



Senkadagala Finance PLC

**Interim Financial Statement for the period ended
30th September 2015**



**Fitch Ratings Lanka Limited:
BBB+(lka)**

Income statement

<i>For the three months period ended 30th September</i>	Company		Group	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Interest income	891,896,841	917,806,680	892,192,596	918,007,907
Interest expense	(415,925,340)	(450,469,534)	(415,152,552)	(449,387,695)
Net interest income	475,971,501	467,337,146	477,040,044	468,620,212
Fee and commission income	15,122,371	9,561,043	36,661,161	27,694,743
Fee and commission expense	(5,938,182)	(5,629,918)	(5,938,182)	(5,629,919)
Net fee and commission income	9,184,189	3,931,125	30,722,979	22,064,824
Net gain/(loss) from trading	3,436,948	1,004,485	3,436,948	1,004,485
Net gain from financial instruments designated at fair value through profit or loss	(946,310)	12,670,320	(946,310)	12,670,320
Other operating income	22,840,172	4,401,904	25,183,172	4,326,904
Total operating income	510,486,500	489,344,979	535,436,833	508,686,744
Impairment charge on individual impairment	(1,086,205)	(1,266,715)	(1,086,205)	(1,266,715)
Impairment charge on collective impairment	9,971,122	(34,591,470)	9,971,122	(34,591,470)
Other loan losses charge	(18,691,913)	(18,552,656)	(18,691,913)	(18,552,656)
Net operating income	500,679,504	434,934,138	525,629,837	454,275,903
Personnel expenses	(100,537,703)	(85,950,998)	(101,144,039)	(86,533,721)
Depreciation of property, plant and equipment	(51,401,117)	(45,112,378)	(52,271,213)	(45,382,198)
Amortization of intangible assets	(3,635,664)	(2,725,140)	(3,635,664)	(2,725,140)
Other expenses	(159,206,433)	(149,760,938)	(161,532,528)	(150,233,944)
Profit before VAT on financial services and Income Tax	185,898,587	151,384,683	207,046,393	169,400,900
Value Added Tax on financial services	(20,888,388)	(12,972,280)	(20,888,388)	(12,972,280)
Profit before Income Tax	165,010,199	138,412,403	186,158,005	156,428,620
Income tax expense	(28,043,779)	(28,889,436)	(33,948,643)	(33,996,880)
Profit for the period	136,966,420	109,522,967	152,209,362	122,431,740

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Statement of comprehensive income

<i>For the three months period ended 30th September</i>	Company		Group	
	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.
Profit for the period	<u>136,966,420</u>	<u>109,522,967</u>	<u>152,209,362</u>	<u>122,431,740</u>
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit plans	-	-	-	-
Deferred tax effect on actuarial gain/(Loss)	-	-	-	-
Other comprehensive income for the period net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period net of tax	<u>136,966,420</u>	<u>109,522,967</u>	<u>152,209,362</u>	<u>122,431,740</u>

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit

Income statement

<i>For the six months period ended 30th September</i>	Company		Group	
	2015 Rs. Unaudited*	2014 Rs. Audited	2015 Rs. Unaudited*	2014 Rs. Audited
Interest income	1,806,421,691	1,824,689,981	1,807,028,819	1,825,071,278
Interest expense	(801,336,226)	(905,586,014)	(800,017,174)	(903,358,338)
Net interest income	1,005,085,465	919,103,967	1,007,011,645	921,712,940
Fee and commission income	27,862,546	16,826,014	71,411,302	48,819,258
Fee and commission expense	(11,865,206)	(13,144,072)	(11,865,206)	(13,144,072)
Net fee and commission income	15,997,340	3,681,942	59,546,096	35,675,186
Net gain/(loss) from trading	5,314,316	1,652,683	5,314,316	1,652,683
Net gain from financial instruments designated at fair value through profit or loss	3,525,034	17,073,313	3,525,034	17,073,313
Other operating income	40,695,494	8,939,251	42,963,494	8,789,251
Total operating income	1,070,617,649	950,451,156	1,118,360,585	984,903,373
Impairment charge on individual impairment	(1,086,205)	(1,266,715)	(1,086,205)	(1,266,715)
Impairment charge on collective impairment	4,626,870	(101,364,457)	4,626,870	(101,364,457)
Other loan losses charge	(42,774,750)	(40,212,413)	(42,774,750)	(40,212,413)
Net operating income	1,031,383,564	807,607,571	1,079,126,500	842,059,787
Personnel expenses	(197,571,470)	(165,384,654)	(199,109,726)	(166,698,999)
Depreciation of property, plant and equipment	(100,761,406)	(87,605,559)	(102,467,697)	(88,144,819)
Amortization of intangible assets	(7,282,649)	(5,315,994)	(7,282,649)	(5,315,994)
Other expenses	(275,194,343)	(266,347,182)	(279,757,460)	(267,300,100)
Profit before VAT on financial services and Income Tax	450,573,696	282,954,183	490,508,968	314,599,875
Value Added Tax on financial services	(39,386,620)	(25,396,642)	(39,386,620)	(25,396,642)
Profit before Income Tax	411,187,076	257,557,541	451,122,348	289,203,233
Income tax expense	(69,219,510)	(72,414,592)	(81,044,666)	(81,400,245)
Profit for the period	341,967,566	185,142,949	370,077,682	207,802,988
Earnings per share	5.24	2.84	5.67	3.19

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Statement of comprehensive income

<i>For the six months period ended 30th September</i>	Company		Group	
	2015 Rs. Unaudited*	2014 Rs. Audited	2015 Rs. Unaudited*	2014 Rs. Audited
Profit for the period	341,967,566	185,142,949	370,077,682	207,802,988
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gain/(loss) on defined benefit plans	-	-	-	-
Deferred tax effect on actuarial gain/(Loss)	-	-	-	-
	-	-	-	-
Other comprehensive income for the period net of tax	-	-	-	-
Total comprehensive income for the period net of tax	341,967,566	185,142,949	370,077,682	207,802,988

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Statement of financial position

As at	Company			Group		
	30.09.2015 Rs. Unaudited*	31.03.2015 Rs. Audited	30.09.2014 Rs. Audited	30.09.2015 Rs. Unaudited*	31.03.2015 Rs. Audited	30.09.2014 Rs. Audited
Assets						
Cash and cash equivalents	816,719,221	404,636,587	367,828,048	843,342,919	427,833,458	378,831,934
Deposit with licensed commercial banks	1,108,977,267	748,158,081	823,163,040	1,108,977,267	748,158,081	823,163,040
Repurchase agreements	962,699,195	581,421,556	1,382,303,877	962,699,195	581,421,556	1,382,303,877
Financial assets held at fair value through profit or loss	91,325,539	91,529,199	93,093,610	91,325,539	91,529,199	93,093,610
Finance leases	11,260,898,089	8,151,414,340	5,959,402,204	11,260,898,089	8,151,414,340	5,959,402,204
Hire purchases	3,282,181,706	4,925,414,552	6,307,727,988	3,282,181,706	4,925,414,552	6,307,727,988
Other loans and receivables	534,075,743	506,098,773	504,350,513	534,075,743	506,098,773	504,350,513
Financial assets available for sale	12,439,228	12,171,887	12,171,887	12,439,228	12,171,887	12,171,887
Financial assets held to maturity	810,345,839	1,062,632,291	769,149,145	810,345,839	1,062,632,291	769,149,145
Investments in subsidiaries	320,000,000	320,000,000	320,000,000	-	-	300,000,000
Investment property	79,176,452	79,327,971	79,479,490	271,153,893	264,327,971	79,479,490
Property, plant and equipment	1,027,976,430	961,508,782	805,557,108	1,030,952,675	965,032,417	809,604,883
Intangible assets	75,006,206	82,027,681	89,026,696	139,826,420	146,847,895	89,026,696
Amounts due from related company	6,736,317	1,452,369	-	-	-	-
Current tax recoverable	-	1,384,413	-	-	-	-
Other assets	228,517,994	143,839,814	227,690,766	228,630,182	144,117,918	227,758,266
Total assets	20,617,075,226	18,073,018,296	17,740,944,372	20,576,848,695	18,027,000,338	17,736,063,533
Liabilities						
Due to banks	4,401,433,173	2,928,337,801	2,136,343,501	4,417,489,274	2,940,860,735	2,136,343,501
Deposits from customers	6,259,400,677	6,541,895,759	6,481,457,325	6,210,881,694	6,519,521,274	6,425,340,610
Other borrowings	3,034,084,894	1,859,354,847	2,322,565,890	3,034,084,894	1,859,354,847	2,322,565,890
Debt securities issued	2,080,469,230	2,319,430,013	2,586,596,194	2,080,469,230	2,319,430,013	2,586,596,194
Deferred tax liability	231,472,715	197,115,561	173,569,423	231,510,028	197,139,903	173,619,766
Current tax liabilities	949,435	-	40,726,826	9,978,478	13,655,300	47,920,503
Other liabilities	492,924,529	372,039,311	422,258,553	499,972,249	374,248,214	438,409,457
Employee benefits	66,029,722	60,691,494	57,899,274	66,174,333	60,768,994	57,938,024
Subordinated liabilities	1,259,292,231	1,260,306,634	1,284,783,973	1,259,292,231	1,260,306,634	1,284,783,973
Total liabilities	17,826,056,606	15,539,171,420	15,506,200,959	17,809,852,411	15,545,285,914	15,473,517,918
Equity						
Stated capital	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200	1,008,062,200
Statutory reserve fund	230,036,033	230,036,033	195,036,033	230,036,033	230,036,033	195,036,033
Investment fund account	-	-	170,628,603	-	-	170,628,603
Retained earnings	1,552,920,387	1,295,748,643	861,016,577	1,528,898,051	1,243,616,191	888,818,779
Total equity	2,791,018,620	2,533,846,876	2,234,743,413	2,766,996,284	2,481,714,424	2,262,545,615
Total liabilities and equity	20,617,075,226	18,073,018,296	17,740,944,372	20,576,848,695	18,027,000,338	17,736,063,533
Net assets per share	42.79	38.85	34.26	42.42	38.05	34.69

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.

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.
W M R S Dias
Chairman

Sgd.
L Balasuriya
Chief Executive Officer/Managing Director

Colombo, Sri Lanka
22nd October, 2015

Statement of changes in equity

<i>For the six months period ended 30th September</i>	Stated capital	Statutory reserve fund	Investment fund account	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Company					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	988,965,872	2,101,782,508
Total comprehensive income					
Profit for the period	-	-	-	185,142,949	185,142,949
Other comprehensive income, net of tax	-	-	-	-	-
Issue of shares	260,910,200	-	-	(260,910,200)	-
Dividends paid	-	-	-	(52,182,044)	(52,182,044)
Balance as at 30th September 2014	<u>1,008,062,200</u>	<u>195,036,033</u>	<u>170,628,603</u>	<u>861,016,577</u>	<u>2,234,743,413</u>
Balance as at 1st April 2015	1,008,062,200	230,036,033	-	1,295,748,643	2,533,846,876
Total comprehensive income					
Profit for the period	-	-	-	341,967,566	341,967,566
Other comprehensive income, net of tax	-	-	-	-	-
Dividends paid	-	-	-	(84,795,822)	(84,795,822)
Balance as at 30th September 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,552,920,387</u>	<u>2,791,018,620</u>
Group					
Balance as at 1st April 2014	747,152,000	195,036,033	170,628,603	994,108,036	2,106,924,672
Total comprehensive income					
Profit for the period	-	-	-	207,802,988	207,802,988
Other comprehensive income, net of tax	-	-	-	-	-
Issue of shares	260,910,200	-	-	(260,910,200)	-
Dividends paid	-	-	-	(52,182,044)	(52,182,044)
Balance as at 30th September 2014	<u>1,008,062,200</u>	<u>195,036,033</u>	<u>170,628,603</u>	<u>888,818,780</u>	<u>2,262,545,616</u>
Balance as at 1st April 2015	1,008,062,200	230,036,033	-	1,243,616,191	2,481,714,424
Total comprehensive income					
Profit for the period	-	-	-	370,077,682	370,077,682
Other comprehensive income, net of tax	-	-	-	-	-
Dividends paid	-	-	-	(84,795,822)	(84,795,822)
Balance as at 30th September 2015	<u>1,008,062,200</u>	<u>230,036,033</u>	<u>-</u>	<u>1,528,898,051</u>	<u>2,766,996,284</u>

Figures in brackets indicate deductions.

* The above figures are provisional and subject to audit

Statement of cash flows

<i>For the six months period ended 30th September</i>	Company		Group	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Cash flows from operating activities				
Interest and commission receipts	1,799,834,858	1,784,030,699	1,843,990,742	1,816,405,239
Interest payments	(836,325,870)	(899,073,570)	(835,006,818)	(896,845,894)
Recoveries of bad debts	22,314,868	19,385,999	22,314,868	19,385,999
Other operating income	4,632,266	5,422,473	6,900,266	5,272,473
Operating expenditure	(391,512,299)	(360,212,911)	(396,075,416)	(361,165,831)
Cash payments to employees	(191,378,321)	(159,191,504)	(192,849,466)	(160,467,099)
Operating cash flow before changes in operating assets and liabilities (Note A)	407,565,502	390,361,186	449,274,176	422,584,887
Changes in operating assets and liabilities				
Net funds advanced to customers	(1,456,261,317)	(145,358,234)	(1,456,261,317)	(145,358,229)
Deposits from customers	(282,495,082)	857,057,835	(308,639,580)	838,202,211
Deposits with licensed commercial banks	(360,819,186)	(823,163,040)	(360,819,186)	(823,163,040)
Government and other securities	(128,991,187)	(482,399,563)	(128,991,187)	(482,399,563)
Other assets	(89,962,128)	(71,300,989)	(84,512,264)	(71,233,489)
Other liabilities	128,017,253	119,741,387	127,307,825	117,362,804
	(2,190,511,647)	(545,422,604)	(2,211,915,709)	(566,589,306)
Net cash inflow from operating activities before taxation	(1,782,946,145)	(155,061,418)	(1,762,641,533)	(144,004,419)
Taxes paid	(37,453,664)	(53,227,801)	(49,728,274)	(72,300,691)
Gratuity paid	(854,921)	(409,833)	(854,921)	(409,833)
Net cash generated from operating activities	(1,821,254,730)	(208,699,052)	(1,813,224,728)	(216,714,943)
Cash flows from investing activities				
Net investment in trading securities	8,983,610	499,763	8,983,610	499,763
Purchase of financial assets available for sale	(267,341)	(300,172,604)	(267,341)	(300,172,604)
Dividends received on investments	1,537,968	1,522,171	1,537,968	1,522,171
Purchase of property, plant and equipment	(198,600,675)	(161,899,747)	(206,737,017)	(161,922,547)
Purchase of intangible assets	(261,174)	(54,609,694)	(261,174)	(54,609,694)
Proceeds from sale of property, plant and equipment	66,107,800	9,296,214	66,107,800	9,296,214
Net cash used in investing activities	(122,499,812)	(505,363,897)	(130,636,154)	(505,386,697)
Cash flows from financing activities				
Securitized loans obtained	2,889,671,708	2,282,550,000	2,889,671,708	2,282,550,000
Repayment of loans	(722,660,072)	(1,229,130,636)	(722,660,072)	(1,229,130,636)
Redemption of debenture	(210,000,000)	(310,000,000)	(210,000,000)	(310,000,000)
Dividends paid	(87,002,701)	(101,936,797)	(87,002,701)	(101,936,797)
Net cash generated from / (used in) financing activities	1,870,008,935	641,482,567	1,870,008,935	641,482,567

Figures in brackets indicate deductions.

* The above figures are provisional and subject to audit

Statement of cash flows (Continued)

<i>For the six months period ended 30th September</i>	Company		Group	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Net increase / (decrease) in cash and cash equivalents	(73,745,607)	(72,580,382)	(73,851,947)	(80,619,073)
Cash and cash equivalents at the beginning of the period	312,689,587	328,341,651	323,363,524	331,557,122
Cash and cash equivalents at the end of the period	<u>238,943,980</u>	<u>255,761,269</u>	<u>249,511,577</u>	<u>250,938,049</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	816,719,221	367,828,048	843,342,919	378,831,934
Bank overdrafts	(577,775,241)	(112,066,779)	(593,831,342)	(127,893,885)
	<u>238,943,980</u>	<u>255,761,269</u>	<u>249,511,577</u>	<u>250,938,049</u>
<i>Note A</i>				
Reconciliation of operating profit				
Profit before income tax	411,187,076	257,557,541	451,122,348	289,203,233
Depreciation	108,044,055	92,921,553	109,750,346	93,460,813
Dividend receipts on investments	(1,537,968)	(1,522,171)	(1,537,968)	(1,522,171)
Profit on disposal of motor vehicles	(34,584,662)	(2,039,516)	(34,584,662)	(2,039,516)
Provision for defined benefit plan	6,193,149	6,193,150	6,260,260	6,231,899
Impairment of financial assets	(3,540,665)	102,631,174	(3,540,665)	102,631,174
Loan losses and write offs	23,488	4,273,395	23,488	4,273,395
Gain on mark to market valuation of shares	(3,525,034)	(17,073,313)	(3,525,034)	(17,073,313)
Capital (gain)/ loss on sale of shares	(5,254,914)	(1,607,774)	(5,254,914)	(1,607,774)
Interest accrued on loans and advances	(34,449,379)	(57,485,297)	(34,449,379)	(57,485,297)
Accrued interest on borrowings	(5,014,458)	(17,521,262)	(5,014,458)	(17,521,262)
Accrued interest on debentures	(29,975,186)	24,033,706	(29,975,186)	24,033,706
	<u>407,565,502</u>	<u>390,361,186</u>	<u>449,274,176</u>	<u>422,584,887</u>

Figures in brackets indicate deductions.

** The above figures are provisional and subject to audit*

Segment report

As at 30th September	Leasing		Hire Purchases		Pawning advances		Other Advances		Investments / Property		Insurance		Unallocated		Total	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revenue																
Interest	949,400,792	696,865,605	494,856,470	770,002,416	11,804,878	9,769,130	47,137,798	44,015,824	82,527,877	98,046,824	-	-	-	-	1,585,727,815	1,618,699,799
Trading	-	-	-	-	-	-	-	-	8,779,948	18,681,087	-	-	59,402	44,909	8,839,350	18,725,996
Commissions	-	-	-	-	-	-	-	-	-	-	43,837,228	32,227,142	-	-	43,837,228	32,227,142
Rent	-	-	-	-	-	-	-	-	3,378,000	960,000	-	-	-	-	3,378,000	960,000
Dividends	-	-	-	-	-	-	-	-	1,537,968	1,522,171	-	-	-	-	1,537,968	1,522,171
Other income	-	-	-	-	-	-	-	-	34,584,662	2,039,516	-	-	252,337,942	227,231,159	286,922,604	229,270,675
Total revenue	949,400,792	696,865,605	494,856,470	770,002,416	11,804,878	9,769,130	47,137,798	44,015,824	130,808,455	121,249,598	43,837,228	32,227,142	252,337,942	227,276,068	1,930,242,965	1,901,405,782
Profit before tax															451,122,348	289,203,233
Taxation															(81,044,666)	(81,400,245)
Profit after tax															370,077,682	207,802,988
Segment Assets	11,260,898,089	8,151,414,340	3,282,181,706	4,925,414,552	126,236,250	101,408,214	407,839,493	404,690,559	4,167,946,156	3,618,777,448	29,487,605	26,766,334	1,302,259,396	798,528,891	20,576,848,695	18,027,000,338
Segment Liabilities	8,947,178,207	5,784,959,151	4,663,540,479	6,392,096,971	111,249,514	81,097,442	444,227,857	365,392,899	1,232,742,344	1,006,541,241	27,705,287	28,765,891	2,383,208,724	1,886,432,318	17,809,852,411	15,545,285,914
Information on Cash flows																
Operating activities	(694,675,319)	462,903,811	136,185,162	676,600,670	(7,217,675)	6,182,006	(16,218,642)	30,524,773	(1,032,579,836)	(1,334,944,499)	4,442,950	(10,093,568)	(203,161,368)	(60,745,592)	(1,813,224,728)	(229,572,399)
Investing activities	-	-	-	-	-	-	-	-	10,254,237	(298,150,670)	-	-	66,107,800	9,296,214	76,362,037	(288,854,456)
Capital expenditure	(113,444,521)	(98,046,401)	(33,065,349)	(59,243,605)	(1,271,729)	(1,219,753)	(4,108,656)	(4,867,677)	(41,988,716)	(43,527,183)	-	(22,800)	(13,119,219)	(9,604,822)	(206,998,191)	(216,532,241)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	1,870,008,935	641,482,567	1,870,008,935	641,482,567
Net cash flow	(808,119,840)	364,857,410	103,119,813	617,357,065	(8,489,404)	4,962,253	(20,327,298)	25,657,096	(1,064,314,315)	(1,676,622,353)	4,442,950	(10,116,368)	1,719,836,147	580,428,367	(73,851,947)	(93,476,529)
Depreciation and amortisation	(74,176,450)	(52,496,205)	(21,619,997)	(31,720,332)	(831,528)	(653,083)	(2,686,472)	(2,606,262)	(1,310,420)	(303,038)	(539,640)	(539,260)	(8,585,838)	(5,142,633)	(109,750,346)	(93,460,813)

Performance indicators

<i>As at 30th September</i>	2015	2014	<i>MINIMUM STATUTORY REQUIREMENT</i>
Capital Adequacy			
Core capital (Tier 1) Rs. Mn.	2,791.02	1,931.15	
Total capital base (Tier 2) Rs. Mn.	3,523.94	2,884.77	
Core capital ratio	16.3%	13.3%	5%
Total capital ratio	20.6%	19.8%	10%
Capital funds to Total deposits ratio	44.6%	32.1%	10%
Asset Quality (As per Central Bank of Sri Lanka regulations)			
Total Advances Rs. Mn.	15,492.11	13,250.17	
Gross non-performing advances Rs. Mn.	525.55	666.97	
Net non-performing advances Rs. Mn.	310.28	526.06	
Gross non-performing advances ratio	3.39%	5.03%	
Net non-performing advances ratio	2.00%	3.97%	
Profitability			
Net interest margin	11.4%	11.9%	
Return on average assets	4.7%	3.1%	
Return on equity	33.8%	23.7%	
Liquidity			
Total liquid assets Rs. Mn.	3,698.74	3,342.44	
Liquid assets ratio	59.09%	53.26%	10%
Government securities Rs. Mn.	632.16	593.22	
Government securities to average deposits ratio	9.88%	8.03%	7.5%
Debt			
Debt-to-Equity ratio	3.96 : 1	3.70 : 1	
Interest cover	1.51	1.28	
Interest rate of comparable government securities			
6 month treasury bill	7.07%	6.23%	
3 year treasury bond	8.95%	6.35%	
4 year treasury bond	9.50%	6.55%	
5 year treasury bond	9.65%	6.60%	

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, 2015 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 with the approval of the Central Bank of Sri Lanka a final dividend of Rs. 0.80 per share for the year ended March 31, 2015. The total dividend payment amounted to Rs. 52,182,044/- has been paid on September 04, 2015.

5 Debenture Information

- 5.1 During the period, the company redeemed the unlisted debentures to the value of Rs. 160 million and Unlisted secured Debentures to the value of Rs. 50 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	105.00	18.11%	16.19%	2.95%
4 year - 17.25% payable quarterly	105.00	18.40%	16.43%	3.58%
4 year - 6 months gross T-bill rate +2.50% payable semi-annually	Not traded	10.19%	Not traded	Not traded
5 year - 15.00% payable quarterly	108	15.87%	13.89%	2.91%

6 Share information

6.1 Directors' shareholdings

The number of shares held by the Board of Directors and their close family members are as follows

	As at 30.09.2015
1. Dr. A. Balasuriya	3,747,127
2. Dr. A. Balasuriya & Mr. D. Balasuriya	3,858
3. Dr. A. Balasuriya & Mr. S. Balasuriya	3,857
4. Dr. M. Balasuriya	3,754,842
5. Mrs. L. Fernando	3,141,113
6. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,877,421
7. Mr. L. Balasuriya & Mr. K. S. Balasuriya	1,877,420
8. Mr. W. A. T. Fernando	Nil
9. Dr. P. Ramanujam	Nil
10. Mr. S. S. Kulatunga	Nil
11. Mr. S. D. Bandaranayake	Nil
12. Mr. D.T.P.Collure	Nil
13. Mr. W.M.R.S. Dias	Nil
14. Mrs. L. Fernando & Ms. S.A. Fernando	2,572
15. Mrs. L. Fernando & Mr. A. R. Fernando	2,571
16. Mrs. L. Fernando & Ms. A.L. Fernando	2,571
17. Mr. L. Balasuriya / The Trustee of the Capitalization Issue	15

6.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

	As at 30.09.2015
1. Mr. P.P.K. Ikiriwatta	15,280
2. Mr. J.K. Jayathilake	15,267

6.3 Stated Capital

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

As at	30.09.2015	30.09.2014
Ordinary shares	65,227,555	65,227,555

Notes to the Financial Statements (contd.)

6.4 The 20 largest shareholders of the company as at September 30, 2015 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	36,697,014	56.27
2. Hallsville Trading Group Inc.	5,164,444	7.92
3. Dr. M. Balasuriya	3,754,842	5.76
4. Dr. (Mrs.) G. Madan Mohan	3,754,841	5.76
5. Dr. A. Balasuriya	3,747,127	5.75
6. Mr. R. Balasuriya	3,754,842	5.76
7. Mrs. L. Fernando	3,141,113	4.82
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	1,877,420	2.88
9. Mr. L. Balasuriya & Mr. S. K. Balasuriya	1,877,421	2.88
10. Mr. D. K. C. R. Fernando	606,014	0.93
11. Mrs. S. Thaha	172,890	0.27
12. Mrs. C. Fernando	172,888	0.27
13. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.27
14. Mrs. Sheeraz Sellamuttu	129,666	0.20
15. Mr. Iftikar Mubarak Thaha	129,666	0.20
16. Mr. M. M. Ariyaratne	28,488	0.04
17. Mr. P. P. K. Ikiriwatte	15,280	0.02
18. Mr. J. K. Jayatileke	15,267	0.02
19. Dr. A. Balasuriya & Mr. D. Balasuriya	3,858	0.01
20. Dr. A. Balasuriya & Mr. S. Balasuriya	3,857	0.01
	65,219,826	

6.5 The percentage of shares held by the public on September 30, 2015 was 21.60% (2014 - 21.65%) and is distributed among 11 Shareholders.

6.6 Information on Ratios and Share Prices

	30-Sep-2015	30-Sep-2014
Dividend per share (Rs.)	1.40	0.80
Net Assets per share (Rs.)	42.79	34.26
Market Prices		
- Highest price	Not traded	60.00
- Lowest price	Not traded	60.00
- Last traded price	Not traded	60.00

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.