



Senkadagala Finance PLC

**Interim Financial Statement for the period ended
31st March 2014**



Fitch Ratings Lanka Limited:
BBB+(lka)

Senkadagala Finance PLC

Income Statement

<i>For the three month period ended 31st March</i>	Company		Group	
	2014	2013	2014	2013
	Rs	Rs	Rs	Rs
Interest income	903,601,364	802,164,326	903,829,185	802,164,326
Interest expense	(456,191,823)	(441,559,414)	(454,840,994)	(441,536,492)
Net interest income	447,409,541	360,604,912	448,988,191	360,627,834
Fee and commission income	5,475,514	10,018,476	23,907,635	15,669,401
Fee and commission expense	1,601,726	(7,345,850)	1,601,726	(7,345,850)
Net fee and commission income	7,077,240	2,672,626	25,509,361	8,323,551
Net gain/(loss) from trading	1,164,457	12,702	1,164,457	12,702
Net gain/(loss) from financial instruments designated at fair value through profit or loss	1,551,167	522,814	1,551,167	522,814
Other operating income	27,111,604	4,123,350	4,536,604	4,104,621
Total operating income	484,314,009	367,936,404	481,749,780	373,591,522
Impairment (charge)/reversal on individual impairment	(3,364,627)	689,508	(3,364,627)	689,508
Impairment (charge)/reversal on collective impairment	18,356,657	6,200,956	18,356,657	6,200,956
Other loan losses	(13,788,386)	(667,489)	(13,788,386)	(667,489)
Net operating income	485,517,654	374,159,379	482,953,425	379,814,497
Personnel expenses	(76,216,364)	(60,465,787)	(76,764,614)	(61,994,370)
Depreciation of property plant and equipment	(40,972,057)	(30,519,418)	(41,241,307)	(31,192,243)
Amortisation of intangible assets	(2,590,854)	(2,342,280)	(2,590,854)	(2,342,280)
Other operating expenses	(134,704,028)	(72,286,130)	(139,146,727)	(73,125,939)
Operating profit before VAT on Financial Services and Income tax	231,034,351	208,545,764	223,209,923	211,159,665
Value Added Tax on Financial Services	(6,225,779)	(10,907,603)	(6,225,779)	(10,907,603)
Profit before Income tax	224,808,572	197,638,161	216,984,144	200,252,062
Income tax expense	(21,364,592)	(22,083,554)	(26,470,588)	(22,644,286)
Profit for the period	203,443,980	175,554,607	190,513,556	177,607,776
Earnings per share	3.74	3.23	3.50	3.27

*Figures in brackets indicate deductions.
The above figures are provisional and subject to audit.*

Statement of Comprehensive Income

<i>For the three month period ended 31st March</i>	Company		Group	
	2014 Rs	2013 Rs	2014 Rs	2013 Rs
Profit for the period	203,443,980	175,554,607	190,513,556	177,607,776
Other comprehensive income				
Gain/(loss) arising during the year for available for sale financial assets	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Reclassification adjustment for gain/(loss) included in the income statement	-	-	-	-
Total other comprehensive income	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Income tax (charge)/credit related to other comprehensive income	-	-	-	-
Other comprehensive income for the period net of tax	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Total comprehensive income for the period net of tax	195,420,162	177,920,688	182,489,738	179,973,857

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Income Statement

For the year ended 31st March	Company		Group	
	2014 Rs	2013 Rs	2014 Rs	2013 Rs
Interest income	3,528,336,289	2,861,922,955	3,529,357,482	2,861,922,955
Interest expense	(1,868,498,663)	(1,524,287,968)	(1,864,955,704)	(1,524,265,046)
Net interest income	1,659,837,626	1,337,634,987	1,664,401,778	1,337,657,909
Fee and commission income	27,562,744	77,003,906	84,132,853	82,654,831
Fee and commission expense	(22,459,884)	(18,487,783)	(22,459,884)	(18,487,783)
Net fee and commission income	5,102,860	58,516,123	61,672,969	64,167,048
Net gain/(loss) from trading	2,200,750	(539,847)	2,200,750	(539,847)
Net gain/(loss) from financial instruments designated at fair value through profit or loss	6,579,963	6,523,785	6,579,963	6,523,785
Other operating income	58,606,183	30,689,870	26,806,183	30,671,141
Total operating income	1,732,327,382	1,432,824,918	1,761,661,643	1,438,480,036
Impairment (charge)/reversal on individual impairment	(3,981,203)	689,508	(3,981,203)	689,508
Impairment (charge)/reversal on collective impairment	(111,801,021)	(44,655,866)	(111,801,021)	(44,655,866)
Other loan losses	(21,492,599)	32,040,858	(21,492,599)	32,040,858
Net operating income	1,595,052,560	1,420,899,418	1,624,386,821	1,426,554,536
Personnel expenses	(302,156,842)	(232,456,542)	(304,280,843)	(235,043,875)
Depreciation of property plant and equipment	(143,308,034)	(113,122,274)	(144,356,741)	(113,795,099)
Amortisation of intangible assets	(9,793,311)	(9,046,369)	(9,793,311)	(9,046,369)
Other operating expenses	(475,380,558)	(330,728,939)	(481,544,127)	(331,793,639)
Operating profit before VAT on Financial Services and Income tax	664,413,815	735,545,294	684,411,800	736,875,554
Value Added Tax on Financial Services	(34,637,168)	(55,063,608)	(34,637,168)	(55,063,608)
Profit before Income tax	629,776,647	680,481,686	649,774,632	681,811,946
Income tax expense	(87,289,206)	(102,618,329)	(102,874,913)	(103,179,061)
Profit for the year	542,487,441	577,863,357	546,899,719	578,632,885
Earnings per share	9.96	10.63	10.05	10.65
Dividend per share	1.79	3.24	1.79	3.24

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of Comprehensive Income

<i>For the year ended 31st March</i>	Company		Group	
	2014	2013	2014	2013
	Rs	Rs	Rs	Rs
Profit for the year	542,487,441	577,863,357	546,899,719	578,632,885
Other comprehensive income				
Gain/(loss) arising during the period from financial assets available for sale	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Reclassification adjustment for gain/(loss) included in the income statement	-	-	-	-
Total other comprehensive income	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Income tax (charge)/credit related to other comprehensive income	-	-	-	-
Other comprehensive income for the year net of tax	(8,023,818)	2,366,081	(8,023,818)	2,366,081
Total comprehensive income for the year net of tax	534,463,623	580,229,438	538,875,901	580,998,966

*Figures in brackets indicate deductions.
The above figures are provisional and subject to audit.*

Statement of Financial Position

As at 31st March	Company		Group	
	2014 Rs	2013 Rs	2014 Rs	2013 Rs
Assets				
Cash and cash equivalents	404,047,840	333,440,165	420,155,383	340,643,331
Deposit with licensed commercial banks	-	1,061,779,016	-	1,061,779,016
Repurchase agreements	1,114,280,206	75,762,008	1,114,280,206	75,762,008
Financial assets held at fair value through profit and loss	74,912,286	67,627,657	74,912,286	67,627,657
Finance leases	6,001,775,609	5,707,068,373	6,001,775,609	5,707,068,373
Hire purchases	6,167,957,766	5,446,674,892	6,167,957,766	5,446,674,892
Other loans and receivables	505,808,366	406,192,720	505,808,366	406,192,720
Financial assets available for sale	11,999,283	1,419,713	11,999,283	1,419,713
Financial assets held to maturity	554,773,253	389,855,927	554,773,253	389,855,927
Investments in subsidiaries	20,000,000	20,000,000	-	-
Investments in associate	-	-	-	-
Investment property	79,631,009	79,934,047	79,631,009	79,934,047
Property plant and equipments	745,727,461	509,374,424	750,291,696	513,622,096
Intangible assets	39,732,996	40,514,509	39,732,996	40,514,509
Other assets	148,724,929	120,938,666	148,859,929	120,938,666
Total assets	15,869,371,004	14,260,582,117	15,870,177,782	14,252,032,956
Liabilities				
Due to banks	1,330,546,001	3,762,547,920	1,330,546,001	3,762,547,920
Deposits from customers	5,624,399,485	3,412,464,090	5,587,138,394	3,402,441,169
Other borrowings	2,092,465,288	2,373,604,344	2,092,465,288	2,373,604,346
Debt securities issued	2,897,074,338	2,618,281,394	2,897,074,338	2,618,281,392
Current tax liabilities	157,792,255	199,092,927	157,828,376	199,094,368
Deferred tax liability	39,915,676	19,865,236	59,522,193	20,424,528
Other liabilities	255,526,587	266,456,865	268,770,013	266,600,364
Employee benefits	52,115,958	34,222,639	52,115,958	34,222,639
Subordinated liabilities	1,260,272,122	-	1,260,272,122	-
Total liabilities	13,710,107,711	12,686,535,415	13,705,732,683	12,677,216,726
Equity				
Stated capital	747,152,000	533,680,000	747,152,000	533,680,000
Statutory reserve fund	195,036,033	165,036,033	195,036,033	165,036,033
Investment fund reserve account	170,628,603	154,759,694	170,628,603	154,759,694
Retained earnings	1,046,446,657	720,570,975	1,051,628,463	721,340,503
Total equity	2,159,263,293	1,574,046,702	2,164,445,099	1,574,816,230
Total liabilities and equity	15,869,371,004	14,260,582,117	15,870,177,782	14,252,032,956
Net assets per share	36.78	29.49	36.87	29.51

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and Finance Business Act No. 42 of 2011.

Sgd

S.D. Bandaranayake

Additional Chief Executive Officer

The board of directors is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the board.

Sgd

Dr. P. Ramanujam

Chairman

Sgd

L Fernando

Director

Colombo, Sri Lanka
26th May 2014

Statement of Changes in Equity

For the year ended 31st March

	Stated capital Rs	Statutory reserve fund Rs	Investment fund reserve account Rs	Retained profit Rs	Total Rs
Company					
Balance as at 1st April 2012 (Restated)	533,680,000	130,036,033	97,059,153	365,928,398	1,126,703,584
Total comprehensive income	-	-	-	580,229,438	580,229,438
Transfers to reserves	-	35,000,000	57,700,541	(92,700,541)	-
Dividends paid	-	-	-	(132,886,320)	(132,886,320)
Balance as at 31st March 2013	<u>533,680,000</u>	<u>165,036,033</u>	<u>154,759,694</u>	<u>720,570,975</u>	<u>1,574,046,702</u>
Balance as at 1st April 2013	533,680,000	165,036,033	154,759,694	720,570,975	1,574,046,702
Total comprehensive income	-	-	-	534,463,623	534,463,623
Rights issue of shares	213,472,000	-	-	-	213,472,000
Transfers to reserves	-	30,000,000	15,868,909	(45,868,909)	-
Dividends paid	-	-	-	(162,719,032)	(162,719,032)
Balance as at 31st March 2014	<u>747,152,000</u>	<u>195,036,033</u>	<u>170,628,603</u>	<u>1,046,446,657</u>	<u>2,159,263,293</u>
Group					
Balance as at 1st April 2012 (Restated)	533,680,000	130,036,033	97,059,153	365,928,398	1,126,703,584
Total comprehensive income	-	-	-	580,998,966	580,998,966
Transfers to reserves	-	35,000,000	57,700,541	(92,700,541)	-
Dividends paid	-	-	-	(132,886,320)	(132,886,320)
Balance as at 31st March 2013	<u>533,680,000</u>	<u>165,036,033</u>	<u>154,759,694</u>	<u>721,340,503</u>	<u>1,574,816,230</u>
Balance as at 1st April 2013	533,680,000	165,036,033	154,759,694	721,340,503	1,574,816,230
Total comprehensive income	-	-	-	538,875,901	538,875,901
Rights issue of shares	213,472,000	-	-	-	213,472,000
Transfers to reserves	-	30,000,000	15,868,909	(45,868,909)	-
Dividends paid	-	-	-	(162,719,032)	(162,719,032)
Balance as at 31st March 2014	<u>747,152,000</u>	<u>195,036,033</u>	<u>170,628,603</u>	<u>1,051,628,463</u>	<u>2,164,445,099</u>

Figures in brackets indicate deductions

The above figures are provisional and subject to audit

Statement of Cash Flow

<i>For the year ended 31st March</i>	Company		Group	
	2014 Rs	2013 Rs	2014 Rs	2013 Rs
Cash flow from operating activities				
Interest and commission receipts	3,393,655,915	2,778,769,517	3,451,247,217	2,784,420,442
Interest payments	(1,829,539,217)	(1,476,169,896)	(1,825,996,258)	(1,476,146,974)
Recoveries of bad debts	38,542,988	46,302,181	38,542,988	46,302,181
Other operating income	8,319,390	9,258,098	8,019,390	9,258,098
Operating expenditure	(594,402,107)	(415,388,119)	(600,565,676)	(416,452,819)
Cash payments to employees	(291,104,599)	(225,159,691)	(293,228,600)	(227,747,024)
Operating profit before changes in operating assets and liabilities (Note A)	725,472,370	717,612,090	778,019,062	719,633,904
(Increase) / decrease in operating assets and liabilities				
Net funds advanced to customers	(1,081,213,508)	(2,478,332,808)	(1,081,213,505)	(2,478,332,808)
Deposits from customers	2,211,935,395	680,433,463	2,184,697,225	670,410,542
Deposits with Licensed Commercial Banks	1,061,779,016	(424,660,741)	1,061,779,016	(424,660,741)
Investments in government and other securities	(1,203,435,524)	(58,705,385)	(1,203,435,524)	(58,705,385)
Gratuity Paid	(1,182,742)	(1,316,187)	(1,182,742)	(1,316,187)
Trade and other receivables	(27,786,263)	31,147,254	(27,921,263)	31,147,254
Other liabilities	8,129,168	(131,905,418)	13,062,662	(131,761,919)
	968,225,542	(2,383,339,822)	945,785,869	(2,393,219,244)
Net cash inflow/(outflow) from operating activities before taxation	1,693,697,912	(1,665,727,732)	1,723,804,930	(1,673,585,340)
Taxes paid	(105,786,833)	(105,498,599)	(107,016,275)	(105,498,599)
Net cash generated from operating activities	1,587,911,079	(1,771,226,331)	1,616,788,655	(1,779,083,939)
Cash flow from investing activities				
Investments in subsidiary companies	-	(20,000,000)	-	-
Net investment in trading securities	1,380,653	(1,535,179)	1,380,653	(1,535,179)
Net investment in investment securities	9,086,315	-	9,086,315	-
Purchase of financial assets available for sale	(166,150)	(241,852)	(166,150)	(241,852)
Dividend receipts on investments	33,595,081	1,994,173	2,095,081	1,994,173
Purchase of property, plant and equipment	(398,502,229)	(209,231,469)	(399,867,500)	(214,080,793)
Purchase of intangible assets	(9,011,798)	(4,649,400)	(9,011,798)	(4,649,400)
Proceeds from sale of property, plant and equipment	30,409,161	39,097,488	30,409,161	39,007,586
Net cash used in investing activities	(333,208,967)	(194,566,239)	(366,074,238)	(179,505,465)
Cash flow from financing activities				
Proceeds from rights issue	213,472,000	-	213,472,000	-
Subordinated liabilities	1,250,000,000	-	1,250,000,000	-
Loans obtained	1,860,000,000	3,703,345,152	1,860,000,000	3,703,345,152
Repayment of loans	(4,612,100,421)	(2,421,149,361)	(4,612,100,423)	(2,421,149,360)
Debentures issued	1,164,065,067	1,263,528,445	1,164,065,069	1,263,528,443
Redemption of debenture	(875,000,000)	(417,000,000)	(875,000,000)	(417,000,000)
Dividends paid	(161,253,503)	(131,665,862)	(161,253,503)	(131,665,862)
Net cash used in financing activities	(1,160,816,857)	1,997,058,373	(1,160,816,857)	1,997,058,373

Statement of Cash Flow (contd.)

<i>For the year ended 31st March</i>	Company		Group	
	2014	2013	2014	2013
	Rs	Rs	Rs	Rs
Net Increase/ (Decrease) in cash and cash equivalents	93,885,255	31,265,803	89,897,560	38,468,969
Cash and cash equivalents at the beginning of the year	234,456,396	203,190,593	241,659,562	203,190,593
Cash and cash equivalents at the end of the year	328,341,651	234,456,396	331,557,122	241,659,562
Reconciliation of cash and cash equivalents				
Cash and short term funds	404,047,840	333,440,165	420,155,384	340,643,331
Bank overdraft	(75,706,189)	(98,983,769)	(88,598,262)	(98,983,769)
	328,341,651	234,456,396	331,557,122	241,659,562
(Note A)				
Reconciliation of operating profit				
Profit before income tax	629,776,647	680,481,686	649,774,632	681,811,946
Depreciation	153,101,345	122,168,643	154,150,052	122,841,468
Dividend receipts on investments	(33,595,081)	(1,994,173)	(2,095,081)	(1,994,173)
Profit on disposal of motor vehicles	(11,264,964)	(19,450,301)	(11,264,964)	(19,431,572)
Provision for defined benefit plan	11,052,243	7,296,851	11,052,243	7,296,851
Impairment of financial assets	115,782,223	43,966,358	115,782,223	43,966,358
Impairment of investment of associate company	(13,957,555)	-	(13,957,555)	-
Loans written off	12,068,645	3,153,534	12,068,645	3,153,534
Gain/(loss) on mark to market valuation of shares	(6,579,963)	(6,523,785)	(6,579,963)	(6,523,785)
Capital gain/(loss) on sale of shares	(2,085,318)	552,549	(2,085,318)	552,549
Gains form sale of group investments	(5,542,180)	-	(5,542,180)	-
Interest accrued on loans and advances	(162,243,118)	(160,157,344)	(162,243,118)	(160,157,344)
Accrued interest on borrowings	21,050,858	31,532,788	21,050,858	31,532,788
Amortization of structural fees	17,908,588	16,585,284	17,908,588	16,585,284
Cash flows from operating activities before changes in operating assets	725,472,370	717,612,090	778,019,062	719,633,904

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Segment Information

For the year ended 31st March

	Leases		Hire Purchases		Pawning advances		Other Advances		Investments / Property		Insurance		Unallocated		Total	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Revenue																
Interest	1,398,979,560	1,159,613,170	1,486,218,967	1,227,157,296	19,137,515	6,458,683	78,100,608	62,620,366	166,101,543	136,479,026	-	-	-	-	3,148,538,193	2,592,328,541
Trading	-	-	-	-	-	-	-	-	8,665,281	5,971,236	-	-	115,432	12,702	8,780,713	5,983,938
Commissions	-	-	-	-	-	-	-	-	-	-	57,205,778	56,573,824	-	-	57,205,778	56,573,824
Rent	-	-	-	-	-	-	-	-	1,659,821	1,714,286	-	-	-	-	1,659,821	1,714,286
Dividends	-	-	-	-	-	-	-	-	2,095,081	1,994,173	-	-	-	-	2,095,081	1,994,173
Other income	-	-	-	-	-	-	-	-	16,807,144	19,431,572	-	-	470,197,944	365,215,205	487,005,088	384,646,777
Total revenue	<u>1,398,979,560</u>	<u>1,159,613,170</u>	<u>1,486,218,967</u>	<u>1,227,157,296</u>	<u>19,137,515</u>	<u>6,458,683</u>	<u>78,100,608</u>	<u>62,620,366</u>	<u>195,328,870</u>	<u>165,590,293</u>	<u>57,205,778</u>	<u>56,573,824</u>	<u>470,313,376</u>	<u>365,227,907</u>	<u>3,705,284,674</u>	<u>3,043,241,539</u>
Profit before tax															649,774,632	681,811,946
Taxation															(102,874,913)	(103,179,061)
Profit after tax															<u>546,899,719</u>	<u>578,632,885</u>
Segment Assets	<u>6,001,775,609</u>	<u>5,707,068,373</u>	<u>6,167,957,766</u>	<u>5,446,674,892</u>	<u>102,884,961</u>	<u>69,635,416</u>	<u>402,923,405</u>	<u>336,557,304</u>	<u>2,621,056,494</u>	<u>2,226,267,301</u>	<u>20,806,779</u>	<u>11,450,838</u>	<u>552,772,769</u>	<u>454,378,831</u>	<u>15,870,177,783</u>	<u>14,252,032,955</u>
Segment Liabilities	<u>5,243,316,686</u>	<u>4,921,823,329</u>	<u>5,570,286,323</u>	<u>5,208,505,357</u>	<u>71,726,603</u>	<u>27,413,018</u>	<u>292,717,801</u>	<u>265,783,786</u>	<u>732,084,409</u>	<u>702,825,898</u>	<u>32,886,064</u>	<u>704,232</u>	<u>1,762,714,798</u>	<u>1,550,161,105</u>	<u>13,705,732,684</u>	<u>12,677,216,725</u>
Information on Cash flows																
Operating activities	898,735,587	(403,691,408)	1,006,220,770	(208,443,179)	8,995,821	(12,944,045)	37,592,604	(30,614,963)	(233,282,124)	(965,484,454)	25,634,618	(7,843,352)	(127,108,620)	(150,062,539)	1,616,788,657	(1,779,083,939)
Investing activities	-	-	-	-	-	-	-	-	12,395,899	217,142	-	(89,902)	30,409,161	39,097,488	42,805,060	39,224,728
Capital expenditure	(154,315,761)	(85,715,088)	(158,588,584)	(81,804,209)	(2,645,346)	(1,045,862)	(10,359,839)	(5,054,791)	(67,391,778)	(33,436,553)	(1,365,270)	(4,849,325)	(14,212,719)	(6,824,366)	(408,879,297)	(218,730,194)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	#####	1,997,058,373	(1,160,816,857)	1,997,058,373
Net cash flow	<u>744,419,826</u>	<u>(489,406,495)</u>	<u>847,632,186</u>	<u>(290,247,388)</u>	<u>6,350,475</u>	<u>(13,989,907)</u>	<u>27,232,765</u>	<u>(35,669,754)</u>	<u>(288,278,003)</u>	<u>(998,703,866)</u>	<u>24,269,348</u>	<u>(12,782,579)</u>	<u>#####</u>	<u>1,879,268,957</u>	<u>89,897,563</u>	<u>38,468,968</u>
Depreciation and amortisation	(69,325,624)	(57,888,889)	(71,245,169)	(55,247,623)	(1,188,409)	(706,338)	(4,654,109)	(3,413,824)	(303,038)	(303,038)	(1,048,707)	(672,825)	(6,384,997)	(4,608,931)	(154,150,052)	(122,841,468)

Performance indicators

<i>As at 31st March</i>	2014	2013	MINIMUM STATUTORY REQUIREMENT
Capital Adequacy			
Core capital (Tier 1) Rs. mn.	1,632.76	1,029.64	
Total capital base (Tier 2) Rs. mn.	2,439.39	1,017.60	
Core capital ratio	11.8%	11.5%	5%
Total capital ratio	17.7%	11.5%	10%
Capital funds to Total deposits ratio	35.4%	41.6%	10%
Asset Quality (As per Central Bank of Sri Lanka regulations)			
Total advances Rs. mn.	13,114.60	11,885.50	
Gross non-performing advances Rs. Mn.	455.93	125.22	
Net non-performing advances Rs. Mn.	399.00	107.41	
Gross non-performing advances ratio	3.48%	1.05%	
Net non-performing advances ratio	3.04%	0.90%	
Profitability			
Net interest margin	11.8%	11.3%	
Return on average assets	4.2%	5.4%	
Return on equity	33.7%	50.4%	
Liquidity			
Total liquid assets Rs. Mn.	2,073.10	1,860.84	
Liquid assets ratio	38.09%	57.11%	10%
Government securities Rs. Mn.	379.86	238.36	
Government securities to average deposits ratio	12.58%	9.96%	7.5%
Debt			
Debt-to-Equity ratio	3.51 : 1	5.56 : 1	
Interest cover	1.34	1.45	
Interest rate of comparable government securities			
6 month treasury bill	6.82%	-	
3 year treasury bond	8.30%	-	
4 year treasury bond	8.90%	-	
5 year treasury bond	9.18%	-	

The above figures are provisional and subject to audit.

Notes to the Financial Statements

1 General

The interim financial statements of the Company have been prepared on the basis of the accounting policies and methods of computation applied in the year ended March 31, 2013 and are in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS). The interim financial statements are prepared in compliance with Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

- 2 There were no material changes in the composition of assets, liabilities, contingent liabilities and the use of funds raised through debentures during the quarter.
- 3 All known expenses have been provided for in these financial statements.
- 4 The board of directors has declared following dividend payments with the approval of the Central Bank of Sri Lanka,

	Dividend per share (Rs.)	Total dividend payment (Rs.)	Payment date
Final dividend 2012/13	1.20	64,041,600	08-08-2013
1st interim dividend 2013/14	0.40	21,347,200	15-10-2013
2nd interim dividend 2013/14	0.59	34,635,832	31-01-2014
3rd interim dividend 2013/14	0.80	52,182,044	09-06-2014

5 Debenture Information

- 5.1 During the period ended details of debenture movements are as follows,

Type of Debenture	New Issues Rs.	Reinvested Rs.	Redemptions Rs.
Unlisted privately placed 5 year Unsecured Redeemable Debentures	80 million	80 million	300 million
Unlisted privately placed 2 year Secured Redeemable Debentures	-	-	315 million
Listed Debentures	2,250 million	-	-
Rated debentures	-	-	100 million

- 5.2 Information on listed debenture

Type of Debenture	Last traded Rs.	Annual effective %	Current yield %	Yield to maturity %
3 year - 17.00% payable quarterly	100.00	18.11%	18.11%	18.11%
4 year - 17.25% payable quarterly	100.00	18.40%	18.40%	18.40%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	13.96%	Not traded	Not traded
5 year - 15.00% payable quarterly	Not traded	15.00%	Not traded	Not traded

6 Share information

- 6.1 Directors' shareholdings

The number of shares held by the board of directors is as follows

	As at 31.03.2014
1. Dr. A. Balasuriya	3,372,415
2. Dr. M. Balasuriya	3,372,415
3. Mrs. L. Fernando	2,827,002
4. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,686,207
5. Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,686,207
6. Mr. L. Balasuriya - The Trustee of the Capitalisation Issue	4
7. Mr. W. A. T. Fernando	Nil
8. Dr. P. Ramanujam	Nil
9. Mr. S. S. Kulatunga	Nil
10. Mr. S. D. Bandaranayake	Nil

- 6.2 Stated Capital

Stated capital is represented by the number of shares in issue as set out below:

As at	31.03.2014	31.03.2013
Ordinary shares	58,704,800	53,368,000

Notes to the Financial Statements (contd.)

6.3 The 20 largest shareholders of the company as at 31st March 2014 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	33,017,714	56.25
2. Hallsville Trading Group Inc.	4,648,000	7.93
3. Dr. (Mrs.) G. Madan Mohan	3,372,415	5.74
4. Dr. A. Balasuriya	3,372,415	5.74
5. Mr. R. Balasuriya	3,372,415	5.74
6. Dr. M. Balasuriya	3,372,415	5.74
7. Mrs. L. Fernando	2,827,002	4.82
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,686,207	2.87
9. Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,686,207	2.87
10. Mr. D. K. C. R. Fernando	545,413	0.93
11. Mrs. S. Thaha	389,000	0.66
12. Mrs. C. Fernando	155,600	0.27
13. Estate of the late Mr. D. G. K. Hewamallika	155,600	0.27
14. Mr. E. W. Balasuriya (Deceased)	41,660	0.07
15. Mr. M. M. Ariyaratne	25,640	0.04
16. Mr. P. P. K. Ikirowatte	13,752	0.02
17. Mr. J. K. Jayatileke	13,741	0.02
18. Mr. C. Y. Ching	4,800	0.01
19. Ms. S. I. A. Ching	4,800	0.01
20. Mr. L. Balasuriya - The Trustee of the Capitalisation Issue	4	0.00
	58,704,800	100

6.4 The percentage of shares held by the public on 31st March 2014 was 21.71% (2012 - 21.75%)

6.5 Information on Ratios, Market Prices and Credit Rating.

	31-Mar-2014	31-Mar-2013
Dividend per share (Rs.)	1.79	3.24
Net Assets per share (Rs.)	36.87	26.93
Market Prices		
- Highest price	50.00	50.00
- Lowest price	50.00	50.00
- Last traded price	50.00	50.00

6.6 The Company made a rights issue of one (01) share for every ten (10) ordinary shares, at a price of Rs. 40.00 per share with the approval of Central Bank of Sri Lanka during the month of December 2013.

6.7 The board of directors has recommend to the share holders the issue of 6,522,755 shares in the proportion of one (1) ordinary new share for every nine (9) ordinary shares, credited as fully paid at a consideration of Rs. 40.00 per share, by way of Capitalisation of Reserves.

The issue of shares credited as fully paid up by way of Capitalisation of Reserves is subject to the Colombo Stock Exchange approving in principle the issue and the listing of shares and obtaining Shareholder Approval.

7 There have been no other events subsequent to the Balance Sheet date, which require disclosure in the Interim Financial Statement.

The company has been affirmed a long - term rating of BBB+ (lka) with a stable outlook by Fitch Ratings Lanka Limited.