

Greater Colombo Urban Transport Development Project (Outer Circular Highway Project) - 2010

1. Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, except for the effects of the adjustments arising from the matters referred to in paragraph 3 of this report, I am of opinion that;

- (a) the Project had maintained proper accounting records for the year ended 31 December 2010 and the financial statements give a true and fair view of the state of affairs of the Project as at 31 December 2010 in accordance with Generally Accepted Accounting Principles.
- (b) the funds provided had been utilized for the purposes for which they were provided,
- (c) satisfactory measures had been taken by the management to rectify the issues highlighted in by previous year audit report, and
- (d) the financial covenants laid down in the Loan Agreements had been complied with.

2. Financial Statements

2.1 Financial Performance

According to the financial statements presented and information made available, the expenditure of the Project for the year ended 31 December 2010 amounted to Rs.5,636.79 million and the cumulative expenditure as at 31 December 2010 amounted to Rs. 7,878.91 million. The following statement shows a summary of the expenditure for the year under review and the preceding year and the cumulative expenditure as at 31 December 2010.

review. However, it was shown only the progress of 37.17% of works at the year end.

- (b) The contracts for the construction of the road from Kaduwela to Kadawatha (Phase 02) and the road from Kadawatha to Kerawalapitiya had not been awarded even as at the end of the year under review.

4.2.2 Land Acquisition Activities

- (a) The physical progress of the acquisition of lands by the Project as at 31 December 2010 under three phases are given below.

	As at 31 December 2010			
	Plots of land acquired	No. of plots of land which compensation paid	Progress of payment of compensation %	Amount of compensation paid Rs (million)
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Kottawa- Kaduwela(Phase 01)	1,066	844	79	1,320.31
Kaduwela- Kadawatha (Phase 02)	1,188	343	26	908.46
Kadawatha- Kerawalapitiya (Phase 02-1)	926	12	1.3	107.96
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	3,180	1,199	37.7	2,336.73
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- (b) Lands to the extent of 6,417 hectare situated in Maharagama, Kaduwela, Biyagama and Wattala Divisional Secretariat Divisions had been acquired by the Project at a cost of Rs.195,027,625 to provide alternative lands to the persons who displaced due to project activities. In addition, a sum of Rs.30,688,686 had also been paid as an interest on delays in settling dues to the owners of such lands. Even though 126 plots of lands had been demarcated in the above lands to distribute among the displaced persons, only 28 plots of lands had been distributed as at 31 December 2010. Out of that, legal rights for 07 plots of land only had been transferred to the resettlers.

