ANNUAL REPORT 2011

National Housing Development Authority

Ministry of Construction, Engineering Services,
Housing and Common Amenities

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A
General

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 six (26) District Offices and three (03) city offices.

Our Vision

An adequate house for every family in a habitable environment.

Our Mission

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

Our Objectives

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

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	:	gm@nhda.lk, facc@nhda.lk
WEB	:	www.nhda.lk
AUDITORS	:	Auditor General Dept.of Auditor General, Torrington Square, Colombo 07.
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, No.75, 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 the Minister in charge of Finance. The Minister appoint one of the appointed member to the Chairman of the Authority.

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

Corporate Management

Mr L S Palansooriya
General Manager
(Upto 26.07.2011)

Major General W R Wasantha Kumara USP
General Manager
(From 27.07.2011 to 04.11.2011)

Brigadier A L S K Perera RSP
General Manager
(From 14.11.2011 to 14.05.2012)

Mr D N Wijesinghe
Dy General Manager (Human Resources & Management)
(Upto 31.10.2011)

Mr R M L P Edirisinghe
Dy General Manager (Human Resources & Management)
(From 01.11.2011)

Mr Gamini Pannilawithana
Dy General Manager (Housing Development)

Mr K W A Dharmasri Kariyawasam
Dy General Manager (Information Publicity)

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

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

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

Mr W Danachandra
Asst.Dy General Manager (Corporate Planning)

Mrs A K Pushpa Rohini
Asst.Dy General Manager (Legal)

Mr P M R Marasinghe
Internal Auditor

Mr Manuja Karunarathna
Secretary to the Board

Our Main Activities

In order to achieve our objectives we carryout these activities.

1. **Provide Housing Support Services**
   Conduct feasibility studies on housing
   Create awareness and mobilize Community
   Formation of Community Development Organization
   Prepare house / settlement Plans
   Disseminate information on cost effective construction techniques Provide financial assistance where necessary
   Supervise construction to ensure quality / conformity
   Coordinate /facilitate infrastructure

2. **Make Available land plots**
   Identify suitable lands
   Conduct feasibility studies
   Prepare block out plan
   Provide necessary infrastructure
   Identify & select beneficiaries
   Coordinate with lending institutions if needed
   Transfer land plots to the selected beneficiaries

3. **Implement Urban Upliftment Programme**
   Identify suitable location
   Conduct enumeration survey
   Determine affordability levels
   Plan, design and implement the project
   Establish management corporations
   Transfer ownership

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

5. **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

6. **Disseminate cost effective construction Techniques**
Co-ordinate with relevant private & public institutions and gather information, Sample of Materials etc
Awareness of new materials / techniques through advisory centers.

7. **Assign Common areas including infrastructure & services in Housing Schemes to Local Authorities**
Demarcate common area / open spaces
Prepare survey plans
Obtain consent from the Local Authority
Transfer the property by a deed
Inform House owners

8. **Training for Skills Development**
Organize training sessions in consultation with professional institutions and agencies
Arrange on the job training opportunities
Provide basic equipment assistance
Monitor performance
Maintain names in data bank to help gainful employment
Maintain directory of skilled personnel

9. **Maintain data bank on housing stock**
Co-ordinate with GSNN/DSS & collect data
Co-ordinate with the NHDA advisory centers & collect / cross check data
Co-ordinate with Local Authorities & collect /cross check data
Submit data to District Housing Committee for acceptance
Compile accepted data
Submit data to Data bank bi-annually
Use data for future planning

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. This is a procedure adopted appropriately and recorded.

Audit & Management Committee

The Audit & Management Committee consists of four independent non-executive Members of the Board. In the year 2011 the following Board Members served as Members of the Audit and Management Committee.

Members of the Audit and Management Committee in the year 2011

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

The Audit and Management Committee ensures that a sound Accounting and Financial Management System is in place and reviews the Internal Controls and Ensure compliance with Laws and Regulations of the Accounting standards.
In the year 2011 Audit and Management Committee met 9 times and discussed the above matters.

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 and have taken steps to appoint committees such as Pricing Committee and Departmental Procurement Committee.

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 26 District Offices along with 03 city offices. The DGM and Snr DM/DM report to General Manager and the GM 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 26 regional offices spread across the island and offering a full spectrum of housing facilities to it's large number of customers, NHDA encounters a wide range of both financial and non – financial risks which need to be proactively managed in order to safeguard the interests of its various stakeholders.

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

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

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

Liquidity Risk

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

This involves:

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

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

The Executive management achieves its principle objectives by:

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

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

Market Risk

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

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

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

Operational Risk

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

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

Specific steps towards effective operational risk management includes:-

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

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

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

Environmental Issues

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

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

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

Housing Development

An outline of the programmes implemented in the year 2011 with the objective of providing housing facilities to families faced with the housing problem from various parts of the island under the Janasevana One Million Households and Housing and Habitat Development Operation as per the Mahinda Chintana Vision for the Future is given below.

Viru Gammana National Housing Programme

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

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

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

Action has been taken to carry out construction in 60 projects in 19 Districts within the year, thereby providing 1771 families with assistance to build houses. The National Housing Development Authority has spent a sum of 195.972 million rupees for the programme.

Scattered Housing Programme

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

Persons having housing needs are provided with housing loans to build new houses or improve the existing houses under this programme. Priority will be given under the programme to persons in dire need of a house and have accumulated material or money to achieve this purpose. This programme has enabled the completion of 8153 housing units by the end of the year 2011 and a sum of 873.287 million rupees has been spent for it through following sources:

Treasury funds	-	494.044 million rupees
Internally generated	-	379.243 million rupees

Janasevana Upahara National Housing Programme

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

Under this programme, loans of up to Rs.500,000/- is given to public servants on personal guarantees with minimum documentation. Housing loans are given under this programme to construct a new house or repair an existing house while action is taken to issue loans to repair flats as well. Under the Janasevana Upahara Programme, action was taken to issue loans to 5831 families to build houses within the year 2011 and the amount spent for it was 1411.562 million rupees.

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

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

Janasevana Upahara Phase 01

Three state banks have provided financial allocations of 710 million rupees for this programme.

· People's Bank	300 million rupees
· Bank of Ceylon	250 million rupees
· National Savings Bank	260 million rupees

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

Janasevana Upahara Phase 02

Six state banks have provided financial allocations of 1500 million rupees for this programme. They are as follows:-

· People's Bank	300 million rupees
· Bank of Ceylon	300 million rupees
· National Savings Bank	260 million rupees
· State Mortgage and Investment Bank	250 million rupees
· Regional Development Bank	100 million rupees
· Housing Development Finance Corporation Bank	250 million rupees

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

The Janasevana Upahara Programme will continue to be implemented in the year 2012 as well and six state banks have committed 3800 million rupees for the programme, which is in operation at present.

· People's Bank	1000 million rupees
· Bank of Ceylon	1000 million rupees
· National Savings Bank	1000 million rupees
· State Mortgage and Investment Bank	250 million rupees
· Regional Development Bank	250 million rupees
· Housing Development Finance Corporation Bank	300 million rupees

Plans have been made to issue loans to 12666 beneficiary families under this programme. At the same time, plans have been made to implement the Janasevana Upahara Programme in the year 2013 with contributions amounting to 4000 million rupees from the above stated state banks.

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

Similarly, a loan programme of 345 million rupees has been implemented under Resettlement Programme in the Northern Province with financial allocations from the National Savings Bank for 540 housing units.

'Shrama Saviya' National Housing Programme

This programme intends to enhance the vocational skills of trained workers who contribute to the housing sector in Sri Lanka through various trades and to improve their living conditions.

The objective of this programme is to provide those engaged in their occupation without proper training (initially, carpentry and masonry craftsmen) with the following, through leading institutions with qualified resource personnel. :-

- Theoretical and practical training pertaining to the trade
- Encouragement and guidance to obtain National Vocational Qualifications (NVQ), thereby creating a career person commanding recognition in the society
- Awareness on environmentally friendly construction methodology and using them to disseminate such methods
- Financial facilities to construct their own houses using environmentally friendly construction methods, thereby guiding them to uplift their living conditions.

Action was taken to assist 905 families to construct houses under the programme in the year 2011 and the sum spent for this purpose was 82.125 million rupees.

Sasunen Sevana National Housing Programme

The objective of this programme, which is implemented under the theme "From village to temple and from temple to village", is to target families living in extreme poverty associated with approximately 10210 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 528 families to construct their houses during its first phase to be implemented in the year 2011. The amount spent for the purpose was 34.885 million rupees.

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

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 Sarana National Housing Programme

This programme is implemented with the objective of constructing a permanent house for families who have the need to build a house but do not have the ability to pay back a housing loan. Under this programme, a maximum of one hundred thousand rupees each was granted as an aid. During the year 2011 a sum of 2.524 million rupees has been spent for the construction of houses for 33 families under this programme.

Aadivasi Housing Programme

This programme is implemented through financial contribution from the Ministry of Cultural and Art Affairs with the objective of constructing houses for the Aadivasi (indigenous) community living in various areas in this country and ensuring their survival. Steps will be taken to build 100 houses as follows in four villages in Batticaloa, Ampara and Monaragala Districts under Phase I of this programme:

District	Project	Number of houses
Batticaloa	Kunchankulama	30
Monaragala	Rathugala	20
Ampara	Pollebedda	30
Ampara	Hennanigala	20

A grant aid of Rs. 124,000/- is given for each house under this programme and it has been proposed to construct all houses in these projects according to a plan prepared to suit the pattern of living and ideas and opinions of the Adivasi community. A sum of 3.400 million rupees has been spent under these 4 projects under the programme.

Housing Programme with External Funded Contributions

This programme is implemented through financial contributions from Provincial Councils, voluntary organizations and other organizations outside the funds allocated at National level. Houses have been constructed for 7115 families under flood relief programme, resettlement programme etc under this programme in the year 2011. A sum of 309.190 million rupees has been spent for the purpose through the Ministry of Economic Development, Ministry of Resettlement, decentralized funds etc.

Deyata Kirula Programme – Anuradhapura District

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

Houses were handed to 558 families in Anuradhapura District for which the Treasury allocated 59.125 million rupees and the People's Bank investment was 82.918 million rupees.

In addition, side by side with the Deyata Kirula programme, the Pranaama Housing Programme is implemented with a view to providing in their own villages permanent houses to families whose homes were destroyed due to terrorist attacks during the war situation prevailing in this country for over 3 decades. Most of these people led a simple life with farming as their livelihood. Despite terrorist attacks leveled against the villages and the destruction it caused to their homes and properties, they continued to live in their villages leading an extremely difficult life enduring extreme hardships in maintaining the means of income and day to day life of the community and giving education for children, and assisted in protecting the villages. Under this programme, houses have already been constructed at a cost of 25 million rupees for 156 families from Omaarakada village in Urewa, Wahalkada village in Kebithigollewa, and Konwewa village Kambiliwewa all within Padaviya Divisional Secretariat area in Anuradhapura District.

Arrangements had been made to build houses by providing 3.040 million rupees as housing aid to 31 families while building material aid was granted to 47 more families for constructing houses within the Mahavilachchiya Divisional Secretariat Division side by side with the Deyata Kirula programme.

Estate Sector Programme

The main objective of this programme is to give the ownership of a new house consisting of the basic facilities to the community living under minimal facilities in row houses (line houses) in the plantation areas. The Ministry of Nation Building and Estate Infrastructure together with the Estates Human Development Trust provides financial assistance for the programme. The programme operates in 13 Districts in the island. Action was taken in the year 2011 to complete the construction work of the 390 unfinished housing units that remained out of the ones commenced in the previous several years and a sum of 13.635 million rupees was spent for it.

NATIONAL HOUSING DEVELOPMENT ATHORITY

Janasevana Housing Programme - Progress as at end of December 2011

"Janasevana" Housing Programme	Annual Target						Achievement as at end of December 2011							Fund received from Treasury
	Physical (No. of Unit)	Financial (Rs. Mln)					Physical		Financial (Rs. Mln.)					
		Total	C.F.	I.C	Other	sevana	WC	UC	C.F	I.C	Other	sevana	Total	
1 Rural & semi urban programme														715.0
i.Janasevana"Viru Upahara" projects	2,000	225.0	125.0	100.0			1,771	565	161.42	34.56	-	-	195.98	
ii.Sevana shrama shakthi	1,000	100.0	75.0	25.0			905	512	59.89	22.24	-	-	82.13	
III. Scattered houses	7,000	850.0	600.0	250.0			8,153	5,572	494.04	379.24	-	-	873.28	
B. Sevana upahara programme	6,500	2,210.0			2,210.0		5,722	2,736	-		1,396.98		1,396.98	
Do - HDFC							109				14.58			
2 Continuation from 2010	1,769	88.0		88.0				1,795		83.49			83.49	
3 Deyata Kirula Housing Prog.-Monoragala (Cont.)	1,331	94.0			94.0		1,331	1,036			94.37		94.37	
Anuradapura	1,138	246.8	86.8		135.0	25.0	461	23	11.26	16.41	-	1.67	29.34	
4 Jana Sevana Grant Programme		-											-	115.0
a. Sevana sarana	300	30.0				30.0	33	19				2.52	2.52	
b. Sevana dedicated Housing Programme	3	1.2			1.2		2	2			1.10		1.10	
c. Sasunen sevana	550	55.0				55.0	528	137				34.89	34.89	
5 Sahashra Lanka Housing Programme		-											-	
a. Investement projects	770	100.0			100.0		4				11.087		11.087	
b.Relocation Projects	48	14.6	14.6											
6 Sahasaviya Programme		-											-	
a. Flood Victims	6,484	669.3			669.3		6,466	94			248.47		248.47	
b. RRP ,DCB & Other	366	36.6			36.6		749	354			64.12		64.12	
7 External Funds (Continuation)	442	15.0			15.0			385			14.313		14.313	
8 Estate Housing - Continuation	1,378	183.0	-	-	183.0			390			13.64		13.64	
9 Sevana Visiri (Continuation)	250	14.0				14.0	3	224				10.31	10.31	
10 Jana Kirula (Continuation)	310	26.6				26.6	39	270				25.99	25.99	
11 Ranaviru (Continuation)	80	2.8				2.8	1	71				2.87	2.87	
12 Fisheries (Continuation)	107	20.0			20.0			93			18.00		18.00	
SUB TOTAL	**31,826**	**4,981.9**	**901.4**	**463.0**	**3,464.1**	**153.4**	**26,277**	**14,278**	**726.6**	**535.9**	**1,876.7**	**78.3**	**3,202.88**	**830.00**
11 . Sevana Bimsaviya Programme	500													
111.Nagamu Purawara Programme	3,000	255.0	255.0	-	-				125.73	-	-		125.73	230.0
1V. property rights (Issue of Title Deeds)	3,000	-	-	-	-			2,151		-	-			
V.Condominium Maintenance unit	-	9.3	9.3	-	-				9.30	-	-		9.30	9.3
V1.Land Compensation	-	50.0	50.0	-	-				50.38	-	-		50.38	50.0
SUB TOTAL	**6,500**	**314.3**	**314.3**	**-**	**-**	**-**	**-**	**2,151**	**185.41**	**-**	**-**	**-**	**185.41**	**289.3**
TOTAL	**38,326**	**5,296.2**	**1,215.7**	**463.0**	**3,464.1**	**153.4**	**26,277**	**16,429**	**912.02**	**535.9**	**1,876.7**	**78.3**	**3,388.29**	**1,119.3**

Property Management

The Property Management section functioned through the following Divisions in the year 2011.

1. Property Management Division
2. Housing Sales Division
3. Land Division
4. Survey Division
5. Assessment Division

01. Property Management Division

The Property Management Division coordinates with the District Offices to perform the management functions pertaining to all the housing schemes constructed under this Authority and the following activities have been performed in the year 2011.

1) Has coordinated with District Offices with regard to the common problems existing in all the housing schemes constructed in various times and provided solutions for them according to the Property Management Circulars.

2) Has taken action to dispose property after obtaining approval from the Minister in charge of the subject as per section 8 (1) of he the National Housing Development Authority Act in disposing properties belonging to the Authority.

3) Has continued with the programme to convert the flats that existed under the leaseholds into freeholds.

4) Collecting the lease rents pertaining to the premises leased out in the new Secretariat building.

5) Providing solutions according to the relevant Circulars to problems pertaining to lands and houses belonging to the the National Housing Development Authority situated in the areas of authority of the offices in Colombo north and Colombo south.

6) Expediting the granting of freehold deeds to recipients of lands in improved urban housing schemes.

7) Providing policy solution to common problems existing in the housing schemes in Jaffna, Vavuniya, Mulativu, Kilinochchi, Batticaloa, Ampara and Trincomalee Districts belonging to the Northern and Eastern Provinces.

8) Taking steps to dispose the adjoining plots of land.

9) Documenting the information pertaining to the lands belonging to the Land Reform Commission in all Districts and expediting the compensating process in coordination with the Land Reform Commission.

02. House Marketing Division

Action was taken to lease out one house and one sales stall on lease basis and to sell one house out of the houses and stalls remaining unsold in housing schemes whose construction had been completed in the previous years and an income of Rs.63,805,743.00 has been earned as incomes including the proceeds from converting the basis of houses given on lease basis into sale basis and from the monies received as payments for the sales effected in the previous years.

01. Land Transfer and Sale Division

1. Role of the Land Transfer and Sale Section:

I. Activities pertaining to acquisition of lands necessary for the achievement of the objectives of the the National Housing Development Authority, selling lands for housing purposes and disposing lands on lease basis for other purposes.

II. Formalizing illegal settlers and disposing adjacent lands.

2. Policy Matters

3. Targets and Programmes

Completing the acquisition activities in respect of lands whose acquisition activities have not yet been completed.

Preparing a report after completing within this year the survey initiated in the year 2010 within Provinces other than the Eastern Province to identify the bare lands, adjoining lands and illegally occupied lands existing in the lands on which houses were constructed under the housing schemes implemented by the the National Housing Development Authority.

4. Achieving Targets

Activities pertaining to the acquisition of 03 lands have been completed.

Land survey activities have been completed and a final report has also been prepared.

5. Obstacles Preventing the Achievement of Targets:

I. A sum of Rs.179,345,257.35 was due to be paid by 01.01.2011 as compensation and interest for 55 private lands and the Divisional Secretary had informed to pay within the year a further sum of Rs.7,577,919.41 as compensation and interest. A total of Rs.27,852,200.52 has been paid during the year as compensation and interest. This amount has been paid as part payment for dues as compensation and interest payments informed so far as the annual allocations were not sufficient to pay amounts of compensation and interest in full.

II. A sum of Rs. 55,075,741.21 had been payable for 44 lands belonging to the Land Reform Commission and a sum of Rs. 21,474,674.00 was paid as full payment for 23 lands out of the 44 during the year. The Land Reform Commission is yet to publish gazette notifications and complete the further action necessary to transfer those lands.

6. Achievements during the Year

No. of Lands Acquired

Government	Private	Land Reform Commission	Other institutions
01	-	-	02

Amounts spent for acquiring lands

Government	Private	Land Reform Commission	Other institutions
01	27,392,200.52	21,474,674.00	460,000.00

The Land Reform Commission was paid fully for 23 lands belonging to it and payment has been completed in respect of one land belonging to the State Plantation Corporation. These institutions are yet to perform the action necessary for the transfer of the lands concerned.

Initial work has been commenced for the disposal of lands identified by undertaking a survey on bare lands and the lands possessed illegally within the housing schemes of the National Housing Development Authority.

04. Survey Division

The Survey Division performs all tasks associated with housing schemes such as broadening of roads and also surveying activities.

In the year 2011, this Division has handed over to the National Housing Development Authority a sum of Rs. 183,292.00 earned as income from preparing condominium plans, drawing ordinary plans, issuing certified copies of plans, and clearing and settling the boundaries on requests by occupants in schemes.

At the same time, it prepares plans on the request of District Managers of the National Housing Development Authority, supplies answers to their queries regarding survey activities, issues plans when reqested from time to time by other divisions of the Head Office, supplies answers to their letters and fulfills their requests. As no surveyors work in the Head Office at present, when District Managers have called quotations from licensed surveyors for carrying out survey and sent them for approval, this division obtains the approval for them from the Deputy General Manager (Property Management and Sale) and from the General Manager and sends it to the District Managers concerned as well as fulfills survey requisites that surface every day.

05. Assessment Division

The Assessment Division has performed the following functions during the year:

1. Performing field inspection activities for land operation duties and providing information reports on 108 plots of land pertaining to Kalutara, Gamapaha, Colombo, and Hambantota District.
2. Providing assessment reports for 27 newly-built houses in Wellangolla and Elvitigala housing schemes.
3. Providing re-assessments for 22 properties at the Nalanda Place, Maradana and Diyawanna Gardens.
4. Carrying out current assessments for 15 miscellaneous properties.
5. Giving nominal assessment values to 4 properties.
6. Providing assessment reports for 244 properties in low-income housing schemes.
7. Formalizing and assessment reports of the resident parties have been prepared in respect of 54 properties.
8. Assessment of servient right in respect of 2 properties.
9. Re-assessment for 10 shops and 2 houses.
10. Providing of assessment values have been done in respect of common property telephone towers and a garage.
11. Providing an assessment report for 31 properties of the National Housing Commissioner as per the Housing Property Ceiling Act.

Progress Achieved by the Property Management Division during the year 2011

The old property management Circulars have been amended as follows:-

i. Disposal of Properties – 2011/PMNG/01
ii. Disposing Lands to a Third Party – 2011/PMNG/02
iii. Leasing out of lands – 2011/PMNG/03
iv. Housing Development and Disposals – 2011/PMNG/04
v. Disposing a Land to a Third Party – 2011/PMNG/05
vi. Leasing out a house for specific reasons - 2011/PMNG/06
vii. Disposing Apartment Blocks - 2011/PMNG/07
viii. Disposing Apartment Blocks to a Third Party - 2011/PMNG/08
ix. Leasing out Apartment Blocks - 2011/PMNG/09
x. Leasing out shops and business premises - 2011/PMNG/10
xi. Disposing common properties - 2011/PMNG/11

Engineering Services and Construction Division contributed to the habitat development working through the following divisions.

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

The following programmes were able to resolve issues pertaining to housing objectives of all communities.

Restoration of Apartment Blocks (Nagamu Purawara)

Compared to the rent received from the occupants of the flats constructed by the National Housing Development Authority and by other government institutions prior to them, the condition of the housing units in such flats is very poor as maintenance work has not been undertaken due the high cost of maintenance. As most of these houses have not been purchased by occupants, the Authority has not been able to establish Management Corporations and to hand over the maintenance to such Corporations.

The occupants have expressed their consent to carry out minor repairs themselves in a timely manner if National Housing Development Authority, under its Apartment Blocks Renovation and Restoration Programme, undertakes to complete the basic repairs and servicing.

The main objective of the programme styled Nagamu Purawara, which was started taking into account the above issues, was first to reconstruct the old housing schemes and their infrastructure and then to assign the maintenance of the houses to the occupants by establishing Management Corporations and to assign the maintenance of infrastructure to the relevant local authority council.

The repair work of the Khettharama, Maligawatte and Soyzapura housing schemes were commenced in the year 2011 under the Apartment Blocks Renovation and Restoration Programme. As the repair work had to be carried out while the occupants were still living in, the process had to be carried out rather slowly.

The repair work of the Khettharama Housing Scheme was commenced on 21st January 2011. As it was started with a financial allocation of 10 million rupees, it was possible to bring benefits to over 60 occupants.

The restoration work of the Maligawatte Housing Scheme was started on 1st May 2011 with a financial allocation of 160 million rupees and many difficulties had to be endured while undertaking the repair work due to the illegal constructions in the premises and lack of maintenance in buildings and infrastructure for the past 40 years. The 1512 occupants in the housing scheme will benefit greatly by the restoration work. The repair work of the Soyzapura Housing Scheme was started on 10th February this year with a financial allocation of 49 million rupees and the restoration work of both schemes are to continue in the year 2012 as well.

Emergency Repairs and Maintenance in Housing Schemes around Colombo

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

Construction of Buildings for District Offices

As the District offices in the areas where a war situation had existed were housed on lease or rent basis, problematic situations arose when rent had to be paid long-term and staff was also hampered by the lack of space. Therefore, construction work was started in the year 2010 with an allocation of 10 million rupees to construct a building for the District office in Mulativu as the first phase and completed on 5th February 2011.

Housing Development Projects that Existed under the Sahashra Lanka Programme

Sahashra Lanka Housing Programme is a methodical programme established to fulfill housing needs of middle class income earners. The project has been implemented under the public-private partnership system and pre-sale basis.

Construction work on 4 housing units valued at 32 million rupees in the Elvitigala Housing Scheme commenced on 16th August 2011 under this programme.

Foundation stone was laid for the construction of 23 housing units in Welangolla Watte in Kurunegala on 24th November 2011 and its estimated financial value is 180 million rupees.

The construction work of 05 housing units in the Luvisawatte Housing Scheme was started on 15th December 2011 and its estimated cost was 4.7 million rupees.

The Sulohithapura Housing Scheme was commenced in the year 2011 and reconstruction work has been carried out in 16 housing units worth 23 million rupees under this programme.

Urgent Repair Work at the Head Office of the National Housing Development Authority

Urgent repair work of the office premises on the 1st, 6th, 7th, 8th and 9th Floors at the Head Office of the National Housing Development Authority was commenced during this year. The estimated cost for this is 23 million rupees. The repair work on the Ground Floor is still being carried out. In addition, the Electricity Division and Maintenance Division are fulfilling the essential services.

Other Activities

The Pradeepa Halls close to Colombo is a main source of income of the National Housing Development Authority. As such, the urgent repair work of the smaller Pradeepa Hall in Maligawatte was commenced on 12th October 2011 with an allocation of 1.5 million rupees.

The renovation work of the Circuit Bungalow in Kataragama commenced on 15th December 2010 and completed on 4th February 2011 at a cost of 3.5 million rupees.

The urgent repair work of the Circuit Bungalow in Anuradhapura was commenced on 7th October 2011 with a financial allocation of 7.5 million rupees.

Further, the Engineering Division undertakes also the scrutiny of the estimates for maintenance work carried out by District Offices and approves them.

Human Resource Management

Human Resource Management and Administration Division consists of the following Divisions:

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

Organizational Plan of the National Housing Development Authority

The staff of the Head Office is arranged under the Chairman/ Vice Chairman/ General Manager/ Working Director and 9 Deputy General Manager Divisions. In addition, there are 25 District Offices and 3 city offices in Colombo and one sub office in Kalmunai.

02. Staff Approved cadre for the year 2011

I.	Senior Management level	-	114
II.	Tertiary Management level	-	143
III.	Secondary Management level	-	913
IV.	Primary level	-	205
	Total	-	1375

03. Details of the Staff as at 31.12.2011

I.	Senior Management level	-	67
II.	Tertiary Management level	-	119
III.	Secondary Management level	-	1411
IV.	Primary level	-	276
	Total	-	1873

04. Recruitments have been made during the year as follows:-

I. Re-recruitment on Contract Basis after Retirement

Executive	-	01
Non-Executive	-	03

II. Direct Recruitment on Contract Basis

On daily allowance basis	-	29

III. Recruitment to the Permanent Service – None

05. Promotions

Details of the promotions given in the year 2011 are as follows:-

I.	Senior Management level	-	58
II.	Tertiary Management level	-	25
III.	Secondary Management level	-	368
IV.	Primary level	-	90
	Total	-	541

06. Retirements

The number of those sent on retirement and the number of whose contract basis service was terminated as follows:-

I.	Senior Management level	-	01
II.	Tertiary Management level	-	11
III.	Secondary Management level	-	82
IV.	Primary level	-	18
	Total	-	112

07. The number of those who resigned from their service in the National Housing Development Authority in the year 2011 are as follows:-

I.	Senior Management level	-	-
II.	Tertiary Management level	-	08
III.	Secondary Management level	-	20
IV.	Primary level	-	-
	Total	-	28

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

Training has been provided in the year 2011 as follows:-

	Enrolled in 2010 and completed in 2011	Enrolled in 2011
1. Steno-typist/secretarial	02	02
2. Computer training	12	11
3. Electrician	03	-
4. Accounting/Accounts clerk	02	02
5. Quantity surveyor	02	03
6. Draughtsman/Architecture	-	06
7. Engineering designing	-	-
8. Information technology	02	03
9. Clerical	-	01
10. Management training (Graduate Trainee)	-	07
Total	23	35

09. The persons who passed away while in service in this Authority within the year 2011 are as follows:-

1. Ms. M.Z.Z. Nizara	Assistant Manager	Grade VI
2. Mr. B. Wijewantha	Security Officer	Grade VII – II A
3. Mr. W.G. Shantha	Motor Mechanic	Grade VIII
4. Mr. S.A. Sirisena	Technical Officer	Grade VII-A

Administration Division

The tasks achieved by the Administration Division in the year 2011 are as follows:-

1. Employees were paid a sum of Rs. 1000/- as bonus and Rs. 2000 as incentive for the year 2011. Medical benefits were also continued as usual.

2. The activities pertaining to the payment of distress loans, subsistence allowances, holiday pay, mileage hire payments, staff quarters allowances and rent allowances were continued as usual.

Staff Housing Loans

01. A sum of 84.250 million rupees had been received as allocation for staff housing loans. Its breakdown was as 27.000 million rupees for the Head Office and 57.250 million rupees for the District Offices.

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

Grade	Head Office	District Office	Total paid
1 - VI	3,797,000	900,000	4,697,000
VII – VII ඁ	1,347,330	3,769,100	5,116,430
VIII –IX	2,582,600	8,110,950	10,693,550
X	1,400,000	200,000	1,600,000
	9,126,930	12,980,050	22,106,980

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

Office	Approved allocation	Spent amount	Balance
Head Office	27,000,000	9,126,930	17,873,070
District Office	57,250,000	12,980,050	44,269,950
	84,250,000	22,106,980	62,143,020

Number of Head Office employees who received housing loans in 2011 - 23
Number of District Office employees who received housing loans in 2011 - 34
Total - 57

Disciplinary Affairs

01. The main function of the Disciplinary Division is to enlighten the staff towards the creation of a disciplined staff and to take disciplinary action in instances of failure in guiding the human resource of the National Housing Development Authority towards its objectives and goals in an acceptable manner.

02. Disciplinary Code of the National Housing Development Authority, Volume II of the Establishments Code, Administrative Procedure Code, Circulars issued from time to time by the Ministry of Public Administration and Home Affairs and Circular issued by the Authority from time to time are used as criteria in this regard.

03. The role of the Disciplinary Affairs Division and the targeted functions for the year 2011 are as follows:-

- Assisting the creation of a disciplined staff that has a dignified behavior and has identified its duties and responsibilities
- Issuing charge sheets, issuing letters calling for explanations and initiating disciplinary action in respect of the officers/workers whom have been reported to have engaged themselves in anti-disciplinary activities (serious and minor misconduct), as per the recommendations contained in the audit reports and initial investigation reports submitted to the management by the Internal Audit Division, Investigations Division or Security Division.
- Making recommendations for the appointment of boards of inquiry for the purpose of conducting disciplinary inquiries against officers/workers to whom charge sheets have been issued concerning serious acts of misconduct and making arrangements for conducting formal disciplinary inquiries.
- After the conclusion of formal disciplinary inquiries, studying the report given by the disciplinary inquiry officer and presenting recommendations to the management; and taking action to issue disciplinary orders according to the final decisions made by the management.
- Presenting recommendations regarding officers and workers from whom explanation were called regarding minor misconducts and issuing disciplinary orders based on the decision of the management.
- Providing the Worker Disciplinary Appeals Committee, Labour Tribunal, Department of Labour and management with information regarding the disciplinary action taken with regard to officers/workers of this Authority.
- Maintaining disciplinary reports on the officers/workers of the Authority and submitting information pertaining to it in response to the queries by the management.
- Providing information regarding the disciplinary matters of officers/workers of the Authority as per the queries made by the Human Resource Management, Administration and Staff Housing Loan Divisions.
- Taking action regarding the payment of travel expenses and fees of members of boards of disciplinary inquiry.
- Conducting workshops on discipline to educate the staff on disciplinary action management.

04. As such, the summarized report on disciplinary affairs in the year 2011 is as follows:-

Serious Acts of Misconduct

No.	Description	Number	Total
01	**Total number of reportings**		44
	1.1 Reportings as at 01.01.2011	38	
	1.2 Reportings within the year 2011	06	
02	**Unconcluded formal disciplinary inquiries as at 01.01.2011**		17
	1.1 Formal disciplinary inquiries concluded in 2011	09	
	1.2 Formal disciplinary inquiries not concluded in 2011	08	
03	Number of those remaining interdicted as at 01.01.2011		17
04	Number of those interdicted in 2011		01
05	**The disciplinary inquiries initiated in 2011**		
	1.1 Formal isciplinary inquiries concluded within 2011	02	
	1.2 Formal isciplinary inquiries not concluded as at 01.01.2011	05	07
06	Number of disciplinary orders issued in 2011		10
07	Dismissals within the year 2011		-
08	Number of punishments given without formal disciplinary inquiries		06
09	Number of matters concluded based upon explanations/being exonerated or discharged at disciplinary inquiries		09
10	Number of reinstatements within 2011		05
11	Number of matters remaining unconcluded as at 31.12.2011		19

Serious Acts of Misconduct

No.	Description	Number	Total
01	Number of matters remaining unconcluded as at 01.01.2011		-
	1.2 Number of matters concluded within the year 2011	03	03
02	**Number commenced in the year 2011**		
	1.1 Number of those concluded in 2011	07	
	1.2 Number of those not concluded in 2011	05	12
03	No of disciplinary measures that were concluded subject to punishments		02
04	Number of disciplinary matters concluded on acceptance of explanations submitted		05
05	Warnings / Severe warnings		03

Security Services Targets Achieved

01. 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.

02. Although the terrorist activities that had been plaguing the country had stopped by the latter half of the year 2010, the security services had to be maintained in its former state institutionally.

03. The workforce of the security staff was 164 strong by January 2010 including those in District Offices and it has now fallen to 138 due to retirements on completion of the 57 years of age and the demises that had occurred. Nevertheless the Division has taken action to maintain the security services in its previous form.

04. 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 offcers were deployed.

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

Measures taken to achieve the targets and their Outcomes

01. Subjecting to inspection all vehicles, persons and baggage that reach the premises of the Housing Secretariat including the Head Office.

02. Conducting instruction sessions to educate security personnel on the duties and responsibilities of the Security Division, issuing necessary written instructions to all the duty points including the District Offices, and keeping the heads of Divisions and District managers informed on these instructions.

03. Preventing acts that harm the reputation of the National Housing Development Authority, investigating and reporting on any acts of fraud or acts intended to cause loss or damage, and assisting in maintaining discipline.

04. Maintaining records of arrival and departure of employees and taking steps necessary for the protection of the machines used for recording attendance.

05. Attending the meetings of the Security Committee of the institutions located within the High Security Zone conducted by the Compagne Street (Slave Island) Police Station, acting in accordance with the decisions and instructions at such meetings, and keeping the security personnel informed of them.

06. Ensuring that an economical number of security personnel are deployed with the lowest possible overtime engagement upon the decisions of the administration, taking into consideration the financial circumstances of the National Housing Development Authority.

07. Employing armed security personnel for the security of the Housing Secretariat building.

08. Repeatedly emphasizing the need for a high-power fire extinguisher piping system to face an urgent outbreak of fire and making requests for one in order to have such a system installed.

09. Engaging security personnel for the eviction of illegal settlers for which court orders have been obtained and arranging and implementing security measures to prevent the houses so possessed from being accessed. (In housing schemes in Himbutu Uyana and Soyzapura, these measures had to be adopted, treating them as special circumstances.)

Transport Division Targets set

Transport Division Targets set

01. A sum of Rs. 1,302,480/- was estimated for providing the buses/vans of the pool on welfare basis (including the officer transport).

02. A sum of Rs.5,000,000/- was estimated for the repair of all vehicles belonging to the National Housing Development Authority.

03. A sum of Rs. 2,500,000/- has been estimated as insurance premiums for vehicles.

04. The estimated cost on fuel for all the vehicles in the pool was Rs.7,000,000/-.

05. A sum of Rs. 500,000/- was estimated for the revenue licenses of all the vehicles of the National Housing Development Authority.

Measures taken to achieve the targets and their Outcomes

01. The income generated from providing buses/vans of the vehicle pool on welfare basis and for officer transport was Rs. 836,267/-. The income dropped due to the reduction in the number of officers travelling in officer transport service.

02. A sum of Rs. 4,839,421/- has been spent for the repair and maintainance of all the vehicles belonging to the Authority. It has fallen short of the estimated amount.

03. As only a sum of Rs. 1,715,925/- was paid as insurance premiums for the vehicles, it shows a lower value than the estimated figure.

04. A sum of Rs. 7,188,860/- has been spent for fuel on all the vehicles in the transport pool, exceeding the estimated amount.

05. The amount spent for revenue licenses for all the vehicles of the Authority was Rs. 420,000/-.

Training Division

Training Division

1. Targets Achieved

	No.
1.1 Internal training programmes (05)	247
1.2 External training programmes (14)	49
1.3 Self-discretionary training programme – Courses (11)	17

2. Formulating training programmes after identifying what can be achieved through a training programme for personnel in order to bridge the gap between the intended outcomes of the institution and the results achieved.

   Creating through these programmes a group of persons geared to act with a proactive vision using the knowledge gained on the field in which they are engaged in order to enhance the performance, identifying the challenges and following appropriate methodologies to face those challenges.

   The whole staff, including those in the District Offices, has been provided with training on English /Tamil language skills. 29 0fficers of the Head Office and District Offices were sent for courses, giving them study leave based on examination timetables subject to a maximum of 10 days per person.

Achievements of the Human Resource Management and Administration Division in the year 2011

1. Human Resources Division

1.1 Internal Promotions

Internal promotions had not been given after the year 2007 except for management positions in Grades III, IV and V of the National Housing Development Authority. A special achievement has been obtained in in terms of worker motivation by giving 541 promotions through formal interviews as follows:-

Level	Number of Promotions
Senior management level	58
Tertiary management level	25
Secondary management level	368
Primary level	90
Total	541

1.2 Appointing a Workers' Appeals Committee

A Worker Appeals Committee comprising the following officers has been appointed to consider the appeals of workers aggrieved due to the inability to fulfill the needs such as promotions and transfers of workers and the absence of a formal process to seek justice with regard to disciplinary orders given for acts of misconduct.

National Housing Commissioner - Chairman

(Member of the Board)
Vice Chairman - Committee Member
Working Director - Committee Member
Legal Officer (convener) - Committee Secretary

The number of appeals reviewed in the year 2011 was 20. It is a significant achievement on the part of the Human Resource Management Division to set a new trend in worker motivation through providing fair solutions to long-standing appeals of workers through this Committee.

1.3 Paying the salary increments that had been barred under the provisions of Management Service Circular No.30

The salary increases that had been barred until the promotion procedure is formulated, approved and implemented under the provisions of Management Service Circular No. 30 were paid with arrears in the year 2011 after the positioning at the relevant salary steps with effect from the year 2007. This benefited 220 employees.

2. Training Division

Their training programmes of the National Housing Development Authority had mostly been confined to middle management level upwards. In the year 2011, a new trend was set by sending workers of clerical level grades and primary levels for training in various fields.

As such, the following training programmes were implemented during the year 2011.

Serial No.	Training Programme	No. of programmes implemented	No. of workers attending	Amount spent (Rs.)
01	Internal training Programme	05	247	73,000/-
02	External training Programme	14	49	171,450/-
03	Self-discretionary Training Programme	11	14	351,800/-
	Total	30	310	596,250/-

As such, the creation of a satisfied team out of workers that had received no training during the entirety of their work life through training provided under various fields in the year 2011 that resulted in the enhancement of performance of the Authority is yet another significant achievement of the Human Resource Management Division.

3. Transport Division

The Transport Division acquired 18 double cabs for District Managers and 134 motorbikes for technical officers, which is an achievement for the year 2012.

Legal Division

Legal Division

Like other Divisions, Legal Division also contributes to the achievement of the objectives of the National Housing Development Authority. The main functions of the Legal Division include issuing of freehold deeds for lands and houses, providing legal advice on transfer of these properties, dealing with the filing of complaints prejudicial to the common interests of the society with regard to the properties pertaining to the National Housing Development Authority, dealing with the Human Rights complaints filed by external parties against the National Housing Development Authority, and drawing incomes to the Authority by taking legal action against defaulters of outstanding rents or loan instalments.

Issuing of Deeds

Issuing of freehold deeds to beneficiaries of housing schemes who have paid the dues fully is one of the main functions of this Division. This encompasses issuing of freehold deeds for condominium properties, non-condominium properties and lands.

Number of deeds prepared during the year 2011	2612
Target for issuing deeds during the year 2011	5000
Number of files received for the preparation of deeds during the year 2011	2779

Cases Handled by the Head Office

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

The lawsuits handled by the Head Office are as follows:-

Court	No. of cases
Supreme Court	18
Court of Appeal	21
High Court	39
District Court	781
Magistrate's Court	61
Labour Tribunal	12

It also contributes to the income of the National Housing Development Authority through levying of Notarial fees and execution of legal notices and eviction orders.

In line with the Mahinda Chintana Vision for the Future, the National Housing Development Authority initiated the operation for the development of one million houses in the year 2011. The Action Plan for the year 2011 was prepared aiming at this target. The securing of the participation of State Banks for the Janasevana programme can be cited as a unique achievement in this year. The targets and progress for the year 2011 is given below:

	Target		Progress	
	Physical (Units)	Financial (Million Rs.)	Physical (Units)	Financial (Million Rs.)
Rural Housing Programme	10,000	1175	10829	1151.39
Janasevana Upahara Programme	6,500	2210	5831	1411.56
Deyata Kirula Programme	2469	182	1792	123.70
Sevana Grant Programme	853	86.2	563	38.51
Sahasra Lanka Programme				
Investment Projects	770	100.0	4	11.9
Restoration Projects	48	14.6	-	-
Sahasaviya				
Flood Disasters	6484	669.3	6466	248.96
Other	366	36.6	749	64.72
Total	**27490**	**4493.7**	**26234**	**3049.23**

In addition to the above programmes, the completion of the work of 4336 continued houses was also done in the year 2011. A sum of 185.41 million rupees was spent for the Nagamu Purawara Programme, for providing title deeds, for awarding compensation for the lands acquired, and for the Maintenance Unit as other programmes linked to housing development.

The main income of the National Housing Development Authority is the recovery of loans. The amount targeted to collect during the year was 1299.201 million rupees. Out of that amount, 1159.882 million rupees could be collected during the year. As a percentage it is 92%. The rural housing recovery was 34.508 million rupees, which was 96 percent from the target. A sum of 123.116 million rupees was targeted as instalments for urban houses and rents while 168.9 million rupees was recovered. It was an achievement rate of 137 percent.

Achievements in the year 2011

The year 2011 was a landmark year in government's development activities. After the war situation that had been prevailing was terminated on 20th May 2011, morning twilights of development dawned on Sri Lanka. The National Housing Development Authority acquired many achievements marking the rapidest development in the field of housing in Sri Lanka.

Especially, an investment of 3217 million rupees was made during the year, through the development work with regard to 31826 houses. The number of persons that received benefited under this was 125,000.

The state investment that had been confined to 100 – 200 million rupees grew as high as 726 million rupees. The investment through internal earnings within the year increased to .535 million rupees and a significant growth was experienced in recoveries.

The most significant achievement within this year was the outreach of Bank funding to low-income-earner families through the programmes of the National Housing Development Authority. Six state banks entered into agreements for providing funding to the tune of 2260 million rupees. 5722 families benefited within the year and it was also possible to rescue them from a long-standing housing problem.

2. The new government recognized the need for the renovation of the flats as a policy. As such, the apartment blocks that had been deteriorating without proper maintenance decades received a new lease on life. Securing the government's grant of 230 million rupees within the year for the programme was a significant achievement of the Authority.

Another significant task completed successfully during the year was preparing registers of bare lands belonging to the Authority and managing it towards

Corporate Planning & Monitoring

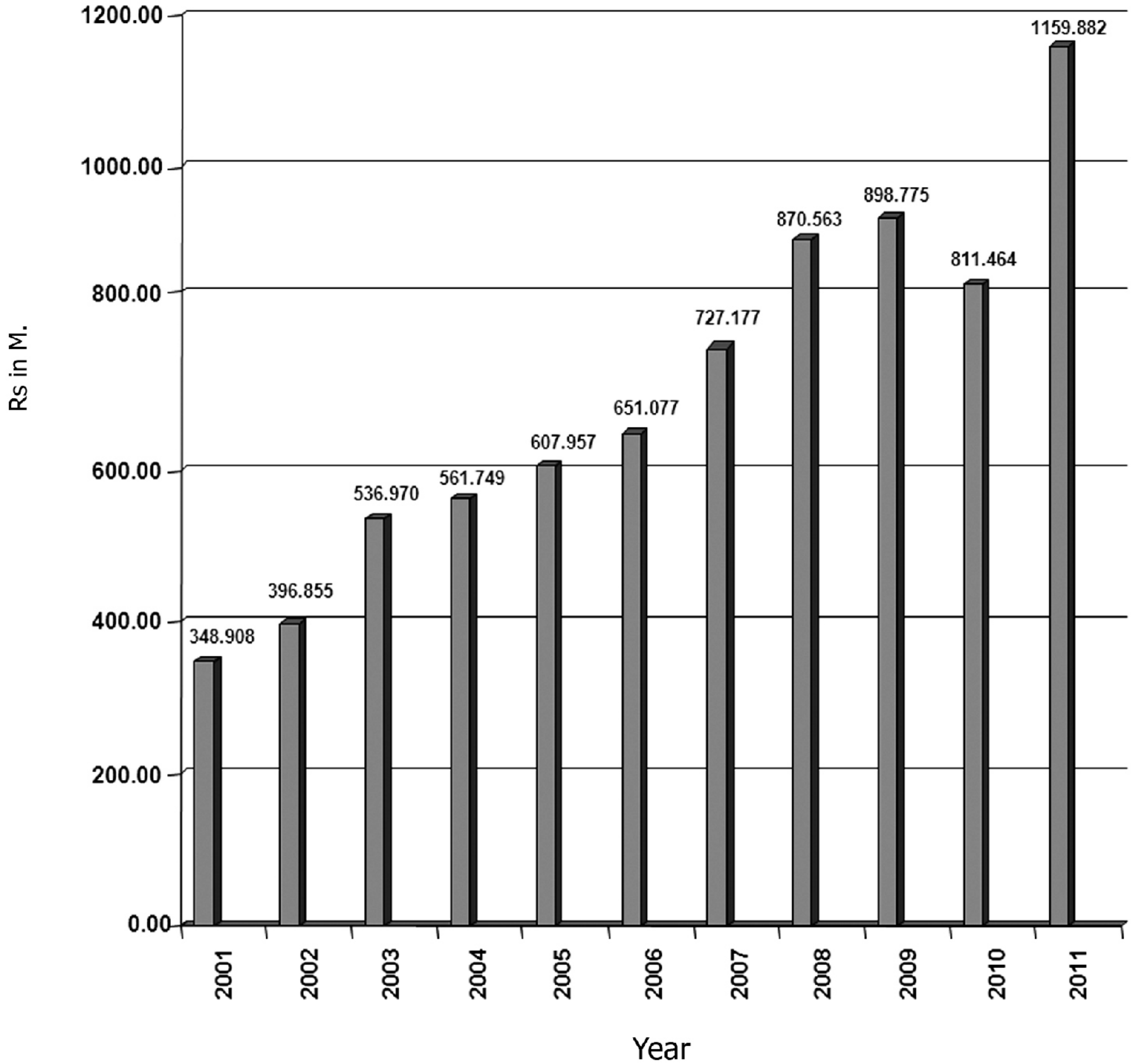
Rural Housing Loan Recovery Performance – 2011

Ser. No.	District	Amount Budget	Amount Recovered	%	Rs in M. Arrears as at 31.12.2011.
1.	Anuradhapura	60.457	67.560	112	110.913
2.	Trincomalee	19.055	23.267	122	32.238
3.	Jaffna	27.107	35.713	132	28.099
4.	Ratnapura	32.228	35.252	109	47.0937
5.	Kurunegala	81.194	78.380	97	60.398
6.	Matale	31.133	35.346	114	36.090
7.	Ampara	53.113	52.145	98	77.697
8.	Vavuniya	21.644	22.239	103	30.595
9.	Kegalle	69.606	73.441	106	85.990
10.	Mannar	7.798	8.050	103	12.033
11.	Puttalam	53.847	58.193	108	75.324
12.	Polonnaruwa	24.002	30.917	129	46.416
13.	Batticaloa	41.629	36.363	87	77.227
14.	Badulla	63.738	58.599	92	146.729
15.	Hambantota	50.281	39.555	79	97.964
16.	Kalutara	48.744	60.957	125	117.135
17.	Nuwara Eliya	67.212	41.896	62	144.381
18.	Galle	51.584	46.435	90	139.101
19.	Monaragala	57.277	50.274	88	201.880
20.	Matara	63.245	69.360	110	189.163
21.	Kandy	133.867	91.362	68	228.435
22.	Colombo City (South)	5,805	3.399	59	32.014
23.	Gampaha	88.640	55.330	62	286.735
24.	Colombo District Office	93.076	72.243	78	213.027
25.	Colombo City (North)	5.962	2.660	45	29.454
26.	Mulativu	2.218	3.456	156	3.441
27.	Kilinochchi	4.742	7.490	158	5.023
	Total	**1,259.201**	**1,159,882**	**92**	**2,554,595**

D

Review of Operating Results

LOAN RECOVERY PERFORMANCE - 2011



Urban Houses Shops / Instalments & Rent Recovery Performance - 2011

Ser. No.	District	Amount		%	Rs in M.
		Budget	Recovered		Arrears as at 31.12.2011
1.	Head Office	20.689	18.917	91	3.940
2.	Colombo City (North) Maligawatte	34.000	27.179	80	37.671
3.	Colombo City (South) Manning Town	43.703	40.322	92	5.904
4.	Gampaha	25.300	30.839	122	27.260
5.	Kandy	7.000	7.422	106	6.435
6.	Matara	4.000	2.165	54	13.331
7.	Colombo District	35.600	25.396	71	28.343
8.	Kalmunai /Ampara Commercial Buildings	2.150	0.745	34	1.204
	Total	**172.442**	**152.985**		**124.088**

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

Information and Publicity Division functions with the following units:

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

Information and Publicity Division

Information and Publicity Unit

The Information and Publicity Unit implemented the following programmes in the year 2011:

- Media coverage pertaining to the Janasevana Housing and Settlement Development Operation that is implemented by the National Housing Development Authority and informing the public through print and electronic media.
- Providing the following services and facilities necessary for all the ceremonial functions in respect of the construction work of about 60 projects in 19 Districts pertaining to the Janasevana National Housing and Settlement Development Operation launched by the Authority:

i. Planning the publicity and ceremonial functions
ii. All pre-printing artworks
iii. Name boards, billboards, backstage superstructure pandals, banners, flags, buntings, flagstaffs and posts
iv. Stages, public shelters, public address systems, multimedia projectors and screens and curtains
v. Newspaper advertisements and posters
vi. Invitation cards, entitlement grant papers, title certificates, deed covers
vii. Souvenirs and memorial plaques

- Conducting the World Habitat Day 2011 at the Folk Arts Centre in Battaramulla on 03.10.2011 and performing the following under it:

i. Organizing an islandwide painting and drawing, essay and poster competition for school children
ii. Conducting a painting and drawing workshop for 500 school children
iii. Conducting painting and drawing exhibitions of school children
iv. Designing and printing the souvenir of the World Habitat Day
v. Designing the awards and certificates for the winners of the painting and drawing, essay and poster competition
vi. Organizing the main function of the World Habitat Day
vii. Designing and decorating the the main stage, stage backdrop, and entrance pandal for the function

- Participating in National level exhibitions including “Deyata Kirula”

Sevana Media Unit

- In the year 2011, the Sevana Media Unit published various newspaper advertisements of the Ministry of Construction, Engineering Services, Housing and Common Amenities, the National Housing Development Authority, the National Water Supply and Drainage Board, the Sri Lanka Land Reclamation and Development Corporation, the Institute of Construction Training and Development, the Building Department, and the National Institute of Machinery.

- The annual estimated profit of the Sevana Media Unit for the year 2011 was 3.0 million rupees. The income up to December 2011 was 27.14 million rupees and the profit was 3.62 million rupees.
- All the earnings of the Sevana Media Service are deposited in a separate account titled "Chairman of the National Housing Development Authority"and these funds are used for housing development programmes of the National Housing Development Authority.

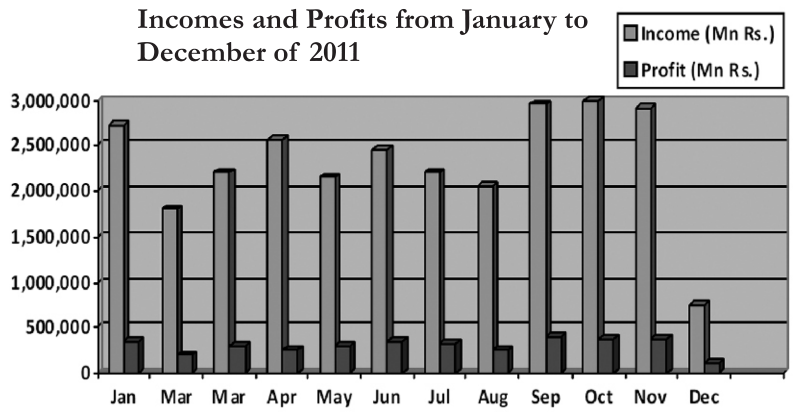
Sevana Media Service

Newspaper Advertisements

Incomes and Profits from January to December of 2011

Month	Income (Rs.)	Profit (Rs.)
January	2,707,496.80	366,133.42
February	1,349,474.40	181,489.05
March	2,196,593.60	294,411.92
April	2,551,791.60	344,445.20
May	2,129,909.40	288,237.45
June	2, 464,382.32	330,115.62
July	2,198,312.40	294,210.76
August	2,010,344.40	269,730.00
September	2,938,760.56	392,043.09
October	2,976,530.30	387,498.88
November	2,869,263.62	381,525.10
December	749,718.00	95,303.18
Total	**27,142,577.40**	**3,625,143.67**

Targeted Income for the year 2011 – 3.0 million rupees



Printing Unit

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

Information Technology Division

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

Already facilities have been provided for efficiently conducting the functions of the Head Office and District Offices by introducing the communication systems such as e-mail and the Internet service to these offices after supplying them with computers and accessories. Information technology has built a very good connection among the Head Office and the 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:

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

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

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

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

02. Maintenance of Computers and Hardware

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

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

03. Design and Maintenance of Computer Programmes

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

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

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

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

01. 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.

02. 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.

03. Introduction of a New Computer Programme for Loans

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

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

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 maintainance affairs
- Leasing of properties
- Sale of lands and properties

Board of Directors of Oceanview Development Private Limited

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

Secretary to the Board of Directors – Account Systems Private Limited

Staff of the Oceanview Development Private Limited

The overall staff of the company in the year 2011 was as follows:-

Executive staff	08
Non-executive staff	16
Staff of the Maintainance Division	22
	46

Progress Review under the New Management

Dream House Housing Project

This project is operating to fulfill the housing needs of the Sri Lankan expatriates and Oceanview will give a hand to construct the dream home of theirs through a trustworthy construction company while they are still abroad using their hard-earned money by working long years.

A foreign project office has been opened in the Habitat Planning and Development Quantity Survey Centre in Battaramulla in order to provide services for projects. The officers of this institution design the houses according to the need of the clients and to suit the purse of various clients while providing the facilities necessary for the obtaining of bank loans.

Oceanview Development Private Limited

Janasevana Benefactor Housing Project

- This programme is implemented with financial assistance from Oceanview for 10 selected poor families who can never in their life build a house of their own and do not have the financial strength necessary for it.

  As the first phase of this programme, 10 houses were planned to be built covering the Colombo District. The selection of the relevant families is done by the Janasevana Project Office and Oceanview Private Limited through the grama niladhari. The construction work was started in respect of 9 houses and the work on 5 of them have already been completed.

- Maintainance of the Tower Building

  A sum of 2.4 million rupees has been spent for the establishment of a new fire prevention system, damp-proofing in the lectern area and repairs to the basement in the building.

Future Plans for the year 2012

- Kahathuduwa Housing Project

  The company intends to build and sell 40 single-story and two-storied and twin houses consisting of comprehensive facilities for middle class people located in a housing village under the project. Facilities have been provided to buy these houses, each of which come in three models on a 10-perch plot of land, under easy payment schemes and with bank loan facilities at prices from 4 to 8 million rupees. The intended investment will be around 200 million rupees.

- Maintaining the Tower Hall Building

  Under this programme, a 750-watt (generator-based) electricity supply will be provided to cover the overall electricity needs in the whole building. It is expected to be upgraded to 1.250 watts. In addition, the structural reconstructions that have already been started are expected to be completed. The company intends to invest a sum of around 15 million rupees for the purpose.

- Janasevana Benefactor Housing Project

  Under the second phase of the Janasevana Benefactor Housing Project, the company intends to build and hand over 12 houses to extremely poor families who can never in their life build a house of their own, covering the other Divisions in the island. The amount expected to be invested is 18 million rupees.

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
BALANCE SHEET AS AT 31 ST DECEMBER 2011

	NOTES	2011 NHDA Rs. cts.	2011 CONSOLIDATED Rs. cts.	2010 CONSOLIDATED Rs. cts.
[A] ASSETS				
NON CURRENT ASSESTS				
I FIXED ASSETS				
Land & Building	(02)	612,849,784.64	769,341,947.71	802,715,995.12
Motor Vehicles	(03)	1,492,394.44	26,232,713.78	4,402,706.39
Furniture and Fittings	(03)	10,923,399.87	40,757,951.71	33,289,824.41
Equipment	(03)	21,425,205.11	23,732,741.55	136,616,686.87
		646,690,784.06	860,065,354.75	977,025,212.79
II DEVELOPMENT ASSESTS				
Lands Acquired		314,288,631.41	314,288,631.41	307,660,607.01
Housing Loan Programmes	(04-13)	4,734,808,015.71	4,734,808,015.71	2,558,332,088.60
Loan Programme NHD		1,554,885.05	1,554,885.05	1,554,885.05
Rent Purchase Housing Schemes - NHDA		288,880,409.58	288,880,409.58	310,046,808.47
Sale of Houses Instalment Basis		1,142,351,314.74	1,142,351,314.74	1,437,960,287.11
Sale of Land Instalment Basis		10,177,268.60	10,177,268.60	14,018,733.10
Rent Purchase Housing Schemes - NHD		93,687.00	93,687.00	100,419.00
Staff Housing Loan		185,087,437.00	185,087,437.00	189,303,798.00
		6,677,241,649.09	6,677,241,649.09	4,818,977,626.34
III INVESTMENTS - Long Term	(14- 1)	180,682,280.35	105,415,417.13	248,765,542.47
CURRENT ASSETS				
Direct Construction Programme	(15)	102,548,224.55	102,548,224.55	210,347,933.57
Stock	(16)	68,630,167.03	211,190,063.43	168,398,767.09
Advances to Contractors		85,177,522.50	85,177,522.50	82,893,424.93
Interest Receivables	(17)	12,685,072.93	12,685,072.93	15,710,832.99
Debtors	(18)	2,921,341,158.88	2,967,500,279.41	3,172,383,609.31
NEMO		-	-	53,983,260.00
Deposits & Advances	(19)	634,313,906.43	634,313,906.43	410,818,938.99
Investments -Short Term	(14-11)	963,477,290.06	963,477,290.06	420,333,070.59
Cash & Bank Balances - NHDA	(20)	128,589,890.25	145,763,629.56	58,744,439.14
- NEMO		-	-	3,201,700.00
		4,916,763,232.63	5,122,655,988.87	4,596,815,976.61
TOTAL ASSETS		**12,421,377,946.13**	**12,765,378,409.84**	**10,641,584,358.21**
[B] EQUITY & LIABILITIES				
Authorised Capital		**50,000,000.00**	**50,000,000.00**	**50,000,000.00**
Initial Capital		40,000,000.00	40,000,000.00	40,000,000.00
Capital Reserves - Foreign Grant		131,682,601.02	131,682,601.02	131,682,601.02
- Domestic Grants	(21)	16,316,798,901.76	16,316,798,901.76	15,335,242,352.30
		16,488,481,502.78	16,488,481,502.78	15,506,924,953.32
Revaluation Reserve - NEMO		-	-	227,558,781.00
Add / (Less)-Income/ Expenditure Carried Forward		(11,066,427,171.19)	(10,965,978,227.25)	(11,132,057,507.66)
		5,422,054,331.59	5,522,503,275.53	4,602,426,226.66
Minority Interest		-	169,699,009.47	168,061,890.06
NON CURRENT LIABILITIES				
Gratuity Fund		8,841,829.59	8,841,829.59	7,974,268.66
Loans	(22)	2,533,338,105.80	2,533,338,105.80	1,066,558,399.64
		7,964,234,266.98	8,234,382,220.39	5,845,020,785.02
CURRENT LIABILITIES				
Creditors	(23)	1,389,396,310.24	1,457,280,470.66	1,422,086,099.20
NEMO		-	-	402,564,925.00
Current Liabilities for Loans	(24)	1,176,883,587.35	1,176,883,587.35	1,137,056,328.08
Deposits	(25)	1,413,070,731.68	1,413,070,731.68	1,377,790,108.39
Provisions	(26)	477,793,049.88	483,761,399.76	457,066,112.52
		4,457,143,679.15	4,530,996,189.45	4,796,563,573.19
TOTAL EQUITY & LIABILITIES		**12,421,377,946.13**	**12,765,378,409.84**	**10,641,584,358.21**

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

S.A. JAYANTHA SAMARAWEERA	**A.W. DAYANANDA**	**E.A.D.S. EDIRISINGHE**
CHAIRMAN	**VICE CHAIRMAN**	**DY GENERAL MANAGER (FINANCE)**

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
INCOME & EXPENDITURE ACCOUNT FOR THE 31 ST DECEMBER 2011

		2011		2010	
[A] INCOME	**NOTES**	**Rs. Cts.**	**Rs. Cts.**	**Rs. Cts.**	**Rs. Cts.**
Profit/(Loss) on Sale of Houses		5,661,305.06		6,669,224.16	
Profit/(Loss) on Sale of Land		23,777,315.66		10,491,012.96	
Rent Income	[27]	59,679,790.76		49,748,528.68	
Interest Income	[28]	487,749,030.48		341,896,239.52	
Income From Hiring of Vehicles		875,630.69		1,121,353.87	
Income From Hiring of Plant & Machinery		901,247.88		461,875.30	
Fines & Surcharges		16,456,261.03		8,257,110.10	
Profit on Sale of Vehicles		4,866,340.50		1,332,500.00	
Over Provision of Bad and Doubtful debts		33,371,750.53		-	
Sevana Media Income		5,261,192.69		2,634,063.50	
Indirect Operation Income	[29]	147,089,358.54		32,979,540.85	
Non-Refundable Deposits	[30]	597,557.00		118,450.00	
			786,286,780.82		455,709,898.94
[B] INDIRECT DEVELOPMENT EXPENSES					
Board Expenses		278,000.00		57,000.00	
Personnel Emoluments	[31]	782,550,636.61		719,879,604.67	
Travelling Expenses	[32]	19,258,749.82		12,917,572.03	
Supplies	[33]	63,181,067.83		33,682,804.11	
Maintenance Expenditure	[34]	159,271,989.02		59,518,941.74	
Contractual Services	[35]	65,771,831.48		37,931,902.94	
Finance Expenses	[36]	165,194,449.42		203,231,497.27	
Indirect Operational Expenses	[37]	7,945,681.77		9,521,640.95	
Depreciation on Fixed Assets		41,127,526.58		45,699,643.90	
			1,304,579,932.53		1,122,440,607.61
[C] Excess Income / (Expenditure) for the year [A - B]			**(518,293,151.71)**		**(666,730,708.67)**
[D] Profit / Loss of the NEMO			(7,128,067.00)		(98,155,024.00)
[E] Adjustment - NEMO			689,365,454.00		-
[F] Net Income / (Expenditure) - Brought Forward			(11,230,371,406.48)		(10,465,485,673.81)
[G] Net Income / (Expenditure) - Carried Forward			**(11,066,427,171.19)**		**(11,230,371,406.48)**

NATIONAL EQUIPMENT & MACHINERY ORGANISATION
Profit & Loss Account for the month of January 2011

	Period Ended	
	31-Jan-11	**31-Dec-10**
	Rs	**Rs**
TURNOVER		
Income from Hire of Machinery	7,379,087	91,294,463
Realised Project Income		
	7,379,087	**91,294,463**
OPERATINING EXPENSES		
Work Shops	4,975,821	39,768,910
Depots	5,588,455	105,342,427
Depreciation	2,487,693	29,785,234
Total Operating Cost	**13,051,970**	**174,896,571**
Less : Spares received from JICS		
Intercompany Transaction		(14,956,768)
	13,051,970	**159,939,803**
Gross Profit / (Loss)	(5,672,883)	(68,645,340)
Administration Cost	1,775,727	25,297,099
Financial Charges	31,146	1,057,110
Other Depreciation	5,342	62,745
Total Indirect Cost	**1,812,216**	**26,416,954**
Net Profit/ (Loss) from Operations	(7,485,099)	(95,062,293)
Other Income	(30,009)	282,554
Net Profit/ (Loss) for the year prior to extra ordinary items	**(7,515,108)**	**(94,779,739)**
Profit/Loss on Disposal of Assets	387,041	(3,375,285)
Net Profit/ (Loss) for the Year after Extraordinary Items	(7,128,067)	(98,155,024)
Net Profit / (Loss) B/F	(682,237,392)	(584,082,368)
Net Profit / (Loss) for the year C/F	**(689,365,459)**	**(682,237,392)**

ACCOUNTING POLICIES

NOTE [01]

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31[ST] DECEMBER 2011.

1 FUNDAMENTAL ACCOUNTING ASSUMPTIONS

1.11 The Accounts: The financial Statements are prepared in conformity with generally accepted accounting principles and the accounting standards laid down by the institute of Chartered Accountants of Sri Lanka applied consistently on a historical cost basis.

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	N.E.M.O
2.2.2.1	Land & Building	2.5 % on Cost	2.5% on Cost
2.2.2.2	Furniture, fittings & Semi Permanent structures	20 % on Cost	20% on Cost
2.2.2.3	Equipment & Machinery	20 % on Cost	10% on Cost (after revaluation)
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	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, NEMO is adopting the weighted average method.

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 duefor payment on demand or within one year from the Balance Sheet date.

5 CONTINGENCY LIABILITIES

As per SLAS 10 the following Liabilities are disclosed.

5.1 151 Nos. Court cases are pending against the NHDA and compensation has been estimated as Rs. 82.115 M.

6 INCOME STATEMENTS:

6.1 RENT

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

6.2 PROVISION OF BAD AND DOUBTFUL DEBTS

The following provisions have been made in the accounts

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

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

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

Sale of houses on installment basis	10 %
Urban/Rural rent	10 %
Debtors for Land	10 %

6.5 INTEREST PAYMENT

Interest payment on delayed land compensation is treated as recurrent revenue expenditure.

6.6 APPORTIONING OF OVERHEADS

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

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

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

7 TAXATION

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

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

8 SALE OF HOUSES

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

8.1 DETERMINATION OF SALE PRICE OF THE HOUSES AND ACCOUNTING

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

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

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

9. SALE OF HOUSES ON RENT PURCHASE BASIS

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

10. LANDS ACQUIRED FOR HOUSING PURPOSES

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

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

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

10.2 DETERMINING THE SALE PRICE OF LANDS AND KEEPING ACCOUNTS

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

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

10.3 SALE OF HOUSES / LANDS ON INSTALLMENT BASIS

10.3.1 When the houses / lands are sold on basis of a long term loan, the date of agreement should be considered as the date of sale of land / house and account accordingly.

10.3.2 In the following the procedure given at 10.3.1 above, the amount of value shown in the accounts should be transferred from the Assets Account to sale of houses / lands account.

11 VALUATION OF WORK IN PROGRESS

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

12 CAPITAL GRANTS

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

13 GENERAL

13.1 Presentation of Grants Related to Assets – NEMO

In accordance with Sri Lanka Accounting Standard 24, the machinery that was received as grant, was set up as deferred income which was recognized as income on a systematic and rational basis over the useful life of the asset

13.2 **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.

13.3 **VEHICLES LOST**

Following vehicles were lost during the past years in the North & East provinces :

No.of Item	Description	Purchase Price (Rs.)
08	Motor Cycles	400,000.00
01	Jeep	112,864.26
09		512,864.26

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

13.4 **NATIONAL EQUIPMENT & MACHINERY ORGANIZATION**

In terms of Cabinet decision of 04th December 1991 the National Equipment & Machinery Organization (NEMO) was established as a project under the NHDA.

Later, according to the Cabinet decision of 20th January 2011 National Equipment & Machinery Organization was amalgamated with State Engineering Corporation with effect from 01.02.2011

Therefore, the account only for the month of January 2011 is included in the account of NHDA

13.5 **GROUP ACCOUNTS - OVDC LTD**

In accordance with SLAS 26, the accounts of the OVDC Ltd, as at 31 December 2011 have been consolidated with that of the NHDA, as NHDA is the major share holder.

13.6 **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.

13.7 **JALTARA HOUSING PROJECT**

400 Housing Units were constructed for Government Servants expending a total sum of Rs 1088.67 M, of which Rs 721.8 M was obtained under Korean Loan Aids and Rs 368 M was borne by Treasury Funds.

As at 31.12.2011, 395 housing units were completed and handed over to the Housing Development Finance Corporation Bank to recover loan installments and reimburse to the Treasury and at present the HDFC Bank has been remitting the recoveries made from these houses.

As there is no proper agreement to make adjustments in the NHDA accounts for these transactions, the sale prices of these houses were shown as current assets under the HDFC Bank.

Further, the difference of Rs 215.899 M. between the cost of the project and the revenue derived from this housing scheme was indicated as current assets until a decision is arrived in this regard.

14. DAMAGES FROM TSUNAMI DISASTER

The damage due to Tsunami disaster has been ascertained as Rs 23.35M approximately as follows.

Loss of Loan Recoveries	-	Rs 03.22 M
Damage to NHDA Properties	-	Rs 20.13 M
		Rs 23.35 M

As the damage was not confirmed as accurate, the above figure of Rs 23.35 M was not reflected in the accounts for the year 2011.

NOTE [02] - LAND & BUILDINGS

Description	COST							DEPRECIATION					Written Down Dalue As At 31.12.2011
	Balance as at 01.01.2011		Additions During the year	Adjustment	Disposals During the year	Balance as at 31.12.2011		Provision as at 01.01.2011	Charges for the year	Accumulated on Disposed items	Adjustment	Balance as at 31.12.2011	
	Land	Building				Land	Building						
Parsons Road		50,434,491.63					50,434,491.63	37,751,254.18	1,260,862.29			39,012,116.47	11,422,375.16
Kandy Secretariat		8,509,312.85					8,509,312.85	6,539,629.06	212,732.82			6,752,361.88	1,756,950.97
Kandy Circuit Bung.		3,031,169.52					3,031,169.52	2,218,709.20	75,779.24			2,294,488.44	736,681.08
Kalmunai Circuit Bungalow		4,554,220.42					4,554,220.42	3,071,974.24	113,855.51			3,185,829.75	1,368,390.67
District Office Polonnaruwa		419,737.99					419,737.99	208,455.48	10,493.45			218,948.93	200,789.06
District Office Monaragala		4,785.00					4,785.00	3,349.78	119.63			3,469.40	1,315.60
Kataragama Circuit Bungalow		221,602.61					221,602.61	135,098.33	5,540.07			140,638.39	80,964.22
Anuradhapura District Office		830,724.80					830,724.80	539,970.99	20,768.12			560,739.11	269,985.69
Gampaha District Office		6,307,579.67					6,307,579.67	928,554.39	157,689.49			1,086,243.88	5,221,335.79
Kilinochchi District Office		1,381,010.66					1,381,010.66	207,151.60	34,525.27			241,676.86	1,139,333.80
Ratnapura District Office		274,189.92					274,189.92	41,128.49	6,854.75			47,983.24	226,206.68
Ratnapura Sethsisila house		92,785.50					92,785.50	6,958.92	2,319.64			9,278.56	83,506.95
Other Buildings		614,295.90					614,295.90	209,692.61	15,357.40			225,050.01	389,245.90
Buildings Taken Over from Director of Build.		22,743,500.00					22,743,500.00	11,925,537.00	568,587.50			12,494,124.50	10,249,375.50
Matara District Office		7,831,027.23					7,831,027.23	1,118,131.39	195,775.68			1,313,907.07	6,517,120.16
Land & Building NEMO		22,937,054.00		(22,937,054.00)			-	12,575,337.12	47,785.00	12,623,122.12		-	-
Trincomalee Office		168,773.54					168,773.54	67,509.42	4,219.34			71,728.76	97,044.78
Vavuniya Circuit		468,060.10	4,627,142.28				5,095,202.38	181,812.65	11,701.50			193,514.16	4,901,688.23
NHD Office Buildings		3,742,246.85					3,742,246.85	1,964,678.72	93,556.17			2,058,234.89	1,684,011.96
Hantana Circut Bunglow	2,520.00	1,109,930.00				2,520.00	1,109,930.00	582,902.46	27,748.25			610,650.71	501,799.29
Ampara District Office		366,148.50					366,148.50	128,151.96	9,153.71			137,305.68	228,842.83
Circuit Bungalow Baswakkulama		240,000.00					240,000.00	72,000.00	6,000.00			78,000.00	162,000.00
Office Blgs Badulla		1,222,000.00					1,222,000.00	366,600.00	30,550.00			397,150.00	824,850.00
Janasavi Centre - kandy		2,465,734.09					2,465,734.09	739,720.32	61,643.35			801,363.67	1,664,370.42
Hambantota D/O		2,040,350.74					2,040,350.74	569,279.79	51,008.77			620,288.56	1,420,062.18
Rental Scheme 5000 Houses Programme		172,612,505.61					172,612,505.61	62,943,381.90	4,315,312.64			67,258,694.54	105,353,811.07
Rental Urban Scheme 100 thousand Prog.	55,317,190.10	837,824,186.87				55,317,190.10	837,824,186.87	483,171,408.82	20,945,604.67			504,117,013.49	389,024,363.48
Rental Schemes NHD		13,861,809.74				-	13,861,809.74	7,191,453.60	346,545.24			7,537,998.84	6,323,810.90
Coastline Rental Houses		61,185,579.02				-	61,185,579.02	18,991,093.00	1,529,639.48			20,520,732.47	40,664,846.55
Recreation center Jaltara H/P		9,465,234.88				-	9,465,234.88	709,892.62	236,630.87			946,523.49	8,518,711.39
Kegalle District Office		12,437,889.47				-	12,437,889.47	310,947.25	310,947.24			621,894.49	11,815,994.98
TOTAL	**55,319,710.10**	**1,249,397,937.11**	**4,627,142.28**	**(22,937,054.00)**	-	**55,319,710.10**	**1,231,088,025.39**	**655,471,765.27**	**30,709,307.08**	**12,623,122.12**	-	**673,557,950.85**	**612,849,784.64**

NOTE [03] - MOTOR VEHICLES, FITTINGS AND EQUIPMENT

NAME OF THE FIXED ASSET	COST				DEPRECIATION				Written down Value as at 31.12.2011
	Balance as at 01.01.2011	Additions During the year	Disposals/Adjustment During the year	Balance as at 31.12.2011	Provision as at 01.01.2011	Charges for the year	Accumulated on Disposed Items/Adjustment	Balance as at 31.12.2011	
01 MOTOR VEHICLES									
1.1 NHDA	185,400,593.35	-	4,732,864.81	180,667,728.54	181,754,924.96	2,147,273.95	4,726,864.81	179,175,334.10	1,492,394.44
1.2 NEMO	12,216,937.00	596,933.00	12,813,870.00	-	11,694,299.00	238,773.00	11,933,072.00	-	-
TOTAL	197,617,530.35	596,933.00	17,546,734.81	180,667,728.54	193,449,223.96	2,386,046.95	16,659,936.81	179,175,334.10	1,492,394.44
02 FURNITURE, FITTINGS & SEMI-PERMANENT STRUCTURES									
2.1 NHDA	30,544,508.95	6,049,591.59	685.00	36,593,415.54	24,206,665.78	1,463,680.52	330.63	25,670,015.67	10,923,399.87
2.2 NEMO	10,589,231.00	17,985.00	10,607,216.00	-	10,441,580.00	5,342.00	10,446,922.00	-	-
TOTAL	41,133,739.95	6,067,576.59	10,607,901.00	36,593,415.54	34,648,245.78	1,469,022.52	10,447,252.63	25,670,015.67	10,923,399.87
03 EQUIPMENT									
3.1 NHDA	100,978,687.45	15,477,976.74	-	116,456,664.19	88,176,299.71	6,855,159.37	-	95,031,459.08	21,425,205.11
3.2 NEMO	370,786,551.00	48,136.00	370,834,687.00	-	250,260,916.00	2,459,164.00	252,720,080.00	-	-
TOTAL	**471,765,238.45**	**15,526,112.74**	**370,834,687.00**	**116,456,664.19**	**338,437,215.71**	**9,314,323.37**	**252,720,080.00**	**95,031,459.08**	**21,425,205.11**

NOTE [04] - LOANS UNDER ONE MILLION HOUSING PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
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	6,195.35	-	1,019.00	5,176.35
Kandy	103,901,237.18	-	-	-	-
Matale	65,779,630.45	-	-	-	-
Nuwara-Eliya	49,737,467.53	-	-	-	-
Galle	84,230,288.68	-	-	-	-
Matara	109,863,684.80	-	-	-	-
Hambantota	75,122,124.73	-	-	-	-
Jaffna	32,954,399.04	-	-	-	-
Mannar	9,795,015.25	-	-	-	-
Mankulam	7,285,389.27	-	-	-	-
Batticaloa	37,495,673.40	-	-	-	-
Ampara	45,589,368.50	-	-	-	-
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	14,637,775.80	-	5,796,331.53	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**	**14,643,971.15**	**0.00**	**5,797,350.53**	**8,846,620.62**

NOTE [05] - LOANS UNDER 1.5 MILLION HOUSING PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
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	144,313.74	-	-	144,313.74
Matara	99,716,771.53	-	-	-	-
Hambantota	53,545,729.33	-	-	-	-
Jaffna	29,148,681.75	-	-	-	-
Mannar	16,672,374.32	-	-	-	-
Mankulam	1,636,494.00	614,688.15	-	-	614,688.15
Batticaloa	52,464,250.00	-	-	-	-
Ampara	47,869,914.50	-	-	-	-
Trincomalee	32,865,329.78	-	-	-	-
Kurunegala	48,946,250.00	-	-	-	-
Puttalam	33,078,871.03	-	-	-	-
Anuradhapura	15,403,185.75	-	-	-	-
Polonnaruwa	17,459,832.25	-	-	-	-
Badulla	27,864,115.76	-	-	-	-
Monaragala	152,609,562.14	7,107,892.89	-	21,230.50	7,086,662.39
Ratnapura	21,190,512.69	-	-	-	-
Kegalle	40,727,372.25	530,698.04	-	209,689.89	321,008.15
Kilinochchi	3,618,192.70	10,480.45	-	-	10,480.45
Vavuniya	13,064,435.15	-	-	-	-
Kalmuni	8,055,565.16	-	-	-	-
TOTAL	**984,980,798.59**	**8,408,073.27**	**0.00**	**230,920.39**	**8,177,152.88**

NOTE [06] - LOANS UNDER NEW HOUSING FINANCE SYSTEM

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	11,007,564.27	141,027.00	-	25,538.17	115,488.83
Colombo City (South)	3,285,537.22	357,959.22	-	195,086.11	162,873.11
Colombo District	23,899,549.13	146,094.29	-	74,393.28	71,701.01
Gampaha	152,333,711.35	4,411,077.38	-	90,132.84	4,320,944.54
Kalutara	42,031,777.73	2,601,901.17	-	2,601,901.17	-
Kandy	19,351,236.72	-	-	-	-
Matale	12,162,875.24	8,822.89	-	2,018.65	6,804.24
Nuwara-Eliya	13,497,658.02	-	-	-	-
Galle	12,636,532.50	605,176.20	-	2,152.80	603,023.40
Matara	11,365,330.48	-	-	-	-
Hambantota	13,763,515.75	11,025.96	-	4,046.65	6,979.31
Jaffna	2,064,946.66	108,045.69	-	3,998.40	104,047.29
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	515,846.25	-	515,846.25	-
Kurunegala	38,355,529.34	30,798.50	-	9,085.92	21,712.58
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	983,541.79	-	109,063.75	874,478.04
Ratnapura	16,590,658.12	-	-	-	-
Kegalle	21,104,202.71	1,272,485.09	-	1,272,485.09	-
Kilinochchi	1,708,030.33	15,262.65	-	-	15,262.65
Vavuniya	2,175,313.26	-	-	-	-
Kalmune	171,028.42	-	-	-	-
TOTAL	**553,206,929.32**	**11,286,297.12**	**0.00**	**4,905,749.08**	**6,380,548.04**

NOTE [07] - 95 HOUSING LOAN PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	16,140,911.30	1,822,536.64	-	182,906.79	1,639,629.85
Colombo City (South)	7,339,908.25	1,962,292.24		80,485.54	1,881,806.70
Colombo District	285,214,669.62	75,419,319.07		12,097,475.32	63,321,843.75
Gampaha	285,958,707.74	31,995,473.68	5,066,485.45	27,854,668.23	9,207,290.90
Kalutara	273,617,034.45	85,894,128.69		10,491,249.60	75,402,879.09
Kandy	497,433,049.82	149,924,725.43		17,758,384.74	132,166,340.69
Matale	157,796,063.88	58,847,395.23	-	6,741,746.02	52,105,649.21
Nuwara-Eliya	229,078,332.63	84,423,650.35	-	2,763,481.16	81,660,169.19
Galle	174,976,771.84	43,444,101.79	-	6,266,214.73	37,177,887.06
Matara	256,598,667.95	45,831,770.68	2,253,813.21	5,862,863.83	42,222,720.06
Hambantota	149,881,248.30	32,817,016.94	-	5,992,880.79	26,824,136.15
Jaffna	195,052,364.78	52,361,676.16	-	11,847,216.47	40,514,459.69
Mannar	40,759,663.29	10,879,735.54	670,000.00	3,798,093.76	7,751,641.78
Mankulam	7,105,688.75	5,465,384.64	1,705,000.00	231,796.75	6,938,587.89
Batticaloa	146,954,735.56	31,879,671.10		8,818,334.69	23,061,336.41
Ampara	96,095,420.84	7,594,636.29	-	1,496,411.71	6,098,224.58
Trincomalee	84,478,107.86	29,865,740.27	-	8,893,683.97	20,972,056.30
Kurunegala	401,973,700.93	62,314,603.65	-	18,179,441.09	44,135,162.56
Puttalam	229,417,574.22	82,506,202.87	7,738.20	14,902,351.83	67,611,589.24
Anuradhapura	202,210,176.39	31,496,899.46	-	15,704,704.30	15,792,195.16
Polonnaruwa	225,249,894.03	21,402,257.01	270,000.00	3,864,170.28	17,808,086.73
Badulla	284,361,777.42	189,672,015.01		7,791,899.06	181,880,115.95
Monaragala	146,768,822.72	75,533,995.40		5,754,527.37	69,779,468.03
Ratnapura	162,569,554.38	11,536,493.23	3,242,914.39	4,031,164.83	10,748,242.79
Kegalle	339,178,146.72	68,004,571.22	-	18,030,174.74	49,974,396.48
Kilinochchi	17,756,684.20	11,417,529.60	600,000.00	963,803.74	11,053,725.86
Vavuniya	109,341,773.83	40,527,685.50		11,128,246.43	29,399,439.07
Kalmune	72,427,699.60	30,716,196.42	774,000.00	4,620,063.87	26,870,132.55
TOTAL	**5,095,737,151.30**	**1,375,557,704.11**	**14,589,951.25**	**236,148,441.64**	**1,153,999,213.72**

NOTE [08] - FISHERIES HOUSING LOAN PROGRAMME

Rs.

DISTRICTS	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City Office	-	-	-	-
Colombo District	7,281.08	-	7,281.08	-
Matara	152,006.13	-	33,264.67	118,741.46
Hambantota	-	143,940.85	-	143,940.85
Puttalam	527,069.50	-	527,069.50	-
TOTAL	**686,356.71**	**143,940.85**	**567,615.25**	**262,682.31**

NOTE [09] - LOANS UNDER DIRIPIYASA PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	8,509,351.03	2,551,476.00	-	375,874.25	2,175,601.75
Colombo City (South)	200,000.00	100,606.80	-	34,911.14	65,695.66
Gampaha	3,845,000.00	1,139,805.90	-	382,853.53	756,952.37
Kalutara	185,136.50	76,516.18	-	25,989.00	50,527.18
Kandy	3,442,000.00	1,177,934.14	-	275,617.14	902,317.00
Matale	5,287,000.00	618,713.81	-	268,020.14	350,693.67
Nuwara-Eliya	2,875,000.00	903,362.06	-	240,409.83	662,952.23
Galle	10,154,000.00	3,829,794.99	-	670,141.11	3,159,653.88
Matara	2,200,000.00	608,035.39	-	215,628.64	392,406.75
Hambantota	5,382,000.00	1,524,857.39	-	577,977.40	946,879.99
Jaffna	5,050,000.00	943,017.55	-	343,303.82	599,713.73
Mannar	4,350,000.00	385,097.28	-	156,303.28	228,794.00
Mankulam	4,005,500.00	2,109,360.92	-	-	2,109,360.92
Batticaloa	5,030,000.00	1,346,924.49	-	482,110.25	864,814.24
Ampara	2,060,000.00	526,776.03	-	138,508.17	388,267.86
Trincomalee	6,283,000.00	2,575,925.33	-	385,353.27	2,190,572.06
Kurunegala	2,390,000.00	215,414.48	-	80,749.24	134,665.24
Puttalam	4,025,000.00	831,118.61	-	211,257.26	619,861.35
Anuradhapura	8,551,750.00	2,575,171.12	-	1,180,591.99	1,394,579.13
Polonnaruwa	3,520,000.00	951,545.41	-	914,767.00	36,778.41
Badulla	5,915,000.00	1,127,340.51	-	523,512.13	603,828.38
Monaragala	4,713,000.00	1,860,112.55	-	286,051.55	1,574,061.00
Ratnapura	3,520,000.00	628,562.11	-	154,195.58	474,366.53
Kegalle	8,139,000.00	2,442,877.63	-	655,338.99	1,787,538.64
Kilinochchi	5,221,708.81	2,972,182.00	-	39,344.18	2,932,837.82
Vavuniya	2,550,000.00	514,354.47	2,191,151.07	1,029,121.44	1,676,384.10
Kalmune	3,444,144.40	960,065.30	-	84,068.33	875,996.97
TOTAL	**120,847,590.74**	**35,496,948.45**	**2,191,151.07**	**9,731,998.66**	**27,956,100.86**

NOTE [10] - GAMANAGUMA LOAN PROGRAMME - 2007

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	59,750,000.00	46,340,262.46	1,905,500.00	8,805,133.41	39,440,629.05
Gampaha	62,489,945.95	58,369,309.81	76,968,263.71	25,709,828.00	109,627,745.52
Kalutara	41,225,000.00	32,687,635.06	32,300,000.00	258,413.33	64,729,221.73
Kandy	88,819,075.00	68,928,280.79	540,000.00	10,829,278.81	58,639,001.98
Matale	36,741,500.00	36,329,553.64	30,000.00	545,947.18	35,813,606.46
Nuwara-Eliya	43,640,000.00	40,886,177.24	605,000.00	2,597,450.70	38,893,726.54
Galle	31,605,000.00	25,865,848.81	-	1,115,245.20	24,750,603.61
Matara	48,215,000.00	42,233,620.61	5,000.00	12,604,401.22	29,634,219.39
Hambantota	52,029,000.00	40,889,133.12	-	6,043,635.94	34,845,497.18
Jaffna	13,290,000.00	21,915,621.99	955,000.00	4,269,469.38	18,601,152.61
Batticaloa	60,155,000.00	40,900,451.32	40,000.00	8,157,888.45	32,782,562.87
Ampara	51,843,000.00	34,488,185.25	2,780,000.00	7,966,933.82	29,301,251.43
Trincomalee	40,773,520.00	30,796,065.98	5,870,000.00	10,226,877.28	26,439,188.70
Kurunegala	132,627,000.00	97,557,779.00	5,504,975.70	20,912,946.95	82,149,807.75
Puttalam	117,164,000.00	92,586,388.84	1,165,778.87	10,281,882.11	83,470,285.60
Anuradhapura	136,829,350.00	120,695,149.26	1,487,500.00	17,591,099.84	104,591,549.42
Polonnaruwa	50,602,805.00	32,852,332.29	1,150,000.00	6,001,995.66	28,000,336.63
Badulla	34,117,250.00	44,930,888.44	4,460,000.00	4,499,592.83	44,891,295.61
Monaragala	72,459,000.00	59,926,809.36	49,945,232.50	12,694,740.25	97,177,301.61
Ratnapura	47,082,180.00	33,703,121.09	1,795,000.00	8,881,448.97	26,616,672.12
Kegalle	84,977,250.00	59,970,069.69	-	11,257,871.34	48,712,198.35
Kilinochchi	5,097,658.00	4,886,013.00	-	-	4,886,013.00
Kalmune	65,633,000.00	44,514,040.74	-	5,524,583.97	38,989,456.77
TOTAL	**1,377,165,533.95**	**1,112,252,737.79**	**187,507,250.78**	**196,776,664.64**	**1,102,983,323.93**

NOTE [11] - JANASEVANA LOAN PROGRAMME - 2011 -I -(IG & TR.)

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	-	-	2,068,710.00	40,784.50	2,027,925.50
Colombo City (South)	-	-	1,033,000.00	53,678.32	979,321.68
Colombo District	-	-	154,258,200.00	6,056,035.53	148,202,164.47
Gampaha	-	-	-	-	-
Kalutara	-	-	66,664,000.00	1,934,448.76	64,729,551.24
Kandy	-	-	86,328,000.00	3,563,756.98	82,764,243.02
Matale	-	-	38,127,600.00	1,187,738.74	36,939,861.26
Nuwara-Eliya	-	-	45,036,000.00	1,377,952.10	43,658,047.90
Galle	-	-	24,755,703.66	-	24,755,703.66
Matara	-	-	42,945,000.00	1,593,607.41	41,351,392.59
Hambantota	-	-	57,243,000.00	2,237,761.87	55,005,238.13
Jaffna	-	-	34,425,000.00	2,769,738.62	31,655,261.38
Mannar	-	-	15,385,482.80	-	15,385,482.80
Mankulam	-	-	2,400,000.00	116,668.00	2,283,332.00
Batticaloa	-	-	35,040,000.00	2,646,524.00	32,393,476.00
Ampara	-	-	25,808,000.00	1,525,029.41	24,282,970.59
Trincomalee	-	-	21,640,000.00	925,851.42	20,714,148.58
Kurunegala	-	-	39,160,000.00	1,792,119.36	37,367,880.64
Puttalam	-	-	49,396,000.00	1,637,379.55	47,758,620.45
Anuradhapura	-	-	86,363,500.00	3,156,181.70	83,207,318.30
Polonnaruwa	-	-	30,544,000.00	1,145,724.42	29,398,275.58
Badulla	-	-	39,261,000.00	1,870,011.25	37,390,988.75
Monaragala	-	-	15,610,000.00	353,492.31	15,256,507.69
Ratnapura	-	-	28,591,000.00	1,907,680.05	26,683,319.95
Kegalle	-	-	65,400,500.00	2,687,963.90	62,712,536.10
Kilinochchi	-	-	23,761,135.00	962,833.00	22,798,302.00
Vavuniya	-	-	28,940,000.00	1,136,517.79	27,803,482.21
Kalmune	-	-	15,560,000.00	286,360.76	15,273,639.24
TOTAL	-	-	**1,075,744,831.46**	**42,965,839.75**	**1,032,778,991.71**

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

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	-	-	19,186,000.00	749,701.22	18,436,298.78
Gampaha	-	-	71,423,515.65	3,527,372.96	67,896,142.69
Kalutara	-	-	62,075,000.00	2,888,570.50	59,186,429.50
Kandy	-	-	26,382,000.00	1,581,245.42	24,800,754.58
Matale	-	-	15,725,000.00	706,777.00	15,018,223.00
Nuwara-Eliya	-	-	10,415,000.00	509,505.64	9,905,494.36
Galle	-	-	32,694,464.92	-	32,694,464.92
Matara	-	-	10,635,000.00	498,190.72	10,136,809.28
Hambantota	-	-	4,895,000.00	140,810.65	4,754,189.35
Jaffna	-	-	35,680,000.00	2,661,288.40	33,018,711.60
Mannar	-	-	1,200,000.00	48,922.66	1,151,077.34
Mankulam	-	-	16,690,000.00	1,150,568.50	15,539,431.50
Batticaloa	-	-	22,680,000.00	2,071,850.60	20,608,149.40
Ampara	-	-	33,855,000.00	1,958,335.17	31,896,664.83
Trincomalee	-	-	42,139,877.34	2,792,319.98	39,347,557.36
Kurunegala	-	-	19,260,000.00	969,325.82	18,290,674.18
Puttalam	-	-	25,475,000.00	928,423.39	24,546,576.61
Anuradhapura	-	-	-	-	-
Polonnaruwa	-	-	15,620,000.00	749,304.65	14,870,695.35
Badulla	-	-	39,847,500.00	667,762.70	39,179,737.30
Monaragala	-	-	106,725,450.00	7,441,513.04	99,283,936.96
Ratnapura	-	-	11,197,500.00	550,675.31	10,646,824.69
Kegalle	-	-	27,590,000.00	1,428,851.76	26,161,148.24
Kilinochchi	-	-	11,579,898.75	625,309.75	10,954,589.00
Vavuniya	-	-	9,850,000.00	457,739.08	9,392,260.92
Kalmune	-	-	-	-	-
TOTAL	-	-	**672,821,206.66**	**35,104,364.92**	**637,716,841.74**

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

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2011	BALANCE AS AT 01.01.2011	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2011
Colombo City (North)	-	-	-	-	-
Colombo City (South)	-	-	-	-	-
Colombo District	-	-	70,186,200.00	1,890,473.15	68,295,726.85
Gampaha	-	-	45,739,648.00	743,986.02	44,995,661.98
Kalutara	-	-	63,106,000.00	16,368,249.91	46,737,750.09
Kandy	-	-	71,135,000.00	1,674,201.86	69,460,798.14
Matale	-	-	27,142,500.00	517,554.97	26,624,945.03
Nuwara-Eliya	-	-	25,025,000.00	164,274.37	24,860,725.63
Galle	-	-	97,722,781.15	-	97,722,781.15
Matara	-	-	20,505,000.00	628,697.73	19,876,302.27
Hambantota	-	-	9,917,500.00	183,650.00	9,733,850.00
Jaffna	-	-	40,950,000.00	1,196,532.35	39,753,467.65
Mannar	-	-	2,240,000.00	36,723.28	2,203,276.72
Mankulam	-	-	5,920,000.00	155,510.00	5,764,490.00
Batticaloa	-	-	23,765,000.00	590,470.50	23,174,529.50
Ampara	-	-	31,165,000.00	814,071.71	30,350,928.29
Trincomalee	-	-	2,970,000.00	113,368.15	2,856,631.85
Kurunegala	-	-	8,705,000.00	217,252.08	8,487,747.92
Puttalam	-	-	15,255,000.00	618,948.93	14,636,051.07
Anuradhapura	-	-	6,875,000.00	73,750.75	6,801,249.25
Polonnaruwa	-	-	14,085,000.00	347,086.21	13,737,913.79
Badulla	-	-	62,804,300.00	2,259,151.32	60,545,148.68
Monaragala	-	-	21,560,000.00	500,922.30	21,059,077.70
Ratnapura	-	-	42,232,500.00	935,420.11	41,297,079.89
Kegalle	-	-	37,597,500.00	929,883.05	36,667,616.95
Kilinochchi	-	-	18,604,272.25	418,448.25	18,185,824.00
Vavuniya	-	-	22,310,000.00	433,034.50	21,876,965.50
TOTAL	-	-	**787,518,201.40**	**31,811,661.50**	**755,706,539.90**

NOTE [14] INVESTMENTS

LONG TERM	2011 Rs.	Rs.	2010 Rs.	Rs.
Hou. Deve. Fin. Corp. Bank - Shares (Note 14-1)		53,633,334.00		53,633,334.00
Ocean View Development Co. Ltd. - Shares		120,000,000.00		120,000,000.00
- Contribution to Shares		520,369.34		520,369.34
Reel Co. Ltd		5,000,000.00		5,000,000.00
Hou. Deve. Fin. Corp. Bank - Loans (Note 14-2)		1,528,577.01		102,998,361.32
Bank of Ceylon		-		102,047.11
State Mortgage & Investment Bank		-		750,000.00
		180,682,280.35		283,004,111.77

SHORT TERM				
Surplus Trust Fund - C/B	92,033,633.04		71,194,032.38	
Treasury Bills - P/B & B/C	859,030,325.23		337,947,200.00	
- HDFC Invest Bonds	12,413,331.79	963,477,290.06	11,191,838.21	420,333,070.59
		1,144,159,570.41		**703,337,182.36**

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

	No of Shares	Nominal Value	Cost
Opening Balance	453,000.00	45,300,000.00	53,633,334.00
Bonus	2,765,000.00	276,500,000.00	-
	3,218,000.00	**321,800,000.00**	**53,633,334.00**

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

	Loan Amount	Opening Balance	Due for the Year	Closing Balance
H.D.F.C.Bank	100,000,000.00	100,000,000.00	100,000,000.00	-
Loan No. 5 Sevana A/C	22,600,000.00	2,998,361.32	1,469,784.31	1,528,577.01
Free Trade Zone H/S	13,500,000.00	-	-	-
	136,100,000.00	**102,998,361.32**	**101,469,784.31**	**1,528,577.01**

NOTE [15] DIRECT CONSTRUCTION PROGRAMME

	2011		2010	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2011				
Working Progress - NHDA - Office Building		5,733,818.08		13,397,319.43
Working Progress - NHDA - Housing Scheme		106,253,665.96		96,377,708.71
		111,987,484.04		109,775,028.14
ADDITION DURING THE YEAR				
PRE-CONSTRUCTION COST				
Settlement of Contractors Bills - NHDA	18,820,362.04	18,820,362.04	11,432,259.43	11,432,259.43
LESS : Value of the Completed Houses - NHDA		28,259,621.53		9,219,803.53
		102,548,224.55		**111,987,484.04**

Balance as at 31 December 2011

	2011		2010	
Working Progress - NHDA - Office Building	16,526,691.13		5,733,818.08	
Working Progress - NHDA - Housing Scheme	86,021,533.42		106,253,665.96	
		102,548,224.55		**111,987,484.04**

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

	2011		2010	
	Rs.	Rs.	Rs.	Rs.
Stationery & Office Requisites	3,351,323.21		2,102,923.21	
Electrical Goods & Other Items	200,182.63		258,216.69	
Printing Press Materials	188,240.33		281,363.18	
Stock of tyre tube	884,870.23		194,554.14	
Other - Stock	709,499.96		499,481.45	
	5,334,116.36	5,334,116.36	3,336,538.67	3,336,538.67
Balance Houses	34,699,023.00		37,450,377.20	
Reserve Houses	28,597,027.67	63,296,050.67	6,740,128.39	44,190,505.59
Inventory Items NEMO		-		66,662,664.00
		68,630,167.03		**114,189,708.26**

NOTE [17] INTEREST RECEIVABLE

	2011 Rs.	2010 Rs.
Treasury Bills	4,756,929.57	3,479,089.71
Bank and Others	16,428.09	55,278.66
HDFC Bank	7,911,715.27	12,176,464.62
	12,685,072.93	**15,710,832.99**

NOTE [18] DEBTORS

	2011 Rs.	Rs.	2010 Rs.	Rs.
Rural & Urban Housing Rental	257,207,876.24		261,472,845.17	
LESS Provision for Bad Debts	25,720,787.63	231,487,088.61	26,079,358.26	235,393,486.91
National Housing Dept.House Rent	11,791,626.05		13,525,085.79	
LESS Provision for Bad Debts	1,179,162.60	10,612,463.45	2,632,180.13	10,892,905.66
Loan Instalments - 1 & 1.5 MHP	875,873,832.87		945,717,337.05	
Loan Instalments Under NHFS	263,163,206.43		285,175,533.40	
Loan Programme	1,161,156,876.15		1,292,760,860.91	
Fisheries Loan Programme	27,967,258.94		31,528,038.67	
Loan Instalments Under Diripiyasa Loan	16,012,913.22		15,186,055.01	
Gamanaguma loan programme	97,606,103.00		77,176,445.15	
Loan Instalments - Janasevana (Treasury & IG Loa	23,378,326.65			
Loan Instalments - Janasevana (Banks) I 12%	9,411,990.22			
Loan Instalments - Janasevana (Banks) II 10%	5,016,796.80			
LESS Provision for Bad Debts	1,935,511,332.40	544,075,971.88	1,951,424,445.38	696,119,824.81
Loan Instalments - NHD	39,445,344.66		39,753,966.22	
LESS Provision for Bad Debts	39,445,344.66	0.00	38,540,116.23	1,213,849.99
Debtors - Sale of Houses	75,606,181.19		91,046,639.48	
LESS Provision for Bad Debt	7,560,618.12	68,045,563.07	8,287,411.53	82,759,227.95
Festival Advances to Staff		2,073,140.00		2,246,540.00
Distress Loan to Staff		124,595,857.17		122,967,556.42
Salary Loans to Staff (Property)	3,411,143.28		2,451,158.45	
LESS Provision for Bad Debt	-	3,411,143.28	(249,150.65)	2,202,007.80
Vehicle Loans		40,486.99		81,111.99
Loss of Cash Recoverable		874,515.58		875,071.08
Instalment for Long Term Loan		1,469,784.31		1,512,088.92
Sale of Land	37,741,604.98		36,980,883.84	-
LESS Provision for Bad Debt	(3,774,160.49)	33,967,444.49	(3,698,088.31)	33,282,795.53
Sevana Media		24,269,072.15		23,597,686.37
Supply of Security Services		6,088,160.71		5,891,038.47
Insurance Claim Receivable		-		1,688,267.20
Sundry Debtors		1,623,687,262.34		1,669,695,942.40
National Equipment & Machinery Organisation		230,807,533.29		234,307,533.29
Debtors for Hiring of Machinery		-		401,407.55
Tsunami Distress Programme to staff		1,084,911.09		1,084,911.09
Scholarship Training Loan Programme		462,264.40		601,397.20
Lease Rent Receivable		4,091,806.70		4,092,206.70
District Transactions		10,196,689.37		1,361,906.38
		2,921,341,158.88		**3,132,268,763.71**

NOTE [18] SUB SUNDRY DEBTORS

	2011	2010
	Rs	Rs
C.G.R. Maligawatta Project	58,125,000.00	58,125,000.00
OVDC	1,320,000.00	-
Consolidated fund C/B	47,462,688.25	47,462,688.25
BAY - SAT (Darly Road)	712,000,000.00	712,000,000.00
No Pay Recoverable	23,915.70	18,653.21
Tresury Grant Receivable - Jaltara	215,899,298.98	215,899,298.98
Other Receivable	2,063,554.82	71,555.89
U D A	51,843,285.53	51,843,285.53
C H P	16,390,915.81	21,791,857.29
HDFC Jaltara & Manikkawatta Housing Programme	518,558,603.25	562,483,603.25
	1,623,687,262.34	**1,669,695,942.40**

NOTE [19] DEPOSITS & ADVANCES

	2011	2010
	Rs	Rs
Travelling Advances	305,705.97	325,498.47
Salary Advances	107,257.30	88,057.30
Miscellaneous Advances D P	51,960,643.39	3,512,629.83
Miscellaneous	72,110.00	113,050.00
Electricity - Jaltara	2,500.00	2,500.00
Electricity - NHDA	980,930.06	978,930.06
Fuel Advances	21,219.65	46,612.92
Rent	257,120.00	165,620.00
Security	629,664.89	1,116,392.62
Common Amenities Board (C.M.A.)	8,863.32	20,984,863.32
NewsPapers	600.00	600.00
Deposits at Rural Bank & Savings Bank	6,150.00	6,150.00
Other Special Advances to Staff	221,092.02	41,042.02
Reimbursable Expenses by Other Institutions	66,187,138.23	58,365,847.54
Services	4,823,172.30	4,640,663.93
Deposits for Water Supply	13,312.50	14,762.50
Advances to Suppliers	17,770,737.16	783,328.07
Salary Advance to Medical Leave	1,950.00	5,850.00
Advance - Wellfare	0.00	1,000,000.00
Deposits for Construction of Estate Workers Houses	490,943,739.64	318,626,540.41
	634,313,906.43	**410,818,938.99**

NOTE [20] CASH AND BANK BALANCES

	2011	2010
	Rs	Rs
Colombo City North	797,082.61	457,809.90
Colombo City South	1,276,212.96	212,815.60
Colombo District	1,201,469.30	1,233,618.33
Gampaha	3,863,304.73	1,408,539.21
Kalutara	2,930,568.97	1,335,956.68
Kandy	3,277,937.49	419,496.47
Matale	1,227,538.79	270,562.93
Nuwara-Eliya	839,907.36	207,828.43
Galle	2,910,595.02	510,028.44
Matara	1,077,975.38	342,275.96
Hambantota	397,521.02	642,609.77
Jaffna	1,182,692.51	230,294.38
Mannar	198,971.92	142,337.40
Mankulam	191,173.15	339,738.61
Kilinochchi	70,431.08	210,784.51
Vavuniya	641,372.24	284,676.28
Batticaloa	23,148,919.38	437,252.47
Ampara	389,493.47	282,764.49
Trincomalee	3,402,192.07	465,564.33
Kurunegala	1,042,937.75	1,144,274.83
Puttlam	3,288,949.32	335,163.89
Anuradhapura	468,143.01	2,987,396.57
Polonnaruwa	441,234.20	277,702.61
Badulla	1,949,190.59	172,367.07
Monaragala	987,423.12	184,817.06
Ratnapura	929,006.79	476,412.52
Kegalle	2,376,346.59	402,204.40
Kalmunai	346,291.60	282,597.67
National Savings Bank - NHD	32,383.43	32,383.43
National Savings Bank -Rent Agent Deposit	300,000.00	400,000.00
Soysapura	224,042.23	115,311.58
Cash and Bank Balances H/O	67,178,582.17	35,083,160.88
Petty Cash Balance	-	83.96
	128,589,890.25	**51,328,830.66**

NOTE [21] RESERVES

GOVT GRANTS	**2011**		**2010**	
	Rs.	**Rs.**	**Rs.**	**Rs.**
Balance as at 01st January 2011	12,985,053,971.45		12,712,429,499.91	
Coast Line Project	44,000,000.00		44,000,000.00	
	13,029,053,971.45		12,756,429,499.91	
For the Year	1,121,300,000.00		322,275,875.43	
	14,150,353,971.45		13,078,705,375.34	
LESS :Grant - Disbursed/NEMO	161,079,193.70	13,989,274,777.75	49,651,403.89	13,029,053,971.45
Assets Grant		-		264,963,453.43
Balance as at 01st January 2011				
Grant for Jaltara Project	-		368,538,000.00	
For the Year	-		(368,538,000.00)	
OTHER GRANTS				
Balance as Per last Balance Sheet	1,570,158,626.39		1,545,304,422.67	
For the Year	648,402,577.48		125,782,923.14	
	2,218,561,203.87		1,671,087,345.81	
LESS :Grant - Disbursed/NEMO Adjustmen	362,103,380.89	1,856,457,822.98	100,928,719.42	1,570,158,626.39
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
		16,316,798,901.76		**15,335,242,352.30**

NOTE [22] LOANS

	2011		**2010**	
	Rs.	**Rs.**	**Rs.**	**Rs.**
Treasury	-		-	
Treasury Loan NHD	625,000.00	625,000.00	1,765,500.00	1,765,500.00
Ministry of Rehabilitation		130,950,398.90		130,950,398.90
Housing Development Finance Corp.Bank		-		42,743.99
CHP Bond		15,209,800.00		15,315,600.00
EDCF Loan for Jaltara Project		721,748,118.96		721,748,118.96
Loan From Fisheries Ministry		89,141,173.84		89,141,173.84
UDA - Nupewala Project		21,215,000.00		23,336,500.00
Plantation Housing & Social Welfare Trust		18,460,613.30		18,460,613.30
Loan under Diripiyasa		59,694,950.84		65,797,750.65
Loan under Janasevana I (12%)		751,442,883.96		
Loan under Janasevana II (10%)		724,850,166.00		
		2,533,338,105.80		**1,066,558,399.64**

NOTE [23] CREDITORS

	2011	2010
	Rs	Rs
Sundry - (NOTE [23] SUB1)	898,083,418.39	814,359,676.70
Expense Creditors	12,875,201.33	61,079,025.67
Retention Fees - Contrcactors	90,827,118.13	87,917,119.08
Retention Fees - Suppliers	351,177.30	351,177.30
Unpaids	70,862,438.56	62,920,120.14
Land Compensation	191,728,508.91	234,420,998.56
Retention Fees Jaltara Project	97,239.80	97,239.80
Others - cancelled Cheques	-	59,195.56
National Water Supply & Draninage Board	35,249,722.31	35,249,722.31
Creditors for Work done on Contract	30,010,375.28	28,915,525.58
Director of Buildings	46,359,687.44	46,359,687.44
Reel Company	10,937,500.00	10,937,500.00
B.M.C	103,008.25	103,008.25
C.M.A.	1,910,914.54	2,262,134.00
	1,389,396,310.24	**1,345,129,593.15**

NOTE [23] SUB1 SUNDRY CREDITORS

	2011	2010
	Rs	Rs
Rent Received in Advance	2,143,269.18	1,303,492.92
Loan Installment Received in Advance	52,909,378.38	12,472,048.54
Sale of Housing Installment Received in Advance -U.H	12,077,001.49	11,598,495.84
Money Received From Other Institutions	101,118,671.34	92,555,120.31
Sale of Land Advance Received	75,796,299.47	75,887,540.38
Stamp fees Received	4,452,411.50	4,649,435.10
Over Recovery Rent Collection	1,401,505.19	49,895.47
Deferred Tax	20,857,472.13	21,296,348.07
Estate Housing Programme - Ministry of Housing	621,301,607.96	589,239,564.19
Sevena Media Creditors	3,574,199.40	4,163,167.58
Moter Cycle Leasing Programme	27,069.04	27,069.04
With Holding Tax /Tax Payable	2,424,533.31	1,117,499.26
	898,083,418.39	**814,359,676.70**

NOTE [23] SUB2 UNPAIDS CREDITORS

	2011 Rs	2010 Rs
Salaries	762,677.19	584,754.56
Travelling	90,645.93	144,141.60
Overtime	149,582.94	157,089.59
Notary Fees	32,632,894.32	30,813,605.51
Stamp Fees	13,331,534.65	8,962,470.27
Bonus	35,750.08	76,166.00
Accured Expenses	18,811,436.45	14,726,982.06
Accured Expenses for Jaltara Project	2,516,626.86	2,940,626.86
Building Insurance Received	-	1,954,686.01
Accured Expenses Sevana Media Service	2,531,290.14	2,559,597.68
	70,862,438.56	**62,920,120.14**

NOTE [24] CURRENT LIABILITIES FOR LOANS

	2011 Rs	2009 Rs
Instalment Payable President's Fund Loan	195,000,000.00	195,000,000.00
Interest Payable President's Fund Loan	228,156,164.00	198,906,164.00
Interest Payable Rehabilitation Authority	32,629,267.93	30,720,000.00
Interest Payable Treasury Loan	132,677,116.69	132,567,320.44
Interest Creditors Debentures	1,354,356.33	1,354,356.33
Instalment Payable Treasury Loan	369,592,929.13	368,452,429.13
Interest Payable CHP	7,630,151.68	7,630,151.68
Instalment Payable Rehabilitation Authority	126,013,000.00	128,000,000.00
Interest Payable Diripiyasa Loan	6,720,826.08	3,320,287.19
Instalment Payable On Diripiyasa Loan	4,338,489.43	2,864,545.12
Instalment Payable Nupeweela Loan	21,215,000.00	19,093,500.00
Interest Payable Nupeweela Loan	51,556,286.08	48,820,074.19
CHP Bond Payable	-	327,500.00
	1,176,883,587.35	**1,137,056,328.08**

NOTE [25] DEPOSITS

	2011 Rs.	2010 Rs.
Advance Received For Construction Projects	13,315,764.41	13,315,764.41
Refundable Deposits	152,422,860.55	155,050,339.28
United Nations High Commissoner For Refugees	-	749,470.65
Housing Schemes Maintenance	61,497,290.77	61,802,859.92
Deposit For Sale of Houses	151,722,362.82	135,667,657.33
Scholarship programme	468,150.00	478,150.00
Deposit For Sale of Land	1,033,644,303.13	1,010,725,866.80
	1,413,070,731.68	**1,377,790,108.39**

NOTE [25] SUB REFUNDABLE DEPOSITS

	2011 Rs.	2010 Rs.
Tender Deposit	4,294,826.87	3,507,050.69
Security Deposit	3,818,352.56	3,351,308.89
Sundry Deposit	38,112,666.98	40,842,153.30
Aided Self Help Houses	55,336.05	57,596.70
Model Village	-	75,935.75
Urban Housing Programme	48,248,049.59	48,062,059.44
Commercial Buildings	18,694,890.42	19,740,281.59
Deposit for Development Activities	30,561,542.43	30,929,510.95
25% Deposit On Consaltancy Fees	3,275,745.79	3,275,745.79
Rent Deposit	2,065,238.63	2,065,238.63
Refundable Deposits - 2 1/2% From Suppliers	590,000.00	590,000.00
Rent Purchase House Deposit NHD	-	5,191.00
Refundable Deposits - NHD CHP	429,827.00	415,827.00
Deposit Under Rent Act.	600,000.00	600,000.00
Deposit Housing Societies NHD	1,147,998.75	1,147,998.75
Rent Agents Deposit UH Collection	528,385.48	384,440.80
	152,422,860.55	**155,050,339.28**

NOTE [26] PROVISIONS

	2011 Rs.	2010 Rs.
Gratuity	475,101,209.88	446,898,873.08
Audit fees	2,691,840.00	2,991,459.00
Unrealized Profit on Sale of Land	-	94,816.85
Unrealized Profit on Sale of Houses	-	754,357.84
	477,793,049.88	**450,739,506.77**

NOTES ON INCOME & EXPENDITURE ACCOUNTS

NOTE [27] RENT INCOME

	2011 Rs.	2010 Rs.
NHD House Rent	862,332.60	910,238.56
Residential Houses	12,774,499.60	8,566,807.61
Public Servants Quarters	3,375,550.48	1,868,175.48
Commercial Building	32,487,433.30	33,008,292.88
Lease Rent	8,481,254.53	2,704,394.48
Circuit Bungalow Rent	1,698,720.25	2,690,619.67
	59,679,790.76	**49,748,528.68**

NOTE [28] INTEREST INCOME

	2011 Rs.	2010 Rs.
Distress Loans	5,024,024.20	3,792,060.76
Vehicle Loans	6,806.16	11,060.01
Interest on Sale of Houses Instalments	28,107,425.51	26,499,374.70
Interest on Sale of Land Instalments	3,251,316.09	3,026,075.54
Interest on Loans to H.D.F.C	7,911,715.27	14,176,464.62
Interest on 1M Housing	30,170.57	3,780.05
Interest on Loan Under 1.5M	30,847.20	62,468.19
Interest on Loan NHFS	395,813.80	2,505,180.73
Interest on Treasury Bills	56,784,060.69	33,603,305.05
Interest on Loan Under Diripiyasa	4,373,751.09	4,800,899.37
Interest on Gamanaguma Programme	107,262,799.18	104,829,106.60
Interest on Janasevana I 12% (Banks)	57,180,881.97	-
Treasury Fund & IG Loan Interest 2011	63,867,825.75	-
Interest on Janasevana II 10% (Banks)	29,419,213.54	-
Staff Housing Loan	8,051,528.30	8,613,186.39
Interest on Fisheries Houses & Estate	7,018,238.97	9,844,052.68
Loan Programme	107,454,481.18	128,232,959.67
Other Interest	1,578,131.01	1,896,265.16
	487,749,030.48	**341,896,239.52**

NOTE [29] INDIRECT OPERATION INCOME

	2011 Rs.	2010 Rs.
Sundry Income	-	402,765.27
Services Charges on Housing Loan	20,430,850.66	2,747,798.64
Housing Transfer Fees	10,283,514.09	6,755,836.09
Administration Charges	7,886,262.65	1,637,791.93
Sale of Documents, Books, Others Etc.	2,339,166.76	765,875.22
Sale of Unserviceable Items	46,337.38	496,680.20
Hire of Premises	6,219,008.30	5,691,793.50
Dividend Received from HDFC Bank & OVDC	15,801,000.00	14,481,000.00
Grant - Revamping of Condominiums	84,026,418.70	-
Hire of Furniture	56,800.00	-
	147,089,358.54	**32,979,540.85**

NOTE [30] NON REFUNDABLE DEPOSITS

	2011 Rs.	2010 Rs.
Tender Deposits	597,557.00	118,450.00
	597,557.00	**118,450.00**

NOTE [31] PERSONNEL EMOLUMENTS

	2011 Rs.	2010 Rs.
Salaries and Wages	401,140,063.81	427,707,472.77
Overtime	27,220,115.89	21,353,529.43
Other Allowances	21,123,323.01	8,166,046.91
Cost of Living Allowances	126,154,643.18	121,154,704.59
Incentive Payments	19,181,909.38	10,847,131.62
Bonus	1,843,490.27	2,098,934.79
E P F Contributions	47,568,531.99	51,052,657.37
E T F Contributions	12,040,687.95	12,659,924.07
Compensation	2,529,974.32	706,975.00
Holiday Payment	1,316,113.78	867,971.09
Training & Scholarships	350,665.00	695,013.24
Encashment of Vacation Leave	12,243,166.95	12,187,155.16
Reimbursment of Membership Fees	74,684.00	20,491.00
Staff Medical Scheme	6,505,607.79	7,873,233.50
Entertainment	3,324,052.59	1,598,233.78
Medical Report Charges	36,971.00	15,875.00
Gratuity Provision	99,745,609.20	40,770,205.35
Allowance for Board of Survey	151,026.50	104,050.00
	782,550,636.61	**719,879,604.67**

NOTE [32] TRAVELLING EXPENSES

	2011 Rs.	2010 Rs.
Travelling - Local	18,076,523.27	12,532,476.27
Travelling - Foreign	1,182,226.55	385,095.76
	19,258,749.82	**12,917,572.03**

NOTE [33] SUPPLIES

	2011 Rs.	2010 Rs.
Stationery & Office Requisites	21,471,170.86	11,572,467.98
Fuel for Motor Vehicles	14,676,952.51	11,775,580.89
Transport & Hiring of Machinery & Equipment Etc.	1,424,195.70	475,662.10
Health Sanitary & Other Services	925,944.72	918,316.08
Printing Charges	1,461,562.12	808,498.03
Newspapers & Periodicals	795,716.87	768,792.99
Uniforms	165,294.25	432,830.69
Services-Tea Supply Employees Welfare	3,382,206.94	3,042,956.61
Welfare	339,513.88	33,221.00
Name Boards and Opening Ceremonies	18,538,509.98	3,854,477.74
	63,181,067.83	**33,682,804.11**

NOTE [34] MAINTENANCE EXPENDITURE

	2011 Rs	2010 Rs
Buildings & Structures	24,909,961.35	16,711,758.83
Plant, Machinery & Office Equipment	4,722,255.82	6,068,540.90
Motor Vehicles	16,512,597.24	11,803,084.37
Furniture	207,756.00	117,376.62
Housing Scheme	24,612,087.58	21,969,420.68
Circuit Bungalow Expenses	4,280,912.33	2,848,760.34
Rewamping of Condominiums	84,026,418.70	
	159,271,989.02	**59,518,941.74**

NOTE [35] CONTRACTUAL SERVICES

	2011 Rs	2010 Rs
Tender Document Fees	32,100.00	33,296.48
Hiring of Motor Vehicles	3,802,145.86	876,290.00
Telephone	7,314,488.37	6,312,151.72
Electricity & Water	12,797,006.59	11,221,542.02
Rent for Office Buildings	1,852,343.12	2,127,833.96
Rates	8,620,264.60	5,628,563.37
Advertisement	3,510,880.90	49,233.00
Legal Fees	5,600,324.09	931,602.82
Postage	7,617,444.32	5,931,267.96
Insurance	2,527,406.45	2,507,463.62
Licence Fees	490,200.00	405,158.00
Information & Publicity	11,607,227.18	1,907,499.99
	65,771,831.48	**37,931,902.94**

NOTE [36] FINANCE EXPENSES

	2011	2010
	Rs.	Rs.
Audit Fees	500,000.00	1,114,077.29
Bank Charges	2,221,632.13	871,475.68
Stamp Duty	182,952.30	241,909.22
Others	-	689,796.59
Rebates to Tenants	5,443,731.24	8,723,845.97
President Fund Loan Interest	29,250,000.00	29,250,000.00
Treasury Loan Interest	109,796.25	204,981.25
Commission Paid - Loan Collection	51,843,873.72	36,878,092.25
Commission Paid - Rent Collection	4,177,037.43	3,044,371.76
Discount to Borrowers on Lump Sum re-Payments	8,252.42	39,472.19
Bad & Doubtful Debts		98,840,722.79
Fines & Surcharges	10,522.34	27,875.43
Interest Payment -Commercial Banks On Diripiyasa Loan	5,719,427.66	6,251,766.81
Interest Payment Bank loan Upahara	39,157,645.17	-
Interest Payments Other Loans	4,696,250.06	4,916,287.90
Survey Expenses/Valuation	2,704,341.92	3,722,742.54
Compensation Others	80,000.00	-
WHT	2,744,441.89	-
NBT	580,689.48	753,870.38
FSL	394,658.05	274,792.40
Economics Service Charges (Tax)	4,597,242.79	1,371,637.41
Debit Tax	516,006.72	851,349.74
VAT	9,975,002.85	4,834,285.29
Expenses on CHP Board of Review	268,195.00	316,294.38
Expenses Under CHP	12,750.00	11,850.00
	165,194,449.42	**203,231,497.27**

NOTE [37] INDIRECT OPERATIONAL EXPENSES

	2011	2010
	RS	RS
District Housing Committee Expenses	1,373,398.44	987,591.00
Expenditure on Exhibition	6,053,844.33	6,793,965.82
Services	219,143.00	1,199,022.39
Removing of Unauthorized Tenants	62,116.00	181,640.00
Infrastructure facil. for 100 Houses Prog. - UHSP	237,180.00	359,421.74
	7,945,681.77	**9,521,640.95**

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31ST DECMBER 2011

Rs. in Mln

	CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	ACCUMULATED PROFIT	TOTAL
Balance as at 01/01/2011	40.000	15,466.925	227.559	(11,132.058)	4,602.426
Changes during the year		981.557	(227.559)	166.079	920.077
					-
Balance as at 31/12/2011	40.000	16,448.482	-	(10,965.979)	5,522.503

NATIONAL HOUSING DEVELOPMENT AUTHORITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

CASH FLOW FROM OPERATING ACTIVITIES			Rs.Ml
Net profit / Loss before taxtation			
	NHDA	(518.293)	
	NEMO	(7.128)	
	OVDC	13.292	(512.129)
ADJUSTMENT			
Depreciation			
	NHDA	41.128	
	NEMO	2.751	
	OVDC	7.974	51.853
			(460.28)
Less			
Nemo adjustment		689.37	
Investment income		(64.70)	
Divident received		(15.80)	
		(11.38)	
Operation Profit before working capital			597.49
			137.22
Changes of working Capital			
Increase / Decrease in stock & working progress		65.01	
Increase / Decrease in other receivable		(507.03)	
Increase / Decrease in Payable		(292.26)	
Increase / Decrease in Province		26.70	(707.59)
Cash generated from Operation			(570.38)
Cashflow from Investment activities			
Long term investment		143.35	
Minority interest		1.64	
Purchase of property Plant & Equipment		(64.37)	
Increase / Decrease in deveopment Assest		(1858.26)	
Proceeds from sale of fixed assets		140.85	
interest received		64.70	
Divident received		15.80	
Gratuity fund		0.87	(1555.43)
Cash flow from financing Activities			(2125.80)
Net cash used form investment activities			
Grant Received		742.84	
Loans		1466.78	2209.62
Net increase in cash & cash Requirement			83.82
Cash & Cash equivalent as at 01.01.2011			61.95
Cash & Cash equivalent as at 31.12.2011			145.76

Report of the Auditor General

TH/C/NHDA/2011/FA 26 December 2012

The Chairman
National Housing Development Authority

Report of the Auditor General on the Consolidated Financial Statements of the National Housing Development Authority and its Subsidiary for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of consolidated financial statements of the National Housing Development Authority and its subsidiary comprising the balance sheet as at 31 December 2011 and the income 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 National Housing Development Authority Act, No. 17 of 1979. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman of the Authority on 23 August 2012.

1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Sri Lanka 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 consolidated financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatements of the consolidated 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 consolidated 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 the consolidated financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

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

1:4 Basis for Qualified Opinion

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

2. Financial Statements

2:1 Qualified Opinion

In my opinion except for the effects of the matters described in paragraph 2.2 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 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2:1:1 Preparation of Consolidated Financial Statements

The following observations are made.

(a) The consolidated financial statements had been prepared on the basis of unaudited financial statements for the year ended 31 December 2011 of the Ocean View Development Company Limited which is the subsidiary company of the National Housing Development Authority and the net assets of the Subsidiary Company had been about 5 per cent of the net assets of the Authority.

(b) Even though the 49 per cent of the total share capital of the Housing Development Finance Corporation Bank of Sri Lanka is owned by the National Housing Development Authority, the final financial statements of the Bank had not been consolidated with the accounts of the Authority as the Authority could not influence for any activities of the Bank.

2:2 Comments on Financial Statements

2:2:1 Sri Lanka Accounting Standards

Although a provision of Rs.475.10 million had been made for the gratuity by the Authority as at the end of the year under review in terms of standard 16, only a sum of Rs.8.841 million had been invested externally to meet the future liability for the payment of gratuity but an investment to cover up the total liability had not been made.

2:2:2 Accounting Policies

Accounting Policies stated in the Financial Statements

According to the Note 10 to the accounts, the marked value of land which is acquired for the purpose of houses and without paying compensations and the expenditure incurred thereon should be transferred to a Land Acquisition Reserve Fund. Nevertheless, such a fund had not been shown in the financial statements.

2:2:3 Accounting Deficiencies

The following accounting deficiencies were observed.

(i) Lands, 943 hectares in extent acquired/obtained for housing schemes from blocks of lands remained further in several housing schemes had not been assessed and brought to account.

(ii) Per value of bonus shares of Rs.276,500,000 issued on investment in the Housing Development Finance Corporation Bank had not been brought to accounts since 2002.

(iii) The value of 5 motor cycles and a double cab received under GTZ project had not been estimated and brought to accounts.

(iv) A sum of Rs.43.51 million received in respect of 2 completed projects had been continuously brought forward in the working progress account.

(v) Sufficient provision had not been made for the loss of 08 motor cycles and a jeep valued at Rs.400,000 and Rs.112,864 respectively attached to the North and East District Offices.

(vi) Despite the period of 5 years had lapsed after completion of the relevant purpose from the funds received from the Urban Development Authority and the National Livestock Development Board amounting to Rs.10.84 million it had been shown under deposits without being adjusted in the accounts.

(vii) The under provision of bad and doubtful debts made in respect of the housing loans totaling Rs.2,479.59 million amounted to Rs.53.74 million during the year under review.

2:2:4 Inappropriate Disclosures

Although the retention money had been released to the contactor after being settled the house beneficiaries in the completed houses relating to the stage 4 of the 797 estate at Maradana during the year under review, a payable expense of Rs.2,886,906 had been shown in the working progress account. The General Manager of the Authority had informed me that as the contractor had abandoned the other projects half way undertaken by the contactor, this money had been shown under this project in order to set off the money against the advances of those projects.

2:2:5 Unexplained Differences

Although, a sum of Rs.8,863 shown in the financial statements of the National Housing Development Authority as advances payable to the Housing Authority from the Condominium Management Authority, the amount shown in the financial statements of the Condominium Management Authority as payable amounted to Rs.1,229,974. Accordingly a difference of Rs.1,221,111 was observed.

2:2:6 Accounts Receivable and Payable

The following observations are made.

(a) The accuracy of the debtor balances of Rs.54.67 million shown in the accounts of the Authority as receivable from the Urban Development Authority and the Central Environment Authority had not been agreed upon with the relevant Institution and the Ministry of Housing and Common Amenities had informed that the loan balance of Rs.64.71 million due from the Ministry could not be reimbursed. As such, the recoverability of this loan had been uncertain and a sufficient provision for bad debts thereon had also not been made.

(b) Sundry debtor balances as at 31 December 2011 amounted to Rs.1,623.69 million and it included debtor balances totaling Rs.1,356.49 million remained for more than 03 years. The authority had not taken any effective action to recover those balances.

(c) An overprovision of Rs.31.22 million had been made in the year 2011. It was observed that proper attention had not been paid in respect of the age analysis and the recoverability of debts in making provision for doubtful debts.

2:2:7 Transactions of Contentious Nature

The following observations are made.

(a) Three Hundred and ninety five houses valued at Rs.562.48 million constructed and completed under Jalthara project had been handed over to the Housing Development Bank without signing an agreement and no explanation had been given in respect of this transaction. Thus the profit on this transaction amounting to Rs.215.89 million had also not been adjusted to the accounts of the Authority.

(b) The Land bearing block No.51 reserved for common amenities in the Mattakkuliya Crow Island Seebris Housing Scheme had been sold for a business purpose and it had not been in conformity with the objectives of the Authority.

3. Financial Review

3:1 Financial Results

Operating activities of the Authority and the financial results of the Subsidiary Company for the year under review as compared with the last 4 years as per the financial statements are given below.

Institution	2011 Rs.Mn.	2010 Rs.Mn	2009 Rs.Mn	2008 Rs.Mn	2007 Rs.Mn
Deficit of the operating activities of the Authority	(518.29)	(666.73)	(502.66)	(646.74)	(784.75)
Profit of the Ocean View Development Authority	11.01	9.62	12.47	15.7	26.68

3:2 Analytical Financial Review

Due to incurring drastically losses continuously during the last 5 years the net assets had been diminished by 11 per cent and as such the Going Concern of the Authority under this circumstance had become critical.

3:3 Working Capital Management

Current ratio and the liquidity ratio of the Authority in the year 2010 and the year under review had been 1:0.99 and 1:1.02 and 1:0.90 and 1:0.92 respectively and the standard ratio shall be 2:1 and 1:1 respectively.

4. Operating Review

4:1 Performance

The following observations are made.

(a) According to the action plan, the physical houses planned to be constructed during the year amounted to 55,587. But the actual constructions were 14,278 houses thus showing a progress of about 26 per cent. However, according to the revised action plan approved on 29 November 2011 the construction progress was 46 per cent.

(b) According to the action plan, it was planned to construct 3,800 housing units but it was not stated in the revised action plan.

(c) Although it was planned to construct 1,270 housing units valued at Rs.3,235 million under the "Sahasra Lanka" (Investment projects, private and public contributory houses) Project. Any construction work had not been commenced during the year under review. The General Manager of the Authority had informed me that the construction work of 3 projects had been commenced by 31 August 2012.

4:2 Management Inefficiencies

The following management inefficiencies were observed.

(a) As pointed out in the previous Auditor General's reports it was revealed that the integrated project with the private sector participation relating to the land, 01 acre and 26.5 perches in extent in the Darly Road had incurred an estimated loss of Rs.1,000 million due to non-adoption of good management practice. According to a discussion had with a Senior Legal Consultant of the Cabinet of Ministers in this regard, the freehold right of government lands should not be transferred but the Authority had given the freehold title deeds of the land to the relevant company. The General Manager of the Authority had informed me in this regard that it was recommended that giving right of foreclosure for the restitution of property keeping the deed of property in bank in Sri Lanka as a guaranteed trust as the freehold deed had been already given.

(b) Although the building plans should be approved by the relevant local authorities before the housing schemes are constructed, houses had been constructed without being complied with it and as such difficulties had arisen to obtain the certificate of conformity for 3509 houses in 141 housing schemes as at the end of the year under review. Although a Cabinet memorandum had been prepared only for 3,357 houses out of them, and sent for approval on 12 August 2011, the necessary approval had not been obtained even by the end of the year under review. Under these circumstances, Management Corporations could not be established after transferring the houses to house owners in the housing schemes and as such the maintenance activities of those housing schemes had been continuously carried out by the Authority. A sum of Rs.24.61 million for the maintenance and Rs.84.03 million for repairs had been spent during the year under review.

(c) 229.4 acres of lands with constructions done by encroachers within the properties of the Authority in 19 Districts had been identified as at the end of the year under review out of which the extent of land possessed for more than 10 perches amounted to 187.7 acres. The extent of land less than 10 perches which could be regularized amounted to 22.6 acres and 19.1 acres had been utilized for cultivation. The General Manager informed me that a scheme to regularize the encroachers who could be regularized and to regularize the other encroachers in terms of Circular No. 99/2 dated 17 December 1998 had been presented to the Ministry.

(d) The balance of loans granted during the period 1989 to 1994 to acquire solar power to 526 families in Kurunegala District amounted to Rs.4,248,206 as at 31 December 2011. But not any money had been recovered during the year under review. A specific procedure had not been adopted to recover these loan balances.

(e) In selling the Liberty Plaza circuit bungalow belonging to the Authority to a private institution the value of the Government Valuer had not been obtained, instead only the valuation of the Authority's Valuer had been obtained. However, according to the valuation of the Government Valuer obtained subsequently amounted to Rs.11,520,000 but the amount paid by a private institution amounted to Rs.9,000,000. This matter had been discussed at the meeting of the Committee On Public Enterprises met on 14 October 2011. According to the order of the Committee it was informed that a report in this regard should be submitted within 3 months, but action had not been taken in respect of this direction even by 31 May 2012.

(f) The land on Kirimandala Road belonging to the Authority had been sold to an ECO Housing Project in the year 2003 for Rs.75 million without a valuation of the government valuer. The approval of the Cabinet of Ministers had not been obtained, thereon and according to the valuation of the Government Valuer dated 10 February 2007 the assessed value was Rs.121.5 million. Even though the Committee On Public Enterprises met on 14 October 2011 had directed to submit a detailed report in this regard, it had not been complied with even up to 31 May 2012.

(g) Although the Mahayiawa Housing Project consisting of 32 houses had been constructed by the Authority in the land belonging to the Kandy Municipal Council by incurring construction cost of Rs. 20 million, action had not been taken to reimburse this money from the Kandy Municipality even up to the end of the year under review.

4:3 **Operating Inefficiencies**

The following operating inefficiencies were observed.

(a) Three houses in Homagama Jalthara and Diyawanna Gardens Housing Schemes belonging to the Authority had been released to 3 persons for occupation outside the system of distribution of houses, without any agreement and even without obtaining any advances.

(b) Sixteen houses had been constructed by incurring an expenditure of Rs.2.67 million from 1998 to 2001 by the Kandy District Office in the Galaha Housing Scheme but the construction works of those houses had not been completed even by the end of the year under review.

(c) A sum of Rs.1.355 million had been released to the Plantation Human Development Trust for Millakanda and Procester Estate Project under Estate Housing Programme by the Ministry of Nation Building and Estate Infrastructure Development during the year 2008 but the relevant project had not been implemented and a sum of Rs.599,000 was still due.

(d) Lands acquired/ to be acquired from the Public and Private Sectors for housing purposes amounted approximately 5,931 hectares but the register of lands relating to these lands had not been updated even by the end of the year under review. It was observed that many lands had been encroached. The General Manager informed me that information relating to Northern and Eastern provinces was not included in this report as the lands could not be specifically identified due to war-environment prevailed in those provinces.

(e) Due to non-payment of compensation to lands acquired during the period 1979-2010 on time as a result of administrative delays the value of compensation payable for private lands as at 31 December 2011 amounted to Rs.93.12 million and interest of Rs.65.16 million thereon had to be paid by the Authority. Similarly, a further sum of Rs.33.60 million had to be paid for lands acquired by the Land Reforms Commission.

(f) As the assessment computed at a later year after several years from the date of acquisition of many lands, a huge loss had been incurred by the Authority and that assessed value also could not be paid.

Name of Land	Year of acquisition	Year of assessment	Value of assessment Rs.
Kurakkane Watta	1995	1999	2,000,000
Swashakthigama	1981	1999	1,850,000

(g) The overpaid amount of VAT totaling Rs.14,381,122 paid by the Authority relating to the years 2003, 2004 and 2005 had not been recovered or set off.

(h) According to the letter dated 03 June 2011 of the Department of Inland Revenue, the arrears of VAT and its fines relating to the years 2009 and 2010 amounted to Rs.24,775,876 and Rs.3,251,381 respectively and action had not been taken to settle them even by 15 June 2012.

4:4 **Control Over Housing Loans**

The following observations are made.

(a) According to the accounts a debtor balance and a capital balance of Rs.2,479.58 million and Rs.4,734.80 million respectively in the housing loan programme had existed as at the end of the year under review, as compared with the end of the previous year amounting to Rs.2,647.34 million and Rs.2,558.3 million respectively.

(b) As the Authority had considered 50.78 per cent of the total debtors in deciding the budgeted recovery amount, it was observed that it was a management weakness on loans.

4:5 **Uneconomic Transactions**

The following observations are made.

(a) Although 10 years had elapsed after being invested a sum of Rs. 5 million in an associated company any return thereon had not been received by the Authority as that company had not declared dividends.

(b) A loan of Rs.250 million had been obtained from the President's Fund in the year 1991 by agreeing the repayment with an annual interest of 15 per cent. Loan instalment and the interest thereon had not been paid regularly and the capital balance paid as at the end of the year under review amounted only to Rs.55 million. Accordingly, the capital balance of the loan and the interest thereon payable as at 31 December 2011 amounted to Rs.195 million and Rs.228.16 million respectively. As such a high rate of interest is being paid for the loan obtained from the Presidents Fund and adequate steps had not been taken even to reduce the rate of interest.

(c) After incurring an expenditure of Rs.39.9 million by the Authority in the year 2005 to construct the Orugodawatta Building complex in a land belonging to the Urban Development Authority, the construction works had been abandoned and thereafter the Real Estate (Pvt.) Ltd. had initiated preliminary works to construct the housing complex by March 2006 but the work of that project had also been abandoned now. Even though the relevant company had discussion with the Urban Development Authority to get back the expenditure incurred by the Authority to construct this complex and had come to an agreement, this money had not been refunded by the Urban Development Authority even by the end of the year under review.

(d) The Authority had earned a sum of Rs.45.34 million as rent during the year under review, out of which a sum of Rs.24.61 million had been spent as maintenance expenses as a result of non-transfer of these housing schemes to Management Corporations.

(e) The expenditure amounting to Rs. 43 million incurred in 2 housing schemes which had been abandoned after doing a part of work due to various reasons had been brought to accounts as work in progress.

(f) The construction expenditure of Rs.1,106,176 incurred in Galle District Office had been shown under work in progress. However, the construction work of that District office had been stopped half way.

4:6 **Identified Losses**

The following observations are made in that regard.

(a) Housing loans of Rs.5,965,000 granted under Co-operative Societies Housing Loan Scheme by the Jaffna District Office could not be recovered by the Authority due to misplace of files in respect of 1468 housing loans. Adequate legal action had also not been taken by the Authority. The General Manager informed that as the files were misplaced any legal action could not be instituted.

(b) Few floors of the National Housing Authority building had been rented out to the Housing Development Finance Corporation Bank and the rates as per the assessment of lease rent prepared as at 02 March 2007 had been reduced by the assessment made on 01 January 2008 without adducing any reasons. As such a rent income of Rs.18,083,200 had been deprived of the Authority up to the end of the year under review.

(c) A sum of Rs.76.07 million had been spent for the Avissawella Manikkawatta Housing Project by the end of the year 2007, and 75 incompleted houses had been handed over to the Housing Development Finance Corporation Bank for completion and sale.. An agreement had not been entered with the Bank in this regard and a sum of Rs.43.925 million had been paid by the Bank by the end of the year under review. As such a sum of Rs.32.14 had been lost from this housing project.

4:7 **Weaknesses in Contract Administration**

The following observations are made.

(a) In selling houses under pre-sold basis, the sale should be initiated at the time of planning the houses itself, and the sufficient money for it should be recovered from the buyer of the house. However, the amount of money received from applicants of 08 houses of the 117 garden, stage iv of Elvitigala Mawatha at the time of planning had been less than 01 per cent of the value of house. A sum of Rs.4.97 million was due for 4 houses handed over to the Ministry of Foreign Affairs and 2 houses valued at Rs. 15.2 million had been reserved by obtaining advances of Rs.50,000 and Rs.1,000,000 but no agreement had been entered into and the balance money had not been recovered for more than 2 years.

(b) Although it was planned to construct 770 houses subject to a Rs. 100 million estimate by the Sahasra Lanka Housing Project only action had been taken only to commence one housing project proposed to be constructed 4 houses and re-construction of 05 houses partly completed at the Yakkala Siyane Garden which had been commenced and abandoned by the contractor in the year 2007 . The physical progress of this as at the end of the year under review ranged from 5 to 35 per cent.

(c) An estimate for Rs.255 million had been presented for the repair of Condominium properties of the Authority and a sum of Rs.230 million of it had been received from the Treasury during the year under review out of which a sum of Rs.76.54 had been spent during the year under review. Although the contract had been awarded to the State Engineering Corporation to renovate the Maligawatta Housing Project under this project commencing on 05 April 2011 and to be completed as at 12 April 2012. However, renovations had not been completed even by the date of audit on 15 June 2012.

4:8 Resources of the Authority given to the other Public Institutions

Contrary to the provisions in paragraph 9.4 of the Public Enterprises Circular No. PED/12 dated 02 June 2003, the salaries paid to the 14 officers/employees released to the other institutions as at the end of the year under review amounted to Rs.3.42 million. 07 motor vehicles to the Line Ministry and 05 motor vehicles to the State Engineering Corporation had been released.

4:9 Personnel Administration

Name of Post	As at 31 December 2011			
	Approved Cadre	Actual Cadre	Excess Cadre	No. of Vacancies
Senior Executives	17	07	--	10
Middle Level Management	97	67	--	30
Junior Level Management	143	94	--	49
Management Assistants	913	1,271	358	--
Primary	206	409	203	--
	------	------	-----	-----
Total	1,376	1,848	561	89
	====	====	====	===

The following observations are made.

(a) According to the human resource plan of the Authority the approved cadre had been stated as 2493 but the cadre approved by the Department of Management Services on 01 July 2010 was 1,376.

(b) The actual cadre as at 31 December 2011 was 1,848 and as such it was observed that there were 561 employees in excess of the approved cadre. This excess cadre had included 86 officers who had been recruited on contract and daily paid basis and 161 officers recruited on 31 May 2012. The Authority had paid Rs.16,730,328 as basic salaries to all of those employees.

(c) Contrary to Section 9.3.1 of the Pubic Enterprises Circular No. PED/12 of 03 June 2003, 18 officers had been employed in acting posts for the period from 01 month to 09 years for more than 03 months.

5. Accountability and Good Governance

5:1 Corporate Plan

Although the Authority had prepared a Corporate Plan for the period 2011-2015, in terms of paragraph 5.1.2 of Public Enterprises Circular No. PED/12 of 02 June 2003 as amended by Circular No. PED/47 dated 18 December 2007;

(i) Activities of the Corporate Plan did not state the relationship between the action plan and the budget.

(ii) Operating activities had not been presented by reviewing the operations of the last 3 years.

(iii) A report on the progress of the fulfillment of functions stated in the corporate plan at the end of each year and the evaluation of sections which were not operated and slackness divisions and future actions had not been prepared and the attention of the Board of Directors thereon had not been drawn.

5:2 Internal Audit

The following observations are made in respect of the Internal Audit.

(i) Certain district offices had not been subjected to audit for several years.

(ii) Assignments included in the annual audit programme did not pay sufficient attention on the performance audit.

5:3 Budgetary Control

According to the financial statements presented, as compared the actual income and expenditure amounting to Rs.723.96 million and Rs.1,172.78 million respectively with the budgeted income and expenditure amounting to Rs.929.55 million and Rs.1,192.71 million respectively, differences of Rs.205.59 million and Rs.19.93 million were observed. Accordingly, the budget had not been made use of as in effective instrument of management control.

6. **Systems and Controls**

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

(a) Granting loans
(b) Receipt books
(c) Stores
(d) Contracts
(e) Advances
(f) Personnel
(g) Cash at Bank
(h) Computation of VAT

H.A.S. Samaraweera
Auditor General