

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
PROVISIONAL FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30TH JUNE 2011

INCOME STATEMENT

	COMPANY			UN AUDITED 31st March 2011 Rs'000'	GROUP			UN AUDITED 31st March 2011 Rs'000'
	Un Audited three months ended 30th June 2011 Rs'000'	2010 Rs'000'	change %		Un Audited three months ended 30th June 2011 Rs'000'	2010 Rs'000'	change %	
TURNOVER	88,853	118,740	(25)	519,053	150,869	284,085	(47)	1,365,400
Interest Income	70,824	64,287	10	255,124	112,761	135,187	(17)	442,409
Direct Interest Cost	(36,714)	(51,945)	(29)	(173,335)	(60,226)	(99,749)	(40)	(301,718)
Net Interest Income	34,110	12,342	176	81,789	52,535	35,438	48	140,691
Service Fees	682	612	11	2,856	434	32,225	(99)	163,217
Profit on Land & Property Development	1,337	10,442	(87)	22,894	3,667	38,647	(91)	119,315
Dividend Income	108	5,664	(98)	7,426	108	236	(54)	326
Gain/(Loss) on Sale of Investment Securities	(2,037)	6,396	(132)	49,189	(2,037)	8,190	(125)	55,187
Other Operating Income	2,620	2,331	12	10,225	8,947	9,115	(2)	61,856
	36,820	37,787	(3)	174,379	63,654	123,851	(49)	540,592
Operating Expenses	(56,739)	(67,934)	(16)	(272,761)	(83,122)	(166,925)	(50)	(644,307)
Profit/(Loss) Before Provision & Taxation	(19,919)	(30,147)	(34)	(98,382)	(19,468)	(43,074)	(55)	(103,715)
(Provision)/Reversal For Diminution In Value of Shares	(2)	15,121	(100)	16,412	(2)	15,121	(100)	21,814
(Provision)/Reversal for Bad & Doubtfull Debts	250	(4,000)	-	(115,263)	(6,989)	4,705	(249)	(102,523)
Profit/(Loss) Before Taxation	(19,671)	(19,026)	3	(197,233)	(26,459)	(23,248)	14	(184,424)
Income Tax Expenses	(1,982)	-	-	(334)	(8,310)	(7,880)	5	(31,782)
Profit/(Loss) for the Period	(21,653)	(19,026)	14	(197,567)	(34,769)	(31,128)	12	(216,206)
Attributable to								
Equity Holders of the Parent					(32,254)	(38,055)	(15)	(236,772)
Minority Interest					(2,515)	6,927	(136)	20,566
Profit/(Loss) for the Period					(34,769)	(31,128)	12	(216,206)
Basic Earnings Per Share (Rs.)	(0.11)	(0.48)		(4.35)	(0.17)	(0.95)		(5.21)

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
BALANCE SHEET AS AT 30TH JUNE 2011

	COMPANY			GROUP		
	UN AUDITED		UN AUDITED	UN AUDITED		UN AUDITED
	30th June 11	30th June 10	31st March 2011	30th June 11	30th June 10	31st March 2011
	Rs'000'	Rs'000'	Rs'000'	Rs'000'	Rs'000'	Rs'000'
ASSETS						
Cash In Hand & At Bank	31,835	18,870	61,362	51,816	39,828	79,086
Short Term Investments	2,424	40,327	2,699	38,225	130,388	95,743
Lending against Government Securities	469,087	33,006	572,230	469,087	33,006	572,230
Trade & Other Receivables	23,120	160,718	36,517	827,605	963,958	765,859
Inventories & WIP	47	491	77	367,800	667,157	352,866
Amount Due From Subsidiaries	66,523	161,931	101,256	-	-	-
Deposits, Advances and Prepayments	50,276	36,656	48,597	109,116	87,186	102,239
Pawning	5,421	2,190	5,265	5,421	2,190	5,265
Finance Leases	120,700	137,432	119,886	120,700	216,049	119,886
Loans	561,305	424,183	400,396	589,243	1,087,333	428,557
Hire Purchase	297,834	514,048	334,781	297,834	966,414	334,781
Investment In Real Estate & Property Development	307,902	443,761	317,755	434,253	1,451,664	446,182
Investment In Securities	79,936	128,745	73,454	91,063	173,734	84,580
Investment In Subsidiaries	184,715	121,995	121,995	-	-	-
Investment Properties	163,000	192,840	159,919	159,329	189,169	156,248
Property, Plant & Equipment	168,495	178,772	171,712	194,427	239,311	199,137
TOTAL ASSETS	2,532,620	2,595,965	2,527,901	3,755,919	6,247,387	3,742,659
LIABILITIES						
Debentures	-	-	-	3,250	131,043	3,250
Borrowings - Medium & Long Term	713,256	847,256	994,154	780,185	1,186,018	1,065,708
Deferred Tax Liabilities	-	-	-	713	-	713
Amount Due To Subsidiaries	1,260	1,289	1,260	-	-	-
Public Deposits	-	-	-	-	2,156,106	-
Retirement Benefit Obligation	(27,415)	(17,776)	(25,696)	(2,906)	36,517	(2,419)
Trade & Other Payables	103,965	114,264	219,698	758,013	1,045,833	832,026
Short Term Borrowings	1,291,096	1,823,367	1,192,237	1,601,691	2,112,480	1,506,672
Dividend Payable	4,914	4,914	4,914	4,958	3,256	4,958
Bank Overdraft	29,712	6,416	3,640	103,843	82,356	90,601
TOTAL LIABILITIES	2,116,788	2,779,730	2,390,207	3,249,747	6,753,609	3,501,509
CAPITAL & RESERVES						
Stated Capital						
- Ordinary Shares (No. of Shares - 199,930,250)	1,318,127	518,336	1,018,336	1,318,127	518,336	1,018,336
Reserves	(902,295)	(702,101)	(880,642)	(980,864)	(1,168,094)	(955,675)
SHARE HOLDERS' FUND	415,832	(183,765)	137,694	337,263	(649,758)	62,661
Minority Interest	-	-	-	168,909	143,536	178,489
TOTAL LIABILITIES & SHARE HOLDER'S FUNDS	2,532,620	2,595,965	2,527,901	3,755,919	6,247,387	3,742,659
Net Assets Per Share (Rs.)	2.08	(4.60)	0.98	1.69	(16.26)	0.45

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

.....
B.A.F.G.Suares
AGM Finance

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

.....
W.B.B.C.J. Fernando
Chief Executive Officer/ Director
9th August 2011
Colombo

.....
J. Rudra
Director

NATION LANKA FINANCE PLC (Reg No. PQ 33)
CASH FLOW STATEMENT AS AT 30TH JUNE 2011

	COMPANY			GROUP		
	Un audited		Un Audited	Un audited		Un Audited
	30th June 11	30th June 10	Year ended 31st March 2011	30th June 11	30th June 10	Year ended 31st March 2011
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net cash generated from/(used in) operating activities	97,125	(68,579)	376,355	2,222	5,804	475,771
Net cash generated from/(used in) Investing activities	(74,103)	42,054	130,133	(12,891)	109,034	213,180
Net cash generated from/(used in) financing activities	(182,039)	(74,656)	(60,805)	(190,504)	(183,608)	(222,129)
Net increase/(decrease) in cash & cash equivalents	(159,017)	(101,181)	445,683	(201,173)	(68,770)	466,822
Cash & cash equivalents at the beginning of the year	632,651	186,968	186,968	656,458	189,636	189,636
Cash & cash equivalents at the end of the year	473,634	85,787	632,651	455,285	120,866	656,458

Analysis of Cash and Cash Equivalents

Cash at Bank and in Hand	31,835	18,870	61,362	51,816	39,828	79,086
Short Term Investment	2,424	40,327	2,699	38,225	130,388	95,743
Bank Overdraft	(29,712)	(6,416)	(3,640)	(103,843)	(82,356)	(90,601)
Lending against Government Securities	469,087	33,006	572,230	469,087	33,006	572,230
	473,634	85,787	632,651	455,285	120,866	656,458

STATEMENT OF CHANGES IN EQUITY AS AT 30TH JUNE 2011

Company	Stated Capital	Capital	Capital	Revaluation	Reserve	General	Retained	Total	Minority	Total
	Ordinary	Redemption								
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01.04.2011	1,018,336	30,000	-	50,546	7,550	9,000	(977,738)	137,694	-	137,694
Profit attributable to Shareholders	-	-	-	-	-	-	(21,653)	(21,653)	-	(21,653)
Shares issued during the year	299,791	-	-	-	-	-	-	299,791	-	299,791
Balance as at 30.06.2011	1,318,127	30,000	-	50,546	7,550	9,000	(999,391)	415,832	-	415,832
Balance as at 01.04.2010	518,336	30,000	-	50,546	7,550	9,000	(780,171)	(164,739)	-	(164,739)
Profit attributable to Shareholders	-	-	-	-	-	-	(19,026)	(19,026)	-	(19,026)
Balance as at 30.06.2010	518,336	30,000	-	50,546	7,550	9,000	(799,197)	(183,765)	-	(183,765)
Group										
Balance as at 01.04.2011	1,018,336	43,348	27,113	50,546	7,550	9,000	(1,093,232)	62,661	178,489	241,150
Profit attributable to Shareholders	-	-	-	-	-	-	(32,254)	(32,254)	(2,515)	(34,769)
Effects due to changes in holdings	-	-	-	-	-	-	7,065	7,065	(7,065)	-
Shares issued during the year	299,791	-	-	-	-	-	-	299,791	-	299,791
Balance as at 30.06.2011	1,318,127	43,348	27,113	50,546	7,550	9,000	(1,118,421)	337,263	168,909	506,172
Balance as at 01.04.2010	518,336	43,348	90,488	50,546	7,550	11,674	(1,333,645)	(611,703)	136,609	(475,094)
Profit attributable to Shareholders	-	-	-	-	-	-	(38,055)	(38,055)	6,927	(31,128)
Balance as at 30.06.2010	518,336	43,348	90,488	50,546	7,550	11,674	(1,371,700)	(649,758)	143,536	(506,222)

NOTES TO THE ACCOUNTS

- 1 The figures are provisional and subject to audit.
- 2 These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards.
- 3 The accounting policies and methods of computation are consistent with those followed during the previous financial year.
- 4 There have been no events subsequent to the Balance sheet date that required disclosure.
- 5 Letter of Guarantees given by the Group as at the balance sheet date was Rs. 20 Million
- 6 There were no material Capital Commitments as at the balance sheet date.
- 7 Comparative figures and phrases have been re-arranged where ever necessary to conform to the current year's presentation.
- 8 There was no liability to management fees or any other similar expenditure as at the balance sheet date.
- 9 The unutilised amount as at 30th June 2011 from the proceeds of the rights issue amounted to Rs.381,790,567/28
- 10 The market price recorded during the period

	2011	2010
	Rs	Rs
Highest price	32.70	18.50
Lowest price	10.80	12.00
Market price as at 30th June	24.00	16.25

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

FOR THE THREE MONTHS PERIOD ENDED 30TH JUNE

	Lending		Property Development		Services		Others		Group Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Total Revenue	44,410	139,141	30,984	88,188	63,931	53,177	31,756	9,837	171,081	290,343
Inter Segment	(19,964)	-	-	-	(248)	(594)	-	(5,664)	(20,212)	(6,258)
Segment Revenue (Net)	24,446	139,141	30,984	88,188	63,683	52,583	31,756	4,173	150,869	284,085
Segment Income	16,647	122,753	13,884	51,885	57,060	37,115	36,289	11,847	123,880	223,600
Segment Expenses										
Depreciation	(352)	(769)	(1,842)	(1,558)	(31)	(12)	(902)	(2,755)	(3,127)	(5,094)
Other Operating Expenses	(39,266)	(92,807)	(48,012)	(101,266)	(35,490)	(10,834)	(17,453)	(56,673)	(140,221)	(261,580)
Operating Profit	(22,971)	29,177	(35,970)	(50,939)	21,539	26,269	17,934	(47,581)	(19,468)	(43,074)
Provision For Diminution In Value of Shares	-	-	-	-	-	-	(2)	15,121	(2)	15,121
(Provision)/Reversal for Bad & Doubtful Debts	250	2,215	-	-	(7,239)	2,490	-	-	(6,989)	4,705
	(22,721)	31,392	(35,970)	(50,939)	14,300	28,759	17,932	(32,460)	(26,459)	(23,248)
Amortization/Writeoff of Goodwill	-	-	-	-	-	-	-	-	-	-
Loss on Disposal of Subsidiary	-	-	-	-	-	-	-	-	-	-
Amortization of Surplus on Acquisition	-	-	-	-	-	-	-	-	-	-
VAT on Financial Services & Income Tax	-	(880)	-	-	(6,328)	(7,000)	(1,982)	-	(8,310)	(7,880)
Minority Interest	-	-	-	-	-	-	2,515	(6,927)	2,515	(6,927)
Segment Result After Tax	(22,721)	30,512	(35,970)	(50,939)	7,972	21,759	18,465	(39,387)	(32,254)	(38,055)
Segment Assets	1,384,351	2,498,994	1,049,593	2,376,514	522,227	308,830	799,748	1,063,049	3,755,919	6,247,387
Segment Liabilities	1,079,658	2,300,851	888,492	2,049,731	408,061	217,617	873,536	2,185,410	3,249,747	6,753,609

**TWENTY LARGEST SHAREHOLDERS
AS AT 30TH JUNE 2011
NATION LANKA FINANCE PLC**

NO.	Name of Shareholder	No. of Shares	%
1.	INVESTOR ACCESS EQUITIES (PVT) LTD	70,000,000	35.01
2.	MR. J RUDRA	14,572,500	07.29
3.	NAWALOKA CONSTRUCTION COMPANY (PVT) LTD	14,000,000	07.00
4.	MR D GANESHAMOORTHY	5,100,000	2.55
5.	PAN ASIA BANKING CORPORATION PLC / MR.MOHOTTALLAGE	4,437,500	2.22
6.	MR. W P A S PERERA	4,244,000	2.12
7.	PAN ASIA BANKING CORPORATION PLC / MR.HIYARE	4,000,000	2.00
8.	AFL DEVELOPMENT LTD	3,468,300	1.73
9.	PAN ASIA BANKING CORPORATION PLC / MR.RAVINDRA ERLE	2,510,000	1.26
10.	CEYLINCO SECURITIES SHARE OWNERSHIP TRUST (PVT) LTD	2,475,600	1.24
11.	MR P P ANANDARAJAH	2,024,300	1.01
12.	MR W G B M RANAWEERA	1,750,000	0.87
13.	MR H R S WIJERATNE	1,361,633	0.68
14.	MR M M UDESHI	1,137,603	0.57
15.	TOUCHWOOD INVESTMENTS LTD	1,123,000	0.56
16.	MRS N MULIE	1,060,100	0.53
17.	MR T C H FERDINANDIS	1,046,779	0.52
18.	SRI LANKA INSURANCE CORPORATION LTD / LIFE FUND	979,500	0.49
19.	MISS G D S N PERERA	961,000	0.48
20.	MR H T WIJESIGNHE	834,100	0.42

Public Holding - 57.52%

**DIRECTORS SHAREHOLDINGS
AS AT 30TH JUNE 2011
NATION LANKA FINANCE PLC**

NO.	Name of Director	No. of Shares	%
1.	MR H K J DHARMADASA	-	-
2.	MR W B B C J FERNANDO	357,816	0.18
3.	MR A C SENEVIRATENE	-	-
4.	MR P M L K KARUNARATNE	-	-
5.	MR U H DHARMADASA	-	-
6.	MR U H PALIHAKKARA (Joint)	786	-
7.	MR J RUDRA MR J RUDRA (Joint)	14,572,500 4,950	7.3
8.	MR H C DE Z SAHABANDU	-	-