



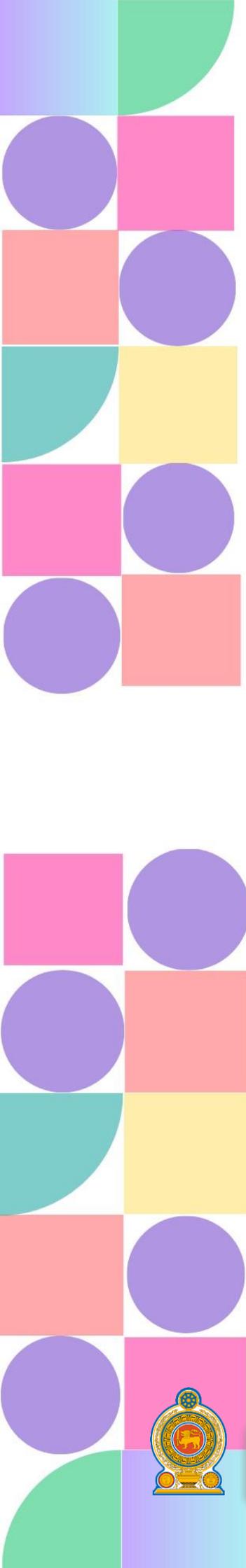
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ஆண்டு அறிக்கை  
**Annual Report**

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நகரக் குடியிருப்பு அபிவிருத்தி அதிகாரசபை  
**Urban Settlement Development Authority**





# Annual Report

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Urban Settlement Development Authority



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## **Vision**

***‘To build sustainable urban settlements  
for a dignified life’***

## **Mission**

***‘Building well-constructe, compact and  
secure urban settlements and  
empowering communities socially,  
economically and culturally’***

## **Objectives of the Urban Settlement Development Authority**

- Establishing well-planned compact urban settlements in all urban areas
- Enhancing economic and social development of urban communities
- Inculcating a feeling of property ownership within urban communities
- Pursuing excellence in the performance of the Authority
- Becoming a self-financed entity

# Corporate governance report



## Review of the Chairman



The Urban Settlement Development Authority established by the Urban Settlement Development Authority Act, No. 36 of 2008 implements physical development projects and human development projects for uplifting the living standard of low and middle income communities living in urban zones.

Our Authority has drawn up plans to generate revenue through the implementation of physical development programmes in the coming years without being a financial burden to the General Treasury and a business plan was developed with a view to executing this process more accurately, efficiently employing a strategic plan. The number of projects planned therein to be implemented for middle income earners under the public private partnership (PPP) is 05.

As part thereof, preliminary planning clearance certificate was obtained for Wattala "Welisara Heights" middle income housing project and approval was secured for the deed of the land. Likewise, the acquisition of land for Nittambuwa Orchardwatta housing project for middle income earners and obtaining approval for the deed of the land were carried out and the project proposal was referred to the National Planning Department for its approval.

The USDA was able to acquire the land on which the Sri Jayawardanapura Kotte relevant to the mix development housing project for middle income earners is to be implemented and it was also possible to acquire the proposed land for the construction of Kaduwela mix development project and obtain the valuation report for the Kaduwela post office building. Further, the project proposal of Hikkaduwa, Thuduwegoda mix development housing project was referred to the National Planning Department for its recommendation and land acquisition activities are now in progress.

Similarly, essential repairs were carried out at "Sayurupura" housing project, Angulana, Thalawakele-Lindula housing project and Thuruithurugama housing project, Anuradhapura which were implemented previously by the Authority and necessary steps were taken to address problems encountered by beneficiaries. The construction of the drain system and the installation of infrastructure facilities at the Nariyagodella urban housing project, Chilaw are underway. The acquisition of the land demarcated for Sinhapura multi-storied project was finalized.

Fire safety certificate which is compulsory was obtained for "Sea View Residencies", Lunawa Moratuwa implemented by the USDA together with the project development license and certificate of conformity and the possession of all 365 housing units was disposed to

beneficiaries during the year 2023. A landmark achievement by the USDA during the year 2023 was the handing over of deeds to beneficiaries for which the government too has accorded priority.

Whilst implementing social development projects targeting low and middle income earners residing in urban zones as outlined above, the Authority concurrently conducts social development programmes to improve the living standard of such communities and uplift them socially, economically and culturally. During the year 2023, social development programmes were based on four major programmes as community participatory programme, educational programme, self-employment credit programme and religious, cultural and skills development programme. The key target group of these programmes was low income earners of 28 settlements in the Colombo, Gampaha, Galle, Matara, Hambantota, Kurunegala, Ratnapura, Nuwaraeliya, Matale, Anuradhapura, Monaragala and Badulla districts.

Along with the implementation of above projects and programmes for enhanced living standards of urban communities, the USDA initiated a host of measure during the year 2023 seeking to improve the performance of employees of the USDA.

This resulted in employees being better motivated to discharge their duties more efficiently and effectively. In addition, employees were referred to diverse training programmes on a number of occasions. The educational loan programme for higher education of employees was continued in the year 2023 as well as part of the human resources development programme.

Being conscious of the prevailing economic crisis in Sri Lanka, the Authority, remain unperturbed by all the challenges and performed to its maximum potential in the year 2023 in discharging the functions assigned by the USDA Act and the Authority is firm in its resolve to shoulder the responsibility of elevating the living standard of urban communities of Sri Lanka towards prosperity by implementing physical and social development programmes island-wide for low and middle income communities living in urban zones..

**Priyantha K. Rathnayake**  
**Chairman**  
**Urban Settlement Development Authority**

## Review of the Director General



The Urban Settlement Development Authority carries out functions entrusted in terms of the Authority Act including the implementation of socioeconomic projects to improve the living conditions of low and middle income community living in urban areas to the optimal level and the execution of programmes for social development of the community living in housing projects implemented by the Authority. In order to fulfill this role, the USDA implemented diverse projects and programmes in the year 2023.

Being able to take necessary measures while bolstering the assets pool of the USDA by acquiring lands suitable for physical development programmes implemented by the Authority is of special significance.

As a new concept of the physical development programme of the USDA, special attention was focused on those who served in the public and semi-government sectors devoting the best part of their lives for socioeconomic advancement of Sri Lanka and senior citizens who have brought fame and glory to the country.

Accordingly, as a social security programme that goes beyond an ordinary adult welfare concept, a housing project replete with all amenities was planned for that community to be constructed at Orchard Watta, Nittambuwa as a social wellbeing project under the suburban concept enabling them to lead a dignified and contended life in the evening of their lives in a relaxed atmosphere with no feelings of solitude.

Similarly, social development programmes geared towards human resource management within a rapid urbanization process for the fulfillment of socioeconomic and environmental objectives of sustainable development were conducted continually in the year 2023 as well.

Various programmes were implemented for motivating the employees with the aim of improving their efficiency and honing their skills in order to procure a more efficient service from the staff of the USDA. Further, having established a Committee of Grievances Handling to look into and analyze requests and grievances of employees and submit recommendations to the Board of Directors, necessary measures were taken to offer solutions to problems of employees. In addition, a strategic plan and a business plan were developed for making the Authority a self-sustained entity.

Accordingly, I wish to state that action was taken in the year 2023 to achieve the key objectives of the USDA overcoming all challenges by implementing projects and programmes for low and middle income earning urban communities of Sri Lanka in terms of the powers vested in the Authority by Act No. 36 of 2008.

**Wijayananda Herath**  
**Director General**  
**Urban Settlement Development Authority**

## Review of the Board of Directors and Composition

The prime objective of the Urban Settlement Development Authority is to offer solutions to housing problems of people living in underserved urban settlements and empower them socially, economically and culturally. With this objective to the fore, the USDA plans and executes programmes under a two-fold approach as physical development and human development.

As per the Finance Act No. 38 of 1971, the Board of Directors of the Urban Settlement Development Authority is responsible for ensuring the keeping of proper accounts of the income and expenditure and other transactions and the preparing of financial statements that reflect a true and fair view of the accounts and of the surplus/ deficiency for the relevant year. Accordingly, the Board of Directors has directed the Authority to maintain account books in good order and review the method of financial reporting at meetings that are held regularly and through the Audit Committee.

In preparing the financial statements presented in this annual report, the Board of Directors has sought to comply with accepted accounting standards and to substantiate such statements through fair and prudent judgments and estimates. The Board has taken all possible measures that they could have practically taken to protect the assets of the Authority and to prevent frauds and other irregularities. The Board of Directors have put in place an effective and extensive internal control system comprising of internal audit and financial and other controls which is required for the delivery of the service of the Authority in a systematic manner and to protect the assets of the Authority and to ensure to fullest degree possible the accuracy and reliability of its reports.

The Chairman of the USDA holds the chairmanship of the Board of Directors. The Board of Directors of the USDA as at 31.12.2023 was as follows.

- Mr. Priyantha K. Rathnayake - Chairman, Urban Settlement Development Authority
- Mr. Nimesh Herath - Member of the Board, (Chairman, Urban Development Authority)
- Mr. Rajeev Suriyaarachchi - Member of the Board (Chairman, National Housing Development Authority)
- Mr. B.A.R.C. Piyaratne - Member of the Board (Deputy Director, Department of Project Management and Monitoring, General Treasury)
- Mr. Nalin Samarakoon - Member of the Board
- Mr. K.T.K. Prasanna Arampath - Member of the Board
- Mr. G.C.A.U. Fernando - Member of the Board
- Mr. D.S.J. Hewawitharana - Member of the Board
- Mr. Pradeep Wijerathnasekara - Member of the Board
- Mr. K.K.S. Sampath - Member of the Board
- Mr. H.P. Lalith Kumara - Independent Observer, (Chief Financial Officer Ministry of Urban Development & Housing)

**By order of the Board of Directors,  
Secretary to the Board of Directors: Director General, USDA**

## Board of Directors of the USDA as at 31.12.2023



**Mr. Herath Arachchilage Nimesh Dilshan Herath**  
**Member of the Board (Executive)**

Mr. Herath is the chairman of the Urban Development Authority and holds the membership of the Board of Directors of several institutions.

He is a BSc (Honours) Graduate of the Sri Lanka Institute of Information Technology and has obtained post graduate degree on Business Administration from the University of Sri Jayawardenapura.

He has over 15 years of experience in business management including nearly 08 years of experience in marketing in tourism, business development, business development, sales and marketing management, project management and digital marketing.

Further, he serves as,

- Chairman, Urban Development Authority
- Director, Colombo Land & Development Limited
- Director, Lanka Rest House Limited
- Chairman, Urban Investment & Development (Pvt) Limited
- Director, Onali Holdings Limited
- Director, Tea, Rubber & Coconut Estates (Control of Fragmentation) Board



**Mr. Rajeev Suriyarachchi**  
**Member of the Board (Executive)**

Mr. Suriyarachchi serves as the Chairman of the National Housing Development Authority and is a member of the Board of Directors of several institutions.

- Member of the Board, Housing Development Finance Corporation  
Member of the Board, Urban Development Authority
- Member of the Board, Hotel Developers (Lanka) Limited
- Director Tea, Rubber & Coconut Estates (Control of Fragmentation) Board
- Deputy Chairman, Airport and Aviation Services Limited (From 2019 to 2022)
- Deputy Chairman - Cooplife Insurance Company
- Director, Road Development Authority  
අධිකාරිය
- Coordination Secretary of Deputy Minister of Disaster Management
- Coordination Secretary of Deputy Minister of Irrigation & Water Management 2010-2015
- Coordinating Secretary, Minister of Highways and Road Development 2006-2010



**Mr. Bothale Appuhamilage Rukmal  
Chaminda Piyaratne**  
**Member of the Board (Executive)**

Currently serving as the Deputy Director of the Department of Project Management, Ministry of Finance

He holds,

- MSc Degree on Regional Planning & Development from the University of Colombo-2015
- Second Class Upper Degree on Business Management (Human Resources Management), University of Kelaniya
- Diploma in Project Monitoring & Evaluation -2018 –Miloda Academy of Financial Studies
- Higher Certificate Course on Procurement & Contract Management at -ICTAD 2009
- Higher Diploma in Public Procurement and Contract Management, DIPPCA-SLIDA - 2008
- 08-year professional experience in government procurement management - (2005-2012)
- 05-year experience in regional planning (2012-2017)
- 04-year experience in project management & monitoring (From 2017 to date)



**Mr. Ekanayake Walawwe Nalin  
Samarakoon**  
**Member of the Board (Non-executive)**

Currently serving as an Attorney at Law of the Supreme Court, and is a

- Senior Attorney -at-Law as an Apprentice as AJS Associate & Legal Consultants. - 2012
- Junior partner at at-Law as an Apprentice as AJS Associate & Legal Consultant 2013-2015
- Partner at AJS Associate & Legal Consultant - 2015-2019
- Independent Counsel & Legal Consultant - 2013 to date.

Partner at Samarakoon & Ranasinghe Associates from 2019 to date.

- Took oaths as an Attorney at Law of the Supreme Court in 2012
- Successfully completed the final year examination of Sri Lanka Law College in the year 2011
- Obtained Bachelor of Laws (LL.B) degree in 2011 from the Open University
- English Diploma (NIBM) 2013
- Post Graduate Degree in Labour Management, University of Kelaniya



**Mr. Kulappu Thanthiri Koralalage  
Prasanna Arampath  
Member of the Board (Non-executive)**

Serves as a lawyer in the Supreme Court and holds board memberships in several organizations.

- Bachelor of Law degree (Open University) 2011
- English Diploma (NIBM) 2013
- Post Graduate Degree in Labour Management (University of Kelaniya)
- Urban Development Authority – Board Member
- Rakna Lanka Security Company – Council Member
- Open University of Sri Lanka – Board Member

**Has served in the Human Rights Commission of Sri Lanka as a human rights activist from 1992 to 2015.**

Investigations into human rights violations during the period from 1992 to 2015.

- Four years' experience in the Human Rights Task Force from 1992 to 1996, (As a junior investigation officer)

Joined as an officers and was promoted to a senior investigations officer.

**(Administrative and Financial Director)**

- Received a promotion as an Administrative and Financial Officer of the Human Rights Commission of Sri Lanka w.e.f. 12.06.2013.



**Mr. G. C. A. U. Fernando  
Member of the Board (Non-Executive)**

- Faculty of Commerce. Sri Jayawardenapura University (1989 – 1992)
- On media freedom & publication (**International Academy for Leadership, Germany**)
- On political strategies (**Council of Asia Liberals & Democrats, Indonesia**)
- Youth Service Officer – Ministry of Youth Development & Employment 1990 – 1994
- Trainee Teacher – Ministry of Education 1994 – 2006
- Freelance journalist – Electronic media 1994 – 2006
- Manager, Human Resources & Social Compliance - Global Transportation and Logistics Pvt Ltd Seeduwa 2006 -2012 )
- Chief Executive Officer - Lanka Television Network (Pvt) Ltd. (VFM Radio) 2012 – 2018)
- Director Promotions - SMR Engineering (Pvt) Ltd From 2004 to date)
- Coordinating Secretary – Chief Government Whip of Parliament From 2020 to date



**Mr. D.S. J. Hewavitharana**  
**Member of the Board (Non-executive)**

- BSc (Hon) Degree in Civil Engineering – University of Peradeniya
- Director / Civil Engineering  
SMR Engineering (Pvt) Limited, Colombo  
From March 2004 to date.
- Director Operations, Isuru Engineering (Pvt) Ltd, Colombo -07, 1993-2003
- Project Manager, Consultant Engineering & Contractors (Pvt) Ltd, 1991-1992
- Site Engineer, Central Engineering Consultancy Bureau, 1986-1991
- Works Engineer, Housing Development Authority, 1985-1986
- Chairman, Sri Lanka Wrestling Federation
- Executive Committee Member of the National Olympic Committee
- Chairman, SMR Engineering (Pvt) Ltd
- Operations Manager, K.M.C. 1984 - 1985



**Mr. Pradeep Weerasekara**  
**Member of the Board (Non-executive)**

- BSc (Business Studies), University of Sabaragamuwa.- 1997
- MSc (Service Management), University of Colombo - 2016
- Private Secretary, Minister of Housing, & Urban Development, Hon. Prasanna Ranatunga -2020
- Private Secretary , Minister of Export Development & Investment Promotion, Tourism & Civil Aviation Services, Hon. Prasanna Ranatunga - 2020.
- Sri Lanka Airport & Aviation Company Ltd Board Member - 2020.
- Private Secretary, Chief Minister of Western Province and Minister of Education. Hon. Prasanna Ranatunga.
- Urban Development Authority, Board Member 2023
- Cordianting Secretary, Minister of Ports Development & Civil Aviation Services, Hon. Reggie Ranatunga - 2001
- Welfare Offocer, Colombo Municipal Council 2009 - 2024



**Kahatapita Kankanamlage Sujeewa Sampath**  
**Member of the Board (Non-executive)**

- General Certificate of Education (Advanced Level) Biology Stream
- Advanced Diploma in Human Resource Management from Human Resources Development Center, University of Colombo
- All Ceylon General Secretary of Sri Lanka Youth Societies Federation of National Youth Council
- Serving as a director of the National Youth Council
- 10 year service as a public officer attached to Minuwangoda Divisional Secretariat
- Served twice as the Deputy Chairman of Minuwangoda Pradeshiya Sabhha from 2011
- 10 year service as media secretary and coordinating secretary of Western Province Chief Minister
- Serving as the Coordinating Secretary of the Minister of Urban Development & Housing
- Served as the Coordinating Secretary of the Minister of Tourism
- Served as the Coordinating Secretary of the Minister of Industrial Exports & Investment Promotion.
- Represented Sri Lanka at South Asian Youth Conference.

## Participation of Board Members in Board Meetings

| Names of Board Members      | Meeting number and date held |             |             |             |             |             |             |             |             |             | Attendance |
|-----------------------------|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
|                             | 2023.01.10                   | 2023.02.21  | 2023.03.22  | 2023.04.28  | 2023.05.31  | 2023.06.28  | 2023.07.27  | 2023.09.27  | 2023.10.31  | 2023.11.30  |            |
|                             | 01/<br>2023                  | 02/<br>2023 | 03/<br>2023 | 04/<br>2023 | 05/<br>2023 | 06/<br>2023 | 07/<br>2023 | 08/<br>2023 | 09/<br>2023 | 10/<br>2023 |            |
| Mr.R.M.S.P.K. Ratnayake     | √                            | √           | √           | √           | √           | √           | √           | √           | √           | √           | 10/10      |
| Mr. H.A. Herath             | √                            | √           | √           | √           | √           | √           | √           | √           | √           | √           | 10/10      |
| Mr. Rajiv Suriyaarachchi    | -                            | √           | √           | √           | -           | √           | √           | √           | √           | √           | 10/08      |
| Mr. B. A. R. C. Piyaratne   | √                            | √           | √           | √           | √           | √           | √           | √           | √           | √           | 10/10      |
| Mrs. E.M.N. Edirisinghe     | √                            | √           | √           | √           |             |             |             |             |             |             | 10/04      |
| Mr. E. W. Naleen Samarakoon | √                            | -           | √           | √           | √           | √           | √           | √           | √           | -           | 10/08      |
| Mr. K.T.K.P.Arampath        | √                            | √           | √           | √           |             | √           | √           | √           | √           | √           | 10/10      |
| Mr. G. C. A. U. Fernando    | √                            | √           | √           | √           | √           | √           | √           | √           | √           | √           | 10/10      |
| Mr. D.S.J. Hewawitharana    | √                            | √           | √           | √           | √           | √           | √           | √           | √           | √           | 10/10      |
| Mr. Pradeep Wijeratnesekera |                              |             |             |             |             |             |             | √           | √           | √           | 10/03      |
| Mr. K.K. Sujiwa Sampath     |                              |             |             |             |             |             |             | √           | √           | √           | 10/03      |

## Review of the Advisory Committee & Composition

In terms of Section 10 of the USDA Act, No. 36 of 2008, the Advisory Committee was appointed. Accordingly, the following functions should be performed by the Advisory Committee.

- I. Offering advice in approving and in dealing with any matter relating to proposals, plans projects and ongoing programmes of the Authority.
- II. Complying with rules and executing functions approved in respect of the role of the Advisory Committee by the Board of directors.

The USDA Act has stipulated that the Advisory Committee shall consist of a Chairman and not more than fourteen members ensuring that there is adequate gender representation.

Accordingly, the composition of the Advisory Committee as at 31.12.2023 was as follows.

- K.T.K. Prasanna Arampath Attorney at law - Chairman of the Committee
- Chartered Engineer D.V. Rajasekaran - Committee Member
- Chartered Architect Mrs. B.L.K. Indika Balasuriya - Committee Member
- Mr. Chandima Pathirana - Committee Member
- Mr. Tharanga Nalin Gamlath - Committee Member
- Mrs. Shanika Gopallawa - Committee Member
- Mrs. Sujani Bogollagama - Committee Member



Chairman of Committee  
Attorney at Law  
Mr.K.T.K.Prasanna Arampath



Committee Member  
Chartered Engineer  
Mr.D.T. Rajasekaran



Committee Member  
Chartered Architect  
Ms.B.L.K.Indika Balasuriya



Committee Member  
Mr.Chandima Pathirana



Committee Member  
Ms.Shanika Gopallawa



Committee Member  
Ms.Sujani Bogollagama

## Review of the Audit and Management Committee

Powers for reviewing and monitoring have been vested in the Audit Committee for ensuring the existence of an appropriate financial reporting system and guaranteeing that such system is efficiently managed enabling the provision of accurate, appropriate and timely information to the management and the relevant authorities and for managing the accounting and internal controls so as to be compliant with the laws and policies of the Authority and statutory and corporate administration.

The Audit Committee comprised the treasury representative and two (02) members of the Board of Directors. As per the State Enterprises Guidelines, the Treasury representative of the Board, Mr. B.A.R.C. Piyaratne who is the Assistant Director of Project Management and Monitoring served as the Chairman of the Committee and Attorney at Law Nalin Samarakoon and Mr. G.C.A.U. Fernando functioned as the committee members.

The Audit Superintendent of the government and the Chief internal Auditor of the line ministry participated at the meetings of the Audit and Management Committee as observers and the divisional heads of the USDA and other officers as and when necessary attended the meetings. The Director General of the Authority functioned as the Secretary of the committee. The internal audit programme prepared for the year 2023 by the internal auditor was considered by the Committee and made recommendations for the approval of the Board of Directors.

During the year under review, four committee meetings were held. The Committee laid emphasis on the improvements to be made including the timely preparation and submission of audit reports, responses to audit queries, observations of internal and external audits, internal control systems as well as the Annual Report. Accordingly, necessary remedial measures have been taken and the follow-up action in respect of the decisions taken were discussed and reported to the Board of Directors.

I wish record my appreciation regarding valuable contributions made by the members, observers and officers and in particular the invaluable observations made by the Auditor General.

By order of the Audit and Management Committee,



**Committee Chairman**  
**B.A.R.C. Piyaratne**



**Committee Member**  
**Attorney at Law Nalin**  
**Samarakoon**



**Committee Member**  
**G.C.A.U. Fernando**

**Director General**  
**Secretary to the Audit and Management Committee**  
**Urban Settlement Development Authority**



## Key Management Personnel of USDA



Mr. Priyantha Rathnayaka  
Chairman



Mr. Wijayananda Herath  
Director General



Mrs. K.K.W. Tushari P. De Silva  
Director (Planning & MIS)



Mrs. A.G.S.N. Nishanthi  
Director (Finance)  
02.10.2017 to 30.11.2023



Mrs. P.M.A. Weerakkody  
Director (Social Mobilization)



Mr. S. Suranga Munasinghe  
Director (Engineering)



Mr. A.M.K.B. Athauda  
Ating Director (Finance)  
Deputy Director (Finance)  
From 30.11.2023



Mrs. D.A. Devika  
Dissanayake  
Deputy Director (Legal)  
from 01.11.2011 to



Mr. A.P.R. Gnanapriya  
Deputy Director  
(Administration)



Mr. L.R.A. Shanta  
Deputy Director  
(Internal Auditor)



Mr. R.D. Susantha  
Fernando  
Deputy Director  
(Procurement and  
Marketing)



Miss Anusha Rajapaksa  
Assistant Director  
(Architecture)



Mr. R.A. Susantha  
Assistant Director  
(Social Mobilization)



Mrs. M. Pushpa  
Assistant Director  
(Social Mobilization )



Mrs. K.I. Darshani  
Assistant Director  
(Social Mobilization)



Mr. A.L. Harsha Dilankara  
Assistant Director  
(Land and property Management)



Mrs. Jayatri Ariyathilaka  
Assistant Director (Research  
and Development)



Mrs. Shalani Agalawatta  
Assistant Director (Legal)  
From 22.12.2023

# Physical Development Programme



## Physical Development Programme

The details of middle income and low income housing projects planned to be implemented by the USDA in the year 2023 and the physical progress achieved in respect of such projects can be illustrated as follows. The sale of housing units of “Sea View” housing project which was vested in people in the year 2021 to middle income earners was also carried out during the year 2023.

### Middle income housing projects planned to be implemented under public private partnerships

#### Welisara Millagahawatta Middle Class Housing Project

This project has been planned to be constructed on a land spreading across 2.4532 hectares in the Elapitawala Grama Niladhari Division of the Wattala Divisional Secretary Division in the Gampaha District. This land has been acquired as a grant to the USDA in terms of Section 6(1) of the Crown Lands Ordinance.

Approval of the National Planning Department has been secured for the new project proposal in this regard and the Cabinet Paper for the resumption of the project has been forwarded to the Ministry of Urban Development and Housing for necessary action.

Further, the approval of the Sri Lanka Navy was secured for this project as per the preliminary planning clearance certificate and the preliminary planning clearance certificate from the Urban Development Authority for a residential project too has been obtained. Further, deed No: 11268 prepared in respect of this land has been approved by the Wattala Pradeshiya Sabha.

#### Orchardwatta Middle Class Housing Project, Nittambuwa

This project has been planned to be constructed on a 3.6932 hectare land in the Nambadaluwa Grama Niladhari Division of the Attanagalla Divisional Secretary Division in the Gampaha District. This land has been acquired to the USDA by Gazette Extraordinary No: 2296/36.

The project proposal compiled for the project has been referred to the National Planning Department for approval and deed No:1544 prepared in respect of the land has been approved by the Attanagalla Pradeshiya Sabha.

#### Sri Jayawardenapura Kotte Mix Development Project

Plans have been drawn up to construct this housing project on a land 0.2963 hectares in extent in 521 A, Etul Kotte West Grama Niladhari Division in the Sri Jayawardenapura Kotte Divisional Secretary Division. This land has been acquired as a grant to the USDA in terms of Section 6(1) of the Crown Lands Ordinance. Further, the valuation report for the Sri Jayawardenapura Kotte post office building and the land has been obtained from the Government Valuation Department.

### **Thuduwegoda Mix Development Housing Project, Hikkaduwa**

It was planned to implement Thuduwegoda Urban Housing Project, having submitted project proposals to carry out physical development programmes to uplift living conditions of communities living in urban areas. However, construction activities of physical development projects had to be suspended pursuant to the National Budget Circular No. BD/CBP/01/01/04-2022 on controlling public expenditure. On account of this, a new project proposal was drafted to execute this project under public private partnership method.

The project proposal has been referred to the National Planning Department for approval. The acquisition process of the land for the project is in progress under the Land Acquisition Act No. 28 of 1964.

### **Athurugiriya Mix Development Project**

This project has been planned to be implemented on a land 0.406 hectares in extent in 487 A Shanthalokagama Grama Niladhari Division of the Kaduwela Divisional Secretary Division. Action is being pursued to acquire this land to the USDA in terms of the Land Acquisition Act No. 28 of 1964.

### **Kaduwela Mix Development Project**

The valuation report for the Kaduwela post office building has been obtained from the Kaduwela Divisional Secretariat- Malambe and contour line tracing for the land bearing No: CO/KDW/2022/482 was obtained from the Sri Lanka Department of Survey. Further, activities relating to the acquisition of the land 0.257 hectares in extent are in progress.

Preparatory activities pertaining to obtaining preliminary clearances, acquisition of lands and commencement of construction work of projects in relation to the above housing projects planned for middle income urban community were carried out during the year 2023. Owing to the economic crisis prevailed in the country during the year, all construction work in the country came to a standstill and finding a project developer or an investor for our projects too became a difficult task. The progress of these projects as of 31.12.2023 is as described above.

## **Development activities of low income housing projects implemented by Urban Settlement Development Authority and their acquisition**

### **Sayurupura Housing Project, Angulana**

Housing units of this project constructed at Payurugahawatta, Dombagahawatta/Wetakeiyagahawatta located in the Angulana North Grama Niladhari Division of the Moratuwa Divisional Secretary Division have been disposed to beneficiaries upon completion. Procurement activities have been commenced for the selection of a suitable contractor for installing a protective gate and a chain link fence for the project, renovation of wastewater system of 09 houses and repairing identified houses during the year.

### **Thuruithurugama Housing Project, Anuradhapura**

This project constructed on a land known as Parasangaswewa Mukalana in Thulana 302 Katukeliyawa Grama Niladhari Division in the Central Nuwaragampalatha Divisional Secretary Division in the Anuradhapura District has been transferred to beneficiaries. The land 7.7586 hectares in extent has been acquired as a grant in terms of section 6.1 of the Crown Lands Ordinance. One house of the project was renovated during the year.

### **Lindula Housing Project, Thalawakele**

This project constructed on land called Holyrood Estate of the Nuwaraeliya Divisional Secretary Division in the Nuwaraeliya District has been vested in beneficiaries. During the year, concrete drains were laid at three locations of the land and 20mm chain link fence was installed and housing units 17, 23 and 38 were repaired and handed over to the residents.

### **Nariyagodella Housing Project, Chilaw**

This project launched on a land known either as Meekulama or Nariyagodella at 568 Munneshwaram Grama Niladhari Division in the Chilaw Divisional Secretary Division of the Puttalam District was disposed to beneficiaries upon completion. This land 2.308 hectares in extent has been acquired to the USDA. Procurement activities have been commenced for the selection of a suitable contractor to repair one of the houses of the project.

Further, approval has been sought from Secretary of the Ministry of Urban Development and Housing to allocate Rs. 2.86 million from the internal earnings of the Authority to the Chilaw Pradeshiya Sabha for the construction of the drain system and the provision of infrastructure facilities.

### **Sinhapura multi-storied housing project**

Upon the completion of this project on land called 48 Watta in the Borella North Grama Niladhari Division of the Thimbirigasyaya Divisional Secretary Division, housing units were transferred to beneficiaries. This land which is 0.4423 hectares in extent was acquired this year as a free grant in terms of section 6(1) of the Crown Lands Ordinance.

## Community Projects

Carrying out repairs at Sri Wickraramapura Community Hall, Mattakuliya identified during the field visit.

## Housing projects of which marketing activities were carried out in 2023

### "Sea View Residencies" Housing Project, Lunawa

"Sea View Residencies" housing project with 356 housing units, the construction of which was commenced by the Urban Settlement Development Authority in the year 2012 on Thanayamwatta land located at Moratuwa Urban Council area in the Colombo District. This housing project was vested in the people, on 09<sup>th</sup> April 2021. Each housing unit with a floor area of 410 square feet has 02 bedrooms, a living room, a mini pantry and an outdoor balcony and the housing complex was constructed with essential amenities such as lifts, community halls, a daycare centre and a preschool and internal road network and parking facilities.

Construction activities of the project were carried out by the State Engineering Corporation and the State Development and Construction Corporation was in charge of the project management. Three hundred and fifty six (356) housing units have been disposed to beneficiaries up to now. The fire safety adequacy certificate for the project this year was issued by the Chief Fire Officer. The development permit and certificate of conformity for the project were obtained this year from the Urban Development Authority.



## Granting entitlement and deeds to beneficiaries of completed housing projects

During the year 2023, the Authority signed installment purchase agreements and consent for sale agreements and additional installment purchase agreements with beneficiaries.

### Activities relating to granting deeds to houses

| #            | Housing project  | No. of houses | Progress of granting deeds as at 31.12.2022 | Deeds granted in 2023 | Deeds remain to be granted |
|--------------|--|---------------|---|-----------------------|----------------------------|
| 1.           | Sahasapura multistoried housing project                | 686           | 564   | 23                    | 99                         |
| 2.           | Thuruithurugama green settlement project, Anuradhapura | 102           | -   | 01                    | 101                        |
| 3.           | Wadulu Sevana multistoried housing project             | 50            | -   | -                     | 50                         |
| 4.           | Sinhapura housing project Phase I                      | 60            | -   | -                     | 60                         |
| 5.           | Sinhapura housing project Phase II                     | 60            | -   | -                     | 60                         |
| 6.           | "Sayurupura" multistoried housing project              | 288           | -   | -                     | 288                        |
| 7.           | Nariyagodella urban housing project, Chilaw            | 57            | -   | -                     | 57                         |
| 8.           | Thalawakele urban housing project                      | 54            | -   | -                     | 54                         |
| <b>Total</b> |  | <b>1,357</b>  | <b>546</b>                                  | <b>24</b>             | <b>769</b>                 |

### Signing of agreements for houses

| #            | Housing Project   | No. of beneficiaries who signed agreements in 2023 |
|--------------|---|--|
| 1.           | "Sahasapura" multistoried housing project, Borella        | 06   |
| 2.           | "Thuruithurugama" housing project, Anuradhapura           | 14   |
| 3.           | "Sayurupura" multistoried housing project, Angulana       | 28   |
| 4.           | Nariyagodella housing project, Chilaw                     | (Additional installments) 01                       |
| 5.           | Sea View Residencies multistoried housing project, Lunawa | 37   |
| <b>Total</b> |   | <b>86</b>  |

## Instituting Legal Action

Legal contribution is actively provided through two divisions, i.e. judicial activities and notarial activities for bringing about sustainable urban settlement development. The Authority constituted legal action in the year 2023 against beneficiaries who have failed to repay housing loans granted by the Authority, those who do not make payments for houses and those who have given their houses to a third party.

| #            | Subject   | No. of cases filed | No. of cases being heard | No. of cases disposed of in 2023 | No. of cases filed in the year 2023 | No. of Eviction orders | Cases filed for reclaiming possession |
|--------------|---|--------------------|--------------------------|----------------------------------|-------------------------------------|------------------------|---------------------------------------|
| 1.           | Diriya urban scattered housing loan scheme                    |                    | 07                       | 04                               | 05                                  |                        |                                       |
| 2.           | "Sayurupura" multistoried housing project, Angulana, Moratuwa | 14                 | 01                       |                                  |                                     | 05                     |                                       |
| 3.           | Nariyagodella housing project, Chilaw                         |                    |                          |                                  |                                     |                        | 03                                    |
| 4.           | Labour compensation /industrial disputes                      | 07                 |                          |                                  |                                     |                        |                                       |
| <b>Total</b> |   | <b>21</b>          | <b>08</b>                | <b>04</b>                        | <b>05</b>                           | <b>05</b>              | <b>03</b>                             |

## Steps taken to protect environment and minimize negative impact on environment in future physical projects

1. Using solar energy to generate electricity and provide hot water for domestic units.
2. Development of projects and public areas as green zones and their future maintenance through the management corporation with the participation of beneficiaries.
3. Storing and purifying storm water gathered in project sites and wastewater released by domestic units and using it for home gardening of the project.

## Strategies for assessing and minimizing risks

|   |  |
|---|--|
| <b>Resistance in implementing relocation projects and relocating targeted low income housing beneficiaries.</b>   | <b>Conducting pre-awareness through social mobilization programmes and offering consultancy required for familiarization with new lifestyle.</b> |
| <b>Loan recovery percentage remaining at a low level due to repayment capacity of low income community being at a minimal level</b>   | Activities for economic empowerment of beneficiaries through social mobilization programmes.<br><br>Eg: Self-employment programme                |
| <b>Difficulties in finding suitable investors to construct houses at an affordable price and provide them to targeted beneficiaries in the implementation of middle income housing projects</b> | Incurring a part of the expenditure spent on projects in refund basis by the institution.  |
| <b>Being forced to suspend projects due to the emergence of technical problems during the implementation of projects.</b>   | Conducting studies and feasibility tests prior to project implementation   |

# Social Development Programme



## Social Development Programme-2023

Centering on underserved urban settlements, social development programmes are implemented to uplift living conditions of underprivileged people living therein them socially, economically and culturally and develop their knowledge, attitude and skills enabling them to be self-reliant and social development programmes have been executed from the year 2011 focusing on communities living in urban underserved settlements in Colombo.

Accordingly, this programme is being implemented covering the entire island as per 2021-2025 Action Plan. From the year 2021, the programme has been based on a four pronged approach designed to promote the participation of the involved community, develop living standards of urban low income communities and strengthen social mobilization.

### **1. Community participatory programme**

This aims to empower urban underserved community ensuring their wellbeing through active community participation whilst securing sustainable development. This is executed through four sub-programmes.

- 1.1 Empowering community societies
- 1.2 Drug prevention programme
- 1.3 Health promotion programme
- 1.4 Environmental programme
  - 1.4.1 Programme for minimizing the effects of climatic changes

### **2. Educational Programme**

This programme envisions to upgrade skills of children and youth of urban underserved settlements giving them access better employment opportunities through basic education, skills development and vocational training. This programme is implemented under two main sub-programmes.

- 2.1 Providing essential school equipment for continuous school education
- 2.2 Japanese language teaching & skills promotion programme

### **3. Self-employment credit programme**

This programme is geared towards improving economic wellbeing of urban underserved communities through self-employment and entrepreneurship development.

- 3.1 Island-wide self-employment credit programme
- 3.2 Anuradhapura self –employment credit programme
- 3.3 Resources, training, raw materials and cost for self-employment programme
- 3.4 Making market opportunities available for entrepreneurs

#### **4. Religious and Cultural Programme and Skills Promotion Programme**

This programme is implemented with the aim of promoting coexistence amongst multi-religious and multi-ethnic communities living in urban underserved settlements, ensuring their mental wellbeing as well as promoting their skills. .

Accordingly, guidance required for realizing the objectives of underserved communities is offered through sub-interventions and activities linked to above interventions. In the year 2023, social development activities were conducted for developing and improving socioeconomic conditions of 5593 families inhabiting 28 urban settlements covering 11 districts. These districts include Colombo, Gampaha, Galle, Matara, Hambantota, Kurunegala, Ratnapura, Nuwara Eliya, Matale, Anuradhapura, Monaragala and Badulla. This community participation development program is implemented by focusing on community based solutions through grassroots community participation interventions.

### **Implementing social development programme in settlements**

#### **01. Community Participatory Programme**

The prime objective of the community participatory programme is to empower communities, individuals and community based organizations with a view to improving their living conditions whilst making the urban underserved communities to understand the importance of cultural diversity.

This can be introduced as a critical component of community development as it ensures the sustainability of programs through the establishment and strengthening of Community Based Organizations (CBOs). In 2023, 12 community-based organizations were established in the 12 settlements identified, and basic technical knowledge and necessary guidance were provided to run them.

"A settlement free from drugs" programme implemented in urban underserved settlements was continued in the year 2023 employing scientific methods as a preventive measures to minimize the growing threat of alcohol and drug abuse in urban underserved settlements.

By conducting awareness programmes and practical workshops for combined youth and children's societies with resource contributions from Alcohol and Drug Information Centre (ADIC), it is expected to minimize socioeconomic and cultural problems caused by the use of drugs, alcohol and cigarettes.

Besides, drug users are referred to clinics as part of this programme for the detection of respiratory diseases. In the year 2023, a community awareness programme and a clinic were conducted with the assistance of the Central Chest Clinic at the "Sahaspura" settlement, Borella in the Colombo District. Patients who should undergo long term treatment were identified at the clinic.

Further, awareness workshops were conducted and sanitary equipment kits were distributed under the health promotion programme for the promotion of hygienic practices amongst adolescents. Officers of the Medical Officer of Health office of the respective area were involved in the awareness workshops. At the conclusion of each programme sanitation kits were distributed among participating adolescents under the sponsorship of the United Nations Children's Fund (UNICEF).

Under the supervision of the Health Promotion Bureau, a pair of books titled "Be healthy, Be beautiful" and "Healthy Daughter" were given to young men and women attending the workshops and included therein was a checklist of activities about washing hands and protecting oneself from germs.

Accordingly, a blood donation programme of the members of the community society Madampe settlement in the Ratnapura District was conducted under the health promotion programme and blood donors were given a parcel of dry rations with the financial contribution of community based organization.

Programmes were also conducted in the year 2023 for minimizing the effects of climate changes with the objective of initiating suitable programmes to address and mitigate environmental issues identified during the analysis of problems in underserved urban settlements. Consequently, workshops were conducted to make urban communities aware of climate changes, minimizing their effects and adopting to such changes and as the second phase thereof a host of practical programmes were launched enabling them to contribute to minimize the impacts of climate changes. Those included,

- tree planting campaigns, and
- solid waste management programmes

This programme was conducted with resource contributions from the Climate Change Secretariat of the Ministry of Environment and the UNICEF. Additionally, 'shramadana' campaigns were held under environmental programmes at Gampaha- Alawathupitiya settlement, Wattala - Kerawalapitiya settlement, Dompe- Kuttiwila settlement, Moratuwa – Angulana "Sayurupura" multistoried housing complex.

## Annual Progress

- 13 new settlements were identified and observed in the Gampaha district for the year 2023.
- Establishing 12 community based organizations in 12 newly identified settlements.
- Awareness workshops on drug prevention were conducted with the participation of 30 children.
- 98 persons participated in awareness programmes on drug use and clinics conducted subsequently.
- 07 drug addicts, 24 cigarettes addicts and 09 alcohol addicts were referred to the counselling service of the Alcohol and Drug Information Centre (ADIC).
- 25 workshops for promoting sanitation amongst adolescents were conducted under the health promotion programme which were conducted at settlements in Colombo, Gampaha, Hambantota, Moragala, Badulla, Nuwaraeliya, Kurunegala, Anuradhapura and Ratnapura districts.
- Sanitary kits were distributed amongst 2,997 young men and women who took part in 26 youth health programmes. Three of these programmes were conducted for young people of the projects of the Authority.
- 113 donors were involved in the blood donation programme at Madamp settlement, Ratnapura.
- 07 'shramadana' programmes were held under the environmental programme..
- The programme on minimizing the impact of climate changes was conducted in 12 settlements with the participation of 456 children of children's societies.
- 33 programmes were implemented at a cost of Rs. 1.11 million.

## **Photos captured at community participatory programmes**

### **1.1 Empowerment of community societies**



## 1.2 Drug prevention programme



## 1.3 Health promotion programme



## 1.4 Environmental programme



### 1.4:1 –Programme for minimizing the effects of climate change



## 02. Educational Programme

Through this programme conducted for the advancement of children and youth societies of urban settlements,

- educational equipment kits were gifted to schoolchildren, and
- a Japanese language skills development programme was conducted.

This programme is conducted by resource persons with expertise on the relevant subject in order to deliver a programme of higher productivity and quality.

The prevailing economic crisis in Sri Lanka has exerted an enormous pressure on low income families. As people are reeling under the escalating cost of living, many have opted to migrate to another country for employment.

A large number of young men and women of urban settlements who have either completed school education or dropped out of schools remain unemployed and they aimlessly spend their valuable time without any clear goal as to their future. By giving them the opportunity learn Japanese language, they stand a chance to find better employment either in this country or abroad. Though children of these families are very keen on securing foreign employment, the absence of a suitable institute to acquire the required language proficiency and the lack of financial support have held them back. By offering guidance to young men and women who want to be proficient in Japanese language and granting scholarships to study Japanese language, this programme has contributed to improve their prospects of a brighter future.

Providing guidance and incentives and building skills required for social development by establishing children's societies youth societies in active fields for the promotion of skills, capabilities and attitudes of young men and women was the objective of this programme.

Having established children's societies in settlements where social development programme is implemented. a programme was conducted to distribute school equipment sets for children of economically backward families of urban underserved settlements under the programme for supporting continuous education. This programme was sponsored by Hatton National Bank.

## Annual Progress

- Essential school materials/stationary were provided schoolchildren to incentivize them to continue basic education. 35 children from Sahaspura and Sinhapura settlements in Colombo District, 149 children from settlements in Badulla District and 50 children from settlements at Udupussellawa in Nuwaraeliya District benefited from the programme.
- Active children's societies were formed and maintained sustainably to develop skills of children of settlements. Accordingly, 22 children's societies were established and updated.
- The USDA in collaboration with the Foreign Employment Bureau launched the Japanese language programme in settlements in the Colombo District. (JLPT 95) The first phase of the programme with the participation 65 of students was covered in 200 hours over a span of four months.
- Four children sat the JLPT N5 examination and all of them passed the examination.
- They were registered in an institute registered with the Foreign Employment Bureau to follow 3 months of theory classes (1 day per week) and 4 months of practical training (1 day per week) to prepare them to sit N4 examination required to apply for foreign employment..
- Programmes were implemented targeting 335 beneficiaries at a cost of Rs. 1.85 million.

## **Photographs of educational programmes**

### **2.1: Distributing school equipment for continuous school education**



### **2.2: Japanese language skills development programme**



### **03. Self-employment credit programme**

The objective of this was to uplift economic wellbeing of the community through self-employment and entrepreneurship development. This programme can be considered as an important mechanism for developing community based small scale manufacturing economy and unveiling small scale productions confined within isolated marginalized groups.

Having identified entrepreneurship development activities of aspiring entrepreneurs to initiate and successfully maintain a small scale enterprise, training programmes were designed to equip self-employed persons and those who aspire to take up self-employment in urban settlements with the required technical knowhow, financial support and guidance thus motivating and inspiring them to start their own businesses.

During the year 2023, 31 training workshops were conducted in urban settlements with the participation of 447 persons. A concessionary loan scheme with low interest rates was implemented for the promotion of small scale enterprises for entrepreneurs interested in expanding existing businesses or to start a new business. Necessary guidance was offered to them through small scale enterprise training programmes to start a self-employment.

Requisite resource contribution for this programme was extended by public institutions such as the Vidatha Institute, Sri Lanka Industrial Development Board, Ministry of Agriculture, Export Development Board and Small Enterprise Development Institution. In the year 2023, our Authority intervened to assist small scale entrepreneurs by introducing their products to a wider range of consumers and giving them access to markets and organize such markets. Accordingly, "Entrepreneurship supportive trade exhibition for sustainable development" was held at Sethsiripaya premises on 29 and 30 November 2023 with the participation of entrepreneurs who had availed themselves of credit facilities from the Authority as well as entrepreneurs who took part in self-employment workshops organized by the Authority. Entrepreneurs from both the manufacturing and food sectors were involved in the exhibition and gifts were presented to them with the support of several sponsors to motivate and encourage them. Further, certificates, trophies and presents were awarded to winners of the above two categories for ecofriendly and local products.

## Annual Progress

- Creating basic awareness on self-employment programme for 517.
- Training workshops were conducted for 447 entrepreneurs.
  - Workshops on lamp wicks production and items made of reed, dress making workshops and workshops on making short-eats and snacks and fruit drink making and mushroom production
- Under the self-employment credit scheme, loans were granted to 46 entrepreneurs. 05 of them were from the Angulana project and 10 were from the Anuradhapura project.
- Sewing machines were provide to 02 entrepreneurs on hire purchase basis.
- 08 small businesses were referred to Divisional Secretariats for registration.
- With the objective of encouraging the self-employed and introducing new markets, the year end trade exhibition was held at Sethsiripaya premises on 29 & 30 November 2023 with the participation of 45 small scale entrepreneurs.
- The number of entrepreneurs engaged in successful businesses following training workshops was 67.

| S/ No | Training programme                   | Settlements involved   | Number |
|-------|--------------------------------------|--|--------|
| 1.    | Making lamp wicks                    | Angulana "Sayurupur" , Anuradhapura "Thuruithurugama", Divulapitiya - Medikelewatta, Matara- Batheegama, Attanagalla -Dematalanda  | 45     |
| 2.    | Cool drinks/fruit drinks             | Kataragama- Gothamigama  | 01     |
| 3.    | Making ornamental items              | Anuradhapura "Thuruithurugama"   | 02     |
| 4.    | Women's jewelry                      | Kataragama- Gothamigama  | 05     |
| 5.    | Soap production                      | Attanagalla-Thihariya, Minuwangoda-Korasa, matale-Higgolla, Kelaniya-Yabaraluwa, Matara-Batheegama, Matara - Hamugewatta, Tangalla _Muslim Veediya, Kaduwela- Boralugoda, Mahara-Kirikitta | 11     |
| 6.    | Bite making                          | Ganemulla , Anuradhapura "Thuruithurugama"   | 02     |
| 7.    | Mushroom products, mushroom sausages | Mahara-Kirikitta, Meerigama-Kalukanda  | 02     |
| 8.    | Clay based products                  | Minuwangoda- Samurdhigama  | 01     |
| 9.    | Dress making                         | Kurunegala-Wilegoda, Anuradhapura "Thuruithurugama", Matara- Batheegama  | 08     |
| 10.   | Products from reed                   | Anuradhapura "Thuruithurugama"   | 03     |

01 program was implemented targeting 140 beneficiaries, for which A finance cost of Rs. Mn. 2.30 was incurred.

## Photographs captured at self-employment credit programmes

### 3.1 Island-wide self-employment credit programme



### 3.2 Anuradhapura self-employment credit programme



### 3.3 Resources, training, raw materials and cost for self-employment credit programme



### 3.4 Providing market opportunities for entrepreneurs



## 04. Religious, Cultural & Skills Promotion Programme

Programs were launched for the development of the motivational skills of the target community through raising awareness about the stress management, attitude development and positive thinking programs of the underserved urban communities and children living in the urban underserved settlements.

This program was launched with the aim of creating well-being of the society and the psycho-social development of children, and for this purpose, the child rights promotion officers of divisional secretariats, resource persons with expertise in positive thinking and motivation were involved in the program and in the year 2023, this program was implemented in the districts of Colombo, Badulla, Nuwara Eliya, Gampaha, Kurunegala and Anuradhapura.

Further, skills promotion and vocational education programmes were also conducted for the development of educational competency. Necessary guidance was offered to conduct awareness workshops for upgrading vocational educational skills and field observation visits to Ratmalana Technical College were arranged to provide an understanding on the field of industrial vocations. Tuition classes are being conducted for the children of Angulana "Sayurupura" settlement on the theme "Breaking barriers blocking education" for promoting learning opportunities.

Similarly, a pre-scholarship training programme was conducted for children who sat the Grade 5 scholarship examination in the year 2023 with the contribution of a resource person with expertise on educational skills and motivation covering Batalawatta, Welihinda and Boralugoda settlements in the Kaduwela urban zone on 09.10.2023 at Pore Primary School.

In addition, multi-religious and multi-cultural programmes are implemented with the participation of children, youth and women to promote peace and social harmony and in particular a parent felicitation programme was conducted in the year 2023 in the Gampaha and Badulla districts on the request of the community with the objective of bridging the ever widening gap between children and parents due to increased social complexity and intense competitiveness in society.

Deteriorating parent-children relationship has had a severely deterrent effect on the progress of human society and this programme was implemented with the aim of redirecting such relationship towards positivity and to forge healthy and functional parent-children relationship that is on the decline on the back of prevailing economic and political environment in order to create a virtuous society.

### Annual Progress

- Seven multicultural and artistic entertainment programmes with the participation of 491 people were held for promoting and encouraging creativity and aesthetic skills.
- Three religious programmes were conducted with 207 persons in attendance for spiritual development.
- Twelve motivational programmes were held for promoting positive thinking and skills with the direct participation of 1882 children.
- Three educational and vocational skill improvement programmes were conducted for promoting skills with the involvement of 106 children and youths.
- Twenty three (23) programmes were implemented at a cost of Rs. 1.10 million.

### **Photographs taken at religious and skills development programmes**

#### **4.1 Religious and cultural programme**



#### **4.2 Skills development programme**



## Vocational skills promotion



## Educational skills promotion programme



## World Habitat Day - 2023

A house of his own is the dream of the entire human kind. The 37<sup>th</sup> commemoration of World Habitat Day which was first celebrated in the year 1986 with the theme "Shelter is my right", reflecting on the basic right of all to adequate shelter was marked on 02<sup>nd</sup> October 2023 under the theme "Resilient urban economies". World Habitat Day celebrations which commenced centering on the concept of "Housing" has laid more emphasis in recent times on finding solutions to problems that have emerged with urban sprawl. Accordingly, an arts, dancing and short film competition was held with the aim of developing creative skills of children of underserved settlements.

The art competition that is held every year based on the theme of World Habitat Day was conducted on the year 2023 as well and accordingly, this competition was held with the participation of children of 22 settlements in which the social development programme was being implemented in the year 2023 under the following age categories.

- 6-9 years age group
- 10-14 years age group
- 15-18 years age group

In the first phase, children were drawings were on "Minimizing the effect of climate change". Out of them, 500 drawings were selected for the second stage and an exhibition of these

drawings were held at Senerath Paranawithana National School, Udugampola as "Siyane Ru" children's drawing competition. The drawings were on the theme "Our Environment" for 6-9 years age group and the theme for 10-14 years and 15-18 years age categories was "lets' face urbanization protecting the natural environment". It was heartening to note the enthusiastic participation of children in the drawing competition.

A creative short video film competition of 5-minute duration on the theme "Minimizing the effect of climate changes" using mobile phones was held to bring the artistic creative skills of children to the fore with the participation of children of active children's societies.

Short films from settlements wherein human development programme were being implemented in the districts of Colombo, Gampaha, Matale, Hambantota, Matara, Ratnapura, Nuwaraeliya and Anuradhapura were presented for this competition. Three short films were selected as the best films by a panel of judges with expertise on children's short films and the winners were awarded certificates, trophies and gifts.

A children's dancing competition was also held concurrent to the commemoration of World Habitat Day. Each dancing troupe comprised 5-10 children and they were given the opportunity of presenting new creations. The children who participated in the dancing competition did rehearsals in their settlements with great enthusiasm and were very creative in their presentation. The three teams that won the first, second and third places were awarded certificates and trophies at the Habitat Day commemorative ceremony.

### **Annual Progress**

- Nearly 3000 children's drawings were presented at the settlement level for the first round of the competition. A qualified panel of judges selected 500 drawings under three age categories for the second round.
- In the second stage, 9 paintings of excellence, 21 special merit drawings, 30 merit drawings were selected under the three age categories.
- 18 short films entered the fray for short film competition and the number of children acted in them were 150.
- 20 teams participated in the children's dancing competition and the teams included a total of 120 children.

## Photographs captured at World Habitat Day Celebration 2023

### ❖ Children's drawing competition



### ❖ Children's dancing competition



### ❖ Short film festival



## World Habitat Day National Ceremony 2023

The World Habitat Day National Celebration was held on 02 October 2023 under the patronage of the Honorable Prime Minister Dinesh Gunawardena, with the participation of the Minister of State for Urban Development and Housing, the Hon'ble Thenuka Widanagamage, and the Sri Lankan Head of the United Nations Human Settlements Program, Mr. Lakshman Perera, and ministry officials. Certificates, trophies and prize money were given to the winners of the children's painting competition and the children's dance competition.



### Physical Development Projects

- Granting 23 title deeds to beneficiaries in the year 2023.

### Human Development Programme

#### 01. Community Development Programme

1. Number of persons with savings due to improved financial situation
2. Number of persons in a settlement who had quit drugs
3. Number of persons identified for drug rehabilitation.
4. Number of persons participated in health awareness programmes and number of persons identified with non-communicable diseases.
5. Number of programmes implemented by the community itself within settlements having participated in awareness programmes on climate changes
  - 07 persons addicted to drugs, 24 persons addicted to smoking and 09 persons addicted to alcohol were referred to consultancy of the Alcohol and Drugs Information Centre (ADIC).
  - Sanitary kits were provided to 2997 young men and women who participated in 26 youth health programmes. Three of these programmes were conducted for 203 young men and women of the projects of the Authority.

#### 02. Education Programme

1. Number of young people of the low income community who completed vocational training.
2. Number of children motivated to attend school daily after participating in education awareness programmes.
3. Number of young men and women who received employment opportunities through vocational training.
  - The USDA in partnership with the Foreign Employment Bureau launched a Japanese language programme (JLPT N5) centered on settlements in Colombo. The first phase thereof was covered in 200 hours during a period of 4 months. The number of students participated was 65.
  - Four student sat the language examination and all 4 of them passed the examination.

### **03. Self-employment and entrepreneurship development programmes**

1. Number of persons who gained access to markets.

2. Number of persons who developed their businesses after attending awareness programmes for entrepreneurs.

3. Number of entrepreneurs who started and developed their businesses after receiving financial aid from the Authority.

- Training workshops were conducted for 447 entrepreneurs.
  - Workshops on wick production, reeds related products, sewing workshops, workshops on making short-eats, making various types of bites, fruit juice making and mushroom cultivation
- Self-employment loan scheme: Loans were granted to 46 self-employed entrepreneurs including 05 from Angulana project and 10 from Anuradhapura project. .
- 08 small scale businesses were referred to Divisional Secretariats for registration.
- With the objective of incentivizing self-employed persons and introducing market opportunities to them, the yearend trade fair was held at Sethsiripaya premises on 29<sup>th</sup> and 30<sup>th</sup> of November, 2023 with the participation of 45 small scale entrepreneurs.
- The number of entrepreneurs who are successfully engaged in businesses following their participation in workshops is 67.

### **04. Integrated sociocultural programme**

1. Number of settlements where the community itself conducted programmes

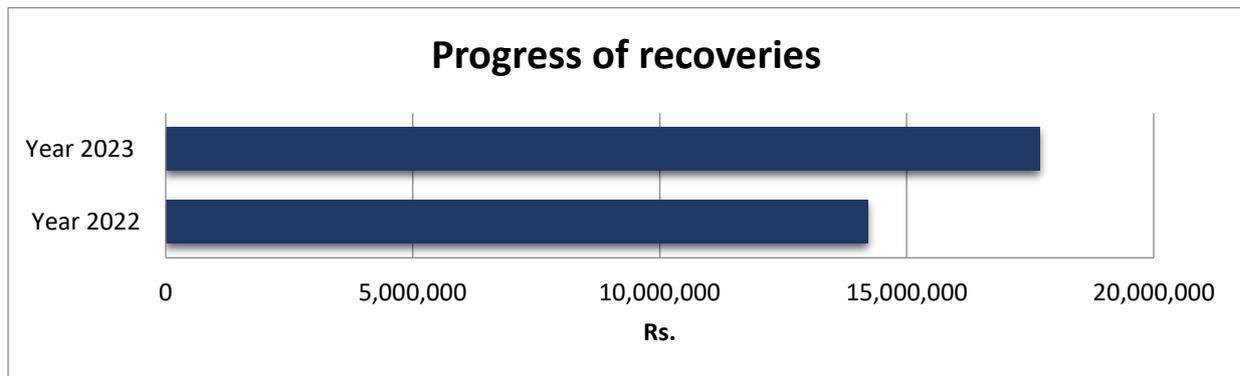
2. Number of children attending Dhamma schools and other religious schools subsequent to their participation in awareness programmes

- 07 multicultural and enjoyment of arts programmes were held with 491 participants in attendance for fostering creativity and promoting and encouraging aesthetic skills.
- 03 religious programmes aimed at spiritual development were conducted and the number of people participated was 207.
- 12 motivational programmes were held on positive thinking and skills development with the participation of 1882 community members and children.
- 03 educational programmes and vocational skills promotion programmes were conducted for promoting competencies and number of young people participated was 106.

## Urban Settlement Development Authority-Progress of Internal earnings (Recoveries)

In granting housing entitlements, the Recovery Division of our Authority recovers loan installments and installments in arrears from beneficiaries of 10 completed housing projects of the USDA who obtained loans under the housing loan programme.

Beneficiaries have obtained loans on relocation, non-relocation, sales and rent basis. The progress achieved in the recovery in the year 2023 is depicted in the following graph in comparison to the year 2022.



According to the above graph, the income of the Authority in the year 2023 has posted an a year on year growth.

## Procurement of goods and services

- The Wattala Welisara, Sri Jayawardenepura Kotte and Nittambuwa Orchard Watta housing projects, which were planned to be implemented under the Public-Private Partnership Method (PPP Model) for the year 2023, could not be commenced as private and local investors were reluctant to make new investments due to the financial instability in the country.
- Similarly, other programmes and purchases planned under capital expenditure and recurrent expenditure could not be carried out as planned due to the shortage of materials in the market resulting from the controlling and restricting of government expenditure which in turn created hyperinflation. The quarterly progress of procurements up to 31.12.2023 is depicted in the graph.

## Human Resource Development & institutional administrative activities

### Training programmes implemented in the year 2022 to improve performance of employees.

For improving employee performance and efficiency, a host of training programmes were conducted. Details thereof are given in the following chart.

| S/ No | Training programme   | Training institute | Divisions from which officers were nominated for training        | No. of officers |
|-------|--|--------------------|--|-----------------|
| 1     | Training Program on SLPSAS   | APFASL             | Procurement/ Recoveries Division                                 | 2               |
| 2     | Programme for developing and promoting interrelationships of the entire staff.               | USDA               | All divisions  | All divisions   |
| 3     | Transport management   | SDFL               | Engineering/ Admin divisions                                     | 2               |
| 4     | Disciplinary procedure   | SDFL               | Chairman/ Director General/ Admin/ Legal divisions               | 7               |
| 5     | Public Procurement Procedures  | SDFL               | IT/Procurement divisions   | 4               |
| 6     | Occupational Health & Safety Better Environment  | SDFL               | Engineering division   | 4               |
| 7     | Scientific, economical and safe driving for drivers  | CETRAC             | Drivers  | 6               |
| 8     | Corporate Plan Development   | SDFL               | Planning & Monitoring /Social mobilization/ Admin/Land divisions | 8               |
| 9     | Preparing and submitting cabinet memoranda   | SDFL               | Planning & Monitoring /Finance /Engineering divisions            | 8               |
| 10    | Recent Changes to Tax Legislation  | SDFL               | Finance /Engineering divisions                                   | 4               |
| 11    | Improving professional development of Development Officers and Management Assistant Officers | SDFL               | Social Mobilization / Land/Admin/Legal divisions                 | 12              |
| 12    | Performance Appraisal & KPI 'S   | SDFL               | Admin / Planning & Monitoring divisions                          | 4               |
| 13    | Seminar On Practical Approach to MEP quantification  | CIDA               | Engineering division   | 5               |

## Granting educational loans

The educational loan programme is implemented for enriching employees of the Authority with knowledge and duly managing the knowledge they acquire within the office method. During the year 2023, educational loan facility was extended to 04 officers.

| S/No  | Training Programme                         | Training institute     | Divisions from which officers were nominated for training | No. of officers |
|---|--|------------------------|---|-----------------|
| 1.  | Financial Mathematics Postgraduate course  | University of Moratuwa | Planning & Monitoring Division                            | 1               |
| 2.  | Bachelor of Arts degree course             | University of Kelaniya | Social Mobilization Division                              | 1               |
| 3.  | Bachelor of Arts degree course             | University of Kelaniya | Social Mobilization Division                              | 1               |
| 4.  | Degree course on Labour Management Studies | University of Colombo  | Engineering Division                                      | 1               |
| <b>Total number of loans granted in the year 2023</b> |  |                        |   | 04              |

## Establishing a Grievances Handling Committee

The need has emerged for a clear process for inquiring into various long drawn-out unresolved requests and problems of employees of the USDA.

For this purpose, a Grievance Committee comprising the Chairman, Committee Secretary and Committee Members was established in terms of Board decision No: 02/2023/13.

In order to formally maintain the above committee, a policy on "managing employee problems" was submitted to the Board of Directors for which board approval No: 02/2023/13 was received.

The Grievance Committee has decided to categorize the problems for the convenience of reporting employee problems and to prepare a common format for submitting requests related to employee problems..

Therefore, the primary objective of this process is to give due consideration to requests of employees within a more reliable system and offer solutions as well as to secure a more productive and efficient service within the institution.

## Details of the staff of USDA as at 31.12.2023

| #   | Salary category | Approved cadre |                         |                | Existing cadre |                         |                | Vacancies | Surplus  |
|---|-----------------|----------------|-------------------------|----------------|----------------|-------------------------|----------------|-----------|----------|
|   |                 | Permanent      | As per 25/2014 Circular | Contract basis | Permanent      | As per 25/2014 Circular | Contract basis |           |          |
| 1   | HM2-1           | 1              |                         |                | 1              |                         | -              |           |          |
| 2   | HM1-1           | 4              |                         |                | 3              |                         | -              | 1         |          |
| 3   | MM1-1           | 12             |                         |                | 11             |                         | -              | 1         |          |
| 4   | JM1-1           | 3              |                         |                | 2              |                         | -              | 1         |          |
| 5   | MA5-1           | 14             |                         |                | 11             |                         | -              | 3         |          |
| 6   | MA3             | 31             |                         |                | 29             |                         | -              | 2         |          |
| 7   | MA2-1           | 14             | 1                       |                | 10             | 1                       | -              | 4         |          |
| 8   | MA1-1           | 42             | 6                       |                | 25             | 6                       | -              | 17        |          |
| 9   | PL3             | 10             |                         | 16             | 9              |                         | -              | 1         |          |
| 10  | PL1             | 11             | 2                       |                | 5              | 2                       | -              | 6         |          |
| 11  | Contract        | -              |                         | -              | -              |                         | 1              |           | 1        |
|   |                 | <b>142</b>     | <b>9</b>                | <b>16</b>      | <b>106</b>     | <b>9</b>                | <b>1</b>       | <b>36</b> | <b>1</b> |
| <b>For the proposed middle income housing project</b> |                 |                |                         |                |                |                         |                |           |          |
| 12  | Contact         | -              |                         | 13             | -              |                         | 2              | 11        |          |
| <b>Grand Total</b>                                    |                 | <b>142</b>     | <b>9</b>                | <b>29</b>      | <b>106</b>     | <b>9</b>                | <b>3</b>       | <b>47</b> | <b>1</b> |

- No of employees as at 31.12.2023 = 115

# Final Accounts Reports

## URBAN SETTLEMENT DEVELOPMENT AUTHORITY

### SIGNIFICANT ACCOUNTING POLICIES & DISCLOSURES – 2023

#### 1. Corporate Information

Urban Settlement Development Authority (USDA) was established in year 2008 by the Act No: 36 of 2008 under the Ministry of Urban Development and Sacred Area Development. From 2010 USDA is functioning and currently it is under the purview of Ministry of Urban Development and Housing. Urban Settlement Development Authority (USDA) is located at the 9<sup>th</sup> floor of Sethsiripaya building in Battaramulla. Department of Management Services has approved 182 employees for the staff of Urban Settlement Development Authority.

#### 2. General Policies

##### 2.1 Going Concern

The Board of Directors certifies that the USDA has adequate resources to continue its operations and financial statements prepared by assuming Going Concern concept.

##### 2.2 Statement of Compliance

The Statement of financial position, statement of financial performance, statement of changes in net asset and cash flow statement, together with the accounting policies and notes to the financial statements have been prepared in compliance with the Sri Lanka public sector Accounting Standards (SLPSAS) issued by the Institute of Chartered Accountants of Sri Lanka.

##### 2.3 Basis of preparation

The financial statements, presented in Sri Lanka Rupees, have been prepared on an accrual basis and under the historical cost convention unless stated otherwise.

##### 2.4 Comparative Information

The accounting policies applied by the authority are, unless otherwise stated, consistent with those used in the previous year. Previous year's figures and phrases have been re-arranged wherever necessary, to conform to the current year's presentation.

##### 2.5 Events after the balance sheet date

2024 Budget proposal of "Programme for providing full ownership to 50,000 low-income households under the Urban Home Ownership" will effect to the low-income housing schemes. But its circumstances haven't arisen since the Balance Sheet date.

## 2.6 Taxation

No provision for income tax is made as the Authority is not expected to earn profits which operate on Government funds.

## 3. Property Plant And Equipment

3.1 Vehicles, Furniture & Fittings, Office Equipment and Computers are stated in the Balance sheet at cost less accumulated depreciation (Net Value). From 01.01.2018 the Depreciation policy is to calculate depreciation from the date of purchased, considering the usable period of the cost of asset on straight-line basis under the following rates.

The Rates of the Depreciation as follows,

| Category             | Depreciation Rate |
|----------------------|-------------------|
| Land                 | 0%                |
| Building             | 5%                |
| Vehicle              | 20%               |
| Office Equipment     | 20%               |
| Furniture & Fittings | 20%               |
| Computer             | 50%               |
| Intangible Asset     | 25%               |

The Value of the Lands owned by the Urban Settlement Development Authority of Housing projects are identified and accounted under the property plant and Equipment.

The valuation of the Orchardwatta Nittambuwa Land is ongoing, after getting the value; that values will be accounted in the year 2024

## 3.2 Assets Valuation

All the noncurrent assets described 3.1 are subject to re-valuate periodically. Current Organizational policy is to re-valuate noncurrent assets after five years.

## 4. Receivables

Receivables are stated at the amounts they are estimated to realize, net of provisions for bad and doubtful receivables. A provision for doubtful debt is made 10% of the total receivables of Low-Income loan programs.

## 5. Employee Retirement Benefits

The liability for retirement gratuity is computed on the basis of half (1/2) a month salary for each completed years of service in respect of all employees.

However, as per the Payment of Gratuity Act No. 12 of 1983 the liability arises only upon completion of five (05) years continued service. Gratuity provision presented in the statement as noncurrent liability.

## 6. Liabilities

All accrued expenses at the balance sheet date have been included in the accounts and adequate provisions have been made for liabilities which are known to exist.

Donation received form donor agencies related to the funds are recognized as a liability until it is utilized.

## **7. Income & Expenditure**

Income and expenditure are recognized on accrual basis.

Recurrent Grant received for the year is recognized in the income statement.

All expenditure incurred in running of the business and maintaining the capital asset is charged to the income statement.

Expenses incurred for Human Development activities from the grant for the year which are not capitalized, is charged to the income statement

## **8. Government Grant**

Grants received from Treasury have been identified as Capital & Recurrent and accounted accordingly.

Government grant recorded according to the SLPAS 11.

Initially grants received from donor agencies related to the assets are recognized as a liability until it is utilized.

## **9. General Disclosure**

9.1. There are three vehicles recorded in financial statements as assets which were granted from Treasury in 2012. (Treasury purchased those vehicles under the leasing agreement from Bank of Ceylon-NB 3032, KS 5687, PD-4645)

Three vehicles of USDA which Reg. No. 58-7130, PB-5291, KA-6073 were transferred from Real State Exchange (Pvt) Ltd.

The motor vehicle, KJ-3870 which owned by the Ministry of Primary Industries and Social Empowerment, was released by the Ministry of Finance, Economy and Policy Development to our authority and ownership is transferred in 2022.

9.2. Advances for constructions consist with mobilization advances and material advances which are paid to each operational project in past years.

9.3. Savings Accounts deposits are maintained for the following Purposes/committed payments,

I. Construction retention and other savings

II. Internet Payment Gateway Facility

9.4. As per the Cabinet approval, constructions of Lunawa low income housing project were handed over to the State Engineering Corporation (SEC).

It was handed over to the beneficiaries in year 2021 on sale basis at the completion of housing units of the projects and Nos. 356 units were sold at the end of the year 2023.

On behalf of 12 no's of beneficiaries who has paid 25% down payment ,USAD

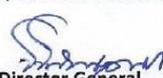
has signed the Tri-party loan agreement with the HDFC Bank.

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31st DECEMBER 2023**

| <u>Particulars</u>                            | <u>Note</u> | <u>2023 (Rs.)</u>       | <u>2022(Rs.)</u>        |
|---|-------------|-------------------------|-------------------------|
| <b>ASSETS</b>                                 |             |                         |                         |
| <b>Current Assets</b>                         |             |                         |                         |
| Cash And cash equivalents                     | 01          | 360,581,935.99          | 60,162,796.92           |
| Advance                                       | 02          | 761,500.00              | 405,102.00              |
| Receivable From UDA                           |             | 207,331,767.00          | 207,331,767.00          |
| Receivable Accounts                           | 03          | 702,604,409.66          | 743,451,007.63          |
| Construction Advance                          | 04          | 1,323,113.95            | 1,323,113.95            |
| Mobile Cart Stock                             |             |                         | 41,000.00               |
| Stock for Resource Center                     | 05          | 687,105.50              | 687,105.50              |
| Project Housing Stock                         | 06          | 1,285,040.21            | 61,171,155.34           |
| <b>Investment</b>                             | 07          | 1,148,329,056.50        | 1,309,515,056.50        |
| <b>Total Current Assets</b>                   |             | <b>2,422,903,928.81</b> | <b>2,384,088,104.84</b> |
| <b>Non-Current Assets</b>                     |             |                         |                         |
| Loan Stock                                    | 08          | 611,160,182.69          | 593,538,239.73          |
| Work-in Progress                              | 09          | 22,473,939.94           | 14,754,152.70           |
| Property Plant And Equipment                  | 10          | 734,987,205.71          | 460,361,304.19          |
| Intangible Assets                             | 11          | 150,342.47              | 500,000.00              |
| <b>Total Non-Current Assets</b>               |             | <b>1,368,771,670.81</b> | <b>1,069,153,696.62</b> |
| <b>Total Assets</b>                           |             | <b>3,791,675,599.62</b> | <b>3,453,241,801.46</b> |
| <b>LIABILITIES AND EQUITY</b>                 |             |                         |                         |
| <b>Current Liabilities</b>                    |             |                         |                         |
| Accrued Expenses                              | 12          | 15,384,976.95           | 72,461,817.89           |
| Management Corporation Fund                   | 13          | 54,565,854.45           | 39,197,354.45           |
| Retention Money                               | 14          | 1,810,762.20            | 154,124.54              |
| Payable                                       | 15          | 52,215.00               | 72,600.00               |
| Down Payment                                  | 16          | 105,000.00              | 17,459,950.00           |
| <b>Total Current Liabilities</b>              |             | <b>71,918,808.60</b>    | <b>129,345,846.88</b>   |
| <b>Non-Current Liabilities</b>                |             |                         |                         |
| Provision                                     | 17          | 29,637,547.00           | 28,186,117.50           |
| <b>Total Non-Current Liabilities</b>          |             | <b>29,637,547.00</b>    | <b>28,186,117.50</b>    |
| <b>Total Liabilities</b>                      |             | <b>101,556,355.60</b>   | <b>157,531,964.38</b>   |
| <b>Net Assets</b>                             |             | <b>3,690,119,244.02</b> | <b>3,295,709,837.08</b> |
| <b>Equities And Reserves</b>                  |             |                         |                         |
| Treasury Grant                                | 18          | 1,167,316,673.63        | 1,987,156,586.43        |
| Capital Grant on Fixed Assets                 | 19          |                         | 8,604,229.82            |
| Government Grant                              | 20          | 702,135,018.30          | 470,898,036.77          |
| Reserve                                       | 21          | 51,625,000.00           | 51,625,000.00           |
| Revaluation Reserve                           |             | 37,943,896.22           | 38,515,350.07           |
| Treasury Grant HRD Capital                    |             |                         | 3,672,705.86            |
|   |             | <b>1,959,020,588.15</b> | <b>2,560,471,908.95</b> |
| Balance Income (Expenditure)                  |             |                         | 97,666,409.77           |
| Excess Income for the Previous Year-Recurrent |             | 730,773,039.10          | 637,571,518.36          |
| Excess Income for the Previous Year-Capital   |             | 789,736,880.79          |                         |
| Excess Over Income/Expenditure for the Period |             | 210,588,735.98          |                         |
|   |             | <b>1,731,098,655.87</b> | <b>735,237,928.13</b>   |
| <b>Total Equity</b>                           |             | <b>3,690,119,244.02</b> | <b>3,295,709,837.08</b> |

The Accounting policies on pages 01 to 03 and Notes on 04 to 20 form an integral part of these financial statements. The Board of Director is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

  
**Director Finance ( Act.)**  
**USDA**

  
**Director General**  
**USDA**

  
**Chairman**  
**USDA**

  
**Board of Director**  
**USDA**

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED DECEMBER 31,2023**

| <u>Budget</u><br><u>2023</u> | <u>Particulars</u><br><u>Revenue</u>                      | <u>Note</u> | <u>2023 ( Rs.)</u>    | <u>2022( Rs.)</u>      |
|------------------------------|---|-------------|-----------------------|------------------------|
| 151,500,000.00               | Treasury Grant - Recurrent                                |             | 151,499,333.40        | 155,000,000.00         |
|                              | Differed Income On FA                                     |             |                       | 11,391,602.17          |
| 252,960,000.00               | Interest Income   | 22          | 240,361,723.63        | 161,823,661.56         |
|                              | Other Income  | 23          | 1,438,604.28          | 12,986,065.96          |
|                              | Income From Housing Projects                              | 24          | 24,541,493.29         | 232,269,606.31         |
|                              | Income on Disposal itmes                                  | 25          | 27,518.78             |                        |
| <b>404,460,000.00</b>        | <b>Total Income</b>                                       |             | <b>417,868,673.38</b> | <b>573,470,936.00</b>  |
|                              | <b>ADMINISTATIVE EXPENSES</b>                             |             |                       |                        |
| 119,132,653.40               | Personal Emoluments                                       | 26          | 119,740,174.60        | 118,945,680.27         |
| 2,395,410.00                 | Travelling  | 27          | 1,578,625.50          | 1,949,976.62           |
| 15,733,690.00                | Supplies Expenditure                                      | 28          | 14,510,785.75         | 16,656,620.44          |
| 45,528,246.60                | Contractual Services                                      | 29          | 42,421,931.06         | 39,501,918.41          |
| 12,710,000.00                | Maintenance Expenditure                                   | 30          | 12,353,877.65         | 6,443,832.32           |
|                              | Other Recurrent Expenses                                  | 31          | 25,183,525.09         | 18,049.75              |
| <b>195,500,000.00</b>        | <b>Total Expenses</b>                                     |             | <b>215,788,919.65</b> | <b>183,516,077.81</b>  |
| <b>208,960,000.00</b>        | <b>Surplus/(Deficit) for the Period-Recurrent</b>         |             | <b>202,079,753.73</b> | <b>389,954,858.19</b>  |
|                              | <b>REVENUE FROM NON EXCHANGE TRANSACTION</b>              | 32          | <b>32,769,347.71</b>  |                        |
|                              | <b>CAPITAL EXPENSES</b>                                   |             |                       |                        |
|                              | Depreciation of Fixed Assets                              | 33          | 14,652,807.38         | 17,268,672.01          |
| 31,550,000.00                | Development Expenses                                      | 34          | 9,607,558.08          | 7,964,439.66           |
| <b>31,550,000.00</b>         | <b>Total Capital Expenses</b>                             |             | <b>24,260,365.46</b>  | <b>25,233,111.67</b>   |
|                              | <b>Surplus/(Deficit) for the Period for Capital Grant</b> |             | <b>8,508,982.25</b>   | <b>(25,233,111.67)</b> |
| <b>177,410,000.00</b>        | <b>Total Surplus/(Deficit) for the Period</b>             |             | <b>210,588,735.98</b> | <b>364,721,746.52</b>  |

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
FOR THE YEAR ENDED 31st DECEMBER 2023**

| Name of Account               | Changes During the Year |                         |                         |                         |                         |                       | Closing Balance (Rs.)   |                         |      |      |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|-------------------------|-------------------------|------|------|
|                               | 2022                    |                         | 2023                    |                         | 2021                    |                       | 2023                    |                         | 2022 | 2023 |
|                               | Opening Balance         |                         | Addition                | Deduction               | Addition                | Deduction             | Addition                | Deduction               |      |      |
| Initial Capital Ac.           | -                       | -                       | -                       | -                       | -                       | -                     | -                       | -                       | -    | -    |
| Consolidated Fund Ac.         | 6,641,977.00            | -                       | -                       | 6,641,977.00            | -                       | -                     | -                       | -                       | -    | -    |
| Treasury Grant Ac.            | 716,109,824.18          | 1,987,156,586.43        | 1,415,009,238.89        | 143,962,476.64          | 32,930,827.29           | 852,770,740.09        | 1,987,156,586.43        | 1,167,316,673.63        |      |      |
| Government Grant A/C          | 108,034,839.91          | 470,898,036.77          | 367,052,974.00          | 4,189,777.14            | 288,909,342.94          | 57,672,361.41         | 470,898,036.77          | 702,135,018.30          |      |      |
| Capital Grant on Fixed Assets | 5,745,875.31            | 8,604,229.82            | 4,500,000.00            | 1,641,645.49            | -                       | 11,604,229.82         | 8,604,229.82            | -                       |      |      |
| Treasury Grant HRD (Capital)  | 6,285,000.00            | 3,672,705.86            | -                       | 2,612,294.14            | -                       | 3,672,705.86          | 3,672,705.86            | -                       |      |      |
| Reserved Fund Ac.             | 36,625,000.00           | 36,625,000.00           | -                       | -                       | -                       | 15,000,000.00         | 36,625,000.00           | 51,625,000.00           |      |      |
| Revalued Reserve              | 39,259,145.55           | 38,515,350.07           | -                       | 743,795.48              | -                       | 571,453.85            | 38,515,350.07           | 37,943,896.22           |      |      |
| Accumulated Fund Ac.          | 882,285,780.89          | 735,237,928.13          | 1,053,658,538.66        | 1,200,706,391.42        | 995,860,727.74          | 926,291,491.03        | 735,237,928.13          | 1,731,098,655.87        |      |      |
| <b>Total</b>                  | <b>1,800,987,442.84</b> | <b>3,280,709,837.08</b> | <b>2,840,220,751.55</b> | <b>1,360,498,357.31</b> | <b>1,335,700,897.97</b> | <b>926,291,491.03</b> | <b>3,280,709,837.08</b> | <b>3,690,119,244.02</b> |      |      |

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st DECEMBER 2023**

| Particulars                                     | 2023                   | 2022                    |
|---|------------------------|-------------------------|
| <b>CASH FLOW FROM OPERATION ACTIVITIES</b>      |                        |                         |
| <u>Receipts</u>                                 |                        |                         |
| Treasury Grants( Recurrent)                     | 151,499,333.40         | 155,000,000.00          |
| Other Income                                    | 9,551,282.84           | 7,533,991.07            |
| Savings Interest Income                         | 590,025.21             | 480,479.85              |
| Cash Advances                                   | 1,483,215.70           | 2,020,756.00            |
| Deed fees                                       | 28,000.00              | 539,945.00              |
| Donation  | 134,000.00             | 4,825.00                |
| Sale Income on H/Pro.                           | 20,662,000.00          | 289,227,250.00          |
|   | <b>183,947,857.15</b>  | <b>454,807,246.92</b>   |
| <u>Payments</u>                                 |                        |                         |
| Cash Advances                                   | 10,517,673.50          | 8,909,064.02            |
| Salaries & other allowance                      | 102,735,627.37         | 104,515,038.02          |
| OT & Travelling Expenses                        | 1,242,646.63           | 2,500,662.41            |
| Services & Suppliers                            | 15,053,128.07          | 13,827,030.21           |
| contractual Services                            | 58,295,681.37          | 46,681,663.27           |
| Maintain Expenses                               | 12,564,064.92          | 6,641,029.33            |
| Human Development Programme                     | 4,890,885.25           | 7,693,251.81            |
| other income refund                             |                        | 466,678.50              |
| Festival Advance                                | 801,250.00             | 703,750.00              |
| Gratuity Payments                               | 1,407,307.50           | 1,334,945.00            |
| Sales income Refund( Down payment Refund)       | 2,535,000.00           | 16,780,000.00           |
| Deed Fee  | 44,000.00              | 391,600.00              |
|   | <b>210,087,264.61</b>  | <b>210,444,712.57</b>   |
| <b>Net Cash flow from Operation Activities</b>  | <b>(26,139,407.46)</b> | <b>244,362,534.35</b>   |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>     |                        |                         |
| <u>Receipts</u>                                 |                        |                         |
| Treasury Grants( HRD & CAPITAL PROJECT)         | 3,000,000.00           | 4,500,000.00            |
| Recovery installment                            | 77,944,515.20          | 115,673,249.74          |
| Sale Of Vehicles                                |                        |                         |
| Fixed Deposit Interest Income                   | 229,280,648.85         | 106,655,818.69          |
| Fixed Deposit Interest -MC Fund                 | 6,407,211.78           |                         |
| Distress Loan                                   | 3,075,276.63           | 2,237,130.18            |
| USDA Staff Housing loan recovery                | 154,738.56             | 258,961.77              |
| Investment-Fixed Deposit                        | 367,119,000.00         |                         |
| Study loan Recovery                             | 239,062.50             |                         |
|   | <b>687,220,453.52</b>  | <b>229,325,160.38</b>   |
| <u>Payments</u>                                 |                        |                         |
| Housing Project Expenses                        | 50,528,308.66          | 30,354,142.02           |
| Project Maintenance                             | 2,612,690.77           | 2,125,437.74            |
| Fixed Assets Purchases                          | 670,469.37             | 61,592,264.98           |
| Distress Loan                                   | 7,847,400.00           | 11,775,866.97           |
| Study Loan                                      |                        | 60,000.00               |
| Angulana Sacctrred Loan                         |                        | 500,000.00              |
| Interest Refund- CMC                            | 6,647,288.19           | 4,744,754.13            |
| Investment- Fixed Deposit                       | 463,933,000.00         | 380,251,854.45          |
|   | <b>532,239,156.99</b>  | <b>491,404,320.29</b>   |
| <b>Net Cash flow from Investment Activities</b> | <b>154,981,296.53</b>  | <b>(262,079,159.91)</b> |

| CASH FLOW FROM FINANCIAL ACTIVITIES                       |                       |                       |
|---|-----------------------|-----------------------|
| <u>Receipts</u>   |                       |                       |
| Management Corporation Funds                              | 15,268,500.00         | 13,417,500.00         |
| Welfare Loan- Installment                                 | 808,750.00            |                       |
|   | 16,077,250.00         | 13,417,500.00         |
| <u>Payments</u>   |                       |                       |
| Funds Refund to Treasury Loan                             | 100,000,000.00        | 125,016,000.00        |
| Refund Treasury Grant                                     | 1,500,000.00          |                       |
| MC Fund Refund - Lunawa                                   |                       | 500,000.00            |
| Management Corporation Fund- Angulana CMC                 |                       | 202,000.00            |
| MC Fund Refund - Sighapura Welfare Loan                   | 1,000,000.00          |                       |
|   | 102,500,000.00        | 125,718,000.00        |
| Net Cash flow from financial Activities                   | (86,422,750.00)       | (112,300,500.00)      |
| Net Increase/ (Decrease) in cash & cash equivalents       |                       |                       |
|   | 42,419,139.07         | (130,017,125.56)      |
| Cash & Cash equivalents at the beginning of the year      | 318,162,796.92        | 448,179,922.48        |
| <b>Cash &amp; Cash equivalents at the End of the year</b> | <b>360,581,935.99</b> | <b>318,162,796.92</b> |

**Note to the Cash flow Statement**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Cash Book - BOC Capital - 0071295541   | 1,649,688.26          | 6,931,905.28          |
| Cash Book - BOC Recovery - 0072703594  | 4,552,043.53          | 17,824,215.22         |
| Cash Book - BOC Recurrent - 0010004252 | 13,232,685.23         | 12,262,885.17         |
| Cash Book Peoples Bank-208100170047578 | 2,975,663.32          | 3,036,338.66          |
| Saving A/C (General)                   | 1,452,049.86          | 18,956,226.87         |
| Saving A/C BOC 87818698 (IPG)          | 7,285.87              | 31,193.05             |
| Saving Account - HDFC                  | 1,712,519.92          | 1,120,032.67          |
| Fixed Deposit ( up to 3 Months)        | 335,000,000.00        | 258,000,000.00        |
|  | <b>360,581,935.99</b> | <b>318,162,796.92</b> |

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY**  
**NOTES FOR THE STATEMENT OF FINACIAL POSITION**  
**AS AT 31st DECEMBER 2023**

| Particulars                               | Note | 2023                  | 2022                  |
|---|------|-----------------------|-----------------------|
| <b>Cash And Cash Balanlce</b>             | 01   |                       |                       |
| Cash Book - BOC Capital - 0071295541      |      | 1,649,688.26          | 6,931,905.28          |
| Cash Book - BOC Recovery - 0072703594     |      | 4,552,043.53          | 17,824,215.22         |
| Cash Book - BOC Recurrent - 0010004252    |      | 13,232,685.23         | 12,262,885.17         |
| Cash Book Peoples Bank-208100170047578    |      | 2,975,663.32          | 3,036,338.66          |
| Saving A/C (General)                      |      | 1,452,049.86          | 18,956,226.87         |
| Saving A/C BOC 87818698 (IPG)             |      | 7,285.87              | 31,193.05             |
| Saving Account - HDFC                     |      | 1,712,519.92          | 1,120,032.67          |
| Investment up to 3 Months                 |      | 335,000,000.00        |                       |
|   |      | <b>360,581,935.99</b> | <b>60,162,796.92</b>  |
| <b>Advance</b>                            | 02   |                       |                       |
| AD-Pathum Senevirathna                    |      | 27,000.00             |                       |
| AD-SURANJI WICKRAMARATHNE                 |      |                       | 8,122.00              |
| Petty Cash                                |      | 750.00                | 750.00                |
| Festival Advance                          |      | 32,500.00             | 31,250.00             |
| Fuel Advance                              |      | 500,000.00            | 354,980.00            |
| Welfare Loan                              |      | 201,250.00            | 10,000.00             |
|   |      | <b>761,500.00</b>     | <b>405,102.00</b>     |
| <b>Receivable Accounts</b>                | 03   |                       |                       |
| BOC OTHER DEDUCTION                       |      | 15,896.10             | 26,243.06             |
| Hambanthota Housing Loan (LT)             |      |                       | 3,394,913.85          |
| Receivable - Distress Loan                |      | 136,922.67            | 269,945.76            |
| Receivable - USDA Staff Loan              |      | 241,193.41            | 469,886.66            |
| Receivable - MC Fund Interest             |      | 71,323.31             | 73,954.34             |
| Receivable Loan - Angulana Installment    |      | 89,044,903.00         | 80,245,368.00         |
| Receivable Loan - Angulana Sold           |      | 1,723,492.44          | 74,430.02             |
| Receivable Loan - Chilaw                  |      | 792,193.83            | 352,237.04            |
| Receivable Loan - Hambanthota Programme   |      | 3,289,041.85          |                       |
| Receivable Loan - Rajgama Installment     |      | 21,658,547.91         | 18,251,472.63         |
| Receivable Loan - Sahaspura Sold          |      | 7,995,531.82          | 7,617,200.83          |
| Receivable Loan - Sahaspura Relocation    |      | 551,000.80            | 589,120.80            |
| Receivable Loan - Scattered-Debtor        |      | 49,708,936.44         | 47,385,086.97         |
| Receivable Loan - Sewing Machine          |      | 3,333,445.00          | 3,867,044.00          |
| Receivable Loan - Sinhapura Rent          |      | 706,200.00            | 586,200.00            |
| Receivable Loan - Sinhapura Sold          |      | 386,826.19            | 1,693,955.19          |
| Receivable Loan - Swashakthi- Debto       |      | 8,434,189.90          | 9,327,752.37          |
| Receivable Loan - Thalawakalle Sold       |      | 662,119.70            | 788,194.86            |
| Receivable Loan - Thuruithurugama HP      |      | 4,967,692.42          | 6,466,229.93          |
| Receivable Loan - Wadullawattha           |      | 33,616,570.25         | 33,084,942.84         |
| Receivable Loan -singhapura Relocation    |      | 6,044,364.69          | 6,009,092.93          |
| Receivable Loan -Thalawakalle Relocation. |      | 1,134,338.00          | 1,424,678.00          |
| Receivable Lunawa Housing Pro. (Staff)    |      | 19,285.37             |                       |
| Receivable Lunawa Middle Income H/P       |      | 411,712,071.05        | 435,553,542.95        |
| Receivable Salary - NHDA                  |      | 2,011.97              | 2,011.97              |
| Receivable -Fixed Deposit Interest        |      | 38,343,253.42         | 54,188,246.58         |
| Receivable -Lunawa H/P Loan- HDFC         |      | 41,401,547.54         | 41,952,726.84         |
| Receivable-Angulana Down Payment          |      |                       | 95,000.00             |
| Reecvable - Additioan Fuel                |      | 16,450.00             |                       |
| Provision for Doubtful Debtors            |      | (23,404,939.42)       | (10,338,470.79)       |
|   |      | <b>702,604,409.66</b> | <b>743,451,007.63</b> |

|   |     |                         |                         |
|---|-----|-------------------------|-------------------------|
| <b>Constrauction Advance</b>              | 04  |                         |                         |
| Angulana Com. Hall Construction Advance   |     | 1,323,113.95            | 1,323,113.95            |
|   |     | <b>1,323,113.95</b>     | <b>1,323,113.95</b>     |
| <b>Stock for Resource Center</b>          | 05  |                         |                         |
| Computers - Stock                         |     | 293,994.00              | 293,994.00              |
| Furniture - Stock                         |     | 332,549.00              | 332,549.00              |
| Plastic Chairs - Stock                    |     | 60,562.50               | 60,562.50               |
|   |     | <b>687,105.50</b>       | <b>687,105.50</b>       |
| <b>Project Housing Stock</b>              | 06  |                         |                         |
| Angulana Housing Stock Ac.                |     |                         | 1,799,825.00            |
| Chilaw Housing Stock Ac.                  |     |                         | 915,490.30              |
| Lunawa Housing Stock                      |     |                         | 54,251,358.81           |
| Thalawakalle Housing Stock                |     | 1,285,040.21            | 2,570,080.38            |
| Thuruithurugama Housing Stock             |     |                         | 1,634,400.85            |
|   |     | <b>1,285,040.21</b>     | <b>61,171,155.34</b>    |
| <b>Investment</b>                         | 07  |                         |                         |
| Sahaspura Commercial Units                |     | 44,777,000.00           | 44,777,000.00           |
| Lunawa Project Stock                      | 7.1 |                         |                         |
| Lunawa H/P Stock- Pre School              |     | 4,972,503.83            | 4,972,503.83            |
| Lunawa H/P Stock- Day Care                |     | 5,094,513.19            | 5,094,513.19            |
| Lunawa H/P- Stock- Commecial              |     | 55,692,706.88           | 55,692,706.88           |
| Lunawa H/P- Stock- Commiunity Hall        |     | 13,158,750.74           | 13,158,750.74           |
| Lunawa H/P Stock-Multy Purposes Area      |     | 15,692,727.41           | 15,692,727.41           |
| 48 Wattha Housing Stock Ac.               | 7.2 | 7,375,000.00            | 7,375,000.00            |
| Invetestment (Fixed Deposit)              | 7.3 | 1,001,565,854.45        | 1,162,751,854.45        |
|   |     | <b>1,148,329,056.50</b> | <b>1,309,515,056.50</b> |
| <b>Loan Stock</b>                         | 08  |                         |                         |
| Staff Loan                                |     | 50,349.04               | 303,056.72              |
| Staff Distress Loan                       |     | 15,736,131.67           | 14,955,577.74           |
| Study Loan                                |     | 382,125.00              | 89,766.61               |
| Chilaw Housing Loan (LT)                  |     | 34,250,885.25           | 35,239,145.28           |
| Loan - Scattered (LT)                     |     | 1,142,311.30            | 4,935,918.52            |
| Loan - Swashakthi Manawasanwardana (LT)   |     | 768,217.41              | 854,214.70              |
| Loan- Sewing Machine (LT)                 |     | 422,972.00              | 422,972.00              |
| Loan( Staff) -Lunawa Middle Income H/P    |     | 95,337,238.99           | 90,031,689.34           |
| Loan-Angulana Housing Loan                |     | 301,383,142.23          | 282,841,781.76          |
| Rajgama Loan Stock (LT)                   |     | 29,774,869.00           | 32,215,467.02           |
| Sahaspura Sold House Loan (LT)            |     | 7,933,649.48            | 6,079,218.21            |
| Sinhapura Relocation Loan (LT)            |     | 780,189.46              | 1,006,604.46            |
| Sinhapura Sold Loan (LT)                  |     | 33,272,944.93           | 34,439,497.60           |
| Thalawakale Sold House Loan (LT)          |     | 4,938,937.77            | 5,223,367.47            |
| Thalawakalle Relocation Housing Loan (LT) |     | 14,635,400.00           | 16,060,750.00           |
| Thuruithurugama Housing Loan (LT)         |     | 69,732,101.11           | 67,880,274.81           |
| Wadullawattha Relocation Loan (LT)        |     |                         | (8,444.81)              |
| Wadullawattha Sold House Loan (LT)        |     | 618,718.05              | 967,382.30              |
|   |     | <b>611,160,182.69</b>   | <b>593,538,239.73</b>   |

|                                    |    |                      |                      |
|------------------------------------|----|----------------------|----------------------|
| <b>Work-in Progress</b>            | 09 |                      |                      |
| Angulana Community Hall            |    | 6,747,972.83         | 6,747,972.83         |
| Anuradapura Mixed Deve. Project    |    | 47,922.74            | 47,922.74            |
| Aturugiriya- Middle Income Project |    | 84,500.00            | 84,500.00            |
| Kaduwela Housing Project           |    | 1,176,830.10         | 1,176,830.10         |
| Kaluthara- Pepiliyawatha           |    | 5,940.00             | 5,940.00             |
| Lunawa Work in Progress            |    | (0.01)               | (0.01)               |
| Nawalapitiya Housing Project       |    | 623,846.17           | 623,846.17           |
| Orchad Watta Housing Project       |    | 2,492,432.80         | 1,987,552.80         |
| Sri Jayawardhanapura Project       |    | 1,894,232.72         | 1,145,382.72         |
| Thuduwegoda Housing Project        |    | 871,755.00           | 837,255.00           |
| Walisara- Millagahawatha H/P       |    | 8,528,507.59         | 2,042,839.80         |
| WELISARA PROJECT                   |    |                      | 54,110.55            |
|                                    |    | <b>22,473,939.94</b> | <b>14,754,152.70</b> |

|  |    |                   |                   |
|--|----|-------------------|-------------------|
| <b>Intangible Assets</b>                 | 11 |                   |                   |
| Accounting Software                      |    |                   |                   |
| Accounting Package                       |    | 500,000.00        | 500,000.00        |
| Provision of Deprec. for Intangible Asse |    | (349,657.53)      |                   |
|  |    | <b>150,342.47</b> | <b>500,000.00</b> |

**FIXED ASSETS REGISTER 2023**  
Stock Status  
As on : 31-12-2023

Property Plant and Equipment

| Assets               | Balance as at 01/01/2023 | Addition During the year | Disposal / Adjustment During the year | Balance as at 31/12/2023 | Cumulative Depreciation as at 01/01/2023 | Previous year depreciation adjustment | Depreciation During the year 2023 | Cumulative Depreciation of Disposal Items | Cumulative Depreciation as at 31/12/2023 | Balance as at 31/12/2023 |
|----------------------|--------------------------|--------------------------|---------------------------------------|--------------------------|--|---------------------------------------|-----------------------------------|---|--|--------------------------|
| Land                 | 408,418,072.00           | 287,500,000.00           | -                                     | 695,918,072.00           | -  | -                                     | -                                 | -   | -  | 695,918,072.00           |
| Building             | 6,993,002.54             | -                        | -                                     | 6,993,002.54             | 1,934,560.45                             | 1,048,950.38                          | 349,650.13                        | -   | 1,235,260.20                             | 5,757,742.34             |
| Furniture & Fixtures | 4,327,873.66             | 108,849.36               | 11,742.80                             | 4,424,980.22             | 1,470,121.12                             | -                                     | 884,214.78                        | 5,756.50                                  | 2,348,579.40                             | 2,076,400.82             |
| Office Equipment     | 8,041,870.77             | 93,460.00                | 239,113.33                            | 7,896,217.44             | 3,127,208.08                             | -                                     | 1,592,197.14                      | 120,998.28                                | 4,598,406.94                             | 3,297,810.49             |
| Vehicle              | 49,700,000.00            | -                        | -                                     | 49,700,000.00            | 12,945,572.26                            | -                                     | 9,940,000.00                      | -   | 22,885,572.26                            | 26,814,427.74            |
| Computers            | 14,908,510.23            | 526,550.00               | 680,822.00                            | 14,754,238.23            | 12,550,562.90                            | -                                     | 1,761,745.33                      | 680,822.00                                | 13,631,486.23                            | 1,122,752.00             |
| 253-3524 Engine      | -                        | -                        | -                                     | -                        | -  | -                                     | -                                 | -   | -  | -                        |
| <b>Total</b>         | <b>492,389,329.20</b>    | <b>288,228,859.36</b>    | <b>931,678.13</b>                     | <b>779,686,510.43</b>    | <b>32,028,024.81</b>                     | <b>1,048,950.38</b>                   | <b>14,527,807.38</b>              | <b>807,576.78</b>                         | <b>44,699,305.03</b>                     | <b>734,987,205.40</b>    |

**Current Liabilities**

**Accrued Expenses**

12

|  |                      |                      |
|--|----------------------|----------------------|
| Accrued Sri Wirkramapura Exp.            | 31,111.52            | 36,287.72            |
| Accrued - Subsistance for Staff          | 11,950.00            | 32,800.00            |
| Accrued - Transport Allowance            | 450,000.00           |                      |
| Accrued - Travelling & Subsisten.- Offic | 4,000.00             |                      |
| Accrued Cleaning Charge                  | 99,076.93            | 87,164.10            |
| Accrued- Concept Socialization Expenses  | 340,393.51           |                      |
| Accrued Director Fees                    | 108,000.00           |                      |
| Accrued E.P.F                            | 1,198,617.78         |                      |
| Accrued E.T.F                            | 179,792.68           |                      |
| Accrued Fuel & Lubricant                 | 297,680.49           | 314,802.06           |
| Accrued Lease Rental Operatiol Vehicle   | 726,564.11           | 389,230.78           |
| Accrued Legal A/C                        | 6,000.00             | 480,540.00           |
| Accrued Lunawa Housing Project           | 2,999,464.37         | 47,716,549.25        |
| Accrued O/T                              | 458,750.75           | 394,188.63           |
| Accrued Office Rent                      | 2,525,697.25         | 19,636,760.12        |
| Accrued Orchadwatha Expenses             | 31,000.00            | 31,000.00            |
| Accrued Other Allowance                  | 5,000.00             | 5,000.00             |
| Accrued Other service                    |                      | 2,845.00             |
| Accrued Payee Tax Ac.                    | 4,514.00             |                      |
| Accrued Printing                         | 144,100.00           |                      |
| Accrued Recovery Expenses                | 23,467.54            | 25,182.27            |
| Accrued Repair & Mainatace Computer      | 81,910.00            | 18,660.00            |
| Accrued Repair and Maintenance Vehicle   | 73,262.23            | 912,705.00           |
| Accrued Security                         |                      | 15,000.00            |
| Accrued -Site Utilities Expenses         | 2,464.45             | 806.07               |
| Accrued -SM Expenses                     | 22,900.00            | 20,000.00            |
| Accrued Sri Wickramapura Expenses        | 4,474.91             |                      |
| Accrued- Staff Allowance-B/M             | 4,000.00             |                      |
| Accrued Stationary                       | 103,500.00           | 921,197.50           |
| Accrued- Telephone Allowance-staff       | 65,000.00            |                      |
| Accrued Telephone Bill                   | 219,621.92           | 101,295.13           |
| Accrued Training                         | 10,000.00            |                      |
| Accrued Traninee                         | 85,750.00            | 63,250.00            |
| Accrued Traveling                        | 17,789.10            | 11,690.10            |
| Accrued Welfare                          | 37,770.00            |                      |
| Accrued World Habitat Day                | 500,000.00           |                      |
| Accued - Social Development Programme    | 551,000.00           |                      |
| Accured swashakthi manawasanwardana      | 40,993.19            | 53,942.14            |
| Audit Fees Payble                        | 1,255,040.00         | 455,040.00           |
| Bank Loan Payable                        | 50,000.00            |                      |
| Interest Income- Angulana MC Fund        | 15,110.47            |                      |
| Interest Income -Lunawa MC Fund          | 50,097.53            | 65,172.60            |
| Interest Income-Singhapura MC Fund       | 1,529.91             | 341,155.56           |
| Interest Income-Wadullawatha MC Fund     | 488,719.73           | 227,279.18           |
| Payble S.E.C Ac.                         | 0.90                 | 91,024.68            |
| Salary Payable (C/A)                     | 147,324.28           |                      |
| Stamp Duty payable Ac.                   | 10,175.00            | 11,250.00            |
| With holding Tax Payble Ac.              | 1,901,362.40         |                      |
|  | <b>15,384,976.95</b> | <b>72,461,817.89</b> |

**Managment Corporation Fund**

13

|                             |                      |                      |
|-----------------------------|----------------------|----------------------|
| Management Corporation Fund | 14,514,000.00        | 45,500.00            |
| MC FUND -LUNAWA PROJECT     | 35,600,000.00        | 34,700,000.00        |
| MC- Singhapura              | 2,671,854.45         | 2,671,854.45         |
| MC- Wadullawatha            | 1,780,000.00         | 1,780,000.00         |
|                             | <b>54,565,854.45</b> | <b>39,197,354.45</b> |

|  |           |                         |                         |
|--|-----------|-------------------------|-------------------------|
| <b>Retention Money</b>                     | <b>14</b> |                         |                         |
| Retention -Kasagala (Wmalasir Pre Sc)      |           |                         | 86,326.30               |
| Retention- Lunawa Fire Doors- ICC          |           | 1,681,245.46            |                         |
| Retention- Madushan Iron Works             |           | 16,882.50               | 16,882.50               |
| Retention Money - Lunawa                   |           | 15,000.00               |                         |
| Retention Money Building Renovation        |           | 26,260.25               | 21,248.75               |
| Retention Money Resource Center            |           | (0.06)                  | (0.06)                  |
| Retention-Angulana Main.(Ajith Fernando)   |           | 35,370.00               |                         |
| Sri Wickramapura Retention                 |           | 16,220.50               | 29,667.00               |
| Thalawakale Retention                      |           | 19,783.55               | 0.05                    |
|  |           | <b>1,810,762.20</b>     | <b>154,124.54</b>       |
| <b>Payable</b>                             | <b>15</b> |                         |                         |
| Prepayment receipts                        | 15.1      |                         |                         |
| Thuruithurugama Prepayment A/C             |           |                         | 7,500.00                |
| Refundable Deposit                         | 15.2      |                         |                         |
| Refundable Deposit-sw                      |           | 4,000.00                |                         |
| Tender-Refundable Deposit                  |           | 10,000.00               | 10,000.00               |
| housing project Deed Fees                  | 15.3      |                         |                         |
| Anuradhapura Deed Fee                      |           | 11,275.00               | 50,275.00               |
| Donation for SM Programme                  |           | 26,940.00               | 4,825.00                |
|  |           | <b>52,215.00</b>        | <b>72,600.00</b>        |
| <b>Down Payment</b>                        | <b>16</b> |                         |                         |
| Angulana Down Payment                      |           | 100,000.00              |                         |
| Chilaw Down Payment                        |           |                         | 1,950.00                |
| Lunawa Down payment Recovery               |           |                         | 17,458,000.00           |
| Thalawakale Housing Project -Down Payment. |           | 5,000.00                |                         |
|  |           | <b>105,000.00</b>       | <b>17,459,950.00</b>    |
| <b>Provision</b>                           | <b>17</b> |                         |                         |
| Provision for Gratuity                     |           | 29,637,547.00           | 28,186,117.50           |
|  |           | <b>29,637,547.00</b>    | <b>28,186,117.50</b>    |
| <b>Equities And Reserves</b>               |           |                         |                         |
| <b>Treasury Grant</b>                      | <b>18</b> |                         |                         |
| TG - Scattered Loan                        |           |                         | 90,000,000.00           |
| TG - Angulana Housing Scheam               |           |                         | 443,763,715.65          |
| TG - Chillaw Housing Project               |           |                         | 49,334,136.84           |
| TG - Lindula- Talawakale Housing Project   |           |                         | 35,120,612.40           |
| TG - Lunawa HousingScheme                  |           | 1,167,316,673.63        | 1,267,316,673.63        |
| TG - Rajgama Housing Project               |           |                         | 42,850,524.15           |
| TG - Thuruithurugama H/P                   |           |                         | 58,770,923.76           |
|  |           | <b>1,167,316,673.63</b> | <b>1,987,156,586.43</b> |

|                                      |    |                       |                       |
|--------------------------------------|----|-----------------------|-----------------------|
| <b>Capital Grant on Fixed Assets</b> | 19 |                       | 8,604,229.82          |
| <b>Government Grant</b>              | 20 |                       |                       |
| Assets from UD Ministry              |    |                       | 2,627,488.64          |
| Gov.Land - Sri Jayawardanapura       |    | 287,500,000.00        |                       |
| Gov.Land -Anuradhapura               |    |                       | 18,765,000.00         |
| Gov.Land-Welisara Land               |    | 320,000,000.00        | 320,000,000.00        |
| Motor vehicle From Ministry          |    |                       | 25,560,547.95         |
| Sahaspura (Relocation)               |    |                       | 1,387,960.77          |
| Sahaspura (Sold House)               |    | 16,421,345.26         | 15,012,002.32         |
| Sahaspura Commercial Unit Grant      |    | 44,777,000.00         | 44,777,000.00         |
| Sinhapura (Sold House)               |    | 3,734,709.68          | 3,734,709.68          |
| Sinhapura (Relocation)               |    |                       | 7,504,498.79          |
| Wadullawattha (Sold)                 |    |                       | 1,826,865.26          |
| Wadullawattha (Sold House)           |    | 29,701,963.36         | 29,701,963.36         |
|                                      |    | <b>702,135,018.30</b> | <b>470,898,036.77</b> |
| <b>Reserve</b>                       | 21 |                       |                       |
| Revenue Reserve                      |    | 36,625,000.00         | 36,625,000.00         |
| Distress Loan Provision              |    | 15,000,000.00         | 15,000,000.00         |
|                                      |    | <b>51,625,000.00</b>  | <b>51,625,000.00</b>  |

**URBAN SETTLEMENT DEVELOPMENT AUTHORITY**  
**NOTES FOR THE STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED DECEMBER 31,2023**

| <u>Particulars</u>                        | <u>Note</u> | <u>2023 ( Rs.)</u>    | <u>2022( Rs.)</u>     |
|---|-------------|-----------------------|-----------------------|
| <b>. Interest Income</b>                  | <b>22</b>   |                       |                       |
| Interest Income Savings (IPG)             |             | 575.18                | 470.68                |
| Interest Account- Angulana                |             | 212,798.89            | 27,260.71             |
| Interest Account- Distress loan           |             | 627,026.05            | 462,314.08            |
| Interest Account- Rajgama loan            |             | 1,687,175.26          | 1,678,454.92          |
| Interest Account- Sahaspura Sold          |             | 551,428.48            | 155,333.10            |
| Interest Account- Scattered loan          |             | 344,701.06            | 276,284.36            |
| Interest Account- Singhapura Sold         |             | 15,804.00             | 105,735.85            |
| Interest Account- Swashakt loan           |             | 31,662.88             | 81,249.44             |
| Interest Account- Thuruthurugama          |             | 1,816,002.46          | 2,851,800.75          |
| Interest Account- USDA Staff loan         |             | 9,599.81              | 59,240.17             |
| Interest Account- Wadullawattha           |             | 191,407.97            | 652,528.33            |
| Interest Income - Fixed Deposit           |             | 223,313,217.37        | 148,188,501.44        |
| Interest Income - Savings A/C             |             | 589,450.03            | 480,009.17            |
| Interest Income Sinhapura Relocation      |             | 90,966.76             | 92,630.50             |
| Lunawa H/P -Interest Income               |             | 10,621,912.29         | 6,509,932.91          |
| Thalawakale Sold House -Interest          |             | 257,995.14            | 201,915.15            |
|   |             | <b>240,361,723.63</b> | <b>161,823,661.56</b> |
| <b>. Other Income</b>                     | <b>23</b>   |                       |                       |
| Other Income-OrchardWatta                 |             | 125,240.00            |                       |
| Anuradhapura Processing Fee               |             |                       | 500.00                |
| Ceased Housing Project W /off AC          |             |                       | 1,143,960.96          |
| Commercial Unit -Agreement Fee            |             | 1,200.66              | 25,972.19             |
| Differed Income (HRD)                     |             |                       | 2,612,294.14          |
| Income from Sanitation Programme          |             |                       | 4,514,970.13          |
| Inquiry Income                            |             |                       | 40,000.00             |
| Lunawa housing project Processing Fees    |             | 6,000.00              | 128,000.00            |
| Lunawa Other Income                       |             | 15,607.30             | 16,796.78             |
| Other Income -Unidentified Direct Deposi  |             | 124,770.00            |                       |
| Sahasa Deed Fees                          |             | 23,000.00             | 98,070.00             |
| Sahaspura Commercial Unit-income          |             |                       | 355,990.50            |
| Sinhapura Rent Income                     |             | 120,000.00            | 120,000.00            |
| Sri Wickaramapura - Prejashalawa - Income |             | 91,800.00             | 340,200.00            |
| Sundry Income                             |             | 33,139.65             | 354,486.14            |
| Supply Registration Fee                   |             | 189,000.00            | 305,000.00            |
| Surcharge A/C                             |             | 674,346.67            | 2,548,825.12          |
| Tender non-refundable Deposit             |             | 34,500.00             | 381,000.00            |
|   |             | <b>1,438,604.28</b>   | <b>12,986,065.96</b>  |

| <u>Particulars</u>                      | <u>Note</u> | <u>2023 ( Rs.)</u>    | <u>2022( Rs.)</u>     |
|---|-------------|-----------------------|-----------------------|
| <b>Profit From Housing Projects</b>     | <b>24</b>   |                       |                       |
| Sale of Angulana Housing Project        |             |                       | 1,512,525.00          |
| Sale of Sinhapura HP                    |             |                       | 1,462,500.00          |
| Sale of Thuruithurugama Housing Project |             | 3,472,852.10          | 2,403,997.90          |
| Sales of Lunawa Housing Project         |             | 21,068,641.19         | 226,890,583.41        |
|   |             | <b>24,541,493.29</b>  | <b>232,269,606.31</b> |
| <b>Profit on Disposal</b>               | <b>25</b>   |                       |                       |
| Sales of disposal Item                  |             | 27,518.78             |                       |
|   |             | <b>27,518.78</b>      |                       |
| <b>ADMINISTRATIVE EXPENSES</b>          | <b>26</b>   |                       |                       |
| <b>Personal Emoluments</b>              |             |                       |                       |
| Audit & Mamagment Commiittee Allowances |             | 240,000.00            | 225,000.00            |
| Budgetary Allowance                     |             | 7,276,908.67          | 7,664,059.13          |
| Consultation Committee Allowance        |             | 342,000.00            |                       |
| Cost of Living                          |             | 11,185,317.42         | 11,862,827.07         |
| Directors Allowance                     |             | 1,030,000.00          | 1,262,000.00          |
| E.P.F.                                  |             | 8,840,960.71          | 9,244,333.60          |
| E.T.F                                   |             | 2,210,240.05          | 2,311,083.36          |
| Fual Allowance                          |             | 3,676,053.34          |                       |
| HOLIDAY PAYMENT                         |             | 1,460,866.29          | 1,600,700.00          |
| Intervi & Othre Board Allowance         |             | 468,000.00            |                       |
| Other allowance                         |             |                       | 230,000.00            |
| Overtime & Holiday Payment              |             | 5,186,639.80          | 4,469,889.26          |
| Salary & Wages                          |             | 61,875,946.66         | 65,165,746.73         |
| Staff Allowance for Board Meeting       |             | 46,000.00             | 62,000.00             |
| Staff Compansation Charges              |             | 192,500.00            | 572,840.00            |
| Staff Gratuty                           |             |                       | 4,401,239.50          |
| Staff Incentives                        |             | 2,900,000.00          | 4,740,000.00          |
| Telephone Allowance- Officers           |             | 686,575.00            | 693,459.67            |
| Telephone Allowance- Other Staff        |             | 791,000.00            | 675,000.00            |
| Trainee Allowance                       |             | 1,326,500.00          | 848,000.00            |
| Transport Allowance                     |             | 6,840,000.00          | 757,500.00            |
| Uniform Allowance                       |             | 241,800.00            | 195,000.00            |
| Vehicle allowance                       |             | 651,666.66            | 600,000.00            |
| Welfare                                 |             | 2,271,200.00          | 1,365,001.95          |
|   |             | <b>119,740,174.60</b> | <b>118,945,680.27</b> |

| <u>Particulars</u>                        | <u>Note</u> | <u>2023 ( Rs.)</u>   | <u>2022( Rs.)</u>    |
|---|-------------|----------------------|----------------------|
| <b>. Other Recurrent Expenses</b>         | 31          |                      |                      |
| Gratuity                                  |             | 2,931,497.00         |                      |
| With holding Tax Ac.                      |             | 9,276,675.66         |                      |
| Disposal Item AC                          |             | (91,116.20)          | 18,049.75            |
| Dubtful Debtors                           |             | 13,066,468.63        |                      |
|   |             | <b>25,183,525.09</b> | <b>18,049.75</b>     |
| <b>. Capital Grant</b>                    | 32          |                      |                      |
| Capital Grant- Exchange                   |             | 3,000,000.00         |                      |
| Capital Grant-Non Exchange                |             |                      |                      |
| 'TG - Lindula- Talawakale Housing Project |             | (785,040.17)         |                      |
| 'TG - Chillaw Housing Project             |             | (645,787.12)         |                      |
| 'TG - Angulana Housing Schem              |             | 31,200,175.00        |                      |
|   |             | <b>32,769,347.71</b> |                      |
| <b>Depreciation of Fixed Assets</b>       | 33          |                      |                      |
| Depreciation Furniture & Fittings         |             | 884,214.78           | 805,086.20           |
| Depreciation of Computer                  |             | 1,761,745.33         | 6,705,075.26         |
| Depreciation of Drivers rest room         |             | 35,640.00            | 142,560.00           |
| Depreciation of Intangib.Assets           |             | 125,000.00           |                      |
| Depreciation of Office Equipment          |             | 1,592,197.14         | 1,580,457.99         |
| Depreciation of Store Room                |             | 68,850.00            | 275,400.00           |
| Depreciation of Vehicle                   |             | 9,940,000.00         | 6,779,452.05         |
| Depriciation of Anuradapura Building      |             | 245,160.13           | 980,640.51           |
|   |             | <b>14,652,807.38</b> | <b>17,268,672.01</b> |
| <b>. Development Expenses</b>             | 34          |                      |                      |
| Angulana Maintenance                      |             | 1,005,535.57         | 448,076.72           |
| Anuradhapura - Maintainace                |             |                      | 116,294.00           |
| Babarakale Housing Projet- Perimenary Ex  |             |                      | 15,108.24            |
| Chilaw Housing Project Maintance          |             |                      | 659,899.53           |
| Concept Socialization of the Proj. Con.   |             | 769,388.51           |                      |
| Habitat day                               |             | 1,954,611.50         |                      |
| Lunawa Maintence                          |             | 16,000.00            | 73,713.00            |
| Sewing Machine Project Maintainance       |             | 6,000.00             |                      |
| Singhapura Maintence Expenses             |             | 118,600.00           |                      |
| Social Development Programme              |             | 4,362,746.50         | 6,646,548.17         |
| Thalawakalle Housing Pro.maintainace      |             | 1,374,676.00         | 4,800.00             |
|   |             | <b>9,607,558.08</b>  | <b>7,964,439.66</b>  |

## Statement of Financial Performance (year 2014 - 2023)

| Statement of Financial Performance ( year 2014 - 2023 )                           |                       |                        |                         |                        |                        |                        |                        |                        |                        |                        |
|---|-----------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Particulars   | 2023                  | 2022                   | 2021                    | 2020                   | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   | 2014                   |
| Revenue   |                       |                        |                         |                        |                        |                        |                        |                        |                        |                        |
| Treasury Grant  | 151,499,333.40        | 155,000,000.00         | 190,784,705.87          | 139,999,635.00         | 204,615,000.00         | 122,990,000.00         | 110,848,450.00         | 90,384,000.00          | 115,381,140.00         | 116,136,399.70         |
| Income  | 266,369,339.98        | 418,470,936.00         | 812,046,986.35          | 13,473,019.71          | 9,497,053.30           | 9,957,296.38           | 14,514,651.44          | 13,545,772.82          | 220,257,202.55         | 9,964,591.64           |
| <b>Total Income</b>   | <b>417,868,673.38</b> | <b>573,470,936.00</b>  | <b>1,002,831,692.22</b> | <b>153,472,654.71</b>  | <b>214,112,053.30</b>  | <b>132,947,296.38</b>  | <b>125,363,101.44</b>  | <b>103,929,772.82</b>  | <b>335,638,342.55</b>  | <b>126,100,991.34</b>  |
| <b>ADMINISTRATIVE EXPENSES</b>  |                       |                        |                         |                        |                        |                        |                        |                        |                        |                        |
| Total Recurrent Expenses  | 215,788,919.65        | 183,516,077.81         | 162,116,950.50          | 133,430,034.59         | 148,507,602.34         | 134,681,926.86         | 124,122,536.97         | 112,876,152.72         | 97,216,421.66          | 85,500,906.53          |
| Surplus/(Deficit) for the period- Recurrent Revenue from non exchange Transaction | 202,079,753.73        | 389,954,858.19         | 840,714,741.72          | 20,042,620.12          | 65,604,450.96          | (1,734,630.48)         | 1,240,564.47           | (8,946,379.90)         | 238,421,920.89         | 40,600,084.81          |
|   | 32,769,347.71         | -                      | -                       | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>CAPITAL EXPENSES</b>   | 24,260,365.46         | 25,233,111.67          | 56,095,370.60           | 17,872,164.23          | 55,321,716.61          | 29,267,921.92          | 21,084,855.69          | 37,589,634.20          | 31,077,153.73          | 50,884,683.90          |
| Total Capital Expenses  | 24,260,365.46         | 25,233,111.67          | 56,095,370.60           | 17,872,164.23          | 55,321,716.61          | 29,267,921.92          | 21,084,855.69          | 37,589,634.20          | 31,077,153.73          | 50,884,683.90          |
| <b>Surplus/(Deficit) for the period</b>   | <b>8,508,982.25</b>   | <b>(25,233,111.67)</b> | <b>(56,095,370.60)</b>  | <b>(17,872,164.23)</b> | <b>(55,321,716.61)</b> | <b>(29,267,921.92)</b> | <b>(21,084,855.69)</b> | <b>(37,589,634.20)</b> | <b>(31,077,153.73)</b> | <b>(50,884,683.90)</b> |

**STATEMENT OF FINANCIAL POSITION (YEAR 2014 TO 2023)**

| <b>Particulars</b>                   | <b>2023</b>             | <b>2022</b>             | <b>2021</b>             | <b>2020</b>             | <b>2019</b>             | <b>2018</b>             | <b>2017</b>             | <b>2016</b>             | <b>2015</b>             | <b>2014</b>             |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>Current Assets</b>                |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Cash And cash equivalents            | 360,581,935.99          | 60,162,796.92           | 56,179,922.48           | 48,644,361.79           | 61,045,173.97           | 27,782,099.90           | 74,251,686.45           | 74,095,000.39           | 146,767,755.40          | 81,041,114.83           |
| Advance                              | 2,084,613.95            | 1,728,215.95            | 2,033,930.27            | 3,901,309.12            | 3,554,073.62            | 3,078,634.33            | 3,278,887.65            | 5,701,394.10            | 225,629,414.16          | 170,852,520.84          |
| ReceivableAccounts                   | 909,936,176.66          | 950,782,774.63          | 667,126,594.14          | 409,476,135.18          | 384,033,262.87          | 366,907,241.08          | 311,222,236.01          | 292,990,620.99          | 276,084,443.74          | 36,317,550.10           |
| Stock                                | 1,972,145.71            | 61,899,260.84           | 690,280,571.16          | 40,508,305.19           | 86,758,560.48           | 100,379,845.16          | 172,745,225.41          | 213,001,072.41          | 538,884,908.41          | 17,769,909.66           |
| <b>Investment</b>                    | <b>1,148,329,056.50</b> | <b>1,309,515,056.50</b> | <b>1,092,513,202.05</b> | <b>36,625,000.00</b>    | <b>34,500,000.00</b>    | <b>34,500,000.00</b>    | <b>34,500,000.00</b>    | <b>34,500,000.00</b>    | <b>34,500,000.00</b>    | <b>34,500,000.00</b>    |
| <b>Total Current Assets</b>          | <b>2,422,903,928.81</b> | <b>2,384,088,104.84</b> | <b>2,508,134,220.10</b> | <b>539,155,111.28</b>   | <b>569,891,070.94</b>   | <b>532,647,820.47</b>   | <b>595,998,035.52</b>   | <b>620,288,087.89</b>   | <b>1,221,866,521.71</b> | <b>340,481,095.43</b>   |
| <b>Non-Current Assets</b>            |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Loan Stock                           | 611,160,182.69          | 593,538,239.73          | 429,042,347.01          | 452,413,775.47          | 477,785,880.86          | 481,520,577.08          | 418,578,818.72          | 420,512,572.69          | 121,965,368.76          | 124,192,218.52          |
| Work-in Progress                     | 22,473,939.94           | 14,754,152.70           | 13,221,994.17           | 1275884524              | 1,257,577,458.15        | 1,313,178,287.42        | 1,370,592,291.49        | 1,241,924,716.52        | 643,847,680.46          | 1,775,592,625.62        |
| Property Plant And Equipment         | 734,987,205.71          | 460,361,304.19          | 51,107,430.91           | 63,229,215.42           | 20,865,413.22           | 21,673,360.35           | 9,466,352.56            | 13,775,918.25           | 7,898,473.09            | 12,970,151.34           |
| Intangible Assets                    | 150,342.47              | 500,000.00              | 500,000.00              | 500,000.00              | -                       | -                       | -                       | -                       | -                       | -                       |
| <b>Total Non-Current Assets</b>      | <b>1,368,771,670.81</b> | <b>1,069,153,696.62</b> | <b>493,871,772.09</b>   | <b>1,792,027,515.33</b> | <b>1,756,228,752.23</b> | <b>1,816,372,224.85</b> | <b>1,798,637,462.77</b> | <b>1,676,213,207.46</b> | <b>773,711,522.31</b>   | <b>1,912,754,995.48</b> |
| <b>Total Assets</b>                  | <b>3,791,675,599.62</b> | <b>3,453,241,801.46</b> | <b>3,002,005,992.19</b> | <b>2,331,182,626.61</b> | <b>2,326,119,823.17</b> | <b>2,349,020,045.32</b> | <b>2,394,635,498.29</b> | <b>2,296,501,295.35</b> | <b>1,995,578,044.02</b> | <b>2,253,236,090.91</b> |
| <b>LIABILITIES AND EQUITY</b>        |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| <b>Current Liabilities</b>           |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Payable                              | 15,437,191.95           | 72,534,417.89           | 242,371,010.96          | 49,211,374.47           | 55,258,599.74           | 47,337,127.77           | 66,351,619.23           | 152,962,049.10          | 24,821,085.68           | 245,903,676.94          |
| Managment Corporation Fund           | 54,565,854.45           | 39,197,354.45           | 26,381,854.45           | -                       | 40,000.00               | 301,000.00              | 11,823,000.00           | 11,286,000.00           | 11,105,000.00           | 7,830,000.00            |
| <b>Total Current Liabilities</b>     | <b>71,918,808.60</b>    | <b>129,345,846.88</b>   | <b>1,160,871,226.38</b> | <b>50,968,894.94</b>    | <b>57,332,038.37</b>    | <b>49,402,528.37</b>    | <b>80,326,031.67</b>    | <b>220,501,371.89</b>   | <b>87,856,450.43</b>    | <b>306,162,847.27</b>   |
| <b>Non-Current Liabilities</b>       |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Provision for Gratuity               | 29,637,547.00           | 28,186,117.50           | 25,147,323.00           | 21,332,285.50           | 20,727,086.00           | 17,887,921.00           | 16,488,828.50           | 13,403,340.50           | 9,714,817.25            | 5,738,637.50            |
| Distress Loan Fund Provision         | -                       | -                       | 15,000,000.00           | 5,694,754.65            | 5,694,754.65            | 5,694,754.65            | -                       | -                       | -                       | -                       |
| <b>Total Non-Current Liabilities</b> | <b>29,637,547.00</b>    | <b>28,186,117.50</b>    | <b>40,147,323.00</b>    | <b>27,027,040.15</b>    | <b>26,421,840.65</b>    | <b>23,582,675.65</b>    | <b>16,488,828.50</b>    | <b>13,403,340.50</b>    | <b>9,714,817.25</b>     | <b>5,738,637.50</b>     |
| <b>Total Liabilities</b>             | <b>101,556,355.60</b>   | <b>157,531,964.38</b>   | <b>1,201,018,549.38</b> | <b>77,995,935.09</b>    | <b>83,753,879.02</b>    | <b>72,985,204.02</b>    | <b>96,814,860.17</b>    | <b>233,904,712.39</b>   | <b>97,571,267.68</b>    | <b>311,901,484.77</b>   |
| <b>Net Assets</b>                    | <b>3,690,119,244.02</b> | <b>3,295,709,837.08</b> | <b>1,800,987,442.81</b> | <b>2,253,186,691.52</b> | <b>2,242,365,944.15</b> | <b>2,276,034,841.30</b> | <b>2,297,820,638.12</b> | <b>2,062,596,582.96</b> | <b>1,898,006,776.34</b> | <b>1,941,334,606.14</b> |
| <b>Equities And Reserves</b>         |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Treasury Grant                       | 1,869,451,691.93        | 2,470,331,558.88        | 836,175,539.40          | 2,072,934,309.20        | 2,105,728,013.27        | 2,149,679,644.77        | 2,081,868,530.69        | 1,826,800,184.31        | 1,627,739,363.69        | 1,878,411,960.70        |
| Reserve                              | 89,568,896.22           | 90,140,350.07           | 75,884,145.55           | 75,943,995.55           | 34,500,000.00           | 34,500,000.00           | 93,094,358.50           | 93,094,358.50           | 93,094,358.50           | 93,094,358.50           |
| Consolidated Fund                    | -                       | -                       | 6,641,977.00            | 6,641,977.00            | 12,065,000.00           | 12,065,000.00           | 12,065,000.00           | 12,065,000.00           | -                       | -                       |
| <b>Total Equity</b>                  | <b>1,959,020,588.15</b> | <b>2,560,471,908.95</b> | <b>918,701,661.95</b>   | <b>2,155,520,281.75</b> | <b>2,152,293,013.27</b> | <b>2,196,244,644.77</b> | <b>2,187,027,889.19</b> | <b>1,931,959,542.81</b> | <b>1,720,833,722.19</b> | <b>1,971,506,319.20</b> |
| Balance Income (Expenditure)         | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Excess Over Income/Expenditure       | 1,731,098,655.87        | 735,237,928.13          | 882,285,780.86          | 97,666,409.77           | 90,072,930.88           | 79,790,196.53           | 110,792,748.93          | 130,637,040.15          | 177,173,054.15          | (30,171,713.01)         |
| <b>Total Equity</b>                  | <b>3,690,119,244.02</b> | <b>3,295,709,837.08</b> | <b>1,800,987,442.81</b> | <b>2,253,186,691.52</b> | <b>2,242,365,944.15</b> | <b>2,276,034,841.30</b> | <b>2,297,820,638.12</b> | <b>2,062,596,582.96</b> | <b>1,898,006,776.34</b> | <b>1,941,334,606.19</b> |

## Auditor General Report

Chairman  
Urban Settlement Development Authority

### **Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Urban Settlement Development Authority for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act No. 19 of 2018.**

#### **1. Financial Statements**

##### **1.1 Qualified Opinion**

The audit of financial statements of the Urban Settlement Development Authority 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 statement of cash flows for the year then ended and the summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 of the National Audit Act No. 19 of 2018 and the provisions of the Finance Act No.38 of 1971. My report will be tabled in the Parliament in due course, in terms of article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

##### **1.2 Basis for the Qualified Opinion**

###### **(a) Sri Lanka Public Sector Accounting Standard 01**

- (i) Under the directions for the implementation of the standard, though the surplus should be shown under the Statement of changes in Net Assets/Equity prepared for the period as per the structure of financial statements, the Authority had indicated the capital and recurrent surplus of previous years as well as the surplus of the year under consideration separately under the net assets in the Statement of Financial Position.
- (ii) The consistency of presentation that should be followed in terms of chapter 42 of the standard in preparing financial statements had not been followed in presenting expenditure for investments for a period of 03 months, employee gratuity expenditure and doubtful debts expenditure.

(b) Sri Lanka Public Sector Accounting Standard 03

In correcting the errors occurred in accounting treasury grants of Rs. 784.61 million received by the Authority in various ways, the corrections had not been made in compliance with paragraph 27 of the Standard.

(c) Sri Lanka Public Sector Accounting Standard 07

Even though the value of 06 houses of Thuruithurugama Anuradhapura had been identified as Rs. 4.90 million and the value of the land had been identified as Rs. 1.03 million, according to the valuation report dated 18<sup>th</sup> May 2022 of the Government Valuation Department, the value of the 06 houses had been assessed as Rs. 6.12 million and the value of the land had been assessed as Rs. 1.43 million. As a result of this difference being not adjusted in financial statements, the noncurrent assets and revaluation reserve account shown in the financial statements had been understated by Rs. 1.62 million.

(d) Sri Lanka Public Sector Accounting Standard 10

In terms of paragraph 28 of the Standard, there are 05 conditions that have to be satisfied for identifying the revenue from the sale of goods and when all such conditions are satisfied, the revenue should be satisfied. Housing units of the Lunawa Housing Project had been disposed under different methods and since the revenue had been identified on each such occasion, the Authority had not followed a specific accounting policy to identify the point of sale in disposing the houses.

(e) Sri Lanka Public Sector Accounting Standard 11

- (i) Contrary to paragraph 10 and paragraphs IG 30 & 31 of the Standard, the cost of Orchard Watta, Nittambuwa, valued at Rs.120 million , was stated in the financial statements as Rs.60 million. Actions had not been taken to assess the fair value of the portion transferred by the Authority , nor was it included in the financial statements or disclosed.
- (ii) Without identifying revenue from non-exchange transactions in terms of the as necessary provisions in paragraphs 14,15,16,76 and paragraphs IG 18,19,20 & 21 of the Standard, government grants received by the Authority, amounting to Rs. 702.14 million were stated under entitlements and reserves.
- (iii) Though an asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of the acquisition in terms of paragraph 42 of the Standard, the fair value of government owned lands transferred to the Authority as a free grant in the year 2022 had not been assessed and indicated in the financial statements even by the end of the year under review.

- (iv) The Authority had received Rs. 3 million from the Treasury during the year under review to purchase fixed assets and the Authority had purchased fixed assets to the value of Rs. 0.73 million during the year under review. As a result of the total value being identified as revenue by the Authority contrary to the Standard, the surplus of the year under review had been over-calculated by Rs. 2.28 million and current liabilities had been understated by the same value.
- (v) It had been decided by Cabinet decision No: CP/20/1844/306/055 dated 02 December 2020 that the provisions procured for the project should be reimbursed to the Treasury from the revenue generated through the sale of houses of the Lunawa Housing Project and Rs. 100 million had been paid back to the Treasury on 21 July 2023 out of Rs. 1267 million received and as a result of remaining Rs. 1167 million being indicated under equity and reserves without being stated as a current liability, the liabilities had been understated by that amount an equity and reserves had been overstated by that amount.
- (vi) Though an entity, in terms of paragraphs 106 & 107 of the Standard and the alternative treatment to SLPSAS 11 issued by the Sri Lanka Institute of Chartered Accounts, shall be disclosed either on the face of the financial statements or in the notes. The amount of revenue from exchange and non-exchange transactions by major classes However the Authority had not made such disclosures.

(f) Sri Lanka Public Sector Accounting Standard 12

- (i) In terms of paragraph 14(a) of the Standard, the transfer of 05 housing projects disposed of on sales basis to Middle income and law income earners , 05 housing projects disposed of on relocation basis and 24 housing units of Lunawa housing project should have been considered as financial lease, However , this was not done and an accounting policy relating thereto had not been identified.
- (ii) Contrary to this Standard, the Authority had identified a surplus of Rs. 3.47 million in relation to 11 houses of the Thuruithurugama housing project sold during the year under review and as a result, the surplus of the year under review had been overstated by that amount.

(g) Sri Lanka Public Sector Accounting Standard 13

In terms of paragraph 7 of the Standard, Rs.380 million received by the Authority for commercial purposes had been accounted as Investment and action had not been taken during the year under review to recognize two lands of Orchard Watta, Nittambuwa and Millagahawatta, Welisara as investment properties. Further, as a result of 02 housing projects valued at Rs.146.76 million and 05 commercial units and 05 service provision locations constructed affiliated to the Lunawa housing project being indicated as investments without being indicated as invested property, the current assets had been over-calculated by that amount and noncurrent assets had been understated by that amount.

(h) Sri Lanka Public Sector Accounting Standard 19

Without performing the tasks such as the preparation of defined contribution plan, measurement of defined benefit liability, inclusion of both transferred and non-transferred liabilities, discounting and actuarial assessment, the Authority had recognized an employee gratuity expenditure of Rs 2.9 million during the year under review. As a result, the accuracy of this value and noncurrent liabilities amounting to Rs. 29.64 million recognized in relation thereto could not be verified at the audit.

- (i) Though Rs. 411.05 million was receivable as at 31<sup>st</sup> December 2023 from 171 housing units disposed of the Lunawa Housing Project, as a result of that value being Rs. 411.7 million in financial statements, a difference of Rs. 0.66 was observed between the two values.
- (j) A difference of Rs. 7.8 million was observed between the balances of 16 receivable accounts indicated in the financial statements of the Authority as at 31<sup>st</sup> December 2023 and the schedules submitted to the audit.
- (k) As a result of a sum of Rs. 1.81 million paid in advance by debtors when recovering the housing loans being deducted from receivable balances, the receivable balance was understated by Rs. 1.81 million and current liabilities were understated by the same amount.
- (l) Even though the receivable balance of the Authority as at 31<sup>st</sup> December 2023 was shown as Rs. 702.6 million in the Statement of Financial Position, the doubtful debt provision of Rs. 23.4 million recognized therein had been deducted and only the net value had been shown in financial statements.
- (m) Though the assessed value relevant to year 2021 of 102 land plots of Thuruithurugama housing project, Anuradhapura was Rs. 23.66 million as per the valuation report dated 18<sup>th</sup> May 2022 of the Department of Valuation received by the Authority, no action had been taken by the Authority to adjust that amount in accounts. As a result, noncurrent Assets and revaluation reserve account of the Authority had been understated by Rs. 4.89 million.
- (n) As a result of adjustments being made to the receivable scattered debtor account during the year under review from the scattered loan account twice with Rs. 1.93 million each by the Authority during the year under review, the scattered loan stock account (noncurrent assets) had been understated by Rs. 1.93 million and the loan interest income levied thereon had been over-calculated by Rs. 0.17 million. Hence, scattered loan balance (current assets) had been over-calculated by Rs. 2.11 million.
- (o) Though the interest income of fixed deposits during the year under review was Rs. 176.62 million as per the sample inspection of 26 fixed deposits representing 65 percent of the total fixed deposits of the Authority, as a result of the Authority indicating the interest on the said fixed deposits as Rs. 174.89 million having deducted withholding tax expenditure, the withholding tax of Rs. 1.73 million payable on fixed deposits had not been shown in the account.

- (p) As a result of Rs. 14.03 million payable for constructions of the Lunawa housing project not being adjusted as liabilities in financial statements, the current liabilities of the year under review had been understated by that value.
- (q) The Loan Recovery Division maintains separate debtor accounts in respect of beneficiaries of each housing project of the Authority and even though the Accounts Division is required to maintain separate ledger accounts for debtors, as a result of not adhering thereto, a difference of Rs. 7.8 million was observed between the balances of the Loan Recovery Division and the balances of debtor accounts of the Accounts Division.

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 contained in the Annual Report 2023 of the Authority**

Other information means information, though included in the Annual Report 2023 of the Authority which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion thereon.

My responsibility in relation to my audit regarding financial statements is to read other information whenever available and consider whether there are material inconsistencies between the financial statements or my knowledge gained otherwise and other information.

If I concluded that there are material misstatements, on the basis of other information obtained by me prior to the date of this audit and the activities carried out by me, I am required to report such matters. I conclude that there are no such material misstatements in other information.

### **1.4 Responsibility of the management and governing partners for Financial Statements**

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

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

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

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

## 1.5 Auditor's responsibilities in connection with the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detected 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 the audit in terms of Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- 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 Authority'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 Authority 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 based transactions and events in a manner that achieves fair presentation.

I have communicated with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

## **2 Report on other legal and regulatory requirements**

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

2.1.1 In terms of the requirements of section 12 (a) of the National Audit Act No. 19 of 2018, except for the effects of the matters described in the section on the 'Basis for the qualified Opinion' of this report, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Authority had maintained proper financial reports.

2.1.2 In terms of the requirement indicated in Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements presented by the Authority are consistent with these of the preceding year.

2.1.3 The recommendations made by me in the previous year other than the observations set out in 1.2 (a) (i), (c), (e), l,iii, (f) l, q of the section on the basis for opinion have been included in the financial statements as per the requirement of Section 6(1)(d) (iv) of the National Audit Act No. 19 of 2018.

2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements, did not come to my attention.

2.2.1 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Authority has any interest, direct or otherwise, outside normal business status in any contract entered into by the Authority.

2.2.2 In terms of the requirement of section 12 (f) of the National Audit Act No. 19 of 2018, whether the Authority has not complied with any applicable written law, or other general or special directions issued by the governing body of the Authority;

| Reference to laws, rules/ orders   | Observations  |
|--|---|
| (a) Paragraph 1.3 of Chapter ii of the Establishments Code of the Democratic Socialist Republic of Sri Lanka | Without the approval of the Director General of the institution, approval had been granted by Board Paper 05/2021/03 dated 18 <sup>th</sup> August 2021 to the employee grading system and salary increments and promotions had been granted thereunder from September 2021 and on account of this grading system, the Authority had incurred approximately Rs. 9.9 million more than the previous salary bill by December 2023.  |
| (b) Section 11(b) of the Finance Act, No.38 of 1971  | Without the concurrence of the Minister of Finance, Rs. 958 million had been invested in fixed deposits the previous year and Rs. 541 million during the year under review upon the approval of the Board of Directors.   |
| (c) Section 2.5 of Public Enterprises Circular No. 4/2022 dated 08August, 2022                               | Though instructions had been given to ensure that no new allowances for employees are introduced and that the Board of Directors should ensure that there is no increase in existing allowance schemes, contrary thereto, the Authority had paid a travel allowance of Rs. 15,000 and Rs. 5,000 respectively for executive grade officers and officers of MM-1 salary scale totaling Rs. 8 million last year and Rs. 0.76 million only for the executive grade officers during the year under review upon the approval of the Board of Directors. |

2.2.3 In terms of the requirement of Section 12(g) of the National Audit Act No. 19 of 2018, whether the Authority has not performed according to its powers, functions and duties, except for the following observations.

| Powers, functions & duties                                | Observations   |
|---|--|
| Urban Settlement Development Authority Act No. 36 of 2008 | Though the Authority had been established to formulate a national policy in relation to the development of urban settlements and to ensure the implementation of such policy, the Authority had failed to formulate and implement the said national policy even though 15 years had lapsed since the establishment of the Authority. |
| (b) Section 10  | Though the Authority had appointed by April 2017, an “Advisory Committee” with a Chairman and not more than fourteen members, even by the end of the year under review, the functions relation to the objectives of the Authority such as the proposals, plans, projects and action plans had not been identified.                   |

|                         |  |
|-------------------------|--|
| (c) Subsection 16(1)(e) | All sums of money collected by the Urban Development Authority as service charges from the property developers to finance low cost housing programmes should have been credited to the Fund of the Urban Settlement Development Authority. However as the UDA had stopped the collection of service charges in terms of Cabinet decision No: 10/2951/504/012 dated 14 December 2010, the USDA had been deprived of that income. The USDA had failed to acquire to itself the service charges amounting to Rs. 207.33 million that had already been collected by the UDA at the time of stopping the collection of service charges. |
| (d) Subsection 16 (3)   | Though the initial capital of the Authority shall be Rs. 5,000 million which shall be paid out of the Consolidated Fund in installments, even though 15 years had lapsed by the end of the year under review, no capital had been given to the Authority.  |

2.2.4 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, other than the following observations, whether the resources of the Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

Applying water sealed paint on the walls of houses of the Lunawa housing complex, Moratuwa which was proposed to be constructed initially for poor people but subsequently disposed to middle income earners on the sales basis, had not been included in the Bill of Quantity considering it as a non-essential component. However, after 06 months of the disposition of houses to the people, the Authority had received complaints from various parties to the effect that there were water leakages through the walls of houses. By then, the faults reporting period had expired and the bank guarantee to the value of Rs. 61.58 obtained from the contractor too had got cancelled. Approval had been obtained from the Board of Directors to make a payment of Rs. 41.38 million (without VAT) from the proceedings received from the sale of houses for effecting repairs to the buildings of the housing complex. If this was carried out at the beginning, the expenditure incurred could have been recovered from the buyers of houses, but due to poor management that opportunity had been missed.

### 2.3 Other matters

- (a) Though the Authority had transferred the possession of 53 houses of the Angulana housing scheme which was constructed for the fisher community, to the value of Rs. 62.87 million through a grant to persons engaged in the fields of sports and cinema without charging money, in terms of a cabinet decision it had been ordered to charge a reasonable amount from the beneficiaries. Accordingly, Rs. 55.48 million was still due from 38 housing units. As per the instructions of the Attorney General, action had been taken to rescind the grants of persons who did not make payments and the Authority was pursuing action to dispose 15 houses.

- (b) Though housing units should be disposed having determined the sale price by adding 20 percent to the government valuation in terms of the Cabinet decision, as a result of providing houses to 24 officers of the Authority by only charging the government valuation as the sale price of a house through a board paper contrary to the cabinet decision, the government had incurred a loss of 20.68 million. Further, by the end of the year under review, the Authority was due to receive Rs. 95.34 million from housing units sold to the staff of the Authority.
- (c) Though the Authority could have generated lease income by leasing 67 commercial units to the value of Rs. 44.78 million and 57 service units of which the value had not been identified in Sahaspura constructed by Real Estate Exchange Private Limited which belonged to the Authority, as a result of the decision of the Board of Directors to dispose them to the Management Corporation under the purview of the Condominium Management Authority on a grant, that lease income had been lost.
- (d) Contrary to the cabinet decision dated 22 December 2020, the possession of three housing units of the Lunawa housing scheme valued at Rs. 9.3 million had been transferred without the dues being recovered as per the sales agreement.
- (e) Though the housing projects had been completed and ownership transferred to recipients of houses, it has not been able to acquire the ownership of lands on which Borella Wadulu Sevana housing project, Lindula Talawakele housing project and Anuglana Sayurupura housing project are situated to the Authority even by the end of the year under review.
- (f) In terms of the instructions given by the Attorney General on 28 October 2021, though it has been stated that the relevant line ministry should take action under Financial Regulation 103 (Paragraph II) to consider whether legal proceedings can be constituted against the individuals responsible for the loss caused to the government as a result of the financial fraud committed in the acquisition of Real Exchange Private Limited and correctly compute the loss caused to the government as per the legal instructions, the line ministry had not proceeded with the matter even by April 2024.
- (g) The National Engineering Research Development Centre (NERDC) had certified that 06 houses constructed in Anuradhapura at a cost of Rs. 4.9 million using clay technology were uninhabitable and same had been endorsed by an engineer of the Authority. Though these houses had been constructed, no maintenance had been carried out and remained idle for 11 years from 2013 to April 2024. However, a watcher had been recruited in the year 2018 and an expenditure totaling Rs. 2.75 million had been incurred on his salaries and other allowances.
- (h) Though Rs. 22.25 million had been allocated for the three projects, i.e. infrastructure development and landscaping of Chilaw housing project-Phase 1, water sealing of slabs in Sahaspura housing project and the construction of protective fence in Angulana housing project, no physical progress had been achieved.

- (i) The following observations are made as to the projects coming under the preliminary work of the middle income housing projects of the Authority implemented under Public Private Partnership according to the performance report 2023.
- (i) Though it was expected to achieve 100 percent progress by December 2023 in the identification of lands for development projects, any physical and financial progress had not been made by the end of the year 2023.
  - (ii) The physical progress of 05 projects was in the range of 8 to 26 percent and the financial progress was below was less than 14 percent. Though it was expected to spend Rs. 127.43 million for these 05 projects from internal earnings of the Authority, the actual amount spent was Rs. 7.55 million.
- (j) Though the Authority had adopted various methods to recover the loans from houses granted under the relocation basis and sales basis, the progress of loan recovery of the Authority remained at a very poor level. The following observations are made in that regard.
- (i) The total loan installments to be recovered by the Authority as at the end of the year under review in respect of 363 houses in 05 housing projects of which houses were provided on relocation basis was Rs. 102.83 million of which the loan balance to be recovered for a period ranging from 3-5 years was Rs. 36.32 million and the loan balance to be recovered which had exceeded 05 years was Rs. 39.09 million and those values amounted to 35.32 percent and 38.01 percent respectively of the total value of loan installments.
  - (ii) The total loan installments to be recovered by the Authority as at the end of the year under review in respect of 32 houses in 02 housing projects of which houses were provided on sales basis was Rs. 39.86 million of which the loan balance to be recovered for a period ranging from 2-5 years was Rs. 9.2 million and the loan balance to be recovered which had exceeded 05 years was Rs. 24.61 million and those values amounted to 23.61 percent and 61.75 percent respectively of the total value of loan installments.
  - (iii) Approval had been granted by the Cabinet of Ministers to charge 25 percent of the total value of a house to the Authority as the initial payment in disposing housing units of the Lunawa housing scheme and to make available a loan facility to beneficiaries to obtain the remaining 75 percent from a state bank with a repayment period of 25 years and to levy that amount of 75% to the Authority within a period of 3 months. However, of this housing project which was vested in people in 09<sup>th</sup> April 2021, only 149 recipients of houses had paid the total value of the house as at 31 December 2023 and the amount to be recovered from 207 recipients was Rs. 548.45 million.

- (k) Although the Director General of the Management Services had instructed to update the new recruitment procedure as per the new format, since the scheme of Recruitment of the Authority is still in the old format , the need has not been addressed as at March , 2024
- (l) The approved cadre of the Authority was 164 and the approved contract basis staff was 16 as at 31 December 2023. The actual cadre as at that date was 118 and there was no one in the contract staff. Accordingly, there were 46 vacancies and 16 vacancies respectively in the permanent staff and contract staff and the existence of vacancies thus had directly contributed to the low performance of the Authority.

**W.P.C. Wickremaratne**  
**Auditor General**



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நகரக் குடியிருப்பு அறிவிருத்தி அதிகாரசபை  
Urban Settlement Development Authority