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The Gazette of the Democratic Socialist Republic of Sri Lanka

අංක 1,687 – 2010 දෙසැම්බර් 31 වැනි සිකුරාදා – 2010.12.31
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(Published by Authority)

PART I : SECTION (I) – GENERAL

(Separate paging is given to each language of every Part in order that it may be filed separately)

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IMPORTANT NOTICE REGARDING ACCEPTANCE OF NOTICES FOR PUBLICATION IN THE WEEKLY “GAZETTE”

ATTENTION is drawn to the Notification appearing in the 1st week of every month, regarding the latest dates and times of acceptance of Notices for publication in the weekly *Gazettes*, at the end of every weekly *Gazette* of Democratic Socialist Republic of Sri Lanka.

All notices to be published in the weekly *Gazettes* shall close at 12.00 noon of each Friday, two weeks before the date of publication. All Government Departments, corporations, Boards, etc. are hereby advised that Notifications fixing closing dates and times of applications in respect of Post-Vacancies, Examinations, Tender Notices and dates and times of Auction Sales, etc. should be prepared by giving adequate time both from the date of despatch of notices to Govt. Press and from the date of publication, thereby enabling those interested in the contents of such notices to actively and positively participate please note that inquiries and complaints made in respect of corrections pertaining to notification will not be entertained after **three months** from the date of publication.

All notices to be published in the weekly *Gazettes* should reach Government Press two weeks before the date of publication *i.e.* notices for publication in the weekly *Gazette* of 07th January, 2011 should reach Government Press on or before 12.00 noon on 24th December, 2010.

LAKSHMAN GOONEWARDENA,
Government Printer.

Department of Govt. Printing,
Colombo 08,
January 01, 2010.

Appointments &c., by the President

D/AF/804.

D/AF/775.

SRI LANKA AIR FORCE

Cashiering Approved by His Excellency the President

HIS EXCELLENCY THE PRESIDENT has approved the cashiering of the undermentioned Officer from the Sri Lanka Air Force with effect from the date stated against his name:-

Flying Officer DANGODA GAMAGE PRADEEP ROSHAN (01747) - Equipment - 10.05.2010.

By His Excellency's command,

GOTABAYA RAJAPAKSA RWP, RSP, psc,
Secretary,
Ministry of Defence.

Colombo,
19th July, 2010.

12-1142

No. 264 of 2010

DIRF/RECT/252/AY.

SRI LANKA ARMY—REGULAR FORCE

Commissions approved by His Excellency the President

HIS EXCELLENCY THE PRESIDENT has been pleased to approve the commissioning of the under-mentioned Officer Cadets in the rank of Second Lieutenant in the Regular Force of the Sri Lanka Army with effect from 24th June, 2010 in the order of seniority shown and their posting to the Regiments/Corps stated against their names with effect from the same date:-

C/57422 Officer Cadet - SIR NARAYANA BAMUNU MUDIYANSELAGE
AMILA SANDARUWAN BANDARA - Sri Lanka Signal Corps;

C/57420 Officer Cadet - MEGEL MANDADIGE YOHAN WIMANGA
FERNANDO - Mechanized Infantry Regiment;

C/57413 Officer Cadet - DARUMURA HETTI ARACHCHIGE THUSHARA
PRIYADARHANA - Sri Lanka Armoured Corps;

C/57438 Officer Cadet - KARUNASINGHE GEDERA MANEL BANDARA
- Corps of Sri Lanka Engineers;

C/57520 Officer Cadet - DEWATHA PENDIGE NISHANTHA
GUNASAKARA - Sri Lanka Artillery.

By His Excellency's command,

GOTABAYA RAJAPAKSA RWP, RSP, psc,
Secretary,
Ministry of Defence.

Colombo,
29th November, 2010.

12-980

SRI LANKA AIR FORCE

Cashiering Approved by His Excellency the President

HIS EXCELLENCY THE PRESIDENT has approved the cashiering of the undermentioned Officer from the Sri Lanka Air Force with effect from the date stated against his name:-

Flight Lieutenant BOGODA ARACHCHIGE DON CHULPATHMENDRA
JAYAWARDENA (02067) - Airfield Construction - 25.01.2010.

By His Excellency's command,

GOTABAYA RAJAPAKSA RWP, RSP, psc,
Secretary,
Ministry of Defence,
Public Security, Law and Order.

Colombo,
12th April, 2010.

12-1141

No. 265 of 2010

D/AF/772.

SRI LANKA AIR FORCE

Retirement Approved by His Excellency the President

THE undermentioned Officer retires from the Sri Lanka Air Force with effect from 31st January, 2010:-

Squadron Leader DON PRADEEP SUJEEWA KANNANGARA (01559) -
Administrative/Regiment.

By His Excellency's command,

GOTABAYA RAJAPAKSA RWP, RSP, psc,
Secretary,
Ministry of Defence,
Public Security, Law and Order.

Colombo,
28th June, 2010.

12-1140

Government Notifications

My No. : NP/11/02/20/2010/පිටු/සැ.

NOTICE UNDER THE LAND REGISTERS RECONSTRUCTED FOLIO ORDINANCE (CAP. 120)

1. I hereby give notice under Section 04 of the Land Registers Reconstructed Folio Ordinance (Cap. 120) that Land Register Folios, particulars of which appear in Column 1 of the Schedule hereto, affecting the lands described in Column 2, thereof which have been found to be missing or torn, have been reconstructed in full in provincial folios and relate to the connected deeds, particulars of which are shown in Column 3 of the said Schedule.
2. The provisional folio will be opened for inspection by any person or persons interested there in at the office of the Registrar of Lands, Homagama, 03.01.2011 to 17.01.2011 between the hours of 10.00 a. m. to 3.00 p. m. on all working days.
3. Any person desirous of lodging any objection against any entry included in a provisional folio or against any of the particulars contained in any such entry and any person desiring to make a claim for the insertion of any entry or of any particulars alleged to have been improperly omitted from any entry must do so, by an objection or claim in writing addressed to the undersigned which must be sent under registered cover and must reach the Office of the Registrar General not later than 24.01.2011. The matter in respect of which the objection or claim in made must be clearly and fully set out in the objection or claim and the objection or claim must be accompanied by all documentary evidence relies upon the support of it.

SCHEDULE

<i>Particulars of damaged Folios of the Land Registers</i>	<i>Particulars of Land</i>	<i>Particulars of Deeds/ Registeres</i>
Folio No. 197 of Volume 577 Division G of the Land Registry, Homagama in Colombo District.	Boundaries for land called Delgahawatta marked Lot 03 in extent of 0A., 0R., 30.56P. depicted in Plan No. 418 of 21.07.1966 made by H. Anil Peiris, Licensed Surveyor situated at Talangama North of the Pallo Pattu in Hewagama Korale in the Colombo District, Western Province. <i>North:</i> Road, <i>East:</i> Lot 14, <i>South:</i> Lot 06, <i>West:</i> Lots 07 and 02.	1. Deed of Transfer No. 1464 written and attested by C. A. B. De Fonseka, Notary Public on 27.10.1981. 2. Decree Nisi of Case No. 12540/L of J. C. Colombo. 3. Deed of Mortgage Bond No. 8598 written and attested by W. H. Perera, Notary Public on 29.01.2005.

E. M. GUNASEKARA,
Registrar General.

Registrar General's Department,
No. 234/A3, Denzil Kobbekaduwa Mawatha,
Battaramulla.

12-1069

My No. : NP/11/02/22/2010/පිටු/සැ.

NOTICE UNDER THE LAND REGISTERS RECONSTRUCTED FOLIO ORDINANCE (CAP. 120)

1. I hereby give notice under Section 04 of the Land Registers Reconstructed Folio Ordinance (Cap. 120) that Land Register folios, particulars of which appear in Column 1 of the Schedule hereto, affecting the lands described in Column 2, thereof which have been found to be missing or torn, have been reconstructed in full in provincial folios and relate to the connected deeds, particulars of which are shown in Column 3 of the said Schedule.

2. The provisional folio will be opened for inspection by any person or persons interested therein at the office of the Registrar of Lands, Nugegoda, 03.01.2011 to 17.01.2011 between the hours of 10.00 a. m. to 3.00 p. m. on all working days.
3. Any person desirous of lodging any objection against any entry included in a provisional folio or against any of the particulars contained in any such entry and any person desiring to make a claim for the insertion of any entry or of any particulars alleged to have been improperly omitted from any entry must do so, by an objection or claim in writing addressed to the undersigned which must be sent under registered cover and must reach the Office of the Registrar General not later than 24.01.2011. The matter in respect of which the objection or claim is made must be clearly and fully set out in the objection or claim and the objection or claim must be accompanied by all documentary evidence relies upon the support of it.

SCHEDULE

<i>Particulars of damaged Folios of the Land Registers</i>	<i>Particulars of Land</i>	<i>Particulars of Deeds/ Registers</i>
Folio No. 223 of Volume 2722 of Division "M", of the Land Registry, Delkanda in Nugegoda in Colombo District.	Boundaries of Land called "Thalgahawatta" marked Lot 01 in extent of 0A., 0R., 21.165 P. depicted in Plan No. 9118 M. Samaranayaka, Licensed Surveyor situated at Kandewatta Road, Nugegoda of Palle Pattu in Salpiti Korale in the Colombo District, Western Province: <i>North</i> : Lot 2 in Plan No. 9118 and Kandewatta Road, <i>East</i> : Land of Mr. Perera and Assessment No. 107, Kandewatta Road and Property of Assessment No.89 of Mrs. A. A. D. Elisabeth. <i>South</i> : Assessment No. 13515 of K. D. C. Senaratne, <i>West</i> : Lot 2 and property of Assessment No. 115A of W. L. M. Abesekara	1. Final Decree of Case No. 1389/P of District Court of Mount Lavinia on 28.10.2005 2. do. Amended
		E. M. GUNASEKARA, Registrar General.

Registrar General's Department,
No. 234/A3, Denzil Kobbekaduwa Mawatha,
Battaramulla.

12-1070

THE INLAND REVENUE ACT, No. 10 OF 2006

Notice under Section 34 (8) (a)

BY virtue of powers vested in me by Section 34 (8) (a) of the Inland Revenue Act, No. 10 of 2006, I, Mahinda Rajapaksa, Minister of Finance do hereby declare the "Karandeniya Kiripedda Sri Wijeyasundararama Viharasthanaye Sangawasa Building Construction Fund" referred to in the Schedule given below be an approved charity for the purpose of that Section.

MAHINDA RAJAPAKSA,
Minister of Finance and Planning.

Ministry of Finance and Planning,
Colombo 01.
December, 2010.

SCHEDULE

"Karandeniya Kiripedda Sri Wijeyasundararama Viharasthanaye Sangawasa Building Construction Fund"

12-1060

Revenue and Expenditure Returns

The Vice-Chancellor,
South Eastern University of Sri Lanka.

Report of the Auditor General on the Financial Statements of the South Eastern University of Sri Lanka for the year ended 31st December, 2006 in terms of Section 108 (2) of the Universities Act, No. 16 of 1978

THE audit of financial statements of the South Eastern University of Sri Lanka for the year ended 31st December, 2006 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 Sections 108 (1) and 111 of the Universities Act, No. 16 of 1978 and Sub-sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is furnished in terms of Section 108 (2) of the Universities Act. A detailed report in terms of Section 13 (7) (a) of the Finance Act was furnished to the Vice Chancellor of the University on 24th August, 2007.

1.2 Scope of Audit :

Audit opinion, comments and findings in this report are based on a review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards, Methods and Practices to obtain reasonable assurance as to whether the financial statements are free of material misstatements. The audit included examination of evidence supporting the amounts and disclosures in the financial statements and assessment of accounting principles and significant estimates and judgements made in the preparation of financial statements, evaluation of their overall presentation and determining whether the accounting policies adopted were appropriate, consistently applied and adequately disclosed. 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.

2. Financial Statements

2.1 Opinion :

So far as appears from my examination and to the best of my information and according to the explanations given to me, I am of opinion that, the South Eastern University of Sri Lanka had maintained proper books of account for the year ended 31st December, 2006 and except for the effects on the financial statements of the matters referred to in Paragraph 2.2 of this report the financial statements which are in agreement with the said books have been prepared and presented in accordance with the Sri Lanka Accounting Standards and the stated accounting policies and notes (No. 1 to 10) to the financial statements give a true and fair view of the financial position of the South Eastern University of Sri Lanka as at 31st December, 2006 and the financial results of its operation and cash flows for the year then ended.

2.2 Comments on Financial Statements :

2.2.1 Accounting Deficiencies :

The following accounting deficiencies were observed in audit:-

- (a) Equipment, books and furniture valued at Rs. 5,137,292 donated by several institutions had not been brought to accounts;
- (b) Stock balances amounting to Rs. 3,645,875 had been shown in the accounts at book balance instead of physically verified balance;
- (c) An ambulance valued at Rs. 3,800,000 had not been brought to accounts;
- (d) Expenditure totalling Rs. 165,600 incurred on installation of 9 telephone lines had not been capitalized. Instead, it had been charged under Communication Account;
- (e) Payments amounting to Rs. 709,700 made for the purchase of 8 computers, accessories and sports goods relating to the previous year had been treated as capital expenditure for the year under review;
- (f) Direct debits and credits totalling Rs. 8,133,258 and Rs. 20,751 respectively made in a bank account had not been investigated and brought to accounts;
- (g) Action had not been taken on 21 cheques totalling Rs. 74,642 which remained uncashed over 6 months from the date of issue.

2.2.2 Accounts Receivable and Payable :

Following observations are made :-

- (a) Balances payable by the University aggregating Rs. 18,538,512 had not been confirmed by the parties concerned;
- (b) Loan balances amounting to Rs. 533,079 had not been settled for more than one year by the staff of the University. No. proper action had been taken by the University to recover the amount as per the conditions of the agreement;
- (c) Age analysis of debtors balances aggregating Rs. 35,593,121 had not been furnished to audit.

2.2.3 Lack of Evidence for Audit :

Five items in the accounts aggregating Rs. 31,519,521 could not be satisfactorily vouched in audit in the absence of files relating to the expenditure, bills, acknowledgements for receipts and confirmations.

2.2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions :

Several provisions in the following Laws, Financial Regulations of the Government, Establishments Code for the University Grants Commission and Higher Educational institutions not complied with had been pointed out to the Vice-chancellor of the University:-

- (a) Universities Act, No. 16 of 1978- Section 110;
- (b) Section 14 (1) of the Finance Act, No. 38 of 1971;
- (c) Financial Regulations:
 - (i) No. 110
 - (ii) No. 396 (d)
 - (iii) No. 700 (5)
 - (iv) No. 702 (3)
- (d) Establishments Code for the University Grants Commission and Higher Educational Institutions :
 - (i) Section 3.1 of Chapter XXVII
 - (ii) Section 9 of Chapter XXVII
- (e) University Grants Commission Circulars :
 - (i) No. 48 of 13th November, 1997,
 - (ii) Section 6 (3) of No. 63 of 25th February, 1980,
 - (iii) No. 807 of 02nd August, 2002.

2.2.5 Transactions not Supported by Adequate Authority :

Following observations are made:-

- (a) Following payments had been made continuously by the University on the Circular instructions issued by the University Grants Commission contrary to Circular No. 95 of June, 1994 of the Department of Public Enterprises:-

Item	Amount	
	Up to the Year 2005 Rs.	For the Year 2006 Rs.
(i) Incentive allowances and salary increments for proficiency in Second and Third languages	2,045,728	262,327
(ii) Excess payments made to the University Provident Fund and Employees Trust Fund due to considering the allowance of clearing the back log and academic allowance	1,609,654	1,494,037

In this regard, the Vice Chancellor stated that the payments were made as per University Grants Commission Circulars and Guidelines.

- (b) Honorarium payments totalling Rs. 101,750 had been made to various officers of the University for various purposes. However, the authority for these extra payments had not been obtained from the University Grants Commission.

3. Financial and Operating Review

3.1 Financial Performance

3.1.1 Financial Results

According to the financial statements presented, the working of the University for the year ended 31st December, 2006 had resulted in a deficit of Rs. 259,906,871 before taking into account the Government grant for recurrent expenditure as compared with the corresponding deficit of Rs. 190,571,444 for the preceding year. After taking into account the Government grant amounting to Rs. 203,540,590 for recurrent expenditure, the deficit for the year under review was reduced to Rs. 56,366,281 and likewise the Government grant amounting to Rs. 163,537,502 received for recurrent expenditure during the preceding year had reduced the deficit of that year to Rs. 27,033,942.

3.1.2 Utilization of Research Grants

The following matters were observed at an audit test checks of the activities carried out by the University utilizing the research grants.

- (a) Files relating to each research grant project had been maintained. But, most of the agreement forms had not been signed by the Vice-Chancellor/Registrar and certain applications had not been signed by the Secretary of the Research Grant Committee.
- (b) Obtaining extension of time was a common feature without furnishing research reports within the period approved by the Research Committee. A sum of Rs. 176,170 had been paid in respect of incomplete research activities while there were instances of delay in projects for a period of 4 years beyond the due date. In this regard, the Vice Chancellor stated that all these grants had been settled.
- (c) Research and Publication Committee had taken a decision in the meeting (RPC No. 11/2006) held on 06th July, 2006 to give final extension to settle the outstanding research grant advance upto 27th August, 2006 and if failed to settle this outstanding advance, action would be taken to recover the research grant in full from their salary in equal installments from 25th September, 2006 from the respective teachers who obtained the research grant. However, this decision had not been implemented up to the date of audit inspection on 30th March, 2007.

3.1.3 Uneconomic Transactions

Following observations are made :

- (a) Expenditure totalling Rs. 836,100 had been incurred for upgrading 17 computers at an average cost of Rs. 49,000 per computer. However, it appears that new computers could have been purchased within the amount spent. Further, this expenditure had not been capitalized.
- (b) A sum of Rs. 265,783 had been spent as lawyers' fees for instituting legal action against third parties, instead of handing over the cases to the Attorney General's Department.

3.1.4 Improper Utilization of Funds

Following observations are made :

- (a) A cheque for Rs. 7,500,000 drawn in favour of the Buildings Department and accounted under fixed assets had been remitted to the Buildings Department during the year under review with a delay of 9 months. However, the cheque had been returned by the Department subsequently. Therefore, the fund for capital expenditure had remained unutilized during the year under review. Further, this amount had been transferred from capital fund account to recurrent fund account. In this respect the Vice Chancellor had stated that the work had been awarded to other contractors.
- (b) A sum of Rs. 602,803 had been spent on construction of a building out of the University Fund instead of IRQUE fund. The building was intended to be utilized for the IRQUE project.

3.1.5 Extraneous expenditure

Following observations are made :

- (a) Expenditure amounting to Rs.70,010 had been incurred on publishing a memorial message in the newspapers.
- (b) Payments totalling Rs. 103,950 had been made as transport expenditure for collecting things for internally Displaced Persons which is not coming within the objectives of the University.

3.2 Cost per Student

Rs. 1,370 students had been registered for the four courses conducted in the University. Total recurrent expenditure incurred during the year under review amounted to Rs. 262,710,563 and the cost per student amounted to Rs. 191,760.

3.3 Examinations Conducted

The details of examinations held and the No. of students sat for and passed the examinations during the year under review are given below.

<i>Faculty</i>	<i>Period</i>	<i>No. of students sat for the examination</i>	<i>No. of Students passed</i>
Islamic Studies and Arabic Language	Semester I	52	49
Arts and Culture	Semester II	728	616
Management	Semester II	275	209
Commerce	Semester II	134	93
Applied Science	Semester II	234	134

3.4 Library Administration

Following observations are made :

- (a) The Library Committee had not decided the maximum number of books that a Lecturer could borrow for a period.
- (b) 68 staff of the University had not returned 266 books to the value of Rs. 207,312 borrowed from the University for over four years. In this respect, the Vice Chancellor had stated that the major portion of the dues had been recovered subsequently.
- (c) Some of the Lecturers had left the Island on scholarships without returning books they borrowed resulting in the books not being available for the use of others. In this respect, the Vice Chancellor had stated that the dues were recovered subsequently.

3.5 Verification of Assets

Physical verification of assets had not been carried out properly for the years 2004, 2005 and 2006. The verification report for the year 2004 had not been certified by the Members of Board of Survey.

3.6 Budgetary Control

Major variations were observed between the budgeted expenditure and actual expenditure showing that the Budget had not been made use of an effective tool for management control.

4. Systems and Controls

Deficiencies observed during the course of audit were brought to the notice of the Vice Chancellor of the University in my detailed report issued on 24th August, 2007 in terms of Section 13 (7) (a) of the Finance Act, No. 38 of 1971. Special attention is needed in respect of the following areas of control.

- (a) Attendance
- (b) Fixed Assets

- (c) Maintenance of Inventory Register
- (d) Debtors
- (e) Accounting

P. A. PEMATILAKA,
Acting Auditor General.

Our Ref: FA/VC/B/AG/2006
Your Ref: NE/AM/B/SEUSL/2006
17.10.2007

Auditor General
Auditor General's Department,
Colombo.

**Report of the Auditor General on the Accounts of the South Eastern University of Sri Lanka For the year ended
31st December, 2006 in terms of Section 108 (2) of the Universities Act, No. 16 of 1978 and Finance Act, No. 38 of 1971**

We refer to your letter dated 05th September, 2007 in the above regard. We give below our observations with regard to quarries made in your draft report.

2. Accounts

2.3 Comments on Accounts

2.3.1 Accounting Deficiencies

- (a) Noted, Action has been taken to rectify this.
- (b) Noted and this will be rectified.
- (c) Bus was purchased under IRQUE Project. Due to an oversight this had been shown on page 32 of the Accounts 2006 under equipment. This will be rectified. Value of the ambulance has now been brought to accounts.
- (d) Noted and this will be rectified.
- (e) This will be rectified.
- (f) Direct debits amounting to Rs. 7,449,333.33 have now been reconciled and taken into accounts. Balance to be reconciled as of today is Rs. 683,924.67. This will be reconciled on receipt of debit notes from the Bank. This reconciliation will reflect in the Bank Reconciliation statement of October, 2007. A copy of this statement could be sent to the Auditors in November, 2007.
- (g) This represents some miscellaneous payments. Action has been taken to rectify this.

2.3.2 Accounts Receivable and Payable.

- (a) Although, we have dispatched requests for confirmation to the parties concerned no responses were received.
- (b) Loan balances remain unrecovered for more than one year as at 31.12.2006 do belong to employees who have resigned, were served with VOP or have diseased. We have so far recovered Rs. 24,650 from the Provident Fund of one employee and have initiated action to recover the remaining outstanding from the Provident Fund of the employees concerned.
- (c) Noted for future compliance.

2.3.3 Lack of Evidence for Audit

Out of Rs. 31,519,521 stated in the report -

- (i). Rs. 26,861,794 is in respect of Capital Expenditure incurred during the year. All relevant files and necessary reconciliation have been submitted to the auditors in a manner requested by them.
- (ii). Rs. 2,284,855 is expenditure incurred on rentals hiring charges. In the absence of adequate hostel facilities, University is compelled to rent out houses to accommodate the students. We have signed agreements with the house owners and payments are made at the end of each month. These agreements were made available for the Auditors in their office.
- (iii). All efforts made by the University so far to fill the vacancy of the University Medical Officer has failed due to lack of little or no response to the advertisements. Under these circumstances we have sought the assistance of the near by hospitals to assist us.

- (iv) Rs. 1,254,711 is in respect of UPF and ETF. Acknowledgement for these payments from the UGC and ETF Board are sent from time to time. Majority of the acknowledgement had now been received.

2.3.4 Non-compliance with Laws, Rules, Regulations and Management decision.

SLAS 18: Noted for future compliance.

University Act, No. 16 of 1978:

Section 109 - Audited Accounts up to 2005 have been already handed over to the Govt. Printers.

Section 110 - Noted for future compliance

Establishment code:

Section 3:1, Chapter XXVII - Attendance Registers of the Academic staff are maintained by the academic heads

Section 9, Chapter XXVII - Vehicle Log Books are now being maintained

UGC Circular : Section 6 (3) of No. 63 - Noted for future compliance, 48 of 13th November, 1997 - Fixed Assets Register was submitted to the Auditors.

Financial Regulations

No. 110 Noted for future compliance

No. 396 (d) Noted for future compliance

No. 700 (5) Noted for future compliance

No. 702 (3) Noted for future compliance

2.3.5 Transaction not supported by Educate Authority

(a) Payments were made as per UGC Circulars and Guidelines.

(b) Honorarium payments were made as per UGC Circulars and Guidelines.

3. Financial and Operating Review

3.1 Financial Performance

3.1.1 Utilization of Research Grants

(a) Files relating to each research grant are maintained individually. However, action has been taken to rectify the shortcomings in the files as highlighted.

(b) and c :

Sum Rs. 176,170 stated in the report was advanced to the following Grantees:

Mr. M. L. Fowzul Ameer

Dr. S. M. M. Ismail

Mr. M. C. M. Azwar

Mrs. S. Vartharajan

Mr. A. N. Ahamed

Mr. M. A. M. Rameez

Mr. S. Gunapalan

All these Grantees have now settled the advances. However, Report submitted by Dr. Ismail has been sent for evaluation.

3.1.2 Uneconomic Transaction

(a) Noted and will be rectified.

(b) Outside Lawyers were retained for cases with the concurrence of the Attorney General. Relevant documents are attached pl. (PI see Annex 01)

3.1.3 Improper Utilization of Funds

- (a) We have hostel facilities to provide accommodation for 360 students, both boys and girls only with ten toilets units. Shortage of toilets created lots of problems among the students and need of another set of toilets was very urgent. Accordingly action was taken to construct fifteen toilets with bathing facility and study hall to arrest the situation. Based on estimates provided by the Provincial Buildings Department at Kalmunai Rs. 7.5 Mn was paid. This cheque was returned by them for various reasons. However, these works have been awarded to other contractors subsequently by calling public tenders and are in progress. (Pl see Annex 02)
- (b) Total cost of the Gymnasium project was Rs. 1.6 Mn. World Bank granted approval for Gym under IRQUE project on condition that the University will contribute Rs. 0.6 Mn. This project comes under the component of Improving Learning Environment of students.

3.1.4 Irregular Expenditure

- (a) Noted and will be rectified.
- (b) This was erroneously debited for University expenditure. This will be transferred to “Disaster Management Account” This account was created to accommodate contributions received to assist the victims (students and staff) soon after the Tsunami.
- (c) 68 staff members had not returned the books and when this was brought to the notice of the Council, it imposed a 100% penalty and decided to recover the total amount from the salaries of the respective staff members. On a dispute arose on the modality of the recovery with the Teachers Union, first installment was refunded. However, the recovery again commenced in the subsequent month. Out of Rs. 207,312 we have already recovered Rs. 185,613 and now only Rs. 21,699.24 is remaining.

3.2 Library Administration

- (a) The Library Committee at its very first meeting held on 22.11.1995 formulated a policy decision on privileges of borrowing books for faculty members, Administrators, Non-academic Staff and Undergraduates. Subsequently, this was amended in the 27th Library Committee meeting held on 21.04.2005 and approved by the Council at its 42nd meeting. “Library Guide for Users” had been prepared and issued to the users from time to time. Staff becomes registered member of the Library based on the agreement of the rules and regulation denoted in the guide.
- (b) 68 Staff members have not returned 266 books up to 31.12.2005. Council at its 85th meeting held on 25.02.2006 decided to recover the cost of the books together with a surcharge of 100% (Surcharge will be 300% for rare collections) from the staff concerned. Out of Rs. 207,312 we have already recovered Rs. 185,613 and now only Rs. 21,699.24 is remaining.
- (c) Two Lecturers left the Island for scholarship without returning books they have borrowed from the Library. The dues in respect of their account are recovered from their Provident Fund as they ceased to be member of the staff.

3.4 Violation of Bond Agreements

This information was submitted to the Audit in their office.

- (a) The Three lecturers who have been violated Bonds had been issued vacation of post notice.
- (b) and (c) We have initiated action to recover the dues from the respective Lecturer or from their sureties.

4. Systems and controls.

- (a). Attendance of Staff
 - (i). Attendance Registers of the Academic Staff are maintained by the academic Heads.
 - (ii). Fixed Assets Registers were rendered for audit.

Dr. A. G. HUSAIN ISMAIL,
Vice Chancellor.

CC: 01. Secretary, Ministry of Higher Education
02. Secretary, Ministry of Finance and Planning
03. Chairman, UGC

**Statement of Financial Position
for the year ended 31st December, 2006**

<i>As at 31st December</i>		<i>2006</i>		<i>2005</i>	
<i>Assets</i>	<i>Note</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Non Current Assets					
Property, plant and equipment	1	422,840,321		388,309,494	
Other financial assets	2	3,607,068		3,353,890	
		426,447,389	426,447,389	391,663,384	391,663,384
Work in Progress	3		<u>68,251,668</u>		<u>43,543,310</u>
			494,699,057		435,206,694
Current Assets					
Inventories/Stocks	4	3,645,875		4,217,944	
Trade and other receivable	5	47,250,109		32,570,718	
Cash and cash equivalents	6	<u>8,815,558</u>	<u>59,711,542</u>	<u>5,330,740</u>	<u>42,119,403</u>
Total Assets			554,410,599		477,326,096
LIABILITIES					
Current liabilities					
Payables	7	19,026,978		8,824,039	
Accrued expenses		-		1,251,122	
Restricted fund	8	<u>8,722,361</u>	27,749,339	<u>4,898,982</u>	14,974,142
Non-Current liabilities					
Provision of Gratuity	9	<u>28,612,143</u>	<u>28,612,143</u>	<u>12,344,859</u>	<u>12,344,859</u>
Total liabilities			56,361,482		27,319,001
Total Net Assets					
Net Assets/Equity			<u>498,049,117</u>		<u>450,007,095</u>
Accumulated Fund	10		755,719,043		651,804,077
Reserves			(257,669,926)		(201,796,981)
Total Net Assets/Equity			<u>498,049,117</u>		<u>450,007,096</u>

**Statement of Financial Position
for the year ended 31st December, 2006
Illustrating the Classification of Expenses by Nature**

<i>Operating Revenue</i>	<i>Note</i>	<i>2006</i>	<i>2005</i>
		<i>Rs.</i>	<i>Rs.</i>
Recurrent Grant		117,500,000	139,700,000
Other Grants	11	<u>29,844,282</u>	<u>26,400,389</u>
		206,344,282	166,100,389
Operating Expenses			
Personal Emoluments		120,741,582	93,644,029
Travelling		1,860,004	2,152,018
Supplies and Consumable used		7,788,831	5,718,597
Maintenance		14,728,339	15,565,657
Contractual Services		30,481,152	20,050,622
Research and Publication		20,113,719	21,538,704
Depreciation		55,522,126	29,413,085
IRQUE		<u>11,474,810</u>	<u>5,051,619</u>
Total Operating Expenses		<u>262,710,563</u>	<u>193,134,331</u>
Surplus/(Deficit) from Operating activities		(56,366,281)	(27,033,942)

<i>Operating Revenue</i>	<i>Note</i>	<i>2006 Rs.</i>	<i>2005 Rs.</i>
Finance Cost		-	-
Gain on sales of property plant and equipment		-	-
Total non operating revenue (expenses)		-	-
Net surplus/(Deficit) before extra ordinary items		(56,366,281)	(27,033,942)
Prior year adjustable		(493,336)	(879,950)
Net Surplus/(Deficit) for the period		(55,872,945)	(26,153,992)

**Indirect Method Cash Flow Statement
Consolidated Cash Flow Statement
For the year ended 31st December, 2006**

<i>Cash Flows from Operating Activities</i>	<i>2006 Rs.</i>	<i>2005 Rs.</i>
Surplus (Deficit) from ordinary activities	(55,872,945)	(26,153,992)
<i>Non Cash movements</i>		
Depreciation	39,254,842	29,413,085
Other	-	-
Increase in Provision for Gratuity	16,267,284	2,917,375
	(350,819)	6,176,468
Increase in provisions relating to employee costs	-	-
Increase/Decrease in current Assets	(572,070)	835,499
Increase/Decrease in receivable	14,679,391	5,079,885
Increase/Decrease Current Liabilities	12,775,197	3,102,495
	(1,332,125)	(2,812,889)
Net Cash flows from operating activities	(1,682,944)	3,363,579
<i>Cash flows from investing activities</i>		
Purchase of plant and equipment	98,747,204	100,617,867
Net cash flow from investing activities	(100,430,148)	(100,608,177)
<i>Cash flows from Financing Activities</i>		
Capital Grant	103,914,966	95,149,285
Net Cash Flows from financing activities	3,484,818	(2,105,003)
Cash and cash equivalents at beginning of period	5,330,740	7,435,743
Cash and cash equivalents at end of period	8,815,558	5,330,740

12-1040/1

The Vice-Chancellor,
South Eastern University of Sri Lanka.

Report of the Auditor General on the Financial statements of the South Eastern University of Sri Lanka for the year ended 31st December, 2007 in terms of Section 108 (2) of the Universities Act, No. 16 of 1978

THE audit of financial statements of the South Eastern University of Sri Lanka for the year ended 31st December, 2007 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 Sections 108 (1) and 111 of the Universities Act, No. 16 of 1978 and Sub-sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is furnished in terms of Section 108 (2) of the Universities Act. A detailed report in terms of Section 13 (7) (a) of the Finance Act was issued to the Vice Chancellor of the University on 15th August, 2008.

1.2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

1:3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I believe that my audit provides a reasonable basis for my opinion. 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.

2. Financial Statements

2:1 Opinion

So far as appears from my examination and to the best of my information and according to the explanations given to me, I am of opinion that, the South Eastern University, Sri Lanka had maintained proper books of account for the year ended 31st December, 2007 and except for the effects on the financial statements of the matters referred to in paragraph 2.3 of this report, the financial statements which are in agreement with the said books have been prepared and presented in accordance with the Sri Lanka Accounting Standards and stated accounting policies and notes (No. 2) to the financial statements give a true and fair view of the state of affairs of the University as at 31st December, 2007 and the financial results of its operation and cash flow for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Expenditure amounting to Rs. 973,104 had been incurred on Canadian International Development Agency Project during the year under review. However, it had not been disclosed in the financial statements in terms of Sri Lanka Accounting Standard No. 24.

2.2.2 Accounting Deficiencies

The following accounting deficiencies were observed in audit.

- (a) Visiting lecture payments, telephone charges, over time, house rent and extra work payments amounting to Rs. 796,784 paid during the year under review relating to the previous year had been treated as expenditure for the year under review.
- (b) Direct debits totalling Rs. 3,431,063 in a Bank account had not been investigated and brought to accounts.
- (c) The difference between the book value and the proceeds from sale of motor vehicles totalling Rs. 1,989,741 had been shown as loss without preparing a disposal account considering the accumulated depreciation. Thereby, the net deficit had been overstated by similar amount.
- (d) Provision for depreciation of disposed motor vehicles had been understated by Rs. 123,013 due to an accounting error.
- (e) Value of the fence amounting to Rs. 326,211 which had been demolished for the construction of a parapet wall had been continuously shown in the financial statements as an asset.
- (f) Value of the sports goods amounting to Rs. 22,372 which had been lost/damaged during the Tsunami disaster had been shown in the financial statements as an asset.

2.2.3 Accounts Receivable and Payable

Following observations were made.

- (a) Balances aggregating Rs. 40,799,568 payable by the University had not been confirmed by the parties concerned.
- (b) Loan balances amounting to Rs. 490,152 had remained unsettled for more than one year by the staff of the University. Action had not been taken to recover the amount from the sureties as per the condition of the agreements.
- (c) Age analysis of debtors balances aggregating Rs. 23,590,976 had not been furnished to audit.

2.2.4 Lack of Evidence for Audit

Six items in the accounts aggregating Rs. 5,888,314 could not be satisfactorily vouched in audit in the absence of registers, files, bills, details of extra work, acknowledgement of receipts and confirmations.

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

Several provisions in the following Acts, Financial Regulations of the Government, Establishments Code for the University Grants Commission and Higher Educational Institutions not complied with had been pointed out to the Vice-chancellor of the University from time to time.

- (a) Section 14 (1) of the Finance Act, No. 38 of 1971
- (b) Section 110 of the Universities Act, No. 16 of 1978
- (c) Sri Lanka Accounting Standards 18 and 24
- (d) Financial Regulations No. 110, 396 (d), 700 (5) and 702 (3)
- (e) Establishments Code for the University Grants Commission and Higher Educational Institutions
 - (i) Section 3:1 of Chapter XXVII
 - (ii) Section 9 of Chapter XXVII
- (f) University Grants Commission Circulars
 - (i) Section 6 (3) of No. 63 of 25th February, 1980
 - (ii) No. 48 of 13th November, 1997
 - (iii) No. 807 of 02nd August, 2002

2.2.6 Transactions not Supported by Adequate Authority

Following observations are made.

- (a) Following payments had been made continuously by the University on the Circular instructions issued by the University Grants Commission contrary to circular No. 95 of June, 1994 issued by the Department of Public Enterprises.

Item	Amount	
	For the year 2007 Rs.	Up to the year 2006 Rs.
(i) Incentive allowances and salary increments for proficiency in second and third languages.	430,695	2,308,055
(ii) Excess payments made to the University Provident Fund, and Employees Trust Fund calculated including academic allowance.	1,358,020	3,103,691

- (b) Honorarium payments totalling Rs. 1,736,897 had been made to several officers of the University for various purposes. However, no authority for these extra payments had been obtained from the University Grants Commission.

2:2:7 Unauthorized payments

Following observations are made.

- (a) Additional allowance totalling Rs. 405,219 had been paid to an officer for acting duties without the approval of the U. G. C.
- (b) Allowances totalling Rs. 296,532 had been paid to several officers as honorarium for the reasons such as additional work, net work Administration, co-ordinating allowance, legal matters etc. without the approval of the U. G. C.

2:2:8 Over payments

A sum of Rs. 9,000 had been paid as payment for typing fee and preparation of thesis. However, the maximum limit for the fee was Rs. 4,000 only in terms of U. G. C. circular No. 740 dated 10th September, 1998.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the working of the University for the year ended 31st December, 2007 had resulted in a deficit of Rs. 295,540,594 before taking into account the Government grant for recurrent expenditure as compared with the corresponding deficit of Rs. 259,906,871 for the preceding year. After taking the Government grant amounting to Rs. 251,039,826 received for recurrent expenditure, the deficit for the year under review was reduced to Rs. 44,500,768 and like wise the Government grant amounting to Rs. 203,540,590 received for recurrent expenditure during the preceding year had reduced the deficit of that year to Rs. 56,366,281.

3.2 Operating Review

3.2.1 Utilization of Research Grants

Following observations are made.

- (a) Files relating to each research grant project had been maintained. But, most of the agreement forms had not been signed by the Vice-Chancellor/Registrar and some applications had not been signed by the Secretary of Research Grant Committee.
- (b) Obtaining extension of time was a common feature without furnishing research reports within the stipulated period approved by the Research Committee. A sum of Rs. 176,170 had been paid in respect of incomplete research activities while there were instances of delaying projects for a period of 4 years beyond the due date.
- (c) Research and Publication Committee (RPC) had taken decision in the meeting of RPC No. 11/2006 held on 6th July, 2006 to give final extension to settle the outstanding research grant advance up to 27th August, 2006 and if failed to settle this outstanding advance, to recover the research grant in full sum from their salary in 4 equal installments from 25th September, 2006 from 6 teachers who obtained the research grant. However, this decision had not been implemented even up to 31st December, 2007.

3.2.2 Uneconomic Transactions

Following observations are made.

- (a) Expenditure totalling Rs. 251,289 had been incurred on repairing and upgrading photocopiers and computers. However new computers could have been purchased within the amount spent.
- (b) A sum of Rs. 73,484 had been spent as photo copying charges of the University. But, about 25 photo copiers were available in the University.
- (c) Four telephone lines had been used by the Vice Chancellor and the total telephone charges amounted to Rs. 242,525. Further, mobile telephone call charges of the Vice Chancellor amounting to Rs. 66,612 had also been settled by the University.

3.2.3 Irregular Recruitments

Following observations are made.

- (a) Three Lecturers who had completed 8 years service in the University from the date of assumption of duties and failed to secure a post graduate degree with a research component had been allowed to serve in the University without terminating in terms of Section 21:1:1 of Chapter III of the Establishments Code for the University Grants Commission and Higher Educational Institutions.
- (b) Service of four Lecturers had not been terminated after 8 years of their dates of assumption of duty in terms of Section 21:1:1 of Chapter III of the Establishments Code for the University Grants Commission. Instead, they had been promoted as Senior Lectures without publishing open advertisement in terms of U. G. C. circular No. 721 dated 21st November, 1996.
- (c) An Officer who had functioned as Acting Head of the Department of Social Science for only two months had been promoted as the Dean of the Faculty contrary to provisions in Section 49 (1) of the Universities Act, No. 16 of 1978 as amended by No. 7 of 1985.

- (d) An Officer who had been functioning as Assistant Lecturer for eight years had not been completed his Masters Degree. However, his service had not been terminated after eight years in terms of section 21:1:1 of Chapter III of the Establishments Code for the University Grants Commission. Instead, he had been promoted as Senior Lecturer, Head of the Department of Islamic Studies and Arabic Language and as the Dean of the Faculty of Islamic Studies and Arabic Language.

3.2:4 Fruitless Expenditure

A sum of Rs. 85,000 had been paid to 3 persons as honorarium to conduct an inquiry on a fire incident. However the inquiry had not yet been completed by the persons concerned.

3.2:5 Idle and Underutilized Assets

Books valued at Rs. 2,082,934 purchased during the year under review had not been handed over to the Library for the use of students but kept in the respective Faculties and Departments without any use.

3.2:6 Irregularities in Granting and Settlement of Advances

- (a) A sum of Rs. 486,000 obtained by the staff of the University as advances had been refunded without utilizing the money after a delay ranging from 3-12 months, which might lead to temporary misappropriation of cash.
- (b) A sum of Rs. 1,690,877 obtained by the staff during the year under review and the previous year had remained unsettled as at 31st December, 2007.

3.2.7 Utilization of Vehicles

The University had 10 vehicles in its fleet. The following observations are made in this regard :-

- (a) According to the daily running charts of 10 vehicles of the University, the vehicles had performed 231,275 Km. during the year under review and consumed 22,511 litres of fuel. However, according to the certificate of fuel consumption of each vehicle given by the Sri Lanka Transport Board (SLTB), the vehicles should have consumed Rs. 16,918 litres. Therefore, an excess consumption of Rs. 5,593 litres costing approximately Rs. 434,273 had been observed.
- (b) Bills had been attached to the payment vouchers for the consumption of fuel in excess of the tank capacity of the vehicles which is not possible.
- (c) Although the University had 10 vehicles in its fleet, additional vehicles had been hired from private parties and hire charges amounting to Rs. 2,931,491 had been paid during the year under review. Economy had not been exercised in the utilization of vehicles. Trips had not been organized to transport the officers in groups. Instead, individual officers had travelled in single trips. In this connection, the Vice Chancellor stated that only 4 vehicles available for long distance travels and therefore, private vehicles were hired.

3.2.8 Procurement of Library Security System

Payments totalling Rs. 7,302,500 had been made during the year under review to purchase security system to the Library. In this regard, the following deficiencies were observed :-

- (a) Specifications had not been determined prior to calling for tender. Instead the decision had been made based on the specifications given by the tenderer.
- (b) Decision for the procurements totalling Rs. 7,350,000 had been made based on only one tender.
- (c) According to the contract agreement the installation of this system should have been completed before 07th January, 2007. However it had not been completed even as at 30th June, 2008. Liquidated damages had not been recovered.
- (d) A bar code system for the Library had been purchased during the year 2005/2006 for the same purpose for Rs. 1,192,980. However, this system had been abandoned without any use. Therefore, the total expenditure incurred had become fruitless.

In this connection the Vice Chancellor stated that the Library security system was procured under public tender and the tender documents consisted all the requirements including specifications. Therefore, the tenders received were processed. Since the value of the tender is less than Rs. 20M, this was handled by the University Tender Board.

3.2.9 Breach of Bonds and Agreements

Information/details of the lecturers of the University who went abroad on scholarships and not returned to the Island or left the University service after completion of the Scholarships had not been rendered to audit by the University. Therefore, it was not possible to ascertain the amounts recoverable from those lecturers relating to the Breach of bonds and agreements.

3.2.10 Verification of Assets

Physical verification of assets had not been carried out from 1996 in terms of Financial Regulation 756.

3.2.11 Major Variations against the Budget

Significant variations were observed between the budgeted expenditure and actual expenditure thus indicating that the budget had not used as an effective instrument of management control.

3.2.12 Hostel Administration

Following observations are made:-

- (a) Although a sum of Rs. 110,700 had been shown in the Schedules as Hostel fees receivable from the students as at the balance sheet date, details had been made available for Rs. 31,500 only.
- (b) Damages and losses caused by the first, second and third year students to the Hostel properties had not been ascertained. The damages and losses caused by the final year students had been valued as Rs. 34,035. However, no action had been taken to recover these losses.

4. System and Controls :

Deficiencies observed during the course of audit were brought to the notice of the Vice Chancellor of the University in my detailed report issued in terms of section 13 (7) (a) of the Finance Act, No. 38 of 1971. Special attention is needed in respect of the following areas of control:-

- (a) Fixed Assets;
- (b) Maintenance of Inventory Register;
- (c) Debtors;
- (d) Accounting;
- (e) Settlement of Advances.

S. SWARNAJOTHI,
Auditor General.

Auditor General's Department,
Colombo 07.

Report of the Auditor General on the Accounts of the South Eastern University of Sri Lanka for the year ended 31st December, 2007 in terms of section 108 (2) of the Universities Act, No. 16 of 1978 and Finance Act, No. 38 of 1971.

With reference to your letter No. NE/AM/B/SEUSL/2007 dated 30th December, 2008 regarding the above, we give below our observations.

2.2 Comments of Financial Statements

2.2.1 Sri Lanka Accounting Statements

General practice in the university system is that funded projects are not included in the annual accounts of the university. However we have included IRQUE Project accounts in the university accounts for future reference. Similarly we will include the CIDA accounts as well.

2.2.2 Accounting Deficiencies :

- (a) This has now been rectified;
- (b) Direct debit of Rs. 3,431,063.00 has been already reconciled and brought to appropriate accounts;
- (c) All book entries have been rectified;
- (d) Provision for depreciatin of disposed motor vehicles had been now correctly accounted for;
- (e) Fence was constructed to the value of Rs. 326,211.00 at the Faculty of Applied Sciences, Sammanthurai and still it exists;
- (f) We have initiated action to write off this amount from accounts.

2.2.3 Accounts Receivable and Payable

- (a) Debtors and Creditors were requested to confirm the outstanding balances as at 31.12.2007 prior to finalizing the Annual Accounts. Only some of them have responded.
- (b) Unsettled loan balances are due from ex-employee of the University who have either passed away, resigned or vacated of their posts. We have initiated action to recover the outstanding balances from their provident fund at the time of refund.
- (c) Age analysis of debtors will be provided in future accounts.

2.2.4 Lack of Evidence for Audit

This consists of -

- Rent paid to houses rented out as hostels;
- Fee paid to visiting university medical officers;
- Payment for Board of Survey members etc.

Documents for this expenditure are available with relevant vouchers and were made available for audit.

2.2.5 Noncompliance with Laws, Rules, Regulations and Management Decisions

(a), (b), (c) and (d)

We have adhered to Sri Lankan Accounting Standards. This is reflected in the audit opinion.

We have initiated action to cancel cheques which are over six months.

We have initiated action to update the record of losses.

Action has been taken to send duplicates of Tender Awarding Letters to the Auditor General.

All the audit reports are promptly replied and copies are mailed to other relevant authority as well.

(e) Establishments Code:

- (i) Section 3.1 Chapter XXVII-Attendance Register of the Academic Staff are maintained by the academic heads at the department level.
- (ii) Section 9 Chapter XXVII - Log books for the vehicle are being maintained at the Administration Division.

(f) University Grants Commission Circulars

- (i) Section 6 (3) of No. 63 of 25th February, 1980 Noted for future compliance
- (ii) No. 48 of 13th November, 1997 Fixed Assets register was submitted to the Auditors
- (iii) No. 807 of 02nd August, 2002

For the last five years no permanent Internal Auditor has been appointed to South Eastern University of Sri Lanka. Hence we were not able to convene the audit and Management Committee Meeting.

2.2.6 Transaction not Support by Adequate Authority

Payments regarding (a) and (b) were made as per UGC Circulars, UGC Circular Letter and Guidelines.

2.2.7 Unauthorized Payments

- (a) Appointment of the Acting Registrar was made with the approval of the UGC.
- (b) Honorarium for additional work is always paid with the approval of the Council.

2.2.8 Over Payment

Payment for thesis was made in accordance with the UGC Circulars.

03. Financial and Operating Review

3.2 Operating Review

3.2.1 Utilization of Research Grants

- (a) All the files have been now updated.
- (b) Research and Publication Committee (RPC) has granted extension of time for some of the researchers.
- (c) In accordance with the decision of the RPC, action has already been initiated to recover the grant advance and part of the outstanding research grants advance has already been recovered.

3.2.2 Uneconomic Transactions

- (a) Expenditures on repairing and upgrading photocopiers and computers have been met out of the recurrent grant. Recurrent grants could not be utilized to purchase equipments.
- (b) This cost was incurred for urgent needs of photocopying in Colombo to submit copies of project proposals to the prospective funding agents.
- (c) Vice Chancellor is using only one land phone line and a mobile. However separate connections have been provided for fax and the Assistant Registrar.
Telephone connection at the Guest House is used by the Police and the University Security.

3.2.3 Irregular Recruitments

- (a) Lecturers who had completed 8 years service in the university and have failed to secure post graduate degree were terminated and appointed as Temporary Lecturers. Over payment made to them after 8th year were recovered.
- (b) As the university is located in a distance and remote area, it is difficult to attract Senior Academics although we advertised for these posts on many occasions. Therefore the University Council decided to appoint lecturers on temporary basis who have completed post graduate degree with 8 years service.

- (c) Acting Head of Department Social Sciences was never promoted. He had been elected by the Faculty Board by majority votes as Dean of the Faculty.
- (d) The respective lecturer has been serving as a Senior Lecturer for over five years. He has been promoted to Gr. I in accordance with Establishments Code and UGC Circulars. And also he has been appointed as Head of Department as he was the only senior academic who served at that time. Subsequently Faculty Board elected him as the Dean.

Therefore, we strongly feel that there is no irregularity in the above appointments.

3.2.4 Fruitless Expenditures

Report is submitted

3.2.5 Idle and Underutilized Assets

Book to the value of Rs. 2,082,934.00 were purchased for the Faculty Libraries for the use of Academic Staff and Students.

3.2.6 Irregularities in Granting and Settlement of Advances

- (a) Noted for future compliance
- (b) Advances granted to the staff prior to December, 2007 were settled subsequently. But advance payments granted in December, 2007 in order to make arrangements for the annual convocation in January, 2008 was remaining as outstanding at the time of audit.

3.2.7 Utilization of Vehicles

- (a) Majority of the vehicles were older than ten years and as a result the running cost was very high. Most of the vehicles have now been disposed of with the approval of treasury.
- (b) This will be re-scrutinized and action will be taken to rectify this difference.
- (c) Out of the ten vehicles, six vehicles are used for internal travelling and only four vehicles could be used for long distance travelling. Therefore, university hired private vehicles only when additional vehicles are needed for long distance journey.

Attention will be paid in the future to minimize the expences regarding the hiring vehicles.

3.2.8 Procurement of Library Security System

The Library Security System was procured under public tender. The tender documents consisted all the requirements including specifications. Therefore, the tender received were processed. Since the value of the tender is less than Rs. 20 million this was handled by the university Tender Board (Department of Tender Board).

3.2.9 Breach of Bonds and Agreements

Leave and Awards Committee has already taken action to recover all dues in respect of Bond Violation.

3.2.10 Verification of Assets

Physical verification was done up to 2006.

3.2.11 Major Variations against the Budget

Noted for future compliance.

3.2.12 Hostel Administration

Losses incurred as a result of damages caused by the students are always recovered from the students concerned at the time of awarding the certificates.

4. System and Control

Noted.

Special attention will be paid to matters referred to under (a), (b), (c) and (d).

Dr. A. G. HUSAIN ISMAIL,
Vice Chancellor.

Copy to : Secretary, Ministry of Higher Education,
Secretary, Ministry of Finance and Planning,
Chairman, University Grants Commission.

Statement of Financial Position

For the year ended 31st December, 2007

As at 31st December,		2007		2006	
Assets	Note	Rs.	Rs.	Rs.	Rs.
Non Current Assets					
Property, plant and equipment	1	779,423,872		676,504,769	
Other financial assets	2	<u>7,946,200</u>		<u>3,607,068</u>	
		787,370,072	787,370,072	680,111,837	680,111,837
Work in Progress	3		<u>80,863,364</u>		<u>68,251,668</u>
			868,233,435		748,363,505
Current Assets					
Inventories/Stocks	4	4,530,459		3,645,875	
Trade and other receivable	5	67,475,695		47,250,109	
Cash and cash equivalents	6	<u>8,275,704</u>	<u>80,281,858</u>	<u>8,815,558</u>	<u>59,711,542</u>
Total Assets			948,515,293		808,075,047
Liabilities					
Current liabilities					
Payables	7	40,799,568		19,026,978	
Accrued expenses		-		-	
Restricted fund	8	<u>7,692,360</u>	48,491,928	<u>8,722,361</u>	27,749,339
Non-Current liabilities					
Provision of Gratuity	9	28,849,787		28,612,143	
Provision for Depreciation		<u>291,695,206</u>	<u>320,544,993</u>	<u>253,664,448</u>	<u>282,276,591</u>
Total liabilities			369,036,921		310,025,930
Total Net Assets			<u>579,478,372</u>		<u>498,049,117</u>
Net Assets/Equity					
Accumulated Fund	10	867,822,998		755,719,043	
Reserves		(288,344,626)		(257,669,926)	
Total Net Assets/Equity		579,478,372		498,049,117	

Statement of Financial Position
For the year ended 31st December, 2007

<i>Operating Revenue</i>	<i>Note</i>	<i>2007</i>	<i>2006</i>
Recurrent Grant		209,239,000	176,500,000
Other Grants	11	45,603,094	29,844,282
		<u>254,842,094</u>	<u>206,344,282</u>
Operating Expenses			
Personal Emoluments		149,422,608	120,741,582
Travelling		2,593,276	1,860,004
Supplies and Consumable used		11,628,320	7,788,831
Maintenance		8,483,717	14,728,339
Contractual Services		31,067,794	30,481,152
Research and Publication		31,106,037	20,113,719
Depreciation		43,003,684	55,522,126
IRQUE		22,037,426	11,474,810
Total Operating Expenses		299,342,862	262,710,563
Surplus/(Deficit) from Operating activities		(44,500,768)	(56,366,281)
Finance Cost		-	-
Gain on sales of property, plant and equipment		-	-
Total non operating revenue (expenses)		-	-
Net Surplus/(Deficit) before extra ordinary items		(44,500,768)	(56,366,281)
Prior year adjustable		(13,826,068)	(493,336)
Net Surplus/(Deficit) for the period		(30,674,700)	(55,872,945)

Consolidated Cash Flow Statement
For the year ended 31st December, 2007

<i>Cash Flows from Operating Activities</i>	<i>2007</i>	<i>2006</i>
Surplus (Deficit) from ordinary activities	(30,674,700)	(55,872,945)
Non Cash movements		
Depreciation	38,030,758	39,254,842
Other	-	-
Increase in Provision for Gratuity	237,644	16,267,284
	<u>7,593,702</u>	<u>(350,819)</u>
Increase in provisions relating to employee costs	-	-
Increase/Decrease in Current Assets	884,584	(572,070)
Increase/Decrease in receivable	20,225,585	14,679,391
Increase/Decrease Current Liabilities	20,742,589	12,775,197
	<u>367,580</u>	<u>(1,332,197)</u>
<i>Net cash flows from operating activities</i>	<i>7,226,122</i>	<i>(1,682,944)</i>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	119,869,931	98,747,204
Net cash flow from investing activities	<u>112,643,809</u>	<u>(100,430,148)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Grant	112,103,955	103,914,966
Net Cash Flows from financing activities	(539,854)	3,484,818
Cash and cash equivalents at beginning of period	8,815,558	5,330,740
Cash and cash equivalents at end of period	8,275,704	8,815,558

The Vice Chancellor,
South Eastern University of Sri Lanka.

Report of the Auditor General on the Financial Statement of the South Eastern University of Sri Lanka for the Year ended 31st December 2008 in Terms of Section 108(2) of the Universities Act, No. 16 of 1978

THE audit of the financial statement of the South Eastern University of Sri Lanka for the year ended 31st December, 2008 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 Sections 108(1) and 111 of the Universities Act, No. 16 of 1978 and Sub-sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is issued in terms of Section 108(2) of the Universities Act. A detailed report in terms of Section 13(7) (a) of Finance Act was issued to the Vice Chancellor of the University on 07th September, 2009.

1.2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error ; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statement presented to audit and substantive tests of samples of transactions. The scope and extent of such review and test were such as to enable as wide audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements, The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting principles used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore, believe that my audit provides a reasonable basis for my opinion. 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.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of my information and according to the explanations given to me, I am of opinion that, the South Eastern University of Sri Lanka had maintained proper accounting records for the year ended 31st December, 2008 and except for the effects on the financial statements of the matters referred to in paragraph 2.2 of this report, the financial statements which are in agreement with the said books have been prepared and presented in accordance with the Sri Lanka Accounting Standards and give a true and fair view of the state of affairs of the University as at 31st December, 2008 and the financial result of its operation and cash flows for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Following observation are made :-

- (a) Expenditure amounting to Rs. 13,379,219 had been incurred on Canadian International Development Agency (CIDA) project during the year under review. However, it had not been disclosed in the financial statements in terms of Sri Lanka Accounting Standard No. 24.
- (b) The depreciation schedule had not been prepared according to the Sri Lanka Accounting Standard No. 18.

2.2.2 Accounting Deficiencies

The following accounting deficiencies were observed in audit :-

- (a) The value of fixed assets aggregating Rs. 858,425,330 shown in the accounts had been based on book value. However a physical verification of these assets had not been carried out during the year under review.
- (b) Direct debits and direct credits totaling Rs. 1,326,602 and Rs. 350,604 respectively shown in certain bank reconciliation statements had not been investigated and brought to accounts.
- (c) Value of a fence amounting to Rs. 326,211 which had been demolished for the construction of parapet wall had continuously been shown in the financial statements as an asset.
- (d) Sports goods valued at Rs. 22,372 which had been lost/damaged due to Tsunami disaster had been shown in the financial statements as assets.
- (e) Expenditure of capital nature aggregating Rs. 14,000 had been erroneously charged to recurrent expenditure.
- (f) Excess of expenditure over income had been erroneously debited to the General Reserve Account year by year without showing as a separate item in the balance sheet.
- (g) Depreciation had not been computed on each fixed asset taking into consideration the useful life time, date of purchase and loss of items of fixed assets. Instead the depreciation had been provided in the accounts on the basis of the ledger balance of each category of assets as at 31st December, 2008.
- (h) Payment for a mirror and glass fitting to the room in the gymnastic hall valued at Rs. 429,840 had been treated as recurrent expenditure and charged to expenditure account.
- (i) A sum of Rs. 32,895 recovered from and Officer in respect of Research Grant and the value of the brief case had not been credited to the relevant accounts.
- (j) According to the financial statements presented to audit the cost of books and periodicals purchased during the year under review was Rs. 6,343,878 whereas according to the statement furnished by the Librarian of the University, the cost of books purchased was Rs. 7,752,957. The difference of Rs. 1,409,079 had not been explained. In this connection, the Vice Chancellor stated that the amount shown in the financial statement was the payments made for the books and the Librarian indicated the Indent Value of the books.

2.2.3 *Accounts Receivable and Payable*

Following observation are made :-

- (a) Staff Loan balances receivable to the University aggregating Rs. 16,951,396 had not been settled for more than one year by the Staff of the University.
- (b) Loan balances amounting to Rs. 521,914 had not been settled for more than one year by the staff of the University who had vacated posts/retired/dismissed. In this regard no proper action had been taken by the University to recover the amount from the sureties as per the conditions of loan agreements.

2.4.4 *Lack of Evidence for Audit*

Eight items in the accounts aggregating Rs. 46,847,547 could not be satisfactorily vouched in audit in the absence of registers, files, details of expenditure, bills, details of extra works, acknowledgment of receipts and confirmations.

2.2.5 *Non-compliance with Laws, Rules Regulations and Management*

Decisions

Several provisions in the following Laws, Financial Regulations and Establishments Code for the University Grants Commission and Higher Educational Institutions had not been complied with :-

- (a) Universities Act, No. 16 of 1978
 - (i) Section 109

(b) Section 14(1) of the Finance Act, No. 38 of 1971.

Circulars of the University Grants Commission :—

- (i) No. 807 of 02nd August, 2002
- (ii) No. 48 of 13th November, 1997

(c) Establishment Code for the University Grants Commission and Higher Educational Institutions :—

- (i) Section 3 : 1 of Chapter - XXVII.
- (ii) Section 9 Chapter XXVII .

(d) Financial Regulations :—

Nos. 110, 700(5), 702(3) and 396(d)

(e) Establishments Code :—

Section 8.2 of Chapter XIV

(f) Public Administration Circular No. 13/2008 dated 26th June, 2008.

3. Financial and Operating Review

3.1 *Financial Review*

3.1.1 *Financial Results*

According to the financial statements presented, the working of the University for the year ended 31st December, 2008 had resulted in a deficit of Rs. 354,460,840 as compared with the corresponding deficit of Rs. 295,540,594 for the preceding year after taking into account the Government Grant of Rs. 251,837,978 received for the recurrent expenditure the deficit in the financial result had reduced to Rs. 102,622,855 for the year under review as compared with the corresponding deficit of Rs. 44,500,768 for the preceding year after taking into account the Government Grant of Rs. 251,039,826 for the recurrent expenditure for the year. Thus indicating a further deterioration of Rs. 58,122,087 in the financial results.

3.1.2 *Apparent Irregularities/Irregular Transactions*

A sum of Rs. 449,800 had been paid as advances for 13 research proposals. However, none of the proposals had been completed despite several extensions granted for the submission of research reports. Subsequently, a decision had been taken to recover the advances from the officers concerned. However, no action had been taken to recover the advances paid for the researches.

3.1.3 *Irregularities in Granting and Settlement of Advances*

Following observations are made :—

- (a) A sum of Rs. 132,000 obtained by the Staff of the University as advances had been refunded without utilizing the money after a delay ranging from 3-12 months, which might lead to temporary misappropriation of cash.
- (b) A sum of Rs. 565,200 obtained by the Staff during the year under review had remained unsettled as at 31st December, 2008.

3.2 *Operating Review*

3.2.1 *Performance*

(a) *Particulars of Registered Students*

The particulars regarding the students registered for the following faculties of the University during the year under review are shown below :—

<i>Faculty</i>	<i>No. of Students Registered</i>				
	<i>1st Year</i>	<i>2nd Year</i>	<i>3rd Year</i>	<i>4th Year</i>	<i>Total</i>
(i) Arts and Culture	243	199	146	31	619
(ii) Management and Commerce	52	54	59	75	240
(iii) Applied Science	51	47	49	-	147
(iv) Islamic Studies and Arabic Language	78	43	10	02	133
Total	<u>424</u>	<u>343</u>	<u>264</u>	<u>108</u>	<u>1139</u>

(b) Cost per student

According to the information made available to audit, the total number of students stood as 1138, the total cost incurred were Rs. 362,173,596 and the cost per student was Rs. 318,254 for the year under review.

(c) Examinations

The details regarding the examinations held and the results released during the year under review are shown below :

<i>Faculty</i>	<i>Examination held</i>	<i>No. of Student Sat for the examinations</i>	<i>No. of Students passed</i>
Arts	July, 2008	770	722
Management and Commerce	July 2008	358	291
Applied Science	January, 2008	284	151
Islamic Studies and Arabic Language	July, 2008	156	146
Total		<u>1568</u>	<u>1310</u>

3.2.2 Fruitless Expenditure/Abandoned Projects

Following observations are made

- (a) Payments totaling to Rs. 16,866,550 had been made during the year 2006 to a U. K. based Consultancy Company (ARUP) for soil testing and research in the University premises. This amount had continuously been shown under work-in-progress account upto 2008. However, no report on soil test or research had been obtained by the University. This project had been implemented by the University and abandoned subsequently and therefore this payment had become a wasteful expenditure.
- (b) Payment totaling Rs. 7,302,500 had been made during 2007 to purchase Library Security System and a sum of Rs. 1,192,980 had been spent on purchase of Bar Code System for Library during 2005/2006. However the above systems had not been implemented by the University even up to 31st December, 2008.

3.2.3 Uneconomic Transactions

Out of the funds allocated for the educational development, an expenditure of Rs. 1,346,173 had been incurred during the year under review for providing meals and refreshment to the participants of the meetings and welfare gatherings, without exercising a control over expenditure.

3.2.4 Idle Assets

Seven consumable items to the value of Rs. 391,688 had been idling for over 04 years without being utilized for intended purposes.

3.2.5 Over payment

Payments totaling Rs. 53,350 had been made for the purchase of 50 condensers and 27 transistors for the computers. However, according to the work completion reports. It had been stated that 40 condensers and 20 transistors were fixed. As a result, an overpayment of Rs. 13,350 had been made

3.2.6 Utilization of Motor Vehicles

Fuel allowance amounting Rs. 321,337 had been paid to the Deans and Head of Departments of Faculties of the University to travel between residences and work place for the period of 01st June, 2008 to 31st December, 2008 in contrary to Section 8.2 of Chapter XIV of the Establishments Code and Public Administration Circular No. 13/2008 dated 26th June, 2008.

3.2.7 Identified Losses

Damages and Losses caused by the first, second and third year students to the Hostel properties during the year under review had not been ascertained. The damages and losses caused by the final year students had been ascertained as Rs. 8,810.

3.2.8 Violation of Bond Agreements

Certain Lecturers who went abroad on study leave had not returned on due dates and action had not been taken to recover the value of bonds totaling Rs. 9,111,848 entered into with those Lecturers by the University.

3.2.9 Verification of Assets

- (a) Physical verification of assets of the university had not been carried out since 1996
- (b) A Master Inventory Register had not been maintained to verify and ascertain the total inventory items of the University.

3.2.10 Audit and Management Committee

An Audit and Management Committee had not functioned satisfactorily during the year under review.

3.2.11 Internal Audit

An Internal Audit Unit had not been established in the University

3.2.12 Budgetary Control

Major variations had been observed between the budgeted expenditure and actual expenditure, thus indicating that the Budget had not been made use of as an effective instrument of management control

4. Systems and Controls

Deficiencies observed during the course of audit were brought to the notice of the Vice Chancellor of the University in my detailed report issued in terms of Section 13(7)(a) of the Finance Act, No. 38 of 1971. Special attentions is needed in respect of the following areas of control

- (a) Fixed Assets ;
- (b) Maintenance of Inventory Register ;
- (c) Debtors ;
- (d) Accounting

S. SWARNAJOTHI,
Auditor General.

My Number : FA/VC/B/AG/2008

The Auditor General.
Auditor General's Department,
Colombo 07.

21st June, 2010

Report of the Auditor General on the Accounts of the South Eastern University of Sri Lanka for the year ended 31st December, 2008 in terms of Section 108(2) of the Universities Act, No. 16 of 1978 and finance Act, No. 38 of 1971

With reference to your letter No. NE/AM/B/SEUSL/2008 dated 30th December, 2009 regarding the above we give below our observation

2.2 Comments of Financial Statements

2.2.1 Sri Lanka Accounting Statements

- (a) General practice in the University system is that funded projects are not included in the annual accounts of the university. However we have included IRQUE project accounts in the university accounts for future reference. Similarly we will include the CIDA accounts as well.
- (b) Accounting policy on depreciation has been disclosed in para 1.3.3. (b) of the Annual Accounts rendered.

2.2.2 Accounting Deficiencies

- (a) Noted for future compliance and this will be attended to
- (b) Direct debit of Rs. 1,326,602 and direct credit of Rs. 350,604 have been already reconciled and brought to appropriate accounts.
- (c) Fence was constructed to the value of Rs. 326,211 at the Faculty of Applied Sciences, Sammanthurai and still it exists.
- (d) This will be rectified
- (e) This has been rectified
- (d) Noted for future compliance
- (e) Noted for future compliance
- (f) This has been rectified
- (i) UGC remitted Rs. 32,895 to us as recovery from the provident fund in lieu of research advance and cost of briefcase given to Mr. Sebastianpillai. This was deposited to account number 11801 (Receipt No. 4535 dated 02.06.2005). This will be set off against the ledger balance.
- (j) Whilst the amount indicated by the Librarian indicates the indent value, financial statement gives the payment made for books.

2.2.3 Account Receivable and Payable

- (a) This amount represents the Distress Loan granted to employees of the University. Recoveries are regularly made in accordance with UGC Circulars.
- (b) Unsettled loans balances are due from ex-employees of the University who has passed away, resigned or vacated of their posts. We have initiated action to recovery the outstanding balances from their provident fund at the time of refund.

2.2.4 Lack of Evidence for Audit

Out of Rs. 46,847,547 Debtors and Creditors amount to Rs. 43,053,819.

Debtors and Creditors were requested to confirm the outstanding balances as at 31.12.2008 prior to finalizing the Annual Accounts. Only some of them have responded.

Documents for the following expenditure amounting to Rs. 3,793,728 are available with relevant vouchers and were made available for audit.

- Rent paid to houses rented out as hostels
- Fee paid to visiting university medical officers.
- Payment for Board of Survey members etc.

2.2.5 Non compliance with Laws, Rules, Regulations and Management Decisions

(a) University Act, No. 16 of 1978

(i) Section 109

Auditor General's reports up to 31st December, 2005 and the observation of the university on the reports have been handed over to the Government Press already.

(b) University Grants Commission Circulars

(i) No. 807 of 02nd August, 2002

for the last five years no permanent Internal Auditor has been appointed to South Eastern University of Sri Lanka, Hence we were not able to convene the Audit and Management Committee Meeting.

(ii) No. 48 of 13th November, 1997

Fixed Assets register is maintained

(c) Establishment Code of the UGC and HEI

(i) Section 3.1 Chapter XXVII - Attendance Register of the Academic Staff are maintained by the academic heads at the department level.

(ii) Section 9 Chapter XXVII - Log books for the vehicle are being maintained at the Administration Division.

(d) Financial Regulations No. 110, 700(5) and 702(3)

Noted for future compliance

FR 702(3)

Copy of contract signed are now being sent to Auditor General is in practice

Financial Regulations 396(d)

Cheques over six months are now being cancelled

3.0 Financial Operating Review

3.1 Financial Review

3.1.2 Apparent Irrregularities/Irregular Payments

Advance granted to 13 research proposal have already been recovered as per decision of the Research and Publication Committee

3.1.3 Irregularities in granting and settlement of advances

(a) Noted for future compliance ;

(b) All these advances have now been settled

3.2.2 Wasteful expenditure/Abandoned project

- (a) UGC initiated action to engage ARUP as consultant to for the SEUSL Development project. Treasury allocated Rs. 15 Mn in the year 2006 for this expenditure. ARUP was assigned the formulation of the Master Plan and did not do any soil testing or research. Preliminary master plan was handed over to the University. Concept paper to the Kuwait funded project is based on this master plan. UGC by its letter dated 6th August, 2007 sought the approval of the Treasury to pay the balance in order for the University to get the final master plan.
- (b) Installation of the bar - coding of the books at the library of Faculty of Applied Science has been completed. It is about to be commissioned. Implementation of RFID Library Security system is in process at the Main Library at Oluvil. Commissioning is delayed due to having migrated the software from WINISIS to KOHA integrated Library Information System.

3.2.3 Uneconomic Transaction

Under the World Bank approved project Staff and Students implemented programmes to promote “Social Harmony”. This includes programmes involving the students, university communities and other stakeholders and Shramadana, cultural visits, workshop etc.

3.2.4 Idle Assets

Noted for future compliance and action will be taken to dispose of

3.2.5 Over payment

Entire condensers and transistors purchased for computer repair were utilized and no overpayment is involved. Work completion certificate is available too.

3.2.6 Motor Vehicle utilization

The University provided group transport facilities from January to June 2008. Having considered the difficulties in transport facilities and request made by the Deans, Council approved to allow Deans of Faculties to use their own vehicles to travel to and from the University as this practice is existing in some other universities as well.

3.2.7 Identified Losses - Hostel

Losses incurred as a result of damages caused by the students are always recovered from the students concerned at the time of awarding the certificates.

3.2.8 Violation of Bonds Agreement

The following lecturers who went abroad on study leave had not resumed duties as SEUSL.

01. Mr. P. Gopalraj, Lecturer (Prob.) ;
02. Mr. M. M. M. Mahir, Instructor in Comp.
03. Mr. A R. M. Imthiyaz, Lecturer (Prob.) ;
04. Mr. M. M. M. Rafeek, Lecturer (Prob.).

Mr. P. Gopalraj has settled the bond amount in full to the University, Mr. M. M. M. Mahir has made an initial payment of Rs. 50,000 and requested to recover the balance payment from University Provident Fund. Action is being taken to recover the bond value from Mr. A. R. M. Imthiyas and Mr. M. M. M. Rafeek similarly.

3.2.9 Verification of Assets

- (a) Physical verification was done up to 2006 and all arrangements have been made to undertake this exercise towards the end of 2010 as well
- (b) Master Inventory Register is available in the Administrative Division.

3.2.10 Audit and Management Committee

We have requested the UGC to provide an Internal Auditor who is the Convener of this Committee and We have been assured of one from this year's recruitments.

3.2.11 Internal Audit.

We have requested the UGC to provide an Internal Auditor and we have been assured of one from this year's recruitments.

3.2.12 Budgetary Control

Noted for future compliance.

4. System and Control :

Noted:-

Special attention will be paid to matters referred to under (a), (b), (c) (d) and (e)

Dr. S M. MOHAMED ISMAIL,
Vice Chancellor.

Copy to.- Secretary, Ministry of Higher Education,
Secretary, Ministry of Finance and Planning,
Chairman, University Grants Commission.

South Eastern University of Sri Lanka
Statement of Financial Position
for the year ended 31st December, 2008

<i>As at 31st December</i>		2008		2007	
<i>Assets</i>	<i>Note</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
Non Current Assets :					
Property, plant and equipment	1	858,425,330		779,423,872	
Other financial assets	2	8,883,632		7,946,200	
		867,308,962	867,308,962	787,370,072	787,370,072
Work in Progress	3		122,232,481		80,863,364
			989,541,442		868,233,435
Current Assets :					
Inventories/Stocks	4	6,407,015		4,530,459	
Trade and other receivable	5	57,688,594		67,475,695	
Cash and cash equivalents	6	4,465,893	68,561,503	8,275,704	80,281,858
Total Assets			1,058,102,946		948,515,293
Liabilities					
Current Liabilities :					
Payables	7	43,053,818		40,799,568	
Accrued expenses	-	-			
Restricted fund	8	3,708,241	46,762,059	7,692,360	48,491,928
Non-current Liabilities					
Provisions for gratuity	9	32,287,289		28,849,787	
Provisions for depreciation		387,171,946	419,459,234	291,695,206	320,544,993
Total Liabilities			466,221,293		369,036,921
Total Net Assets			591,881,652		579,478,372

Contd.

As at 31st December

<i>Asscls</i>	<i>Note</i>	<i>2008</i> <i>Rs.</i>	<i>2007</i> <i>Rs.</i>
Net Assets/Equity			
Accumulated fund	10	982,143,430	867,822,998
Reserves		(390,261,778)	(288,344,626)
Total Net Assets / Equity		591,881,652	579,478,372

Operating Revenue

	<i>Note</i>	<i>2007</i> <i>Rs.</i>	<i>2008</i> <i>Rs.</i>
Recurrent Grant		215,500,000	209,239,000
Other Grants	11	44,050,741	45,603,094
		<u>259,550,741</u>	<u>254,842,094</u>

Operating Expenses

Personal Emoluments		150,065,791	149,422,608
Travelling		2,581,582	2,593,276
Supplies and Consumable used		15,482,497	11,628,320
Maintenance		10,153,465	8,483,717
Contractual Services		43,413,844	31,067,794
Research and Publication		27,187,699	31,106,037
Depreciation		95,476,740	43,003,684
IRQUE		17,811,978	22,037,426
Total Operating Expenses		<u>362,173,596</u>	<u>299,342,862</u>
Surplus/(Deficit) from Operating Activities		(102,622,855)	(44,500,768)
Finance Cost		-	-
Gain on sales of property/plant and equipment		-	-
Total non operating revenue (expenses)		-	-
Net surplus/(Deficit) before extra ordinary items		(102,622,855)	(44,500,768)
Prior year adjustable		705,703	13,826,068
Net Surplus/(Deficit) for the period		(101,917,152)	(30,674,700)

Consolidated Cash flow Statement as at 31st December, 2008

Cash Flow from Operating Activities

	<i>2008</i>	<i>2009</i>
Surplus (Deficit) from ordinary activities	(101,917,152)	(30,674,700)
Non Cash movements :		
Depreciation		
Other	95,476,740	38,030,758
Increase in Provision for Gratuity	3,437,502	237,644
	<u>(3,002,911)</u>	<u>7,593,702</u>
Increase in provisions relating to employee costs	-	-
Increase / Decrease in current Assets	1,876,556	884,584
Increase / Decrease in receivable	(9,787,100.60)	20,225,585
Increase / Decrease Current Liabilities	<u>(1,729,869)</u>	<u>20,742,589</u>
	<u>6,180,675</u>	<u>(367,580)</u>
Net Cash Flows from Operating Activities	3,177,765	7,226,122
Cash Flows from Investing Activities		
Purchase of Plant and equipment	<u>121,308,006</u>	<u>119,869,931</u>

<i>Contd.</i>	<i>2008 Rs.</i>	<i>2009 Rs.</i>
Net Cash Flow from Investing Activities	(118,130,242)	(112,643,809)
Cash flow from Financing Activities		
Capital Grant	114,320,432	112,103,955
Net Cash Flows from Financing Activities	(3,809,809)	(539,854)
Cash and cash equivalents at beginning of period	8,275,704	8,815,558
Cash and cash equivalents at end of period	4,465,893	8,275,704

12-1040/3

The Open University of Sri Lanka

Notes to the Financial Statements

Significant Accounting Policies :

1. General

- 1.1 The financial statements of The Open University of Sri Lanka have been prepared in conformity with the generally accepted accounting principles and the Sri Lanka Accounting Standards on a historical cost convention and accrual basis.
- 1.2 Cost of providing utilities and expenses on common facilities extended to the Post Graduate Institute of English have not been accounted as dues from the Post Graduate Institute of English.
- 1.3 The difference between the income and expenditure of consultancy projects and several external assignments conducted and undertaken by Academic Departments, University Printing Press and the Media House under Consultancy and External Resources Centre (CERC) was accounted as income from other sources. A part of such balance has been transferred to appropriate development funds in terms of Public Finance Circular No. 380.
- 1.4 Amount due on Violation of Bonds and Agreements is Rs. 36,271,370.31
15. Comparative Information :

To facilitate comparison, relevant balances pertaining to the previous year have been reclassified to confirm to current year's classification and presentation.

- 1.6 Unspent amounts of the Receipts from the National Science Foundation and other Institutions for research activities have been accounted as current liabilities. The allocation provided out of Government Grant for research activities has been accounted as research expenditure of the year.
- 1.7 Capital Grant received from the Treasury was accounted at the first instance under Capital Grant Unspent and amounts spent were subsequently transferred to the Capital Grant Spent Account, and to income account as Government Grant for rehabilitation and maintenance.
- 1.8 Property, Plant and Equipment :

(i) Valuation of Assets

Fixed Assets of the University were revalued for the first time since its establishment in the year 1981 by a Consultancy Team including a Licensed Valuer and a Chartered Accountant, in accordance with the relevant accounts standards. The revalued assets were taken into newly prepared Fixed Asset Register and necessary adjustments were made in Fixed Assets Accounts with the current value. As a result there is a substantial increase in value of Fixed Assets in the accounts of the University.

All assets purchased during the year are recorded at cost of purchase with incidental expenses. Assets purchased before 31.12.2009 are recorded at revalued value.

- (ii) The value of Property, Plant and Equipment purchased out of the various project funds were transferred from project funds account to Contribution to Capital Out Lay from outside Grant.
- (iii) The Value of Property, Plant and Equipments received as Donations were capitalized and amortized as revenue over the useful life of the related assets as per SLAS 24.
- (iv) The leased motor car valued Rs. 3,112,240 is shown under Motor Vehicles.
- (v) Property, Plant and Equipment are shown at cost/revalued value less accumulated depreciation, Depreciation is charged on straight line method as per UGC Circular No. 649 of 05.10.1995 at the following rates per annum :

Buildings	05%
Furniture	10%
Office Equipment	20%
Library Books	20%
Motor Vehicles	20%
Laboratory and Teaching Equipments	20%
Cloaks	20%
Plant and Machinery	20%
Depreciation is charged from the date of purchase	

Depreciation is charged on revalued value of the fixed assets. As a result of increase in the value of fixed assets with the revaluation process depreciation charged to this increased value of fixed assets also shows a substantial increase in the accounts.

1:9 Provision for Gratuity :

Full provision is made in accounts for the retiring gratuity payable to all the employees from the year which they completed 5 years in the service. This provision is not externally funded.

2. Liabilities and Provisions

- 2.1 All known liabilities have been accounted for in preparation of the financial statements.
- 2.2 Contingent liabilities on cases pending at the Court/Labour Tribunal were not provided.

3. Income and Expenditure

3.1 Revenue Recognition :

Revenue consist of government grant, grants from UGC, course fees and income generated through internal sources. Interest on investment is accounted on accrual basis. The government grant was accounted on receipt basis. Course fees charged from students are recognized as income at the time of Registration.

3.2 Expenditure Recognition :

The expenditure has been analyzed by projects/objects and classified according to the different expenditure headings based on guidelines given by the University Grant Commission and the common format reporting system.

3.3 Distance education modernization project :

“Distance Education Modernization Project” funded by Asian Development Bank provided financial assistance to the University Throughout the year for construction buildings, development of property and plant, procurement of equipment and furniture and development of instructional materials etc.

Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Open University of Sri Lanka has maintained proper accounting records for the year ended 31st December, 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2 : 2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards give a true and fair view of the state of affairs of the Open University of Sri Lanka as at 31st December, 2009 and the financial results of its operation and cash flows for the year then ended.

The open university of Sri Lanka**Balance sheet as at 31.12.2009**

31.12.2008 (Rs.)	Assets Non Current Assets		31.12.2009 (Rs.)
485,522,770.54	Property, Plant and Equipments	8,201,703,075.19	
	Capital work in progress	49,126,816.11	
75,660,835.84	Investments	96,322,652.87	
561,183,606.38			8,347,152,544.17
	Current Assets		
49,720,291.03	Inventories	50,405,960.65	
5,031,072.28	Receivables	46,269,431.93	
31,449,660.37	Loans and Advance to Staff	36,486,993.79	
12,448,040.86	Advance and Pre payments	8,784,406.30	
	Cash in Transist	-	
62,729,859.94	Cash in Bank	25,810,342.10	
96,430.78	Cash in Hand	71,468.76	
161,475,355.26			167,828,603.53
722,658,961.64	Total Assets		8,514,981,147.70
	Equity and Liabilities		
	Capital and Reserves		
	Capital		
1,068,557,731.03	Capital Grant Spent	1,117,195,568.09	
(1,471,278.01)	Capital Grant Unspent	(9,109,115.07)	
5,772,854.50	U. G. C. Grant for I. T. Development	5,772,854.50	
	Contribution to Capital Out Lay		
9,763,364.48	From out side grant	11,489,276.48	
668,686,092.68	Foreign Aid - Medial House	668,686,092.68	
27,489,852.28	Donations	20,422,159.59	
1,778,798,616.96			1,814,456,836.27
	Reserves		
	General Reserve		
(1,220,052,627.64)	General Reserve	(1,579,420,577.72)	
(186,277,262.00)	Accumulated Depreciation	(186,277,262.00)	
(1,406,329,889.64)	Revaluation Surplus		(1,765,697,839.72)
			8,080,038,972.76

31.12.2008 (Rs.)	Assets	31.12.2009 (Rs.)
	Liabilities	
	Non Current Liabilities	
8,387,215.65	CERC Fund	8,647,741.64
91,650,307.80	Specific Funds (Restricted)	106,061,750.27
165,689,467.52	Provision for Gratuity	179,230,355.00
665,272.64	Lease Creditor	449,561.72
(1,139,937,626.03)		294,389,408.64
638,860,990.93		8,423,187,377.94
	Current Liabilities	
53,555,606.77	Deposit Payables	60,133,211.72
5,739,692.83	Payables	4,291,647.89
629,698.21	Advances from Customers - University Press	565,905.91
23,872,972.90	Accrued Expenditure	26,803,044.24
		91,793,769.76
83,797,970.71		
722,658,961.64		8,514,981,147.70

Prof. U. VIDANAPATHIRANA,
(Accounting Officer)
Vice Chancellor

W. M. KARUNARATNE
(Assistant Accounting Officer)
Registrar

K. M. PREMARATNE
Bursar.

The Open University of Sri Lanka

Income and Expenditure Account for the year ended 31.12.2009

31.12.2008 Rs	Income	2009 Rs.
479,800,000.00	Government Grant for Recurrent Expenditure	505,000,000.00
12,159,497.72	Government Grant for Rehabilitation & Maintenance	
4,584,598.50	Interest from Investment	6,041,247.47
1,088,662.39	Interest from Loans and Advances	1,312,508.25
369,298.00	Rent from Properties	2,204,622.50
90,434.00	Sale of Old Stores	714,846.00
3,892.00	Sale of Produce	1,636.00
4,544,127.33	Miscellaneous Income (Note 19)	4,265,713.53
4,639,070.00	Registration Fees	5,388,130.00
173,460,527.54	Tuition Fees (Note 20)	195,164,272.10
689,150.00	Examination Fees/Certificate Fees	92,400.00
439,030.00	Sale of Publications	545,700.00
17,374,355.00	Sale of Applications	14,583,820.00
391,040.04	Library Fines	469,006.50
110,768.20	Hiring of Vehicles	66,781.01
734,450.00	Hostel Fees	737,715.00
3,447,290.00	Supplementary Fees	4,601,765.00
994,662.55	Income from other Sources	481,533.53
12,622,253.07	Amortization of Donations	10,214,421.11

31.12.2008		2009
Rs.	Income	Rs.
717,543,106.34		751,836,119.00
	Expenditure	
117,067,175.94	General Administration & Staff Services	128,502,994.06
69,475,198.25	Depreciation	317,066,611.26
462,005,667.54	Academic Services	532,503,119.93
39,031,270.32	Teaching Resources	51,508,424.95
1,927,443.15	Health Services	2,070,088.18
17,452,935.60	Maintenance of Land and Buildings	20,422,440.40
38,723,755.33	Ancillary Activities	35,531,694.31
745,683,446.13	Total	1,087,605,373.09
(28,140,339.79)	Excess of Expenditure Over Income	(335,769,254.09)
	Adjustments in respect of previous year	
(2,969,678.00)	Provision for Gratuity	
631,992.90	Other previous year Adjustments	(23,598,695.99)
(2,337,685.10)		(23,598,695.99)
(1,189,574,602.75)	Balance B/F from previous year	(1,220,052,627.64)
(1,220,052,627.64)		(1,579,420,577.72)

Prof. U. VIDANAPATHIRANA,
(Accounting Officer),
Vice Chancellor,

W. M. KARUNARATNE,
(Assistant Accounting Officer),
Registrar.

K. M. PREMARATNE,
Bursar.

Date : 20.04.2010.

12-933

Miscellaneous Departmental Notices

BANK OF CEYLON

Notice of Sale under Section 21 of the Bank of Ceylon Ordinance (Chapter 397) as amended by Act, No. 34 of 1968 and Law, No. 10 of 1974

AT a meeting held on 14.10.2010 the Board of Directors of this Bank resolved specially and unanimously-

That a sum of Rupees Four Hundred and Seventy-two Thousand Five Hundred and Sixty-nine and cents Sixty-nine only (Rs. 472,569.69) on the loan account and a balance of Rupees Three Hundred and Forty-two Thousand Four Hundred and Five and cents Eighty-seven only (Rs. 342,405.87) on the overdraft account, excluding the amount of Rupees Twelve Thousand Five Hundred and Sixty and Cents Twenty-one only (Rs. 12,560.21) overdrawn beyond the Permanent Overdraft Limit, due from Mr Chaminda Manjula Sirimanna, Proprietor of Sincere Construction & Investment of No. 12, Mahakanda, Hindagala on account of principal and interest due on the loan and the overdraft accounts up to 03.09.2010 together with further interest on outstanding of the loan account of Rupees Two Hundred and Sixty Thousand only (Rs. 260,000.00) at the rate of 14% per annum (Fourteen per cent per annum) and also on the balance on the overdraft account Rupees Two Hundred Thousand only (Rs. 200,000.00) at the rate of Fifteen per centum (15%) per annum from 04.09.2010 till the date of payment on Mortgage Bond No. 5270 dated 10.10.2006 attested by Mr. L. S. Athauda, Notary Public.

2. That in terms of Section 19 of the Bank of Ceylon Ordinance (Cap. 397) and its amendments, M/s Schokman and Samarawickrama, Auctioneers of No. 24, Torrington Road Kandy be authorized and empowered to sell by Public Auction, the property mortgaged to the Bank of Ceylon as described in the Schedule hereunder for the recovery of the said sum of Rupees Eight Hundred and Fourteen Thousand nine Hundred and Seventy-five and Cents Fifty-six only (Rs. 814,975.56) excluding the amount of Rupees Twelve Thousand Five Hundred and Sixty and cents Twenty-one only (Rs. 12,560.21) overdrawn beyond the Permanent Overdraft Limit, as at 03.09.2010 due on the said Bond No. 5270 dated 10.10.2006 together with interest as aforesaid from 04.09.2010 to date of sale and costs and monies recoverable under Section 26 of the said Bank of Ceylon Ordinance.

SCHEDULE

All that divided and defined allotment of land marked Lot 1 depicted in Plan No. 4833 dated 25th November 1993 made by P. W. Wijewardena, Licensed Surveyor, Kandy containing in extent One Rood and Thirty-eight decimal Five Perches (0A., 1R., 38.5P.) from and out of all that land called Sinnaharagama *alias* Maligatenna Estate being part of Lot 1 depicted in Plan No. 2539 dated 16th and 17th November 1987 made by A. B. Weerasekera, Licensed Surveyor, Kandy situated at Gurudeniya in Gandahaya Korale of Patha Hewaheta in the District of Kandy Central Province and which said Lot 1 is bounded according to the said Plan on the North by Main

Road, on the East by Live Fence separating Lot 2 in Plan No. 2539, on the South by Ela, and on the West by Live Fence separating land belonging to N. Ganeshan together with everything standing thereon. Registered under folio A 387 / 208 at the Land Registry, Kandy.

By order of the Board of Directors of the Bank of Ceylon,

S. W. JAYSUNDERA,
Manager.

Bank of Ceylon,
Kandy 2nd City Branch.

12-1110

**SEYLAN BANK PLC—KEGALLE BRANCH
(Registered under Ref. PQ 9 accordingly to the
Companies Act, No. 7 of 2007)**

**Resolution adopted by the Board of Directors of Seylan
Bank PLC under Section 4 of the Recovery of Loans by
Banks (Special Provisions) Act, No. 4 of 1990**

Account No. : 0100-00007321-001.

IT is hereby notified that under Section 8 of the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990 that at a meeting held on 24.12.2009 by the Board of Directors of Seylan Bank PLC it was resolved specially and unanimously:-

Whereas Atthanayake Anthony Rohan Chrisanthus Fernando and Pallage Indrani Perera Jayathilleke both of Kandy as "Obligors" have made default in payment due on Bond Nos. 634 dated 12th December 2002 and 1117 dated 21st November 2005 both attested by W. G. I. Gamlath, Notary Public in favour of Seylan Bank PLC (Registered under Red. PQ 9 according to the Companies Act, No. 7 of 2007) and there is now due and owing to the Seylan Bank PLC as at 11th August, 2009 a sum of Rupees Eight Hundred and Seventy-three Thousand Five Hundred and Eighteen and Cents Two (Rs. 873,518.02) on the said Bonds and the Board of Directors of Seylan Bank PLC under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990, do hereby resolve that the property morefully described in the Schedule hereto and mortgaged to Seylan Bank PLC by the said Bond Nos. 634 and 1117 by sold by Public Auction by Mr. Thusitha Karunaratne, Licensed Auctioneer for recovery of the said Sum of Rs. 873,518.02 together with interest at the rate of Thirty-two Per centum (32%) from 12th August 2009 to date of sale together with costs of advertising, any other charges incurred less payments (if any) since received.

SCHEDULE

All that divided and defined allotment of land marked Lot 50 depicted in Plan No. 591 dated 23.01.1979 made by L. S. B. Fernando, Licensed Surveyor being a portion of Augustawatta situated at Augustawatta in Gangawata Korale of Yatinuwara in the District of Kandy in the Central Province and which said Lot 50 is

on the North by Road and Reservation for Road, on the East by land of villagers, on the South by Lot 51 in the said Plan and on the West by Lot 49 and Reservation for Road and containing in extent Twenty Perches (0A., R., 20P.) according to the said Plan and registered in Volume / Folio A 177 / 132 at the Kandy Land Registry.

By Order of the Board of Directors,

C. KOTAGALA,
Senior Deputy General Manager - Legal.

12-1105

**COMMERCIAL BANK OF CEYLON PLC
Resolution adopted by the Board of Directors of
Commercial Bank of Ceylon PLC (Registration No. PQ
116) under Section 4 of the Recovery of Loans by Banks
(Special Provisions) Act, No. 4 of 1990**

Loan Account No. : 290159.
Wickrama Arachchige Ananda Gunasekara and Wickrama
Arachchige Chaminda Gunasekara.

AT a meeting held on 30th July 2010 the Board of Directors of Commercial Bank of Ceylon PLC resolved specially and unanimously as follows:

Whereas Wickrama Arachchige Ananda Gunasekara and Wickrama Arachchige Chaminda Gunasekara as Obligors have made default in the payment due on Bond No. 8370 dated 30th March 2006 attested by H. S. P. Perera, Notary Public of Kuliypitiya in favour of Commercial Bank of Ceylon Limited now known as Commercial Bank of Ceylon PLC and there is now due and owing to the Commercial Bank of Ceylon PLC as at 21st May, 2010 a sum of Rupees Five Million Fifty-two Thousand One Hundred and Twenty-three and cents Seventy-eight (Rs. 5,052,123.78) on the said Bond and the Board of Directors of Commercial Bank of Ceylon PLC under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990, do hereby resolve that the property and premises morefully described in the Schedule hereto and mortgaged to Commercial Bank of Ceylon PLC by the said Bond No. 8370 be sold by Public Auction by Mr. L. B. Senanayake, Licensed Auctioneer of No. 99, Hulftsdorp Street, Colombo 12 for recovery of the said Sum of Rupees Five Million Fifty-two Thousand One Hundred and Twenty-three and cents Seventy-eight (Rs. 5,052,123.78) with further interest on a sum of Rs. 4,231,246.12 at 14% per annum from 22nd May, 2010 to date of sale together with costs of advertising, any other charges incurred less payments (if any) since received.

SCHEDULE

All that divided and defined allotment of land marked Lot 1 depicted in Plan No. 1988 / 41 dated 05th June, 1988 made by A. Atapattu, Licensed Surveyor of the land called and known as Makullagahamulawatta and Meegahamulawatta together with the soil, trees, plantations, buildings and everything else standing

thereon situated at Udugama Village in Medapattu Korale West of Katugampola Hatpattu in the District of Kurunegala North Western Province and which said Lot 1 is bounded on the North by Wire and Live Fence separating Lot A in Plan No. 1260 belonging to H. M. Podi Appuhamy, on the East by Lot 2 in Plan No. 1988/41 aforesaid, on the South by Lot 5 in Plan No. 1988/41 which is a Reservation for a road and on the West by main Highway Road and containing in extent One Acre and Two Roods (1A., 2R.) and registered under Volume / Folio L 226/161 at the Kuliapitiya Land Registry.

Together with the right to use develop and maintain the Reservation for a Road marked Lot 5 in the said Plan 1988/41.

Mrs. R. R. DUNUWILLE,
Company Secretary.

12-1087

COMMERCIAL BANK OF CEYLON PLC

Resolution adopted by the Board of Directors of Commercial Bank of Ceylon PLC (Registration No. PQ 116) under Section 4 of the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990

Loan Account No. : 469527.

Wardana Padmananda de Silva, sole proprietor of Nanda Stores.

AT a meeting held on 30th March 2010 the Board of Directors of Commercial Bank of Ceylon PLC resolved specially and unanimously as follows:

Whereas Waradana Padmananda de Silva carrying on business as the Sole Proprietor under the name, style and firm of Nanda Stores as the Obligor has made default in payment due on Bond Nos. 2968 dated 23rd August, 2006 attested by I. S. Wijesekara, Notary Public of Galle in favour of Commercial Bank of Ceylon Limited now known as Commercial Bank of Ceylon PLC and there is now due and owing to the Commercial Bank of Ceylon PLC as at 12th October, 2009 a sum of Rupees One Million Five Hundred and Eighty-two Thousand Eighty-four and Cents Nineteen (Rs. 1,582,084.19) on the said Bond and the Board of Directors of Commercial Bank of Ceylon PLC under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 4 of 1990, do hereby resolve that the property and Premises morefully described in the Schedule hereto and mortgaged to the Commercial Bank of Ceylon PLC by the said Bond No. 2968 be sold by Public Auction by Mr. L. B. Senanayake, Licensed Auctioneer of No. 99, Hulftsdorp Street, Colombo 12 for recovery of the said Sum of Rupees One Million Five Hundred and Eighty-two Thousand Eighty-four and cents Nineteen (Rs. 1,582,084.19) with further interest on a sum of Rs. 1,278,300 at 22% per annum from 13th October, 2009 to date of sale together with costs of advertising, and any other charges incurred less payments (if any) since received.

SCHEDULE

All that divided and defined portion of the land called Ambagahawatta depicted in Plan No. 437 dated 14th November, 1996 made by S. Preethi Weerawardena, Licensed Surveyor together with the buildings, trees, plantations and everything else standing thereon situated at Paragahathota in Wathugedara in Wellabodapattuwa in the District of Galle Southern Province and bounded on the North by balance portion of the same land, on the East by balance portion of the same land, on the South by Land of S. H. Irenis resided and on the West by Ambalangoda Elpitiya High Road and containing in extent One Rood and Two decimal Three Perches (0A., 1R., 2.3P.) as per the said Plan No. 437 and registered in Volume / Folio A 185 / 256 at the Balapitiya Land Registry.

And which said property is described as follows :

All that divided and defined allotment of land marked Lot 1 depicted in Plan No. 437 dated 14th November, 1996 made by S. Preethi Weerawardena, Licensed Surveyor of the land called Ambagahawatta together with the buildings, trees, plantations and everything else standing thereon situated at Paragahathota aforesaid and which said Lot 1 is bounded on the North by balance portion of the same land, on the East by balance portion of the same land, on the South by Land of S. H. Irenis resided and on the West by Ambalangoda Elpitiya High Road and containing in extent One Rood and Two decimal Three Perches (0A., 1R., 2.3P.) as per the said Plan No. 437.

Which said land according to a recent survey plan is described as follows:

All that divided and defined allotment of land marked Lot 1 depicted in Plan No. 2614 dated 10th June, 2007 made by S. Preethi Weerawardena, Licensed Surveyor of the land called Ambagahawatta together with the buildings, trees, plantations and everything else standing thereon bearing Assessment No. 289 situated at Paragahathota aforesaid and which said Lot 1 is bounded on the North by balance portion of the same land, on the East by balance portion of the same land on the South by Land of S. H. Irenis resided and on the West by Ambalangoda Elpitiya High Road and containing in extent One Rood and Two decimal Three Perches (0A., 1R., 2.3P.) as per the said Plan No. 2614.

Mrs. R. R. DUNUWILLE,
Company Secretary.

12-1089

SAMPATH BANK PLC (Formerly known as Sampath Bank Ltd.)

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provision) Act, No. 04 of 1990

A. G. S. Ranjan.

Account No. : 0007 5005 8590.

AT a meeting held on 21st October, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Ahangama Gallage Sumith Ranjan in the Democratic Socialist Republic of Sri Lanka as the obligor has made default in the repayment of the credit facilities granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bond Nos. 47 dated 09th September, 2005, 232 dated 13th October, 2006 and 474 dated 15th November, 2007 all attested by R. M. N. A. Ratnanayake of Kandy, Notary Public in favour of Sampath Bank PLC holding Company No. PQ 144 and there is now due and owing on the said Bond Nos. 47, 323 and 474 to Sampath Bank PLC aforesaid as at 13th August, 2010 a sum of Rupees One Million Three Hundred and Fifty-one Thousand Four Hundred and Twenty-eight and Cents Eight only (Rs. 1,351,428.08) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors of Sampath Bank PLC aforesaid under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facilities by the said Bonds bearing Nos. 47, 232 and 474 to be sold in Public Auction by I. W. Jayasiuiya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees One Million Three Hundred and Fifty-one Thousand Four Hundred and Twenty-eight and Cents Eight only (Rs. 1,351,428.08) together with further interest on a sum of Rupees Three Hundred and Ninety-three Thousand Five Hundred and Seventy-one and Cents Fifty-eight only (Rs. 393,571.58) at the rate of Twenty-two per centum (22%) per annum and further interest on a further sum of Rupees Three Hundred and Forty-four Thousand and Eight Hundred only (Rs. 344,800) at the rate of Seventeen decimal Five per centum (17.5%) per annum and further interest on a further sum of Rupees Three Hundred and Twelve Thousand Five Hundred and Twenty-six and Cents one only (Rs. 312,526.01) at the rate of Seventeen decimal Five per centum (17.5%) per annum from 14th August, 2010 to date of satisfaction of the total debt due upon the said Bonds bearing Nos. 47, 232 and 474 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

All that divided and defined allotment of land marked Lot 10 in Plan No. 703 dated 27th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor (being a subdivision of amalgamation of Lots 1, 2 and 3 in Plan No. 700 dated 10th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor) of the land called Galmaduwa Group now named as Sinhaputhra Uyana together with soils, trees, plantations buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Nattaranpotha within the Pradeshiya Sabha Limits of Kundasale in Udagampaha Korale of Pathadumbara in the District of Kandy Central Province and which said Lot 10 is bounded on the North by Lot 09, on the East by Kundasale State Farm, on the South by Lot 11 and on the West by Lot 13 (Road Reservation) and containing in extent Ten Perches (0A., 0R., 10P.) according to the said Plan No. 703 and registered in Volume/Folio E 651/208 at the Land Registry, Kandy.

All that divided and defined allotment of land marked Lot 11 in Plan No. 703 dated 27th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor (being a subdivision of amalgamation of Lots 1, 2 and 3 in Plan No. 700 dated 10th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor) of the land called "Galmaduwa Group" now named as "Sinhaputhra Uyana" together with soils, trees, plantations buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Nattaranpotha aforesaid and which said Lot 11 is bounded on the North by Lot 10, on the East by Kundasale State Farm, on the South by Lot 12 and on the West by Lot 13 (Road Reservation) and containing in extent Ten Perches (0A., 0R., 10P.) according to the said Plan No. 703 and registered in Volume/Folio E 651/230 at the Land Registry, Kandy.

Together with the right of way over and along :

All that divided and defined allotment of land marked Lot 13 in Plan No. 703 dated 27th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor (being a subdivision of amalgamation of Lots 1, 2 and 3 in Plan No. 700 dated 10th January, 1998 made by H. D. P. Gunawarna, Licensed Surveyor) of the land called "Galmaduwa Group" now named as "Sinhaputhra Uyana" together with soils, trees, plantations buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Nattaranpotha aforesaid and which said Lot 13 is bounded on the North by Lot 25 and part of same land shown as Lot 10 in Plan No. 6264, and on the East by Lot 1 to 12, on the South by road leading from homes to highway and on the West by Lot 14 to 25 and containing in extent One Rood and Two Perches (0A., 1R., 2P.) according to the said Plan No. 703 and registered in Volume/Folio E 651/241 at the Land Registry, Kandy.

By order of the Board,

Company Secretary.

12-1123/1

SAMPATH BANK PLC **(Formerly known as Sampath Bank Ltd.)**

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provision) Act, No. 04 of 1990

K. D. L. Thushari and W. W. J. P. Fernando.
Account No. : 1076 5341 9279.

AT a meeting held on 23rd September, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Keravgodage Don Lakmali Thushari and Warnakuwatta Waduge Jude Pradeep Fernando in the Democratic Socialist Republic of Sri Lanka as the Obligors and the said Keravgodage Don Lakmali Thushari as the Mortgagor has made default in the repayment of the credit facilities granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bond No. 373 dated 19th September, 2008 attested by C. G. Abeywickrama of Colombo, Notary Public in favour of Sampath Bank PLC holding company Registration No. PQ 144 and there is now due and owing on the said Bond No. 373 to Sampath Bank PLC aforesaid as at 29th July, 2010 a sum of Rupees One Million Four Hundred and Eighteen Thousand Nine Hundred and Sixty-eight and Cents Ninety-three only (Rs. 1,418,968.93) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors of Sampath Bank PLC under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facilities by the said Bond bearing No. 373 to be sold in Public Auction by I. W. Jayasuriya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees One Million Four Hundred and Eighteen Thousand Nine Hundred and Sixty-eight and Cents Ninety-three only (Rs. 1,418,968.93) together with further interest on a sum of Rupees One Million Two Hundred and Eighty-two Thousand Eight Hundred and Ninety and Cents Fifty-five only (Rs. 1,282,890.55) at the rate of Twenty-two per centum (22%) per annum from 30th July, 2010 to date of satisfaction of the total debt due upon the said Bonds bearing No. 373 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

All that divided and defined allotment of land marked Lot 5A1 depicted in Plan No. 14248 dated 22nd February, 1996 made by M. D. J. V. Perera, Licensed Surveyor (endorsement dated 13.09.2008 made M. D. N. T. Perera) of the land called Delgahawatta, Ambagahawatta, Delgahawatta and Ketakelagahawatta Kotasa together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Nedurupitiya within the Kandana Sub Office in the Ja-ela Pradeshiya Sabha in Ragama Pattu Aluthkuru Korale in the District of Gampaha Western Province and which said Lot 5A1 is bounded on the North by Lot 4 on the East by Lot 4, 5^B and 6 on the South by Lot 5^B and Land of H. D. P. Beatrice and on the West by Lot 5^{A2} and containing in extent nine decimal three seven perches (0A., 0R., 9.37P.) according to the said Plan No. 14248 and registered in B 679/166 at the Land Registry Gampaha.

Together with the right of way in over and along Lot 4 depicted in the said Plan No. 14248 and registered in B 303/267 at the Land Registry, Gampaha.

By order of the Board

Company Secretary.

12-1123/2

SAMPATH BANK PLC (Formerly known as Sampath Bank Ltd.)

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990

S. A. S. S. Arachchi and G. K. N. Menike.
Account No. 1049 5004 2621.

AT a meeting held on 29th November, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Samarakoon Arachchige Sucharitha Samarakoon Arachchi and Gabbela Kapuge Nandika Manike in the Democratic Socialist Republic of Sri Lanka as the Obligors have made default in the repayment of the credit facility granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bonds No. 1059 dated 11th August, 2005 attested by D. K. K. Gamalath of Colombo, Notary Public in favour of Sampath Bank PLC holding Company No. PQ 144 and there is now due and owing on the said Bonds No. 1059 to Sampath Bank PLC aforesaid as at 15th September, 2010 a sum of Rupees Seven Hundred and Nine Thousand Three Hundred and Sixty-seven and Cents Sixty only (Rs. 709,367.60) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors of Sampath Bank PLC aforesaid under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facility by the said Bonds bearing No. 1059 to be sold in Public Auction by I. W. Jayasuriya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees Seven Hundred and Nine Thousand Three Hundred and Sixty-seven and Cents Sixty only (Rs. 709,367.60) together with further interest on a sum of Rupees Six Hundred and Twenty-six Thousand Eighty-four and Cents Thirty only (Rs. 626,084.30) at the rate of twelve decimal five per centum (12.5%) per annum from 16th September, 2010 to date of satisfaction of the total debt due upon the said Bonds bearing No. 1059 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

All that divided and defined allotment of land marked Lot 1 in Plan No. 2166 dated 21st June, 2005 made by M. D. P. Jayalath Kumara, Licensed Surveyor of the land called Maligathenna Estate portion together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Deraniyagala in Atulugama Korale East in the District of Kegalle Sabargamuwa Province and which said Lot 1 is bounded on the North by R1 in Plan No. 4017 (Road) on the East by Lot 6 in Plan No. 4017 and land of villages, on the South by Lot 10 in Plan No. 4017 and on the West by Lot R2 in Plan No. 4017 (road) and containing in extent Twenty-two Perches (0A., 0R., 22P.) according to the said Plan No. 2166.

Which said Lot 1 is re-survey of the land described below :

All that divided and defined allotment of land marked Lot 9 in Plan No. 4017 dated 14th May, 1969 made by V. A. I. Senaratne, Licensed Surveyor of the land called Maligathenna Estate portion together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Deraniyagala aforesaid and which said Lot 9 is bounded on the North by R1 (road), on the East by Lot 6 and land of village on the South by Lot 10 and on the West by Lot R2 (road) and containing in extent twenty two decimal five perches (0A., 0R., 22.5P.) according to the said Plan No. 4017 and registered in Q 113/72 at the Land Registry Avissawella

By order of the Board

Company Secretary.

12-1123/3

SAMPATH BANK PLC
(Formerly known as Sampath Bank Ltd.)

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990

P. Daladawaththa and G. H. K. P. Rohitha.
Account No. 0046 5000 7846.

At a meeting held on 29th November, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Prasanna Daladawaththa and Gajaman Hewa Kolambage Pani Rohitha in the Democratic Socialist Republic of Sri Lanka as the Obligors and the said Gajaman Hewa Kolambage Pani Rohitha aforesaid as the Mortgagor have made default in the repayment of the facilities granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bonds No. 304 dated 02nd January, 2008 attested by J. C. R. Rangama of Babulla, Notary Public in favour of Sampath Bank PLC holding company No. PQ 144 and there is now due and owing on the said Bonds No. 304 to Sampath Bank PLC aforesaid as at 31st August, 2010 a sum of Rupees One Million Six Hundred and Ninety-two Thousand Six Hundred and Seventy-five and Cents Thirteen only (Rs. 1,692,675.13) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors of Sampath Bank PLC aforesaid under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facility by the said Bonds bearing No. 304 to be sold in Public Auction by I. W.

Jayasuriya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees One Million Six Hundred and Ninety-two Thousand Six Hundred and Seventy-five and Cents Thirteen only (Rs. 1,692,675.13) together with further interest on a sum of Rupees One Million Two Hundred and Eighty-three Thousand Eight Hundred and Seventy-five and Cents Thirty-four only (Rs. 1,283,875.34) at the rate of twenty-two per centum (22%) per annum and further interest on a further sum of Rupees Two Hundred and Forty-seven Thousand Five Hundred and Seventy-six and Cents Four only (Rs. 247,576.04) at the rate of Twenty-one per centum (21%) per annum from 01st September, 2010 to the date of satisfaction of the total debt due upon the said Bonds bearing No. 304 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

The allotment of state land called “Kandhasurindugama” together with soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated in the village of Kandhasurindugama in the Gramaniladhari’s Division of Kandhasurindugama in Buttala Korale in the Divisional Secretary’s Division of Katharagama of the Monaragala Administrative District in the District of Monaragala Uva Province which said allotment is bounded on the North by Lot 136, on the East by road reservation for Tissa Katharagama main road on the South by Lot 138 and on the West by Secondary road reservation and containing in extent two Acres (2A., 0R., 0P.) according to the said Plan together with everything else standing thereon, registered in LDO/M97/01 at the Land Registry, Monaragala.

Said Lot is resurveyed and depicted as follows :

All that divided and defined land marked Lot 01 depicted in Plan No. M 1812 dated 20th June, 2004 made by T. B. Attanayake, Licensed Surveyor of the land called Kandhasurindugama together with the house, soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Kandhasurindugama Village in Detagamuwa Kolani Gramaniladhari’s Division of Kandhasurindugama in Buttala Korale Divisional Secretary’s Division of Katharagama in the District of Monaragala Uva Province which said Lot 01 is bounded on the North by road reservation and the Lot 138 which is the land claimed by L. Y. Sominona on the East by Lot 138 which is the land claimed by L. Y. Sominona and road reservation and on the South by road reservation and Lot 138 which is the land claimed by O. G. Babynona and on the West by Lot 136 which is the land claimed by O. G. Babynona and road reservation and containing in extent one Acre Three Roods, eighteen Perches (01A., 03R., 18P.) according to the said Plan together with everything else standing thereon, registered in LDO/M97/266 at the Land Registry, Monaragala.

By order of the Board

Company Secretary.

12-1123/4

SAMPATH BANK PLC
(Formerly known as Sampath Bank Ltd.)

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990

G. H. Punchihamy and A. R. M. S. Chandradasa.
Account No. 0081 5000 3068.

AT a meeting held on 25th March, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Gam Hewayalage Punchihamy and Abdul Raheem Meedinge Sarath Chandradasa in the Democratic Socialist Republic of Sri Lanka as the Obligors and the said Gam Hewayalage Punchihamy as the Mortgagor have made default in the repayment of the credit facility granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bond No. 568 dated 12th September, 2008 attested by J. C. R. Rangama of Bandarawela, Notary Public in favour of Sampath Bank PLC holding Company Registration No. PQ 144 and there is now due and owing the said Bonds No. 568 to Sampath Bank PLC aforesaid as at 12th February, 2010 a sum of Rupees Two Hundred and Sixteen Thousand Eight Hundred and Four and Cents Eleven only (Rs. 216,804.11) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors of Sampath Bank PLC under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facility by the said Bonds bearing No. 568 to be sold in Public Auction by I. W. Jayasuriya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees Two Hundred and Sixteen Thousand Eight Hundred and Four and Cents Eleven only (Rs. 216,804.11) together with further interest on a sum of Rupees One Hundred and Ninety-seven Thousand One Hundred and Ninety-nine and Cents Eight only (Rs. 197,199.08) at the rate of twenty five per centum (25%) per annum from 13th February, 2010 to the date of satisfaction of the total debt due upon the said Bonds bearing No. 568 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

All that divided and defined allotment of land marked Lot 01 depicted in Plan No. 2637 dated 08th February, 2004 made by S. P. Rathnayake, Licensed Surveyor of the land called Kerandimulla Patana together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Mawithikumbura Village in Udapalatha Korale of Welimada Division in the District of Badulla, Uva Province and which said Lot 1 is bounded on the North by road (P. S.) on the East by land claimed by G. H. Podisingho on the South by pre-school premises and on the West by road (P. S.) and land claimed by N. Nimal Rathnayake and

containing extent fifteen Perches (0A., 0R., 15P.) according to the said Plan No. 2637 and registered in Volume/Folio LDO We 05/71 and 72 at the Land Registry, Badulla.

Which said Lot 1 is resurvey of land described below :

All that divided and defined land marked Lot N depicted in FVP 454 authenticated by Surveyor General together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging situated at Mawithikumbura Gramaniladhari's Division in Udapalatha Korale of Welimada Divisional Secretariat Division in the District of Badulla, Uva Province and which said Lot N is bounded on the North by Nadungamuwa Main Road, on the East by land claimed by G. H. Podisingho on the South by pre-school premises and on the West by road (P. S.) and land claimed by N. Nimal Rathnayake and containing in extent fifteen Perches (0A. 0R., 15P.) according to the said FVP 454.

By order of the Board

Company Secretary.

12-1123/5

SAMPATH BANK PLC
(Formerly known as Sampath Bank Ltd.)

Resolution adopted by the Board of Directors of Sampath Bank PLC under Section 04 of the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990

T. I. G. Marketing Services.
Account No. 0024 1000 3220.

AT a meeting held on 26th August, 2010 by the Board of Directors of Sampath Bank PLC it was resolved specially and unanimously :

Whereas Hemal Mohan Tungalal Devapriya Goonerathne being the sole proprietor of the business carried on in the Democratic Socialist Republic of Sri Lanka under the name and style of T. I. G. Marketing Services as the Obligors has made default in the repayment of the credit facilities granted against the security of the property and premises morefully described in the Schedule hereto mortgaged and hypothecated by the Mortgage Bonds No. 8061 dated 05th May, 2006 attested by Felician Fernandopulle of Negombo, Notary Public and 197 dated 14th November, 2008 attested by K. A. D. Subasinghe of Negombo Notary Public in favour of Sampath Bank PLC holding Company PQ No. 144 and there is now due and owing on the said Bonds Nos. 8061 and 197 to Sampath Bank PLC aforesaid as at 06th July, 2010 a sum of Rupees Three Hundred and Four Thousand Four Hundred and Twenty-one and Cents Sixty-eight only (Rs. 304,421.68) of lawful money of Sri Lanka being the total amount outstanding on the said Bonds and the Board of Directors

of Sampath Bank PLC aforesaid under the powers vested by the Recovery of Loans by Banks (Special Provisions) Act, No. 04 of 1990 do hereby resolve that the property and premises morefully described in the Schedule hereto mortgaged to Sampath Bank PLC aforesaid as security for the said credit facilities by the said Bonds bearing No. 8061 and 197 to be sold in Public Auction by I. W. Jayasuriya, Licensed Auctioneer of Kandy for the recovery of the said sum of Rupees Three Hundred and Four Thousand Four Hundred and Twenty-one and Cents Sixty-eight only (Rs. 304,421.68) together with further interest on a sum of Rupees Two Hundred and Two Thousand Two Hundred and Eight-one and Cents Ninety-two only (Rs. 202,281.92) at the rate of twenty five per centum (25%) per annum and further interest on a further sum of Rupees Eighty-three Thousand Six Hundred and Ninety and Cents Twelve only (Rs. 83,690.12) at the rate of twenty six per centum (26%) per annum from 07th July, 2010 to the date of satisfaction of the total debt due upon the said Bonds bearing Nos. 8061 and 197 together with cost of advertising and other charges incurred less payments (if any) since received.

THE SCHEDULE

All that land marked Lot 06 of Alian Farm situated at Deman Handiya and Katiyala in Dunagaha Pattu of Aluth Kuru Korale within the Registration Division of Negombo in the District of Gampaha Western Province and which said land is bounded according to the Plan No. 7184 dated 22.12.1998 made by S. M. Dissanayake, Licensed Surveyor on the North by Lot 5, on the East by Land of J. S. K. Sugathadasa De Silva on the South by Lot 7 and on the West by Lot 4 and containing in extent Twenty Perches (0A., 0R., 20P.) together with the soil, trees, plantations, buildings and everything else standing thereon and together with all rights, ways, privileges, easements, servitudes and appurtenances thereto belonging and registered in E 967/190 at the Land Registry Negombo.

Together with the right to use maintain and develop the road reservation marked Lot 4 (10 ft wide) in the said Plan.

By order of the Board

Company Secretary.

12-1123/6

BANK OF CEYLON

Notice under Section 21 of the Bank of Ceylon Ordinance (Cap. 397) as amended by Act, No. 34 of 1968 and Law, No. 10 of 1974

AT a meeting held on 14.10.2010 the Board of Directors of this Bank resolved specially and unanimously-

That a sum of Rupees Nine Hundred and Seventy-six Thousand and Seventeen and cents Ninety only (Rs. 976,017.90) excluding

Rupees Thirty-eight Thousand Six Hundred and Forty-nine and cents Forty-one only (Rs. 38,649.41) overdrawn beyond the Permanent Overdraft Limit, is due from Mr. Adhikaram Walawwe Sarath Bandaranayake of No. 160/1, Anagarika Dharmapala Mawatha, Kandy on account of principal and interest upto 28.07.2010 together with further interest on the approved limit of Rupees Seven Hundred and Fifty Thousand only (Rs. 750,000) excluding the amount Rupees Thirty-eight Thousand Six Hundred and Forty-nine and cents Forty-one only (Rs. 38,649.41) overdrawn beyond the Permanent Overdraft Limit at the rate of 15% (Fifteen per centum) per annum from 29.07.2010, till date of payment on Mortgage Bond No. 3041 dated 30.10.2003 attested by Mr. L. Athauda, Notary Public.

2. That in terms of Section 19 of the Bank of Ceylon Ordinance (Cap. 397) and its amendments, M/s Schokman and Samarawickrema Auctioneers of No. 24, Torrington Road, Kandy be authorized and empowered to sell by Public Auction, the property mortgaged to the Bank of Ceylon as described in the Schedule hereunder for the recovery of the said sum of Rs. 976,017.90 (Rupees Nine Hundred and Seventy-six Thousand and Seventeen and cents Ninety only) excluding Rs. 38,649.41 (Rupees Thirty-eight Thousand Six Hundred and Forty-nine and cents Forty-one only) overdrawn beyond the Permanent Overdraft Limit, due on the said Bond No. 3041 dated 30.10.2003 together with interest as aforesaid from 29.07.2010 to date of sale and costs and monies recoverable under Section 26 of the said Bank of Ceylon Ordinance.

THE SCHEDULE

All that divided and defined allotment of land marked Lot 2 depicted in Survey Plan No. 926 dated 01.03.1998 made by E. Fernando, Licensed Surveyor, of the land called "Kahatadeniya" together with the building and everything else standing thereon bearing Assessment Nos. 39, 41 and 43 and situated along Hewaheta Road in the Village of Rikillagaskada within the Pradeshiya Sabha Limits of Hanguranketha in Kohoka Korale (but registered as Kohoka Pattu of Udahehaheta Korale) and in the District of Nuwara-Eliya Central Province and bounded on the North by Kandy-Hewaheta Main Road and remaining portion of same land, East by remaining portion of same land and Ragala-Kandy Main Road, South by Ragala-Kandy Main Road and Lot 1, and on the West by Lot 1 and Hewaheta-Kandy main Road and containing in extent Nine decimal Eight Eight Perches (0A., 0R., 9.88P.) according to the said Plan No. 926 and registered in Folio R 281/189 at the Land Registry, Nuwara-Eliya.

By order of the Board of Directors of the Bank of Ceylon,

S. W. JAYASUNDERA,
Manager.

Bank of Ceylon,
Kandy, 2nd Branch.

12-1108

BANK OF CEYLON**Notice under Section 21 of the Bank of Ceylon Ordinance (Cap. 397) as amended by Act, No. 34 of 1968 and Law, No. 10 of 1974**

AT a meeting held on 14.10.2010 the Board of Directors of this Bank resolved specially and unanimously-

1. That a sum of Rs. 2,877,847.23 (Rupees Two Million Eight Hundred and Seventy-seven Thousand Eight Hundred and Forty-seven and cents Twenty-three only) excluding Rs. 1,144,346.25 (Rupees One Million One Hundred and Forty-four Thousand Three Hundred and Forty-six and cents Twenty-five only) overdrawn beyond the Permanent Overdraft Limit, as at 06.07.2010 is due from Androo and Diana Company (Pvt) Ltd. of No. 44, Colombo Street, Kandy presently at No. 23B, Cross Street, Kandy on account of principal and interest upto 06.07.2010 together with further interest on Rs. 2,000,000 (Rupees Two Million only) excluding of (Rs. 1,144,346.25 (Rupees One Million One Hundred and Forty-four Thousand Three Hundred and Forty-six and cents Twenty-five only) overdrawn beyond the Permanent Overdraft Limit at the rate of 15% (Fifteen per centum) per annum from 07.07.2010, till date of payment on Mortgage Bond No. 2564 dated 10.01.2003 and Mortgaged Bond No. 5232 dated 22.09.2006 both attested by Mr. L. S. Athauda, Notary Public.

2. That in terms of Section 19 of the Bank of Ceylon Ordinance (Cap. 397) and its amendments, M/s Schokman and Samarawickrema the Auctioneers of No. 24, Torrington Road, Kandy be authorized and empowered to sell by Public Auction, the property mortgaged to the Bank of Ceylon as described in the Schedule hereunder for the recovery of the said sum of Rs. 2,877,847.23 (Rupees Two Million Eight Hundred and Seventy-seven Thousand Eight Hundred and Forty-seven and cents Twenty-three only) excluding Rs. 1,144,346.25 (Rupees One Million One Hundred and Forty-four Thousand Three Hundred and Forty-six and cents Twenty-five only) overdrawn beyond the Permanent Overdraft Limit as at 06.07.2010 due on the Mortgage Bond No. 2564 dated 10.01.2003 and Mortgaged Bond No. 5232 dated 22.09.2006 both attested by Mr. L. S. Athauda, Notary Public together with interest as aforesaid from 07.07.2010 to date of sale and costs and monies recoverable under Section 26 of the said Bank of Ceylon Ordinance and that the Chief Manager, Bank of Ceylon, Super Grade Branch, Kandy to publish notice of this resolution in terms of Section 21 of the said Bank of Ceylon Ordinance.

The Schedule above referred to:

1. All that divided and defined allotment of land marked Lot 1 depicted in Plan No. 2173A dated 18th February, 2001 made by E. V. Sirisumana, Licensed Surveyor of the land called "Siyambalagahakotuwa" situated at Matale Bogahakotuwa within the Municipal Council Limits of Matale in the District of Matale Central Province and which said Lot 1 is bounded on the North by Path and Live Fence, East by Lot 3 and Lot 2, South by Wall and

Muslim Public Cemetery and on the West by Live Fence and Assessment No. 20/3, Bogahakotuwa Road and containing in extent Twelve Perches (0A., 0R., 12P.) according to the said Plan No. 2173A and registered in Folio A 108/98,239 at the Land Registry, Matale.

2. All that divided and defined allotment of land marked Lot 2 depicted in the said Plan No. 2173A aforesaid of the land called "Siyambalagahakotuwa" situated at Matale Bogahakotuwa aforesaid and which said Lot 2 is bounded on the North by Lot 3, East by property of GHA Gaf and property of SAS Vezeala, South by Muslim Public Cemetery and on the West by Lot 1 and containing in extent Twelve Perches (0A., 0R., 12P.) according to the said Plan No. 2173A and registered in Folio A 108/99,240 at the Land Registry, Matale.

By order of the Board of Directors of the Bank of Ceylon,

Mr. H. K. D. W. M. S. DIVARATNE,
Chief Manager.

Bank of Ceylon,
Super Grade Branch.
Kandy.

12-1112

BANK OF CEYLON**Notice under Section 21 of the Bank of Ceylon Ordinance (Cap. 397) as amended by Act, No. 34 of 1968 and Law, No. 10 of 1974**

AT a meeting held on 14.10.2010 the Board of Directors of this Bank resolved specially and unanimously-

1. That a sum of Rs. 767,335.42 (Rupees Seven Hundred and Sixty-seven Thousand Three Hundred and Thirty-five and cents Forty-two only) is due from Mr. Balasubramaniam Chandrakumar of No. 15, Aluthwatte Road, Digana, Rajawella on account of principal and interest upto 06.07.2010 together with further interest on Rs. 601,109.46 (Rupees Six Hundred and One Thousand One Hundred and Nine and cents Forty-six only) at the rate of 14% (Fourteen per centum) per annum from 07.07.2010 till the date of payment on Mortgage Bond No. 3953 dated 17.06.2005 and Mortgage Bond No. 6291 dated 24.06.2008 both attested by L. S. Athauda, Notary Public.

2. That in terms of Section 19 of the Bank of Ceylon Ordinance (Cap. 397) and its amendments, M/s Schokman and Samarawickrema Auctioneers of No. 24, Torrington Road, Kandy be authorized and empowered to sell by Public Auction, the property mortgaged to the Bank of Ceylon as described in the Schedule hereunder for the recovery of the said sum of Rs. 767,335.42 (Rupees Seven Hundred and Sixty-seven Thousand Three Hundred and Thirty-five and cents

Forty-two only) due on Mortgage Bond No. 3953 dated 17.06.2005 and Mortgage Bond No. 6291 dated 24.06.2008 both attested by L. S. Athauda, Notary Public together with interest as aforesaid from 07.07.2010 to date of sale and costs and monies recoverable under Section 26 of the said Bank of Ceylon Ordinance and that the Chief Manager, Bank of Ceylon, Super Grade Branch, Kandy, to publish notice of this resolution in terms of Section 21 of the said Bank of Ceylon Ordinance.

The Schedule above referred to :—

1. All that divided and defined portion of land marked as Lot 1 depicted in Plan No. 3343 dated 20th November, 2004 made by N.B.D. Wettewa, Licensed Surveyor containing in extent Eleven Perches (0A., 0R., 11P.) from and out of the land called Aluth Watte situated at Kengalla in Udagampaha Korale of Patha Dumbura in the District of Kandy Central Province and bounded on the North by Lot 2, East by Lot 2 and wire fence, South by Lot 18 in Plan No. PP Maha 4433 and Road from Digana to Aluth Watte, and on the West by Lot 28 in Plan No. 4433 marked as a roadway from Digana to Aluthwatte road together with buildings, plantations and everything thereon and registered in E764/209 in the Land Registry Office, Kandy.

2. All that right of way marked as Lot 2 depicted in Plan No. 3343 dated 20th November, 2004 made by N.B.D. Wettewa, Licensed Surveyor containing in extent Six Perches (0A., 0R., 6P.) from and out of the land called “Aluth Watte” situated at Kengalla aforesaid and bounded on the North by Lot 6 in Plan No. PP Maha 4433, East by Lot 25 and 18 in Plan No. Maha 4433, South by Lot 1 and on the West by Road from Digana to Aluth Watte road marked as Lot 28 in Plan No. PP Maha 4433 together with right of way and everything thereon and registered in E 764/2010 in the Land Registry Office, Kandy.

Mr. H. K. D. W. M. S. DIVARATNE,
Chief Manager.

Bank of Ceylon,
Super Grade Branch,
Kandy.

12-1111

BANK OF CEYLON

Notice under Section 21 of the Bank of Ceylon Ordinance (Cap. 397) as amended by Act, No. 34 of 1968 and Law, No. 10 of 1974

At a meeting held on 24.11.2010 the Board of Directors of this Bank resolved specially and unanimously—

1. That a sum of Rs. 108,287,431.61 (Rupees One Hundred and Eight Million Two Hundred and Eighty-seven Thousand Four Hundred and Thirty-one and cents Sixty-one) and Rs. 10,004,160.74 (Rupees Ten Million Four Thousand One Hundred and Sixty and cents Seventy-four) on Two Loans respectively is due from M/s. Ranmart Packaging (Pvt) Ltd., Directors, Mr. Mahamarakkalage Sukith Chandra de Silva, Mr. Mahamarakkalage Heshan Hirantha de Silva and Mrs. Godallage Samiddhi Subashini de Silva of No. 19, Sangabo Mawatha, Borupana Road, Ratmalana on account of principal and interest upt 07.10.2010 and other charges together with further interest on Rs. 76,000,000 (Rupees Seventy-six Million and on Rs. 7,000,000 (Rupees Seven Million) on two loans respectively at the rate of Twelve (12.0%) per centum per annum from 08.10.2010 till date of payment on Mortgage Bond Nos. 3215 dated 03.09.2007, 3237 dated 11.10.2007 and 3283 dated 31.01.2008 attested by G. C. P. Tilakaratne, Notary Public.

2. That in terms of Section 19 of the Bank of Ceylon Ordinance (Cap. 397) and its amendments, M/s Schokman and Samarawickrema the Auctioneer of No. 290, Havelock Road, Colombo 5 be authorized and empowered to sell by public auction the property mortgaged to the Bank of Ceylon and described in the Schedules hereunder for the recovery of the said sum of Rs. 108,287,431.61 (Rupees One Hundred and Eight Million Two Hundred and Eighty-seven Thousand Four Hundred and Thirty-one and cents Sixty-one) and Rs. 10,004,160.74 (Rupees Ten Million Four Thousand One Hundred and Sixty and cents Seventy-four) on Two Loans respectively due on the said Bond Nos. 3215, 3237 and 3283 together with interest as aforesaid from 08.10.2010 to date of sale and costs and monies, recoverable under section 26 of the said Bank of Ceylon Ordinance.

DESCRIPTION OF THE PROPERTY

All that divided and defined allotment of land marked Lot A1 depicted in Plan No. 8736 dated 23rd May, 1991 made by L. W. L. De Silva, Licensed Surveyor of the land called “Baniyawela Kumbura” situated at Melegama within the Pradeshiya Saba Limits of Kalutara in Waddu Waskadu Debadda of Panadura Totamune in the District of Kalutara Western Province and which said Lot A1 is bounded on the North by Pattachari Duliya Fernando, Duwa, Pinowita Rubber Plantation presently owned by H. B. Masinghe and high land presently owned by W. M. F. Wijesundara previously claimed by Ado Weda and Bhutha Gura, on the East by High land presently owned by W. M. P. Wijesundara previously claimed by Ado Weda and Bhutha Gura and Lot B in Plan No. 8677, on the South by Lot B and C in Plan No. 8677 and Lot A2 in Plan No. 8736 and on the West by Property presently owned by W. P. Fernando, previously owned by Alwis and Wekanda, Pattachari Duliya Fernando Duwa and Rubber Plantations called Pinowita claimed by H. B. Masinghe and containing in extent Three Acres, Two Roods and Thirty-four Perches (3A., 2R., 34P.) together with the buildings, trees, plantations and everything else standing thereon according to the said Plan No. 8736 and registered in G 191/212 at the Land Registry, Panadura. Which said allotment of land according to a recent figure of Survey Plan bearing No. 1521 dated 19th October, 1999 made by A. M. R. Jayasekera, Licensed Surveyor is described as follows :—

All that divided and defined allotment of land marked Lot A depicted in Plan No. 1521 of the land called “Bandiyawela Kumbura” situated at Melegama as aforesaid and which said Lot A is bounded on the North by Land belonging to Pattachari Duliya Fernando, Duwa and Pinowita Rubber Land claimed by H. B. Masinghe and high land belonging to W. M. F. Wijesundara, on the East by High land belonging to W. M. P. Wijesundara and Lot B in Plan No. 8677 (Lot 1 in Plan No. 1520), on the South by Lot B in Plan No. 8677 (Lot 1 in Plan No. 1520) and Lot C and Lot A2 in Plan No. 8736 and on the West by Wekanda and property of W. F. Fernando and land belonging to Patachari Duliya Fernando, Duwa and Pinowita Rubber, Land of H. B. Masinghe and containing in extent Three Acres Two Roods and Thirty-four Perches (3A., 2R., 34P.) together with the buildings, trees, plantations and everything else standing thereon according to the said Plan No. 1521.

Together with the right of the way over and along –

All that divided and defined allotment of land marked Lot C (Road Reservation) depicted in Plan No. 8677 dated 04th March, 1991 made by L. W. L. De Silva, Licensed Surveyor of the land called “Bandiyawela Kumbura” situated at Melegama as aforesaid and which said Lot C is bounded on the North by Lots A and B of the same land, on the East by Lot D of the same land, on the South by

Lot A of the same land, on the West by Lot A of the same land and containing in extent Fourteen Perches (0A., 0R., 14P.) according to the said Plan No. 8677 and registered in G 160/275 at the Land Registry, Panadura.

And

All that divided and defined allotment of land marked Lot D (Road Reservation) depicted in the said Plan No. 8677 of the land called “Bandiyawela Kumbura” situated at Melegama as aforesaid and which said Lot D is bounded on the North by Lot B of the same land, on the East by High land claimed by Ado Weda and Butha Gura now belonging to W. M. F. Wijesundara, on the South by Road reservation 20 feet wide and on the West by Lot A of the same land and containing in extent Five Perches (0A., 0R., 5P.) according to the said Plan No. 8677 and registered in G 160/280 at the Land Registry, Panadura.

T. H. N. GNANASIRI,
Branch Manager.

Bank of Ceylon,
Moratuwa,
02nd December, 2010.

12-1106