



JANASEVANA  
Our Future

# ANNUAL REPORT 2012



National Housing Development Authority



Ministry of Construction, Engineering Services,  
Housing & Common Amenities

<b>Contents</b>	<b>Page No.</b>
A. General	
Our Vision, Our Mission, Our Objectives	02
Corporate Information	03
Members of the Authority	04
Corporate Management	05
Our Main Activities	06 - 07
B. Corporate Governance	
Meeting of the Board of Directors	08
Audit & Management Committee	08
Internal Control	08
Executive Management	09
Risk Management	09-10
Environmental Issues	10
C. Reporting of operational performance	
Housing Development	11 - 14
Property Management & Marketing	15 - 17
Engineering Services and Construction	18 - 20
Human Resource Management	21 - 27
Legal	28 - 29
Corporate Planning & Monitoring	29 – 30
D. Review of Operating Result	
Loan Recovery Performance	
2012 – Rural Housing	30- 31
Urban Houses Shops/Instalment & Rent Recovery Performance 2012	32
Information & Publicity	32-34
Information Technology	35-36
Oceanview Development Pvt Ltd	37-38
E. Financial Statements	
Balance Sheet	39
Income & Expenditure Statement	40
Significant Accounting Policies	41- 44
Notes to the financial statements	45- 71
Location Map	72
Names and Addresses of District Offices	73-74
F. Report of the Auditor General	75 -87



## **Introduction**

The National Housing Development Authority has been established by National Housing Development Authority Act No. 17 of 1979 to carry out housing development activities in Sri Lanka.

These activities are carried out throughout the island by the Authority through its Head Office in Colombo, twenty five (25) District Offices and three (03) city offices.

## **Our Vision**

An adequate house for every family in a habitable environment.

## **Our Mission**

To implement as planned the 'Janasevana – Mahinda Chinthana' Housing Programme with the participation of all stakeholders.

## **Our Objectives**

- Assisting low income families to construct new houses or to improve substandard dwellings by providing loans/assistance.
- Providing houses to middle income earners at affordable prices in partnership with the private sector.
- Implementing programmes for urban modernization and relocation.  
  
Providing consultancy services on an island wide basis to low income earners to construct houses.
- Providing consultancy services to outside institutions with regard to activities for development of infrastructure facilities connected with housing.
- Popularizing the low cost housing technology and producing skilled workers by means of the job training.
- Consolidating the right of ownership of the property of the occupants.
- To conduct, promote and co-ordinate activities in relation to all aspects of housing development.
- To do all such other acts as may be necessary or conducive to the attainment of any or all of the above objectives.

**NAME** : National Housing Development Authority

**LEGAL FORM** : Act No.17 of 1979

**YEAR OF INCORPORATION** : 1979

**REGISTERED OFFICE** : N.H.D.A Secretariat  
No.34, Sir Chittampalam  
A Gardiner Mawatha  
Colombo 02

**TELEPHONE** : 2421606, 2431707, 2430410, 2431722  
2421748, 2380874

**FAX** : 2434892

**E-MAIL** : [dgmf@nhda.lk](mailto:dgmf@nhda.lk)

**WEB** : [www.nhda.lk](http://www.nhda.lk)

**AUDITORS** : Auditor General  
Department of Auditor General

**CONSULTANT LAWYERS** : Attorney General  
  
Attorney General's Department,  
  
Hulftsdorp,  
  
Colombo 12.

**BANKERS** : Bank of Ceylon  
Corporate Branch,  
Echelon Square,  
Colombo 01.  
  
People's Bank  
Head Quarters Branch,  
Sir Chittampalam A Gardiner Mawatha,  
Colombo 02.

## Corporate Information

## MEMBERS OF THE AUTHORITY

The Authority comprises of 6 members appointed by the Minister and one other Member as a representative of the Ministry of the Minister in charge of Finance. The Minister appoint one of the appointed member to the Chairman of the Authority.

NAME & ADDRESS	DESIGNATION	PLACE OF WORK
1. Mr. S A Jayantha Samaraweera Mawala South Wadduwa	Chairman	NHDA
2. Mr. A W Dayananda 639/3A, Gunawardena Mawatha Bungalawa Junction Pitakotte Kotte	Vice Chairman	NHDA
3. Mr. P.Udaya Shantha Gunasekara Dharmodaya Mawatha Pothuwil Road Monaragala	Working Director	NHDA
4. Mrs. Chandanie Wijewardena No.13 A, Janappriya Mawatha Borupana Road Ratmalana	Member	Dept.of National Planning General Treasury
5. Dr. Wasantha Bandara No.2/270, Colombo Road Kurunegala	Member	Ministry of Construction, Engineering Services, Housing and Common Amenities
6. Mr. Raja Gunarathna No. 150/05, Highlevel Road Maharagama	Member	Lawyer/ Senior Lecturer Open University/ Commissioner of National Housing
7. Mr Ranjith Wilwalaarachchi No.15, 4 <sup>th</sup> Lane Rajagiriya (From 2012.10.15)	Member	Ministry of Construction, Engineering Services, Housing and Common Amenities
8. Mr. Chandana Sesath Jayakody No.33, Yatalatissa Mawatha Kelaniya (From 2011.05.24 to 2012.10.15)	Member	Co-ordinating Secretary Engineering Services, Housing and Common Amenities

**Brigadier A L S K Perera RSP**

General Manager  
(Upto 14.05.2012)

**Brigadier Mahinda Mudalige RWP RSP**

General Manager  
(From 14.05.2012)

**Mr. Gamini Pannilawithana**

Snr. Dy General Manager (Co-ordinating)  
(From 16.01.2012)

**Mr. Lalith Edirisinghe**

Dy General Manager (Human Resources & Management)

**Mr. Gamini Pannilawithana**

Dy General Manager (Housing Development)  
(Upto 15.01.2012)

**Mr. P M S K Pathiraja**

Dy General Manager (Housing Development)  
(From 16.01.2012)

**Mr. K W A Dharmasri Kariyawasam**

Dy General Manager (Information Publicity)

**Mrs. M S Weerasinghe**

Dy General Manager (Engineering Services & Construction)

**Mr. E A D S Edirisinghe**

Dy General Manager (Finance)

**Mr. W A D Sarath Kumara**

Dy General Manager (Property Management & Marketing)

**Mr. W Danachandra**

Asst. General Manager (Planning & Monitoring)

**Mrs. A K Pushpa Rohini**

Asst. General Manager (Legal)

**Mr. P M R Marasinghe**

Chief Internal Auditor

**Mr. Manuja Karunarathna**

Secretary to the Board

**Corporate  
Management**

## Our Main Activities

In order to achieve our objectives we carry out these activities.

- 1. Promote Public - Private Partnership Housing**
  - Identify suitable lands
  - Call for expression of interest
  - Discuss with potential developers & invite proposals
  - Evaluate proposals & select developer
  - Plan and design the project
  - Sign Memorandum of Understanding
  - Form Joint Venture Company
  - Implement, monitor & ensure quality
  - Marketing & sale of houses
  - Establish Management Corporation
  
- 2. Make Available land plots**
  - Identify suitable lands
  - Conduct feasibility studies
  - Prepare block out plan
  - Provide necessary infrastructure
  - Identify & select beneficiaries
  - Coordinate with lending institutions if needed
  - Transfer land plots to the selected beneficiaries
  
- 3. Advisory services on housing**
  - Establishment of district housing advisory centres
  - Preparation of feasibility reports
  - Provision of plans at request
  - Preparation of Bill of Quantity / material list/ cost estimates
  - Obtaining planning approvals
  - Construction Supervision & Quality assurance
  - Maintain construction Data Bank
  
- 4. Provide Support Services for Housing Construction**
  - Conduct feasibility studies on housing
  - Create awareness and mobilize Community
  - Formation of Community Development Organization
  - Prepare house / settlement Plans
  - Disseminate information on cost effective construction techniques
  - Provide financial assistance where necessary
  - Supervise construction to ensure quality / conformity
  - Coordinate /facilitate infrastructure
  
- 5. Implement Urban Upliftment Programme**
  - Identify suitable location
  - Conduct enumeration survey
  - Determine affordability levels
  - Plan, design and implement the project
  - Establish management corporations
  - Transfer ownership

- 6. Disseminate cost effective construction Techniques**  
Co-ordinate with relevant private & public institutions and gather information, Sample of Materials etc  
Awareness of new materials / techniques through advisory centers.
  
- 7. Assign Common areas including infrastructure & services in Housing Schemes to Local Authorities**  
Demarcate common area / open spaces  
Prepare survey plans  
Obtain consent from the Local Authority  
Transfer the property by a deed  
Inform House owners
  
- 8. Training for Skills Development**  
Organize training sessions in consultation with professional institutions and agencies  
Arrange on the job training opportunities  
Provide basic equipment assistance  
Monitor performance  
Maintain names in data bank to help gainful employment  
Maintain directory of skilled personnel
  
- 9. Maintain data bank on housing stock**  
Co-ordinate with GSNN/DSS & collect data  
Co-ordinate with the NHDA advisory centers & collect / cross check data  
Co-ordinate with Local Authorities & collect /cross check data  
Submit data to District Housing Committee for acceptance  
Compile accepted data  
Submit data to Data bank bi-annually  
Use data for future planning

We have a strong and continuing commitment to the highest standards of corporate governance and make every endeavor to adopt the code of best practices suggested by the Institute of Chartered Accountants of Sri Lanka, Department of Public Enterprise, Ministry of Finance and adhere to the guidelines provided by the line Ministry under which we are categorized.

### **Meetings of the Board of Directors**

Board meets every month. The Board reviews performance against the Budget on a monthly basis to identify variations and takes remedial action by effecting changes to the existing policies. 21 Board meetings were held during the year. This is a procedure adopted appropriately and recorded.

### **Audit & Management Committee**

The Audit & Management Committee consists of four independent non-executive Members of the Board. In the year 2012 the following Board Members served as Members of the Audit and Management Committee.

Members of the Audit and Management Committee in the year 2012

1. Mrs Chandanie Wijewardena - Chairman
2. Mr A W Dayananda - Member
3. Mr Raja Gunarathna - Member
4. Mr K P Gunadasa - Member
5. Mr E K K S Edirisinghe - Member

The Audit and Management Committee ensures that a sound Accounting and Financial Management System is in place and reviews the Internal Controls and Ensure compliance with Laws and Regulations of the Accounting standards.

In the year 2012 Audit and Management Committee met 8 times and discussed the above matters.

### **Monthly Progress Review Meeting**

Progress of the activities of the Institution is reviewed monthly at the meeting headed by the Hon.Minister and with the participation of the Chairman, Vice Chairman, Working Director, General Manager, all Deputy General Managers and District Managers. 10 Progress Review Meetings have been held during the year 2012.

### **Internal Control**

The NHDA has implemented several internal control policies and guidelines in order to safeguard the assets and to optimize the utilization of the assets. Also Senior Management is responsible for formulation and implementation of strategies.

Similarly, the Board of Directors ensures internal control through a well structured monthly reporting system and decisions are made by the Directors to ensure a balance between the current assets and liabilities.

One Management Committee Meeting is held weekly headed by the Chairman on activities related to all Deputy General Managers Divisions are discussed. Steps have been taken to appoint the Pricing Committees, Department Procurement Committees, Property Sub Committees, Appeal committees.

## **Executive Management**

Each Division in Head Office is headed by a Deputy General Manager and a Senior District Manager / District Manager is in charge of each of the 25 District Offices along with 03 city offices. The Deputy General Manager and Snr District Manager/District Manager report to General Manager and the General Manager is the Chief Executive Officer required to report to the Chairman and to the Board of Directors.

## **Risk Management**

As the only government organization in Sri Lanka with 25 regional offices spread across the island and offering a full spectrum of housing facilities to it's large number of customers, NHDA encounters a wide range of both financial and non – financial risks which need to be proactively managed in order to safeguard the interests of its various stakeholders.

Risk management at NHDA originates from the Board of Directors. This is a dynamic process and is periodically reviewed in the light of the prevalent economic and business conditions and the needs of the stakeholders. The Board then, in consultation with the Corporate Management of NHDA, establish policies, processes and the structures necessary to ensure that the risks are managed within the defined risk appetite while achieving NHDA's overall business objectives.

The risk management function also works closely with NHDA's Audit Division to identify any weaknesses in the processes and control systems that could expose NHDA to risk. Audit periodically updates Management with an independent opinion on the efficiency and adequacy of the controls in place.

NHDA has identified the following as the major risk areas that it faces.

## **Liquidity Risk**

This is the risk that NHDA will be unable to fulfill its contractual obligations when they are due.

This involves:

- Having funds available to meet financial commitments when they fall due, and
- Ensuring that funds are available to take advantage of opportunities when they arise.

The management of these issues has been entrusted to the Board of Directors and members of Corporate Management whose primary tasks are to act as a guide for planning, compliance with regulatory requirements and ensuring NHDA has sufficient liquidity to meet its contractual obligations and growth aspirations.

The Executive management achieves its principle objectives by:

- Ensuring the adequacy of alternative sources of funding.
- Periodically revising loan, investment and funding strategies.
- Reviewing current pricing levels and performing a competitor price analysis.
- Monitoring liquidity ratios for compliance with statutory guidelines.

Liquidity is managed on a daily basis by the manipulation of grants, funds internally generated and short term investments such as treasury bills, that can be readily converted to cash.

### **Market Risk**

This is the risk of loss that arises from the holding of “price sensitive” assets and liabilities and influences NHDA mainly due to change in interest rates and change in prices of building materials over a period of time.

NHDA is exposed to market risk due to government funding being insufficient to satisfy every individual who requires a house.

The threat of new entrants to the housing market is managed by the members of corporate management to the best of their capacity by providing value for money services to customers as well as by meeting the needs of other key stake holders, who are motivated to contribute towards achieving the corporate objective.

### **Operational Risk**

This is the risk of loss resulting from inadequate or failed internal processes and systems due to internal weakness obstructing operations or making it difficult to face external rival influences.

To maintain and control such risk NHDA maintains a comprehensive system of policies and a control framework designed to provide a sound and well-controlled operational environment throughout the organization.

Specific steps towards effective operational risk management includes:-

- Periodic data collection from all district offices and recording and processing of such data while maintaining security of information.
- Information security policies and awareness programmes.
- Continuous review and improvement of housing programmes.
- Performance on loan recovery programmes.

The primary responsibility for managing operational risk rests with middle management. Finance, Audit and other support functions also play a key role in reviewing and maintaining the integrity of the control environment.

As the NHDA owns a large number of valuable properties and huge sums of money, it can expect to succeed in a competitive environment with the commitment of its staff and continuous review and formulation of appropriate strategies.

### **Environmental Issues**

Construction of Buildings affects eco systems and environment in several ways. This impact of condominium buildings and housing schemes become more apparent. Environmental protection is to emphasize as an integral part of the development process.

NHDA provides a safe and healthy environment for people. At the same time it provides proper infrastructure facilities, such as safe drinking water, adequate access, assurance of uninterrupted power supply, waste & rain water drainage and Sewerage system, arrangement for removal of solid waste.

Regulations governed under the Condominium Management Authority ensures better living environment to the inhabitants of the condominium properties.

## HOUSING DEVELOPMENT

An outline of the programmes implemented in the year 2012 with the objective of providing housing facilities to families faced with the housing problem from various parts of the island under the Janasevana One Million Households and Housing and Habitat Development Operation as per the Mahinda Chintana Vision for the Future was implemented the programmes given below.

- Viru Gammana Programme
- Scattered Housing Programm
- Janasevana Upahara Programme
- Sevena Sarana Grant Programme
- Aadivasi Housing Programme
- Deyata Kirula Programme
- Indian Housing Programme
- Welioya Housing Programme

### **Viru Gammana Programme**

Under the 2012 Janasevana One Million Households and Housing and Habitat Development Operation, housing projects having basic infrastructure have been proposed to be implemented through the National Housing Development Authority for various communities expecting houses.

This programme is implemented in line with the Mahinda Chintana Vision for the Future under the guidance of the Minister of Construction, Engineering Services, Housing and Common Amenities at district level by naming the project concerned in honour of a war hero from the area who has sacrificed his life.

The programme is in operation in every District in the island and action will be taken to select the most suitable habitats and to complete it within a specified timeframe. In selecting the projects, steps will be taken to select areas that have the basic infrastructure such as roads and water.

Action has been taken to carry out construction in 56 projects in 19 Districts within the year, thereby providing 2111 families with assistance to build houses. The National Housing Development Authority has estimated a sum of 428.24 million and has spent a sum of 180.047 million rupees for the programme at the end of the year 2012. The balance money is due to be expend during the first quarter of the year 2013 for completion of carry overs.

### **Scattered Housing Programme**

This programme provides the necessary financial and technical assistance with the contribution from the community at Grama Niladhari division level and is implemented under the criteria set by the National Housing Development Authority with a view to giving opportunity to every homeless family scattered all over the island to build a house of their own under the Mahinda Chintana National Programme.

Persons having housing needs are provided with housing loans to build new houses or improve the existing houses under this programme. Priority will be given under the programme to persons in dire need of a house and have accumulated material or money to achieve this purpose. This programme has enabled the completion of 16209 housing units by the end of the year 2012 and a sum of 1638.191 million rupees has been spent for it. The amount spent for the Continuation Programme 2011 was 86.127 million rupees.

# C

**Reporting of  
Operational  
Performance**

## **Janasevana Upahara Programme**

The main objective of this programme is to issue housing loans with assistance from commercial banks as an approach to fulfill the housing needs of middle income earners including employees of state Corporations and statutory bodies.

Under this programme, loans of up to Rs.500,000/- is given to public servants on personal guarantees with minimum documentation. Housing loans are given under this programme to construct a new house or repair an existing house while action is taken to issue loans to repair flats as well. Under the Janasevana Upahara Programme, action was taken to issue loans to 9260 families to build houses within the year 2012 and the amount spent for it was 2373.577 million rupees. The amount spent for the Continuation Programme 2011 was 307.258 million rupees.

## **Sasunen Sevana National Housing Programme**

The objective of this programme, which is implemented under the theme "From village to temple and from temple to village", is to target families living in extreme poverty associated with approximately 10250 temples all over the island and construct one house for one poor family associated with each temple in order to mark the 2600<sup>th</sup> Sambuddha Jayanthi Anniversary.

It has been proposed to construct 10,000 houses to cover 10210 temples all over the island under this programme, and action was taken to assist 500 families to construct their houses during its first phase to be implemented in the year 2012. The amount spent for the purpose was 27.165 million rupees.

Extremely poor families who have the need and the enthusiasm to build a house of their own but have no capacity to pay back a housing loan are selected for the purpose. It is conducted under the total supervision of the Dayaka Sabha (Patronage Council) of the Temple with intervention from the Grama Niladhari and the Divisional Secretariat. It is compulsory that the prospective beneficiary family should have the need for a house and possess a vacant plot of land suitable for housing. The final recommendation should be given by the chief incumbent and the Dayaka Sabha of the temple to which the family belongs. Priority will be given here to families that have the initial preparedness to construct a house. At the end of the year 2012 funds have been provided for 484 grant recipients. year 2012.

The National Housing Development Authority provides an aid grant of Rs.100,000. Action should be taken to raise the rest of the construction cost from donors and voluntary organizations through the intervention of the Dayaka Sabha.

The National Housing Development Authority provides a plan and gives technical assistance.

- » The National Housing Development Authority provides the technical methodology suitable for constructing in the area within which the house is built, and performs the construction supervision work in an orderly manner.
- » The Dayaka Sabha, village community and the beneficiary family should obtain the skilled and unskilled technical assistance.

## **Sevana Sarana Grant Programme**

This programme is implemented with the objective of constructing a permanent house for families who have the need to build a house but do not have the ability to pay back a housing loan. Under this programme, a maximum of one hundred thousand rupees each was granted as an aid. The houses has constructed for 06 families under this programme in the year 2012..

## **Deyata Kirula Programme Ampara/Trincomalee/Batticaloa /Polonnaruwa District**

The main aim of this programme is to implement housing development programme and a livelihood development programme for low-income families in Anuradhapura District parallel to the Deyata Kirula Exhibition in the year 2012. A loan and aid programme was implemented to support families who had the need to make improvements to their house or build a new house.

## **Indian Housing Programme**

6000 Houses were organized only Vavuniya and Mannar Districts under this Housing Programme. Construction has been started 355 houses of it the amount spent for it was 58.100 million rupees.

## **Welioya Housing Programme**

Under this Housing Programme it has been planned to construct five hundred thousand only in Multivu District and constructional activities of these houses have been commenced during this year.

## **Upahara Loan Programme**

Janasevana Upahara Loan Programme was commenced in the year 2011 as a sub programme of the Janasevana One Million Households and Housing and Habitat Development Operation. This programme includes a section of the state and private sector employees who do not have the capacity to obtain a loan from any bank.

The Janasevana Upahara Programme will continue to be implemented in the year 2012 as well and 04 state banks have committed 3250 million rupees for the programme, which is in operation at present.

- People's Bank 1000 million rupees
- Bank of Ceylon 1000 million rupees
- National Savings Bank 1000 million rupees
- Regional Development Bank 250 million rupees

Action has been taken to issue loans to 8681 beneficiary families under this programme

The Janasevana Upahara Programme, which was commenced in the year 2011, consists of two stages.

### **Janasevana Upahara Phase 01**

Three (03) state banks have provided financial allocations of 710 million rupees for this programme. They are as follows:-

- People's Bank 200 million rupees
- Bank of Ceylon 250 million rupees
- National Savings Bank 260 million rupees

Action has been taken to issue loans to 2389 beneficiary families under this programme.

### **Janasevana Upahara Phase 02**

Six (06) state banks have provided financial allocations of 1470 million rupees for this programme. They are as follows:-

- People's Bank 300 million rupees
- Bank of Ceylon 300 million rupees
- National Savings Bank 300 million rupees
- State Mortgage and Investment Bank 220 million rupees
- Regional Development Bank 100 million rupees
- Housing Development Finance Corporation Bank 250 million rupees

Action has been taken to issue loans to 4736 beneficiary families under this programme.

In addition, side by side with the Deyata Kirula National Development Exhibition held in Anuradhapura, the National Housing Development Authority, in collaboration with the People's Bank, implemented a loan programme of 120 million rupees.

Similarly, a loan programme of 345 million rupees has been implemented under Resettlement Programme in the Northern Province with financial allocations from the National Savings Bank for 851 housing units.

**NATIONAL HOUSING DEVELOPMENT AUTHORITY**  
**Janasevana Housing Programme**  
**Progress as at End of December 2012**

	Physical (No. of Unit)		Annual Target						Achievements					Fund Received from Treasury (Rs. Min)
			Financial (Rs. Min)			Physical (No. of Unit)			Expenditure (Rs. Min)					
			Total	C.F.	I.C	Other	sevana	WC	UC	Total	C.F.	I.C	Other	
<b>Janasevana Housing Programme</b>														
<b>Rural &amp; semi urban programme</b>														
1	5,000	1000.00	600.00	78.00	322.00	1993	321	205.60	152.63	13.99	38.98		600.00	
2	16,730	2509.50	400.00	609.50	1500.00	16205	5794	1638.19	506.96	619.54	511.69		60.00	
3	12,666	3800.00			3800.00	9198	3326	2373.58			2373.58			
		25.00	25.00					10.00	10.00				10.00	
4	1,138	200.00	100.00	100.00		520	736	181.69	80.00		82.02		80.00	
5	1,000	100.00				484	56	27.17					44.34	
6	593	1701.70		1701.70		94	5	113.01			113.01			
7	76	119.00		119.00		36		21.74			21.74			
	1,000	100.00		100.00		437	306	26.08			26.08			
						500	6	93.92			93.92			
	1,000	200.00		200.00		345		58.10			58.10			
	290	145.00		145.00		550	275	74.32			74.32			
	39,493	9900.20	1125.00	687.50	7987.70	30,630	10,851	4904.15	749.59	633.53	3474.20	46.83	794.34	
<b>Sub Total</b>														
<b>Housing Related activities</b>														
<b>9.1 Sevana Binsaviya Prog</b>														
- Distribution of Land Plots														
- Ensure of property rights (Issue of Deeds)														
9.2	1,000	161.57	161.57				152							
	3,000	50.00	50.00				3119							
							1995	175.48	157.40		18.08		157.40	
	4,000	211.57	211.57				5,266	226.38	207.40		18.98		50.00	
<b>Sub Total</b>														
<b>Continuation Programme</b>														
11.1	1,206	58.30		58.30			1084	85.30		85.30				
11.2	393	16.40		16.40			372	12.05		12.05				
11.3	2,581	126.80		126.80			2450	86.13		86.13				
11.4	3,095	391.50			391.50		2968	307.26			307.26			
11.5	391	17.50			17.50		359	15.29				15.29		
11.6	32	1.50			1.50		35	0.87				0.87		
11.7	833	118.60			118.60		329	16.51			16.51			
11.8	306	6.50			6.50		295	5.16			5.16			
11.9	6,353	449.40			449.40		6007	387.41			387.41			
11.10	200	21.50			21.50		184	19.02			19.02			
	15,390	1208.00		201.50	987.50		14,083	934.99		183.47	735.36	16.15		
<b>Sub Total</b>														
<b>Nagamuru Purawara Prog. - Continuation</b>														
		170.00			170.00			143.36			143.36			
	58,883	11489.77	1336.57	889.00	9145.20	30,630	30,200	6208.86	956.99	817.00	4371.89	62.98	1001.74	
<b>GRAND TOTAL</b>														
* Included 94 Upahara families . Expenditure Rs 23.363 Min & 49 Housing Units on Wankalai Housing Project, Mannar - Expenditure 4.820 Min														

## Property Management

In the year 2012, Property Management Division functioned through the following sections and it was possible to achieve the set targets according to classification of duties during the relevant year.

1. Property Management Section
2. Housing Sales Section
3. Assessment Section
4. Documentation for preparation of deeds Section. (Obtaining approval of the Honorable Minister as per section 8/1).

### Property Management Section

The Property Management activities pertaining to all the housing schemes constructed so far by this authority have been carried out with the coordination of 25 District Offices and 3 City Offices and following duties have been performed at provincial level under the supervision of Senior Managers of this section.

01. With regard to problems relating the lands, roads, common properties, infrastructure facilities, unauthorized occupation and unauthorized ownership in the housing schemes, solutions have been provided according to circulars.
02. Disposing the properties to Local Government Institutions for common properties in those housing scheme and providing solutions in this regard. (According to Property Circulars)
03. Activities pertaining to obtaining approval of the Honorable Minister according to the section 8/1 of the Act in disposing the properties (lands, houses, common properties) belonging to the National Housing Development Authority. (Janasevana deeds granting programme 2012).
04. Implementation of circular instructions I converting leasehold basis properties belonging to the Authority (houses, shops) into freehold basis.
05. Providing solutions for the problems relating the houses in low income housing projects belonging to Colombo City North and South Offices of National Housing Development Authority.
06. Granting freehold deeds to the land beneficiaries who owned land plots below 6 perches in developed Urban Housing Schemes.
07. Recovering lease rent for the promises leased out in the Housing Secretariat Building.

□ Lease Rent for the Etisalat Antenna System ( for 03 years )	- Rs. 1,809,561.60
□ Rent for the Housing Development Finance Corporation Building (for the year 2012)	- <u>Rs.18,979,960.08</u>
Total Income for year 2012	<u>Rs.20,789,521.68</u>

### 02. Survey Section

- I. Issuing plans on requests made by District Managers of National Housing Development Authority and replying to the queries made by them regarding survey activities.
- II. Issuing certifies copies of plans to the housing beneficiaries. Accordingly in the year 2012, sum of Rs. 1,39,283.00 for issuing 171 copies of condominium plans at Rs. 575/- and at Rs. 2856/- and Rs. 1,49,788.80 for 203 ordinary plans at Rs.460/- and Rs.2284.80 and Rs.15,198.40 for 46 certified photocopies of plans at Rs. 250/-, Rs. 1142.40 and Rs.1428/- thus totaling to a sum of Rs. 304,270.20 has been earned for the National Housing Development Authority as income.

# Property Management

### 03. Assessment Section

3.1 Two Senior Managers performs the functions of the Assessment section and properties belonging to Housing Department and including 28 District Offices are assessed by them.

3.2 Accordingly, the target reached during the year 2012 are as follows.

#### I. Current Assessment

Housing properties	- 83
Government Institutions and shops	- 31
Land Plots	- 530
Condominium Properties	- 15

#### II. Assessment of nominal value

Land plots	- 57
Houses	- 01

#### III. Assessment of houses and shops

Houses and Shops	- 89
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#### IV. Assessment of lease rent

Lands	- 15
Offices	- 02
Boutique	- 01
Trade Name Boards	- 10
Vehicle Parks	- 04
Garages	- 02
Common properties	- 01

#### V. Trees in the premises where condominium office is situated Anderson Apartment Block

Jack Trees	- 04
Mahogani	- 08
Other trees	- 03
Wilow trees	- <u>02</u>
	<u>17</u>

#### VI. Duties assigned by Commissioner of Housing.

Housing Properties assigned under the Housing Property Ceiling Act	- 22
Total number of properties assessed	- <u>880</u>

### Land Acquisition and Sales Section

#### 01. The role of Land Acquisition and Sales Section

I. Activities relating to acquisition of lands required for implementation of housing objectives of National Housing Development Authority.

II. Selling Lands for housing purposes, disposing lands on lease basis for other requirements, selling adjoining lands and regularizing unauthorized occupants.

## 02. Policy matters

## 03. Targets for 2012 and programmes

- I. Completing the acquisition activities of lands for which acquisition process have not been completed.
- II. Selling the bare land plots which were identified by the land surveys to the applicants.
- III. Selling the identified adjoining land plots.
- IV. Regularizing the unauthorized occupants according to existing circulars.

## 04. Achieving targets

Activities relating to acquisition of three lands could be completed. Treasury allocation of fifty million received and, compensation and interest for private lands have been paid as part payments and action has been taken to compensate for two lands belonging to the Land Reform Commission. Advertisements have been published in newspapers for selling 541 land plots which were identified by the land survey to the applicants and action has been taken to sell to 250 land plots during that year. Out of 285 identified unauthorized occupants necessary initial activities have been completed to regularize 105 unauthorized occupants.

## 05. Obstacles against achieving targets

A sum of Rs,158,127,473.23 was due to be paid by 01.01.2012 as compensation and interest for 45 private lands and the Divisional Secretary had informed to pay within the year further sum of Rs.12,52,527.86 as compensation and interest. An amount of Rs.47,912,714.48 has been paid during the year as compensation and interest. This amount was paid as part payment for the lands for which compensation and interest have been informed so far as the annual allocation was not sufficient to pay the whole amount of compensation and interest at once.

A sum of Rs.33,601,067.21 was payable Land Reform Commission for 23 lands and a sum of Rs.2,981,911.00 being the total value for 02 lands as informed by them has been paid during the year and the land Reform Commission should have to publish gazette notification and complete the further action to acquire those lands.

## 06. Achievements during year

Number of lands acquired.

Direct	Private	Land Reform Commission	Other Institutions
01	-	-	02

## **Engineering Services and Construction**

Engineering Services and Construction Division comprising following sections contributed towards habitat development during the year 2012.

1. Engineering Section
2. Architecture Section
3. Quantity Survey Section
4. Planning Section
5. Electricity Section
6. Maintenance Section

Housing objectives and related problems of all communities were able to solve through the following programmes.

### **Restoration of Apartment Blocks (Nagamu Purawara)**

Restoration work of Maligawatte and Soysapura Housing Schemes which have been constructed more than thirty or forty years ago could not be completed during the year 2011, due to its complexity and problematic situation arising in removing illegal structures and only the first stage could be completed during the year 2012.

- Accordingly, the 1<sup>st</sup> Stage of Maligawatte Housing Scheme was completed on 25.07.2012 with an expenditure of Rs.200 M. approximately and got under the observation of His Excellency the President.

848 houses /39 buildings come under the 1<sup>st</sup> stage of Maligawatte Housing Scheme which is comprised with 1520 houses. Further, the roads of 3 k.m. has been completed and drainage system, sewerage system, sewerage pits and water tank have been restored. A special feature of this programme was to construct children's park, garden landscaping and to build Buddhists Shrines with an objective of developing spiritual morals of the people living in massive Apartment Blocks and making it a pleasant habitat. Further, the illegal structures which remained as obstacles to common amenities specially hindrance to common maintenance activities have been tactfully removed.

In the year 2012, under the stage II 692 houses at Maligawatte Housing Scheme have been restored and the drainage system is being constructed. The restoration works of the sewerage pits have been commenced.

- The older Apartment Blocks A,B,C,R,S M and N (comprising 64 houses) of Soysapura Housing Scheme have been restored with an expenditure of Rs.70 M. A large amount had to be expended for removal of illegal structures. According to requests made by the occupants, 2 Apartment Blocks C3 and B34 comprising 8 and 16 houses respectively have been reconstructed. Public places such as Community Centre, playhouse, children's park and drainage system near M,N,A,B and C buildings have been completely constructed. The construction work of the sewerage system which was inactive for a period of time was commenced with an expenditure of Rs.23 M., but the work had to be stopped on the way due to problems arising in removing illegal structures constructed near the flats D,E,F,J,K and L. However during the year 2012, 60% of work has been completed and the balance work of the sewerage system. Due to be completed after removing the illegal structures during the year 2013.

### **Improvement of basic infrastructure facilities in housing schemes**

- Jayawadanagama Pond which was reconstructed at a cost of Rs. 6 M. was handed over to the public on 16<sup>th</sup> March 2012.

## **Engineering Services and Construction**

This pond which had been a threat to the health of the people living in the housing scheme was completely cleaned and the garden around was landscaped and a walk way was constructed.

This pond is being maintained and services by the Community Associations of the Housing Scheme and it is a specially that lot of people come to the pond in the morning and in the evening for entertainment.

A sum of Rs.2.2 M. was provided to the National Water Supply and Drainage Board on 01.05.2012 for restoration of badly fallen down 03 main sewerage pits in the sewerage system at Jayawadanagama Housing Scheme and the work has now been completed.

The sewerage system that belonged to the houses which have not been connected to the Main Sewerage System has been renovated with an expenditure of Rs. 8 M.

- Community Centre of Sirimapura was restored with a cost of Rs.1.3 M. and handed over to the public on 09.07.2012. No.of families benefitted was 450

### **.Construction of Buildings for District Offices**

- Construction work of the 1<sup>st</sup> floor of Matara District Office was commenced on 22.07.2012 and the estimated expenditure was Rs.16.5 M. The progress of the construction by December 2012 was 46%.
- Kandy Secretariat  
Contract was awarded and the site was handed over.  
Project Cost Rs.16.08 M.
- Renovation work of Anuradhapura Circuit Bungalow was commenced on 24.03.2012 with a cost of Rs.6.0 M and the work has been completed.
- Further, the 1<sup>st</sup>, 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> floors at Head Office of National Housing Development Authority Building have been renovated with an expenditure of Rs.23M.

### **Emergency Repairs and Maintenance in Housing Schemes around Colombo**

National Water Supply and Drainage Board and the Colombo Municipal Council have been providing services to most of the housing schemes constructed over 10 years ago in the Colombo Municipal Council limits. The National Housing Development Authority performs the maintenance of waterpipe systems, drainage systems and sewerage pits, and pump houses irrespective of whether they are on sold or rent basis. As frequent complaints are received regarding the water supply system, the National Housing Development Authority has established a 24-hour repair and maintenance unit within itself so that direct links could be established when urgent repair and maintenance is needed. The number of urgent repairs that are carried out by this unit usually exceed 100 per month and the amount spent is approximately 1.30 million rupees. In addition, maintaining of sewerage systems and sewerage pump houses and removal of garbage are carried out through contractors. A sum of 4.2 million rupees has been spent for the purpose in the year 2011.

### **Housing Development Projects under the “Sahashra Lanka” Programme**

Sahashra Lanka Housing Programme is a methodical programme established to fulfill housing needs of middle class housing beneficiaries. These projects have been implemented with local/foreign investments under the presale basis.

Under the presale basis the final five storied building at Elvitigala Housing Scheme which were partly completed under Stage III have been completed.

The number of new houses under those three stages is 30. Construction work was commenced on 23th July 2012. Construction cost is Rs.76 M. Work was commenced on 11<sup>th</sup> December 2012 to construct partly completed 36 houses with a cost of Rs.72 M.

Construction work of Wellangolla housing Scheme in Kurunegala District was commenced on 12.01.2012. The total number of houses of this housing scheme is 23 which consists two types of two storied houses at 1900 sq.ft. and 2200 sq.ft. The construction cost was Rs.180 M. and the work is being carried out by two contractors. Through the construction of houses was completed by December 2012, infrastructure facilities should have to be provided.

Under the resettlement project Soysapura Stage I Housing Project and Sulohithapura Stage II have been commenced. Construction cost of the five storied building with 20 houses in Soysapura was Rs.45 M. The progress as at December 2012 was 30%. Under the Sulohithapura Stage II a four storied building with 16 houses have been constructed with a cost of Rs.25 M. The progress as at December 2012 was 95%.

### **Local/Foreign Investment Projects**

As funds are not available to construct houses under the District Construction System in the lands belonging to the National Housing Development Authority, series of discussions have been held at the beginning for commencement of projects with Local and Foreign Investors. For this purpose advertisements have been published in newspapers and responses have been received.

As a result of that, it was able to plan by them to commence 03 projects with foreign investors and 10 projects with local investors.

Under the foreign investment projects, Cabinet Approval could be obtained for Mihindupura project in Kirulapana. Mihindupura project is comprised with 560 houses and have the all the infrastructure facilities. Construction cost was Rs. 6.3 Billion.

It has been planned to construct 864 houses in Werellawatta and Lanka Loha Land Yakkala in Gampaha District and Apartment Blocks with 1064 houses under Mount Clifford Project in Homagama. It has been submitted for the approval of the Cabinet.

Action has been taken to obtain approved for local investment projects.

<b>Name of the Project</b>	<b>No.of Houses</b>
1. Siyane Uyana, Yakkala	12
2. Bandarawela Pathana Land	16
3. Hanthana Panathawatta, Kandy	103
4. Jaltara Stage II, Homagama	135
5. Kalugala Idama, Pallekele	21
6. Chithra Lane, Narahenpita	55
7. Kavirathana Place, Pamankada, Colombo 05	28
8. Galkaduwwawatta, Ratnapura	130
9. Hantana Worksite 3	23
10. Hantana Worksite 4	19

## Human Resource Management

### Organization Structure of the National Housing Development Authority

The staff at the Head Office is divided under Chairman /Vice Chairman/ General Manager/ Working Director and 9 Deputy General Manager Divisions. In addition, 25 District Offices, 03 Colombo City Offices and Kalmune Sub Office have been established.

Human Resource Management and Administration Division consists of the following Sections.

1. Human Resource Section
2. Administration Section
3. Disciplinary Section
4. Transport Section
5. Supplies Section
6. Training Section
7. Staff Housing Loan Section
8. Security Division

### Changes occurred in the Human Resource Section during the year 2012

1.1 Details of the staff from 01.01.2012 to 31.12.2012 are as follows

Serial No.	Service Level	Approved No.	Physical No.
01.	Senior Management	114	98
02.	Tertiary Management	157	296
03.	Secondary Management	899	1335
04.	Primary	205	458
	<b>Total</b>	1375	2187

02. The physical staff as at 31.12.2012 is classified as follows :

Serial No.	Details of the staff	Number
01	Permanent	1706
02	Retired Contract	27
03	Daily Basis	417
04	Temporary Contract (New)	37
	<b>Total</b>	2187

03. When approving the Cadre according to the Management Services Circular No.30, the number of approved cadre was 1375.

04. The approved cadre prior to this cadre was 2493. The permanent staff of 1706 and retired contract staff of 27 as given above are the employees who have been recruited before under the cadre of 2493 which was approved prior to the approval given according to the Management Services Circular No.30.

05. In approving the cadre according to the Management Services Circular No.30, Action Plan 2010 which was prepared in the year 2009 was taken as the basis. However, in parallel with the re-organization of the Ministry in the year 2010, the programmes of the National Housing Development authority was also broaden.

06. Vacancies were existed due to retirement of employees under office order 2004/09 of National Housing Development Authority and supervision of new recruitments. Therefore on the service requirement which was created under the new programmes, permanent, daily basis and temporary employees had to be recruited for those vacancies as given above.

## Human Resource Management

1.2 Recruitments have been made as at 31.12.2012 as follows.

<b>Direct recruitment</b>				Recruitment after Retirement		<b>Total</b>
Permanent		Contract	Daily Basis	Executive	Non Executive	
Executive	Non Executive					
23	84	19	361	21	29	537

1.3 Internal promotion during the period 01.01.2012 31.12.2012

Following promotions have been made uplifting the Staff Motivation Activities process of the employees.

<b>Serial No.</b>	<b>Service Level</b>	<b>Promotions</b>
01	Senior Management	26
02	Tertiary Management	176
03	Secondary	554
04	Primary	148
	<b>Total</b>	904

1.3 Retirements, No of employees who have completed contract and No.of employees who have resigned during the period from 01.01.2012 to 31.12.2012 are as follows.

<b>Serial No.</b>	<b>Service Level</b>	<b>Retirement</b>	<b>Completed Contract</b>	<b>Resigned</b>
01.	Senior Management	-	-	01
02.	Tertiary Management	13	02	06
03.	Secondary	63	06	22
04.	Primary	24	05	05
	<b>Total</b>	100	13	34

1.5 The No.of employees died while in service in the National Housing Development Authority from 2012.01.01 to 2012.12.31 is Four.

1.6 Providing Practical Training to Students at Technical Colleges and Universities.

The No.of employees recruited for Training	-	61
The No.of employees who have completed raining during the year	-	43

## Administration Division

The tasks achieved by the Administration Division in the year 2012 are as follows:-

1. Employees were paid a sum of Rs. 1000/- as bonus and Rs. 2000 as incentive for the year 2012. Medical benefits were also continued as usual.
2. The activities pertaining to the payment of distress loans, subsistence allowances, holiday pay, mileage hire payments, staff quarters allowances and rent allowances were continued as usual.

## Staff Housing Loans

01. A sum of 74.415 million rupees had been received as allocation for staff housing loans. Its breakdown was as 20.000 million rupees for the Head Office and 54.415 million rupees for the District Offices.

02. Housing loans have been approved out of these allocations as follows:

<u>Grade</u>	<u>Head Office</u>	<u>District Office</u>	<u>Total paid</u>
	Rs.	Rs.	Rs.
1 - VI	1,600,000	1,900,000	3,500,000
VII – VII A	2,815,000	200,000	3,015,000
VIII –IX	<u>1,289,500</u>	<u>3,000,000</u>	<u>4,289,500</u>
	<u>5,704,500</u>	<u>5,100,000</u>	<u>10,804,500</u>

03. Approved allocation, amount spent and the balance is given below:

<u>Office</u>	<u>Approved allocation</u>	<u>Spent amount</u>	<u>Balance</u>
	Rs.	Rs.	Rs.
Head Office	20,000,000	5,704,500	14,295,500
District Office	<u>54,415,000</u>	<u>5,100,000</u>	<u>49,315,000</u>
	<u>74,415,000</u>	<u>10,804,500</u>	<u>63,610,500</u>

Number of Head Office employees who received housing loans in 2012 - 12

Number of District Office employees who received housing loans in 2012 - 10

**Total** 22

# Disciplinary Affairs

## Disciplinary Affairs

01. The role of this section is to take action regarding disciplinary activities of NHDA. Reporting regarding serious acts of misconducts and minor acts of misconducts and action taken for the during the year 2012 are as follows.

### Serious Acts of Misconduct

Ser. No.	Description	Number
01	<b>Total number of reportings</b>	
	1.1 Reportings as at 01.01.2012	23
	1.2 Reportings within the year 2012	17
02	<b>Unconcluded formal disciplinary inquiries as at 01.01.2012</b>	
	2.1 Formal disciplinary inquiries concluded in 2012	09
	2.2 Formal disciplinary inquiries not concluded in 2012	07
03	Number of those remaining interdicted as at 01.01.2012	13
04	Number of those interdicted in 2012	08
05	<b>The disciplinary inquiries initiated in 2012</b>	
	5.1 Formal disciplinary inquiries concluded within 2012	01
	5.2 Formal disciplinary inquiries not concluded as at 31.12.2012	04
06	Number of disciplinary orders issued in 2012	12
07	Dismissals within the year 2012	03
08	Number of punishments given without formal disciplinary inquiries	-
09	Number of matters concluded based upon explanations/ being exonerated or discharged at disciplinary inquiries	04
10	Number of reinstatements within 2012	01
11	Number of matters remaining unconcluded as at 31.12.2012	28

### Minor Acts of Misconduct

Ser. No.	Description	Number
01	<b>Number of matters remaining unconcluded as at 01.01.2012</b>	
	1.1 Number of those concluded in 2012	02
	1.2 Number of those not concluded in 2012	03
02	<b>Number of commenced in the year 2012</b>	
	2.1 Number of those concluded in 2012	04
	2.2 Number of those not concluded in 2012	11
03	No of disciplinary measures that were concluded subject to punishments	04
04	Number of disciplinary matters concluded on acceptance of explanations submitted	-
05	Warnings / Severe warnings	02

## **Security Services**

### **Targets Achieved**

The Security Division of the National Housing Development Authority functioned with all the strength and using maximum of efforts to protect the movable and immovable properties, to preserve the reputation of the institution, and to ensure the discipline of its staff.

- I. Although there were no terrorist activities during the last year security services have to be continued institutionally upto now as provided earlier.
- II. The workforce of the security staff was 164 strong by January 2010 including those in District Offices and it has now fallen to 138 due to retirements on completion of the 57 years of age and the demises that had occurred. Nevertheless the Division has taken action to maintain the security services in its previous form.
- III. The security officers ensured security using various security methods at the Head Office and several places administered by the Head Office.

Following are the venues at which security officers were deployed.

- I. Government employees housing scheme in Jalthara.
- II. Large / small Pradeepa Halls in Maligawatte
- III. Pradeepa Hall in Modara / Gunasinhapura
- IV. Estate No. 117 housing scheme in Narahenpita
- V. Zoysapura Zonal Office
- VI. Land acquired from the Department of Irrigation

### **Measures taken to achieve the targets and their Outcomes**

01. Subjecting to inspection all vehicles, persons and baggage that reach the premises of the Housing Secretariat including the Head Office.
02. Conducting instruction sessions to educate security personnel on the duties and responsibilities of the Security Division, issuing necessary written instructions to all the duty points including the District Offices, and keeping the heads of Divisions and District managers informed on these instructions.
03. Preventing acts that harm the reputation of the National Housing Development Authority, investigating and reporting on any acts of fraud or acts intended to cause loss or damage, and assisting in maintaining discipline.
04. Maintaining records of arrival and departure of employees and taking steps necessary for the protection of the machines used for recording attendance.
05. Attending the meetings of the Security Committee of the institutions located within the High Security Zone conducted by the Compagne Street (Slave Island) Police Station, acting in accordance with the decisions and instructions at such meetings, and keeping the security personnel informed of them.
06. Ensuring that an economical number of security personnel are deployed with the lowest possible overtime engagement upon the decisions of the administration, taking into consideration the financial circumstances of the National Housing Development Authority.
07. Employing armed security personnel for the security of the Housing Secretariat building.
08. Repeatedly emphasizing the need for a high-power fire extinguisher piping system to face an urgent outbreak of fire and making requests for one in order to have such a system installed.
09. Engaging security personnel for the eviction of illegal settlers for which court orders have been obtained and arranging and implementing security measures to prevent the houses so possessed from being accessed. (In housing schemes in Himbutu Uyana and Soyzapura, these measures had to be adopted, treating them as special circumstances.)

## **Security Services**

## Transport Division

### Special Matters

01. Training programmes have been implemented from the year 2012 for security officers of National Housing Development Authority.
02. As it was not able to provide live firing training for years, those training programmes have been implemented from the year 2012.
03. Action has been taken by the Deputy General Manager (Human Resources Management and Administration) to participate the security officers for courses such as security officer Training and Disciplinary procedures. As such, those security officers who have followed those courses have shown their skill in all subjects securing the good name of the National Housing Development Authority.

### Transport Division

#### Target set

01. Providing Motorbikes for 134 Technical Officers.
02. Providing Double Cabs for District Managers of National Housing Development Authority.
03. Renovating the Garage of the Transport Pool.
04. Carrying out Welfare activities for the staff.
05. A sum of Rs. 10,625,000/- was estimated for fuel for the year 2012 and amount expended was Rs.9,641,981.22 . Accordingly, an amount of Rs.983,018.78 could be saved from the estimated amount for the year 2012.

#### Measures taken to achieve the targets and their Outcomes

01. At first, it had been decided to buy Motorbikes for the Technical officers through a Leasing company, but later fund from the District Consolidated Fund was utilized for this purpose. Therefore the Organization / Staff could be benefitted as follows.
  - i. Additional Tax / Interest had not to be paid.
  - ii. Through this decision taken by the Organization there were future investment as well as staff welfare.
  - iii. The Organization received a amount of money similar to the interest earned by investing of Authority in Treasury Bills at a rate of 6% per annum.
  - iv. As the insurance of vehicles and motorcycles was done through a all vehicle insurance obtained from Sri Lanka Insurance Corporation the cost of insurance could be minimized.

In purchasing Double Cabs for District Managers, a project report had to be prepared and forwarded to the Chairman. The Double Cabs brought on leasing from Bank of Ceylon and Peoples Bank highly contributed towards the activities of habitat development operations under 1 Million Houses Programme The amount borne by the Organization as insurance premium for those Double Cabs could be minimized by insuring them under all vehicle insurance.
  - v. Repairs to the vehicles have been done in the garage after renovating it. Repair works to the value of about Rs.50,000/- per day are been carried out.
  - vi. The authority has received a sum of Rs.212,395/- by providing vans on welfare basis on staff requirement.
  - vii. Although the amount spent for fuel was less than the estimated amount, the prices of fuel was increased twice during the year. By facing this situation and on the strategies adopted to control fuel, it was able to minimize the fuel expenses.
  - Viii. An amount of Rs.8,000,000 was estimated for repair, maintenance and services and, the amount spent was Rs. 4,944,833.49 which included petty cash for repairs and maintenance. It was able to bring up to this situation due to most of repairs done by external garages were being carried out by the garage of the Organization.

## Achievements during the year

- i. Cost of repairs was minimized due to repairs being carried out by the Garage of the Organization.
- ii. Action have been taken to sell the vehicles which were not in the running the condition.
- iii. Through engaging the drivers in duties on holidays according to a roster, wrong ideas in them could be removed.
- iv. A sum of Rs 2,005,385.99 was spent for term services. The term services expenses could be limited like this by adopting strategies such as using cheap filters instead of expensive filters, applying Lanka Oil and increasing the term service distance from 3000 km to 4000 km.

## Training Section

### 1. Targets Achieve

	<u>No.of</u> <u>Programme</u>	<u>No.of</u> <u>Participants</u>	
1. Internal Training Programme	10	454	} Head Office and District office staff
2. External Training Programme	33	87	
3. Foreign Training Programme	05	06	
Self-Discretionary Training Loan Programme	09	38	- do -
Study Leave	275	316	- do -

### 2. Action taken to achieve targets

- 2.1 Directing the staff for Training requirements.
- 2.2 The Staff Training Programmes have been designed to reach development targets of the Organization effectively and efficiently and achieving the targets to reach the Organizational objectives the Training Calendar for the year 2013.

### 3. Achievement during the year

- 3.1 Circuit Bungalow Training in order to increase the revenue of the Circuit Bungalows belonging to the organization by providing the staff who are dedicated to the service of the (Hospitality) through the knowledge given by training.
- 1.2 Creating an efficient staff.
- 1.3 Providing Training to the staff (North /East) in Tamil medium and creating an awakening In them.
- 1.4 Reaching the objectives of the Organization effectively with knowledge, happiness and efficiency gained through the staff participation in Seminars /Workshops/ Courses that provided for the employees from minor staff to higher management.
- 1.5 The minor staff at District offices and Head Office have become most efficient through the Workshop "Vishista Sewa Diribala Muluwa" and they have become a victorious group through making them to understand the easy methodologies in working with the brother staff.
- 1.6 The number of trained personnel for the year 2012 was increased more than prior years.

## Supply Section

Purchasing of items with the funds allocated in the Budget of the Authority for the year 2012 was made by the Supply Section.

In addition, purchasing of items with petty cash and purchasing of refreshments for monthly District Progress Review Meetings and festival occasions have been done by this section. Purchases were made through normal procedure and Tender Procedures.

## Training Section

## Legal Division

### Legal Division

Like other Divisions, the Legal Division also provides the necessary corporation to achieve the objectives of National Housing Development Authority.

- Issuing freehold deeds for lands and houses.
- Preparation of Condominium declaration required for issuing deeds for housing units in Apartment Blocks.
- Taking action regarding the complaints harmful to the common interest of the society with regard to the properties belonging to National Housing Development Authority.  
Taking legal action against persons and Institutions in necessary circumstances.  
Filing cases against unauthorized occupants of land and houses owned by National Housing Development Authority and obtaining the clear ownership.  
Preparation of contract agreements and other agreements in transactions between external parties and National Housing Development Authority.  
Providing legal advices to all district offices and all sections at head Office.
- Taking legal action against defaulters of rent and loan instalments and recovering the dues to National Housing development Authority.
- Contributing to the income of the National Housing Development Authority through executing eviction orders, notary fees and legal notices.

Various activities as such as being carried out by the Legal Division.

### Issuing of Deeds

Issuing freehold deeds to the beneficiaries of Housing Schemes who have settled the dues in full is a main function of this Division. This includes issuing of freehold deeds for Condominium properties and lands.

Annual target of issuing deeds during the year 2012 - 3000

Number of deeds prepared during the year 2012 - 3119

Here, the Legal Division was able to issue deeds exceeding the annual target.

**8.1 of the Act**  
**The Programme of Issuing of Janasevana Deeds - 2012**  
**Progress as at 31.12.2012**

	District	Annual target of Deeds	The Number of Deeds issued
1	Ampara	200	166
2	Anuradhapura	100	158
3	Badulla	50	162
4	Batticaloa	50	9
5	Colombo District	150	303
6	Colombo City (South)	200	231
7	Colombo City (North)	200	107
8	Galle	150	154
9	Gampaha	250	261
10	Hambantota	125	99
11	Jaffna	150	33
12	Katutura	100	210
13	Kandy	250	214
14	Kegalle	100	111
15	Kurunegala	170	166
16	Mannar	25	2
17	Matale	75	76
18	Matara	100	147
19	Monaragala	100	83
20	Nuwaraeliya	75	47
21	Polonnaruwa	75	109
22	Puttalam	100	53
23	Ratnapura	75	91
24	Trincomalee	30	19
25	Vavuniya	40	34
26	Soysapura	50	74
27	Kilinochchi	10	-
	<b>Total</b>	<b>3000</b>	<b>3119</b>

## Cases Handled by the Head Office

The Legal Division provides legal advice and assistance, files action on behalf of the National Housing Development Authority and represents the Authority in lawsuits against persons misusing the properties belonging to the National Housing Development Authority including default of rents, illegal constructions and illegal settling, defends the Authority in action filed against it, and prepares condominium documents.

The lawsuits handled by the Head Office are as follows in the year 2012.

<u>Court</u>	<u>No. of cases</u>
Supreme Court	09
Court of Appeal	24
High Court	08
District Court	37
Magistrate's Court	38
Labour Tribunal	05

## Planning and progress Division

### Planning and progress Division

According to the Vision of Mahinda Chinthana Development Programme the National Housing Development Authority has planned and implemented the Housing Development programme. It has been planned to reach a target of 39493 Housing Units in the year 2012. To approach this target several other Housing Development Programmes have been designed. Accordingly the work done in the year is given below.

	Target		Progress		Work done	
	Physical	Financial	Physical	Financial	Physical	Financial
Housing Development	39493	9900.20	30630	4904.15	77.5%	50%
Providing Land Plots	1000	-	152	-	15.2%	-
Issuing deeds	3000	-	3119	-	104%	-
Nagamupurawara	-	161.57	-	175.48	-	108%
Land Compensation	-	50	-	50.8	-	101%
Carry Over Programme Development Houses	15390	1208	14083	934.99	91.5%	77.4%
Nagamu Purawara (Carry Overs)	-	170.0	-	143.357	-	84.32%

### Achievements

#### Significant achievements acquired during the year as follows.

1. In the recent past of the National Housing Development Authority, it was able to add highest number of houses to the Housing Pool.
2. Highest financial investment in the history of National Housing Development Authority.
3. Being able to contribute a sum of Rs.3695 M. to the Housing Programme through state banks.
4. Increasing the investments and internal generation for housing loan.
5. The Treasury has provided 18 brand new cabs to utilize for the duties towards enhancing efficiency of the Authority higher.
6. Being able to obtain an allocation of Rs.1000 M. for the Nagamu Purawara Programme for the year 2013 through paying attention of the government.

## Recovery Section

Functions of the Recovery Section for the period January to July 2012 were carried out under the Planning and Progress Division and from July 2012 this section has been functioning as a separate section under the Finance Division. Recovery Programme is being supervised by a member of Board of Directors. District Office staff and Recovery agents have been educated about the Recovery Programme.

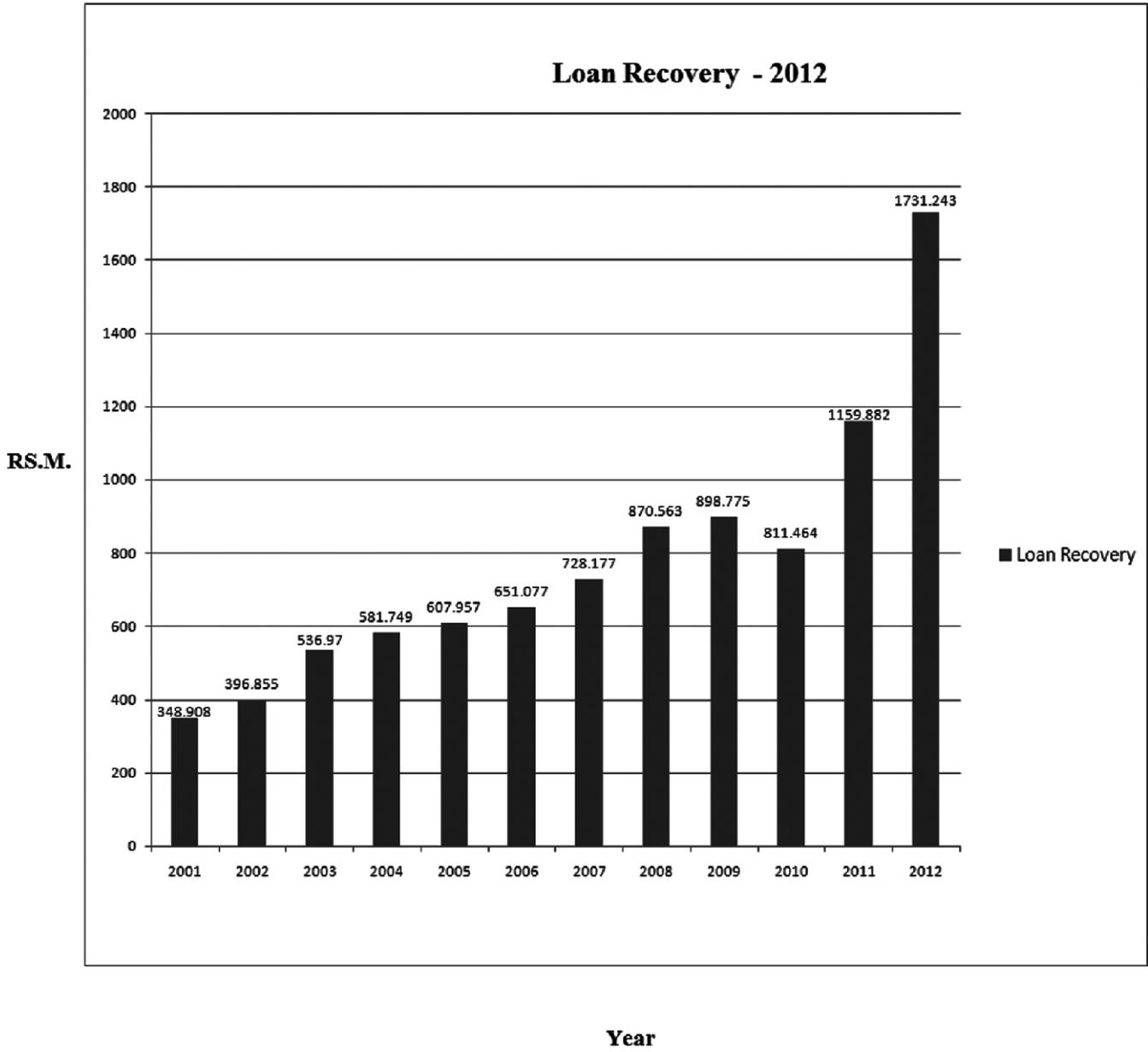
The target of recovery from January to December 2012 was Rs. 1787 M. and due to an additional target of Rs. 1000 M. given in the month of July, the total recovery target was increased upto Rs.2787M. That was 95% of the debtors at the end of the year 2011. Through this target, loan recovery of Rs.1731.243 M. could be fulfilled. The total recoveries with rent during the year 2012 was Rs. 1958.172 M. District Offices have been informed to analyses loans during the year 2012 and there by detail of loan beneficiaries who have died or abundant the areas, disables, bed ridden for long time and natural disasters (Tsunami) could be collected. For this purpose instructions and specific formats have been introduced.

## Review of Operating Results

### Performance of Rural Housing Loan Recovery - 2012

Rs. M.

Ser. No.	District	Amount		%
		Budget	Recovery	
1	Mulativu	7.217	17.408	241
2	Kilinochchi	8.750	19.654	225
3	Vavuniya	45.134	46.792	104
4	Trincomalee	39.045	40.018	102
5	Jaffna	58.888	58.538	99
6	Kurunegala	109.006	99.417	91
7	Kegalle	119.01	107.605	90
8	Anuradhapura	100.513	79.448	79
9	Matale	64.116	50.442	79
10	Kalutara	125.275	93.417	75
11	Mannar	21.398	15.248	71
12	Puttlam	111.186	76.429	69
13	Batticaloa	83.275	57.197	69
14	Matara	138.176	93.301	68
15	Ratnapura	70.819	46.260	65
16	Galle	144.685	92.660	64
17	Badulla	145.162	89.335	62
18	Polonnaruwa	64.838	39.373	61
19	Ampara	109.959	65.81	60
20	Colombo District	227.853	125.848	55
21	Nuwaraeliya	133.959	71.717	54
22	Kandy	247.676	122.467	49
23	Hambantota	116.648	49.656	43
24	Monaragala	196.307	74.799	38
25	Colombo City (South)	15.599	5.813	37
26	Gampaha	263.087	88.605	34
27	Colombo City (North)	17.066	3.986	23
	<b>Grand Total</b>	<b>2784.647</b>	<b>1731.243</b>	<b>62</b>



**Urban Houses Shops / Instalments & Rent Recovery  
Performance - 2012**

Ser. No.	District	Amount		%	Rs in M.Arrears as at 31.12.2012
		Budget	Recovered		
1.	Head Office	20.409	16.817	82	4.385
2.	Colombo City (North) Maligawatte	36.250	21.962	60	41.917
3.	Colombo City (South) Manning Town	31.400	42.016	133.8	27.389
4.	Gampaha	30.800	26.955	87	27.683
5.	Kandy	6.220	7.598	122	6.989
6.	Matara	5.000	1.775	35	14.211
7.	Colombo District	26.950	20.597	76	30.763
8.	Kalmunai /Ampara Commercial Buildings <sup>o</sup>	2.575	1.133	44	1.707
	<b>Total</b>	<b>159.604</b>	<b>138.853</b>		<b>155.044</b>

**Information and Publicity Division**

The Information and Publicity Division implemented various print and electronic media programmes to fulfill the communication needs of house owners who participate in housing programmes of the National Housing Development Authority in the year 2012 .

Information and Publicity Division functions with the following units:

- Information and Publicity Unit
- Sevana Media Service
- Printing Unit

**Information and Publicity Unit**

The Information and Publicity Unit implemented the following programmes in the year 2012:

- Media coverage pertaining to the Janasevana Housing and Settlement Development Operation that is implemented by the National Housing Development Authority and informing the public through print and electronic media.
- Providing the following services and facilities necessary for all the ceremonial functions in respect of the construction work of projects in 25 Districts pertaining to the Janasevana National Housing and Settlement Development Operation launched by the Authority:
  - i. Planning the publicity and ceremonial functions
  - ii. All pre-printing artworks
  - iii. Name boards, billboards, backstage superstructure pandals, banners, flags, buntings, flagstaffs and posts

- iv. Stages, public shelters, public address systems, multimedia projectors and screens and curtains
  - v. Newspaper advertisements and posters
  - vi. Invitation cards, entitlement grant papers, title certificates, deed covers
  - vii. Souvenirs and memorial plaques
- Conducting the World Habitat Day 2012 at the Ground of Colombo Municipal Council on 01.10.2012 and performing the following under it:
    - i. Organizing an islandwide painting and drawing, essay and poster competition for school children
    - ii. Conducting painting and drawing exhibitions of school children in Art Gallery.
    - iii. Designing the awards and certificates for the winners of the painting and drawing, essay and poster competition.
    - iv. Organizing the main function of the World Habitat Day
    - v. Designing and decorating the main stage, stage backdrop, and entrance pandal for the function
  - Participation in exhibitions at national level including “Deyata Kirula 2012” and carrying out propagating activities required for them.
  - After fulfilling all the above activities this division was able to save a sum of Rs. 11.872 M. from the amount allocated for information and advertising for the year 2012.

#### **Sevana Media Unit**

- In the year 2012, the Sevana Media Unit published various newspaper advertisements of the Ministry of Construction, Engineering Services, Housing and Common Amenities, the National Housing Development Authority, the National Water Supply and Drainage Board, the Sri Lanka Land Reclamation and Development Corporation, the Institute of Construction Training and Development, the Building Department, and the National Institute of Machinery.
- The annual estimated profit of the Sevana Media Unit for the year 2012 was 3.0 million rupees. The income up to December 2012 was 12.47 million rupees and the profit was 1.68 million rupees.
- All the earnings of the Sevana Media Service are deposited in a separate account titled “Chairman of the National Housing Development Authority” and these funds are used for housing development programmes of the National Housing Development Authority.

#### **Sevana Media Service**

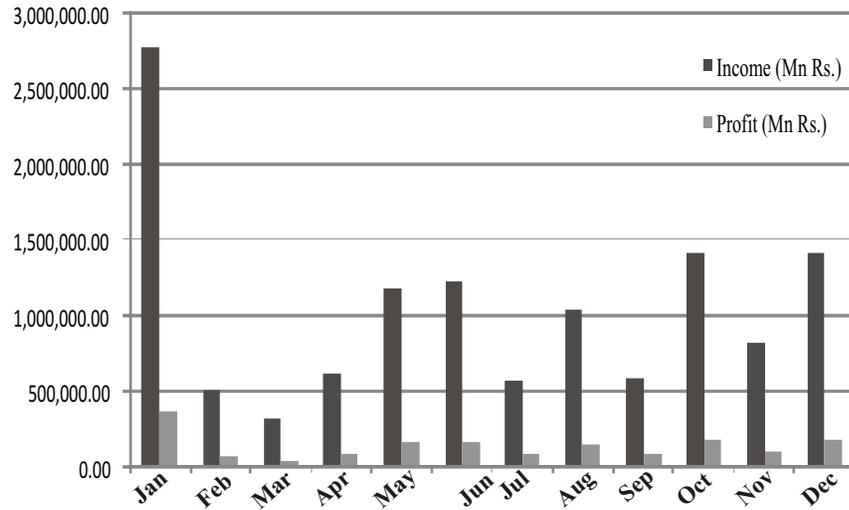
##### **Newspaper Advertisements**

Incomes and Profits from January to December of 2012

<b>Month</b>	<b>Income (Rs.)</b>	<b>Profit (Rs.)</b>
January	2,780,057.53	377,910.42
February	509,646.60	68,485.50
March	316,064.00	42,330.00
April	624,383.20	83,562.75
May	1,175,918.29	158,437.92
June	1,224,630.32	165,414.00
July	573,171.60	77,130.00
August	1,040,291.52	140,161.50
September	580,417.60	77,172.00
October	1,420,860.82	189,418.50
November	824,436.40	110,715.00
December	1,406,100.64	189,393.00
<b>Total</b>	<b>12,475,978.52</b>	<b>1,680,130.59</b>

Targeted Income for the year 2012 3.0 million rupees

### Incomes and Profits from January to December of 2012



### Printing Unit

- The Printing Unit, which is a grant from the Japanese Government, was established in the model village Piyagama in Balapitiya in 1987. It was brought to the Maligawatte Housing Scheme in the year 1994.
- The Printing Unit was then moved to the Head Office of the National Housing Development Authority in June 2002 and was established under the Information and Publicity Division.
- Currently all the printing work of the National Housing Development Authority is carried out by this Printing Unit. However, the Printing Unit does not have enough capacity to fulfill all the printing needs.

## **Information Technology Division**

In keeping with the E-Government concept, which aims at providing an effective and efficient service to the general public by linking the functions of state agencies using information technology, the National Housing Development Authority is also engaged in the process of linking most of its functions with information technology. It is the Information Technology Division of our Authority that provides all the technical and theoretical knowledge necessary for the purpose.

Already facilities have been provided for efficiently conducting the functions of the Head Office and District Offices by introducing the communication systems such as e-mail and the Internet service to these offices after supplying them with computers and accessories. Information technology has built a very good connection among the Head Office and the 25 District Offices so that the management can obtain the necessary information and data and they can be kept posted of the decisions taken by the top management. The National Housing Development Authority has already achieved successful results through this.

In addition, the Information Technology Division operates the following services:

### **01. Developing and Updating the Web Page of the National Housing Development Authority**

The Website of the National Housing Development Authority is a strong medium operated by the Computer Division providing a good awareness on the vision and activities of the Authority to its employees, Sri Lankan population and all people in the world who have an interest in housing development.

It can be stated with great pleasure that the Computer Division, through the website operated by it, takes the necessary steps to provide important information on the Head Office, District Offices and sub-offices, information on housing programmes and services operated by the National Housing Development Authority, information on housing loan programmes, information on citizens who are eligible to receive housing aid, information on the housing schemes that are under construction, information on the houses available for sale, and important news on the National Housing Development Authority in Sinhalese and English languages and update such information systematically.

Within the next year, the services offered to people by this website will be expanded and it is also expected to present information in Tamil medium.

### **02. Maintenance of Computers and Hardware**

Computer networking at the Head Office of the Authority and the District Offices is 80% complete. The National Housing Development Authority has in its possession about 250 computers, 100 printers and about 150 UPS's in use at present. The Information Technology Division corrects the defects in the computers, printers, UPS's and other accessories which are past their guarantee periods and network defects and coordinates with the organizations concerned pertaining to the maintenance of computers that are within their guarantee periods.

In addition, this Division performs the maintenance of the operational system and other software of the computers and provides facilities necessary for protecting computers and their data from computer viruses. The services of the Information Technology Division has enabled the minimizing of the huge expenditure that the Authority could have had to bear if these services were to be obtained from external organizations.

## **Information Technology Division**

### **03. Design and Maintenance of Computer Programmes**

Computer programmes have been designed for the smooth operation of the distress loans programme and the overtime payment programme of the Head Office, entering data on the requests from the public pertaining to the Chairman's Office, and short-term loans issued to employees without interest, and a computer programme has been designed for the land operation programme implemented for the proper functioning of the management of immovable properties of the Authority and thereby designing computer programmes to enable the whole Authority to enter data on houses and properties and gain access to accurate information on them.

Facilities have been provided to enter all the details of the applicants to computers and quickly do the necessary selections through the computer programme commissioned in a manner that enables the entry of all data so that details on pre-sale housing schemes belonging to the Sales Division could be obtained.

This programme has been designed to enable the designing of the computer programme pertaining to the publishing of advertisements by the Sevana Media Division and maintain its cash receipts by linking it with Accounts Division.

The Information Technology Division obtains all the data necessary for the District Progress Review Meeting from the District Offices and prepares progress reports using the relevant data, guides the officers engaged in information technology services in various Divisions for the purpose, and performs the coordination work necessary for it.

### **04. Housing Loans Computer Programme**

This programme performs the entering of information on housing loans provided since 1984 by District Offices in all Districts including those in the North and East and the Upahara loans given to public servants and also updates information regularly.

As such, information on all debtors, providing of loans, and recoveries of loans have been computerized. It is the Computer Division that does the conservation of data on these activities.

As this Division performs the setting of specifications and procurement activities necessary for the purchasing of computers and computer accessories needed for the Head Office and District Offices, the purchasing of computers and accessories belonging to the National Housing Development Authority is done with some quality control.

### **05. Establishment of the Call Centre**

A call centre with modern facilities has been introduced to recover loans from the debtors under the Upahara Loan Programme with all the facilities necessary for connecting with debtors over the telephone and provide the necessary information and do the follow-up while action has also been taken to provide the necessary technical support for it.

### **06. Introduction of a New Computer Programme for Loans**

The initial work necessary for designing a new computer programme for granting and recovering loans, which had long been felt essential, has been completed and this new computer programme is expected to be launched fully in the year 2013.

As per the above, the Information Technology Division always tries to follow the e-government system and provide an efficient service to the general public using information technology for all the services in the National Housing Development Authority. It is with great pleasure that we announce that a move is underway to implement programmes with a view to providing a better service using information and communication technology more in the near future.

## **Oceanview Development Private Limited**

### **Introduction**

The Urban Development Authority and the National Housing Development Authority have established this company as a joint venture to manage the tower building in Bambalapitiya and to engage in property development activities, as per the Cabinet Decision No. 94/340/006 dated 17.02.1994.

As such, Oceanview Private Limited was inaugurated on 1<sup>st</sup> January 1996.

The company has endeavored to fulfill the need for housing, bringing about a noticeable change in the housing market by now with the trust and responsibility as a state owned company that gives strength to the National policy of Janasevana one million houses and with the efficiency of a private firm.

## **Oceanview Development Private Limited**

### **Vision**

Making its contribution as a government-affiliated property development company within the property development market in Sri Lanka.

### **Mission**

Supporting the domestic property development market by providing single housing units as well as condominium housing properties with comprehensive facilities at competitive prices based on the needs of buyers.

### **Objectives**

Property development  
Property management  
Construction and maintenance affairs  
Leasing of properties  
Sale of lands and properties

### **Board of Directors of Oceanview Development Private Limited**

Mr. Jagath Perera	Chairman / Managing Director
Mr. Prashantha Dias	Director
Dr. Achala Upendra Jayathilake	Director
Mr. Sirinimal Perera	Director
Mr. Athula de Silva	Director

Secretary to the Board of Directors Account Systems Private Limited

### **Staff of the Oceanview Development Private Limited**

The staff in the year 2012 was as follows :-

Executive staff	08
Non-executive staff	16
Staff of the Maintenance Division	<u>22</u>
	<u>46</u>

## **Progress Review under the New Management**

- **Dream House Housing Project**

This project was mainly implemented for fulfillment of housing needs of Sri Lankans in abroad as well as for the local consumer. The company has come forward to bear the responsibilities from designing the houses and completion of the construction and fulfilling the facilities for obtaining

The officers of this institution design the houses according to the need of the clients and to suit the purse of various clients while providing the facilities necessary for the obtaining of bank loans.

- **Kahathuduwa Housing Project**

Out of 38 houses of this project the works of 11 houses have been completed for the year 2012 and about Rs.40 M. out of Rs.65 M. estimated for the year 2012 has been expended.

- **Janasevana Benefactor Housing Project**

Under this Housing project which has been implemented under the theme of house to all of the low income families. By the year 2012 the Company has contributed for this great hospitality by constructing 05 houses in Kaduwela Pradeshiya Sabha area in Colombo District and 05 houses in Moratuwa, Piliyandala, Mirihana, Polonnaruwa and Polpitiyagama. The amount expended for this period was Rs. 15 M.

- **Green Nest Project Mattegoda**

This housing project has been commenced for the fulfillment of middle class housing needs and the proposed number of houses was 23. (09 single story houses and 14 two story Housing Units). The amount to be expended was Rs. 200 M. It was expected to complete the work of 04 Housing Units by the end of this year. This project will be fully completed by December 2015.

## **Plans Ahead 2013**

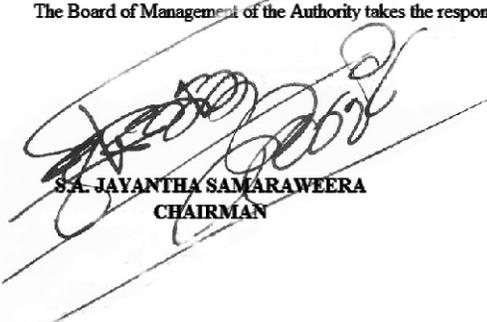
- **Reconstruction activities of the Tower Building**

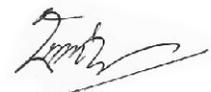
- Internal decoration of Housing Units.
- Renovations to offices in 'P' floor.
- Renovations to front varanda.
- The areas of internal decoration was proposed to lease out for a Restaurant.
- Completing the construction of 15 houses in Kahathuduwa Housing Project.
- Selling of fully completed 04 Housing Units at Mattegoda Housing Project.

**NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY**  
**BALANCE SHEET AS AT 31 ST DECEMBER 2012**

	NOTES	2012 NHDA	2012 CONSOLIDATED	2011 CONSOLIDATED
		Rs. cts.	Rs. cts.	Rs. cts.
<b>[A] ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
<b>I FIXED ASSETS</b>				
Land & Building	(02)	591,086,885.10	591,086,885.10	769,341,947.71
Motor Vehicles	(03)	118,936,446.91	137,713,764.91	26,232,713.78
Furniture and Fittings	(03)	14,801,511.18	33,062,940.18	40,757,951.71
Equipment	(03)	26,222,731.10	37,000,893.10	23,732,741.55
Investment Property			1,847,000,000.00	
		751,047,574.29	2,645,864,483.29	860,065,354.75
<b>II DEVELOPMENT ASSETS</b>				
Lands Acquired		311,616,159.27	311,616,159.27	314,288,631.41
Housing Loan Programmes	(04-13)	8,223,615,898.37	8,223,615,898.37	4,734,808,015.71
Loan Programme NHD		1,554,885.05	1,554,885.05	1,554,885.05
Rent Purchase Housing Schemes - NHDA		267,288,345.39	267,288,345.39	288,880,409.58
Sale of Houses Instalment Basis		1,028,106,690.28	1,028,106,690.28	1,142,351,314.74
Sale of Land Instalment Basis		8,664,544.80	8,664,544.80	10,177,268.60
Rent Purchase Housing Schemes - NHD		86,955.00	86,955.00	93,687.00
Staff Housing Loan		171,826,632.29	171,826,632.29	185,087,437.00
		10,012,760,110.45	10,012,760,110.45	6,677,241,649.09
<b>III INVESTMENTS - Long Term</b>	(14- 1)	455,653,703.34	377,132,133.34	105,415,417.13
<b>CURRENT ASSETS</b>				
Direct Construction Programme	(15)	154,109,438.52	222,447,689.52	102,548,224.55
Stock	(16)	86,147,289.50	168,528,246.50	211,190,063.43
Advances to Contractors		131,479,244.54	131,479,244.54	85,177,522.50
Interest Receivables	(17)	1,589,047.56	1,589,047.56	12,685,072.93
Debtors	(18)	2,274,996,930.17	2,320,294,457.17	2,987,528,297.11
Deposits & Advances	(19)	527,113,624.34	527,113,624.34	568,126,768.20
Investments - Short Term	(14-11)	86,640,579.44	86,640,579.44	963,477,290.06
Cash & Bank Balances	(20)	126,666,322.73	133,702,530.73	145,763,629.56
		3,388,742,476.80	3,591,795,419.80	5,122,655,988.87
<b>TOTAL ASSETS</b>		<b>14,608,203,864.88</b>	<b>16,627,552,146.88</b>	<b>12,765,378,409.84</b>
<b>[B] EQUITY &amp; LIABILITIES</b>				
Authorised Capital		50,000,000.00	50,000,000.00	50,000,000.00
Initial Capital		40,000,000.00	40,000,000.00	40,000,000.00
Capital Reserves - Foreign Grant		131,682,601.02	131,682,601.02	131,682,601.02
- Domestic Grants	(21)	17,241,346,343.26	17,241,346,343.26	16,316,798,901.76
		17,413,028,944.28	17,413,028,944.28	16,488,481,502.78
Add / (Less)-Income/Expenditure Carried Forward		(11,369,832,631.66)	(10,329,999,147.66)	(10,965,978,227.25)
		6,043,196,312.62	7,083,029,796.62	5,522,503,275.53
Minority Interest		-	890,004,470.00	169,699,009.47
<b>NON CURRENT LIABILITIES</b>				
Gratuity Fund		13,568,131.44	13,568,131.44	8,841,829.59
Loans	(22)	3,970,991,458.67	3,970,991,458.67	2,533,338,105.80
		10,027,755,902.73	11,957,593,856.73	8,234,382,220.39
<b>CURRENT LIABILITIES</b>				
Creditors	(23)	1,384,974,937.19	1,471,528,497.19	1,457,280,470.66
Current Liabilities for Loans	(24)	1,223,726,867.56	1,223,726,867.56	1,176,883,587.35
Deposits	(25)	1,474,591,401.56	1,474,591,401.56	1,413,070,731.68
Provisions	(26)	497,154,755.84	500,111,523.84	483,761,399.76
		4,580,447,962.15	4,669,958,290.15	4,530,996,189.45
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>14,608,203,864.88</b>	<b>16,627,552,146.88</b>	<b>12,765,378,409.84</b>

The Board of Management of the Authority takes the responsibility for the Preparation and presentation of these Financial Statements.

  
S.A. JAYANTHA SAMARAWERA  
CHAIRMAN

  
A.W. DAYANANDA  
VICE CHAIRMAN

  
E.A.D.S. EDIRISINGHE  
DY GENERAL MANAGER (FINANCE)

**NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY**  
**INCOME & EXPENDITURE ACCOUNT FOR THE 31 ST DECEMBER 2012**

		2012		2011	
[A] INCOME	NOTES	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Profit/(Loss) on Sale of Houses		1,333,127.58		5,661,305.06	
Profit/(Loss) on Sale of Land		170,728,499.82		23,777,315.66	
Rent Income	[27]	51,042,511.55		59,679,790.76	
Interest Income	[28]	846,251,159.18		487,749,030.48	
Income From Hiring of Vehicles		695,626.11		875,630.69	
Income From Hiring of Plant & Machinery		672,451.88		901,247.88	
Fines & Surcharges		17,333,781.07		16,456,261.03	
Profit on Sale of Vehicles		42,906.90		4,866,340.50	
Over Provision of Bad and Doubtful debts				33,371,750.53	
Sevana Media Income		-		5,261,192.69	
Indirect Operation Income	[29]	114,074,393.38		63,062,939.84	
Non-Refundable Deposits	[30]	165,250.00		<u>597,557.00</u>	
Grant - Revamping of Condominiums		<u>228,669,752.01</u>		<u>84,026,418.70</u>	
			1,431,009,459.48		786,286,780.82
<b>[B] INDIRECT DEVELOPMENT EXPENSES</b>					
Board Expenses		380,000.00		278,000.00	
Personnel Emoluments	[31]	836,198,772.30		782,550,636.61	
Travelling Expenses	[32]	28,868,438.75		19,258,749.82	
Supplies	[33]	72,306,839.64		63,181,067.83	
Maintenance Expenditure	[34]	311,429,082.02		159,271,989.02	
Contractual Services	[35]	74,456,508.86		65,771,831.48	
Finance Expenses	[36]	349,014,992.61		165,194,449.42	
Indirect Operational Expenses	[37]	19,367,371.51		7,945,681.77	
Depreciation on Fixed Assets		41,518,198.86		41,127,526.58	
Sevana Media Income Over Expenses		<u>874,715.40</u>			
			1,734,414,919.95		1,304,579,932.53
<b>[C] Excess Income / (Expenditure) for the year [A - B]</b>			<b>(303,405,460.47)</b>		<b>(518,293,151.71)</b>
<b>[D] Profit / Loss of the NEMO</b>		-	-		(7,128,067.00)
<b>[E] Adjustment - NEMO</b>		-	-		689,365,454.00
<b>[F] Net Income / (Expenditure) - Brought Forward</b>			(11,066,427,171.19)		(11,230,371,406.48)
<b>[G] Net Income / (Expenditure) - Carried Forward</b>			<u>(11,369,832,631.66)</u>		<u>(11,066,427,171.19)</u>

## ACCOUNTING POLICIES

### NOTE [01]

#### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2012.

##### 1. FUNDAMENTAL ACCOUNTING ASSUMPTIONS

- 1.11 **The Accounts:** The financial Statements are prepared in conformity with generally accepted accounting principles.
- 1.12 **Post Balance Sheet Events:** All material events occurring after the Balance Sheet date have been considered and where necessary adjustments have been made in the Financial Statements.
- 1.13 **Going Concern Concept:** The financial Statements have been prepared on the basis of going concern which contemplates that the Authority will be able to realise its assets and discharge the liabilities in the normal course of business.

##### 2. ASSETS AND THEIR BASIS FOR VALUATION:

- 2.1 **Property, Plant and Equipments:** The fixed assets are stated at cost less accumulated depreciation. And These are stated at cost of purchase together with any attributable cost of bringing the assets to the working conditions for its intended use.

###### 2.2.1 DEPRECIATION

- 2.2.1 Depreciation is provided on fixed assets from the date of purchase upto the date of disposal.
- 2.2.2 Provision for depreciation is made on cost in the following percentages, (Since depreciation is charged on an annual basis, half yearly accounts are shown excluding depreciation.)

	<b>N.H.D.A</b>
2.2.2.1 Land & Building	2.5 % on Cost
2.2.2.2 Furniture, fittings & Semi Permanent structures	20 % on Cost
2.2.2.3 Equipment & Machinery	20 % on Cost
2.2.2.4 Motor vehicles Head Office & Other District Offices for vehicles which have been fully depreciated, Rs.1000 has been Fixed as residual value	20 % on Cost

##### 3. STOCK

- 3.1 The closing stock is based on physical verification and while the valuation is done in FIFO method by NHDA
- 3.2 Loss or damage is accounted on the actual cost or replacement value which is higher.
- 3.3 The value of completed houses have been transferred to stock at historical cost or net realizable value which ever is lowest.

##### 4. LIABILITIES AND PROVISIONS:

- 4.1 Liabilities classified as Current Liabilities in the Balance Sheet are those which fall due for payment on demand or within one year from the Balance Sheet date.

## ACCOUNTING POLICIES

## 5. CONTINGENCY LIABILITIES

As per SLAS 10 the following Liabilities are disclosed.

- 5.1 69 Nos. Court cases are pending against the NHDA and compensation has been estimated as Rs. 64.133 M.

10% provision has been made on pending court cases.

## 6. INCOME STATEMENTS:

### a. RENT

Rent derived from rental schemes are treated as recurrent revenue. According to the SLAS 18, these assets are depreciated. Policy decision has been taken to sell rental houses.

### 6.2 PROVISION OF BAD AND DOUBTFUL DEBTS

The following provisions have been made in the accounts

- 6.3 Provision is made on a percentage basis relating to the age analysis of the housing loan debt.

Age analysis of the debtors			Percentage
0	24	Months	10 %
24	36	Months	20 %
36	48	Months	30 %
48	60	Months	50 %
Over	60	Months	100 %

- 6.4 Provision for bad and doubtful debts are made on the following debtors without considering the age of the loan.

Sale of houses on installment basis	10 %
Urban/Rural rent	10 %
Debtors for Land	10 %
Sundry Debtors (without Bay Sat & CGR Project)	10%

Amount from Bay-Sat is collected after signing the agreement.

Amount from Maligawatta CGR Project is set off against the land compensation.

Due to this reason provision was not made for this purpose.

### 6.5 INTEREST PAYMENT

Interest payment on delayed land compensation is treated as capital expenditure.

### 6.6 APPORTIONING OF OVERHEADS

Direct overhead expenditure incurred on account of presale, relocation and coastline projects of the Urban Housing Construction Programme is apportioned to the projects from the year 1997 on the basis of the actual expenditure.

- 6.7 **Revenue Expenditures:** All expenditures incurred in running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year.

- 6.8 **Capital Expenditure:** Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature has been treated as capital expenditure.

## **7. TAXATION**

The Tax has been calculated in accordance with the Inland Revenue Act at the Rates specified in the Act.

The Authority is liable to Income Tax on its profit after adjusting for disallowable and Capital allowances.

## **8. SALE OF HOUSES**

For accounting purposes, a house is treated as sold on the date of receiving the money if the house is sold on outright basis. If the house is sold on rental basis, the date of entering into the agreement is treated as the date of sale.

### **8.1 DETERMINATION OF SALE PRICE OF THE HOUSES AND ACCOUNTING**

**8.1.1** The sale price of housing unit should be determined to cover at least the cost of the house

**8.1.2** When determining the cost of a house, land cost, construction cost, overhead expenditure. Which is a suitable percentage of construction cost and profit which is a sufficient percentage of the above total cost should be considered.

**8.1.3** In accordance with the Govt. housing policies or for special reasons, when a houses has to be sold for a lesser value than the cost, action should be taken to recover the loss from the Treasury .

## **9. SALE OF HOUSES ON RENT PURCHASE BASIS**

The value of houses given out on rent purchase basis is reflected in the accounts as development assets and the installments received are adjusted against the value of the development assets.

## **10. LANDS ACQUIRED FOR HOUSING PURPOSES**

**10.1.1** At the time of payment of compensation for the lands acquired for housing purposes, value of compensation and initial cost of acquisition are indicated in the accounts. In instances where compensation is not paid, the estimated market value and initial cost are considered and shown in the accounts.

**10.1.2** With regard to the lands for which acquisitions are not completed as at the end of the financial year, the cost of acquisition is shown separately from the value of the lands.

**10.1.3** From 2012 onwards the estimated market value of the lands referred to in Paragraph 10.1.1 above is transferred to a Reserve Fund created for land acquisition.

### **10.2 DETERMINING THE SALE PRICE OF LANDS AND KEEPING ACCOUNTS**

**10.2.1** Irrespective of the price / compensation paid on the acquisition / purchase of lands, sale price should be determined by considering estimated market value prevailing at the time as cost price of the land.

**10.2.2** In instances where the prices are determined on concessionary basis based on decisions of Government policy, the loss to be reimbursed by the Treasury. If the loss cannot be recovered from the Treasury then it should be settled from the Reserve Fund created for land acquisition.

### 10.3 SALE OF HOUSES / LANDS ON INSTALLMENT BASIS

- 10.3.1 When the houses / lands are sold on basis of a long term loan, the date of agreement should be considered as the date of sale of land / house and account accordingly.
- 10.3.2 In the following the procedure given at 10.3.1 above, the amount of value shown in the accounts should be transferred from the Assets Account to sale of houses / lands account.

### 11. VALUATION OF WORK IN PROGRESS

In any accounting year, the value of bills settled or remaining to be settled at the end of the year in respect of construction project should be treated "as work in progress " As such, except for the value transferred from construction project to the housing Stock Account, the balance value should be treated as work in progress at the end of the accounting year.

### 12. CAPITAL GRANTS

The capital grant expenditure should be charged to the relevant development activity / project Account and in the case of expenditure on common facilities or infrastructure facilities such amount will be written off by charging the Capital Grant Account and in other instances treated as assets.

### 13. GENERAL

#### 13.1 NATIONAL HOUSING DEPARTMENT

Functions of National Housing Department were transferred to NHDA (commencing from the year 1990), as per a decision of the Cabinet of Ministers, dated 13<sup>th</sup> September 1989.

#### 13.2 VEHICLES LOST

Following vehicles were lost during the past years in the North, East and other provinces :

No.of Item	Description	Purchase Price Rs.
08	Motor Cycles	400,000.00
03	Motor Cycles	140,000.00
01	Pick up	800,000.00
<u>01</u>	Car	<u>600,000.00</u>
<u>13</u>		<u>1940,000.00</u>

Adjustment could not be done in the accounts due to the non availability of relevant documents.

#### 13.3 GROUP ACCOUNTS - OVDC LTD

In accordance with SLAS 26, the accounts of the OVDC Ltd, as at 31<sup>st</sup> December 2012 have been consolidated with that of the NHDA, as NHDA is the major share holder.

The financial year of OVDC Ltd being from 1<sup>st</sup> April to 31<sup>st</sup> March has been changed for the period from 1<sup>st</sup> January to 31<sup>st</sup> December since the year 2013. The audited financial statements as at 31<sup>st</sup> December of the OVDC Ltd has been amalgamated with the NHDA final accounts.

#### 13.4 ASSOCIATE COMPANY REEL

Rs. 5M has been invested in Real Estate Exchange (Pvt.) Ltd. In the year 1999. The percentage of investment is 35.71%. The NHDA has not yet received dividend for the shares in Real Estate Exchange (Pvt.) Ltd.

The Cabinet has taken a decision to arbitrate the Real Estate Exchange (Pvt) Ltd.

**NOTE [02] - LAND & BUILDINGS**

Description	COST				DEPRECIATION					Written Down Date As At 31.12.2012		
	Balance as at 01.01.2012		Additions During the year	Adjustment	Disposals During the year	Balance as at 31.12.2012		Charges for the year	Accumulated on Disposed Items		Adjustment	Balance as at 31.12.2012
	Land	Building				Land	Building					
Parsons Road		50,434,491.63				50,434,491.63	39,012,116.47	1,260,862.29			40,272,978.76	10,161,512.87
Kandy Secretariat		8,509,312.85				8,509,312.85	6,752,361.88	212,732.82			6,965,094.70	1,544,218.15
Kandy Circuit Bung.		3,031,169.52				3,031,169.52	2,294,488.44	75,779.24			2,370,267.67	660,901.85
Kahmanai Circuit Bungalow		4,554,220.42				4,554,220.42	3,185,829.75	113,855.51			3,299,685.26	1,254,535.16
District Office Polonnaruwa		419,737.99				419,737.99	218,948.93	10,493.45			229,442.38	190,295.61
District Office Monaragala		4,785.00				4,785.00	3,469.40	119.63			3,589.03	1,195.98
Katragama Circuit Bungalow		221,602.61				221,602.61	140,638.39	5,540.07			146,178.46	75,424.15
Anuradhapura District Office		830,724.80				830,724.80	560,739.11	20,768.12			581,507.23	249,217.37
Gampaha District Office		6,307,579.67				6,307,579.67	1,086,243.88	157,689.49			1,243,933.38	5,063,646.29
Kilinochchi District Office		1,381,010.66				1,381,010.66	241,676.86	34,525.27			276,202.13	1,104,808.53
Ratnapura District Office		274,189.92				274,189.92	47,983.24	6,854.75			54,837.98	219,351.94
Ratnapura Seduisala house		92,785.50				92,785.50	9,278.56	2,319.64			111,598.19	81,187.31
Other Buildings		614,295.90				614,295.90	225,050.01	15,357.40			240,407.40	373,888.50
Buildings Taken Over from Director of Build.		22,743,500.00				22,743,500.00	12,494,124.50	568,387.50			13,062,712.00	9,680,788.00
Matara District Office		7,831,027.23				7,831,027.23	1,313,907.07	195,775.68			1,509,682.75	6,321,344.48
Baticuloa District office		-	9,014,301.09			9,014,301.09	-	-			-	9,014,301.09
Trincunalee Office		168,773.54				168,773.54	71,728.76	4,219.34			75,948.10	92,825.44
Vavuniya Circuit		5,095,202.38				5,095,202.38	193,514.16	127,380.06			320,894.22	4,774,308.16
NHD Office Buildings		3,742,246.85				3,742,246.85	2,058,234.89	93,556.17			2,151,791.06	1,590,455.79
Hantana Circuit Bungalow	2,520.00	1,109,930.00				1,109,930.00	610,650.71	27,748.25			638,398.96	474,051.04
Ampara District Office		366,148.50				366,148.50	137,305.68	9,153.71			146,459.39	219,689.11
Circuit Bungalow Baswakkulama		240,000.00				240,000.00	78,000.00	6,000.00			84,000.00	156,000.00
Office Bigg Badulla		1,222,000.00				1,222,000.00	397,150.00	30,550.00			427,700.00	794,300.00
Jaussayi Centre - Kandy		2,465,734.09				2,465,734.09	801,363.67	61,643.35			863,007.03	1,602,727.06
Hambantota D/O		2,040,350.74				2,040,350.74	620,288.56	51,008.77			671,297.33	1,369,053.41
Rental Scheme 5000 Houses Programme		172,612,505.61				172,612,505.61	67,258,694.54	4,315,312.64			71,574,007.18	101,038,498.43
Rental Urban Scheme 100 thousand Prog.	55,317,190.10	837,824,186.87				837,824,186.87	504,117,013.49	20,945,604.67			525,062,618.16	368,078,758.81
Rental Schemes NHD		13,861,809.74				13,861,809.74	7,537,998.85	346,545.24			7,884,544.09	5,977,265.65
Coastline Rental Houses		61,185,579.02				61,185,579.02	20,520,732.47	1,529,639.48			22,050,371.95	39,135,207.07
Recreation center Valtara H/P		9,465,234.88				9,465,234.88	946,523.49	236,630.87			1,183,154.36	8,282,080.52
Kegalle District Office		12,437,889.47				12,437,889.47	621,895.10	310,947.24			932,842.33	11,505,047.14
<b>TOTAL</b>	<b>55,319,710.10</b>	<b>1,231,088,025.39</b>	<b>9,014,301.09</b>	<b>-</b>	<b>-</b>	<b>1,240,102,326.48</b>	<b>673,557,950.85</b>	<b>30,777,200.63</b>	<b>-</b>	<b>-</b>	<b>704,335,151.48</b>	<b>591,086,885.10</b>

**NOTE 03] - MOTOR VEHICLES, FITTINGS AND EQUIPMENT**

NAME OF THE FIXED ASSET	COST				DEPRECIATION				Written down Value as at 31.12.2012	
	Balance as at 01.01.2012	Additions During the year	Disposals/Adjustment During the year	Balance as at 31.12.2012	Provision as at 01.01.2012	Charges for the year	Accumulated on Disposed Items/Adjustment	Balance as at 31.12.2012		
<b>01 MOTOR VEHICLES</b>										
1. NHDA	180,667,728.54	128,943,580.00	300,000.00	309,311,308.54	179,175,334.10	11,493,527.53	294,000.00	190,374,861.63	118,936,446.91	
<b>TOTAL</b>	180,667,728.54	128,943,580.00	300,000.00	309,311,308.54	179,175,334.10	11,493,527.53	294,000.00	190,374,861.63	118,936,446.91	
<b>02 FURNITURE, FITTINGS &amp; SEMI-PERMANENT STRUCTURES</b>										
2. NHDA	36,593,415.54	6,152,854.80	-	42,746,270.34	25,670,015.67	2,274,743.49	-	27,944,759.16	14,801,511.18	
<b>TOTAL</b>	36,593,415.54	6,152,854.80	-	42,746,270.34	25,670,015.67	2,274,743.49	-	27,944,759.16	14,801,511.18	
<b>03 EQUIPMENT</b>										
3. NHDA	116,456,664.19	11,826,256.76	-	128,282,920.95	95,031,459.08	7,028,730.77	-	102,060,189.85	26,222,731.10	
<b>TOTAL</b>	116,456,664.19	11,826,256.76	-	128,282,920.95	95,031,459.08	7,028,730.77	-	102,060,189.85	26,222,731.10	

NOTE [04] - LOANS UNDER ONE MILLION HOUSING PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	68,398,472.46	-	-	-	-
Colombo City (South)	9,299,410.99	-	-	-	-
Colombo District	95,175,604.29	-	-	-	-
Gampaha	106,663,304.47	-	-	-	-
Kalutara	90,390,550.35	5,176.35	-	5,176.35	-
Kandy	103,901,237.18	-	-	-	-
Matale	65,779,630.45	-	-	-	-
Nuwara-Eliya	49,737,467.53	-	-	-	-
Galle	84,230,288.68	-	-	-	-
Matara	109,863,684.80	-	-	-	-
Hambantota	75,122,124.73	-	-	-	-
Jaffna	32,954,399.04	-	-	-	-
Mannar	9,795,015.25	-	-	-	-
Mankulam	7,285,389.27	-	-	-	-
Batticaloa	37,495,673.40	-	-	-	-
Ampara	45,589,368.50	-	-	-	-
Tricomalee	27,488,459.00	-	-	-	-
Kurunegala	155,878,639.33	-	-	-	-
Puttalam	135,814,785.91	-	-	-	-
Anuradhapura	74,464,110.15	-	-	-	-
Polonnaruwa	64,709,543.41	-	-	-	-
Badulla	154,727,466.02	8,841,444.27	-	-	8,841,444.27
Monaragala	93,395,875.47	-	-	-	-
Ratnapura	76,358,901.53	-	-	-	-
Kegalle	9,164,107.35	-	-	-	-
Kilinochchi	6,875,956.85	-	-	-	-
Vavuniya	6,747,500.00	-	-	-	-
<b>TOTAL</b>	<b>1,797,306,966.41</b>	<b>8,846,620.62</b>	<b>0.00</b>	<b>5,176.35</b>	<b>8,841,444.27</b>

NOTE [05] - LOANS UNDER 1.5 MILLION HOUSING PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	35,026,841.07	-	-	-	-
Colombo City (South)	14,726,829.23	-	-	-	-
Colombo District	25,632,720.35	-	-	-	-
Gampaha	30,666,163.80	-	-	-	-
Kabatar	22,839,394.81	-	-	-	-
Kandy	59,515,113.95	-	-	-	-
Matale	8,579,332.36	-	-	-	-
Nuwara-Eliya	34,752,609.98	-	-	-	-
Galle	37,304,352.95	144,313.74	-	144,313.74	-
Matara	99,716,771.53	-	-	-	-
Hambantota	53,545,729.33	-	-	-	-
Jaffna	29,148,681.75	-	-	-	-
Mannar	16,672,374.32	-	-	-	-
Mankulam	1,636,494.00	614,688.15	-	-	614,688.15
Batticaloa	52,464,250.00	-	-	-	-
Ampara	47,869,914.50	-	-	-	-
Trincomalee	32,865,329.78	-	-	-	-
Kurunegala	48,946,250.00	-	-	-	-
Puttalam	33,078,871.03	-	-	-	-
Anuradhapura	15,403,185.75	-	-	-	-
Polonnaruwa	17,459,832.25	-	-	-	-
Badulla	27,864,115.76	-	-	-	-
Monaragala	152,609,562.14	7,086,662.39	-	-	7,086,662.39
Ratnapura	21,190,512.69	-	-	-	-
Kegalle	40,727,372.25	321,008.15	-	159,569.58	161,438.57
Kiinochchi	3,618,192.70	10,480.45	-	10,480.45	-
Vavuniya	13,064,435.15	-	-	-	-
Kalmuni	8,055,565.16	-	-	-	-
<b>TOTAL</b>	<b>984,980,798.59</b>	<b>8,177,152.88</b>	<b>0.00</b>	<b>314,363.77</b>	<b>7,862,789.11</b>

**NOTE [06] - LOANS UNDER NEW HOUSING FINANCE SYSTEM**

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	11,007,564.27	115,488.83	-	28,497.41	86,991.42
Colombo City (South)	3,285,537.22	162,873.11	-	36,429.64	126,443.47
Colombo District	23,899,549.13	71,701.01	-	3,762.11	67,938.90
Gampaha	152,333,711.35	4,320,944.54	-	89,832.03	4,231,112.51
Kahtara	42,031,777.73	-	-	-	-
Kandy	19,351,236.72	-	-	-	-
Matale	12,162,875.24	6,804.24	-	835.13	5,969.11
Nuwara-Eliya	13,497,658.02	-	-	-	-
Galle	12,636,532.50	603,023.40	-	603,023.40	-
Matara	11,365,330.48	-	-	-	-
Hambantota	13,763,515.75	6,979.31	-	6,979.31	-
Jaffna	2,064,946.66	104,047.29	-	2,587.48	101,459.81
Mannar	186,000.40	-	-	-	-
Mankulam	1,725,238.96	77,233.04	-	-	77,233.04
Batticaloa	3,651,404.20	-	-	-	-
Anpara	16,327,070.50	-	-	-	-
Trincomalee	3,606,093.00	-	-	-	-
Kurunegala	38,355,529.34	21,712.58	-	6,000.15	15,712.43
Puttalam	15,741,909.46	-	-	-	-
Anuradhapura	79,074,576.43	-	-	-	-
Polonnaruwa	5,503,036.69	-	-	-	-
Badulla	14,152,734.47	-	-	-	-
Monaragala	15,733,867.96	874,478.04	-	874,478.04	-
Ratnapura	16,590,658.12	-	-	-	-
Kegalle	21,104,202.71	-	-	-	-
Kilinochchi	1,708,030.33	15,262.65	-	15,262.65	-
Vavuniya	2,175,313.26	-	-	-	-
Kalmune	171,028.42	-	-	-	-
<b>TOTAL</b>	<b>553,206,929.32</b>	<b>6,380,548.04</b>	<b>0.00</b>	<b>1,667,687.35</b>	<b>4,712,860.69</b>

NOTE [07] - 95 HOUSING LOAN PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	16,140,911.30	1,639,629.85	-	311,890.39	1,327,739.46
Colombo City (South)	7,339,908.25	1,881,806.70	-	445,308.51	1,436,498.19
Colombo District	285,214,669.62	63,321,843.75	-	9,537,192.97	53,784,650.78
Gampaha	291,025,193.19	9,207,290.90	114,897.99	3,393,035.80	5,929,153.09
Kahtara	273,617,034.45	75,402,879.09	-	8,412,478.24	66,990,400.85
Kandy	497,433,049.82	132,166,340.69	-	15,532,813.25	116,633,527.44
Matale	157,796,063.88	52,105,649.21	875,171.10	24,510,351.16	28,470,469.15
Nuwara-Eliya	229,078,332.63	81,660,169.19	-	1,916,612.39	79,743,556.80
Galle	174,976,771.84	37,177,887.06	14,117,811.22	21,362,112.62	29,933,585.66
Matara	258,852,481.16	42,222,720.06	-	5,443,235.81	36,779,484.25
Hambantota	149,881,248.30	26,824,136.15	-	5,630,631.61	21,193,504.54
Jaffna	195,052,364.78	40,514,459.69	-	8,872,404.29	31,642,055.40
Mannar	41,429,663.29	7,751,641.78	-	3,351,876.08	4,399,765.70
Mankulam	8,810,688.75	6,938,587.89	-	-	6,938,587.89
Batticaloa	146,954,735.56	23,061,336.41	-	6,405,060.96	16,656,275.45
Ampara	96,095,420.84	6,098,224.58	-	4,010,728.93	2,087,495.65
Trincomalee	84,478,107.86	20,972,056.30	-	4,576,075.85	16,395,980.45
Kurunegala	401,973,700.93	44,135,162.56	-	14,093,085.55	30,042,077.01
Puttalam	229,425,312.42	67,611,589.24	-	9,826,003.14	57,785,586.10
Amurachapura	202,210,176.39	15,792,195.16	-	8,033,086.32	7,759,108.84
Polonnaruwa	225,519,894.03	17,808,086.73	-	4,401,757.30	13,406,329.43
Badulla	284,361,777.42	181,880,115.95	3,037,516.30	5,449,842.96	179,467,789.29
Monaragala	146,768,822.72	69,779,468.03	342,750.00	10,088,087.57	60,034,130.46
Ratnapura	165,812,468.77	10,748,242.79	-	3,456,110.56	7,292,132.23
Kegalle	339,178,146.72	49,974,396.48	-	11,539,428.85	38,434,967.63
Kilinochchi	18,356,684.20	11,053,725.86	-	2,110,306.47	8,943,419.39
Vavuniya	109,341,773.83	29,399,439.07	-	9,186,905.45	20,212,533.62
Kahtuna	73,201,699.60	26,870,132.55	-	6,606,484.08	20,263,648.47
<b>TOTAL</b>	<b>5,110,327,102.55</b>	<b>1,153,999,213.72</b>	<b>18,488,146.61</b>	<b>208,502,907.11</b>	<b>963,984,453.22</b>

**NOTE [08] - FISHERIES HOUSING LOAN PROGRAMME**

Rs.

DISTRICTS	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City Office	-	-	-	-
Colombo District	-	-	-	-
Matara	118,741.46	-	33,069.84	85,671.62
Hambantota	143,940.85	-	129,843.65	14,097.20
Puttalam	-	-	-	-
<b>TOTAL</b>	<b>262,682.31</b>	<b>-</b>	<b>162,913.49</b>	<b>99,768.82</b>

NOTE [09] - LOANS UNDER DIRIPIYASA PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	8,509,351.03	2,175,601.75	-	576,875.02	1,598,726.73
Colombo City (South)	200,000.00	65,695.66	-	25,424.00	40,271.66
Gampaha	3,845,000.00	756,952.37	-	534,677.16	222,275.21
Kahtara	185,136.50	50,527.18	-	17,356.50	33,170.68
Kandy	3,442,000.00	902,317.00	-	318,200.85	584,116.15
Matale	5,287,000.00	350,693.67	-	135,131.52	215,562.15
Nuwara-Eliya	2,875,000.00	662,952.23	-	62,334.65	600,617.58
Galle	10,154,000.00	3,159,653.88	-	802,986.90	2,356,666.98
Matara	2,200,000.00	392,406.75	-	195,262.17	197,144.58
Hambantota	5,382,000.00	946,879.99	-	527,301.80	419,578.19
Jaffna	5,050,000.00	599,713.73	-	366,935.68	232,778.05
Mannar	4,350,000.00	228,794.00	-	148,403.00	80,391.00
Mankulam	4,005,500.00	2,109,360.92	-	-	2,109,360.92
Batticaloa	5,030,000.00	864,814.24	-	496,011.23	368,803.01
Ampara	2,060,000.00	388,267.86	-	300,385.19	87,882.67
Tricomalee	6,283,000.00	2,190,572.06	-	701,177.80	1,489,394.26
Kurunegala	2,390,000.00	134,665.24	-	3,812.73	130,852.51
Puttalam	4,025,000.00	619,861.35	-	185,032.13	434,829.22
Anuradhapura	8,551,750.00	1,394,579.13	-	612,492.91	782,086.22
Polonnaruwa	3,520,000.00	36,778.41	-	25,078.00	11,700.41
Badulla	5,915,000.00	603,828.38	264,772.07	386,489.32	482,111.13
Monaragala	4,713,000.00	1,574,061.00	-	256,896.96	1,317,164.04
Ratnapura	3,520,000.00	474,366.53	-	190,779.09	283,587.44
Kegalle	8,139,000.00	1,787,538.64	-	778,990.06	1,008,548.58
Kilinochchi	5,221,708.81	2,932,837.82	-	2,834,456.37	98,381.45
Vavuniya	4,741,151.07	1,676,384.10	-	822,646.21	853,737.89
Kalmune	3,444,144.40	875,996.97	-	77,495.28	798,501.69
<b>TOTAL</b>	<b>123,038,741.81</b>	<b>27,956,100.86</b>	<b>264,772.07</b>	<b>11,382,632.53</b>	<b>16,838,240.40</b>

NOTE [10] - GAMANAGUMA LOAN PROGRAMME - 2007

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	61,655,500.00	39,440,629.05	15,000.00	7,923,602.98	31,532,026.07
Gampaha	139,458,209.66	109,627,745.52	90,674,950.00	28,101,083.51	172,201,612.01
Kahtara	73,525,000.00	64,729,221.73	740,000.00	6,321,448.28	59,147,773.45
Kandy	89,359,075.00	58,639,001.98	-	12,275,018.98	46,363,983.00
Matale	36,771,500.00	35,813,606.46	-	9,707,764.10	26,105,842.36
Nuwara-Eliya	44,245,000.00	38,893,726.54	-	1,430,002.25	37,463,724.29
Galle	31,605,000.00	24,750,603.61	20,000.00	2,487,029.25	22,283,574.36
Matara	48,220,000.00	29,634,219.39	-	3,437,641.12	26,196,578.27
Hambantota	52,029,000.00	34,845,497.18	-	7,736,933.69	27,108,563.49
Jaffna	14,245,000.00	18,601,152.61	-	4,723,122.84	13,878,029.77
Batticaloa	60,195,000.00	32,782,562.87	-	11,380,060.74	21,402,502.13
Ampara	54,623,000.00	29,301,251.43	-	8,702,936.52	20,598,314.91
Trincomalee	46,643,520.00	26,439,188.70	-	4,074,843.03	22,364,345.67
Kurunegala	138,131,975.70	82,149,807.75	-	23,675,130.01	58,474,677.74
Puttalam	118,329,778.87	83,470,285.60	-	13,709,768.29	70,900,517.31
Anuradhapura	138,316,850.00	104,591,549.42	1,140,000.00	15,078,495.99	89,513,053.43
Polonnaruwa	51,752,805.00	28,000,336.63	-	6,474,353.01	21,525,983.62
Badulla	38,577,250.00	44,891,295.61	-	7,804,781.25	37,086,514.36
Monaragala	122,404,232.50	97,177,301.61	2,165,875.00	10,848,887.51	88,494,289.10
Ratnapura	48,877,180.00	26,616,672.12	-	8,610,353.73	18,006,318.39
Kegalle	84,977,250.00	48,712,198.35	-	11,496,197.58	37,216,000.77
Kilinochchi	5,097,658.00	4,886,013.00	-	2,379,325.98	2,506,687.02
Kahtune	65,633,000.00	38,989,456.77	1,500,939.37	8,784,600.00	31,705,796.14
<b>TOTAL</b>	<b>1,564,672,784.73</b>	<b>1,102,983,323.93</b>	<b>96,256,764.37</b>	<b>217,163,380.64</b>	<b>982,076,707.66</b>

NOTE [11] - JANASEVANA LOAN PROGRAMME - (IG & TR.)9%(KATUMATI)

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	2,068,710.00	2,027,925.50	4,855,000.00	353,353.26	6,529,572.24
Colombo City (South)	1,033,000.00	979,321.68	2,347,000.00	286,810.33	3,039,511.35
Colombo District	154,258,200.00	148,202,164.47	237,956,710.60	26,057,530.00	360,101,345.07
Gampaha	-	-	765,000.00	-	765,000.00
Kalutara	66,664,000.00	64,729,551.24	127,093,200.00	25,391,248.77	166,431,502.47
Kandy	86,328,000.00	82,764,243.02	143,833,500.00	16,553,795.95	210,043,947.07
Matale	38,127,600.00	36,939,861.26	46,950,000.00	3,127,413.97	80,762,447.29
Nuwara-Eliya	45,036,000.00	43,658,047.90	62,071,625.00	7,468,076.15	98,261,596.75
Galle	24,755,703.66	24,755,703.66	78,008,607.50	9,869,633.99	92,894,677.17
Matara	42,945,000.00	41,351,392.59	94,652,327.20	9,296,080.01	126,707,639.78
Hambantota	57,243,000.00	55,005,238.13	50,347,000.00	8,368,144.62	96,984,093.51
Jaffna	34,425,000.00	31,655,261.38	45,380,000.00	8,773,982.88	68,261,278.50
Mannar	15,385,482.80	15,385,482.80	24,089,545.33	5,653,321.43	33,821,706.70
Mankulam	2,400,000.00	2,283,332.00	57,870,000.00	6,403,596.64	53,749,735.36
Batticaloa	35,040,000.00	32,393,476.00	61,230,000.00	14,454,775.01	79,168,700.99
Ampara	25,808,000.00	24,282,970.59	60,400,000.00	4,144,414.17	80,538,556.42
Trincomalee	21,640,000.00	20,714,148.58	40,305,000.00	5,504,346.09	55,514,802.49
Kurunegala	39,160,000.00	37,367,880.64	87,207,500.00	12,995,500.86	111,579,879.78
Puttalam	49,396,000.00	47,758,620.45	94,271,298.80	24,583,400.70	117,446,518.55
Anuradhapura	86,363,500.00	83,207,318.30	106,540,000.00	11,990,518.02	177,756,800.28
Polonnaruwa	30,544,000.00	29,398,275.58	74,608,000.00	5,310,194.39	98,696,081.19
Badulla	39,261,000.00	37,390,988.75	124,425,845.93	12,500,717.21	149,316,117.47
Monaragala	15,610,000.00	15,256,507.69	65,808,485.00	7,509,605.39	73,555,387.30
Ratnapura	28,591,000.00	26,683,319.95	53,064,500.00	7,945,102.40	71,802,717.55
Kegalle	65,400,500.00	62,712,536.10	105,573,000.00	13,024,272.18	155,261,263.92
Kilinochchi	23,761,135.00	22,798,302.00	54,217,362.68	11,310,795.47	65,704,869.21
Vavuniya	28,940,000.00	27,803,482.21	42,915,000.00	5,875,526.07	64,842,956.14
Kalmune	15,560,000.00	15,273,639.24	30,465,000.00	1,963,500.00	43,775,139.24
<b>TOTAL</b>	<b>1,075,744,831.46</b>	<b>1,032,778,991.71</b>	<b>1,977,250,508.04</b>	<b>266,715,655.96</b>	<b>2,743,313,843.79</b>

NOTE [12] - JANASEVANA LOAN PROGRAMME - 2011-I - (PEOPLES BANK/BANK OF CEYLON)

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	19,186,000.00	18,436,298.78	31,739,000.00	2,990,614.92	47,184,683.86
Gampaha	71,423,515.65	67,896,142.69	4,541,000.00	6,533,313.61	65,903,829.08
Kalutara	62,075,000.00	59,186,429.50	3,040,500.00	6,555,264.75	55,671,664.75
Kandy	26,382,000.00	24,800,754.58	875,000.00	2,134,854.72	23,540,899.86
Marale	15,725,000.00	15,018,223.00	140,000.00	2,062,530.77	13,095,692.23
Nuwara-Eliya	10,415,000.00	9,905,494.36	140,000.00	1,017,657.82	9,027,836.54
Galle	32,694,464.92	32,694,464.92	1,170,000.00	2,719,003.94	31,145,460.98
Matara	10,635,000.00	10,136,809.28	605,000.00	819,122.74	9,922,686.54
Hambantota	4,895,000.00	4,754,189.35	360,000.00	306,288.45	4,807,900.90
Jaffna	35,680,000.00	33,018,711.60	39,720,000.00	5,656,211.33	67,082,500.27
Mannar	1,200,000.00	1,151,077.34	-	70,865.91	1,080,211.43
Mankulam	16,690,000.00	15,539,431.50	10,600,000.00	3,231,595.16	22,907,836.34
Batticaloa	22,680,000.00	20,608,149.40	-	2,403,830.40	18,204,319.00
Ampara	33,855,000.00	31,896,664.83	1,340,000.00	3,020,418.58	30,216,246.25
Trincomalee	42,139,877.34	39,347,557.36	7,300,000.00	5,029,861.36	41,617,696.00
Kurunegala	19,260,000.00	18,290,674.18	295,000.00	1,466,190.77	17,119,483.41
Puttalam	25,475,000.00	24,546,576.61	30,956,671.59	20,965,738.28	34,537,509.92
Polonnaruwa	15,620,000.00	14,870,695.35	545,000.00	1,131,940.35	14,283,755.00
Bachila	39,847,500.00	39,179,737.30	340,000.00	4,913,330.35	34,606,406.95
Monaragala	106,725,450.00	99,283,936.96	6,701,000.00	7,726,775.32	98,258,161.64
Ratnapura	11,197,500.00	10,646,824.69	230,000.00	884,377.77	9,992,446.92
Kegalle	27,590,000.00	26,161,148.24	1,045,000.00	2,408,091.92	24,798,056.32
Kilinochchi	11,579,898.75	10,954,589.75	240,000.00	627,498.00	10,567,091.00
Vavuniya	9,850,000.00	9,392,260.92	145,050,000.00	53,398,339.58	101,043,921.34
Kalmunc	-	-	-	-	-
<b>TOTAL</b>	<b>672,821,206.66</b>	<b>637,716,841.74</b>	<b>287,838,171.59</b>	<b>138,073,716.80</b>	<b>787,481,296.53</b>

NOTE [13] - JANASEVANA UPAHARA LOAN PROGRAMME - 2011-II-10%

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2012	BALANCE AS AT 01.01.2012	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2012
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	475,000.00	15,715.00	459,285.00
Colombo District	70,186,200.00	68,295,726.85	286,187,000.00	14,598,118.65	339,884,608.20
Gampaha	45,739,648.00	44,995,661.98	136,239,000.00	9,275,384.21	171,959,277.77
Katutura	63,106,000.00	46,737,750.09	190,219,500.00	15,031,691.00	221,925,559.09
Kandy	71,135,000.00	69,460,798.14	118,420,000.00	10,833,268.97	177,047,529.17
Matale	27,142,500.00	26,624,945.03	72,322,000.00	4,968,615.96	93,978,329.07
Nuwara-Eliya	25,025,000.00	24,860,725.63	73,415,000.00	4,866,976.17	93,408,749.46
Galle	97,722,781.15	97,722,781.15	170,460,975.00	13,758,836.34	254,424,919.81
Matara	20,505,000.00	19,876,302.27	149,385,000.00	5,657,174.38	163,604,127.89
Hambantota	9,917,500.00	9,733,850.00	7,315,000.00	2,295,684.25	14,753,165.75
Jaffna	40,950,000.00	39,753,467.65	54,550,000.00	7,636,821.90	86,666,645.75
Mannar	2,240,000.00	2,203,276.72	27,196,006.70	-	29,399,283.42
Mankulam	5,920,000.00	5,764,490.00	29,405,328.00	4,989,644.00	30,180,174.00
Batticaloa	23,765,000.00	23,174,529.50	58,950,000.00	4,174,965.50	77,949,564.00
Ampara	31,165,000.00	30,350,928.29	11,390,000.00	3,556,510.36	38,184,417.93
Trincomalee	2,970,000.00	2,856,631.85	56,635,000.00	3,489,136.93	56,002,494.92
Kurunegala	8,705,000.00	8,487,747.92	123,942,500.00	5,165,673.75	127,264,574.17
Puttalam	15,255,000.00	14,636,051.07	51,222,397.92	16,691,751.41	49,166,697.58
Anuradhapura	6,875,000.00	6,801,249.25	64,285,000.00	16,116,143.95	54,970,105.30
Polonnaruwa	14,085,000.00	13,737,913.79	49,380,000.00	3,385,546.35	59,732,367.44
Badulla	62,804,300.00	60,545,148.68	36,755,000.00	7,426,437.06	89,873,711.62
Monaragala	21,560,000.00	21,059,077.70	86,530,000.00	6,998,730.57	100,590,347.13
Ratnapura	42,232,500.00	41,297,079.89	23,515,500.00	4,819,021.86	59,993,558.03
Kegalle	37,597,500.00	36,667,616.95	166,588,500.00	10,667,772.43	192,588,344.52
Kilinochchi	18,604,272.25	18,185,824.24	45,000,000.00	5,473,991.79	57,711,832.21
Vavuniya	22,310,000.00	21,876,965.50	48,440,000.00	3,632,140.85	66,684,824.65
<b>TOTAL</b>	<b>787,518,201.40</b>	<b>755,706,539.90</b>	<b>2,138,223,707.62</b>	<b>185,525,753.64</b>	<b>2,708,404,493.88</b>

**NOTE [14] INVESTMENTS**

<b>LONG TERM</b>	<b>2012</b>		<b>2011</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Hou. Deve. Fin. Corp. Bank - Shares (Note 14-1)		330,133,334.00		53,633,334.00
Ocean View Development Co. Ltd. - Shares		120,000,000.00		120,000,000.00
- Contribution to Shares		520,369.34		520,369.34
Reel Co. Ltd		5,000,000.00		5,000,000.00
Hou. Deve. Fin. Corp. Bank - Loans (Note 14-2)		-		1,528,577.01
		<u>455,653,703.34</u>		<u>180,682,280.35</u>
<b>SHORT TERM</b>				
Surplus Trust Fund - C/B		-		92,033,633.04
Treasury Bills - P/B & B/C	73,072,448.00			859,030,325.23
- HDFC Invest Bonds	13,568,131.44	86,640,579.44	12,413,331.79	963,477,290.06
		<u>542,294,282.78</u>		<u>1,144,159,570.41</u>

**Note 14 - 1 Investment on Shares (Housing Dev. Fin. Corp.Bank)**

	<b>No of Shares</b>	<b>Nominal Value</b>	<b>Cost</b>
Opening Balance	4,530,000	45,300,000.00	53,633,334.00
Bonus	27,650,000	276,500,000.00	276,500,000.00
	<u>32,180,000</u>	<u>321,800,000.00</u>	<u>330,133,334.00</u>

**Note 14-2 H.D.F.C. BANK LOAN**

	<b>Loan Amount</b>	<b>Opening Balance</b>	<b>Due for the Year</b>	<b>Closing Balance</b>
Loan No. 5 Sevana A/C	22,600,000.00	1,528,577.01	1,528,577.01	-
	<u>22,600,000.00</u>	<u>1,528,577.01</u>	<u>1,528,577.01</u>	<u>-</u>

**NOTE [15] DIRECT CONSTRUCTION PROGRAMME**

	2012		2011	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2012				
Working Progress - NHDA - Office Building		16,526,691.13		5,733,818.08
Working Progress - NHDA - Housing Scheme		86,021,533.42		106,253,665.96
		<u>102,548,224.55</u>		<u>111,987,484.04</u>
<b><u>ADDITION DURING THE YEAR</u></b>				
<b><u>PRE-CONSTRUCTION COST</u></b>				
Settlement of Contractors Bills - NHDA	<u>80,759,729.37</u>	80,759,729.37	<u>18,820,362.04</u>	18,820,362.04
LESS : Value of the Completed Houses - NHDA		29,198,515.40		28,259,621.53
		<u>154,109,438.52</u>		<u>102,548,224.55</u>
<b><u>Balance as at 31 ST December 2012</u></b>				
Working Progress - NHDA - Office Building	14,944,527.49		16,526,691.13	
Working Progress - NHDA - Housing Scheme	139,164,911.03		86,021,533.42	
		<u>154,109,438.52</u>		<u>102,548,224.55</u>

**NOTE [16] STOCK OF BUILDING MATERIALS , STATIONERY & HOUSES FOR SALES**

	2012		2011	
	Rs.	Rs.	Rs.	Rs.
Stationery & Office Requisites	4,852,526.59		3,351,323.21	
Electrical Goods & Other Items	220,575.31		200,182.63	
Printing Press Materials	202,559.67		188,240.33	
Stock of tyre tube	787,733.11		884,870.23	
Other - Stock	872,230.08		709,499.96	
	<u>6,935,624.76</u>	6,935,624.76	<u>5,334,116.36</u>	5,334,116.36
Balance Houses	28,831,892.83		49,589,901.04	
Reserve Houses	<u>50,379,771.91</u>	79,211,664.74	<u>13,706,149.63</u>	63,296,050.67
		<u>86,147,289.50</u>		<u>68,630,167.03</u>

**NOTE [17] INTEREST RECEIVABLE**

	2012 Rs.	2011 Rs.
Treasury Bills	1,511,476.41	4,756,929.57
Bank and Others	16,428.09	16,428.09
HDFC Bank	61,143.06	7,911,715.27
	<u>1,589,047.56</u>	<u>12,685,072.93</u>

**NOTE [18] DEBTORS**

	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Rural & Urban Housing Rental	226,258,889.92		257,207,876.24	
LESS Provision for Bad Debts	<u>22,635,888.99</u>	203,623,000.93	<u>25,720,787.63</u>	231,487,088.61
National Housing Dept.House Rent	29,553,541.12		11,791,626.05	
LESS Provision for Bad Debts	<u>2,955,354.11</u>	26,598,187.01	<u>1,179,162.60</u>	10,612,463.45
Loan Instalments - 1 & 1.5 MHP	788,877,949.49		875,873,832.87	
Loan Instalments Under NHFS	247,104,491.22		263,163,206.43	
Loan Programme	1,044,222,627.69		1,161,156,876.15	
Fisheries Loan Programme	25,128,933.11		27,967,258.94	
Loan Instalments Under Diripiyasa Loan	12,274,143.31		16,012,913.22	
Gamanaguna loan programme	117,461,564.73		97,606,103.00	
Loan Instalments - Janasevana (Treasury & IG Loan )/9%	133,070,566.27		23,378,326.65	
Loan Instalments - Janasevana ( Banks ) I 12%	10,232,761.52		9,411,990.22	
Loan Instalments - Janasevana 11 10%	33,935,721.28		5,016,796.80	
LESS Provision for Bad Debts	<u>1,887,234,481.16</u>	525,074,277.46	<u>1,935,511,332.40</u>	544,075,971.88
Loan Instalments - NHD	39,043,120.61		39,445,344.66	
LESS Provision for Bad Debts	<u>39,043,120.61</u>	0.00	<u>39,445,344.66</u>	0.00
Debtors - Sale of Houses	73,825,210.88		75,606,181.19	
LESS Provision for Bad Debt	<u>7,382,522.09</u>	66,442,688.79	<u>7,560,618.12</u>	68,045,563.07
Festival Advances to Staff		2,150,224.00		2,073,140.00
Distress Loan to Staff		117,224,467.89		124,595,857.17
Salary Loans to Staff (Property)	4,683,032.76		3,411,143.28	
LESS Provision for Bad Debt	<u>-</u>	4,683,032.76	<u>-</u>	3,411,143.28
Vehicle Loans		28,611.99		40,486.99
Loss of Cash Recoverable		674,515.58		874,515.58
Instalment for Long Term Loan		1,528,577.01		1,469,784.31
Sale of Land	45,789,230.06		37,741,604.98	
LESS Provision for Bad Debt	<u>(4,578,923.01)</u>	41,210,307.05	<u>(3,774,160.49)</u>	33,967,444.49
Sundry Debtors NOTE [18] SUB		1,285,067,726.10		1,956,215,884.51
Scholarship Training Loan Programme		691,313.60		462,264.40
District Transactions				10,196,689.37
		<u>2,274,996,930.17</u>		<u>2,987,528,297.11</u>

**NOTE [18] SUB SUNDRY DEBTORS**

	2012 Rs	2011 Rs
Moter Cycle Leasing Programme	12,040,372.21	-
Sevana Media	19,874,697.17	24,269,072.15
Supply of Security Services	5,980,595.91	6,088,160.71
Reimbursable Expenses by Other Institutions	72,601,928.80	66,187,138.23
National Equipment & Machinery Organisation	230,807,533.29	230,807,533.29
C.G.R. Maligawatta Project	58,125,000.00	58,125,000.00
OVDC	1,320,000.00	1,320,000.00
Consolidated fund C/B	47,462,688.25	47,462,688.25
Urban Settlement Development Authority	39,903,717.15	-
Tsunami Distress Programme to staff	1,084,911.09	1,084,911.09
Lease Rent Receivable	15,473,367.29	4,091,806.70
BAY - SAT (Darty Road)	712,000,000.00	712,000,000.00
No Pay Recoverable	91,257.72	23,915.70
Tresury Grant Receivable - Jaltara	-	215,899,298.98
Other Receivable	1,481,870.94	2,063,554.82
U D A	51,843,285.53	51,843,285.53
C H P	14,902,214.51	16,390,915.81
Manickawatta Housing Programme - Receivable	51,241,227.12	518,558,603.25
LESS Provision for Bad Debt	(51,166,940.88)	-
	<b>1,285,067,726.10</b>	<b>1,956,215,884.51</b>

**NOTE [19] DEPOSITS & ADVANCES**

	2012 Rs	2011 Rs
Travelling Advances	343,077.37	305,705.97
Salary Advances	718,495.30	107,257.30
Miscellaneous Advances D P	21,897,359.29	51,960,643.39
Miscellaneous I P	575,000.00	72,110.00
Electricity - Jaltara	2,500.00	2,500.00
Electricity - NHDA	905,111.06	980,930.06
Fuel Advances	13,979.22	21,219.65
Rent	257,120.00	257,120.00
Security	596,692.62	629,664.89
Common Amenities Board (C.M.A.)	-	8,863.32
NewsPapers	-	600.00
Deposits at Rural Bank & Savings Bank	6,150.00	6,150.00
Other Special Advances to Staff	43,242.02	221,092.02
Miscellaneous Advances	7,887,401.39	4,823,172.30
Deposits for Water Supply	380,764.80	13,312.50
Advances to Suppliers	200,000.00	17,770,737.16
Salary Advance to Medical Leave	5,850.00	1,950.00
Advance - Welfare	715,197.14	0.00
Deposits for Construction of Estate Workers Houses	492,565,684.13	490,943,739.64
	<b>527,113,624.34</b>	<b>568,126,768.20</b>

**NOTE [20] CASH AND BANK BALANCES**

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Colombo City North	416,138.40	797,082.61
Colombo City South	403,993.07	1,276,212.96
Colombo District	1,298,310.33	1,201,469.30
Gampaha	5,137,804.93	3,863,304.73
Kalutara	4,246,290.23	2,930,568.97
Kandy	2,830,378.60	3,277,937.49
Matale	1,336,970.19	1,227,538.79
Nuwara-Eliya	3,953,244.84	839,907.36
Galle	1,563,857.55	2,910,595.02
Matara	3,165,489.35	1,077,975.38
Hambantota	1,541,192.88	397,521.02
Jaffna	1,263,430.60	1,182,692.51
Mannar	505,113.81	198,971.92
Mankulam	227,817.84	191,173.15
Kilinochchi	702,621.13	70,431.08
Vavuniya	2,756,425.03	641,372.24
Batticaloa	142,708.00	23,148,919.38
Ampara	961,684.29	389,493.47
Trincomalee	361,808.20	3,402,192.07
Kurunegala	5,417,620.01	1,042,937.75
Puttlam	1,351,045.39	3,288,949.32
Anuradhapura	1,306,842.98	468,143.01
Polonnaruwa	695,825.07	441,234.20
Badulla	1,347,521.62	1,949,190.59
Monaragala	1,341,730.37	987,423.12
Ratnapura	1,050,207.93	929,006.79
Kegalle	4,755,970.95	2,376,346.59
Kalmunai	495,205.93	346,291.60
National Savings Bank - NHD	32,383.43	32,383.43
National Savings Bank -Rent Agent Deposit	300,000.00	300,000.00
Soysapura	4,425,192.73	224,042.23
Cash and Bank Balances H/O	71,331,497.05	67,178,582.17
	<b>126,666,322.73</b>	<b>128,589,890.25</b>

**NOTE [21] RESERVES**

<b>GOVT GRANTS</b>	<b>2012</b>		<b>2011</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Balance as at 01st January 2012	13,945,274,777.75		12,985,053,971.45	
Coast Line Project	44,000,000.00		44,000,000.00	
	<u>13,989,274,777.75</u>		<u>13,029,053,971.45</u>	
For the Year	1,127,336,067.00		1,121,300,000.00	
	<u>15,116,610,844.75</u>		<u>14,150,353,971.45</u>	
LESS :Grant - Disbursed	309,660,810.57	14,806,950,034.18	161,079,193.70	13,989,274,777.75

**OTHER GRANTS**

Balance as Per last Balance Sheet	1,856,457,822.98		1,570,158,626.39	
For the Year	259,680,877.72		648,402,577.48	
	<u>2,116,138,700.70</u>		<u>2,218,561,203.87</u>	
LESS :Grant - Disbursed	446,962,472.63	1,669,176,228.07	362,103,380.89	1,856,457,822.98
Value of Assets Taken Over - Commissioner of NHD		455,806,301.03		455,806,301.03
- Director of Establishment		15,260,000.00		15,260,000.00
Reserves - Jaltara Project		17,653,779.98		-
Other Reserves (HDFC Shares)		276,500,000.00		
		<u>17,241,346,343.26</u>		<u>16,316,798,901.76</u>

**NOTE [22] LOANS**

	<b>2012</b>		<b>2011</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Treasury Loan NHD	-	-	625,000.00	625,000.00
Ministry of Rehabilitation		130,950,398.90		130,950,398.90
CHP Bond		15,102,200.00		15,209,800.00
EDCF Loan for Jaltara Project		3,423,589.00		721,748,118.96
Loan From Fisheries Ministry		89,141,173.84		89,141,173.84
UDA - Nupewala Project		19,093,500.00		21,215,000.00
Plantation Housing & Social Welfare Trust		18,460,613.30		18,460,613.30
Loan under Diripiyasa		53,036,492.77		59,694,950.84
Loan under Janasevana I		691,458,564.36		751,442,883.96
Loan under Janasevana II		1,855,201,926.50		724,850,166.00
Loan under Janasevana Pro. NSB 1000 M		790,017,500.00		-
Loan under Janasevana Pro .NSB 345 M		173,485,000.00		-
Loan under Janasevana Pro. RDB 250 M		131,620,500.00		-
		<u>3,970,991,458.67</u>		<u>2,533,338,105.80</u>

**NOTE [23] CREDITORS**

	2012 Rs	2011 Rs
Sundry - (NOTE [23] SUB1)	893,171,115.00	898,083,418.39
Expense Creditors	18,813,108.97	12,875,201.33
Retention Fees - Contractors	111,073,837.84	90,827,118.13
Retention Fees - Suppliers	351,177.30	351,177.30
Unpaid (NOTE [23] SUB2 )	76,027,330.35	70,862,438.56
Land Compensation	153,336,411.29	191,728,508.91
Retention Fees Jaltara Project	97,239.80	97,239.80
National Water Supply & Drainage Board	35,249,722.31	35,249,722.31
Creditors for Work done on Contract	39,454,798.64	30,010,375.28
Director of Buildings	46,359,687.44	46,359,687.44
Reel Company	10,937,500.00	10,937,500.00
B.M.C	103,008.25	103,008.25
C.M.A.	-	1,910,914.54
	<u>1,384,974,937.19</u>	<u>1,389,396,310.24</u>

**NOTE [23] SUB1 SUNDRY CREDITORS**

	2012 Rs	2011 Rs
Rent Received in Advance	2,100,167.12	2,143,269.18
Loan Installment Received in Advance	41,703,596.45	52,909,378.38
Sale of Housing Installment Received in Advance -U.H	10,039,218.45	12,077,001.49
Money Received From Other Institutions	101,452,336.88	101,118,671.34
Sale of Land Advance Received	35,034,600.40	75,796,299.47
Stamp fees Received	4,402,871.60	4,452,411.50
Over Recovery Rent Collection	93,683.35	1,401,505.19
Deferred Tax	22,716,138.15	20,857,472.13
Estate Housing Programme - Livestock & Rural Community Councils	652,662,589.32	621,301,607.96
Sevana Media Creditors	2,071,829.87	3,574,199.40
Moter Cycle Leasing Programme	-	27,069.04
District Transactions	20,600,469.04	-
With Holding Tax /Tax Payable	293,614.37	2,424,533.31
	<u>893,171,115.00</u>	<u>898,083,418.39</u>

**NOTE [23] SUB2 UNPAIDS CREDITORS**

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Salaries	893,348.20	762,677.19
Travelling	136,206.00	90,645.93
Overtime	105,307.75	149,582.94
Notary Fees	42,469,187.14	32,632,894.32
Stamp Fees	8,311,870.53	13,331,534.65
Bonus	15,998.18	35,750.08
Accured Expenses	19,678,469.61	18,811,436.45
Accured Expenses for Jaltara Project	2,516,626.86	2,516,626.86
Accured Expenses Sevana Media Service	1,900,316.08	2,531,290.14
	<u>76,027,330.35</u>	<u>70,862,438.56</u>

**NOTE [24] CURRENT LIABILITIES FOR LOANS**

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Instalment Payable President's Fund Loan	195,000,000.00	195,000,000.00
Interest Payable President's Fund Loan	257,406,164.00	228,156,164.00
Interest Payable Rehabilitation Authority	34,513,256.55	32,629,267.93
Interest Payable Treasury Loan	132,708,366.69	132,677,116.69
Interest Creditors Debentures	1,354,356.33	1,354,356.33
Instalment Payable Treasury Loan	370,217,929.13	369,592,929.13
Interest Payable CHP	8,594,497.49	7,630,151.68
Instalment Payable Rehabilitation Authority	124,603,000.00	126,013,000.00
Interest Payable Diripiyasa Loan	4,555,948.95	6,720,826.08
Instalment Payable On Diripiyasa Loan	4,218,427.93	4,338,489.43
Instalment Payable Nupeweela Loan	23,336,500.00	21,215,000.00
Interest Payable Nupeweela Loan	54,037,917.97	51,556,286.08
Interest Payable Upahara Loan	11,754,875.06	-
Instalment Payable Upahara Loan	1,425,627.46	-
	<u>1,223,726,867.56</u>	<u>1,176,883,587.35</u>

**NOTE [25] DEPOSITS**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Advance Received For Construction Projects	-	13,315,764.41
Refundable Deposits NOTE [25] SUB	170,823,649.14	152,422,860.55
Housing Schemes Maintenance	59,838,380.45	61,497,290.77
Deposit For Sale of Houses	141,397,525.14	151,722,362.82
Scholarship programme	1,100,323.25	468,150.00
Deposit For Sale of Land	1,101,431,523.58	1,033,644,303.13
	<b><u>1,474,591,401.56</u></b>	<b><u>1,413,070,731.68</u></b>

**NOTE [25] SUB REFUNDABLE DEPOSITS**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Tender Deposit	7,854,460.05	4,294,826.87
Security Deposit	4,274,095.94	3,818,352.56
Sundry Deposit	53,596,729.48	38,112,666.98
Aided Self Help Houses	57,200.00	55,336.05
Urban Housing Programme	48,461,554.77	48,248,049.59
Commercial Buildings	17,832,125.50	18,694,890.42
Deposit for Development Activities	30,561,542.43	30,561,542.43
25% Deposit On Consultancy Fees	3,275,745.79	3,275,745.79
Rent Deposit	2,065,238.63	2,065,238.63
Refundable Deposits - 2 1/2% From Suppliers	630,790.00	590,000.00
Refundable Deposits - NHD CHP	181,727.00	429,827.00
Deposit Under Rent Act.	600,000.00	600,000.00
Deposit Housing Societies NHD	1,147,998.75	1,147,998.75
Rent Agents Deposit UH Collection	284,440.80	528,385.48
	<b><u>170,823,649.14</u></b>	<b><u>152,422,860.55</u></b>

**NOTE [26] PROVISIONS**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Gratuity	488,319,398.97	475,101,209.88
Audit fees	2,422,088.00	2,691,840.00
Pending Court Cases	6,413,268.87	-
	<b><u>497,154,755.84</u></b>	<b><u>477,793,049.88</u></b>

**NOTES ON INCOME & EXPENDITURE ACCOUNTS****NOTE [27] RENT INCOME**

	2012 Rs.	2011 Rs.
NHD House Rent	1,913,659.21	862,332.60
Residential Houses	7,442,950.86	12,774,499.60
Public Servants Quarters	3,633,790.74	3,375,550.48
Commercial Building	29,633,708.50	32,487,433.30
Lease Rent	6,394,889.68	8,481,254.53
Circuit Bungalow Rent	2,023,512.56	1,698,720.25
	<u>51,042,511.55</u>	<u>59,679,790.76</u>

**NOTE [28] INTEREST INCOME**

	2012 Rs.	2011 Rs.
Distress Loans	4,939,311.86	5,024,024.20
Vehicle Loans	894,521.59	6,806.16
Interest on Sale of Houses Instalments	26,072,578.46	28,107,425.51
Interest on Sale of Land Instalments	5,952,220.37	3,251,316.09
Interest on Loans to H.D.F.C	61,143.06	7,911,715.27
Interest on 1M Housing	1,552.71	30,170.57
Interest on Loan Under 1.5M	106,518.80	30,847.20
Interest on Loan NHFS	151,127.86	395,813.80
Interest on Treasury Bills	41,551,581.81	56,784,060.69
Interest on Loan Under Diripiyasa	2,381,666.73	4,373,751.09
Interest on Gamanaguma Programme	107,660,983.50	107,262,799.18
Interest on Janasevana I 12% (Banks)	100,118,619.71	57,180,881.97
Treasury Fund & IG Loan Interest 2011	274,762,571.53	63,867,825.75
Interest on Janasevana II 10% (Banks)	186,942,333.77	29,419,213.54
Staff Housing Loan	8,587,961.99	8,051,528.30
Interest on Fisheries Houses & Estate	2,812,513.51	7,018,238.97
Loan Programme	82,675,075.54	107,454,481.18
Other Interest	578,876.38	1,578,131.01
	<u>846,251,159.18</u>	<u>487,749,030.48</u>

**NOTE [29] INDIRECT OPERATION INCOME**

	2012 Rs.	2011 Rs.
Sundry Income	-	-
Notary Fees and Stmp Duty	-	-
Services Charges on Housing Loan	56,149,134.91	20,430,850.66
Housing Transfer Fees	13,699,918.42	10,283,514.09
Administration Charges	8,626,333.67	7,886,262.65
Sale of Documents, Books, Others Etc.	2,732,292.43	2,339,166.76
Sale of Unserviceable Items	2,392,604.30	46,337.38
Hire of Premises	6,438,859.65	6,219,008.30
Dividend Received from HDFC Bank & OVDC	-	15,801,000.00
Compensation to Houses	24,000,000.00	-
Hire of Furniture	35,250.00	56,800.00
	<u>114,074,393.38</u>	<u>63,062,939.84</u>

**NOTE [30] NON REFUNDABLE DEPOSITS**

	2012 Rs.	2011 Rs.
Tender Deposits	165,250.00	597,557.00
	<u>165,250.00</u>	<u>597,557.00</u>

**NOTE [31] PERSONNEL EMOLUMENTS**

	2012 Rs.	2011 Rs.
Salaries and Wages	434,780,234.84	401,140,063.81
Overtime	37,622,320.77	27,220,115.89
Other Allowances	61,983,272.97	21,123,323.01
Cost of Living Allowances	135,983,132.71	126,154,643.18
Incentive Payments	15,646,402.09	19,181,909.38
Bonus	2,409,916.93	1,843,490.27
E P F Contributions	56,622,164.00	47,568,531.99
E T F Contributions	14,335,669.98	12,040,687.95
Compensation	66,075.00	2,529,974.32
Holiday Payment	2,343,333.23	1,316,113.78
Training & Scholarships	1,544,949.52	350,665.00
Encashment of Vacation Leave	12,250,692.76	12,243,166.95
Reimbursement of Membership Fees	20,103.20	74,684.00
Staff Medical Scheme	6,517,406.39	6,505,607.79
Entertainment	3,368,273.74	3,324,052.59
Medical Report Charges	154,222.00	36,971.00
Gratuity Provision	50,330,981.02	99,745,609.20
Allowance for Board of Survey	219,621.15	151,026.50
	<u>836,198,772.30</u>	<u>782,550,636.61</u>

**NOTE [32] TRAVELLING EXPENSES**

	2012 Rs.	2011 Rs.
Travelling - Local	27,157,120.87	18,076,523.27
Travelling - Foreign	1,711,317.88	1,182,226.55
	<u>28,868,438.75</u>	<u>19,258,749.82</u>

**NOTE [33] SUPPLIES**

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
Stationery & Office Requisites	26,031,328.98	21,471,170.86
Fuel for Motor Vehicles	23,118,309.05	14,676,952.51
Transport & Hiring of Machinery & Equipment Etc.	570,554.92	1,424,195.70
Health Sanitary & Other Services	1,186,432.01	925,944.72
Printing Charges	1,872,645.73	1,461,562.12
Newspapers & Periodicals	1,144,939.19	795,716.87
Uniforms	171,010.95	165,294.25
Services-Tea Supply Employees Welfare	4,047,519.59	3,382,206.94
Welfare	508,269.50	339,513.88
Name Boards and Opening Ceremonies	13,655,829.72	18,538,509.98
	<b><u>72,306,839.64</u></b>	<b><u>63,181,067.83</u></b>

**NOTE [34] MAINTENANCE EXPENDITURE**

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Buildings & Structures	34,547,435.81	24,909,961.35
Plant, Machinery & Office Equipment	6,748,430.16	4,722,255.82
Motor Vehicles	14,075,451.83	16,512,597.24
Furniture	134,020.00	207,756.00
Housing Scheme	24,685,628.82	24,612,087.58
Circuit Bungalow Expenses	2,568,363.39	4,280,912.33
Rewamping of Condominiums	228,669,752.01	84,026,418.70
	<b><u>311,429,082.02</u></b>	<b><u>159,271,989.02</u></b>

**NOTE [35] CONTRACTUAL SERVICES**

	<b>2012</b>	<b>2011</b>
	<b>Rs</b>	<b>Rs</b>
Tender Document Fees	79,516.25	32,100.00
Hiring of Motor Vehicles	3,522,139.19	3,802,145.86
Telephone	9,017,467.05	7,314,488.37
Electricity & Water	17,785,927.27	12,797,006.59
Rent for Office Buildings	1,398,000.00	1,852,343.12
Rates	7,971,423.99	8,620,264.60
Advertisement	6,599,988.46	3,510,880.90
Legal Fees	2,734,229.32	5,600,324.09
Postage	8,580,418.88	7,617,444.32
Insurance	5,543,998.14	2,527,406.45
Licence Fees	1,687,319.00	490,200.00
Information & Publicity	9,536,081.31	11,607,227.18
	<b><u>74,456,508.86</u></b>	<b><u>65,771,831.48</u></b>

**NOTE [36] FINANCE EXPENSES**

	2012 Rs.	2011 Rs.
Audit Fees	500,000.00	500,000.00
Bank Charges	1,514,973.01	2,221,632.13
Stamp Duty	246,664.00	182,952.30
Rebates to Tenants	7,167,768.32	5,443,731.24
President Fund Loan Interest	29,250,000.00	29,250,000.00
Treasury Loan Interest	31,250.00	109,796.25
Commission Paid - Loan Collection	62,029,530.18	51,843,873.72
Commission Paid - Rent Collection	3,181,187.49	4,177,037.43
Discount to Borrowers on Lump Sum re-Payments	-	8,252.42
Bad & Doubtful Debts	2,050,129.99	-
Fines & Surcharges	28,786.87	10,522.34
Interest Payment -Commercial Banks On Diripiyasa Loan	5,151,769.87	5,719,427.66
Interest Payment Bank loan Upahara	209,323,137.22	39,157,645.17
Interest Payments Other Loans	5,482,795.07	4,696,250.06
Survey Expenses/Valuation	2,852,998.75	2,704,341.92
Compensation Others	6,413,268.87	80,000.00
WHT	798,268.70	2,744,441.89
NBT	36,745.77	580,689.48
FSL	-	394,658.05
Economics Service Charges (Tax)	4,878,541.64	4,597,242.79
Debit Tax	26,550.33	516,006.72
VAT	7,562,667.78	9,975,002.85
Expenses on CHP Board of Review	410,458.75	268,195.00
Expenses Under CHP	77,500.00	12,750.00
	<b>349,014,992.61</b>	<b>165,194,449.42</b>

**NOTE [37] INDIRECT OPERATIONAL EXPENSES**

	2012 RS	2011 RS
Mobile Office Expenses	120,969.00	-
District Housing Committee Expenses	1,220,194.60	1,373,398.44
Expenditure on Exhibition	8,224,353.09	6,053,844.33
Public Function Activities	2,708,296.95	219,143.00
Removing of Unauthorized Tenants	332,572.00	62,116.00
Infrastructure facil. And Maintenance for Rural Houses	6,760,985.87	237,180.00
	<b>19,367,371.51</b>	<b>7,945,681.77</b>

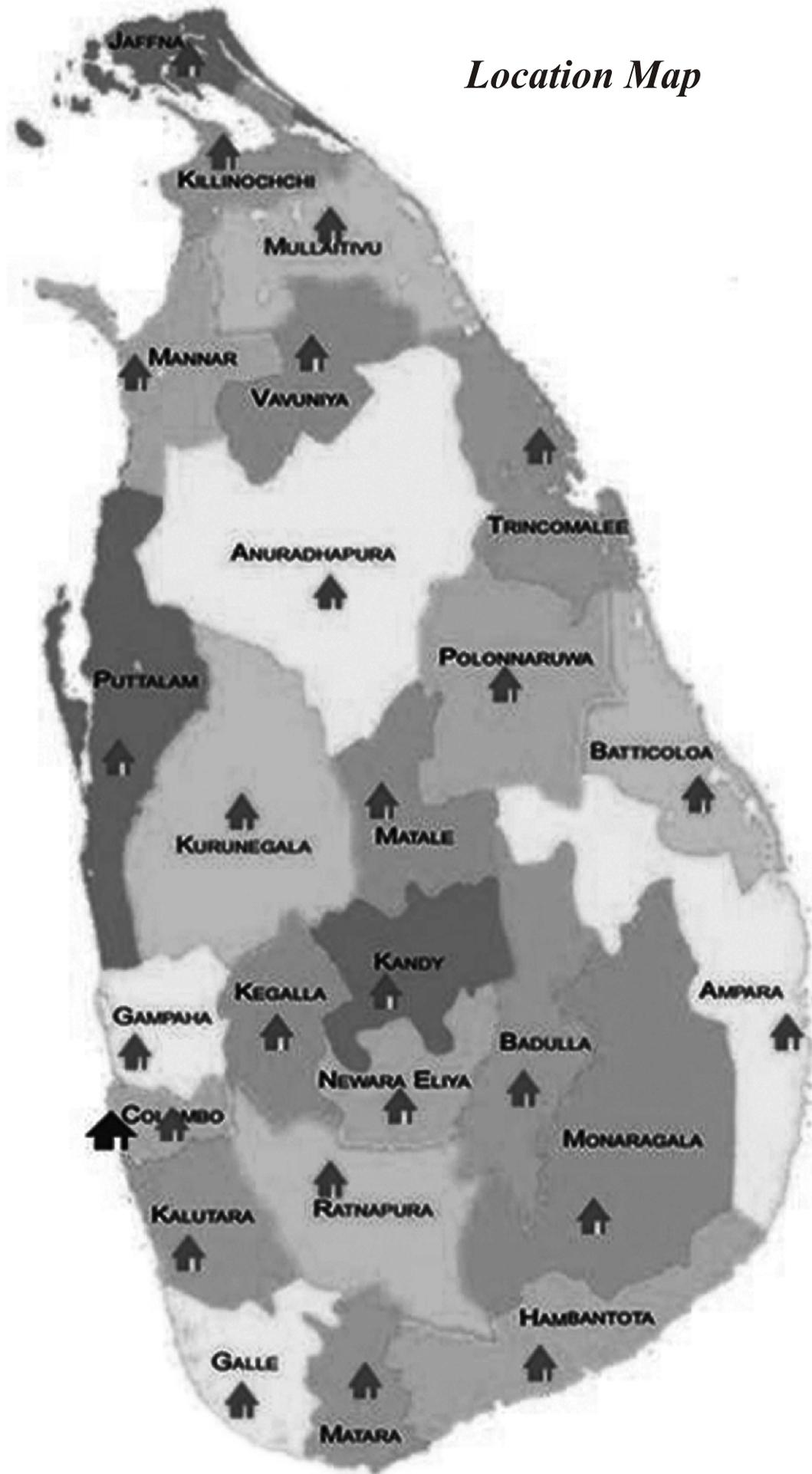
**STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31ST DECEMBER 2012**

	Rs. in Mln				
	CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	ACCUMULATED PROFIT	TOTAL
Balance as at 01/01/2012	40.000	16,448.482	-	(10,965.978)	5,522.503
Changes during the year		924.547	-	635.979	1,560.527
Balance as at 31/12/2012	40.000	17,373.029	-	(10,329.999)	7,083.030

**NATIONAL HOUSING DEVELOPMENT AUTHORITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012**

		<b>Rs.Ml</b>
<b>Cash flows from operating activities</b>		
<b>Net profit / Loss before taxation</b>		
NHDA	(303.405)	
OVDC	<u>106.040</u>	(197.365)
<b>Adjustments for:</b>		
Gratuity Provision		
NHDA	50.331	
OVDC	<u>0.467</u>	50.798
Depreciation		
NHDA	41.518	
OVDC	9.453	
Write off of furniture & fittings	1.524	
Provision for pending courts cases	<u>6.413</u>	58.908
<b>Less</b>		
OVDC Gratuity Adjustment	(3.167)	
OVDC Profit Adjustment	<u>(123.484)</u>	(126.651)
		<u>(214.310)</u>
Gain from fixed Assets	(0.172)	
Investment income	<u>(41.613)</u>	
		<u>(41.785)</u>
<b>Operation Profit before working capital</b>		(256.095)
<b>Changes of working Capital</b>		
Increase / Decrease in stock & working progress	(77.237)	
Increase / Decrease in other receivable	21.363	
Increase / Decrease in Payable	122.612	
Increase / Decrease in Provisions	<u>(0.270)</u>	66.468
<b>Cash generated from Operation</b>		(189.627)
Gratuity paid		<u>(37.425)</u>
<b>Net cash from operating Activities</b>		<u>(227.052)</u>
<b>Cash flows from investing activities</b>		
Long term investment	4.784	
Minority interest	(13.375)	
Purchase Of property Plant & Equipment	(158.035)	
Increase / Decrease in development Assets	(3335.518)	
Proceeds from sale of fixed assets	0.364	
Interest received	41.613	
Gratuity fund	<u>4.726</u>	(3455.441)
<b>Net cash used in investing activities</b>		(3682.493)
<b>Cash flows from financing Activities</b>		
Grant Received	2232.779	
Loans	<u>1437.653</u>	3670.432
<b>Net increase in cash &amp; cash equivalents</b>		(12.061)
<b>Cash &amp; Cash equivalent as at beginning of period</b>		145.764
<b>Cash &amp; Cash equivalent at end of period</b>		<u>133.703</u>

*Location Map*



## Names and Addresses of District Offices

1. District Office - Colombo City (North)  
Address : Parisara Mawatha , Maligawatta,  
Colombo 10  
Telephone - 011 2445546  
Fax - 011 2435146  
Email - [dmccity@nhda.lk](mailto:dmccity@nhda.lk)
2. District Office - Colombo City (South)  
Address : No.280/11, Elvitigala Flats,  
Colombo 08  
Telephone - 011 2679857  
Fax - 011 2669753  
Email - [dmmtown@nhda.lk](mailto:dmmtown@nhda.lk)
3. District Office - Colombo District Office  
Address : No.190, Horana Road, Kottawa  
Telephone - 011 2178226  
Fax - 011 2178224  
Email - [dmcolumbo@nhda.lk](mailto:dmcolumbo@nhda.lk)
4. District Office - Gampaha  
Address : Walawwatta, Gampaha  
Telephone - 033 2226017  
Fax - 033 2234265  
Email - [dmgampaha@nhda.lk](mailto:dmgampaha@nhda.lk)
5. District Office - Kalutara  
Address : 3<sup>rd</sup> Floor, Secretarial  
Office, Kalutata  
Telephone - 034 2222298  
Fax - 034 2222298  
Email - [dmkalutara@nhda.lk](mailto:dmkalutara@nhda.lk)
6. District Office - Kandy  
Address - Yatinuwara Street, Kandy  
Telephone - 081 2234967  
Fax - 081 2223139  
Email - [dmkandy@nhda.lk](mailto:dmkandy@nhda.lk)
7. District Office - Matale  
Address : Kachcheri Complex, Matale  
Telephone - 066 2222134  
Fax - 066 2222134  
Email - [dmmatale@nhda.lk](mailto:dmmatale@nhda.lk)
8. District Office - Nuwaraeliya  
Address : Hawaeliya, Nuwara  
Telephone - 052 2222925  
Fax - 052 2222925  
Email - [dmmeliya@nhda.lk](mailto:dmmeliya@nhda.lk)
9. District Office - Galle  
Address : Ecorts Building, Kotuwa, Galle  
Telephone - 091 2234373  
Fax - 091 2234232  
Email - [dmgalle@nhda.lk](mailto:dmgalle@nhda.lk)
10. District Office - Matara  
Address : Station Road, Matara  
Telephone - 041 2222986  
Fax - 041 2229257  
Email - [dmmatara@nhda.lk](mailto:dmmatara@nhda.lk)
11. District Office - Hambantota  
Address : No.42, New Road, Hambantota  
Telephone - 047 2222013  
Fax - 0472220263  
Email - [dmhambantota@nhda.lk](mailto:dmhambantota@nhda.lk)
12. District Office - Jaffna  
Address : Kandy Road, Jaffna  
Telephone - 021 2222039  
Fax - 021 2222039  
Email - [dmjaffna@nhda.lk](mailto:dmjaffna@nhda.lk)
13. District Office - Mannar  
Address : Pallimona Road, Oppukulam,  
Mannar  
Telephone - 023 2222315  
Fax - 023 2222141  
Email - [dmmannar@nhda.lk](mailto:dmmannar@nhda.lk)
14. District Office - Mulativu  
Address : Kandy Road "A 9"  
Mankulam (Mulativu)  
Telephone - 021 2060033  
Fax - 021 2060022  
Email - [dmmulativu@nhda.lk](mailto:dmmulativu@nhda.lk)
15. District Office - Batticaloa  
Address : Kal Adi, Batticaloa  
Telephone - 065 2224473  
Fax - 065 2227310  
Email - [dmbatticaloa@nhda.lk](mailto:dmbatticaloa@nhda.lk)
16. District Office - Ampara  
Address : NHDA, Ampara  
Telephone - 063 2222045  
Fax - 063 2222045  
Email - [dmampara@nhda.lk](mailto:dmampara@nhda.lk)
17. District Office - Trincomalee  
Address : Electrical Power House  
Rd, Trincomalee  
Telephone - 026 2222162  
Fax - 026 2222503  
Email - [dmtrinco@nhda.lk](mailto:dmtrinco@nhda.lk)
18. District Office - Kurunegala  
Address : No.05, Mihindu Mawatha,  
Kurunegala  
Telephone - 037 2222014  
Fax - 037 2222014  
Email - [dmkurunegala@nhda.lk](mailto:dmkurunegala@nhda.lk)
19. District Office - Puttalam  
Address : Gam Udawa, Anamaduwa  
Telephone - 032 2263427  
Fax - 032 2263425  
Email - [dmputtalam@nhda.lk](mailto:dmputtalam@nhda.lk)
20. District Office - Anuradhapura  
Address : Bandaranayake Mawatha,  
Anuradhapura  
Telephone - 025 2222558  
Fax - 025 2222649  
Email - [dmanuradhapura@nhda.lk](mailto:dmanuradhapura@nhda.lk)

21. District Office - Polonnaruwa  
Address : Pulathisigama, Higurakgoda  
Telephone - 027 2246362  
Fax - 027 2246362  
Email - [dmpolonnaruwa@nhda.lk](mailto:dmpolonnaruwa@nhda.lk)
22. District Office - Badulla  
Address : Clinic Road, Badulla  
Telephone - 055 2222113  
Fax - 055 2223163  
Email - [dmbadulla@nhda.lk](mailto:dmbadulla@nhda.lk)
23. District Office - Monaragala  
Address : NHDA, Monaragala  
Telephone - 055 2276202  
Fax - 055 2276202  
Email - [dmmonaragala@nhda.lk](mailto:dmmonaragala@nhda.lk)
24. District Office - Ratnapura  
Address : New Town, Ratnapura  
Telephone - 045 2228724  
Fax - 045 2228996  
Email - [dmrathnapura@nhda.lk](mailto:dmrathnapura@nhda.lk)
25. District Office - Kegalle  
Address : Ambanpitiya, Galigamuwa,  
Kegalle  
Telephone - 035 2229737  
Fax - 035 2229737  
Email - [dmkegalle@nhda.lk](mailto:dmkegalle@nhda.lk)
26. District Office - Kilinochchi  
Address : 155, A 9 Road, Kilinochchi  
Telephone - 021 2285757  
Fax - 021 2285757  
Email - [dmkilinochchi@nhda.lk](mailto:dmkilinochchi@nhda.lk)
27. District Office - Vavuniya  
Address : Park Road, Vavuniya  
Telephone - 024 2222214  
Fax - 024 2222050  
Email - [dmvavuniya@nhda.lk](mailto:dmvavuniya@nhda.lk)

The Chairman  
National Housing Development Authority

**Report of the Auditor General on the Financial Statements of the National Housing Development Authority and its Subsidiary for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971**

The audit of financial statements of the National Housing Development Authority and its Subsidiary for the year ended 31 December 2012 comprising the balance sheet as at 31 December 2012 and the statements of income and expenditure statements of changes in equity and cash flow statements for the year then ended and a 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 13(1) of the Finance Act, No. 38 of 1971 and Section 29.1 of the National Housing Development Authority Act, No. 17 of 1979. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Authority on 19 November 2013.

**Report of the  
Auditor General**

**1:2 Management's Responsibility for Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles 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.

**1:3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

#### **1:4 Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 2.3 of this report.

### **2. Financial Statements**

#### **2:1 Preparation of Financial Statements**

Even though the National Housing Development Authority owned 49 per cent of the total share capital of the Housing Development Finance Corporation of Sri Lanka Bank, the final financial statements of the Bank had not been consolidated with the accounts of the Authority as the Authority cannot exercise adequate influence in the affairs of the Bank.

#### **2:2 Qualified Audit Opinion**

##### **2:2:1 Qualified Audit Opinion - Group**

In my opinion except for the effects of the matters described in paragraph 2.3 of this report the consolidated financial statements give a true and fair view of the financial position of the National Housing Development Authority and its Subsidiary as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

##### **2:2:2 Qualified Audit Opinion Authority**

In my opinion, except for the effects of the matters described in paragraph 2.3 of this report, the financial statements give a true and fair view of the financial position of the National Housing Development Authority as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

#### **2:3 Comments on Financial Statements**

##### **2:3:1 Accounting Policies**

Non-compliance with the Accounting Policies

The following observations are made in this connection.

- (i) According to the Accounting Policy No. 8.1.2 the transfer of the value of houses constructed to the stock should be made with the overhead expenses as well as a profit percentage on the contract cost. Nevertheless, only the contract cost had been taken into the Stock Account. In deciding the sale price of the houses, the assessed value of the land as well as 30 per cent of the contract cost had been added as the overhead expenses and the profit margin. As such the profit on the sale of houses had been over assessed.
- (ii) According to the Accounting Policy No. 10, in the acquisition of lands without the payment of compensation and for housing purposes, the market value of such land and the expenditure incurred thereon should be brought into the Lands Account and a Reserve Account on the Acquisition of Lands. But it had not been so done.

##### **2:3:2 Accounting Deficiencies**

The following accounting deficiencies were observed.

- (i) The blocks of land still remaining in most of the Housing Schemes and lands obtained/ acquired for Housing Schemes about 943 hectares in extent approximately had not been valued and brought to account.
- (ii) The sum of Rs.20.79 million relating to the cost of 02 Projects completed in the year under review had been carried forward further in the Work-in-progress Account.
- (iii) Even though the sum of Rs.10.84 million received in the year 2000 from the National Livestock Development Board for incurring the cost of construction of houses should have been shown in a Deposit Account as that work had not been completed, it had been shown in the accounts as a reserve balance.
- (iv) The settlement of the retention money amounting to Rs.1.92 million relating to 06 contractors had been brought to account as the maintenance expenditure on housing schemes instead of being shown as a deduction from the relevant liability.

### **2:3:3 Inappropriate Disclosures**

The following inappropriate disclosures were observed.

- (i) Instead of valuing the houses of the lease Housing Schemes and the Urban Housing for which the title deeds had been issued and eliminating from the accounts, those had been shown in the accounts under one value under the Lands and Buildings Accounts from the year 2006 up to the year under review.
- (ii) Sums of Rs.1,101.43 million and Rs.141.40 million had remained in deposits by the end of the year under review as land sales deposits and housing sales deposits. But the sales value of lands and the sales value of housing of which sales had been completed had not eliminated from the Deposit Accounts and brought to account as income.

### **2:3:4 Unexplained Differences**

Even though the National Housing Development Authority had shown a sum of Rs.6.59 million in the financial statements as the advances receivable from the Condominium Management Authority, that amount had not been shown in the financial statements of the Condominium Management Authority.

### **2:3:5 Accounts receivable and payable**

The following observations are made in this connection.

- (a) Out of the total debtors balance as at the end of the year under review amounting to Rs.4,104.04 million, the value of balances receivable brought forward over a period exceeding 05 years totalled Rs.2,396.81 million and represented 58 per cent of total debtors. The Authority had not taken adequate courses of action for the recovery of those debts.
- (b) The advances granted to contractors, stores advances and the other advances as at the end of the year under review totalled Rs.153.67 million and the Authority had not taken action to settle the sum of Rs.80.24 million brought forward over a period exceeding 02 years.
- (c) The Authority had paid salaries for the employees and officers of the Authority deployed in other Government institutions and as such a sum of Rs.72.60 million remained recoverable by the Authority from the respective institutions as at 31 December 2012. Out of that a sum of Rs.19.20 million had lapsed for more than 02 years and it was observed that a sum of Rs.43.12 million had remained without being recovered over a period exceeding 05 years.
- (d) The creditors as at the end of the year under review amounted to Rs.1,260.54 million. Out of that the creditors old between 02 to 05 years amounted to Rs.24.98 million. Action had not been taken for the settlement of creditors valued at Rs.964.90 million older than 05 years.
- (e) The outstanding loan installments amounting to Rs.713.16 million payable in connection with loans for projects obtained from 04 institutions and the outstanding interest on loans amounting to Rs.478.66 million had not been settled over a long period.
- (f) The retention money of the constructions as at the end of the year under review amounted to the 106.90 million. Even though a sum of Rs.84.62 million out of that had lapsed for 02 years or more action had not been taken for settlement.
- (g) The compensation on lands payable as at 31 December 2012 amounted to Rs.153.34 million. Even though a period exceeding 05 years according to the age analysis from the date of takeover of the tenure by the Authority had elapsed, payment of compensation had not been settled. The General Manager informed that a long time is taken for the payment of compensation due to the inadequacy of the financial provision received from the Treasury for the finalization of compensation for lands.
- (h) Even though construction of houses of Housing Projects had been completed and the expenditure had been brought to account instances of non-settlement of the retention money by obtaining the final report on successful completion from the Engineer were observed. Such retention money amounting to Rs.4.62 million remained without being settled over periods ranging from 02 to 16 years.

## 2:3:6 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Inland Revenue Act, No. 10 of 2006 – XIV Chapter Section 114	Even though the Pay As You Earn Tax should be recovered from the salary of employees and paid, the Authority had been paying the tax. As such a sum of Rs.158,897 had been spent in that connection in the year under review.
(b) Financial Regulation	
Financial Regulation 570	Even though deposits amounting to about Rs.150 million older than 02 years which had not been claimed should be adjusted to the income it had not been so done.
(c) Public Administration Circulars	
Paragraph 02 of the Public Administrative Circular No. 9/2007 of 11 May 2007.	According to the circular instructions, the re-employment of retired public and corporation officers should be paid 50 per cent of the last salary drawn or the relevant monthly allowance whichever is more. Nevertheless, 31 re-employed retired officers had been overpaid salaries and allowances amounting to Rs.2,683,430 during the year under review.
Paragraph (ii) of the Public Administration Circular No. 9/2007 (ii) of 17 October 2007.	Except in the case of an application made by an institution for the employment of retired officer on contract basis for a period exceeding 12 months except where the appointing authority for such post had informed the Department of Management Services in writing that the vacancy in such post cannot be filled with a permanent officer on the specified date, such officer should not be re-employed. Nevertheless, the Authority had re-employed 110 retired officers for periods ranging from 13 months to 36 months including the year under review.
(d) Establishments Code Chapter XII Section 22	Contrary to the provisions in the Establishments Code, in revising the appointments of 35 officers who had retired on the completion of 57 years of age and re-employed on contract basis to extension of service had been done by re-appointing them treating the periods of not reporting to work ranging from 02 days to 15 months as no-pay leave.
(e) Public Enterprises Circular No. 21 of 08 January 2004.	Even though it had been emphasized that the Ministries should not use the resources of Public Enterprises, expenditure of the Ministry amounting to Rs.6,554,919 had been borne by the Authority.
(f) Internal Circular No. 98/04 of 11 February 1998-Section 04.	A test check of the disposal of the lease houses by the Maligawatta District Office in the years 2010 to 2012 revealed that 08 houses had been disposed of for Rs.3,724,000 based the assessment made in the year 1998 without obtaining fresh assessments.
(g) Internal Circular No. 2002/PM/01 of 16 January 2002.	In the grant of discounts for the period of occupation of lease houses for the disposal of lease houses by the Maligawatta District Office, 95 per cent discounts had been allowed to the persons entitled to 75 per cent discounts.

## 3. Financial Review

### 3:1 Financial Results

According to the financial statements presented, the operations of the Authority for the year ended 31 December 2012 had resulted in a deficit of Rs.303,405,460 as compared with the corresponding deficit of Rs.518,293,152, thus indicating a decrease of Rs.214,887,692 in the deficit. The financial provision made available from the Treasury in the year under review for carrying out repairs to the condominium properties had directly affected the improvement.

### 3:2 Analytical Financial Review

- (a) The Authority had incurred heavy losses continuously in the 05 preceding years. It was observed that in such circumstances the going concern of the Authority depended on the Treasury grants.

	2012 Rs.Millions	2011 Rs.Millions	2010 Rs.Millions	2009 Rs.Millions	2008 Rs.Millions
<b>Income</b>	1,431.00	786.28	455.71	538.85	511.16
<b>Expenditure</b>	1,734.46	1,304.57	1,122.44	1,041.51	1,157.90
<b>Deficit in the Operations of the Authority</b>	(303.40)	(518.29)	(666.73)	(502.66)	(646.74)

- (b) The following observations are made in connection with the year under review.
- (i) The net loss for the year under review represented a negative 21.17 as a percentage of the total income.
- (ii) The rent income for the year under review had decreased by 14.48 per cent.
- (iii) The profit on the sale of houses had decreased by 76 per cent.
- (iv) The income had increased by 16 per cent due to the sum of Rs.228.67 million received from the Treasury for carrying out repairs to condominium properties.
- (v) The total expenditure had increased by 344 per cent as compared with the preceding year due to the payment of interest on Bank loans by the Authority.
- (vi) The indirect operating expenditure had increased by 144 per cent due to the increase in the expenditure on the supply of infrastructure facilities and expenditure on celebrations under the 100 Housing Programme.

### 3:3 Working Capital Management

The current ratio and the quick assets ratio of the Authority for the year under review had been 1:0.74 and 1:0.72 respectively. As such the liquidity ratio as compared with the preceding year had deteriorated and that had directly affected the deterioration of the financial position of the Authority.

## 4. Operating Review

### 4:1 Performance

The following observations are made in this connection.

- (i) Even though the transfer of 1,000 blocks of land had been planned under the Janasevana Bimsaviya Programme only 152 blocks of land had been transferred up to the end of the year under review. That represented 15 per cent of the number planned.
- (ii) The expected Treasury grants during the year had been Rs.1,336.6 million and only Rs.957.4 million had been received. As such the provisions received had decreased by Rs.379.2 million and that represented about 28 per cent of the targeted amount.
- (iii) Even though plans had been made for construction of 669 units of housing at a cost of Rs.1,820 million in 10 Housing Schemes under the Millennium Lanka Project (Investment Projects, Public Private Contributory Houses) the work in respect of only 03 Housing Schemes had been commenced by the end of the year under review while the work on 05 housing units only had been completed. As such the progress of construction of houses had been at a low percentage of 0.8 per cent.
- (iv) The physical and financial progress of the Janasevana Viru Villages Project during the year had been at a low level of 40 per cent 21 per cent respectively.

#### **4:2 Management Inefficiencies**

The following observations are made in this connection.

##### **(a) Weaknesses in the Land Acquisition Process**

- (i) Even though the Authority had taken over the tenure of most lands under Section 38(A) of the Land Acquisition Act for which compensation is payable, various parties had filed cases against the Authority against acquisition due to the problems that had arisen in the course of taking over the land tenure. These cases had been pending over periods ranging from 10 to 35 years. Even though the Authority had taken over the tenure initially, a long period had been taken for the actual possession of the lands due to the prevailing conditions. As the interest payable on the compensation had been computed based on date of transfer of tenure instead of the Effective Date of transfer and as such the Authority had to pay interest exceeding the compensation.
- (ii) In view of the failure to take timely action for the payment of compensation for the lands acquired during the period from the year 1979 to the year 2010, the compensation payable on private lands as at 31 December 2012 amounted to Rs.122.72 million while a further compensation of Rs.33.60 million remains payable for the lands acquired from the Land Reform Commission.
- (b) A loss of Rs.1,000 million was observed in connection with the failure to follow a good management practice for the Joint Project for the Development of the land 01 acre 26.5 perches in extent situated at Darley Road in collaboration with the Private Sector. This matter was pointed out in the Audit Reports for the preceding year as well. Even though the General Manager of the Authority had reported on 13 February 2012 that action will be taken to sign the agreements after obtaining advice from the Department of Attorney General and restart the work in 03 months, the Project had not been commenced even by the end of the year under review.
- © Even though the approval for the housing plans should be obtained from the respective Local Authority before the commencement of work on Projects, houses had been constructed without taking such action. As such it had not been possible to establish Management Corporations by transferring 1,986 houses of 26 Housing Schemes to the respective owners due to the difficulties in obtaining the Certificates of Conformity. The Authority had spent a sum of Rs.253.35 million in the year under review for the maintenance and repair of those houses.
- (d) Lands 229.48 acres in extent belonging to the Authority situated in 19 districts of the Island, with constructions done by unauthorized occupants had been identified by the end of the year under review. Out of that, the extents of blocks of land exceeding 10 perches each so occupied had been 187.76 acres. The extents of blocks of land less than 10 perches each which can be regularized had been 22.65 acres. As 19.07 acres had been used for cultivation purposes the Authority had not taken action for the eviction of the unauthorized occupants. The General Manager informed that action has been taken to sell the blocks of lands less than 06 perches occupied without authority as adjoining lands and that surveys are being carried out to identify the lands suitable for constructions of houses out of those used for cultivation and construct houses thereon and to lease out the lands not suitable for housing purposes for cultivation purposes.
- (e) The balance of the loan granted in the years 1989-1994 to 526 families in the Kurunegala District for the purchase of solar energy system as at 31 December 2012 amounted to Rs.4,124,731 and no recoveries whatsoever had been made in the year under review. A specific procedure had not been implemented for the recovery of the loan.
- (f) Valuation from the Chief Valuer had not been obtained for the sale of the Liberty Plaza Circuit Bungalow owned by the Authority to the Ocean View Development Company and the Valuation of the Valuers of the Authority only had been obtained. The valuation subsequently obtained from the Government Valuer amounted to Rs.11,520,000 whereas the payment made by the Ocean View Development Company amounted only to Rs.9,000,000.

This matter was discussed at the meeting of the Committee on Public Enterprises held on 23 November 2012 and the Committee directed that disciplinary steps should be taken against the officers responsible for the irregular transaction. Nevertheless, action in compliance with the directive had not been taken even up to 31 October 2013.

- (a) The land belonging to the Authority situated at Kirimandala Mawatha, Narahenpita had been sold for Rs.75 million in the year 2003 to a Housing Project without obtaining a Government valuation. The approval of the Cabinet of Ministers had not been received in this connection. According to the valuation made by the Chief Valuer dated 10 February 2007, the value amounted to Rs.121.5 million. The investigations into this matter had not been finalized even up to the end of the year under review.
- (b) Even though a construction cost of Rs.20 million had been incurred on the Mahaiyawa Housing Project consisting 32 houses constructed by the Authority on a land belonging to the Kandy Municipal Council action had not been taken even by the end of the year under review for the recovery of the money from the Kandy Municipal Council.

#### **4:3 Operating Inefficiencies**

The following observations are made in this connection.

##### **(a) Janasevana Uphara Loan Programme**

The Authority had released the loans under the Uphara Loan Programme by obtaining loans from 04 State Banks at 10 per cent interest rate during the year under review.

Weaknesses prevailing in the release of Jana Sevana Uphara Loans by the District Offices were observed. These indicated a possible risk in the recovery of the loans in the future.

- Examples Release of loans exceeding the approved limit on loans.
  - Lack of proper updating, storage and use of loan files.
  - Weaknesses in computerization of the Loan Accounts.
  - Release of loans without adequate income/ particulars of the borrowers and sureties.
  - Release of loans without both parties signing the Loan Bonds.
- (b) Even though an advance of Rs.1,000,000 had been obtained on 19 January 2005 for the house valued at Rs.6,195,522 of the 93 Watta Housing Project action had not been taken for entering into a sales agreement in that connection and collect the money.
  - (c) Three houses belonging to the Authority in the Homagama, Jalthara and Diyawanna Gardens Housing Schemes had been released for occupation to three persons outside the housing disposal methodology without entering into agreements and without obtaining advances.
  - (d) The District Office Kandy had constructed 16 houses for the Galaha Housing Scheme at a cost of Rs.2.67 million from the year 1998 to the year 2001 and the work on those houses had not been completed even by the end of the year under review. It was revealed that those houses are occupied by unauthorized persons from the year 2009.
  - (e) Even though the Authority had received capital grants totalling Rs.1001.74 million during the year under review for the implementation of various projects, only a sum of Rs.984.16 million out of that had been spent. As such the unutilized capital grants as at the end of the year amounting to Rs.17.58 million.

- (f) The lessees of the houses given by the Authority on the concessionary basis had sold those houses to external parties even before obtaining the legal title to the houses and made large profits. The Authority had not taken any steps whatsoever for the prevention of such activities.
- (g) The Ministry of Nation Building and Estates Infrastructure Development had released a sum of Rs.1.35 million in the year 2008 to the Estates Human Development Trust for the Estates Housing Projects of the Millakanda and the Procestor Estates in connection with the Estates Hosing Programme. Nevertheless those sectors had not commenced those projects even by the end of the year under review.
- (h) Numerous delays were revealed in the settlement of advances. The particulars of unsettled advances had been as follows

	Less than 01 year Rs.	01 to 02 years Rs.	02 to 03 years Rs.	Over 03 years Rs.
Sundry Advances	14,450,087	6,935,559	233,486	889,728
Advances granted to contractors	52,041,909	--	6,521,251	72,394,309
Stores Advances	--	--	--	200,000

#### 4:4 Transactions of Contentious Nature

The following observations are made in this connection.

- (i) In accordance with the tripartite agreement signed 06 February 2013 four hundred houses of the Jalthara Housing Project had been handed over to the Housing Development Finance Corporation Bank and the repayment of the loan of Rs.721.75 million obtained by the Authority for the construction of houses by recovery the installments from the recipients of the houses also had been entrusted to the Bank. The further loan payment to the Treasury under this transaction had been shown as Rs.3.42 million in account.
- (ii) Despite the possibility of carrying out construction works through sub-contractors under the Engineering Division of the Authority with 52 staff, the repair works of the condominium properties of the year under review valued at Rs.228.67 million had been awarded to the State Engineering Corporation.
- (iii) Even though two officers had vacated posts by the end of the year under review, action had not been taken for the recovery of sums totalling Rs.749,975 recoverable from them.
- (iv) The money receivable to the Authority for the 726.35 perches of land given in the year 1998 to the Red Crescent Society of the United Arab Emirates for the construction of the Housing Project of 60 houses amounted to Rs.5,297,604 and a sum of Rs.3,415,000 only had been recovered up to 31 December 2012. The Authority had not taken action for the recovery of the balance sum of Rs.1,882,604.
- (v) The Authority had spent a sum of Rs.6.76 million during the year under review for the construction of non-functioning community halls and repair works of the "100 Houses Construction Programmes".
- (vi) Out of the 08 houses constructed under the stage (iv) of the 117 Watta Elvitigala Mawatha, 04 houses had been handed over to the Ministry of External Affairs in the year 2011 and a sum of Rs.4.97 million remained receivable in this connection. Out of the balance 04 houses, 02 houses had been allocated from the year 2008 by obtaining Rs.50,000 and Rs.1,000,000 respectively outside the housing disposal methodology of the Authority and without entering into agreements. Action had not been taken even up to the end of the year under review for the recovery of the balance. The General Manager informed that a sum of Rs.455,000 had been recovered for the house No. A/1/1 for which an advance of Rs.50,000 had been obtained and given on sale bases and the allocation of house No. A/3/1 on an advance of Rs.1,000,000 had been cancelled and another buyer selected had been informed to pay the money for allocation.

- (vii) In accordance with the decision No. PED/GEN/2004 dated 13 July 2005, the surplus money of the Authority of the year 2010 amounting to Rs.47.46 million had been credited to the Consolidated Fund with the expectation of recovering for the purposes of housing loans and construction of houses under the Million Houses Programme of the Authority. Even though the Authority requested the refund of that money in the year under review, the Department of Public Enterprises had informed that the money cannot be given. Nevertheless, the Authority had shown that amount under the current assets as an amount receivable from the Consolidated Fund.

#### **4:5 Idle and Underutilized Assets**

The following observations are made in this connection.

- (i) Two buildings belonging to the Maligawatta District Office with high lease demands remained without being used over periods ranging from 1 ½ years to 6 years. One of those buildings had become irreparable due to non-use.
- (ii) Action had not been taken from the year 2006 for the disposal of 09 motor vehicles of assessed value amounting to Rs.6,653,000 taken off from recovery.

#### **4:6 Uneconomic Transactions**

The following observations are made in this connection.

- (a) Even though periods of 17 years and 11 years had elapsed after the investment of Rs.120 million in the Subsidiary Company and the investment of Rs. 5 million made in the Associate Company made by the Authority respectively, the Authority had not received any benefits therefrom in the other years except the year 2011 due to the non-declaration of dividends.
- (b) A loan of Rs.250 million had been obtained in the year 1991 from the President's Fund on the undertaking to pay 15 per cent interest. The installments and interest thereon had not been paid regularly and the capital balance paid up to 31 December 2012 amounted to Rs. 55 million. As such a capital balance of Rs. 195 million remained payable on the loan as at 31 December 2012 while the interest payable amounted to Rs.257.41 million. Even though a very high percentage interest is paid on the loan obtained from the President's Fund action had not been taken to get the interest percentage reduced.
- (c) The construction of a building complex at Orugodawatta on a land belonging to the Urban Development Authority had been abandoned in the year 2005 after the Authority spent a sum of Rs.39.9 million on the construction. A private Company had carried out preliminary work for the construction of a housing complex by March 2006 and that work as well had been abandoned. Even though the company concerned had discussed this matter with the Urban Development Authority for the recovery of the above money spent on the complex by the Authority and reached an agreement in the year 2011, the money yard not been paid to the Authority even up to the end of the year under review.
- (d) The compensation paid as at 31 December 2012 on 05 lands acquired amounted to Rs.7.46 million and the interest a compensation the Authority had to pay due to the failure to pay compensation on lands during the specified period amounted to Rs.10.70 million.
- (E) The Authority had paid a sum of Rs.5,143,550 as the expenditure on the construction of the exhibition stall of the line Ministry at the Deyata Kirual Exhibition 2012.

#### **4:7 Identified Losses**

The following observations are made in this connection.

- (a) The Authority had not been able to recover the housing loans amounting to Rs.5,965,000 granted under the Thrift and Credit Co-operative Societies Loan Scheme by the Jaffna District Office as 1,468 housing loan files had been misplaced. The Authority had not taken adequate legal action in this connection.

- (b) Several floors of the National Housing Development Authority Building had been leased out to the Housing Development Finance Corporation Bank. The rates according to the rent assessed according to the valuation done on 02 March 2007 had been reduced by the valuation done on 01 January 2008 without adducing any reasons and as such the cumulative loss of lease rent lost up to the end of the year under review amounted to Rs.22,874,800.
- (c) Expenditure amounting to Rs.76.07 million had been incurred on the Avissawella Manikkawatta Housing Project up to the end of the year under review and 75 uncompleted houses had been handed over to the Housing Development Finance Corporation Bank for completion of construction and sale. An agreement had not been entered into in this connection and the Housing Development Finance Corporation Bank had paid a sum of Rs.43.925 million up to the end of the year under review. As such the Authority had incurred a loss of Rs.32.145 million on this Housing Project.

#### 4:8 Deficiencies in Contract Administration

- (a) Even though the construction work of the Kilinochchi District Office had been completed at a cost of Rs.6.40 million and handed over to the Authority on 30 October 2010, the balance sum of Rs.4.61 million payable for its construction had not been paid by the Authority even by the end of the year under review.
- (b) The physical progress of the repair works of the Maligawatta Housing Scheme by the end of the year had been 56 per cent while the financial progress had been 136 per cent.

#### 4:9 Resources of the Authority given to the other Government Institutions

The salaries paid to 19 officers/ employees released up to the end of the year under review to the line Ministry and the Ministry of Education contrary to the provisions in Section 9.4 of the Public Enterprises Circular No. PED/12 of 02 June 2003 amounted to Rs.6.67 million.

#### 4:10 Staff Administration

Designation of Post	As at 31 December 2012			
	Approved Cadre	Actual Cadre	Excess	Vacancies
Senior Executives	17	17	--	--
Middle Level Management	97	81	--	16
Junior Level Management	143	142	--	01
Management Assistants	913	1,489	576	--
Primary Level	205	458	253	--
<b>Total</b>	<b>1,375</b>	<b>2,187</b>	<b>829</b>	<b>17</b>

The following observations are made in this connection.

- (a) Even though the approved staff of the Authority appeared as 2,493 in the Human Resources Plan of the Authority, the staff approved by the Department of Management Services as at 12 October 2012 had been 1,375.
- (b) In view of the actual staff as at 31 December 2012 being 2,187, the existence of 829 employees exceeding the approved staff was observed. The excess staff included 325 officers recruited on the daily payment basis and 71 officers recruited on contract basis.
- (c) The Authority had recruited 73 employees for 23 unapproved posts and salaries and allowances amounting to Rs.12,571,511 had been paid in that connection during the year under review.

- (d) Contrary to the provisions in Section 9.3.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, two officers had been deployed in acting posts and 16 officers had been deployed in covering up duties over periods ranging from 01 month to 10 years.
- (e) The Authority had not taken into consideration in criteria such as the forecasts on expected recruitments and resignations and contract appointments during the related period in the preparation of the staff budget for the year 2012.

#### **4:11 Weaknesses in the Tax Management**

The following observations are made in this connection.

- (a) According to the letters sent to the Authority by the Department of Inland Revenue on 03 June 2011 and 24 September 2012 the arrears of the Value Added Tax for the years 2003, 2008, 2009 and 2010 amounted to Rs.37.51 million and the penalty thereon amounted to Rs.5.23 million. Action for the payment of the tax or settlement had not been taken even up to 31 October 2013.
- (b) Action had not been taken even by the end of the year under review for the recovery or the set off of the overpayment of the Value Added Tax amounting to Rs.14.38 million made by the Authority in respect of the years 2003, 2004 and 2005.
- (c) The deferred tax liability as at the beginning of the year under review amounted to Rs.20.86 million and that had increased to Rs.22.72 million as at the end of the year. Action and not been taken for the settlement of the amount.

#### **4:12 Loans Control**

According to the accounts as at the end of the year under review a debtors balance amounting to Rs.2,412.31 million and a capital balance amounting to Rs.8,223.61 million existed in the Housing Loans Programem and the corresponding balances as at the end of the preceding year amounted to Rs.2,479.58 million and Rs.4,734.8 million respectively.

The following observations are made in this connection.

- (i) The actual recoveries made during the year under review amounted to Rs.1,733.14 million and that represented 61 per cent of the budgeted recoveries. The actual recoveries represented a low percentage of 40 per cent of the total debtors.
- (ii) The Authority had taken into consideration only 65 per cent of the total debtors in determining the budgeted amount for recovery. That was observed as a weakness in the loan management.
- (iii) The number of dormant debtors during the year under review represented about 80 percent of the total number of debtors.
- (iv) Even though a sum of Rs.3.50 had been spent in the collection of Rs.100 of debts, the debtors older than 03 years represented about 85 per cent of the total debtors. As compared with the preceding year, the recovery of those loan in the year under review had been about 5.5 per cent. This was revealed as a weakness in the loan recovery management system.
- (v) The Authority had obtained loans from State Banks for the implementation of the Upahara Loan Programme. Even though the monthly loan installments together with interest are not received regularly, the Authority had entered into agreements to make payments to the Banks on the specified dates. As such the Authority had to pay the arrears of loan installments amounting to Rs.44.17 million to the Banks as at 31 December 2012 in respect of the loans given in the year 2011 and 2012.

- (vi) The following instances of non-reconciliation of the balances of loans obtained from State Banks for the Upahara Loan Programme with the confirmations of Bank balances were observed.

Bank	As at 31 December 2012 according to the Authority Rs.Millions	According to Bank Confirmations Rs.Millions	Difference Rs.Millions
National Savings Bank	1,282.70	1,284.95	2.25
Pradeshya Sanwardana Bank	84.89	94.89	10.00
Bank of Ceylon	1,241.64	1,242.84	1.20

- (vii) The actual loan recoveries in March of the year under review and the last 06 months had been lesser than the targeted level. The actual recoveries for the year had been less than the budgeted recoveries by a sum of Rs.1,056.86 million.
- (viii) Even though provision had been made in the agreements for the recovery of the Upahara loan installments from the salary of loan recipients, the number of loan recipients who repay the loans to the Authority had been at a low level as 20 per cent.

## 5. Accountability and Good Governance

### 5:1 Corporate Plan - 2012

The following deficiencies were observed in the Corporate Plan for the years 2012 to 2016 prepared by the Authority.

- (i) The activities of the Corporate Plan had not been shown in a manner to build up a connectivity with the Action Plan and the Budget.
- (ii) Review of the progress of achievement of the activities of the Corporate Plan and the areas not implemented as well as slow moving had not been carried and a report on future action had not been prepared while that had not been brought to the notice of the Board of Directors.

### 5:2 Action Plan - 2012

Even though the construction of 39,493 housing units had been planned according to the Action Plan, the work on 10,851 housing units only had been completed by the end of the year under review. That represented 27 per cent of the number planned.

### 5:3 Internal Audit

The following observations are made in connection with the Internal Audit.

- (i) Certain District Offices had not been audited over several years.
- (ii) The activities included in the Annual Internal Audit Programme had not paid adequate attention to the performance audit.
- (iii) Even though the approved staff for the Internal Audit had been 48 only 22 officers had been deployed as at the end of the year under review.

#### **5:4 Procurement Plan**

- (a) Even though a Procurement Plan had been prepared for the year 2012, the approval for that had not been obtained from the Secretary to the Ministry.
- (b) The following activities had not been included in the Master Procurement Plan in terms of Section 4.2.1 of the Government Procurement Guidelines.
  - The procurement activities envisaged at least for a period of 03 years had been included in the Master Procurement Plan.
  - Updating of the Master Procurement Plan regularly at intervals not exceeding 06 months.
  - Preparation of a detailed Procurement Plan

#### **5:5 Budgetary Control**

According to the financial statements presented by the Authority, the actual income and expenditure amounted to Rs.1,431.00 million and Rs.1,734.41 million and the budgeted income and expenditure amounted to Rs.1,529.07 million and Rs.1,453.00 million respectively. A reconciliation indicated a difference of Rs.98.07 million in the income and a difference of Rs.281.41 million in the expenditure. As such it was observed that the budget had not been made use of as in effective instrument of control.

#### **5:6 Tabling of Annual Reports**

The Authority had not tabled the Annual Report for the year 2011 in Parliament even up to the end of the year under review.

#### **5:7. Systems and Controls**

Deficiencies in system and controls observed during the course of audit were brought to the notice of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

- (a) Contract Administration
- (b) Advances Control
- (c) Inventory Control

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