

ANNUAL REPORT 2016



NATIONAL HOUSING DEVELOPMENT AUTHORITY

Ministry of Housing & Construction

National Housing Development Authority



2016

ANNUAL REPORT

Ministry of Housing & Construction

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The year 2016 can be termed a period in which the National Housing Development Authority contributed to perform the role of the Shelter for All (Semata Sevana) National Housing Development Programme, which has been planned well to provide every citizen of the Sri Lankan society with the ownership of a house.

During this period, a financial investment of over 7,000 million rupees has been made by the Treasury and the National Housing Development Authority has been successful in contributing to the housing development activities for over 125,000 housing beneficiaries, with assistance and contribution of the external parties who joined its efforts. The model village programme was commissioned more successfully in the year 2016 throughout the island and the number of families that benefited from the house reconstruction programme and the plaster programme alone was 75,000. The National Housing Development Authority has been able to contribute to a considerable fraction of the housing needs of the society as a whole during the year 2016 through its Scattered Housing Loan Scheme, Sampath Sevana Housing Programme, Sevana grant Housing Programme and Weli-Oya Sustainable Joint Housing Development Programme, coupled with its newly-introduced housing programme for those affected by the kidney disease.

MESSAGE BY THE CHAIRMAN

Introducing the new national programme for providing a sustainable solution to the housing needs of middle income earners under the public private partnership was also done in the year 2016. The year 2016 can also be identified as a period which has given special focus on granting ownership of the houses that are constructed. As such, the National Housing Development Authority succeeded in granting title deeds and leasehold deeds to approximately 5,000 families during the year 2016 alone.

The exemplary and productive leadership and guidance given by the Hon. Sajith Premadasa, Minister of Housing and Construction, support and contribution on the part of the Hon. Indika Bandaranayake, Deputy Minister of Housing and Construction, persistent direction exerted by the Secretary to the Ministry of Housing and Construction were the reasons for the success of the National Housing Development Authority in the year 2016. I wish to declare at this juncture that the members of the Board of Directors who extended their unstinted cooperation, side by side with the top management of the Authority led by its General Manager and the District management together with the overall staff, who are the foremost activists of all these activities, become the owners of all the achievements and victories acquired during the year 2016.

A handwritten signature in black ink, appearing to be 'L. S. Palansuriya', written in a cursive style.

Luckvijaya Sagara Palansuriya
Chairman
National Housing Development Authority



I am quite delighted to place a message to the Annual Report of the National Housing Development Authority for the year 2016. The Annual Report for the year 2016 is unveiled confirming the effectiveness of the housing development strategies put into effect in the year 2015. The year under review stands out as one in which the National Housing Development Authority has achieved significant victories compared to the previous years.

Housing Development

As a facilitator, the National Housing Development Authority contributed for the development of 125,582 household units, adopting a participatory development approach during the year under review. As such, the Authority has reached a level of 100% in physical performance and 90% in financial performance. A joint housing programme has been commenced in collaboration with the private sector to provide the middle class community with housing at a concessionary price. Under this programme, the houses will be constructed in suburbs as a solution to the dearth of housing prevailing in the country. The programme has been launched with the inauguration of 04 housing projects located in Homagama, Athurugiriya, Panadura and Ragama.

Side by side with the housing development process, a course of action to grant freehold and leasehold deeds, which are necessary for proving the property

MESSAGE FROM THE GENERAL MANAGER

ownership of the beneficiary families, was also implemented. Yet another programme that was implemented during the year was the improvement of common amenities at multi-storey apartment blocks in the housing schemes which had remained in a state of disrepair spanning a number of years. The expenditure of the overall housing development programme during the year stood at 6,573,019,000 rupees.

Financial Position

The Capital Reserve has escalated by 5.43 billion rupees and the non-current assets have increased by 3.02 billion rupees during the year. The long-term debt has decreased by 1.22 billion rupees while current liabilities have decreased by 309.0 million rupees. The working capital has escalated to 20.5%. As such, the National Housing Development Authority has been able to achieve considerable financial stability during the year.

Operational Outcomes

The overall revenue derived by the Authority during the year has grown to 4.070 billion rupees from the 2.740 billion rupees of the previous year. The relative increase of the expenditure was from 3.498 billion rupees to 4.467 billion rupees. The net profit for the year was 240.302 million rupees. This is a significant achievement for the Authority, which it intends to repeat in the coming years. I make this an opportunity to express my sincere gratitude to the overall employee community who worked with commitment in gaining many achievements by maintaining the performance of the year 2016 at a high level.

Eng. M.S. Weerasinghe
General Manager
National Housing Development Authority

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GENERAL

1.1 Introduction

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

These activities are carried out throughout the island by the Authority through its Head Office in Colombo, twenty five (25) District Offices and two (02) city offices.

Our Vision

An adequate house for every family in a habitable environment.

Our Mission

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

Goals

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

- To directly engage itself in the construction of flats, houses and other living accommodation or buildings.
- To formulate schemes to establish housing development projects in order to alleviate the housing shortage.
- To cause the clearance of slums and shanty areas and the re-development of such areas.

- To promote housing development.
- To develop or redevelop land for the carrying out of any of the objects of the Authority.
- To make land available to any person for housing development.
- To provide financial or other assistance to persons engaged in any activity which is similar to any of the objects of the Authority.
- To conduct, promote and coordinate activities in relation to all aspects of housing development.
- To do all such other acts as may be necessary or conducive to the attainment of any or all of the above objects.

Objectives

- Providing low income families with facilities for the construction of houses.
- Providing the poorest segments in the society with assistance for the construction of houses.
- Directing involving and coordinating in providing housing to slum and shanty dwellers.
- Facilitating those engaged in construction of houses at affordable prices for middle income families.

Providing lands directly for housing construction purposes of facilitating it.

- Ensuring the right to live in a home.
 - Creating a livable environment in old housing complexes.
 - Providing urban low – income families with housing.
 - Providing an efficient, quality and sustainable service.
-

1.2 Corporate Information

1	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	: chairman@nhda.lk
	WEB	: www.nhda.lk
	AUDITORS	: Auditor General Department of Auditor General
	CONSULTANT LAWYERS	: Attorney General Attorney General's Department, Hulftsdorp Colombo 12.
	BANKERS	: Bank of Ceylon Corporate Branch, Echelon Square, Colombo 01. People's Bank, Head Quarters Branch, Sir Chittampalm A Gardiner Mawatha, Colombo 02.

1.3 The Board of Directors

The Board comprises of six members appointed by the Minister and one other member as a representative of the Ministry of the Minister in charge of Finance. The Minister appoints one of the appointed members as the Chairman of the Authority.



Chairman

Mr. L.S. Palansuriya
No.06, Sudarshana Road,
Heel Weediya, Dehiwala.



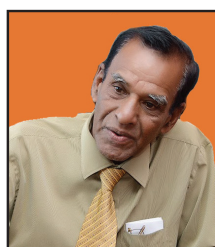
Vice Chairman

Mr. Karunarathna Athukorala
No.158, Dikhenapura,
Munagama, Horana



Working Director

Mr. K.G. Wickrama
No.56/A, Udumulla Road,
Battaramulla,



Member

Mr. Shantha Jayawardana
No.159/5, Dharmapala Mawatha
Pollathapitiya, Dhambulla Road,
Kurunegala



Member

Mrs. R.A. Chulananda
Additional Secretary,
No. 17/43 5th Lane,
Pubudu Road, Maththegoda.



Member

Mr. S.M. Dayarathna
No.18/3 A, Balapokuna Road,
Kirulapana.



Member

Mr. Amal Wickramathunga
No. 134/F, Nagahawatta Road,
Dalugama, Kelaniya.
(From 2016.12.23)

Member
Mr. P.S. Punchihewa
Attorney- at-Law
"Shanthi", Temple Road,
MulKirigala
(From 2015.02.05 to 2016.12.22)

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1.4 Corporate Management

Mrs. M.S. Weerasinghe

General Manager / Deputy General Manager
(Engineering Services and Construction)

Mr. P.M.L.P. Edirisinghe

Deputy General Manager (Human Resources Management and Administration) and
Acting Deputy General Manager (Information and Publicity)
(with effect from 14.10.2016)

Mr. E.A.D.S. Edirisinghe

Deputy General Manager (Finance)

Mr. W.A.D. Sarath Kumara

Deputy General Manager (Property Management and Sales)

Mr. W. Dhanachandra

Deputy General Manager (Planning and Progress)

Mr. K.A. Janaka

Deputy General Manager (Housing Development)

Mr. K.W.A. Dharma Sri Kariyawasam

Deputy General Manager (Information and Publicity)
(upto 13.10.2016)

Mrs. A.K. Pushpa Rohini

Deputy General Manager (Legal)

Mr. R.M.U.W. Rathnayake

Chief Internal Auditor

Mr. Dhanushka Malinda Jayalath (Attorney-At-Law)

Secretary to the Board of Directors
(upto 20.11.2016)

Ms. Manori T. Olaboduwa (Attorney-At-Law)

Secretary to the Board of Directors
(with effect from 21.11.2016)

1.5 Our Major Activities

These activities are implemented in order to achieve our main objectives.

1. Implementation of loan and Assistance Programmes

- Providing low-income earners with loan facilities on concessionary basis.
- Implementation of the loan scheme for government and private sector and fixed-income-earner families.
- Construction of loan-based housing schemes for low-income earners.
- Providing financial assistance for constructing houses for poor families.
- Providing loans and assistance for resettlement projects.

2. Promotion of Home Construction through Public-Private Partnerships

- Identifying suitable sites.
- Summoning interested parties.
- Negotiating with suitable developers and obtaining proposals.
- Evaluation of proposals and selecting developers.
- Designing Project Plans.
- Signing Memoranda of Understanding.
- Forming joint ventures.
- Implementation, administration and quality assurance.
- Marketing and sale of houses.
- Establishing Management Corporations.

3. Providing Housing Construction and Support Services

- Studying suitability of housing.
- Informing and organizing the community.
- Creating of community development organizations.
- Providing technical assistance necessary for construction of houses.
- Dissemination of information on low-cost construction techniques.
- Providing financial assistance based on the need.

- Monitoring constructions to ensure their quality and compliance.
- Making infrastructure available and maintaining the connectivity.

4. Implementation of the Urban Development Programme (Housing Projects)

- Identifying appropriate sites.
- Surveying.
- Determining the level of financial capacity.
- Preparing plans and implementing the project.
- Establishing management Corporations.
- Transferring of ownership.

5. Implementing the Nagamu Purawara Programme (Reconstruction of Blocks of Flats)

- Developing infrastructure in old blocks of flats.
- Repairing blocks of flats.
- Construction of play grounds, gymnasiums, Buddha's shrine rooms & gardening in order to make a beautiful habitat improving the spiritual values of housing complex dwellers.

6. Providing Plots of Land

- Identifying suitable sites.
- Conducting suitability studies.
- Preparing plot plans.
- Providing necessary infrastructure.
- Identifying and selecting recipients of land.
- Striking links with lending institutions if necessary.
- Transferring plots to selected recipients.

7. Implementing Loan Recovery Programmes

- Implementing loan and rent collection promotion programmes.
- Setting annual targets, providing guidance necessary to achieve targets and implementing policies pertaining to it.
- Carrying out monthly progress reviews, identifying weaknesses and introducing remedies.



- Implementing training programmes for collection officers and collection agents.
- Implementing events to evaluate the contributions made in the income promotion programme.

8. Counseling Services Associated with Housing

- Establishing District Housing Consultation Centers.
- Preparing suitability reports.
- Providing plans as and when necessary.
- Preparing quantity, material list and cost estimates.
- Obtaining approval for plans.
- Supervision of construction and quality assurance.
- Maintaining a databank on construction.

9. Disseminating Low-Cost Construction Techniques

- Maintaining links with the relevant government and private entities and gathering information and material samples.
- Introducing new techniques and materials through the Consultancy Centre.

10. Transfer of Housing Schemes to the Provincial Authority together with their Common Areas, Infrastructure and Services

- Demarcating the boundaries of common areas and open areas.
- Preparing survey plans.
- Obtaining concurrence of the Provincial Authority.
- Transfer of property by a deed.
- Informing home owners.

11. Training for Skills Development

- Organizing training sessions in consultation with vocational institutions and agencies.
- Making available vocational training opportunities.
- Providing basic implement requisites.
- Inspecting the functioning.
- Maintaining a database to support gainful employment.
- Maintaining a list of persons possessing skills.

12. Maintaining Data on Housing Stocks

- Coordinating with Grama Niladharis and Divisional Secretaries and collection of data
- Coordinating with the consultancy centers of the National Housing Development Authority and collating information
- Coordinating with Provincial Authorities and collection of data
- Presenting data to the District Housing Committee
- Lining up of data received by the Committee
- Presenting data to the database biannually
- Using data for future planning.

2

CORPORATE GOVERNANCE

We possess an unceasing diligence for rising to the highest level of corporate administration. We always strive to follow the most appropriate action proposed by institutions such as Chartered Institute of Accountants in Sri Lanka, the Department of Public Enterprises and the Ministry of Finance and work according to the terms of reference given by our Ministry, by which we have been classified.

2.1 Meetings of the Board of Directors

The Board of Directors meet every month. It reviews the progress every month as against the budget. Variations are identified and remedies are adopted for altering policies. During the year under review, eighteen meetings were held.

2.2 Audit and Management Committee

The Audit and Management Committee comprises the General Manager and three directors.

The following Directors and external personnel have served in the Audit and Management Committee as members during the year 2016

1. Mr. S.M. Dayarathna (Director, Ministry of Finance) - Chairman
2. Mr. K. Athukorala (Vice Chairman/ Board Member) - Member
3. Mr. G.S. Punchihewa (Attorney-At-Law/ Board Member) - Member
4. Mr. R.S. Samarakkody (Chief Internal Auditor, Ministry of Housing - Member
5. Mr. S. Sanjeewa (Audit Superintendent, Government Audit Division) Member

The Audit and Management Committee ensures the good functioning of the accounting and financial management system and reviews the functioning of the internal control according to the rules pertaining to the Accounting Standards.

Six meetings of the Audit and Management Committee have been held in 2016

2.3 Progress Review Meetings

Headed by the Minister, progress of the Authority is reviewed every week with the participation of Chairman, Vice Chairman, Working Director, General Manager and all Deputy General Managers and every month with the participation of District Managers.

2.4 Internal Control

The National Housing Development Authority has implemented several internal control policies and guidelines to ensure the security and optimum utility of its assets. At the same time, it is the responsibility of the senior Management to formulate and implement strategies.

Similarly, the Board of Directors ensures the internal control through a well-structured monthly reporting system while making decisions necessary to maintain the balance between assets and liabilities.

A meeting of the Management Committee headed by the Chairman is conducted every week and the affairs within the purview of all the Deputy General Managers are subjected to discussion. Steps have also been taken to appoint Pricing Committees, Departmental Procurement Committees, Property Subcommittees and Appeals Committees.



2

2.5 Executive Management

A Deputy General Manager heads every Division at the Head Office and the responsibility over 25 District Offices and the two City Offices is vested in the Senior District Manager or District Manager, Deputy General Managers and Senior District Managers or District Managers should report to the General Manager, who is the Chief Executive Officer. The General Manager in turn should report to the Chairman and the Board of Directors.

2.6 Risk Management

The National Housing Development Authority, who is the sole government institution that provides housing facilities with all amenities to a large number of clients and possesses 25 Regional Offices throughout the island, has to confront a myriad of financial and non-financial risks in order to safeguard the interests of its multifarious stakeholders. This risk is managed through a proactive approach.

The Board of Directors puts in place the necessary policies, measures and frameworks for ensuring the management of risks on the established management guidelines in order to achieve the business objectives of the National Housing Development Authority. All the business objectives of the National Housing Development Authority are attained through it.

The Risk Management process operates in association with the Audit Division of the Authority to identify the phenomena and controllable systemic weaknesses that causes the detriment of the National Housing Development Authority. The Audit Division communicates in real time to the Management independent views on the efficiency and adequacy of the control status.

2.6.1 Liquidity Risk

The National Housing Development Authority runs this risk when it cannot deliver its contractual obligations within the scheduled timeframe. Management of this risk involves ensuring that funds are available to fulfill financial obligations when they reach maturity and also financial provisions are available to use when needs arise.

The Members of the Board of Directors and the Corporate Management are assigned the task of guiding the planning, working according to the sequential requirements and ensure that National Housing Development Authority possesses adequate liquidity in order to face the contractual obligations and growth expectations.

In order to achieve its main objectives, the Senior Management maintains the liquidity through

- Adequate ensuring of the alternative means of earning money
- Timely reconsideration of the existing credit, investments and means of earning money
- Conducting of a price analysis of competitors while reviewing the current prices
- Guiding of the liquidity ratios in accordance with corporate criteria
- Control of grants, internally derived funds and cashable short-term investments on a daily basis.

2.6.2 Market Risk

These risks affect the National Housing Development Authority due to losses arising in keeping price-sensitive assets and liabilities, fluctuation of prices of building materials over time and changes in interest rates.

The National Housing Development Authority has to face market risk due to inadequacy of the money given by the government for the purpose of turning every person in need of a house into an owner of a house.

Members of the Corporate Management control in an optimum manner the threats posed to the housing market while giving value for money of clients and delivering the needs of other major partner institutions who contribute to the achievement of Corporate Management Objectives.

2.6.3 Operational Risk

This risk occurs as a result of internal courses of action which are either inadequate due to internal weaknesses hampering the activities or incapable of competing with external forces.

The National Housing Development Authority maintains a system consisting of broad policies and structures geared to create an effective and well-controlled environment within the organization for management of risks.

Several steps have been taken for effective and efficient risk management:

- Documentation and collation of timely data obtained from all District Offices while ensuring the security of data
- Information protection policies and awareness programmes
- Ongoing review and improvement of housing programmes
- Efficiency in loan recovery programmes.

Controlling of the operational risk is the main responsibility of the middle management. The Finance, Audit and other support service divisions perform a valuable function in maintaining the integrity of the controlled environments.

As the National Housing Development Authority possesses a vast extent of valuable properties, the Authority can be expected to achieve success within the competitive environment through the use of appropriate tactics, continuous review and commitment of the staff.

2.7 Environmental Problems

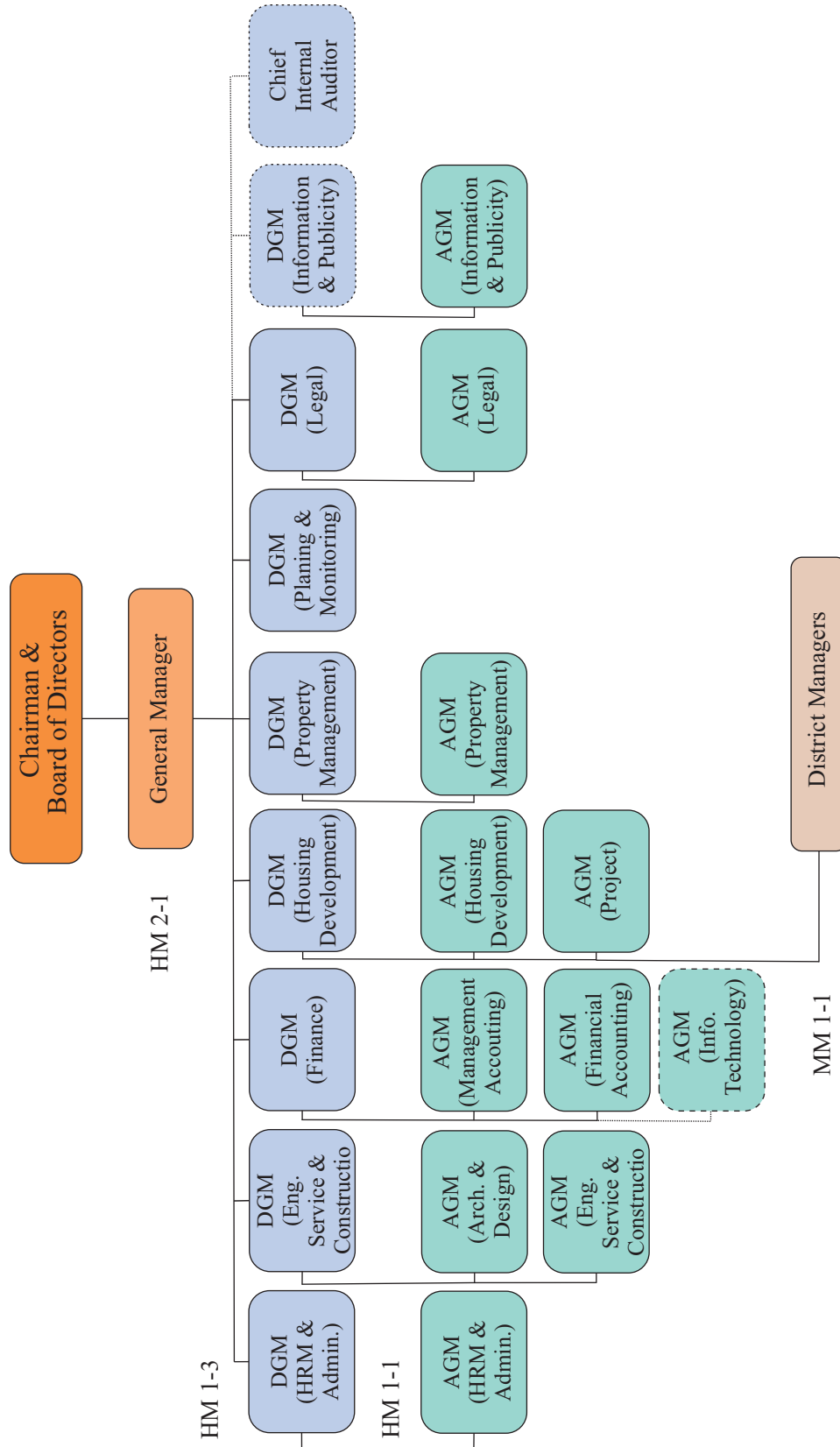
Construction of buildings affects the eco-system in several ways. This effect is clearly visible in condominium buildings and housing schemes. Environmental conservation can be highlighted as an important aspect of the development process.

The National Housing Development Authority provides people with a safe and healthy environment. At the same time, drinkable water and infrastructure such as adequate access roads, uninterrupted power supply, rain water and waste-water disposal systems, solid waste disposal etc. are also provided.

The rules and regulations of the Condominium Management Authority ensure a better environment to residents of condominium properties.

2

2.1 Table
National Development Authority Organizational Hierarchy



2.1 Statistical Appendix

The Composition of the Staff as at 31.12.2016

Serial No.	Service Level	Approved Cadre	Actual No.
1	Senior Management	115	88
2	Tertiary Management	157	301
3	Secondary	899	1405
4	Primary	205	349
Total		1376	2143

2

Source : National Housing Development Authority

2.2 Statistical Appendix

National Housing Development Authority

Semata Sevana Housing Development Programme - 2016

Programme	Commencement	Finance Rs. Mn.
1. Funds Received from the Treasury		
1.1. Model village programme	4641	1079.172
1.2. Scattered housing programme	34619	3563.45
1.2.1 Re-awakened Village	1180	135.633
1.2.2 Housing for Widows	158	11.445
1.2.3 Housing for Kidney Patients (Grant)	700	74.560
1.3 Plastering Programme	77509	641.899
1.4 Weli-oya Special project	1084	310.845
2. Internal Generation		
2.1 Sampath Sevana	3729	271.506
3. Grant Programme		
3.1 Sevana Grant Programme	118	9.910
3.2 Sevana Village Programme	896	23.815
4. External Funds Programme	10	0.435
4.1 Middle Income Housing Development Programme	672	-
Total	125,316	6122.670
5. Renovation of Old Housing Schemes - 2016 Projects (18 Projects)	-	240.000
6. Continuation Programme	266	190.726
Total	125,582	6553.396
7. Issue of Deeds		
7.1 Title Deeds		1851
7.2 Deed of Lease		7599

Target Achievement

Housing Loan and Rent 7250.778 4121.206 57%

3

REPORTING OF OPERATIONAL ACTIVITIES

Housing Development Division

3.1 Housing Development Programme – 2016

Details of the programmes implemented in the year 2016 with a view to providing housing facilities to families faced with housing problem living in various parts of the island under the Samata Sevana (Shelter for All) Programme, which was implemented with the aim of constructing sustainable houses for families from all over the island who do not have houses and lands, are given below. 'Samata Sevana' "Visiri Nivasa" (Scattered Houses) programme.

01. 'Samata Sevana' Scatted Loan Programme.
02. 'Samata Sevana' Model Villages Programme.
03. 'Sampath Sevana' Programme.
04. Providing housing loans to widowed women.
05. 'Samata Sevana' Udakala Gammana (Reawakened Villages) Programme.
06. Plaster Rendering Programme.
07. 'Sevana Aid' Programme.
08. 'Sevana Aid Model Villages' Programme funded by donations from sponsor organizations.
09. Special Housing Programme in Weli-Oya.
10. Kidney Patient and People in Extreme Poverty Housing Programme.

01. Samata Sevana Visiri Nivasa (Shelter-for-all Scattered Houses) Loan Programme

The National Housing Development Authority implemented this housing programme to enable who own a plot of land to construct new houses and improve the existing houses at District level covering the whole island. The main objective of this programme is to contribute to housing development through constructing houses which gain higher value through contribution of the beneficiary in addition to the loan granted to the beneficiary. **The targeted number of houses for 2016 was 26,000 and Treasury grants amounting to Rs. 3,687.5 million have been allocated. Under this programme, a maximum loan of Rs. 350,000/- for constructing a new house and Rs. 262,500/- for completing an improved house were given to beneficiaries earning a monthly income of Rs. 35,000/- or less at an annual interest rate of 3.732% to 6% depending on the amount of the loan granted for a maximum repayment period of 10 years.**

Under this programme the National Housing Development Authority provides the beneficiary with technical assistance necessary for the construction of the house and opportunity has been made available to the beneficiary to construct the house with the beneficiary also contributing to it. **A sum of 3,563.45 million rupees has been released for 34,619 houses and work has been completed in 17,715 of them during the year 2017.** The remaining 16,934 incomplete houses are to be completed within the year 2017 using the remaining provisions.



Distribution of deeds to the beneficiary families under Samata Sevana scattered housing loan program.

02. Samata Sevana Model Villages Programme

This model villages programme was implemented with a view to providing permanent houses for low-income families who do not have houses or lands living in all parts of the country. Its main objective is to grant plots of lands to suitable beneficiaries, provide financial and technical assistance, construct new houses and hand over to the people as complete villages comprising basic infrastructure and amenities.

Lands on which 25 or more houses can be built are identified and granting of lands to beneficiaries selected through land kachcheris is led by the Divisional Secretary. **The National Housing Development Opportunity provides the beneficiaries with technical assistance and the loan to build the house based on the Participatory Development Methodology with the beneficiary contributing to the construction. Targeted number of houses is 4,500 and Treasury grants of 1,125 million rupees have been allocated.**

Work of 4,641 houses was commenced and 259 houses have been completed by the end of the year. Loans amounting to 1,079.172 million rupees have been released and plans have been made to complete the unfinished houses within 2017 using the remaining allocations.



Awarding of gifts to the school students in line with the opening of Sobasethgama model village in Hambantota district Hon. Minister of Housing & Construction.



Sanhindagama model village vested with the people under Samatasewana model village program.



Dayapura model village vested with the people under the patronage of Hon.Minister of Housing & Construction.

3

03. Sampath Sevana Programme – Visiri Loan

Provisions are allocated for this programme from earnings through recovery of loans given by the National Housing Development Authority in the previous years. Under this programme, loans are provided for the following programmes.

Providing additional allocations necessary to construct houses as a loan facility to some of the beneficiaries under the Samata Sevana Model Villages Programme.

Providing loan facilities from this programme owing to insufficiency of Treasury allocations to provide necessary loans for building houses for certain beneficiaries under the Samata Sevana “Visiri Nivasa” Programme.

Loans have been made available to 3,729 beneficiaries within 2016 and 2,145 of the houses have been completed as finished houses. Internal earnings amounting to 271.506 million rupees have been spent for this purpose. Plans have been made to construct the remainder during 2017 using the balance allocations.

- **Sampath Sevana Programme - Providing Housing Loans to Widows**

Loans have been made available to 44 beneficiaries within 2016 and 25 of the houses have been completed as finished houses. Internal earnings amounting to 3.840 million rupees have been spent for this purpose.

04. Samata Sevana Udakala Gammana Programme

This programme aims at developing a village as a re-awakened village by locating the communities who own lands with part-finished houses sharing the same locality, which they need to turn into finished houses or want to improve and those who have the need to construct house a new.

Beneficiaries are provided with loans to construct houses under this programme. **Under the programme, Re-awakened villages programme was implemented in six Districts and loans amounting to 135.633 million rupees have been releases for 1180 beneficiaries to construct**

houses, out of which 207 houses have been turned into finished houses. The unfinished houses have been planned for completion within 2017 using the remaining allocations.

05. Plaster Rendering Grant Programme

The granting of cement aid to 3000 families in each District covering all the Divisional Secretariat areas throughout the island to complete the plaster rendering of partly-plastered inner or outer walls in permanent houses built by low-income families was planned in three phases throughout the year marking His Excellency Maithripala Sirisena’s accession to presidency.

Treasury provisions to the tune of Rs.637.500 million rupees has been allocated for this purpose.

During the year under review cement aid has been given to 77,509 houses of beneficiary families and all the houses concerned have been completed. A sum of Rs. 641.899 million rupees has been spent for it.

06. Sevana Grant Programme

This programme is intended to provide relief to extremely poor families of people having physical disabilities and living in despair without an abode, without capacity to obtain a housing loan and to pay it back while having a real need to build a house. This programme is implemented at District level under the guidance of Hon. Minister of Housing & Construction.

Beneficiaries of aid are identified from among the helpless families brought to limelight by electronic and print media as well as political leadership and from people’s requests. Under this, the cost estimates necessary for the construction of each house are forwarded with recommendations by District Managers and the grant aid provided is determined according to it. Priority is given under this programme to families who have the ownership of the land and ready with building materials necessary to construct a house on the land and with some external party contribution.

The funds necessary for this is provided by the Sevana Lottery fund. Under the programme, a maximum of Rs. 200,000/- for a new house and Rs. 100,000/- for home improvements are given and the money is released in four tranches according to the extent constructed. During the year under review, Sevana aid has been provided to 118 beneficiary families at a cost of 9.91 million rupees. During the year, 32 of the houses have been completed and the unfinished houses have been planned for completion within 2017 using the remaining allocations.

07. Sevana Grant Model Villages Programme Funded by Donations from Sponsor Institutions

Numerous foreign and local donors who are impressed by the housing development programme conducted throughout the island under the guidance of Hon. Sajith Premadasa, Minister of Housing & Construction, donate funds to the Sevana Fund towards the success of the housing development programme.

The Sevana Aid Model Villages Programme is implemented through funds donated by these donors and during the year under review, a **sum of 23.815 million rupees has been spent for constructing 896 houses, out of which 27 have been completed at the end of the year** and the unfinished houses have been planned for completion within 2017 using the remaining allocations.

08. Weli-Oya Sustainable Joint Housing Development Project

A large number of families live without even minimum basic facilities in temporary tents, shanties and camps for internally displaced persons without a suitable house to live in within the Weli-Oya Divisional Secretariat Division in the Mullativu District expecting assistance for constructing a sustainable house fitting to live within the socio-economic pattern existing after the ending of the war situation that had existed in the north. Construction of 500 houses has been

planned on the basis of providing houses for 1000 families out of them.

Selecting of eligible beneficiaries has been carried out by the Committee comprising District Manager (Mulativu), Resident Business Manager of the Mahaweli Development Authority and the Divisional Secretary (Mulativu). The work of the overall project was conducted under the supervision of the District Secretary (Mulativu) and the top management of the Head Office of the National Housing Development Authority.

Under the programme, a maximum of Rs. 500,000/- for a new house and Rs. 200,000/- for home improvements have been estimated to be granted. **Treasury provisions amounting to 350 million rupees has been allocated for this purpose. During the year under review, action has been taken to construct 519 new houses and improve 565 making up a total of 1084 houses, out of which 42 have been completed by the end of the year.**

A sum of 310.845 million rupees has been spent for constructing houses. Plans have been made to use the remaining provisions and complete the unfinished houses during 2017.

09. The Housing Programme Implemented for Persons Affected by the Kidney Disease and Families in Extreme Poverty

9.1 People Affected by the Kidney Disease

A Housing development programme has been implemented with basic facilities for kidney patients and families in extreme poverty as per the recommendations of the Task Force for the Prevention of Chronic Kidney Disease of Unknown A etiology (CKDu) made by the Committee at its meeting chaired by the President on 30 May 2016. This programme is expected to build a healthy house suitable for the patient and give relief to the members of the family rendered helpless because of the patient.

It had been planned to provide a maximum aid grant of Rs. 500,000/- for a new house and Rs. 200,000/- for home improvements, giving

hope to the families affected by the chronic kidney disease to build a sustainable house through this programme. **The aid grant will be provided in four tranches. During the year under review, the Ministry has contributed to construct 700 new houses spending 74.560 million rupees.**

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9.2 Housing Programme for People in Extreme Poverty

This programme is implemented with the aim of constructing a permanent house for families who have a monthly income less than Rs. 4,000/-, are unable to repay loans, are in need of a house but have no permanent basic house, with their spouse in

an incurable sick state, chronically sick, or having being widowed or abandoned by the spouse. Funds are provided by the General Treasury for this Programme.

A sum of Rs. 11.445 million rupees has been provided to 158 beneficiaries under the Programme to build houses and 140 of these houses have been completed as finished houses. Plans have been made to use the remaining provisions and complete the unfinished houses during 2017

3.1 Table
National Housing Development Authority Housing Programme
Progress as at 31st December 2016

Programme	Target for 2016		Funding Source (Rs. Min)			No. of Units			Achievement			Funds Received from the Treasury (Rs. Min)
	Total No of Units	Annual Allocation (Rs Min)	Treasury	Internal Generation	Sevana /Others	WC	UC	Total	Treasury	Internal Generation	Sevana /Others	
Rural & Urban Housing Programme												
1 Model village programme	4,500	1,125,000	1,125,000			4,641	259	1,079,172	1,079,172			1,125,000
1.1 Well-oya housing project	1,000	350,000	350,000			1,084	42	310,845	310,845			350,000
2 Scattered housing programme	26,000	3,687,500	3,687,500			34,619	17,715	3,563,450	3,563,450			3,704,500
2.1 Re-awakened Village						1,180	207	135,633	135,633			
2.2 Housing for Widows						158	140	11,445	11,445			
2.3 Housing for Drugs Addictors						-	-	-	-			
2.4 Housing for Kidney Patients (Grant)						700	1	74,560	74,560			
3 Sampath Sevana												
3.1 Scattered Loan	2,575	900,000		900,000		3,685	2,120	267,666	267,666			
3.2 Housing for Widows						44	25	3,840	3,840			
3.3 Housing for Drugs Addictors						-	-	-	-			
4 Plastering Programme	75,000	637,500	637,500			77,509	77,509	641,899	641,899			637,500
5 Sevana Housing Development Programme (Lottery Funds)												
5.1 Grant Programme	500	100,000			100,000	118	32	9,910				9,910
5.2 Sevana Village Programme						896	27	23,815				23,815
6 Urban Land Re - adjustment Programme (OVDC)	1,330	-										
7 Middle Income Housing Development Programme	500					672						
8 Upahara Programme (Operational cost)		15,000	15,000					15,000	15,000			15,000
9 Other Institute Housing Programme						10		0,435				0,435
Sub Total	111,405	6,815,000	5,815,000	900,000	100,000	125,316	98,077	6,137,670	5,832,004	271,506	34,160	5,832,000
Housing Related Activities												
10 Issue of Deeds												
10.1 Title Deeds	3,000						1,851					
10.2 Deed of Lease	2,000						7,599					
Sub Total	5,000						9,450					
Total	116,405	6,815,000	5,815,000	900,000	100,000	125,316	107,527	6,137,670	5,832,004	271,506	34,160	5,832,000
11 Continuation Programme												
11.1 Sampath Sevana	1,817	125,290		125,290			1,483	113,571				
11.2 Model Villages Programme (Sevana)							9	4,295				4,295
11.3 Indian Housing Programme	1,609	136,300			136,300	66	1,438	64,375				64,375
11.4 External Funds Programme						200	111	4,425				4,425
11.5 Public / Private Partnership Programme	660						58					
11.6 Relocation Programme	40	63,000			63,000			4,060				4,060
11.7 Renovation of Old Housing Schemes - 2016 Projects (18 Projects) - Liability Payments	1,258	240,000	240,000				503	84,093	84,093			240,000
Sub Total	5,384	564,590	240,000	125,290	199,300	266	3,602	430,726	240,000	113,571	77,155	240,000
Grand Total	121,789	7,379,590	6,055,000	1,025,290	299,300	125,582	111,129	6,568,396	6,072,004	385,077	111,315	6,072,000

Source - National Housing Development Authority
Source - National Housing Development Authority

In addition Rs 17 Min Received from supplementary budget for Rural housing programme



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3.2 Property Management

(i) The number of beneficiaries whose requests were referred to the Authority by the District Offices to obtain Approval under Section 8/1 of the Act for disposal of houses and lands in schemes belonging to the Authority was 2,141. District Offices have been informed of approval by the Minister in respect of 1,423 beneficiaries out of the above number.

(ii) Acquisition of lands for housing development purposes of the Authority is done as follows:

- Acquisition of Government Lands.
- Acquisition of lands possessed by the Land Reform Commission.
- Acquisition of private lands.
- Acquisition of lands possessed by other government institutions. It was possible to acquire eight lands in the year 2016 and in respect of two of the lands the certificates of transfer have been received under section 44 of the Land Acquisition Act. One land has been transferred by the Land Reform Commission

by way of a deed. It has been possible to conclude transfer activities in respect of all other lands in several phases within 2016. No compensation has been paid as no provisions have been received for the year 2016 from the General Treasury.

(iii) Approval of the Board of Directors was obtained in the year 2016 to transfer public properties to local authorities in 04 Districts for 49 housing schemes and District Offices have been informed to execute it.

(iv) District Offices have been informed to obtain the approval of the Board of Directors to dispose of 33 plots of land in 11 housing schemes in seven districts in the year 2016 and to execute same.

(v) Action has been taken during the year 2016 to formalize 232 illegal settlers residing in 4.56 hectares in 09 districts in the northern area of the city of Colombo and in 09 other Districts.

3.2 Statistical Appendix**The Numbers of Houses Sold in the Year 2016**

Housing Scheme	Number of Houses	Discounts Granted
01. 117 Watta – Phase V	01	-
02. Yakkala Siyane Uyana, – Phase III	09	-
03. Welangollawatta Housing Scheme, Kurunegala	10	10%
04. Houses acquired for the Public Servants Housing Scheme in Jaltara, Homagama.	05	-
05. Simondale Housing Scheme, Piliyandala	01	-

3.3 Engineering Services and Constructions

Engineering Services and Constructions Division consists of the following sections:

- Engineering Section
- Architecture Section
- Quantity Survey Section
- Planning Section
- Electrical Section
- Maintenance Section

Arrangements had been made to fulfill the housing aspirations of all communities and resolve all issues associated with them through the following programmes during the year 2016.

Reconstruction of Blocks of Flats (Nagamu Purawara)

The main objectives of the 'Nagamu Purawara' Programme are to renovate old multi-storeyed condominium housing schemes and all of their

infrastructure facilities with a view to converting them to resident-friendly habitats, to establish Management Corporations for vesting the responsibility of maintaining them to residents and to legally transfer the maintenance of common amenities to the local authorities.

Nagamu Purawara Renovation Programme

Project Estimate – 1,033.06 million rupees

- Renovation of old four-storied flats and infrastructure
- Purpose: - Improvement of residential facilities of dwellers.
- - Establish Management Corporations and vest the housing schemes to them and assign maintenance work to them.
- - Assigning the roads, drains, lamps and solid waste management to respective local authorities.

3

3.3 Statistical Appendix

Projects Implemented within the Year 2016 Nagamu Purawara - Continuation from 2013

Project	Number of Beneficiary Families	Estimated Sum Rs. Mn.	Contractor	Progress as at 31.12.2016	
				Physical Progress %	Financial Progress Mn. Rs.
I Soyzapura Housing Scheme (Phase II) – Rain Water Drainage Systems	-	11.53	State Engineering Corporation	90%	7.55
II Soyzapura Housing Scheme (Phase II) – Sewerage Reconstruction B6, B7, B8, B9 and B5	960	19.60	Do	95%	10.59
III Soyzapura Housing Scheme (Phase II) – Sewerage Reconstruction – Phase: B6, B7, B8, B9, O and P 147 days	-	13.67	Do	100%	8.72
IV Mihindu Avenue Housing Scheme	125	23.5	Do	91%	19.25
V Bloemendal Housing Scheme	392	60.0	Do	88.2%	53.13
VI Armour Street Housing Scheme	310	33.0	Do	85.6%	24.65

Source : National Housing Development Authority

3.4 Statistical Appendix
Nagamu Purawara 2014 Continuation
(Major Scale Projects)

	Project	Number of Beneficiary Families	Estimated Sum Rs. Mn.	Contractor	Progress as at 31.12.2016	
					Physical Progress %	Financial Progress Mn. Rs.
1	Simondale Building and Infrastructure Renovation	48	16.60	State Engineering Corporation	20%	4.57
2	Elapitiwala Housing Scheme	232	94.40	Do	18%	19.09
3	Chithra Lane Housing Scheme	200	96.30	Do	48%	25.10
4	Maligawatta Railway Workers' Housing Scheme	100	52.50	Do	17.5%	10.57
5	Dias Place Housing Scheme	303	75.30	Do	10%	15.39
6	Kammalwatta Housing Scheme	72	15.80	Do	98.5%	6.22

Source : National Housing Development Authority

3.5 Statistical Appendix
Nagamu Purawara 2014 Continuation
(Minor Scale Projects)

	Project	Number of Beneficiary Families	Estimated Sum Rs. Mn.	Contractor	Progress as at 31.12.2016	
					Physical Progress %	Financial Progress Mn. Rs.
1	Renovation of Galkissa Housing Scheme	52	24.06	State Engineering Corporation	96%	12.88
2	Forbes Road Housing scheme	160	29.77	- Do -	55%	6.54
3	Kent Road housing scheme	30	8.77	- Do -	85%	3.95
4	Pamankada Housing Scheme	14	14.80	- Do -	20%	2.86
5	Torrington low-income Housing Schemes	24	14.50	- Do -	11%	2.80
6	Martha Road Housing Scheme in Manning Town	16	5.50	- Do -	45%	1.06
7	Gothamipura Housing Scheme	48	25.40	- Do -	70%	7.43

Source : National Housing Development Authority

3.6 Statistical Appendix
Nagamu Purawara Renovation Programme – 2016

	Project Name	Number of Houses	Contract Amount (Mn. Rs.) with 11% + 3% VAT	Progress as at 31.12.2016		Contractor
				Physical %	Financial (Mn. Rs.)	
01	Torrington Housing Scheme – Repair of Roof	16	7.68	100	7.99	Brian Engineering Co.
02	Soyzapura Housing Scheme (Roads and Drains Only)	-	18.91	89	9.23	Ruwan Trade Institute
03	Wipulasena Avenue Housing Scheme	72	13.14	95.5	6.50	Dharmadasa Construction Co.
04	Armour Street Housing Scheme	310	26.16	50	9.17	Gamini Construction
05	Dias Place	303	50.64	60	16.46	Gamini Construction
06	Torrington Housing Scheme	24	12.85	100	4.84	Gamini Construction
07	Nawaloka Housing Scheme	41	7.48	100	5.72	Gamini Construction
08	117 Watta Elvitigala (Low-Income) Housing Scheme	32	10.00	28	2.00	Brian Engineering Co.
09	Martha Road, Manning Town	16	5.30	60	2.99	Brian Engineering Co.
10	Maththegoda Shopping Complex – 07 Houses 23 Sales Outlets	30	16.55	82	6.79	Ruwan Trade
11	Mayura Place Housing Scheme	24	3.10	100	0.60	Wickramasinghe Builders
12	Railway Employees’ Housing Scheme	100	38.50	25	11.30	Dharmadasa Construction Co.
13	Himbutu Uyana Housing scheme	80	16.58	02	-	Trade Lanka (Private)
14	Chithra Lane Housing Scheme	128	29.47	02	-	Padmini Construction
15	Simon Dale Housing Scheme	48	16.27	35	-	Padmini Construction
16	Housing Scheme, Pamankada	14	14.54	-	-	Trade Lanka (Private)
17	Elapitiwala Housing Scheme	80	24.74	-	-	Decided to call fresh tenders
18	Phase II, 797 Watta (Toilet Water Sealing)	112	5.36	-	-	-

Source - National Housing Development Authority



3.7 Statistical Appendix Other Projects

Year of Commencement of Construction	Project	Contract Amount (Mn. Rs.) With 11% + 3% VAT	Progress as at 31.12.2016		Contractor
			Physical %	Financial (Mn. Rs.)	
2014	Construction of Ground Floor, District Office, Colombo	17.45	68	9.13	Innovate Engineering (Private) Co.
2015	Soyzapura Relocation Project – Phase III – 60 Houses Zone 1 – 20 Zone 2 – 20 Zone 3 – 20 728 Days	Zone 1 – 55 Zone 2 – 55 Zone 3 – 55	35 (Zone 1)	39.9 (Zone 1)	State Engineering Corporation
	Circuit Bungalow, Jaffna	1.72	90	1.41	Piravin Marketing Co.
	Circuit Bungalow, Hanthana	5.53	27	1.09	Rohitha Suppliers
2016	Renovation of District Office, Mannar	9.56	100	6.5	Mahadevan Contractor

Source : National Housing Development Authority

Public-Private Joint Projects (PPP Projects)

Projects under Construction in 2016 and Still in Progress

- Siyane Nature Park Housing Scheme, Yakkala (42 houses)
- Regency Park Housing Scheme, Kalugala, Pallekelle (21 houses)
- Living Home Housing Project, Pallekelle (39 houses)

Other Projects

- Hantana Residencies, Pathanawatta (Hanthana worksite III)
 - Number of houses is 20. As the area in which the project is implemented is at risk of landslides, the National Building Research Organization (NBRO) conducted a specific examination and obtained the report on 23.01.2017. A

Cabinet Paper has been submitted for obtaining Cabinet Approval.

A special Committee has been appointed to monitor this Project.

- Mihindupura Housing Project, Kirulapona
 - The notice of cancellation of the agreement concerned with the project was sent on 18.11.2016 in view of the sluggishness on the part of the developer on the instructions of the Attorney General's Department and the consultant State Engineering Corporation. As the contractor did not accept that decision, it was referred to Arbitration Board.

Accelerated Middle Class Housing Development

The objective of the project is to construct 500,000 houses for the middle class community within five years. The steering institutions of the Project

Committee are the National Housing Development Authority and the Urban Development Authority. Lands belonging to the National Housing Development Authority and the Urban Development Authority will be used for its initial phase.

Action has been taken to implement the projects through the selected developers on the following lands belonging to the National Housing Development Authority as per the Cabinet Approval:

- Dambuwawatta, Ragama - 116 Houses
- Nugagahakanathawatta, Panadura - 196 Houses
- Jaltara Phase II, Athurugiriya - 352 Houses
- Mount Clifford Estate, Homagama - 860 Houses

Projects to be implemented in due course:

- Ranpokunagama, Attanagalla
- Werellawatta, Yakkala
- Lanka Loha, Yakkala
- Captain Garden Watta, Akmeemana, Galle
- Iskaagaarawatta, Kundasale, Kandy

3.4 Human Resources Management

The Human Resources Management and Administration Division consist of the following sections:

1. Human Resources Management Section
2. Administration Section
3. Disciplinary Section
4. Transport Section and Mechanical Workshop
5. Training and Development Section
6. Staff Housing Loans Section
7. Security Section
8. Sevana Study Centre
9. NHDA website and Social Media Operations and Computer Software Design and Hardware Maintenance Section
10. Archives and Book Binding Section

3.4.1 Human Resources Management Section

The activities pertaining to the official conduct of an employee from recruitment to the retirement are carried out through the Human Resources Management Section. This Section performs all the functions pertaining to the overall staffs at the Head Office and the District Offices.

1.1 The composition of the staff as at 31.12.2016:

Serial No.	Service Level	Approved Cadre	Actual No.
1	Senior Management	115	88
2	Tertiary Management	157	301
3	Secondary	889	1405
4	Primary	205	349
Total		1376	2143

1.2 Recruitments as at 31.12.2016:

Direct Appointments			Re-Recruitment after Retirement			Total
Permanent		Contract	Daily	Executive	Non-Executive	
Executive	Non-Executive					
-	30	74	20	-	-	124

1.3 Internal promotions have been granted as follows from 01.01.2016 to 31.12.2016 in the register of service categories.

Serial No.	Service Level	Promotions
1	Senior Management	05
2	Tertiary Management	01
3	Secondary	-
4	Primary	-
Total		06

The numbers of employees who have been retired, those whose contracts had expired and those who have resigned from 01.01.2016 to 31.12.2016 are as follows

Serial No.	Service Level	Retirements	Expiry of Contracts	Resignations	Total
1	Senior Management	7	-	2	09
2	Tertiary Management	32	-	4	36
3	Secondary	42	2	38	82
4	Primary	19	2	1	22
Total		100	4	45	149

3.4.2 Administration Division

Administration Division is the one that intervenes in administrative affairs of the Head Office and the District Offices of the National Housing Development Authority including issuing Circulars and office management directives; approving overtime payment, subsistence allowance, travelling allowance, house rent allowance and other allowances; processing the daily mail; managing daily attendance and leave; paying distress loans, bonuses, incentives, vacation leave allowances and medical benefits; and insuring the Head Office building etc. The Division performs the following functions as well:

Performance of the Administration Division in the year 2016

1. A bonus of Rs. 2,000/- was paid to employees who have not gone on no-pay leave for the year 2016 and Rs. 5,000/- was paid as an incentive.

2. An incentive was paid to employees who have not obtained vacation leave in the previous year.

3. Payments have been made to employees under the Medical Benefits Scheme as

- Ordinary outpatient treatment - Rs. 5,000.00 – 20,000.00
- Residential treatment - Rs. 10,000.00 – 40,000.00
- Residential surgeries and medical services - Rs. 15,000.00 – 60,000.00
- Residential treatment at government hospitals - Rs. 15,000.00 – 60,000.00
- (based on the number of days subject to a maximum of 15 days)
- Communicable diseases- Rs. 100.00 to 400.00 (upon medical certificate issued by the Medical Officer of Health subject to a maximum of 14 days)
- Cancers, Kidney / serious surgeries - Rs. 150,000.00 – 600,000.00

The amount paid will be determined by the premium recovered from the salary.

3.4.3 Disciplinary Section

The Disciplinary Section can be identified as the Division which acts with commitment to secure the discipline of employees of the National Housing Development Authority by guiding them to refrain from anti-disciplinary acts. Performance of the Disciplinary Section in the year 2016

01. There were 102 formal disciplinary matters in the beginning of the year 2016, out of which 52 were serious matters. The number of matters which had not been concluded in the year 2016 was 20.

02. There are 50 minor disciplinary matters in the beginning of the year 2016 and the number of matters reported during the year was 44. Guilt was admitted in respect of 86 of them and the matters were concluded with warning or severe warning. The number of minor disciplinary matters which had not been concluded during the year 2016 was 08.

3.4.4 Transport Section

Transport Section can be identified as yet another Section belonging to the Human Resources Management and Administration Division. Its main functions are providing transport facilities necessary for official functions of the Authority, carrying out vehicle maintenance activities and running the garage.

The targets set for the Transport Division in the year 2016.

1. The vehicles removed from running were disposed by calling tenders under the procurement process.

2. Conducting fuel inspection in most of the vehicles at the Head Office and District Offices for fuel consumption efficiency.

3. Taking action to minimize the expenditure of funds as all repair works are carried out at the Garage of the Authority.

4. Taking measures to acquire 15 double cabs and 03 jeeps under finance leasing thereby strengthening the running fleet by the addition of

vehicles belonging to District Offices to the vehicle pool.

5. Insuring all vehicles and obtaining revenue licenses as they fall due.

6. Taking action to provide drivers/ drivers' assistants with 03 sets of uniforms each.

7. Taking action to save 8.2 million rupees while the budgetary upper limit was 16.9 million rupees.

8. Budgeted vehicle repair allocation was 13 million rupees and action was taken to save 6.3 million rupees out of it.

3.4.5 Training and Development Section

The training section of the National Housing Development Authority identifies the training needs at the Head Office and District Offices makes all the arrangements necessary to fulfill them.

In addition to the below suggestions, 139 employees were given leaves in year 2016 as four employees were given foreign leaves and 135 employees were given study leaves.

3

Training Programme – Improvement from 2016.01.01 to 2016.12.31

	Programme Description	Number of Programmes	Number of Participants	Cost (Rs.)
	Held from 2016.01.01 to 2016.12.31	-	-	-
1	Internal Training Programmes			
1.1	Presentation and Discussion on the New Urban Housing Programme	1	77	14,950.00
1.2	Induction Training for newly recruited Technical Assistants	1	26	37,300.00
1.3	Induction Training for newly recruited Engineers	1	6	-
1.4	Expenditure related to Sevana Research Centre	-	-	22,217.00
1.5	Workshop on Procurement Management	1	103	35,000.00
1.6	Two Month course on Hotel Management	1	1	1,000.00
1.7	Induction Training for Accounts/Audit Officers	1	16	-
1.8	Workshop on Salary Conversion	1	90	50,000.00
1.9	Awareness Programme on Office Procedure & Disciplinary Code	1	47	33,550.00
1.10	- do -	1	86	89,634.00
2	External Training Programmes (Local) (90)	34	85	416,070.00
3	External Training Programmes (Local) (50)	3	17	65,275.00
4	Foreign Tours	3	3	3,284,540.00
5	Foreign Scholarships Tours	1	1	511,728.00
6	Volunteer Training Loan Programme	12	15	734,500.00
	Grand Total	62	573	5,295,764.00

3.4.6 Staff Housing Loan Section

This Section provides housing loans at an interest rate of 4.2% upon a mortgage to members of the staff who are employed at the Head Office and District Offices and have completed the period of probation, based on the loan amount applied for, the basic salary of the applicant and the time left till the applicant reaches 60 years of age.

The upper limit of this loan is Rs. 1,500,000/- and the maximum period of repayment is 15 years.

Targets Achieved in the year 2016

Allocations amounting to 157.728 million rupees were received for staff housing loans for the year 2016, made up of 48.38 million rupees for the Head Office and 109.35 million rupees for the District Offices.

Loans were approved from those allocations as follows

3.8 Statistical Appendix

Head Office (Rs.)	District Offices (Rs.)	Total Amount Paid (Rs.)
12,058,900.00	12,735,700.00	24,794,600.00
1,457,000.00	12,839,100.00	24,296,100.00
23,408,200.00	25,760,090.00	49,168,290.00
-	800,000.00	800,000.00
46,924,100.00	52,134,890.00	99,058,990.00

The approved allocations, the amounts of money spent and the balances are given below:

3.9 Statistical Appendix

Office	Approved Allocation (Rs.)	Total Amount Paid (Rs.)	Balance (Rs.)
Head Office	48,379,800.00	46,924,100.00	1,455,700.00
District Offices	109,347,900.00	52,134,890.00	57,213,010.00
Total	157,727,700.00	99,058,990.00	58,668,710.00

3.4.7 Security Section

Targets Achieved: -

i. The security section of the National Housing Development Authority worked with its full potential using appropriate methodologies to protect the moveable and immovable properties, Human Resources, reputation and worker discipline of the Authority.

ii. Although no terrorist activities prevailed in the past year, security services had to be maintained uninterruptedly so far, as was done in the past.

iii. The Security staff dropped to 103 by January 2016 and nevertheless, security services had to be maintained continuously.

iv. Security officers had to ensure security at the Head Office and several places controlled by the Head Office using various tactics.

The places where the security services were provided other than the Head Office and the District Office complexes:

1. Government Officers' Housing Scheme, Jaltara
2. Large/Small Pradeepa Halls, Maligawatta
3. Pradeepa Halls at Modara / Gunasinghepura
4. Zonal Office at Soyzapura
5. Acquired Land of the Irrigation Department, Ratmalana
6. Diyawanna Housing Scheme
7. Ferguson Housing Scheme

01. Courses of Action Adopted to Achieve the Targets and the Results Achieved

i. Inspecting the vehicles and persons arriving at the Head Office and the offices located in the Housing Secretariat Building and their bags etc. and directing them towards relevant offices.

ii. Conducting classes to enhance skills and knowledge of security officers, issuing necessary official instructions to the District Offices and all duty points in writing, informing the Divisional heads and District Managers of those instructions and enlightening security personnel on the responsibilities and duties of security officers.

iii. Prevention of acts that will tarnish the reputation of the National Housing Development Authority, investigation of acts committed with the intention of causing losses or fraudulent acts, reporting such acts and helping maintain discipline.

iv. Representing at the security committee meetings organized by the Slave Island Police Station with the participation of the institutions located within

the High Security Zone and acting in accordance with the instructions issued therein and decision made at it and enlightening security personnel on it.

v. Deploying armed guards for the protection of Housing Secretariat Building.

vi. Deploying security personnel for evicting illegal settlers for which court orders have been obtained and organizing and implementing the security measures necessary for the prevention of re-entry into houses for which empty possession has been obtained and preparing preliminary investigation reports.

3.4.8 Sevana Study Centre

The Library established on the ninth floor of the Head Office was shifted to the spacious premises at the Colombo North City Office. A separate lady officer and a staff have been appointed for the administration of the study centre. At the same time, it has been developed in a methodical manner so that those who follow further education as well as external users can obtain information when necessary.

In addition, Research papers, books, magazines and newspapers have been included for the use of academics, students and other users of the library. Photographs from the Sevana Housing Development Programme initiated by the Late President Ranasinghe Premadasa and models of Housing Projects have been kept on display. Nearly 100 persons arrive at the library to use the publications each day.

Plans have been made to establish a Training Centre during the next year and conduct public lectures and courses in collaboration with the Training Section.

3.4.9. National Housing Development Authority Website and Social Media Operations and Computer Division

The website of the National Housing Development Authority, which existed at primary level, has been

innovated using new technology and state-of-the-art computer techniques. It provides information on programmes of the National Housing Development Authority to the whole world, information to people in need of housing which enable them to fulfill that need, publishes the monthly journal Samata Sevana and maintains a photo gallery on development programmes of the Hon. Minister.

This will enable users to get updated information on the staff of the Authority as well as development programmes launched by the Authority and housing schemes constructed afresh by the Authority. It has been planned to update the information covering District Offices and all institutions using state of the art technology in future.

3.4.10 Archives and Book Binding Section

The Archives that had been established in the Department building was divided into two as Department Archive and Authority Archive in an orderly manner. Under the supervision of the officers of the Department of National Archives, shelves were prepared anew and allotted to each Division, with facilities to store documents methodically and systematically. The Archivist has been trained under the Department of National Archives. Plans have been formulated to maintain the Archives under the supervision and advice of officers of the Department of National Archives in a broader and more methodical manner. Action will be taken to renovate the Binding Section and prepare books containing material issued by all sections of the Authority.

3.5 Legal Division

I. As other Divisions and Sections of the Authority, the Legal Division also provides the necessary support in achieving the objectives of the Authority. It performs functions such as.

II. Providing freehold deeds for lands and houses.

III. Preparing condominium declarations necessary for issuing deeds for flats in blocks.

IV. Dealing with the complaints with regard to matters that are prejudicial to the society involving properties relevant to the National Housing Development Authority.

V. Taking legal action against persons or institutions when necessary.

VI. Filing action against those who illegally possess lands and houses belonging to the National Housing Development Authority and securing the clear possession.

VII. Preparing documents for building contracts and other agreements in affairs between the National Housing Development Authority and external parties.

VIII. Leading the cases and providing legal counsel in cases filed by the National Housing Development Authority against tenants who have defaulted and in arrears, persons who involved in illegal constructions and illegal settlers and those filed by other parties against the National Housing Development Authority.

IX. Taking legal action against residents and tenants who are in arrears in installments or rents.

X. Contributing to the recoveries of the National Housing Development Authority through legal notices and eviction orders and by way of Notarial fees.

XI. Taking action regarding human rights complaints.

XII. Providing legal aid representing the National Housing Development Authority in legal matters against those who misuse properties belonging to the National Housing Development Authority.

3.5.1 Issuing of Deeds

I. Awarding of deeds freehold to recipients of housing schemes who have paid all dues is one of the main tasks of the Legal Division. Freehold deeds are given in respect of condominium properties, houses other than condominium properties and lands.

II. The target for issuing deeds for the year 2016 was 3,000. However, the Legal Division received only 1,937 files for issuing deeds and processing has been completed in respect of 1851 deeds.

III. As a new programme for those whom freehold deeds cannot be granted, a process of issuing deeds of lease through District Offices throughout the

island has been commenced. The number of deeds accordingly issued are as follows:

The number of deeds accordingly issued are as follows:

3.10 Statistical Appendix
Issuing Deeds of Lease

Serial No.	District	Number of Files Sent
01	Colombo District Office	535
02	Colombo City (South)	1,293
03	Colombo City (North)	5,503
04	Matara	05
05	Vavuniya	205
06	Soyzapura	24
07	Kilinochchi	34
Total Number of Deeds of Lease Issued		7,599

3.11 Statistical Appendix
Cases Handled by the Head Office

Court	Number of Cases
Supreme Court	05
Court of Appeal	07
High Court	07
District Court	01
Magistrate's Court	05
Labour Tribunal	05
Industrial Court	01
Human Rights	01
Total	32

3.6 Planning and Progress Division

The Samata Sevana Housing Programme, which was commenced in the year 2015 by the National Housing Development Authority to prepare the background necessary for a gigantic awakening in housing development, was implemented in a broader and well-planned manner in the year 2016. During the year, Rs. 6,800,000,000/- was estimated for developing 110,075 houses and several special programmes were planned and implemented for this purpose.

The housing programmes planned for the year 2016 were able to achieve the targets set thanks to the interventions made through Progress Review Meetings headed by the Hon. Minister and the lady Secretary to the Ministry and steps taken to overcome the lapses and achieve targets and the constant monitoring carried out by the Chairman and the top management. As such, construction was commenced in respect of 125,582 houses in the year 2016 under various programmes and it is significant that out of it, work in respect of 101,176 houses has been completed. Accordingly, it is a remarkable achievement that work pertaining to all the houses planned was commenced and it was possible to complete work on 81% (101,176 houses). The amount spent for this purpose was Rs. Min. 6,553.4 and as such, the financial progress stood at 94%.

It was possible to obtain Rs. 5,817 million rupees from the Treasury in the year 2016 and it was possible to use it wholly for meeting the housing needs of low-income families within the year 2016. As such, the National Housing Development Authority has intervened directly to develop 119,891 houses under various housing programmes using Treasury funds.

Several major programmes such as Model Villages Programme, Visiri Houses Programme and several sub housing programmes under them (i.e. Reawakened Villages, Housing Programme for Kidney Patients, Widow Housing Programme), the

programme to provide cement aid for plastering the partly done houses, Weli-Oya Special Aid Housing Programme etc. were planned and implemented. Using Treasury grants amounting to 1,079.172 million rupees, 147 Model Villages Programmes were implemented in 20 Districts. Under the programme, the National Housing Development Authority provided financial assistance and technical assistance necessary to construct houses for 4641 families who had been daydreaming about a house without a plot of land of their own. It was a remarkable achievement made in the year 2016 that it was possible to obtain other necessary basic infrastructure through the coordination with government institutions and other stakeholders.

It was possible to get treasury funds increased by 25% as against the year 2015 for housing development activities in the year 2016. While the amount received in the year 2015 was 4,536.288 million rupees, it was possible to secure Treasury funding amounting to 6,072 million rupees in the year 2016.

Renovation of 13 Housing Schemes was planned under the old housing schemes renovation programme with a Treasury allocation of 240 million rupees. As such, estimates amounting to 303.676 million rupees were prepared for these projects and implementation was done in phases.

3.12 Statistical Appendix

**National Housing Development Authority
Samata Sevana Housing Development Programme
Development Programme 2016**

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Programme	Annual Target		Achievement as at 31.12.2016					
	Physical	Financial (Mn. Rs.)	Physical		Financial (Mn. Rs.)	Performance (%)		Financial (Mn. Rs.)
			Commencement	Completion		Commencement	Completion	
1. Treasury Funds								
1.1 Model Villages	4,500	1,125.00	4,641	259	1,079.172	103%	6%	96%
1.2 Visiri Nivasa	26,000	3,687.50	34,619	17,715	3,563.450	141%	69%	103%
1.2.1 Udakala Gammana	-	-	1,180	207	135.633	-	-	-
1.2.2 Widows" Housing	-	-	158	140	11.445	-	-	-
1.2.3 Kidney Patients" Housing	-	-	700	1	74.560	-	-	-
1.3 Plastering Houses	75,000	637.50	77,509	77,509	641.899	103%	103%	101%
1.4 WelI-Oya Special Project	1,000	350.00	1,084	42	310.845	108%	4%	89%
2. Internal Funds								
2.1 Sampath Sevana Housing	2,575	900.00	3,729	2,145	271.506	145%	83%	30%
3. Aided Housing								
3.1 Sevana Grant Housing	-	100.00	118	32	9.910	203%	12%	34%
3.2 Sevana Villages	500	-	896	27	23.815	-	-	-
4. Other Funds – External Funds								
4.1 Middle Class Housing	500	-	672	-	-	134%	-	-
5. Upahara Operation Expenses	-	15.00	-	-	15.00	-	-	100%
Total	110,075	6,815.00	125,316	98,077	6,137.67	113%	90%	90%
6. Old Housing Schemes Renovation	1,258	240.000	-	503	240.000	-	40%	100%
7. Issuing Deeds								
7.1 Freehold Deeds	3,000	-	-	1,851	-	-	62%	-
7.2 Deeds of Lease	2,000	-	-	7,599	-	-	380%	-
Sub Total	6,258	240.000	-	9,953	240.000	-	-	-
8. Continued Programme	4,126	324.590	266	3,099	190.726	-	75%	59%
Grand Total	120,459	7,364.59	125,582	111,129	6,568.396	108%	91%	94%

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REVIEW OF OPERATIONAL ACTIVITIES

4.1. Recovery Section

Operation in the Year 2016

This Section implements programmes for the recovery of loans provided by the National Housing Development Authority and for the promotion of rent incomes. Setting annual targets, providing guidance for reaching the targets, issuing policy decisions and Circulars pertaining to it, conducting training, conducting weekly/ monthly progress reviews and identifying the weaknesses existing and giving remedies for them and necessary assistance are carried out in this regard.

4.1 Statistical Appendix
Achievement of Targets

	Annual Recovery Target (Mn. Rs.)	Achievement (Mn. Rs.)	Percentage %
Housing Loan Installments	6,821.727	3,962.055	58 %
Housing Rents (Rural and Urban)	429.051	159.151	37 %
Total	7,250.778	4,121.206	57 %

Measures Adopted to Increase Recovery in the Year 2016

01. Collecting each of the recoveries by collecting agents at daily, weekly and monthly level as per the annual targets and conveying them to the District Offices according to the recovery target programmes.
02. Providing instructions necessary to reach the set targets. Following up with frequent contact with District Offices.
03. Reviewing the daily, weekly and monthly trends in achievement of recovery targets and preparing progress reports and conveying to the higher management for instructions.
04. Providing District Offices with assistance to overcome problems associated with recoveries and improve recoveries through analysis of those progress reports.
05. Conducting workshops at District Office level for collection agents and officers at District Offices.
06. Holding monthly Income Operation Committee meetings to review progress at District Offices level and issuing instructions for rectification of shortcomings by using the reports generated by the Committees.
07. Maintaining coordination between the Head Office and the District Offices to make the assistance of the top management available to District Offices for recovering activities.
08. Assisting District Offices to improve collections through Formulating policies pertaining to loan and rent collection and amendment of Circulars according to timely needs.
09. Taking action to recover installments of housing loans directly from the monthly salaries of those who have obtained housing loans working at government and private institutions.
10. Working to recover the installments due by informing through Ministry level those

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- government institutions who do not deduct installments from salaries.
11. Informing District Managers to assign each collection agent a manageable amount to collect, appoint new agents for collection activity and issue warning letters to weak collection agents.
 12. Issuing necessary instructions to take maximum steps to prevent misuse of funds in collection activities and to recover losses incurred from the persons who are responsible in the event of loss.
 13. Providing collection agents with an insurance cover with a road-based insurance policy and trust security insurance policy.
 14. Motivating collection agents by giving an attractive commission.
 15. Recovery of installments in arrears by considering appeals received daily from debtors pertaining to loan recoveries and providing possible relief.
 16. Taking action to make District Offices focus more attention on increasing the number of installments recovered because it affects the achievement of financial targets.
 17. Taking action to encourage District Offices to focus on increasing the sale of properties because earning of property income affects the achievement of financial targets.
 18. Conducting workshops on enhancement of District incomes.

4.2 Statistical Appendix

Recovery of Installments and Rents from Urban Houses and Shops - 2016

S. No.	District	Quantity		%
		Budget	Recovery	
1.	Head Office	20.444	27.227	133.18
2.	Colombo City (North) Maligawatta	23.000	42.381	184.27
3.	Colombo City (South) Manning Town	55.650	49.558	89.05
4.	Colombo District	31.400	17.783	56.63
5.	Gampaha	25.350	36.289	143.15
6.	Kandy	15.650	15.743	100.59
7.	Matara	15.200	2.924	19.24
8.	Kalmune/ Ampara Commercial Buildings	1.250	1.671	133.68
9.	Jaffna	2.500	3.718	148.72
	Total	190.444	197.294	103.60

Source : National Housing Development Authority

4.3 Statistical Appendix
National Housing Development Authority
(Housing Loan and Urban and Rural Rents - 2016)

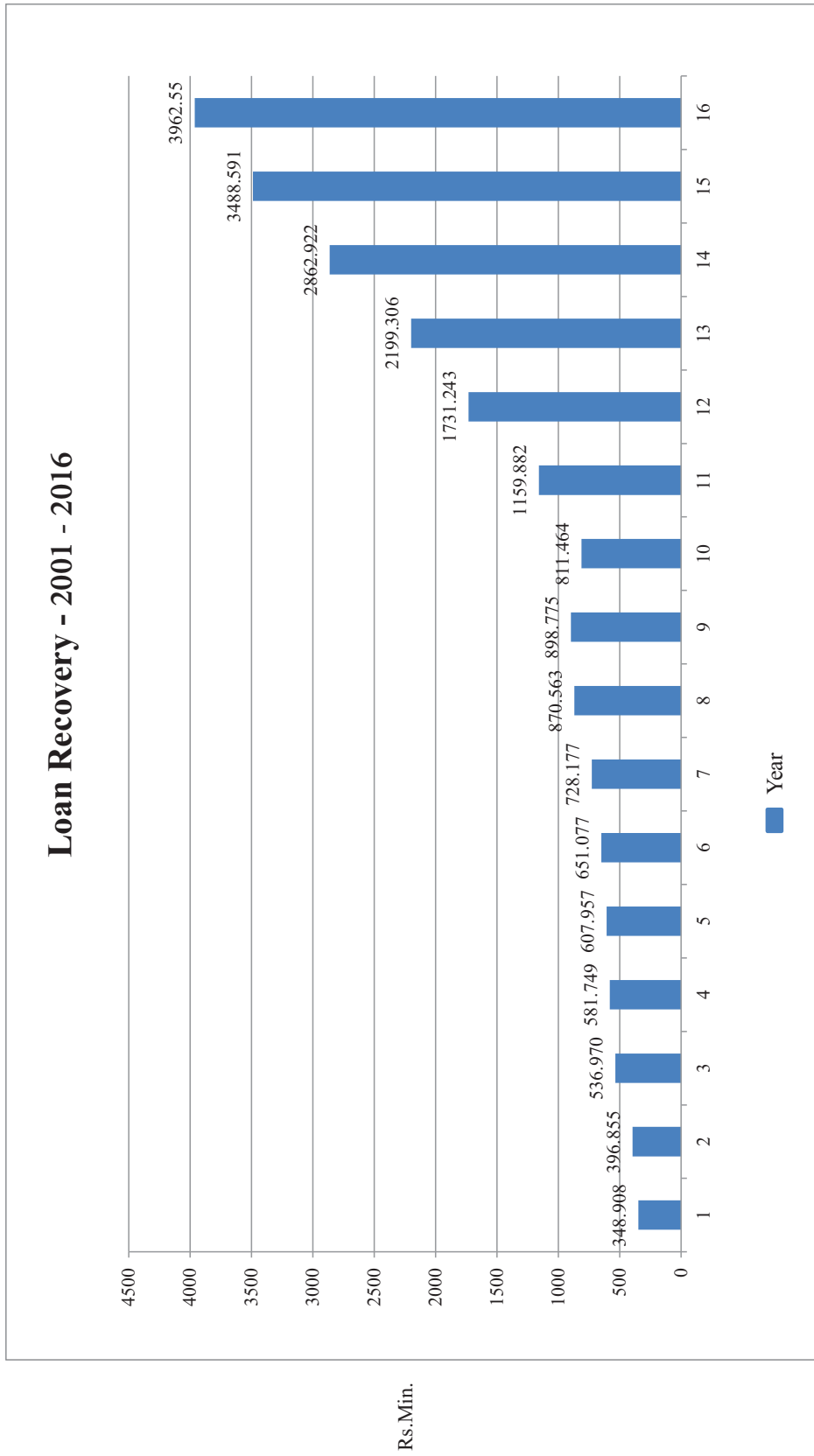
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Index No.	District	Annual Target Loan	Achivement	Annual Target - Rent	Achivement	Annual Target	Achivement	%
1	Colombo City (North)	32.759	15.748	50.361	20.447	83.120	36.195	44
2	Colombo City (South)	22.882	9.603	68.497	49.004	91.379	58.607	64
3	Colombo District	892.701	447.987	68.447	17.817	961.148	465.804	48
4	Gampaha	572.846	259.907	76.402	37.792	649.248	297.699	46
5	Kalutara	558.140	293.050	2.858	0.919	560.998	293.969	52
6	Kandy	544.898	305.823	18.972	11.454	563.870	317.277	56
7	Matale	163.659	128.845	0.17	0.013	163.829	128.858	79
8	Nuwaraeliya	288.477	122.176	16.825	0.099	305.302	122.275	40
9	Galle	295.843	190.337	12.721	1.560	308.564	191.897	62
10	Matara	296.419	193.898	22.231	3.817	318.650	197.715	62
11	Hambantota	188.507	119.532	2.882	0.798	191.389	120.330	63
12	Kurunegala	225.320	191.119	3.05	0.563	228.370	191.682	84
13	Puttalam	192.010	123.327	1.533	0.601	193.543	123.928	64
14	Anuradhapura	247.797	173.891	0.093	0.002	247.890	173.893	70
15	Polonnaruwa	151.305	79.996	0.957	0.000	152.262	79.996	53
16	Badulla	343.870	134.664	1.074	2.890	344.944	137.554	40
17	Monaragala	481.271	182.981	3.528	1.397	484.799	184.378	38
18	Ratnapura	165.242	126.724	0.15	0.399	165.392	127.123	77
19	Kegalle	234.303	200.958	2.5	0.376	236.803	201.334	85
20	Batticaloa	154.442	96.206	11.035	0.139	165.477	96.345	58
21	Ampara	245.952	116.932	28.275	0.729	274.227	117.661	43
22	Trincomalee	114.671	75.782	7.463	0.149	122.134	75.931	62
23	Jaffna	110.198	103.130	25.265	2.772	135.463	105.902	78
24	Mannar	63.292	40.260	1.409	0.392	64.701	40.652	63
25	Vavuniya	121.558	100.032	1.91	4.926	123.468	104.958	85
26	Mulativu	49.011	68.141	0.000	0.000	49.011	68.141	139
27	Kilinochchi	64.354	61.006	0.443	0.096	64.797	61.102	94
	Grand Total	6821.727	3962.055	429.051	159.151	7250.778	4121.206	57

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4.1 Chart



4.2 Internal Audit Division

The Internal Audit Division has been in existence since the inception of the National Housing Development Authority. Later it was amalgamated with the Investigation Section. This Division functions according to an Annual Audit Plan and in addition, performs special duties and investigations assigned to it. Its main functions are as follows:

1. Keeping a continuous independent evaluation regarding the adequacy and effectiveness of the internal control systems that have been introduced by the management.
2. Reviewing the progress of the development projects and schemes that have been implemented and reporting to the top management to what extent they have reached their targeted objectives.
3. Functioning as a coordinator between the upper and lower management, contributing to the production of relevant information.

This Division has, in pursuant of the Annual Audit Plan, performed the following tasks during the year 2016:

01. Audit Quarries

- | | |
|-----------------------------|----|
| I. Government audit queries | 04 |
| II. Internal audit queries | 82 |

02. Submitting Reports pertaining to Investigations

- | | |
|---|----|
| I. Investigations into accidents | 14 |
| II. Misconduct and special investigations | 49 |

03. Property disposal function

- | | |
|---|------|
| I. Number of deeds inspected | 1822 |
| II. Number inspected under section 8/1 2029 | |
| III. Inspection activity pertaining to other properties | 12 |

04. Conducting meetings of Audit and Management Committee

- | | |
|---|----|
| I. Meetings of National Housing Development Authority | 06 |
| II. Meetings of the Ministry of Housing and Construction | 04 |
| III. Pre-Audit Meetings of the Audit and Management Committee | 01 |

05. Providing information necessary for queries by other government institutions

- | | |
|---|----|
| I. Presidential Commission of Inquiry | 03 |
| II. Financial Crimes Investigation Commission | 07 |
| III. Commission to Investigate Allegations of Bribery or Corruption | 01 |

06. Checking of payment Gratuity for the year 2016 files pertaining to Gratuities 96

07. Participating in and Functioning as an observer in Revenue Operations Committees and Procurement

4.3 Information and Publicity Division

The Information and Publicity Division implemented programmes in print and electronic media in the year 2016 in order to fulfill the communication needs of house owners who participate in housing programmes of the National Housing Development Authority.

The Information and Publicity Division functions together with the following units:

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

4.3.1 Information and Publicity Unit

The Information and Publicity Unit implemented the following courses of action in the year 2016:

- Media coverage activities pertaining to the Samata Sevana Housing Programme implemented by the National Housing Development Authority and informing the general public through print and electronic media

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- Under the Samata Sevana Programme, 15 model villages were bestowed to people in the year 2016. They are:
 1. Isurupura in Welioya, Mulativu
 2. Sahanagama in Tissamaharama, Hambantota
 3. Sanhidagama in Hambantota
 4. Rankethgama in Deltota, Kandy
 5. Dayapura in Nawagampura, Ampara
 6. Kamachchi Gramam in Eravurpattu, Batticaloa
 7. Sampathagama in Tissamaharama, Hambantota
 8. Navodyagama in Bulathsinghala, Kalutara
 9. Nuwaragala in Dimbulagala, Polonnaruwa
 10. Sobasethgama in Tissamaharama, Hambantota
 11. Sethsandagama in Hambantota
 12. Siriseelalankara Nahimigama in Dimbulagala, Polonnaruwa
 13. Edirimanagama in Bamunakotuwa, Kurunegala
 14. Sithuminigama in Lunugam wehera, Hambantota
 15. Devanapathisgama in Talawa, Anuradhapura
- Publicity, supply of public address systems and organizing pertaining to all ceremonies of the Head Office and the District Offices including events pertaining to inauguration of model villages, groundbreaking ceremonies, and those pertaining to Samata Sevana Programme.
- Preparing the souvenirs pertaining to all ceremonies of the Samata Sevana Programme.
- Capturing the necessary photos and obtaining information from the relevant villages pertaining to the Samata Sevana Programme.
- Coordinating all District Offices pertaining to publicity work.
- Posting on the boards on the 5th and 6th Floors all photos pertaining to the ceremonies.
- Organizing activities for art and essay competitions to mark the World Habitat Day.
- Obtaining paintings and essays, submitting for adjudication, selecting winners and awarding certificates and cups.
- Clipping news items on housing activities published in daily newspapers and collating them.
- Preparing and disseminating news and announcements to be broadcast day to day.
- Playing the National Anthem and other compositions.
- Conducting photograph exhibitions associated with villages that are given to the people.
- Designing decorations necessary for other events and exhibition stalls necessary for exhibitions.
- Capturing photos of the ceremonies in model villages and those held at the Authority.
- Issuing books containing development information pertaining to Districts.
- Producing documentary films on development programmes.
- Collecting information pertaining to development programmes.

4.3.2 Sevana Media Unit

- The Sevana Media Service published advertisements of various institutions such as the Ministry of Housing and Construction, the National Housing Development Authority, the National Water Supply and Drainage Board, the Sri Lanka Land Reclamation and Development Corporation, the Urban Habitat Development Authority, the Condominium Management Authority, the State Engineering Corporation, the Construction Development Authority, the Government Factory, the State Development Construction Corporation, the

Ocean view Development Private Limited, the Building Materials Corporation Limited, the Kalutara District Secretariat, the National Buildings Department in various newspapers in the year 2016.

- The Annual estimated profit of the Sevana Media Service was 3 million rupees in the year 2016. The income generated as at December 2016 was 57.54 million rupees and the profit was 7.62 million rupees.
- All earnings of the Sevana Media Service are credited to a separate account titled “Chairman, National Housing Development Authority” and this money is used for housing development programmes of the National Housing Development Authority.

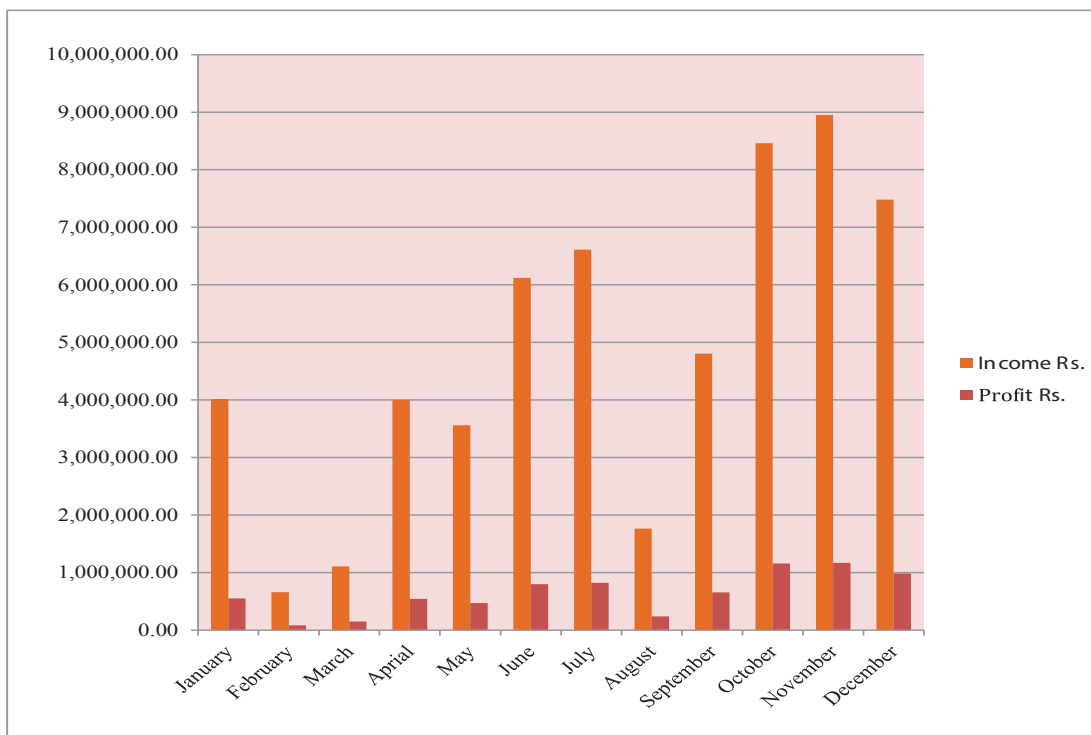
4.4 Statistical Appendix
Sevana Media Service
Incomes and Profits from January to December 2016

Month	Income (Rs.)	Profit (Rs.)
January	4,016,968.56	550,371.41
February	659,497.04	85,577.47
March	1,105,787.68	149,430.75
April	4,001,062.11	545,119.05
May	3,561,550.86	470,668.50
June	6,122,535.27	797,162.25
July	6,612,371.88	822,633.84
August	1,764,724.73	237,192.75
September	4,804,605.47	655,616.25
October	8,462,641.68	1,157,424.00
November	8,951,137.11	1,170,836.25
December	7,481,164.04	983,921.25
Total	57,544,046.43	7,625,953.77



4.1 Chart

Sevana Media Targeted Income for the Year 2016 - 3 Million Rupees



4.3.3 Printing Unit

Our Printing Press, which is a grant from the Government of Japan in the year 1985, is operated with the assistance of three employees. It carries out all printing related activities including:

- Printing of all documents and books pertaining to the Head Office and District Offices.
- Printing of grant deeds pertaining to model villages.

- Binding of books pertaining to printing orders. The monetary value of the printing works for the year 2016 is about Rs. 3,979,590/-

4.4 Information Technology Section

The year 2016 can be termed a year in which the Information Technology Division endeavored most to perform its functions with maximum potential for the achievement of the Aims and the Objectives of the National Housing Development Authority. As such, the use of information technology for the development of the service effectiveness within the overall process of the Authority has escalated satisfactorily during the past several years owing to enhanced exchange of information through the availability of computer network facilities to each Division of the Authority as well as the ability to do most of the repair work on computers within the computer section itself and on the part of officers of the Computer Division, the expeditious attendance to, trouble shooting and rectifying defects in computes which occur in day to day work . This has enhanced the quality as well as efficiency of the services our Authority provides to people. In this respect, the use of information technology for especially housing development activities as well as processing of housing loans and financial administration, Human Resources development activities, management of properties belonging to the Authority, legal processes associated with grant of deeds and other administrative purposes remains at a very high level.

The Internet facilities, which had been limited to the Information Technology Section, were extended to all the sections of the Head Office and all the District Offices, thereby enhancing the efficiency of their functions. In addition, the introduction of the Skype technology and Team Viewer technology has further enhanced the exchange of information between District Offices and the Head Office and as a result, a vast progress can be seen in electronic data transfer within the overall process of the Authority.

At the same time, training programmes are conducted to enhance the awareness of staffs across the National Housing Development Authority (including those at the District Offices) on how

to improve the use of Information Technology to enable the efficient performance of day-to-day duties. In addition, the Information Technology Division has developed methodologies for gathering and collating information necessary so that it facilitates the management to make decisions in implementing the overall programme and has made available such methodologies to relevant sections, and provided training on the use of such methodologies, which have been put to use at present.

The official Facebook page has been launched to get the National Housing Development Authority closer to people, thereby enabling the general public to get information on the overall process of the Authority instantaneously. This move has given a good opportunity to those who wish to get information on the history of the Authority. This has enabled people to learn about the decisions made day-to-day, get information on programmes under implementation, launching a housing project or handing over of a housing project to people in all Districts, and how commitments are made in times of natural disaster as well as relief given to poor people. At the same time it gives them opportunity to express their views.

It has given the opportunity to present to the world our mission due to the ability to share information on the National Housing Development Authority to a person anywhere in the world.

The web-based software that is being designed for the Human Resources Management and Administration Division has made it easier to solve employee issues due to the ability to obtain data instantly pertaining to employees of any District Office in Sri Lanka.

At the same time a web-based software has been designed so that communication activities of the National Housing Development Authority could be carried out more efficiently and accurately. The software has enabled the Authority to process all the letters received in a well-planned and orderly manner. It has given the opportunity to the top management to follow up and deal with any letter with ease.

4.5 Ocean View Development Private Limited

4.5.1 Introduction

The Ocean View Development Private Limited had been registered as a private company under the Companies Act No. 17 of 1982 as per the Cabinet Decision No. 94/340/006 dated 17.02.1994 at the Tower Building in Bambalapitiya under the shareholding of the National Housing Development Authority. Later it was re-registered under Registration No. PV 17667 in accordance with the Companies Act No. 07 of 2007.

4.5.2 Vision

Becoming the leading property development company in the property development market in Sri Lanka.

4.5.3 Mission

Supporting the local property development market by providing affordable single housing units as well as condominium housing properties consisting of comprehensive facilities at competitive prices based on the needs of customers.

4.5.4 Objectives

- Management of Tower Building.
- Acquisition of lands and properties.
- Developing of properties.
- Taking possession of properties.
- Managing of properties.
- Renting out and Leasing out properties.
- Selling of properties.
- Carrying out construction and maintenance work.

4.5.5 Board of Directors of the Ocean View Development Private Limited

Mr. Poorna Chandana Silva	Chairman/Managing Director
Mr. Lakvijaya Sagara Palansuriya	Director
Mr. M. Lakshman Perera	Director
Ms. Mayuraa De Silva	Director
Mr. M. Naimulla	Director Till June 2016
Mr. P. Suresh	Director Till June 2016
Mr. Rohan De Silva	Director Till June 2016
Mr. Andrew Subasinghe	Director W.E.F. July 2016

Mr. R.B.M. Gunawardhana	Director	W.E.F. July 2016
Mr. S.K. Fernando	Director	W.E.F. July 2016
Mr. Kasun Perera	Director	W.E.F. July 2016
Mr. W.L.D.P.V. Jayawardhana	Director	W.E.F. July 2016
Mr. S.I. Atheeq Inan	Company Secretary	

4.5.6 Staff of the Ocean View Development Private Limited

The overall staff of the Company was as follows in the year 2016:

Executive Staff	10
Non-Executive Staff	17
Maintenance Staff	33
	60

4.5.7 Progress Review by the Management

- On guidance of the management, taking action to enhance productivity through the improvement of positive thinking by the staff.
- Refurbishment of housing units which fall vacant in the Tower Building so that a modern look and a higher value can be secured.
- Giving the Tower Building a new look by carrying out repair work in the area near the entrance.
- Taking action to obtain compensation for the plot of land which was acquired in carrying out construction work on the road in front of the Entrance to the Tower Building in Bambalapitiya.
- As part of the building was also acquired during the construction of the said seafront road, taking action to divest that part of the building as well.
- Taking action to sell the plot of land on the Railway Avenue in Kirulapona to a buyer so that a higher profit percentage could be derived.
- Contracting in collaboration with the Nuwaraeliya Municipal Council to construct a housing complex consisting of supermarkets on three plots of land in the middle of the Nuwara Eliya town.

4.5.8 2017 Future Plans

- Securing compensation for the plot of land acquired in constructing the seaside road and divesting the part of the building acquired.
- Taking steps in respect of the new housing project to be constructed in the middle of the Nuwaraeliya town, viz:
 - Contracting with the Urban Development Authority
 - Obtaining relevant approvals for the project
 - Selecting a suitable investor
 - Commencing construction.




4

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2016

	2016 NHDA	NOTE	2016 CONSOLIDATED	2015 NHDA	2015 CONSOLIDATED	2016 BUDGETED
	Rs. cts.		Rs. cts.	Rs. cts.	RESTATE	NHDA
					Rs. cts.	Rs. cts.
ASSETS						
NON CURRENT ASSETS						
I FIXED ASSETS						
Land & Building	545,005,913.42	(02)	545,005,913.42	575,921,278.33	575,921,278.33	857,367,000.00
Investment Property			1,998,729,206.26		1,979,500,149.00	
Property Plant & Equipment	59,279,659.29	(03-1)	95,482,167.31	81,099,587.17	123,993,783.17	169,670,000.00
Intangible Assets		(03-11)	217,480.20		127,180.00	
	604,285,572.71		2,639,434,767.19	657,020,865.50	2,679,542,390.50	1,027,037,000.00
II Development Assets	1,933,624,103.57	(04)	1,933,624,103.57	1,943,897,144.02	1,943,897,144.02	4,329,035,000.00
III Housing Loan Programmes	19,340,239,714.21	(05-14)	19,340,239,714.21	16,307,325,198.14	16,307,325,198.14	21,234,131,000.00
	21,273,863,817.78		21,273,863,817.78	18,251,222,342.16	18,251,222,342.16	25,563,166,000.00
IV INVESTMENTS - Long Term	450,133,334.00	(15-1)	343,246,211.20	450,133,334.00	342,076,211.00	365,000,000.00
CURRENT ASSETS						
Direct Construction Programme	80,613,675.90	(16)	139,623,745.55	219,928,450.13	219,928,450.13	282,000,000.00
Stock	141,068,941.81	(17)	305,939,361.13	131,081,871.91	351,808,961.91	87,928,000.00
Advances to Contractors	89,998,240.49		89,998,240.49	94,081,294.53	94,081,294.53	28,000,000.00
Interest Receivables	6,084,595.32	(18)	6,084,595.32	5,329,195.09	5,329,195.09	4,500,000.00
Debtors	2,025,694,575.27	(19)	2,050,261,790.40	1,847,868,840.26	1,876,319,629.26	1,203,188,000.00
Deposits & Advances	883,557,003.78	(20)	883,557,003.78	834,081,769.52	834,081,769.52	674,094,000.00
Investments - Short Term	2,299,778,323.15	(15-11)	2,321,423,314.15	1,121,550,070.86	1,143,147,827.86	950,000,000.00
Cash & Bank Balances	726,334,350.12	(21)	729,063,778.53	1,055,818,670.35	1,069,933,825.35	130,347,000.00
	6,253,129,705.84		6,525,951,829.35	5,309,740,162.65	5,594,630,953.65	3,360,057,000.00
TOTAL ASSETS	28,581,412,430.33		30,782,496,625.52	24,668,116,704.31	26,867,471,897.31	30,315,260,000.00
EQUITY & LIABILITIES						
Authorised Capital	50,000,000.00		50,000,000.00	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	40,000,000.00	40,000,000.00
Capital Reserves - Foreign Grant	131,682,601.02		131,682,601.02	131,682,601.02	131,682,601.02	131,683,000.00
- Domestic Grants	29,016,469,332.50	(22)	29,016,469,332.50	23,825,601,890.53	23,825,601,890.53	26,890,648,000.00
	29,188,151,933.52		29,188,151,933.52	23,997,284,491.55	23,997,284,491.55	27,062,331,000.00
Add / (Less)						
Accumulated surpluses/(deficits)	(13,023,267,077.20)		(11,902,165,930.44)	(13,263,569,479.91)	(12,137,769,941.91)	(12,790,000,000.00)
	16,164,884,856.32		17,285,986,003.08	10,733,715,011.64	11,859,514,549.64	14,272,331,000.00
Minority Interest	-		951,646,948.80	-	955,249,603.00	
NON CURRENT LIABILITIES						
Gratuity Fund	81,413,323.90		81,413,323.90	52,916,070.86	52,916,070.86	80,627,000.00
Gratuity Provisions	578,215,058.56		582,767,644.81	593,428,478.95	597,621,065.95	
Loans	7,945,805,264.24	(23)	7,945,805,264.24	9,168,054,362.59	9,168,054,362.59	10,224,406,000.00
Investors Fund			24,875,890.00		24,875,890.00	
Leas Rent Payable			15,787,948.65		15,782,707.00	
	24,770,318,503.02		26,888,283,023.48	20,548,113,924.04	22,674,014,249.04	24,577,364,000.00
CURRENT LIABILITIES						
Creditors	1,829,809,918.57	(24)	1,912,929,593.30	1,822,544,546.08	1,895,999,414.08	1,984,000,000.00
Current Liabilities for Loans	934,852,693.98	(25)	934,852,693.98	1,259,343,392.75	1,259,343,392.75	1,330,640,000.00
Deposits	742,416,798.23	(26)	742,416,798.23	953,276,526.92	953,276,526.92	1,762,000,000.00
Provisions	304,014,516.53	(27)	304,014,516.53	84,838,314.52	84,838,314.52	661,256,000.00
	3,811,093,927.31		3,894,213,602.04	4,120,002,780.27	4,193,457,648.27	5,737,896,000.00
TOTAL EQUITY & LIABILITIES	28,581,412,430.33		30,782,496,625.52	24,668,116,704.31	26,867,471,897.31	30,315,260,000.00

The Significant Accounting Policies and Notes on Pages 10 to 36 from an Integral Part of these Financial Statements.


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

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

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


L. S. Palansuriya
CHAIRMAN
National Housing Development Authority


KARUNARATNA ATHUKORALA
VICE CHAIRMAN

Karunaratna Athukorala
Vice Chairman
National Housing Development Authority
COLOMBO 02.

5

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE 31 ST DECEMBER 2016

	NHDA	NOTES	CONSOLIDATED	NHDA	CONSOLIDATED	BUGETED
	2016		2016	2015	RESTATED 2015	2016
	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
[A] REVENUE	1,163,785,738.43	[28]	1,177,515,364.43	330,772,857.28	360,805,813.28	567,920,000.00
Cost of Sales	155,529,724.92	[29]	165,174,694.39	183,050,122.19	217,442,178.19	-
Gross Profit	1,008,256,013.51		1,012,340,670.04	147,722,735.09	143,363,635.09	567,920,000.00
[B] OTHER REVENUE	3,699,617,641.15	[30]	3,802,101,607.69	2,322,556,384.80	2,720,794,709.80	3,005,916,000.00
	4,707,873,654.66		4,814,442,277.73	2,470,279,119.89	2,864,158,344.89	3,573,836,000.00
[C] EXPENSES						
Institutional & Administrative Expenses	2,016,461,050.49	[31]	2,120,425,595.29	1,793,597,542.50	1,866,323,023.50	1,945,594,000.00
Finance Expenses	1,048,730,299.49	[32]	1,050,562,763.63	1,103,124,164.13	1,104,538,078.13	1,179,888,000.00
Other Expenses	1,402,379,901.97	[33]	1,411,452,575.33	601,526,608.10	613,577,488.10	633,400,000.00
	4,467,571,251.95		4,582,440,934.25	3,498,248,314.73	3,584,438,589.73	3,758,882,000.00
[D] Surplus / (deficit) for the period [A - B]	240,302,402.71		232,001,343.48	(1,027,969,194.84)	(720,280,244.84)	(185,046,000.00)
Surplus / (deficit) for the NHDA	240,302,402.71			(1,027,969,194.84)		
LESS Minority Interest	-		(3,602,659.71)	-	133,537,004.30	
	<u>240,302,402.71</u>		<u>228,398,683.77</u>	<u>(1,027,969,194.84)</u>	<u>(586,743,240.54)</u>	
[E] Accumulated surpluses (deficits) - Brought Forward	(13,263,569,479.91)		(12,706,473,912.46)	(12,235,600,285.07)	(12,119,730,671.92)	
[F] Accumulated surpluses (deficits) - Carried Forward	<u>(13,023,267,077.20)</u>		<u>(12,478,075,228.69)</u>	<u>(13,263,569,479.91)</u>	<u>(12,706,473,912.46)</u>	<u>(185,046,000.00)</u>

**SIGNIFICANT ACCOUNTING POLICIES & NOTES
FOR THE YEAR ENDED 31ST DECEMBER 2016**

NOTE [01] – Corporate Information

1.1 General

National Housing Development is a Government entity which was established by parliament act. The head office of the NHDA is situated at Colombo fort in addition there are twenty five District Offices and two City Offices in Colombo city.

1.2 Nature of operation

Facilitating to increase the Housing stock in Sri Lanka.

1.3 Reference to Legislation

National Housing Development authority act No. 17 of 1979 and subsequent amendment as follows.

i	1982	No. 05
ii	1988	No. 20
iii	1999	No. 30
iv	2002	No. 23
v	2003	No. 32

5

2. FUNDAMENTAL ACCOUNTING ASSUMPTIONS

- 2.1 The Accounts: The Financial Statements are prepared in conformity with generally accepted accounting principles and Sri Lanka public sector accounting standards laid down by the Public Sector Accounting Standards Committee.
- 2.2 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.
- 2.3 Going Concern Concept: The financial Statements have been prepared on the basis of going concern which contemplates that the Authority will be able to realize its assets and discharge the liabilities in the normal course of business.

3. ASSETS AND THEIR BASIS FOR VALUATION

3.1 Property, Plant and Equipments:

The fixed assets are stated at cost less accumulated depreciation. The cost includes cost of purchase together with any attributable cost of bringing the assets to the working conditions for its intended use.

3.2 DEPRECIATION

Depreciation is provided on fixed assets from the date of purchase up to the date of disposal.

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

Land & Building	2.5 % on Cost
Furniture & fittings	20 % on Cost
Equipment & Machinery	20 % on Cost
Motor Vehicle	20 % on Cost
Motor Vehicles	20 % on Cost
Head Office & Other District Offices for Vehicles which have been Fully Depreciated, Rs.1000 has been Fixed as Residual Value	

5

3.3 GRANTS RELATED TO ASSETS

According to the income approach, grant, related to depreciable assets are recognized in comprehensive income statement over the period and in the proportions in which depreciation expenses on those assets is recognized.

Accordingly Rs. 25.120 that is 20% of the value of vehicles received as grants has been credited to the comprehensive income statement as differed income

4. STOCK

- 4.1 The closing stock is based on physical verification and while the valuation is done in FIFO method by NHDA
- 4.2 Losses or damages are accounted on the actual cost or replacement value which ever is higher.
- 4.3 The value of completed houses have been transferred to stock at historical cost or net realizable value which ever is lowest.

5. LIABILITIES AND PROVISIONS:

- 5.1 Liabilities classified as Current Liabilities in the statement of financial position are those which fall due for payment on demand or within one year from the statement of financial position date.

6. CONTINGENCY LIABILITIES

As per SLPSAS 08 the following Liabilities are disclosed.

- 6.1 24 Nos. Court cases are pending against the NHDA and compensation has been estimated as Rs. 65.991

10% provision has been made on pending court cases.

7. INCOME STATEMENTS:**7.1 RENT**

Rent derived from rental schemes are treated as recurrent revenue. According to the SLPSAS 07, these assets are depreciated.

7.2 PROVISION OF BAD AND DOUBTFUL DEBTS

The following provisions have been made in the accounts

- 7.3 Provision is made on a percentage basis according to the age analysis debtor of housing loan sale of land sale of houses installments, urban/Rural rentals.

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 %

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

Sevana Media	}	20 %
Supply of Security Service		
Reimbursable Expenses by Other Institute		
UDA		
CHP		
Manikka Watta Housing Prog. NEMO		

Amount from Maligawatta CGR Project is set off against the land compensation. Due to this reason provision was not made for this purpose.

7.5 INTEREST PAYMENT

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

7.6 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.

- 7.7 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.
- 7.8 Capital Expenditure: Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature has been treated as capital expenditure.

8. 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.

9. 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.

5

10. DETERMINATION OF SALE PRICE OF THE HOUSES AND ACCOUNTING

- 10.1 The sale price of housing unit should be determined to cover at least the cost of the house
- 10.2 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.
- 10.3 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 .

10.4 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.

11. LANDS ACQUIRED FOR HOUSING PURPOSES

- 11.1 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.
- 11.2 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.
- 11.3 From 2013 onwards the estimated market value of the lands referred to in Paragraph 11.1 above is transferred to a Reserve Fund created for land acquisition.

11.4 DETERMINING THE SALE PRICE OF LANDS AND KEEPING ACCOUNTS

- 11.5 Irrespective of the price or compensation paid on the acquisition / purchase of lands, sale price is determined by considering estimated market value prevailing at the time.
- 11.6 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.

12 SALE OF HOUSES / LANDS ON INSTALLMENT BASIS

- 12.1 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.
- 12.2 In the following the procedure given at 12.1 above, the amount of value shown in the accounts should be transferred from the Assets Account to sale of houses / lands account.

13. 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.

14. 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.

15. GENERAL**15.1 NATIONAL HOUSING DEPARTMENT**

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

15.2 VEHICLES LOST

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

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

5

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

15.3 The land of 186.5 perches at Darly road was sold to a L & T Infrastructure Development project Lanka (Pvt) Ltd for mixed development project.

Out of the total value of Rs. 812Min, Rs. 100Min has been deposited by the buyer and the balance amount of Rs. 712 Min is to be received during the year 2016

The amount of Rs.650Min is as land value and the balance sum Rs.162 Min as dividend.

15.4 FOREIGN GRANT

Foreign grant of Rs. 131,682,601.02 was received from Fedric Newman Fund and Foreign Development ministry UK as Rs. 9,815,690 and Rs. 15,310,534 respectively for the purchase of building material for housing construction and also a balance amount was received by the other donor countries

The above grant received from the donors for the period 1981 to 1995.

15.5 A loan of Rs. 250Min was granted from the President's Fund at an interest rate of 15% in 1991 to 1992. According to the letter dated 14.09.2015 send by the Presidential Secretariat balance capital of President Fund loan has being paid and the interest had been written off in the account of 2016

15.6 Due to indistinctiveness of the circular issued with regard to salaries, contributions of EPF and ETF for cost of living allowance had not been paid since 2006 to 2012

As per the instructions given by the Labour Department, EPF, ETF and surcharges shall be paid for the said duration.

The amount payable is as follows,

EPF & ETF	143.853 Min
Surcharge	71.927 Min
Total	<u>215.780 Min</u>

A provision has been made for this sum.

15.7 GROUP ACCOUNTS - OVDC LTD

The company was incorporated in Sri Lanka on 19th September 1996 under section 145 of companies Act No: 17 of 1982 and was registered with the companies Act, No: 07 of 2007.

The registered office of the company is situated at No. 25 ½, Tower Building, Station Road, Bambalapitiya, Colombo 04.

OVDC is a joint venture of NHDA and UDA. NHDA owned 56.6% shares of OVDC and balance 43.4 % shares owned by UDA.

The accounts of the OVDC Ltd, as at 31st December 2016 have been consolidated with that of the NHDA, as NHDA is the major shareholder.

In the Statement of Financial Position share of U.D.A is reflected as minority interest amounting to Rs. 951,646,948.80

15.8 According to the audited accounts of OVDC following accounts are restated as follows.

Name of the Account	2015 Rs.	Changes (estimated errors) Rs.		Restated 2015 Rs.
Land & Building	1,698,021,768.00	281,478,381.00		1,979,500,149.00
Machinery & Equipment	43,021,378.00	-		43,021,378.00
Investment	31,680,120.00	1,860,514.00		33,540,634.00
Inventories	240,719,018.00	19,991,928.00		220,727,090.00
Debtors	24,664,270.00	4,306,888.00		28,971,158.00
Accumulated Surpluses	968,746,705.00	157,052,833.00		1,125,799,538.00
Gratuity	4,841,315.00	648,728.00		4,192,587.00
Lease rent payable	20,590,497.00	4,807,790.00		15,782,707.00
Creditors	78,679,260.00	470,402.00		73,975,237.00
Minority Interest	834,303,562.66	120,946,040.34		955,249,603.00
Investor Fund	24,500,000.00	375,890.00		24,875,890.00
Investment NHDA	120,520,369.34	520,369.34		120,000,000.00
Revenue	104,737,357.39	26,271,121.61	increase	131,008,479.00
Cost of Sales	-	(3,439,256.00)	increase	(34,392,056.00)
Other income	14,586,268.76	277,599,174.24	increase	292,185,443.00
Administrative expenses	87,126,456.91	6,999,079.91	decrease	(80,127,377.00)
Financial income	-	5,077,359.00	increase	5,077,359.00
Financial Cost	1,097,986.63	(315,927.37)	decrease	(1,413,914.00)
Income Tax	-	(4,648,984.00)	increase	4,648,984.00
Surplus	31,099,182.61	276,589,767.39		307,688,950.00



NOTE 021 - LAND & BUILDINGS

Description	COST				DEPRECIATION						Written Down Value As At 31.12.2016
	Balance as at 01.01.2016		Disposals During the year	Adjustment	Provision as at 01.01.2016	Charges for the year	Accumulated on Disposed items	Adjustment	Balance as at 31.12.2016		
	Land	Building								Land	
Parsons Road		50,434,491.63			44,055,565.63	1,260,862.29			45,316,427.93	5,118,065.70	
Kandy Secretariat		8,509,312.85			7,603,293.17	212,732.82			7,816,025.99	693,286.86	
Kandy Circuit Bung.		3,031,169.52			2,597,605.39	75,779.24			2,673,384.63	357,784.89	
Kalmunai Circuit Bungalow		4,554,220.42			3,641,251.79	113,855.51			3,755,107.30	799,113.12	
District Office Polonnaruwa		419,737.99			260,922.73	10,493.45			271,416.18	148,321.81	
District Office Monaragala		4,785.00			3,947.90	119.63			4,067.53	717.48	
Kataragama Circuit Bungalow		221,602.61			162,798.65	5,540.07			168,338.72	53,265.89	
Anuradhapura District Office		830,724.80			643,811.59	20,768.12			664,579.71	166,145.09	
Gampaha District Office		6,307,579.67			1,717,001.85	157,689.49			1,874,691.34	4,432,888.33	
Kilinochchi District Office		6,087,289.36			615,091.87	152,182.23			767,274.10	5,320,015.26	
Ratnapura District Office		274,189.92			75,402.23	6,854.75			82,256.98	191,932.94	
Ratnapura Sethsisala house		92,785.50			18,557.11	2,319.64			20,876.74	71,908.76	
Other Buildings		614,295.90			286,479.60	15,357.40			301,836.99	312,458.91	
Buildings Taken Over from Director of Build.		22,743,500.00			14,768,474.50	568,587.50			15,337,062.00	7,406,438.00	
Matara District Office		24,988,047.41			2,525,935.30	624,701.19			3,150,636.49	21,837,410.92	
Batticaloa District office		9,014,301.09			676,072.58	225,357.53			901,430.11	8,112,870.98	
Trincomalee Office		168,773.54			88,606.12	4,219.34			92,825.45	75,948.09	
Vavuniya Circuit		5,095,202.38			703,034.40	127,380.06			830,414.46	4,264,787.92	
NHD Office Buildings		3,742,246.85			2,432,459.57	93,556.17			2,526,015.74	1,216,231.11	
Hantana Circuit Bungalow	2,520.00	1,109,930.00			721,643.71	27,748.25			749,391.96	363,058.04	
Ampara District Office		366,148.50			173,920.53	9,153.71			183,074.24	183,074.26	
Circuit Bungalow Baswakkulama		240,000.00			102,000.00	6,000.00			108,000.00	132,000.00	
Office Bldg Badulla		1,222,000.00			519,350.00	30,550.00			549,900.00	672,100.00	
Jansavi Centre - kandy		2,465,734.09			1,047,937.08	61,643.35			1,109,580.43	1,356,155.65	
Hambantota D/O		2,040,350.74			824,323.64	51,008.77			875,332.40	1,165,018.34	
Rental Scheme 5000 Houses Programme		172,612,505.61			84,519,945.10	4,315,312.64			88,835,257.74	83,777,247.87	
Rental Urban Scheme 100 thousand Prog.	55,317,190.10	837,824,186.87			587,899,432.18	20,945,604.67			608,845,036.85	284,296,340.12	
Rental Schemes NHD		13,861,809.74			8,924,179.82	346,545.24			9,270,725.06	4,591,084.68	
Coastline Rental Houses		61,185,579.02			26,639,290.38	1,529,639.48			28,168,929.85	33,016,649.17	
Recreation center Jallara Hill P		9,465,234.88			1,893,046.98	236,630.87			2,129,677.85	7,335,557.03	
Kegalle District Office		12,437,889.47			1,865,684.04	310,947.24			2,176,631.28	10,261,258.19	
Colombo - Shops		11,208,404.11			261,222.37	280,210.10			541,432.48	10,669,441.63	
Soyapuna District Office		12,251,591.27			210,360.94	306,289.78			516,650.72	12,922,746.16	
Colombo city (north) District Office		33,654,596.22			-	-			-	-	
Kandy District Office		1,319,080,216.96			798,478,648.73	32,135,640.52			830,614,289.25	545,005,913.42	
TOTAL	55,317,190.10	1,319,080,216.96	1,220,275.61	-	798,478,648.73	32,135,640.52	-	-	830,614,289.25	545,005,913.42	

NOTE [03] - PROPERTY PLANT & EQUIPMENT**NHDA - 2016**

NAME OF THE FIXED ASSET	NHDA					Total
	MOTOR VEHICLES		FURNITURE, FITTINGS	EQUIPMENT		
	Freehold	Leasehold		EQUIPMENT	Machinery & Equipment	
Balance as at 01.01.2016	283,715,660.77	-	55,028,209.53	158,305,969.92	-	497,049,840.22
Additions during the Year	-	-	3,626,738.58	16,018,010.20	-	19,644,748.78
Disposals/Adjustment During the Year	5,666,331.64	-	-	-	-	5,666,331.64
Balance as at 31.12.2016	278,049,329.13	-	58,654,948.11	174,323,980.12	-	511,028,257.36
Provision as at 01.01.2016	242,221,312.11	-	40,464,467.24	133,264,473.70	-	415,950,253.05
Charges for the Year	25,788,716.00	-	4,332,184.16	11,339,776.50	-	41,460,676.66
Accumulated on Disposed Items / Adjustment	5,662,331.64	-	-	-	-	5,662,331.64
Balance as at 31.12.2016	262,347,696.47	-	44,796,651.40	144,604,250.20	-	451,748,598.07
Written down value as at 31.12.2016	15,701,632.66	-	13,858,296.71	29,719,729.92	-	59,279,659.29

NOTE [03] SUB - MOTOR VEHICLES, FITTINGS AND EQUIPMENT**CONSOLIDATED - 2016**

NAME OF THE FIXED ASSET	MOTOR VEHICLES		FURNITURE, FITTINGS	EQUIPMENT		Total
	Freehold	Leasehold		Office Equipment	Machinery & Equipment	
	Balance as at 01.01.2016	284,205,070.77	40,016,113.00	57,728,623.53	159,363,430.92	
Additions during the Year	-	-	5,692,166.58	16,176,397.20	766,968.00	22,635,531.78
Disposals/Adjustment During the Year	5,666,331.64	-	1,109,102.98	91,750.00	1,748,951.00	8,616,135.62
Balance as at 31.12.2016	278,538,739.13	40,016,113.00	62,311,687.13	175,448,078.12	5,810,765.00	562,125,382.38
Provision as at 01.01.2016	242,328,297.11	1,989,503.00	42,164,747.24	133,751,802.70	3,877,852.00	424,112,202.05
Charges For the Year	25,917,098.00	7,958,012.00	4,636,455.16	11,420,607.50	517,476.00	50,449,648.66
Accumulated on Disposed Items / Adjustment	5,662,331.64	-	524,245.00	90,030.00	1,642,029.00	7,918,635.64
Balance as at 31.12.2016	262,583,063.47	9,947,515.00	46,276,957.40	145,082,380.20	2,753,299.00	466,643,215.07
Written down value as at 31.12.2016	15,955,675.66	30,068,598.00	16,034,729.73	30,365,697.92	3,057,466.00	95,482,167.31

NHDA - 2015

NAME OF THE FIXED ASSET	NHDA					Total
	MOTOR VEHICLES		FURNITURE FITTINGS	EQUIPMENT		
	Freehold	Leasehold		Office Equipment	Machinery & Equipment	
Balance as at 01.01.2015	295,487,614.66	-	52,078,136.78	149,159,584.72	-	496,725,336.16
Additions During the Year	-	-	2,950,757.75	9,171,435.20	-	12,122,192.95
Disposals/Adjustment During the Year	11,771,953.89	-	685.00	25,050.00	-	11,797,688.89
Balance as at 31.12.2015	283,715,660.77	-	55,028,209.53	158,305,969.92	-	497,049,840.22
Provision as at 01.01.2015	228,183,367.69	-	35,644,573.63	121,545,679.82	-	385,373,621.14
Charges for the Year	25,800,898.31	-	4,820,578.61	11,725,109.53	-	42,346,586.45
Accumulated on Disposed Items / Adjustment	11,762,953.89	-	685.00	6,315.65	-	11,769,954.54
Balance as at 31.12.2015	242,221,312.11	-	40,464,467.24	133,264,473.70	-	415,950,253.05
Written down value as at 31.12.2015	41,494,348.66	-	14,563,742.29	25,041,496.22	-	81,099,587.17

CONSOLIDATED - 2015**RESTATED**

NAME OF THE FIXED ASSET	MOTOR VEHICLES		FURNITURE FITTINGS	EQUIPMENT		Total
	Freehold	Leasehold		Office Equipment	Machinery & Equipment	
	Balance as at 01.01.2015	309,335,114.66	15,580,852.00	54,721,874.78	149,770,645.72	
Additions During the Year	641,910.00	40,016,113.00	3,007,433.75	9,851,466.20	721,918.00	54,238,840.95
Disposals/Adjustment Durin the Year	25,771,953.89	15,580,852.00	685.00	25,050.00	-	41,378,540.89
Balance as at 31.12.2015	284,205,070.77	40,016,113.00	57,728,623.53	159,597,061.92	6,559,118.00	548,105,987.22
Provision as at 01.01.2015	239,978,401.69	5,222,209.00	37,194,699.63	121,991,642.82	3,435,083.00	407,822,036.14
Charges For the Year	28,072,074.31	4,326,631.00	4,970,732.61	11,766,476.53	442,770.00	49,578,684.45
Accumulated on Disposed Items / Adjustment	25,722,178.89	7,559,337.00	685.00	6,315.65	-	33,288,516.54
Balance as at 31.12.2015	242,328,297.11	1,989,503.00	42,164,747.24	133,751,803.70	3,877,853.00	424,112,204.05
Written down value as at 31.12.2015	41,876,773.66	38,026,610.00	15,563,876.29	25,845,258.22	2,681,265.00	123,993,783.17

NOTE [03 - 11] - INTANGIBLE ASSETS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2016	-	218,025.00	-	218,025.00
Additions during the Year		114,000.00		
Disposals/Adjustment During the Year				
Balance as at 31.12.2016	-	332,025.00	-	218,025.00
Opening Balance	-	90,844.00	-	69,042.00
Ammortisation for the Period	-	23,700.80	-	21,803.00
Accumulated on Disposed Items / Ajustment				
Balance as at 31.12.2016	-	114,544.80	-	90,845.00
Net Carrying value	-	217,480.20	-	127,180.00

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NOTE [04] - DEVELOPMENT ASSESTS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Lands Acquired	586,533,080.15	586,533,080.15	575,459,703.12	575,459,703.12
Lands Development	44,457,576.49	44,457,576.49	30,918,048.12	30,918,048.12
Loan Programme NHD	1,554,885.05	1,554,885.05	1,594,122.98	1,594,122.98
Rent Purchase Housing Schemes - NHDA	131,484,621.95	131,484,621.95	221,695,117.06	221,695,117.06
Sale of Houses Instalment Basis	911,723,297.41	911,723,297.41	919,935,776.54	919,935,776.54
Sale of Land Instalment Basis	74,944,231.80	74,944,231.80	67,201,036.29	67,201,036.29
Staff Housing Loan	182,926,410.72	182,926,410.72	127,093,339.91	127,093,339.91
	1,933,624,103.57	1,933,624,103.57	1,943,897,144.02	1,943,897,144.02

NOTE [05] - LOANS UNDER 1.5 MILLION HOUSING PROGRAMME

		Rs.			
DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Mankulam	1,636,494.00	614,688.15	-	-	614,688.15
TOTAL	1,636,494.00	614,688.15	0.00	0.00	614,688.15

NOTE [06] - LOANS UNDER NEW HOUSING FINANCE SYSTEM

		Rs.			
DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Mankulam	1,725,238.96	77,233.04	-	-	77,233.04
TOTAL	1,725,238.96	77,233.04	0.00	0.00	77,233.04

NOTE [07] - 95 HOUSING LOAN PROGRAMME

DISTRICTS	Rs.			
	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT
Colombo City (North)	16,140,911.30	741,660.57	-	-
Colombo City (South)	7,339,908.25	910,263.67	-	86,913.00
Colombo District	285,270,269.87	13,100,905.14	-	2,598,652.79
Gampaha	299,365,802.30	1,868,746.71	-	1,116,800.50
Kalutara	273,617,034.45	52,033,016.68	-	658,625.95
Kandy	497,433,049.82	58,188,409.51	-	6,302,527.70
Matale	158,671,234.98	17,407,615.85	-	128,016.07
Nuwara-Eliya	229,078,332.63	75,441,072.98	-	-
Galle	192,094,583.06	20,811,722.43	-	1,782,326.09
Matara	259,492,981.16	327,615.15	-	251,990.51
Hambantota	153,027,997.03	4,178,290.87	-	2,288,299.73
Jaffna	195,052,364.78	11,634,238.15	-	1,940,570.40
Mannar	41,429,663.29	218,955.33	-	199,732.51
Mankulam	8,810,688.75	6,938,587.89	-	-
Batticaloa	146,954,735.56	1,106,879.61	-	704,548.67
Ampara	96,095,420.84	-	-	-
Trincornalee	84,478,107.86	12,940,254.42	-	2,598,379.19
Kurunegala	405,879,926.06	4,034,537.11	-	2,350,637.37
Puttalam	229,425,312.42	31,682,755.91	60,000.00	5,840,405.49
Anuradhapura	202,210,176.39	-	-	-
Polonnaruwa	225,519,894.03	4,275,812.42	-	3,338,798.00
Badulla	291,318,021.55	157,730,190.75	-	152,170,745.92
Monaragala	147,111,572.72	9,902,709.26	-	4,677,936.36
Ratnapura	165,812,468.77	1,220,934.33	57,997.22	1,188,618.23
Kegalle	339,178,146.72	15,837,959.05	-	3,143,096.97
Kilinochchi	18,356,684.20	8,943,419.39	-	-
Vavuniya	110,436,992.79	5,702,714.54	9,621.90	1,987,188.87
Kalmunai	73,261,699.60	911,035.53	-	911,035.53
TOTAL	5,152,863,981.18	518,090,303.25	127,619.12	196,265,845.85
				321,867,076.50



NOTE [08] - FISHERIES HOUSING LOAN PROGRAMME

Rs.

DISTRICTS	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Matara	13,588.18	-	13,588.18	-
TOTAL	13,588.18	-	13,588.18	-

NOTE [09] - LOANS UNDER DIRIPIYASA PROGRAMME

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Colombo City (North)	8,509,351.03	403,428.10	-	179,443.44	223,984.66
Colombo City (South)	200,000.00	17,489.39	-	-	17,489.39
Gampaha	3,845,000.00	-	-	-	-
Kalutara	185,136.50	-	-	-	-
Kandy	3,442,000.00	193,833.55	-	98,708.20	95,125.35
Matale	5,287,000.00	19,935.73	-	-	19,935.73
Nuwara-Eliya	2,875,000.00	416,568.24	-	62,920.61	353,647.63
Galle	10,154,000.00	1,750,029.57	-	45,791.03	1,704,238.54
Matara	2,200,000.00	-	-	-	-
Hambantota	5,382,000.00	-	-	-	-
Jaffna	5,050,000.00	11,695.98	-	5,456.09	6,239.89
Mankulam	4,005,500.00	2,109,360.92	-	-	2,109,360.92
Batticaloa	5,030,000.00	58,529.01	-	21,924.87	36,604.14
Ampara	2,060,000.00	-	-	-	-
Trincomalee	6,283,000.00	1,010,580.91	-	1,010,580.91	-
Kurunegala	2,390,000.00	-	-	-	-
Puttalam	4,025,000.00	93,181.77	-	26,696.09	66,485.68
Anuradhapura	8,551,750.00	-	-	-	-
Polonnaruwa	3,581,810.00	38,399.32	-	10,813.08	27,586.24
Badulla	6,179,772.07	-	-	-	-
Monaragala	4,713,000.00	294,550.07	-	95,712.75	198,837.32
Ratnapura	3,520,000.00	60,776.07	-	20,228.74	40,547.33
Kegalle	8,139,000.00	479,111.63	-	152,891.38	326,220.25
Kilinochchi	5,221,708.81	98,381.45	-	-	98,381.45
Vavuniya	4,741,151.07	-	-	-	-
Kalmunai	3,444,144.40	272,562.35	-	272,562.35	-
TOTAL	123,365,323.88	7,328,414.06	-	2,003,729.54	5,324,684.52

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NOTE [10] - GAMANAGUMA LOAN PROGRAMME - 2007

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Colombo District	61,674,653.60	13,940,273.30	35,783.52	4,911,115.69	9,064,941.13
Gampaha	277,338,659.66	2,157,009.42	-	1,197,091.70	959,917.72
Kalutara	74,265,000.00	31,218,674.71	-	2,560,726.11	28,657,948.60
Kandy	110,359,655.00	41,812,897.10	-	9,589,745.35	32,223,151.75
Matale	36,771,500.00	20,859,109.33	-	3,779,413.74	17,079,695.59
Nuwara-Eliya	44,245,000.00	26,903,157.73	-	5,362,298.91	21,540,858.82
Galle	31,625,000.00	12,113,934.05	-	659,874.64	11,454,059.41
Matara	48,220,000.00	14,416,124.45	-	4,589,625.61	9,826,498.84
Hambantota	54,389,295.58	9,967,751.13	-	2,594,342.90	7,373,408.23
Jaffna	14,245,000.00	2,552,018.99	-	563,855.14	1,988,163.85
Batticaloa	60,195,000.00	4,871,242.41	-	1,676,729.71	3,194,512.70
Ampara	54,623,000.00	10,212,396.86	-	2,724,834.40	7,487,562.46
Trincomalee	46,643,520.00	10,415,274.22	-	624,963.87	9,790,310.35
Kurunegala	138,131,975.70	22,253,065.16	-	7,988,240.88	14,264,824.28
Puttalam	119,469,778.87	36,012,539.41	-	8,082,139.14	27,930,400.27
Anuradhapura	138,316,850.00	47,095,604.77	-	12,018,451.07	35,077,153.70
Polonnaruwa	69,771,423.94	20,568,138.44	-	5,667,524.00	14,900,614.44
Badulla	38,868,452.58	23,690,615.32	-	3,856,028.35	19,834,586.97
Monaragala	124,590,107.50	44,929,936.27	-	13,189,017.67	31,740,918.60
Ratnapura	48,877,180.00	5,154,219.71	176,825.45	2,901,676.47	2,429,368.69
Kegalle	84,977,250.00	17,549,467.59	-	5,464,234.22	12,085,233.37
Kilinochchi	5,097,658.00	121,886.41	-	20,674.22	101,212.19
Kalmunai	75,877,399.37	15,989,327.14	-	2,618,169.29	13,371,157.85
TOTAL	1,758,573,359.80	434,804,663.92	212,608.97	102,640,773.08	332,376,499.81

NOTE [11] - JANASEYANA LOAN PROGRAMME - (IG & TR)/9%(KATUMATI)

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Colombo City (North)	13,086,710.00	9,576,423.93	-	1,214,001.14	8,362,422.79
Colombo City (South)	5,470,000.00	3,092,147.81	-	534,085.71	2,558,062.10
Colombo District	936,923,070.82	695,212,613.13	541,014.77	87,087,740.11	608,665,887.79
Gampaha	272,671,559.76	178,859,528.05	-	29,364,212.80	149,495,315.25
Kalutara	407,824,682.00	283,306,886.54	530,000.00	38,168,987.91	245,667,898.63
Kandy	403,067,170.00	289,162,757.83	-	42,044,004.70	247,118,753.13
Matale	182,298,750.00	133,201,119.31	-	14,511,184.78	118,689,934.53
Nuwara-Eliya	268,407,625.00	204,344,308.39	50,000.00	25,369,251.19	179,025,057.20
Galle	219,732,786.16	138,218,349.49	20,000.00	25,014,077.68	113,224,271.81
Matara	261,229,327.20	195,643,245.41	380,000.00	24,901,696.01	171,121,549.40
Hambantota	202,494,477.87	145,049,821.91	915,000.00	18,600,616.60	127,364,205.31
Jaffna	108,350,000.00	50,027,692.87	-	16,989,591.90	33,038,100.97
Mannar	63,700,028.13	26,979,012.30	-	11,768,853.36	15,210,158.94
Mankulam	114,941,200.00	50,366,745.32	441,704.19	14,775,116.91	36,033,332.60
Batticaloa	161,125,000.00	66,314,314.98	-	26,693,479.58	39,620,835.40
Ampara	166,428,000.00	117,467,229.10	8,722,856.51	16,518,294.60	109,671,791.01
Trincomalee	158,478,427.50	110,892,187.44	50,000.00	9,484,708.29	101,457,479.15
Kurunegala	219,957,280.00	142,869,374.23	-	21,719,885.01	121,149,489.22
Puttalam	228,813,870.00	130,319,550.93	-	23,230,448.00	107,089,102.93
Anuradhapura	302,874,500.00	201,221,912.78	-	23,337,027.70	177,884,885.08
Po lonmaruwa	156,765,776.17	116,248,474.42	-	16,976,200.00	99,272,274.42
Badulla	259,927,292.75	188,430,580.85	67,500.00	27,724,024.92	160,774,055.93
Monaragala	242,783,835.00	194,147,154.27	-	33,718,544.62	160,428,609.65
Ratnapura	196,935,591.97	130,653,414.56	-	26,067,132.37	104,586,282.19
Kegalle	256,829,000.00	167,171,337.19	-	30,339,775.64	136,831,561.55
Kilinochchi	142,683,497.68	93,903,996.95	-	18,059,605.13	75,844,391.82
Vavuniya	110,591,995.47	64,730,807.57	-	14,154,660.76	50,576,146.81
Kalmunai	99,655,000.00	68,328,739.24	-	11,637,532.01	56,691,207.23
TOTAL	6,164,046,453.48	4,195,739,726.80	11,718,075.47	650,004,739.43	3,557,453,062.84



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

DISTRICTS	Rs.			
	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT
Colombo District	56,898,366.04	31,959,675.69	734,975.43	6,907,675.15
Gampaha	76,264,515.65	43,597,700.50	-	11,773,731.34
Kalutara	71,800,500.00	42,922,902.95	-	6,120,546.13
Kandy	29,027,000.00	14,851,974.40	-	3,753,094.15
Matale	15,865,000.00	5,696,693.10	-	1,294,684.47
Nuwara-Eliya	10,680,000.00	5,113,162.28	-	1,100,685.15
Galle	34,469,464.92	19,686,474.02	-	5,108,098.08
Matara	11,410,000.00	6,883,631.46	-	912,421.06
Hambantota	15,130,000.00	3,007,272.82	-	692,934.11
Jaffna	84,590,000.00	45,218,047.70	-	11,279,462.53
Mannar	1,200,000.00	806,176.24	-	806,176.24
Mankulam	63,585,000.00	37,084,280.14	-	6,713,162.02
Batticaloa	22,680,000.00	7,680,560.01	-	2,376,106.12
Ampara	43,495,000.00	27,809,469.06	-	11,300,496.61
Trincomalee	52,617,257.38	28,046,902.00	-	3,320,956.60
Kurunegala	19,555,000.00	10,830,506.61	-	2,295,213.69
Puttalam	60,851,738.22	43,105,134.09	2,557,826.18	6,372,157.50
Polonnaruwa	16,165,000.00	9,755,341.36	-	2,084,109.00
Badulla	48,125,000.00	26,251,132.88	-	5,417,076.67
Monaragala	113,781,450.00	55,686,063.60	-	9,840,754.55
Ratnapura	13,967,500.00	8,409,872.28	-	2,517,190.41
Kegalle	28,635,000.00	15,621,069.87	-	3,239,307.30
Kilinochchi	12,069,898.75	6,304,713.56	-	1,319,675.48
Vavuniya	228,920,000.00	114,936,804.77	-	25,486,445.05
Kalmunai	-	-	-	-
TOTAL	1,131,782,690.96	611,265,561.39	3,292,801.61	132,032,159.41
				482,526,203.59

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

Rs.

DISTRICTS	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Colombo City (North)	-	-	-	-	-
Colombo City (South)	4,985,000.00	3,611,671.32	-	690,781.74	2,920,889.58
Colombo District	1,458,740,059.75	1,174,439,619.26	19,784,948.95	184,939,405.00	1,009,285,163.21
Gampaha	782,456,148.00	633,369,652.96	-	87,443,746.56	545,925,906.40
Kalutara	994,270,000.00	838,855,182.59	-	78,710,348.54	760,144,834.05
Kandy	660,739,000.00	493,735,879.90	-	90,530,290.02	403,205,589.88
Matale	306,702,500.00	253,381,814.56	-	24,218,314.23	229,163,500.33
Nuwara-Eliya	253,840,000.00	194,249,814.47	-	29,278,601.40	164,971,213.07
Galle	543,561,256.15	400,903,611.59	-	66,095,091.88	334,808,519.71
Matara	520,689,500.00	409,946,266.05	-	60,026,444.23	349,919,821.82
Hambantota	239,473,000.00	194,147,402.93	-	27,411,832.31	166,735,570.62
Jaffna	190,890,000.00	119,914,739.46	-	27,288,039.15	92,626,700.31
Mannar	95,716,006.70	60,842,238.03	806,676.24	17,212,421.76	44,436,492.51
Mankulam	126,060,328.00	83,652,753.66	-	16,258,034.10	67,394,719.56
Batticaloa	164,660,000.00	107,034,128.74	-	22,043,337.29	84,990,791.45
Ampara	179,905,000.00	144,633,312.04	-	17,089,422.61	127,543,889.43
Trincomalee	194,591,000.00	153,286,915.59	-	13,063,458.13	140,223,457.46
Kurunegala	378,312,500.00	295,489,023.07	-	47,500,681.86	247,988,341.21
Puttalam	225,867,897.92	115,766,541.52	-	24,602,864.31	91,163,677.21
Anuradhapura	308,353,500.00	232,498,060.76	-	39,101,705.51	193,396,355.25
Polonnaruwa	186,101,349.74	149,955,457.34	-	19,722,945.00	130,232,512.34
Badulla	307,396,800.00	231,880,118.26	-	41,298,850.02	190,581,268.24
Monaragala	409,925,000.00	310,184,103.65	-	75,078,126.66	235,105,976.99
Ratnapura	247,060,000.00	192,107,435.54	386,239.60	27,531,665.28	164,962,009.86
Kegalle	489,528,500.00	368,678,435.56	-	64,236,083.53	304,442,352.03
Kilinochchi	140,409,272.25	100,504,854.00	-	20,215,107.73	80,289,746.27
Vavuniya	148,382,955.41	101,537,704.80	-	19,346,997.33	82,190,707.47
Kalmunai	18,680,000.00	11,186,365.27	-	6,134,794.18	5,051,571.09
TOTAL	9,577,296,573.92	7,375,793,102.92	20,977,864.79	1,147,069,390.36	6,249,701,577.35



NOTE [14] - 2015_2016 LOAN PROGRAMME

DISTRICTS	Rs.				
	TOTAL DISBURSEMENT 01.01.2016	BALANCE AS AT 01.01.2016	ADJUSTMENTS & DISBURSEMENT	DUE & REPAYMENT	BALANCE AS AT 31.12.2016
Colombo City (North)	25,735,000.00	25,687,475.56	65,720,000.00	4,730,877.78	86,676,597.78
Colombo City (South)	27,805,000.00	26,730,346.20	68,705,000.00	3,469,748.81	91,965,597.39
Colombo District	169,865,000.00	169,865,000.00	232,510,875.00	24,684,796.71	377,691,078.29
Gampaha	125,945,000.00	125,804,424.44	200,165,000.00	21,724,965.44	304,244,459.00
Kalutara	208,820,000.00	208,820,000.00	289,375,000.00	22,549,758.95	475,645,241.05
Kandy	202,417,500.00	196,053,135.50	337,026,250.00	30,673,975.10	502,405,410.40
Matale	98,917,000.00	98,827,468.90	180,503,500.00	13,855,789.39	265,475,179.51
Nuwara-Eliya	73,645,000.00	73,251,828.29	207,328,000.00	10,400,440.99	270,179,387.30
Galle	135,648,050.00	135,608,075.00	223,471,525.00	15,997,790.24	343,081,809.76
Matara	105,450,000.00	104,390,054.60	222,513,500.00	13,162,430.98	313,741,123.62
Hambantota	281,645,000.00	281,645,000.00	710,909,005.00	34,081,027.25	958,472,977.75
Jaffna	106,590,000.00	106,570,002.25	113,580,000.00	11,545,679.67	208,604,322.58
Mannar	6,450,000.00	6,177,830.66	58,900,000.00	3,512,221.83	61,565,608.83
Mankulam	34,061,000.00	33,837,205.40	52,608,000.00	7,454,021.54	78,991,183.86
Batticaloa	110,650,000.00	104,529,664.25	153,900,075.00	15,039,076.05	243,390,663.20
Ampara	71,315,000.00	69,818,187.37	110,269,250.00	7,748,073.29	172,339,364.08
Trincomalee	86,899,508.00	83,819,129.53	196,794,000.00	15,895,523.89	264,717,605.64
Kurunegala	388,180,000.00	387,279,866.77	448,852,250.00	44,525,087.92	791,607,028.85
Puttalam	101,450,000.00	92,785,409.54	260,890,000.00	9,338,783.55	344,336,625.99
Anuradhapura	200,800,000.00	200,109,498.69	330,580,000.00	31,173,278.63	499,516,220.06
Polonnaruwa	54,610,000.00	50,692,910.50	207,645,950.00	9,529,784.00	248,809,076.50
Badulla	127,510,000.00	126,910,346.52	249,977,500.00	17,959,607.05	358,928,239.47
Monaragala	81,270,000.00	81,270,000.00	224,088,750.00	9,197,518.25	296,161,231.75
Ratnapura	129,255,000.00	129,220,384.76	189,758,000.00	19,288,167.13	299,690,217.63
Kegalle	162,580,000.00	162,086,429.77	157,672,500.00	18,549,602.33	301,209,327.44
Kilinochchi	7,150,000.00	7,149,311.24	40,990,000.00	1,165,257.99	46,974,053.25
Vavuniya	26,015,000.00	25,811,648.52	49,691,500.00	3,269,973.59	72,233,174.93
Kalmunai	51,350,000.00	48,847,282.17	67,381,250.00	4,582,649.67	111,645,882.50
TOTAL	3,202,028,058.00	3,163,597,916.43	5,651,806,680.00	425,105,908.02	8,390,298,688.41

NOTE 15| INVESTMENTS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
NOTE 15 - 1 LONG TERM	Rs.	Rs.	Rs.	Rs.
Hou. Deve. Fin. Corp. Bank - Shares (Note 16-1)	330,133,334.00	330,133,334.00	330,133,334.00	330,133,334.00
Ocean View Development Co. Ltd. - Shares	120,000,000.00	-	120,000,000.00	-
- Contribution to Sha	-	-	-	-
Treasury Bills	-	13,112,877.20	-	-
Fixed Deposits	-	-	-	11,942,877.00
	<u>450,133,334.00</u>	<u>343,246,211.20</u>	<u>450,133,334.00</u>	<u>342,076,211.00</u>

NOTE 15 - 11 SHORT TERM

Treasury Bills - P/B & B/C	2,218,364,999.25	2,218,364,999.25	1,068,634,000.00	1,068,634,000.00
- HDFC Invest Bonds	81,413,323.90	81,413,323.90	52,916,070.86	52,916,070.86
Fixed Deposits - OVDC	-	21,644,991.00	-	21,597,757.00
	<u>2,299,778,323.15</u>	<u>2,321,423,314.15</u>	<u>1,121,550,070.86</u>	<u>1,143,147,827.86</u>
TOTAL	<u>2,749,911,657.15</u>	<u>2,664,669,525.35</u>	<u>1,571,683,404.86</u>	<u>1,485,224,038.86</u>

Note 15 - 1 Investment on Shares (Housing Dev. Fin. Corp.Bank)

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

NOTE [16] DIRECT CONSTRUCTION PROGRAMME

	NHDA		CONSOLIDATED	
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2016				
Working Progress - NHDA - Office Building	18,616,821.63	18,616,821.63	39,005,647.78	39,005,647.78
Working Progress - NHDA - Housing Scheme	201,311,628.50	201,311,628.50	301,986,939.37	301,986,939.37
	<u>219,928,450.13</u>	<u>219,928,450.13</u>	<u>340,992,587.15</u>	<u>340,992,587.15</u>
ADDITION DURING THE YEAR				
PRE-CONSTRUCTION COST				
Settlement of Contractors Bills - NHDA	26,490,029.69	85,500,099.34	123,701,728.44	123,701,728.44
LESS : Value of the Completed Houses - NHDA	165,804,803.92	165,804,803.92	244,765,865.46	244,765,865.46
	<u>80,613,675.90</u>	<u>139,623,745.55</u>	<u>219,928,450.13</u>	<u>219,928,450.13</u>
Balance as at 31 st DECEMBER 2016				
Working Progress - NHDA - Office Building	38,462,031.97	38,462,031.97	18,616,821.63	18,616,821.63
Working Progress - NHDA - Housing Scheme	42,151,643.93	101,161,713.58	201,311,628.50	201,311,628.50
	<u>80,613,675.90</u>	<u>139,623,745.55</u>	<u>219,928,450.13</u>	<u>219,928,450.13</u>

NOTE [17] STOCK OF BUILDING MATERIALS , STATIONERY & HOUSES FOR SALES

	NHDA		CONSOLIDATED	
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Stationery & Office Requisites	6,798,906.24	6,798,906.24	7,276,210.18	7,276,210.18
Electrical Goods & Other Items	237,296.66	237,296.66	341,676.81	341,676.81
Printing Press Materials	498,524.00	498,524.00	667,015.50	667,015.50
Stock of tyre tube	983,138.37	983,138.37	1,063,815.62	1,063,815.62
Other - Stock	1,008,675.50	1,008,675.50	1,031,724.07	1,031,724.07
	<u>9,526,540.77</u>	<u>9,526,540.77</u>	<u>10,380,442.18</u>	<u>10,380,442.18</u>
Balance Houses	59,505,219.30	59,505,219.30	69,574,901.32	69,574,901.32
Reserve Houses	72,037,181.74	72,037,181.74	51,126,528.41	51,126,528.41
WIP- Mattegoda Hosing Project	-	43,062,449.89	-	48,160,102.00
WIP- Dreamhouse	-	0.90	-	-
Kirulapone Housing Project	-	-	-	50,830,630.00
Kahathuduva Housing Project	-	91,423,452.86	-	57,921,317.00
Kahathuduva land value	-	-	-	33,430,525.00
Inventory - P/R	-	30,384,515.67	-	30,384,516.00
	<u>141,068,941.81</u>	<u>305,939,361.13</u>	<u>131,081,871.91</u>	<u>351,808,961.91</u>

NOTE [18] INTEREST RECEIVABLE

	NHDA		CONSOLIDATED	
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Treasury Bills	6,084,595.32	6,084,595.32	5,329,195.09	5,329,195.09
	<u>6,084,595.32</u>	<u>6,084,595.32</u>	<u>5,329,195.09</u>	<u>5,329,195.09</u>

NOTE [19] DEBTORS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Rural & Urban Housing Rental	241,297,956.20	241,297,956.20	245,177,610.58	245,177,610.58
LESS Provision for Bad Debts	207,228,489.66	207,228,489.66	211,566,858.75	211,566,858.75
	34,069,466.54	34,069,466.54	33,610,751.83	33,610,751.83
National Housing Dept. House Rent	17,184,265.20	17,184,265.20	17,007,174.83	17,007,174.83
LESS Provision for Bad Debts	14,935,269.69	14,935,269.69	14,842,894.55	14,842,894.55
	2,248,995.51	2,248,995.51	2,164,280.28	2,164,280.28
Loan Instalments - 1 & 1.5 MHP	636,241,029.26	636,241,029.26	662,619,350.02	662,619,350.02
Loan Instalments Under NHFS	185,633,141.43	185,633,141.43	196,712,267.19	196,712,267.19
Loan Programme	958,521,726.06	958,521,726.06	918,390,519.22	918,390,519.22
Fisheries Loan Programme	17,671,273.58	17,671,273.58	18,929,693.72	18,929,693.72
Loan Instalments Under Diripiyasa Loan	6,447,895.70	6,447,895.70	9,394,788.73	9,394,788.73
Gamanaguma loan programme	194,627,277.35	194,627,277.35	208,903,339.28	208,903,339.28
Loan Instalments - Janasevana (Treasury & IG Loan) ¹	963,253,997.81	963,253,997.81	773,852,993.01	773,852,993.01
Loan Instalments - Janasevana (Banks) I 12%	46,962,959.46	46,962,959.46	42,014,905.21	42,014,905.21
Loan Instalments - Janasevana 11 10%	256,541,950.63	256,541,950.63	243,358,176.17	243,358,176.17
Lease Rent Receivable	4,084,581.70	4,084,581.70	4,097,171.70	4,097,171.70
Loan Instalments - 2015 ,2016 Loan Programme	142,311,902.85	142,311,902.85	24,515,709.38	24,515,709.38
Estate Housing Programme	5,288,700.49	5,288,700.49	0.00	-
LESS Provision for Bad Debts	2,067,818,212.89	2,067,818,212.89	1,947,138,813.57	1,947,138,813.57
	1,349,768,223.43	1,349,768,223.43	1,155,650,100.06	1,155,650,100.06
Loan Instalments - NHD	37,067,879.64	37,067,879.64	37,180,507.08	37,180,507.08
LESS Provision for Bad Debts	37,067,879.64	37,067,879.64	37,180,507.08	37,180,507.08
	0.00	0.00	0.00	0.00
Debtors - Sale of Houses	71,282,170.77	71,282,170.77	74,110,853.01	74,110,853.01
LESS Provision for Bad Debt	41,075,378.18	41,075,378.18	43,509,288.75	43,509,288.75
	30,206,792.59	30,206,792.59	30,601,564.26	30,601,564.26
Festival Advances to Staff	1,129,459.80	1,129,459.80	1,308,659.80	1,308,659.80
Distress Loan to Staff	157,367,054.03	157,367,054.03	152,489,763.52	152,489,763.52
Salary Loans to Staff (Property)	6,130,139.46	6,130,139.46	4,755,163.35	4,755,163.35
Vehicle Loans	18,703.40	18,703.40	227,607.92	227,607.92
Loss of Cash Recoverable	849,515.58	849,515.58	709,515.58	709,515.58
Sale of Land	41,178,917.33	41,178,917.33	37,576,229.57	37,576,229.57
LESS Provision for Bad Debt	(24,787,405.45)	(24,787,405.45)	(22,537,420.95)	(22,537,420.95)
	16,391,511.88	16,391,511.88	15,038,808.62	15,038,808.62
Sundry Debtors NOTE [19] SUB	423,500,683.75	447,790,398.88	437,332,386.45	455,643,271.45
Scholarship Training Loan Programme	1,076,600.61	1,076,600.61	714,442.96	714,442.96
District Transactions	2,269,410.79	2,269,410.79	6,723,299.05	6,723,299.05
Moter Cycle Leasing Programme	668,017.90	668,017.90	6,542,496.58	6,542,496.58
Advances Given to Staff		277,500.00		10,139,904.00
	2,025,694,575.27	2,050,261,790.40	1,847,868,840.26	1,876,319,629.26

NOTE [19] SUB SUNDRY DEBTORS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016	2016	2015	RESTATED
	Rs	Rs	Rs	Rs
Sevana Media	32,355,794.98	32,355,794.98	22,485,524.70	22,485,524.70
Supply of Security Services	6,062,297.70	6,062,297.70	6,060,089.66	6,060,089.66
Reimbursable Expenses by Other Institutions	72,420,590.06	72,420,590.06	72,254,958.21	72,254,958.21
National Equipment & Machinery Organisation	230,807,533.29	230,807,533.29	230,807,533.29	230,807,533.29
C.G.R. Maligawatta Project	58,125,000.00	58,125,000.00	58,125,000.00	58,125,000.00
Tsunami Distress Programme to staff	164,243.51	164,243.51	164,243.51	164,243.51
No Pay Recoverable	-	-	25,556.26	25,556.26
Other Receivable	1,497,188.39	976,819.39	623,617.82	103,248.82
U D A	51,843,285.53	51,843,285.53	51,843,285.53	51,843,285.53
C H P	9,571,621.20	9,571,621.20	9,761,833.34	9,761,833.34
Manikkawatta Housing Programme - Receivable	51,241,227.12	51,241,227.12	51,241,227.12	51,241,227.12
Trade Receivable	-	16,309,334.41	-	19,323,208.00
Pre Payments	-	815,683.77	-	758,192.00
Tax Receivable	-	4,169,771.08	-	4,169,772.00
Loan & Other Receivables	-	10,347,673.59	-	559,769.00
Advances - -Paied to Contractors	-	-	-	1,340,048.00
Cash/salary Advances	-	486,995.89	-	-
Rental Equalization Reserve	-	1,579,751.00	-	1,579,391.00
LESS Provision for Bad Debt	(90,588,098.03)	(99,487,223.64)	(66,060,482.99)	(74,959,608.99)
	423,500,683.75	447,790,398.88	437,332,386.45	455,643,271.45

NOTE [20] DEPOSITS, ADVANCES & RECEIVABLE

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016	2016	2015	2015
	Rs	Rs	Rs	Rs
Travelling Advances	194,878.55	194,878.55	269,474.45	269,474.45
Salary Advances	136,598.39	136,598.39	230,543.69	230,543.69
Miscellaneous Advances D P	244,874,415.44	244,874,415.44	255,801,529.87	255,801,529.87
Miscellaneous I P	622,823.46	622,823.46	75,000.00	75,000.00
Electricity - Jaltara	2,500.00	2,500.00	2,500.00	2,500.00
Electricity - NHDA	957,606.06	957,606.06	900,131.06	900,131.06
Fuel Advances	67,337.50	67,337.50	11,979.22	11,979.22
Rent	952,120.00	952,120.00	952,120.00	952,120.00
Security	473,502.62	473,502.62	276,827.62	276,827.62
Consolidated Fund C/B	47,462,688.25	47,462,688.25	47,462,688.25	47,462,688.25
P P P Project	6,804,648.70	6,804,648.70	5,575,591.20	5,575,591.20
Deposits at Rural Bank & Savings Bank	6,150.00	6,150.00	6,150.00	6,150.00
Other Special Advances to Staff	52,570.00	52,570.00	390,190.79	390,190.79
Valuation Fees	153,077.22	153,077.22	1,365,295.69	1,365,295.69
Survey Fees	3,221,543.88	3,221,543.88	4,051,082.88	4,051,082.88
Miscellaneous Advances	2,976,206.92	2,976,206.92	2,038,071.00	2,038,071.00
Deposits for Water Supply	78,590.90	78,590.90	61,218.40	61,218.40
Advances to Suppliers	242,900.00	242,900.00	227,600.00	227,600.00
Salary Advance to Medical Leave	5,850.00	5,850.00	5,850.00	5,850.00
Receivable For Sevana -Lotteries Board	77,193,050.00	77,193,050.00	-	-
Advance - Sevana Lottery Advance	3,000.00	3,000.00	29,750.00	29,750.00
Deposits for Construction of Estate Workers Houses	497,074,945.89	497,074,945.89	514,348,175.40	514,348,175.40
	883,557,003.78	883,557,003.78	834,081,769.52	834,081,769.52

NOTE [21] CASH AND BANK BALANCES

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs	Rs	Rs	Rs
Colombo City North	545,851.44	545,851.44	583,797.55	583,797.55
Colombo City South	199,580.02	199,580.02	353,531.79	353,531.79
Colombo District	7,635,923.01	7,635,923.01	9,095,053.08	9,095,053.08
Gampaha	12,581,435.18	12,581,435.18	23,450,565.78	23,450,565.78
Kalutara	755,763.53	755,763.53	2,581,993.98	2,581,993.98
Kandy	1,616,136.82	1,616,136.82	6,247,933.04	6,247,933.04
Matale	1,749,476.42	1,749,476.42	2,108,924.34	2,108,924.34
Nuwara-Eliya	947,112.28	947,112.28	4,553,707.04	4,553,707.04
Galle	1,858,273.18	1,858,273.18	7,775,640.51	7,775,640.51
Matara	12,881,988.91	12,881,988.91	4,455,618.25	4,455,618.25
Hambantota	23,158,705.77	23,158,705.77	45,174,217.58	45,174,217.58
Jaffna	877,498.81	877,498.81	629,344.40	629,344.40
Mannar	136,125.16	136,125.16	321,322.41	321,322.41
Mankulam	2,324,021.31	2,324,021.31	3,228,825.48	3,228,825.48
Kilinochchi	3,675,642.33	3,675,642.33	3,402,145.57	3,402,145.57
Vavuniya	810,295.30	810,295.30	1,750,538.28	1,750,538.28
Batticaloa	1,263,302.46	1,263,302.46	461,794.30	461,794.30
Ampara	297,305.32	297,305.32	257,319.43	257,319.43
Trincomalee	252,929.52	252,929.52	3,360,610.35	3,360,610.35
Kurunegala	10,134,712.69	10,134,712.69	4,434,196.46	4,434,196.46
Puttlam	1,547,556.78	1,547,556.78	1,408,919.22	1,408,919.22
Anuradhapura	4,507,768.16	4,507,768.16	3,056,134.80	3,056,134.80
Polonnaruwa	1,691,180.72	1,691,180.72	5,333,776.42	5,333,776.42
Badulla	2,279,704.10	2,279,704.10	1,962,419.74	1,962,419.74
Monaragala	10,022,656.70	10,022,656.70	7,392,344.21	7,392,344.21
Ratnapura	6,815,950.64	6,815,950.64	3,285,778.87	3,285,778.87
Kegalle	13,436,971.38	13,436,971.38	6,627,818.23	6,627,818.23
Kalmunai	913,220.27	913,220.27	2,210,002.11	2,210,002.11
National Savings Bank - NHD	32,383.43	32,383.43	32,383.43	32,383.43
National Savings Bank -Rent Agent Dep	-	-	100,000.00	100,000.00
Soysapura	332,709.35	332,709.35	4,566,621.78	4,566,621.78
Cash and Bank Balances H/O	601,052,169.13	601,052,169.13	895,615,391.92	895,615,391.92
Cash at Bank.	-	1,681,684.17	-	12,810,554.61
Cash in Hand	-	1,047,744.24	-	1,304,600.39
	726,334,350.12	729,063,778.53	1,055,818,670.35	1,069,933,825.35

NOTE [22] RESERVES

	NHDA		CONSOLIDATED	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
GOVT GRANTS				
Balance as at 01st January 2016	21,315,923,404.87	21,315,923,404.87	17,310,414,811.35	17,310,414,811.35
Coast Line Project	44,000,000.00	44,000,000.00	44,000,000.00	44,000,000.00
	<u>21,359,923,404.87</u>	<u>21,359,923,404.87</u>	<u>17,354,414,811.35</u>	<u>17,354,414,811.35</u>
For the Year	6,289,704,779.19	6,289,704,779.19	4,450,488,086.21	4,450,488,086.21
	<u>27,649,628,184.06</u>	<u>27,649,628,184.06</u>	<u>21,804,902,897.56</u>	<u>21,804,902,897.56</u>
LESS :Grant - Disbursed	1,132,381,856.37	1,132,381,856.37	444,979,492.69	444,979,492.69
	<u>26,517,246,327.69</u>	<u>26,517,246,327.69</u>	<u>21,359,923,404.87</u>	<u>21,359,923,404.87</u>
OTHER GRANTS				
Balance as Per last Balance Sheet	1,700,458,404.65	1,700,458,404.65	1,557,003,442.81	1,557,003,442.81
For the Year	161,826,820.37	161,826,820.37	214,183,763.19	214,183,763.19
	<u>1,862,285,225.02</u>	<u>1,862,285,225.02</u>	<u>1,771,187,206.00</u>	<u>1,771,187,206.00</u>
LESS :Grant - Disbursed	128,282,301.22	128,282,301.22	70,728,801.35	70,728,801.35
	<u>1,734,002,923.80</u>	<u>1,734,002,923.80</u>	<u>1,700,458,404.65</u>	<u>1,700,458,404.65</u>
Value of Assets Taken Over				
- Commissioner of NHD	455,806,301.03	455,806,301.03	455,806,301.03	455,806,301.03
- Director of Establishment	15,260,000.00	15,260,000.00	15,260,000.00	15,260,000.00
	<u>2,205,069,224.83</u>	<u>2,205,069,224.83</u>	<u>2,171,524,705.68</u>	<u>2,171,524,705.68</u>
RESERVES				
Reserves - Jaltara Project	17,653,779.98	17,653,779.98	17,653,779.98	17,653,779.98
Other Reserves (HDFC Shares)	276,500,000.00	276,500,000.00	276,500,000.00	276,500,000.00
	<u>29,016,469,332.50</u>	<u>29,016,469,332.50</u>	<u>23,825,601,890.53</u>	<u>23,825,601,890.53</u>

NOTE [23] LOANS

	NHDA		CONSOLIDATED	
	2016	2015	2016	2015
	Rs.	Rs.	Rs.	Rs.
Ministry of Rehabilitation	130,950,398.90	130,950,398.90	130,950,398.90	130,950,398.90
CHP Bond	14,734,600.00	14,734,600.00	14,734,600.00	14,734,600.00
EDCF Loan for Jaltara Project	3,423,589.00	3,423,589.00	3,423,589.00	3,423,589.00
Loan From Fisheries Ministry	89,141,173.84	89,141,173.84	89,141,173.84	89,141,173.84
UDA - Nupewala Project	10,607,500.00	10,607,500.00	12,729,000.00	12,729,000.00
Plantation Housing & Social Welfare Trust	18,460,613.30	18,460,613.30	18,460,613.30	18,460,613.30
Loan under Diripiyasa	19,732,470.63	19,732,470.63	29,181,214.33	29,181,214.33
Loan under Janasevana I	397,160,284.06	397,160,284.06	491,608,062.81	491,608,062.81
Loan under Janasevana II	1,435,244,929.32	1,435,244,929.32	1,725,223,095.79	1,725,223,095.79
Loan under Janasevana 13%	2,744,210,073.05	2,744,210,073.05	3,139,454,807.00	3,139,454,807.00
Loan under Janasevana 13% 2014	1,871,552,916.02	1,871,552,916.02	2,118,143,305.75	2,118,143,305.75
Loan under Janasevana Pro. NSB 1000 M	776,679,600.24	776,679,600.24	898,770,501.87	898,770,501.87
Loan under Janasevana Pro .NSB 345 M	296,454,230.78	296,454,230.78	331,240,000.00	331,240,000.00
Loan under Janasevana Pro. RDB 250 M	137,452,885.10	137,452,885.10	164,994,000.00	164,994,000.00
	<u>7,945,805,264.24</u>	<u>7,945,805,264.24</u>	<u>9,168,054,362.59</u>	<u>9,168,054,362.59</u>

NOTE [24] CREDITORS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED RESTATED
	2016		2015	
	Rs	Rs	Rs	Rs
Sundry - (NOTE [24] SUB1)	1,110,124,610.46	1,179,388,403.02	1,098,767,405.17	1,162,446,472.17
Retention Fees - Contractors	154,052,176.67	154,052,176.67	154,945,555.96	154,945,555.96
Unpaid (NOTE [24] SUB2)	131,519,356.18	145,375,238.35	121,079,787.23	130,855,588.23
Land Compensation	312,161,035.47	312,161,035.47	293,273,311.33	293,273,311.33
National Water Supply & Drainage Board	35,249,722.31	35,249,722.31	35,249,722.31	35,249,722.31
Creditors for Work done on Contract	40,343,330.04	40,343,330.04	72,869,076.64	72,869,076.64
Director of Buildings	46,359,687.44	46,359,687.44	46,359,687.44	46,359,687.44
	1,829,809,918.57	1,912,929,593.30	1,822,544,546.08	1,895,999,414.08

NOTE [24] SUB 1 SUNDRY CREDITORS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED RESTATED
	2016		2015	
	Rs	Rs	Rs	Rs
Rent Received in Advance	11,950,336.23	11,950,336.23	13,561,728.88	13,561,728.88
Loan Installment Received in Advance	219,013,212.22	219,013,212.22	128,106,769.16	128,106,769.16
Sale of Housing Installment Received in Advance -U.H	9,413,402.07	9,413,402.07	11,394,356.17	11,394,356.17
Money Received From Other Institutions	80,349,794.83	80,349,794.83	89,465,967.73	89,465,967.73
Sale of Land Advance Received	2,865,458.95	2,865,458.95	106,438,402.52	106,438,402.52
Stamp fees Received	548,113.43	548,113.43	465,961.64	465,961.64
Tax payable	21,516,177.00	21,516,177.00	21,516,177.00	21,516,177.00
Estate Housing Programme - Livestock & Rural Community C	749,848,245.84	749,848,245.84	725,190,818.00	725,190,818.00
Sevana Media Creditors	14,609,738.96	14,609,738.96	2,627,224.07	2,627,224.07
With Holding Tax /Tax Payable	10,130.93	1,966,597.82	-	2,765,150.00
Advance Received	-	9,453,497.01	-	7,381,917.00
Refundable Deposit	-	57,181,527.66	-	45,251,909.00
Lease Rental Payable	-	-	-	4,807,790.00
Non Refundable Deposit	-	-	-	2,800,000.00
Urban Development Authority	-	672,301.00	-	672,301.00
	1,110,124,610.46	1,179,388,403.02	1,098,767,405.17	1,162,446,472.17

NOTE [24] SUB2 UNPAIDS CREDITORS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED RESTATED
	2016		2015	
	Rs	Rs	Rs	Rs
Salaries	400,057.25	400,057.25	1,139,432.64	1,139,432.64
Travelling	13,985.55	13,985.55	86,440.50	86,440.50
Overtime	52,617.70	52,617.70	136,533.32	136,533.32
Notary Fees	37,488,535.26	37,488,535.26	48,156,160.24	48,156,160.24
Stamp Fees	24,218,751.08	24,218,751.08	10,882,979.64	10,882,979.64
Bonus	9,496.06	9,496.06	8,550.00	8,550.00
Others	4,954,074.72	18,809,956.89	31,866,846.79	31,866,846.79
Accured Expenses	62,738,815.77	62,738,815.77	26,367,957.44	36,143,758.44
Accured Expenses for Jaltara Project	1,487,379.23	1,487,379.23	2,060,476.86	2,060,476.86
Accured Expenses Sevana Media Service	155,643.56	155,643.56	374,409.80	374,409.80
	131,519,356.18	145,375,238.35	121,079,787.23	130,855,588.23



NOTE [25] CURRENT LIABILITIES FOR LOANS

	NHDA		CONSOLIDATED		NHDA		CONSOLIDATED	
	2016		2015		2016		2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Instalment Payable President's Fund Loan	173,000,000.00	173,000,000.00	173,000,000.00	173,000,000.00	195,000,000.00	195,000,000.00	195,000,000.00	195,000,000.00
Interest Payable President's Fund Loan	-	-	-	-	276,656,164.00	276,656,164.00	276,656,164.00	276,656,164.00
Interest Payable Rehabilitation Authority	41,539,287.77	41,539,287.77	41,539,287.77	41,539,287.77	40,000,431.68	40,000,431.68	40,000,431.68	40,000,431.68
Interest Payable Treasury Loan	132,730,736.69	132,730,736.69	132,730,736.69	132,730,736.69	132,730,736.69	132,730,736.69	132,730,736.69	132,730,736.69
Interest Creditors Debentures	1,354,356.33	1,354,356.33	1,354,356.33	1,354,356.33	1,354,356.33	1,354,356.33	1,354,356.33	1,354,356.33
Instalment Payable Treasury Loan	370,195,559.13	370,195,559.13	370,195,559.13	370,195,559.13	370,195,559.13	370,195,559.13	370,195,559.13	370,195,559.13
Interest Payable CHP	9,937,146.27	9,937,146.27	9,937,146.27	9,937,146.27	9,534,138.77	9,534,138.77	9,534,138.77	9,534,138.77
Instalment Payable Rehabilitation Autho	106,715,000.00	106,715,000.00	106,715,000.00	106,715,000.00	119,715,000.00	119,715,000.00	119,715,000.00	119,715,000.00
Interest Payable Diripiyasa Loan	2,448,483.04	2,448,483.04	2,448,483.04	2,448,483.04	2,839,652.69	2,839,652.69	2,839,652.69	2,839,652.69
Instalment Payable On Diripiyasa Loan	3,690,979.22	3,690,979.22	3,690,979.22	3,690,979.22	3,622,057.77	3,622,057.77	3,622,057.77	3,622,057.77
Instalment Payable Nupeweela Loan	31,822,500.00	31,822,500.00	31,822,500.00	31,822,500.00	29,701,000.00	29,701,000.00	29,701,000.00	29,701,000.00
Interest Payable Nupeweela Loan	61,418,645.53	61,418,645.53	61,418,645.53	61,418,645.53	59,955,333.64	59,955,333.64	59,955,333.64	59,955,333.64
Interest Payable Upahara Loan	-	-	-	-	18,038,962.05	18,038,962.05	18,038,962.05	18,038,962.05
	934,852,693.98	934,852,693.98	934,852,693.98	934,852,693.98	1,259,343,392.75	1,259,343,392.75	1,259,343,392.75	1,259,343,392.75

NOTE [26] DEPOSITS

	NHDA		CONSOLIDATED		NHDA		CONSOLIDATED	
	2016		2015		2016		2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Refundable Deposits NOTE [26] SUB	258,893,808.54	258,893,808.54	258,893,808.54	258,893,808.54	256,457,835.34	256,457,835.34	256,457,835.34	256,457,835.34
Housing Schemes Maintenance	56,663,933.01	56,663,933.01	56,663,933.01	56,663,933.01	59,291,014.64	59,291,014.64	59,291,014.64	59,291,014.64
Deposit For Sale of Houses	176,542,492.86	176,542,492.86	176,542,492.86	176,542,492.86	177,413,617.63	177,413,617.63	177,413,617.63	177,413,617.63
Scholarship programme	4,542,010.24	4,542,010.24	4,542,010.24	4,542,010.24	6,302,920.55	6,302,920.55	6,302,920.55	6,302,920.55
Deposit For Sale of Land	245,774,553.58	245,774,553.58	245,774,553.58	245,774,553.58	453,811,138.76	453,811,138.76	453,811,138.76	453,811,138.76
	742,416,798.23	742,416,798.23	742,416,798.23	742,416,798.23	953,276,526.92	953,276,526.92	953,276,526.92	953,276,526.92

NOTE [26] SUB 1 REFUNDABLE DEPOSITS

	NHDA		CONSOLIDATED		NHDA		CONSOLIDATED	
	2016		2015		2016		2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tender Deposit	6,173,550.00	6,173,550.00	6,173,550.00	6,173,550.00	5,939,900.00	5,939,900.00	5,939,900.00	5,939,900.00
Security Deposit	2,677,945.83	2,677,945.83	2,677,945.83	2,677,945.83	2,784,025.04	2,784,025.04	2,784,025.04	2,784,025.04
Sundry Deposit	144,087,888.96	144,087,888.96	144,087,888.96	144,087,888.96	144,423,657.29	144,423,657.29	144,423,657.29	144,423,657.29
Urban Housing Programme	47,677,307.97	47,677,307.97	47,677,307.97	47,677,307.97	47,677,307.97	47,677,307.97	47,677,307.97	47,677,307.97
Commercial Buildings	15,567,524.24	15,567,524.24	15,567,524.24	15,567,524.24	16,511,176.71	16,511,176.71	16,511,176.71	16,511,176.71
Deposit for Development Activities	37,630,342.43	37,630,342.43	37,630,342.43	37,630,342.43	34,384,124.22	34,384,124.22	34,384,124.22	34,384,124.22
Rent Deposit	3,299,773.36	3,299,773.36	3,299,773.36	3,299,773.36	2,065,238.63	2,065,238.63	2,065,238.63	2,065,238.63
Rent Purchase House Deposit NHD	-	-	-	-	792,929.73	792,929.73	792,929.73	792,929.73
Refundable Deposits - NHD CHP	181,477.00	181,477.00	181,477.00	181,477.00	181,477.00	181,477.00	181,477.00	181,477.00
Deposit Under Rent Act.	450,000.00	450,000.00	450,000.00	450,000.00	450,000.00	450,000.00	450,000.00	450,000.00
Deposit Housing Societies NHD	1,147,998.75	1,147,998.75	1,147,998.75	1,147,998.75	1,147,998.75	1,147,998.75	1,147,998.75	1,147,998.75
Rent Agents Deposit UH Collection	-	-	-	-	100,000.00	100,000.00	100,000.00	100,000.00
	258,893,808.54	258,893,808.54	258,893,808.54	258,893,808.54	256,457,835.34	256,457,835.34	256,457,835.34	256,457,835.34

NOTE [27] PROVISIONS

	NHDA		CONSOLIDATED		NHDA		CONSOLIDATED	
	2016		2015		2016		2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Audit fees	3,428,600.00	3,428,600.00	3,428,600.00	3,428,600.00	4,079,596.00	4,079,596.00	4,079,596.00	4,079,596.00
Gratuity Provision	78,205,927.99	78,205,927.99	78,205,927.99	78,205,927.99	74,359,579.64	74,359,579.64	74,359,579.64	74,359,579.64
Pending Court Cases	6,599,138.88	6,599,138.88	6,599,138.88	6,599,138.88	6,399,138.88	6,399,138.88	6,399,138.88	6,399,138.88
EPF,ETF & Surcharges	215,780,849.66	215,780,849.66	215,780,849.66	215,780,849.66	-	-	-	-
	304,014,516.53	304,014,516.53	304,014,516.53	304,014,516.53	84,838,314.52	84,838,314.52	84,838,314.52	84,838,314.52

NOTES ON STATEMENT OF FINANCIAL PERFORMANCE

NOTE [28] REVENUE	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Sale of Houses	206,569,736.17	211,495,362.17	245,986,343.80	276,019,299.80
Sale of Lands	957,216,002.26	966,020,002.26	84,786,513.48	84,786,513.48
	<u>1,163,785,738.43</u>	<u>1,177,515,364.43</u>	<u>330,772,857.28</u>	<u>360,805,813.28</u>

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NOTE [29] COST OF SALES

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
HOUSES				
Opening Stock	120,701,429.73	120,701,429.73	95,351,577.85	95,351,577.85
Transfer from Working Progress & Other	152,963,510.57	152,963,510.57	208,082,288.31	208,082,288.31
	<u>273,664,940.30</u>	<u>273,664,940.30</u>	<u>303,433,866.16</u>	<u>303,433,866.16</u>
Closing Stock	(131,542,401.04)	(131,542,401.04)	(120,701,429.73)	(120,701,429.73)
Cost of Sales - NHDA	<u>142,122,539.26</u>	<u>142,122,539.26</u>	<u>182,732,436.43</u>	<u>182,732,436.43</u>
- OVDC		3,997,425.09		34,392,056.00
LAND				
Cost of Land - NHDA	<u>13,407,185.66</u>	<u>13,407,185.66</u>	<u>317,685.76</u>	<u>317,685.76</u>
- OVDC		5,647,544.38		
Total Cost of Sales	<u>155,529,724.92</u>	<u>165,174,694.39</u>	<u>183,050,122.19</u>	<u>217,442,178.19</u>

NOTE [30] OTHER REVENUE	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Revenue Form Rent NOTE [30] SUB 1	103,202,075.49	165,448,800.52	82,139,083.72	144,726,813.72
Revenue From Interest NOTE [30] SUB 2	1,809,667,168.42	1,813,026,055.58	1,723,276,045.90	1,728,353,404.90
Revenue From Others NOTE [30] SUB 3	1,786,052,348.04	1,822,930,702.39	516,990,255.18	847,563,491.18
Non Refundable Deposits NOTE [30] SUB 4	696,049.20	696,049.20	151,000.00	151,000.00
	3,699,617,641.15	3,802,101,607.69	2,322,556,384.80	2,720,794,709.80

NOTE [30] SUB 1 REVENUE FORM RENT

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
NHD House Rent	459,311.13	459,311.13	3,128,031.24	3,128,031.24
Residential Houses	30,196,888.67	30,196,888.67	12,291,931.63	12,291,931.63
Public Servants Quarters	5,599,078.99	5,599,078.99	4,464,615.93	4,464,615.93
Commercial Building	41,023,542.84	103,270,267.87	47,965,943.68	110,553,673.68
Lease Rent	24,173,911.87	24,173,911.87	12,796,869.14	12,796,869.14
Circuit Bungalow Rent	1,749,341.99	1,749,341.99	1,491,692.10	1,491,692.10
	103,202,075.49	165,448,800.52	82,139,083.72	144,726,813.72

NOTE [30] SUB 2 REVENUE FROM INTEREST

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Fixed Deposits	-	2,959,116.83	-	3,991,559.00
Distress Loans	5,900,445.23	6,300,215.56	6,167,143.33	6,167,143.33
Vehicle Loans	368,284.11	368,284.11	831,252.63	831,252.63
Interest on Sale of Houses Instalments	16,751,267.52	16,751,267.52	28,337,364.43	28,337,364.43
Interest on Sale of Land Instalments	11,926,193.09	11,926,193.09	4,888,673.11	4,888,673.11
Interest on Loan NHFS	376.62	376.62	17,949.05	17,949.05
Interest on Treasury Bills	182,005,100.40	182,005,100.40	51,679,338.88	51,679,338.88
Interest on Loan Under Diripiyasa	577,248.67	577,248.67	358,149.16	358,149.16
Interest on Gamanaguma Programme	29,285,679.73	29,285,679.73	50,698,848.84	50,698,848.84
Interest on Janasevana I 12% (Banks)	84,106,748.44	84,106,748.44	143,174,807.68	143,174,807.68
Treasury Fund & IG Loan Interest 2011	476,397,207.06	476,397,207.06	446,757,951.05	446,757,951.05
Interest on Janasevana II 10% (Banks)	760,563,804.09	760,563,804.09	924,320,341.53	924,320,341.53
Staff Housing Loan	6,288,610.64	6,288,610.64	5,806,547.35	5,806,547.35
Interest on Fisheries Houses & Estate	18,194,411.55	18,194,411.55	13,503,383.08	13,503,383.08
Loan Programme	34,164,832.23	34,164,832.23	28,311,206.53	28,311,206.53
2015 Loan Programme	178,623,231.32	178,623,231.32	17,621,334.00	17,621,334.00
Other Interest	4,513,727.72	4,513,727.72	801,755.25	1,887,555.25
	1,809,667,168.42	1,813,026,055.58	1,723,276,045.90	1,728,353,404.90

NOTE [30] SUB 3 REVENUE FROM OTHERS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED RESTATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Sundry Income	-	419,644.69	-	257,348.00
Services Charges on Housing Loan	931,873.12	931,873.12	7,158,188.80	7,158,188.80
Housing Transfer Fees	13,811,419.00	13,811,419.00	16,381,398.18	16,381,398.18
Administration Charges	34,754,945.07	34,754,945.07	7,010,010.56	7,010,010.56
Sale of Documents, Books, Others Etc.	3,079,544.69	3,079,544.69	2,573,444.34	2,573,444.34
Sale of Unserviceable Items	1,118,492.78	1,118,492.78	522,639.55	522,639.55
Hire of Premises	20,749,696.39	20,749,696.39	14,580,204.01	14,580,204.01
Sale of Vehicles	4,132,737.99	4,132,737.99	6,481,978.00	6,481,978.00
Hiring of Vehicles	166,597.59	166,597.59	278,993.92	278,993.92
Hiring of Plant & Machinery	7,880.00	7,880.00	14,950.00	14,950.00
Dividend Received from HDFC Bank & L & T Co.	183,721,500.00	183,721,500.00	17,377,200.00	17,377,200.00
Fines & Surcharges	34,790,202.45	34,790,202.45	16,368,686.97	17,129,316.97
Compensation to Houses	1,244,975.00	1,244,975.00	-	-
Unclaim Tender Deposits & Retention Fees	815,846.29	815,846.29	834,154.38	834,154.38
National Housing Day - Donation	2,974,371.65	2,974,371.65	3,339,664.51	3,339,664.51
Profit on Disposal of Property , plant & Equipment	-	-	-	11,519,939.00
Sevana Media	816,326.81	816,326.81	1,409,249.27	1,409,249.27
Sevana Grant Received	302,465,913.50	302,465,913.50	22,310,837.00	22,310,837.00
Grant - Revamping of Condominiums	105,979,054.74	105,979,054.74	167,637,542.94	167,637,542.94
C K D Grant Reseived	75,840,000.00	75,840,000.00	-	-
Plastering Programme -25000 Housing	622,976,888.13	622,976,888.13	230,711,112.75	230,711,112.75
Sevana Fund Received	63,229,202.84	63,229,202.84	2,000,000.00	2,000,000.00
Losses and Write off	286,656,164.00	286,656,164.00	-	-
Defferd Income	25,788,716.00	25,788,716.00	-	-
Legal Fees	-	1,100,307.73	-	669,293.00
Antenna Income	-	30,668,052.76	-	33,307,520.00
Parking Income	-	180,000.00	-	180,000.00
Equipment Room Income	-	745,870.38	-	699,882.00
Services Charges	-	3,739,448.76	-	4,200,391.00
Increase in Fair Value of Investment Property	-	-	-	278,978,233.00
Registration Fee	-	25,030.03	-	-
	1,786,052,348.04	1,822,930,702.39	516,990,255.18	847,563,491.18

NOTE [30] SUB 4 NON REFUNDABLE DEPOSITS

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
	2016		2015	
	Rs.	Rs.	Rs.	Rs.
Tender Deposits	696,049.20	696,049.20	151,000.00	151,000.00
	696,049.20	696,049.20	151,000.00	151,000.00



NOTE [31] INSTITUTIONAL & ADMINISTRATIVE EXPENSES

	NHDA		CONSOLIDATED		NHDA		CONSOLIDATED RESTATE	
	2016		2015		2015		2015	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Board Expenses	545,400.00	545,400.00	270,480.00	270,480.00				
Salaries and Wages	539,289,353.51	565,486,978.77	497,683,824.21	518,956,054.21				
Overtime	44,758,740.83	51,087,113.80	44,461,586.24	44,461,586.24				
Other Allowances	320,906,022.76	321,558,139.76	311,669,566.69	311,669,566.69				
Cost of Living Allowances	194,971,912.63	200,534,092.63	202,559,129.17	202,559,129.17				
Incentive Payments	23,267,026.26	23,267,026.26	19,447,363.76	19,447,363.76				
Bonus	4,662,137.75	4,662,137.75	4,261,771.20	4,261,771.20				
E P F Contributions	116,804,709.55	120,721,853.36	125,044,369.93	128,235,204.93				
E T F Contributions	29,978,161.72	30,762,590.49	30,131,280.35	30,769,447.35				
Compensation	644,302.50	644,302.50	30,930.00	30,930.00				
Holiday Payment	9,101,023.36	9,101,023.36	6,050,812.92	6,050,812.92				
Training & Scholarships	2,322,325.10	2,322,325.10	1,380,484.00	1,380,484.00				
Encashment of Vacation Leave	13,581,536.49	13,581,536.49	12,597,386.68	12,597,386.68				
Reimbursement of Membership Fees	298,992.80	298,992.80	42,877.30	42,877.30				
Staff Medical Scheme	26,661,685.97	26,661,685.97	7,738,456.17	7,738,456.17				
Medical Report Charges	12,375.00	12,375.00	134,310.00	134,310.00				
Gratuity Provision	99,881,852.79	100,241,852.79	147,406,258.83	148,189,329.83				
EPF,ETF & Surcharges	215,780,849.66	215,780,849.66	-	-				
Allowance for Board of Survey	192,988.00	192,988.00	152,500.00	152,500.00				
Travelling - Local	33,946,511.10	33,946,511.10	30,192,628.74	30,192,628.74				
Travelling - Foreign	3,676,518.80	3,676,518.80	1,887,680.30	1,887,680.30				
Stationery & Office Requisites	31,346,322.38	31,346,322.38	25,441,329.12	25,441,329.12				
Fuel for Motor Vehicles	23,518,019.43	23,518,019.43	19,885,369.16	19,885,369.16				
Transport & Hiring of Machinery & Equipment	926,728.00	926,728.00	482,159.88	482,159.88				
Health Sanitary & Other Services	1,275,070.74	1,275,070.74	934,394.80	934,394.80				
Printing Charges	8,450,453.11	8,450,453.11	3,403,367.25	3,403,367.25				
Newspapers & Periodicals	1,059,706.50	1,059,706.50	975,555.28	975,555.28				
Uniforms	310,288.57	310,288.57	542,169.41	542,169.41				
Services-Tea Supply Employees Welfare	5,079,204.47	5,079,204.47	4,698,862.45	4,698,862.45				
Welfare	3,780,349.66	3,780,349.66	1,809,555.40	1,809,555.40				
Name Boards	5,592,997.58	5,592,997.58	-	-				
Maintenance -Buildings & Structures	9,898,258.30	9,898,258.30	17,525,504.75	17,525,504.75				
Plant, Machinery & Office Equipmer	7,518,244.83	7,518,244.83	6,676,042.05	6,676,042.05				
Motor Vehicles	17,413,343.59	17,413,343.59	22,894,435.80	22,894,435.80				
Furniture	95,001.00	95,001.00	189,665.00	189,665.00				
Housing Scheme	7,380,382.01	7,380,382.01	16,427,031.01	16,427,031.01				
Circuit Bungalow Expenses	2,266,684.32	2,266,684.32	2,453,379.70	2,453,379.70				
Revamping of Condominiums	105,979,054.74	105,979,054.74	167,637,542.94	167,637,542.94				
Tender Document Fees	-	-	27,000.00	27,000.00				
Hiring of Motor Vehicles	9,571,630.59	9,571,630.59	1,658,348.00	1,658,348.00				
Telephone	14,676,855.10	14,676,855.10	9,795,806.15	9,795,806.15				
Electricity	14,986,676.22	14,986,676.22	13,861,888.83	13,861,888.83				
Water	2,826,078.50	2,826,078.50	2,068,726.06	2,068,726.06				
Rent for Office Buildings	2,505,174.00	2,505,174.00	980,000.00	980,000.00				
Rates	8,796,866.96	8,796,866.96	8,352,283.23	8,352,283.23				
Advertisement	2,473,496.67	2,473,496.67	1,255,047.42	1,255,047.42				
Legal Fees	3,500,413.93	3,500,413.93	3,023,155.21	3,023,155.21				
Postage	10,215,336.60	10,215,336.60	7,342,115.37	7,342,115.37				
Insurance	4,035,166.71	4,035,166.71	5,518,698.86	5,518,698.86				
Licence Fees	572,319.79	572,319.79	953,398.13	953,398.13				
Information & Publicity	29,126,499.61	29,126,499.61	3,641,014.75	3,641,014.75				
Administrative Expenses	-	60,162,676.99	-	46,841,178.00				
	2,016,461,050.49	2,120,425,595.29	1,793,597,542.50	1,866,323,023.50				

NOTE [32] FINANCE EXPENSES

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
			RESTATED	
	2016		2015	
	Rs.		Rs.	
Bank Charges	2,422,867.27	2,482,014.65	1,813,675.68	1,813,675.68
Rebates to Tenants	16,030,924.87	16,030,924.87	17,171,568.93	17,171,568.93
Discount to Borrowers on Lump Sum Re-Payments	6,169,458.83	6,169,458.83	440,340.80	440,340.80
Fines & Surcharges	1,521.92	1,521.92		
Interest Payment -Commercial Banks On Diripiyasa Loan	2,313,486.16	2,313,486.16	3,113,066.14	3,113,066.14
Interest Payment Bank Loan Upahara	1,000,017,935.16	1,000,017,935.16	1,062,719,236.93	1,062,719,236.93
Interest Payments Other Loans	3,002,167.98	3,002,167.98	3,518,392.97	3,896,312.97
Economics Service Charges (Tax)	6,651,774.06	6,651,774.06	1,930,986.50	1,930,986.50
Debit Tax	18,896.57	18,896.57	918.00	918.00
VAT	11,901,266.67	11,901,266.67	12,302,457.38	12,302,457.38
Provision for Court Case	200,000.00	200,000.00	113,520.80	113,520.80
Interest on Lease	-	1,773,316.76	-	1,035,994.00
	1,048,730,299.49	1,050,562,763.63	1,103,124,164.13	1,104,538,078.13

NOTE [33] OTHER EXPENSES

	NHDA	CONSOLIDATED	NHDA	CONSOLIDATED
			RESTATED	
	2016		2015	
	RS	RS	RS	RS
Audit Fees	850,001.00	850,001.00	447,772.00	447,772.00
Stamp Duty	447,426.47	447,426.47	434,620.36	434,620.36
Survey Expenses/Valuation	9,191,233.29	9,191,233.29	4,228,923.67	4,228,923.67
WHT And Other	358,788.62	358,788.62	8,221,054.75	8,221,054.75
NBT	1,654,564.12	1,654,564.12	1,577,889.35	1,577,889.35
Expenses on CHP Board of Review	1,313,500.00	1,313,500.00	495,500.00	495,500.00
Consultant Fees	45,000.00	105,000.00	15,000.00	184,800.00
District Housing Committee Expenses	1,608,505.25	1,608,505.25	1,774,384.50	1,774,384.50
Expenditure on Exhibition	4,884,659.36	4,884,659.36	138,093.48	138,093.48
Public Function Activities	13,928,904.67	13,928,904.67	11,203,292.12	11,203,292.12
Removing of Unauthorized Tenants	2,000.00	2,000.00	-	-
Infrastructure facil. And Maintenance for Rural Houses	1,244,956.95	1,244,956.95	163,936.60	163,936.60
Bad & Doubtful Debts	139,770,432.94	139,770,432.94	212,568,450.34	212,568,450.34
Commission Paid - Loan Collection	86,330,115.00	86,330,115.00	54,753,009.97	54,753,009.97
Commission Paid - Rent Collection	2,641,492.65	2,641,492.65	1,904,136.81	1,904,136.81
Sevana Grant Expenses	302,465,913.50	302,465,913.50	22,310,837.00	22,310,837.00
Plastering Programme -25000 Housing	622,976,888.13	622,976,888.13	230,711,112.75	230,711,112.75
C K D Garant Programme	75,840,000.00	75,840,000.00	-	-
Depreciation on Fixed Assets	73,596,317.18	82,608,990.54	48,578,594.40	55,810,690.40
Sevana Fund Expenses	63,229,202.84	63,229,202.84	2,000,000.00	2,000,000.00
Income Tax	-	-	-	4,648,984.00
	1,402,379,901.97	1,411,452,575.33	601,526,608.10	613,577,488.10

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

Rs. in Mln

	CAPITAL	CAPITAL RESERVE	ACCUMULATED SURPLUSES/ DEFICITS	TOTAL	MINORITY INTEREST OVDC	TOTAL NET ASSEST/EQUITY
Balance as at 01 st January 2015	40,000	19,808.320	(11,284.456)	8,563.864	820.806	9,384.670
Change in net Asset / equity for 2015		4,148.964		4,148.964		4,148.964
Surplus / Deficit for the period			(1,010.367)	(1,010.367)	13.498	(996.869)
Balance as at December 31, 2015	40,000	23,957.284	(12,294.823)	11,702.461	834.304	12,536.765
Changes in audited accounts of OVDC			157.053	157.053	120.946	277.999
Restated Balance as at 31 st December 2015	40,000	23,957.284	(12,137.770)	11,859.514	955.250	12,814.764
Balance as at 01 st January 2016	40,000	23,957.284	(12,137.770)	11,859.514	955.250	12,814.764
Change in net Asset / equity for 2016		5,190.867		5,190.867		5,190.867
Surplus / Deficit for the period			235.604	235.604	(3.603)	232.001
Balance as at December 31, 2016 Carried Forward	40,000	29,148.152	(11,902.166)	17,285.986	951.647	18,237.633

NATIONAL HOUSING DEVELOPMENT AUTHORITY AND SUBSIDIARY COMPANY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	NHDA	OVDC	CONSOLIDATED	CONSOLIDATED RESTATED
	2016	2016	2016	2015
	Rs.MI	Rs.MI	Rs.MI	Rs.MI
Cash flows from operating activities				
Surplus/deficit before taxation	240.302	(8.301)	232.001	(996.870)
Non-Cash Movements				
Gratuity Provision	99.882		99.882	147.766
Gratuity adjustment	(0.304)		(0.304)	
Provision for Audit fees	0.850		0.850	0.448
Provision for EPF,ETF & Surcharges	215.781			
Depreciation	73.596	8.989	82.585	55.811
Losses & Write off Investment	(286.656)		(286.656)	
Depreciation for the vehicles under grant			-	25.788
Bad & doubtful debts NHDA	139.770		139.770	212.568
Write off of doubtful debts & others			-	2.499
Provision of impairment for related party & others		0.018	0.018	
Amortisation of intangible assets		0.022	0.022	0.022
Provision for pending courts cases NHDA	0.200		0.200	0.113
Gain from fixed Assets	(4.133)	0.521	(3.612)	(18.005)
Intrest income	(182.005)	(3.829)	(185.834)	(53.829)
Interest Expenses		1.773	1.773	(1.098)
Dividends received	(183.721)	(126.740)	(183.721)	(17.377)
Operation Profit before working capital	113.562	(0.807)	(103.026)	(642.164)
Changes of working Capital				
Increase / Decrease in stock & working progress	129.328	(3.593)	125.735	13.002
Increase / Decrease in other receivable	(105.584)	4.364	(101.220)	239.825
Increase / Decrease in Payable	(528.086)	(504.342)	(511.217)	75.933
Cash generated from Operation	(390.780)	16.833	(589.728)	(819.640)
Gratuity paid	(82.448)	-	(82.448)	(62.024)
Audit fees	(1.501)	-	(1.501)	-
Income tax paid	-	(2.086)	(2.086)	(2.395)
Intrest paid	-	(1.773)	(1.773)	-
Dividends paid	-	(83.949)	-	-
Net cash from operating Activities	(474.729)	12.974	(677.536)	(884.059)
Cash flows from investing activities				
Loang term investment				-
Purchase Of property Plant & Equipment	(20.865)	(2.991)	(23.856)	(92.489)
Increase / Decrease in deveopment Assets& loan prog.	(3,022.641)		(3,022.641)	(2,439.950)
Proceeds from sale of fixed assets	4.137	0.062	4.199	23.571
Additions to Investment property		(19.229)	(19.229)	(7.022)
Intrest received	182.005	2.572	184.577	52.777
Interest received				1.995
Net proceeds from investment		0.027	0.027	-
Dividends received	183.721		183.721	17.377
Gratuity fund			-	3.420
Investors funds	-	(2,673.643)	-	24.500
Net cash used in investing activities	(3,148.372)	(6.585)	(3,370.738)	(2,793.644)
Cash flows from financing Activities				
Grant Received	6451.532	-	6451.532	4,664.671
Grant payment	(1,260.664)	5,190.867	(1,260.664)	(515.707)
Loans Received	0.010	-	0.010	743.641
Loans payment	(1,222.259)	(1,222.249)	(1,222.259)	(880.734)
Net Aditions finance lease liabilities	-	(4.802)	(4.802)	16.830
Net increase in cash & cash equivalents	820.246	(11.387)	593.079	1,235.057
Cash & Cash equivalent as at beginning of period	2,124.453	14.075	2,138.528	903.471
Cash & Cash equivalent at end of period	2,944.699	2.688	2,731.607	2,138.528

Notes to the cash flow Statements

Cash and cash Equivalents

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

	2016	2015
Cash on hand and balance with bank	726.334	1069.894
Short - term investments	2218.365	1068.634
	<u>2944.699</u>	<u>2138.528</u>



Location Map

6



DISTRICT OFFICES NAMES AND ADDRESSES

1. **District Office - Colombo City (North)**
Address : Parisara Mawatha , Maligawatta,Col.10
Telephone - 011 2445546
Fax - 011 2435146
Email - dmccity@nhda.lk
3. **District Office - Colombo District Office**
Address : No.190, Horana Road, Kottawa
Telephone - 011 2178226
Fax - 011 2178224
Email - dmcolombo@nhda.lk
5. **District Office - Kalutara**
Address : 3rd Floor, Secretarial Office,Kalutata
Telephone - 034 2222298
Fax - 034 2222298
Email - dmkalutara@nhda.lk
7. **District Office - Matale**
Address : Kachcheri Complex, Matale
Telephone - 066 2222134
Fax - 066 2222134
Email - dmmatale@nhda.lk
9. **District Office - Galle**
Address : Ecorts Building, Kotuwa, Galle
Telephone - 091 2234373
Fax - 091 2234232
Email - dmgalle@nhda.lk
11. **District Office - Hambantota**
Address : No.42, New Road, Hambantota
Telephone - 047 2222013
Fax - 0472222013
Email - dmhambantota@nhda.lk
13. **District Office - Mannar**
Address : Pallimona Road, Oppukulam, Mannar
Telephone - 023 2222315
Fax - 023 2222141
Email - dmmannar@nhda.lk
15. **District Office - Batticaloa**
Address : Kal Adi, Batticaloa
Telephone - 065 2224473
Fax - 065 2227310
Email - dmbatticaloa@nhda.lk
17. **District Office - Trincomalee**
Address : Electrical Power House Rd,Trincomalee
Telephone - 026 2222162
Fax - 026 2222503
Email - dmtrinco@nhda.lk
19. **District Office - Puttalam**
Address : Gam Udawa, Anamaduwa
Telephone - 032 2263427
Fax - 032 2263425
Email - dmputtalam@nhda.lk
21. **District Office - Polonnaruwa**
Address : Pulathisigama, Higurakgoda
Telephone - 027 2246362
Fax - 027 2246362
Email - dmpolonnaruwa@nhda.lk
23. **District Office - Monaragala**
Address : NHDA, Monaragala
Telephone - 055 2276202
Fax - 055 2276202
Email - dmmonaragala@nhda.lk
25. **District Office - Kegalle**
Address : Ambanpitiya, Galigamuwa, Kegalle
Telephone - 035 2229737
Fax - 035 2229737
Email - dmkegalle@nhda.lk
27. **District Office - Vavuniya**
Address : Park Road, Vavuniya
Telephone - 024 222214
Fax - 024 2222050
Email - dmvavuniya@nhda.lk
2. **District Office - Colombo City (South)**
Address : No.280/11, Elvitigala Flats, Col.08
Telephone - 011 2679857
Fax - 011 2669753
Email - dmmtown@nhda.lk
4. **District Office - Gampaha**
Address : Walawwatta, Gampaha
Telephone - 033 2226017
Fax - 033 2234265
Email - dmgampaha@nhda.lk
6. **District Office - Kandy**
Address : Yatinuwara Street, Kandy
Telephone - 081 2234967
Fax - 081 2223139
Email - dmkandy@nhda.lk
8. **District Office - Nuwaraeliya**
Address : Hawaeliya, Nuwaraeliya
Telephone - 052 2222925
Fax - 052 2222925
Email - dmmneliya@nhda.lk
10. **District Office - Matara**
Address : Station Road, Matara
Telephone - 041 2222986
Fax - 041 2229257
Email - dmmatara@nhda.lk
12. **District Office - Jaffna**
Address : Kandy Road, Jaffna
Telephone - 0212222039
Fax - 0212222039
Email - dmjaffna@nhda.lk
14. **District Office - Mulativu**
Address : Kandy Road "A 9&" Mankulam (Mulativu)
Telephone - 021 2060033
Fax - 021 2060022
Email - dmmulativu@nhda.lk
16. **District Office - Ampara**
Address : NHDA, Ampara
Telephone - 063 2222045
Fax - 063 2222045
Email - dmampara@nhda.lk
18. **District Office - Kurunegala**
Address : No.05, Mihindu Mawatha, Kurunegala
Telephone - 037 2222014
Fax - 037 2222014
Email - dmkurunegala@nhda.lk
20. **District Office - Anuradhapura**
Address : Bandaranayake Mawatha, Anuradhapura
Telephone - 025 2222558
Fax - 025 2222649
Email - dmanuradhapura@nhda.lk
22. **District Office - Badulla**
Address : Clinic Road, Badulla
Telephone - 055 2222113
Fax - 055 2223163
Email - dmbadulla@nhda.lk
24. **District Office - Ratnapura**
Address : New Town, Ratnapura
Telephone - 045 2228724
Fax - 045 2228996
Email - dmrathnapura@nhda.lk
26. **District Office - Kilinochchi**
Address : 155, A 9 Road, Kilinochchi
Telephone - 021 2285757
Fax - 021 2285757
Email - dmkilinochchi@nhda.lk



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அ்திபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} HUD/A/NHDA/1/16/17

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 31 October 2017

The chairman,
National Housing Development Authority

Report of the Auditor General on the Financial Statements of the National Housing Development Authority for the year ended 31 December 2016 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 for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 29.1 of the Housing Development Authority Act, No. 17 of 1979. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2) (c) of the Finance Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of the Supreme Audit Institutions

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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(ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraphs 2.2 and 2.3 of this report.

2. Financial Statements

2.1 Qualified Opinion – Group

In my opinion, except for the effects of the matters described in paragraphs 2.2 and 2.3 of this report, the consolidated financial statements give a true and fair view of the financial position of the National Housing Development Authority and its Subsidiary as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.



Qualified Opinion – Authority

In my opinion, except for the effects of the matters described in paragraph 2.3 of this report, the financial statements give a true and fair view of the financial position of the National Housing Development Authority as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements – Group

2.2.1 Consolidated Financial Statements

The following observations are made.

- (a.) The present Chairman of the Authority is functioning in the capacity of a Director (Non-independent- Non- executive) of the National Housing Development Finance Corporation Bank. Even though the National Housing Development Authority owned 49 per cent of the total share capital of the aforesaid bank, consolidated accounts had not been prepared by considering it as an associated company and necessary disclosures on the related parties had not been made in the accounts.
- (b.) The consolidated financial statements had been prepared based on unaudited financial statements for the year ended 31 December 2016 of the Ocean View Development Ltd., which is the Subsidiary of the National Housing Development Authority and the net assets of the Subsidiary represented 14 per cent of the net assets of the Authority.

2.3 Comments on Financial Statements – Authority

2.3.1 Accounting Policies

The following observations are made.

- (a) Although it had been stated in accordance with the Accounting Policy No.7.4 that a sum of Rs.58.12 million receivable from the Maligawatta CGR Project would be offset against the payable compensation of the lands, action had not been taken accordingly.



- (b) Even though a sum of Rs.23,700 had been amortized in the year under review in respect of intangible assets of Rs.332,025 shown in the consolidated financial statements, the accounting policy applicable thereto had not been disclosed in the financial statements.

2.3.2 Sri Lanka Public Sector Accounting Standards

The following observations are made.

- (a) **Sri Lanka Public Sector Accounting Standard 03.**

An accounting policy had not been formulated so as to reflect in the financial statements the fair value of the financial assets which represent 12 per cent of the assets of the Authority.

- (b) **Sri Lanka Public Sector Accounting Standard 07**

The value of the land, 170.56 perches in extent belonging to the Hanthana Holiday Resort and acquired under a non- exchange transaction in the years 1987 and 1988 had been stated as Rs.2,520 in the financial statements by the end of the year under review and action had not been taken to revalue it and bring to account at the fair value in accordance with Paragraph 47 of the Standard.

2.3.3 Accounting Deficiencies

The following observations are made.

- (a) A new section had been added to the District Office, Kandy in the year 2015 by spending Rs.33.7 million. Nevertheless, depreciation had not been computed for this section in the computation of depreciation for the buildings in the year 2016. Hence, the depreciation value of the buildings had been understated by Rs.841,365.
- (b) The value of the photocopy machine amounting to Rs.144,300 purchased by the Middle Class Housing Project in the year 2016 had been brought to account as office equipment and tools of the Authority during the year under review.



- (c.) The value of the plots of land further remained at the housing schemes and lands of 450.3484 hectares in extent vested for housing schemes had not been assessed and brought to account. Similarly, value of 32 plots of land belonging to the Authority where permanent office buildings and rent buildings had been built at, had not been assessed and brought to account by the end of the year under review.
- (d.) The balance sum of Rs. 13.32 million from the grants of the National Livestock Development Board received for constructing houses, had been shown under other aids instead of being shown as accounts payable from the year 2012.
- (e.) Nine housing units valued at Rs.7.08 million given on rent/lease basis for more than a period of 5 years had been brought to account as stocks under current assets as at 31 December 2016 instead of being accounted as investment assets.
- (f.) Although provisions for doubtful debts at 20 per cent should be made in respect of sundry debtors of Rs.72.42 million due from other institutions in terms of Accounting Policy 7.4, provisions had been made only for the debtors exceeding 05 years totalling to Rs.71.06 million and as such, provisions for doubtful debts had been understated by Rs.272,372. Accordingly, the profit of the year under review as well had been overstated by that amount.

2.3.4 Unexplained Differences

The balance of loans obtained by the Authority from 06 banks under Diri Piyasa loan scheme amounted to Rs.19.7 million as at the end of the year under review and a difference of Rs.7.81 million was observed between the balance confirmation submitted by those banks and the amounts indicated in the Ledger.



2.3.5 Lack of Evidence for Audit

A sum of Rs. 104.36 million receivable from the Urban Development Authority from the year 1984 to the year 2002 had been offset against a sum of Rs.52.52 million payable to the Urban Development Authority and a receivable balance of Rs.51.84 million had been shown in the financial statements of the year under review. Nevertheless, the balance confirmations of the Urban Development Authority had stated that a sum of Rs.39.89 million was due from this Authority.

2.4 Accounts Receivable and Payable

The following observations are made.

- (a.) The following matters were observed in connection with the recovery of housing loan installments and land sale loan installments by the District Secretariat, Kegalle.
 - (i) The period delayed for the recovery of Rs.3.69 million out of the loan amounting to Rs.5.64 million granted by the District Office under the Estate Housing Loan Scheme had exceeded 05 years.
 - (ii) According to the report relating to the lands sold before the year 2012, any installment relating to 03 blocks of lands valued at Rs.514,948 had not been recovered from the date of sale of those lands and in spite of existence of arrears of installments relating to 43 blocks of lands, action had not been taken to recover those money up to the end of the year under review.
 - (iii) Sums totalling Rs.770,875 receivable for 04 blocks of lands sold by the District Office on the agreement of recovery of money as a lump sum had not been recovered up to the end of the year under review.
 - (iv) Although the highest price quoted for the land bearing the lot No.56 of the Karunaratnagama housing scheme was Rs.850,000, this land had been awarded in the year 2015 to a person who had quoted Rs.



725,000 therefor and scored higher marks at the interview. Nevertheless, the Authority had not recovered that money up to the end of the year under review.

- (v) The rent in arrears for the houses belonging to the District Office was Rs.1.06 million and the number of house units the arrears of which had exceeded 03 years contained therein was 106. Although the General Manager had informed the Audit that there was an arrears in the recovery of rentals from the houses constructed in lands not owned by the Authority, a proper step had not been taken thereon.
- (b) Although the Authority had provided a sum of Rs. 21.52 million in respect of the tax in arrears amounting to Rs. 15.33 million and the fine of Rs. 7.12 million relating thereto that remained payable to the Inland Revenue Department on behalf of National Institute of Machinery, action had not been taken to settle those liabilities up to the end of the year under review.
- (c) Out of the advances paid to contractors, stores advances, travelling advances, and sundry advances as at the end of the year under review, the Authority had not taken action to settle the sum of Rs. 216.3 million brought forward for over a period of 02 years.
- (d) A sum of Rs. 72.42 million had remained recoverable by the Authority in respect of the employees of the Authority who had been deployed in the service of the other Government institutions. Out of that, a sum of Rs. 71.82 million had remained unrecovered for more than a period of 05 years.
- (e) A sum of Rs. 605,675 receivable to the Authority in respect of a land of 685.49 perches in extent granted by the Authority in the year 1998 from Athnawala Estate to a private social welfare organization for a housing project consisting of 60 houses and installments of Rs.171,194 receivable for the year 2016 in respect of 06 blocks of lands had not been recovered up to the end of year under review.



- (f) Even though the Authority had credited a sum of Rs.47.46 million to the Consolidated Fund in the year 2010, a written confirmation had not been obtained from the Treasury to the effect that the above money would be paid back. Nevertheless, this amount had been shown as a receivable balance in the financial statements for more than a period of 05 years.
- (g) Outstanding loan installments and outstanding loan interest amounting to Rs.512.42 million and Rs.248.07 million respectively payable in respect of the loans obtained from 05 Public and private institutions for projects had remained unsettled for more than a period of five years.
- (h) Action had not been taken to settle the loan balances totalling Rs.220.09 million payable to the Ministry of Rehabilitation and the Ministry of Fisheries for exceeding a period of 05 years.
- (i) Without taking action to recover a sum of Rs. 520,369 granted to the Subsidiary by the Authority to purchase a land before 10 years, it had been shown as sundry debtors in the financial statements.
- (j) Since 1,468 housing loan files valued at Rs.5.97 million given under the Thrift and Credit Co-operative Society Housing Loan Scheme (TCCS) by the District Office, Jaffna 30 years ago had been misplaced, Authority had not taken action either to recover that money or write off them from the books and it had been brought to account as debtors.
- (k) The creditors balance amounting to Rs.1,829.81 million payable as at the end of the year under review had included creditors balance of Rs. 1,315.62 million elapsed a period of 05 years.
- (l) Even though the District Office, Kalutara had granted advances totalling Rs.275,000 to external parties in the years 2013 and 2015, those advances had not been settled even up to the end of the year under review.



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

The following non-compliances were observed.

Reference to Laws, Rules, and Non-compliances Regulations and Management Decisions

- | | | |
|-----|--|---|
| (a) | Section 11 (b) of the Finance Act, No.38 of 1971 | Concurrence of the Minister of Finance had not been obtained in connection with investments of Rs. 2,218.36 million. |
| (b) | National Environmental Act No.47 of 1980 | Approval of the Central Environmental Authority had not been obtained for the Regency Park Housing Scheme and Living Homes Scheme, Pallekele. |
| (c) | Public Finance Circular No.03/2015 dated 14 July 2015. | Even though the maximum amount payable from the petty cash imprest at a time is Rs.5,000, the District Office, Kegalle had paid sums totalling Rs.376,088 for the purchase of stamps in 39 instances exceeding the above maximum limit. |

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Group and the Authority for the year ended 31 December 2016 had resulted in a surplus of Rs.232 million and Rs. 240 million respectively as against the deficit of Rs. 720 million and Rs. 1,028 million respectively for the preceding year, thus indicating an increase of Rs. 952 million and Rs. 1,268 million respectively in the financial result for the year under review as compared with the preceding year. As compared with the preceding year, the increase in the above financial result had mainly been attributed by the



increase in the land sale income and the other income of the Authority by Rs. 872 million and Rs. 1,377 million respectively.

In analyzing the financial results of the year under review and the 04 preceding years, deficit of the year 2012 amounted to Rs.303 million and that deficit had continuously increased up to Rs.1,028 million by the year 2015, whereas it had turned out to be a surplus of Rs.240 million during the year under review. However, when readjusting employee remuneration, tax paid to the Government, and the depreciation on non-current assets to the financial result, the contribution of the Authority amounting to Rs. 588 million in the year 2012 had improved up to Rs.1,976 million by the end of the year under review.

3.2 Legal Actions Instituted against or by the Authority

Seventy two external parties had field 72 cases in Courts against the Authority claiming compensation of Rs.66 million regarding the matters such as vesting lands and houses, payment of gratuity and employer and employee disputes. Similarly, the Authority had field cases against 1,006 external parties relating to the matters such as encroachment of the properties of the Authority and failure in settling loans and rentals in arrears.

4. Operating Review

4.1 Performance

(a) Physical Performance

The National Housing Development Authority had been established in terms of National Housing Development Authority Act, No. 17 of 1979 to execute the functions such as: to directly engage itself in the construction of flats, houses and other living accommodation or buildings; to formulate schemes to establish housing development projects in order to alleviate the housing shortage, and to make land available for housing development. In addition to the Head Office, the Authority functions island wide with 26 District Offices



and 03 Urban Offices. The following observations are made on the performance of the Authority as at 31 December 2016.

- (i) Although it had been planned to build 1,330 housing units and 500 housing units under the Urban Lands Redevelopment Programme and the Middle Class Housing Development Programme respectively, no housing unit whatsoever had been built by the end of the year under review. Moreover, it had been planned to build 4,500 housing units under the Model Villages Programme (Rural/ Estate/Fishery), whereas construction of 259 housing units only had been completed by the end of the year under review.
- (ii) Despite being planned to build 500 housing units under the Sevena Housing Development Programme, only 59 housing units had been built by the end of the year under review and the progress thereof was 12 per cent only.
- (iii) It had been planned to build 40 housing units according to the Restoration Housing Programme under the continuation programme during the year under review. Nevertheless, no housing unit whatsoever had been built. Further, out of 660 housing units under the Public and Private Contribution Housing Programme planned to be built under above programme, only 59 housing units had been built and the progress thereof was 9 per cent.
- (iv) Despite being planned to build 1000 housing units under the Welioya Special Project, only 42 housing units had been constructed. The progress thereof was 4 per cent.
- (v) According to the report of land survey carried out in the year 2016, it had been identified that there are 327.56 hectares of bare lands, 116.1 hectares of land occupied by encroachers and 6.71 hectares of adjacent lands owned by the Authority. Nevertheless, action had not been taken to settle those lands.



(b) Financial Performance

The following observations are made.

- (i) The total loan capital granted under the housing loan programmes by the end of the year under review amounted to Rs.19,340.24 million and it was Rs.16,307.33 million by the end of the preceding year.
- (ii) The total debtors balance including the debtors balance under the housing loan programmes as at the end of the year under review amounted to Rs.4,509.19 million and it had included debtors balance of Rs.2,041.56 or 45 per cent older than 05 years.
- (iii) Although a sum of Rs.86.33 million had been spent as loan collecting commission in the year 2016, according to the progress report relating to the recovery of loans, only 58 per cent out of the expected loan recoveries had been recovered during the year under review and the number of dormant debtors had represented 71 per cent of the total debtors.

4.2 Management Activities

The following observations are made.

- (a.) Even though provisions amounting to Rs.247.6 million had been made in the financial statements as compensation payable in respect of taking over of 63 plots of land, 154.85 hectares in extent the tenure of which had been taken over by the Authority in terms of Section 38(b) of the Land Acquisition Act, the Authority had not taken action to settle those compensations up to end of the year under review.
- (b.) As the approval for the building plans had not been obtained from the relevant Local Authorities prior to the implementation of the housing schemes, Certificates of Conformity had not been received for those housing schemes.



Accordingly, due to failure in establishing management Corporations by vesting the houses of the housing schemes in the owners, the Authority had to incur sum of Rs. 7.38 million for the maintenance of 17 housing schemes and Rs. 105.98 million for the repairs of 29 housing schemes.

- (c.) Of the loan granted during the years 1989-1994 in order to purchase solar panels for 526 families in Kurunegala district, a sum of Rs.4.08 million remained recoverable as at 31 December 2016. Nevertheless, a sum of Rs.2,590 only had been recovered in the year under review and the Management had not taken action to implement specific methodology to recover the remaining amount.
- (d.) Although the Authority had incurred a construction cost of Rs. 20 million in the year 2007 on the Mahaiyawa Housing Project consisting of 32 houses implemented by the Authority on a land belonging to the Kandy Municipal Council, the monies relating thereto had not been recovered from the Kandy Municipal Council even by the end of the year under review.
- (e.) Although a sum of Rs. 8.69 million had been paid to the Urban Development Authority in the year 2012 for taking over the land in Ratnapura, named as Galkaduwawatta, the Authority had decided not to take over the land in the year 2014. However, action had not been taken up to the end of the year under review to recover that amount paid to the Urban Development Authority and it had been brought to account as the development assets.
- (f.) The stock of houses had comprised reserved houses valued at Rs. 37.87 million, the remaining houses, and shops existing for a period of over 05 years. Action had not properly been taken by the Authority to recover the dues in arrears with respect to the reserved houses and sell the remaining houses and shops in the stock promptly.



- (g.) Four out of 08 homes constructed under Stage IV, 117 Estate, Elvitigala Mawatha had been vested in the Foreign Ministry in the year 2011, whereas action had not been taken up to the end of the year under review to recover a sum of Rs.4.97 million further remained receivable thereon.
- (h.) Thirteen motor vehicles valued at Rs.1.94 million belonging to the Authority had been misplaced in North and East and other areas, but the management had not taken action to conduct inquiry into that matter and take formal step thereon.
- (i.) According to the agreement pertaining to the *Upahara* loan granted to the Public and private employees by the Authority, provisions had been made to recover those loan installments from the salary of the loan recipient or the guarantors. Nevertheless, the outstanding loan balance that remained unrecovered as at the end of the year under review amounted to Rs.303.5 million. Since this *Upahara* loan programme had been implemented by obtaining loans from the State banks, the Authority had to settle relevant installments and interests on due date though the money is not received from the debtors. It was observed in audit that the funds of the Authority allocated for its normal activities had been spent for the payment of loan installments and interest due to the above reason.

4.3 Operating Activities

The following observations are made

- (a) Even though District Office , Kandy had spent Rs.2.67 million for the construction of 16 housing units of the Galaha Housing Scheme from the year 1998 to the year 2001, that money had not been received by the Authority even by the end of the year under review.
- (b) Although the Authority had invested Rs.120 million in its Subsidiary, despite being shown after tax profit amounting to Rs.73.9 million and Rs.207.67 million of the Subsidiary relating to the year 2014 and 2015



respectively, no dividend whatsoever had been received by the Authority after the year 2013.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) In terms of Cabinet Decision 99/1165/21/122 dated 11 September 1999, the present valuation should be made use of as the basis in regularizing the encroachers, whereas it was observed in audit that homes, lands and shopping complex of the Authority were being vested in the encroachers by the Authority from time to time at the valuations prevailed in the years of their encroachments based on Board of Directors' decisions and the internal circulars without being complied with the above Cabinet Decision. Several examples are given below.
- (i) The ownership of the Wnnigama Trade Complex Building belonging to the Authority had been vested in an encroacher in the year 2015 based on the assessment price of Rs.257,500 of the year 1998.
- (ii) Three lots of lands of the Wewelduwa Housing Scheme had been vested in the year 2011 at the valuation of the year 2000 amounting to Rs.2.23 million (Inclusive of administrative charges). The assessed valuation of these lands in the year 2011 was Rs.6 million.
- (iii) A housing unit of the Manning Town Housing Scheme which had been valued at Rs.13.8 million in the year 2014 had been vested at the valuation of the year 1996 amounting to Rs.3.7 million.
- (b) For the development and construction of houses in the land , 01 acre and 26.5 perches in extent valued at Rs.650 million situated in Darley Road, Colombo, a combined agreement valued at Rs.812 million had been entered into with a private company on 23 June 2006 and a sum of Rs.100 million had been received by the Authority therefor on that day itself. Despite the lapse of 10



years, any housing construction activity or development activity had not been initiated according to the agreement and therefore, action should have been taken to terminate the agreement and take over the land to the Authority again. Instead, without being considered the present value of the land, a balance of Rs.712 million due to be received according to the 2006 agreement only had been obtained by the Authority during the year under review.

- (c) As an valuation from the Government Valuer had not been obtained in renting out the ground floor and 27,184 square feet from 1st floor to 5th floor of the Housing Development Authority Building to the Housing Development Finance Corporation Bank, it could not be established in audit that an adequate rent had been obtained therefor. Nevertheless, without considering that matter, the Authority had entered into the following transactions with the Housing Development Finance Corporation Bank.
- (i) Even though premises 7 of the IX floor of that building had been rented out from the year 2000, no lease agreement had been entered into thereon and the Bank had made monthly payment of Rs.21,850 to the Authority.
- (ii) In renting 1,345 square feet of the IX floor of this building without obtaining a valuation of the Government Valuer in the year 2015, the Valuer of the Authority and the Price Committee had decided a rental of Rs.80,700 therefor, whereas agreements had been entered into at a monthly rental of Rs.54,500 with the concurrence of the Heads of the Departments.
- (d) Without being complied with the Section 9 of the Housing Development Authority Act No.17 of 1979, the Housing Development Authority had granted two houses in the Maththegoda and Manning Town Housing Schemes to a same person. Nevertheless, action had not been taken to settle that issue even by the end of the year under review.



- (e) Two houses valued at Rs.4.76 million of the Jalthara Hosing Scheme, Homagama of the Authority had been released to two persons deviating from the normal housing disposal method and without entering into the agreements.

4.5 Identified Losses

The following observations are made.

- (a.) In making contribution to the Employees' Provident Fund and Employees Trust Fund from the year 2006 to the year 2012, contribution had been made according to a salary less than the salary required to be applied therefor and as such the Authority had to pay a fine amounting to Rs.71.93 million and the contribution of the employees amounting to Rs.50.04 million. Action had not been taken to recover that amount from the employees.
- (b.) A delay interest of Rs.64.68 million had to be paid in respect of payable land compensation by the end of the year under review.

4.6 Staff Administration

The following observations are made

- (a) The cadre approved by the Department of Management Services as at 04 April 2012 had been 1,376 and the actual cadre as at 31 December 2016 had been 2,143. Accordingly, 807 employees had been deployed in the service exceeding the approved cadre.
- (b) There were 28 vacancies in the senior executive and middle management level posts of the approved cadre, whereas recruitments had been made only for 5 posts during the year 2017.

- (c) Contrary to the provisions in Section 9.3.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, nineteen officers had been deployed in acting capacity and to covering up duties over periods ranging from 06 months to 10 years.
- (d) As action had not been taken to properly identify the human resource requirement by revising the approved cadre of the District Offices, a shortage of 28 officers and an excess of 52 officers could be observed in the District Offices of Kegalle and Kandy respectively.
- (e) Even though a Chief Internal Auditor serves in the Authority according to the approved Scheme of Recruitment, 2005, that post had not been included in the organization chart and approval for the said post had not been obtained in accordance with the Scheme of Recruitment dated 04 April 2012.

4.7 Resources of the Authority Released to other Public Institutions

Contrary to the Section 8.3.9 of the Public Enterprises Circular, No. PED/12, dated 02 June 2003, the Authority had spent a sum of Rs.9.57 million in respect of the activities of the World Habitat Day, 2016 and the Middle Class Housing Projects on behalf of the Ministry of Housing and Constructions and 05 motor vehicles of the Authority had been released to the State Engineering Corporation.

5. Accountability and Good Governance

5.1 Action Plan

The Authority had not prepared an Action Plan including updated organization chart, approved cadre, Budget, Annual Procurement Plan, Imprest Requirement Plan and the Internal Audit Plan as required by Paragraph 04 of the Public Finance Circular No.01/2014 dated 17 February 2014.



5.2 Budgetary Control

According to the financial statements presented by the Authority, as variances from 53 per cent to 1,597 per cent were observed between the budgeted and actual income and expenditure, the budget had not been made use of as an effective instrument of financial control.

5.3 Tabling of Annual Reports

Reports for the years 2014 had not been tabled in Parliament even up to 30 June 2017 by the Authority.

5.4 Unresolved Audit Paragraphs

Attention is drawn on the following matters indicated in the Audit Report for the year 2015.

- (a) Only the Valuation of the Valuer of the Authority had been obtained for the sale of the Liberty Plaza Circuit Bungalow owned by the Authority to the Ocean View Development Pvt. Ltd. without obtaining the valuation of Government Valuer. However, the value of the valuation of the Government Valuer obtained later relating to the said property had been Rs. 11.52 million, whereas the selling price had been Rs. 9 million. Although the attention of the COPE meeting held on 23 November 2012 had been paid on this matter, the step taken thereon had not been revealed to audit.
- (b) Although it had been reported to the audit that a Ministerial report was furnished in connection with filling vacancy of the post of Deputy General Manager (Human Resource Management and Control) without being complied with the Scheme of Recruitment of the Authority in the year 2011, the current position thereof had not been reported to audit.



6. **Systems and Controls**

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

Areas of Systems and Controls

Observations

- | | |
|--------------------------|---|
| (a.) Control of Loans | (i) Selection of loan recipients and issuance of installments without being complied with the loan procedure. |
| | (ii) Computerization of the recovery of loans and the issue of receipts had not been properly carried out. |
| | (iii) Failure to settle receivable and payable balances over a long period of time. |
| (b.) Control of Advance | Failure to comply with the limits of the issuance of advances and delays in the settlements. |
| (c.) Accounting | (i) Existence of differences of the names of the accounts in the ledger and the financial statements and failure to recognize separately the grants accounts given for each item. |
| | (ii) Failure to maintain a Ledger Account for the lands |
| (d.) Control of Payments | (i) Making payments for unapproved expenditure vouchers |
| | (ii) Failure to indicate the accounts code numbers in the vouchers |

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

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Auditor General.



NATIONAL HOUSING DEVELOPMENT AUTHORITY

Ministry of Housing & Construction