

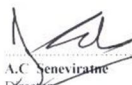
NATION LANKA FINANCE PLC (Reg. No. PQ 33)
BALANCE SHEET AS AT 31 ST DECEMBER 2012

	UN AUDITED	COMPANY	AUDITED	UN AUDITED	GROUP	AUDITED
	31 st Dec 2012	UN AUDITED	31 st March 2012	31 st Dec 2012	UN AUDITED	AUDITED
	Rs'000'	31 st Dec 2011	Rs'000'	Rs'000'	31 st Dec 2011	31 st March 2012
		Rs'000'	Rs'000'	Rs'000'	Rs'000'	Rs'000'
ASSETS						
Cash In Hand & At Bank	37,948	19,827	17,095	77,713	53,491	63,417
Short Term Investments	100,515	2,516	104,480	222,284	31,496	115,371
Investment in Government Securities	-	-	-	-	-	-
Lending against Government Securities	154,479	70,752	51,933	154,479	70,752	51,933
Trade & Other Receivables	27,021	39,698	43,368	648,562	674,425	664,608
Inventories & WIP	-	26	-	674,675	257,632	450,427
Amount Due From Subsidiaries	15,561	98,505	85,607	-	-	-
Deposits, Advances and Prepayments	117,017	143,657	149,601	179,659	188,190	158,719
Finance Leases	292,191	148,456	185,065	292,191	148,456	185,065
Loans	1,341,647	628,767	815,789	1,356,798	689,178	880,602
Pawning	154,615	8,795	15,076	154,615	8,795	15,076
Hire Purchase	424,815	330,816	324,628	424,815	327,777	324,628
Investment In Real Estate & Property Development	188,472	238,444	229,832	188,472	364,797	387,085
Deferred Tax Asset	-	-	-	9,891	-	4,168
Investment In Securities	14,434	81,623	39,101	24,434	81,623	39,101
Investment In Subsidiaries	440,661	301,219	440,661	-	-	-
Investment In Associates	40,214	-	40,214	41,352	-	41,352
Investment Property	318,759	243,712	286,660	318,759	243,712	286,660
Assets held for sale	-	-	-	56,000	-	56,000
Property, Plant & Equipment	224,398	164,163	225,900	258,611	209,286	268,356
TOTAL ASSETS	3,892,745	2,520,973	3,055,008	5,083,309	3,349,606	3,992,567
LIABILITIES						
Debentures	-	-	-	3,250	3,250	3,250
Borrowings - Medium & Long Term	1,604,814	236,150	1,185,038	1,639,814	344,725	1,198,788
Deferred Tax Liabilities	-	-	-	-	-	3,176
Amount Due To Subsidiaries	1,260	16,230	85,243	0	-	-
Public Deposits	1,021,157	-	106,769	1,084,543	95,915	188,413
Retirement Benefit Obligation	(37,963)	(22,866)	(31,917)	(12,811)	(413)	(11,048)
Borrowings Against Government Securities	-	-	-	-	-	-
Trade & Other Payables	319,112	114,214	115,403	1,052,828	523,646	740,774
Short Term Borrowings	98,072	1,800,553	779,736	507,438	1,959,287	1,070,977
Dividend Payable	4,885	4,911	4,911	4,931	4,956	4,956
Bank Overdraft	229,937	61,395	37,298	240,576	82,301	53,636
TOTAL LIABILITIES	3,241,275	2,210,587	2,282,480	4,520,569	3,013,667	3,252,922
CAPITAL & RESERVES						
Stated Capital	1,817,952	1,318,127	1,817,952	1,817,952	1,318,127	1,817,952
- Ordinary Shares (No. of Shares - 249,912,812)	-	-	-	-	-	-
Reserves	(1,166,482)	(1,007,741)	(1,045,424)	(1,381,758)	(1,178,304)	(1,202,308)
SHARE HOLDERS' FUND	651,470	310,386	772,528	436,195	139,823	615,644
Minority Interest	-	-	-	126,545	196,116	124,001
TOTAL LIABILITIES & SHARE HOLDER'S FUNDS	3,892,745	2,520,973	3,055,008	5,083,309	3,349,606	3,992,567
Net Assets Per Share (Rs.)	2.61	1.55	3.09	1.75	0.70	2.46

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


Prasanna Habragamuwa
Chief Financial Officer

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


A.C. Senewirane
Director
14 th Feb 2013
Colombo


Jayapakash Rudra
Executive Director

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
CASH FLOW STATEMENTS AS AT 31 ST DECEMBER 2012

	COMPANY			GROUP		
	Un audited 31 st Dec 2012	Un audited 31 st Dec 2011	Audited 31st March 2012	Un audited 31 st Dec 2012	Un audited 31 st Dec 2011	Audited 31st March 2012
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net cash generated from/(used in) operating activities	(701,607)	(567,639)	(674,181)	(749,091)	(511,984)	(792,860)
Net cash generated from/(used in) Investing activities	(24,098)	(183,831)	(504,337)	9,745	(71,301)	(319,448)
Net cash generated from/(used in) financing activities	652,501	150,516	682,074	776,161	38,460	671,131
Net increase/(decrease) in cash & cash equivalents	(73,205)	(600,953)	(496,444)	36,815	(544,824)	(441,177)
Cash & cash equivalents at the beginning of the year	136,209	632,653	632,653	177,085	618,262	618,262
Cash & cash equivalents at the end of the year	63,005	31,700	136,209	213,899	73,438	177,085
Analysis of Cash and Cash Equivalents						
Cash at Bank and in Hand	37,948	19,827	17,095	77,713	53,491	63,417
Short Term Investment	100,515	2,516	104,480	222,284	31,496	115,371
Bank Overdraft	(229,937)	(61,395)	(37,298)	(240,576)	(82,301)	(53,636)
Lending against Government Securities	154,479	70,752	51,933	154,479	70,752	51,933
	63,005	31,700	136,209	213,899	73,438	177,085

STATEMENT OF CHANGES IN EQUITY AS AT 31 ST DECEMBER 2012
Attributable to Equity Holders of the Parent

	Stated Capital Ordinary Shares Rs. '000	Capital Redemption Reserve Fund Rs. '000	Capital Reserve Rs. '000	Revaluation Reserve Rs. '000	Reserve Fund Rs. '000	General Reserve Rs. '000	Retained Profit Rs. '000	Total Rs. '000	Minority Interest Rs. '000	Total Equity Rs. '000
COMPANY										
Balance as at 01.04.2012	1,817,952	30,000	-	50,546	7,550	9,000	(1,142,520)	772,528	-	772,528
Profit attributable to shareholders	(229,937)	-	-	-	-	-	(121,059)	(121,059)	-	(121,059)
Balance as at 31.12.2012	1,817,952	30,000	-	50,546	7,550	9,000	(1,263,579)	651,469	-	651,470
Balance as at 01.04.2011	1,018,336	30,000	-	50,546	7,550	9,000	(1,101,025)	14,407	-	14,407
Profit attributable to shareholders	-	-	-	-	-	-	(3,812)	(3,812)	-	(3,812)
Shares Issued during the year	299,791	-	-	-	-	-	-	299,791	-	299,791
Balance as at 31.12.2011	1,318,127	30,000	-	50,546	7,550	9,000	(1,104,837)	310,386	-	310,386
GROUP										
Balance as at 01.04.2012	1,817,952	47,636	27,119	50,546	7,550	9,000	(1,344,159)	615,644	124,001	739,645
Profit attributable to shareholders	-	-	-	-	-	-	(179,450)	(179,449)	2,544	(176,905)
Balance as at 31.12.2012	1,817,952	47,636	27,119	50,546	7,550	9,000	(1,523,609)	436,195	126,545	562,740
Balance as at 01.04.2011	1,018,336	47,636	27,119	50,546	7,550	9,000	(1,231,434)	(71,247)	176,841	105,594
Profit attributable to shareholders	-	-	-	-	-	-	(69,009)	(69,009)	15,391	(53,618)
Shares Issued during the year	299,791	-	-	-	-	-	-	299,791	-	299,791
Subsidiary share issue & dividend	-	-	-	-	-	-	-	-	11,003	11,003
Effects due to changes in holding	-	-	-	-	-	-	(19,712)	(19,712)	(7,119)	(26,831)
Balance as at 31.12.2011	1,318,127	47,636	27,119	50,546	7,550	9,000	(1,320,155)	139,823	196,116	335,939

NOTES TO THE ACCOUNTS

- The figures are provisional and subject to audit.
- These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.
- The accounting policies and methods of computation are consistent with those followed during the previous financial year
- There have been no events subsequent to the Balance sheet date that required disclosure.
- Letter of Guarantees given by the Group as at the balance sheet date was Rs. 15.2 Million
- There were no material Capital Commitments as at the balance sheet date.
- Comparative figures and phrases have been re-arranged where ever necessary to conform to the current year's presentation.
- There was no liability for management fees or any other similar expenditure as at the balance sheet date.
- Investment in E Futures has been reclassified under Investment In Associates amounted to 40 Million.
- The company is in the process of evaluating the potential effect of SLFRS and LKAS on its financial statements.
- The impact on the adoption of these standards have not been quantified as at the balance sheet date.
- The market price recorded during the period

	2012	2011
	Rs	Rs
Highest price	13.20	21.20
Lowest price	8.40	13.00
Market price as at 31st Dec	9.80	15.90

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
PROVISIONAL FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED 31 ST DECEMBER 2012

COMPANY INCOME STATEMENT

	Quarter ended 31 st December			Nine months ended 31 st December		
	2012 Rs'000'	2011 Rs'000'	change %	2012 Rs'000'	2011 Rs'000'	change %
TURNOVER	197,584	65,433	202	461,597	302,528	53
Interest Income	160,332	49,296	225	363,148	169,040	115
Direct Interest Cost	(83,738)	(39,268)	113	(219,116)	(113,384)	93
Net Interest Income	76,594	10,028	664	144,032	55,656	159
Service Fees	493	91	442	2,531	932	172
Profit on Land & Property Development	6,883	2,035	238	11,821	(957)	(1,335)
Dividend Income	(378)	31	(1,320)	4,102	33,903	(88)
Gain/(Loss) on Sale of Investment Securities	0	-	-	(2,476)	(577)	329
Other Operating Income	5,285	2,502	111	14,762	15,715	(6)
	88,877	14,687	505	174,772	104,672	67
Operating Expenses	(112,132)	(66,174)	69	(298,898)	(186,950)	60
Profit/(Loss) Before Provision & Taxation	(23,254)	(51,487)	(55)	(124,125)	(82,278)	51
(Provision)/Reversal For Diminution In Value of Shares	(2,812)	(909)	209	(4,369)	(2,584)	69
(Provision)/Reversal For Obsolete Stocks	-	-	-	-	4,418	-
(Provision)/Reversal for Bad & Doubtful Debts	7,436	32,768	(77)	7,436	88,149	(92)
Profit/(Loss) Before Taxation	(18,631)	(19,628)	(5)	(121,059)	7,705	(1,671)
Income Tax Expenses	7,946	(4,768)	(100)	-	(11,517)	(100)
Profit/(Loss) for the Period	(10,685)	(24,396)	(56)	(121,059)	(3,812)	3,076
Basic Earnings Per Share (Rs.)	(0.04)	(0.12)	(64)	(0.48)	(0.02)	2,322
Basic Earnings Per Share Annualized (Rs.)				(0.65)	(0.03)	2,322

GROUP INCOME STATEMENT

	Quarter ended 31 st December			Nine months ended 31 st December		
	2012 Rs'000'	2011 Rs'000'	change %	2012 Rs'000'	2011 Rs'000'	change %
TURNOVER	291,794	260,335	12	619,996	803,420	(23)
Interest Income	191,249	58,676	226	409,614	179,300	128
Direct Interest Cost	(102,911)	(46,154)	123	(240,835)	(126,972)	90
Net Interest Income	88,338	12,522	605	168,779	52,328	223
Service Fees	(3,939)	12,731	(131)	2,531	83,102	(97)
Profit on Land & Property Development	89,566	59,881	50	133,120	134,417	(1)
Dividend Income	(379)	(256)	48	7,711	189	3,980
Gain/(Loss) on Sale of Investment Securities	0	351	(100)	(2,476)	8,363	(130)
Other Operating Income	7,685	4,774	61	25,306	36,628	(31)
	181,272	90,003	101	334,972	315,027	6
Operating Expenses	(171,295)	(151,989)	13	(498,353)	(375,839)	33
Profit/(Loss) Before Provision & Taxation	9,976	(61,986)	(116)	(163,382)	(60,812)	169
(Provision)/Reversal For Diminution In Value of Shares	(2,812)	(909)	209	(4,119)	(2,584)	59
(Provision)/Reversal For Obsolete Stocks	-	-	-	-	4,418	-
(Provision)/Reversal for Bad & Doubtful Debts	8,759	27,177	(68)	7,482	30,053	(75)
Profit/(Loss) Before Taxation	15,923	(35,718)	(145)	(160,019)	(28,925)	453
Income Tax Expenses	(5,585)	5,096	(210)	(16,887)	(24,693)	(32)
Profit/(Loss) for the Period	10,338	(30,622)	(134)	(176,906)	(53,618)	230
Attributable to						
Equity Holders of the Parent	2,035	(27,979)	(107)	(179,450)	(69,009)	160
Minority Interest	8,302	(2,643)	(414)	2,543	15,391	(83)
Profit/(Loss) for the Period	10,338	(30,622)	(134)	(176,906)	(53,618)	230
Basic Earnings Per Share (Rs.)	0.01	(0.14)	(106)	(0.72)	(3.46)	(79)
Basic Earnings Per Share Annualized (Rs.)				(0.96)	(4.62)	(79)

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
SEGMENT INFORMATION

FOR NINE MONTHS PERIOD ENDED 31 ST DECEMBER 2012

	Lending		Property Development		Services		Others		Group Total	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Total Revenue	402,891	154,022	179,931	463,621	37,174	144,034	-	76,202	619,996	837,879
Inter Segment	(1,005)	(746)				(33,714)		-	(1,005)	(34,460)
Segment Revenue (Net)	401,885	153,276	179,931	463,621	37,174	110,320	-	76,202	618,990	803,419
Segment Income	160,456	179,300	155,482	134,417	19,033	83,102	-	45,180	334,972	441,999
Segment Expenses										
Depreciation		(2,772)		(4,911)		(2,969)		(2,213)	-	(12,865)
Other Operating Expenses	(298,898)	(149,420)	(114,381)	(131,135)	(84,632)	(87,089)	(442)	(115,459)	(498,353)	(482,843)
Operating Profit	(138,441)	27,108	41,101	(1,629)	(65,599)	(6,956)	(442)	(72,492)	(163,382)	(53,709)
Provision For Fall In Value of Investments	(4,369)		250					(2,584)	(4,119)	(2,584)
Provision For Obsolete Stocks				4,418					-	4,418
(Provision)/Reversal for Bad & Doubtful Debts	7,436	1,402			46	(4,573)		33,223	7,482	30,052
Income Tax	(135,375)	28,510	41,351	2,789	(65,553)	(11,529)	(442)	(41,853)	(160,019)	(21,823)
Minority Interest	-	-	(6,630)	(11,792)	(257)	(1,384)		(18,619)	(16,887)	(31,795)
			(6,575)		4,031	-		(15,391)	(2,544)	(15,391)
Segment Result After Tax	(135,375)	28,510	18,146	(9,003)	(61,779)	(12,913)	(442)	(75,863)	(179,450)	(69,009)
Segment Assets	3,188,412	1,250,196	1,524,486	1,084,400	348,640	346,968	21,770	668,042	5,083,309	3,349,606
Segment Liabilities	3,224,454	1,096,760	970,000	1,695,288	194,621	105,464	131,494	116,156	4,520,569	3,013,668

NATION LANKA FINANCE PLC
TWENTY LARGEST SHAREHOLDERS AS AT 31ST DECEMBER 2012

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1.	Hatton National Bank /Investor Access Equities (Pvt) Ltd	86,700,000	34.69
2.	Mr J Rudra	18,965,625	07.59
3.	Pan Asia Banking Corporation PLC / Nawaloka Construction Company (Pvt) Ltd	17,862,425	07.15
4.	National Wealth Corporation Limited	7,414,829	02.97
5.	Pan Asia Banking Corporation PLC/ Mr M N Ranasinghe	6,865,000	02.75
6.	Mr D Ganeshamoorthy	5,285,500	02.11
7.	Pan Asia Banking Corporation PLC/ Mr H Hewage	4,477,578	01.79
8.	AFL Development Ltd	3,000,000	01.20
9.	Pan Asia Banking Corporation PLC/ Mr R Erle	2,510,000	01.00
10.	Ceylinco Securities Share Ownership Trust (Pvt) Ltd	2,475,600	00.99
11.	Mr P Anandarajah	2,024,295	00.81
12.	Mr V R Ramanan	1,796,786	00.72
13.	Mr W G B M Ranaweera	1,750,500	00.70
14.	Mr H R S Wijeratne	1,702,041	00.68
15.	Mr W P A S Perera	1,637,987	0.66
16.	Mr H K J Dharmadasa	1,262,000	00.50
17.	Janashakthi Insurance PLC	1,198,758	00.48
18.	NWS Financial Services (Pvt) Ltd / Mr. H T Wijesinghe	1,184,750	00.47
19.	Mrs. N. Muljie	1,060,100	0.42
20	Sri Lanka Insurance Corporation Ltd-Life Fund	979,500	0.39

PUBLIC HOLDING – 49.04%

NATION LANKA FINANCE PLC

DIRECTORS SHAREHOLDINGS AS AT 31ST DECEMBER 2012

NO.	NAME	NO OF SHARES
01.	Mr. H K J DHARMADASA	1,262,000
02.	Mr. A C SENA VIRATNE	-
03.	Mr. W B B C J FERNANDO	497,270
04.	Mr. J RUDRA	18,965,625
	Mr. J. RUDRA & Mrs. S L ARUMUGAM	6,187
05.	Mr. U H DHARMADASA	-
06.	Mr. U H PALIHAKKARA	13,112
	Mr. U H PALIHAKKARA & Mrs. D S PALIHAKKARA	786
07.	Mr. P M L K KARUNARATNE	-
08.	Mr. H C DE Z SAHABANDU	-
09.	Mr. K M S KANDEGEDARA	-
10.	Mr V R RAMANAN	1,796,786