

# SENKADAGALA FINANCE PLC

# PROSPECTUS

DEBENTURE ISSUE 2016

**Joint Managers** 





Trustee BANK OF CEYLON

## PROSPECTUS



### SENKADAGALA FINANCE PLC

## ISSUE OF 20,000,000 SENIOR, UNSECURED, LISTED, REDEEMABLE, RATED DEBENTURES OF LKR 100.00 EACH TO RAISE SRI LANKA RUPEES TWO BILLION (LKR 2,000,000)

## WITH AN OPTION TO ISSUE A FURTHER 10,000,000 OF THE SAID DEBENTURES TO RAISE UP TO SRI LANKA RUPEES ONE BILLION (LKR 1,000,000,000) IN THE EVENT OF AN OVERSUBSCRIPTION

## TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

## Rated 'BBB+ (lka) by Fitch Ratings Lanka Limited

**ISSUE OPENS ON 4th November 2016** 





Areva Investments (Pvt) Ltd Capital Alliance Partners Limited TRUSTEES



**Bank of Ceylon** 

"THE COLOMBO STOCK EXCHANGE (CSE) HAS TAKEN REASONABLE CARE TO ENSURE FULL AND FAIR DISCLOSURE OF INFORMATION IN THIS PROSPECTUS. HOWEVER, THE CSE ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OF THE STATEMENTS MADE, OPINIONS EXPRESSED OR REPORTS INCLUDED IN THE PROSPECTUS. MOREOVER, THE INTEREST RATE, REDEMPTION AND OTHER TERMS AND CONDITIONS OF THE DEBENTURES ISSUED HEREIN HAVE BEEN DECIDED BY THE COMPANY (ISSUER).

THE DELIVERY OF THIS PROSPECTUS SHALL NOT UNDER ANY CIRCUMSTANCE CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION OR SUGGESTION THAT THERE HAS BEEN NO MATERIAL CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE OF THE PROSPECTUS.

IF YOU ARE IN ANY DOUBT REGARDING THE CONTENTS OF THIS DOCUMENT OR IF YOU REQUIRE ANY CLARIFICATION OR ADVICE IN THIS REGARD, YOU MAY CONSULT YOUR STOCKBROKER, BANK MANAGER, LAWYER, OR ANY OTHER PROFESSIONAL ADVISOR.

#### **RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS**

This Prospectus is dated 31st October 2016

This Prospectus has been prepared by Areva Investments (Pvt) Ltd and Capital Alliance Partners Limited on behalf of Senkadagala Finance PLC (hereinafter referred to as 'SFCL', 'the Company', 'the Issuer' or 'Senkadagala Finance') from information provided by the Company, its Directors and which is publicly available.

The Directors of the Company, have seen and approved this prospectus and collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and accurate in all material respects and that there are no other material facts, the omission of which, would make any statement herein misleading or inaccurate.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the investors based on information contained herein. In making such investment decisions, prospective investors are advised to read the Prospectus and rely on their own examination and assessment of the Company and the terms of the Debentures issued including risks associated.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion, that there has been no material change in the affairs of the Company since the date of this Prospectus.

#### **Registration of the Prospectus**

A copy of the Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration in compliance with the provisions of Section 40 of the Companies Act No. 07 of 2007. The following documents were attached to the copy of the Prospectus delivered to the Registrar General of Companies for registration.

- The written consent by the Joint Managers to the Issue, Lawyers to the Issue, Bankers to the Issue, Auditors and Reporting Accountants to the Issue, Trustees to the Issue and Registrar to the Issue for the inclusion of their respective names in this Prospectus.
- The declaration by each of the Directors of the Company herein named as a Director, jointly and severally confirming that that each of them have read the provisions of the Companies Act and CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.
- The said Joint Managers to the Issue, Lawyers to the Issue, Bankers to the Issue, Auditors and Reporting Accountants to the Issue, Trustees to the Issue and Registrar to the Issue have not,

before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka withdrawn such consent.

#### Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

#### **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see Risks Related to the Debentures in Section 1.12 of this Prospectus. No dealer, sales person, individual or any other outside party has been authorized to give any information or make any representation in connection with the issue other than the information and representations contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

#### **Forward Looking Statements**

Any statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". These can be identified by the use of forward looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

All Applicants should indicate in the Application Form, their NIC number or the company registration number as the case may be. The passport number may be indicated only if the Applicant does not have a NIC number.

In the event the name, address or NIC number / passport number / Company registration number of the applicant mentioned in the Application form differs from the name, address or NIC number / passport number / Company registration number as per the CDS records, the name, address or NIC number / passport number / Company registration number as per the CDS records will prevail and be considered as the name, address or NIC number / passport number / Company registration number / Company registration number / Company registration number as per the CDS records will prevail and be considered as the name, address or NIC number / passport number / Company registration number of such applicant. Therefore applicants are advised to ensure that the name, address or NIC number / Passport number / Company registration number given in the CDS Account as mentioned in the Application form.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Debentures allotted shall be directly deposited to the CDS accounts. To facilitate the compliance with this requirement, all Applicants are required to indicate their valid CDS account number in the Application Form. The Applicants who have indicated their CDS account details in the Application Form, the allotted Debentures would be directly credited to their CDS account so indicated.

APPLICATIONS WHICH DO NOT CARRY THE CDS ACCOUNT NUMBER, WHICH IS NOT OPENED AT THE TIME OF THE CLOSURE OF THE SUBSCRIPTION LIST OR WHICH INDICATE AN INCORRECT/INACCURATE CDS ACCOUNT NUMBER WILL BE REJECTED AND NO ALLOTMENT WILL BE MADE.

#### PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED.

Applicants who do not have a CDS Account are advised to open a CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS accounts.

You can open a CDS Account through any Member / Trading Member of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

## **CORPORATE INFORMATION**

The Company	Senkadagala Finance PLC	
Legal form	Senkadagala Finance PLC is a listed company domiciled in Sri Lanka incorporated under the Companies Ordinance No.51 of 1938 and re-registered under the new Companies Act No. 07 of 2007. The Company is approved and registered under the Finance Business Act No. 42 of 2011 and Finance Leasing Act No. 56 of 2000.	
Date of Incorporation	29 <sup>th</sup> December 1968	
Registration Number	PB 238 PQ	
Entity Credit Rating	BBB+ (lka) Stable	
Business & Registered Office	2 <sup>nd</sup> Floor, No.267, Galle Road, Colombo 03, Sri Lanka. Telephone: 94-11-2301301 Fax : 94-11-2301937 Email : senk@senfin.com Website: www.senfin.com	
Company Secretary	Managers and Secretaries (Pvt) Ltd No.08, Tickell Road, Colombo 08	
Legal Consultants	FJ & G de Saram         Attorneys-at-Law         216, De Saram Place, Colombo 10         Nithya Partners         Attorneys-at-Law         97 A, Galle Road, Colombo 03	
Auditors	<b>KPMG</b> Chartered Accountants, No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03	
Credit Rating Agency	Fitch Ratings Lanka Ltd No.15-04, East Tower, World Trade Centre, Colombo 01	
Bankers	Commercial Bank of Ceylon PLC Hatton National Bank PLC Sampath Bank PLC	

Board of Directors	Mr. W.M.R.S. Dias - Chairman
	Dr. Prathap Ramanujam - Deputy Chairman
	Mr. Lakshman Balasuriya - Managing Director/Chief Executive Officer
	Dr. Asoka Balasuriya – Executive Director
	Mrs. Lakshmi Fernando - Executive Director
	Dr. Mahendra Balasuriya - Executive Director
	Mr. Widanalage Ajith Terence Fernando - Independent Non-Executive
	Director
	Mr. Sanjay Sumanthri Kulatunga - Independent Non-Executive Director
	Mr. Sanath Divale Bandaranayake - Executive Director / Additional Chief
	Executive Officer
	Mr. Don Tilak Padmanabha Collure - Independent Non-Executive Director

## **RELEVANT PARTIES TO THE OFFERING**

Joint Managers to the Offering	<ul> <li>Areva Investments (Pvt) Ltd</li> <li>No. 153, Nawala Road, Narahenpita, Colombo 05</li> <li>T: 94-11-2510192 F: 94-11-2368891</li> <li>Capital Alliance Partners Limited</li> <li>Level 5, "Millennium House",</li> <li>46/58, Nawam Mawatha, Colombo 02</li> <li>T: 94-11-2317777 F: 94-11-2317788</li> </ul>	
Registrars to the Offering	Business Intelligence (Pvt) Ltd           No. 08, Tickell Road, Colombo 08           T: 94-11-2015942         F: 94-11-2015960	
Trustee to the Offering	Bank of Ceylon           No. 04, Bank of Ceylon Mawatha, Colombo 01           T: 94-11-2248348         F: 94-11-2346842	
Bankers' to the Offering	<b>Commercial Bank of Ceylon PLC - Foreign Branch</b> Commercial House, No.21, Bristol Street, Colombo 01 T: 94-11-4718248 F: 94-11-2445943	
Lawyers to the Offering	<b>Nithya Partners</b> 97 A, Galle Road, Colombo 03 T: +94 11 4712625 F: +94 11 2328817	
Auditor and Reporting Accountant to the Issue	<b>KPMG</b> Chartered Accountants, 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 T: +94 11 5426426 F: +94 11 5426426	
Credit Rating agency to the Offering	<b>Fitch Ratings Lanka Ltd</b> No.15-04, East Tower, World Trade Centre, Colombo 01 T: 94-11-2541900 F: 94-11-2501903	

## SALIENT FEATURES OF THE ISSUE

Instrument	Senior, Unsecured, Listed, Redeemable, Rated Debentures			
Issue Rating	BBB+ (lka) by Fitch Ratings Lanka Limited			
Listing	The Debentures will be listed on the Colombo Stock Exchange			
Number of Debentures to be Issued	20,000,000 Debentures with options to issue further 10,000,000 Debentures totaling up to a maximum of 30,000,000 Debentures			
Amount to be raised	LKR 2 billi	on with an	option to issue a further LKR 1 billion	
Issue price per Debenture / Par Value	LKR 100/-			
Coupon Frequency	Semi - annu	ally		
Interest Rates	Туре	Tenor	Rate of Interest	
	<b>Type A</b> 2 Years Fixed rate of 12.50% p.a. (AER – 12.89%)			
	Туре В	3 Years	Floating rate of 6 months Gross T-Bill + 1.50%	
	Туре С	3 Years	Fixed rate of 13.25% p.a. (AER – 13.69%)	
	Type D	4 Years	Floating rate of 6 months Gross T-Bill + 1.75%	
	Type E         4 Years         Fixed rate of 13.75% p.a. (AER – 14.22%)			
Minimum Subscription	Minimum subscription per application is 100 debentures (LKR 10,000). Applications exceeding the minimum subscription should be in multiples of 100 debentures (LKR 10,000)			
Issue Opening Date	4 <sup>th</sup> Novemb	er 2016 (H	owever, applications may be submitted forthwith)	
Issue Closing Date	<ul> <li>24<sup>th</sup> November 2016 or such earlier date on which;</li> <li>The maximum of 30,000,000 Debentures being fully subscribed; or</li> <li>The Board of Directors of the Company decides to close the Issue upon the initial Issue of 20,000,000 Debentures becoming fully subscribed</li> <li>In the event the Board of Directors of the Company decides to exercise the option to issue further 10,000,000 Debentures (having subscribed the initial Issue of 20,000,000 Debentures) but subsequently decides to close the subscription list upon part of the further Issue of 10,000,000 Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day.</li> </ul>			

Basis of Allotment	In the event of an over subscription, the Board of Directors of the Company will endeavor to decide the basis of allotment of the Debentures in a fair manner within seven (07) Market days from the closure of the Issue. (Refer Section 2.13) The Board however shall reserve the right to allot up to a maximum of 75% of the Number of Debentures to be allotted under this Prospectus on a preferential basis, to identified institutional investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future.	
Taxation	Exempted from Withholding Tax and Corporate Income Tax, as the prevalent taxation laws. (Refer Section 1.09)	
Date of Payment of Interest	<ul> <li>means the dates on which payments of interest in respect of the Debentures shall fall due, which shall be six (6) months from the Date of Allotment and every six (6) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</li> <li>Interest payments will be made no later than three (3) market days from the Interest Payment Date.</li> </ul>	
Final Interest payment Date	The Final Interest payment will be paid together with the Principal Sum within three (03) Market Days from the Date of Redemption.	
Method of Payment of Principal and Interest	Interest and the Principal sum will be paid to Debenture holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details are provided by the Debenture Holders subject to the prevalent limitation with regard to SLIPS and RTGS, or by crossed cheques Marked "Account Payee Only" in the event accurate bank details have not been provided. However, SLIPS transfers could be accommodated only for Amounts up to the maximum of Rupees Five Million (LKR 5,000,000/-), and amounts over and above Rupees Five Million (LKR 5,000,000/-) would be transferred via RTGS transfers.	

## ABBREVATIONS USED IN THE PROSPECTUS

AER	Annual Effective Rate
AWPLR	Average Weighted Prime Lending Rate
Bn or BN	Billion
CAL	Capital Alliance Partners Limited
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CSE	Colombo Stock Exchange
FCBU	Foreign Currency Banking Unit
Fitch	Fitch Ratings Lanka Ltd
FY	Financial Year
LCB	Licensed Commercial Bank
LKR, SLR, or Rs.	Sri Lankan Rupees
MN or Mn	Million
NIC	National Identity Card
POA	Power of Attorney
QE	Quarter Ended
RGFCA	Resident Guest Foreign Currency Account
RGRCA	Resident Guest Rupee Current Account
RTGS	Real Time Gross Settlement
SEC	Securities & Exchange Commission of Sri Lanka
SFCL	Senkadagala Finance PLC
SIA	Securities Investment Account
SLIPS	Sri Lanka Interbank Payment Systems
T-Bill	Treasury Bill
VAT	Value Added Tax
WHT	Withholding Tax
YoY	Year on Year

## GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/s	Any investor who submits an Application Form under this Prospectus	
Application Form/Application	The application form that constitutes part of this Prospectus through which the investors may apply for the Debentures in issue	
Board/Board of Directors/Directors	The Board of Directors of Senkadagala Finance PLC	
The Company/Issuer/SFCL	Senkadagala Finance PLC	
Closing Date/ Closure Date	The date of closure of the subscription list as set out in Section 1.02 of this Prospectus	
Date of Allotment	The date on which the Debentures will be allotted by the Company to Applicants subscribing hereto which date will be notified to the Debenture holders.	
Date of Redemption/ Maturity	edemption/ The date on which repayment of Principal Sum at maturity together way any interest accruing up to that time as referred to in Section 1.06	
Debentures	All of Senior, Unsecured, Listed, Redeemable, Rated, 2 year (2016/2018), 3 year (2016/2019) and 4 year (2016/2020) Debentures to be issued pursuant to this Prospectus	
Entitlement Date	Market Day immediately preceding the respective Interest Payment Date or Date of Redemption.	
Par Value / Issue Price	LKR 100.00 per each Debenture	
Principal Sum	The multiple of the Issue Price / Par Value of a Debenture (LKR 100/-) and the number of Debentures allotted	
Interest Payment Date(s)	The dates on which payment of interest in respect of the Debentures shall fall due, which shall be six (06) months period commencing from the Date of Allotment of the Debentures and in every six (06) months therefrom until the Date of Redemption and includes the Date of Redemption. Interest payments will be made within three (03) Market Days from each interest payment due date. In the event of the Final Interest, the Final Interest payment will be paid together with the Principal Sum within three (03) Market Days from the date of redemption/maturity.	

Interest Payment Period	The six (6) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).	
Issue	The offer of Debentures pursuant to this Prospectus	
Six Months Gross T-Bill rate	The six months gross Treasury Bill rate published by the Public Debt Department of the Central Bank of Sri Lanka at an auction held on or immediately prior to an Interest Determination Date.	
Market Day	A day on which trading takes place on the Colombo Stock Exchange	
Prospectus	This Prospectus dated 31st October 2016 issued by SFCL	
Senior	In relation to the Debentures, senior means that the claims of the Debenture Holders shall in the event of winding up of the Company rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but <i>pari passu</i> to the claims of unsecured creditors of the Company and shall rank in priority to and over any subordinated debt of the Company and the claims and rights of the preference and ordinary shareholder/s of the Company.	
Trust Deed	Trust Deed dated 2 <sup>nd</sup> August 2016 between Senkadagala Finance PLC and the Trustee Bank of Ceylon	
Unsecured	Repayment of the Principal Sum and payment of interest on the Debentures are not secured by a charge on any specific asset of SFCL	
Interest Determination Date	With respect to Floating rate debentures (Type B & Type D), the Date of Allotment in respect of the first Interest Period and the date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period.	
Local Time	Sri Lanka Time (UTC+05:30)	
Redemption	The Repayment of Principal Sum at maturity together with any interest accruing up to that time	

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#### **1.01** INVITATION TO SUBSCRIBE

Pursuant to Resolutions passed by the Board of Directors of Senkadagala Finance PLC (hereinafter called The Company or SFCL) dated 25<sup>th</sup> May 2016 and 27<sup>th</sup> June 2016, it was resolved to borrow from the public a sum of Rupees Two Billion (LKR 2,000,000,000) with an option to raise a further Rupees One Billion (LKR 1,000,000,000) in the event of an oversubscription of the initial issue by way of issuing Senior, Unsecured, Listed, Redeemable, Rated Two (2) year (2016/2018), Three (3) year (2016/2019) and Four (4) year (2016/2020) Debentures as outlined in this Prospectus.

As such a maximum amount of Rupees Three Billion (LKR 3,000,000,000) would be raised by the issue of a maximum of Thirty Million (30,000,000) Debentures each with the par value of LKR 100.00. These Debentures will be listed on the CSE.

The Company invites the public to make applications for any or all types of Debentures, which shall rank equal and *pari passu* with each other without any preference or priority of any one or more than over the others except for the Interest rate offered and the period to maturity, as more fully described in this Prospectus.

Type of Debentures	Tenor	Interest Rates (Payable Semi-Annually)	Issue Price / Par Value
Туре А	2 Years (2016/2018)	Fixed rate of 12.50% p.a. (AER – 12.89%)	LKR 100.00
Туре В	3 Years (2016/2019)	Floating rate of 6 months Gross T-Bill + 1.50%	LKR 100.00
Туре С	3 Years (2016/2019)	Fixed rate of 13.25% p.a. (AER – 13.69%)	LKR 100.00
Type D	4 Years (2016/2020)	Floating rate of 6 months Gross T-Bill + 1.75%	LKR 100.00
Туре Е	4 Years (2016/2020)	Fixed rate of 13.75% p.a. (AER – 14.22%)	LKR 100.00

Five types of Debentures will be offered to the public as follows:

The Public could subscribe for any number (subject to the minimum subscription and the maximum issue value) of Debentures mentioned above. The minimum subscription would be Rupees Ten Thousand (LKR 10,000) and thereafter in multiples of Rupees Ten Thousand (LKR 10,000) for any debenture type outlined in this Prospectus.

Once the application has been submitted for a particular Type of Debenture, it is not possible for Investors to switch between the types of Debentures.

#### **1.02** SUBSCRIPTION LIST

The subscription list for the Debentures pursuant to this Prospectus will open at 9.00 a.m. on 4<sup>th</sup> November 2016 and will remain open for fourteen (14) market days including the issue opening date until closure at 4.30 p.m. on 24<sup>th</sup> November 2016.

However, the Subscription List will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following;

- The maximum of 30,000,000 Debentures being fully subscribed; or
- The Board of Directors of the Company decides to close the Issue upon the initial Issue of 20,000,000 Debentures becoming fully subscribed

In the event the Board of Directors of the Company decides to exercise the option to issue further up to 10,000,000 Debentures (having subscribed the initial Issue of 20,000,000 Debentures) but subsequently decides to close the subscription list upon part of the further Issue of 10,000,000 Debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day.

Applications may however be made forthwith in the manner set out in Section 2 and accordingly, duly completed application forms will be accepted at any of the Collection Points given in Annexure II of this Prospectus.

#### **1.03 OBJECTIVES OF THE ISSUE**

The proceeds raised from the Debenture Issue will be utilized for the below given on-going lending activities of the Company, which was also approved by the CBSL, when granting approval for the debenture issue.

Expected utilization of funds (%)		
Leasing	90 %	
Loans & advances	10 %	

The expected time frame to utilize the funds mobilized via the debenture issue would be within 6 months from the date of allotment.

The average monthly lending requirement of the Company for **the current year** (2016) has been as follows;

							(LKK mn)		
	Jan	Feb	March	April	May	June	July	Aug	Sep
Leasing	866.7	950.4	1,100.0	839.0	1,084.0	1,196.7	1,190.7	1,162.9	1,268.1
Pawning	38.5	56.2	53.1	52.7	87.5	94.4	114.7	119.5	116.9
Loans & Advances	108.0	84.0	109.0	49.0	104.0	149.1	212.0	158.9	181.4
Total monthly average	1,013.2	1,090.6	1,262.1	940.7	1,275.5	1,440.2	1,517.4	1,441.3	1,566.4

As depicted above, the monthly average lending requirement of the Company is presently over LKR 1.3 billion. Therefore, the total of LKR 3 billion expected to be raised via this debenture issue can be definitely utilized with-in a 6 months-time period with no significant risk factor of non-achievement of IPO objectives due to non-availability of lending opportunities.

The proceeds of the debenture issue will not be utilized for any lending activities which could be construed as a related party transaction. Until the funds are fully utilized, the funds will be invested in government securities and / or money market securities. If in the unlikely event the funds are not fully utilized with-in the given time frame, then the process of subsequent utilization of funds will be with the approval of the Integrated Risk Management Committee of the Company, which assesses the overall risk faced by the Company, mainly credit, market, liquidity, operational, strategy and other statutory & regulatory risks. (Please refer Section 3.06 of the Prospectus for further details of the Integrated Risk Management Committee). In such an instance the Company will not be required to obtain any further approvals from any regulatory authority, provided that there would be no deviation from the stated objectives of the issue. If proceeds are not utilized as proposed, the Company will undertake to seek appropriate approvals from applicable parties and regulators.

In the event of undersubscription of the debenture issue, the Company will achieve the said lending targets by making use of available credit lines from identified commercial banks.

Further, in terms of the Articles of Association of the Company shareholder approval is not required for this debenture issue.

SFCL will undertake to disclose the details of the progress of the utilization of funds against the achievement of each given objective in the format outlined below, in the future interim and annual financial statements until the funds are fully utilized for the respective objectives stated in the Prospectus.

Objective	Objective	Proposed	Amount	% of	Amount	% of	Details,
number	as per	date of	allocated	total	utilized	Utilized	if not
	Prospectus	utilization	in LKR	proceeds	in LKR	against	fully
	-		(A)	-	(B)	allocation	utilized
						(B/A)	
1							
2							
3							

#### Debenture Issue proceeds utilization as at dd-mm-yyyy

If amounts differ due to under / over subscription, the Company may reflect changes as warranted.

The Objectives of the previous (2013) debenture issues of the Company have been successfully achieved.

#### **1.04** INTEREST RATES

The Debentures comprise of five (5) types of Debentures for the investors to choose from at the discretion of the investor, as follows;

#### Tenor – 2 Years

**Type A** - Fixed interest rate of 12.50% p.a. payable Semi-annually from the date of allotment until the expiry of two (2) years from the date of allotment on the principal sum of the Debentures. (AER – 12.89%)

#### <u>Tenor – 3 Years</u>

- Type B Floating interest rate equal to the six months Gross Treasury Bill rate, as announced by the Public Debt Department of the Central Bank of Sri Lanka immediately prior to the commencement of each interest period plus 1.50% p.a. payable semi-annually from the date of allotment on the principal sum of the Debentures until the expiry of three (3) years
- **Type C** Fixed interest rate of 13.25% p.a. payable Semi-annually from the date of allotment until the expiry of three (3) years from the date of allotment on the principal sum of the Debentures. (AER 13.69%)

#### Tenor – 4 Years

- Type D Floating interest rate equal to the six months gross Treasury bill rate, as announced by the Public Debt Department of the Central Bank of Sri Lanka immediately prior to the commencement of each interest period plus 1.75% p.a. payable semi-annually from the date of allotment on the principal sum of the Debentures until the expiry of four (4) years.
- **Type E** Fixed interest rate of 13.75% p.a. payable Semi-annually from the date of allotment until the expiry of four (4) years from the date of allotment on the principal sum of the Debentures. (AER 14.22%)

The interest payments in respect of all five types of Debentures available will be as follows;

The semi-annual interest payment would fall due on the expiry of every six (06) months from the Date of Allotment of the Debentures and in every six (06) months therefrom until the Date of Redemption. The final interest payment will be paid with the Principal Sum on the Date of Maturity/Redemption of the Debentures and includes the Date of Redemption.

Interest payments will be made within three (03) Market Days from each interest payment due date. In the event of the Final Interest, the Final Interest payment will be paid together with the Principal Sum within three (03) Market Days from the date of redemption/maturity.

The interest calculation will be based upon the actual number of days in each interest payment period (Actual/Actual).

The floating rate of the debentures will be determined based on the rate of the Six Month (Gross) Treasury Bill rate published by the Central Bank of Sri Lanka at an auction held on or immediately prior to an Interest Determination Date which will be the Date of Allotment in respect of the first Interest Period and the date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period.

In order to accommodate the debenture interest cycles in the CDS, the payment of interest on a particular Interest Payment Date shall be paid to those Holding Debentures in the CDS as of the Entitlement Date, which is the market day immediately preceding the respective interest payment date / date of redemption.

#### 1.05 PAYMENT OF PRINCIPAL AND INTEREST

Payment of principal and interest will be made in Sri Lankan Rupees after deducting any taxes and charges thereon (if any) to the debenture holders only as of the entitlement date.

In case of joint debenture holders, the payment of principal sum and interest will be made to the one whose name stands first in the Register of Debenture Holders.

In the event accurate bank account details are provided to the CDS by the Debenture Holders, the payment of principal sum and interest shall be made to Debenture holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS. However, RTGS transfers shall be accommodated only for amounts over and above LKR 5 million and if prior arrangements are made by the Debenture holders.

If the Debenture holder has not provided to the CDS accurate and correct details of his/her/its/their bank account for the payment of principal sum and interest, such payment to the Debenture holder will be made by a crossed cheques marked "Account Payee Only" to the address registered with the CDS through normal post at the risk of the Debenture Holder.

Irrespective of the payment mechanism, Interest payments will be made within three (03) Market Days from each interest payment due date. In the event of the Final Interest, the Final Interest payment will be paid together with the Principal Sum within three (03) Market Days from the date of redemption/maturity.

In order to accommodate the Debenture interest cycles in the CDS, interest payments shall not include the Debenture holders holding Debentures in the CDS as at the last day of the Payment Cycle but one day prior to the due date of interest / date of redemption (entitlement date).

#### **1.06 Redemption**

These Debentures are redeemable at maturity on the expiry of two years (2) (with respect to Debenture Type A), three (3) years (with respect to Debenture Type B & C) and four (4) years (with respect to Debenture Type D & E) from the date of allotment in accordance with the provisions contained in the Trust Deed.

If the Company seeks to redeem Debentures of any Type prior to the Date of Redemption and pay the Principal Sum prior to the stated maturity, such early redemption shall be subject to the prior written approval from the Director Non-Bank Supervision of the Central Bank of Sri Lanka and the prior approval of the Debenture Holders of such Type of Debentures, representing three fourths (¾) of the nominal value of the Debentures of that Type. The debenture holders shall not have any right or option to call for redemption of the Debentures before the date of maturity of such debentures, except in the circumstances where the Debentures have become immediately payable in terms of Section 10 of the Trust Deed.

On the date of maturity / redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture holders the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date of maturity / redemption of the Debenture.

If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day, and for the avoidance of doubt interest shall be paid for the intervening days which are not Market Days up to the date immediately preceding such Market Day. Also, no interest on interest would be payable for the aforesaid interim period.

#### **1.07** TRUSTEES TO THE OFFERING

Bank of Ceylon has agreed in writing to act as the Trustee to the debenture issue and has issued a consent letter to this effect. The Company has entered into an agreement with the Trustee (hereinafter called the 'Trust Deed'). Debenture holders in their application for subscription will be required irrevocably to authorize the Trustee, subject to overriding clauses in the Trust Deed, to act as their agents in entering into such deeds, writings, instruments with the Company and to act as agents and Trustees for the debenture holders in order to facilitate the protection of the debenture holders investment and return.

The rights and obligations of the Trustee are set out in the Trust Deed, a copy of which is available for inspection as mentioned in Section 1.18 of this Prospectus. The Debentures shall be subject to the terms and conditions and confer such rights as are incorporated in the said Trust Deed. There is no conflict of interest arising between the Trustee or its Directors and the Company. We further note that Bank of Ceylon is not a banker to the Company.

The fee payable to the Trustee will be LKR 300,000/- per annum (payable semi-annually) plus statutory levies.

#### **1.08** CREDIT RATING OF THE ISSUE

Fitch Ratings Lanka Ltd has assigned a credit rating of 'BBB+ (lka)' to the Company's Senior, Unsecured, listed, Redeemable Rated Debentures. The rating report issued by Fitch is set out in Annexure I of this Prospectus.

#### **1.09 TAX CONCESSION**

As per Section 9 (o) of the Inland Revenue Act No. 10 of 2006 (as amended by section 4 of the Inland Revenue (Amendment) Act No. 18 of 2013), the interest income from any investment made on or after the January 1, 2013 in corporate debt securities (i.e. Debentures), quoted in any stock exchange licensed by the SEC is exempt from income tax (including Withholding Tax).

Furthermore, in terms of Section 13(xxxxxx) of the Inland Revenue Act No.10 of 2006 [as amended by Section 5 of the Inland Revenue (Amendment) Act No.18 of 2013], the profits and income earned from any such investment has also been exempted from income tax.

However, different tax treatment could be brought in by the future amendments to the same Act.

#### 1.10 BENEFITS OF INVESTING IN LISTED DEBENTURES

- Provides an opportunity to diversify the investment portfolio of the investor.
- Provides the Investor an opportunity to earn a regular cash inflow of interest payments semiannually, up to a fixed period of two, three or four years at the discretion of the investor.
- Being listed on the CSE, the Debentures will have a secondary market, thus providing the investor with an opportunity to exit at the market price prevailing at the time of divestiture.
- These Debentures could be used as collateral to obtain credit facilities from banks and financial institutions.
- Opportunity to realize capital gains according to interest rate fluctuations in the financial market. Also if held to maturity there will be no capital loss incurred.
- As per the current tax legislations of Sri Lanka, interest income earned on Debentures listed after 1<sup>st</sup> January 2013 is exempted from Withholding Tax (WHT) and income tax as stipulated in Section 1.09 of the Prospectus)

#### **1.11 RIGHTS OF DEBENTURE HOLDERS**

#### **Debenture holders are entitled to the following rights:**

- Receiving the interest on the interest payment dates at the interest rates set out in Section 1.04 of this Prospectus and the principal sum on the date of redemption as set out in Section 1.06 of this prospectus and the provisions contained in the Trust Deed.
- In the event of liquidation of the Company Senior Debenture holders will rank in priority to the subordinated creditors but after the secured creditors of the Company and the preferential claims under Section 365 of the Companies Act No.07 of 2007, and also in priority to and over the claims and rights of the ordinary voting and non-voting shareholders of the Company.
- In accordance with the Listing rules of the CSE, receiving Annual Report of the Company within a period not exceeding five (5) months from the close of each financial year. The Audited accounts will be sent in CD form, unless a specific request for a hard copy is received by the Company.
- Call, receive notice, attend and vote at the meetings of the Debenture holders in accordance with the provisions contained in the Trust Deed.

The other rights of the holders of these Debentures are set out in the Trust Deed.

#### Debenture holders are not entitled to the following rights:

- Attend and vote at meetings of holders of shares and other debentures.
- Share the profits of the Company.

- Participate in any surplus in the event of liquidation.
- Calling for redemption before maturity, subject to provisions stated in the Trust Deed

#### **Obligations on the Debentures**

- The Company shall repay the principal sum on the date of maturity / redemption and interest on the Debentures as per Section 1.05 and 1.06 of this Prospectus and the provisions contained in the Trust Deed and comply with all other terms and conditions stipulated in the Trust Deed in respect of these Debentures.
- When making payment of the principal sum and interest on the Debentures, the Company shall always act on the information furnished by the CDS and it shall be the responsibility / obligation of each Debenture holder to keep all the information in respect of such Debenture holder updated in the CDS. Each Debenture holder shall absolve the Company from any responsibility or liability in respect of any error or absence of necessary changes in the information recorded with the CDS. In addition the Debenture Holder shall absolve CDS and CSE from any responsibility or liability in respect of any error or absence of any necessary changes initiated by the Debenture Holder in the information recorded with the CDS.

#### 1.12 RISK FACTORS ASSOCIATED WITH DEBENTURES

Subscribers to Debentures will be exposed to many types of risks, which are not unique to debentures issued by Senkadagala Finance PLC. However, the following could by sighted as the main types of risks associated with Debentures.

#### a) Interest Rate Risk

The price of a typical Debenture will change in the opposite direction to a change in the market interest rate (Ceteris Paribus - All other factors being equal). If market interest rates rise, the price of the Debentures may fall: as market interest rates fall the price of Debentures may rise. However interest rate risk is of importance only if an investor sells the Debenture prior to maturity. If an investor sells a Debenture prior to maturity when the market interest rate is higher than the SFCL Debenture interest rate, then the investor may incur a capital loss.

The risk of potential capital losses due to future increases in interest rates is known as Interest rate risk.

#### b) Reinvestment Risk

Interest on the SFCL Debentures are payable semi-annually. An investor may decide to reinvest this interest payment and earn interest from that point onwards until maturity. Depending on the prevailing interest rates at the point of reinvestment, the interest rates at which Debenture Holders will reinvest such interest received being higher or lower than the return offered by the Debentures is known as reinvestment risk.

#### c) Credit Risk / Default Risk

Risk of the issuer not being able to pay interest and principal payments as promised on a timely basis is referred to as default risk/credit risk. This risk is gauged in terms of rating assigned by different rating agencies.

It is advisable for prospective investors of the Debenture to take into account the credit rating awarded to the Company and to its Debentures, present financial strength as reflected in the Balance Sheet of the Company, asset and earnings growth and experience and skills of the Directors and senior management when forming an opinion on default risk.

Fitch Ratings Lanka Limited has assigned a credit rating of BBB + (lka) for SFCL Debenture issue (Refer Annexure I for Rating Report) and this credit rating will be reviewed periodically.

#### d) Liquidity Risk

Liquidity risk refers to the ease with which the debenture can be sold in the secondary market, after the initial placement. Since the SFCL Debentures are listed on the CSE, investors will be able to sell the Debentures through the CSE in order to convert them to cash and to exit from the investment. Therefore the liquidity risk is mitigated to a greater degree in the SFCL Debenture. Investors have to be mindful of the fact that even though the Debentures are listed, trading of listed debt is not at an advanced stage as the equity markets in Sri Lanka.

#### e) Call Risk

Call risk refers to the risk that the issuer will retire all of the principal value of the debentures before maturity. The risk to investor is in that, the timing of the call is not known and the investor will be faced with a re-investment risk in the event the call is made at a time when the market interest rates have declined.

If the Company seeks to redeem Debentures of any Type prior to the Date of Redemption and pay the Principal Sum prior to the stated maturity, such early redemption shall be subject to the prior written approval from the Director Non-Bank Supervision of the Central Bank of Sri Lanka and the prior approval of the Debenture Holders of such Type of Debentures, representing three fourths (¾) of the nominal value of the Debentures of that Type as set out under Clause 4.3 of the Trust Deed.

#### f) Inflation Risk

The possibility of a decline in the real value of coupon cash flows of a debenture, due to inflation is referred to as inflation risk. Since the coupon rate of a fixed rate Debenture is not adjusted upwards in line with the inflation, Debentures carry an inflation risk. The interest rate of a floating rate debenture is periodically adjusted on the basis of a selected benchmark interest rate and to the extent the benchmark rate properly reflects inflation, floating rate debentures have less inflation risk.

#### g) **Duration Risk**

Duration risk is a measure of the price sensitivity of fixed income investments to change in interest rates based on the time to maturity of principal and coupon payments. The higher the

duration, the greater the price volatility or duration risk, while a lower duration risk carries a lower risk.

Please refer 1.03 "Objectives of the Issue" for Specific Risk Relating to Objectives.

#### **1.13** TRANSFER OF DEBENTURES

- (a) These Debentures shall be freely transferable as long as the Debentures are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (b) Subject to provisions contained in the Trust Deed, the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- (c) In the case of the death of a Debenture holder,
  - The survivor where the deceased was a joint holder; and
  - The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Debenture holder was the sole or only surviving holder; shall be the only persons recognized by the issuer as having any title to his/her Debentures.
- (d) Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture holder, upon producing proper evidence that such debenture holder sustains the character in respect of which such debenture holder proposes to act or such debenture holder's title as the Board of Directors of the Company thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Debenture holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.
- e) No change of ownership in contravention of the above conditions will be recognised by the Company.

#### 1.14 LISTING

An Application has been made to the CSE for permission to deal in and obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. It is the intention of the Company to list the Debentures in the CSE upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. Admission to the Official List is not to be taken as an indication of the merits of Senkadagala Finance PLC or of the Debentures issued.

#### **1.15** COST OF THE ISSUE

The Board of Directors estimates that the total cost of the issue including fees to professionals, printing, advertising and other costs connected with the issue will be approximately LKR 19 million and will be funded by Senkadagala Finance PLC.

#### 1.16 BROKERAGE

Brokerage at the rate of 0.15% per cent of the nominal value of the Debentures will be paid in respect of the number of debentures allotted on applications bearing the original seal of any Bank operating in Sri Lanka or a member / trading member of the CSE and any other party identified by the Company.

#### **1.17** UNDERWRITING

The Debenture issue is not underwritten.

In the event the issue is under subscribed, the subscribers shall be allotted in full and funds raised shall be utilized to meet the on-going lending activities of the Company. The resultant shortfall in funding, which arises due to the undersubscription, will be met by making use of available credit lines from identified Commercial Banks. Please refer Objectives of the issue as stipulated in Section 1.03 of the Prospectus.

#### **1.18** INSPECTION OF DOCUMENTS

The following documents (or copies thereof) where applicable, would be made available for inspection by the public during normal working hours, seven (07) Market Days prior to the date of opening of the subscription list at the registered office of the Company at No. 267, 2<sup>nd</sup> Floor, Galle Road, Colombo 03, Sri Lanka until the date of redemption of the Debentures.

- Articles of Association of the Company
- Trust Deed
- Auditor's Report, Audited Financial Statements of the Company for the last five years ending 31<sup>st</sup> March 2012, 2013, 2014, 2015 and 2016
- Rating Report
- All other documents pertaining to the Company to which references are made in this Prospectus.

In terms of Rule 3.3.11 (b) of the CSE Listing Rules; the Prospectus, Articles of Association of the Company and the Trust Deed will be hosted on the Company's website, <u>www.senfin.lk</u> and the CSE website, <u>www.cse.lk</u> from seven (07) Market Days prior to the date of opening of subscription until the date of redemption of the Debentures.

Audited financial statements of the Company made up to 31<sup>st</sup> March 2016 and the Accountants Report and the Five year summary of the financial statements will be available on the web site of CSE <u>www.cse.lk</u> and the website of the Company, <u>www.senfin.lk</u>

Furthermore, copies of the Prospectus and Application Forms will be made available free of charge from the collection points as set out in Section 2.1 and Annexure II of this Prospectus from seven (07) Market Days prior to the date of opening of the subscription list.

#### 2.01 PROSPECTUS AND APPLICATION FORMS

Copies of the Prospectus and Application Forms may be obtained free of charge from the following places / Institutions. The Prospectus and Application Forms could also be downloaded from www.cse.lk and <u>www.senfin.lk</u>

## Registered Office of the Company

Senkadagala Finance PLC No.267, Galle Road Colombo 03 Tel: +94 11 2301301

#### Joint Managers to the Offering

Areva Investments (Pvt) Ltd

No. 153, Nawala Road, Narahenpita, Colombo 05 Tel: +94 11 2510192 Fax – 94-11-2368891

#### **Capital Alliance Partners Limited**

Level 5, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 Tel: 94-11-2317777 Fax: 94-11-2317788

- Registrars to the Offering Business Intelligence (Pvt) Ltd No. 08, Tickell Road, Colombo 08 Tel: +94 11 2015942
- Members and Trading Members of the CSE (Please Refer Annexure II of the Prospectus)
- Branches & Service Centres of Senkadagala Finance PLC (Please Refer Annexure II of the Prospectus)

#### 2.02 ELIGIBLE APPLICANTS

Applications are invited for the subscription of the Debentures from the following categories of applicants who maintain a valid CDS account at the time of the closure of the subscription list as per the Directive of the SEC.

- Citizens of Sri Lanka, who are resident in Sri Lanka and above eighteen (18) years of age.
- Companies, Corporations or Institutions incorporated or established in Sri Lanka.

- Approved Unit Trusts licensed by the SEC
- Approved Provident Funds, Trust Funds and Contributory Pension Schemes registered / incorporated / established in Sri Lanka (in this case, the Applications should be in the name of the Trustee / Board of Management in order to facilitate the opening of the CDS account).
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas)
- Global, regional and country funds approved by the SEC
- Non-residents: foreign institutional investors, corporate bodies incorporated or established outside Sri Lanka, individuals and Sri Lankans resident outside Sri Lanka.

Applications will not be accepted from individuals under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons.

"Individuals resident outside Sri Lanka" will have the same meaning as in the notice published under the Exchange Control Act in Gazette No.15007 dated 21st April, 1972.

When permitting Non -Residents to invest in the Debentures, the Company will comply with the relevant Exchange Control Regulations including, the conditions stipulated in the notice under the Exchange Control Act with regard to the issue and transfer of Debentures of Companies incorporated in Sri Lanka to foreign investors as published in the Government gazette (Extraordinary) No. 1681/11 on 22<sup>nd</sup> November 2010, Government gazette (Extraordinary) No. 1733/19 on 22<sup>nd</sup> November 2011and Government gazette (Extraordinary) No. 1864/39 on 28<sup>th</sup> May 2014.

#### 2.03 HOW TO APPLY

a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of application forms will also be accepted). Care must be taken to follow the instructions given herein and in the application form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection with the Registrar to the Issue and also issued free of charge from the places / institutions covered in Section 2.01 of the Prospectus.

The Prospectus and Application Forms could also be downloaded from the Company's web site, <u>www.senfin.lk</u> and CSE web site <u>www.cse.lk</u> (Exact size photocopies of Application Forms too would be accepted).

- b) Care must be taken to follow the instructions given on the reverse side of the Application Form. Applications that do not strictly conform to such instructions and / or the terms and conditions set out in this Prospectus or which are incomplete or illegible may be rejected.
- c) Applications should be made for a minimum of One Hundred (100) Debentures each (LKR 10,000). Applications exceeding the minimum subscription should be in multiples of One hundred (100) Debentures (LKR 10,000). Applications which are not in line with these guidelines will be rejected.

# In the event an applicant wishes to apply for more than one type of Debenture, separate Application Forms should be used. Once the Application has been submitted for a particular type of Debentures, it will not be possible for an applicant to switch to Debentures with other interest types.

Applicants should apply only for one type of Debentures under one Application Form. In the event an Applicant wishes to apply for more than one type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular type of Debentures, it will not be possible for an applicant to switch between the types of Debentures.

More than one application submitted by an applicant under the same type of Debentures will not be accepted. If two or more Application Forms are submitted for one Type of Debentures from a single Applicant, those would be considered as multiple Applications and the Company will not accept such multiple Applications or suspected multiple Applications.

d) If the ownership of the Debentures is desired in the name of one applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint applicants, the signatures and particulars in respect of all applicants must be given under the relevant headings in the Application Form.

#### e) Joint Applications

An applicant of a joint application will not be eligible to apply for the same Type of Debenture through a separate application form either individually or jointly. Such applicants are also deemed to have made multiple applications and will be rejected.

In the case of joint applications, the refunds (if any), interest payments and the redemption will be remitted in favour of the first applicant as identified in the application form.

The Company shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member).

Joint applicants should note that all parties should either be residents of Sri Lanka or non-residents.

f) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered / incorporated / established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their articles of association or such other constitutional documents of such applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the applications should be in the name of the Trustee/s or member/s of the Board of Management.

#### 2.04 IDENTIFICATION INFORMATION

a) All applicants should disclose their identification/registration information including their CDS account number by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

# The NIC, passport, or company registration number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

b) Resident applicants may use the passport number for purposes of identification only if they do not have a NIC number. In such event, the CDS account must be for the same passport number. Foreign/non-resident investors are required to state the passport number in the space provided. In the case of a corporate entity, the company registration number must be provided. The common seal or rubber stamp should be affixed and the Application Form duly signed as stipulated in the constitutional documents of such applicants.

Non-resident investors may be affected by the laws of the jurisdiction of their residence. If the Nonresident investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

#### 2.05 MARGIN TRADING

Applicants who wish to apply through their margin trading account, should submit the Application Form in the name of the "Margin Provider/Applicant's name" signed by the margin provider, requesting a direct deposit of the Debentures to the Applicant's margin trading account in CDS. The Applicants should state the relevant CDS account number relating to the margin trading account in the Application Form.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the Margin Provider can apply under its own name and such Applications will not be construed as multiple Applications.

#### 2.06 APPLICATIONS MADE UNDER POWER OF ATTORNEY

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, certified by a Notary Public to be a true copy of the original, should be lodged with the Registrar to the Issue along with the Application Form. **The original POA should not be attached.** 

#### 2.07 SUBMISSION OF APPLICATIONS

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (Cheque, Bank draft, Bank Guarantee of RTGS as described under Section 2.10) for the full amount payable on Application should be enclosed in a sealed envelope marked "Senkadagala Finance PLC – Debenture Issue 2016" on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the below given address prior to 4.30 p.m. on the Closure Date (refer Section 1.2)

**Business Intelligence Ltd** 8, Tickell Road, Colombo 08

Applications may also be handed over to the Managers to the Issue, Branches & Service Centres of Senkadagala Finance PLC, Members and Trading Members of the CSE as set out in Annexure II prior to 4.30 p.m. on the Closure Date.

In the case of Applications dispatched by courier or post, such Applications should reach the Registrars to the Issue not later than 4.30 p.m. on the Market Day immediately following the Closure Date. Any Applications received after the said deadline shall be rejected even though the courier or postmark is dated prior to the Closure Date.

#### 2.08 NON-RESIDENT APPLICANTS

This section is applicable to citizens of Sri Lanka who are above 18 years of age and resident overseas, corporate bodies incorporated or established outside Sri Lanka, global, regional or country funds approved by the SEC and foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age and may be affected by the laws of the jurisdiction of their residence. If the non-resident investors wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and the jurisdiction of Sri Lanka.

The applications should be made only out of funds received as inward remittances or available to the credit of Securities Investment Account' (SIA) of the non-residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Controller of Exchange in that regard to licensed commercial banks (Circular Reference No.6/4/18/2013 dated 12th June 2013 and the Notice issued by the Controller of Exchange in the Government Gazette [Extraordinary] bearing No.1864/39 dated 28<sup>th</sup> May 2014). Such applications must be accompanied by a letter from the respective license commercial bank confirming same.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the applicant maintains the SIA, should be attached to the application form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA. Applications not made in line with the instructions will be rejected.

Foreign/non-resident investors shall also ensure that the Bank details of their SIA account are mentioned in the Application Form to facilitate refund payment and recorded in the CDS to facilitate the dispatch of their interest cheques to the relevant bank.

#### 2.09 RESTRICTIONS APPLICABLE TO FOREIGN CITIZENS RESIDENT IN SRI LANKA

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee accounts only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantees or RTGS transfers drawn on Sri Lanka Rupee accounts maintained with any licensed commercial bank in Sri Lanka but may do so via SIA/FCBU/RGFCA/RGRCA accounts. Applications made by foreign citizens not in accordance to the foregoing shall be rejected.

#### 2.10 MODE OF PAYMENT FOR THE INVESTMENT BY THE APPLICANTS

Payment in full for the total value of Debentures applied for should be made separately in respect of each application either by cheque/s or bank draft/s or bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or an RTGS transfer directly through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to the following:

#### a) PAYMENT FOR APPLICATIONS FOR DEBENTURES OF A VALUE OF BELOW LKR 100,000,000/-

Should be supported by a cheque or bank draft or bank guarantee. In such instances, each Application Form should be accompanied by only one cheque or bank draft or bank Guarantee and should be issued for the full amount indicated in the Application Form.

Debenture applications of value below LKR 100,000,000/- accompanied by multiple cheques, multiple bank drafts, multiple bank guarantees will be rejected at the outset.

Further no RTGS transfers will be accommodated for applications of below LKR 100,000,000/-

## b) PAYMENTS FOR APPLICATIONS FOR DEBENTURES OF A VALUE OF ABOVE AND INCLUSIVE OF LKR 100,000,000/-

Application Form should be supported by either;

- RTGS transfer with value on the date of opening the Issue.
- Bank Guarantee issued by a licensed commercial bank.
- Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or

## Cash will not be accepted. Anyone wishing to pay cash should obtain a Bank Draft from a Licensed Commercial Bank in Sri Lanka.

The amount payable should be calculated by multiplying the number of Debentures applied for by the Issue price of (LKR 100.00). If there is a discrepancy in the amount payable and the amount specified in the cheque/ bank draft / bank guarantee or in the RTGS transfer, the Application will be rejected.

#### 2.10.01 CHEQUES OR BANK DRAFTS

Cheques or bank drafts should be made payable to **"SENKADAGALA FINANCE PLC – DEBENTURE ISSUE 2016"** drawn on any licensed commercial bank in Sri Lanka and crossed **"Account Payee Only" and must be honoured** on the first presentation for the application to be valid.

Cheques or bank drafts accompanying Application Forms should be made for a minimum of One Hundred (100) Debentures. Applications exceeding the minimum subscription should be in multiples of One Hundred (100) Debentures. Applications which are not in line with these guidelines will be rejected (as mentioned in Section 2.11) and will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, to the first named Applicant.

All cheques/bank drafts received in respect of the applications for Debentures will be banked commencing from the Market Day immediately following the Closing Date. In the event that cheques are not realized within two Market Days from the date of deposit, the monies will be refunded and no allotment of Debentures will be made.

#### 2.10.02 BANK GUARANTEES

Applications made by Sri Lankan investors backed by bank guarantees issued by any licensed commercial bank in Sri Lanka in favour of "SENKADAGALA FINANCE PLC – **DEBENTURE ISSUE 2016**" in a manner acceptable to the Company. Bank guarantees should be valid for a minimum of one (1) month from the date of the Issue opening date. (4<sup>th</sup> November 2016)

Bank guarantees will be presented to the respective banks upon the Issuer deciding and announcing the basis of allotment and the date of allotment to the CSE. Therefore, the applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the applicants.

#### 2.10.03 RTGS TRANSFERS

In case of RTGS transfers (only for Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000) such transfer should be made to the credit of "SENKADAGALA FINANCE PLC – DEBENTURE ISSUE 2016" bearing account number 1030018388 at Commercial Bank of Ceylon PLC, Foreign Branch with value on the Issue Opening Date (i.e. the funds to be made available to the above account on the Issue Opening Date).

The applicant should obtain a confirmation from the Applicant's Bank, to the effect that arrangement have been made to transfer payment in full for the total value of Debentures applied for the credit of "SENKADAGALA FINANCE PLC – DEBENTURE ISSUE 2016" bearing the account number 1030018388 at Commercial Bank of Ceylon PLC, Foreign Branch with value on the date of opening the Issue (i.e. the funds to be made available to the above account on the Issue Opening Date) and should be attached with the Application Form.

For such RTGS transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR100,000,000), the applicants are entitled to an interest at the rate of 2% p.a. (on actual / actual basis) from the date of such transfer up to the Date of Allotment, and the entire interest earned will be paid back to the investor.

However, no interest will be paid for RTGS transfers in the following instances;

- RTGS Transfers not realized before the end of the closing date of Subscription List.
- RTGS transfers which are affected prior to the Issue Opening Date no interest will be paid for the period prior to the issue opening date.

#### 2.10.04 **REMITTANCE BY FOREIGN AND NON-RESIDENT INVESTORS**

a) Remittance of Funds for the investments in Debentures and the payment for Debentures by non-residents should be made only out of funds received as inward remittances or available to the credit of "Securities Investment Account" (SIA) of the non-residents opened and maintained in a licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the SIA, should be attached to the Application Form to the effect that such payment through bank draft / bank guarantee / RTGS has been made out of the funds available in the SIA.

#### 2.11 **REJECTION OF APPLICATIONS**

- Application Forms and the accompanying remittance mode (Cheque / Bank Draft / Bank Guarantee / RTGS Transfers) which are illegible or incomplete in any way and / or are not in accordance with the terms, conditions and instructions set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Company.
- Applications from individuals under the age of 18 years or in the names of sole proprietorships, partnerships or unincorporated trusts will be rejected.
- An applicant of a joint application will not be eligible to submit another application either individually or jointly under the same Debenture type. Only one application should be made by any person or entity under one Debenture type. The Company reserves the right to reject such multiple applications or suspected multiple Applications.
- Applications which do not state a valid CDS account number or which indicate an incorrect / inaccurate CDS Account number shall be rejected, and no allotment will be made. Application Forms stating third party CDS Account numbers, instead of their own CDS Account numbers, except in the case of Margin Trading Accounts, will also be rejected.
- Any Application Form which does not state the NIC number, Passport number (where NIC is not available) or Company Registration number, as the case may be, will be rejected.
- Applications made for less than one hundred (100) Debentures or for a number which is not in multiples of one hundred (100) Debentures will be rejected.
- Cheques or bank draft or bank guarantee must be honored on first presentation for the Application to be valid. In the event Cheques or bank draft or bank guarantee are dishonored / returned on first

presentation, the Application will be rejected, and the dishonoured Cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant.

- In the event that cheques are not realized within two Market Days from the date of deposit the monies will be refunded and no allotment of Debentures will be made even if they are realized after such date.
- Applications delivered by hand to the Registrars to the Issue after the subscription list is closed will be rejected. Applications received by post or courier **after** 4.30 p.m. on the Market day immediately following the Closing Date, will also be rejected even if they carry a post mark dated prior to the Closing Date.
- Applications delivered to any place mentioned in Annexure II should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market day immediately following the Closing Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closing Date.

Notwithstanding any provision contained herein, the Board of Directors reserves the right to refuse any Application or to accept any Application in full or part.

#### 2.12 **BANKING OF PAYMENTS**

All cheques/ bank drafts / bank guarantees received in respect of applications will not be banked or called until the Market day immediately after the Closure Date of the subscription list, in terms of the CSE Listing Rules.

#### 2.13 ALLOTMENT OF DEBENTURES

In the event of an over subscription, the Board of Directors of the Company will endeavour to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right, at their discretion to allocate up to a maximum of 75% of the number of Debentures to be allotted under this issue to institutional and or identified investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future. These benefits could be such as being able to tap into a non-conventional investor base, being able to build confidence among other investors due to the investment decisions of strategic investors and being able to get the issue subscribed to with the larger quantums pledged.

The number of Debentures to be issued among the five (05) Debenture types shall be in accordance with the basis of allotment which shall be decided at the discretion of the Board of Directors of the Company in a fair manner in the event of an over subscription.

The Company reserves the right to reject any application or to accept any application in part only, without assigning any reason therefore. A written confirmation informing successful applicants of the allotment of Debentures will be dispatched within ten (10) market days from the closure date as required by the CSE.

#### 2.14 ACCEPTANCE AND REFUNDS

Monies will be refunded where;

#### • AN APPLICATION IS REJECTED FOR REASONS GIVEN IN SECTION 2.11 OR OTHERWISE;

Where an Application Form is rejected, the cheque or bank draft or bank guarantee received in respect of the application will be returned via ordinary post at the risk of the applicant. In the case of joint applicants, the cheque or bank draft or bank guarantee received in respect of the application will be returned to the first named applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured at the first presentation, the application will be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the applicant. In the case of joint applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named applicant.

#### • THE APPLICATION IS ACCEPTED ONLY IN PART

Where an application is accepted only in part, the balance of the monies received on the application will be refunded. Refunds on Debentures that have not been allotted will be refunded on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules. Applicants would be entitled to receive interest at the last quoted AWPLR published by the CBSL plus 5%, on any refunds not made by the expiry of the above mentioned period.

#### • **REFUNDS TO FOREIGN / NON-RESIDENTS**

Foreign/non-resident applicants are advised to provide accurate and complete details of SIA accounts, consistent with the details given to the CDS to facilitate their refund payments.

#### 2.14.1 REFUNDS VIA SLIPS / RTGS

If the Applicant has provided accurate and complete details of his bank account in the Application, the Company will make refund payments up to and inclusive of Sri Lanka Rupees Five Million (LKR 5,000,000) to the bank account specified by the Applicant, through SLIPS and a payment advice will be sent.

In the event of refunds over Rupees Five Million (LKR 5,000,000), the Company will make refund payments via RTGS transfers to the bank account specified by the Applicant.

#### 2.14.2 **REFUNDS VIA CROSSED CHEQUES**

In the event of refunds over Rupees Five Million (LKR 5,000,000) or if the applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the Company will make such refund payment to the applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of joint application, the cheques will be drawn in favour of the applicant's name appearing first in the Application Form.

### 2.15 DIRECT LODGMENT WITH THE CDS AND TRADING OF DEBENTURES

The Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of eighteen (18) Market Days, from the Closure Date.

Written confirmation, upon the completion of crediting the respective CDS account will be sent to the Debenture holder within two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each Debenture holder in their respective Applications.

The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the new Debentures.

Trading of Debentures on the secondary market will commence on or before the third (3<sup>rd</sup>) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

#### 3.01 CORPORATE BACKGROUND

Senkadagala Finance PLC is a Limited Liability Company, which was incorporated in the city of Kandy in 1968. Since then, the company has become one of the largest registered finance companies operating under the purview of Central Bank of Sri Lanka. In compliance with the regulatory requirements of the Monetary Board of Central Bank of Sri Lanka, the Company was listed on the Diri Savi Board of the Colombo Stock Exchange on 22<sup>nd</sup> March 2011.

Principal lines of business of the Company comprised of finance leases, hire purchases and commercial loans. Moving towards diversification, the Company also provides pawn broking, investment in money market instruments and acceptance of deposits in terms of fixed deposits, certificate of deposits and savings deposits.

The Company expanded its reach by operating in eighty (80) locations spread across the island, which comprises of thirty nine (39) branches and forty one (41) service centres as at the end of May 2016.

Market Capitalization of the Company as of 30<sup>th</sup> September 2016 was over 3.9 billion. Total Asset base and equity was recorded at LKR 24 Billion and LKR 3 Billion respectively as of 30<sup>th</sup> September 2016.

Fitch has affirms the BBB+ (lka) credit rating of the Company, noting the excellent track record of performance along with healthy asset quality, improved credit control systems and the long operating history of nearly 5 decades.

The Board of Directors of Senkadagala Finance comprises of ten (10) members, and is headed by the Chairman, Mr. W.M.R.S. Dias. The Corporate Management team is guided by the CEO - Mr. L. Balasuriya, who possesses over thirty five (35) years' experience in the financial sector and many other fields.

Capital Alliance Partners Limited, a Joint Manager to this issue and SFIN have a common Director Mr. Widanalage Ajith Terence Fernando.

#### **3.02 BUSINESS ACTIVITIES**

#### **Principal Lines of Business**

- Finance Leases
- Hire Purchases
- Commercial Loans

#### **Core Business Activities**

- Pawn brokering
- Bill discounting
- Investments in debt market instruments

- Acceptance of fixed deposits, term deposits, certificate of deposits, and savings deposits
- Foreign Exchange Business

#### **3.03** STATED CAPITAL

The detailed breakdown of the Stated Capital as at 30<sup>th</sup> September 2016 is given below;

No. of issued shares	65,227,555
Stated Capital (Rs.)	1,008,062,200

The Company's capital structure does not include non-voting, preference or any other class of shares. Also the Company does not have any outstanding convertible debt securities.

There is no statutory restriction on the free transferability of securities.

## 3.04 TOP TWENTY (20) SHAREHOLDERS OF THE COMPANY AS AT 30<sup>th</sup> September 2016

Name	No. of Shares	Percentage (%)
E.W. Balasuriya & Company (Pvt) Ltd	36,697,014	56.26
Hallsville Trading Group Inc.	5,164,444	7.92
Dr. M. Balasuriya	3,754,842	5.76
Mr. R. Balasuriya	3,754,842	5.76
Dr. (Mrs.) G. Madan Mohan	3,754,841	5.76
Dr. A. Balasuriya	3,747,127	5.74
Mrs. L. Fernando	3,141,113	4.82
Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,877,421	2.88
Mr. L. Balasuriya & Mrs. A. S. Balasuriya	1,877,420	2.88
Mr. D. K. C. R. Fernando	606,014	0.93
Mrs. C. Fernando	172,888	0.27
Est of Late D.G.K. Hewamallika	172,888	0.27
Mrs. S. Thaha	158,483	0.27
Mrs. S. Sellamuttu	144,073	0.20
Mr. I.M. Thaha	129,666	0.20
Mr. M.M. Ariyaratne	28,488	0.04
Mr. P.P.K. Ikiriwatte	15,280	0.02
Mr. J.K. Jayatileke	15,267	0.02
Dr. A. Balasuriya / Mr. D. Balasuriya	3,858	0.01
Dr. A. Balasuriya / Mr. S. Balasuriya	3,857	0.01

Others	7,729	0.01
Total	65,227,555	100.00

## 3.05 RELATED PARTY TRANSACTION REVIEW COMMITTEE

Related Party Transaction Review Committee of Senkadagala Finance PLC was established on the 24<sup>th</sup> February 2016 under the rules of Sec. 9.2 of the Listings Rules of the Colombo Stock Exchange Effective from 1 January 2016, and the Committee Members are as follows;

Name	Executive/Non Executive/Independent
Dr. P. Ramanujam - Chairman	Independent Non-Executive Director
Mr. T.P. Collure	Independent Non-Executive Director
Mr. S. D. Bandaranayake	Executive Director/Additional Chief Executive Officer

#### 3.06 INTEGRATED RISK MANAGEMENT COMMITTEE

Integrated Risk Management Committee of the Company was established in June 2014, to review the effectiveness of risk controls, procedures and the risk governance structure which is carried out in compliance with risk control policies, procedures and regulations. The Composition of the committee is as follows;

Name	Executive/Non Executive/Independent
Mr. S.D. Bandaranayake (Chairman)	Executive Director
Mr. L Balasuriya	Executive Director / Chief Executive Officer / Managing Director
Mr. D.T.P. Collure	Independent Non-Executive Director

The following financial information is hosted on the CSE web site <u>www.cse.lk</u> and <u>www.senfin.com</u>;

- Audited financial statements of the Entity for the year ended 31<sup>st</sup> March 2016
- Interim Financial Statements of the Company for the period ended 30<sup>th</sup> September 2016
- Summarized financial statement for the five years commencing from 31st March 2012 to 31<sup>st</sup> March 2016 stating the accounting policies adopted by the Entity certified by the Auditors. Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

# 4.01 DETAILS OF BORROWINGS OF SENKADAGALA FINANCE PLC AS AT 30<sup>th</sup> September 2016

Type of Borrowing	Year of Issue	CSE Listing	Lender/ Arranger	Face Value(LKR)	Tenure (Months)	Outstanding (LKR)
Term Loan	2015/2016		Sampath Bank PLC	2,500,000,000.00	48	2,166,018,429.40
Term Loan	2014		Hatton National Bank PLC	500,000,000.00	48	279,500,000.00
Term Loan	2016		Hatton National Bank PLC	500,000,000.00	48	479,000,000.00
Term Loan	2016		MCB Bank LTD	250,000,000.00	48	244,800,000.00
Term Loan	2012/2013		Commercial Bank of Ceylon PLC	500,000,000.00	48	119,571,000.00
Term Loan	2014/2015		Commercial Bank of Ceylon PLC	1,500,000,000.00	48	976,968,650.00
<b>Revolving Term Loan</b>	2014/2016		Commercial Bank of Ceylon PLC	1,260,000,000.00	48	954,165,600.00
Term Loan	2014		Commercial Bank of Ceylon PLC	868,000,000.00	60	434,000,000.00
Term Loan	2016		Commercial Bank of Ceylon PLC	500,000,000.00	48	500,000,000.00
Term Loan	2015		DFCC Bank PLC	400,000,000.00	48	299,999,992.00
Securitized Facility	2013		Multiple	1,000,000,000.00	48	38,000,000.00
Securitized Facility	2015		Multiple	1,339,710,000.00	48	894,500,000.00
Securitized Facility	2016		Multiple	1,500,000,000.00	48	1,278,700,000.00
Unlisted Debentures	2012/2013		Multiple	701,000,000.00	60	701,000,000.00
Commercial Papers	2015/2016		Multiple	1,019,000,000.00	12	1,019,000,000.00
Debentures	2013	Listed	Multiple	1,000,000,000.00	48	585,753,500.00
Debentures	2013	Listed	Multiple	1,250,000,000.00	60	1,250,000,000.00
		Total		16,587,710,000.00		12,220,977,171.40

Type of Borrowing	Year of	Lender/Arranger	Face Value	Tenure	Capital
Type of borrowing	Issue	Lendery Analiger	Face value	(Months)	Outstanding
Dollar Loan Facility	2014	International Finance Corporation	USD 7,000,000	60	USD 3,500,000.00

Note – Subsidiaries of SFIN (Newest Capital Ltd and Senkadagala Insurance Brokers (Pvt) Ltd) have zero borrowings. Therefore, the borrowings tabulated above reflects the borrowings made by the Company.

#### 4.02 FINANCIAL RATIOS OF SFCL

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Core capital Ratio (%)	10.51	11.41	14.00	16.54	15.82
Risk Weighted Capital Ratio (%)	10.51	11.31	20.93	22.97	19.69

Debt /Equity Ratio	5.84	5.56	3.61	3.30	3.93
Interest cover Ratio (Times)	1.57	1.38	1.29	1.31	1.36
Net Interest Margin (NIM) (%)	12.83	11.30	11.78	11.78	11.12

Core Capital ratio						
	Core equ	ity capital				
Total risk-weighte	ed assets (	RWA). Risk	k-weighted	assets		
Debt/Equity Ratio						
Amounts Due to I			ing Other I enior & Sul	-	-	s, Asset
			Fotal Equit		237	
			•			
Interest Cover Ratio						
Profit before Ir	nterest & T	axes				
Interest	Expense					
Net Interest margin						
Net Intere	est Income					
Total Earn	ing Assets					

# 4.03 DEBT SERVICING DETAILS OF SFCL

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Gross interest due on Debentures	190,507,260	199,420,000	457,928,225	570,012,186	523,329,036
Debenture Interest paid on due date	190,507,260	199,420,000	457,928,225	570,012,186	523,329,036
Debenture Interest paid after due date	-	-	-	-	-
Debenture Interest not paid as of date	-	-	-	-	-

#### 4.04 LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

Court action has been filed against the company by the plaintiff in Commercial High Court Colombo bearing No.HC/CIVIL/541/15MR on 18.09.2015 for the recovery of Rs.29,142,086, citing Senkadagala Finance PLC as the defendant on the basis that the company has not settled its obligations.

The company has disputed the claim and has filed answers by way of written submission on 30.05.2016 completely rejecting the claim and seeking 500% costs under section 211 (2) of the Civil procedure code for frivolous and vexatious proceedings and for the abuse of the process of courts. Accordingly, the next court hearing for the trial proceedings would be on 18<sup>th</sup> January 2017

Other than the matter disclosed above, there were no material contingent liabilities, litigation, mediation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration which would have a significant effect upon the Company's financial position as at date of the Prospectus.

#### 5.01 STATUTORY DECLARATION BY THE DIRECTORS

#### 28<sup>th</sup> October 2016

We, the undersigned who are named as Directors of the Company, in the Prospectus issued by Senkadagala Finance PLC 'The Company' in connection with its issue of 20,000,000 Senior, Unsecured, Listed, Redeemable, Rated debentures with an option to issue a further 10,000,000 Debentures in the event of an oversubscription, hereby declare and confirm that we have seen and read the provisions of the Companies Act No.07 of 2007 and the Listing Rules of CSE relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen, read and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in our best judgement.

The parties to the Issue including Lawyers, Trustees, Bankers, Joint Managers, Registrars and Auditors have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of Debentures issued by the Company and those Debentures which are the subject of this issue. Such permission will be granted when the Debentures are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Debentures issued.

Mr. W.M.R.S. Dias	Chairman	Sgd.
Dr. Prathap Ramanujam	Deputy Chairman	Sgd.
Mr. Lakshman Balasuriya	Managing Director / Chief Executive Officer	Sgd.
Dr. Asoka Balasuriya	Director	Sgd.
Mrs. Lakshmi Fernando	Director	Sgd.
Dr. Mahendra Balasuriya	Director	Sgd.
Mr. Widanalage Ajith Terence Fernando	Independent Non-Executive Director	Sgd.
Mr. Sanjay Sumanthri Kulatunga	Independent Non-Executive Director	Sgd.
Mr. Sanath Divale Bandaranayake	Executive Director	Sgd.
Mr. Don Tilak Padmanabha Collure	Independent Non-Executive Director	Sgd.

## 5.02 STATUTORY DECLARATION BY THE JOINT MANAGERS TO THE OFFERING

28<sup>th</sup> October 2016

We, Areva Investments (Pvt) Ltd, of No. 153, Nawala Road, Narahenpita, Colombo 05, being Joint Managers to the Issue of 20,000,000 Senior, Unsecured, Listed, Redeemable, Rated debentures with an option to issue further 10,000,000 Debentures of Senkadagala Finance PLC, hereby declare and confirm to the best of our knowledge and belief and based on the information provided to us by the Company, the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Senkadagala Finance PLC, whose Debentures are being listed.

Signed by two authorized Signatories of Areva Investments (Pvt) Ltd, at Colombo on the 28<sup>th</sup> day of October 2016.

(Sgd.)(Sgd.)Ms. Anoma BandaraMs. Gayanthi PereraDirector / CEOManager - Corporate Finance

28<sup>th</sup> October 2016

We, Capital Alliance Partners Limited, of Level 5, Millennium House, 46/58, Navam Mawatha, Colombo 02, being Joint Managers to the Issue of 20,000,000 Senior, Unsecured, Listed, Redeemable, Rated debentures with an option to issue further 10,000,000 Debentures of Senkadagala Finance PLC, hereby declare and confirm to the best of our knowledge and belief and based on the information provided to us by the Company, the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Senkadagala Finance PLC, whose Debentures are being listed.

Signed by two directors of Capital Alliance Partners Limited, being duly authorized thereto, at Colombo on the 28<sup>th</sup> day of October 2016.

(Sgd.) Director Capital Alliance Partners Limited (Sgd.) Director Capital Alliance Partners Limited

#### ANNEX I – RATING REPORT

8/5/2016

# Press Release itchRatings

## Fitch Assigns Senkadagala Finance's Senior Debt Final 'BBB+(Ika) '

Fitch Ratings-Colombo-04 August 2016: Fitch Ratings has assigned Senkadagala Finance PLC's (SFC: BBB+(lka)/Stable) issue of senior unsecured redeemable debentures of up to LKR3bn a final National Long-Term Rating of 'BBB+(lka) '.

The final rating is the same as the expected rating assigned on 13 June 2016, and follows the receipt of documents conforming to information already received. The amount has been increased to LKR3bn from LKR2bn.

The debentures will have tenors of two to four years and carry fixed and floating coupons. The debentures are to be listed on the Colombo Stock Exchange and the company plans to use the proceeds to fund loan growth, diversify its funding mix and reduce structural maturity mismatches.

#### KEY RATING DRIVERS

The proposed debentures are rated at the same level as SFC's National Long-Term Rating as they will constitute direct, unconditional, unsecured and unsubordinated obligations of SFC.

SFC's rating reflects the satisfactory credit profile that it has maintained through economic cycles, its relatively strong franchise amongst finance companies in Sri Lanka and access to longer-term institutional funding. These are counterbalanced by its deposit franchise and capitalisation, which are weaker than higher-rated peers.

#### RATING SENSITIVITIES

The rating on the proposed debentures will move in tandem with SFC's National Long-Term Rating.

SFC's rating could be downgraded if asset quality weakens, leading to a significant decline in capitalisation or excessive asset encumbrance. An upgrade of SFC's rating is contingent upon maintenance of stronger capitalisation and a more robust deposit franchise that would allow the company to expand in a better controlled manner.

Contact:

Primary Analyst Kanishka De Silva Analyst +941 1254 1900 Fitch Ratings Lanka Ltd 15-04, East Tower, World Trade Center Colombo 1, Sri Lanka

Secondary Analyst Nadika Ranasinghe Vice President +941 1254 1900

Committee Chairperson Sabine Bauer Senior Director +852 2263 9966 Date of Relevant Rating Committee: 29 July 2016 FITCH RATINGS LANKA L

Authorised Signatory

1/2

https://www.fitchratings.com/site/pr/1010006

Fitch Ratings Lanka Limited #15-04 East Tower, World Trade Centre, Colombo 1, Sri Lanka. T + 94 11 2541900 F + 94 11 2541903 www.fitchratings.lk 8/5/2016

#### Press Release

Media Relations: Bindu Menon, Mumbai, Tel: +91 22 4000 1727, Email: bindu.menon@fitchratings.com.

Additional information is available on www.fitchratings.com

Note to editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(Ika)' for National ratings in Sri Lanka. Specific letter grades are not therefore internationally comparable.

#### Applicable Criteria

Global Bank Rating Criteria (pub. 15 Jul 2016) (https://www.fitchratings.com/creditdesk/reports/report\_frame.cfm?rpt\_id=884135) Global Non-Bank Financial Institutions Rating Criteria (pub. 15 Jul 2016) (https://www.fitchratings.com/creditdesk/reports/report\_frame.cfm?rpt\_id=884128) National Scale Ratings Criteria (pub. 30 Oct 2013) (https://www.fitchratings.com/creditdesk/reports/report\_frame.cfm?rpt\_id=720082)

#### Additional Disclosures

Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr\_id=1010006) Endorsement Policy (https://www.fitchratings.com/jsp/creditdesk/PolicyRegulation.faces? context=2&detail=31)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS (http://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

**Endorsement Policy** - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (https://www.fitchratings.com/regulatory) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

FITCH RATINGS LANKA LTD.

Authorised Signatory

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https://www.fitchratings.com/site/pr/1010006

# ANNEX II – COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Joint Managers to the Issue	Registrar to the Issue	
Areva Investments (Pvt) Ltd No. 153, Nawala Road, Narahenpita, Colombo 05 T: 94-11-2510192 F: 94-11-2368891	<b>Business Intelligence Limited</b> 8, Tickell Road, Colombo 08 T: +94 11 5579900 F: +94 11 5579950	
Capital Alliance Partners Limited Level 5, Millennium House, 46/58 Navam Mawatha, Colombo 02 T: +94 11 2317777 F: +94 11 2317788		

# Members of the CSE

Acuity Stockbrokers (Private) Limited	Asha Phillip Securities Limited	
No. 53, Dharmapala Mawatha,	2 <sup>nd</sup> Floor, Lakshmans Building,	
Colombo 03	No. 321, Galle Road,	
T: +94 11 2206206	Colombo 03	
F: +94 11 2206298-9	T: +94 11 2429100	
E: sales@acuitystockbrokers.com	F: +94 11 2429199	
	E: apsl@ashaphillip.net	
Asia Securities (Private) Limited	Assetline Securities (Private) Limited	
$2^{nd}$ Floor, No. 176/1 – 2/1, Thimbirigasyaya Road,	No. 120, 120A, Pannipitiya Road,	
Colombo 05	Battaramulla	
T: +94 11 7722000	T: +94 11 4700111, 2307366	
F: +94 11 2584864	F: +94 11 4700112, 2307365	
E: marketinfo@asiasecurities.lk	E: info@assetline.lk	
Bartleet Religare Securities (Private) Limited	Capital Trust Securities (Private) Limited	
Level "G", "Bartleet House"	42, Mohamed Macan Markar Mawatha,	
65, Braybrooke Place,	Colombo 03	
Colombo 02	T:+94 11 2174174	
T: +94 11 5 220 200	F:+94 11 2174173	
F: +94 11 2 434 985	E: <u>inquiries@capitaltrust.lk</u>	
E-mail: info@bartleetstock.com		
CT CLSA Securities (Pvt) Limited	First Capital Equities (Pvt) Limited	
4-14, Majestic City,	No. 2, Deal Place,	
10, Station Road, Colombo 04	Colombo 03	
T: +94 11 2552290-4	T:+94 11 2639898	

F: +94 11 2552289	F:+94 11 5736264
E: info@ctclsa.lk	E: equity@firstcapital.lk
John Keells Stockbrokers (Private) Limited	J B Securities (Private) Limited
186, Vauxhall Street,	150, St Joseph Street,
Colombo 02	Colombo 14
T: +94 11 2342066-7, 2306250	T: +94 11 2490900, 077 2490900,
F: +94 11 2342068	F: +94 11 2430070, 2446085
E: jkstock@keells.com	E: jbs@jb.lk
Lanka Securities (Private) Limited	Nation Lanka Equities (Private) Limited
228/1, Galle Road,	44, Guildford Crescent,
Colombo 04	Colombo 07
T: +94 11 4706757, 2554942	T: +94 11 4658658
F: +94 11 4706767	F: +94 11 2688899
E: <u>lankasec@sltnet.lk</u>	E: info@nlequities.com
NDB Securities (Pvt) Ltd	SC Securities (Private) Limited
5 <sup>th</sup> Floor, NDB Building,	5th Floor, 26 B, Alwis Place,
No.40, Nawam Mawatha, Colombo 02	Colombo 3
T: +94 11 2314170 – 78, 2131000	T: +94 11 4711000-1
F: +94 11 2314181	F: +94 11 2394405
E: <u>mail@ndbs.lk</u>	E: <u>itdivision@sampathsecurities.lk</u>
Somerville Stockbrokers (Private) Limited	
1A, Park Way, Park Road,	
Colombo 05	
T: +94 11 2502852 / 54	
F: +94 11 2502596	
E: <u>ssb-web@sltnet.lk</u>	

# **Trading Members (Equity)**

Candor Securities Limited	Capital Alliance Securities (Private) Limited	
Level 8, ,Millennium House',	Level 5, "Millennium House",	
46/58 Nawam Mawatha,	46/58, Navam Mawatha,	
Colombo 02	Colombo 02	
T: +94 11 2359 100	T: +94 11 2317777	
F: +94 11 2305 522	F: +94 11 2317788	
E: info.cel@candorh.com	E: info@cal.lk	
Claridge Stockbrokers (Private) Limited	Enterprise Ceylon Capital (Pvt) Limited	
10, Gnanartha Pradeepa Mawatha,	27th Floor, East Tower,	
Colombo 08	World Trade Centre,	
T: +94 11 2697974	Colombo 01	
F: +94 11 2689250	T: +94 11 2333000	
E: <u>csb@mackwoods.com</u>	F: +94 11 2333383	
	E: <u>info@ecc.lk</u>	

First Guardian Equities (Private) Limited	LOLC Securities (Private) Limited	
L32, East Tower, World Trade Centre,	No.481, T.B.Jayah Mawatha,	
Colombo 01	Colombo 10.	
T: +94 11 5884400	T: +94 11 5889889	
F: +94 11 5884401	F: +94 11 2662883	
E: info@firstguardianequities.com		
Navara Securities (Pvt) Ltd	Richard Pieris Securities (Pvt) Ltd	
No. 12B, Gregory's Road,	55/20, Vauxhall Lane,	
Colombo 07	Colombo 02	
T: +94 11 2358700 / 20	T: +94 11 7448900, 5900800	
F: +94 11 5005551	F: +94 11 2330711	
E: info@navarasecurities.lk	E: rpfsl@rpsecurities.com	
SMB Securities (Private) Limited	Softlogic Stockbrokers (Private) Limited	
102/1, Dr. N.M. Perera Mawatha,	37th Lane, No.6, Queens Road,	
Colombo 08	Colombo 03	
T: +94 11 4 388 138	T: +94 11 7277000	
F: +94 11 2670294	F: +94 11 7277099	
E: info@smbsecurities.lk	E: <u>ssb@inquiry.softlogic.lk</u>	
Taprobane Securities (Private) Limited	TKS Securities (Private) Limited	
2nd Floor, 10, Gothami Road,	L4, No. 245, Dharmapala Mawatha,	
Colombo 08	Colombo 7	
T: +94 11 5328200	T: +94 11 7857799	
F: +94 11 5328177	F: +94 11 7857857	
E: <u>contact@taprobane.lk</u>	E: <u>info@tks.lk</u>	

# **Trading Members (Debt)**

Acuity Securities Limited	Capital Alliance Limited		
4th Floor,	Level 5, "Millennium House",		
No. 53, Dharmapala Mawatha,	46/58, Navam Mawatha,		
Colombo 03	Colombo 02		
T: +94 11 2 206 280	T: +94 11 2 317 777		
F: +94 11 2 206 290	F: +94 11 2 317 788		
Commercial Bank of Ceylon PLC	First Capital Markets Limited		
Commercial House,	02, Deal Place,		
No. 21, Sir Razik Fareed Mawatha,	Colombo 03		
Colombo 01	T: +94 11 2 639 898		
T:+ 94 11 2 486 334	F: +94 11 2 639 899		
F+ 94 2 384 650			
Natwealth Securities Limited	NSB Fund Management Company Limited		
Prince Alfred Tower,	No 255, 1st Floor, NSB Head Office		
No 10-1/1, Alfred House Gardens,	Galle Road,		
Colombo 03	Colombo 03.		
T: +94 11 4 716 274	T: +94 11 2 565 965, +94 11 2 565 957.		
F: +94 11 4 645 776	F: +94 11 2 574 387		

Perpetual Treasuries Limited		
Level 3, Prince Alfred Tower,		
10, Alfred House Gardens,		
Colombo 03		
T: +94 11 2 206 123		
F: +94 11 2 206 110		

#### **Wealthtrust Securities Limited** 32, Castle Street, Colombo 08 T: +94 11 2 675091-4 F: +94 11 2 689 605

## **Branch Network of SFCL**

	Branch	Address	Telephone	Fax
1	Aluthgama	No. 168, Galle Road, Kaluwamodara, Aluthgama.	034-2270573	034-2270578
2	Ambalangoda	No. 118B, Galle Road, Ambalangoda.	091-2254901	091-2254906
3	Ampara	Ground floor, No 778 a, D.S. Senanayaka Mawatha, Ampara.	063-2224057	063-2224093
4	Anuradhapura	No. 561/4, New Bus Stand, Anuradhapura.	025-2237969	025-2237989
5	Avissawella	No. 19, Kudagama Road, Avissawella.	036-2222800	036-2222805
6	Badulla	No. 02, Riverside Road, Badulla.	055-2224401	055-2224407
7	Balangoda	No. 281, Colombo Road, Balagahamula, Balangoda.	045-2289533	045-2289537
8	Bandarawela	No. 68, Dharmavijaya Mawatha, Bandarawela.	057-2222675	057-2222679
9	Batticaloa	No. 221 (Ground & First Floor), Trinco Road, Batticaloa.	065-2229200	065-2229205
10	Chilaw	No. F 12,1st Floor, New Shopping Complex, Urban Council, Chilaw	032-2224043	032-2224048
11	Chavakachcheri	No. 15, Kandy Road, Chavakachcheri.	021-2270951	021-2270956
12	Colombo	2nd Floor, 267, Galle Road, Colombo 3.	011-2301301	011-2301937
13	Dambulla	No. 358 (First & Second Floor) Matale Road, Dambulla.	066-2285530	066-2285535
14	Dehiwala	No. 121, Galle Road, Dehiwela.	011-2732456	011-2732460
15	Digana	No. 2004/18/7, Kandy Road, Digana.	081-2376623	081-2376643
16	Eheliyagoda	No. 320, Main Street, Eheliyagoda.	036-2257341	036-2257346
17	Elpitiya	No. 42, Ambalangoda Road, Elpitiya.	091-2290485	091-2290495
18	Embilipitiya	No. 325B Ratnapura Road, Pallegama, Embilipitiya.	047-2261991	047-2261996
19	Galle	No. 143, Colombo Road, Kaluwella, Galle.	091-2248111	091-2248116
20	Gampaha	No. 560 A, Colombo Road, Gampaha.	033-2233555	033-2233560
21	Gampola	No. 240, (First Floor ) Kandy Road, Gampola.	081-2350100	081-2351850
22	Giriulla	No. 101, Negombo Road, Giriulla.	037-2288700	037-2288770
23	Galewela	No. 87/3A , Kurunegala Road , Galewela.	066-2288025	066-2288075
24	Hanwella	No. 40 , Pahala Hanwella, Hanwella.	036-2252190	036-2252195
25	Hingurakgoda	No. 9, Airport Road, Hingurakgoda.	027-2245680	027-2245685
26	Homagama	No. 94/1 (First Floor) Highlevel Road, Homagama.	011-2857878	011-2857880
27	Horana	No. 246, Panadura Road, Horana.	034-2262770	034-2262776
28	Ja-Ela	No. 67 , Negombo Road, Ja-Ela.	011-2247861	011-2247866
29	Jaffna	No. 62/3, New Stanley Road, Jaffna.	021-2219960	021-2219965
30	Jampettah Street	No. 124, Jampettah Street, Colombo 13.	011-2380804	011-2380809
31	Kadawatha	No. 316 H, Kandy Road, Kadawatha.	0112-929010	0112-929090
32	Kaduruwela	No. 292, Saw Mill Junction, Kaduruwela.	027-2224739	027-2224743

33	Kaduwela	No. 482/5/A, Colombo Road, Kaduwela.	011-2538180	011-2538186
34	Kalutara	First floor, No 443,443/1 Galle road, Kalutara.	034-2227101	034-2227106
35	Kalmunai	No. 202, Baticaloa Road, Kalmunai.	067-2226860	067-2226865
36	Kandy	No. 12, Kotugodella Veediya, Kandy.	081-2201201	081-2201207
37	Katugastota	No. 437B,1st & 2nd Floor, Katugastota Road, Kandy.	081-2213860	081-2213867
38	Kegalle	No. 263, Colombo Road, Kegalle.	035-2221277	035-2221281
39	Kekirawa	No. 55, Main Road, Kekirawa.	025-2263234	025-2263239
40	Kelaniya	No. 457, Kandy Road, Dalugama, Kelaniya.	011-2914714	011-2914887
41	Kilinochchi	Opposite Commercial Bank, Kandy Road, Kilinochchi.	021-2283720	021-2283725
42	Kohuwela	No. 210, Dutugemunu Street, Kohuwala.	011-2890800	011-2890805
43	Kotahena	No. 178,(Third Floor) George R De Silva Mawatha, Colombo 13.	011-2441261	011-2441267
44	Kuliyapitiya	No. 74 1/1, Hettipola Road, Kuliyapitiya.	037-2284630	037-2284635
45	Kurunegala	No. 34, Kandy Road, Kurunegala.	037-2220402	037-2220405
46	Maharagama	No. 161/1/A, High Level Road, Maharagama.	011-2896888	011-2896052
47	Mahiyanganaya	No. 205/5, Padiyathalawa Road , Mahiyanganaya.	055-2258280	055-2258285
48	Maradana	No. 92, Deans road, Colombo 10, Maradana.	011-2683600	011-2683222
49	Matale	No. 97,97A, Kings Street, Matale.	066-2222954	066-2222960
50	Matara	No. 558, Anagarika Dharmapala Mawatha, Pamburana, Matara.	041-2233891	041-2233896
51	Mawanella	No. 10 ( First Floor ) Rankothdiwela, Mawanella.	035-2247626	035-2247655
52	Minuwangoda	No. 12, Weyangoda Road, Minuwangoda.	011-2295177	011-2295189
53	Mirigama	No. 71, Negombo Road, Meerigama.	033-2276868	033-2276911
54	Monaragala	No. 112, Wellawaya Road, Monaragala.	055-2055421	055-2055426
55	Moratuwa	No. 18, New Galle Road, Moratuwa.	011-2644249	011-2644254
56	Mount Lavinia	No. 246 1/1, Galle Road, Ratmalana South, Mount-Lavinia.	011-2715001	011-2715002
57	Negombo	No. 149, 1st Floor, Rajapaksha Broadway, Negombo.	031-2223456	031-2223462
58	Nelliadi	No. 58/1, Point Pedro Road, Nelliadi.	021-2261430	021-2261435
59	Nikaweratiya	No. 245/A, Puttalam Road, Nikaweratiya.	037-2260117	037-2260217
60	Nittambuwa	No. 538/3, 38 Kilometer Post, Malwatta, Nittambuwa.	033-2297030	033-2297035
61	Nugegoda	No. 257 C, D, C 1/2, Stanley Thilakaratne Mawatha, Nugegoda.	011-2856600	011-2856650
62	Nuwara Eliya	No. 26, Upper Lake Road, Nuwara Eliya.	052-2224123	052-2224128
63	Panadura	No. 229, Galle Road, Panadura.	038-2243990	038-2243995
64	Pelawatta	No. 1067 , Pannipitiya Road , Battaramulla.	011-2774140	011-2774145
65	Pilimathalawa	No. 96/07 , Colombo Road , Pilimathalawa.	081-2579622	081-2579623
66	Puttalam	Nos. 1,2,3,4 (up-stair), Kurunegala Road, Puttalam.	032-2266783	032-2266789
67	Ragama	No. 46B, Kadawatha Road, Ragama.	011-2953992	011-2953993
68	Rambukkana	No. 63 & 67, Mawanella Road, Rambukkana.	035-2266650	035-2264655
69	Ratnapura	No. 19, Kudugalwatte, Ratnapura	045-2226890	045-2226895
70	Seeduwa	No. 394, Negombo Road, Seeduwa.	011-2251863	011-2251869
71	Tangalle	No. 35, Sea Road, Tangalle.	047-2241902	047-2241907
72	Tissamaharama	No. 60, Palliyawatta Road, Thissamaharama.	047-2239925	047-2239930
73	Trincomalee	No. 346, (Ground Floor) Main Street, Trincomalee.	026-2225115	026-2225119

74	Vavuniya	No. 8, 1st Cross Street, Vavuniya.	024-2226340	024-2226345
75	Wattala	No. 264, Negombo Road, Wattala.	011-2949611	011-2949616
76	Warakapola	No. 129, Kandy Road, Warakapola.	035-2267020	035-2267022
77	Wariyapola	No. 141, Kurunegala Road, Wariyapola.	037-2268880	037-2268885
78	Wellawatta	No. 55, 55A, 55B, Manning Place, Wellawatta.	011-2363634	011-2363680
79	Wellawaya	No. 72, Ella Road, Wellawaya.	055-2274194	055-2274198
80	Wennappuwa	No. 272, Chilaw Road, Wennappuwa.	031-2245266	031-2245271

# ANNEXURE III – CUSTODIAN BANKS

Bank of Ceylon Head Office, 11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 Tel: 011 2317777, 011 2448348 Commercial Bank of Ceylon PLC Commercial House, 21, Bristol Street, P.O. Box 853, Colombo 01 Tel: 011 2445010-15, 011 238193-5	Citi Bank, N A 65 C, Dharmapala Mawatha, P.O. Box 888, Colombo 07 Tel: 011 2447316-8, 011 2447318 Deutsche Bank AG P.O. Box 314, 86, Galle Road, Colombo 03 Tel: 011 2447062, 011 2438057
Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 Tel: 011 2664664	National Savings Bank 255, Galle Road, Colombo 03 Tel: 011 2573008-15
Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 Tel: 011 4313131	Pan Asia Banking Corporation PLC Head Office 450, Galle Road, Colombo 03 Tel: 011 2565565
People's Bank Head Office, 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 Tel: 011 2781481, 011 237841-9	Public Bank Berhard 340, R.A De Mel Mawatha, Colombo 03 Tel: 011 2576 289
Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 Tel: 011 5331441	Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 Tel: 011 2456789, 011 4701812
Standard Chartered Bank 37, York Street, P. O. Box 112, Colombo 01 Tel: 011 4794400, 011 2480000	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 Tel: 011 2326133-5, 011 2439405-6
The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 Tel: 011 2325435, 011 2446591	Union Bank of Colombo Limited 15A, Alfred Place, Colombo 03 Tel: 011 2370870