

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
PROVISIONAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2012

COMPANY INCOME STATEMENT

	Quarter ended 31st March			Twelve months ended 31st March		
	2012 Rs'000'	2011 Rs'000'	change %	2012 Rs'000'	2011 Rs'000'	change %
TURNOVER	111,474	95,518	17	414,002	552,146	(25)
Interest Income	80,211	64,400	25	249,251	261,597	(5)
Direct Interest Cost	(46,255)	(36,982)	25	(159,639)	(173,335)	(8)
Net Interest Income	33,956	27,418	24	89,612	88,262	2
Service Fees	1,191	1,464	(19)	2,122	2,720	(22)
Profit on Land & Property Development	1,069	2,222	(52)	112	25,098	(100)
Dividend Income	10,382	1,762	489	44,285	7,426	496
Gain/(Loss) on Sale of Investment Securities	603	2,575	(77)	25	49,189	(100)
Other Operating Income	4,788	2,432	97	20,503	13,591	51
	51,989	37,873	37	156,660	186,286	(16)
Operating Expenses	(95,710)	(59,450)	61	(282,660)	(284,399)	(1)
Profit/(Loss) Before Provision & Taxation	(43,722)	(21,577)	103	(126,000)	(98,113)	28
(Provision)/Reversal For Diminution In Value of Shares	(1,701)	4,085	(142)	(4,285)	14,439	(130)
(Provision)/Reversal For Obsolete Stocks	(4,418)	-	-	4,418	(16,953)	-
(Provision)/Reversal for Bad & Doubtful Debts	8	1,311	(99)	88,157	(219,888)	(140)
Profit/(Loss) Before Taxation	(49,833)	(16,181)	208	(37,710)	(320,515)	(88)
Income Tax Expenses	(4,768)	-	(100)	(16,285)	(339)	4,707
Profit/(Loss) for the Period	(54,601)	(16,181)	237	(53,995)	(320,854)	(83)
Basic Earnings Per Share (Rs.)	(0.22)	(0.26)	(16)	(0.22)	(7.06)	(97)

GROUP INCOME STATEMENT

	Quarter ended 31st March			Twelve months ended 31st March		
	2012 Rs'000'	2011 Rs'000'	change %	2012 Rs'000'	2011 Rs'000'	change %
TURNOVER	285,371	377,989	(25)	1,088,791	1,412,857	(23)
Interest Income	85,038	75,513	13	264,338	483,956	(45)
Direct Interest Cost	(50,845)	(53,090)	(4)	(177,817)	(305,068)	(42)
Net Interest Income	34,192	22,423	52	86,520	178,889	(52)
Service Fees	6,110	59,221	(90)	89,212	232,798	(62)
Profit on Land & Property Development	65,405	43,680	50	199,822	129,213	55
Dividend Income	347	326	6	536	506	6
Gain/(Loss) on Sale of Investment Securities	252	8,573	(97)	8,615	61,489	(86)
Other Operating Income	19,160	5,213	268	55,788	29,987	86
	125,466	139,436	(10)	440,493	632,883	(30)
Operating Expenses	(174,008)	(133,027)	31	(549,847)	(753,050)	(27)
Profit/(Loss) Before Provision & Taxation	(48,542)	6,409	(857)	(109,354)	(120,167)	(9)
(Provision)/Reversal For Diminution In Value of Shares	(1,701)	5,685	(130)	(4,285)	22,840	(119)
(Provision)/Reversal For Obsolete Stocks	-	-	-	4,418	(16,953)	(126)
(Provision)/Reversal for Bad & Doubtful Debts	(10,355)	(1,397)	641	19,698	(197,708)	(110)
Profit/(Loss) Before Taxation	(60,598)	10,697	(666)	(89,523)	(311,988)	(71)
Income Tax Expenses	(17,471)	(9,357)	87	(42,164)	(36,448)	16
Profit/(Loss) for the Period	(78,069)	1,340	(5,926)	(131,687)	(348,435)	(62)
Attributable to						
Equity Holders of the Parent	(80,365)	(3,160)	2,443	(149,374)	(364,414)	(59)
Minority Interest	2,295	4,500	(49)	17,686	15,979	11
Profit/(Loss) for the Period	(78,069)	1,340	(5,926)	(131,687)	(348,435)	(62)
Basic Earnings Per Share (Rs.)	(0.32)	(0.05)	543	(0.60)	(8.02)	(93)

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

	COMPANY		GROUP	
	UN AUDITED	AUDITED	UN AUDITED	AUDITED
	31st March 2012	31st March 2011	31st March 2012	31st March 2011
	Rs'000'	Rs'000'	Rs'000'	Rs'000'
ASSETS				
Cash In Hand & At Bank	48,456	62,380	93,532	80,127
Short Term Investments	104,781	2,699	115,671	57,546
Investment in Government Securities		-	-	-
Lending against Government Securities	68,927	572,230	68,927	572,230
Trade & Other Receivables		49,555	688,976	744,167
Inventories & WIP		61	655,520	328,313
Amount Due From Subsidiaries		102,926		-
Deposits ,Advances and Prepayments	251,266	49,696	276,737	92,396
Finance Leases	178,514	85,488	178,514	85,488
Loans	891,037	320,290	905,048	374,638
Pawning	14,848	5,272	14,848	5,272
Hire Purchase	333,108	334,315	333,108	334,315
Investment In Real Estate	231,425	291,095	231,425	426,212
Deferred Tax Asset			2,929	2,929
Investment In Securities	162,632	73,231	162,632	123,805
Investment In Subsidiaries	440,661	120,245	-	-
Investment Property	243,712	163,000	243,712	159,329
Property, Plant & Equipment	196,678	169,968	239,198	196,420
TOTAL ASSETS	3,166,043	2,402,451	4,210,777	3,583,187
LIABILITIES				
Debentures		-	3,250	3,250
Borrowings - Medium & Long Term	1,627,086	932,341	1,684,010	984,647
Deferred Tax Liabilities		-	-	86
Amount Due To Subsidiaries		1,260	-	-
Public Deposits		-	81,653	-
Retirement Benefit Obligation	(22,576)	(17,700)	1,782	5,519
Borrowings Against Government Securities		-	-	-
Trade & Other Payables	119,423	208,935	796,667	710,881
Short Term Borrowings	584,609	1,253,638	827,705	1,676,611
Dividend Payable	4,911	4,914	4,956	4,958
Bank Overdraft	92,561	4,656	108,872	91,641
TOTAL LIABILITIES	2,406,014	2,388,044	3,508,894	3,477,593
CAPITAL & RESERVES				
Stated Capital	1,817,952	1,018,336	1,817,952	1,018,336
- Ordinary Shares (No.of Shares - 249,912,812)				
Reserves	(1,057,924)	(1,003,929)	(1,258,032)	(1,089,583)
SHARE HOLDERS' FUND	760,029	14,407	559,920	(71,247)
Minority Interest	-	-	141,963	176,841
TOTAL LIABILITIES & SHARE HOLDER'S FUNDS	3,166,043	2,402,451	4,210,777	3,583,187
Net Assets Per Share (Rs.)	3.04	0.10	2.24	(0.51)

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

.....
S.H.M Awad
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. Seneviratne
Director
14 th March 2012
Colombo

.....
Jayaprakash Rudra
Executive Director

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

	COMPANY		GROUP	
	Un audited 31st March 2012 Rs. '000	Audited Year ended 31st March 2011 Rs. '000	Un audited 31st March 2012 Rs. '000	Audited Year ended 31st March 2011 Rs. '000
Net cash generated from/(used in) operating activities	(1,290,068)	368,991	(1,086,622)	1,254,300
Net cash generated from/(used in) Investing activities	(38,316)	138,977	(59,229)	84,263
Net cash generated from/(used in) financing activities	825,332	(62,283)	696,848	(909,937)
Net increase/(decrease) in cash & cash equivalents	(503,051)	445,685	(449,003)	428,626
Cash & cash equivalents at the beginning of the year	632,653	186,968	618,262	189,636
Cash & cash equivalents at the end of the year	129,602	632,653	169,259	618,262

Analysis of Cash and Cash Equivalents

Cash at Bank and in Hand	48,456	62,380	93,532	80,128
Short Term Investment	104,781	2,699	115,671	57,546
Bank Overdraft	(92,561)	(4,656)	(108,872)	(91,641)
Lending against Government Securities	68,927	572,230	68,927	572,229
	129,602	632,653	169,259	618,262

STATEMENT OF CHANGES OF EQUITY AS AT 31ST MARCH 2012

	Stated Capital Rs.'000	Capital Redemption Reserve Fund Rs.'000	Capital Reserve Rs.'000	Revaluation Reserve Rs.'000	Reserve Fund Rs.'000	General Reserve Rs.'000	Accumulated Losses Rs.'000	Total Rs.'000	Minority Interest Rs.'000	Total Equity Rs.'000
Company										
Balance as at 01.04.2010	518,336	30,000	-	50,546	7,550	9,000	(780,171)	(164,739)		(164,739)
Loss for the year							(320,854)	(320,854)		(320,854)
Shares issued during the year	500,000							500,000		500,000
Balance as at 31.03.2011	1,018,336	30,000	-	50,546	7,550	9,000	(1,101,025)	14,407	-	14,407
Loss for the year							(53,995)	(53,995)		(53,995)
Shares issued during the year	799,616							799,616		799,616
Balance as at 31.03.2012	1,817,952	30,000	-	50,546	7,550	9,000	(1,155,020)	760,029	-	760,029
Group										
Balance as at 01.04.2010	518,336	43,348	90,488	50,546	7,550	11,674	(1,333,644)	(611,703)	136,609	(475,094)
Profit attributable to Shareholders							(364,414)	(364,414)	15,979	(348,435)
Shares issued during the year	500,000							500,000		500,000
Effects due to changes in holding		4,289	(63,369)			(2,674)	466,624	404,870	24,253	429,123
Balance as at 31.03.2011	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							(149,374)	(149,374)	17,686	(131,687)
Shares issued during the year	799,616							799,616		799,616
Effects due to changes in holding							(19,075)	(19,075)	(52,564)	(71,639)
Balance as at 31.03.2012	1,817,952	47,636	27,119	50,546	7,550	9,000	(1,399,883)	559,920	141,963	701,883

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

FOR THE YEAR ENDED 31 ST MARCH 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	335,556	476,206	634,859	652,339	1,413	271,731	161,000	33,459	1,132,828	1,433,736
Inter Segment	(44,036)	(1,435)		(7,923)		(3,562)		(7,959)	(44,037)	(20,879)
Segment Revenue (Net)	291,520	474,771	634,859	644,417	1,413	268,169	161,000	25,500	1,088,791	1,412,857
Segment Income	264,338	483,956	199,822	129,213	89,212	232,798	64,939	91,982	618,312	937,951
Segment Expenses										
Depreciation	(11,853)	(10,051)	(727)	(10,745)	(39)	(3,724)	(4,563)	(11,808)	(17,182)	(36,329)
Other Operating Expenses	(403,217)	(366,951)	(170,077)	(296,614)	(1,892)	(161,310)	(135,299)	(196,913)	(710,486)	(1,021,788)
Operating Profit	(150,732)	106,954	29,018	(178,146)	87,281	67,764	(74,923)	(116,739)	(109,356)	(120,167)
Provision For Fall In Value of Investments	(4,285)	-	-	2,250	-	-	-	20,590	(4,285)	22,840
Provision For Obsolete Stocks			4,417	(16,953)					4,418	
(Provision)/Reversal for Bad & Doubtful Debts	34,634	(22,584)	-	15,448		(7,921)	(14,936)	(182,651)	19,698	(197,708)
	(120,382)	84,370	33,435	(177,401)	87,281	59,844	(89,859)	(278,800)	(89,524)	(295,034)
Income Tax	(16,285)	(3,038)	(25,880)	599		(33,670)		(339)	(42,164)	(36,448)
Minority Interest	-	-	(22,733)	-	-	-	5,047	(15,979)	(17,686)	(15,979)
Segment Result After Tax	(136,667)	81,332	(15,178)	(176,802)	87,281	26,173	(84,812)	(295,117)	(149,374)	(347,461)
Segment Assets	1,474,619	1,265,532	1,690,270	1,687,569	526,052	520,086	519,836	109,999	4,210,777	3,583,187
Segment Liabilities	1,320,771	1,178,325	1,076,579	1,296,314	438,598	420,942	672,946	582,012	3,508,894	3,477,594

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

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1.	Hatton National Bank /Investor Access Equities (Pvt) Ltd	87,500,000	35.01
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.	Pan Asia Banking Corporation PLC/ Mr M N Ranasinghe	6,870,000	02.75
5.	Mr D Ganeshamoorthy	5,938,800	02.38
6.	Pan Asia Banking Corporation PLC/ Mr H Hewage	5,217,150	02.09
7.	Nation Wealth Corporation Ltd	3,936,437	01.58
8.	AFL Development Ltd	3,468,300	01.39
9.	Anilana Hotels and Properties Ltd	2,698,741	01.08
10.	Pan Asia Banking Corporation PLC/ Mr R Erle	2,627,500	01.05
11.	Investor Access Equities (Pvt) Ltd	2,500,000	01.00
12.	Ceylinco Securities Share Ownership Trust (Pvt) Ltd	2,475,600	00.99
13.	Mr W P A S Perera	2,066,700	00.83
14.	Mr P Anandarajah	2,024,375	00.81
15.	Mr W G B M Ranaweera	1,750,500	00.70
16.	Mr H R S Wijeratne	1,702,041	00.68
17.	Mr V R Ramanan	1,604,870	00.64
18.	Mr T C H Ferdinandis	1,547,098	00.62
19.	Mr C G Van Twest	1,460,625	00.58
20.	Mr H K J Dharmadasa	1,262,000	00.50

PUBLIC HOLDING – 56.69

NATION LANKA FINANCE PLC

DIRECTORS SHAREHOLDINGS AS AT 31ST MARCH 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	-