

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
BALANCE SHEET AS AT 31ST DECEMBER 2011

	COMPANY			GROUP		
	UN AUDITED		AUDITED	UN AUDITED		AUDITED
	31st December 11 Rs'000'	31st December 10 Rs'000'	31st March 2011 Rs'000'	31st December 11 Rs'000'	31st December 10 Rs'000'	31st March 2011 Rs'000'
ASSETS						
Cash In Hand & At Bank	19,827	13,544	62,380	53,491	19,735	80,127
Short Term Investments	2,516	2,657	2,699	31,496	21,449	57,546
Investment in Government Securities	-	-	-	-	-	-
Lending against Government Securities	70,752	28,015	572,230	70,752	28,015	572,230
Trade & Other Receivables	39,698	43,318	49,555	674,425	671,821	744,167
Inventories & WIP	26	119	61	257,632	440,378	328,313
Amount Due From Subsidiaries	98,505	107,834	102,926	(0)	-	-
Deposits ,Advances and Prepayments	143,657	47,639	49,696	188,190	85,163	92,396
Finance Leases	148,456	129,166	85,488	148,456	129,166	85,488
Loans	628,767	419,271	320,290	689,178	447,498	374,638
Pawning	8,795	4,868	5,272	8,795	4,868	5,272
Hire Purchase	330,816	400,936	334,315	327,777	400,936	334,315
Investment In Real Estate	238,444	332,894	291,095	364,797	467,451	426,212
Deferred Tax Asset	-	-	-	-	-	2,929
Investment In Securities	81,623	76,052	73,231	81,623	125,975	123,805
Investment In Subsidiaries	301,219	121,995	120,245	(0)	-	-
Investment Property	243,712	159,919	163,000	243,712	156,248	159,329
Property, Plant & Equipment	164,163	172,618	169,968	209,286	200,957	196,420
TOTAL ASSETS	2,520,974	2,060,845	2,402,451	3,349,606	3,199,660	3,583,187
LIABILITIES						
Debentures	-	-	-	3,250	3,250	3,250
Borrowings - Medium & Long Term	236,150	619,050	932,341	344,725	670,882	984,647
Deferred Tax Liabilities	-	-	-	-	713	86
Amount Due To Subsidiaries	16,230	1,260	1,260	0	-	-
Public Deposits	-	-	-	95,915	-	-
Retirement Benefit Obligation	(22,866)	825	(17,700)	(413)	25,424	5,519
Borrowings Against Government Securities	-	-	-	-	-	-
Trade & Other Payables	114,214	147,530	208,935	523,646	738,026	710,881
Short Term Borrowings	1,800,553	1,630,254	1,253,638	1,959,287	1,969,762	1,676,611
Dividend Payable	4,911	4,914	4,914	4,956	6,984	4,958
Bank Overdraft	61,395	3,137	4,656	82,301	44,420	91,641
TOTAL LIABILITIES	2,210,588	2,406,970	2,388,044	3,013,668	3,459,461	3,477,593
CAPITAL & RESERVES						
Stated Capital	1,318,127	518,336	1,018,336	1,318,127	518,336	1,018,336
- Ordinary Shares (No.of Shares - 199,930,250)						
Reserves	(1,007,741)	(864,461)	(1,003,929)	(1,178,304)	(952,126)	(1,089,583)
SHARE HOLDERS' FUND	310,386	(346,125)	14,407	139,823	(433,790)	(71,247)
Minority Interest	-	-	-	196,116	173,989	176,841
TOTAL LIABILITIES & SHARE HOLDER'S FUNDS	2,520,974	2,060,845	2,402,451	3,349,606	3,199,660	3,583,187
	(0)					
Net Assets Per Share (Rs.)	1.55	(8.66)	0.10	0.70	(10.85)	(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 Finance Officer

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

.....
Jayaprakash Rudra
Director
13 th February 2012
Colombo

.....
W.B.B.C.J Fernando
Chief Executive Officer/ Director

NATION LANKA FINANCE PLC (Reg No. PQ 33)
CASH FLOW STATEMENT AS AT 31ST DECEMBER 2011

	COMPANY			GROUP		
	Un audited		Audited	Un audited		Audited
	31st December 2011	31st December 2010	Year ended 31st March 2011	31st December 2011	31st December 2010	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	(567,639)	221,812	368,991	(511,984)	667,018	1,165,227
Net cash generated from/(used in) Investing activities	(183,831)	130,562	138,977	(71,301)	164,137	173,336
Net cash generated from/(used in) financing activities	150,516	(498,263)	(62,283)	38,460	(996,012)	(909,937)
Net increase/(decrease) in cash & cash equivalents	(600,954)	(145,889)	445,685	(544,825)	(164,857)	428,626
Cash & cash equivalents at the beginning of the year	632,653	186,968	186,968	618,262	189,636	189,636
Cash & cash equivalents at the end of the year	31,699	41,079	632,653	73,437	24,779	618,262

Analysis of Cash and Cash Equivalents

Cash at Bank and in Hand	19,827	13,544	62,380	53,491	19,735	80,128
Short Term Investment	2,516	2,657	2,699	31,496	21,449	(91,641)
Bank Overdraft	(61,395)	(3,137)	(4,656)	(82,301)	(44,420)	57,546
Lending against Government Securities	70,752	28,015	572,230	70,752	28,015	572,229
	31,699	41,079	632,653	73,438	24,779	618,262

STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2011

	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 01.04.2011	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
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	-	-	-	-	-	-	(181,386)	(181,386)	-	(181,386)
Balance as at 31.12.2010	518,336	30,000	-	50,546	7,550	9,000	(961,557)	(346,125)	-	(346,125)
Group										
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
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	-	-	-	-	-	-	(233,612)	(233,612)	16,066	(217,546)
Adjustments for changes in holding	-	-	(63,375)	-	-	-	477,574	411,525	21,314	432,839
Balance as at 31.12.2010	518,336	43,348	27,113	50,546	7,550	9,000	(1,089,683)	(433,790)	173,989	(259,801)

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. 20 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 confirm to the current year's presentation.
- There was no liability for management fees or any other similar expenditure as at the balance sheet date.
- The market price recorded during the period

	2011	2010
	Rs	Rs
Highest price	21.20	25.9
Lowest price	13.00	12.0
Market price as at 31st December	15.90	22.5

NATION LANKA FINANCE PLC (Reg. No. PQ 33)
PROVISIONAL FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31ST DECEMBER 2011

COMPANY INCOME STATEMENT

	Quarter ended 31st December			Nine months ended 31st December		
	2011 Rs'000'	2010 Rs'000'	change %	2011 Rs'000'	2010 Rs'000'	change %
TURNOVER	65,433	122,926	(47)	302,528	423,535	(29)
Interest Income	49,296	64,746	(24)	169,040	190,724	(11)
Direct Interest Cost	(39,268)	(39,341)	(0)	(113,384)	(136,353)	(17)
Net Interest Income	10,028	25,405	(61)	55,656	54,371	2
Service Fees	91	176	(48)	932	1,392	(33)
Profit on Land & Property Development	2,036	5,294	(62)	(957)	20,672	(105)
Dividend Income	31	-		33,903	5,664	499
Gain/(Loss) on Sale of Investment Securities	(0)	11,977	(100)	(577)	46,614	(101)
Other Operating Income	2,502	2,110	19	15,715	7,793	102
	14,687	44,962	(67)	104,671	136,506	(23)
Operating Expenses	(66,174)	(95,241)	(31)	(186,949)	(213,311)	(12)
Profit/(Loss) Before Provision & Taxation	(51,487)	(50,279)	2	(82,278)	(76,805)	7
(Provision)/Reversal For Diminution In Value of	(909)	(2,765)	(67)	(2,584)	12,327	(121)
(Provision)/Reversal For Obsolete Stocks	-	-		4,418	-	
(Provision)/Reversal for Bad & Doubtful Debts	32,768	(88,491)	(137)	88,149	(116,574)	(176)
	(19,628)	(141,535)	(86)	7,705	(181,052)	(104)
Income Tax Expenses	(4,768)	(334)	1,328	(11,517)	(334)	3,348
Profit/(Loss) for the Period	(24,396)	(141,869)	(83)	(3,812)	(181,386)	(98)
Basic Earnings Per Share (Rs.)	(0.12)	(3.55)	(97)	(0.02)	(4.54)	(100)
Basic Earnings Per Share Annualized (Rs.)	-	-	-	(0.03)	(6.05)	(100)

GROUP INCOME STATEMENT

	Quarter ended 31st December			Nine months ended 31st December		
	2011 Rs'000'	2010 Rs'000'	change %	2011 Rs'000'	2010 Rs'000'	change %
TURNOVER	260,335	332,676	(22)	803,420	987,411	(19)
Interest Income	58,676	97,374	(40)	179,300	366,896	(51)
Direct Interest Cost	(46,154)	(62,145)	(26)	(126,972)	(248,628)	(49)
Net Interest Income	12,522	35,229	(64)	52,328	118,268	(56)
Service Fees	12,731	22,108	(42)	83,102	103,996	(20)
Profit on Land & Property Development	59,881	19,980	200	134,417	75,635	78
Dividend Income	(256)	-		189	-	
Gain/(Loss) on Sale of Investment Securities	351	10,251	(97)	8,363	46,614	(82)
Other Operating Income	4,774	26,597	(82)	36,628	56,643	(35)
	90,003	114,165	(21)	315,027	401,156	(21)
Operating Expenses	(151,989)	(185,514)	(18)	(375,839)	(511,280)	(26)
Profit/(Loss) Before Provision & Taxation	(61,987)	(71,349)	(13)	(60,813)	(110,124)	(45)
(Provision)/Reversal For Diminution In Value of	(909)	1,037	(188)	(2,584)	16,129	(116)
(Provision)/Reversal For Obsolete Stocks	-	-		4,418	-	
(Provision)/Reversal for Bad & Doubtful Debts	27,177	(93,419)	(129)	30,053	(101,126)	(130)
	(35,718)	(163,731)	(78)	(28,925)	(195,121)	(85)
Income Tax Expenses	5,096	(1,389)	(467)	(24,693)	(22,425)	10
Profit/(Loss) for the Period	(30,622)	(165,120)	(81)	(53,618)	(217,546)	(75)
Attributable to						
Equity Holders of the Parent	(27,979)	(165,570)	(83)	(69,009)	(233,612)	(70)
Minority Interest	(2,643)	450	(687)	15,391	16,066	(4)
Profit/(Loss) for the Period	(30,622)	(165,120)	(81)	(53,618)	(217,546)	(75)
Basic Earnings Per Share (Rs.)	(0.14)	(4.14)	(97)	(3.46)	(5.84)	(41)
Basic Earnings Per Share Annualized (Rs.)	-	-	-	(4.62)	(7.79)	(54.34)

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

FOR THE NINE MONTHS ENDED 31ST DECEMBER

	Lending		Property Development		Services			Others		Group Total	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.	2010 R	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Total Revenue	154,022	402,438	463,621	394,715	144,034	182,132		76,202	17,867	837,879	997,152
Inter Segment	(746)	(2,473)		-	(33,714)	(1,604)		-	(5,664)	(34,460)	(9,741)
Segment Revenue (Net)	<u>153,276</u>	<u>399,965</u>	<u>463,621</u>	<u>394,715</u>	<u>110,320</u>	<u>180,528</u>		<u>76,202</u>	<u>12,203</u>	<u>803,419</u>	<u>987,411</u>
Segment Income	179,300	366,896	134,417	75,635	83,102	103,996		45,180	103,257	441,999	649,784
Segment Expenses											
Depreciation	(2,772)	(1,728)	(4,911)	(5,575)	(2,969)	(2,790)		(2,213)	(8,501)	(12,865)	(18,594)
Other Operating Expenses	(149,420)	(236,811)	(131,135)	(230,628)	(87,089)	(66,921)		(115,459)	(206,954)	(482,843)	(741,314)
Operating Profit	27,108	128,357	(1,629)	(160,568)	(6,956)	34,285		(72,492)	(112,198)	(53,709)	(110,124)
Provision For Diminution In Value of Shares	-	-	-	(600)	-	-		(2,584)	16,729	(2,584)	16,129
Provision for Obsolete Stocks	-	-	4,418	-	-	-		-	-	4,418	-
(Provision)/Reversal for Bad & Doubtful Debts	1,402	7,515	-	(316)	(4,573)	(4,582)		33,223	(103,743)	30,052	(101,126)
Amortization/Write-off of Goodwill	28,510	135,872	2,789	(161,484)	(11,529)	29,703		(41,853)	(199,212)	(21,823)	(195,121)
Loss on Disposal of Subsidiary	-	-	-	-	-	-		-	-	-	-
Amortization of Surplus on Acquisition	-	-	-	-	-	-		-	-	-	-
VAT on Financial Services & Income Tax	-	-	(11,792)	2,987	(1,384)	(25,078)		(18,619)	(334)	(31,795)	(22,425)
Minority Interest	-	-	-	-	-	-		(15,391)	(16,066)	(15,391)	(16,066)
Segment Result After Tax	<u>28,510</u>	<u>135,872</u>	<u>(9,003)</u>	<u>(158,497)</u>	<u>(12,913)</u>	<u>4,625</u>		<u>(75,863)</u>	<u>(215,612)</u>	<u>(69,009)</u>	<u>(233,612)</u>
Segment Assets	<u>1,250,196</u>	<u>1,046,532</u>	<u>1,084,400</u>	<u>1,102,039</u>	<u>346,968</u>	<u>408,762</u>		<u>668,042</u>	<u>642,327</u>	<u>3,349,606</u>	<u>3,199,660</u>
Segment Liabilities	<u>1,096,760</u>	<u>942,667</u>	<u>1,695,288</u>	<u>910,668</u>	<u>105,464</u>	<u>442,104</u>		<u>116,156</u>	<u>1,164,022</u>	<u>3,013,668</u>	<u>3,459,461</u>

NATION LANKA FINANCE PLC
TWENTY LARGEST SHAREHOLDERS AS AT 31ST DECEMBER 2011

NO	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1.	Investor Access Equities (Pvt) Ltd	70,000,000	35.01
2.	Mr J Rudra	15,172,500	07.59
3.	Nawaloka Construction Company (Pvt) Ltd	14,249,700	07.13
4.	Mr G Duraisamy	6,300,000	03.15
5.	Pan Asia Banking Corporation PLC/ Mr M N Ranasinghe	5,750,100	02.88
6.	Pan Asia Banking Corporation PLC/ Mr Hiyare Hewage	4,100,600	02.05
7.	AFL Development Ltd	3,468,300	01.73
8.	Pan Asia Banking Corporation PLC/ Mr Ravindra Erle	2,510,000	01.26
9.	Ceylinco Securities Share Ownership Trust (Pvt) Ltd	2,475,600	01.24
10.	Nation Wealth Corporation Ltd	2,278,000	01.14
11.	Mr A Periyasaami Pillai	2,024,300	01.01
12.	Mr W G B M Ranaweera	1,750,000	00.87
13.	Mr W P A S Perera	1,439,800	00.72
14.	Mr H R S Wijeratne	1,361,633	00.68
15.	Mr T C H Ferdinandis	1,221,679	00.61
16.	Mr M M Udeshi	1,137,603	00.57
17.	Mr S C Hiththathiyage	1,100,000	00.55
18.	Mrs N Muljie	1,060,100	00.53
19.	Mr H K J Dharmadasa	1,009,600	00.50
20.	Mr C G Van Twest	1,000,500	00.50

PUBLIC HOLDING - 56.71%

NATION LANKA FINANCE PLC

DIRECTORS SHAREHOLDING AS AT 31ST DECEMBER 2011

NO.	NAME OF SHAREHOLDER	NO OF SHARES	PERCENTAGE
1.	Mr H K J DHARMADASA	1,009,600	
2.	Mr A C SENAVIRATENE	NIL	
3.	Mr W B B C J FERNANDO	357,816	
4.	Mr J RUDRA	15,172,500	
	Mr J RUDRA & Mrs S L ARUMUGAM	4,950	
5.	Mr U H DHARMADASA	NIL	
6.	Mr U H PALIHAKKARA	8,000	
	Mr U H PALIHAKKARA & Mrs D S PALIHAKKARA	786	
7.	Mr P M L K KARUNARATNE	NIL	
8.	Mr H C DE Z SAHABANDU	NIL	