



ANNUAL REPORT

2013



National Housing Development Authority

Ministry of Construction, Engineering Services, Housing and Common Amenities



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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 two (02) city offices.

Our Vision

An adequate house for every family in a habitable environment.

Our Mission

To promote facilitate and coordinate on a national scale the provision of shelter requirements for Sri Lankans particularly, those in low income groups, lacking means to acquire a house and which results in the betterment of their social well being and economic prosperity.

Goals

As per the National Housing Development Authority Act, No 17 of 1979, our goals shall be,

- To directly engage itself in the construction of flats, houses and other living accommodation or buildings.
- To formulate schemes to establish housing development projects in order to alleviate the housing shortage.
- To cause the clearance of slums and shanty areas and the re-development of such areas.
- To promote housing development.
- To develop or redevelop lands for the carrying out of any of the objects of the Authority
- To make land available to any person for housing development.
- To provide financial or other assistance to persons engaged in any activity which is similar to any of the objects of the Authority.
- To conduct, promote and coordinate 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 objects.



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.



Statement of the General Manager

The National Housing Development Authority was established on 01st April 1979 under the Act No. 17 of 1979 to fulfill the housing need of the country. A national target of constructing hundred thousand houses was given to NHDA. Thereafter by directing the housing programmes of ten` hundred thousand, fifteen hundred thousand, the authority started to fulfil the housing needs of the citizens.

With the newly elected government in year 2010, actions & duties of NHDA have been carried forward more systematically. Specially, under the guidance of Hon. Minister of Construction, Engineering Services, Housing & Common Amenities Wimal Weerawansa, NHDA has been able to drive through a rapid development.

Future plans of NHDA were planned in the year 2010 & implemented since 2011. Within the period of year 2011 as a result of developing 26,277 houses & investing Rs. 3402.84 M. for housing development, the relevant year has been identified as the year of highest investment in the history of NHDA. Further improving this status in year 2012, a sum of Rs. 6208 M. was invested, for the development of 30630 houses. Rs. 6370 M. was invested to develop 19148 houses by successfully carrying out the programme in year 2013. A greater contribution was given to fulfil the housing needs of the people through this special investment.

The prevailing management worked to upgrade the standard of NHDA again, and it is a pleasure for me to be the Chief Executive Officer of that great contribution. The scarcity of funds for housing development was the main challenge the authority had to deal with as a service provider. In order to change this condition since 2011, steps were taken to increase the assets by competing financial management & improving the investments through various sources. Accordingly, the total value of assets in year 2010 was Rs. 10291.0 M. & the authority was able to increase it in year 2011, 2012, 2013 respectively as Rs. 12421.0 M., Rs. 14608.0 M., Rs, 17869.0 M.

The income, which was Rs. 455.709 M. in 2010, was increased rapidly in year 2011, 2012 & 2013 as Rs. 786.0 M., Rs. 1431.0 M. & Rs. 1940.0 M. as a result of our great effort.

Trust kept upon us was further ensured by competently recovering the loan payments which is the main income source of the authority, thereby protecting the liquidity, & reducing the dormant loan balance.

According to my point of view, the most valuable resource the NHDA possesses is the human resource. The special attention of the Chairman & Management of the Authority is towards the human resource development. Our belief is that the existence & achievement of an institution or an organization depends on its employees' energy & competence. Accordingly, special attention was paid on human resource development by providing job development opportunities & organizing employee training programmes annually starting from the year 2010.

2000 employees of NHDA were being depressed without getting promotions for years and therefore, actions were taken to promote a number of employees by conducting interviews without any further delay and also to replace the graduates in suitable positions by offering promotions to those who were in lower designations. A number of programmes were implemented for the workers & re-implementation of the disaster loan scheme, giving motor-bikes for technical officers & other employees on the basis of job function, removal of the salary differences of technical officers,



approving of maternity leave according to public administration circulars, introduction of special procedure to evaluate the employees' special & professional contribution, increase of the fertility of employees' welfare society by systematizing its functions are some of them.

The main step taken to develop the physical resources within this time period was construction of buildings for district offices which were functioned in buildings without proprietorship. New buildings were constructed for Mullativu, Batticaloa, Kilinochchi, & Matara district offices. A special task completed last year was the modernization & development of infrastructure facilities of Secretariat Office complex where Kandy district office has been located. Circuit Bungalow used by employees to stay for official purposes was completed providing equipment needed. No new vehicles were added to the prevailing number of vehicles for many years. With all the difficulties, buying of 14 cabs on the intervention of State Treasury in year 2012 & distribution of them for the use of district offices to strengthen the rural housing programmes was a victory.

We determine to distribute the grants among the employees and to face the problem of solving housing issues of the people successfully, making the year 2014 a victorious year.

Brigadier Mahinda Mudalige RWP RSP
General Manager
National Housing Development Authority



Corporate Information

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
WEB	:	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.



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 Finance. The Minister appoints one of the appointed member as 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 Padma Udaya Shantha Gunasekara Dharmodaya Mawatha Pothuwil Road Monaragala	Working Director	NHDA
4. Mrs Waruni Apsara Walpita No.121/17 Baseline Road Colombo 08	Member	Department of National Planning, 1 st Floor Secretariat Building Colombo 01
5. Dr. Wasantha Bandara No.2/270, Colombo Road Kurunegala	Member	Ministry of Construction, Engineering Services, Housing and Common Amenities
6. Mr Raja Gunarathna, Attorney-at-Law No. 150/05, Highlevel Road Maharagama	Member	Commissioner for Housing- Ministry of Construction, Engineering Services, Housing and Common Amenities
7. Mr W A Ranjith Wilwalaarachchi No.15, 4 th Lane Rajagiriya	Member	Ministry of Construction, Engineering Services, Housing and Common Amenities



Corporate Management

Brigadier Mahinda Mudalige RWP RSP
General Manager

Mr Gamini Pannilawithana
Snr Dy General Manager (Co-ordinating)

Mrs M S Weerasinghe
Dy General Manager (Engineering Services & Construction)

Mr E A D S Edirisinghe
Actg. Dy General Manager (Finance)

Mr W A D Sarath Kumara
Actg. Dy General Manager (Property Management & Marketing)

Mr Lalith Edirisinghe
Dy General Manager (Human Resources & Management)

Mr P M S K Pathiraja
Dy General Manager (Housing Development)
(upto 21-08-2013)

Mr K A Janake
Actg. Dy General Manager (Housing Development)
(From 27-08-2013)

Mr K W A Dharma Sri Kariyawasam
Dy General Manager (Information & Publicity)

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
(upto 10-06-2013)

Mr Dhanushka Malinda Jayalath, Attorney-at -Law
Secretary to the Board
(From 11-06-2013)



Our Main Activities

In order to achieve our objectives we carryout these activities.

1. Implement Loan & Aid Programmes

- Provide loan facilities at a concessionary amount for low income families
- Implement Janasevana Upahara Loan Programme for state & private sector workers & for families with permanent income.
- Implement aid-housing projects for low income families
- Provide financial assistance for poor families to construct houses
- Provide loans & aids for resettlement projects.

2. Promote Public - Private Partnership Housing

- Identify suitable lands
- Call for expression of interest
- Discuss with potential developers & invite proposals
- Evaluate proposals & select developers
- Plan and design the project
- Sign Memorandum of Understanding
- Form Joint Venture Company
- Implement, monitor & ensure quality
- Marketing & sale of houses
- Establish Management Corporation

3. Provide Support Services for Housing Construction

- Conduct feasibility studies on housing
- Create awareness and mobilize Community
- Formation of Community Development Organization
- Provide the required technical assistance for housing development
- Disseminate information on cost effective construction techniques
- Provide financial assistance where necessary
- Supervise construction to ensure quality / conformity
- Coordinate /facilitate infrastructure

4. Implement Urban Upliftment Programme (Housing projects)

- Identify suitable location
- Conduct enumeration survey
- Determine affordability levels
- Plan, design and implement the project
- Establish management corporations
- Transfer ownership



5. Implement Nagamu Purawara (Housing Complexes Renovation) Programme

Develop infrastructure facilities of the prevailing housing complexes
Renovation of housing complexes
Construct play grounds, gymnasiums, Buddha's shrine rooms & gardening in order to make a beautiful habitat improving the spiritual values of housing complex dwellers.

6. 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

7. Implement Loan Recovery Programmes

Implement loan & recovery programmes
Provide annual target & guidance to achieve the target, & implement the relevant principles.
Prepare monthly progress evaluation & provide solutions by identifying the weaknesses.
Implement training programmes for recovery representatives & recovery officers.
Implement programmes to evaluate the contribution given to income promotion programmes.

8. 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



9. 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.

10. 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

11. 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

12. 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



B. Corporate Governance

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. 25 Board meetings were held during the year.

Audit & Management Committee

The Audit & Management Committee consists of four independent non-executive Members of the Board. In the year 2013 the following Board Members served as Members of the Audit and Management Committee.

Members of the Audit and Management Committee in the year 2013

- | | |
|--|------------|
| 1. Mrs W A Walpita | - Chairman |
| 2. Mr A W Dayananda | - Member |
| 3. Mr Raja Gunarathna
(Attorney –at –Law) | - Member |
| 4. Mr R S Samarakkodi | - 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 ensures compliance with Laws and Regulations of the Accounting standards.

In the year 2013 Audit and Management Committee met 8 times.

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 2013.

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 headed by the Chairman is held weekly and activities related to all Deputy General Managers Divisions are discussed there. 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 02 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 its 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.

The Board then, in consultation with the Corporate Management of NHDA, establishes 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.

Liquidity Risk

NHDA is at a risk when it is unable to fulfill its contractual obligations within the due period.

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.



C. Reporting of Operational Performance

HOUSING DEVELOPMENT

Housing Programme - Year 2013

An outline of the programmes implemented in the year 2013 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 Housing and Habitat Development Operation as per the Mahinda Chintana Vision for the Future, given below.

- Viru Gammana Programme
- Scattered Housing Programme
- Janasevana Upahara Programme
- Sasunen Sevana Aid Programme
- Janasevana Special Aid Programme
- Deyata Kirula Programme
- Resettlement Programme
 - (i) Indian-aid housing programme
 - (ii) Housing programme implemented under National Savings Bank Loan Fund
- Welioya Housing Programme
- Adivasi Housing Programme
- Sahasaviya Housing Programme

Viru Gammana Programme

In line with Mahinda Chintana Future Vision, under the guidance of Minister of Construction, Engineering Services, Housing and Common Amenities, under the Janasevana Housing and Settlement Development Drive for One Million Housing Units, National Housing Development Authority implements housing projects with basic infrastructure facilities for various communities expecting houses under this programme. This programme is commenced at divisional secretariat level in districts and the completed housing projects with infrastructure facilities will be vested after naming the project in honor of a dead soldier or in honor of a soldier of Armed Forces or Police whose service period is still not terminated. The project is implemented in honor of brave soldiers who sacrificed their lives to defeat the 30 year war period.

Construction work of 19 projects has been commenced in 10 districts during this year & a sum of Rs. 90.185 M. has been expended for 701 housing units. The balance is due to be expended during the first quarter of the year 2014 for completion of carry overs. At the beginning of year 2013 the housing units of the continuation programme were 1875 and a sum of Rs. 147.902 M. has been spent for the programme completing 1040 housing units.

Scattered Housing Programme

This programme provides the necessary financial and technical assistance with the contribution of the community at Grama Niladhari divisional 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 to 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 3767 housing units by the end of year 2013 spending a sum of Rs. 378.006 M. 10,303 housing units remained as carryovers of the project & a sum of Rs. 611.244 M. has been spent for the completion of 7778 housing units. The balance is due to be completed within the first quarter of the year 2014.

Janasevana Upahara Programme

The main objective of this programme is to issue housing loans with the assistance of 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/- are 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 steps were taken to issue loans to 11014 families to build houses during the year 2013 & the amount spent for it was Rs. 2490.028 M. The houses of the continuation programme in year 2013 were 5958 and 5801 housing units have been completed spending a sum of Rs. 820.001 M. for the programme.

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 2600th 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 493 families to construct their houses during its first phase to be implemented in the year 2013. The amount spent for the purpose was 27.359 million rupees.

The continuation houses for the year 2013 from previous year was 459 & 354 housing units have been completed spending a sum of Rs. 17.514 M.

Extremely poor families who have the need and the enthusiasm to build a house of their own but have no capacity to repay 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 of 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 preparation to construct a house.



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.

Janasevana Special Aid Programme

This programme is implemented with the objective of constructing a permanent house for families who have the need to build a house but not have the ability to pay a housing loan. Under this programme, a maximum of one hundred thousand rupees for each was granted as an aid. Under this programme a sum of Rs. 14.76 M. has been given as aid for 267 families in year 2013. Construction work of 249 houses has been completed in year 2013.

Deyata Kirula Programme

Deyata Kirula Exhibition & Development Programme – 2013 was held in Ampara, & even parallel programmes were held in Trincomalee, Polonnaruwa & Batticaloa.

The main aim of this Deyata Kirula exhibition & development programme 2013 is the implementation of housing development & livelihood development programmes for low income families. The facilities were given to support families who had the need to make development to their house or build a new house. Under this programme settlement development was implemented.

The progress of housing programmes in four districts in parallel to Deyata Kirula Exhibition is included to the progress of Viru Gammana project, Scattered Loan programme, Upahara housing loan programme & other aided programmes. In addition to that, a sum of Rs. 66.463 M. had been estimated for construction of 658 housing units in Batticaloa & a sum of Rs. 33.34 M. has been spent according to the housing construction progress.

A sum of Rs. 8.975 M. has been spent for 245 housing units in Anuradhapura Deyata Kirula continuation programme.

Resettlement Housing Programme

i. Indian Housing Programme

6000 Houses were organized only in Vavuniya and Mannar Districts under this Housing Programme. Construction of 1495 houses of them has already been started and the amount spent for it was 704.25 million rupees.

ii. Housing Programme implemented under the National Savings Bank's loan.

A sum of Rs. 36.015 M. has been spent for 129 housing units.



Welioya Housing Programme – Phase II

Under this programme sum of Rs. 60.050 M. has been spent to construct 364 housing units in Mullativu district.

In year 2013, a sum of Rs. 64.8 M. has been spent for 494 housing units of Welioya 1st phase continuation programme.

Adivasi Housing Programme

Under this programme, a sum of Rs. 2.5 M. has been estimated for construction of 25 housing units in Mahiyanganaya Divisional Secretariat of Badulla district. A sum of Rs. 1.632 M. has been spent according to the construction progress of those 25 housing units & balance of money due to be spent for continuation of work.

Sahasaviya Housing Programme

This programme is implemented with external funds & a sum of Rs. 39.413 M. received from the decentralized funds & Economic Development Authority's fund has been spent for 763 housing units and 124 units of it have been completed.

Upahara Loan Programme

Though it was planned to grant Rs. 5000.0 M. from state banks to issue loans for 16000 beneficiary families in year 2013, the state banks have agreed to provide financial assistance as follows.

People's Bank	-	Rs. 1200 million
Bank of Ceylon	-	Rs. 1200 million
National Savings Bank	-	Rs. 1200 million
State Mortgage & Investment Bank	-	Rs. 150 million
Housing Development Finance Corporation Bank	-	Rs. 500 million
Total contribution	-	Rs. 4250 million

Accordingly, action has been taken to issue loans for 14159 beneficiary families.

Financial Assistance of Bank from year 2011 to 2012

People's Bank	-	Rs. 1500 million
Bank of Ceylon	-	Rs. 1550 million
National Savings Bank	-	Rs. 1560 million
Regional Development Bank	-	Rs. 350 million
State Mortgage & Investment Bank	-	Rs. 220 million
Housing Development Finance Corporation Bank	-	Rs. 250 million

Under this programme, loans have been issued for 16172 beneficiary families

Resettlement Programme in Northern Province

With a financial assistance of an amount of Rs. 345 M. from the National Savings Bank, loan facilities have been given to construct 995 housing units under this programme.



NATIONAL HOUSING DEVELOPMENT AUTHORITY
JANASEVANA HOUSING PROGRAMME
 Progress as at 31.12.2013

Janasevana Housing Programme	Annual Target						Achievement						Fund received from Treasury (Rs.M.)			
	Physical (No. Of Units)	Financial (Rs.M)					Physical (No. of Units)	Expenditure								
		Total	UC	IC	Property	Sevana		Other	Upahara	Total	C.F	I.C		Property	Sevana	Other
Rural & Semi Urban Programme																
1. Janasevana Viru Gammama Programme																
1.1 Normal	2,593	517,100	449,100	63,000	5,000		529	19	51,370	44,325	6,490		0,555	-	-	
1.2 Upahara	875	273,440					172	16	38,815	-	-		-	-	38,815	
2. Janasevana Scattered Houses	13,266	1,987,900	600,000	837,000			3,767	1034	378,006	358,084	15,367		4,555	-	-	600,000
3. Janasevana Upahara																
3.1 Scattered	15,125	4,726,560					11,014	2,310	2,490,028	-	-		-	-	2,490,028	
3.2 Operational Cost		26,000	26,000						23,922							23,922
4. Janasevana Grant Programme																
4.1 Sasunen Sevana	1,000	100,000		100,000			493	77	27,359				27,359			
4.2 Scattered Grant							36	18	3,260				3,260			
4.3 Special Grant - Head Office							231	231	11,500				11,500			
5. Sahasra Lanka Housing Programme																
5.1 Direct Construction	20	150,000		150,000												
5.2 Relocation Houses	40	100,000		100,000												
5.3 Public / Private Partnership (Projects 14-TEC Rs.24.318 Mln.)	3,200						61									
6. Sahasriya Programme	1,000	100,000		100,000			766	127	39,673				39,673			
6.1 Welioya Special Programme- Stage 2							364		60,050				60,050			
7. Resettlement Programme																
7.1 National Savings Bank (NSB)	50	15,000					129	98	36,015				36,015			
7.2 Indian Grant	3,000	1,650,000					1,495	841	704,250				704,250			
Sub Total	40,169	9,646,000	6,560,000	900,000	100,000	5,000,000	19,057	4,771	3,864,248	426,331	21,857	4,555	42,674	839,988	252,843	766,668
Housing Related Activities																
8. Sevana Binsaviya Programme																
Distribution of Land Plots	500															
Ensure of Property Rights (Issue of Deeds)	3,000															
9. Nagamu Purawara Programme (22 Projects)	7,147	1,000,000	1,000,000				5,833		610,913	599,469	11,444					600,000
10. Land Compensation		50,000	50,000						49,778	49,778						50,000
Sub Total	10,647,000	1,050,000	1,050,000				8,691		660,691	649,247	11,444					650,000
Continuation Programme																
11.1 Janasevana Viru Gammama	1,875	181,050		181,050			104	1040	147,902	32,578	13,793		78,953	0,035		22,543
11.2 Janasevana Scattered	10,306	803,430		803,430			7,778	611,244	164,955	446,289						
11.3 Janasevana Upahara	5,951	901,900				901,900			5801	820,001					820,001	
11.4 Janasevan Sasunen Sevana (Grant)	459	23,100		23,100			354		17,514				17,514			
11.5 Sevana Visiri (Grant)	15	0,450		0,450			15		0,450				0,450			
11.6 Resettlement	507	71,490		71,490			289		57,205				57,205			
11.7 Dayata Kinla Housing Programme	245	14,740		14,740			118		8,975				8,975			
11.8 External Funds	249	12,580		12,580			138		8,162				8,162			
11.9 Flood Aided housing programme	344	10,720		10,720			255		6,490				6,490			
11.10 Welioya Special Programme	494	56,580		56,580			453		64,800				64,800			
11.11 Estate Housing	481	47,270		47,270			54		13,504				13,504			
Sub Total	20,926	2,123,310	1,676,000	999,220	23,550	901,900	104	16,295	1,756,247	197,533	460,082	87,928	17,999	150,161	842,544	
Sahasra Lanka Programme-Continuation																
12.1 Direct Construction	89	235,000		235,000					59,705				59,705			
12.2. Relocation	36	47,720		47,720			36		36,934				36,934			
Total	71,867	13,102,030	1,000,000	2,181,940	123,550	5,901,900	19,161	29,793	6,377,825	1,273,111	493,383	189,122	60,673	990,149	3,371,387	1,416,668



Property Management

(1) 2740 document to issue title deeds for houses & land plots have been received in year 2013 (after obtaining the approval of 8.1) & 2581 title deeds of them have been issued out of it.

Target achievement in issuing title deeds in year 2013 is 91%.

(2) District Managers have been informed to implement the disposal of common properties to Local Government Institutions obtaining the decisions of Board of Directors pertaining to the districts; Galle, Polonnaruwa, Kandy & Matale.

<u>District</u>	<u>Number of Land Plots</u>
1. Galle	01
2. Polonnaruwa	01
3. Kandy	54
4. Matale	<u>01</u>
	<u>57</u>

Property Management Division fully engages in taking steps to solve the timely issues regarding the condominium property & to obtain relevant decisions of the Board of Directors. Accordingly, actions have been taken to issue title deeds solving the problems with regard to disposal.

Land Acquisition and Sales Section

1. 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.

2. Targets for 2013 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.
- V. Sale of Houses

3. Achieving targets

- Activities relating to acquisition of five state lands & three private lands could be completed. Treasury allocation of Rs.50 M. was received and, compensation and interest for private lands below mentioned in No. 05 have been paid as part payments and action has been taken to compensate for 11 lands belonging to the Land Reform Commission.



- 250 vacant land plots worth of Rs. 332.98 M., identified by the land survey have been sold.
- Further, 190 occupants out of 800 identified unauthorized occupants, have been regularized & Rs. 115,563,387/- is to be earned by that. 89 lands out of 370 adjoining plots of land were sold & the income was Rs. 31,427,909/-.
- The number of houses sold within the year is 34 & value is Rs. 22,429,500/-

4. Obstacles against achieving targets

A sum of Rs. 122,217,286.71 was due to be paid by 01.01.2013 as compensation & interest for 45 private lands & a sum of Rs. 30,619,156.31 was due to be paid by that date for 23 lands owned by Land Reform Commission. Further, Divisional Secretariat has informed to pay a sum of Rs. 20,737,385.67 as compensation & interest during the year for 9 private lands. Further, a request has been made to pay a sum of Rs. 877.236/- for two lands owned by Land Reform Commission.

A sum of Rs. 32,955,211.27 received from treasury grants in year 2013, has been spent to pay compensation & interest for private lands & a sum of Rs. 16,997,258.50 has been paid as total value for Land Reform Commission for its 18 lands. Further, private land has been bought at a cost of Rs. 4,614,400/- during the year. As the legal matters pertaining to some land plots should be solved before the payment of compensation, the informed compensation could not be paid and land compensation has been paid on installment basis and treasury grants had not been adequate to complete the total payment. Moreover, completion of acquisition affairs was disturbed by the Land Reforms Commission for not taking measures to publish gazettes for lands for which the total value since 2011 to date has been already paid. Further, as the legal matters pertaining to some land plots should be solved before the payment of compensation, the informed compensation could not be paid and land compensation has been paid on installment basis and treasury grants had not been adequate to complete the total payment.

5. Achievements during the year

- Number of lands acquired.

Government	Private	Land Reform Commission	Other Institutions	Purchasing of Lands
07	03	-	-	01

- Regularization of the unauthorized - 190
- Sale of vacant lands - 250 plots
- Sale of houses - 34

Engineering Services and Construction

Engineering Services and Construction Division comprising following sections contributed towards habitat development during the year 2013.

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 solved through the following programmes.

Restoration of Apartment Blocks (Nagamu Purawara)

The main objectives of Nagamu Purawara Programme are handing over of the responsibility of maintenance of common amenities & housing complexes to the relevant local government institutions & house holders, respectively by establishment of management cooperation and creation of a habitable environment to the dwellers by modernizing the housing complexes & infrastructure facilities.

It was planned to commence 25 projects under Nagamu Purawara project during the year 2013 & was able to commence the renovation of 22 projects though all the procurement procedures were over.

Renovation of 17 projects in Colombo Municipal area was assigned to State Engineering Corporation having the approval of the Cabinet on 23rd July 2013 due to the decrease of demand of tenders for the relevant projects.

Progress of Renovation of Housing Complexes-2013

Serial No.	Project	No. of Houses	Cost for contract (Including VAT) Rs. M.	Progress as at 31.12.2013		Other
				Physical	Financial	
01	Gurunagar - Jaffna	160	100.0	90%	53.4	
02	Soysapura Phase II	960	102.00	65.0%		
03	Mihindu Mawatha Housing Scheme	125	23.5	20%	4.69	
04	Aramaya Place Housing Project	96	18.5	18%	3.50	
05	Gunasinghepura Housing Project	536	133.5	10%	26.7	
06	Aduruppu Veediya Housing Project	108	23.0	23%	4.57	
07	Abdul Hameed Housing Project	95	13.5	10%	2.70	



08	Armour Street Housing Project	810	33.0	10%	6.49	
09	Samagipura Housing Project	244	110.5	18%	21.96	
10	Samapura Housing Project	136	46.5	15%	9.30	
11.	Siridamma Mawatha Housing Project	72	13.5	15%	2.62	
12.	Sangaraja Mawatha Housing Project – Phase 1 & 2	255	85.5		17.06	Contracts have been signed.
13	Mohideen Masjeed Housing Project	16	3.5		0.63	
14	Suriyamalpura Housing Project	68	8.5		1.70	
15	Sucharitha Mawatha Housing Project	32	14.0		2.78	
16	Bloemendhal Housing Project	392	60.0		12.00	
17	Palliyawatta Housing Project	72	11.0		2.15	Down payment has been paid.
18	Renovation of community centre, sewerage & drainage systems & children's play ground of Crow Island Housing Scheme	353	5.0	-		
19	Sirimapura Housing Project	80	13.0		2.60	
20	Jayawadanagama (Renovation of man halls that pollute the pond)	705	5.0			Procurement procedure has been completed by paying to the National Water Supply & Drainage Board



21	Renovation of Rahulapura sewerage system	100	2.54	25%		
22	Egoda Uyana Housing Project	64	18.55	10%		
23	Renovation of Nupewela sewerage system	201	15.5			Procurement procedures are under process
24	Raddolugama Auditorium	--	4.0			Procurement procedures have been completed
25	Maligawatta Phase II	1520	80.0	100%		
26	Sahasrapura & Singhapura	731	75.0			
	Total	7931	1023.59			

Sahasrapura & Singhapura Housing Projects were continued by the Urban Development Authority under the grants of National Housing Development Authority

Rest of the projects are to be commenced in January. Procurement procedures of sewerage systems in Nupewela have been completed & measures have been taken to award the contract. For that reason, renovation had to be implemented under several stages since 2011.

Because of the complexity & issues pertaining to the eradication of unauthorized constructions, it took a longer period than assumed to complete the renovation of Maligawatta & Soysapura housing complexes, constructed before thirty or forty years back.

Maligawatta

Maligawatta housing scheme in an extent of 46 acres comprises of 1520 houses & renovation of the 1st stage of it was completed on 25th July 2012 & was under the observation of His Excellency the President.

The 02nd stage of Maligawatta housing scheme renovation was completed on 31.12.2013. A sum of Rs. 356.0 M. (including VAT) has been spent for renovation of buildings & all the infrastructure facilities of the Maligawatta Housing Scheme. Mainly, buildings, drainage & sewerage systems, water tanks & common buildings have been restored & roads of 3.4 km have been carpeted. With the objective of developing spiritual morals of the dwellers & making the housing complex a pleasant habitat play grounds & Buddha's Shrines have been constructed & gardens have been landscaped.



Maligawatta -Then

Now



Soysapura

The 1st stage of renovation of Soysapura housing scheme was completed at a cost of Rs. 100.0 M. & was vested in the public by His Excellency the President on 07.10.2012.

Under the stage I, 462 houses out of 1920 houses of Soysapura scheme have been renovated. The older apartment blocks; A,B,C,R,S,M N & also C3, B34 housing complexes, children's play ground, community hall, library, gymnasium, sewerage & drainage systems have been completely renovated & the road of 1 1/2km has been carpeted. A Buddha's shrine has been constructed and the celebration of the World Habitat Day – 2013 at Soysapura housing complex premises with the participation of His Excellency the President was a special feature.

It has been planned to complete the renovation work of 960 houses under Soysapura-phase II by 30th April 2014 & 65% of progress has been achieved by 31st December 2013. Under the Stage II of road of 1.5 km, sewerage system, common drainage system & buildings are renovated.



Soysapura Phase I

Then

Now



Soysapura Phase II

Then

Now





Renovation of Gurunagar - Jaffna Housing Project Devastated by War

Then



Now



Samagipura Housing Project

Then



Now



Egoda Uyana Housing Project

Then



Now





- **Improvement of Basic Infrastructure Facilities of Housing Schemes**

A sum of Rs. 4.3 M. has been paid to the National Water Supply & Drainage Board to renovate 07 manhalls, which carry the waste water to Jayawadanagama pond.

Manhalls & drainage system that are not connected to common drainage system of Jayawadanagama have been renovated at a cost of Rs. 8.0 M. Tender procedure has been commenced to purchase pumps.

- **Renovation of District Offices**

Construction work of the 1st floor of Matara District Office was commenced on 22.07.2012 & completed on 02.05.2013 at a cost of Rs. 16.5 M.



Modernization of Kandy Secretariat building was commenced on 01.02.2013 & the progress was 88% by 31.12.2013. Completion of construction work is due on 31.01.2014. Construction work has not been completed.

Then



Now



- **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 water pipe 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 numbers 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, maintenance of sewerage systems and sewerage pump houses and removal of garbage are carried out through contractors. A sum of 3.91 million rupees has been spent for the purpose in the year 2013.

A sum of Rs. 0.42 M. has been spent for the maintenance of sewerage purification system of Mulleriyawa Housing Scheme which consists of 248 houses.

- **Housing Development Projects under the “Sahasra Lanka” Programme**

117 Elvitigala-Phase V housing project has been completed under the ‘Sahasra Lanka’ programme on 31.01.2013. It comprises of four houses and one house is at 1300 Sq.ft. Every house has been facilitated with a car park



- Construction work of new 30 houses of Luvisawatta housing project has been commenced on 23rd July 2013. The progress by 31st December 2013 was 43%. The cost for this project was Rs. 76 M.

Construction work of partly completed 36 houses has been started on 11.07.2012 & a progress of 56% has been achieved as at 31.12.2013. The contract cost is Rs. 72 M. 33 Housing units have been sold receiving down payment.

- Construction work of Welangolla housing scheme of Kurunegala district was commenced on 12th January 2012. The total number of houses of this housing scheme is 23, which consists of two types of two storied houses at 1900 Sq.ft. & 2200 Sq.ft. 95% of houses have been completed. The cost incurred is Rs. 163 M.



TYPE A



TYPE C

Restoration Projects

Soysapura phase I & Sulohithapura phase II have been started under restoration projects. Four storied building consisted of 16 houses has been constructed at a cost of Rs. 25 M. under Sulohithapura phase II. The progress was 100% as at 31.01.2013.

Sulohithapura Phase II

Then



Now



Soysapura housing project – phase I has been commenced on 23.08.2012 & has been completed on 07.10.2013. It comprises of five housing complexes and all the infrastructure facilities. One building consists of 20 houses. Accordingly, total number of houses is 100. The estimated cost is Rs. 45 M. (including VAT)

The approval of the Cabinet has been requested for the renovation of Soysapura housing project –Phase II, on 07.10.2013. It was received on 11.11.2013.

Then



Now





Local/Foreign Investment Projects implemented under “Janasevana Sahasra Lanka” Programme

“Janasevana Sahasra Lanka” Housing programme, implemented under National Housing & Settlement Development Drive, is a special programme among the other programmes. The project is implemented in the lands of National Housing Development Authority in collaboration with state & private sectors & the housing projects are implemented with the funds of local & foreign investors. All the projects are implemented under the Cabinet approval.

Present estimated value of the land of the housing project & 10% of the profit of the project is received by National Housing Development Authority as grants. The Investor engages in the sale of houses & projects have been designed so as to make the buyer feel assured of their investment.

Fund is deposited in an Escrow Account enabling the investor to withdraw money when the construction of project reaches 25% of progress. The progress of housing projects as at 31.12.2013 is mentioned below.

- Under the foreign investment projects, Cabinet approval could be obtained for Mihindupura project in Kirulapona. Mihindupura project comprises of 560 houses & also it is completed with all the infrastructure facilities. Construction cost is Rs. 6.3 B. and Construction work is to be commenced at the beginning of the year 2014 after handing over relevant document to the Urban Development Authority to obtain development permit.
- Agreements were signed on 10.01.2013 obtaining Cabinet approval, to construct 864 houses in Yakkala, Werellawatta & Lanka Loha Land, in Gampaha district & apartment blocks with 1064 houses in Homagama Mount Clifford Project. A sum of Rs. 51.97 M. & Rs. 55.8 M. was received respectively for Yakkala & Homagama Projects as a fine as the Foreign Investment Institution was unable to provide Treasury bond as per the agreement.
- It has been planned to construct 20 housing complexes comprised with 80 houses in a land in Narahenpita on the request of the Bar of Lawyers of the Department of Attorney Generals’. Construction work is to be commenced in the first quarter of year 2014, having the Cabinet approval. Financial grants are to be provided by the Bar of Lawyers through a state bank.

1. Yakkala – Siyane Nature Park Housing Project

A Local Investor has been selected & the Cabinet approval has been obtained. Construction work has been commenced after the land clearance & preparation of survey plan for 40 housing units. Total cost of the project is Rs. 158.80 M. A house is at 884 sq.ft. & price of sale is Rs. 4.3 M.

2. Kandy – Pallekele Regency Park Housing Project

Cabinet Approval has been obtained for this project as well and is located in Kandy – Pallekele main road & a local investor has been selected. The project comprises of 21 housing units & 28 shops. 18 houses as 1000 sq.ft. per each house & 03 houses as 1940 sq.ft. per each have been included for the project which will cost Rs. 8.5 M. & Rs. 14.5 M.

Construction work has been commenced after clearance of land & preparation of survey plans. Total cost of the project is Rs. 240 M.



3. Colombo – Kavirathna Place Housing Project

A Foreign Investor has been selected for this housing project for which Cabinet Approval has been obtained. The project comprises of 28 housing units & total cost is Rs. 805.6 M.

4. Colombo – Ranala Jalthara Housing Project

A Local Investor has been selected for this project & has been submitted for the approval of the Cabinet. The housing project comprises of 150 housing units & cost is Rs. 855.66 M.

5. Colombo Simondalewatta Housing Project

A Foreign Investor has been selected for this project. The project comprises of 192 housing units & the cost is Rs. 1329.65 M.

6. Kandy – Hantana Residencies Housing Project

The project comprises of 126 housing units & is implemented by a local investor. Cost of the project is Rs. 1459.5 M. Cabinet approval has been obtained.

7. Kandy – Hantana Dunumadalawa Vilas Housing Project.

Cabinet approval has been obtained & the number of housing units is 19. Total Cost of the project is Rs. 188.0 M.

8. Ratnapura – Galkaduwwawatta Housing Project

Cabinet approval has been obtained. There are 130 housing units. Total cost is Rs. 932.0 M.

Human Resource Management

Organizational 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



Permanent Staff Composition as at 31.12.2013

Serial Number	Service Level	Salary Scale	No. of Employees				
			Approved	Number of Physical Staff			
				Permanent	Contract	Daily Basis	Total
1	Senior	HM 2-1	1	1			1
2	Senior	HM 1- 3	6	5			5
3	Senior	HM 1-1	10	9	1		10
4	Senior	MM 1-1	97	87	3		90
5	Tertiary	JM 1-1	143	127	2		129
6	Secondary	MA 5-2	16	153			153
7	Secondary	MA 2-2	352	408	13	6	427
8	Secondary	MA 1-2	545	677	4	341	1022
9	Primary	PL 3	75	162	4	13	179
10	Primary	PL 2	25	20	1	10	31
11	Primary	PL 1	105	140	14	106	260
Total			1375	1789	42	476	2307

Summary

Service Level	Approved	Actual
Senior	114	106
Tertiary	143	129
Secondary	913	1602
Primary	205	470
Total	1375	2307



Details of the Temporary Staff as at 31.12.2013

Serial Number	Service Level	Salary Scale	No. of Employees		
			Contract (Recruitment after retirement)	Contract (Permanent Recruitment)	Daily Basis
1	Senior	HM 1-1		1	
2	Senior	MM 1-1	1	2	0
3	Tertiary	JM 1-1	1	1	0
4	Secondary	MA 2-2		13	6
5	Secondary	MA 1-2		4	341
6	Primary	PL 3		4	13
7	Primary	PL 2		1	10
8	Primary	PL 1	1	13	106
TOTAL			3	39	476

Administration Division

The tasks achieved by the Administration Division in the year 2013 are as follows:-

1. Employees were paid a sum of Rs. 1000/- as bonus and Rs. 2000 as incentive for the year 2013.
2. Payment for the unclaimed vacation leave was continued.
3. Payment for Cancer disease is included under the payment for serious surgeries. Payments of other medical benefits have been continued in the general procedure.
4. The activities pertaining to the payment of distress loan, subsistence allowances, and rent allowances of district offices were continued as usual.

Staff Housing Loans

1. A sum of 78.600 Million Rupees had been received as grants for staff housing loans. Its breakdown was as 20.000 million rupees for the Head Office and 58.600 million rupees for the District Offices.
2. Housing loans have been approved out of these allocations as follows:



<u>Grade</u>	<u>Head Office</u> <u>Rs.</u>	<u>District Office</u> <u>Rs.</u>	<u>Total paid</u> <u>Rs.</u>
I – VI	700,000.00	2,300,000.00	3,000,000.00
VII – VII A	1,617,940.00	1,522,482.11	3,140,422.11
VIII – IX	618,800.00	2,690,000.00	3,308,800.00
X	<u>650,000.00</u>	-	<u>650,000.00</u>
	<u>3,586,740.00</u>	<u>6,512,482.11</u>	<u>10,099,222.11</u>

Disciplinary Affairs

1. The role of this section is to take action regarding disciplinary activities of the whole Authority. 23 formal disciplinary inquiries have been conducted during the year 2013 & 17 out of them have been concluded. Disciplinary orders for 9 inquiries out of 17 inquiries have been issued during the year 2013.

Security Services

Targets Achieved

- I. 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.
- II. Although there were no terrorist activities during the last year, security services have to be continued up to now as provided before.
- III. The work force of security staff was decreased to 126 by January 2013. Even under such conditions, it had to be continued.
- IV. 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- II phase in Narahenpita
- V. Zoysapura Zonal Office
- VI. Land acquired from the Department of Irrigation
- VII. The sealed shops belong to Colombo – North Office
- VIII. Maligawatta model house
(Store room in which scrap building materials are stored)



Measures taken to achieve the targets and their Outcomes

1. Subjecting to inspection of all vehicles, persons and baggage that reach the premises of the Housing Secretariat including the Head Office & directing them to the relevant divisions.
2. Conducting instruction sessions to security personnel, issuing of necessary written job instructions to all the duty points including the District Offices, keeping the heads of Divisions and District Managers informed on these instructions and informing the security personnel on the responsibilities and duties of the security personnel.
3. Maintenance of records of arrival and departure of employees and taking steps necessary for the protection of the machines used for recording attendance.
4. Prevention of 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.
5. 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.
6. Ensuring of the financial standard of the authority by reducing the number of work force of the security staff at offices & over time period on the decision of administration.
7. Employing armed security personnel for the security of the Housing Secretariat building.
8. 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.

Special Matters

1. Implementation of Programmes such as live firing training programmes for security officers of National Housing Development Authority.
2. The security officers who have followed the security officer training & disciplinary procedures have shown their skill in all subjects securing the good name of the National Housing Development Authority.



TRAINING PROGRAMME - JANUARY TO DECEMBER 2013

Allocation for Training - Rs.4,725,000.00

Se. No.	Category	No. of Programmes	No. of Participants	Estimated Amount (Rs.)	Expenditure (Rs.)	Balance (Rs.)
1	Internal Training Programme	11	347	2,000,000.00	289,043.00	1,710,957.00
2	External Training Programme -Local	26	75	1,000,000.00	286,110.00	713,890.00
3	External Training Programme -Foreign	2	4	1,725,000.00	1,231,657.00	493,343.00
		39	427	4,725,000.00	1,806,810.00	2,918,190.00

SELF INTEREST TRAINING PROGRAMME (LOAN)

Allocation for Loan - Rs.6,500,000.00

Head Office : Rs. 2,000,000.00

District Offices : Rs. 4,500,000.00

Se. No.	Category	No. of Programmes	No. of Participants	Estimated Amount (Rs.)	Expenditure (Rs.)	Balance (Rs.)
	Self Interest Loan - Head Office	12	15	2,000,000.00	342,500.00	1,657,500.00
	Self Interest Loan - District Office		67	4,500,000.00	925,000.00	3,575,000.00
	Total	12	82	6,500,000.00	1,267,500.00	5,232,500.00

STUDY LEAVE GRANTED - JANUARY TO DECEMBER 2013

Se. No.	Training Programmes/ Workshops/Seminars	Foreign Scholarships & Training	Loan Programme	Exams & Courses	Total
1	211	4	80	41	336



Transport Division

Target set

1. Distribution of motor bikes for 113 Technical Officers & other employees
2. Purchase of 10 new Double cabs & 02 Buses for National Housing Development Authority
3. Provision of Uniforms for Drivers and helpers
4. Abduction of the unserviceable vehicles of the Authority.
5. Purchase of equipment to the garage of the Transport Division
6. Recruitment of workforce to the division
 - i. Drivers - 10
 - ii. Motor Mechanics - 02
 - iii. Assistant Technicians - 02
7. Reduction of the institutional cost spent to the Transport Division by fulfilling all the possible repairs to the vehicles in the garage of authority.
8. Repair of 09 vehicles of the institution in order to get for running condition.

Measures taken to achieve the target & the outcomes.

1. Following the measures taken in the year 2012, to provide motor bikes for technical officers & other employees, male & ladies Motor Bikes have been given to 113 employees on the basis of their need.

Thereby,

- i. Employees are able to buy a motor bike without having difficulties in lease systems.
 - ii. It was able to provide motor bikes at a concessionary recovery period of 48 installments being a installment less than Rs. 4,550/- & limit the insurance fee & income permit fee to Rs. 10,000/- as being insured under all vehicle insurance.
 - iii. A sum of Rs. 21,011,754/- was spent to buy motor bikes & a sum of Rs. 23,399,580.96 will be recovered during 04 years. A sum of Rs. 2,387,826.96 will be earned as the interest.
2. Basic arrangements have been made to purchase a bus for the use of institutional requirements.
 3. To make the fuel usage fruitful, awareness has been made to prepare monthly future programmes & get additional fuel according to the running distance when obtaining additional fuel by the district offices.
 4. Giving uniforms to Drivers & Helpers

Initial steps have been taken regarding this & the approval has been obtained by the Chairman following the discussions. A decision has been made regarding the required cloth material for the uniform after discussing with drivers & helpers Measures to provide three uniforms to drivers and helpers within the 2nd quarter of the year 2014 are under process.



5. Procurement procedure was implemented having the approval to abduct all the vehicles, disposed from running condition. A sum of Rs. 14,45,963.35 was earned by abducting 5 vehicles out of 13 vehicles, proposed to be abducted.

In the same way, the approval of the Board of Directors is to be obtained after receiving the approval & estimate required to abduct remained 8 vehicles, again. Steps have been taken to complete the abduction within the first quarter of year 2014.

6. Some essential equipment was purchased for the garage of the Transport Division, thereby to enhance the efficiency of garage. It has been able to provide an efficient & fruitful service by paying an allowance to the employees of garage.
7. Steps were taken to appoint the needed work force to Transport Division. 10 drivers were recruited & 5 of them have resigned due to personal reasons & at present 25 workers have been appointed.

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 lands 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 installments 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.

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, non-condominium properties and lands.

Though the target of issuing deeds during the year 2013 was 3000, actions have been taken to issue the deeds for 2581 files received by Legal Division.



Cases Handled by the Head Office

1. As per the laws and regulations of the National Housing Development Authority, the Legal Division files action on behalf of the Authority against persons who default of rents, illegal constructions & illegal settlings & also represents the Authority in cases filed against it by the other parties.
2. The division provides legal advices.
3. Engage in human rights complains.
4. The Legal Division provides assistance by representing National Housing Development Authority in lawsuits against persons misusing properties belonging to the Authority.

The lawsuits handled by the Head Office are as follows in the year 2013.

<u>Court</u>	<u>No. of cases</u>
Supreme Court	11
Court of Appeal	27
High Court	13
District Court	43
Magistrate's Court	35
Labour Tribunal	05

Planning and Monitoring Division

Giving priority for the development of 40160 housing units and renovation of housing schemes, the plans were designed for the year 2013.

Programme	Target		Progress		Work done	
	Physical	Financial	Physical	Financial	Physical	Financial
Housing Development	40169	9646.0	19161	3860.326	48%	40%
Providing Land Plots	500	-	277	-	55%	-
Issuing deeds	3000	-	2581	-	86%	-
Nagamupurawara	7146	1000.0	5833	610.913	82%	61%
Land Compensation	-	50	-	49.778	-	100%
Carry Over Programme 1.Housing Development	21051	2406.03	16331	1852.886	78%	77%

Housing development programme –2013 has not achieved a satisfactory progress as per the drafts. Inadequacy of funds, issues pertaining to the lands affecting the projects & delay in obtaining bank funds are of the main reasons, in this regard.



Grant of land plots is 55% from its expected goal. Though it was planned to allocate the earned money from the sale of land plots to a housing development programme, it was badly affected due to its less progress. However, it was able to develop 19161 houses during the year & to complete the construction work of 16331 housing units started in the previous years.

• **Significant achievement acquired during the year 2013**

1. A sum of Rs. 4250 M. was received from five state banks for the housing development programme.
2. Soysapura housing scheme – phase 1, renovated under the Nagamu Purawara Programme, was vested in the public.
3. A sum of Rs. 142.7 M. for Sevana Fund was received by direct involvement in the sale of Sevana lottery tickets.

Recovery Section

Performance of the year 2013

The section implements the loan & rent recovery promotion programmes of the National Housing Development Authority. Provision of annual target, guidance to achieve the targets, issue of relevant principles, decisions & circulars, review of the training programmes & weekly/monthly progress, identification of its weaknesses, solving of them suitably & provision of needed assistance are among the actions implemented by the section.

1. Achievements

Rs. M.

	Annual recovery target	Recovered	Interest
Housing loan installment	2974.181	2199.306	74
Housing rent (Rural & Urban)	217.336	186.444	86
Total	3191.517	2385.750	75

- 1.2. Training Programmes for Recovery representatives & district staff were conducted in the year 2013 in district basis in Southern, North Central, Uva, Central, North, North Western/ Kegalle & Eastern Province.
- 1.3. The three best recovery representatives & the best district offices have been awarded with trophies at the 'Sevaka Pranama Ulela' to appreciate their valuable contribution made to the income programme.
- 1.4. Review of monthly physical & financial progress of recovery representatives.
- 1.5. Implementation of travelling insurance & trust bond for recovery representatives.
- 1.6. Conducting of income review committees, monthly in all the districts, thereby implementation of follow-up action with regard to this programme
- 1.7. Coordination with the main state institutions of which the state employees have obtained loans & taking measures to recover the loan installment from the salary & remittance of the relevant amount of money to the district offices.

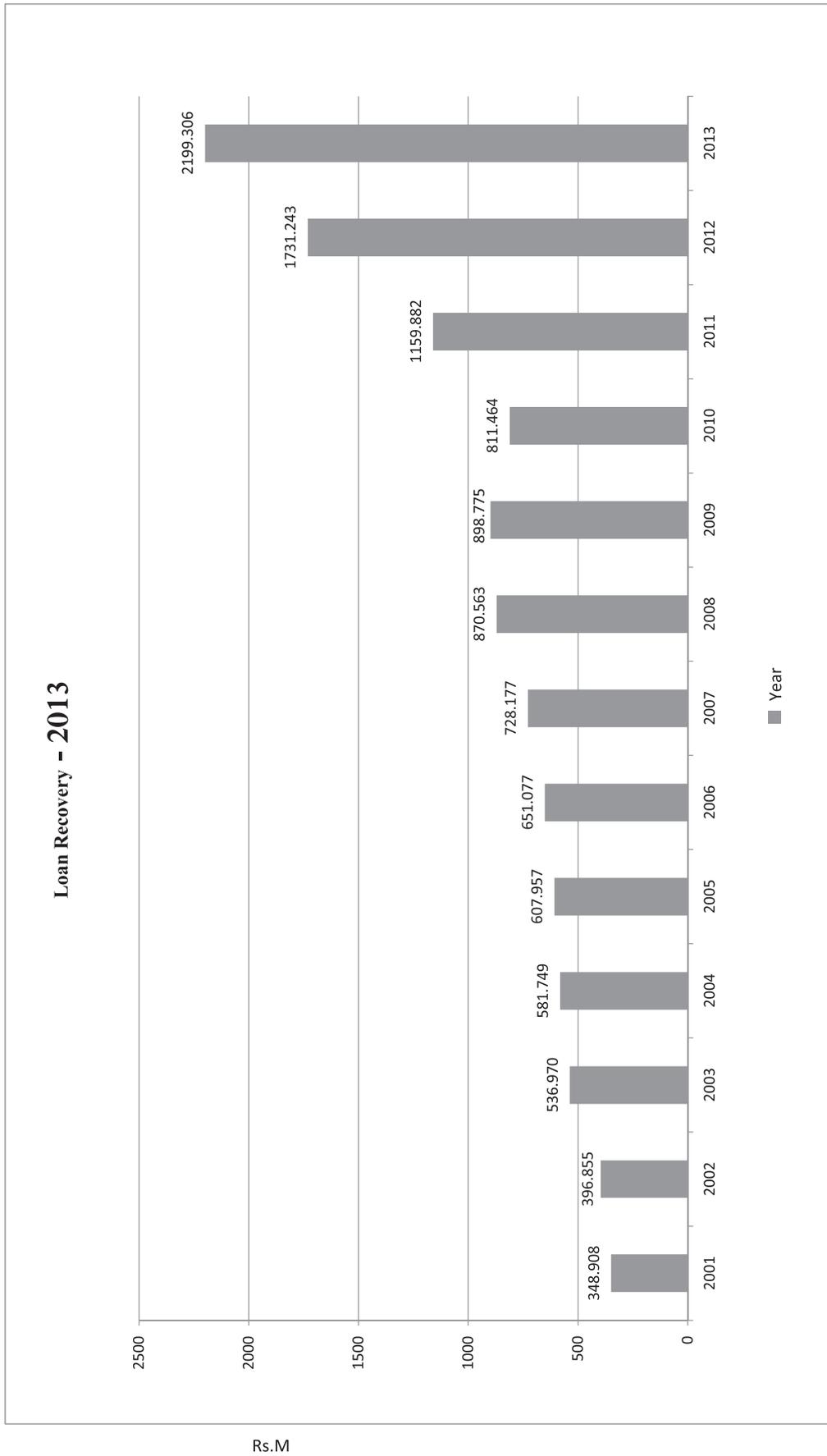


**National Housing Development Authority
Income Promotion Programme (Housing Loan and Rent)**

2013

Rs. M

Ser. No.	District	Annual Target	Achievement	%
1	Colombo district (N)	29.350	32.756	112
2	Colombo district (S)	30.066	31.213	104
3	Colombo district	80.715	75.362	93
4	Gampaha	78.850	73.553	93
5	Kalutara	151.001	135.113	89
6	Kandy	62.171	55.299	89
7	Matale	66.147	58.395	88
8	Nuwara Eliya	132.661	115.412	87
9	Galle	135.654	112.646	83
10	Matara	111.186	92.086	83
11	Hambanthota	77.133	62.131	81
12	Kurunegala	48.536	39.044	80
13	Puttalam	54.004	43.244	80
14	Anuradhapuraya	33.596	26.234	78
15	Polonnaruwa	83.901	65.145	78
16	Badulla	111.531	82.882	74
17	Monaragala	159.648	116.434	73
18	Rathnapura	132.930	95.135	72
19	Kegalle	181.362	129.110	71
20	Batticaloa	77.999	53.753	69
21	Ampara	129.309	88.800	69
22	Thrincomale	335.248	229.822	69
23	Jaffna	232.050	158.984	69
24	Mannar	115.444	74.813	65
25	Vavuniya	244.262	155.534	64
26	Mulativu	165.456	104.136	63
27	Klinochchi	131.306	78.714	60
	Total	3191.516	2385.750	75





Urban Houses Shops / Installment & Rent Recovery
Performance - 2013

Ser. No.	District	Amount			Rs M. Arrears as at 31.12.2013
		Budget	Recovered	%	
1.	Head Office	21.079	15.780	74.86	4.625
2.	Colombo City (North) Maligawatte	43.553	21.962	50.43	38.602
3.	Colombo City (South) Manning Town	41.064	29.796	72.56	38.611
4.	Colombo District	36.875	17.259	46.80	27.672
5.	Gampaha	42.195	20.752	49.18	29.171
6.	Kandy	6.522	10.421	159.78	9.941
7.	Matara	9.519	3.153	33.12	13.182
8.	Kalmunai /Ampara Commercial Buildings	2.112	1.366	64.68	1.331
	Total	202,919	120.489		163.135

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 participated in housing programmes of the National Housing Development Authority in the year 2013.

Information and Publicity Division functions with the following units:

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

Information and Publicity Unit

The Information and Publicity Unit implemented the following programmes in the year 2013:

- 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.
- National Housing Development Authority launched housing construction of the projects in 25 districts pertaining to the Janasevana National Housing and Settlement Development Drive . Further, the renovation of older housing projects was commenced under the Nagamu Purawara programme and some of them were vested in the public. The division provides the following services and facilities necessary for the ceremonies.



- 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 2013 at the Soysapura Housing Complex, Moratuwa on 07.10.2013 and performing following under it:
 - i. Organizing an island wide painting and drawing, essay and poster competition for school children
 - ii. Designing the awards and certificates for the winners of the painting and drawing, essay and poster competition.
 - iii. Organizing the main function of the World Habitat Day
 - iv. Designing and decorating the main stage, stage backdrop, and entrance pandal for the function
 - The division participates in exhibitions at national level including “Deyata Kirula-2013” and carries out propaganda activities required for them.

Sevana Media Unit

- In the year 2013, 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, and the Building Department.
- The annual estimated profit of the Sevana Media Unit for the year 2013 was 3.0 million rupees. The income up to December 2013 was 11.91 million rupees and the profit was 1.59 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

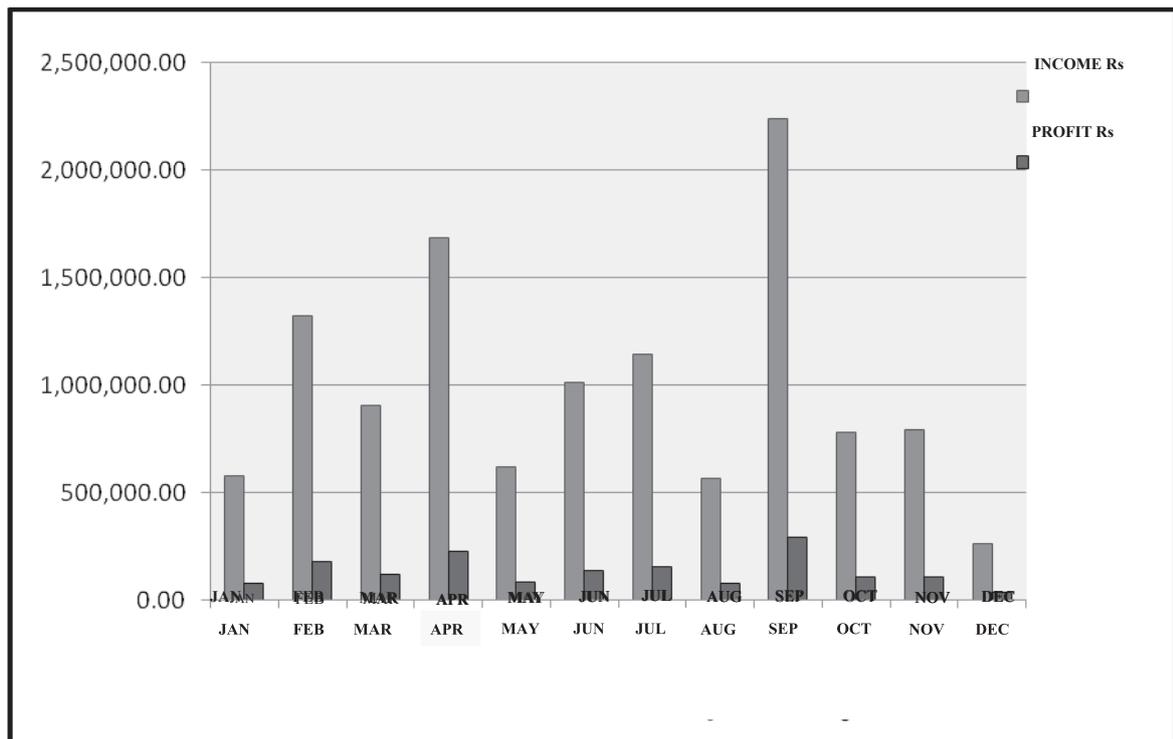
Newspaper Advertisements

Income and Profit from January to December of 2013

Month	Income (Rs.)	Profit (Rs.)
January	576,208.80	78,030.00
February	1,323,683.68	177,533.25
March	901,920.20	121,215.00
April	1,685,490.37	226,835.82
May	621,576.80	84,135.00
June	1,013,452.00	136,882.50
July	1,141,637.30	152,001.00
August	566,824.02	76,020.00
September	2,240,994.62	292,487.63
October	781,086.80	104,948.30
November	794,580.64	107,223.00
December	262,086.20	35,265.00
Total	11,909,541.43	1,592,576.50

Estimate Profit for the year 2013 – 3.0 Million Rupees

Income and Profit from January to December of 2013





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.

Library

The library of National Housing Development Authority was started in year 1989 to distribute information of various fields. It is rich with a collection of books of more than 8000. The main objective of this is to assist the officers of National Housing Development Authority to collect information regarding housing & other related fields. Officials of National Housing Development Authority & the undergraduates are the valuable readers. School children also have the access to use the library with special order.

There are number of books & guide books regarding housing. The periodicals related to subject matters & for general information, government publications, (Acts and sessions, parliamentary debates, & Gazette) Sri Lankan & British Standard collection are among the available resources. Further, books related to housing & architecture, Engineering, Management, Quantity Surveying, poverty eradication, Economics, Sociology and also books related to Buddhism are available for reading. There is a collection of news items pertaining to selected fields and provides a valuable opportunity for the knowledge seekers.

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.

Facilities have already 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 26 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:



1. 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.

2. 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 300 computers, 115 printers and about 175 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. Expenditure that the Authority could have had to bear if these services were to be obtained from external organizations.

3. Design and Maintenance of New 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.

4. 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.

5. 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.

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 1st 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.



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

The Board of Directors of Oceanview Development Private Limited

Mr. Jagath Perera	Chairman / Managing Director
Mr. Prashantha Dias	Director
Rev. Ittekande Saddathissa Thera	Director
Mr. Sirinimal Perera	Director
Mr. Athula de Silva	Director
Mr. Nihal Fernando	Director

Secretary to the Board of Directors – Account Systems Private Limited.

Staff of the Ocean View Development Private Limited

The staff in the year 2013 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 is mainly implemented for the fulfillment of housing requirements of middle income earners and it also provides a responsible service for both local and foreign customers. The company has come forward to bear the responsibility of designing houses, completion of the construction & facilitating to obtain bank loans. The construction of houses is implemented under the complete supervision of personnels who possess experience in Engineering field.

- **Kahathuduwa Haritha Kedella Housing Project**

The project comprises of 38 houses and the work of 11 houses has been completed & those houses have been selling. In addition to that, the sale of 10 selected land plots has been commenced. The project which is accomplished with all the infrastructure facilities has been planned to be complete before the end of year 2015.

Mattegoda Haritha Kedella Housing Project

The housing scheme which is mainly implemented for the fulfillment of housing requirement of upper class people & has proposed five two storied houses. A sum of Rs. 27.62 M. has been spent for the project at the end of year 2013 & is to be completed in year 2014.

Plans Ahead 2014

- **Reconstruction Activities of the Tower Building**

- Internal decoration of housing units.
- Renovations to front veranda.
- Structural repairs of the Tower Building.

- Selling of fully completed 11 houses in Kahathuduwa Housing Project & 10 selected land plots
- Completion of construction of Mattegoda Housing Project.



National Housing Development Authority

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER 2013

	NOTES	2013 NHDA	2013 CONSOLIDATED	2012 CONSOLIDATED	2013 BUDGETED - NHDA
		Rs. cts.	Rs. cts.	Rs. cts.	Rs. cts.
[A] ASSETS					
NON CURRENT ASSETS					
I FIXED ASSETS					
Land & Building	(02)	564,790,605.63	564,790,605.63	591,086,885.10	604,775,000.00
Motor Vehicles	(03)	93,122,846.94	106,158,679.94	137,713,764.91	126,394,000.00
Furniture and Fittings	(03)	15,629,484.47	16,900,322.47	16,185,067.18	20,258,000.00
Equipment	(03)	30,442,277.79	33,564,223.79	53,878,766.10	61,278,000.00
Investment Property			1,939,000,000.00	1,847,000,000.00	
		703,985,214.83	2,660,413,831.83	2,645,864,483.29	812,705,000.00
II DEVELOPMENT ASSETS					
Lands Acquired		536,058,236.06	536,058,236.06	311,616,159.27	361,215,000.00
Lands Development		12,916,213.62	12,916,213.62		
Housing Loan Programmes	(04-13)	11,269,345,565.54	11,269,345,565.54	8,223,615,898.37	11,124,555,000.00
Loan Programme NHD		1,554,885.05	1,554,885.05	1,554,885.05	
Rent Purchase Housing Schemes - NHDA		253,058,391.22	253,058,391.22	267,288,345.39	240,560,000.00
Sale of Houses Instalment Basis		926,426,136.42	926,426,136.42	1,028,106,690.28	1,089,606,000.00
Sale of Land Instalment Basis		62,739,644.08	62,739,644.08	8,664,544.80	31,298,000.00
Rent Purchase Housing Schemes - NHD		31,267.00	31,267.00	86,955.00	
Staff Housing Loan		154,254,248.49	154,254,248.49	171,826,632.29	171,827,000.00
		13,216,384,587.48	13,216,384,587.48	10,012,760,110.45	13,019,061,000.00
III INVESTMENTS - Long Term					
CURRENT ASSETS					
Direct Construction Programme	(15)	333,474,911.41	333,474,911.41	222,447,689.52	233,697,000.00
Stock	(16)	60,857,682.17	241,211,253.17	168,528,246.50	127,647,000.00
Advances to Contractors		82,286,736.56	82,286,736.56	131,479,244.54	152,461,000.00
Interest Receivables	(17)	6,199,210.46	6,199,210.46	1,589,047.56	1,589,000.00
Debtors	(18)	1,681,264,562.44	1,732,525,148.44	2,320,294,457.17	2,381,198,000.00
Deposits & Advances	(19)	649,643,447.30	649,643,447.30	527,113,624.34	620,883,000.00
Investments - Short Term	(14-11)	540,602,563.86	573,030,669.86	128,639,378.44	150,000,000.00
Cash & Bank Balances	(20)	139,062,008.66	145,985,059.66	133,702,530.73	3,276,000.00
		3,493,391,122.86	3,764,356,436.86	3,633,794,218.80	3,670,751,000.00
TOTAL ASSETS		17,869,414,628.51	19,976,288,190.51	16,627,552,146.88	17,502,517,000.00
[B] EQUITY & LIABILITIES					
Authorised Capital					
Initial Capital		50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Capital Reserves - Foreign Grant		131,682,601.02	131,682,601.02	131,682,601.02	131,682,000.00
- Domestic Grants	(21)	18,358,581,851.68	18,358,581,851.68	17,241,346,343.26	18,350,745,000.00
		18,530,264,452.70	18,530,264,452.70	17,413,028,944.28	18,522,427,000.00
Add / (Less)- Accumulated surpluses / (deficits)		(11,602,434,872.72)	(10,507,754,547.72)	(10,329,999,147.66)	(11,531,071,000.00)
		6,927,829,579.98	8,022,509,904.98	7,083,029,796.62	6,991,356,000.00
Minority Interest		-	928,649,126.00	890,004,470.00	
NON CURRENT LIABILITIES					
Gratuity Fund		34,854,162.38	34,854,162.38	13,568,131.44	25,568,000.00
Loans	(22)	6,714,922,424.42	6,714,922,424.42	3,970,991,458.67	5,572,764,000.00
		13,677,606,166.78	15,700,935,617.78	11,957,593,856.73	12,589,688,000.00
CURRENT LIABILITIES					
Creditors	(23)	1,609,032,563.69	1,688,659,179.69	1,471,528,497.19	1,633,475,000.00
Current Liabilities for Loans	(24)	1,272,069,317.94	1,272,069,317.94	1,223,726,867.56	1,264,236,000.00
Deposits	(25)	780,832,414.77	780,832,414.77	1,474,591,401.56	1,524,377,000.00
Provisions	(26)	529,874,165.33	533,791,660.33	500,111,523.84	490,741,000.00
		4,191,808,461.73	4,275,352,572.73	4,669,958,290.15	4,912,829,000.00
TOTAL EQUITY & LIABILITIES		17,869,414,628.51	19,976,288,190.51	16,627,552,146.88	17,502,517,000.00

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


Jayantha Samaraweera
 CHAIRMAN
 NATIONAL HOUSING DEVELOPMENT AUTHORITY
 Sir Chittamparan A. Gardiner Mawatha,
 COLOMBO-02.


A.W. DAYANANDA
 VICE CHAIRMAN
 NATIONAL HOUSING DEVELOPMENT AUTHORITY
 COLOMBO-02.


E.A.D.S. EDIRISINGHE
 DEPUTY GENERAL MANAGER (FINANCE)
 NATIONAL HOUSING DEVELOPMENT AUTHORITY
 COLOMBO-02.

A. W. DAYANANDA
 Vice Chairman
 National Housing Development Authority
 COLOMBO-02.

E.A.D.S. EDIRISINGHE
 Deputy General Manager (Finance)
 National Housing Development Authority
 COLOMBO-02.



NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 ST DECEMBER 2013

	NOTE#	2013		2012		2013 BUDGETED	
		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
[A] REVENUE	[27]	325,157,009.06		185,424,499.82		284,677,000.00	
Cost of Sales	[28]	<u>33,436,022.13</u>		<u>13,362,872.42</u>		<u>-</u>	
Gross Profit		291,720,986.93		172,061,627.40		284,677,000.00	
[B] OTHER REVENUE							
Rent	[29]	60,827,857.89		51,042,511.55		67,412,000.00	
Interest	[30]	1,173,490,320.07		846,251,159.18		1,108,653,000.00	
Hiring of Vehicles		138,536.66		695,626.11		1,750,000.00	
Hiring of Plant & Machinery		934,564.41		672,451.88			
Fines & Surcharges		15,950,035.90		17,333,781.07		13,798,000.00	
Sale of Vehicles		1,321,000.50		42,906.90		8,924,000.00	
Sevana Media		1,265,628.83		-		1,500,000.00	
Sevana Grant Received		65,287,230.50		-		123,335,000.00	
Indirect Operation	[31]	84,100,991.16		114,074,393.38		133,781,000.00	
Non-Refundable Deposits	[32]	440,714.49		165,250.00		644,000.00	
Grant - Revamping of Condominiums		<u>245,265,465.02</u>		<u>228,669,752.01</u>		<u>1,000,000,000.00</u>	
			1,940,743,332.36		1,431,009,459.48		2,744,474,000.00
[C] INDIRECT DEVELOPMENT EXPENSES							
Board Expenses		400,000.00		380,000.00		576,000.00	
Personnel Emoluments	[33]	959,263,877.22		836,198,772.30		1,029,515,000.00	
Travelling Expenses	[34]	30,591,032.94		28,868,438.75		34,004,000.00	
Supplies	[35]	69,179,015.94		72,306,839.64		65,775,000.00	
Maintenance Expenditure	[36]	300,155,085.50		311,429,082.02		1,071,573,000.00	
Contractual Services	[37]	73,160,139.56		74,456,508.86		93,411,000.00	
Finance Expenses	[38]	602,228,413.36		349,014,992.61		494,679,000.00	
Indirect Operational Expenses	[39]	29,584,889.74		19,367,371.51		39,132,000.00	
Depreciation on Fixed Assets		43,495,888.66		41,518,198.86		90,327,000.00	
Sevana Media Income Over Expenses		-		874,715.40		-	
Sevana Grant Expenses		<u>65,287,230.50</u>		-		<u>123,335,000.00</u>	
			2,173,345,573.42		1,734,414,919.95		3,042,327,000.00
[D] Surplus / (deficit) for the period [A - B]			(232,602,241.06)		(303,405,460.47)		(297,853,000.00)
[E] Accumulated surpluses / (deficits) - Brought Forward			(11,369,832,631.66)		(11,066,427,171.19)		-
[F] Accumulated surpluses / (deficits) - Carried Forward			<u>(11,602,434,872.72)</u>		<u>(11,369,832,631.66)</u>		<u>(297,853,000.00)</u>



ACCOUNTING POLICIES

NOTE [01]

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2013.

1. FUNDAMENTAL ACCOUNTING ASSUMPTIONS

- 1.11. The Accounts: The financial Statements are prepared in conformity with generally accepted accounting principles and Sri Lanka public sector accounting standards laid down by the Public Sector Accounting Standards Committee.
- 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.)

N.H.D.A

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.

5. CONTINGENCY LIABILITIES

As per SLPSAS 08 the following Liabilities are disclosed.

- 5.1 30 Nos. Court cases are pending against the NHDA and compensation has been estimated as Rs. 62.456 M. 10% provision has been made on pending court cases.

6. INCOME STATEMENTS:

6.1 RENT

Rent derived from rental schemes are treated as recurrent revenue. According to the SLPSAS 07, 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 From 2013 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	20 %
Urban/Rural rent	20 %
Debtors for Land	20 %
Sundry Debtors (without CGR Project)	20%

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 house 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 PURPOSE

- 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 2013 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 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 13th 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 The land of 186.5 perches at Darly road was sold to a L&T Infrastrue Development project Lanka (pvt) Ltd for mixed development project.

Out of the value of Rs. 812m, Rs. 100m has been deposited by the buyer and the balance amount of Rs. 712 m is to be received in due course.

13.4 GROUP ACCOUNTS - OVDC LTD

The accounts of the OVDC Ltd, as at 31st December 2013 have been consolidated with that of the NHDA, as NHDA is the major share holder.

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

13.5 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 021- LAND & BUILDINGS

Description	COST				DEPRECIATION				Written down Value As at 31.12.2013	
	Balance as at 01.01.2013		Disposals During the year	Adjustment	Additions During the year	Balance as at 31.12.2013		Accumulated on Disposed items		Balance as at 31.12.2013
	Land	Building				Land	Building			
Parsons Road		50,434,491.63			40,272,978.76				41,533,841.05	8,900,650.58
Kandy Secretariat		8,509,312.85			6,965,094.70				7,177,827.53	1,331,485.33
Kandy Circuit Bang.		3,031,169.52			2,370,267.67				2,446,046.91	585,122.61
Kalmunai Circuit Bungalow		4,554,220.42			3,299,685.26				3,413,540.77	1,140,679.65
District Office Polonnaruwa		419,737.99			229,442.38				239,935.83	179,802.16
District Office Monaragala		4,785.00			3,589.03				3,708.65	1,076.35
Katragama Circuit Bungalow		221,602.61			146,178.46				151,718.52	69,884.09
Anuradhapura District Office		830,724.80			581,307.23				602,275.35	228,449.45
Gampaha District Office		6,307,579.67			1,243,933.38				1,401,622.87	4,905,956.80
Kilinochchi District Office		1,381,010.66		4,706,278.70	276,302.13				310,727.40	5,776,561.96
Ratnapura District Office		274,189.92			54,837.98				61,692.73	212,497.19
Ratnapura Sethsisila house		92,785.50			11,598.19				13,917.83	78,867.67
Other Buildings		614,295.90			240,407.40				255,764.80	388,531.10
Buildings Taken Over from Director of Build.		22,743,500.00			13,062,712.00				13,631,299.50	9,112,200.50
Mataara District Office		7,831,027.23			1,509,682.75				1,705,458.43	6,125,568.80
Batticaloa District office		9,014,301.09			-				225,357.53	8,788,943.56
Trincomalee Office		168,773.54			75,948.10				80,167.44	88,606.10
Vavuniya Circuit		5,095,202.38			320,894.22				448,274.28	4,646,928.10
NHD Office Buildings		3,742,246.85			2,151,791.06				2,245,347.23	1,496,899.62
Hantana Circuit Bungalow		1,109,930.00			638,398.96				666,147.21	446,302.79
Anapara District Office	2,520.00	366,148.50			146,459.39				155,613.10	210,535.40
Circuit Bungalow Baswakkulama		240,000.00			84,000.00				90,000.00	150,000.00
Office Bldg. Battulla		1,222,000.00			427,700.00				458,250.00	763,750.00
Janasavi Centre - kandy		2,465,734.09			863,007.03				924,650.38	1,541,083.71
Hambantota D/O		2,040,350.74			671,297.33				722,306.10	1,318,044.64
Rental Scheme 5000 Houses Programme		172,612,505.61			71,574,007.18				75,889,319.82	96,723,185.79
Rental Urban Scheme 100 thousand	55,317,190.10	837,824,186.87			525,062,618.16				546,008,222.83	347,133,154.14
Rental Schemes NHD		13,861,809.74			7,884,544.09				8,231,089.33	5,630,720.41
Coastline Rental Houses		61,185,579.02			22,050,371.95				23,580,011.42	37,605,567.60
Recreation center Jallara H/P		9,465,234.88			1,183,154.36				1,419,785.23	8,045,449.65
Kegalle District Office		12,437,889.47			932,842.33				1,243,789.57	11,194,099.90
TOTAL	55,317,190.10	1,240,102,326.48	-	4,706,278.70	704,335,151.48	1,244,808,605.18	-	-	735,337,709.65	564,790,605.63



NOTE 031 - MOTOR VEHICLES, FITTINGS AND EQUIPMENT

NAME OF THE FIXED ASSET	COST				DEPRECIATION				Written down Value as at 31.12.2013	
	Balance as at 01.01.2013	Additions During the year	Disposals/Adjustment During the year	Balance as at 31.12.2013	Provision as at 01.01.2013	Charges for the year	Accumulated on Disposed Items/Adjustment	Balance as at 31.12.2013		
01 MOTOR VEHICLE										
1. NHDA	309,311,308.54	-	2,337,237.80	306,974,070.74	190,374,861.63	25,809,599.97	2,333,237.80	213,851,223.80	93,122,846.94	
TOTAL	309,311,308.54	-	2,337,237.80	306,974,070.74	190,374,861.63	25,809,599.97	2,333,237.80	213,851,223.80	93,122,846.94	
02 FURNITURE & FITTINGS										
2. NHDA	42,746,270.34	4,204,978.68	685.00	46,950,564.02	27,944,759.16	3,376,819.61	499.22	31,321,079.55	15,629,484.47	
TOTAL	42,746,270.34	4,204,978.68	685.00	46,950,564.02	27,944,759.16	3,376,819.61	499.22	31,321,079.55	15,629,484.47	
03 EQUIPMENT										
3. NHDA	128,282,920.95	13,315,244.17	-	141,598,165.12	102,060,189.85	9,095,697.48	-	111,155,887.33	30,442,277.79	
TOTAL	128,282,920.95	13,315,244.17	-	141,598,165.12	102,060,189.85	9,095,697.48	-	111,155,887.33	30,442,277.79	

NOTE [04] - LOANS UNDER ONE MILLION HOUSING PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
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	-	-	-	-
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	-	-	-	-
Trincomalee	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	-	-	-	-
Monaragala	93,395,875.47	8,841,444.27	-	-	8,841,444.27
Ratnapura	76,358,901.53	-	-	-	-
Kegalle	9,164,107.35	-	-	-	-
Kilinochchi	6,875,956.85	-	-	-	-
Vavuniya	6,747,500.00	-	-	-	-
TOTAL	1,797,306,966.41	8,841,444.27	0.00	0.00	8,841,444.27



NOTE [05] - LOANS UNDER 1.5 MILLION HOUSING PROGRAMME

DISTRICTS	Rs.				
	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
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	-	-	-	-
Kalutara	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	-	-	-	-
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	161,438.57	-	161,438.57	-
Kilinochchi	3,618,192.70	-	-	-	-
Vavuniya	13,064,435.15	-	-	-	-
Kalmuni	8,055,565.16	-	-	-	-
TOTAL	984,980,798.59	7,862,789.11	0.00	161,438.57	7,701,350.54

NOTE [06] - LOANS UNDER NEW HOUSING FINANCE SYSTEM

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City (North)	11,007,564.27	86,991.42	-	28,557.29	58,434.13
Colombo City (South)	3,285,537.22	126,443.47	-	42,776.31	83,667.16
Colombo District	23,899,549.13	67,938.90	-	14,617.74	53,321.16
Gampaha	152,333,711.35	4,231,112.51	-	4,073,882.18	157,230.33
Kalutara	42,031,777.73	-	-	-	-
Kandy	19,351,236.72	-	-	-	-
Matale	12,162,875.24	5,969.11	-	-	5,969.11
Nuwara-Eliya	13,497,658.02	-	-	-	-
Galle	12,636,532.50	-	-	-	-
Matara	11,365,330.48	-	-	-	-
Hambantota	13,763,515.75	-	-	-	-
Jaffna	2,064,946.66	101,459.81	-	3,308.95	98,150.86
Mannar	186,000.40	-	-	-	-
Mankulam	1,725,238.96	77,233.04	-	-	77,233.04
Batticaloa	3,651,404.20	-	-	-	-
Ampara	16,327,070.50	-	-	-	-
Trincomalee	3,606,093.00	-	-	-	-
Kurunegala	38,355,529.34	15,712.43	-	12,641.34	3,071.09
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	-	-	-	-
Ratnapura	16,590,658.12	-	-	-	-
Kegalle	21,104,202.71	-	-	-	-
Kilinochchi	1,708,030.33	-	-	-	-
Vavuniya	2,175,313.26	-	-	-	-
Kalmune	171,028.42	-	-	-	-
TOTAL	553,206,929.32	4,712,860.69	0.00	4,175,783.81	537,076.88



NOTE [07] - 95 HOUSING LOAN PROGRAMME

DISTRICTS	Rs.				
	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City (North)	16,140,911.30	1,327,739.46	-	266,724.77	1,061,014.69
Colombo City (South)	7,339,908.25	1,436,498.19	-	267,123.39	1,169,374.80
Colombo District	285,214,669.62	53,784,650.78	55,600.25	10,070,752.19	43,769,498.84
Gampaha	291,140,091.18	5,929,153.09	8,225,711.12	10,371,857.24	3,783,006.97
Kalutara	273,617,034.45	66,990,400.85	-	4,198,921.16	62,791,479.69
Kandy	497,433,049.82	116,633,527.44	-	29,261,922.67	87,371,604.77
Matale	158,671,234.98	28,470,469.15	-	3,492,844.83	24,977,624.32
Nuwara-Eliya	229,078,332.63	79,743,556.80	-	3,428,335.26	76,315,221.54
Galle	189,094,583.06	29,933,585.66	3,000,000.00	6,349,952.57	26,583,633.09
Matara	258,852,481.16	36,779,484.25	640,500.00	3,692,188.73	33,727,795.52
Hambantota	149,881,248.30	21,193,504.54	3,146,748.73	13,545,344.84	10,794,908.43
Jaffna	195,052,364.78	31,642,055.40	-	4,608,092.79	27,033,962.61
Mannar	41,429,663.29	4,399,765.70	-	2,085,089.04	2,314,676.66
Mankulam	8,810,688.75	6,938,587.89	-	-	6,938,587.89
Batticaloa	146,954,735.56	16,656,275.45	-	5,868,208.13	10,788,067.32
Ampara	96,095,420.84	2,087,495.65	-	640,024.94	1,447,470.71
Trincomalee	84,478,107.86	16,395,980.45	-	789,699.74	15,606,280.71
Kurunegala	401,973,700.93	30,042,077.01	-	11,969,276.67	18,072,800.34
Puttalam	229,425,312.42	57,785,586.10	-	9,168,046.69	48,617,539.41
Anuradhapura	202,210,176.39	7,759,108.84	-	7,759,108.84	-
Polonnaruwa	225,519,894.03	13,406,329.43	-	2,804,157.58	10,602,171.85
Badulla	287,399,293.72	179,467,789.29	-	9,409,421.40	170,058,367.89
Monaragala	147,111,572.72	60,034,130.46	-	9,338,556.24	50,695,574.22
Ratnapura	165,812,468.77	7,292,132.23	-	2,924,582.92	4,367,549.31
Kegalle	339,178,146.72	38,434,967.63	-	9,925,338.55	28,509,629.08
Kilinochchi	18,356,684.20	8,943,419.39	-	-	8,943,419.39
Vavuniya	109,341,773.83	20,212,533.62	-	7,478,519.92	12,734,013.70
Kalmune	73,201,699.60	20,263,648.47	60,000.00	4,700,821.77	15,622,826.70
TOTAL	5,128,815,249.16	963,984,453.22	15,128,560.10	174,414,912.87	804,698,100.45



NOTE [08] - FISHERIES HOUSING LOAN PROGRAMME

Rs.

DISTRICTS	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City Office	-	-	-	-
Colombo District	-	-	-	-
Matara	85,671.62	-	62,105.01	23,566.61
Hambantota	14,097.20	-	14,097.20	0.00
Puttalam	-	-	-	-
TOTAL	99,768.82	-	76,202.21	23,566.61



NOTE [09] - LOANS UNDER DIRIPIYASA PROGRAMME

DISTRICTS	Rs.				
	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSEMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City (North)	8,509,351.03	1,598,726.73	-	478,263.61	1,120,463.12
Colombo City (South)	200,000.00	40,271.66	-	13,963.64	26,308.02
Gampaha	3,845,000.00	222,275.21	-	222,275.21	-
Kalutara	185,136.50	33,170.68	-	15,586.00	17,584.68
Kandy	3,442,000.00	584,116.15	-	206,102.70	378,013.45
Matale	5,287,000.00	215,562.15	-	89,101.90	126,460.25
Nuwara-Eliya	2,875,000.00	600,617.58	-	145,662.35	454,955.23
Galle	10,154,000.00	2,356,666.98	-	484,271.92	1,872,395.06
Matara	2,200,000.00	197,144.58	-	145,427.24	51,717.34
Hambantota	5,382,000.00	419,578.19	-	419,578.19	-
Jaffna	5,050,000.00	232,778.05	-	143,492.47	89,285.58
Mannar	4,350,000.00	80,391.00	-	80,391.00	-
Mankulam	4,005,500.00	2,109,360.92	-	-	2,109,360.92
Batticaloa	5,030,000.00	368,803.01	-	219,572.28	149,230.73
Ampara	2,060,000.00	87,882.67	-	30,570.77	57,311.90
Trincomalee	6,283,000.00	1,489,394.26	-	441,502.67	1,047,891.59
Kurunegala	2,390,000.00	130,852.51	-	130,852.51	-
Puttalam	4,025,000.00	434,829.22	-	224,046.55	210,782.67
Anuradhapura	8,551,750.00	782,086.22	-	782,086.22	-
Polonnaruwa	3,520,000.00	11,700.41	61,810.00	12,180.35	61,330.06
Badulla	6,179,772.07	482,111.13	-	423,556.58	58,554.55
Monaragala	4,713,000.00	1,317,164.04	-	460,872.40	856,291.64
Ratnapura	3,520,000.00	283,587.44	-	159,963.64	123,623.80
Kegalle	8,139,000.00	1,008,548.58	-	338,414.49	670,134.09
Kilinochchi	5,221,708.81	98,381.45	-	-	98,381.45
Vavuniya	4,741,151.07	853,737.89	-	663,748.71	189,989.18
Kalmune	3,444,144.40	798,501.69	-	179,310.66	619,191.03
TOTAL	123,303,513.88	16,838,240.40	61,810.00	6,510,794.06	10,389,256.34



NOTE [10] - GAMANAGUMA LOAN PROGRAMME - 2007

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	61,670,500.00	31,532,026.07	-	7,516,727.93	24,015,298.14
Gampaha	230,133,159.66	172,201,612.01	47,205,500.00	33,198,537.62	186,208,574.39
Kalutara	74,265,000.00	59,147,773.45	-	3,091,273.65	56,056,499.80
Kandy	89,359,075.00	46,363,983.00	21,000,580.00	6,301,785.22	61,062,777.78
Matale	36,771,500.00	26,105,842.36	-	1,101,469.86	25,004,372.50
Nuwara-Eliya	44,245,000.00	37,463,724.29	-	4,017,895.13	33,445,829.16
Galle	31,625,000.00	22,283,574.36	-	5,544,763.75	16,738,810.61
Matara	48,220,000.00	26,196,578.27	-	3,821,880.67	22,374,697.60
Hambantota	52,029,000.00	27,108,563.49	2,360,295.58	11,871,772.27	17,597,086.80
Jaffna	14,245,000.00	13,878,029.77	-	5,225,396.78	8,652,632.99
Batticaloa	60,195,000.00	21,402,502.13	-	7,228,195.35	14,174,306.78
Ampara	54,623,000.00	20,598,314.91	-	4,490,862.15	16,107,452.76
Trincomalee	46,643,520.00	22,364,345.67	-	4,951,660.54	17,412,685.13
Kurunegala	138,131,975.70	58,474,677.74	-	15,738,226.97	42,736,450.77
Puttalam	119,469,778.87	70,900,517.31	-	13,377,304.28	57,523,213.03
Anuradhapura	138,316,850.00	89,513,053.43	-	17,997,872.93	71,515,180.50
Polonnaruwa	51,752,805.00	21,525,983.62	-	7,055,937.77	14,470,045.85
Badulla	38,577,250.00	37,086,514.36	291,202.58	5,026,623.14	32,351,093.80
Monaragala	124,570,107.50	88,494,289.10	20,000.00	10,325,225.50	78,189,063.60
Ratnapura	48,877,180.00	18,006,318.39	-	6,322,943.22	11,683,375.17
Kegalle	84,977,250.00	37,216,000.77	-	8,242,509.37	28,973,491.40
Kilinochchi	5,097,658.00	2,506,687.02	-	903,251.12	1,603,435.90
Kalmune	67,133,939.37	31,705,796.14	-	13,224,000.00	18,481,796.14
TOTAL	1,660,929,549.10	982,076,707.66	70,877,578.16	196,576,115.22	856,378,170.60



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

DISTRICTS	Rs.				
	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo City (North)	6,923,710.00	6,529,572.24	3,638,000.00	852,760.08	9,314,812.16
Colombo City (South)	3,380,000.00	3,039,511.35	885,500.00	529,071.80	3,395,939.55
Colombo District	392,214,910.60	360,101,345.07	200,350,000.00	43,754,337.54	516,697,007.53
Gampaha	765,000.00	765,000.00	2,155,000.00	283,356.05	2,636,643.95
Kalutara	193,757,200.00	166,431,502.47	82,670,052.00	22,722,975.80	226,378,578.67
Kandy	230,161,500.00	210,043,947.07	84,567,190.00	19,158,011.31	275,453,125.76
Matale	85,077,600.00	80,762,447.29	50,415,000.00	12,941,105.37	118,236,341.92
Nuwara-Eliya	107,107,625.00	98,261,596.75	48,280,000.00	13,193,254.44	133,348,342.31
Galle	102,764,311.16	92,894,677.17	53,466,975.00	18,040,618.33	128,321,033.84
Matara	137,597,327.20	126,707,639.78	44,275,000.00	13,603,665.61	157,378,974.17
Hambantota	107,590,000.00	96,984,093.51	39,704,007.71	13,133,728.43	123,554,372.79
Jaffna	79,805,000.00	68,261,278.50	9,735,000.00	12,631,246.55	65,365,031.95
Mannar	39,475,028.13	33,821,706.70	12,240,000.00	8,348,888.55	37,712,818.15
Mankulam	60,270,000.00	53,749,735.36	24,431,200.00	15,970,912.76	62,210,022.60
Batticaloa	96,270,000.00	79,168,700.99	37,480,000.00	22,081,433.44	94,567,267.55
Ampara	86,208,000.00	80,538,556.42	47,070,000.00	10,911,735.07	116,696,821.35
Trincomalee	61,945,000.00	55,514,802.49	44,330,000.00	8,316,993.26	91,527,809.23
Kurunegala	126,367,500.00	111,579,879.78	36,884,780.00	16,466,998.34	131,997,661.44
Puttalam	143,667,298.80	117,446,518.55	41,263,571.20	18,077,784.79	140,632,304.96
Anuradhapura	192,903,500.00	177,756,800.28	36,146,000.00	19,559,913.53	194,342,886.75
Polonnaruwa	105,152,000.00	98,696,081.19	22,577,000.00	9,367,976.05	111,905,105.14
Badulla	163,686,845.93	149,316,117.47	51,144,446.82	11,393,495.27	189,067,069.02
Monaragala	81,418,485.00	73,555,387.30	31,262,000.00	9,158,089.94	95,659,297.36
Ratnapura	81,655,500.00	71,802,717.55	29,473,091.97	12,858,590.42	88,417,219.10
Kegalle	170,973,500.00	155,261,263.92	43,766,500.00	20,704,115.03	178,323,648.89
Kilinochchi	77,978,497.68	65,704,869.21	12,635,000.00	8,187,797.84	70,152,071.37
Vavuniya	71,855,000.00	64,842,956.14	18,056,000.00	9,401,998.12	73,496,958.02
Kalmune	46,025,000.00	43,775,139.24	27,645,000.00	17,388,000.00	54,032,139.24
TOTAL	3,052,995,339.50	2,743,313,843.79	1,136,546,314.70	389,038,853.72	3,490,821,304.77



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

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2013
Colombo District	50,925,000.00	47,184,683.86	1,925,000.00	9,343,059.83	39,766,624.03
Gampaha	75,964,515.65	65,903,829.08	300,000.00	7,179,116.83	59,024,712.25
Kalutara	65,115,500.00	55,671,664.75	6,575,000.00	6,175,697.26	56,070,967.49
Kandy	27,257,000.00	23,540,899.86	1,770,000.00	2,550,718.77	22,760,181.09
Matale	15,865,000.00	13,095,692.23	-	2,191,783.92	10,903,908.31
Nuwara-Eliya	10,555,000.00	9,027,836.54	125,000.00	1,344,821.49	7,808,015.05
Galle	33,864,464.92	31,145,460.98	105,000.00	3,162,748.14	28,087,712.84
Matara	11,240,000.00	9,922,686.54	170,000.00	913,249.70	9,179,436.84
Hambantota	5,255,000.00	4,807,900.90	-	346,836.05	4,461,064.85
Jaffna	75,400,000.00	67,082,500.27	5,050,000.00	8,747,468.99	63,385,031.28
Mannar	1,200,000.00	1,080,211.43	-	80,249.68	999,961.75
Mankulam	27,290,000.00	22,907,836.34	24,820,000.00	3,687,338.94	44,040,497.40
Batticaloa	22,680,000.00	18,204,319.00	-	2,567,828.60	15,636,490.40
Ampara	35,195,000.00	30,216,246.25	60,000.00	3,230,150.96	27,046,095.29
Trincomalee	49,439,877.34	41,617,696.00	3,177,380.04	5,659,755.04	39,135,321.00
Kurunegala	19,555,000.00	17,119,483.41	-	1,540,027.18	15,579,456.23
Puttalam	56,431,671.59	34,537,509.92	19,647,500.00	4,068,166.16	50,116,843.76
Polonnaruwa	16,165,000.00	14,283,755.00	-	1,231,241.83	13,052,513.17
Badulla	40,187,500.00	34,606,406.95	4,930,000.00	3,534,629.82	36,001,777.13
Monaragala	113,426,450.00	98,258,161.64	355,000.00	11,486,686.02	87,126,475.62
Ratnapura	11,427,500.00	9,992,446.92	2,047,500.00	1,072,602.92	10,967,344.00
Kegalle	28,635,000.00	24,798,056.32	-	2,470,718.99	22,327,337.33
Kiinochchi	11,819,898.75	10,567,091.00	-	1,076,251.74	9,490,839.26
Vavuniya	154,900,000.00	101,043,921.34	40,290,000.00	14,469,160.35	126,864,760.99
Kalmune	-	-	-	-	-
TOTAL	960,659,378.25	787,481,296.53	111,347,380.04	98,995,309.21	799,833,367.36



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

DISTRICTS	Rs.			
	TOTAL DISBURSEMENT 01.01.2013	BALANCE AS AT 01.01.2013	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT BALANCE AS AT 31.12.2013
Colombo City (North)	-	-	-	-
Colombo City (South)	475,000.00	459,285.00	983,000.00	28,339.19
Colombo District	356,373,200.00	339,884,608.20	675,415,000.00	44,924,683.51
Gampaha	181,978,648.00	171,959,277.77	224,423,000.00	21,409,334.66
Kalutara	253,325,500.00	221,925,559.09	324,778,000.00	30,597,628.22
Kandy	189,555,000.00	177,047,529.17	184,889,000.00	22,610,551.46
Matale	99,464,500.00	93,978,329.07	99,163,000.00	11,710,548.00
Nuwara-Eliya	98,440,000.00	93,408,749.46	78,617,000.00	11,408,823.15
Galle	268,183,756.15	254,424,919.81	136,412,500.00	27,231,128.84
Matara	169,890,000.00	163,604,127.89	116,802,000.00	16,921,795.57
Hambantota	17,232,500.00	14,753,165.75	93,912,000.00	2,889,267.25
Jaffna	95,500,000.00	86,666,645.75	41,570,000.00	11,194,017.22
Mannar	29,436,006.70	29,399,283.42	29,610,000.00	5,226,140.97
Mankulam	35,325,328.00	30,180,174.00	27,600,000.00	8,875,953.41
Batticaloa	82,715,000.00	77,949,564.00	35,525,000.00	9,847,737.19
Ampara	42,555,000.00	38,184,417.93	23,770,000.00	4,029,259.52
Trincomalee	59,605,000.00	56,002,494.92	49,962,500.00	8,956,813.95
Kurunegala	132,647,500.00	127,264,574.17	138,595,000.00	14,147,377.51
Puttalam	66,477,397.92	49,166,697.58	42,745,500.00	3,795,104.59
Anuradhapura	71,160,000.00	54,970,105.30	78,512,500.00	8,378,560.59
Polonnaruwa	63,465,000.00	59,732,367.44	49,630,000.00	6,106,114.45
Badulla	99,559,300.00	89,873,711.62	48,460,000.00	9,186,043.30
Monaragala	108,090,000.00	100,590,347.13	134,065,000.00	14,542,668.89
Ratnapura	65,748,000.00	59,993,558.03	66,282,500.00	7,091,633.31
Kegalle	204,186,000.00	192,588,344.52	113,271,500.00	21,759,920.24
Kilinochchi	63,604,272.25	57,711,832.21	45,530,000.00	5,758,751.96
Vavuniya	70,750,000.00	66,684,824.65	38,410,000.00	7,162,550.96
Kalmune	-	-	18,680,000.00	105,818.25
TOTAL	2,925,741,909.02	2,708,404,493.88	2,917,614,000.00	335,896,566.16
				5,290,121,927.72

**NOTE [14] INVESTMENTS**

<u>LONG TERM</u>	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Hou. Deve. Fin. Corp. Bank - Shares (Note 14-1)		330,133,334.00		330,133,334.00
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
		455,653,703.34		455,653,703.34
<u>SHORT TERM</u>				
Treasury Bills - P/B & B/C	505,748,401.48		73,072,448.00	
- HDFC Invest Bonds	34,854,162.38	540,602,563.86	13,568,131.44	86,640,579.44
		996,256,267.20		542,294,282.78

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

	No of Shares	Nominal Value	Cost
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
	32,180,000	321,800,000.00	330,133,334.00



NOTE [15] DIRECT CONSTRUCTION PROGRAMME

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2013				
Working Progress - NHDA - Office Buildi		14,944,527.49		16,526,691.13
Working Progress - NHDA - Housing Scheme		<u>139,164,911.03</u>		<u>86,021,533.42</u>
		154,109,438.52		102,548,224.55

**ADDITION DURING THE YEAR
PRE-CONSTRUCTION COST**

Settlement of Contractors Bills - NHDA	<u>191,785,450.38</u>	<u>191,785,450.38</u>	<u>80,759,729.37</u>	<u>80,759,729.37</u>
LESS : Value of the Completed Houses - NHDA		12,419,977.49		29,198,515.40
		<u><u>333,474,911.41</u></u>		<u><u>154,109,438.52</u></u>

Balance as at 31 ST December 2012

Working Progress - NHDA - Office Building	38,311,964.14		14,944,527.49	
Working Progress - NHDA - Housing Schem	295,162,947.27		139,164,911.03	
		<u><u>333,474,911.41</u></u>		<u><u>154,109,438.52</u></u>

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

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Stationery & Office Requisites	3,984,001.29		4,852,526.59	
Electrical Goods & Other Items	249,246.50		220,575.31	
Printing Press Materials	330,571.00		202,559.67	
Stock of tyre tube	1,463,468.04		787,733.11	
Other - Stock	1,017,082.72		872,230.08	
	<u>7,044,369.55</u>	<u>7,044,369.55</u>	<u>6,935,624.76</u>	<u>6,935,624.76</u>
Balance Houses	31,290,457.47		28,831,892.83	
Reserve Houses	<u>22,522,855.15</u>	<u>53,813,312.62</u>	<u>50,379,771.91</u>	<u>79,211,664.74</u>
		<u><u>60,857,682.17</u></u>		<u><u>86,147,289.50</u></u>

**NOTE [17] INTEREST RECEIVABLE**

	2013	2012
	Rs.	Rs.
Treasury Bills	6,182,782.37	1,511,476.41
Bank and Others	16,428.09	16,428.09
HDFC Bank	0.00	61,143.06
	<u>6,199,210.46</u>	<u>1,589,047.56</u>

NOTE [18] DEBTORS

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Rural & Urban Housing Rental	229,142,524.89		226,258,889.92	
LESS Provision for Bad Debts	<u>45,828,524.98</u>	183,313,999.91	<u>22,635,888.99</u>	203,623,000.93
National Housing Dept. House Rent	31,310,857.91		29,553,541.12	
LESS Provision for Bad Debts	<u>6,262,171.58</u>	25,048,686.33	<u>2,955,354.11</u>	26,598,187.01
Loan Instalments - 1 & 1.5 MHP	734,896,059.67		788,877,949.49	
Loan Instalments Under NHFS	230,701,398.54		247,104,491.22	
Loan Programme	938,578,730.63		1,044,222,627.69	
Fisheries Loan Programme	22,415,709.79		25,128,933.11	
Loan Instalments Under Diripiyasa Loan	10,845,971.95		12,274,143.31	
Gamanaguma loan programme	177,196,172.05		117,461,564.73	
Loan Instalments - Janasevana (Treasury &)	291,664,156.43		133,070,566.27	
Loan Instalments - Janasevana (Banks) I 12	25,885,466.61		10,232,761.52	
Loan Instalments - Janasevana 11 10%	99,311,488.41		33,935,721.28	
LESS Provision for Bad Debts	<u>1,861,690,797.54</u>	669,804,356.54	<u>1,887,234,481.16</u>	525,074,277.46
Loan Instalments - NHD	38,528,430.03		39,043,120.61	
LESS Provision for Bad Debts	<u>38,528,430.03</u>	0.00	<u>39,043,120.61</u>	0.00
Debtors - Sale of Houses	67,253,353.66		73,825,210.88	
LESS Provision for Bad Debt	<u>13,450,670.73</u>	53,802,682.93	<u>7,382,522.09</u>	66,442,688.79
Festival Advances to Staff		2,572,237.80		2,150,224.00
Distress Loan to Staff		138,628,083.57		117,224,467.89
Salary Loans to Staff (Property)	4,055,565.38		4,683,032.76	
LESS Provision for Bad Debt	<u>-</u>	4,055,565.38	<u>-</u>	4,683,032.76
Vehicle Loans		21,111.99		28,611.99
Loss of Cash Recoverable		774,515.58		674,515.58
Instalment for Long Term Loan		-		1,528,577.01
Sale of Land	47,324,761.61		45,789,230.06	
LESS Provision for Bad Debt	<u>(9,464,952.36)</u>	37,859,809.25	<u>(4,578,923.01)</u>	41,210,307.05
Sundry Debtors NOTE [18] SUB		563,319,682.92		1,285,067,726.10
Debtors for Hiring of Machinery		862,464.41		-
Scholarship Training Loan Programme		769,665.80		691,313.60
District Transactions		431,700.03		
		<u>1,681,264,562.44</u>		<u>2,274,996,930.17</u>



NOTE [18] SUB SUNDRY DEBTORS

	2013	2012
	Rs	Rs
Moter Cycle Leasing Programme	28,332,457.39	12,040,372.21
Sevana Media	20,511,843.69	19,874,697.17
Supply of Security Services	5,913,921.70	5,980,595.91
Reimbursable Expenses by Other Institutions	71,842,967.16	72,601,928.80
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
Divident receivable HDFC	7,240,500.00	1,320,000.00
Consolidated fund C/B	47,462,688.25	47,462,688.25
Urban Settlement Development Authority	39,903,717.15	39,903,717.15
Tsunami Distress Programme to staff	164,243.51	1,084,911.09
Lease Rent Receivable	4,127,351.70	15,473,367.29
BAY - SAT (Darly Road)	-	712,000,000.00
No Pay Recoverable	46,219.56	91,257.72
Other Receivable	13,737.87	1,481,870.94
U D A	51,843,285.53	51,843,285.53
C H P	11,415,459.78	14,902,214.51
Manikkawatta Housing Programme - Receivable	51,241,227.12	51,241,227.12
LESS Provision for Bad Debt	(65,672,470.78)	(51,166,940.88)
	<u>563,319,682.92</u>	<u>1,285,067,726.10</u>

NOTE [19] DEPOSITS & ADVANCES

	2013	2012
	Rs	Rs
Travelling Advances	329,528.45	343,077.37
Salary Advances	317,995.30	718,495.30
Miscellaneous Advances D P	174,872,114.04	21,897,359.29
Miscellaneous I P	475,000.00	575,000.00
Electricity - Jaltara	2,500.00	2,500.00
Electricity - NHDA	936,956.06	905,111.06
Fuel Advances	63,479.22	13,979.22
Rent	257,120.00	257,120.00
Security	584,192.62	596,692.62
Deposits at Rural Bank & Savings Bank	6,150.00	6,150.00
Other Special Advances to Staff	104,504.48	43,242.02
Valuation Fees	1,365,295.69	0.00
Survey Fees	3,577,108.48	0.00
Miscellaneous Advances	5,510,455.04	7,887,401.39
Deposits for Water Supply	120,655.20	380,764.80
Advances to Suppliers	200,000.00	200,000.00
Salary Advance to Medical Leave	5,850.00	5,850.00
Advance - Sevana Lotary Advance	59,300.00	715,197.14
Deposits for Construction of Estate Workers Houses	460,855,242.72	492,565,684.13
	<u>649,643,447.30</u>	<u>527,113,624.34</u>

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

	2013	2012
	Rs	Rs
Colombo City North	756,777.10	416,138.40
Colombo City South	734,565.00	403,993.07
Colombo District	4,297,518.91	1,298,310.33
Gampaha	4,101,742.20	5,137,804.93
Kalutara	2,443,716.12	4,246,290.23
Kandy	4,678,336.95	2,830,378.60
Matale	2,184,537.15	1,336,970.19
Nuwara-Eliya	2,383,961.45	3,953,244.84
Galle	995,963.35	1,563,857.55
Matara	3,643,385.25	3,165,489.35
Hambantota	437,094.11	1,541,192.88
Jaffna	338,911.77	1,263,430.60
Mannar	172,158.04	505,113.81
Mankulam	201,748.54	227,817.84
Kilinochchi	1,968,064.61	702,621.13
Vavuniya	3,547,806.51	2,756,425.03
Batticaloa	1,367,706.42	142,708.00
Ampara	294,011.24	961,684.29
Trincomalee	103,103.92	361,808.20
Kurunegala	591,458.63	5,417,620.01
Puttlam	1,144,066.78	1,351,045.39
Anuradhapura	1,085,208.53	1,306,842.98
Polonnaruwa	1,469,513.61	695,825.07
Badulla	1,992,093.61	1,347,521.62
Monaragala	4,748,617.23	1,341,730.37
Ratnapura	1,174,358.78	1,050,207.93
Kegalle	6,445,448.51	4,755,970.95
Kalmunai	1,118,726.46	495,205.93
National Savings Bank - NHD	32,383.43	32,383.43
National Savings Bank -Rent Agent Deposit	300,000.00	300,000.00
Soysapura	279,991.95	4,425,192.73
Cash and Bank Balances H/O	84,029,032.50	71,331,497.05
	<u>139,062,008.66</u>	<u>126,666,322.73</u>



National Housing Development Authority

NOTE [21] RESERVES

GOVT GRANTS

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2013	14,762,950,034.18		13,945,274,777.75	
Coast Line Project	44,000,000.00		44,000,000.00	
	14,806,950,034.18		13,989,274,777.75	
For the Year	1,412,745,200.00		1,127,336,067.00	
	16,219,695,234.18		15,116,610,844.75	
LESS :Grant - Disbursed	335,002,979.52	15,884,692,254.66	309,660,810.57	14,806,950,034.18

OTHER GRANTS

Balance as Per last Balance Sheet	1,669,176,228.07		1,856,457,822.98	
For the Year	175,367,837.51		259,680,877.72	
	1,844,544,065.58		2,116,138,700.70	
LESS :Grant - Disbursed	135,874,549.57	1,708,669,516.01	446,962,472.63	1,669,176,228.07
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		17,653,779.98
Other Reserves (HDFC Shares)		276,500,000.00		276,500,000.00
		18,358,581,851.68		17,241,346,343.26

NOTE [22] LOANS

	2013		2012	
	Rs.	Rs.	Rs.	Rs.
Ministry of Rehabilitation		130,950,398.90		130,950,398.90
CHP Bond		15,709,900.00		15,102,200.00
EDCF Loan for Jaltara Project		3,423,589.00		3,423,589.00
Loan From Fisheries Ministry		89,141,173.84		89,141,173.84
UDA - Nupewala Project		16,972,000.00		19,093,500.00
Plantation Housing & Social Welfare Trust		18,460,613.30		18,460,613.30
Loan under Diripiyasa		45,769,373.81		53,036,492.77
Loan under Janasevana I		628,777,645.91		691,458,564.36
Loan under Janasevana II		2,007,802,197.66		1,855,201,926.50
Loan under Janasevana 13%		2,272,940,032.00		-
Loan under Janasevana Pro. NSB 1000 M		997,595,500.00		790,017,500.00
Loan under Janasevana Pro .NSB 345 M		274,785,000.00		173,485,000.00
Loan under Janasevana Pro. RDB 250 M		212,595,000.00		131,620,500.00
		6,714,922,424.42		3,970,991,458.67

**NOTE [23] CREDITORS**

	2013	2012
	Rs	Rs
Sundry - (NOTE [23] SUB1)	908,897,663.64	893,171,115.00
Expense Creditors	25,532,194.01	18,813,108.97
Retention Fees - Contractors	132,631,901.29	111,073,837.84
Retention Fees - Suppliers	351,177.30	351,177.30
Unpaid (NOTE [23] SUB2)	79,194,978.32	76,027,330.35
Land Compensation	323,988,577.44	153,336,411.29
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	45,688,913.89	39,454,798.64
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
	1,609,032,563.69	1,384,974,937.19

NOTE [23] SUB1 SUNDRY CREDITORS

	2013	2012
	Rs	Rs
Rent Received in Advance	1,186,048.15	2,100,167.12
Loan Installment Received in Advance	73,656,512.19	41,703,596.45
Sale of Housing Installment Received in Advance	5,069,856.74	10,039,218.45
Money Received From Other Institutions	73,671,438.07	101,452,336.88
Sale of Land Advance Received	49,122,303.86	35,034,600.40
Stamp fees Received	4,013,402.14	4,402,871.60
Over Recovery Rent Collection	1,409.67	93,683.35
Deferred Tax	22,450,842.00	22,716,138.15
Estate Housing Programme	677,591,966.28	652,662,589.32
Sevena Media Creditors	2,133,884.54	2,071,829.87
District Transactions	-	20,600,469.04
With Holding Tax /Tax Payable	-	293,614.37
	908,897,663.64	893,171,115.00



NOTE [23] SUB2 UNPAIDS CREDITORS

	2013	2012
	Rs	Rs
Salaries	1,345,848.27	893,348.20
Travelling	141,828.00	136,206.00
Overtime	105,291.57	105,307.75
Notary Fees	39,582,325.95	42,469,187.14
Stamp Fees	12,813,151.69	8,311,870.53
Bonus	11,774.54	15,998.18
Accured Expenses	21,050,951.27	19,678,469.61
Accured Expenses for Jaltara Project	2,516,626.86	2,516,626.86
Accured Expenses Sevana Media Service	1,627,180.17	1,900,316.08
	<u>79,194,978.32</u>	<u>76,027,330.35</u>

NOTE [24] CURRENT LIABILITIES FOR LOANS

	2013	2012
	Rs	Rs
Instalment Payable President's Fund Loan	195,000,000.00	195,000,000.00
Interest Payable President's Fund Loan	286,656,164.00	257,406,164.00
Interest Payable Rehabilitation Authority	36,370,497.79	34,513,256.55
Interest Payable Treasury Loan	132,730,736.69	132,708,366.69
Interest Creditors Debentures	1,354,356.33	1,354,356.33
Instalment Payable Treasury Loan	370,195,559.13	370,217,929.13
Interest Payable CHP	9,121,380.80	8,594,497.49
Instalment Payable Rehabilitation Authority	123,213,000.00	124,603,000.00
Interest Payable Diripiyasa Loan	4,561,986.66	4,555,948.95
Instalment Payable On Diripiyasa Loan	4,621,771.87	4,218,427.93
Instalment Payable Nupeweela Loan	25,458,000.00	23,336,500.00
Interest Payable Nupeweela Loan	56,264,969.86	54,037,917.97
Interest Payable Upahara Loan	23,191,588.45	11,754,875.06
Instalment Payable Upahara Loan	3,329,306.36	1,425,627.46
	<u>1,272,069,317.94</u>	<u>1,223,726,867.56</u>

**NOTE [25] DEPOSITS**

	2013	2012
	Rs.	Rs.
Refundable Deposits NOTE [25] SUB	268,125,826.93	170,823,649.14
Housing Schemes Maintenance	57,543,727.43	59,838,380.45
Deposit For Sale of Houses	150,156,014.41	141,397,525.14
Scholarship programme	1,669,298.10	1,100,323.25
Deposit For Sale of Land	303,337,547.90	1,101,431,523.58
	780,832,414.77	1,474,591,401.56

NOTE [25] SUB REFUNDABLE DEPOSITS

	2013	2012
	Rs.	Rs.
Tender Deposit	6,003,900.00	7,854,460.05
Security Deposit	2,354,322.04	4,274,095.94
Sundry Deposit	160,083,022.00	53,596,729.48
Aided Self Help Houses	-	57,200.00
Urban Housing Programme	47,766,500.73	48,461,554.77
Commercial Buildings	17,077,384.55	17,832,125.50
Deposit for Development Activities	30,561,542.43	30,561,542.43
25% Deposit On Consaltancy Fees	-	3,275,745.79
Rent Deposit	2,065,238.63	2,065,238.63
Refundable Deposits - 2 1/2% From Suppliers	-	630,790.00
Refundable Deposits - NHD CHP	181,477.00	181,727.00
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	284,440.80
	268,125,826.93	170,823,649.14

NOTE [26] PROVISIONS

	2013	2012
	Rs.	Rs.
Gratuity	520,220,598.25	488,319,398.97
Audit fees	3,407,949.00	2,422,088.00
Pending Court Cases	6,245,618.08	6,413,268.87
	529,874,165.33	497,154,755.84



NOTES ON STATEMENT OF FINANCIAL PERFORMANCE

NOTE [27] REVENUE	2013 Rs.	2012 Rs.
Sale of Houses	65,488,000.00	14,696,000.00
Sale of Land	<u>259,669,009.06</u>	<u>170,728,499.82</u>
	<u>325,157,009.06</u>	<u>185,424,499.82</u>
 NOTE [28] COST OF SALES		
HOUSES		
Opening Stock	79,211,664.74	63,296,050.67
Transfer from Working Progress	<u>4,102,236.94</u>	<u>29,278,486.49</u>
	83,313,901.68	92,574,537.16
Closing Stock	(53,813,312.62)	(79,211,664.74)
Cost of Sales	29,500,589.06	13,362,872.42
 LAND		
Cost of Land	<u>3,935,433.07</u>	<u>0.00</u>
Total Cost of Sales	<u>33,436,022.13</u>	<u>13,362,872.42</u>



NOTES ON STATEMENT OF FINANCIAL PERFORMANCE

NOTE [29] REVENUE FORM RENT

	2013	2012
	Rs.	Rs.
NHD House Rent	2,188,020.62	1,913,659.21
Residential Houses	6,191,798.97	7,442,950.86
Public Servants Quarters	3,886,045.36	3,633,790.74
Commercial Building	36,019,600.38	29,633,708.50
Lease Rent	10,612,739.94	6,394,889.68
Circuit Bungalow Rent	1,929,652.62	2,023,512.56
	60,827,857.89	51,042,511.55

NOTE [30] REVENUE FROM INTEREST

	2013	2012
	Rs.	Rs.
Distress Loans	6,021,331.65	4,939,311.86
Vehicle Loans	1,147,764.04	894,521.59
Interest on Sale of Houses Instalments	23,365,129.95	26,072,578.46
Interest on Sale of Land Instalments	4,743,964.41	5,952,220.37
Interest on Loans to H.D.F.C	-	61,143.06
Interest on 1M Housing	22,518.62	1,552.71
Interest on Loan Under 1.5M	1,027.04	106,518.80
Interest on Loan NHFS	68,008.55	151,127.86
Interest on Treasury Bills	36,477,782.09	41,551,581.81
Interest on Loan Under Diripiyasa	1,119,784.26	2,381,666.73
Interest on Gamanaguma Programme	101,689,015.15	107,660,983.50
Interest on Janasevana I 12% (Banks)	101,357,756.30	100,118,619.71
Treasury Fund & IG Loan Interest 2011	404,044,436.79	274,762,571.53
Interest on Janasevana II 10% (Banks)	425,888,409.31	186,942,333.77
Staff Housing Loan	7,102,818.84	8,587,961.99
Interest on Fisheries Houses & Estate	3,295,560.18	2,812,513.51
Loan Programme	56,282,882.88	82,675,075.54
Other Interest	862,130.01	578,876.38
	1,173,490,320.07	846,251,159.18

NOTE [31] REVENUE FROM INDIRECT OPERATION

	2013	2012
	Rs.	Rs.
Services Charges on Housing Loan	37,452,705.83	56,149,134.91
Housing Transfer Fees	8,703,012.77	13,699,918.42
Administration Charges	7,160,994.60	8,626,333.67
Sale of Documents, Books, Others Etc.	2,552,019.89	2,732,292.43
Sale of Unserviceable Items	3,970,675.13	2,392,604.30
Hire of Premises	6,653,733.00	6,438,859.65
Dividend Received from HDFC Bank	8,045,000.00	-
Compensation to Houses	-	24,000,000.00
Insurance Claim Received	304,259.98	-
Unclam Tender Deposits & Retention Fees	5,796,443.38	-
Hire of Furniture	18,750.00	35,250.00
Over provision of compensation	167,650.79	-
Consaltancy Fees Received	3,275,745.79	-
	84,100,991.16	114,074,393.38



NOTE [32] NON REFUNDABLE DEPOSITS

	2013	2012
	Rs.	Rs.
Tender Deposits	440,714.49	165,250.00
	440,714.49	165,250.00

NOTE [33] PERSONNEL EMOLUMENTS

	2013	2012
	Rs.	Rs.
Salaries and Wages	453,429,970.70	434,780,234.84
Overtime	37,763,715.05	37,622,320.77
Other Allowances	80,249,403.71	61,983,272.97
Cost of Living Allowances	161,544,611.16	135,983,132.71
Incentive Payments	19,680,102.15	15,646,402.09
Bonus	2,461,709.00	2,409,916.93
E P F Contributions	83,258,334.92	56,622,164.00
E T F Contributions	20,777,202.58	14,335,669.98
Compensation	589,850.00	66,075.00
Holiday Payment	2,404,106.52	2,343,333.23
Training & Scholarships	1,870,943.08	1,544,949.52
Encashment of Vacation Leave	12,292,259.26	12,250,692.76
Reimbursement of Membership Fees	33,214.40	20,103.20
Staff Medical Scheme	6,438,761.47	6,517,406.39
Entertainment	2,580,985.75	3,368,273.74
Medical Report Charges	124,291.05	154,222.00
Gratuity Provision	73,610,286.42	50,330,981.02
Allowance for Board of Survey	154,130.00	219,621.15
	959,263,877.22	836,198,772.30

NOTE [34] TRAVELLING EXPENSES

	2013	2012
	Rs.	Rs.
Travelling - Local	29,084,153.10	27,157,120.87
Travelling - Foreign	1,506,879.84	1,711,317.88
	30,591,032.94	28,868,438.75

**NOTE [35] SUPPLIES**

	2013	2012
	Rs.	Rs.
Stationery & Office Requisites	31,595,557.20	26,031,328.98
Fuel for Motor Vehicles	26,055,443.41	23,118,309.05
Transport & Hiring of Machinery & Equipment Etc.	584,624.50	570,554.92
Health Sanitary & Other Services	1,203,192.62	1,186,432.01
Printing Charges	1,779,668.39	1,872,645.73
Newspapers & Periodicals	1,033,256.61	1,144,939.19
Uniforms	1,681,891.60	171,010.95
Services-Tea Supply Employees Welfare	4,601,344.29	4,047,519.59
Welfare	322,511.83	508,269.50
Name Boards and Opening Ceremonies	321,525.49	13,655,829.72
	69,179,015.94	72,306,839.64

NOTE [36] MAINTENANCE EXPENDITURE

	2013	2012
	Rs	Rs
Buildings & Structures	15,602,680.88	34,547,435.81
Plant, Machinery & Office Equipment	6,868,162.36	6,748,430.16
Motor Vehicles	16,287,516.52	14,075,451.83
Furniture	165,040.88	134,020.00
Housing Scheme	13,570,047.30	24,685,628.82
Circuit Bungalow Expenses	2,396,172.54	2,568,363.39
Rewamping of Condominiums	245,265,465.02	228,669,752.01
	300,155,085.50	311,429,082.02

NOTE [37] CONTRACTUAL SERVICES

	2013	2012
	Rs	Rs
Tender Document Fees	45,600.75	79,516.25
Hiring of Motor Vehicles	4,865,213.88	3,522,139.19
Telephone	9,719,636.11	9,017,467.05
Electricity	13,578,807.30	14,845,459.64
Water	3,353,047.61	2,940,467.63
Rent for Office Buildings	1,533,280.00	1,398,000.00
Rates	8,684,639.53	7,971,423.99
Advertisement	4,567,824.96	6,599,988.46
Legal Fees	4,138,736.01	2,734,229.32
Postage	11,635,552.42	8,580,418.88
Insurance	4,415,567.66	5,543,998.14
Licence Fees	1,588,725.00	1,687,319.00
Information & Publicity	5,033,508.33	9,536,081.31
	73,160,139.56	74,456,508.86



NOTE [38] FINANCE EXPENSES

	2013	2012
	Rs.	Rs.
Audit Fees	1,728,600.00	500,000.00
Bank Charges	3,255,430.79	1,514,973.01
Stamp Duty	204,467.33	246,664.00
Rebates to Tenants	3,260,236.66	7,167,768.32
President Fund Loan Interest	29,250,000.00	29,250,000.00
Treasury Loan Interest	-	31,250.00
Commission Paid - Loan Collection	57,337,244.72	62,029,530.18
Commission Paid - Rent Collection	3,454,630.56	3,181,187.49
Bad & Doubtful Debts	25,258,311.69	2,050,129.99
Fines & Surcharges	-	28,786.87
Interest Payment -Commercial Banks On Diripiyasa Loan	4,531,109.46	5,151,769.87
Interest Payment Bank loan Upahara	442,614,251.41	209,323,137.22
Interest Payments Other Loans	4,647,028.10	5,482,795.07
Survey Expenses/Valuation	3,059,399.65	2,852,998.75
Compensation Others	-	6,413,268.87
WHT	3,218,144.32	798,268.70
NBT	-	36,745.77
Economics Service Charges (Tax)	2,469,840.44	4,878,541.64
Debit Tax	2,323.00	26,550.33
VAT	13,168,663.23	7,562,667.78
Expenses on CHP Board of Review	1,137,750.00	410,458.75
Compensation Houses	3,600,000.00	-
Expenses Under CHP	-	77,500.00
Consultant Fees	30,982.00	-
	602,228,413.36	349,014,992.61

NOTE [39] INDIRECT OPERATIONAL EXPENSES

	2013	2012
	RS	RS
Mobile Office Expenses	-	120,969.00
District Housing Committee Expenses	1,293,701.00	1,220,194.60
Expenditure on Exhibition	442,484.23	8,224,353.09
Public Function Activities	22,660,177.16	9,469,282.82
Removing of Unauthorized Tenants	78,545.00	332,572.00
Dayatakirula Expenses	5,109,982.35	-
	29,584,889.74	19,367,371.51



NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 31st DECEMBER 2013

Rs. in Mln

	CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	ACCUMULATED SURPLUSES/ DEFICITS	TOTAL	MINORITY INTREST OVDC	TOTAL NET ASSEST/ EQUITY
Balance as at 01st January 2012	40.000	17,373.029		(10329.999)	7083.030	890.004	7973.034
Prior period Ajustment				(11.990)	(11.990)	(12.397)	(24.387)
Restated Balance as at 31st December 2012	40.000	17373.029		(10341.989)	7071.040	877.607	7948.647
Change in net Asset / equity for 2013		1117.235			1117.235	-	1117.235
Surplus / Deficit for the period				(165.765)	(165.765)	51.042	(114.723)
Balance as at 31st December 2013 Carried Forward	40.000	18490.264		(10507.754)	8022.510	928.649	8951.159



**NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013	2012
		Rs.MI	Rs.MI
Cash flows from operating activities			
Surplus/deficit before taxation			
	NHDA	(232.602)	(303.405)
	OVDC	<u>122.063</u>	106.040
		(110.539)	
Non-Cash movements			
Gratuity Provision	NHDA	73.610	50.331
	OVDC	0.659	0.467
Depreciation	NHDA	43.496	41.518
	OVDC	6.465	9.453
Depreciation for the vehicles under grant		25.788	
Bad & doubtful debts NHDA		25.258	2.050
Write off of doubtful debts OVDC		1.050	-
Write off of furniture & fittings OVDC		-	1.524
Fair value gain from Investment in Treasury Bills ovdc		0.003	-
Provision for pending courts cases NHDA		(0.168)	6.413
OVDC Gratuity Adjustment		-	(3.167)
Fair value gain on Investment property	OVDC	<u>(89.061)</u>	(117.013)
		(23.439)	
Gain from fixed Assets		(1.321)	(0.172)
Investment income	NHDA	(36.478)	(41.613)
Interest Received	OVDC	(5.660)	(4.215)
Dividends recived		<u>(8.045)</u>	-
Operation Profit before working capital		(74.943)	(251.789)
Changes of working Capital			
Increase / Decrease in stock & working progress		(183.710)	(77.237)
Increase / Decrease in other receivable		472.871	96.097
Increase / Decrease in Payable		(432.071)	122.612
Increase / Decrease in Provisions		<u>0.985</u>	(0.270)
Cash generated from Operation		(216.868)	(110.587)
Gratuity paid		<u>(41.805)</u>	(37.425)
Net cash from operating Activities		(258.673)	(148.012)
Cash flows from investing activities			
Minority interest		-	(13.375)
Purchase Of property Plant & Equipment		(22.691)	(158.035)
Increase / Decrease in deveopment Assets		(3,193.664)	(3,315.047)
Proceeds from sale of fixed assets		1.325	0.364
Additions to Investment property OVDC		(2.939)	(6.471)
Interest received	NHDA	36.478	41.613
Interest received	OVDC	5.660	4.215
Net proceeds from investment to maturity OVDC		(9.963)	(20.471)
Dividends recived		8.045	-
Gratuity fund		<u>21.286</u>	4.726
Net cash used in investing activities		(3,415.136)	(3,610.493)
Cash flows from financing Activities			
Grant Received		1588.113	
Grant payment		<u>(470.878)</u>	2232.779
Loans Received		3009.022	
Loans payment		<u>(265.091)</u>	1437.653
Net increase in cash & cash equivalents		446.030	59.939
Cash & Cash equivalent as at beginning of period		<u>205.703</u>	<u>145.764</u>
Cash & Cash equivalent at end of period		<u><u>651.733</u></u>	<u><u>205.703</u></u>

Notes to the cash flow Statements

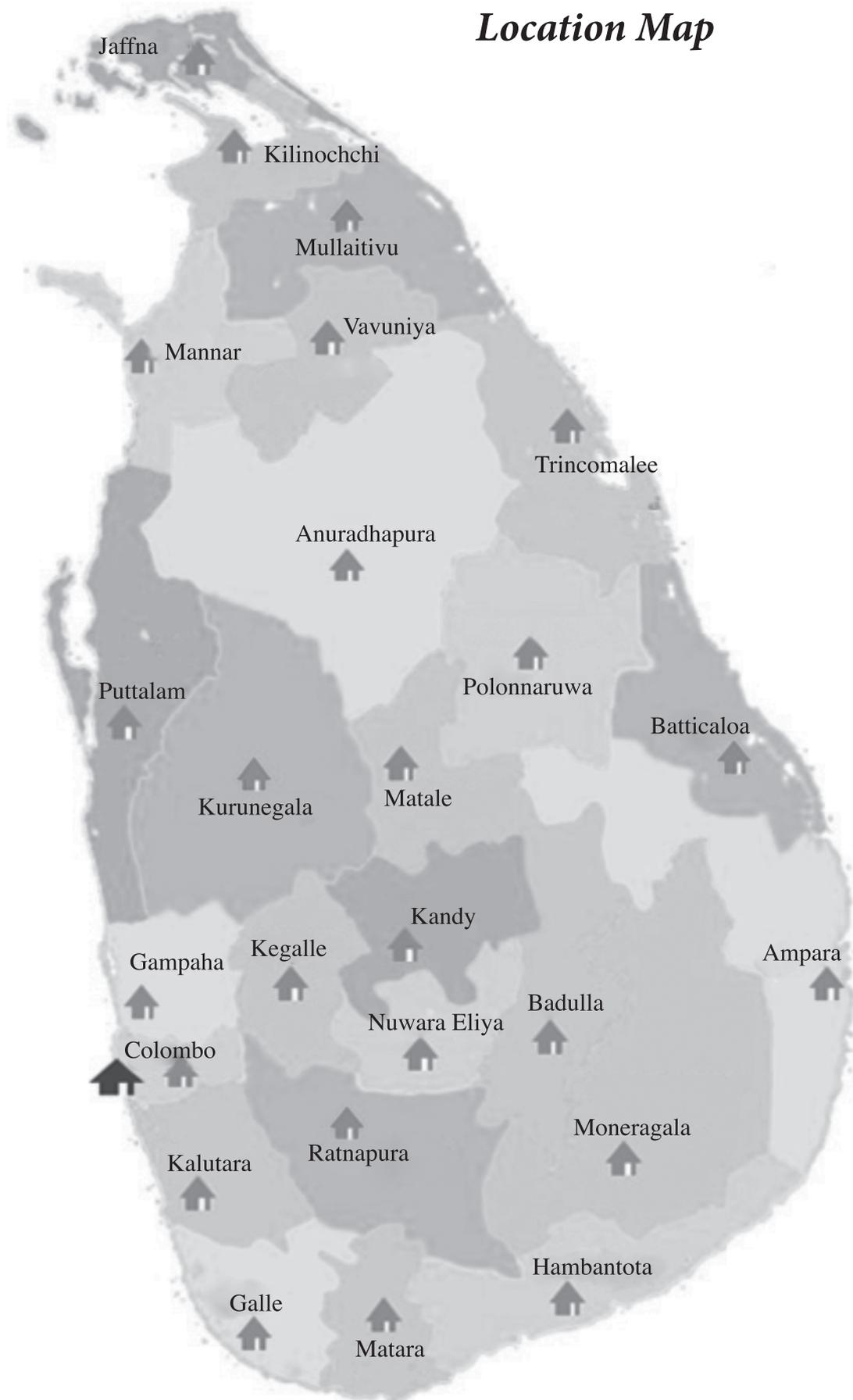
Cash and cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts :

	2013	2012
Cash on hand and balance with bank	145.985	133.703
Short - term investments	505.748	72.000
	<u>651.733</u>	<u>205.703</u>



Location Map





1. District Office - Colombo City (North)
Address : Parisara Mawatha,
Maligawatta, Colombo. 10
Telephone - 011 2445546
Fax - 011 2435146
Email - 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
3. District Office - Colombo District Office
Address : No.190, Horana Road,
Kottawa
Telephone - 011 2178226
Fax - 011 2178224
Email - dmcolombo@nhda.lk
4. District Office - Gampaha
Address : Walawwatta, Gampaha
Telephone - 033 2226017
Fax - 033 2234265
Email - dmngampaha@nhda.lk
5. District Office - Kalutara
Address : 3rd Floor, Secratarial Office,
Kalutata
Telephone - 034 2222298
Fax - 034 2222298
Email - dmkalutara@nhda.lk
6. District Office - Kandy
Address - Yatinuwara Street, Kandy
Telephone - 081 2234967
Fax - 081 2223139
Email - dmekandy@nhda.lk
7. District Office - Matale
Address : Kachcheri Complex, Matale
Telephone - 066 2222134
Fax - 066 2222134
Email - dmmatale@nhda.lk
8. District Office - Nuwaraeliya
Address : Hawaeliya, Nuwaraeliya
Telephone - 052 2222925
Fax - 052 2222925
Email - dmneliya@nhda.lk
9. District Office - Galle
Address : Ecorts Building, Kotuwa,
Galle
Telephone - 091 2234373
Fax - 091 2234232
Email - dmngalle@nhda.lk
10. District Office - Matara
Address : Station Road, Matara
Telephone - 041 2222986
Fax - 041 2229257
Email - dmmtara@nhda.lk
11. District Office - Hambantota
Address : No.42, New Road,
Hambantota
Telephone - 047 2222013
Fax - 0472222013
Email - dmhambantota@nhda.lk
12. District Office - Jaffna
Address : Kandy Road,Jaffna
Telephone - 0212222039
Fax - 0212222039
Email - dmjaffna@nhda.lk
13. District Office - Mannar
Address : Pallimona Road, Oppukulam,
Mannar
Telephone - 023 2222315
Fax - 023 2222141
Email - dmmannar@nhda.lk
14. District Office - Mulativu
Address : Kandy Road "A 9 &"
Mankulam (Mulativu)
Telephone - 021 2060033
Fax - 021 2060022
Email - dmmulativu@nhda.lk



15. District Office - Batticaloa
Address : Kal Adi, Batticaloa
Telephone - 065 2224473
Fax - 065 2227310
Email - dmbatticaloa@nhda.lk
16. District Office - Ampara
Address : NHDA, Ampara
Telephone - 063 2222045
Fax - 063 2222045
Email - dmampara@nhda.lk
17. District Office - Trincomalee
Address : Electrical Power House Rd,
Trincomalee
Telephone - 026 2222162
Fax - 026 2222503
Email - dmtrinco@nhda.lk
18. District Office - Kurunegala
Address : No.05, Mihindu Mawatha,
Kurunegala
Telephone - 037 2222014
Fax - 037 2222014
Email - dmkurunegala@nhda.lk
19. District Office - Puttalam
Address : Gam Udawa, Anamaduwa
Telephone - 032 2263427
Fax - 032 2263425
Email - dmputtalam@nhda.lk
20. District Office - Anuradhapura
Address : Bandaranayake Mawatha,
Anuradhapura
Telephone - 025 2222558
Fax - 025 2222649
Email - dmanuradhapura@nhda.lk
21. District Office - Polonnaruwa
Address : Pulathisigama, Higurakgoda
Telephone - 027 2246362
Fax - 027 2246362
Email - dmpolonnaruwa@nhda.lk
22. District Office - Badulla
Address : Clinic Road, Badulla
Telephone - 055 2222113
Fax - 055 2223163
Email - dmbadulla@nhda.lk
23. District Office - Monaragala
Address : NHDA, Monaragala
Telephone - 055 2276202
Fax - 055 2276202
Email - dmmonaragala@nhda.lk
24. District Office - Ratnapura
Address : New Town, Ratnapura
Telephone - 045 2228724
Fax - 045 2228996
Email - dmrathnapura@nhda.lk
25. District Office - Kegalle
Address : Ambanpitiya, Galigamuwa,
Kegalle
Telephone - 035 2229737
Fax - 035 2229737
Email - dmkegalle@nhda.lk
26. District Office - Kilinochchi
Address : 155, A 9 Road, Kilinochchi
Telephone - 021 2285757
Fax - 021 2285757
Email - dmkilinochchi@nhda.lk
27. District Office - Vavuniya
Address : Park Road, Vavuniya
Telephone - 024 2222214
Fax - 024 2222050
Email - dmavuniya@nhda.lk



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

EH/D//NHDA/1/ 13 /8

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

27 April 2015

The Chairman
National Housing Development Authority

Report of the Auditor General on the Financial Statements of the National Housing Development Authority and the Consolidated Financial Statements of the Authority and its Subsidiary for the year ended 31 December 2013 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 the consolidated financial statements of the Authority and its Subsidiary for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement 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 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 furnished to the Chairman of the Authority on 26 November 2014.

1.2 Management's Responsibility for the Financial Statements

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



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 consistent with International Auditing Standards of the Supreme Audit Institutions (ISSAI 1000-1810). 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 judgment, 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 powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 **Basis for Qualified Opinion**

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial Statements

2.1 Qualified Opinion

Qualified 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 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

Qualified Opinion - Group

In my opinion, except for the effects of the matters described in paragraphs 2.2 and 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 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements – Group

The following observations are made.

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



- (b) Even though the Authority had included assets, liabilities and equity of its Group in the statement of consolidated financial position, detailed information thereon had not been indicated as notes in the consolidated financial statement.
- (c) A statement of financial performance prepared for the Group had not been included in the consolidated financial statement.
- (d) Connected parties and their transactions had not been disclosed by the financial statements.

2.3 **Comments on Financial Statements - Authority**

2.3.1 **Sri Lanka Public Sector Accounting Standards**

Sri Lanka Public Sector Accounting Standards No. 1- Presentation of Financial Statements

- (a) Even though adequate disclosures relating to all components shown in the face of financial statements should be made in the financial statements, the Authority had not made adequate disclosures in respect of foreign grants amounting to Rs. 131.68 million in the financial statements.
- (b) The following matters which should be disclosed in the information published with the financial statements had not been disclosed by the Authority.
 - (i) Location of the Authority, juristic nature and zones of enforcement
 - (ii) Nature of the operations of the Authority and details of its key functions
 - (iii) Reference in respect of the Article relating to control of operations of the Authority



2.3.2 Accounting Policies shown in the Financial Statements

- (a) According to the **Accounting Policy No.3.3**, the stock should be valued at the lower value out of the cost or net realizable value. The present net realizable value of 04 houses valued at Rs. 20.97 million in the final stock had been shown at the valuation of the year 2009 without being valued.
- (b) According to the **Accounting Policy No.6.4**, except the outstanding housing loan balance, 20 per cent of the outstanding loan amount of all other debtors is provided for bad and doubtful debts without considering the age analysis. However, considering the age analysis, as the total loan balance of Rs. 846.39 million had been outstanding over 05 years, it could not be accepted in audit that the aforesaid policy had been based on the risk of recovering loans. Even though provisions of Rs. 200.80 million should be made for those debtors according to the aforesaid policy, the provisions made in the accounts amounted to Rs. 140.67 million.
- (c) According to the **Accounting Policy No.6.4**, it had been stated that a sum of Rs.58.12 million receivable from the Department of Sri Lanka Railways (CGR) Housing Project, Maligawatte would be set off against payable compensation on lands. Nevertheless, the amount of additional provisions which should be made for that purpose could not be estimated in audit due to non-presentation of detailed list of loan balances and detailed information relating to compensation on lands payable, to audit.
- (d) According to the **Accounting Policy No. 10.1.1**, the estimated market value of lands acquired without the payment of compensation for a housing purpose should be brought into the Lands Accounts. Nevertheless, not including the estimated market value of the lands sold based on failure to account so in the cost of sales of lands had resulted in the unusual increase of the gross profit ratio of sale of lands. For example, the gross profit ratio had taken a high value as 98 per cent, as a result the cost of sales amounted to Rs. 3.93 million relating to sales turnover of lands of Rs. 259.67 million of the year under review.



2.3.3 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) The blocks of land still remaining in most of the Housing Schemes and lands obtained / acquired for Housing Schemes, 943 hectares in extent had not been valued and brought to account.
- (b) Even though only the cost of houses valued at Rs. 18.51 million completed in the year under review relating to the pre-sold housing programme had been transferred to the housing stock, the value of lands thereon had not been brought to account. As such, the value of the housing stock and acquired lands had not been accurately reflected in the financial statements.
- (c) The value relating to 29 blocks of lands where office buildings of the Authority had been constructed, had not been assessed and brought to account.
- (d) The Value Added Tax amounting to Rs. 1,353,185 payable at the end of the year under review had not been brought to account.
- (e) Two houses of the Jalthara Housing Project valued at Rs. 3.42 million retained by the Authority had been shown in the financial statements as a balance payable to the General Treasury and not as a balance payable to the Housing Development Finance Corporation Bank.
- (f) The value of bonus shares of the Housing Development Finance Corporation Bank amounting to Rs. 276.5 million had been shown as Domestic Grants instead of being shown as a Capital Reserve.
- (g) The liability amounting to Rs. 17.65 million payable to the Treasury on behalf of the Jalthara Housing Project by the Authority had been brought to account under the Capital Reserve.
- (h) Other expenses amounting to Rs. 117.73 million of non-financial expenses such as commission paid to debt collectors, audit fees and bad and doubtful debts had been included in financial expenses.



- (i) Even though gratuity provisions as at the end of the year under review valued at Rs. 520.22 million should be shown under non-current liabilities, that value had been shown under current liabilities.
- (j) A sum of Rs. 13.31 million received for the Galaha Estate Housing Project from the National Livestock Development Board had been brought to account under other Aid Account without making necessary adjustments in accounts despite the elapse of over 05 years after completion of the relevant purpose.
- (k) The value of lands and buildings shown in the financial statements had not been accurately reflected even from the year 2006 due to failure in taking action to compute the value of houses of the Lease Housing and Urban Housing Schemes for which deeds had been granted. The number of housing units for which deeds had been granted, relating to 08 housing schemes in the year under review had been 85.
- (l) Adequate provisions in respect of 13 motor vehicles valued at Rs. 1,940,000 misplaced in areas of North and East in the year 2005 had not been made in accounts.

2.3.4 Unexplained Differences and Unreconciled Accounts

- (a) The balances shown in financial statements had not been reconciled with the balances mentioned in the relevant schedules and a difference of Rs. 10.39 million was observed as follows.

Item	According to Accounts	According to Schedules	Difference
	Rs. millions	Rs. millions	Rs. millions
People's Bank (Upahara Loan Programme 2013)	762.77	763.29	0.52
Bank of Ceylon (Upahara Loan Programme 2011)	1,127.40	1,126.90	0.50
Value of Thuriyapallivasal Land in Mannar	0.08	-	0.08
Value of Nothariswatta Land in Ratnapura	19.41	10.20	9.20
Value of Bloemendhal Land in Colombo	-	0.09	0.09
Total	1,909.66	1,900.48	10.39



- (b) The difference of Rs. 431,700 between the current accounts maintained by the Authority for operations with District Offices had not been settled.

2.3.5 Lack of Evidence for Audit

Detailed information relating to acquired lands valued at Rs. 212.07 million and items of Value Added Tax of Rs. 3.55 million had not been presented.

2.4 Accounts Receivable and Payable

The following observations are made.

- (a) Out of the total debtors balance as at the end of the year under review amounting to Rs.3,656.48 million, the value of balances receivable brought forward over a period exceeding 05 years totalled Rs.2,406.6 million and represented 66 per cent of total debtors. It was not observed in audit that the Authority had taken adequate action for the recovery of those debts.
- (b) Out of the advances granted to contractors, other external parties and officers as at the end of the year under review totalled Rs.82.89 million, the Authority had not taken action to settle the sum of Rs.80.24 million lapsed over a period of 02 years after completion of the relevant purposes.
- (c) The value of creditors as at the end of the year under review amounted to Rs.1,609 million. Out of that, the value of creditors between 02 to 05 years and over 05 years amounted to Rs.29.2 million and Rs. 1,057.26 million respectively. No arrangement whatsoever in settling this loan was observed in audit.
- (d) The outstanding loan installments amounting to Rs.713.84 million payable in connection with loans for projects obtained from 04 other institutions and the outstanding interest on loans amounting to Rs.512.02 million had not been settled over a long period and a financial plan to pay and settle that outstanding loan and interest as well was not available.



- (e) The compensation on lands payable as at 31 December 2013 amounted to Rs.324 million and no action had been taken to settle the compensation of lands valued at Rs. 100 million remaining payable over a period exceeding 05 years from the date of takeover of the tenure by the Authority.
- (f) The advances amounting to Rs. 6.28 million receivable from the Condominium Management Authority included in the financial statements of the Authority had not been included in the financial statements of the Condominium Management Authority. However, the Authority had not taken action to obtain confirmation of the balances and make necessary adjustments in the financial statements.
- (g) Out of the sum of Rs. 5,297,604 receivable to the Authority for the land with an extent of 726.35 perches granted from the Ethnawala Estate by the Authority to the Red Crescent Society of the United Arab Emirates for the construction of a Housing Project consisting 60 houses in the year 1998, the Authority had failed to recover a sum of Rs. 1,882,604 as at the end of the year under review.
- (h) Even though the lost amount of Rs. 774,515 existing from the year 2001 had been shown as a receivable balance, no adequate action had been taken thereon.
- (i) The construction of a building complex at Orugodawatta, located on a land belonging to the Urban Development Authority had been abandoned in the year 2005 after spending a sum of Rs.39.9 million by the Authority on the construction. However, that amount had been shown in accounts as money receivable.
- (j) It had been confirmed that the Authority cannot recover the housing loans amounting to Rs.5,965,000 granted under the Thrift and Credit Co-operative Societies (TCCS) Loan Scheme by the Jaffna District Office as 1,468 housing loan files had been misplaced. Nevertheless, no action whatsoever had been taken in this connection during the year 2013.



2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations and Management Decisions

Non-compliance

- | | |
|---|---|
| <p>(a) Inland Revenue Act, No. 10 of 2006, Part XIV</p> <p>Section 114 and Public Enterprises Circular No. 02/2013 of 11 September 2013</p> | <p>Even though the Pay As You Earn Tax should be deducted from the salary of employees and paid, without doing so the Authority had paid a sum of Rs. 117,300 as tax in the year under review.</p> |
| <p>(b) Payment of Gratuity Act, No. 12 of 1983</p> | <p>Even though provisions of Rs. 555.07 million had been made for gratuity as at the end of the year under review, the value of investment made externally amounted to only Rs. 34.85 million as at the end of the year review.</p> |
| <p>(c) Finance Act, No.38 of 1971
Section 11(b)</p> | <p>The concurrence of the Minister of Finance and Planning should be obtained for investment of money. Nevertheless, the approval had not been obtained in respect of investments of Rs. 540.6 million made by the Authority.</p> |
| <p>(d) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</p> <p>Financial Regulation 104</p> | <p>Reports relating to damages valued at Rs. 457,234 caused to 11 vehicle accidents and 12 vehicle accidents which were not estimated, had not been presented to the Auditor General.</p> |



- (e) Instructions for issue of Upahara Loans
Sections 7.3 and 7.4.1
Even though the land on which the house is constructed or improved is located, should be legally owned by the creditor or spouse, loans amounting to Rs. 975,000 had been granted to two officers of the Authority to improve houses located on lands owned by another party for which by the creditors do not have legal ownership.

- (f) Cabinet Decision No. 13/0463/517/010 dated 17 June 2013
Even though the prices of houses on pre-sold basis should be decided on a reasonable price so as to enable public officers and middle class people to purchase, the Authority had valued those housing units at a high price unaffordable for low and average income earners.
Examples – The value of a house constructed at Kavirathne Place, Pamankada in Colombo amounted to Rs. 33.2 million and the value of a house constructed under Phase V, Elvitigala amounted to approximately Rs. 15 million.

3. **Financial Review**

3:1 **Financial Results**

According to the financial statements, the financial result of the Authority for the year ended 31 December 2013 had been a deficit of Rs.232,602,241 as compared with the corresponding deficit of Rs.303,405,460 for the preceding year, thus indicating an increase of Rs.73,803,219 in the financial result as compared with the preceding year and represented a decrease of 23 per cent in the deficit. The increase of loan interest income by Rs.327,239,161 and sales income of lands and houses by Rs.139,732,510 during the year under review as compared with the preceding year had mainly affected the improvement of the financial result.



3.2 Analytical Financial Review

The following observations are made.

- (i) The rent income of the year under review had increased by 19 per cent.
- (ii) Sales profit from houses and lands had increased by 42 per cent and 50 per cent respectively.
- (iii) The income on the sum of Rs.245.27 million received from the Treasury for the repairs of condominium properties had increased by 12 per cent.
- (iv) The financial expenditure on payment of interest on Bank loans by the Authority had increased by 72 per cent as compared with the preceding year.
- (v) As a percentage of the total income, the net loss of the year under review had been 12 per cent.
- (vi) The current ratio and the quick asset ratio of the Authority for the year under review had been 1:1.12 and 1:1.29 respectively. As such, it was observed that the Authority had a deficiency in the working capital necessary for operating activities.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) The physical progress of the completed constructions under Janasevana Wiru Gammana, Wisiri Niwasa, Upahara Niwasa Loans and the Sasunin Sevana Housing Programmes had been at a level between 1 per cent and 15 per cent.
- (b) Even though the construction of 3,152 housing units at a cost of Rs.22,369 million in 14 Housing Schemes under the Millennium Lanka Project (Investment Projects, Public and Private Contributory Houses) had been planned for constructions, the work of 02 Housing Schemes had been commenced while the work of 02 Housing Schemes costing Rs.1,196.5 million had been stopped. The construction of even one house had not been completed by the end of the year under review.



(c) Millennium Lanka Housing Programme (Direct Constructions and Resettlements)

- (i) Even though it had been planned in the year under review to construct 60 housing units with Rs.250 million, no work on any housing unit whatsoever had been commenced due to the delay in selecting contractors.
- (ii) The physical progress of construction works by the end of the year under review had been 49 per cent due to the delay in making payments to the contractors of the Siyane Uyana Housing Project Yakkala of which work commenced in the year 2011 and scheduled for completion in the year under review.

4.2 **Management Inefficiencies**

The following observations are made.

- (a) 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, a long period had been taken in the course of taking over the land tenure of certain lands due to the problems that had arisen. As such, the compensation payable as at the end of the year under review amounted to Rs.41,958,932 and the outstanding interest payable thereon amounted to Rs.52,221,612.
- (b) There had been difficulties in obtaining the Certificates of Conformity relating to 1,986 housing units of 26 housing schemes as at the end of the year under review as houses had been constructed without obtaining the approval for the housing plans from the respective Local Authorities before the commencement of construction of Housing Schemes. As a result, the relevant houses of the Housing Schemes could not be transferred to the respective owners and to establish Management Corporations. As such, the Authority had to continue carrying out repairs and maintenance of those Housing Schemes. Thus, the Authority had to spend a sum of Rs.13.57 million for maintenance and a sum of Rs.245.6 million for repairs of such Housing Schemes in the year under review. It was observed that the failure to pay attention by the Management to the matters of primary concern had caused this.



- (c) It was observed that the Authority did not have a specific procedure to recover the balance of the loan granted during the years 1989 to 1994 to 507 families in the Kurunegala District for the purchase of solar energy systems, amounting to Rs. 4,104,961 recoverable as at the end of the year under review.
- (d) 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 by the Authority even by the end of the year under review for the recovery of the money from the Kandy Municipal Council.
- (e) According to the Land Survey Report of the year 2010, lands with an extent of 645.66 hectares belonging to the Authority had been identified and it had been identified that out of it, 208.75 hectares of land had been encroached by the end of the year under review. Similarly, a survey relating to lands in 05 districts of the Northern Province as well had not been carried out even by the end of the year under review.
- (f) Even though 11 houses costing Rs.22.52 million had been reserved for over a period of 03 years, action had not been taken by the Authority to further recover the sum of Rs.47.66 million to be recovered in this connection as at the year under review.
- (g) The Authority had failed to settle even by 31 December 2013, the sum of Rs.195 million, out of the loan of Rs.250 million obtained from the President's Fund in the year 1991 at an annual interest rate of 15 per cent as agreed by the Authority. The outstanding loan and interest balance as at that date due to non-payment of loan instalments properly, amounted to Rs.286.66 million. However, it was not observed in audit that the Authority had made any attempt whatsoever to reduce the high interest rate payable.
- (h) The Authority had collected a sum of Rs.22.61million as housing rent income in the year under review and the corresponding income of the preceding year amounted to Rs.38.98 million. Matters such as failure to revise the lease rent income in accordance with the present assessment and introduce a suitable system of varied fees considering the environmental factors had resulted in the low level of income shown.



4.3 Weaknesses in the Tax Management

The following observations are made.

- (a) According to Letter No.409032877 of 07 November 2013 sent to the Authority by the Department of Inland Revenue relating to the National Institute of Machinery, action had not been taken by the Authority to pay or settle the tax amounting to Rs.15.33 million payable in respect of the years 2009 and 2010 and the penalty thereon amounting to Rs.7.12 million under the Value Added Tax Number of the Authority even up to 31 October 2014.
- (b) Action had not been taken to settle the deferred tax liability amounting to Rs.22.45 million as at the end of the year under review.
- (c) The recovery or the set off of the overpayment of Value Added Tax amounting to Rs.14.38 million in respect of the years 2003, 2004 and 2005 for which no action had been taken even by the end of the year under review, had been further shown as a receivable amount.

4.4 Operating Inefficiencies

The main function of the Authority is to provide a secure house with basic amenities for every family in Sri Lanka. However, the following weaknesses were revealed in carrying out this purpose and as such it was observed that the attention of the Management had not been paid in this connection.

- (a) Even though an advance of Rs.1,000,000 had been obtained on 19 January 2005 for a house valued at Rs.6,195,522 of the 93 Watta Housing Project, action had not been taken to enter into a sales agreement and recover the balance even at the end of the year under review.
- (b) Two houses belonging to the Authority in the Homagama, Jalthara and Diyawanna Gardens Housing Schemes had been released for occupation by the end of the year under review to three persons outside the housing disposal methodology without entering into an agreement or even obtaining an advance.



- (c) The District Office Kandy had spent Rs.2.67 million to construct 16 houses for the Galaha Housing Scheme from the year 1998 to the year 2001 and the construction works of those houses had been discontinued. A proper arrangement had not been made thereon and remained idle even up to 2004. As such those houses remain encroached and occupied by unauthorized persons up to date.
- (d) Even though there were 11 unresolved Bank entries valued at Rs. 2,135,939 in the Head Office and 07 District Offices according to the Bank Reconciliation Statements as at 31 December 2013, no action had been taken to settle them.
- (e) The Authority had released a sum of Rs.756,785 received in the year 2008 from the Ministry of Nation Building and Estates Infrastructure Development to the Plantation Human Development Trust for the Estates Housing Projects of the Millakanda and the Procestor Estates in connection with the Estates Housing Programme. Nevertheless, those sectors had not implemented relevant projects even by the end of the year under review. However, no follow-up action whatsoever had been taken thereon by the Authority.
- (f) No action had been taken even up to the year under review to sell 13 houses and 08 shops completed over 04 years ago.

4.5 Transactions of Contentious Nature

A sum of Rs. 8.69 million had been paid on 20 March 2012 on the valuation obtained on 19 April 2000 for the acquisition of the land called Galkaduwwatta situated in Ratnapura belonging to the Urban Development Authority. As this valuation was limited only for one year and a period of 12 years had been taken by the Authority to make those payments, the Urban Development Authority had informed the Authority to pay the new valuation of the land for the year 2012 amounting to Rs. 145 million. However, the Authority had not taken a final decision either for acquisition of the land or abandonment of the acquisition even by 31 December 2014.



4.6 Idle and Underutilized Assets

According to the matters pointed out by the audit reports for the years from 2008 to 2012, the land 01 acre and 26.5 perches in extent situated at Darley Road had been allocated for a Housing Development Project in terms of a Joint Business Agreement entered into between the Housing Development Authority and a private company. Nevertheless, this land had remained idle from the year 2008 due to non-implementation of that Joint Business Agreement even by 31 December 2014.

4.7 Loans Control

The debtors balance and the capital balance of the Housing Loans Programme as at the end of the year under review had been Rs. 2,531.53 million and Rs. 11,269.34 million respectively and the corresponding balances as at the end of the preceding year amounted to Rs.2,412.31 million and Rs.8,223.61 million respectively.

The following observations are made.

- (a) The actual recoveries made during the year under review amounted to Rs.2,385.75 million and that represented 74 per cent of the budgeted recoveries.
- (b) The Authority had taken into consideration only 73 per cent of the total debtors in determining the budgeted amount for recovery. As such, that was observed as a weakness in the loan management system.
- (c) The number of dormant debtors during the year under review represented about 78 per cent of the total number of debtors.
- (d) Even though a cost of Rs.57.34 million had been incurred for commission for the collection of debts, the debtors older than 03 years represented about 76 per cent of the total debtors. As compared with the preceding year, the progress on the recovery of those loans in the year under review had been about 5.8 per cent.



- (e) The Authority had obtained loans from State Banks for the implementation of the Upahara Loan Programme. The Authority had entered into agreements to make payments to the Banks on the specified dates. (Even though the monthly loan installments together with interest are not received regularly by the Authority) As such the Authority had paid the arrears of payments amounting to Rs.125.19 million which should be paid to the Authority by creditors, to the Banks instead, from the Funds of the Authority as at the end of the year under review.

4.8 Resources of the Authority given to other Government Institutions

- (a) The salaries paid to 19 officers / employees who were deployed in service of the Line Ministry and the Ministry of Education contrary to the provisions in Paragraph 9.4 of the Public Enterprises Circular No. PED/12 of 02 June 2003 amounted to Rs.6.41 million as at the end of the year under review. In addition to that 06 motor vehicles had been provided to the Line Ministry.
- (b) The amount recoverable by the Authority as at 31 December 2013 in respect of employees and officers deployed in other Government Institutions amounted to Rs. 71.84 million. It was observed that out of that amount, a sum of Rs. 18.43 million had been older than 02 years and a further sum of Rs. 46.69 million had not been recovered for over a period of 05 years.

4.9 Human Resources Management

The following observations are made.

- (a) Even though the approved cadre of the Authority had been stated as 2,493 in the Human Resources Plan of the Authority, the cadre approved by the Department of Management Services as at 31 December 2013 had been 1,375. In view of the actual cadre as at that date being 2,307, the existence of 932 employees exceeding the approved staff was observed. The excess staff included 476 officers recruited on the daily paid basis and 42 officers recruited on contract basis.
- (b) Contrary to the provisions in Section 9.3.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, twenty four officers had been deployed in acting capacity and to covering up duties over periods ranging from 01 month to 07 years.



6. **Systems and Controls**

Deficiencies in systems 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 and Progress Review
- (b) Advances
- (c) Inventory Control
- (d) Accounting
- (e) Human Resources Management

W. P. C. Wickramaratne
Acting Auditor General

