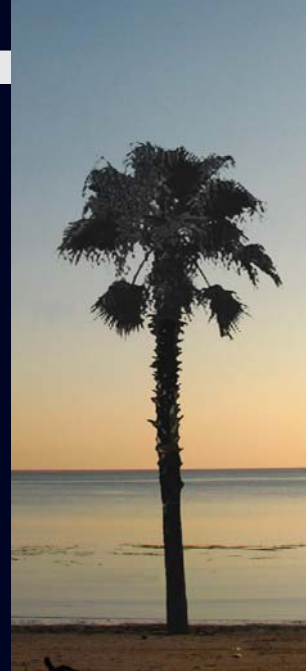


SINHAPUTHRA'S PEARL ANNIVERSARY

*30 Years*  
*(1979 to 2009)*



*Maturity*  
*... in every way*



**SINHAPUTHRA** Annual Report 2008 / 2009

Finance Limited

## **Cover Page**

Thirty years marks a pearl anniversary.

Much like the development of a precious pearl from a grain of sand, the company has matured in every way to give value to its stakeholders.

Flanked by the two palms, coconut and palmyra which denotes the South and the North. We celebrate with enthusiasm the unity and the idea of a one Sri Lankan nationality, and the accelerated economic progress that will follow.

## Contents

Vision, Mission, Goals .....	02
Financial Highlights .....	03
Chairman's Review .....	04
Share Information .....	06

### Financial Reports

Directors' Report .....	08
Corporate Governance .....	11
Audit Committee Report .....	13
Auditor's Draft Income Statement .....	14
Auditor's Draft Balance Sheet .....	15
Statement of Changes in Equity .....	16
Cash Flow Statement .....	17
Accounting Policies .....	18
Notes to the Financial Statements .....	25

Statement of Value Added .....	46
Ten Year Summary .....	47
Notice of Meeting .....	49
Form of Proxy .....	50
Corporate Information .....	Back Inner Cover



## **Vision**

To instill a spirit of excellence in all our undertakings

---

## **Mission**

To be the most secure and stable Finance Company in the sphere of our services

---

## **Goals**

- ◆ To increase shareholder wealth
- ◆ To provide the finest financial services
- ◆ To infuse in our employees a spirit of commitment and dedication
- ◆ To be responsive to the needs of society
- ◆ To maintain integrity in all we do

## Financial Highlights

<b>For the Year</b>	<b>2007/2008</b> <b>Rs. '000</b>	<b>2008/2009</b> <b>Rs. '000</b>	<b>Growth %</b> <b>(Decline)</b>
Income	711,685	717,681	1
Net Profit before Tax	28,680	20,689	(28)
Income Tax on Profit	(7,318)	(10,985)	50
Net Profit after Taxation	51,945	11,707	(77)
Gross Dividend	-	3,550	100
Retained Profit	18,437	33,412	81
<b>End of the Year</b>	<b>As at 31/03/08</b>	<b>As at 31/03/09</b>	<b>Percentage Growth</b>
Shareholders' Funds	421,869	437,899	4
Deposits from Customers	2,274,304	2,148,587	(6)
Short and Medium Term Borrowings	475,377	618,443	30
Deposits and Borrowings	2,749,681	2,767,031	1
Finance Leases/Loans/Advances	2,213,016	2,365,692	7
Total Interest Earning Assets	2,710,241	2,663,226	(2)
Total Assets	3,403,027	3440,782	1
		<b>2007/2008</b>	<b>2008/2009</b>
<b>Ratios</b>			
Return on Average Assets %		0.84	0.60
Return on Average Shareholders' Funds %		7.38	4.81
Dividend Cover (Times)		-	3.72
<b>Information per Ordinary Share</b>			
Earnings per Share (Rs.)		8.25	1.86
Dividend per Share (Rs.)		-	0.50
Net Assets per Share (Rs.)		67.02	69.72
<b>Statutory Ratios (%)</b>	<b>Minimum %</b>		
Core Capital Ratio	5%	11.00	11.00
Total Risk Weighted Capital Ratio	10%	13.00	13.00
Liquid Assets	10%	24.80	11.97
Capital Funds	10%	17.74	18.87

## Chairman's Review

The ensuing review will detail our achievements which despite trying circumstances resultant from the Golden Key debacle and global financial crisis, ensured a profit, after tax, of Rs. 11.7 million resulting in the net book value of your share to increase from Rs. 67 to Rs. 70

The company attracted fresh public deposits in excess of Rs. 850 million during the year under review displaying the good will it has acquired over the last thirty years in service. More importantly this introduced the company to a wide spectrum of customers who had hitherto not been investing with us.

We stood at 31st March 2009 as a Company with a Rs. 3.2 billion asset base, and enhanced its Equity by Rs. 69 million.

In comparison to many of our 32 peers we focused on consolidation rather than expansion during a time we believed was not prudent for the latter. Hence, as predicted last year we experienced a relatively lower loan and lease loss provisioning this year.

I wish to detail below some of our plans for the year ahead. We hope to achieve as many of the stated goals.

**I. Enlisting in the Colombo Stock Exchange :** We have delayed entry into the stock market, as the company felt the time was not opportune, and may consider same during the next year, furthermore this will now be a mandatory requirement for all Registered Finance Companies.

**II. Introduction of Pawn Broking :** A lucrative product took root and the management was encouraged by its promising rewards and hopes to expand this avenue further. A product that has a lower risk exposure.

**III. Expanding our outreach :** The re-introduction of lease and hire purchase promoters who are key to our industry and the possible conversion of our collection centers in Kurunegala, Matale, Kundasale, to branches and activating such branches along with our branches in Colombo. Furthermore, the possibility of having a presence in the North and East.

**IV. Phone Banking, SMS payments and ATM networks :** Phone Banking in Sinhala, Tamil and English will be introduced for customers to access vital information through password security 24/7. By combining both SMS and ATM technologies we have

provided an option for our savers to access a wide range of ATMs in Sri Lanka and worldwide. Our SMS payment system Simpay, was more popular as an internal fund transfer system between savers rather than at Merchant outlets as envisaged.

**V. Maximising benefits from the new Sinhaputhra complex :** The new complex which has won acclaim from several town planning authorities for its heritage architecture has given you an asset which will increase in value. Parts of the 33,000 square foot complex has been given out on lease and on revenue share basis to an Educational Institute and Business Process Outsourcing company. The conference halls have been used by a wide range of institutes and associations for their functions. We hope to maintain these public spaces such as the twin auditoriums and a roof top terrace to benefit the company in terms of a wider public patronage resulting in greater visibility of our services.

**VI. Focus on recoveries :** The introduction of a collection and recoveries division will give continued attention to this vital area, whilst an in-house lawyer and our arbitration processes have already begun to expedite the legal processes of recoveries for further improvements in bad debt recoveries.

**VII. Focus on immovable asset backed mortgages and tighter criteria for credit :** To enhance collateral the company has taken this step, and a speedy process through in-house legal aid cuts down the time for loan disbursement whilst ensuring reliable collateral.

**VIII. Treasury Management :** The company has given much focus to effectively handle this area to ensure maximum returns, optimum liquidity, mitigating risks and reducing tax burden.

**IX. Recruitment :** We refilled two vital positions due to retirement and promotions by strengthening our Finance division with a Chartered Accountant and the Deposits promotions division with a Consultant who has had over 35 years experience in the field.

**X. Committees of management :** Board meetings to be reserved for policy making whilst the greater empowerment of committees such as Audit, Credit, Recoveries and Human Resources under the stewardship of non Executive Directors.

## **Chairman's Review . . .**

**XI. Corporate Social Responsibility :** The partner service organizations which have a track record of choosing worthy projects and executing them to the maximum benefit of the community.

**XII. Corporate Governance :** In keeping with the requirement to have a mix of Executive and non-Executive Directors on the Board, our General Manager and Consultant (Finance and Operations) were brought in as Director Operations and Director Finance respectively. Furthermore, the Chairman position was offered to me as the senior non-Executive Director with the former Chairman holding on to the position of Managing Director in keeping to corporate governance recommendations.

Your company earned a sum of Rs. 1.86 per share. The Core Capital base of the company reached Rs. 327 million, a sum far in excess of the proposed statutory minimum requirement of Rs. 200 million. We embrace the ideology that the core strength of a company is based on its capital adequacy based on its risk assets and have transferred the requisite sum of 20% of net earnings to our Statutory Reserve Fund.

I would like to take this opportunity to thank our regulators, consultants, auditors, staff, bankers, our shareholders and our valued depositors for their differing roles that have held the company strong during a turbulent time and to face a new year with much optimism.

**K.H.K. Wijayadasa**  
Chairman

07th September, 2009

## Share Information

### TEN MAJOR SHAREHOLDERS OF THE COMPANY AS AT 31ST MARCH, 2009

Name	Ordinary Shares	Preference Shares	Total Shares
1. Mr. K.R.B. Wijeyeratne	3,289,287	30,062	3,319,349
2. Sapara Plantation (Private) Ltd.,	648,422		648,422
3. Mr. A.M.G Weerakoon	170,884	20,265	191,149
4. Mr. L. Karunathilake	112,331		112,331
5. Mrs. K.K. Tennakoon	102,764		102,764
6. Mr. A.P. Seneviratne	73,737		73,737
7. Dr. C. Wijeyeratne	70,766	21,230	91,996
8. Mr. M. Bulankulame	68,835		68,835
9. Mr. T.K. Hemachandra	67,492	20,248	87,740
10. Mrs. C.M. Balalle	65,237	19,571	84,808

### Ordinary Shareholders as at 31st March 2009

Level of Shareholding	No. of Shareholders	Total Holdings	% of Total Shares
Less than 500 Shares	146	31,560	0.50
501	81	191,721	3.05
5,001	36	261,019	4.15
10,001	31	409,657	6.51
20,001	10	258,129	4.10
30,001	06	194,215	3.08
40,001	01	44,640	0.71
50,001	09	581,264	9.23
100,001 and over	05	4,323,688	68.67
<b>Total</b>	<b>325</b>	<b>6,295,893</b>	<b>100.00</b>
Level of Shareholding	No. of Shareholders	Total Holdings	% of Total Shares
Individual	323	5,639,931	89.58
Institutions	2	655,962	10.42
<b>Total</b>	<b>325</b>	<b>6,295,893</b>	<b>100.00</b>

### Preference Shareholders as at 31st March 2009

Level of Shareholding	No. of Shareholders	Total Holdings	% of Total Shares
Less than 500 Shares	52	10,310	1.53
501	92	214,830	32.03
5,001	19	145,218	21.65
10,001	14	208,602	31.10
20,001 and over	4	91,805	13.69
<b>Total</b>	<b>181</b>	<b>670,765</b>	<b>100.00</b>
Level of Shareholding	No. of Shareholders	Total Holdings	% of Total Shares
Individual	175	630,765	94.04
Institutions	06	40,000	5.96
<b>Total</b>	<b>181</b>	<b>670,765</b>	<b>100.00</b>

## Share Information . . .

History of Dividend, Rights and Bonus Issues							
Year ended 31st March	Issue	Basis	Shares Issued	No. of Shares	Share Capital Rs.	Dividend %	Dividend Paid Rs.
1979-1986				62,680	626,800		
1987	Bonus	03:02	94,020	156,700			
	Rights	01:01	153,300	310,000	3,100,000	5.0	155,000
1988				310,000	3,100,000	10.0	310,000
1989				310,000	3,100,000	17.5	620,000
1990	Rights	01:10	31,000	341,000	3,410,000		
	Bonus	06:11	186,000	527,000	5,270,000	15.0	395,250
1991				527,000	5,270,000	8.5	447,950
1992				527,000	5,270,000	15	790,500
1993				527,000	5,270,000	15	790,500
1994	Bonus	01:01	527,000	1,054,000	10,540,000	10	1,054,000
1995				1,054,000	10,540,000	15	1,581,000
1996				1,054,000	10,540,000	20	2,108,000
1996/97	Bonus	01:01	1,054,000	2,108,000	21,080,000	17.5	3,689,000
1998	Bonus	01:06	351,333	2,459,333	24,593,330	20	4,918,666
1999				2,459,333	24,593,330	10	2,459,333
2000				2,459,333	24,593,330	12.5	3,074,166
2001				2,459,333	24,593,330	10	2,459,333
2002				2,459,333	24,593,330	5.0	1,299,666
2003				2,459,333	24,593,330	15	3,688,999
2003	Bonus	01:04	614,833	3,074,164	30,714,660		
2003	Rights	01:17	180,834	3,255,000	32,550,000		
2004				3,255,000		20	6,510,000
2004	Rights	01:25	130,200	3,385,200	33,852,000		
2004	Bonus	01:05	677,040	4,062,240	40,622,400		
2005				4,062,240		25	9,478,560
2006	Rights	02:15	541,632	4,603,872	46,038,720		
2006	Bonus	01:07	657,696	5,261,568	52,615,680	25	12,825,072
2007	Rights	01:13	404,736	5,666,304	56,663,040	10	5,981,098
2007	Bonus	01:09	629,589	6,295,893	62,958,930		
2008	Rights	03:10	670,765	6,966,658	80,379,055	Rs.0.50	3,497,718
	(Non-Voting Preference Shares)					Rs.0.60	447,177 (Preference)

## Directors' Report

In compliance with the provisions of the Companies Act No. 7 of 2007, the Directors have pleasure in presenting to the shareholders their report together with the Audited Financial Statements for the year ended 31st March 2009 of Sinhaputhra Finance Ltd., a Public Limited Liability Company incorporated in Sri Lanka on 6th November 1978, a Finance Company Registered with the Central Bank of Sri Lanka under the Finance Companies Act No. 78 of 1988 and a Registered Finance Leasing Establishment in terms of the Finance Leasing Act No. 56 of 2000. The report was approved by the Board on 07th September, 2009.

### Principal Activities

The principal activities of the Company are acceptance of Time and Savings Deposits from the general public and the investment of mobilised funds on instruments such as Finance Leasing, Hire Purchase, Business Loans, Personal Loans, Pawn Broking and in Capital Market Operations.

### Financial Statements

Auditor's Draft Financial statements of the company are given on pages 14 to 45 of this Annual Report.

### Auditors' Report

The Auditors' Report on the Financial Statements will be available prior to the Annual General Meeting.

### Significant Accounting Policies

Significant Accounting Policies adopted in the preparation of Financial Statements are given on pages 18 to 24 of the Annual Report.

### Interest Register

The Interest Register is maintained by the company, as per the Companies Act No. 07 of 2007. The related entries were made in the Interest Register during the year under review.

### Directors' Interest in Contracts

The Directors' Interest in Contracts with the company both direct and indirect are disclosed in Note 37 to the Financial Statements.

### Directors' Remuneration

Directors' Remuneration in respect of the Company for the financial year ended 31st March 2009 are given in the Income Statement to the Financial statements.

### Internal Controls

The Board has instituted an effective and comprehensive system of Internal Controls covering financial operations, compliance control and risk management required to carry on the business of the company in an orderly manner, safeguard its assets and secure as far as possible the accuracy and reliability of the records.

### Corporate Governance

The report on Corporate Governance as given on pages 11 & 12 to this report highlights details of systems and procedures that are in place to ensure that Corporate Governance is properly practiced.

### Audit Committee Report

The Audit Committee Report is given on page 13 of this report.

### Review of Business

The Chairman's Review as given in pages 4 & 5 contain a description of the operations and future plans of the Company.

### Income

The income of the company as at 31st March 2009 was Rs. 717, 681,735/= (Rs. 711,685,777/= in 2008).

### Profits

The summarised details relating to the profits of the Company are given below:

	2008/09	2007/08
<b>Net Profit before Taxation</b>	20,689,715	28,680,959
<b>Taxation</b>	(8,982,454)	23,264,162
<b>Net Profit after Taxation</b>	<u>11,707,261</u>	<u>51,945,122</u>

### Dividend

The Company paid an interim dividend of Rs. 0.50 per share for the Ordinary Shareholders and Rs. 0.50 plus an additional Rs. 0.10 per share for the Preference Shareholders on 1st September, 2008 amounting to Rs. 3,497,718.33 & Rs. 447,176.67 respectively out of dividends received by the Company has been recommended by the Directors. Further more an interim dividend of Rs. 0.50 (Gross) per share has been proposed by the Directors to be paid out of the 2009/10 taxable profits.

## Directors' Report ...

### Property, Plant and Equipment

Details of Land and Building, Plant and Equipment with additions made during the year and the depreciation charges for the year are shown in Note 25 to the Financial Statements.

### Reserves

Total Reserves including Statutory Reserve Fund of the company as at 31st March 2009 amounted to Rs. 327,155,369/= (Rs. 309,838,520/= in 2008) details of which are given in Note 34 to 36 to the Accounts.

### Stated Capital

Stated Capital of the company as at 31st March 2009 was Rs. 80,379,055/= consisting of 6,295,893 ordinary shares and 670,765 non-voting, non redeemable, non-cumulative, convertible, participating Preference Shares.

### Shareholdings

The distribution of shareholding is given on page 6 of this report.

### Share Information

Information relating to earnings, dividends and net assets per share is given in Financial Highlights on page 3.

### Major Shareholders

The ten largest shareholders of the Company as at 31st March 2009 are given on page 6.

### Directorate

The Board of Sinhaputhra Finance Ltd., consists of 8 Directors with wide financial and commercial knowledge and experience. However, the following were the Directors of the Company as at 31st March, 2009 :

Ravana Wijeyeratne (Chairman / MD)  
Ms. Chinth Balalle  
K.H.K. Wijayadasa  
Mohan Weerakoon  
Dr. Cuda Wijeyeratne  
Sarath Imbuldeniya

Mr. K.H.K. Wijayadasa retires by rotation in terms of the Articles of Association and being eligible, offers him self for re-election with the unanimous support of other members of the Board.

Special notice has been received from a shareholder pursuant to section 211 of the Companies Act No. 7 of 2007 of his intention to propose the re-election of Dr. Cuda

Wijeyeratne, who is over 70 years of age as a Director of the Company.

Special notice has been received from a shareholder pursuant to Section 211 of the Companies Act No. 7 of 2007 of his intention to propose the re-election of Ms. C.M. Balalle, who is over 70 years of age as a Director of the Company.

### Resignations / New appointments

Mr. Ravana Wijeyeratne, Chairman resigned from the Post of Chairman with effect from 01st August, 2009 and Mr. K.H.K. Wijayadasa was appointed as the Chairman with effect from 01st August, 2009. In addition Mr. A.E.M.N.B. Abeykoon was appointed, Director (Finance) and Mr. K.G.D.S.J. De Alwis was appointed, Director (Operations) with effect from 01st August, 2009.

Mr. A.E.M.N.B. Abeykoon and Mr. K.G.D.S.J. De Alwis retire in terms of Article 98 of the Articles of Association and being eligible, offer themselves for re-election with the unanimous support of the Board of Directors.

### Directors' Interests in Shares

The shareholdings of the Directors together with their spouses were as follows:

	31/3/2009	31/3/2008
Ravana Wijeyeratne	3,319,349	3,319,349
Ms. Chinth Balalle	84,808	84,808
K.H.K. Wijayadasa	909	909
Mohan Weerakoon	191,149	191,149
Dr. Cuda Wijeyeratne	91,996	91,996
Sarath Imbuldeniya	928	928
<b>Spouses</b>	<b>31/3/2009</b>	<b>31/3/2008</b>
Ms. A.R. Wijeyeratne	345	345
Ms. M.P. Wijeyeratne	3,523	3,523
Ms. S. Weerakoon	12,000	12,000

### Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards.

## **Directors' Report ...**

### **Compliance with Laws and Regulations**

The company has not engaged in any activities contravening the laws and regulations. All officers responsible for ensuring compliance with the provisions of various laws and regulations confirm their compliance to the Board.

### **Statutory Payments**

The Directors, to the best of their knowledge and belief are satisfied that all statutory payments due to the Government and in relation to employees have been made on time.

### **Events after the Balance Sheet Date**

There have not been any material events that have occurred subsequent to the date of the Balance Sheet that require adjustments to the Financial Statements, other than those disclosed.

### **Going Concern**

The Directors are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. The Financial Statements are prepared based on the Going Concern concept.

### **Auditors**

The retiring Auditors, M/s KPMG Ford Rhodes Thornton & Co., Kandy has signified their willingness to continue in office and a Resolution to re-appoint them as Auditors and authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

### **Annual General Meeting**

The 31<sup>st</sup> Annual General Meeting of the Company will be held on Wednesday 30<sup>th</sup> September, 2009 at the Registered Office of the company, No. 11, Hill Street, Kandy at 10.00 a.m. Notice of Meeting relating to the 31<sup>st</sup> Annual General Meeting is given on page 49.

### **For and on Behalf of the Board**

Sgd.

**Ravana Wijeyeratne**  
**Managing Director**

Sgd.

**Nandana Abeykoon**  
**Director - Finance**

### **By Order of the Board**

Secretaries & Registrars (Pvt) Ltd.

Sgd.

**SECRETARIES**

07th September, 2009

## Corporate Governance

The stakeholders of a company expect an acceptable standard of corporate behaviour from the Company. It is the firm belief of the Directors that the implementation of Good Corporate Governance practices will ensure creation of shareholder wealth and the long term stability of the institution. The Company maintains the highest standards of Corporate Governance Practices and is committed to ensure the prevalence of such practices. The Board lays down the policies of good governance and expends its energy in safeguarding the interests of the Company. The maintenance of accountability and transparency is a priority in the agenda of the Board. The Directors provide for the promotion of business practices that at all times maintain the dignity and integrity of employees in addition to the building of confidence of its customers.

### Board of Directors

The Board consists of five Non-Executive Directors and three Executive Directors. The Company conducts monthly Board Meetings and, where necessary special Board Meetings are convened in order to transact special business.

### The Board is responsible :

- 🍏 To drive the business of the Company towards a satisfactory financial performance that will ensure long term sustainable value creation and growth;
- 🍏 For the formulation of policies, the setting of strategies and the direction of the organization with clearly – defined management goals that uphold the Company’s Vision, Mission, Values and Objectives;
- 🍏 For the identification of major business risks and providing for effective controls as well as the employment of a timely reporting mechanism;
- 🍏 For approval of major facilities beyond the limits delegated to the Corporate Management and the Executive Directors;
- 🍏 For the adoption, monitoring and implementation of budgets and strategic plans formulated by Executive Directors and the Corporate Management;
- 🍏 To ensure that effective systems of risk management and robust internal controls are in place at all times;
- 🍏 To ensure that an efficient, effective and timely management information system is available for an effective decision making process within the Company.

### Committees of the Board

The Audit Committee, Remuneration Committee, Human Resource Committee and the Credit and Recoveries Committee are the main Committees of the Board.

#### Audit Committee

The Audit Committee plays a key role in reviewing the internal control system that will guarantee the prevalence of effective internal controls. The Committee is chaired by a Non-Executive Director who is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The other two members are specialized in the legal profession and are also Non-Executive Directors. The Committee invites the representatives of the External and Internal Auditors, Managing Director and the Members of the Corporate Management to attend meetings. The Committee constantly reviews the system and controls and makes recommendations for improvements where necessary, in addition to the introductions of new features.

#### Remuneration Committee

The Committee deliberates and determines the policies and criteria relevant to fees of Directors, emoluments of Executive Directors, salaries and perquisites of Corporate Management and the Senior Management. The Committee is headed by a Non-Executive Director who has wide exposure in HR issues and includes two other Directors.

#### Credit and Recoveries Committee

The Committee is chaired by Director/Legal Consultant, a Non-Executive Director. The Managing Director is the other member. The Committee considers all major lending transactions that are recommended by the Corporate Management for approval and provides for maintenance of requisite standards applicable to the lending process.

The Committee conducts regular meetings and takes into consideration all credit related issues and the recovery process in order to maintain a healthy credit portfolio. The process includes the scrutiny of the non-performing asset portfolio to introduce specific recovery measures that will reduce the level of non performing assets. Introduction of a variety of measures for the mitigation of credit risk and the constant monitoring of credit standards is a key element that comes within the purview of the Committee.

#### Internal Controls

The Board of Directors is responsible for the Company’s internal control system. The Board reviews the effectiveness of the internal control system periodically in consultation with the Company’s internal and external auditors. The policies and procedures that are in place assist the company to achieve the objectives in this area.

## Corporate Governance...

The stakeholders of a company expect an acceptable standard of corporate behaviour from the Company. It is the firm belief of the Directors that the implementation of Good Corporate Governance practices will ensure creation of shareholder wealth and the long term stability of the institution. The Company maintains the highest standards of Corporate Governance Practices and is committed to ensure the prevalence of such practices. The Board lays down the policies of good governance and expends it's energy in safeguarding the interests of the Company. The maintenance of accountability and transparency is a priority in the agenda of the Board. The Directors provide for the promotion of business practices that at all times maintain the dignity and integrity of employees in addition to the building of confidence of it's customers.

### Board of Directors

The Board consists of five Non-Executive Directors and three Executive Directors. The Company conducts monthly Board Meetings and, where necessary special Board Meetings are convened in order to transact special business.

### The Board is responsible :

- 🍏 To drive the business of the Company towards a satisfactory financial performance that will ensure long term sustainable value creation and growth;
- 🍏 For the formulation of policies, the setting of strategies and the direction of the organization with clearly – defined management goals that uphold the Company's Vision, Mission, Values and Objectives;
- 🍏 For the identification of major business risks and providing for effective controls as well as the employment of a timely reporting mechanism;
- 🍏 For approval of major facilities beyond the limits delegated to the Corporate Management and the Executive Directors;
- 🍏 For the adoption, monitoring and implementation of budgets and strategic plans formulated by Executive Directors and the Corporate Management;
- 🍏 To ensure that effective systems of risk management and robust internal controls are in place at all times;
- 🍏 To ensure that an efficient, effective and timely management information system is available for an effective decision making process within the Company.

## **Audit Committee Report**

The Audit Committee of the Company comprises of the Chairman and two Non-Executive Directors of the Company. The Managing Director, Director (Finance), Director (Operations), representatives from the Internal / External Auditors, members of the Corporate Management attend these meetings by invitation.

The Committee is empowered, amongst other things, to examine any matter relating to the financial affairs of the Company; to review all audit programs, internal control systems and procedures, accounting policies; adherence to compliance requirements etc.

The Audit Committee acts as an effective forum in assisting the Board of Directors in discharging their responsibilities and ensuring the quality of financial reporting and strengthening of the internal control systems.

During the year under review the Committee met four times and carried out the following tasks:

- Examined all Internal Audit Reports and followed up wherever operational deficiencies had been noted.
- Met the External Auditors before commencement and at the conclusion of the Annual Audit and reviewed the Auditors' Management Letter together with the Management's response thereto.
- Reviewed the adequacy and effectiveness of internal control procedures.
- Made observations as to the compliance with relevant laws, rules and regulations.
- The Audit Committee has recommended to the Board that M/s KPMG Ford Rhodes, Thornton & Co., be re-appointed as External Auditors for the financial year ending March 2010.

**K.H.K. Wijayadasa** FCA  
Chairman – Audit Committee  
24/08/2009

**Income Statement**  
(Auditor's Draft Income Statement)

<i>For the year ended 31st March</i>	Note	2009 Rs.	2008 Rs.
<b>Income</b>	5	<b><u>717,681,735</u></b>	<b><u>711,685,777</u></b>
Interest income	6	695,069,010	672,620,206
Interest expenses	7	<u>(527,252,016)</u>	<u>(462,160,383)</u>
Net interest income		167,816,994	210,459,823
Other operating income	8	<u>22,612,725</u>	<u>39,065,571</u>
<b>Net income from operations</b>		<b><u>190,429,719</u></b>	<b><u>249,525,394</u></b>
<b>Operating expenses</b>	9		
Personnel costs	10	(47,671,918)	(50,448,572)
Depreciation		(15,819,619)	(7,991,265)
Director's emoluments		(6,475,574)	(7,336,000)
Other operating expenses	11	<u>(31,151,726)</u>	<u>(37,255,496)</u>
<b>Operating profit before taxation and possible losses</b>		<b><u>89,310,882</u></b>	<b><u>146,494,061</u></b>
Provision for fall in value of investments		(3,082,772)	(1,600,516)
Loan losses and provisions	12	<u>(55,475,249)</u>	<u>(105,691,818)</u>
<b>Operating profit before VAT on financial services and income tax</b>		<b><u>30,752,861</u></b>	<b><u>39,201,727</u></b>
Value Added Tax on financial services		(10,063,146)	(10,520,766)
<b>Profit before income tax</b>		<b><u>20,689,715</u></b>	<b><u>28,680,961</u></b>
Income tax expense	13	<u>(8,982,454)</u>	<u>23,264,162</u>
<b>Profit for the year</b>		<b><u>11,707,261</u></b>	<b><u>51,945,123</u></b>
Basic earnings per share	14	1.86	8.25
Diluted earnings per share	14	1.68	7.46
Dividend per share		0.50	-

*The Accounting Policies from pages 18 to 24 and the Notes from pages 25 to 45 form an integral part of these Financial Statements.*

*Figures in brackets indicate deductions.*

**Balance Sheet**  
(Auditor's Draft Balance Sheet)

<i>As at 31st March</i>	Note	2009 Rs.	2008 Rs.
<b>Assets</b>			
Cash and short term funds	15	64,231,997	69,960,071
Deposits with banks		82,517,944	218,333,438
Government of Sri Lanka treasury bills and bonds		185,424,012	253,446,007
Dealing securities	16	24,383,064	20,236,196
Investment securities	17	5,209,100	5,209,100
Receivable from Inland Revenue Department	18	42,198,710	30,430,882
Loans and advances	19	1,085,925,581	1,090,231,958
Net investment in leases and hire purchases	20	1,279,767,174	1,122,784,817
Repossessed stocks	21	56,724,404	82,503,400
Real estate stocks		8,769,108	7,598,635
Investments in Associate Companies	23	789,780	789,780
Other assets	24	241,137,887	192,171,655
Property, plant and equipment	25	345,901,372	309,332,055
Transitional asset on retirement benefits	26	17,801,986	-
<b>Total assets</b>		<b><u>3,440,782,119</u></b>	<b><u>3,403,027,994</u></b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits from customers	27	2,148,587,657	2,274,304,098
Bank overdraft	28	193,015,555	115,964,183
Medium and long term borrowings	29	425,427,994	359,413,333
Finance lease liabilities	30	3,073,409	2,488,350
Creditors and accrued expenses	31	197,171,943	197,598,668
Deferred tax liability	32	34,605,611	31,389,561
<b>Total liabilities</b>		<b><u>3,001,882,169</u></b>	<b><u>2,981,158,193</u></b>
<b>Equity</b>			
Stated capital	33	80,379,055	80,379,055
Statutory reserve fund	34	84,350,307	82,008,855
Revaluation reserve	35	111,744,581	112,031,281
General reserve	36	129,013,127	129,013,127
Retained earnings		33,412,880	18,437,483
<b>Total equity</b>		<b><u>438,899,950</u></b>	<b><u>421,869,801</u></b>
<b>Total liabilities and equity</b>		<b><u>3,440,782,119</u></b>	<b><u>3,403,027,994</u></b>

*The Accounting Policies from pages 18 to 24 and the Notes from pages 25 to 45 form an integral part of these Financial Statements.*

*It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.*

Sgd.

**A.E.M.N.B. Abeykoon**  
Chief Financial Officer

Approved and signed for and on behalf of the Board

Sgd.

**K.R.B. Wijeyeratne**  
Managing Director

*Monday, 07th September, 2009*  
Kandy

Sgd.

**A.M.G. Weerakoon**  
Director

## Statement of Changes in Equity

	For the year ended 31st March 2009									
	Ordinary Shares	Stated Capital Preference Shares	Share Premium	Statutory Reserve Fund	Revaluation Reserve	General Reserve	Retained Earnings	Total	Rs.	Rs.
Balance as at 1st April 2007	62,958,930	-	651,000	71,619,831	113,916,495	129,013,127	(23,118,616)	355,040,767		
Profit for the year	-	-	-	-	-	-	51,945,123	51,945,123		
Deferred tax liability on revaluation reserve	-	-	-	-	(1,885,214)	-	-	(1,885,214)		
Issue of preference shares	-	16,769,125	-	-	-	-	-	16,769,125		
Transfers during the year	-	-	-	10,389,024	-	-	(10,389,024)	-		
Balance as at 31st March 2008	62,958,930	16,769,125	651,000	82,008,855	112,031,281	129,013,127	18,437,483	421,869,801		
Balance as at 1st April 2008	62,958,930	16,769,125	651,000	82,008,855	112,031,281	129,013,127	18,437,483	421,869,801		
Transitional asset on adoption of SLAS 16 (Revised 2006)	-	-	-	-	-	-	14,092,298	14,092,298		
Deferred tax on transitional asset arising on adoption of SLAS 16 (Revised 2006)	-	-	-	-	-	-	(4,932,304)	(4,932,304)		
Profit for the year	-	-	-	-	-	-	11,707,261	11,707,261		
Deferred tax liability on revaluation reserve	-	-	-	-	(286,700)	-	-	(286,700)		
Dividend for the year ended 31st March 2008	-	-	-	-	-	-	(3,550,406)	(3,550,406)		
Transfers during the year	-	-	-	2,341,452	-	-	(2,341,452)	-		
Balance as at 31st March 2009	62,958,930	16,769,125	651,000	84,350,307	111,744,581	129,013,127	33,412,880	438,899,950		

The Accounting Policies from pages 18 to 24 and the Notes from pages 25 to 45 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

## Cash Flow Statement

<i>For the year ended 31st March</i>	<b>2009</b>	<b>2008</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Cash flows from operating activities</b>		
Interest and commission receipts	695,069,010	672,620,206
Interest payments	(527,252,016)	(462,160,383)
Other income	13,659,496	12,495,991
Operating expenditure	(89,008,905)	(95,040,068)
Value Added Tax on financial services	(10,063,146)	(10,520,766)
<b>Operating profit before changes in operating assets and liabilities (Note A)</b>	<b>82,404,438</b>	<b>117,394,980</b>
<b>(Increase) / Decrease in operating assets</b>		
Funds advanced to customers	(201,835,792)	91,889,166
Real estate stocks	(877,232)	1,759,692
Other assets	(23,187,235)	(50,918,309)
<b>Increase / (Decrease) in operating liabilities</b>		
Deposits from customers	(125,716,441)	218,599,678
Other liabilities	158,333	21,492,839
<b>Net cash generated from/(used in) operating activities before income tax</b>	<b>(269,053,929)</b>	<b>400,218,046</b>
Income tax paid	(22,753,235)	(16,985,072)
<b>Net cash generated from/(used in) operating activities</b>	<b>(291,807,164)</b>	<b>383,232,974</b>
<b>Cash flows from investing activities</b>		
Dividend income	1,840,954	1,723,000
Investments in treasury bills and bonds	68,021,996	(90,210,672)
Investments made on marketable shares	(10,382,625)	-
Proceeds from disposal of shares	3,152,986	(879,029)
Purchase of property, plant and equipment	(53,032,839)	(107,601,178)
Proceeds from sale of property, plant and equipment	1,147,500	2,135,652
<b>Net cash generated from/(used in) investing activities</b>	<b>10,747,969</b>	<b>(194,832,227)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(3,550,406)	-
Proceeds from issue of preference shares	-	16,769,125
Bank loans obtained	210,647,852	186,450,456
Repayment of bank loans	(144,633,191)	(328,970,269)
<b>Net cash generated from/(used in) financing activities</b>	<b>62,464,255</b>	<b>(125,750,688)</b>
Net increase/(decrease) in cash and cash equivalents	(218,594,940)	62,650,061
Cash and cash equivalents at the beginning of the year	172,329,326	109,679,265
Cash and cash equivalents at the end of the year (Note B)	<b>(46,265,614)</b>	<b>172,329,326</b>
<b>Note A</b>		
<b>Reconciliation of operating profit</b>		
Profit before taxation	20,689,715	28,680,961
Profit on sale of real estate	(293,241)	(467,304)
Depreciation	15,819,619	7,991,265
Provision for fall in value of investments	3,082,772	1,600,516
Bad debts written off	-	27,032,969
Provision for bad and doubtful debts	55,475,249	78,658,849
Bad debts recoveries	(6,315,437)	(23,109,949)
Profit on sale of dealing securities	-	(160,767)
Dividend income	(1,840,954)	(1,723,000)
Reversal of retiring gratuity expense	(3,709,687)	-
Profit on sale of property, plant and equipment	(503,596)	(1,108,560)
	<b>82,404,438</b>	<b>117,394,980</b>
<b>Note B</b>		
<b>Reconciliation of cash and cash equivalents</b>		
Cash and short term funds (Note 15)	64,231,997	69,960,071
Deposits with banks	82,517,944	218,333,438
Bank overdraft (Note 28)	(193,015,555)	(115,964,183)
	<b>(46,265,614)</b>	<b>172,329,326</b>

The Accounting Policies from pages 18 to 24 and the Notes from pages 25 to 45 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

## Accounting Policies

---

### 1 Reporting Entity

Sinhaputhra Finance Limited was incorporated on November 16th 1978 and domiciled in Sri Lanka and governed by the Finance Companies Act No.78 of 1988. The registered office of the Company is situated at No.11A, Hill Street, Kandy.

The staff strength of the Company as at 31st March 2009 is 132 (2008-124)

#### 1.1 Principal activities

The principal activities of the Company continued to be financing and related activities such as accepting deposits, providing of financial accommodations in the form of finance lease, hire purchase, personal loans, business loans, pawning, deposit loans and real estate etc..

#### 1.2 Date of authorization for issue

The Financial Statements of Sinhaputhra Finance Limited for the year ended 31st March 2009 were authorized for issue, in accordance with the resolution of the Board of Directors on 07<sup>th</sup> September 2009

### 2 Basis of preparation

#### 2.1 Statement of compliance

The Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement have been prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka, and comply with the requirements of Companies Act No. 7 of 2007 and Finance Companies Act No. 78 of 1988 and amendments thereto.

#### 2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements, except for the following:

Land and buildings are measured at cost at the time of acquisition and subsequently at revalued amounts, which are the fair values at the date of revaluation less accumulated depreciation and impairment losses, if any.

Dealing securities are measured at market value.

#### 2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees which is the Company's functional currency and rounded to the nearest rupee.

#### 2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 2.5 Comparative information

Comparative information has been restated and reclassified wherever necessary, to conform to the current year's presentation and classification.

### 3 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

## Accounting Policies...

---

### 4 Significant accounting policies

#### 4.1 Assets and bases of their valuation

##### 4.1.1 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments which are readily convertible, to known amount of cash and subject to insignificant risk of change in the value.

##### 4.1.2 Deposits with banks and investments in treasury bills and bonds

Deposits with banks and investments in treasury bills and bonds are stated at cost and any interest accrued up to the balance sheet date is recognised in the income statement.

##### 4.1.3 Dealing securities

These are marketable securities acquired and held with the intention of resale over a short period of time. Such securities are recorded at the lower of cost and market values, adjustments for changes in market value is accounted for in the income statement.

The quoted and unquoted investments classified as dealing securities were recorded at the lower of cost or market value on an aggregate portfolio basis

##### 4.1.4 Investment securities

These are acquired and held for yield or capital growth in the medium /long term. Such securities are recorded at cost. Changes in market values of these securities are not taken into account unless there is a considerable permanent diminution in value.

##### 4.1.5 Loans and advances and trade and other receivables

Loans and advances and trade and other receivables are stated in the balance sheet net of provision for bad and doubtful debts.

Provision for bad and doubtful debts is made as described under 4.1.8.

##### 4.1.6 Investment in leases

Assets leased to customers, which transfer substantially all the risks and rewards associated with ownership other than legal title, are classified as finance leases.

Amount receivable under finance lease are included under "net investment in leases" which are stated in the balance sheet after deduction of unearned lease interest income and the provisions for doubtful recovery of rentals.

Provision for bad and doubtful recoveries is made as described under 4.1.8.

##### 4.1.7 Investment in hire purchases

Assets hired to customers under hire purchase agreements, which transfer all the risks and rewards associated with ownership as well as the legal title at the end of such contractual period, are classified as hire purchases. Such assets are accounted for in a similar manner as those of finance leases.

##### 4.1.8 Provision for loan losses

Provision for bad and doubtful debts is made on the basis of continues review of all accommodations to customers in accordance with Central Bank Direction No. 3 of 2006<sup>7/</sup> - Provision for bad and doubtful debts and Sri Lanka Accounting Standard No.33 - Revenue recognition and disclosure in the Financial statements of finance companies. Accordingly, specific provision for bad and doubtful debts have been made as follows.

For all accommodations in arrears either capital or interest or both capital and interest for a period of

6 months or more but not exceeding 12 months	50%
Over 12 months	100%

Full provision with regard to the portion of the unrecovered amount of an accommodation for which the asset financed under a lease / hire purchase agreement has been repossessed and sold or where the asset taken as collateral has been sold by the Company.

In addition, wherever it is considered prudent, further provisions are made on specifically identified loans and advances.

## Accounting Policies...

---

### 4.1.9 Real Estate stocks

Real Estate stocks of the Company represent the purchase value of properties acquired and any subsequent expenditure incurred on such for development.

### 4.1.10 Investments in Associate Companies

Investments in Associate Companies are stated at cost in the Company's financial statement in accordance with Sri Lanka Accounting Standard No.27 - Accounting for investments in Associates.

### 4.1.11 Intangible assets

#### Software

Costs that are directly associated with the acquisition, developments and / or production of identifiable and unique software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Computer software recognized as assets are amortised over their estimated useful lives.

Cost associated with maintaining computer software programmes are recognised as an expense as incurred.

### 4.1.12 Property, plant and equipment

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured

Property, plant and equipment are recorded at cost of purchase or construction or valuation together with any incidental expenses thereon. These assets are stated at cost or valuation less accumulated depreciation and any accumulated impairment loss.

Depreciation is provided at the rates indicated below on straight-line basis over the period appropriate to the estimated useful lives of the different types of assets.

Buildings	5% per annum
Office equipment	25% per annum
Furniture and fittings	25% per annum
Motor vehicles	25% per annum
Computer equipment	50% per annum
Leasehold motor vehicles	25% per annum
Leasehold equipments	25% per annum

Assets are depreciated from the date of purchase/available for use up to the date of disposal

Depreciation is not provided for freehold land.

### 4.1.13 Capital work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, awaiting capitalisation.

### 4.1.14 Impairment of assets

The carrying amount of Company's non financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

## Accounting Policies...

---

### 4.2 Liabilities and provisions

#### 4.2.1 Deposits from customers

Deposits include Savings Deposits, Term Deposits and Certificates of Deposit. They are brought to account at the gross value of the outstanding balance. Interest paid is charged to the income statement.

#### 4.2.2 Borrowings

Borrowings include medium and long term borrowings from banks and financial institutions. They are brought to account at the gross value of the outstanding balance.

#### 4.2.3 Creditors and accrued expenses

Creditors and accrued expenses are stated at cost.

#### 4.2.4 Retirement benefit obligations

##### a) Defined contribution plans – EPF and ETF

All employees who are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions are covered by relevant contribution funds in line with respective statutes and regulations.

Contribution to Provident Funds and Trust Funds covering the employees are recognised as an expense in the income statement.

##### b) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The defined benefit obligation is calculated annually using the projected unit credit method. The service of a qualified actuary is obtained to determine the valuation of the defined benefit obligation for the company that adopted the actuarial valuation method in computing the provision required in accordance with Sri Lanka Accounting Standard No.16 (Revised 2006) on Employee Benefits. The projected unit credit method projects the current data using the actuarial assumptions and calculates projected benefits at the participants' assumed retirement date. The key assumptions used in determining the benefit obligations are given in Note 26.4 to these Financial Statements.

The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the company's defined benefit obligation and the fair value of plan assets as at the end of the prior year are amortized over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

Provision has been made for the defined benefit plan from the first year of service for all employees in conformity with SLAS 16 (Revised 2006) on Employee benefit.

The liability for retirement benefit obligation of the Company is externally funded through a Gratuity Fund established in 1990.

This liability is computed on the following basis:

$50\% \times \text{Monthly salary} \times \text{Completed years of service}$

If employees joined before 31st March 1997 and has completed 25 years

$100\% \times \text{Monthly salary} \times \text{Completed years of service}$

However, under the Payment of Gratuity Act No. 12 of 1983 the liability to an employee arises only on completion of five years of continued service.

## Accounting Policies...

---

### 4.3 Income statement

#### 4.3.1 Revenue recognition

##### a) Leases

In accordance with Sri Lanka Accounting Standards No. 19 (Revised 2005) on Leases, recognition of finance income on leasing is accounted based on a pattern reflecting a constant periodic rate of return on capital outstanding. The excess of aggregate lease rentals receivable over the cost of the leased assets constitutes the total unearned interest income at the commencement of the contract. The unearned interest income is taken in to revenue on an accrual basis over the term of the lease commencing from the month in which the first rental is due, in proportion to the reducing capital outstanding balance .

Non-performing leases are those leases where the rentals are overdue for 6 months or more. Interest income accrual is suspended from the date on which a lease is classified as non-performing. Thereafter such income is recognised on a cash basis until the lease is reclassified as performing.

##### b) Hire purchases

Recognition of interest income on hire purchase facilities is similar to that of leases, which recognises interest income based on a pattern reflecting a constant periodic rate of return on the capital outstanding.

##### c) Loans and advances

Income is recognised on accrual basis and ceases to be taken into revenue for all types of loans and advances when such contracts are classified as non-performing. Thereafter such income is recognised on a cash basis until the advance is reclassified as performing.

##### d) Recovery of Bad debts written off

Recovery of bad debts written off is recognised on a cash basis.

##### e) Service charges and default charges

Service charges and default charges are recognised on a cash basis.

##### f) Interest income on investments in treasury bills and treasury bonds

Interest receivable is taken to the income statement on an accrual basis, based on a pattern reflecting a constant periodic rate of return. Interest on treasury bills and bonds is grossed up with the notional tax credit available under the Inland Revenue Act No. 10 of 2006 as disclosed in the respective notes to the Financial Statements.

##### g) Interest income on deposits with banks

Interest receivable is taken to the income statement on an accrual basis.

##### h) Dividend income

Dividend income is recognised in the income statement on the date that the company's right to receive payment is established.

##### i) Commission income

Commission income relating to specific transactions or events is recognised in the income statement in the period in which they are earned.

##### j) Profit / (loss) on sale of dealing securities

Profit/(loss) arising from the sale of marketable securities is accounted for on the date of the transaction in the income statement.

##### k) Profit/(loss) from sale of property, plant and equipment

Profit/(loss) from sale of property, plant and equipment is recognised in the period in which the sale occurs.

## Accounting Policies...

---

### 4.3.2 Expenditure recognition

Expenses are recognised in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenses incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to income statement. In terms of the provisions of Sri Lanka Accounting Standard No. 33 on Revenue Recognition and Disclosure in the Financial Statements of Finance Companies, interest and other expenses payable are recognised on an accrual basis

### 4.3.3 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent where borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset.

### 4.3.4 Income tax expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### a) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the balance sheet date, and any adjustment to tax payable in respect of previous years. Provision for taxation is based on the profit of the year adjusted to arrive at the taxable profit in accordance with the Inland Revenue Act No. 10 of 2006 and amendments thereto.

#### b) Deferred tax

Deferred taxation has been provided for under the liability method on temporary differences as at the balance sheet date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that future taxable profit will be available to recover the deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax arising on items recognised in equity is dealt with through the equity statement

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

### 4.3.5 Value Added Tax / Value Added Tax on financial services

Value Added Tax is calculated based on the Value Added Tax Act No. 14 of 2002 and amendments thereto.

The base for the computation of VAT on financial services is the accounting profit before income tax is adjusted for the emoluments of employees and subsequent economic depreciation computed on prescribed rates

## Accounting Policies...

---

### 4.4 Earnings per share

The Company presents basic and diluted earnings per share for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

### 4.5 Cash flow statement

The cash flow statement has been prepared by using the "Direct Method" in compliance with SLAS - 9 - Cash Flow Statements. Cash and cash equivalents in the cash flow statement comprise mainly of cash in hand, balances at banks net of bank overdraft.

### 4.6 Related party transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price being charged. The relevant disclosure are given in Note 37 to the Financial Statements

### 4.7 Events after the balance sheet date

All material post balance sheet events have been disclosed in Note 38 to the Financial Statements.

### 4.8 Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the balance sheet but are disclosed unless they are remote

### 4.9 Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segments. The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing the Financial Statement of the Company. Segment revenue is the revenue reported in the income statement that is directly attributable to a segment.

Segment expenses are expense resulting from the operating activities of a segment that is directly attributable to the segment and allocated to the segment on a reasonable basis.

Segment assets are those operating assets that are employed by a segment in its operating activities and directly attributable to the segment or allocated on a reasonable basis.

Segment liabilities are those operating liabilities that result from the operating activities of a segment and directly attributable to the segment or allocated on a reasonable basis.

### 4.10 Directors' responsibility statement

Directors acknowledge the responsibility for true and fair presentation of the Financial Statements in accordance with the books of accounts and Sri Lanka Accounting Standards and the requirements of the Companies Act No.7 of 2007. Further elaboration of the Directors' responsibility is in Note 40 to the Financial Statements

## Notes to the Financial Statements

<i>For the year ended 31st March</i>		<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>5</b>	<b>Income</b>			
	Interest income	6	695,069,010	672,620,206
	Other operating income	8	22,612,725	39,065,571
			<u>717,681,735</u>	<u>711,685,777</u>
<b>6</b>	<b>Interest income</b>			
	Finance leases		152,100,747	233,742,955
	Hire purchases		114,437,604	9,587,673
	Business loans		187,468,630	214,386,118
	Personal loans		58,296,885	75,443,821
	Pawning advances		3,391,683	-
	Fixed deposit loans		21,696,405	15,452,304
	Special deposit loans		-	791
	Overdue interest		80,848,578	39,155,968
	Extended repayment facility on real estate		9,978	3,793
	Interest on debentures		750,000	750,000
	Treasury bills and bonds	6.1	60,094,406	37,016,780
	Deposits with banks		15,685,111	46,863,346
	Staff loans		288,983	216,658
			<u>695,069,010</u>	<u>672,620,206</u>
<b>6.1</b>	<b>Notional tax credit for withholding tax on government securities on secondary market transactions.</b>			
	Section 137 of the Inland Revenue Act, No.10 of 2006, provides that a company which derives interest income from the secondary market transactions in Government securities would be entitled to a notional tax credit (being one ninth of net interest income) provided such interest income forms part of the statutory income of the company for that year of assessment.			
	Accordingly the net income earned from secondary market transactions in Government securities for the year, has been grossed up in the Financial Statements, and the resulting notional tax credit amounts, to Rs. 6,009,441/- (2007/08 Rs. 3,701,678/-) for the Company.			
<b>7</b>	<b>Interest expenses</b>			
	Customer deposits		448,889,355	357,412,548
	Medium and long term borrowings		52,338,992	65,803,858
	Short term borrowings		25,108,999	38,814,057
	Finance lease		914,670	129,920
			<u>527,252,016</u>	<u>462,160,383</u>
<b>8</b>	<b>Other operating income</b>			
	Other charges		12,450,890	11,848,258
	Commissions		1,190,444	638,733
	Bad debts recoveries		6,315,437	23,109,949
	Dividend		1,840,954	1,723,000
	Profit on sale of dealing securities		-	160,767
	Profit on sale of real estate		293,241	467,304
	Profit on sale of property, plant and equipment		503,596	1,108,560
	Sundry income		18,163	9,000
			<u>22,612,725</u>	<u>39,065,571</u>
<b>9</b>	<b>Operating expenses</b>			
	<b>Operating expenses include the following :</b>			
	Audit fee and expenses-external		324,020	253,000
	Audit fee and expense-internal		34,229	368,179
	Commissions paid to brokers		2,853,638	1,075,030
	Legal expenses		1,055,695	2,146,697

## Notes to the Financial Statements ...

<i>For the year ended 31st March</i>		<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>10</b>	<b>Personnel costs</b>			
	Salaries and wages		37,075,072	35,550,519
	Contribution to Employees' Provident Fund		3,993,743	3,804,536
	Contribution to Employees' Trust Fund		998,436	951,134
	Retirement benefit obligations	10.1	(2,247,600)	1,657,325
	Other personnel costs		7,852,267	8,485,058
			<u>47,671,918</u>	<u>50,448,572</u>
<b>10.1</b>	<b>Retirement benefit obligations</b>			<b>As at</b>
	<b>Amount recognised in the income statement</b>			<b>31-03-2009</b>
	Current service cost			719,561
	Interest cost			2,099,062
	Expected return on assets			(5,066,223)
				<u>(2,247,600)</u>
<p>The Company adopted SLAS 16 (Revised 2006) - Employee Benefits during the year ended 31st March 2009. The Company has obtained actuarial valuation to determine the present value of retirement benefit obligations and current service cost as required by the said standard. Detailed comparative figures have not been included, as the basis of computing the retirement benefit obligation in the previous year was not based on the projected unit credit method.</p>				
<b>11</b>	<b>Other operating expenses</b>			
	Administration expenses		7,084,012	6,819,070
	Establishment expenses		17,869,394	24,726,232
	Selling expenses		6,198,320	5,710,194
			<u>31,151,726</u>	<u>37,255,496</u>
<b>12</b>	<b>Loan losses and provisions</b>			
	Direct write off	12.1	-	27,032,969
	Specific provision for bad and doubtful debts	12.2	40,085,553	37,381,161
	Loss on sale of repossessed vehicles		24,815,311	40,537,442
	Provision / (reversal) for fall in value of repossessed vehicles		(9,425,615)	740,246
			<u>55,475,249</u>	<u>105,691,818</u>
<b>12.1</b>	<b>Direct write off</b>			
	Finance leases		-	18,301,825
	Business loans		-	8,216,717
	Personal loans		-	514,427
			<u>-</u>	<u>27,032,969</u>
<b>12.2</b>	<b>Specific provision for bad and doubtful debts</b>			
	Finance leases		16,523,764	24,475,877
	Hire purchases		4,751,297	-
	Business loans		14,488,916	10,051,881
	Personal loans		4,321,576	2,853,403
			<u>40,085,553</u>	<u>37,381,161</u>

## Notes to the Financial Statements ...

<i>For the year ended 31st March</i>		<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>13</b>	<b>Income tax expense</b>			
	Income tax on profit for the period	13.1	(10,985,408)	(7,318,280)
	Reversal from/(transfer to) deferred taxation		2,002,954	30,582,442
			<u>(8,982,454)</u>	<u>23,264,162</u>
<b>13.1</b>	<b>Reconciliation of effective tax rate</b>			
	Tax charge is based on taxable profit which differs from profit for financial reporting purposes. These differences are explained in the following reconciliation statement			
	Net profit before tax		20,689,715	28,680,961
	Add - disallowable expenses		68,157,112	88,275,403
	Less - allowable expenses		<u>(40,846,134)</u>	<u>(57,498,888)</u>
			48,000,694	59,457,476
	Add / (less) - adjustments		<u>(53,228,705)</u>	<u>(27,607,709)</u>
			(5,228,011)	31,849,767
	Loss from lease business during the year		52,801,908	-
	Business loss claimed during the year		<u>(16,650,864)</u>	<u>(11,147,418)</u>
	Taxable income		30,923,033	20,702,349
	Income tax @ 35%		10,823,062	7,245,822
	Social responsibility levy @ 1.5% of income tax (2008- 1%)		162,346	72,458
	Income tax on profit for the period		<u>10,985,408</u>	<u>7,318,280</u>
	Effective tax rate		53%	26%
<b>14</b>	<b>Earnings per share</b>			
<b>14.1</b>	<b>Basic earnings per share</b>			
	Basic earnings per share has been calculated by dividing the net profit attributable to equityholders of the Company, by the weighted average number of ordinary shares in issue during the year			
	Profit attributable to the equityholders of the Company		11,707,261	51,945,123
	Weighted average number of ordinary shares		<u>6,295,893</u>	<u>6,295,893</u>
	Basic earnings per share		<u>1.86</u>	<u>8.25</u>
<b>14.2</b>	<b>Diluted earnings per share</b>			
	Diluted earnings per share has been calculated by dividing the net profit attributable to equityholders of the Company by the weighted average number of ordinary shares issued adjusted for the effects of all dilutive potential ordinary shares.			
	Profit attributable to the equityholders of the Company		11,707,261	51,945,123
	Adjusted weighted average number of ordinary shares		<u>6,966,658</u>	<u>6,966,658</u>
	Diluted earnings per share		<u>1.68</u>	<u>7.46</u>

## Notes to the Financial Statements ...

<i>As at 31st March</i>	Note	2009 Rs.	2008 Rs.
<b>15 Cash and short term funds</b>			
Peoples Bank (A/c No.003-1-001-0-1199474)		555,080	122,659
People's Bank - Colombo (A/c No.309100132536717)		274,436	274,436
Bank of Ceylon (A/c No.0000032623)		1,028,369	959,865
Bank of Ceylon - Matale (A/c No.7591064)		1,670,141	324,866
Commercial Bank (A/c No.10003774501)		256,365	400,066
Commercial Bank -Kundasale (A/c No.1040029596)		2,093,200	912,468
Sampath Bank (A/c. No.000710005826)		2,271,964	200,114
Sampath Bank (A/c. No.003210002943)		10,000	6,734,346
Nations Trust Bank Colombo (A/c No.500100004783)		162,270	2,039,723
Nations Trust Bank Colombo (A/c No.4106000128)		7,230,119	-
Nations Trust Bank (A/c No.0004100006285)		-	4,749,488
Hatton National Bank (A/c No.018010263783)		666,836	206,939
National Development Bank (A/c No.002001000129)		-	87,535
Seylan Bank (A/c No.0170-01863408-001)		112,412	199,087
HSBC (A/c No.002-113215-001)		132,968	41,230
Cash in hand - Kandy		43,969,126	50,707,550
Cash in hand - Colombo		1,450,000	1,370,816
Cash in hand - Matale		68,900	-
Cash in hand - Kundasale		100,000	-
Petty cash - Kandy		25,000	15,000
Petty cash - Colombo		7,500	7,500
Petty cash - Kundasale		5,000	2,500
Transfer of funds		2,042,311	576,813
Postage and stamps		100,000	27,070
		<u>64,231,997</u>	<u>69,960,071</u>
<b>16 Dealing securities</b>			
Quoted shares	16.1	23,349,828	19,646,786
Unquoted shares	16.2	1,033,236	589,410
		<u>24,383,064</u>	<u>20,236,196</u>

## Notes to the Financial Statements ...

16.1	Quoted shares	No. of	Total	Market	No. of	Total	Market
		shares	cost	value	shares	cost	value
		31.03.09	31.03.09	31.03.09	31.03.08	31.03.08	31.03.08
			Rs.	Rs.		Rs.	Rs.
	<b>Hotels and Travels</b>						
	Kandy Hotels Company Ltd.	4,200	375,278	210,000	4,200	375,278	298,200
	Mahaweli Reach Hotels Ltd.	699,200	9,640,668	8,740,000	1,000	28,622	15,500
			10,015,946	8,950,000		403,900	313,700
	<b>Bank, Finance and Insurance</b>						
	Seylan Bank PLC (Non voting)	1,083,000	14,664,701	5,956,500	1,083,000	14,664,700	10,017,750
	Central Finance Company PLC	8,300	1,701,626	1,303,100	8,300	1,701,626	1,660,000
	Commercial Bank of Ceylon PLC	26,000	2,298,660	1,612,000	26,000	2,298,660	2,132,000
	DFCC Bank PLC	3,750	613,642	255,000	3,750	613,642	468,750
	National Development Bank PLC	2,500	555,302	222,500	2,500	555,302	414,375
	Vanik	100,050	294,253	90,000	100,050	294,253	170,085
	Merchant Bank	10,000	159,748	90,045	10,000	159,748	175,000
	Janashakthi Insurance Corporation	10,000	204,000	77,500		-	-
			20,491,931	9,606,645		20,287,931	15,037,960
	<b>Diversified Holdings</b>						
	Richard Pieris	433	31,645	10,825	433	31,645	17,320
			31,645	10,825		31,645	17,320
	<b>Investment Trust</b>						
	Ceylon Guardian	5,000	903,697	521,250	5,000	903,697	850,000
			903,697	521,250		903,697	850,000
	<b>Chemicals and Pharmaceuticals</b>						
	CIC	9	-	304	9	-	306
			-	304		-	306
	<b>Manufacturing</b>						
	Royal Ceramics Lanka PLC	10,000	443,517	275,000	10,000	443,517	427,500
	Kelani Tyres	59,000	2,116,296	1,416,000	120,000	3,755,016	3,000,000
			2,559,813	1,691,000		4,198,533	3,427,500
	<b>Total cost and market value</b>		34,003,031	20,780,024		25,825,705	19,646,786
	<b>Less : provision for fall in market value</b>						
	Balance as at 1st April		6,178,918			5,022,502	
	Provision made during the year		7,044,088			1,156,416	
			13,223,006			6,178,918	
	Reversal made for subsequent sale of shares (Note 16.1.1)		(2,569,803)			-	
	Balance as at 31st March		10,653,203			6,178,918	
	<b>Net carrying amount of quoted investments</b>		23,349,828	20,780,024		19,646,786	19,646,786

During the financial year a sum of Rs. 7,044,088/- has been provided for fall in value of investments in quoted shares considering the market value per share as at 31st March 2009 and subsequent to the balance sheet date the company has disposed some of the dealing securities for the actual loss of Rs. 7,228,368/- for which the company has provided Rs. 9,798,171/-for fall in value as at 31/03/2009 and consequently a provision Rs. 2,569,803/- has been reversed according to the SLAS 12 (Revised 2005) - Events after the balance sheet date.

16.2	Unquoted shares	No. of	Total	Market	No. of	Total	Market
		shares	cost	value	shares	cost	value
		31.03.09	31.03.09	31.03.09	31.03.08	31.03.08	31.03.08
			Rs.	Rs.		Rs.	Rs.
	<b>Bank, Finance and Insurance</b>						
	D.F.C.C. Vardana (NEB)	58,941	1,033,510	1,033,236	58,941	1,033,510	589,410
			1,033,510	1,033,236		1,033,510	589,410
	<b>Less : provision for fall in market value</b>						
	Balance as at 1st April		444,100			-	
	Provision/(reversal) made during the year		(443,826)			444,100	
	Balance as at 31st March		274			444,100	
	<b>Net carrying amount of unquoted investments</b>		1,033,236	1,033,236		589,410	589,410

Sector classification and market value per share are based on official valuations list published by Colombo Stock Exchange as at current week closing price of year end 31 March 2009.

## Notes to the Financial Statements ...

<i>As at 31st March</i>		<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>17</b>	<b>Investment securities</b>			
	Finance Houses Consortium (Pvt) Ltd.,		200,000	200,000
	Credit Information Bureau of Sri Lanka		9,100	9,100
	Debentures (Seylan Bank)		5,000,000	5,000,000
			<u>5,209,100</u>	<u>5,209,100</u>
<b>18</b>	<b>Receivable from Inland Revenue Department</b>			
	Income tax recoverable	18.1	28,541,246	17,896,010
	Advance company tax		1,825,669	1,825,669
	Economic service charges	18.2	11,831,795	10,709,203
			<u>42,198,710</u>	<u>30,430,882</u>
<b>18.1</b>	<b>Income tax recoverable</b>			
	Balance as at 1st April		17,896,010	9,757,544
	Taxes paid on self assessment basis		-	133,845
	W. H. T. deducted on fixed deposits, treasury bills and bonds		10,645,236	8,004,621
			<u>28,541,246</u>	<u>17,896,010</u>
	Income tax liability for the year		(10,985,407)	(7,318,280)
	Economic service charges claimed	18.2	10,985,407	7,318,280
			<u>28,541,246</u>	<u>17,896,010</u>
<b>18.2</b>	<b>Economic service charges</b>			
	Balance as at 1st April		10,709,203	9,180,877
	Economic service charges paid		12,107,999	8,846,606
	Claimed for the year		(10,985,407)	(7,318,280)
	Balance as at 31st March		<u>11,831,795</u>	<u>10,709,203</u>
<b>19</b>	<b>Loans and advances</b>			
	Personal loans		211,674,787	211,039,987
	Business loans		810,243,009	831,290,635
	Pawning advances		32,869,100	-
	Fixed deposit loans		91,729,643	89,681,803
			<u>1,146,516,539</u>	<u>1,132,012,424</u>
	Provision for bad and doubtful debts	19.1	(60,590,958)	(41,780,466)
			<u>1,085,925,581</u>	<u>1,090,231,958</u>
<b>19.1</b>	<b>Movement in provision for bad and doubtful debts</b>			
	Provision as at 1st April		41,780,466	30,234,115
	Provision made during the year		18,810,492	12,905,285
			<u>60,590,958</u>	<u>43,139,400</u>
	Recoveries during the year		-	(1,358,934)
	Provision as at 31st March		<u>60,590,958</u>	<u>41,780,466</u>

## Notes to the Financial Statements ...

<i>As at 31 st March</i>	Note	2009 Rs.	2008 Rs.
<b>20 Net investment in Leases and Hire Purchases</b>			
Rentals receivable on Leased Assets	20.1	742,016,512	939,338,576
Rentals receivable on Hire Purchases	20.2	537,750,662	183,446,241
		<u>1,279,767,174</u>	<u>1,122,784,817</u>
<b>20.1 Rentals receivable on Leased assets</b>			
Gross investment in Leases		1,098,910,608	1,375,090,449
Unearned interest income		(312,452,714)	(407,834,255)
		<u>786,457,894</u>	<u>967,256,194</u>
Provision for bad and doubtful debts	20.1.1	(44,441,382)	(27,917,618)
		<u>742,016,512</u>	<u>939,338,576</u>
<b>20.1.1 Movement in provision for bad and doubtful debts</b>			
Provision as at 1st April		27,917,618	121,497,641
Provision made during the year	22.1 & 22.2	16,523,764	24,475,877
		<u>44,441,382</u>	<u>145,973,518</u>
Recoveries during the year		-	(18,192,916)
Write off during the year		-	(99,862,985)
Provision as at 31st March		<u>44,441,382</u>	<u>27,917,618</u>
<b>20.2 Rentals receivable on Hire Purchases</b>			
Gross investment in hire purchases		895,330,728	322,770,220
Unearned interest income		(352,828,769)	(139,323,979)
		<u>542,501,959</u>	<u>183,446,241</u>
Provision for bad and doubtful debts	20.2.1	(4,751,297)	-
		<u>537,750,662</u>	<u>183,446,241</u>
<b>20.2.1 Movement in provision for bad and doubtful debts</b>			
Provision as at 1st April		-	229,594
Provision made during the year		4,751,297	-
		<u>4,751,297</u>	<u>229,594</u>
Write off during the year		-	(229,594)
Provision as at 31st March		<u>4,751,297</u>	<u>-</u>
<b>21 Repossessed stocks</b>			
Balance as at 31st March		58,421,739	93,626,350
Provision for fall in value of repossessed stocks	21.1	(1,697,335)	(11,122,950)
Balance as at 31st March		<u>56,724,404</u>	<u>82,503,400</u>
<b>21.1 Provision for fall in value of repossessed stocks</b>			
Provision as at 1st April		11,122,950	10,382,704
Provision / (reversal) made during the year	22.3	(9,425,615)	740,246
Provision as at 31st March		<u>1,697,335</u>	<u>11,122,950</u>

## Notes to the Financial Statements...

---

### **22 Repossessed and Seized Vehicles**

Provision for bad & doubtful debts (if the contract exists) or for fall in value of the vehicles (if the contract is closed) that are discussed under 22.1), 22.2), & 22.3) below have been recognised only to the extent of the book value of individual vehicle exceeding 80% of the valuation.

The valuations of Repossessed and Seized vehicles have been carried out by Upali Doranagama Associates, one of the registered panel valuers of Leasing Association of Sri Lanka appointed by the Board of Directors.

#### **22.1 Seized vehicles at company's Yard but contracts are exists.**

**22.1.1** A provision of Rs. 2,121,089/- (2008 - Rs. 2,339,813 ) has been made in these Financial Statements for non performing contract amounting to Rs. 66,976,364/- ( 2008 - Rs. 21,171,813/-).

**22.1.2** No provision has been made where the book value of individual non performing contract of which vehicle has been seized are less than 80% of valuation. 80% of the value of these seized vehicles assessed by the valuer and the book value of such non performing contracts in total were Rs. 73,700,000/- and Rs. 73,497,836/- respectively (2008 - Rs. 32,152,000/- and Rs. 29,709,322/-).

#### **22.2 Vehicles are in the custody of the Courts due to pending legal proceedings**

No provisions has been made for bad and doubtful debts as the 80% of valuation of individual vehicle assessed by the valuer is higher than book values of those contracts and the Board of the Directors are also of the view that the vehicles will be released to the company as the absolute ownership is with the Company.

80% of the value of those vehicles assessed by the valuer and the book value of those contracts were Rs. 3,800,000/- and Rs. 3,709,394/- respectively (2008 - Rs. 33,156,000/- and Rs. 32,443,929/-).

#### **22.3 Repossessed Vehicle at Company's Yard and contracts of those vehicles were closed.**

In the year of accounting a provision of Rs. 9,425,615/- has been reversed (2008 - provision - Rs. 740,246/-) against repossessed vehicles, book value amounting to Rs. 58,421,739/- (2008 - Rs. 93,626,350/-) as shown in Note 21. The total provision made against such vehicles as at end of the year was Rs. 1,697,335/- (2008 - Rs. 11,122,950/-) as shown in the Note 21.1 to these Financial Statements.

80% of the value of the repossessed vehicles assessed by the valuer was Rs. 60,488,000/- (2008 - Rs. 82,503,400/-).

No provision has been made where the book value of the repossessed vehicle is less than 80% of valuation

## Notes to the Financial Statements...

<i>As at 31st March</i>	Note	2009 Rs.	2008 Rs.
<b>23 Investments in Associate Companies</b>			
Sinhaputhra Computers Ltd.,		250,000	250,000
Sinhaputhra Securities Ltd.,		319,780	319,780
Sinhaputhra Traders Ltd.		220,000	220,000
		<u>789,780</u>	<u>789,780</u>
<b>23.1 Voluntary liquidation of Associate Companies</b>			
The Directors of the above Associate Companies have decided to liquidate the above companies voluntarily. The decision has been taken in year 2003 and voluntary liquidation is in progress as at the balance sheet date and no impairment test has been done.			
<b>24 Other assets</b>			
Advanced paid to computer software development	24.1	11,719,207	7,997,500
Trade receivables	24.2	212,903,281	173,069,832
Deposits and advances	24.3	8,290,915	3,514,159
Sundry debtors	24.4	6,744,282	6,666,278
Stock of gift items		575,000	-
Stock of stationary		905,202	923,886
		<u>241,137,887</u>	<u>192,171,655</u>
<b>24.1 Advance paid to computer software development</b>			
Advance payment made in respect of cost that are directly associated with the production of identifiable and unique software products controlled by the company are included under the advance paid to computer software development and due to this no amortisation has been made during the year in the Financial Statements			
<b>24.2 Trade receivables</b>			
Amount due from Leases		104,761,129	91,289,490
Amount due from Hire Purchases		32,822,024	4,274,050
Interest receivable on Business Loans		45,410,914	28,261,923
Interest receivable on Personal Loans		11,671,981	7,186,174
Interest receivable on Pawning		1,350,292	-
Interest receivable on Deposit Loans		4,342,509	3,726,651
Interest receivable on Treasury Bills and bonds		11,087,587	12,977,498
Interest receivable on Deposits with banks		1,300,953	23,464,309
Receivable from Real Estates		-	1,723,715
Property loan collection account		155,892	166,022
		<u>212,903,281</u>	<u>173,069,832</u>
<b>24.3 Deposits and advances</b>			
Deposit on telephone		25,150	25,150
Deposit on petrol		27,000	27,000
Deposit on water and electricity		527,213	527,213
Deposit on rent		465,000	2,805,000
Deposit on advertisements		18,100	18,100
Deposit on pawning		10,000	-
Pre paid insurance		1,032,894	-
Festival advance		8,050	2,700
Normal advance		352,508	108,996
Pre paid loan interest		5,825,000	-
		<u>8,290,915</u>	<u>3,514,159</u>
<b>24.4 Sundry debtors</b>			
Returned cheques		756,716	113,610
Staff loans		1,595,347	1,513,464
Exclusive staff loans		2,976,291	4,257,955
Value added tax on financial services over paymen		-	781,249
Debenture interest income receivable		750,000	-
Credit card receivable		665,929	-
		<u>6,744,282</u>	<u>6,666,278</u>

**Notes to the Financial Statements...**

As at 31st March 2009

25	Property, plant and equipment	Land & Building Rs.	Office Equipment Rs.	Furniture & Fittings Rs.	Motor Vehicles Rs.	Leasehold Motor Vehicles Rs.	Leasehold Equipment Rs.	Computer Equipment Rs.	Capital work-in-progress Rs.	2009 Total Rs.	2008 Total Rs.
	Balance as at 1st April	155,175,000	5,339,605	7,296,488	21,027,307	2,750,000	-	10,807,746	142,109,029	344,505,175	241,118,416
	Additions	-	11,045,645	1,096,820	-	425,217	335,600	1,950,225	38,179,332	53,032,839	107,601,178
	Disposals	-	(1,718,500)	-	(158,270)	-	-	(103,600)	-	(1,980,370)	(4,214,420)
	Transfers	180,288,361	-	-	-	-	-	-	(180,288,361)	-	-
	Balance as at 31st March	335,463,361	14,666,750	8,393,308	20,869,037	3,175,217	335,600	12,654,371	-	395,557,644	344,505,174
	<b>Accumulated depreciation</b>										
	Balance as at 1st April	985,714	4,314,787	5,433,359	15,459,298	198,904	-	8,781,056	-	35,173,118	30,369,182
	Change for the year	5,512,719	2,943,397	802,216	3,519,410	815,913	-	2,225,964	-	15,819,619	7,991,265
	Depreciation on disposals	-	(1,074,596)	-	(158,270)	-	-	(103,600)	-	(1,336,465)	(3,187,328)
	Balance as at 31st March	6,498,433	6,183,588	6,235,575	18,820,439	980,108	34,709	10,903,421	-	49,656,272	35,173,119
	<b>Net book value</b>										
	As at 31st March 2009	328,964,928	8,483,162	2,157,734	2,048,599	2,195,109	300,891	1,750,950	-	345,901,372	-
	As at 31st March 2008	154,189,286	1,024,818	1,863,129	5,568,009	2,551,096	-	2,026,690	142,109,029	-	309,332,055

**25.1 Details of land & building**

	Land Rs.	Building Rs.	Total 2009 Rs.	Total 2008 Rs.
No 11A, Hill Street, Kandy				
No 128/5 & 128/6, Kotugodalla Vidya, Kandy				
No 09, Hill Street, Kandy				
No 15A, Hill Street, Kandy				
	66,675,000	20,822,510	87,497,510	78,175,000
	14,000,000	-	14,000,000	14,000,000
	63,000,000	170,965,851	233,965,851	63,000,000
	143,675,000	191,788,361	335,463,361	155,175,000

## Notes to the Financial Statements...

As at 31st March 2009

### 25.2 Land and building situated at No.11A, Hill Street, Kandy and No.128/5 & 128/6, Kotugodalla Vidiya, Kandy

Purchase cost of land and buildings at No.11A, Hill Street, Kandy is RS. 4,350,000/- and Rs. 10,229,090/- respectively. Land and building of the Company were revalued on 23<sup>rd</sup> December 1996 by an independent professional valuer and the revaluation surplus on land and buildings is Rs. 12,750,000/- and Rs. 2,914,110/- respectively. During the financial year 2006/07 it was decided to demolish the part of building net book value amounting to Rs. 2,345,893/- (valuation - Rs. 5,072,200). Net book value of the remaining building at the time of revaluation on 2<sup>nd</sup> January 2007 was Rs. 4,338,163/-.

Purchase cost of the land No.128/5 & 128/6 is 756,250/-.

Land and buildings of the Company were revalued again on 2<sup>nd</sup> January 2007 by an independent professional valuer and the revaluation surplus on land and buildings is Rs. 48,818,750/- and Rs. 7,767,163/- respectively as of that date has been placed to the credit of the revaluation reserve.

During the financial year 2008/09 the Company capitalized a sum of Rs.9,322,510/- as building.

### 25.3 Land situated at No.9, Hill Street, Kandy

In the year 1999/2000 the Company has acquired an undivided 2/3rd share of ownership of land situated at No.09, Hill Street, Kandy. As decided by the management of the Company the amount paid to the tenant and other related expenses on purchase of the land were capitalized with the cost since the market value of 2/3rd ownership of property is higher than the cost incurred amounting to Rs. 5,462,000/- on purchase. As per the valuation report dated 17<sup>th</sup> October, 1999 the market value of the same was Rs. 6,500,000/-.

The Company is in full possession of the premises. A partition case bearing No.P14365 is now before the District Court Kandy. The Company has made an offer to the owner of the balance 1/3rd share for the purchase of the extent presently under his name.

Land was revalued on 02<sup>nd</sup> January 2007 by an independent professional valuer and the revaluation surplus of Rs. 8,538,000/- over the net book value as of that date has been placed to the credit of the revaluation reserve.

### 25.4 Land situated at No.15A, Hill Street, Kandy

Purchase cost of land and buildings at 15 A Hill street Kandy amounting to Rs. 25,999,000/- has been accounted as land and buildings separately according to the valuation report given by Mr. Sarath G. Fernando incorporated valuer on 10<sup>th</sup> June 2003. As per the Board minute dated 20<sup>th</sup> November, 2003 it was decided to demolish the building and loss of Rs. 345,000/- charged to profit & loss A/c in the year 2003/04 after deducting Rs.80,000/- which was received at the demolition. During the year 2003/04 interest cost amounting to Rs. 2,000,000/- directly attributable to overdraft taken from Seylan Bank in respect of acquisition of above property has been capitalised to the land as borrowing cost of the same.

Land was revalued on 02<sup>nd</sup> January 2007 by an independent professional valuer and the revaluation surplus of Rs. 35,426,000/- over the net book value as of that date has been placed to the credit of the revaluation reserve

During the financial year 2008/09 the Company capitalized a sum of Rs. 170,965,852/- as building.

### 25.5 Securities pledged

Land and buildings situated at No.11A, Hill Street has been pledged as security for overdraft facilities shown in Note 28 to these Financial Statements.

Land situated at No.15A, Hill Street has been pledged as security for bank loans shown in Note 29 to these Financial Statements.

## Notes to the Financial Statements...

<i>As at 31st March</i>		<b>2009</b>
		<b>Rs.</b>
<b>26</b>	<b>Retirement benefit obligations</b>	<b>As at 31-03-2009</b>
	Present value of defined benefit obligations	9,331,274
	Fair value of plan assets	(24,096,133)
	Funded status	(14,764,859)
	Unrecognised actuarial (loss)/gain (Note 26.2 & 26.3)	(3,037,127)
	Net retirement benefit obligations	(17,801,986)
<p>Detailed comparative figures have not been included, as the basis of computing the net retirement benefit obligation in the previous year was not based on the projected unit credit method. As at 31st March 2008, the net retirement benefit obligation of the Company was reported as zero balance as the Company has paid to the Fund entire amount of provision as of that date.</p>		
<b>26.1</b>	<b>Effect of transitional provision</b>	<b>As at 31-03-2009</b>
	Present value of defined benefit obligations as at 1st April 2008	16,772,629
	Reserve for benefits as at 1st April 2008	(30,864,927)
	Unfunded present value of defined benefit obligations as at 1st April 2008	(14,092,298)
	Net (accrued)/prepaid liability as 31st March 2008	-
	Transitional liability/(asset) as at 1st April 2008	(14,092,298)
<b>26.2</b>	<b>Movement of the plan assets</b>	<b>As at 31-03-2009</b>
	Reserve for benefits as at 1st April 2008	30,864,927
	Contribution to the Gratuity Fund during the year	1,462,088
	Benefits paid by the Gratuity Fund	(10,761,188)
	Expected return on assets as at 31st March 2009	5,066,223
	Expected actuarial value of assets as at 31st March 2009	26,632,050
	Actual actuarial value of assets as at 31st March 2009	24,096,133
	Actuarial loss as at 31st March 2009	2,535,917
<b>26.3</b>	<b>Movement of the retirement benefit obligation</b>	<b>As at 31-03-2009</b>
	Present value of defined benefit obligations as at 1st April 2008	16,772,629
	Current service cost	719,561
	Interest cost	2,099,062
	Benefits paid by the Gratuity Fund	(10,761,188)
	Expected total present value of defined benefit obligations as at 31st March 2009	8,830,064
	Actual present value of defined benefit obligations as at 31st March 2009	9,331,274
	Actuarial loss as at 31st March 2009	501,210

The liability for retirement benefit obligation of the Company is externally funded through a Gratuity Fund established in 1990.

The transitional asset amounting to Rs.14,092,298/- (as explained in Note 26.1) arising on the adoption of SLAS 16 (Revised 2006) - Employee Benefits, has been adjusted retrospectively. Due to the impracticability in determining the period specific effect of changing the accounting policy on comparative information for the prior periods presented, the entity has applied the new accounting policy to the carrying amount of assets and liabilities as at the beginning of the earliest period (1st April 2008) for which retrospective application is practicable and has made a corresponding adjustment to the opening retained earnings.

## Notes to the Financial Statements...

As at 31st March 2009

### 26.4 Details of actuarial assumptions are as follows

Discount rate per annum	12%
Expected return on plan assets	20%
Future salary increases	5%

#### Mortality : GA 1983 Mortality table

##### Rates of selected ages: Males

Age	20	25	30	35	40	45	50	55
Mortality	0.0377%	0.0464%	0.0607%	0.0860%	0.1238%	0.2183%	0.3909%	0.6131%

##### Rates of selected ages: Females

Age	20	25	30	35	40	45	50	55
Mortality	0.0189%	0.0253%	0.0342%	0.0476%	0.0665%	0.101%	0.1647%	0.2541%

#### Turnover - table C-1: Rates of turnover at selected ages

Age	20	25	30	35	40	45	50
Turnover	10.0%	10.0%	10.0%	7.5%	5.0%	2.5%	1.0%

#### Disability - Long term disability 1987 Soc.Sec. Table Rates of disability at selected ages

Age	20	25	30	35	40	45	50	55
Disability	0.076%	0.085%	0.099%	0.124%	0.176%	0.294%	0.539%	0.0%

#### Retirement age - Normal retirement age or age on valuation date if greater

## Notes to the Financial Statements...

<i>As at 31st March</i>		<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>27</b>	<b>Deposits from customers</b>			
	Fixed Deposits		2,050,150,967	2,175,329,620
	Certificate of Deposits		53,350,105	62,439,991
	Special Fixed Deposits		4,425,000	4,771,338
	Savings Deposits		40,661,585	31,763,149
			<u>2,148,587,657</u>	<u>2,274,304,098</u>
<b>28</b>	<b>Bank overdraft</b>			
	Seylan Bank (A/c No.0170-111454-001)	28.1.1	147,751,894	81,280,717
	Commercial Bank (A/c No.1000841901)	28.1.2	1,097,439	24,574,632
	Nations Trust Bank (A/c No. 004100006285)	28.1.3	15,080,199	250
	Union Bank (A/c No 2745600011)	28.1.4	8,618,494	10,108,584
	Commercial Bank - Kurunegala (A/c No.1040029628)		15,422,711	-
	National Development Bank (A/c No.002001000129)	28.1.5	5,044,818	-
			<u>193,015,555</u>	<u>115,964,183</u>
<b>28.1</b>	<b>Securities pledged</b>			
<b>28.1.1</b>	Land and buildings situated at No.11A, Hill Street Kandy, Fixed deposits and Book debtors of lease agreements amounting to Rs. 259,500,000/-, Rs. 104,604,746/- and Rs. 200,000,000/- respectively have been mortgaged/pledged against the Seylan bank overdraft facility.			
<b>28.1.2</b>	Fixed Deposit amounting to Rs. 5,000,000/- have been pledged against Commercial bank overdraft facility.			
<b>28.1.3</b>	Book debtors of lease agreements amounting to Rs. 131,250,000/- have been pledged against the Nations Trust bank over draft facility and personal guarantees with of Mr. K.R.B. Wijeyeratne and Mr. K.B. Wanigasekera.			
<b>28.1.4</b>	Book debtors of lease agreements amounting to Rs. 25,000,000/- have been pledged against the Union bank over draft facility.			
<b>28.1.5</b>	Fixed Deposit amounting to Rs. 20,000,000/- have been pledged against National Development bank overdraft facility.			

## Notes to the Financial Statements...

<i>As at 31st March</i>	<b>Note</b>	<b>2009 Rs.</b>	<b>2008 Rs.</b>
<b>29 Medium and long term borrowings</b>			
Balance as at 1st April		359,413,333	501,933,146
Obtained during the year		210,647,852	186,450,456
		570,061,185	688,383,602
Repayments during the year		(144,633,191)	(328,970,269)
Balance as at 31st March	29.1	<u>425,427,994</u>	<u>359,413,333</u>
<b>29.1 Bank and non bank loans</b>			
Seylan Bank (TLN/04/P00810)		-	7,069,000
Seylan Bank - Revolving		40,000,000	-
Seylan Bank - Revolving		25,000,000	-
Seylan Bank (TLN/05/P01484)		8,757,000	13,761,000
Seylan Bank (STL/07/000154)		29,208,952	-
Seylan Bank		116,666,667	111,752,000
Sampath Bank		1,119,144	18,750,000
Sampath Bank		65,622,973	100,000,000
Nations Trust Bank		9,375,000	28,125,000
Union Bank		18,614,583	27,875,000
Union Bank		16,666,667	27,083,333
Commercial Bank		8,330,000	24,998,000
Entrust Securities		10,062,875	-
First Capital Treasuries Ltd.		76,004,133	-
		<u>425,427,994</u>	<u>359,413,333</u>
<p>Book debtors of lease agreements has been pledged as security for the above loans. In addition to the book value of lease agreements, personal guarantee of Mr. K.R.B. Wijeyeratne has been given for Seylan bank loan and Land situated at No.15 A , Hill street, Kandy has been mortgaged as security for the Seylan bank loan .</p> <p>Loans from First Capital Treasuries Ltd.and Entrust Securities have been obtained as reverse repurchase agreements (Reverse repo) against treasury bills and treasury bonds.</p>			
<b>30 Finance lease liabilities</b>			
Gross lease rentals payable as at 1st April		4,307,270	-
Obtained during the year		1,205,280	4,698,840
Rentals paid during the year		(1,090,428)	(391,570)
Gross lease rentals payable as at 31st March		4,422,122	4,307,270
Less: interest in suspense		(1,348,713)	(1,818,920)
Net lease liability		<u>3,073,409</u>	<u>2,488,350</u>
<b>Repayable within one year</b>			
Gross lease rentals payable		1,241,088	939,768
Less: interest in suspense		(644,763)	(389,768)
Net lease liability		<u>596,325</u>	<u>550,000</u>
<b>Repayable after one year</b>			
Gross lease rentals payable		3,181,034	3,367,502
Less: interest in suspense		(703,950)	(1,429,152)
Net lease liability		<u>2,477,084</u>	<u>1,938,350</u>

## Notes to the Financial Statements...

<i>As at 31st March</i>	<b>2009</b>	<b>2008</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>31 Creditors and accrued expenses</b>		
Interest on fixed deposits	106,309,905	90,361,963
Security margin - Lease	22,687,843	24,678,723
Prepaid rentals - MTL	20,551,533	18,918,018
Refundable deposits - CCL	7,311,231	8,027,886
Lease creditors - Vehicles and equipment	1,906,572	6,425,400
Hire purchase creditors - Vehicles and equipment	3,848,811	21,419,514
Real estate creditors	982,966	1,043,098
Advance received on property sale	541,902	910,062
Unrealised profit real estate	348,794	348,794
Miscellaneous creditors - Deposits	-	677,103
Miscellaneous creditors - Group Loans	-	443,540
Miscellaneous creditors - Banks	10,890,130	8,189,187
Miscellaneous creditors	227,431	(1,342,104)
Group loan dealers	374,182	906,168
Stamp duty	121,275	654,891
Revenue stamps	450,940	576,083
P.A.Y.E.	-	210
Value added tax	3,818,215	6,019,706
Value added tax on financial services	6,017,048	2,040,557
Withholding tax	847,406	891,077
Specified fees	5,926	12,372
Economic service charges	3,167,363	2,111,993
Unclaimed dividends	834,097	703,340
Audit fees	278,300	299,950
Telephone	120,526	100,000
Internal audit fees	47,400	62,100
Electricity	265,595	130,000
Bonus	-	2,598,467
Travelling and subsistence	69,115	-
Gratuity payable	1,542,088	100,850
U.T.I.	36,061	36,061
Medical fund	6,887	6,887
Sinhaputhra Death Donation Society	265,813	156,713
Loan interest - First Capital Treasuries Ltd	760,933	-
Loan interest - Entrust Securities	23,434	-
Retainment fee payable	2,512,221	-
Lease rentals	-	90,061
	<u>197,171,943</u>	<u>197,598,668</u>

## Notes to the Financial Statements...

<i>As at 31st March</i>	<b>2009</b>	<b>2008</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>32 Deferred tax liability</b>		
Balance as at 1st April	31,389,561	60,086,789
Amount originating / (reversal) during the period	(2,002,954)	(30,582,442)
Deferred tax on revaluation surplus	286,700	1,885,214
Deferred tax on transitional asset arising on adoption of SLAS 16 (Revised 2006)	4,932,304	-
Balance as at 31st March	<u>34,605,611</u>	<u>31,389,561</u>
<b>33 Stated capital</b>		
In accordance with section 58 of Companies Act No. 7 of 2007, which became effective from 3rd May 2007, share capital and share premium have been reclassified as stated capital.		
<b>Ordinary shares</b>		
6,295,893 Ordinary shares	<u>62,958,930</u>	<u>62,958,930</u>
<b>Preference shares</b>		
<b>Non voting, non cumulative, non redeemable, convertible, participating</b>		
670,765 Preference shares of Rs. 25/= each	<u>16,769,125</u>	<u>16,769,125</u>
<b>Share premium</b>	<u>651,000</u>	<u>651,000</u>
<b>Stated capital as at 31st March</b>	<u>80,379,055</u>	<u>80,379,055</u>
<b>34 Statutory Reserve Fund</b>		
Balance as at 1st April	82,008,855	71,619,831
Transfers during the year	2,341,452	10,389,024
Balance as at 31st March	<u>84,350,307</u>	<u>82,008,855</u>
The Company's Statutory Reserve Fund was created according to the direction No. 1 of Central Bank Regulations of 2003. The amount transferred is not less than 20% of the net profit for the year.		
<b>35 Revaluation Reserve</b>		
Balance as at 1st April	112,031,281	113,916,495
Deferred tax on revaluation surplus	(286,700)	(1,885,214)
Balance as at 31st March	<u>111,744,581</u>	<u>112,031,281</u>
<b>36 General Reserve</b>		
Balance as at 1st April	129,013,127	129,013,127
Appropriations made during the year	-	-
Balance as at 31st March	<u>129,013,127</u>	<u>129,013,127</u>

## Notes to the Financial Statements...

---

### 37 Related party transactions

#### 37.1 Transactions with related entities

The Company holds 37% approximately, and 33% approximately of the issued share capital of Sinhaputhra Traders Ltd., Sinhaputhra Securities Ltd., Sinhaputhra Computers Ltd., respectively. These companies are under voluntary liquidation.

During the financial year, Sinhaputhra Gratuity Fund has invested Rs. 18,702,213/- (2008 - Rs. 25,922,204/-) in the fixed deposits at Sinhaputhra Finance Limited.

Mr. K.R.B. Wijeyeratne, Managing Director of the Company is also a Chairman of Sinhaputhra Computers Ltd and he is also Director of Sinhaputhra Securities Ltd. and the Sinhaputhra Traders Ltd.

Mr. A.M.G. Weerakoon, a Director of the company is also a Director of Sinhaputhra Securities Ltd, Sinhaputhra Traders Ltd. and Sinhaputhra Computers Ltd.

Mr. A.P.U. Keppetipola, who was a Director of the Company was also a Chairman of Sinhaputhra Securities Ltd. (Resigned with effect from 1st of July 2008)

#### 37.2 Transactions with key management personnel (KMP) of the Company

According to Sri Lanka Accounting Standard 30 (Revised 2005) Related Party Disclosures, Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as key management personnel of the company.

##### 37.1.1 Post employment benefit plan

	<b>2009</b>	<b>2008</b>
	<b>Rs.</b>	<b>Rs.</b>
Contributions to provident fund	215,200	199,680
Contributions to gratuity fund	104,000	104,000

##### 37.1.2 Compensation of key management personnel

Short term employee benefits	6,475,574	7,336,000
------------------------------	-----------	-----------

## Notes to the Financial Statements...

---

### 38 Event after the balance sheet date

The Board of Directors has been changed at the board meeting held on the 31st July 2009 and effective from 1st August 2009.

	<b>Current Position</b>	<b>Previous Position</b>
Mr. K.H.K. Wijayadasa	Chairman	Director
Mr. K.R.B. Wijeyeratne	Managing Director	Chairman
Mr. A.E.M.N.B. Abeykoon	Director	Chief Financial Officer
Mr. K.G.D.S.J. De Alwis	Director	Deputy General Manager

### 39 Commitments and contingencies

#### 39.1 Capital expenditure commitments

Capital expenditure approved by the Board of Directors for which provision has not been made in these accounts amounted to approximately

	<b>2009 Rs.</b>	<b>2008 Rs.</b>
Approved and contracted for	2,139,452	38,179,332

#### 39.2 Contingent liabilities

The contingent liability as at 31st March 2009 on guarantees given by the Company, to Seylan bank limited in respect of VISA international credit cards amounting to Rs. 50,000,000/-

### 40 Directors responsibility

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

**Notes to the Financial Statements...**

For the year ended 31st March 2009

2009

**41 Segment reporting**

Revenue	Finance	Hire	Personal	Pawning	Business	Real	Other	Total
	Leasing	Purchase	Finance		Finance	Estate	Unallocated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income from operation	206,598,666	130,037,339	97,617,596	3,920,328	193,232,511	303,219	-	631,709,659
Investment income	-	-	-	-	-	-	78,370,471	78,370,471
Other income	-	-	-	-	-	-	7,601,605	7,601,605
Income from external customers	206,598,666	130,037,339	97,617,596	3,920,328	193,232,511	303,219	85,972,076	717,681,735
Percentage	28.79	18.12	13.60	0.55	26.92	0.04	11.98	100
Expenses								
Segment losses	24,815,311	-	-	-	-	-	-	24,815,311
Interest expenses	151,779,762	95,533,223	71,715,737	2,880,108	141,960,184	222,763	63,160,240	527,252,016
Depreciation	-	-	-	-	-	-	15,819,619	15,819,619
Unallocated expenses	-	-	-	-	-	-	119,041,929	119,041,929
Total expenses	176,595,073	95,533,223	71,715,737	2,880,108	141,960,184	222,763	198,021,787	686,928,875
Segment results	30,003,593	34,504,116	25,901,859	1,040,220	51,272,327	80,456	(112,049,711)	30,752,861
VAT on financial services								(10,063,146)
Profit on ordinary activities before income tax								20,689,715
Income tax expense								(8,982,454)
Profit for the year								11,707,261
Total assets	846,777,641	570,572,686	319,418,920	34,219,392	749,652,051	9,080,892	911,060,535	3,440,782,119
Percentage	24.61	16.58	9.28	0.99	21.79	0.26	26.48	100
Total liabilities	871,888,804	537,152,872	408,030,890	16,077,896	813,029,170	3,117,212	352,585,325	3,001,882,169
Percentage	29.04	17.89	13.59	0.54	27.08	0.10	11.75	100

2008

Revenue	Finance	Hire	Personal	Pawning	Business	Real	Other	Total
	Leasing	Purchase	Finance		Finance	Estate	Unallocated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income from operation	285,385,914	9,587,673	91,113,573	-	214,386,118	471,097	-	600,944,376
Investment income	-	-	-	-	-	-	86,513,892	86,513,892
Other income	-	-	-	-	-	-	24,227,509	24,227,509
Income from external customers	285,385,914	9,587,673	91,113,573	-	214,386,118	471,097	110,741,401	711,685,777
Percentage	40.10	1.35	12.80	-	30.12	0.07	15.56	100
Expenses								
Segment losses	40,537,442	-	-	-	-	-	-	40,537,442
Interest expenses	185,326,260	6,226,122	59,168,084	-	139,219,827	305,925	71,914,165	462,160,383
Depreciation	-	-	-	-	-	-	7,991,265	7,991,265
Unallocated expenses	-	-	-	-	-	-	161,794,962	161,794,962
Total expenses	225,863,702	6,226,122	59,168,084	-	139,219,827	305,925	241,700,392	672,484,050
Segment results	59,522,213	3,361,551	31,945,489	-	75,166,292	165,172	(130,958,991)	39,201,727
VAT on financial services								(10,520,766)
Profit on ordinary activities before income tax								28,680,961
Income tax expense								23,264,162
Profit for the year								51,945,123
Total assets	911,644,675	183,446,241	302,007,557	-	463,835,101	9,488,374	1,532,606,046	3,403,027,994
Percentage	26.79	5.39	8.87	-	13.63	0.28	45.04	100
Total liabilities	1,193,216,621	60,461,225	380,398,787	-	891,914,109	4,220,295	450,947,157	2,981,158,193
Percentage	40.03	2.03	12.76	-	29.92	0.14	15.13	100

41.1 Property, plant and equipment attributable to an incorporate business segment is included in the relevant segment and balance is unallocated.

41.2 Dealing security losses are included in the unallocated expenses.

## Notes to the Financial Statements...

### 42 Maturity analysis

#### 42.1 Definition of maturity

Time interval between balance sheet date and contractual maturity dates .

#### 42.2 Allocation of amounts

Amounts are allocated to respective maturity groupings based on instalments falling due as per contract. The amounts therefore represent total amount receivable or payable in each maturity grouping

42.3 Profile	Up to 3 months Rs.	3 - 12 months Rs.	1 - 3 years Rs.	Over 3 years Rs.	Total 2009 Rs.
<b>Assets with contractual maturity</b>					
<b>(Interest bearing assets)</b>					
Deposits with banks	82,517,944	-	-	-	82,517,944
Treasury bills and bonds	127,002,922	58,421,090	-	-	185,424,012
Loans and advances	234,949,091	292,060,800	328,563,125	249,811,065	1,085,925,581
Net investment in Leases / Hire Purchase	257,495,949	475,654,780	422,412,500	124,203,945	1,279,767,174
<b>Other Assets</b>					
<b>(Non interest bearing assets)</b>					
Cash & short term funds	64,231,997	-	-	-	64,231,997
Dealing securities	8,015,858	16,367,206	-	-	24,383,064
Investment securities	-	5,209,100	-	-	5,209,100
Receivable from Inland Revenue Department	15,765,665	26,433,045	-	-	42,198,710
Repossessed stock	3,788,641	4,258,000	48,677,763	-	56,724,404
Real estate stock	2,499,999	3,457,800	2,811,309	-	8,769,108
Investments in Associate Companies	-	-	789,780	-	789,780
Other assets	109,492,249	75,865,250	55,780,388	-	241,137,887
Property, plant and equipment	-	-	-	345,901,372	345,901,372
Retirement benefit obligations	-	-	-	17,801,986.00	17,801,986
<b>Total assets</b>	<b>905,760,314</b>	<b>957,727,071</b>	<b>859,034,865</b>	<b>737,718,369</b>	<b>3,440,782,119</b>
<b>Current Liabilities</b>					
<b>(Interest bearing Liabilities)</b>					
Deposits from customers	731,485,044	510,333,987	479,534,721	412,233,905	2,148,587,657
Short term borrowings	86,067,006	106,948,549	-	-	193,015,555
Medium and long term borrowings	37,879,152	143,638,499	243,910,343	-	425,427,994
Finance lease liabilities	615,994	429,992	1,108,487	918,936	3,073,409
<b>(Non interest bearing liabilities)</b>					
Creditors & accrued expenses	24,325,394	166,309,905	6,536,644	-	197,171,943
Deferred tax	-	-	-	34,605,611	34,605,611
<b>Total liabilities</b>	<b>880,372,590</b>	<b>927,660,933</b>	<b>731,090,195</b>	<b>447,758,452</b>	<b>3,001,882,169</b>
Shareholders equity	-	-	-	-	438,899,950
Total liabilities and equity					3,440,782,120
<b>Net Assets</b>	<b>25,387,724</b>	<b>30,066,138</b>	<b>127,944,670</b>	<b>289,959,917</b>	<b>438,899,949</b>

## Statement of Value Added

For the year ended 31st March	2009 Rs.	%	2008 Rs.	%
Interest income	695,069,010		672,620,206	
Cost of services	(558,895,539)		(498,018,052)	
Value added by financing Service	136,137,471		174,602,154	
Other operating income	22,612,725		39,065,571	
Provision for bad debts	(55,475,249)		(105,691,818)	
	<b>103,310,947</b>		<b>107,975,907</b>	
<b>VALUE ALLOCATED TO THE EMPLOYEES</b>				
Remuneration and other benefits	54,147,492	40	57,784,572	54
<b>TO PROVIDERS OF CAPITAL</b>				
Dividends to shareholders	3,550,406	3	-	-
<b>TO GOVERNMENT</b>				
Debit tax	2,590,975		2,998,342	
VAT on Financial Services	10,063,146		10,520,766	
Income tax on profit	10,985,408	23	7,318,280	19
<b>TO EXPANSION AND GROWTH</b>				
Retained profit	8,157,473		44,626,844	
Depreciation	15,819,619		7,991,265	
Deferred taxation	(2,003,571)	34	(23,264,162)	27
	<b>103,310,947</b>	<b>100</b>	<b>107,975,907</b>	<b>100</b>

## Ten Year Summary

	1999/00	2000/01 (Restated)	2001/02 (Restated)
<b>ASSETS</b>			
Cash & Short Term Funds	45,612	54,711	67,456
Government of Sri Lanka treasury bills and bonds	64,010	80,340	82,540
Dealing Securities	8,315	7,801	10,209
Investments Securities	209	209	209
Commissioner General of Inland Revenue	7,388	7,836	8,254
Loans & Advances	102,528	193,841	202,584
Net Investment in Leases	387,789	349,955	309,190
Unsold Real Estate	15,500	7,593	14,805
Investments in Associate Companies	790	790	790
Other Assets	104,496	100,182	140,366
Property, Plant & Equipment	44,588	42,659	40,577
<b>TOTAL ASSETS</b>	<b>781,225</b>	<b>845,917</b>	<b>876,980</b>
<b>LIABILITIES</b>			
Deposits from Customers	484,980	535,120	590,096
Proposed Dividends	3,074	2,459	1,229
Bank overdrafts	58,558	41,014	63,981
Medium & Long Term Borrowings	24,965	44,838	14,082
Finance Lease			
Creditors & Accrued Expenses	99,033	98,802	87,193
Deferred Taxation	1,920	1,664	1,392
<b>TOTAL LIABILITIES</b>	<b>672,530</b>	<b>723,897</b>	<b>757,973</b>
Share Capital	24,593	24,593	24,593
Share Premium			
Statutory Reserve Fund	22,288	25,288	26,288
Revaluation Reserves	15,664	15,664	15,664
Other Reserves	40,161	47,162	52,162
Retained Profit	5,989	9,313	300
<b>TOTAL</b>	<b>108,695</b>	<b>122,020</b>	<b>119,007</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>781,225</b>	<b>845,917</b>	<b>876,980</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>			
Income	252,606	297,745	309,720
<b>NET INCOME FROM OPERATIONS</b>	<b>75,677</b>	<b>81,118</b>	<b>69,759</b>
Personnel Costs	14,424	17,026	17,455
Payment for retiring gratuity	468	1,180	554
Director's Remuneration	-	-	-
Other Overhead Expenses	23,044	25,508	25,784
Depreciation of property, plant & equipment	3,239	2,823	2,678
	<b>41,175</b>	<b>46,537</b>	<b>46,471</b>
<b>Operating profit before taxation &amp; possible losses</b>	<b>34,502</b>	<b>34,581</b>	<b>23,288</b>
Provision for fall in value of			
Quoted Investments	1,791	515	(3,029)
Add: Other income	1,016	1,668	477
<b>Profit before provisions</b>	<b>33,727</b>	<b>35,734</b>	<b>26,794</b>
Provision for bad and doubtful debts	19,377	19,291	19,186
<b>Operating Profit after Provision for possible losses</b>	<b>14,350</b>	<b>16,443</b>	<b>7,608</b>
Vat on Financial Services	-	-	-
Profit before taxation	14,350	16,443	7,608
Less: Taxation	603	659	2,342
<b>Profit for the year</b>	<b>13,747</b>	<b>15,784</b>	<b>5,266</b>
<b>Earnings per share (Rs.)</b>	<b>5.59</b>	<b>6.42</b>	<b>2.14</b>
<b>Dividends per share (Rs.)</b>	<b>1.25</b>	<b>1.00</b>	<b>0.50</b>
Diluted per share			

## Ten Year Summary ...

2002/03 Rs.'000	2003/04 Rs.'000	2004/05 Rs.'000	2005/06 Rs.'000 (Restated)	2006/07 Rs.'000	2007/08 Rs.'000	2008/09 Rs.'000
81,897	110,838	191,413	259,773	372,127	288,293	146,750
89,518	99,871	104,929	131,232	163,235	253,446	185,424
5,325	15,969	13,062	10,654	20,797	20,236	24,383
209	209	209	209	5,209	5,209	5,209
6,836	4,688	4,431	6,119	20,764	30,431	42,198
305,093	408,409	553,343	831,630	1,152,803	1,090,232	1,085,926
426,677	588,247	768,795	1,015,342	1,206,991	1,095,091	1,279,767
29,353	16,596	12,065	9,961	8,891	7,599	8,769
790	790	790	790	790	790	790
113,350	136,684	230,562	157,832	251,450	302,368	315,665
42,135	69,311	72,654	76,308	210,749	309,332	345,901
<b>1,101,183</b>	<b>1,451,612</b>	<b>1,952,253</b>	<b>2,499,850</b>	<b>3,413,806</b>	<b>3,403,027</b>	<b>3,440,782</b>
673,931	905,136	1,106,811	1,538,194	2,055,705	2,274,304	2,148,558
2,459	4,069	6,093	-	-	-	-
151,117	184,020	246,100	276,128	262,447	115,964	193,015
32,387	61,608	244,896	240,838	501,933	359,413	425,428
-	-	-	-	-	2,488	3,073
105,364	131,821	140,253	170,197	178,594	197,599	197,172
1,309	1,280	120	88,644	60,087	31,390	34,606
<b>966,567</b>	<b>1,287,934</b>	<b>1,744,273</b>	<b>2,314,001</b>	<b>3,058,766</b>	<b>2,981,158</b>	<b>3,001,882</b>
24,593	32,550	40,622	52,616	62,959	79,728	79,728
-	-	651	651	651	651	651
30,150	37,150	42,900	55,400	71,620	82,009	84,350
15,664	15,664	15,664	15,664	113,916	112,031	111,745
62,162	69,013	94,013	129,013	129,013	129,013	129,013
2,047	9,301	14,130	(67,495)	(23,119)	18,437	33,413
134,616	163,678	207,980	185,849	355,040	421,869	438,900
<b>1,101,183</b>	<b>1,451,612</b>	<b>1,952,253</b>	<b>2,499,850</b>	<b>3,413,806</b>	<b>3,403,027</b>	<b>3,440,782</b>
205,569	245,926	349,803	457,209	648,127	711,686	717,681
<b>101,120</b>	<b>127,138</b>	<b>189,994</b>	<b>228,185</b>	<b>302,085</b>	<b>249,525</b>	190,429
24,629	29,269	39,479	45,623	51,018	50,449	47,671
2,519	1,953	6,977	5,134	-	-	-
-	-	-	-	8,259	7,336	6,775
25,224	25,620	32,654	47,757	74,504	37,255	31,151
2,687	4,581	5,864	8,202	8,949	7,991	15,819
<b>55,059</b>	<b>61,423</b>	<b>84,974</b>	<b>106,716</b>	<b>142,730</b>	<b>103,031</b>	<b>101,118</b>
<b>46,061</b>	<b>65,715</b>	<b>105,020</b>	<b>121,469</b>	<b>159,355</b>	<b>144,194</b>	<b>86,228</b>
(3,130)	(2,366)	-	1,047	3,975	1,601	3,082
1,602	1,062	(483)	9,339	-	-	-
<b>50,793</b>	<b>69,143</b>	<b>104,537</b>	<b>129,761</b>	<b>155,380</b>	<b>146,494</b>	<b>89,310</b>
27,047	27,710	44,055	55,094	93,791	105,691	55,475
<b>23,746</b>	<b>41,433</b>	<b>60,482</b>	<b>74,667</b>	<b>61,589</b>	<b>39,201</b>	<b>30,752</b>
883	4,837	7,080	6,418	9,046	10,521	10,063
22,863	36,596	53,402	68,249	52,543	28,680	20,689
3,565	2,832	1,575	7,634	(28,557)	(23,264)	8,982
<b>19,298</b>	<b>33,764</b>	<b>51,827</b>	<b>60,615</b>	<b>81,100</b>	<b>51,944</b>	<b>11,707</b>
<b>6.28</b>	<b>10.39</b>	<b>12.76</b>	<b>11.88</b>	<b>14.79</b>	<b>8.25</b>	<b>1.86</b>
<b>1.50</b>	<b>2.00</b>	<b>2.50</b>	<b>2.03</b>	<b>2.62</b>	-	<b>.50</b>
					<b>7.46</b>	<b>1.68</b>

## Notice of Meeting

**NOTICE IS HEREBY GIVEN** that the **Thirty first Annual General Meeting** of Sinhaputhra Finance Limited, will be held at the Registered Office of the Company, No. 11, Hill Street, Kandy on Wednesday 30th September 2009 at 10.00 a.m. for the following purpose:

- I. To receive and consider the Financial Statements of the Company for the year ended 31st March, 2009 together with the Report of the Directors and Auditors thereon.
- II. To re-elect Mr. K.H.K. Wijayadasa, who retires by rotation in terms of Articles of Association as a Director of the Company.
- III. To elect Mr. A.E.M.N.B. Abeykoon, who retires in terms of Article No. 98 of the Articles of Association as a Director of the Company.
- IV. To elect Mr. K.G.D.S.J. De Alwis, who retires in terms of Article No. 98 of the Articles of Association as a Director of the Company.
- V. To re-elect Dr. Cuda Wijeyeratne as a Director of the Company. Special Notice has been received from a Shareholder pursuant to Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following resolution as an ordinary resolution.

“**RESOLVED** that Dr. Cuda Wijeyeratne who has reached the age of 75 on 14th December, 2008 be and is hereby re-elected as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director in accordance with Section 211 of the Companies Act No. 7 of 2007”.

- VI. To re-elect Mrs. C.M. Balalle who has attained the age limit of 70 years as a Director of the Company. Special Notice has been received from a shareholder pursuant to Section 211 of the Companies Act No. 7 of 2007 of the intention to propose the following resolution as an ordinary resolution.

“**RESOLVED** that Mrs. C.M. Balalle who has reached the age of 71 on 14th April, 2009 be and is hereby re-elected as a Director of the Company, and it is hereby declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director in accordance with Section 211 of the Companies Act No. 7 of 2007”.

- VII. To re-appoint the retiring Auditors M/s. KPMG Ford Rhodes Thornton & Company, Kandy for the ensuing year and to authorize the Directors to determine their remuneration.

By order of the Board of  
**SINHAPUTHRA FINANCE LIMITED**

Secretaries & Registrars (Private) Limited  
Secretaries.

07th September, 2009  
Kandy

### Note :

- i. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a member, to attend instead of him/her. A Proxy may vote on a poll or on a show of hands and to speak at the meeting.
- ii. A Form of Proxy is enclosed in this Report.
- iii. The completed Form of Proxy should be deposited at the Registered office of the Company at No. 11, Hill Street, Kandy not less than 48 hours before the time for holding the Meeting.

# SINHAPUTHRA FINANCE LIMITED

## Form of Proxy

I/We .....

of.....

being a \*member/members of Sinhaputhra Finance Limited hereby appoint:

- |                                   |                               |
|-----------------------------------|-------------------------------|
| 1. Mr. K.H.K. Wijayadasa          | of Colombo, or failing him    |
| 2. Mr. Ravana Wijeyeratne         | of Kandy, or failing him      |
| 3. Mrs. Chintha Balalle           | of Kurunegala, or failing her |
| 4. Mr. Mohan Weerakoon            | of Matale, or failing him     |
| 5. Dr. Cuda Wijeyeratne           | of Colombo, or failing him    |
| 6. Mr. Sarath Chandra Imbuldeniya | of Colombo, or failing him    |
| 7. Mr. Nandana Abeykoon           | of Kandy, or failing him      |
| 8. Mr. Saliya De Alwis            | of Kandy, or failing him      |

Mr./Mrs. .... of .....

as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Thirty First Annual General Meeting of the Company to be held at the Registered Office of the Company, No. 11, Hill Street, Kandy on Wednesday 30th September, 2009 at 10.00 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

	FOR	AGAINST
(i) To adopt the Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2009.	<input type="checkbox"/>	<input type="checkbox"/>
(ii) To re-elect Mr. K.H.K. Wijayadasa as a Director in terms of Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
(iii) To elect Mr. A.E.M.N.B. Abeykoon as a Director in terms of Article 98 of Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(iv). To elect Mr. K.G.D.S.J. De Alwis as a Director in terms of Article 98 of Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
(v) To re-elect Dr. Cuda Wijeyeratne as a Director in terms of Section 211 of the Companies Act No. 7 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
(vi) To re-elect Mrs. C.M. Balalle as a Director in terms of Section 211 of the Companies Act No. 7 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
(vii) To re-appoint retiring Auditors M/s KPMG Ford Rhodes Thornton & Co. and to authorize the Directors to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of ..... Two thousand and Nine.

.....  
Signature of Shareholder

**Note :**

1. Please delete the inappropriate words
2. Instructions as to completion are noted on the reverse hereof

## **Form of Proxy...**

### **Instructions as to completion**

1. Kindly perfect the Form of Proxy after filling in legibly your name in full and address and by signing in the space provided. Please fill in the date of signature.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy who need not be a member, to attend and vote instead of him/her.
3. In the case of corporate member, the Form of Proxy must be completed under its Common Seal, which should be affixed and attested in the manner prescribed by the Articles of Association.
4. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed form of proxy, in the manner prescribed by the Articles of Association.
5. The completed Form of Proxy should be deposited at the Registered Office of the Company No. 11, Hill Street, Kandy not less than Forty Eight (48) hours before the appointed time for the meeting.

# Corporate Information

## ■ Legal form

A Public Company with Limited Liability.  
Incorporated in Sri Lanka on 6th November 1978.

Licensed under “The Finance Companies Act No. 78 of 1988” An approved Credit Agency under; “The Mortgage, Act No. 06 of 1949” and “The Trust Receipts Ordinance No. 12 of 1947”.

A Registered Finance Leasing Establishment under the “Finance Leasing Act No. 56 of 2000”.

Registered Under the New Companies Act No. 07 of 2007.

## ■ Registered Office

No. 11, Hill Street, Kandy.  
Tel: 081 222 3235 / 555 5555  
Fax: 081 220 3403 / 223 9064  
E-mail: info@sinhaputhra.lk  
Website: www.sinhaputhra.lk

## ■ Colombo Branch

Unit No. F 160 (250/1/10)  
First Floor, Liberty Plaza, Colombo 03.  
Tel/Fax: 011 237 5688

## ■ Collection Centres

9/4/2, Warapitiya, Kundasale.	3/1, King Street, Matale.	Old Court Building, Colombo Rd, Kurunegala.
081 242 2139 077 251 5436	066 223 3760 077 388 9014	037 222 1852 077 251 5453

## ■ Principal Lines of Business

Acceptance of Time Deposits  
Acceptance of Savings Deposits  
Finance Leasing  
Hire Purchase  
Business Loans  
Personal Loans  
Pawn Broking  
Real Estate Developers  
Sub Agents for Insurance  
Sub Agents for Western Union Money Transfer

## ■ Board of Directors

K.H.K. Wijayadasa - Chairman  
Ravana Wijeyeratne - Managing Director  
Ms. Chintha Balalle  
Mohan Weerakoon  
Dr. Cuda Wijeyeratne  
S.C. Imbuldeniya  
Nandana Abeykoon  
Saliya De Alwis

## ■ Consultant

Duminda Hulangamuwa

## ■ Audit Committee

K.H.K. Wijayadasa – Chairman  
Mohan Weerakoon  
Ms. Chintha Balalle

## ■ Remuneration / Human Resource Committee

Dr. Cuda Wijeyeratne  
Mohan Weerakoon  
S.C. Imbuldeniya  
Ravana Wijeyeratne

## ■ Credit & Recoveries Committee

Mohan Weerakoon  
Ms. C.M. Balalle  
Ravana Wijeyeratne

## ■ Bankers

Seylan Bank  
Sampath Bank  
Hatton National Bank  
Commercial Bank  
Nations Trust Bank  
Union Bank  
NDB Bank  
Bank of Ceylon  
People’s Bank  
DFCC Vardhana Bank  
HSBC

## ■ Name of Company

Sinhaputhra Finance Limited

## ■ Company Registration

PB 259

## ■ Secretaries

Secretaries & Registrars (Pvt) Ltd.,  
No. 32 A, 1st Floor,  
Sir Mohamed Macan  
Markar Mawatha,  
Colombo 03.

## ■ Auditors

KPMG Ford Rhodes, Thornton & Co.  
Chartered Accountants,  
35, Yatinuwara Veediya, Kandy.

