



# PRIME FINANCE PLC

## INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31<sup>ST</sup> MARCH 2019



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## STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	As At 31.03.2019 Rs. (Unaudited)	As At 31.03.2018 Rs. (Audited)
<b>Assets</b>		
Cash & Cash Equivalents	469,366,656	417,958,339
Investment in Fixed Deposits	193,250,492	152,081,166
Loans and Advances	3,416,535,473	2,184,713,733
Lease Rentals Receivable & Stock Out on Hire	886,748,707	496,020,155
Financial Investments - Available for Sale	-	56,300
Financial Investments at Fair Value Through Other Comprehensive Income	56,300	-
Financial Investments - Held to Maturity	-	122,468,456
Financial Investments at Amortised Cost	194,079,061	-
Other Financial Assets	8,936,585	1,294,521
Inventories - Real Estate Stock	386,746,646	129,266,607
Other Non Financial Assets	11,938,288	11,415,435
Investment Property	105,439,534	105,439,534
Property, Plant & Equipment	27,809,300	28,525,141
Intangible Assets	3,240,589	2,222,312
Deferred Tax Asset	-	19,913,154
<b>Total Assets</b>	<b>5,704,147,631</b>	<b>3,671,374,853</b>
<b>Liabilities</b>		
Due to Banks and Other Financial Institutions	1,094,217,290	427,680,261
Due to Customers	2,746,322,013	2,399,149,502
Other Financial Liabilities	4,844,211	5,092,825
Other Non-Financial Liabilities	180,847,764	223,210,024
Retirement Benefit Liability	4,318,233	3,167,412
Deferred tax liability	6,472,052	-
Income Tax Payable	46,346,705	-
<b>Total liabilities</b>	<b>4,083,368,269</b>	<b>3,058,300,025</b>
<b>Shareholders' Funds</b>		
Stated Capital	1,372,500,000	508,500,000
Retained Earnings	230,655,884	95,883,622
Other Reserves	17,623,480	8,691,206
<b>Total Shareholders' Funds</b>	<b>1,620,779,362</b>	<b>613,074,828</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>5,704,147,631</b>	<b>3,671,374,853</b>
<b>Commitments and Contingencies</b>	<b>99,164,091</b>	<b>13,403,458</b>
<b>Net Assets Per Share (Rs.)</b>	<b>20.46</b>	<b>17.03</b>

Sgd  
T M M Tennakoon  
AGM - Finance

Sgd  
Rasika Kaluarachchi  
Chief Executive Officer

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

Sgd  
M. D. Saddha Mangala Goonetilleke  
Director

Sgd  
H. M. Hennyake Bandara  
Director

## STATEMENT OF COMPREHENSIVE INCOME

	FOR THE TWELVE MONTHS ENDED			FOR THE THREE MONTHS ENDED		
	31.03.2019 (Unaudited) Rs.	31.03.2018 (Audited) Rs.	Variance %	31.03.2019 (Unaudited) Rs.	31.03.2018 (Unaudited) Rs.	Variance %
Interest Income	947,181,265	445,450,360	113%	266,775,219	167,655,169	59%
Interest Expenses	(407,944,234)	(209,450,069)	-95%	(112,114,492)	(87,190,239)	-29%
<b>Net Interest Income</b>	<b>539,237,031</b>	<b>236,000,292</b>	<b>128%</b>	<b>154,660,727</b>	<b>80,464,931</b>	<b>92%</b>
Fee and Commission Income	21,704,289	12,419,392	75%	3,946,541	7,181,316	-45%
<b>Net Fee and Commission Income</b>	<b>21,704,289</b>	<b>12,419,392</b>	<b>75%</b>	<b>3,946,541</b>	<b>7,181,316</b>	<b>-45%</b>
Net Gain/(Loss) from Trading	-	(70)	100%	-	-	0%
Other Operating Income (net)	131,936,585	74,901,409	76%	50,094,801	47,245,802	6%
<b>Total Operating Income</b>	<b>692,877,905</b>	<b>323,321,022</b>	<b>114%</b>	<b>208,702,068</b>	<b>134,892,049</b>	<b>55%</b>
Less: Credit loss expense on financial assets and other losses	(86,324,280)	(107,632,627)	20%	(7,103,124)	19,023,559	137%
<b>Net Operating Income</b>	<b>606,553,626</b>	<b>215,688,395</b>	<b>181%</b>	<b>201,598,945</b>	<b>153,915,608</b>	<b>31%</b>
<b>Operating Expenses</b>						
Personnel Costs	(113,663,825)	(74,277,599)	-53%	(27,404,984)	(21,464,488)	-28%
Depreciation of Property Plant & Equipment	(12,257,044)	(10,630,066)	-15%	(2,918,123)	(2,759,696)	-6%
Amortisation of Intangible Assets	(650,160)	(1,105,957)	41%	(197,734)	(284,788)	31%
Other Operating Expenses	(151,730,946)	(94,588,605)	-60%	(35,001,615)	(33,366,980)	-5%
<b>Profit/ (Loss) before VAT on financial services, NBT &amp; Debt Repayment Levy</b>	<b>328,251,651</b>	<b>35,086,167</b>	<b>836%</b>	<b>136,076,488</b>	<b>96,039,655</b>	<b>42%</b>
VAT on financial services, NBT & Debt Repayment Levy	(56,214,302)	(7,962,581)	-606%	(18,142,680)	(7,885,382)	-130%
<b>Profit/ (Loss) from Operations before Taxation</b>	<b>272,037,349</b>	<b>27,123,586</b>	<b>903%</b>	<b>117,933,808</b>	<b>88,154,273</b>	<b>34%</b>
(Provision)/Reversal for Income Taxation	(93,391,867)	(14,032,874)	-566%	(50,742,087)	(14,032,874)	-262%
<b>Profit/(Loss) for the Year</b>	<b>178,645,483</b>	<b>13,090,713</b>	<b>1265%</b>	<b>67,191,722</b>	<b>74,121,400</b>	<b>-9%</b>
<b>Other Comprehensive Income / (Expenses)</b>						
<b>Other Comprehensive Income not to be reclassified to Profit or Loss</b>						
Actuarial Gain / ( Loss ) on Retirement Benefit Obligations	488,185	45,025	984%	488,185	45,025	984%
Deferred Tax on above	(136,692)	-	-100%	-	-	0
<b>Other Comprehensive Income/(Expense) for the Year, net of taxes</b>	<b>351,493</b>	<b>45,025</b>	<b>681%</b>	<b>351,493</b>	<b>45,025</b>	<b>681%</b>
<b>Total Comprehensive Income/(Expense) for the Year</b>	<b>178,996,976</b>	<b>13,135,738</b>	<b>1263%</b>	<b>67,543,215</b>	<b>74,166,425</b>	<b>-9%</b>
<b>Earnings Per Share (Rs)</b>	<b>2.61</b>	<b>0.42</b>		<b>0.27</b>	<b>2.59</b>	

The above figures are provisional and subject to audit.

## STATEMENT OF CHANGES IN EQUITY

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019

	<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Statutory Reserve</b>	<b>Total</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Balance as at 01st April 2017</b>	225,000,000	83,402,419	8,036,670	316,439,089
Net Profit for the Year	-	13,090,713	-	13,090,713
Other Comprehensive Income	-	45,025	-	45,025
Transfer to Statutory Reserve	-	(654,536)	654,536	-
Rights Issue	283,500,000	-	-	283,500,000
<b>Balances as at 31st March 2018</b>	<u>283,500,001</u>	<u>95,883,622</u>	<u>8,691,205</u>	<u>613,074,827</u>
Impact of adopting SLFRS 9 as at 1st April 2018		(35,292,440)		(35,292,440)
<b>Restated Balances under SLFRS9 as at 01st April 2018</b>	<u>283,500,001</u>	<u>60,591,182</u>	<u>8,691,205</u>	<u>577,782,388</u>
Net Profit for the Year	-	178,645,483	-	178,645,483
Other Comprehensive Income	-	488,185	-	488,185
Deferred Tax on above	-	(136,692)	-	(136,692)
Transfer to Statutory Reserve	-	(8,932,274)	8,932,274	-
Rights Issue	864,000,000	-	-	864,000,000
<b>Balances as at 31st March 2019</b>	<u>1,147,500,001</u>	<u>230,655,884</u>	<u>17,623,480</u>	<u>1,620,779,362</u>

## STATEMENT OF CASH FLOWS

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019

	31.03.2019 Rs. (Unaudited)	31.03.2018 Rs. (Audited)
<b>Cash Flows From / (Used in) Operating Activities</b>		
Profit/( Loss) before Income Tax Expense	272,037,349	27,123,586
Adjustments for		
Depreciation	12,257,044	10,630,066
Amortisation of Intangible Assets	650,160	1,105,957
Impairment Provision	86,324,280	107,632,627
Interest Cost on Finance Lease	17,494	152,078
Diminution/(Appreciation) in value of investments	-	70
Loss/(Profit) on Disposal of Property & Equipment	(3,160,526)	-
Provision/(Reversal) for Defined Benefit Plans	2,097,706	1,220,257
Dividend Received	(206,400)	(180,000)
Notional Tax Credit on Interest on Treasury Bills	-	(951,991)
Fair Value - Investment Property	-	(28,925,534)
Operating Profit before Working Capital Changes	370,017,107	117,807,118
(Increase)/Decrease in Real Estate Stock	(257,480,040)	(90,734,559)
(Increase)/Decrease in Loans and Advances	(1,345,049,268)	(1,219,668,334)
(Increase)/Decrease in Lease Rentals Receivable & Stock out on hire	(412,785,079)	(402,597,275)
(Increase)/Decrease in Other Financial Assets	(7,642,064)	(768,303)
(Increase)/Decrease in Other Non Financial Assets	(1,955,128)	4,385,889
Increase/(Decrease) in Amounts Due to Customers	347,154,963	1,088,093,524
Increase/(Decrease) in Other Financial Liabilities	(248,614)	(511,514)
Increase/(Decrease) in Other Non Financial Liabilities	(42,362,261)	196,978,076
Cash Generated from/( Used in) Operations	(1,350,350,383)	(307,015,378)
Economic Service Charges Paid	(5,639,535)	-
Retirement Benefit Liabilities Paid	(458,700)	(192,000)
Income Tax Paid	-	(5,919,348)
Net Cash From/(Used in) Operating Activities	(1,356,448,618)	(313,126,726)
<b>Cash Flows from / (Used in) Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(11,593,721)	(19,690,895)
Acquisition of Intangible Assets	(1,668,437)	(1,000,000)
Acquisition of Investment Property	-	(76,514,000)
Proceeds from Sales of Shares	-	450
Proceeds from Sales of Property , Plant & Equipment	3,213,044	-
Investments in Banks & Other Financial Institutions	(41,169,325)	61,075,446
Net investment in government bonds & government securities	(71,610,605)	(32,986,234)
Dividend Received	206,400	180,000
Net Cash Flows from/(Used in) Investing Activities	(122,622,644)	(68,935,233)
<b>Cash Flows from / (Used in) Financing Activities</b>		
Right Issue	864,000,000	283,500,000
Payment under Finance Lease Liabilities	(275,166)	(1,100,664)
Net moment in the bank borrowings	471,494,292	385,146,038
Net Cash Flows from/(Used in) Financing Activities	1,335,219,126	667,545,374
<b>Net Increase in Cash and Cash Equivalents</b>	(143,852,136)	285,483,415
<b>Net Cash and Cash Equivalents at the beginning of the Year</b>	375,681,787	90,198,372
<b>Cash and Cash Equivalents at the end of the year (Note A)</b>	231,829,651	375,681,787

## Note A

## Analysis of Cash and Cash Equivalents

	2019 Rs.	2018 Rs.
Cash & Cash Equivalents	469,406,611	417,958,339
Bank Overdrafts	(237,576,960)	(42,276,552)
<b>Net Cash &amp; Cash Equivalents</b>	231,829,651	375,681,787

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INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019

**Transition Disclosures**

The following notes set out the impact of adopting Sri Lanka Accounting Standard - SLFRS 09 (Financial Instrument) at transaction date, 1st April 2018 on the Statement of Financial Position, and retained earnings including the effect of replacing incurred credit loss calculations under Sri Lanka Accounting Standard - LKAS 39 (Financial Instruments - recognition and measurement) with expected credit loss (ECL) under SLFRS 09)

**Reclassification:**

These adjustments reflect the movement of balances between categories on the Statement of Financial Position with no impact to shareholders' equity. There is no change to the carrying value of the balances as a result of the reclassification.

**Re-measurement**

These adjustments, which include expected credit loss, result in a change to the carrying value of the item on the Statement of Financial Position with an impact to Shareholders' equity net of tax.

**As at 31st March 2018**

	Note	LKAS 39 Measurement	Reclassification	Re-measurement		SLFRS 09	
		Category	Amount	ECL	Other	Amount	Category
			Rs.	Rs.	Rs.	Rs.	
<b>Financial asset</b>							
Cash & Cash Equivalents		L&R	417,958,339		(40,780)	417,917,558	Amortised Cost
Loans and Advances		L&R	2,184,713,733		(46,183,152)	2,138,530,580	Amortised Cost
Lease Rentals Receivable & Stock Out on Hire		L&R	496,020,155		(2,770,477)	493,249,678	Amortised Cost
Financial Investments - Available for Sale	B	AFS	56,300	(56,300)		-	
Financial Investments - Fair Value Through Other Comprehensive Income	B		-	56,300		56,300	FVOCI
Financial Investments - Held to Maturity	A	HTM	122,468,456	(122,468,456)		-	
Debt & other instruments measured at amortised cost	A		-	122,468,456		122,468,456	Amortised Cost
Other Financial Assets		L&R	153,375,687		(22,868)	153,352,819	Amortised Cost
Inventories - Real Estate Stock	1		129,266,607		-	129,266,607	Amortised Cost
Investment Property			105,439,534		-	105,439,534	
<b>Non financial asset</b>							
Property, plant and equipment			28,525,141			28,525,141	n/a
Intangible assets			2,222,312			2,222,312	n/a
Deferred tax assets	D		19,913,154	13,724,838		33,637,992	n/a
Other non financial assets			11,415,435			11,415,435	n/a
<b>Total assets</b>			<b>3,671,374,853</b>	<b>-</b>	<b>(35,292,440)</b>	<b>-</b>	<b>3,636,082,413</b>
<b>Financial liabilities</b>							
Due to banks		Amortised Cost	192,350,891			192,350,891	Amortised Cost
Due to other customers		Amortised Cost	2,399,149,502			2,399,149,502	Amortised Cost
Other financial liabilities		Amortised Cost	240,422,196			240,422,196	Amortised Cost
<b>Non financial liabilities</b>							
Current tax liabilities			-			-	n/a
Other non financial liabilities			223,210,024			223,210,024	n/a
Retirement benefit obligation			3,167,412			3,167,412	n/a
<b>Total Liabilities</b>			<b>3,058,300,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,058,300,025</b>
<b>Equity</b>							
Stated capital			508,500,000			508,500,000	
Statutory reserve fund			8,691,206			8,691,206	
Retained earnings			95,883,622	(35,292,440)		60,591,182	
Other reserves			-			-	
<b>Total Equity</b>			<b>613,074,827</b>	<b>-</b>	<b>(35,292,440)</b>	<b>-</b>	<b>577,782,387</b>

L&R - Loans & Receivables, AFS- Available for sale, HTM- Held to maturity, FVPL- Fair value through P&L, FVOCI- Fair value through Other Comprehensive income, n/a-Not applicable

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INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019

A As at 31st March 2019, the Company elected to classify its previous investment in Sri Lanka Government securities as Debt & other instruments measured at amortised cost since these assets met the "Solely Payments of Principal and Interest" (SPPI) criterion.

B Financial assets previously classified under available for sale category have been reclassified as financial investments fair value through other comprehensive income (FVOCI) upon adoption of SLFRS 9.

C The impact of SLFRS 9 remeasurements on deferred tax is set out below under note D

**D The impact on retained earnings by transition to SLFRS 09 is as follows,**

Closing balance under LKAS 39 as at 31st March 2018	95,883,622
Re-measurement adjustments on adoption of SLFRS 9	
Recognition of SLFRS 9 ECLs for loans and investments	(49,017,278)
Deferred tax impact on above	13,724,838
Deferred tax on other adjustments related to SLFRS 9	-
Total charge in equity due to adoption of SLFRS 9	<u>(35,292,440)</u>
Opening balance under SLFRS 9 as 31st March 2018	<u>60,591,181</u>

**The impact of transition to SLFRS 9 on reserves and retained earnings are, as follows:**

	Loan loss provision under LKAS 39/LKAS 37	Re- measurement	ECLs under SLFRS 9 at 01st April 2018
In Rs.			
Impairment allowance for			
Cash & Cash Equivalents	-	40,780	40,780
Loans and Advances	123,663,177	46,183,152	169,846,329
Lease Rentals Receivable & Stock Out on Hire	4,042,290	2,770,477	6,812,767
Other Financial Assets	-	22,868	22,868
	<u>127,705,468</u>	<u>49,017,278</u>	<u>176,722,746</u>

## Prime Finance PLC

INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019

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### Comparative information

The Comparative information is reclassified wherever necessary to conform the current year's presentation and details are given below.

### Statement of Financial Position

	Note	Reclassified	As disclosed in 31.03.2018	Adjustment
Investment in Fixed Deposits	A	152,081,166	-	152,081,166
Other Financial Assets	A	1,294,521	153,375,687.00	(152,081,166)
Due to Banks	B	-	192,350,891	(192,350,891)
Due to Banks and Other Financial Institutic	B	427,680,262	-	427,680,262
Other Financial Liabilities	B	5,092,825	240,422,196	(235,329,371)

**A** Fixed Deposits which were previously reported under Other Financial Assets have been transferred to Investment in Fixed Deposits.

**B** Other Financial Institution's loans which were previously reported under Other Financial Liabilities and Due to Banks have been transferred to Due to Banks and Other Financial Institutions.



## SEGMENTAL INFORMATION

For management purposes, the Company is organised into three operating segments based on services offered to customers as follows.

The following table presents income and profit and certain asset and liability information regarding the Company's operating segments.

	Leasing & Stock out on Hire		Loans & Receivables		Others		Total	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Interest Income	168,647,846	33,204,069	736,038,681	366,689,237	42,494,738	45,557,054	947,181,265	445,450,360
Interest Expenses	(72,635,428)	(15,612,502)	(317,006,625)	(172,416,711)	(18,302,181)	(21,420,856)	(407,944,234)	(209,450,069)
Net Interest Income/(Expenses)	96,012,418	17,591,567	419,032,057	194,272,526	24,192,556	24,136,198	539,237,031	236,000,292
Fee and Commission Income	3,864,500	925,747	16,866,039	10,223,490	973,750	1,270,155	21,704,289	12,419,392
Other Operating Income	-	-	-	-	131,936,585	74,901,339	131,936,585	74,901,339
Impairment (Charge)/Reversal for Loans and Other Credit Losses	(22,056,527)	1,867,460	(64,267,753)	(109,500,087)	-	-	(86,324,280)	(107,632,627)
Net Operating Income	77,820,391	20,384,775	371,630,343	94,995,929	157,102,892	100,307,692	606,553,626	215,688,395
Other Costs	47,254,161	12,587,362	206,233,827	139,008,575	11,906,782	17,270,267	265,394,770	168,866,204
Depreciation & Amortisation	2,298,158	874,808	10,029,972	9,660,949	579,074	1,200,265	12,907,204	11,736,023
Profit/ (Loss) before VAT on financial services	28,268,072	6,922,604	155,366,545	(53,673,595)	144,617,035	81,837,159	328,251,651	35,086,167
VAT on financial services, NBT & Debt Repayment Levy & Income Tax							(149,606,169)	(21,995,455)
Profit/(Loss) for the Year							178,645,483	13,090,713
Segmental Assets	974,228,797	570,630,410	3,755,488,151	2,513,333,544	974,430,683	587,410,898	5,704,147,631	3,671,374,853
Segmental Liabilities	697,494,949	475,342,091	2,688,725,713	2,093,637,493	697,147,608	489,320,442	4,083,368,269	3,058,300,025

## NOTES TO THE FINANCIAL STATEMENTS

1. The Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31st March 2018. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard (LKAS 34) on Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.
2. There were no significant changes in the nature of contingent liabilities which were disclosed in the Audited Financial statements for the year ended 31st March 2019.
3. Investor Information

## 3.1 Directors' and CEO's Shareholding as at 31st March 2019

The number of shares held by the Board of Directors and the CEO are as follows;

Name of the director	No. of shares	( % )
Mr. M. D. Saddha Mangala Goonetilleke	22,000	0.03%
Mrs. H. K. Sadamini Rukmal Perera	110,000	0.14%
Mr. B. Premalal	110,000	0.14%
Mr. Nandana A. Wickramage	20,000	0.03%
Mr. Pathirage Anura W. Perera	50,000	0.06%
Mr. Mahinda Perera	1,000	0.00%
Mr. H. M. Hennayake Bandara	Nil	N/A
Mr. Dhammika Hemantha Kalapuge	Nil	N/A
Mr. Rasika Kaluarachchi (CEO)	Nil	N/A

## 3.2 Twenty largest shareholders as at 31st March 2019

	Name	No. of shares	% of holding
1	Seylan Bank PLC/Ms. Prime Lands (Pvt) Ltd	74,926,029	94.60%
2	Mr.Peramuna Gamaethige Kumaradasa	1,215,079	1.53%
3	Mr. Francis Jayarupan Pradeep Raj	315,231	0.40%
4	Mr.Ruminda Randeniya	152,000	0.19%
5	Mr.Lalith Rukman Jayaweera	113,795	0.14%
6	Mr.Brahmanage Premalal	110,000	0.14%
6	Mrs.Hena Kankanamge Sandamini Rukmal Perera	110,000	0.14%
6	Ms. Shehana Sonali Ann Piumi Brahmanage	110,000	0.14%
9	Mr.Premadasa Manamperi	105,088	0.13%
10	Mrs. Deyalage Janitha Shamali	100,100	0.13%
10	Mr. Ranasinghe Halnetti Padmaperuma Dushantha Rangana	100,100	0.13%
12	Mr. Suppiapillai Karunamoorthy	100,000	0.13%
13	Mr. Mallikage Adisha Sagara Wijerathne	80,000	0.10%
14	Bansei Securities Capital (Pvt) Ltd/M.A.Waas	71,790	0.09%
15	The Victoria International Private Limited	65,069	0.08%
16	Bansei Securities Capital (Pvt) Ltd/M.A.U. Gnanatilake	59,389	0.07%
17	Mr. Heenatigala Mudiyansele Nalinda Udeshe Kumara	50,000	0.06%
17	Mr.Pathirage Anura Wijesiri Perera	50,000	0.06%
17	Mr. Herath Mudiyansele Prabath Krishantha Bandara	50,000	0.06%
20	Citizens Development Business Finance PLC/W.G.J.Banda	48,331	0.06%
		77,932,001	98.40%
	Others	1,267,999	1.60%
		<b>79,200,000</b>	<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 3.3 Public Shareholding as at 31st March 2019

Percentage of Public Holding (Minimum Requirement - 10%)	4.80%
Number of Shares hold by Public Shareholders	3,800,971
Number of Public Shareholders (Minimum Requirement - 200 Shareholders)	919
Number of Public and Non-Public Shareholders	928
Market Capitalization as at 31st March, 2019	Rs. 1,346,400,000
Float Adjusted Market Capitalization as at 31st March, 2019	Rs. 64,616,507

The Company is not in compliance with the Minimum Public Holding requirement specified in Rule 7.13.1 (b). The reason for the aforesaid non-compliance is that the Company has issued 43,200,000 Ordinary Shares in the proportion of Six (06) new Ordinary Shares for every (05) Ordinary Shares in the Capital of the Company by way of a Rights Issue amounting to Rs. 864,000,000/-, to the holders of the issued Ordinary Shares of the Company at the price of Rs. 20/- per share in order to comply with the Minimum Core Capital requirements specified in the Finance Business Act (Minimum Core Capital) Direction No. 02 of 2017 issued by the Monetary Board of Central Bank of Sri Lanka. The majority shareholder, Prime Lands (Private) Limited, undertook to subscribe all remaining unsubscribed shares to enable the Company to meet the regulatory Minimum Core Capital requirements and subscribed 4,128,194 Ordinary Shares as Additional Shares (in addition to the subscription of 38,630,113 provisionally allotted Ordinary Shares) and the Rights Issue was concluded on 26th July, 2018. With the conclusion of the said Rights Issue, the Shareholding of Prime Lands (Private) Limited increased to 94.63% compared to Pre-Rights Issue holding of 89.42%.

Further, pursuant to the request made by the Company by letter dated 22<sup>nd</sup> February 2019, the CSE has by their letter dated 19<sup>th</sup> March 2019, granted a waiver in terms of 7.13.3(iii) for a period of One year until 26<sup>th</sup> August 2019 to comply with the Rule 7.13.1(b) of the listing rules of CSE subject to the Company making the appropriate disclosures to the market in this regard.

## 3.3.1 Computation of Public Share Holding as at 31st March 2019

	No. of shares	% of shares
	as at 31st March 2019	
<b><u>Parent, subsidiary or associate entities or any subsidiary or associates of its Parent Entity</u></b>		
Seylan Bank PLC/M/s Prime Lands (Pvt) Ltd	74,926,029	94.60%
<b><u>Directors of the entity, their spouses and children under 18 years of age</u></b>		
Mr. M. D. Saddha Mangala Goonetilleke	22,000	0.03%
Ms. H. K. Sadamini Rukmal Perera	110,000	0.14%
Mr. B. Premalal	110,000	0.14%
Mr. Nandana A. Wickramage	20,000	0.03%
Mr. Pathirage Anura W. Perera	50,000	0.06%
Mr. Mahinda Perera	1,000	0.00%
Mr. H. M. Hennayake Bandara	Nil	Nil
Mr. Dhammika Hemantha Kalapuge	Nil	Nil
<b><u>Key Management personnel and their close family members</u></b>		
	Nil	Nil
<b><u>Other related entites/ parties</u></b>		
Mr. H.M.N.U. Kumara	50,000	0.06%
Miss. S.S.A.P. Brahamanage	110,000	0.14%
<b>Total non-public share holding</b>	<b>75,399,029</b>	<b>95.20%</b>
Public Share Holding	3,800,971	4.80%
<b>Total Issued Share Capital</b>	<b>79,200,000</b>	<b>100.00%</b>

## 3.4 Stated Capital

Stated Capital is represented by number of shares in issue as given below:

	No of Shares as at	
	31-Mar-19	31-Mar-18
Ordinary Shares	79,200,000	36,000,000

## 3.5 Earning per share

Earning per share has been calculated, for all periods, based on the number of shares in issue as at 31st March 2019

## NOTES TO THE FINANCIAL STATEMENTS

<b>3.6 Market value per share for the quarter ended</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>Rs.</b>	<b>Rs.</b>
Highest Price	22.00	24.30
Lowest Price	17.00	20.20
Last Traded	17.00	22.90

**4 Commitments and Contingencies**

There were no material contingent liabilities and /or capital commitments as at reporting date except for the undrawn loan commitment as follows :

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	<b>Rs.</b>	<b>Rs.</b>
Commitment for Unutilized Facilities	99,164,091	13,403,458

**5 Events occurring after Balance Sheet date**

There were no material events that have taken place subsequent to the balance sheet date, which require adjustments to or disclosure in the Financial Statements except as explained above.

**6 Comparative figures**

Comparative period's figures have been presented with out any amendment.