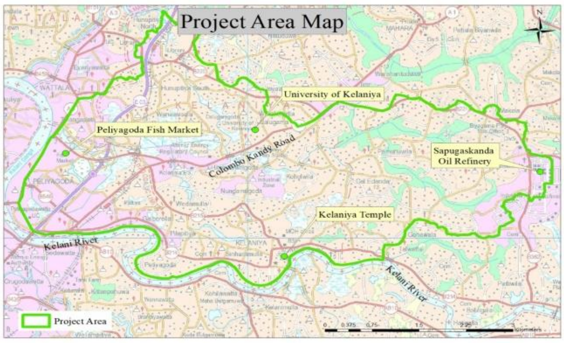


Figure 08: Project area of Peliyagoda Mudun Ela Sub Basin

The design return period considered in this study is 25 years. A MIKE 11 based flood model was developed and used as the main tool in testing different flood mitigation scenarios. The project area is shown in Figure 09 below. The Treasury allocation for the year 2023 is Rs.7.108M.

Bindunu Ela Drainage and Environment Improvement Project

Unplanned development and urbanization around Bindunu Ela have caused frequent flooding in 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 Bindunu Ela area. The main objective of the project is to rehabilitate Bindunu Ela to reduce flood risk and restore paddy cultivation thereby uplift the socio-economic condition of the people of the area.

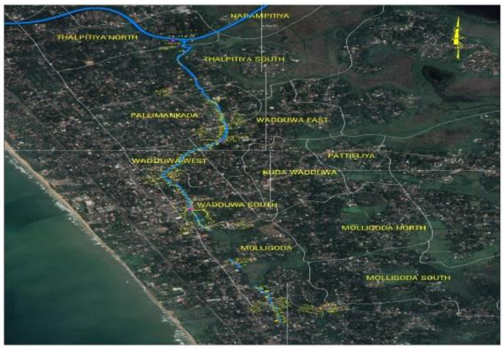


Figure 09: Layout Plan for Bindunu Ela Drainage Improvement Project

Preparation of Drainage Plans for Solving localized drainage issues in western province

Collection of data, Survey Work and preparation of Master Drainage Plans for Colombo & Outside area, have been done to mitigate flood risk. 14 Master drainage proposals have been completed and 6 proposals are in progress.

No	Description	Remarks
1	Boralesgamuwa area local flood issues	Completed
2	Sarana Ela Drainage Plan	Completed
3	Dredging of Lake at Defense Head Quarters Project at Kinhadeniya Lake	Completed
4	Boralesgamuwa Drainage Improvement Project	Completed
5	Rehabilitation of Peripheral Canal at Ridgeway Golf Link Colombo 8	Completed
6	Local drainage issue at dutugemunu street, Peliyagoda	Completed
7	Drainage issue at Kondagammulla Primary School-Katana	Completed
8	Storm Water Drainage Proposal for flooding issue at Rajasinghe Mawatha	Completed
9	Imbulgoda, Ranagala road local drainage issue	Completed
10	Sumithuru uyana local drainage issue - Gampaha	Completed
11	Panadura – Galpotta road flood issue	Work in progress
12	Kalderammaduwattha drainage plan	Work in progress
13	Kambokkawa road drainage plan – Millaniya	Completed
14	Drainage Proposal for Alubomulla	Completed
15	Drainage Proposal for Empire Land - Panadura	Completed
16	Improvement of Road network – Buttala Town	Completed
17	Flood issues in Puttalm area	Work in progress
18	Flood issues at Gandara- Matara	Work in progress
19	Development of Marshy land opposite to Kurunegala Hospital	Work in progress
20	Local Flood issues at Matara – Dikwella area	Work in progress

3. 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 2023.

- **Renovation for the circuit bungalow at Nuwaraeliya**

The existing single-story circuit bungalow was outdated and underutilized and it is not accommodating the high demand of visitors in the vacation seasons. Therefore this existing building is proposed to maximize the room capacity, renovate, and improve. To achieve that goal total renovation has been done to the existing structure. Further, improve the damaged parts and remove outdated structures as required.

Figure 10: Progress of the Nuwaraeliya Circuit Bungalow

- **Wetland Enchroachment Prevention Project – Stage I – Gothatuwa area**

The SLLDC has taken many attempts to protect the Gothatuwa wetland from encroachment since these marshy areas were vested to the corporation to maintain and manage for flood retention purposes. and Gothatuwa wetland is one of the main wetlands that experienced encroachment always due to the rapid urbanization of the area. As a strategy, a periphery canal was constructed around the Gothatuwa wetland to protect the habitat, which had some positive effects but was not sufficient to stop the encroachments. This has been identified as an effective strategy to quit the encroachment.

To strengthen this strategy furthermore, while promoting the wise use concept for urban wetlands, SLLDC is now planning to transform the Gothatuwa wetland into a wetland park. The total length of periphery of the marsh is 4000 m. As the 1st stage, a circle of 1.8 km circumference was selected to finish the walkway.

Figure 11: Proposed Cycle Track

- **Proposed Renovation for the EMT Laboratory at Attidiya**

The existing building consists of three floors, including the ground floor and a roof terrace. It was proposed a chemical laboratory on the second floor, which indicated a potential expansion or development for future prospects.

Figure12: 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, surface water, wastewater, sludge, sediments etc. Borehole investigations are carried out by using rotary (wash boring) or hand augering techniques. The EMT Laboratory comprised of one YWE D45 rotary drilling machine. The ICP-MS and Microwave digester allows the laboratory to test numerous heavy metal analyses in water, surface water, wastewater, sediments, sludge etc. expanding the scope and the strength of the laboratory.

The EMT Laboratory has earned Rs.43M income in 2023. It has supported numerous projects undertaken by SLLDC in 2023 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
- Oliyamulla Pumping Station Project
- Proposed Development of IIHS Multiversity Project at Kerawalapitiya
- Storm Water Drainage Study in Moratuwa – Ratmalana Area
- Proposed 15m Span Bridges at Meegahawaththa Road
- Mudun Ela Storm Water Drainage Improvement Project
- Multi-Purpose Indoor Sports Center at Sooriyamal Mawatha

Furthermore, the EMT Laboratory monitors the quality of off shore sand produced by SLLDC 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 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
- Preparation of Variation orders
- Preparation of Claims
- Preparation of material requirements
- Preparation of Tender documents
- Evaluation of bidder's pre qualification
- Tender evaluation
- Preparing, negotiating and analyzing cost of tenderers and Contractors
- Participation for pre-bid meetings & bid opening meetings
- Regular site visits
- Checking and certifying Contractor's Interim & final payment certificates
- Checking and certifying Contractor's Variations and Claims
- Rate negotiation with clients, consultants and contractors
- Participation for project related meetings
- Preparation of Contract documents

This section provided services to the major projects undertaken by SLLDC in 2023. 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. 182M.

Wetland Management Division

Establishment of Wetland Management Division place a responsibility on conservation & strategic utilization of natural resources specially on flood mitigation activities.

Accordingly Wetland Management Division prepare the annual work programme in terms of short term, medium term & long term plans.

In year 2023 Wetland Management Division continues already commenced program as well as newly identified projects according to the budget allocation of the division.

As the waste became one of the major environmental issues during last couple of years it was decided to establish a waste management unit under the division.

We have successfully achieved almost all scheduled work programme of year 2023 and comprehensively describe below;.

Diyasaru Park

Diyasaru Park, situated in the heart of Sri Jayewardenepura, the administrative capital of Sri Lanka, stands as a revolutionary urban wetland center sprawled across 60 acres. Amidst the bustling urban landscape, this sanctuary provides a serene escape, inviting visitors to immerse themselves in the diverse wetland habitats it offers. Governed by the Sri Lanka Land Development Corporation, Diyasaru Park serves as a beacon for urban wetland conservation, aligning its vision, mission, and objectives to harmonize human existence with wildlife.
Nestled in close proximity to the parliament, Diyasaru Park boasts a variety of wetland ecosystems, including marshes, flooded woodlands, lakes, and ponds. The park's strategic location allows it to serve as an idyllic retreat, offering respite from the chaos of city life while providing a platform for education and awareness on wetland conservation.
Diyasaru Park is at the forefront of urban wetland conservation, implementing various initiatives to protect and preserve these critical ecosystems. The park's management is committed to maintaining a delicate balance between human activities and the flourishing wildlife. The conservation efforts encompass habitat restoration, water quality monitoring, and sustainable development practices.
Diyasaru park actively engages in Communication, Education, Participation, and Awareness (CEPA) activities. These activities cater to people of all age groups, fostering a sense of responsibility and appreciation for wetland ecosystems.

Key activities carried out during year 2023

- Educational Programs - Diyasaru Park conducts educational programs aimed at schools and colleges, providing students with an understanding of wetland ecosystems, biodiversity, and the importance of conservation.

- Community Participation - The park encourages community involvement through various workshops, seminars, and volunteer programs. This fosters a sense of ownership and responsibility among the local residents towards the preservation of urban wetlands.

- Awareness Campaigns - Diyasaru Park organizes awareness campaigns to reach a broader audience, utilizing social media, events, and partnerships to disseminate information about wetland conservation and sustainable practices. In year 2023, 56 no of educational programmes, workshops, seminars and volunteer programmes were held. One of the most excited activity done in year 2023 was printing of desk calendar. It includes remarkable location pictures of Diyasaru Park and all commemorative days related to nature conservation were mentioned in each page.

Diyasaru Park stands as a model for urban wetland conservation, showcasing the successful integration of human activities with the preservation of delicate ecosystems. Through its visionary approach, commitment to education, and active community engagement, the park not only provides a haven for nature lovers but also plays a pivotal role in raising awareness and instilling a sense of responsibility towards the protection of urban wetlands. As a testament to its success, Diyasaru Park remains a shining example of how urban spaces can coexist harmoniously with nature.
This urban nature park is exposed not only to the locals but also to the Foreign National. During year 2023, 411 foreign nationals & 61,046 locals were visited the site.

Also in 2023, 1541 wedding shoots, 992 birthday shoots, 05 Model shoots, 150 pre shoots, 24 pregnant shoots, 05 teledrama shoots, 08 TV & You Tube programme & 03 family shoots were located at the site and considerable amount of income was generated. To conserve and maintain the standard of this precious natural ecosystem, amount of Rs. 33 Mn. has spent under the treasury allocation.

Beira Lake Water Quality Monitoring and Improvement

Beira Lake, historically significant for its multifaceted uses, has suffered from pollution and degradation over the years. The Sri Lanka Land Development Corporation (SLLDC), in conjunction with other government stakeholders, acknowledges the need for a comprehensive approach to restore the lake's water quality from 2012.

The SLLDC has been actively monitoring the water quality of Beira Lake at 34 selected locations, conducting tests twice a month. The parameters assessed include various indicators crucial for understanding the lake's health and identifying pollution sources. Meantime the Floating Treatment Wetlands (FTW) were introduced to the Beira Lake for phytoremediation of the polluted areas of the lake. However the excessive pollutant loads to the Beira Lake has a limitation of the success of this approach due to the accumulation of heavy pollutant loads and cytotoxins.

Therefore SLLDC accepted the proposal of Grepo Lanka Bioscience (Pvt) Ltd, in collaboration with Grepo PTE Ltd, to introduce a cutting-edge Japanese technology involving Nano Bubble Aeration and Nano Carbon Fencing. Nano bubble aeration, known for its efficacy in diverse applications such as aquaculture and wastewater treatment, is being employed to enhance the water quality of Beira Lake.

Nano bubble Aeration

- Nano bubbles, with diameters less than 100 nanometers, provide a higher oxygen transfer efficiency compared to conventional methods.
- Effective in dissolving oxygen, carrying nutrients, and improving the breakdown of organic matter in wastewater treatment.
- Accelerates the growth of aerobic microorganisms, reducing algae growth and associated odors.

Nano Carbon Fencing

- Nano Carbon Fencing complements Nano bubble aeration by promoting the formation of reactive oxygen species for pathogen inactivation.
- Enhances the mixing of water, ensuring even distribution of chemicals and additives.

Forty Nano bubble aeration devices will be strategically placed at specific locations within Beira Lake to combat pollution. The project aims to improve water clarity and reduce the prevalence of harmful cyanobacteria. Regular monitoring will assess the progress, and the benefits achieved will be claimed under the Carbon Credit Scheme.
The adoption of Japanese technology for water quality improvement at Beira Lake signifies a significant step toward restoring this vital water body. The Sri Lanka Land Development Corporation remains committed to diligently monitoring the progress and achieving the project's goals in collaboration with all stakeholders. The success of this endeavor not only ensures a healthier Beira Lake but also contributes to environmental sustainability and sets a precedent for future water restoration projects. Preparatory works were completed in year 2023 including necessary approvals and installation of initial equipments were done.

Kolonnawa Storm Water Drainage and Environment Improvement Project (KSWD&EIP)

The Project Area is 17 km^2 and in the purview of two local authorities as Kolonnawa urban council and Kotikawatta-Mulleriyawa Sabha under Kolonnawa Divisional Secretariat Area in Colombo District. 25 Grama Niladhari Divisions are completely and 10 Grama Niladhari Division partially covered under the project. The population in 2012 within the project area is 191,687 in 40125 families.

Topographically, the project area is situated in the left bank flood plain of Kelani River and had been identified as unprotected area against overland flooding of Kelani River since the construction of Harvard flood bund to protect the Colombo city against the Kelani River flooding. The project area has been urbanized in unplanned manner during last two three decades and now it can be identified as developed area.

The project area is very vulnerable to frequent inland flood and periodic overland flooding has been protected against minor flood situation of the Kelani River. (River water level at Nagalagam street water level gauge as categorized by irrigation department 5 m MSL is the minor flood level)

Three storm water drainage canal system, Kiththampahuwa, Salalihini Mawatha and Danduthota are in the designated project area and they drain out the storm water into the Kelani River. The project area is affect by inland flooding due to inadequate capacity of water retentions, less conveyance capacity and obstructions as outfalls of existing drainage canals caused by unplanned development and encroachment in storm water retention areas, canals and canal reservations. Structural measures of channel improvement with O&M roads, widening of existing road crossing structures, creation of retention/detention ponds and establishment of pump houses are proposed to mitigate the frequent inland flooding of the Kolonnawa drainage basin to achieve the sustainable development goals of SDG1, SDG9, SDG11, SDG13, SDG14 and SDG15.

This project was commenced in 2018 and up to 2022 Rs.581.97 million value of work done was completed for feasibility study, Detailed engineering designs (Dahamwela canal, Passanna Canal, Salalihini Mawatha canal), widening of 08 Nos. existing culverts, 650 m length of channel improvement, creation of 01 No Retention pond and Canal maintenance work. In 2023 Rs.264.79 Million value of work done was completed for detailed engineering designs of secondary canal, Danduthota canal system, canal maintenance work, widening of 03 Nos. culverts, 01 No retention pond and Topographical survey work for land acquisition.

Estimated project cost is Rs.8300 Million and it will funded by treasury. Feasibility study, Detailed Engineering Design & project management, Land Acquisition & Compensation, Implementation and Operation and Maintenance works are included in this estimate.

During the year 2023, project funding was insufficient due to the economic crisis of the country and decided to identify the essential activities first and obtained Cabinet approval for funding. Accordingly Cabinet approval was obtained to extend the project period up to 2027 and required allocation (Rs. 300 Mn.) for year 2024 has been granted.

Waste Management Park at Kerawalapitiya managed by Sri Lanka Land Development Corporation

Sri Lanka Land Development Corporation started a compost production facility at Kerawalapitiya Waste Management Park (KWP) since 1st June 2017 as a medium term solution for the management of waste generated in Colombo and sub urban area. The initial capacity of the composting plant was 100MT/day. The main intention of this project was to reduce the environment impacts from the open dumping after Meethotamulla dump site failure. The project has achieved 100% source segregation of SWM within 9 months of the project initiation through law enforcement and awareness. At the initial stage of this project, KWP has received a 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, the compost production capacity was increased by introducing a new sieving machine at the KWP. Current daily compost production is around 30 MT at favorable weather and the whole compost quantity is available for open market.

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 - 2023

- Total waste received - 52,576.33MT
- Total Compost sale - 225.00MT
- Total Income from Waste Acceptance - Rs. 94,627,116.00
- Total Income from Compost Sale - Rs. 3,676,295.00

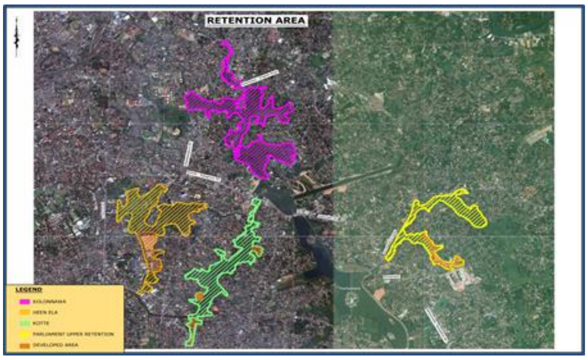
KWP compost facility is equipped with weighbridge, 80 x 45 m^2 of concrete floor, Windrow Turner, 3Nos. of Compost sieving machine, 01 nos. of Long Arm Excavators, 01 Nos. of Short Arm Excavators, 01 Nos. of Six-wheel Tippers, Four-wheel tractor, Backhoe Loader and Skid Steer. The windrow turner is improving 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.

SLLDC has allocated 4Ac land to LOLC Advance technologies Pvt Ltd to setup a Polyethylene, plastic pyrolysis plant to provide a solution for Non-degradable waste. LOLC has setup a plant with 10mt processing capacity per day. It will increased upto 40Mt day in coming years.

Wetland Encroachment Prevention Project – Stage I – (Gothatuwa Wetland Park)

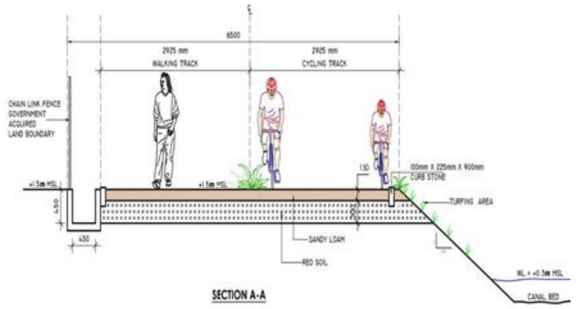
Introduction



In the 1990s, a thousand acres of marshy lands (including the paddy fields) around the parliament of Sri Lanka were acquired by the government to maintain as water retention areas under the Greater Colombo Flood Control & Environment Improvement Project. These acquired lands were then vested to the Sri Lanka Land Development Corporation (SLLDC) to maintain as flood retention areas. However, with time, it was revealed that the acquired land area had been reduced due to unauthorized filling and encroachments. Therefore, as a solution to protect the remaining flood retention areas, the boundary re-opening project for the acquired lands was begun in 2013 by the SLLDC. Within the Colombo Wetland Complex, Gothatuwa wetland was identified as a critical flood retention area, and a major wetland patch which was highly threatened by the encroachment, therefore, the re-opening of boundaries and construction of boundary posts were done with a high priority, and completed in the year 2016.

The SLLDC has taken many attempts to protect the Gothatuwa wetland from encroachment since these marshy areas were vested to the institute to maintain and manage for flood retention purposes. Most of the areas of this wetland were primarily active paddy fields before, which was the traditional way that people in Colombo connected with wetlands. However, with the acquisition of the lands, this connection was completely disturbed, and people were parted from the wetlands in Colombo. With time, people were trying to invade the wetlands close by, and Gothatuwa wetland is one of the main wetlands that experienced encroachment always due to the rapid urbanization of the area. As a strategy, a periphery canal was constructed around the Gothatuwa wetland to protect the habitat, which had some positive effects but was not sufficient to stop the encroachments. This resulted in the construction of a periphery road total length of 4 km around the wetland as a tactic to transform the wetland into a public place. The intention was to rebuild the lost connection between urban wetlands and people by bringing them back to the wetland. This has been identified as an effective strategy to quit the encroachment. To strengthen this strategy furthermore, while promoting the wise use concept for urban wetlands, SLLDC is now planning to transform the Gothatuwa wetland into a wetland park.

As the 1st stage, a circle of 1.8 km circumference was selected to finish the walkway. In year 2023 total length of 1 km which out of 1.8 km including side drains has completed. In light of the current financial crisis in the country, the decision has been made to pursue a private-public partnership for financial assistance, aiming for a mutually beneficial, win-win situation while conserving the wetland.



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 the jurisdiction over the canals in Colombo metropolitan region and is responsible for their routine maintenance, primarily for conveyance of storm water, and also maintain 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 Colombo Metropolitan Region (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 2023.

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. These FTW are designed to treat and improve the quality of water in water bodies by utilizing wetland plants and associated microbial communities. 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. The maintenance work on FTW was done in 2023 under the implement in-lake biological control methods. (Goal: 01- Reduce frequency and severity of algal blooms).

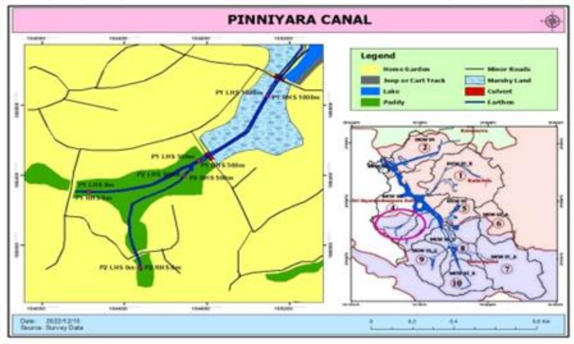
Identification of Eroded Canal Banks in Parliament Lake Catchment for Restoration : A field survey of the Parliament Lake catchment's canal banks has been conducted to find out the length of sections that require restoration as well as to map the current state of the catchment's canal bank protection. and decide the method, cost and time estimates and control erosion along the entire shoreline area.

Water quality monitoring: In year 2023, 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.

Promote the participation of and contribution from the research community, private sector and any other interested groups (Goal 6)

Processing approvals for treated wastewater discharge: Assist in the application process for discharge treated wastewater into any canal network in the Colombo Metropolitan Region (SLLDC Canals) from any apartment, manufacturing factory, office, school or mixed development. In year 2023 of 08 requests were received and already 02 permits have issued. Due to the inadequate document submission issuing of 04 permits are pending. The other 02 requirements were rejected as they are not under our custody.

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

Special Projects Division

Special Projects Division is one of the key technical divisions of SLLDC. The main functions of Special Projects Division are carrying out hydrological, hydrodynamic modelling, carrying out detail drainage studies, preparation of master drainage plans for government and private sector clients, issuing clearance for land development and implementing construction projects.
Special Projects Division has executed its' operations in above different areas during year 2023 as follows:

- **Issuing Clearance for Land Development.**
- **Client Projects Implementation**

I. Beautification and Development of Lakes from Kurunegala to Anuradhapura
II. Climate Smart Irrigated Agriculture Project (CSIAP)
  a. Kurunegala District – 1 contract (7 tanks)
  b. Anuradhapura District – 3 contracts (5 tanks)
  c. Trincomalee District – 1 contract (3 tanks)

Design & Implementation

III. Rainwater Drainage System at State Pharmaceuticals Manufacturing Corporation (SPMC) Premises up to Bolgoda Lake.

1. Issuing Clearance for Land Development. (through Planning Committee)

Unplanned and unauthorized development and filling of low lying lands is one of the main reasons for localized flooding as well as flash flood situations in the country. Therefore the development of low lying lands with efficient and effective drainage systems is vital, to minimize damages caused to the economy of the country due to urban flooding.

Special Projects Division is fulfilling this task by carrying out comprehensive hydrological and hydrodynamic studies on case-by-case basis as per clients' requests made for the development of low laying lands. These comprehensive drainage proposals are presented to the Planning Committee established under the SLLDC Act for approval.

2. Client Projects

i. Beautification and Development of Lakes from Kurunegala to Anuradhapura

Date of Commencement : 22.05.2021
Date of Completion : 28.02.2023
Contract Value : Rs.140,341,481.99

Project scope consists of

- Enhancement of lake capacity, thereby increasing the irrigable area for cultivation
- Upgrading and beautification of surrounding environment to enhance tourist attraction.
- Enhancement of public health, living standards and quality of life.

Physical Progress : 100%
Financial Progress : 99%

1. Kalagas Wewa, Ibbagamuwa (Kurunegala District)

2. Kalammulla Wewa , Melsiripura (Kurunegala District)

3. Kalahakele Wewa, Galewela (Matale District)

4. Puwakpitiya Wewa , Galewela (Matale District)

5. Saluapullana Wewa , Dambulla (Matale District)

6. Malawa Wewa, Kekirawa (Anuradhapura District)

7. Ulankulama, Maradankadawala (Anuradhapura District)

8. Thirappane wewa,Thirappane (Anuradhapura District)

9. Galkulama Wewa, Galkulama (Anuradhapura District)

ii. Climate Smart Irrigated Agriculture Project (CSIAP)

1. Rehabilitation of Mampitigamawewa, Korakahawewa, Ratetharanagas Wewa, Muthubandage Wewa in Ambanpola ASC area and Halmillawa Wewa, Uda Thorawa wewa and Pin wewa in Nanneriya ASC area in Galgamuwa Divisional Secretary's Division in Kurunegala District

Date of Commencement : 27.03.2023
Date of Completion : 26.03.2024
Contract Value : LKR 57.403 Mn
Project scope :

- Improvements of tank bunds
- Construction of sluices, spills, bathing steps and culverts
- Desilting of tank beds

Physical Progress : 85%
Financial Progress : 37%

2. Rehabilitation of Kuda Unukewa, Unukewa Mahawewa and Walaswewa in Nabadawewa village at Anuradhapura District

Date of Commencement : 13.04.2023
Date of Completion : 22.01.2024
Contract Value : 43.449 Mn
Project scope :

- Rehabilitation of tank bunds
- Construction of sluices, sluice canals and bathing steps
- Tank bed desilting and water weeds removing.
- Planting trees

Physical Progress : 98%

Financial Progress : 18%

3. Rehabilitation of Horanakkarayagama in Puliyankadawala Village at Anuradhapura District

Date of Commencement : 13.04.2023
Date of Completion : 11.01.2024
Contract Value : LKR 30.908 Mn
Project scope :

- Rehabilitation of tank bund
- Construction of sluices, spill and bathing steps
- Tank bed desilting and removing water weeds
- Improvements of canals and agri road
- Plantation of trees

Physical Progress :99%
Financial Progress :31%

4. Rehabilitation of Wassallagama Tank at Dematawewa in Anuradhapura District

Date of Commencement : 13.04.2023
Date of Completion : 15.10.2023
Contract Value : LKR 21.495 Mn
Project scope :

- Rehabilitation of tank bund
- Construction of sluices, spill, canals, bathing steps and agri road
- Tank bed desilting and removing water weeds
- Spill canal clearing and cutting

Physical Progress : 100%
Financial Progress : 45%

5. Rehabilitation of Kayan wewa, Karangaha wewa and Bellikadawewla wewa in Ramba wewa Cascade in Trincomalee District, Eastern Province

Date of Commencement : 17.05.2023
Date of Completion : 07.05.2024
Contract Value : LKR 93.908 Mn
Project scope :

- Rehabilitation of tank bund
- Rehabilitation of spill
- Improvements of sluice gate
- Construction of culverts, canals, agri roads, concrete drains

Physical Progress : 83%
Financial Progress : 29%

iii. Rainwater Drainage System at State Pharmaceuticals Manufacturing Corporation (SPMC) Premises up to Bolgoda Lake.

Date of Commencement : 07.03.2023
Date of Completion : 06.05.2023
Contract Value : Rs. 1,803,326.80 Mn
Project scope :

- Concrete drains - surface cleaning, desilting and permanent disposal of debris
- Earthen canal - canal bank and surface clearing and permanent disposal of debris

Physical Progress : 100%
Financial Progress : 95%

Construction Division

PROJECTS UNDER CONSTRUCTION DIVISION IN 2023

SRI LANKA PORT AUTHORITY

1. Construction Of Engineering Workshop Building At Trincomalee Port

PROJECTS UNDER MINISTRY OF AGRICULTURE (WORLD BANK FUNDED)

2. Rehabilitation of Thambarawa Wewa
3. Rehabilitation of Rotawala Wewa
4. Rehabilitation of Babawa Wewa

PROJECTS UNDER TREASURY

5. Kolonnawa Storm Water and Environmental Improvement Project (KSW&EIP)
    1. Construction of Box Culvert at Bopatta
    II. Construction of Box Culvert at Majidiyawatta
    III.Construction of Box Culvert at Sadaham Mawatha
    IV.Formation of Thuppawala Lake
6. Rathgama - Township Development and Drainage Improvement Project
7. Drainage Improvement Project for Piliyandala Town Development & Bypass Road Development
8. Maintenance work at “Suwatha Uyana” at Kadawatha

OWN FUNDED PROJECTS

9. Proposed Cricket Stadium at Kirimandala Mawatha
10. Renovation Works at Nuwara Eliya Circuit Bungalow
11. Renovation work of EMT Lab, Attidiya

<u>SRI LANKA PORT AUTHORITY</u>

1. Construction of Engineering Workshop Building at Trincomalee Port

The project was awarded by Sri Lanka Port Authority. The total estimated value of the project is Rs. 252 Mn excluding VAT.

The project consists of construction of three storied reinforced building (1800 Sqm) with ground preparation, earth work, masonry, Aluminium work, water proofing, tiling, painting works and steel workshop(garage) building connected reinforced concrete building with steel columns, steel trusses, roof, wall claddings, roller doors including electrical, plumbing and drainage system with other required facilities and services.

The project was commenced on 03rd April 2023 and scheduled to be completed on 26th May 2024.

The cumulative value of work done during the year 2023 was Rs. 98 Mn with a physical progress of 55%.

<u>CLIMATE SMART IRRIGATED AGRICULTURE PROJECTS (CSIAP)</u>
<u>UNDER WORLD BANK FUNDED</u>

2. Rehabilitation of Babawa Wewa

The above project was awarded by Climate Smart Irrigated Agriculture Project of Ministry of Agriculture funded by World Bank. The estimated value of the project is Rs.67 Mn excluding VAT. The project was commenced on 10th July 2023 and scheduled to be completed by the end of May 2024.

The project consists of rehabilitation of spills and tank bunds, construction of sluices, concrete channels, drain culverts, course way, tractor crossings, turn outs and drainage canal.

The cumulative value of work done during the year 2023 was Rs. 14.51 Mn with a physical progress of 18%.

3. Rehabilitation of Thambarawa Wewa

The above project was awarded by Climate Smart Irrigated Agriculture Project of Ministry of Agriculture funded by World Bank. The estimated value of the project is Rs.87 Mn excluding VAT. The project was commenced on 10th July 2023 and scheduled to be completed by the end of May 2024.

The project consists of rehabilitation of tank bunds, construction of channels and spills.

The cumulative value of work done during the year 2023 was Rs. 11.51 Mn with a physical progress of 16%.

4. Rehabilitation of Rotawala Wewa

The above project was awarded by Climate Smart Irrigated Agriculture project of Ministry of Agriculture funded by World Bank. The estimated value of the project is Rs.68 Mn excluding VAT. The project was commenced on 10th July 2023 and scheduled to be completed by the end of May 2024.

The project consists of rehabilitation of bunds, construction of causeway, spill channels, channel bunds, concrete channels, over crossings and sluice.

The cumulative value of work done during the year 2023 was Rs. 18 Mn with a physical progress of 17%.

TREASURY GRANTED PROJECTS

1. Kolonnawa Storm Water and Environmental Improvement Project (KSW&EIP)

5.1. Construction of Box Culvert at Bopatta

The above project was implemented under Kolonnawa Storm Water and Environment Improvement Project. The project consists of construction of Concrete box culvert, Reinstatement of damage concrete road and construction of concrete road side drain.

The estimated value of the project is Rs. 12 Mn excluding VAT. The project was commenced on 07th January 2023 and completed by end of February2023.

The cumulative value of work done during the year 2023 was Rs. 11 Mn with a physical progress of 100%.

1.2. Construction of Box Culvert at Majidiyawatta

The above project was implemented under Kolonnawa Storm Water and Environment Improvement Project. The project consists of construction of concrete box culvert, reinstatement of damage concrete road, construction of steel sheet pile wall and construction of concrete drains.

The estimated value of the project is Rs. 69 Mn excluding VAT. The project was commenced on 15th January 2023 and completed by end of December 2023.

The cumulative value of work done during the year 2023 was Rs. 62 Mn with a physical progress of 100%.

1.3. Construction of Box Culvert at Wennawaththa

The above project was implemented under Kolonnawa Storm Water and Environment Improvement Project. The project consists of construction of two bay box culvert (size 5m x 2.7m x 2.65m).

The estimated value of the project is Rs. 23 Mn excluding VAT. The project was commenced on 08th July 2023 and to be completed by end of January 2024.

The cumulative value of work done during the year 2023 was Rs. 28 Mn with a physical progress of 98%.

6. Rathgama - Township Development and Drainage Improvement Project

The project consists of reclamation works (14.7 Acres), construction of linear lake (Rs.23.7Mn), drains, culverts (12 nos) and construction of walking path.

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 for the stage I of the project is Rs.409 Mn excluding VAT. The project was commenced November 2021 and construction work had been partially completed at the end of August 2023.

The value of work done during the year 2023 Rs. 223 Million and the cumulative value of work done was Rs. 349 Mn.

7. Drainage Improvement Project for Piliyandala Town Development & Bypass Road Development

The project consists of construction of Concrete drain (length – 25.2m) and rubble retaining wall (length 11.50m)

The total estimated cost of the project is Rs.25 Mn excluding VAT. The project is commenced in November 2023 and scheduled to be completed in 2024.

The cumulative value of work done during the year 2023 Rs. 14 Million with a physical progress of 60%.

8. Maintenance work at "Suwatha Uyana" at Kadawatha

The project consists of Canal Surface Clearing, Canal Banks Clearing, Canal Inspection, Turf Cutting, Maintenance of tracks and gymnasium.

The total allocation for the above project for year 2023 was Rs. 10 Mn excluding VAT from treasury and the maintenance work is carried out throughout the year.

The value of work done during the year 2023 Rs. 10.58 Million.

<u>OWN FUNDED PROJECTS</u>

9. Proposed Cricket Stadium at Kirimandala Mawatha

The above project consists of two storied building with finishing work, Electrical, Plumbing and installation of Sewerage treatment plant.

The estimated cost of the civil work is Rs.88 Mn excluding VAT.

The project was commenced in May 2022 and completed in 28th February 2023.

Value of work done during 2023 was Rs. 57 Mn and the cumulative value of the work done was Rs. 80 Mn.

10. Renovation Works at Nuwara Eliya Circuit Bungalow

The above project consists of renovation work at the circuit bungalow and construction of driver's quarters, garden and external work including entrance gate.

The estimated cost of the project is Rs.30 Mn excluding VAT.

Renovation work was commenced in December 2022 and completed by the end of December 2023.

Value of work done during 2023 was Rs. 37 Mn and cumulative value of the work done was Rs. 38 Mn.

11. Renovation Work of EMT Lab at Attidiya

The above project consists of renovation work at the EMT lab and external work including boundry wall.

The estimated cost of the project is Rs.17 Mn excluding VAT.

Renovation work was commenced in January 2023 and completed by the end of October 2023.

Value of work done during 2023 was Rs. 13 Mn and cumulative value of the work done was Rs. 13 Mn.

The value of work done during the year 2021 Rs. 20 Million.

Oliyamulla Storm Water Drainage And Environment Improvement Project

Project Brief

Wattala and Kelaniya areas experience heavy floods in the monsoon periods. Divisional Secretariats of Wattala and Kelaniya have to pay a huge compensation for vulnerable communities in these areas. Therefore Sri Lanka Land Development Corporation implemented Oliyamulla Storm Water Drainage and Environment Improvement Project to mitigate the flood in Wattala and Kelaniya areas. The other objectives of this project are to provide land developments for future infrastructure facilities and to improve the livelihood of the people who are in Kelaniya and Wattala areas. Catchment area of Proposed Oliyamulla Project is about 17 km2 (1700 ha).

The Proposed Project mainly consists of 02 Nos of 15m3/s and 20 m3/s Capacity Pumping Stations, Reconstruction of Bridge Peliyagoda – Puttalam main road, Formation of Bunds and Lake Dredging, Rehabilitation of Canals and Recreational activities with the resettlement of identified houses in this project area. Up to end of year 2023, the project financially utilized LKR. 2,348.16 Mn and achieved 97% of progress from the Construction of Pumping Station – II.

Figure 1: Construction works of Pumping Station II in January 2023

Figure 2: Construction works of Pumping Station II in December 2023

Figure 3: Installation of Aluminium Louvers and Roller Doors

Figure 4: Installation of EOT Crane

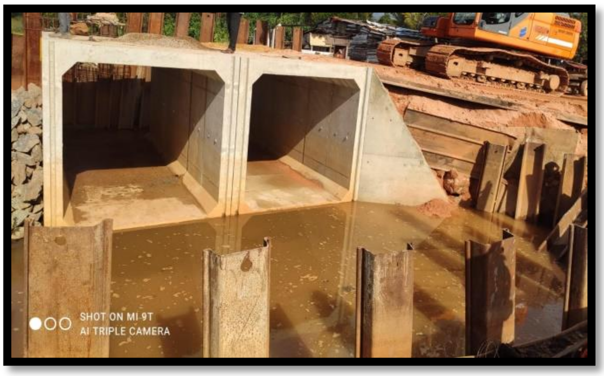


Figure 5: Construction of Box Culvert

Figure 6: Right Bank formation in February 2023

Figure 7: Right Bank formation in December 2023

Figure 8: Left Bank formation in January 2023

Figure 9: Left Bank formation in December 2023

Lands & Marketing Division

Lands and Marketing Division

Lands & Marketing Division is one of the main functional arms of this Corporation which support to achieve its objectives through the following Functions.

- 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
- Allocation of possible lands for cultivation of paddy & short duration crops.

The Corporation has taken initiatives to acquire lands at Kolonnawa and Oliyamulla areas for canal developments 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.

In addition to the above, acquisition of lands under Weras Ganga Storm Water Drainage and Environment Improvement Project (WGSWD&EIP) has been entrusted to the Lands & Marketing Division in order to expedite and complete the acquisition.

Align with the Government Vision on ensuring the food security in Sri Lanka, the Corporation has taken initiatives to utilize all possible lands for cultivation. Accordingly, lands 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 both commercial hub and administrative capital of Sri Lanka. Also with the development of 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. 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.

Accordingly during the year 2023, 22 Acres of lands at Muthurajawela have been allocated to Ceylon Electricity Board and CA Crushing (pvt) Ltd.

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.

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.1.6 Billion from sales/leases during the year 2023.

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 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 gazetting 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 Reservation in Western Province has already been declared and the declaration of canal reservation in Southern, Uva, Central, Sabaragamuwa, North Central, North Western, Eastern, Northern Provinces is 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 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 2024 would be Rs.3,135 million.

Planning & Business Development Division

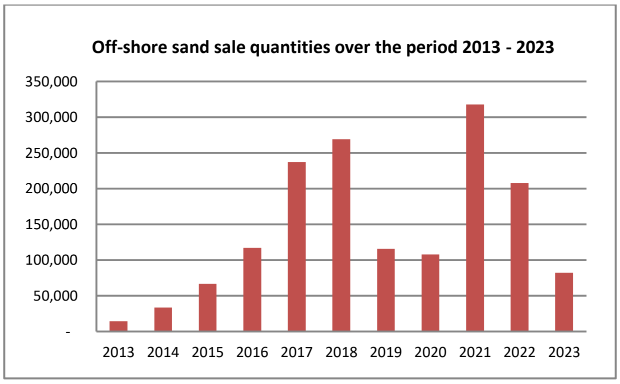
1. Selling of Off-Shore Sand for the Local Construction Industry

The Off-shore sand is washed and sieved at the Washing & Sieving plant which has established at Kerawalapitiya. 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. However, due to the economical situation had in the country during 2022~2023, the construction industry was dropped.

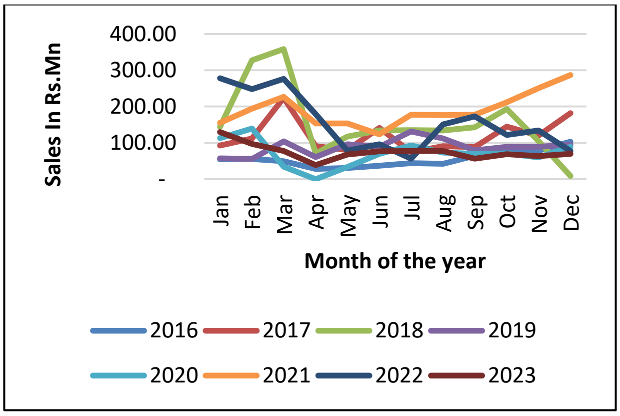
Following graph depicts the annual off-shore sand sales quantities from 2013 onwards.

Off-shore sand sale quantities over the period 2013 – 2023

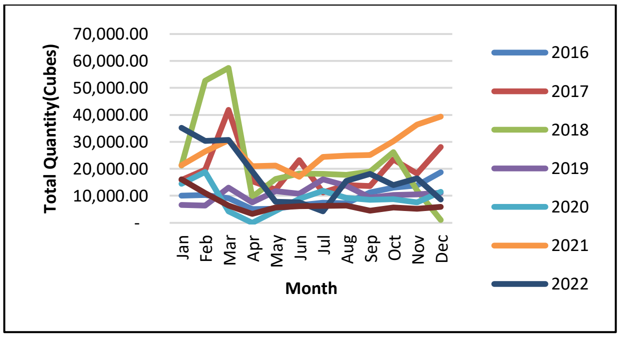


The following graphs depict the sales pattern in last ten years.

Graph 01 – Monthly Off Shore Sand Sales



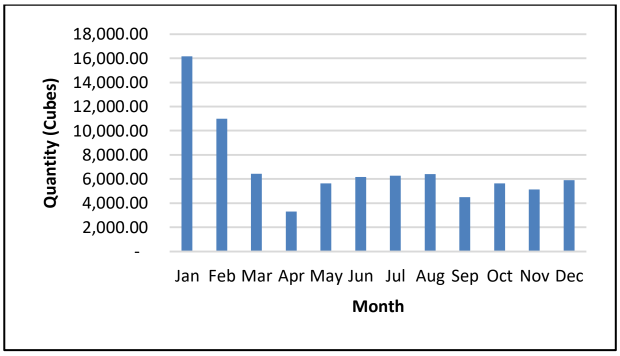
Graph 02 – Monthly Off Shore Sand Sold Quantities



The highest revenue contribution to the corporation derives from off shore sand sales. In 2023, the corporation was able to achieve a sales volume of 2,496.89 cubes compared to last couple of years and in terms of revenue it is LKR 902,142,496.26.

Total Income (2023) : Rs. 902.14 Million

Monthly Off-shore sand sold quantities in 2023



➢ 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 (2023) : Rs. 113.94 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 (2023) : Rs. 5.29 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.

The first floor and the corner of the ground floor of the gym has restaurant and juice bar respectively since 01.06.2023.

Members of the gym and people who are coming to the outdoor gym area can buy healthy juices from the juice bar. It is functioning from 6.00 a.m. to 10p.m daily. And people can buy delicious foods from the restaurant from 11 a.m. to 11 p.m. daily.

Total Income (2023) : Rs. 25.78 Million

4. Sooriyamal Mawatha

The Sooriyamal Mawatha Park has been built as the second step of the "Weras Ganga" project in 2023 with the objective of controlling the flood threat. The main features of this park are the walking track and food court. It is really a nice place to spend the evening with family or friends.

Total Income (2023) : Rs. 0.28 Million

5. Kattiya Junction

The Kattiya Junction Park has been built as the second step of the "Weras Ganga" project in 2023 with the objective of controlling the flood threat. The main features of this park are the walking track and food court. It is really a nice place to spend the evening with family or friends.

Total Income (2023) : Rs. 0.09 Million

6. 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 (2023) : Rs. 2.93 Million

7. 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 (2023) : Rs. 8.31 Million

8. 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 (2023) : Rs. 3.86 Million

9. 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 (2023) : Rs. 0.51 Million

10. 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 (2023) : Rs. 0.96 Million

11. Cricket Ground at Kirimandala Mawatha

In 2014, a marshy land of 18.5 Acres at Kirimandala Mawatha was reclaimed in order to construct a Sports complex to cater different sports, out of which 5.8 Acres were developed as a first class cricket ground. The area of the ground was is par with international cricket ground. Due to the significance of the location and the quality of the ground preparation, SLLDC received many proposals from Sri Lanka Cricket, famous Sri Lankan cricketers and first class cricket clubs in Sri Lanka to rent/lease the cricket ground in long term basis.

SLLDC started renting the ground from 22.04.2022 SLLDC and is currently renting the cricket ground and the side wickets to outside parties for matches, practices and events. SLLDC is further carrying out maintenance and operation of the ground.

Total Income (2023) : Rs. 7.88 Million

Human Resources Development Division

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

RECRUITMENT & SELECTION

Number of recruitment made to date 31st December 2023

Employees type	Amount
Permanent employees	24
Contract basis employees	-
Total	24

Total number of employees as at 31st December 2023

Description	Amount
Permanent employees	1277
Contract employees	25
Casual	-
Total	1302

PROMOTIONS

The promotion based on the recognition of meeting organizational objectives, the duties and functions of an employee. This may change in complexity and responsibility offered. Promotions therefore based on status changes that involve increasing responsibility levels. The added benefits of promotions serve as an incentive for better work performance, enhance morale and create a sense of individual achievement and recognition.
Accordingly, 59 number of grade promotions offered during the year 2023.

TRAINING & DEVELOPMENT

Human Resource Management (HRM) Training and development is important aspect when Organization wants optimum utilization of their manpower. Training and development is a key for the succession planning of the organization as it helps in improvement of skills like team management and leadership. From the organizational point of view the HR training and development activities are important **performance management tool** to increase profitability and enhance corporate image.

Accordingly, SLLDC has conducted various numbers of knowledge sharing programme for enhancing capacity building & continues professional development for all employee categories of the SLLDC in year 2023.

QUALITY MANAGEMENT SYSTEM OF THE SLLDC

SLLDC is the leading organization having obtained the following quality management standards accordance with the requirements of the Sri Lanka Standards Institution (SLSI)

ISO 9001: 2015 Quality Management System
ISO 14001 Environmental management system (EMS)
ISO 45001: Occupational Health & safety Management System

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 of 2021.

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 Management Committee Report

The Audit Management Committee is essentially a committee which 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 Management Committee is chaired by a Non- Executive Director and is comprised only of Non-Executive Directors. The Committee is assisted by the senior management and has an adequate blend of financial and audit expertise in order to carry out the Committee's duties effectively.

Role of the Committee

Audit Management Committee Charter

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

Key Focus

The Audit Management 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.

Meetings of the Committee

During the year ended 31.12.2023, 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 the meetings(as an observer) as the Representative of the Auditor General. The Chief Internal Auditor of the Line Ministry attended the meetings by invitation.

The attendance of the committee members at the meetings held in 2023 is stated below:

Name of the Director	No. of Meetings attended
Mrs. S.A.C. Kulathilake (Chairman) (Attended for first three meetings)	3
Mr.S.Tharshan (Chairman) (Attended for the final meeting)	1
Mr.Gamini Hewage (Member)	4
Mr.Dhammika Dissanayake (Member)	4

Internal Audit

The Corporation has a separate Internal Audit Division. The Internal Audit Plan was presented and approved by the Audit Management Committee and the Committee reviews the progress of the coverage of 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 appointed by the Auditor General, coordinates the External Audit functions of the Corporation.

Conclusion

The Committee wishes to draw attention to the fact that the Chairman Mrs.S.A.C.Kulathilake chaired three Audit Management Committee meetings and upon her retirement, Mr.S.Tharshan chaired the Committee during the period covered by this report, i.e., the year ended 31 December 2023. The report, therefore, is based on records, the authenticity of which has been verified and established beyond doubt. The current Audit Management Committee comprises of Mr.S.Tharshan (Chairman),Mr.Gamini Hewage (Member) and Mr.Dhammika Dissanayake(Member).

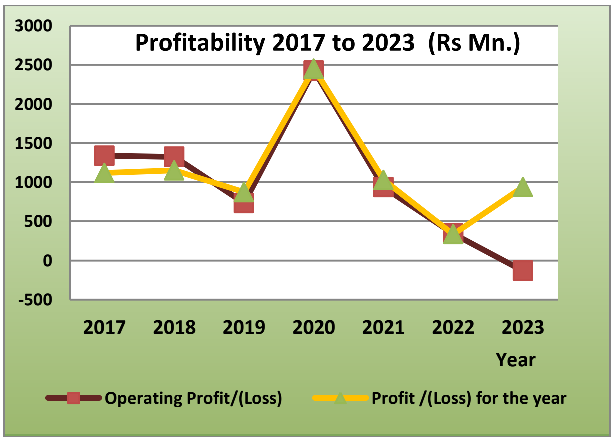
On behalf of the Audit Management Committee.

S. Tharshan
Chairman - Audit Management Committee
22nd February 2024

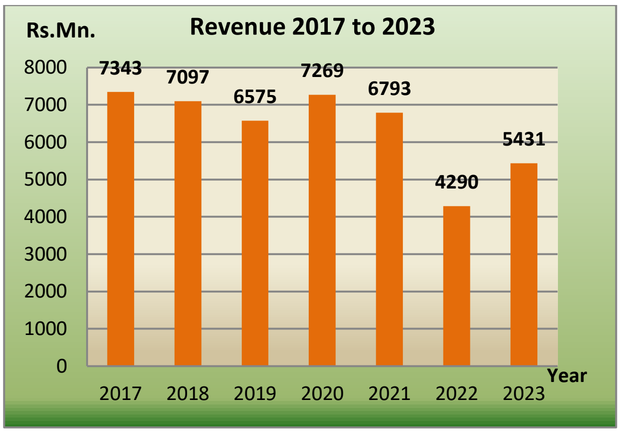
Financial Review

Financial Performance of the Corporation

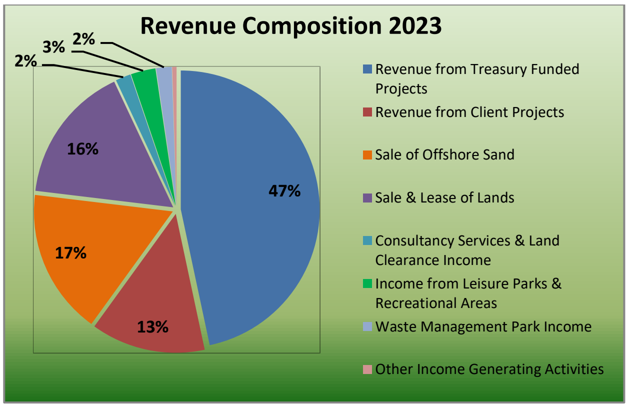
After reporting Operating Profits continuously for last Seven years since 2016, in the current year the Corporation has suffered an Operating Loss of Rs.130 million. This Operating Loss is including a profit of Rs.447 million realized from sale of a land. This Operating loss is a result of low or negative margins of projects, low activity levels and increase in overheads. However, for the year under review, Profit before Tax has increased to Rs.1,223 million from its previous year amount of Rs.761 million. From the year 2022 to the year 2023, Investment Income has remarkably increased from Rs.1,191 million to Rs1,637 million. This is a result of taking advantage of high interest rates prevailed in the market through prudent and dynamic investment portfolio management.



The Revenue of the Corporation has increased to Rs.5,431 million in the current year from its previous year amount of Rs.4,290 million. In the year under review, Income from Treasury Projects accounted for 46% of the total revenue. Income from Sale of Sand, Land Sales Income and Income from Client Projects were become as other main revenue contributors.



Sectorial wise composition of the Corporation's revenue for the year 2023 is shown below;



For the year 2023, the Corporation has created a value added of Rs 4469 million and its distribution among the stakeholders is depicted in the latter part of this report. It should also be highlighted that in terms of the Finance Act, the Corporation contributed Rs.500 million to the Consolidated Fund as Special Levy in the year 2023.

It is worth to note that the Corporation's net assets surpassed Rs.11 billion during the year 2023. And also its total assets are above Rs.19 billion. The liquidity of the organization is also maintained at a satisfactory level.

The biggest challenge faced by the Corporation currently is the burden due to high amount of overheads it has to incur. In the year 2023, the Gross Profit of Rs.2,375 million was completely exhausted by the overheads expenses resulting an Operating Loss of Rs.130 million.

Group Financial Performance

For the year 2023 both subsidiaries reported Profits enhancing the group financial performances. REDECO earned a profit of Rs.34 million compared to Rs.13 million profit in the previous year. And LRDC earned a profit of Rs. 87 million for the current years as against Rs.62 million profit in the previous year.

Report of the Directors

The Directors are pleased to submit their report and the accounts of the Corporation for the year ended 31 December 2023.

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 2023 was Rs. 5,431 million (2022: Rs. 4,290 million)

Profit
During the year under review the Corporation made a profit of Rs. 938 million compared to the profit of Rs. 336 million in 2022.

State of Affairs
The State of Affairs of the Corporation is as indicated in the Statement of Financial Position. (Page 82)

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 2023, 12th 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
Rear Admiral Hiran Sacheendra Balasuriya	14.03.2022	12	12
Eng.(Mrs.) Deepika Thrimahavithana	02.01.2023	06	05
Eng.(Mr.) Ajith Gunasekera	04.07.2023	06	05
Mr. D.A.H.Piyathilake	04.04.2022	12	11
Mr. Gamini Hewage	04.04.2022	12	12
Ms. S.A.C. Kulathilake	03.03.2022	09	09
Mr. S. Tharshan	10.10.2023	03	02
Mr. Ananda Harischandra	09.08.2022	12	10
Mr. Tissa Gunawardene	09.08.2022	12	11
Mr. D.S.Dissanayake	09.08.2022	12	12

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 2023 the Corporation was providing employment to 1302 persons. (2022: 1361)

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 2023.

By order of the Board

HKKW Ekanayake
Board Secretary
08th May 2024

Auditor General's Report

HUD/C/SLLDC/FA/23/01 **October 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 2023 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 for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 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 material accounting policy information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with 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 2023, 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

1. 2 .1 Group

In accordance with the Sri Lanka Accounting Standard No.24 and according to the Conceptual framework, the related party transactions of goods, properties, sale of other assets, leasing, or transfers between the Corporation and the Subsidiary companies had not been disclosed quantitatively and in detailed in the financial statements.

1.2.2 According to the Auditor General's Report for the financial year ending on 31 December 2023,of the subsidiary companies of the Sri lanka Land Development Corporation, namely the Land Reclamation and Development Company and LRDC Services (Private) Company ,the Audit opinion was qualified based on the following matters.

1.2.2.1 LRDC Services (Private) Company

Non -compliance with Sri Lanka Financial Reporting Standards for small and medium sized entities

(a) Section 02 of the Standard

According to Chapter 2.52 of the Concept and General Principles, if the standard is not specified, the institution's income and expenses should not be offset against each other. However, due to the company reducing the sales revenue by the fines charged by the service-provider institution, the sales revenue had been understated by Rs.33.79 million.

(b) Section 10 of the Standard

In accordance with paragraph 10.21 of the standard, material prior period errors identified by an entity shall be corrected in accordance with the section (a) and (b). But due to recognition of the nation building taxes of Rs.9.21million related to the years of 2018 and 2019 as income in the year under review, the income of the year under review had been overstated by that value.

(c) Section 13 of the Standard

As per the paragraph 13.19 of the standard, 14 sample items worth of Rs.77,968 and 731 metal detectors worth of Rs.6.77 million and 587 CCTV equipment worth Rs.9.25 million ,were remained unsold for 5 years. But the impairment loss related to it had not been identified.

(d) At the end of the year under review the unreconciled debtor balance of company was Rs.1.28 million and actions had not been taken to correct the relevant debtor accounts by specifically identifying these debtors even at the end of the year under review. And also this amount had been deducted from the debtor balance in the financial statement.

(e) The sales revenue had been understated by Rs.1.59 million in the financial statements due to the fact that the company did not receive this amount from the corporation, related to the CCTV installation contract received from the parent corporation.

1.2.2.2 Land Reclamation and Development Company Limited

Non -compliance with Sri Lanka Financial Reporting Standards for small and medium sized entities

(a) Section 02 of the Standard

Due to the cancellation of the economic service charges and lapse of more than 3 years by the end of the year under review, it was not possible to offset the economic service charges for taxes payable within the current year or in subsequent periods. Due to the inclusion of Economic Service charge amounting to Rs.3.03 million in the financial Statements, the value of current assets had been overstated by that amount at the end of the year under review.

(b) Section 10 of the Standard

i. Contrary to paragraph 10.19 of the standard, due to the recognition of medical allowances amounting to Rs. 1.51 million, pertaining to the previous year, as an expense during the year under review, the profit for the year review had been understated by that amount.

ii. According to paragraph 10.19 of the standard, errors from prior periods that affect the past should be corrected by restating the opening balances and the comparative amounts for the prior period. However, since this was not done, it was observed that the tax revenue and tax deferred income for the current year reflected an overstatement of Rs. 33.28 million.

(c) Section 16 of the Standard

The company has retained the Kotagala land, valued at Rs. 38 million, with the objective of generating rental income in the future. However, it has not been accounted for as an investment property in accordance with paragraph 16.2 of the standard and had been classified under property, plant and equipment.

(d) Section 17 of the Standard

As per paragraph 17.19 of the standard, the company had not reassessed the residual values and useful lifes of buildings, plant, and equipment, with a carrying value of Rs. 64.95 million at the end of the year under review. Furthermore, 635 fully depreciated assets, with a total cost of Rs. 63.71 million, were still in use at the end of the year under review and no appropriate steps had been taken to rectify the estimated error related to these assets.

(e) Section 23 of the Standard

According to paragraph 23.17 of the standard, the contract revenue and cost should be recognized based on the stage of completion of the contract during the reporting period. However, the company recognized contract revenue based on the certified bills value approved by its engineers. Accordingly, the company recognized revenue of Rs.79.12 million for the reviewed year. However, as per calculations performed during the audit based on the stage of completion, the revenue attributable to 2023 was approximately Rs.54.91 million. This resulted in a difference of Rs.24.21 million, indicating that the revenue for the year under review had been overstated by this amount.

(f) Section 27 of the Standard

As per paragraph 27.9 (e) of the standard, assets valued at Rs. 55.42 million used for the sea sand packaging project had been impaired. However, the company had not been recognized any impairment loss during the year under review.

(g) Section 28 of the Standard

(i) The company had been recognized an employee gratuity expense of Rs.1.45 million during the year under review without preparing a defined contribution plan, measuring defined benefit obligations, including vested and non-vested obligations, discounting, and actuarial valuation. As a result, the accuracy of this amount and the non current liability of Rs. 18.74 million could not be confirmed during the audit.

(ii) The company had not been calculated or recognized employee gratuity expenses and obligations in its financial statements for 181 employees deployed to its parent company on a manpower basis since 2010.

(h) Section 29 of the Standard

(i) As per paragraph no. 29.8 of the standard, the deferred tax asset of Rs.29.82 million recognized on tax losses of Rs.99.39 million from the financial years 2019/20 and 2020/21 raised concerns during the audit regarding its recoverability within the next three years. Furthermore, if the company fails to generate sufficient taxable profits in the next three years, the deferred tax asset may need to be written down, leading to a significant increase in tax expenses. This, in turn, could result in future financial statements failing to accurately reflect the company's true financial position through profit after tax.

(ii) According to paragraph 29.16 of the standard, the company considered a provision for doubtful debtors of Rs.53,168 instead of the required Rs.4.44 million for the deferred tax asset, resulting in an understatement of the deferred tax asset by Rs.1.31 million. Additionally, although the revaluation gain on land was recognized as Rs.34.17 million in the financial statements, and it was observed that the gain considered for deferred tax purposes was Rs.34.50 million, leading to an overstatement of the deferred tax liability by Rs.99,692.

(iii) The company’s sea sand packaging building, valued at Rs.301.28 million, was revalued by the government’s valuation department at Rs.326.30 million and transferred to the parent company in 2021. However, the cost of the building, which included water retention ponds, was recorded as Rs.331.02 million in the company’s financial statements. While only the value of the building should have been adjusted to match the revaluation value, the entire cost, as mentioned above, had been reduced against the revalued amount. As a result, the company’s retained profit and non-current assets had been understated by Rs.25.03 million.

1.2.3 Sri Lanka Land Development Corporation

(a) Sri Lanka Accounting Standard No. 01 – Presentation of financial Statements

(i) According to paragraph 60 of the standard, liabilities must be classified as current and non-current in the financial statements. However, the compensation payable for land acquisition, amounting to Rs. 256.48 million, had been disclosed solely under non-current liabilities in the financial statements. Furthermore, contrary to paragraph 29 of the standard, the interest payable on land compensation, amounting to Rs. 123.69 million, had not been presented as a separate item in the financial statements but had been included under the compensation payable for acquired land.

(ii) As per paragraph 33 of the standard, assets and liabilities should not be offset except in specific circumstances permitted by the standard. However, the corporation offset advance payments made to contract creditors and trade creditors, amounting to Rs. 15.18 million and Rs. 149.92 million respectively, against the related creditor balances. As a result, the creditor balances were understated by Rs. 165.1 million.

(b) Sri Lanka Accounting Standard No. 10 – Events after the Reporting Period

According to paragraph 8 of the standard, items recognized within the reporting period should be adjusted in the financial statements. Based on the valuation report received on 28 February 2024, land valued at Rs.96 million, which disposed on 18 October 2022 was assessed under the Inland Revenue Act as having a value of Rs. 66 million as at 30 September 2017. However, a provision for the 30 per cent capital gains tax liability, amounting to Rs.9.07 million, had not been made in the financial statements as required by paragraph 14 of Sri Lanka Accounting Standard 37.

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

As per paragraph 24 of the standard, the deferred tax assets should be recognized for deductible temporary differences. Accordingly, deductible expenses such as the provision for doubtful debts and slow-moving inventory written down create deductible temporary differences, as they are not allowable expenses under the Income Tax Act. However, despite the requirement to recognize a deferred tax asset related to these deductible temporary differences, the company had not been recognized a deferred tax asset as required.

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

(i) As per paragraph 36 of the standard, if an item of property, plant, and equipment is revalued, the entire class of assets to which it belongs must also be revalued. However, only vehicles valued at Rs. 301.39 million were revalued in January 2020, the corporation had not been revalued 160 motorbikes and one jeep, with respective costs of Rs. 24.74 million and Rs. 26.47 million, even during the year under review.

(ii) According to Section 51 of the standard, although 5,675 non current assets with a cost of Rs.764 million had been fully depreciated due to the failure to review their useful life, those assets continued to be in use. The estimated error arising from these assets was not corrected in accordance with Sri Lanka Accounting Standard No. 8 during the year under review.

(e) Sri Lanka Accounting Standard No. 40 – Investment Property

(i) According to paragraph 5 of the standard, an investment property is an asset held to earn rental income, for capital appreciation, or both. However, as disclosed during the audit, two plots of land provided on a lease basis had not been recognized as investment properties but had been recorded under property, plant, and equipment.

(ii) According to paragraph 79 (e) of the standard, the fair value of two plots of land and four buildings, owned by the entity with a cost of Rs. 622.7 million, had not been disclosed in the financial statements.

(iii) According to the valuation by the Department of Valuation dated 21 July 2017, the value of the building at Sasakawa was Rs. 70 million. However, as this building had not been recognized as an investment property in the financial statements, non current assets had been understated by that amount. Additionally, due to the failure to recognize the depreciation cost for this building, the profit of the corporation had been overstated.

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

According to paragraph 11 of the standard, although the entity is required to report information about each of its operating segments separately, in a manner that allows users of the financial statements to evaluate the nature and financial effects of its business activities and the economic environment in which they operate, the entity failed to identify and report separately the main operating segments in accordance with the standard.

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

According to paragraph 3 of the standard, for financial reporting purposes, the valuation of property, plant, equipment, investment property, and biological assets should be carried out by qualified valuers. However, the entity did not comply with this requirement when revaluing investment property. As a result, issues occured during the audit regarding the accuracy of the value of the investment property, which was reported at Rs.12,571.7 million in the financial statements.

(h) Sri Lanka Financial Reporting Standard No. 15 –Revenue from Contracts with Customers

(i) The observation was made that invoices related to projects implemented by the organization itself were certified by the engineers employed within the organization. Therefore during the audit, concerns difficulties arose regarding the accuracy and impartiality of certifications for work valued at Rs. 98.74 million.

(ii) According to Clause 16 of Appendix (b) of the standard, the value right to invoice value can be recognized as revenue. However, the corporation had not been recognized revenue for interim payment certificates (IPCs) submitted for payment until they were certified by the client. As a result, during the review of invoices related to 45 projects undertaken during the year under review, revenue was under-recognized by Rs. 140.01 million and over-recognized by Rs. 351.72 million. This discrepancy led to an overstatement of contract revenue by Rs. 211.71 million.

(iii) According to Paragraph 107 of the standard and Sri Lanka Financial Reporting Standard (SLFRS) No. 9, the measurement, presentation, and disclosure of impairment of contract assets must be performed on a basis consistent with that of financial assets. However, the corporation accounted for only 90 per cent of the value of invoices certified by client institutions in its financial statements, while the remaining 10 per cent was merely disclosed but had not been adjusted to the financial statements. Additionally, the impairment value of financial assets had not been shown in the financial statements.

(iv) According to Paragraph 16 of the standard, the corporation does not have the right to invoice for work exceeding the allocated budgetary provisions. However, during the year under review, the value of work amounting to Rs.457.08 million, which exceeded the budgetary provisions for 2022, had been recognized as revenue. As a result, the revenue for the year under review had been overstated by this amount.

(i) Sri Lanka Financial Reporting Standard No. 16 –Leases

As part of the development activities of the Greater Colombo Flood Control and Environmental Improvement Project, 144 housing units located in Sudu Nelumpura, Kolonnawa, were constructed in 2001 and handed over to displaced persons through a deed of transfer. The project incurred a cost of Rs. 86.1 million, but this value was not accounted for in compliance with the relevant standards. While the total loan value and related interest income should have been separately identified, only Rs. 35.83 million recoverable from housing beneficiaries had been recognized in the financial statements as loans and other income.

(j) A plot of land approximately 2 acres located in Muthurajawela, granted to the corporation by the government on a Freehold Basis. According to the Cabinet Decision No. අමප/19/2832/16/11 dated 29 October 2019, the development costs incurred on the land had to be deducted, and the remaining balance should be remitted to the Consolidated Fund. Although the land was sold on 17 December 2019, for Rs.272.62 million, the remaining Rs.251.60 million, after deducting the development cost of Rs.21.02 million, which was required to be remitted to the Consolidated Fund, had not been credited as of May 2024. Moreover, this obligation was not recognized and any provisions had not been made for it in the financial statements of corporation.

(k) The Electronic Document Management System (EDMS), valued at Rs.6.23 million, was not recognized as an intangible asset but instead of that it had been classified under capital work in progress in the financial statements.

(l) According to the schedule submitted by the Land Division in the previous year, the corporation owned land and investment properties totaling 1,075 acres, 29.21 perches. However, land and investment properties reported under property, plant, and equipment amounted to only 66 acres, 3 roods, and 5.13 perches in the financial statements of the year under review. As a result, 1,008 acres, 1 rood, and 24.08 perches of land had not been recognized in the financial statements.

(m) The organization entered into a memorandum of understanding on 02 June 2021, to lease 22 acres, 2 roods, 37.14 perches land parcel located in Muthurajawela, along with a 55,900 square feet building, to a private company for a 50 year long term lease at a rental value of Rs.2,195.79 million. The private company paid an advance of Rs. 500 million on 03 June 2021. However, any income was not recognized in the financial statements from the date the property was handed over to the private company until the end of the year under review. As a result, lease income, including a nominal rental of Rs. 0.33 million, had been understated by Rs. 44.24 million, and the retained profit account had been understated by Rs. 69.94 million for the year under review.

(n) According to the audit review of the rental income of corporation, lease income from four properties leased to external parties on a short term basis was understated by Rs. 9.56 million for the year under review. As a result the rental income had been understated by the same amount. Additionally, Rs. 12.41 million in lease payments remained receivable from one lessee, as of the end of the year under review. However, the corporation failed to recognize this amount in its financial statements, leading to an understatement of receivables by that amount.

(o) According to the letter No. PED/A/Rev-L/1/15(ii), received from the Ministry of Finance, Economic Stabilization, and National Policies, dated 13 September 2023, it was ordered that the payment of Rs. 750 million should be made to the Consolidated Fund. However, the organization had paid only Rs. 500 million during the year under review and unpaid balance of Rs. 250 million had not been recognized as a current liability in the financial statements, resulting in an understatement of current liabilities by the same amount.

(p) When calculating the capital allowances for the reviewed year, the organization identified an overstatement of Rs.134.02 million in the capital allowances. This occurred due to the inclusion of carried forward balances in the computation of the capital allowances for the year. Consequently, the tax expense calculated at a rate of 30 per cent was understated by Rs. 40.26 million

(q) During the year under review, the corporation incurred an expense of Rs.2.49 million for Corporate Social Responsibility (CSR) activities. However, this amount was incorrectly classified as work in progress under inventory accounts. As a result, current assets had been overstated by that amount in the financial statements.

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 2023 Annual Report.

The other information comprises the information included in the 2023 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 skepticism 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 1.2.2 (a) (i), (d) (i), (ii),(e) (i),(ii),(f),(g),(h) (i),(i),(j),(k) and (l) 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)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka (i) F.R. 94	According to financial regulations, no expenses or commitments should be incurred for any work, service, or supply unless funds are allocated in the annual budget, and expenditures must not exceed the approved limits. Furthermore, expenses or commitments should not be made in anticipation of obtaining necessary authority or supplementary allocations at a later time. However, during the previous year, three expenditure items exceeded the budgetary allocation by Rs. 457.08 million, and during the year under review, four expenditure items exceeded the budgetary allocation by Rs. 196 million, violating these financial principles.
	(ii) F.R. 103,104 and 110	Regarding the accident involving motor vehicle PH-4457 on 22 July 2021, the incident was not reported to the relevant authorities. Furthermore, the organization did not conduct the required investigations or produce preliminary and comprehensive reports as mandated. Furthermore, although losses to government property should have been duly recorded, no such records were maintained in relation to this incident.
(b)	Public Enterprises Circular No. 01/2021 dated 16 November 2021	.
	(i) Paragraph 7.5 of The Guideline	Although the corporation is required to submit monthly, quarterly, and annual performance reports in the prescribed format to the relevant ministries and the Department of Treasury, the organization had been failed to carry out these tasks as required.
	(ii) Paragraph 3.2 of The Manual	

		According to the regulations, all institutions must submit requests for allowances to the Director General of the Department of Public Enterprises with a copy, along with the approval of the institution's Board of Directors, the recommendation from the Ministry of Finance, and the approval of the Director General of the Department of Management Services. However, the corporation only paid professional allowances based on the approval of the Board of Directors, increasing by 50 per cent in each of the three periods, without following the proper submission process. As a result, the total professional allowances paid during the reviewed year amounted to Rs. 7.91 million.
	(iii) Paragraph 7.7 of The Manual	The parent organization's Board of Directors should establish a structure to facilitate the oversight of the performance of its subsidiary companies, in compliance with the provisions of the Companies Act No. 7 of 2007. The Board is required to conduct discussions on the performance of the subsidiary companies at least once per quarter and ensure that sufficient investments lead to beneficial returns. However, the corporation had not been taken such actions as required.
(d)	Public Enterprises Circular No. 04/2022 dated 08 August 2022	
	(i) Paragraph 2.7	Activities for Social Responsibility (CSR), expenditure on festival activities had been instructed to suspend and if such activities are carried out, it should be done only with obtaining the approval and consent of the relevant Minister. But on the contrary, Rs. 3.32 million had been spent on Activities for Social Responsibility (CSR) by corporation during the year under review.
	(ii) Paragraph 2.9	Although foreign training programs and foreign travel expenses which are spent on domestic funds should be suspended, Rs.1.1 million had been spent on foreign training activities during the year under review.
(e)	Section 9.6 of the Trade and Investment Policy Circular No. 01/2018 dated 15 February 2018	12 officers of the corporation who obtained Motor vehicles based on the special privilege given to government officials to get tax concessions on vehicles according to their positions, 2/3 of the interest of the bank loan which was taken to get those Motor vehicles, or Rs. 2.41 million had been reimbursed till the end of the year under review, only on the Board approval without obtaining Treasury approval.
(f)	Public Enterprises Circular No.	The strategic plan for a five years period should have

	01/2021 dated 16 November 2021 Paragraph 2.3 Annexure I	been prepared by corporation, but it had been prepared only for the period for 2023-2024. The tasks assigned by the corporation act including, the identification and controlling of low-lying, marshy, waste or swampy lands throughout the country and the publication of gazette notifications to facilitate monitoring and any land area along a canal bank is to be designated as a canal reservation area, with gazette notifications issued to prohibit temporary or other constructions within that reserved area, had not been included in that plan. Further, the Corporation has not taken adequate steps to achieve strategies identified in the strategic 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 forecasting relevant period had not included in the strategic Plan.
(g)	The Guidelines for the Selection and Employment of Consultants issued by the National Procurement Agency in August 2007. Chapter 04	The Board had approved the appointment of a consultant for Rs 7.5 million to prepare bid documents for the “Offshore sand dredging and pumping project.” without calling for quotations. Written agreement had not been signed between the corporation and the consultant and the Letter of Acceptance issued to the consultant had been considered as an agreement between the two parties. Rs.4.75 million had been paid to the consultant, as on 10 November 2023.
(h)	The Circular No. SEC/2023/E/02 dated 06 April 2023 issued by the Commissioner of Inland Revenue Section 3 (a)	When the employer has provided motor vehicles, the benefit should be assessed as Rs.20,000, Rs.10,000 and Rs.20,000 respectively for the vehicle, driver and fuel and deducted from the salary of the employee as Advance Personal Income Tax (APIT), It was observed that although the vehicle, driver and fuel had been provided for the chairman and deputy general managers by the corporation , the related personal income tax (APIT) had not been deducted.
(i)	Extraordinary Gazette No: 2312/16 dated 28 December 2022	It was observed that Personal Advance Income Tax will be effective from 01 January 2023, but the collection of Personal Advance Income Tax for Board Members had been started from September 2023. Also, payments had been made to the chairman of the corporation for January, February and April 2023 without deduction of APIT.

(j)	State Business Circular No. PED I/2015 dated 25 May 2015 Paragraph no. 3.5	Although the officers who have an official vehicle and the officers who receive the transport allowance are not entitled to use reserve vehicles or any other office vehicle, the chairman of the corporation who has a reserved vehicle had used vehicle numbered PH-4457 which was faced to an accident. As outlined in F.R. 1641, in instances where damage or depreciation of vehicles occurs due to negligence or improper use, the responsible parties are required to pay the loss to the government. However, the organization had not taken the necessary actions to recover the loss happened to the vehicle due to the accident.

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 except for

According to the section 4 (b) of the Colombo District (Low-lying Areas) Reclamation and Development Board (Amendment) Act No. 27 of 1976 of the National State Assembly, any land vested by entity is sold, the corporation shall pay the local authority or the land commissioner, as the case may be, the unreclaim value of such land as determined by the minister in consultation with the minister in charge of the subject of finance, the corporation had not taken steps to pay Rs. 58.25 million to the relevant parties for 321 acres and 3.03 perches of land that had been sold by the end of the reviewed year.

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 except for

(a) Rs. 195.03 million funds of corporation had been incurred on project of constructing a linear park and improving drainage associated with the Athurigiriya Kothalawala Expressway interchange which was commenced on the date of 15 December 2020 without obtaining provision from the Line Ministry. 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 related to the Cabinet Memorandum which had been presented by the Corporation to approve Treasury provisions. But such a study had not been done. Corporation had to incur approximately Rs 3.06 million for maintenance for this project up to the year under review. Accordingly, responsible parties for the expenses incurred by corporation on these projects which were carried out under the direction of senior management had not been identified, and any actions had not been taken to recover those losses.

(b) 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.73.02 million and the related interest was Rs.123.69 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.5.16 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.

(c) With a 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 an estimated cost of Rs.3,000 million had been started under the Treasury provisions in the year 2016 with the expectation of completion by the end of 2021 and due to failure to complete the work, the project was extended till 31 December 2025. The following observations are made in this regard.

i. Rs.600 million had been incurred by 31 December 2017 for obtaining 164 homes constructed by the Urban Development Authority, for the persons who lost their homes due to the land acquisitions for the construction activities of this project, only 138 houses had been provided and the remaining 26 families had not been given new houses by the end of 2023.

ii. It had been proposed to construct 02 pump houses as phase I and phase II under this project in Oliyamulla area, with the expectation of completion by the end of 2020 and the constructions of the pump house under phase II had been started on 26 March 2018. However, the construction thereof had not been completed by the end of the year under review. The financial and physical progress of its construction work was only 78.9 per cent and 74 per cent respectively, by the end of the year under review.

iii. However, necessary pumps and engines should have been purchased for the mentioned project, in accordance with the completion of work at the pump station. but prior to the construction of the pumping station, the corporation spent 02 floating pumps (16VL), worth Rs. 95.48 million ,02 Mobile Pumps and 20 Rubber Flex Hoses on 12 March 2018, from the money available for the construction of the pumping station and those machines had not been used for Oliyamulla Water Pumping Station. Additionally, 02 water pumps valued at Rs. 82.90 million on 20 August 2018 and 02 engines valued at Rs. 24.1 million on January 8, 2020 had been purchased.

iv. The two $5M^3/S$ water pumps purchased for Rs. 82.90 million on 20 August 2018, had remained idle for a period of six years by the time of the review. The two years warranty period provided by the manufacturer had also expired by the time of the review. Furthermore, the supplier had filed an arbitration case for an additional charge of Rs. 153.03 million related to outstanding payments for the pumps. It was observed that the construction of the pump station would continue to be delayed further.

v. Two engines valued at Rs. 24.1 million were contracted for purchase on 28 June 2019. According to the terms of the agreement, the supplier was required to install the engines within a period of six months. However, they have remained idle for over four years up to now.

(d) 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. 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 Muturajawela and 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 28 years.

(e) 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 13 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.

(f) 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 lease 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.

(g) 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 of off shore sea sand 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 losses may be incurred to the Corporation due to terminate the agreement. It was problematic to audit that corporation had not been given their consideration for the extra cost had to be incurred for project, failure to provide proper instructions to the contractor regarding the tasks to be completed under the terms of the agreement, and releasing the contractor to another project prior to the conclusion of the written contract with them. The aggrieved party sought arbitration, and as a result, the organization was directed to pay the foreign private company compensation amounting to USD 2,073,976 (Rs.753.08 million, based on the exchange rate at the time). The organization recognized this amount as a payable in its 2022 financial statements. Subsequently, after adjusting for income tax payments of USD 181,484.21 (Rs.60.2 million) made to the Inland Revenue Department on behalf of the contractor, the organization paid a final settlement of USD 4,035,777.18 (Rs.1,338.87 million) to the contractor in November 2023. The payment of such a substantial compensation amount adversely impacted the liquidity of corporation. Despite this, any measures were not taken to identify and hold accountable the responsible parties for the breach of contractual conditions. Furthermore, as per financial regulations, the relevant authorities had not informed of the losses, and any preliminary or secondary investigations regarding the incurred losses had not been conducted by the end of the review period.

(h) 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 only for that land 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 and It was observed that, this deduction caused to a huge loss of rent income to the corporation. However, actions had not been taken to entered into any agreement in regarding this land and building.

(i) The situation arises when lands and buildings owned by a corporation are rented out to other parties. Upon the conclusion of the rental period, these lands and buildings are provided to the same parties again without entering into new agreements. It has been observed that tenants are granted the opportunity to utilize these properties, and actions have been taken to establish postdated agreements after collecting any outstanding amounts.

(j) Under the Interim order of Chapter 460 Section 38 (a) of the Land Acquisition Act, 4.67 perches of land from the property identified as No. 95, Kirimandala Mawatha, which belongs to the corporation, was utilized by the Colombo Municipal Council in 2014 for the expansion and development of Kirimandala Mawatha located in Narahenpita. However, any action had not been taken to obtain compensation due to the corporation for this portion of land by the end of the year under review.

(k) Approval had been granted by the Board Decision No. 8013 on 26 June 2019, to lease the land of 13 acres 01 roods and 0.95 perches located in Muthurajawela to a private company for Rs. 848.38 million and according to the Cabinet decision number AMP/19/2154/116/079 dated 3 September 2019, the private company was instructed to pay the first installment of Rs. 259.39 million on 25 September 2019. However, the company requested an extension to pay the first installment by the end of November 2019 and paid a commitment fee of Rs. 25 million on 7 November 2019.

The approval had been granted to deduct the commitment fee from first installment when signing the lease agreement as per Board Decision No. 8166 dated 30 October 2019.

(i) Accordingly, although the company was supposed to enter into a lease agreement starting in November 2019, the agreement was actually signed four years later, on 27 November 2023.

(ii) It was communicated by the relevant company that 10 acres were adequate for its operational needs by a letter dated 18 August 2023. Subsequently, without an obtaining of a new valuation report for the land, the rental value was amended to Rs. 640 million based on the existing valuation report. This amendment was approved by Board Decision No. 8923 dated 29 August 2023.

(iii) According to the observation of the Minister of Finance No. PFD/LAND/2023/CM/251 dated 17 July 2023, it was noted that the corporation was required to include a clause in the lease agreement with the aforementioned company stating, 'If the installment payments due in the future are not made on time, the relevant lease agreement will be terminated without any grace period.' However, this clause had not been included in the lease agreement entered into with the company on 27 November 2023. Instead of that, the lease agreement included the following clause in section 2(q)(ii): 'If the lessee breaches any condition included in the agreement or is subject to eviction, a period of six months shall be granted by the lessor to the lessee to rectify the breach. If no remedy is provided within that period, the lessor may terminate the agreement after the expiration of the six months period.

(l) The land located on 9th Lane, comprising 1 acre and 2 roods of land owned by the corporation, had been rent out to the State Development Authority for an annual rent of Rs. 6.48 million, effective from 1 October 2020, until 30 September 2022. The lease period had been ended on 31 March 2022. However, the relevant entity remained on the land without paying rent and without a valid lease agreement, from that date until the end of the year under review. Furthermore, efforts had made to vacate the land had been unsuccessful. Additionally, it was expected an amount of Rs. 15.11 million should have been received from the lessee by the institution by May 2024.

(m) The balance in the United States dollar account was Rs. 729.67 million, while the balance in the euro account was Rs. 206.28 million by the end of the year under review. These accounts had been opened for the sea sand pumping project and any actions had not been taken to close the accounts after the completion of works. A foreign exchange loss of Rs. 87.33 million and a foreign exchange gain of Rs. 16.21 million were recorded during the year under review, resulting in a net loss of Rs. 71.12 million.

(n) 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. Actions had been taken to write off from the books as per the Board meeting No. MRW/5404 dated 28 June 2021, without taking actions to recover that additional expenditure from responsible party by investigation further and obtaining approval from the treasury as per 113 of financial regulations. Moreover, any action had not been taken to in this regard.

(o) 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 within 05 years but the physical progress of this project was as low as 7.6 per cent by the end of the year 2023.

(p) Prior to the acquisition of the proposed land for the Madinagoda housing project, an amount of Rs. 112 million had been spent on constructing a sub access road by 2018. However, due to the failure to acquire the land by June 2024, the amount spent had become an idle cost.

(q) 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 Atomic Energy Authority had not agreed to reimburse Rs. 46.40 million which was incurred for micro piling by corporation due to erroneous on planning of the building. Nevertheless, the Corporation had not taken any disciplinary action against the responsible parties for this.

(r) The Land Development Company had established cement related production facilities in the regions of Hingurakgoda, Trincomalee, and Ampara, covering a total area of approximately 2.1979 hectares over the past 30 years. However, the corporation had been unsuccessful in acquiring leasehold or ownership rights of the lands owned by the government and other governmental institutions by the end of the year under review.

(s) The Corporation had invested Rs.5 million on 04 November 2019 in order to establish a new subsidiary Company named Waste to Wealth (PVT) Ltd, However, the operations of the Company had been suspended and whereas action had not been taken to recover the sum of Rs.2.46 million that was receivable to the Corporation by the end of the year under review.

(t) A sum of Rs.5.53 million that remained receivable to the Corporation as at 17 February 2015 relating to the second phase of the Horana bus stand construction project could not be recovered from the Urban Development Authority, it was observed according to the cost summary report prepared by the Corporation in relation to the suspension of the project that, the Corporation had sustained a loss of Rs.12.35 million due to the aforesaid suspension of the project.

(u) The loss sustained by the Corporation from the Kirimandala Mawatha implemented since from 2020, Agricultural Development Project amounted to Rs.8.5 million and Rs.5.1 million in the years 2022 and year under review respectively, and the total cost spent by the Corporation for the project amounted to Rs.6.01 million. Out of the above cost, Rs.9.18 million or 81.02 per cent was the labour cost in the year 2022 and the labour cost for the year under review was Rs. 3.87 million or 64.29 per cent.

(v) The land located at Kelaniya Wedamulla which had been assessed in 1995 for 50 years of lease period, was valued at Rs.35.5million. However, the lease period has been extended to 99 years without any change to the lease rental value, with only Rs.0.25 million added to the previous amount by the Corporation and given to private company at 31 May 1998. It was observed that the leasing of this land had resulted in a financial disadvantage to the corporation and the application of the 50 years estimated value to a 99 years period raised issues during the audit.

(**w)** The building in Muthurajawela which was constructed for the establishment of the plant and machinery division of the corporation in 2018, along with the Land Development and Reclamation Company, was initiated by the corporation at its own expense. This project had been completed in 2021 at a cost of Rs. 174.91 million incurred by the corporation. However, the aforementioned building remained underutilized and unproductive for a period of three years, even up to the end of the year under review in 2021.

(x) 12 food stalls had been built in connection with the Bellanwila gymnasium from the Weras Ganga project fund, can be divided into two sections as Block A and Block B and each section includes 6 stalls. The following observations are made in this regard.

i) It was observed to the audit that, 01 stall in this Block A section and 06 stalls in Block B section are being maintained by incurring expenses for more than 08 years without being able to use them for effective work, since September 2014. Also, an upper floor was built in one part of the building where these stalls were built, and it was prepared to be rent out for various activities. but the corporation did not take any action to create demand for it by informing the external parties for the income generating activities.

ii) In 2014, the institution purchased kitchen equipment valued at Rs. 33.28 million for retail units without conducting a feasibility study or identifying a requirement. Any agreements or conditions regarding the provision of kitchen equipment to the contractor, who obtained the retail units through bidding, were not included in the bid documents. The value of the equipment provided to the retail outlets amounted to Rs. 30.98 million, and the value of the existing equipment was Rs. 8.02 million by March 2024. The reasons for the difference of Rs. 22.69 million were not clearly explained to the audit.

iii) The loss incurred from the retail outlets in Bellanwila during the year under review was Rs. 3.35 million and from the year 2020 to 31 December 2022 the loss was Rs. 14.27 million, the total loss for 04 years was Rs. 17.62 million.

(y) The vehicle bearing the number PH-4457 was operated for only 3,647 kilometers over a short period of 4 and a half months from 2 August 2023 to 14 December 2023. However, it was recorded in the logbook that eight service instances were conducted at a cost of Rs. 0.88 million. The reasons for the repeated services were not revealed to the audit, and the necessary approval for these services had not been obtained from a motor vehicle inspector.

(z) The Diyasaru Wetlands Park generated an income of Rs. 25.46 million during the year under review through ticket sales and various activities offered within the park. Bills amounting to Rs. 22.52 million for maintenance activities were submitted to the Treasury. Additionally, funds allocated by the Treasury for the development of wetlands and lowlands were utilized by the corporation for park maintenance activities that generated revenue. A management fee of Rs. 3.83 million, representing 17 per cent of these expenses, was charged by the corporation, imposing a significant financial burden on the Treasury.

2.3 Other Matters

(i) The value of Rs.195.03 million incurred by the Corporation for the Athurigiriya Linear Park Project according to Board Paper No. HSB/5783 dated 20 June 2023 had been decided to be accounted as a corporate social responsibility expense in the year under review without taking steps to recover it from the relevant parties.

(ii) According to the observation letter numbered PFD/INF/162/CM/608 from the Minister of Finance dated 11 August 2019, it was stated in paragraph 02 that "after the expenses incurred by the corporation to develop the relevant land are reduced from the income earned by paying tax on that property, the remaining amount should be remitted to the Consolidated Fund." However, it was noted that any action had not been taken in accordance with the land located in Muthurajawela that was provided to CA Crushing.

(iii) Under the advanced received, there was a unreconciled deposit amount of Rs. 56.24 million, and relevant information was not submitted for further investigation regarding this matter.

(iv) The debtors and other receivable balance of Rs. 4,180.30 million included in the financial statements in the year under review, out of the trade debtor balance of Rs. 1,150.77 million the balance remained receivable since a period between 2 and 5 years was Rs. 318.25 million and the balance exceeding five years was Rs. 387.25 million. Out of the debtor balance that exceeded 05 years, Rs. 282.39 million were receivable balances from client projects

(v) The financial statements indicated that within the total outstanding amount of Rs. 1,333.08 million, Rs. 527.51 million was classified as contract creditors. Out of this, Rs. 428.36 million was for contract creditor, while Rs.2.99 million remained uncollected from contracts that had been outstanding for 3 to 5 years. Additionally, Rs.197.99 million was due for more than 5 years. Furthermore, within the trade creditors, Rs.430.06 million included Rs.45.7 million that had been outstanding for 2 to 3 years, Rs.82.82 million for 3 to 5 years, and Rs.48.1 million for more than 5 years, which were due for payment.

(vi) The approved cadre of the Corporation as at 31 December 2023 was 1,802 and the actual cadre as at that date was 1,340 and there were 462 vacancies and 31 excess. There had been vacancies in 11posts in permanent cadre in the posts of top management of the Corporation by the end of the year under review.

(vii) There are 68 permanent security service officers in the approved cadre of the Corporation security service facilities for the Corporation had been obtained paying Rs.81.82 million for LRDC Service Private Company during the year under review. As such under the PL-01 category even there are 320 of permanent staff out of 412 approved labor position an amount of Rs.439.45 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.28.08 million had been incurred for the cadre has taken from the REDECO Company for fulfilling the activities of the Corporation during the year under review by the Corporation.

W.P.C.Wikramarathna
Auditor General

Statement of Comprehensive Income

For the Year ended 31st December	Note	GROUP 2023 Rs. 000	GROUP 2022 Rs. 000	CORPORATION 2023 Rs. 000	CORPORATION 2022 Rs 000
Revenue from Contract with Customers	1	8,638,830	6,725,264	5,431,081	4,289,956
Direct Cost	2	(6,087,067)	(4,519,055)	(3,237,072)	(2,396,713)
Gross Profit		**2,551,763**	**2,206,209**	**2,194,009**	**1,893,243**
Other Operating Income	3	202,965	282,184	181,315	276,259
Gross Profit with Other Operating Income		**2,754,728**	**2,488,393**	**2,375,324**	**2,169,502**
Administrative Expenses		(1,603,245)	(1,443,069)	(1,333,295)	(1,225,841)
Depreciation and Amortization		(373,355)	(377,745)	(355,617)	(359,975)
Promotional Expenses		(199,435)	(7,250)	(198,660)	(6,853)
Other Operating Expenses		(617,624)	(233,949)	(617,623)	(233,949)
Profit/(Loss) from Operations	4	**(38,931)**	**426,380**	**(129,871)**	**342,884**
Claims Arising from Arbitration		4,149	(753,081)	4,149	(753,081)
Finance Cost	5	(401,723)	(227,176)	(394,771)	(219,972)
Finance Income	6	1,664,405	1,207,643	1,636,819	1,190,633
Amortization of Deferred Income	17	106,972	200,573	106,972	200,573
Profit before Taxation		**1,334,872**	**854,339**	**1,223,298**	**761,037**
Taxation	7	(264,180)	(470,760)	(260,032)	(452,884)
Profit for the year		**1,070,692**	**383,579**	**963,266**	**308,153**
Profit Attributable to:					
Equity Holders of the Parent		1,049,207	368,494	963,266	308,153
Non-Controlling Interest		21,485	15,085	-	-
Other Comprehensive Income					
Actuarial Gain/(Loss) on Defined Benefit Plans	19	(15,823)	38,930	(35,789)	39,288
Deferred Tax Attributable to Actuarial Gain/(Loss) on Defined Benefit Plans	7.2	4,747	(11,679)	10,737	(11,786)
Surplus on Revaluation of PPE		34,168	-	-	-
Total Other Comprehensive Income for the year		**23,092**	**27,251**	**(25,052)**	**27,502**
Total Comprehensive Income for the year		**1,093,784**	**410,830**	**938,214**	**335,655**
Total Comprehensive Income attributable to :					
Equity Holders of the Parent		1,062,670	395,794	938,214	335,655
Non-Controlling Interest		31,114	15,035	-	-

The Accounting Policies and Notes on pages 94 to 109 form an integral part of these Financial Statements.

Statement of Financial Position

As at 31st December	Note	GROUP 2023 Rs. 000	GROUP 2022 Rs. 000	CORPORATION 2023 Rs. 000	CORPORATION 2022 Rs. 000
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	8	2,245,579	2,338,568	2,139,533	2,243,052
Intangible Assets	9	37,172	14,733	37,172	14,658
Investment Properties	10	2,725,931	2,925,998	2,725,931	2,925,998
Investment in Subsidiary Companies	11	-	-	2,000	2,000
Loans to Related Parties	14	-	-	126,667	141,233
Investment at Amortized Cost	15	445,208	-	445,208	-
Deferred Tax Assets		89,256	58,205	-	-
		5,543,146	**5,337,504**	**5,476,511**	**5,326,941**
Current Assets					
Inventories	12	2,190,434	2,813,477	2,097,163	2,717,596
Trade & Other Receivables	13	5,240,354	6,061,259	3,712,316	4,854,204
Taxation Recoverable		88,326	5,362	82,156	-
Loans to Related Parties	14	-	-	38,566	24,000
Investments at Amortized Cost	15	5,819,566	7,011,627	5,642,563	6,810,000
Cash & Cash Equivalents	16	1,967,251	1,065,171	1,693,348	979,377
		15,305,931	**16,956,896**	**13,266,112**	**15,385,177**
Total Assets		**20,849,077**	**22,294,400**	**18,742,623**	**20,712,118**
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		286,024	258,690	212,430	212,430
Retained Earnings		11,225,941	10,690,605	10,826,654	10,388,440
Non-Controlling Interest		118,722	87,608	-	-
Total Capital & Reserves		**11,645,148**	**11,051,364**	**11,053,545**	**10,615,331**
Non-Current Liabilities					
Staff Welfare Funds		126,709	107,473	126,709	107,473
Compensation Payable on Lands Acquired		256,482	240,963	256,482	240,963
Deferred Tax Liability		149,131	182,660	149,131	182,660
Deferred Income	17	417,677	429,301	417,677	429,301
Interest Bearing Loans & Borrowings	18	1,067,436	1,334,519	1,067,436	1,334,295
Retirement Benefits Obligation	19	613,095	519,717	386,345	304,779
		2,630,530	**2,814,633**	**2,403,780**	**2,599,471**
Current Liabilities					
Interest Bearing Loans & Borrowings	18	267,082	268,199	266,859	266,859
Trade & Other Payables	20	2,436,206	4,019,579	1,333,084	3,230,579
Taxation Payable		345,899	444,499	241,634	363,594
Dividend Payable		911	911	-	-
Advances Received	21	3,503,681	3,680,608	3,443,721	3,636,284
Bank Overdrafts	16	19,620	14,607	-	-
		6,573,399	**8,428,403**	**5,285,298**	**7,497,316**
Total Liabilities		**9,203,929**	**11,243,036**	**7,689,078**	**10,096,787**
Total Equity & Liabilities		**20,849,077**	**22,294,400**	**18,742,623**	**20,712,118**

The Accounting Policies and Notes on pages 85 to 100 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 the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by;

Eng. Hiran Balasuriya
Rear Admiral
Chairman

Mr. Gamini Hewage
Director

07th March 2024

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 31.12.2021	**1,000**	**13,461**	**258,690**	**10,319,810**	**72,573**	**10,665,534**
Profit/(Loss) for the year 2022	-	-	-	368,494	15,085	383,579
Actuarial Gain/(Loss) on Defined Benefit Plans Net of Tax	-	-	-	27,301	(50)	27,251
Contribution to Consolidated Fund	-	-	-	(25,000)	-	(25,000)
Balance as at 31.12.2022	**1,000**	**13,461**	**258,690**	**10,690,605**	**87,608**	**11,051,364**
Profit/(Loss) for the year 2023	-	-	-	1,049,207	21,485	1,070,692
Actuarial Gain/(Loss) on Defined Benefit Plans Net of Tax	-	-	-	(13,871)	2,795	(11,076)
Contribution to Consolidated Fund	-	-	-	(500,000)	-	(500,000)
Surplus on Revaluation of PPE	-	-	27,334	-	6,834	34,168
Balance as at 31.12.2023	**1,000**	**13,461**	**286,024**	**11,225,941**	**118,722**	**11,645,148**

CORPORATION

	Contributed Capital Rs.000	Capital Reserve Rs.000	Asset Revaluation Reserve Rs.000	Retained Earnings Rs.000	Total Rs.000
Balance as at 31.12.2021	**1,000**	**13,461**	**212,430**	**10,077,785**	**10,304,676**
Profit/(Loss) for the year 2022	-	-	-	308,153	308,153
Actuarial Gain/(Loss) on Defined Benefit Plans Net of Tax	-	-	-	27,502	27,502
Contribution to Consolidated Fund	-	-	-	(25,000)	(25,000)
Balance as at 31.12.2022	**1,000**	**13,461**	**212,430**	**10,388,440**	**10,615,331**
Profit/(Loss) for the year 2023	-	-	-	963,266	963,266
Actuarial Gain/(Loss) on Defined Benefit Plans Net of Tax	-	-	-	(25,052)	(25,052)
Contribution to Consolidated Fund	-	-	-	(500,000)	(500,000)
Balance as at 31.12.2023	**1,000**	**13,461**	**212,430**	**10,826,654**	**11,053,545**

The Accounting Policies and Notes on 85 to 100 form an integral part of these Financial Statements.

Cashflow Statement

For the year ended 31st December	GROUP		CORPORATION	
	2023	2022	2023	2022
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
<u>**Cash Flows from Operating Activities**</u>				
Net Profit / (Loss) before Taxation	1,334,872	854,339	1,223,298	761,037
Adjustments for;				
Depreciation and Amortization	380,164	386,007	355,617	359,975
Finance Costs	401,723	227,176	394,771	219,972
Finance Income	(1,664,405)	(1,207,643)	(1,636,819)	(1,190,633)
Amortization of Deferred Income	(106,972)	(200,573)	(106,972)	(200,573)
Provision for Doubtful Debts	4,013	(38,638)	5,807	(38,564)
Bad Debts Written Off	-	3	-	3
Profit on Sale of Property, Plant & Equipment	(447,318)	(95,361)	(447,301)	(95,281)
Provision for Slow Moving Inventories	10,821	7,817	10,821	7,817
Provision for Defined Benefit Obligations	131,237	113,503	72,406	56,852
Operating Profit before Working Capital Changes	**44,135**	**46,630**	**(128,372)**	**(119,395)**
Changes in Working Capital				
(Increase) / Decrease in Inventories	612,572	(518,087)	609,962	(540,655)
(Increase) / Decrease in Trade & Other Receivables	676,932	(217,899)	997,521	191,017
Increase / (Decrease) in Compensation Payable	(91)	31,900	(91)	31,900
Increase / (Decrease) in Staff Welfare Fund	19,236	12,330	19,236	12,330
Increase / (Decrease) in Advance Received	(176,927)	(136,424)	(192,563)	(91,354)
Increase / (Decrease) in Trade & Other Payables	(1,563,880)	1,809,327	(1,879,002)	1,521,945
Cash Generated from Operations	(388,023)	1,027,777	(573,309)	1,005,788
Income Tax Paid	(505,578)	(194,828)	(486,940)	(194,815)
Gratuity Paid	(53,682)	(64,376)	(26,629)	(49,856)
Net Cash from / (used in) Operating Activities	**(947,283)**	**768,573**	**(1,086,878)**	**761,117**
<u>**Cash Flows from Investing Activities**</u>				
Acquisition of Property, Plant & Equipment	(243,919)	(558,909)	(243,085)	(551,463)
Net Withdrawal / (Investment) in Fixed Deposits	749,843	(3,141,846)	725,219	(3,129,998)
Interest Income Received	1,801,375	621,028	1,772,389	601,257
Proceeds from Sale of Property, Plant & Equipment	721,305	99,386	721,288	96,018
Net Cash from / (used in) Investing Activities	**3,028,604**	**(2,980,341)**	**2,975,811**	**(2,984,186)**
<u>**Cash Flows from Financing Activities**</u>				
Loan Repayments	(268,200)	(268,198)	(266,859)	(266,859)
Interest Paid on Loans	(416,055)	(184,821)	(408,103)	(177,861)
Contribution to Consolidated Fund	(500,000)	(25,000)	(500,000)	(25,000)
Lease Rentals Paid	-	(5,090)	-	-
Net Cash from / (used in) Financing Activities	**(1,184,255)**	**(483,109)**	**(1,174,962)**	**(469,720)**
Net Increase / (Decrease) in Cash and Equivalents	897,067	(2,694,877)	713,971	(2,692,789)
Cash and Cash Equivalents at the beginning of the Year	1,050,564	3,745,441	979,377	3,672,166
Cash and Cash Equivalents at the end of the Year (Note 16)	**1,947,631**	**1,050,564**	**1,693,348**	**979,377**

The Accounting Policies and Notes on 85 to 100 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 2023 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 Services

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, 2023 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, 2023. 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 subject to a 5% residual value 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, savings and demand deposits at Banks and REPO and Treasury Bills Investments net of Bank Overdrafts.

2.3.8 Financial Instruments-Financial Assets

a) **Initial Recognition and Measurement**

Financial assets within the scope of SLFRS 9 are classified as amortized cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient are measured at the transaction price.

At initial recognition, the Entity measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Entity's financial assets include cash and short-term deposits, trade and other receivables and unquoted financial instruments.

b) **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified into three categories

- Financial assets at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

i) Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The Entity measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Entity's financial assets at amortized cost include Treasury bond and Fixed Deposit Investments at Banks.

SIGNIFICANT ACCOUNTING POLICIES(Contd.,)

ii) Financial assets at fair value through FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Entity measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the Income Statement.

The Entity has no debt instruments that is carried at fair value through OCI as at the reporting date.

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.

2.4.4 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

2.5 Statement of Comprehensive Income

2.5.1 Revenue

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

SIGNIFICANT ACCOUNTING POLICIES(Contd.,)

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.

2.5.2. 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.

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

2.6 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	
		2023	2022	2023	2022
		Rs. 000	Rs. 000	Rs. 000	Rs. 000
1	**Revenue**				
	Revenue from Treasury Funded Projects	2,521,520	748,404	2,521,520	748,404
	Revenue from Client Projects	781,744	1,104,352	719,585	1,082,429
	Sale of Offshore Sand	916,918	1,896,316	915,237	1,896,290
	Sale of Lands	720,000	96,000	720,000	96,000
	Lease of Lands	150,172	151,154	150,172	151,154
	Consultancy Services	33,383	22,203	33,383	22,203
	Income for Granting Land Clearance Approval	62,733	42,509	62,733	42,509
	Income from Leisure Parks and Recreational Areas	155,872	122,247	155,872	115,913
	Waste Management Park Income	98,234	113,070	98,234	113,070
	Income from EMT Lab	2,914	4,579	2,914	4,579
	Income from Hiring of Machineries	24,864	9,819	24,864	9,819
	Income from Security Services	3,109,736	2,367,705	-	-
	Sale of Blocks & Hume Pipes	34,173	46,906	-	-
	Sale of other Goods and Services	26,567	-	26,567	7,586
		8,638,830	**6,725,264**	**5,431,081**	**4,289,956**
2	**Direct Cost**				
	Cost Incurred on Treasury Funded Projects	1,488,329	459,736	1,931,225	688,077
	Cost Incurred on Client Projects	599,229	543,827	676,235	864,283
	Cost of Offshore Sand Sold	302,835	831,362	312,742	833,491
	Cost of Land Sold	273,028	631	273,028	631
	Cost of Consultancy Services	2,715	582	2,715	582
	Cost of Providing Security Services	3,341,084	2,638,210	-	-
	Cost of Blocks & Hume Pipes sold	38,720	35,058	-	-
	Cost of Other Goods and Services Sold	41,127	9,649	41,127	9,649
		6,087,067	**4,519,055**	**3,237,072**	**2,396,713**
3	**Other Operating Income**				
	Rent Income	64,383	210,435	68,536	224,362
	Advertisement Board Income	15,296	4,140	15,296	4,140
	Profit on Sale of PPE	346	(8)	329	(88)
	Legal Fees Collected	3,909	2,877	3,909	2,877
	Income from Circuit Bungalows	6,376	5,035	6,376	5,035
	Encashment of Bonds	6,629	9,662	6,629	9,662
	Recovery of Utility & Logistic Expenses	20,552	12,694	20,552	12,694
	Agriculture Farm Income	918	1,006	918	1,006
	Document Fee & Supplier Registration	2,277	2,435	2,277	2,435
	Income from Sudunelumpura	3,281	3,281	3,281	3,281
	Income from Car Parks	33,482	3,337	33,482	3,337
	Miscellaneous Income	45,516	27,290	19,730	7,518
		202,965	**282,184**	**181,315**	**276,259**
4	**Profit/(Loss) from Operations** *Is stated after charging all expenses including;*				
	Directors' Emoluments	1,508	1,307	942	808
	Auditors' Remuneration	2,593	3,423	1,264	1,960
	Defined Contribution Plan Cost -EPF & ETF	130,252	130,084	119,107	118,192
	Defined Benefit Plan Cost-Retirement Gratuity	131,237	113,503	72,406	56,852
	Exchange Gain/(Loss)	(71,121)	263,103	(71,121)	263,103
	Bad Debts Write-off	-	3	-	3
	Donation & CSR Activities	201,605	378	195,687	282
	Provision/(Reversal) for Bad & Doubtful Debtors	4,013	(38,638)	5,807	(38,564)

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

		GROUP		CORPORATION	
		2023	2022	2023	2022
		Rs. 000	Rs. 000	Rs. 000	Rs. 000
5	**Finance Costs**				
	Interest on Banks Loans	394,748	218,532	389,610	213,107
	Interest on Compensation Payable for Lands Acquired	5,161	5,900	5,161	5,900
	Overdraft Interest	1,814	1,490	-	-
	Finance Charges on Leases	-	244	-	-
	Other Interests Paid	-	1,010	-	965
		401,723	**227,176**	**394,771**	**219,972**
6	**Finance Income**				
	Interest Income on REPO Investments	33,595	154,767	19,259	146,274
	Interest on Fixed Deposits Investments	1,495,178	1,028,500	1,479,436	1,017,575
	Interest on Treasury Bond Investments	104,654	-	104,654	-
	Interest Income on Deposit in Foreign Currency	9,563	14,236	9,563	14,236
	Interest on Staff Loan	16,416	8,007	16,148	7,655
	Interest on Related Party Loans	-	-	2,760	2,760
	Interest Income on Other Sources	4,999	2,133	4,999	2,133
		1,664,405	**1,207,643**	**1,636,819**	**1,190,633**
7	**Taxation**				
	Provision for Income Tax for Current Year (7.1)	111,069	307,802	66,725	273,295
	Under/(Over) Provision in respect of Previous Years	78,853	145,754	82,007	145,754
	Deferred Tax Provision/ (Reversal) (7.2)	(59,834)	17,204	(22,792)	33,835
	Capital Gain Tax	134,092	-	134,092	-
		264,180	**470,760**	**260,032**	**452,884**
7.1	**Income Tax**				
	Profit/(Loss) before Taxation	**1,334,872**	**854,339**	**1,223,298**	**761,037**
	Less: Exempt and Excluded Income	(2,472,260)	(1,647,621)	(2,441,897)	(1,639,148)
	Add: Disallowable Expenses	1,067,982	1,156,213	988,314	1,080,850
	Less: Allowable Expenses	(775,094)	(405,839)	(730,397)	(366,932)
	Profit/(Loss) from Business	(844,500)	(42,908)	(960,682)	(164,193)
	Interest Income	1,723,839	1,176,396	1,708,097	1,176,396
	Assessable Income	**879,339**	**1,133,488**	**747,415**	**1,012,203**
	Tax Loss not utilized	15,890	14,397	-	-
	Less: Qualifying Payment	(525,000)	-	(525,000)	-
	Taxable Income	**370,229**	**1,147,885**	**222,415**	**1,012,203**
	Applicable Tax Rate	30%	24%and30%	30%	24%and30%
	Income Tax Provision for Current Year	**111,069**	**307,802**	**66,725**	**273,295**
7.2	**Deferred Tax Provision/ (Reversal)**				
	Income Statement				
	Deferred Tax Provision/ (Reversal)	(59,834)	17,204	(22,792)	33,835
	Statement of Other Comprehensive Income				
	Deferred Tax Provision/(Reversal)attributable to Actuarial Gain/ (Loss) on Define Benefits Plans	(4,747)	11,679	(10,737)	11,786
		(64,581)	28,883	(33,529)	45,621

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

8 A Property, Plant & Equipment (Group)

	Cost/Valuation					Depreciations				Net Book Value	
Assets Category	**Balance As at 31.12.2022**	**Adjustment due to Revaluation**	**Additions During the Year**	**Disposals During the Year**	**Balance As at 31.12.2023**	**Balance As at 31.12.2022**	**Charge for the year**	**On Disposals**	**Balance As at 31.12.2023**	**Balance As at 31.12.2023**	**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**
At Cost/Valuation											
Freehold Lands	12,005	34,168	-	-	46,173	-	-	-	-	46,173	12,005
Leasehold Lands	27,930	-	-	-	27,930	4,750	782	-	5,532	22,398	23,180
Buildings on Freehold Land	1,151,779	-	54,721	-	1,206,500	362,223	53,142	-	415,365	791,135	789,556
Heavy Plant & Machinery	2,709,622	-	15,199	(1,177)	2,723,644	1,926,578	123,390	(1,143)	2,048,825	674,819	783,044
Small Plant & Machinery	98,287	-	20,065	(454)	117,898	63,017	20,715	(332)	83,400	34,498	35,270
Light Motor Vehicles	491,232	-	-	-	491,232	296,727	82,386	-	379,113	112,119	194,505
Heavy Motor Vehicles	45,731	-	-	-	45,731	11,818	3,730	-	15,548	30,183	33,913
Office Equipment	183,051	-	68,886	(1,304)	250,633	129,401	15,589	(1,239)	143,751	106,882	53,650
Kitchen and Welfare Equipment	28,076	-	153	(1,939)	26,290	27,971	10	(1,843)	26,138	152	105
Furniture & Fittings	117,546	-	20,497	(1,322)	136,721	49,090	9,495	(1,017)	57,568	79,153	68,456
Laboratory and Survey Equipment	154,426	-	7,345	(4,932)	156,839	102,375	18,654	(4,684)	116,345	40,494	52,051
Boat Engines & Accessories	98,053	-	-	(1,186)	96,867	72,029	14,213	(1,127)	85,115	11,752	26,024
Bicycles	2,752	-	-	(27)	2,725	2,371	153	(26)	2,498	227	381
Convertainers	120,045	-	8,262	-	128,307	70,801	9,306	-	80,107	48,200	49,244
Gym Equipment	18,290	-	-	-	18,290	15,986	962	-	16,948	1,342	2,304
Solar Systems	6,530	-	54,990	-	61,520	-	663	-	663	60,857	6,530
Other Fixed Assets	42,592	-	21,538	(578)	63,552	13,449	7,416	(549)	20,316	43,236	29,143
Structures on Possession on Own Lands	42,023	-	-	-	42,023	27,572	1,990	-	29,562	12,461	14,451
	5,349,970	**34,168**	**271,656**	**(12,919)**	**5,642,875**	**3,176,158**	**362,596**	**(11,960)**	**3,526,794**	**2,116,081**	**2,173,812**
Capital Work In Progress										129,498	164,756
										2,245,579	**2,338,568**

8A.1 Fair value of the Freehold land owned by the subsidiary Land Reclamation and Development Company Ltd as at 31st December 2023 was determined by means of a revaluation by a Department of Government Valuation. The result of such revaluation was incorporated in these financial statements from its effective date which is 31st December 2023. The surplus arising from the revaluation was transferred to a revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

8B Property, Plant & Equipment (Corporation)

Assets Category	Cost/Valuation				Depreciations				Net Book Value	
	Balance As at 31.12.2022	Additions During the Year	Disposals During the Year	Balance As at 31.12.2023	Balance As at 31.12.2022	Charge for the year	On Disposals	Balance As at 31.12.2023	Balance As at 31.12.2023	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
At Cost/Valuation										
Freehold Lands	8,173	-	-	8,173	-	-	-	-	8,173	8,173
Leasehold Lands	10,012	-	-	10,012	2,008	185	-	2,193	7,819	8,004
Buildings on Freehold Land	1,115,411	55,450	-	1,170,861	344,501	50,418	-	394,919	775,942	770,910
Heavy Plant & Machinery	2,653,844	15,199	(1,177)	2,667,866	1,889,010	123,390	(1,143)	2,011,257	656,609	764,834
Small Plant & Machinery	98,287	20,013	(427)	117,873	63,017	13,867	(305)	76,579	41,294	35,270
Light Motor Vehicles	429,186	-	-	429,186	255,776	72,373	-	328,149	101,037	173,410
Heavy Motor Vehicles	39,363	-	-	39,363	5,450	3,730	-	9,180	30,183	33,913
Office Equipment	153,253	68,197	(1,304)	220,146	107,610	13,418	(1,239)	119,789	100,357	45,643
Kitchen and Welfare Equipment	28,076	153	(1,939)	26,290	27,970	10	(1,843)	26,137	153	106
Furniture & Fittings	111,035	20,404	(1,322)	130,117	44,601	8,982	(1,017)	52,566	77,551	66,434
Laboratory and Survey Equipment	154,426	7,345	(4,932)	156,839	102,375	18,654	(4,684)	116,345	40,494	52,051
Boat Engines & Accessories	92,135	-	(1,186)	90,949	69,408	12,733	(1,127)	81,014	9,935	22,727
Bicycles	2,752	-	(27)	2,725	2,371	153	(26)	2,498	227	381
Convertainers	120,045	8,262	-	128,307	70,802	9,306	-	80,108	48,199	49,243
Gym Equipment	18,290	-	-	18,290	15,986	962	-	16,948	1,342	2,304
Solar Systems	6,530	54,990	-	61,520	-	663	-	663	60,857	6,530
Other Fixed Assets	38,017	21,538	(578)	58,977	9,390	7,290	(549)	16,131	42,846	28,627
Structures on Possession on Own Lands	42,023	-	-	42,023	27,571	1,990	-	29,561	12,462	14,452
	5,120,858	**271,551**	**(12,892)**	**5,379,517**	**3,037,846**	**338,124**	**(11,933)**	**3,364,037**	**2,015,480**	**2,083,012**
Capital Work In Progress									124,053	160,040
									2,139,533	**2,243,052**

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

9 A Intangible Assets (Group)

Assets Category	Cost/Valuation				Amortization				Net Book Value	
	Balance As at 31.12.2022 Rs.000	**Additions During the Year Rs.000**	**Disposals During the Year Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**	**Charge for the year Rs.000**	**On Disposals Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**
At Cost										
Computer Software	21,222	24,550	-	45,772	6,489	2,111	-	8,600	37,172	14,733
Other Intangible Assets	1,690	-	-	1,690	1,690	-	-	1,690	-	-
	22,912	**24,550**	**-**	**47,462**	**8,179**	**2,111**	**-**	**10,290**	**37,172**	**14,733**

9 B Intangible Assets (Corporation)

Assets Category	Cost/Valuation				Amortization				Net Book Value	
	Balance As at 31.12.2022 Rs.000	**Additions During the Year Rs.000**	**Disposals During the Year Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**	**Charge for the year Rs.000**	**On Disposals Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**
At Cost										
Computer Software	18,905	24,550	-	43,455	4,247	2,036	-	6,283	37,172	14,658
Other Intangible Assets	1,690	-	-	1,690	1,690	-	-	1,690	-	-
	20,595	**24,550**	**-**	**45,145**	**5,937**	**2,036**	**-**	**7,973**	**37,172**	**14,658**

10 A Investment Properties (Group)

Assets Category	Cost/Valuation				Amortization				Net Book Value	
	Balance As at 31.12.2022 Rs.000	**Additions During the Year Rs.000**	**Disposals During the Year Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**	**Charge for the year Rs.000**	**On Disposals Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**
At Cost										
Freehold Lands	2,615,145	10,954	(273,028)	2,353,071	-	-	-	-	2,353,071	2,615,145
Buildings on Freehold Lands	335,705	77,464	-	413,169	24,852	15,457	-	40,309	372,860	310,853
	2,950,850	**88,418**	**(273,028)**	**2,766,240**	**24,852**	**15,457**	**-**	**40,309**	**2,725,931**	**2,925,998**

10 B Investment Properties (Corporation)

Assets Category	Cost/Valuation				Amortization				Net Book Value	
	Balance As at 31.12.2022 Rs.000	**Additions During the Year Rs.000**	**Disposals During the Year Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**	**Charge for the year Rs.000**	**On Disposals Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2023 Rs.000**	**Balance As at 31.12.2022 Rs.000**
At Cost										
Freehold Lands	2,615,145	10,954	(273,028)	2,353,071	-	-	-		2,353,071	2,615,145
Buildings on Freehold Lands	335,705	77,464	-	413,169	24,852	15,457	-	40,309	372,860	310,853
	2,950,850	**88,418**	**(273,028)**	**2,766,240**	**24,852**	**15,457**	**-**	**40,309**	**2,725,931**	**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 31/12/2023 are as follows.

Property	Extent			2023 Carrying Value Rs. 000	2023 Estimated Fair Value Rs. 000	2022 Carrying Value Rs. 000	2022 Estimated Fair Value Rs. 000
Land at Muthurajawela	54A	1R	24.7P	1,496,346	4,104,000	1,758,419	4,104,000
Land at Lake Drive	1A	0R	12P	3,081	14,068	3,081	14,068
Land at Wedamulla	9A	3R	38P	208,438	1,118,494	208,439	1,118,494
Land at Ambalangoda	14A	3R	45.04P	38,556	1,115,300	38,556	1,115,300
Land at Kirimandala Mawatha	17A	3R	18.13P	169,771	5,626,099	169,771	5,626,099
Land at Attidiya	2A	1R	20.43P	2,695	9,978	2,695	9,978
Land at Narahenpita Model Farm	1A	1R	14.5P	5,326	17,544	5,326	17,544
Land at Mudun Ela	139A	1R	17.49P	138,520	539,060	138,520	539,060
Land at 9th Lane – Kotte	2A	3R	19.69P	80,839	27,199	80,839	27,199
Land at Ragama	51A	1R	33P	209,499	**	209,499	**
Buildings on Freehold Lands	-	-	-	372,860	-	310,853	-
Total				**2,725,931**		**2,925,998**	

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 Buildings on Freehold Lands.

		GROUP		CORPORATION	
		2023 Rs. 000	2022 Rs.000	2023 Rs. 000	2022 Rs.000
11	**Investments in Subsidiaries**				
	Land Reclamation & Development Co. Ltd	-	-	2,000	2,000
		-	-	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	
		2023 Rs. 000	2022 Rs. 000	2023 Rs. 000	2022 Rs.000
12	**Inventories**				
	General Stock	606,579	528,524	573,206	486,426
	Sea Sand Stock	89,967	153,933	89,967	153,933
	Lands for Sale	12,401	12,401	12,401	12,401
	Inventory & Tools	172,829	149,419	172,829	149,412
	Work-in-Progress-Treasury Projects	299,497	557,224	299,497	557,224
	Work-in-Progress-Own Projects	687,279	930,546	687,279	930,546
	Work-in-Progress-Client Projects	397,918	546,645	338,020	492,869
		2,266,470	**2,878,692**	**2,173,199**	**2,782,811**
	Provision for Slow Moving Stock	(76,036)	(65,215)	(76,036)	(65,215)
		2,190,434	**2,813,477**	**2,097,163**	**2,717,596**
13	**Trade & Other Receivables**				
	Trade Debtors	2,564,574	3,067,999	1,150,770	1,922,115
	Receivable from Treasury for Treasury Funded Projects (13.1)	1,755,451	1,996,572	1,755,451	1,996,572
	Mobilization Advance Paid to Contractors	83,226	59,441	64,960	64,566
	Staff Loans and Advances	391,628	378,135	391,628	378,135
	Interest Receivable	562,941	702,901	574,685	713,245
	Rentals Receivable from Sudunelumpura Housing Project	34,766	32,615	34,766	32,615
	Other Debtors	179,146	143,808	117,931	79,779
	Deposits, Pre payments and Advances	154,449	161,602	90,109	129,354
		5,726,181	**6,543,073**	**4,180,300**	**5,316,381**
	Provision for Bad & Doubtful Debts	(485,827)	(481,814)	(467,984)	(462,177)
		5,240,354	**6,061,259**	**3,712,316**	**4,854,204**

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

13.1 The amount receivable from the General Treasury for treasury funded projects includes Rs. 1,334,295,318/-(2022:Rs1,601,154,382) receivable for payment of loan obtained from NSB for carrying out of Weras Ganga Storm Water Drainage and Environment Improvement Project. (Refer Note 18B for further details)

		GROUP		CORPORATION	
		2023	2022	2023	2022
		Rs. 000	Rs.000	Rs. 000	Rs.000
14	**Loans to Related Parties**				
	Current				
	Working Capital Loan to REDECO (14.1)	-	-	24,000	24,000
	Term Loan to REDECO (14.2)	-	-	14,567	-
		-	-	**37,567**	**24,000**
	Non-Current				
	Term Loan to REDECO (14.2)	-	-	126,666	141,233
		-	-	**126,666**	**141,233**
		-	-	**165,233**	**165,233**

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	
		2023	2022	2023	2022
		Rs. 000	Rs.000	Rs. 000	Rs.000
15	**Investments at Amortized Cost**				
	Current				
	Investment in Fixed Deposit	5,819,566	7,011,627	5,642,563	6,810,000
		5,819,566	7,011,627	5,642,563	6,810,000
	Non-Current				
	Investment in Treasury Bonds	445,208	-	445,208	-
		445,208	-	445,208	-
		6,264,774	**7,011,627**	**6,087,771**	**6,810,000**
16	**Cash & Cash Equivalents**				
	Cash at Bank	1,484,068	1,051,257	1,214,416	969,709
	Cash in Hand	18,183	13,121	13,932	9,668
	REPO Investments	465,000	-	465,000	-
	Cash in Transits	-	793	-	-
		1,967,251	1,065,171	1,693,348	979,377
	Bank Overdrafts	(19,620)	(14,607)	-	-
	Cash & Cash Equivalents for Cash Flow Statement	**1,947,631**	**1,050,564**	**1,693,348**	**979,377**

17 Deferred Income

17A	**GROUP**	**As at 31.12.2022 Rs.000**	**New Grants Rs.000**	**Amortization Rs.000**	**As at 31.12.2023 Rs.000**
	On account of PPE received free from GCFC&EI Project	28,367		(18,168)	10,199
	On account of PPE received free from LEI&EI Project	10,081	57	(8,151)	1,987
	On account of PPE received free from MCUD Project	215,707	88,664	(68,570)	235,801
	On account of PPE received from Treasury Funded Project	23,865	56	(342)	23,579
	On account of PPE received free from Presidential Secretariat	3,831	-	(1,298)	2,533
	On account of PPE received free from Other Institution	34,520	6,571	(3,788)	37,303
	Grant from Presidential Secretariat for Improvements at Kerawalapitiya Waste Management Park	112,930	-	(6,655)	106,275
		429,301	**95,348**	**(106,972)**	**417,677**

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

17B CORPORATION	As at 31.12.2022 Rs.000	New Grants Rs.000	Amortization Rs.000	As at 31.12.2023 Rs.000
On account of PPE received free from GCFC&EI Project	28,367	-	(18,168)	10,199
On account of PPE received free from LEI&EI Project	10,081	57	(8,151)	1,987
On account of PPE received free from MCUD Project	215,707	88,664	(68,570)	235,801
On account of PPE received from Treasury Funded Project	23,865	56	(342)	23,579
On account of PPE received free from Presidential Secretariat	3,831	-	(1,298)	2,533
On account of PPE received free from Other Institution	34,520	6,571	(3,788)	37,303
Grant from Presidential Secretariat for Improvements at Kerawalapitiya Waste Management Park	112,930	-	(6,655)	106,275
	429,301	**95,348**	**(106,972)**	**417,677**

17.1 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.

18 Interest Bearing Loans & Borrowings

18A GROUP	2023 Amount Repayable Within 1 year Rs.000	2023 Amount Repayable After 1 year Rs.000	2023 Total Rs.000	2022 Amount Repayable Within 1 year Rs.000	2022 Amount Repayable After 1 year Rs.000	2022 Total Rs.000
Bank Loans (18A)	267,082	1,067,436	1,334,518	268,199	1,334,519	1,602,718
	267,082	**1,067,436**	**1,334,518**	**268,199**	**1,334,519**	**1,602,718**

18A Bank Loans	As at 31.12.2022 Rs.000	Loans Obtained Rs.000	Repayments Rs.000	As at 31.12.2023 Rs.000
Term Loan From NSB	1,601,154	-	(266,859)	1,334,295
Term Loan From BOC (18.A.1)	1,564	-	(1,341)	223
	1,602,718	**-**	**(268,200)**	**1,334,518**

18A.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.

18B CORPORATION	2023 Amount Repayable Within 1 year Rs.000	2023 Amount Repayable After 1 year Rs.000	2023 Total Rs.000	2022 Amount Repayable Within 1 year Rs.000	2022 Amount Repayable After 1 year Rs.000	2022 Total Rs.000
Bank Loans (18B.1)	266,859	1,067,436	1,334,295	266,859	1,334,295	1,601,154
	266,859	**1,067,436**	**1,334,295**	**266,859**	**1,334,295**	**1,601,154**

18B.1 Bank Loans	As at 31.12.2022 Rs.000	Loans Obtained Rs.000	Repayments Rs.000	As at 31.12.2023 Rs.000
Term Loan From NSB (18 B.1.1)	**1,601,154**	-	(266,859)	**1,334,295**
	1,601,154	**-**	**(266,859)**	**1,334,295**

18B.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%.

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

19 Retirement Benefit Obligation

	GROUP		CORPORATION	
	2023 Rs. 000	2022 Rs. 000	2023 Rs. 000	2022 Rs. 000
At the beginning of the year	519,717	509,520	304,779	337,071
Provision made during the year (19.1)	147,060	74,573	108,195	17,564
Payment made during the year	(53,682)	(64,376)	(26,629)	(49,856)
At the end of the year	**613,095**	**519,717**	**386,345**	**304,779**
19.1 Provision made during the year				
Current Service Cost	60,483	62,235	17,546	18,088
Interest Cost	70,754	51,268	54,860	38,764
	131,237	113,503	72,406	56,852
Net Actuarial (Gain)/ Loss	15,823	(38,930)	35,789	(39,288)
Total provision made during the year	**147,060**	**74,573**	**108,195**	**17,564**

19.2 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 is 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 13.00% per annum.

vi). Salary Increases
Assumed average long term salary escalation rate of 10.00% per annum.

19.3 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.

Increase/ (Decrease) in Discount Rate	Increase/ (Decrease) in Salary Escalation Rate	Effect on Employee Benefit Obligation CORPORATION 2023 Rs. 000	2022 Rs. 000
+1%	*	358,347	285,608
-1%	*	418,385	326,391
*	+1%	418,647	327,185
*	-1%	357,697	284,674

19.4 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

	GROUP		CORPORATION	
	2023	2022	2023	2022
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
20 Trade & Other Payables				
Trade Creditors	227,632	267,434	351,167	387,258
Contract Creditors	468,286	1,502,151	527,507	1,574,191
Sundry Creditors including Accrued Expenses	1,357,449	1,784,747	131,312	860,869
Refundable Deposits	140,658	139,132	91,376	94,259
Interest Payable on Long Term Loans	52,575	71,068	52,575	71,068
Staff Creditors	15,190	33,858	15,190	33,858
Statutory Liabilities Payable	174,416	221,189	163,957	209,076
	2,436,206	**4,019,579**	**1,333,084**	**3,230,579**
21 Advances Received				
Advance Received for Lease of Lands	3,121,917	3,021,493	3,121,917	3,021,493
Advances against Sale of Lands	4,178	314,183	4,178	314,183
Advance Received for Sea Sand Sales	93,224	164,479	93,224	164,479
Mobilization Advance Received	188,963	103,640	134,280	59,316
Other Advances Received	95,399	76,813	90,122	76,813
	3,503,681	**3,680,608**	**3,443,721**	**3,636,284**

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.

22.2.1 Land Reclamation and Development Company Ltd (REDECO) is a subsidiary company of the Corporation. Rear Admiral Hiran Sacheendra Balasuriya, the Chairman of the Corporation and Mrs. MASMK Senadheera, the General Manager of the Corporation are also respectively the Chairman and a Director of REDECO.

During the year 2023, the Corporation had following transactions with REDECO.

a) Purchase of Cement Blocks and Concrete products for a value of Rs. 27,008,828/-. (2022 - Rs. 17,951,139/-)
b) Carrying out of the Construction Projects for Rs. 16,958,120/-. (2022 – Rs.127,135,849/-)
c) Obtaining the service of washing & sieving of Sea Sand for a value of Rs. 54,335,224/- (2022- Rs. 32,416,586/-)
d) Renting of the office building and two blocks of land at Kirimandala Mawatha. The lease rental received for the year 2023 is Rs. 615,385/-. (2022 - Rs. 606,410/-)

e) Interest for loans granted Rs. 2,760,000/- . (2022- 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. 118,599,199/- (2022: Rs. 93,378,239/-)
- Administration Fee Rs. 8,415,672/- (2022- 7,052,721/-)

22.2.2 LRDC Services (Pvt) Ltd is a subsidiary company of the Corporation. Rear Admiral Hiran Sacheendra Balasuriya, the Chairman of the Corporation and Mrs. MASMK Senadheera, the General Manager of the Corporation are also respectively the Chairman and a Director of LRDC Services (Pvt) Ltd.

During the year 2023, the Corporation had following transactions with LRDC Services (Pvt) Ltd.

a) Obtained Security Services for a value of Rs. 81,818,702/-. (2022- Rs. 73,330,305/-)
b) Obtained Manpower Services for a value of Rs.439,445,172/-. (2022- Rs. 430,179,731/-)
c) Received Rent of Rs. 3,538,462/-. for occupying the Corporation owned property (2022- Rs. 13,320,213/-)

NOTES TO THE FINANCIAL STATEMENTS (Contd.,)

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	
	2023	**2022**
	Rs. 000	**Rs. 000**
Short Term Employee Benefits Paid	11,704	11,169
Sitting Fees Paid	942	808

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	
	2023	**2022**
	Rs. 000	**Rs. 000**
Land Reclamation & Development Company Ltd (REDECO) - Loans Receivable	165,233	165,233
- Other Receivables	59,589	73,635
LRDC Services (Pvt) Ltd	16,550	14,010
	241,372	**252,878**

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	
	2023	**2022**
	Rs. 000	**Rs. 000**
Land Reclamation & Development Company Ltd (REDECO)	100,241	96,949
LRDC Services (Pvt) Ltd	143,719	134,772
	243,960	**231,721**

23. Post Balance Sheet Events

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

24. Commitment & Contingencies

24.1 Contingent Liabilities

There were Eleven (11) Legal cases pending against the Corporation as at 31/12/2023 claiming damages and compensation. The details are as follows.

a) A Contractor has entered into arbitration proceedings against the Corporation claiming interest, additional expenses and losses amounting to Rs.155,030,868/- for not settling payments on due dates.
b) A former General Manager of the Corporation has filed a case claiming back wages amounting to Rs. 1,409,425/-.
c) Nine (09) other legal cases are pending against the Corporation claiming compensation. The total claim amount is Rs. 1,310,600,000/-

The amounts mentioned above are the amounts claimed by the Plaintiffs /Claimants and the actual claim, if any, will be decided by the Courts or the respective Arbitration Tribunals.

24.2 Commitments

	GROUP		CORPORATION	
	2023	**2022**	**2023**	**2022**
	Rs. 000	**Rs. 000**	**Rs. 000**	**Rs. 000**
Approved but not contracted for	-	-	-	-
Contracted but not provided for	-	-	-	-
	-	-	-	-

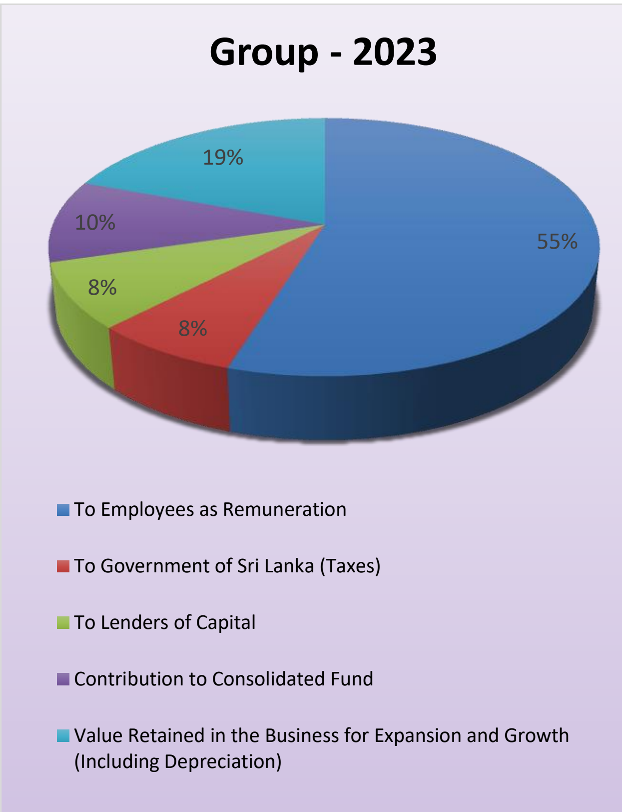
25. Comparative Information

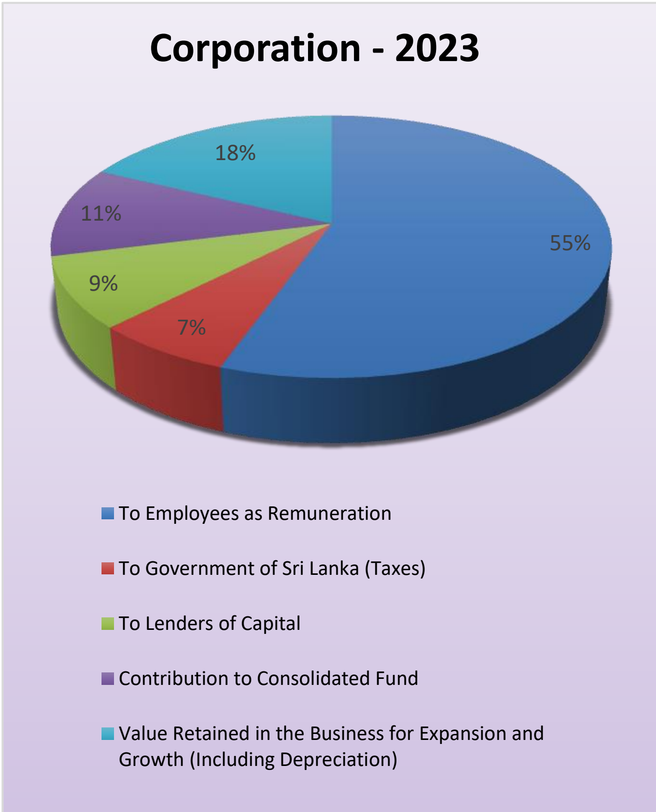
The presentation and classification of following item reported in the previous year (2022) are amended to ensure comparability with the current year presentation.

a) Contribution to Consolidated Fund previously categorized under income tax expenses in the Statement of Comprehensive Income was reclassified as distribution from the profits in the Statement of Changes in Equity.

Statement of Value Added

		GROUP				CORPORATION		
		2023		2022		2023		2022
		Rs. 000		Rs. 000		Rs. 000		Rs. 000
Value Generated								
Revenue from Contract with Customers		8,638,830		6,725,264		5,431,081		4,289,956
Other Operating Income		202,965		282,184		181,315		276,259
Less : Cost of Material and Services (excluding depreciation and remunerations to employees)		(5,651,549)		(4,231,702)		(2,763,651)		(2,064,689)
Value Added from Operations		**3,190,246**		**2,775,746**		**2,848,745**		**2,501,526**
Finance Income		1,647,989		1,199,636		1,620,671		1,182,978
Total Value Added		**4,838,235**		**3,975,382**		**4,469,416**		**3,684,504**
<u>Distribution of Value Added</u>								
To Employees as Remuneration	55%	2,652,350	62%	2,464,184	55%	2,478,038	62%	2,296,690
To Government of Sri Lanka Taxes	8%	356,352	13%	502,357	7%	307,937	13%	479,077
To Lenders of Capital	8%	396,562	6%	220,266	9%	389,610	6%	213,107
Contribution to Consolidated Fund	10%	500,000	1%	25,000	11%	500,000	1%	25,000
Value Retained in the Business for Expansion and Growth (Including Depreciation)	19%	932,971	19%	763,575	18%	793,831	18%	670,630
	100%	**4,838,235**	**100%**	**3,975,382**	**100%**	**4,469,416**	**100%**	**3,684,504**





Financial Highlights of the Corporation

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	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	2,522	748	2,352	2,379	2,786	2,367	2,969	5,629	1,306	1,620
Revenue from Other Projects and Sources	2,909	3,542	4,441	4,926	4,555	5,183	4,780	2,420	1,572	2,545
Intersegment Revenue	-	-	-	-	(766)	(453)	(406)	(239)	(362)	(459)
Total Revenue	**5,431**	**4,290**	**6,793**	**7,305**	**6,575**	**7,097**	**7,343**	**7,810**	**2,516**	**3,706**
Direct Cost	(3,237)	(2,397)	(4,131)	(3,141)	(4,682)	(4,499)	(4,966)	(5,602)	(2,224)	(3,247)
Gross Profit	**2,194**	**1,893**	**2,661**	**4,164**	**1,893**	**2,598**	**2,377**	**2,208**	**292**	**459**
Other Operating Income	181	276	94	76	100	96	190	50	61	48
Overheads	(2,505)	(1,827)	(1,632)	(1,661)	(1,260)	(1,369)	(1,224)	(926)	(1,010)	(676)
Operating Profit/(Loss)	(130)	342	935	2,426	733	1,325	1,338	1,333	(657)	(169)
Claims Arising from Arbitration	4	(753)	-	-	-	-	-	-	-	-
Net Financial Income	1,349	1,172	328	75	91	296	162	144	503	600
Profit before Taxation &Levy	**1,223**	**761**	**1,263**	**2,501**	**824**	**1,621**	**1,500**	**1,476**	**(154)**	**431**
Taxation	(260)	(453)	(240)	4	54	(472)	(359)	(283)	(3)	(85)
Profit /(Loss) for the year	**963**	**308**	**1,023**	**2,505**	**878**	**1,149**	**1,141**	**1,193**	**(157)**	**346**
Contribution to Consolidated Fund	(500)	(25)	-	(9)	(200)	-	-	-	-	-
Profit Retained in the Organization	**463**	**283**	**1,023**	**2,496**	**678**	**1,149**	**1,141**	**1,193**	**(157)**	**346**
Financial Position										
Total Assets	18,743	20,712	19,482	20,664	18,068	17,502	14,733	13,100	9,181	8,393
Capital & Reserves	11,054	10,615	10,400	9,357	6,897	5,896	4,690	3,572	2,373	2,544
Non-Current Liabilities	2,404	2,599	2,724	4,180	4,236	4,529	1,551	2,486	1,320	1,217
Current Liabilities	5,285	7,498	6,358	7,126	6,935	7,075	8,492	7,041	5,487	4,632
Cash Flow										
Cash Flow From Operating Activities	(1,087)	761	1,555	4,693	(744)	1,467	579	2,272	444	231
Cash Flow From Investment Activities	2,976	(2,984)	249	(227)	666	(1,025)	(1,646)	5	(245)	(98)
Cash Flow From Financing Activities	(1,175)	(469)	(2,107)	(1,038)	(170)	(438)	(386)	(301)	(10)	(2)
Increase /(Decrease) in Cash & Cash Equivalents	**714**	**(2,693)**	**(303)**	**3,428**	**(248)**	**04**	**(1,453)**	**1,976**	**189**	**130**
Other Information										
Number of Employees	1,302	1361	1334	1450	1408	1432	1448	1432	1411	1477