



# Prospectus

Vallibel Finance PLC  
Debenture Issue 2024

Managers to the issue



First Capital  
A Janashakti Group Company

 **vallibel Finance**

# VALLIBEL FINANCE PLC



## PROSPECTUS

**AN INITIAL ISSUE OF 20,000,000 DEBENTURES WITH AN OPTION TO ISSUE UP TO A 10,000,000 OF SAID DEBENTURES AT THE DISCRETION OF THE COMPANY IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL TRANCHE TO RAISE UP TO A MAXIMUM AMOUNT OF LKR 3,000,000,000/-**

**TO BE LISTED ON THE COLOMBO STOCK EXCHANGE  
RATED "BBB STABLE" BY LANKA RATING AGENCY LIMITED  
WHICH IS THE MINIMUM INSTRUMENT RATING REQUIRED BY THE CSE**

**FURTHERMORE, SHOULD THE RATING GO BELOW THE REGULATORY REQUIREMENT OF THE CSE AT A POINT OF TIME PRIOR TO LISTING, THE DEBENTURE WILL NOT BE LISTED. SHOULD THE RATING GO DOWN POST LISTING, THE INSTRUMENT WILL BE SUBJECT TO ENFORCEMENT ACTIONS AS SET OUT IN THE LISTING RULES**

**ISSUE OPENS ON  
20 NOVEMBER 2024**

**MANAGERS TO THE ISSUE**



**First Capital**  
A Janashakti Group Company

**FIRST CAPITAL ADVISORY SERVICES (PVT) LTD**

**This Prospectus is dated 11 November 2024**

The Colombo Stock Exchange (“CSE”) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Debentures which is decided solely by the Issuer. Please note that the company is bound by the enforcement rules set out in the CSE Listing Rules (as applicable).

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If there are material changes, such material changes will be disclosed to the market.

If you are in any doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Managers to the Issue, investment advisor, lawyer or any other professional advisor.

**Responsibility for the Content of the Prospectus**

This Prospectus has been prepared by First Capital Advisory Services (Pvt) Limited (hereinafter referred to as Managers to the Issue/ Manager’) on behalf of Vallibel Finance PLC (hereinafter referred to as ‘VFP’ or the ‘Company’). VFP and its Directors confirm that to the best of their knowledge and belief this Prospectus contains all information regarding the Company and Debentures offered herein which is material; such information is true and accurate in all material aspects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Company are honestly held or made and are not misleading in any material respect; this Prospectus contains all material facts and presents them in a clear fashion in all material respects and all proper inquiries have been made to ascertain and to verify the foregoing. The Company accepts responsibility for the information contained in this Prospectus.

No person has been sanctioned to make any representations not contained in this Prospectus in connection with this offer for Subscription of the Company’s Debentures. If such representations are made, they must not be relied upon as having been authorised. Neither the delivery of this Prospectus nor any sale made in the offering shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus or in the affairs of the Company since the date of this Prospectus.

Investors should be informed that the value of investments can vary, and that past performance is not necessarily indicative of future performance. In making such investment decisions, prospective investors must rely on their knowledge, perception together with their own examination and assessment on VFP and the terms and conditions of the Debentures issued including risks associated.

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion, that there has been no material change in the affairs of the Company since the date of this Prospectus.

## Registration of the Prospectus

A copy of this Prospectus has been registered with the Registrar General of Companies in Sri Lanka in accordance with the Companies Act No. 07 of 2007 (The “Companies Act”). The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to section 40(1) of the Companies Act.

- a. The written consent of the Auditors and Reporting Accountants to the Issue for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue.
- b. The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- c. The written consent of the Bankers to the Issue for the inclusion of their name in their Prospectus as Bankers to the Issue.
- d. The written consent of the Company Secretary for the inclusion of their name in the Prospectus as Company Secretary.
- e. The written consent of the Managers to the Issue for the inclusion of their name in the Prospectus as the Managers to the Issue.
- f. The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- g. The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- h. The written consent of the Credit Rating Agency to the Issue for the inclusion of their name in the Prospectus as the Credit Rating Agency to the Issue and to the Company.
- i. The declaration made and subscribed to, by each of the Directors of the Company herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.
- j. The said Auditors and Reporting Accountants to the Issue and to the Company, Trustee to the Issue, Bankers to the Issue and Company, Company Secretary, Managers to the Issue, Registrars to the Issue, Lawyers to the Issue and Credit Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka, withdrawn such consent.

## Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

## **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see Section 5.16 ‘Risks Involved in Investing in the Debentures’ of this Prospectus.

## **Forward Looking Statements**

Any statements included in this Prospectus that are not statements of historical fact constitute ‘Forward Looking Statements’. These can be identified by the use of forward-looking terms such as ‘expect’, ‘anticipate’, ‘intend’, ‘may’, ‘plan to’, ‘believe’, ‘could’ and similar terms or variations of such terms.

However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

## OFFER AT A GLANCE

<b>Issuer</b>	Vallibel Finance PLC							
<b>Type of Debt Security/Debenture</b>	Listed, Rated, Subordinated, Unsecured, Redeemable Debentures							
<b>Listing</b>	The Debentures will be listed on the Colombo Stock Exchange							
<b>Number of Debentures to be issued</b>	In the event of the Debenture issue being fully subscribed, the Debentures issued are up to a maximum of 30,000,000 (Thirty Million) Debenture.							
<b>Aggregate Face Value/ Investment Value of the Issue</b>	Sri Lankan Rupees Two Thousand Million (LKR 2,000,000,000/-) with an option to raise Sri Lanka Rupees One Thousand Million (LKR 1,000,000,000/-) at the discretion of the Company in the event of an oversubscription of the initial tranche in order to raise up to a maximum of Sri Lankan Rupees Three Thousand Million (LKR. 3,000,000,000)							
<b>Issuer Rating</b>	BBB+ with Outlook Stable by Lanka Rating Agency Limited							
<b>Issue Rating</b>	BBB with Outlook Stable by Lanka Rating Agency Limited							
<b>Par Value</b>	LKR 100.00 per Debenture							
<b>Issue Price</b>	LKR 100.00 per Debenture							
<b>Interest Rates</b>	<table border="1"> <thead> <tr> <th>Type of Debentures</th> <th>Interest rate (per annum)</th> </tr> </thead> <tbody> <tr> <td>Type A</td> <td>Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)</td> </tr> <tr> <td>Type B</td> <td>Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)</td> </tr> </tbody> </table>		Type of Debentures	Interest rate (per annum)	Type A	Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)	Type B	Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)
Type of Debentures	Interest rate (per annum)							
Type A	Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)							
Type B	Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)							
<b>Maturity/ Redemption from the Date of Allotment</b>	05 Years							
<b>Minimum Number of Debentures to be subscribed</b>	Minimum subscription per application is 100 debentures Sri Lankan Rupees Ten Thousand (LKR 10,000) and applications exceeding the minimum subscription should be in multiples of 100 debentures.							
<b>Interest Payment Dates</b>	<p>Type A : The dates on which payments of interest in respect of Type A Debentures shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Type B : The dates on which the payments of interest in respect of the Type B Debentures shall fall due, which shall be the twelve (12) months from the Date of Allotment and every twelve (12) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than Three (03) Market Days from each Interest Payment Date.</p>							

<b>Interest Period</b>	<p>Type A: The six (06) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date)</p> <p>Type B: The twelve (12) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
<b>Method of Payment of Principal and Interest</b>	Principal Sum and Interest will be paid to Debenture Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank details have been provided, or by crossed cheques marked “Account Payee Only” in the event accurate bank details have not been provided.
<b>Issue Opening Date</b>	20 November 2024, however, applications may be submitted forthwith
<b>Issue Closing Date</b>	<p>Closing Date (09 December) or such earlier date at 4.30 pm on which,</p> <ul style="list-style-type: none"> <li>• The maximum of 30,000,000 debentures being fully-subscribed: or</li> <li>• The Board of Directors of the Company decides to close the Issue upon the initial issue of 20,000,000 debentures becoming fully subscribed</li> </ul> <p>In the event the Board of Directors of Company decides to exercise the option to issue the second tranche of 10,000,000 (initial issue of 20,000,000 debentures being fully subscribed) but subsequently decides to close the subscription list prior to full subscription of the second tranche and/or;</p> <p>In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of initial issue of 20,000,000 debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following market day at 4.30 p.m.</p>
<b>Date of Allotment</b>	The Date on which the Debentures will be allotted by the Company to the Applicants subscribing thereto.
<b>Basis of Allotment</b>	<p>In the event of an oversubscription, the basis of allotment will be decided by the Board of Directors of the Company in a fair manner within Seven (07) Market Days from the Closing Date. As per Board Resolution dated 24<sup>th</sup> July 2024, the Board has authorized any two Directors to decide on the basis of allotment.</p> <p>The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this Prospectus on a</p>

	<p>preferential basis, to identified investor/s of strategic and operational importance with whom the Company might have mutually beneficial relationships in the future.</p> <p>Number of Debentures to be allotted to identified investor/s of strategic and operational importance, on a preferential basis will not exceed 75% of the total number of Debentures to be issued under this prospectus under any circumstances, unless there is an undersubscription from the other investors (Investors that do not fall under preferential category).</p>
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## TABLE OF CONTENTS

<b>1.0</b>	<b>CORPORATE INFORMATION .....</b>	<b>1</b>
<b>2.0</b>	<b>RELEVANT PARTIES TO THE ISSUE .....</b>	<b>2</b>
<b>3.0</b>	<b>ABBREVIATIONS USED IN THE PROSPECTUS.....</b>	<b>3</b>
<b>4.0</b>	<b>GLOSSARY OF TERMS RELATED TO THE ISSUE.....</b>	<b>4</b>
<b>5.0</b>	<b>INFORMATION RELATING TO THE ISSUE.....</b>	<b>6</b>
<b>5.1</b>	<b>Invitation to Subscribe.....</b>	<b>6</b>
<b>5.2</b>	<b>Subscription List.....</b>	<b>6</b>
<b>5.3</b>	<b>Objectives of the Issue and Specific Risks Relating to the Objectives .....</b>	<b>7</b>
<b>5.4</b>	<b>Interest .....</b>	<b>8</b>
<b>5.5</b>	<b>Payment of Principal Sum and Interest.....</b>	<b>9</b>
<b>5.6</b>	<b>Inspection of Documents.....</b>	<b>9</b>
<b>5.7</b>	<b>Underwriting.....</b>	<b>10</b>
<b>5.8</b>	<b>The Minimum Subscription Applicable for Investors.....</b>	<b>10</b>
<b>5.9</b>	<b>Cost of the Issue .....</b>	<b>10</b>
<b>5.10</b>	<b>Brokerage.....</b>	<b>10</b>
<b>5.11</b>	<b>Taxation .....</b>	<b>10</b>
<b>5.12</b>	<b>Redemption .....</b>	<b>10</b>
<b>5.13</b>	<b>Rating of the Debentures .....</b>	<b>10</b>
<b>5.14</b>	<b>Trustee to the Issue .....</b>	<b>11</b>
<b>5.15</b>	<b>Rights and Obligations of the Debenture Holder .....</b>	<b>11</b>
<b>5.16</b>	<b>Risks Involved in Investing in the Debentures .....</b>	<b>12</b>
<b>5.17</b>	<b>Benefits of Investing in the Debentures .....</b>	<b>13</b>
<b>5.18</b>	<b>Transfer of Debentures .....</b>	<b>13</b>
<b>5.19</b>	<b>Listing .....</b>	<b>13</b>
<b>6.0</b>	<b>PROCEDURE FOR APPLICATION.....</b>	<b>15</b>
<b>6.1</b>	<b>Eligible Applicants .....</b>	<b>15</b>
<b>6.2</b>	<b>How to Apply .....</b>	<b>15</b>
<b>6.3</b>	<b>Submission of Applications.....</b>	<b>18</b>
<b>6.4</b>	<b>Number of Debentures to be Subscribed.....</b>	<b>18</b>

---

<b>6.5</b>	<b>Mode of Payment .....</b>	<b>18</b>
<b>6.6</b>	<b>Rejection of Applications .....</b>	<b>20</b>
<b>6.7</b>	<b>Basis of Allotment .....</b>	<b>21</b>
<b>6.8</b>	<b>Banking of Payments .....</b>	<b>21</b>
<b>6.9</b>	<b>Refunds .....</b>	<b>21</b>
<b>6.10</b>	<b>CDS Accounts and Secondary Market Trading .....</b>	<b>22</b>
<b>7.0</b>	<b>FINANCIAL AND OTHER INFORMATION .....</b>	<b>23</b>
<b>7.1</b>	<b>Financial Statements &amp; Financial Summary .....</b>	<b>23</b>
<b>7.2</b>	<b>Financial Year .....</b>	<b>23</b>
<b>7.3</b>	<b>Particulars of Debt and Loan Capital .....</b>	<b>23</b>
<b>7.4</b>	<b>Other Debt Securities in Issue - As at the date of the Prospectus .....</b>	<b>23</b>
<b>7.5</b>	<b>Key Financial Ratios .....</b>	<b>23</b>
<b>7.6</b>	<b>Debt Servicing Details of Vallibel Finance PLC .....</b>	<b>24</b>
<b>7.7</b>	<b>Litigation, Disputes and Contingent Liabilities .....</b>	<b>24</b>
<b>7.8</b>	<b>Major Shareholders as of 30 September 2024 .....</b>	<b>25</b>
<b>7.9</b>	<b>Accountant’s Report and 5-year summary .....</b>	<b>26</b>
	<b>ANNEXURE I – STATUTORY DECLARATIONS .....</b>	<b>44</b>
	<b>ANNEXURE II – CREDIT RATING REPORT .....</b>	<b>46</b>
	<b>ANNEXURE IV – COLLECTION POINTS .....</b>	<b>51</b>
	<b>ANNEXURE V – CUSTODIAN BANKS .....</b>	<b>54</b>

## 1.0 CORPORATE INFORMATION

<b>Name of the Company</b>	Vallibel Finance PLC
<b>Legal Form of the Entity</b>	Public Limited Liability Company incorporated in Sri Lanka. A Finance Company licensed under the Finance Business Act No.42 of 2011. A Registered Finance Leasing Establishment in terms of Finance Leasing Act No.56 of 2000. An Approved Credit Agency under the Mortgage Act No.6 of 1949 and Trust Receipt Ordinance No.12 of 1947.
<b>Company Registration Number</b>	PB 526 PQ
<b>Date of Incorporation</b>	05 September 1974
<b>Company Rating</b>	BBB+ Outlook Stable by Lanka Rating Agency Limited
<b>Registered Address</b>	No.310, Galle Road Colombo 03 Tel : +94 11 2 370 990 Fax : +94 11 439 129 Website: www.vallibelfinance.com
<b>Board of Directors</b>	Mr. K. D. A. Perera – Chairman/ Non Independent Non Executive Director Mr. S. B. Rangamuwa – Managing Director/ CEO Mr. S. S. Weerabahu - Executive Director Mr. J Kumarasinghe - Senior Independent Director Mrs. C. P. Malalgoda - Independent Non Executive Director Mr. M. A. K. B. Dodamgoda - Independent Non Executive Director Mr. R. S. Dahanayake - Independent Non Executive Director
<b>Company Secretary</b>	Mrs. K G L D Kottegoda Vallibel Finance PLC - Corporate Office No. 480, Galle Road Colombo 03 Tel : +94 11 4 393 100
<b>Auditor to the Company</b>	M/s Ernst & Young Chartered Accountants Rotunda Towers No. 109, Galle Road Colombo 03
<b>Credit Rating Agency</b>	Lanka Rating Agency Limited 145, Kynsey Road Colombo 08
<b>Bankers</b>	Bank of Ceylon People's Bank Seylan Bank PLC Sampath Bank PLC Pan Asia Banking Corporation PLC National Development Bank PLC Hatton National Bank PLC Commercial Bank of Ceylon PLC Cargills Bank PLC Union Bank of Colombo PLC National Savings Bank DFCC Bank PLC MCB Bank Limited

## 2.0 RELEVANT PARTIES TO THE ISSUE

<b>Managers to the Issue</b>	First Capital Advisory Services (Pvt) Ltd No. 02, Deal Place Colombo 03 Tel: +94 112 639 812 Fax: +94 112 576 866
<b>Lawyers to the Issue</b>	Nithya Partners No. 97 A, Galle Road Colombo 03 Tel: +94 114 712 625 Fax: +94 112 328 817
<b>Trustees to the Issue</b>	Hatton National Bank PLC HNB Towers No. 479, T. B. Jayah Mawatha Colombo 10 Tel: +94 112 664 664 Fax: +94 112 662 814
<b>Registrars to the Issue</b>	Central Depository Systems (Pvt) Limited Ground Floor, M & M Centre 341/5, Kotte Road, Rajagiriya Tel : +94 112 356 444 Fax: +94 112 440 396
<b>Bankers to the Issue</b>	Pan Asia Banking Corporation PLC No.450, Galle Road Colombo 03 Tel:+94 112 565 565
<b>Credit Rating Agency to the Issue</b>	Lanka Rating Agency Limited 145, Kynsey Road Colombo 08 Tel: +94 114 500 099
<b>Auditors and Reporting Accountants to the Issue</b>	M/s Ernst & Young Chartered Accountants Rotunda Towers No. 109, Galle Road Colombo 03 Tel: +94 112 463 500 Fax: +94 117 687 869

### 3.0 ABBREVIATIONS USED IN THE PROSPECTUS

<b>AER</b>	Annual Effective Rate
<b>AWPLR</b>	Average Weighted Prime Lending Rate published on a weekly basis by the Central Bank of Sri Lanka
<b>CAR</b>	Capital Adequacy Ratio
<b>CBSL</b>	Central Bank of Sri Lanka
<b>CDS</b>	Central Depository Systems (Private) Limited
<b>CSE</b>	Colombo Stock Exchange
<b>VFP/Issuer/Company</b>	Vallibel Finance PLC
<b>LKR/ Rupees/ Rs.</b>	Sri Lankan Rupees
<b>NIC</b>	National Identity Card
<b>POA</b>	Power of Attorney
<b>RTGS</b>	Real Time Gross Settlement
<b>SEC</b>	Securities and Exchange Commission of Sri Lanka
<b>IIA</b>	Inward Investment Account
<b>SLIPS</b>	Sri Lanka Inter-Bank Payment System

#### 4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

<b>Applicant/s</b>	Any person who submits an Application Form under this Prospectus.
<b>Application Form / Application</b>	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Debentures in Issue.
<b>Closing Date</b>	<p>09 December 2024 or such earlier date at 4.30 pm on which;</p> <ul style="list-style-type: none"> <li>• The maximum of 30,000,000 debentures being fully-subscribed: or</li> <li>• The Board of Directors of the Company decides to close the Issue upon the initial issue of 20,000,000 debentures becoming fully- subscribed or the initial issue 20,000,000 debentures and second tranche of 10,000,000 debentures becoming fully subscribed.</li> </ul> <p>In the event the Board of Directors of Company decides to exercise the option to issue the second tranche of 10,000,000 (initial issue of 20,000,000 debentures being fully subscribed) but subsequently decides to close the subscription list prior to full subscription of the second tranche and/or;</p> <p>In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of initial issue of 20,000,000 debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following market day at 4.30 p.m.</p>
<b>Debentures</b>	All of the Listed, Rated, Subordinated, Unsecured, Redeemable Debentures to be issued pursuant to this Prospectus.
<b>Debenture Holder(s)</b>	Any person who is for the time being the holder of the Debentures and includes his/her respective successors in title.
<b>Date of Allotment</b>	The date on which the Debentures will be allotted to the Debenture Holders, which will be notified to the Debenture Holders.
<b>Date of Redemption</b>	The date on which Redemption of the Debentures will take place as referred to in Section 5.12 of this Prospectus.
<b>Entitlement Date</b>	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Company /in whose name the Debentures are registered in the Debenture Holders' register of the Company (where applicable), in order to qualify for the payment of any interest or any Redemption proceeds.
<b>Interest Payment Date(s)</b>	<p>Type A : The dates on which payments of interest in respect of Type A Debentures shall fall due, which shall be the six (06) months from the Date of Allotment and every six (06) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Type B : The dates on which the payments of interest in respect of the Type B Debentures shall fall due, which shall be the twelve (12) months from the Date of Allotment and every twelve (12) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p>

	Interest would be paid not later than Three (03) Market Days from each Interest Payment Date.						
<b>Issue</b>	The offer of Debentures pursuant to this Prospectus.						
<b>Market Day</b>	Any day on which trading takes place at the CSE.						
<b>Non-Resident(s)</b>	Foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.						
<b>Principal Sum</b>	The product of the number of Debentures allotted and Par Value.						
<b>Prospectus</b>	This prospectus dated 11 November 2024 issued by VFP.						
<b>Rate of Interest</b>	<table border="1"> <thead> <tr> <th>Type of Debentures</th> <th>Interest rate (per annum)</th> </tr> </thead> <tbody> <tr> <td>Type A</td> <td>Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)</td> </tr> <tr> <td>Type B</td> <td>Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)</td> </tr> </tbody> </table>	Type of Debentures	Interest rate (per annum)	Type A	Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)	Type B	Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)
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Type A	Fixed Rate of 12.95% p.a. payable semi- annually (AER 13.37%)						
Type B	Fixed Rate of 13.37% p.a. payable annually (AER 13.37%)						
<b>Redemption</b>	The repayment of the Principal at maturity together with any interest accruing up to that time.						
<b>Registered Address</b>	When used in relation to a Debenture Holder means the address provided by the Debenture Holder to the CDS.						
<b>Subordinated</b>	the claims of the Debenture Holders shall in the event of winding up of the Company rank after all the claims of secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company but pari passu to the claims of subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary and preference shareholder/s of the Company.						
<b>Trust Deed</b>	Trust deed executed between Vallibel Finance PLC and Hatton National Bank PLC on 08 November 2024.						
<b>Working Day</b>	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.						

## 5.0 INFORMATION RELATING TO THE ISSUE

### 5.1 Invitation to Subscribe

The Board of Directors of Vallibel Finance PLC resolved by the resolution dated 24<sup>th</sup> July 2024 to raise a sum of LKR Two Thousand Million (LKR 2,000,000,000/-) with the option to raise LKR One Thousand Million (LKR 1,000,000,000/-) at the discretion of the Company in order to raise a maximum of amount of LKR Three Thousand Million (LKR 3,000,000,000/-), from the public by the issue of Listed, Rated, Subordinated, Unsecured, Redeemable Debentures of Five (5) Years.

The below mentioned Debentures will be offered to the public:

Debenture Type	Tenure	Interest Rate Basis	Issue Price per Debenture (LKR)	Description
A	5 Years	Fixed	100.00	12.95% p.a. payable semi-annually (AER13.37%)
B	5 Years	Fixed	100.00	13.37% p.a. payable annually (AER13.37%)

It is the intention of the Company to list the Debentures on the Colombo Stock Exchange. The Colombo Stock Exchange has given its in-principle approval for the listing of the Debentures on the Colombo Stock Exchange.

Listed, Rated, Subordinated, Unsecured, Redeemable Debentures issued under the prospectus are not subject to an early redemption or have a “convertible option”. However, Debentures shall become immediately payable at the option of the Trustee on the occurrence of event of default as specified in Clause 10 of the trust deed. This debenture is not collateralized by any asset of the company.

The instrument rating of these Debentures is one notch below the entity rating due to its subordinate nature and Tier II characteristics.

### 5.2 Subscription List

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 20 November 2024 and will remain open for Fourteen (14) Market Days including the Issue Opening Date until Closing Date at 4.30 p.m. on 09 December 2024.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with the notification to the CSE on the occurrence of the following;

- The maximum of 30,000,000 debentures being fully-subscribed: or
- The Board of Directors of the Company decides to close the Issue upon the initial issue of 20,000,000 debentures becoming fully- subscribed or the initial issue 20,000,000 debentures and second tranche of 10,000,000 debentures becoming fully subscribed.

In the event the Board of Directors of Company decides to exercise the option to issue the second tranche of 10,000,000 (initial issue of 20,000,000 debentures being fully subscribed) but subsequently decides to close the subscription list prior to full subscription of the second tranche, and/or;

In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of initial issue of LKR Two Thousand Million (LKR 2,000,000,000), such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following market day at 4.30 p.m.



Applications can be made forthwith in the manner set out in Section 6.0 of this Prospectus and duly completed Application Forms will be accepted at any one of the Collection Points set out in Annexure IV of this Prospectus.

### 5.3 Objectives of the Issue and Specific Risks Relating to the Objectives

Main objective of the Debenture Issue is to expand the Tier II capital and strengthen the total capital base of the Company by LKR 3Bn in keeping up with Company’s envisaged growth in lending portfolio plans and also to maintain the capital adequacy requirements as stipulated by the CBSL. VFP is licensed under the Finance Business Act No. 42 of 2011 to conduct its primary business, and this license does not have an expiration date. Further, the funds sourced from the Debenture Issue will be utilized to grow the lending portfolio creating a positive impact on profitability and net asset value of the company.

The company expects to exceed the total assets beyond LKR 100Bn during the Financial Year 2024-25 and as a result of this the existing capital adequacy requirement will increase to 10% on Tier 1 and 14% on Total Capital. If the debenture is not issued the CAR will be at 14.15% and 16.43% for Tier 1 and Total Capital, respectively. <sup>1</sup>

<b>The Capital Adequacy requirements (as per the Finance Business Act (Capital Adequacy Requirements) Direction No 03 of 2018)</b>	<b>The timeline to achieve such requirements</b>	<b>The level of compliance by the company, at 30<sup>th</sup> September 2024</b>	<b>The level of compliance by the company, after the capital infusion</b>
Tier 1 - 8.50%	31 <sup>st</sup> March 2024	Tier 1 – 15.99%	Tier 1 – 14.68%
Total – 12.50%		Total – 18.77%	Total – 21.01%

The Company will invest the funds raised by this Debenture Issue in Government Securities at zero default risk in the interim period until such funds are disbursed for lending purposes within 12 months from the date of allotment. Investments in Government Securities are expected to generate a return of 9% - 10% p.a. at current rates. Hence, the proceeds of the Issue would be utilized for the above stated objective and will not be utilized to settle any outstanding borrowings of the Company.

Objectives of the issue do not constitute a “Major Transaction” as provided in Section 185 of the Companies Act No. 07 of 2007. The Company will not seek the shareholder approval for the Issue as it is not applicable. The Company as at the date of this Prospectus has not recognized related parties for the lending of the proceeds of the Issue. As such, the Company will disburse the proceeds of the Issue in the ordinary course of business as stated above. VFP has obtained the approval from the Central Bank of Sri Lanka (CBSL) for the Debenture Issue and to include debentures under the Tier II capital of the Company.

#### Specific Risk relating to the Objective

During the second quarter of the financial year 2024/25, the Company disbursed an average of LKR 5.2Bn in loans and leases per month (based on unaudited financials). Looking ahead, the Company anticipates achieving its projected growth, with an average monthly disbursement budgeted at LKR 5.5 to 6.0 Bn. Since the Company forecasts a higher demand for loans and lease receivables than the amount to be raised via this Debenture Issue, the Company foresee no specific risk factor in granting loans and lease receivables from the proceeds of the issue within the specified time period.

<sup>1</sup> The Finance Business Act Directions No. 03 of 2018 prescribes only Tier I and Total Capital requirements, hence Tier II ratio is not calculated, but Tier II capital base is used to derive the Total Capital Ratio (i.e. Tier I + Tier II = Total Capital)

The Company has access to an array of funding sources, including different types of deposits and borrowings. As such, the proceeds of the Debenture Issue are only one such source in financing its term budgeted lending portfolio. In the case of an under subscription of the Debenture Issue, the Company will pursue on the other normal funding sources afore mentioned to finance any gaps required to achieve the budgeted lending portfolio.

In the event the Company fails to lend the Debenture funds within the specific timeline for the above-mentioned purpose, the process of utilisation of funds will be carried out with the necessary review and approval of the Asset Liability Committee of Vallibel Finance PLC. Further if the company decides to lend funds to Related Parties, the same will be made in compliance with Section 9 of the CSE Listing Rules.

Hence, there are no significant risk factors that may lead to the non-achievement of Debenture IPO objectives within the specified timeline.

The Company undertakes to disclose the progress of the utilization of proceeds in all of their future interim and annual financial statements, until funds are fully utilized for the objective stated in the Prospectus in the format presented below. Continuous Disclosure regarding the status of utilization of funds raised via the Debenture Issue will be presented in in the subsequent interim and annual financial statements.

Debenture Issue Proceeds utilization as at dd-mm-yyyy

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in LKR	Proposed date of Utilization as per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g.: whether lent to related party/s etc.)

In the event the proceeds raised are fully utilized in terms of the objectives disclosed in the prospectus between two financial periods, the Entity shall disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first.

#### 5.4 Interest

The Debenture Issue comprises of Debentures of Type A and Type B that will carry rates of interest as described below on the interest payment dates:

Type of Debentures	Interest Rate (per annum)	Maturity/ Redemption from the Date of Allotment
Type A	Fixed Interest Rate of 12.95% p.a. Payable Semi-annually (AER 13.37%)	5 Years
Type B	Fixed Interest Rate of 13.37% Payable Annually (AER 13.37%)	5 Years

In relation to the Type A Debentures, Interest on the Debentures accruing on a daily basis will be paid semi-annually as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum. In relation to the Type B Debentures, Interest on the Debentures accruing on a daily basis will be paid

annually as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum.

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days (irrespective of holidays) in such Interest Period (actual/actual) and will be paid not later than Three (03) Market Days from each Interest Payment Date. In order to accommodate the Debenture interest cycles in the CDS, the payment of interest for a particular Interest Payment Date will include Debenture Holders holding Debentures in the CDS as of the Entitlement Date.

Payment of the interest on the Debentures will be made after deducting any taxes and charges thereon (if any) in Sri Lanka Rupees as per the applicable law prevalent at the time of interest payment to the Debenture Holders. Please refer Section 5.11 for further details on taxes applicable for Debentures.

## **5.5 Payment of Principal Sum and Interest**

The Company will redeem the Debentures on the Date of Redemption as specified in Section 5.12.

The payment of Principal Sum and Interest will be made either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details of the Debenture Holders are provided to the CDS to effect such transfers or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Debenture Holders to the CDS, at the risk of the Debenture Holders if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate.

RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers (i.e. LKR 5,000,000/- as of the date of this Prospectus).

The payment of Principal Sum and Interest will be made in Sri Lanka Rupees in favour of the Debenture Holders as of the Entitlement Date. In the case of joint Debenture Holders, the payment of Principal Sum and Interest will be made to the one whose name stands first in the register of Debenture Holders.

## **5.6 Inspection of Documents**

The Articles of Association, Trust Deed, Accountant's Report and Five Years (05) Summary of Financial Statements for the five years ended 31 March 2020 to 31 March 2024, Audited Financial Statements for the Five (05) years immediately preceding the date of this Prospectus, and Interim Financial Statements for the Quarter ended 30 September 2024, Issue Rating Report and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into writing, a Memorandum giving full particulars thereof by the Company if any, would be made available from Seven (07) Market Days prior to the Date of Opening of the subscription list, for inspection by the public, during normal working hours at the registered office of the Company, No. 310, Galle Road, Colombo 03, Sri Lanka until the Date of Redemption of the Debentures.

The Prospectus, Trust Deed and Articles of Association of the Company are available on the website of CSE ([www.cse.lk](http://www.cse.lk)) and the website of the Company ([www.vallibelfinance.com](http://www.vallibelfinance.com)) from Seven (07) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Debentures as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the Collection Points set out in Annexure IV of this Prospectus from Seven (07) Market Days prior to the date of opening of the subscription list.

## **5.7 Underwriting**

The Issue is not conditional upon any minimum subscription amount being raised. The Company has not entered into any underwriting arrangement with regard to this Issue.

In the event the Issue is undersubscribed, the subscribers shall be allotted in full and funds raised shall be utilized to the extent of such amount to meet the Objectives of the Issue as stipulated in Section 5.3 of this Prospectus.

## **5.8 The Minimum Subscription Applicable for Investors**

The minimum subscription requirement applicable for an investor applying for Debentures shall be One Hundred (100) Debentures (LKR 10,000/-) and Applications exceeding the minimum subscription should be in multiples of 100 debentures.

## **5.9 Cost of the Issue**

The Board estimates that the total cost of the Issue including fees to professionals, printing, advertising, brokerage and other costs connected with the Issue will be approximately LKR 26Mn. Such costs will be financed by the internally generated funds of the Company.

## **5.10 Brokerage**

Brokerage of 15 cents (LKR 0.15) per Debenture shall be paid in respect of the number of Debentures allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a trading participant of the CSE or Managers to the Issue or any other party identified by the Managers to the Issue as involved in the Issue.

## **5.11 Taxation**

Interest on the Debenture will be paid after deducting any taxes and charges thereon (if any) as per the applicable law prevalent at the time the interest payment is due to the debenture holders.

## **5.12 Redemption**

Vallibel Finance PLC shall redeem the said Debentures on the expiry of Five (05) years respectively from the Date of Allotment in accordance with the provisions contained in the Trust Deed. Early redemption is not applicable for Debentures issued under this Prospectus, subject to the provisions contained in the Trust Deed. On the Date of Redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders the Principal Sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the Date of Maturity/ Redemption of the Debenture. If the Date of Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and Interest shall be paid up to the date immediately preceding such Market Day (including holidays).

## **5.13 Rating of the Debentures**

Lanka Rating Agency Limited has assigned a rating of BBB with Stable Outlook, “BBB Stable”, to these Debentures. A copy of the Rating report issued by Lanka Rating Agency Limited is set out in Annexure II. The

Board of Directors of VFP undertakes to keep the market and the Trustee to the Issue immediately informed on any change to the credit rating of the Debenture when either the Company or any of the Directors are aware of any changes to the credit rating of the Debentures being issued under this Prospectus. In the event the rating assigned to the Debt Securities listed on the Exchange falls below the Investment Grade rating, such securities will be subjected to enforcement actions as set out in Section 7.12.2 d) of the CSE Listing rules.

The Rating of VFP has not been downgraded in the recent past.

#### **5.14 Trustee to the Issue**

Hatton National Bank PLC has agreed to act as the Trustee to the Debenture Holders. The Company has entered into an agreement with the Trustee (hereinafter called the "Trust Deed"). Debenture Holders in their Application Forms for subscription will be required to authorise the Trustee to act as their agent in entering into such deeds, writings, and instruments with the Company and to act as the agent and Trustee for the Debenture Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed. The monthly fee payable to the Trustee will be LKR 40,000/- plus statutory levies until maturity of the Debentures. Further, the Trustee has no conflict of interest with the Company.

#### **5.15 Rights and Obligations of the Debenture Holder**

(a) Debenture Holders are entitled to the following rights.

- Receiving interest at the Rate of Interest as set out in Section 5.4 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.5 of this Prospectus.
- In the event of liquidation, rank above the ordinary voting shareholders of the Company.
- To receive a copy of the Annual Report of the Company within the timeline stipulated in terms of Rule 7.5 (a) of the CSE Listing Rules.
- Calling and attending meetings of Debenture Holders under this Debenture Issue as set out in the Trust Deed.
- The other rights of the holders of these debentures as set out in the Trust Deed.

(b) Debenture Holders do not have the following rights:

- Attending and voting at meetings of holders of Shares and other Debentures
- Sharing in the profits of the Company
- Participating in any surplus in the event of liquidation
- Calling for redemption before maturity, subject to the provisions stated in the Trust Deed

(c) Obligations on the Debentures

Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS/the Company Secretaries or Registrars (where applicable) is up to date and accurate. Each Debenture Holder absolve the Company from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS/Company.

Provided further that the Debenture Holders absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Debenture Holders.

## **5.16 Risks Involved in Investing in the Debentures**

Subscribers to the Debentures will be exposed to the following risks. It is vital to note that these risks are not unique to Debentures Issued by VFP and apply generally to any Debenture listed in the CSE.

### **Reinvestment Risk**

The calculation for Annual Effective Rate (AER) assumes that the investor is able to reinvest his coupons at the same interest rate. The investor who is paid periodic coupon faces the risk of investing these coupon payments to generate the required AER on his investment. Assuming the investor is unable to invest these coupon payments at the same interest rate on the Debenture, the Debenture Holder may not be able to generate the required AER. In case the investor can find an investment, which yields a higher interest rate than the Debenture interest, the Debenture Holder can generate a higher AER by reinvesting the coupon in such instruments.

### **Interest Rate Risk**

The price of a Debenture will have a negative correlation with the market interest rates. Interest rate risk captures this relationship between market interest rates and the value of Debentures. If market interest rates rise, the value of the Debentures may fall as market interest rates fall, the value of Debentures may rise (all other factors being equal). If the investor wishes to sell the Debenture prior to its maturity, he might be facing a capital loss/gain if the market interest rates have increased/decreased subsequently. Interest rate risk is irrelevant for the investor who wishes to hold the Debenture until maturity.

### **Credit Risk / Default Risk**

Risk of the Issuer not being able to pay interest and principal payments as promised on a timely basis is default risk/ credit risk. It is advisable for prospective Debenture investors to take into account the credit rating awarded to the Company and its Debentures by Lanka Rating Agency Limited, present financial strength as reflected in the Balance Sheet of the Company, assets and earnings growth, experiences and skills of the Directors and the senior management when forming an opinion on default risk.

### **Call Risk**

Call risk refers to the risk that the issuer will retire all of the Principal Value of the Debentures before maturity. The risk to investor is in that, the timing of the call is not known and the investor will be faced with a re-investment risk in the event the call is made at a time when the market interest rates have declined. The Debentures issued under this prospectus do not have a call option hence free from call risk.

### **Liquidity Risk**

Liquidity risk refers to the ease with which the Debentures can be sold in the secondary market, after the initial placement. Since the Debentures are listed, should an investor require an exit option; they will be able to sell

the Debentures through the CSE in order to convert them to cash and to exit from the investment. Therefore, the liquidity risk is mitigated to a greater degree in the Debenture. Investors have to be mindful of the fact that even though the Debentures are listed, trading of listed debt is not at an advanced stage as the equity markets in Sri Lanka.

#### **5.17 Benefits of Investing in the Debentures**

- Provides an opportunity to earn a regular cash flow of interest payments on a periodic basis, up to a fixed period of five (05) years.
- Opportunity to realize capital gains according to interest rate fluctuations in the financial market. Also, if held to maturity, there will be no capital loss incurred.
- Listed Debentures provide the investor with an exit option through the CSE thereby bringing liquidity to these Debentures.
- These Debentures could be used as collateral to obtain both corporate and personal facilities from financial institutions, subject to the policies of those institutions.

#### **5.18 Transfer of Debentures**

- These Debentures shall be freely transferable and transmittable through the CDS as long as the Debentures are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- Subject to provisions contained in the Trust Deed, the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- In the case of the death of a Debenture Holder
  - The survivor where the deceased was a joint holder; and
  - The executors or administrators of the deceased (or where the administration of the estate of the deceased is in law not compulsory, the heirs of the deceased) where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by the issuer as having any title to his/her Debentures.
- Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that such person sustains the character in respect of which such person proposes to act or such person's title as the Board of Directors of the Company thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS , CSE and SEC.
- No change of ownership in contravention of the above conditions will be recognised by the Company.

#### **5.19 Listing**

An application has been made to the CSE for permission to obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval,

in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE. It is the intention of the Company to list the Debentures on the Colombo Stock Exchange upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. Admission to the official list is not to be taken as an indication of the merits of the Company or of its Debentures.



## **6.0 PROCEDURE FOR APPLICATION**

### **6.1 Eligible Applicants**

Applications are invited for the subscription of Debentures from the following categories of applicants.

- a. Citizens of Sri Lanka, resident in Sri Lanka and above 18 years of age.
- b. Corporate bodies and societies registered/incorporated/established in Sri Lanka and authorized to invest in Debentures.
- c. Approved unit trusts licensed by SEC.
- d. Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka and authorized to invest in Debentures. In the case of approved provident funds and approved contributory pension schemes, the Application should be in the name of the trustee/board of management.
- e. Regional and country funds approved by SEC and authorized to invest in Debentures.
- f. Non-Residents: foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.

Applications will not be accepted from Applicants who are under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts.

“Individuals resident outside Sri Lanka” will have the same meaning as in the notice published under the Foreign Exchange Act in Gazette No. 12 of 2017 in Gazette No. 2045/56 dated 17 November 2017.

When permitting Non-residents to invest in the Debentures, the Company will comply with the relevant Exchange Control Regulations including the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17 November 2017.

### **6.2 How to Apply**

The terms and conditions applicable to the Applicants are as follows.

- (a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection with the Registrar to the Issue and also issued free of charge by the parties listed in Annexure IV of this Prospectus.

The Application Form can also be downloaded from the website of CSE, [www.cse.lk](http://www.cse.lk), the website of the Company, [www.vallibelfinance.com](http://www.vallibelfinance.com) and the website of the Managers, [www.firstcapital.lk](http://www.firstcapital.lk) until the Closing Date.

The Prospectus will be made available and can be downloaded from the website of CSE, [www.cse.lk](http://www.cse.lk) the website of the Company, [www.vallibelfinance.com](http://www.vallibelfinance.com) until the Date of Redemption of the Debentures.

**Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected.**

Applicants should apply only for one Type of Debentures (i.e. either Type A or Type B Debentures) under one Application Form.

In the even an applicant wishes to apply for more than one type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular type of Debentures, it will not be possible for an applicant to switch between the Types of Debentures.

More than one Application submitted by an applicant under the same Type of Debentures will not be accepted. If two or more Application Forms are submitted for one Application Form from a single applicant, those would be considered as multiple Applications and the Company will not accept such multiple Applications or suspected multiple applications.

- (b) If the ownership of the Debentures is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of Joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (c) An applicant of a joint application will not be eligible to apply for the same Type of Debentures through a separate Application Form either individually or jointly. Such applicants are also deemed to have made multiple applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the first Applicant as identified in the Application Form.

The Company shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member). Joint Applicants should note that all parties to the Application should either be residents of Sri Lanka or Non-Residents.

- (d) Applications by companies, corporate bodies, societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their articles of association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/board of management.
- (e) All Applicants should indicate in the Application for Debentures, their CDS account number.

All resident individual Applicants should ensure that;

- If the Applicant's CDS account carries the NIC number, the NIC number of the Applicant is stated in the relevant cage of the Application Form; or
- If the Applicant's CDS account carries the passport number, the passport number of the Applicant is stated in the relevant cage of the Application Form.

All Non-Resident individual Applicants and corporate Applicants should ensure that the passport number/company number and CDS Identification Number (CDS ID) are stated in the relevant cages of the Application Form.

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

In the case of Joint Applicants, a joint CDS account in the name of the Joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

- (f) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider/Applicant's name" signed by the margin provider, requesting a direct deposit of the Debentures to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can apply under their own name and such Applications will not be construed as multiple Applications.

- (g) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. Original of the POA should not be attached.
- (h) Funds for the investment in Debentures and the payment for Debentures by Non-Residents should be made only out of the monies available to the credit of a "Inward Investment Account" (IIA) of the Non-Resident Applicants opened and maintained in a licensed commercial bank in Sri Lanka in accordance with the directions given by the Controller of Exchange in that regard to licensed commercial banks.

**An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.**

- (i) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

### 6.3 Submission of Applications

Investors applying through Margin trading accounts or making payment through bank guarantee, Non-Resident Applicants and Foreign Citizens must send Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked “**VALLIBEL FINANCE PLC – DEBENTURE ISSUE 2024**” on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to the Registrars to the Issue or Collection Points mentioned in Annexure IV of this Prospectus.

Applications sent by post or courier or delivered to any Collection Point set out in Annexure IV of this Prospectus should reach the office of the Registrars to the Issue, **Central Depository Systems (Pvt) Limited, Ground Floor, M & M Centre, 341/5, Kotte Road, Rajagiriya local time on the following Market Day immediately upon the Closing Date**. Applications received after the said period will be rejected even though they have been delivered to any of the said Collection Points prior to the Closing Date or carry a postmark dated prior to the Closing Date.

Applications delivered by hand to the Registrars to the Issue after the Closing Date of the Issue will also be rejected.

**Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.**

**Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.**

**PLEASE NOTE THAT ALLOTMENT OF DEBENTURES WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.**

Please note that upon the allotment of Debentures under this Issue, the allotted Debentures would be credited to the Applicant’s CDS account so indicated.

**Hence, DEBENTURE CERTIFICATES WILL NOT BE ISSUED.**

### 6.4 Number of Debentures to be Subscribed

Applicants are allowed to invest in either Debentures of Type A and/or Debentures of Type B subject to the minimum subscription of 100 Debentures (LKR 10,000.00). Applications exceeding the minimum subscription should be in multiples of 100 Debentures (LKR 10,000.00)

### 6.5 Mode of Payment

- (a) Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfers directed through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to (b) below.
- (b) Payments for Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either;
- A bank guarantee issued by a licensed commercial bank; or
  - Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka; or
  - An RTGS transfer with value on the Issue opening date.

**Multiple bank drafts/cheques, bank guarantees or RTGS transfers will not be accepted for Application values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-).**

**In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than LKR 100,000,000/- will be accepted.**

- (c) Cheques or bank drafts should be made payable to “**VALLIBEL FINANCE PLC – DEBENTURE ISSUE 2024**” and crossed “Account Payee Only” and must be honoured on the first presentation.
- (d) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of “**VALLIBEL FINANCE PLC – DEBENTURE ISSUE 2024**” in a manner acceptable to the Company and be valid for a minimum of one (01) month from the Issue opening date (i.e. 20 November 2024).

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (e) In case of RTGS transfers, such transfers should be made to the credit of “**VALLIBEL FINANCE PLC – DEBENTURE ISSUE 2024**” bearing the account number 00311010566 at Pan Asia Banking Corporation PLC - Kollupitiya Branch with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

The Applicant should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for to the credit of “**VALLIBEL FINANCE PLC – DEBENTURE ISSUE 2024**” bearing the account number 00311010566 at Pan Asia Banking Corporation PLC - Kollupitiya Branch with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date) and should be attached with the Application Form.

For RTGS transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of three decimal Zero *per centum* (3.00%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers are not realised before the end of the Closing Date. Furthermore,

even if such RTGS transfers are effected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.

- (f) Cash will not be accepted.
- (g) Payment for the Debentures by Non-Residents should be made only out of the monies available to the credit of a “Inward Investment Account” (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with the directions given by the Controller of Exchange in that regard to licensed commercial banks and to be in line with the relevant laws of the land.

**An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the IIA.**

- (h) The amount payable should be calculated by multiplying the number of Debentures applied as the minimum subscription per application is 100 debentures Sri Lankan Rupees Ten Thousand (LKR10,000) and Applications exceeding the minimum subscription should be in multiples of 100 debentures.

If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS, the Application will be rejected.

- (i) In the event that cheques are not realised prior to the date of deciding the basis of allotment, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (j) All cheques/bank drafts received in respect of the Applications for Debentures will be banked commencing from the Working Day immediately following the Closing Date.

## **6.6 Rejection of Applications**

- Application Forms and the accompanying cheques/bank drafts/bank guarantee or RTGS transfers, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Company.
- Applications received from Applicants who are under the age of 18 years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.
- Any Application Form, which does not state a valid CDS account number, will be rejected and no allotment shall be made to such investor.
- More than one application submitted by an applicant will not be accepted. If two or more application forms are submitted from a single applicant, those would be considered as multiple applications and the Company will not accept such multiple applications or suspected multiple applications.
- Any application form with more than three (03) natural persons as joint applicants for any type of Debentures will be rejected.

- Applications delivered by hand to the Registrars to the Issue after the subscription list is closed will be rejected. Applications received by post or courier after 4.30 p.m. on the Market Day immediately following the Closing Date will be also rejected even if they carry a post mark dated prior to the Closing Date.
- Applications delivered to any place mentioned in Annexure IV should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closing Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said Collection Points prior to the Closing Date.
- In the event that cheques are not realised prior to the date of deciding the basis of allotment and realised after such date, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event cheques are dishonoured/returned on first presentation, such Applications will be rejected.

### **6.7 Basis of Allotment**

In the event of an oversubscription, the Board shall reserve the right to allocate up to 75% of the number of Debentures to be allotted under this Prospectus on a preferential basis, to identified investor/s of strategic and operational importance with whom the Company might have mutually beneficial relationships in the future.

In the event of an oversubscription, the basis of allotment will be decided by the Board of Directors of the Company in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. As per the Board Resolution dated 24<sup>th</sup> July 2024, the Board has authorized any two Directors to decide on the final basis of allotment. The maximum allocation under preferential allotment is 75% of the total number of Debentures to be issued with this Prospectus under any circumstances, unless there is an under subscription from the other investors (Investors that do not fall into the preferential category).

Upon the allotments being decided, an announcement will be made to the CSE, within Seven (07) Market Days of closing the Issue. The Company reserves the right to reject any Application or to accept any Application in part only, without assigning any reason thereto. A written confirmation informing successful Applicants on their allotment of Debentures will be dispatched within Ten (10) Market Days from the Closing Date as required by the CSE.

### **6.8 Banking of Payments**

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Working Day immediately after the Closing Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

### **6.9 Refunds**

- Where an Application is rejected for reasons given in Section 6.6 of this Prospectus, subsequent to the cheque being realized, the applicant's money in full or where an Application is accepted only in part, the balance of the applicant's money will be refunded.
- The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).

- If the Applicant has provided accurate and complete details of his/her bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment advice will be sent.
- If the applicant has provided accurate and complete details of his/her bank account in the application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees One Hundred Million (LKR 100,000,000/-) to the bank account specified by the Applicant, through RTGS and a payment advice will be sent.
- Funds received via IIA accounts will be refunded via IIA accounts in the event there are refunds to be made.

In the event the Applicant has not provided accurate and correct details of his bank account in the Application or if the Applicant has not provided details of the bank account in the Application Form, the Company will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of Joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIP transfers at the following website;

<https://www.lankapay.net/en/downloads/bank-branch-directory/>

Refunds on Applications rejected, or partly allotted Debentures would be made within eight (08) Market Days from the date of closing the issue (excluding the date of issue closure). Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) for the delayed period on any refunds not made within this period.

#### **6.10 CDS Accounts and Secondary Market Trading**

Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the date of closure of the subscription list. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Company will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Debentures. Trading of Debentures on the secondary market will commence on or before the Third (3<sup>rd</sup>) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.



## 7.0 FINANCIAL AND OTHER INFORMATION

All the financial information mentioned are based on audited financial statements of the Company except for the information as of 30 September 2024.

### 7.1 Financial Statements & Financial Summary

The following financial information is hosted on the Company's web site, [www.vallibelfinance.com](http://www.vallibelfinance.com) and CSE web site, [www.cse.lk](http://www.cse.lk);

- Audited financial statements of Vallibel Finance PLC for the year ended 31 March 2024
- Interim financial statements of Vallibel Finance PLC for the quarter ended 30 September 2024
- Summarized financial statement for the five years ended 31 March 2020 to 31 March 2024 preceding the date of the application stating the accounting policies adopted by the Company certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period (Section 7.10)

### 7.2 Financial Year

The financial year of the Company commences on 01 April and ends on 31 March.

### 7.3 Particulars of Debt and Loan Capital

The outstanding borrowings of Vallibel Finance PLC as at 30 September 2024 comprise the following categories of borrowings;

Amount (LKR.'000)	As of 30 September 2024
Public Deposits	61,273,440
Interest Bearing Borrowings	13,468,672
Debt Securities Issued	-
Bank overdrafts	2,180,047
<b>Total</b>	<b>76,922,159</b>

Source : Unaudited financial statements as of 30 September 2024

### 7.4 Other Debt Securities in Issue - As at the date of the Prospectus

Debenture Code	Par Value (LKR)	Ranking	Tenor	Interest Rate p.a.	Issue Value LKR (Million)	Issue Date	Maturity Date
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

There are no outstanding Debt Securities convertibles to equity as at the Date of the Issue.

### 7.5 Key Financial Ratios

Description	FY2024	FY2023	FY2022	FY2021	FY2020
Interest cover* (times)	1.19	1.12	1.69	1.42	1.26
Debt/Equity Ratio** (times)	5.61	6.02	5.92	5.31	6.37

(a) Interest cover\* (times) = (Profit for the year + Interest expense) / Interest expense

(b) Debt/Equity ratio\*\* = (Interest bearing borrowings + Public deposits) / Total equity

## 7.6 Debt Servicing Details of Vallibel Finance PLC

Description	FY2024	FY2023	FY2022	FY2021	FY2020
	LKR 000'	LKR 000'	LKR 000'	LKR 000'	LKR 000'
Gross interest due on Debentures	N/A	N/A	N/A	N/A	102,500
Debenture interest paid on or before due date	N/A	N/A	N/A	N/A	102,500
Debenture interest paid after due date	N/A	N/A	N/A	N/A	N/A
Debenture interest not paid as of due date	N/A	N/A	N/A	N/A	N/A

## 7.7 Litigation, Disputes and Contingent Liabilities

Litigation is a common occurrence in the finance industry due to the nature of the business undertaken and, in that light, the Company has formal controls and policies for managing and defending the legal actions instituted against it. Pursuant to obtaining professional advice and estimating any loss likely to be incurred, adjustments are made to the accounts of the Company in order to accommodate any adverse effects that such claims may have on its financial standing. During the financial year there were no penalties imposed by any regulatory authority and the company is complied with all regularly requirements. There was no case filed against the Company which is not disclosed which would have a material impact on the financial position or the profitability of the Company as at the date of the Prospectus. Further there is no material impact on the future profits of the organization due to any adverse effect of pending cases against the company as at the date of the Prospectus.

### Contingent Liabilities of the Company as at 30 September 2024

Company	Amount (LKR.'000)
Cases pending against the Company	5,000
Guarantees issued to banks and other institutions	1,800,000
<b>Total</b>	<b>1,800,000</b>

Source: Unaudited financial statements as of 30 September 2024

Apart from the guarantees mentioned above and legal proceedings in the normal course of its business, the Company is not a party to any material contingent liabilities, litigation, mediation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to the Company, would have a significant effect upon the Company's financial position, nor has it been a party to any such proceedings in the recent past.

## 7.8 Major Shareholders as of 30 September 2024

	<b>Shareholder Name</b>	<b>Shares</b>	<b>%</b>
1	Vallibel Investments (Pvt) Limited	121,108,000	51.44
2	Mr. K.D.D. Perera	50,465,064	21.43
3	Mr. K.D.A. Perera	8,532,960	3.62
4	Seylan Bank Plc/Sarath Bandara Rangamuwa	5,250,000	2.23
5	Mr. K.D.H. Perera	4,084,025	1.73
6	Mr. S. Abishek	2,800,000	1.19
7	People S Leasing And Finance Plc/Ceylon Brand House (Private) Limited	2,170,000	0.92
8	Sandwave Limited	1,931,982	0.82
9	Mr. B.A.R. Dissanayake	1,541,815	0.65
10	Mss Investments (Private) Limited	1,083,377	0.46

## 7.9 Accountant's Report and 5-year summary



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel : +94 11 246 3500  
Fax : +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

VB/LL

Board of Directors  
Vallibel Finance PLC  
No. 310, Galle Road  
Colombo 03

15 August 2024

### **Accountants' Report Vallibel Finance PLC**

Dear Sirs/Mesdames

#### **Introduction**

This report has been prepared for the purpose of the prospectus issued in connection with the issue of up to Twenty Million (20,000,000) Listed, Rated Subordinated, Unsecured, Redeemable Debentures of Rupees One Hundred (Rs 100/-) each with an option to issue up to Ten Million (10,000,000) Debentures at the discretion of the Company in the event of an oversubscription of the initial issue in order to raise a maximum amount of Sri Lankan Rupees Three Billion (Rs.3,000,000,000/-) subject to obtaining all necessary regulatory and other approvals and that the said Debentures be listed on the Colombo Stock Exchange (CSE).

We have examined the Financial Statements of the Vallibel Finance PLC (the "Company") and the Consolidated Financial Statements of the Company and its Subsidiaries (the "Group") for the years ended 31 March 2020 to 31 March 2024, and report as follows.

#### **1. Incorporation**

##### **Company**

The Company was incorporated in Sri Lanka on 05<sup>th</sup> September 1974 licensed by the Monetary Board of the central Company of Sri Lanka under the Finance Business Act No 42 of 2011. The shares of the Company have a primary listing on the Colombo Stock Exchange.

The registered office of the Company is located at No 310, Galle Road, Colombo 03. The principal activities of the Company involve providing financial services encompassing leasing, fixed deposit, auto draft, gold loan, property loans, bonus lease, micro leasing, wheel draft and western union.

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Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajjewanani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA,

## 2. Financial Information

### 2.1 Five-year Summary of Audited Financial Statements

A summary of Statements of Profit or Loss, Statement of Comprehensive Income, Statements of Financial Position, Statement of Changes in Equity and Statement of Cash Flow of the Company and a summary of Consolidated Statements of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow of the Company and its subsidiaries for the financial years ended 31 March 2020 to 31 March 2024, based on the audited financial statements, which have been audited by another auditor ("Messrs. KPMG"), are set out on Annexure 01 of the Accountants' Report.

### 2.2 Audited Financial Statements for the Year Ended 31 March 2024.

Auditors' report, issued by Messrs. KPMG, on the Financial Statements for the year ended 31 March 2024 together with such Financial Statements comprising Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon is available on the websites of CSE, [www.cse.lk](http://www.cse.lk). where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

### 2.3 Audit Reports

The Financial Statements of the Company and the Consolidated Financial statements of the Company and its subsidiaries for the years ended 31 March 2020 to 31 March 2024, have been audited by Messrs. KPMG. Unmodified audit opinions have been issued for the said financial years by such auditors' reports dated 02<sup>nd</sup> June 2020, 04<sup>th</sup> June 2021, 06<sup>th</sup> June 2022, 06<sup>th</sup> June 2023 and 03<sup>rd</sup> June 2024 respectively.

### 2.4 Accounting Policies

The Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries for the years ended 31 March 2020 to 31 March 2024 comply with Sri Lanka Accounting Standards.

The accounting policies of the Company and its Subsidiaries are stated in detail in the audited Financial Statements of Vallibel Finance PLC for the year ended 31 March 2024.

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## 2.5 Dividends

2.5.1 Company has paid dividend for the years ended 31 March 2020 to 31 March 2024 as follows.

Year	Dividend Per Share (Rs.)	Dividend Paid (LKR)
2020	4	235,453,400
2021	6	-
2022	2	353,180,100
2023	1	470,906,800
2024	2	235,453,400

## 2.6 Events after Reporting Date

### Dividends

On 18 June 2024, the Board of Directors approved and declared a final Dividend of LKR 2.00 per share, of which LKR 2.00 was in the form of cash dividend for the financial year ended 31 March 2024.

## 3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Vallibel Finance PLC for usage in the application for the purpose of issue of up to Twenty Million (20,000,000) Listed, Rated Subordinated, Unsecured, Redeemable Debentures of Rupees One Hundred (Rs 100/-) each with an option to issue up to Ten Million (10,000,000) Debentures at the discretion of the Company in the event of an oversubscription of the initial issue in order to raise a maximum amount of Sri Lankan Rupees Three Billion (Rs.3,000,000,000/-) subject to obtaining all necessary regulatory and other approvals and that the said Debentures be listed on the Colombo Stock Exchange (CSE). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for the report, or for the opinion we have formed. This report should not be used, circulated, quoted or otherwise referred to any other purpose.

Yours faithfully,



**VALLIBEL FINANCE PLC**
**Statement of Profit or Loss and Other Comprehensive Income - Company**

For the Year Ended 31st March	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Gross Income</b>	<b>20,029,639,311</b>	<b>16,704,448,424</b>	<b>12,066,211,076</b>	<b>9,469,941,763</b>	<b>9,695,306,097</b>
Interest Income	18,371,636,183	15,675,717,444	9,930,097,982	8,331,297,497	8,912,195,796
Interest Expense	(11,365,023,712)	(11,013,953,929)	(4,234,571,767)	(4,067,534,369)	(4,854,515,785)
<b>Net Interest Income</b>	<b>7,006,612,471</b>	<b>4,661,763,515</b>	<b>5,695,526,215</b>	<b>4,263,763,128</b>	<b>4,057,680,011</b>
Fee and Commission Income	714,346,044	511,805,140	672,707,103	373,550,576	350,337,255
<b>Net Fee and Commission Income</b>	<b>714,346,044</b>	<b>511,805,140</b>	<b>672,707,103</b>	<b>373,550,576</b>	<b>350,337,255</b>
Net Gain / (Loss) from Trading	239,187	(125,888)	12,589	642,028	(384,462)
Net Gain / (Loss) from other Financial Instruments at FVTPL	92,010,886	125,013,492	33,825,363	36,563,641	63,839,013
<b>Other Operating Income</b>	<b>851,407,011</b>	<b>392,038,236</b>	<b>1,429,568,039</b>	<b>727,888,021</b>	<b>369,318,495</b>
<b>Total Operating Income</b>	<b>8,664,615,599</b>	<b>5,690,494,495</b>	<b>7,831,639,309</b>	<b>5,402,407,394</b>	<b>4,840,790,312</b>
Impairment (Charges) / Reversals and Other Credit Losses on Financial Assets	(437,781,236)	(97,575,003)	(592,488,831)	(575,076,254)	(487,815,203)
<b>Net Operating Income</b>	<b>8,226,834,363</b>	<b>5,592,919,492</b>	<b>7,239,150,478</b>	<b>4,827,331,140</b>	<b>4,352,975,109</b>
<b>Expenses</b>					
Personnel Expenses	(1,948,215,076)	(1,552,821,697)	(1,404,669,796)	(1,068,762,651)	(1,053,241,776)
Premises Equipment and Establishment Expenses	(359,223,347)	(291,600,035)	(221,286,928)	(171,557,465)	(155,159,652)
Other Operating Expenses	(1,274,807,182)	(985,897,827)	(835,514,204)	(728,461,168)	(702,676,973)
<b>Operating Profit Before Taxes on Financial Services</b>	<b>4,644,588,758</b>	<b>2,762,599,933</b>	<b>4,777,679,550</b>	<b>2,858,549,856</b>	<b>2,441,896,708</b>
Taxes on Financial Services	(1,189,389,196)	(697,119,801)	(783,809,641)	(468,767,648)	(579,795,359)
<b>Profit Before Income Tax</b>	<b>3,455,199,562</b>	<b>2,065,480,132</b>	<b>3,993,869,909</b>	<b>2,389,782,208</b>	<b>1,862,101,349</b>
Income Tax Expense	(1,313,646,503)	(725,907,981)	(1,081,971,589)	(661,604,106)	(608,691,237)
<b>Profit for the Year</b>	<b>2,141,553,059</b>	<b>1,339,572,151</b>	<b>2,911,898,320</b>	<b>1,728,178,102</b>	<b>1,253,410,112</b>
<b>Profit attributable to:</b>					
Equity holders of the Company	2,141,553,059	1,339,572,151	2,911,898,320	1,728,178,102	1,253,410,112
Non - Controlling Interest	-	-	-	-	-
<b>Profit for the Year</b>	<b>2,141,553,059</b>	<b>1,339,572,151</b>	<b>2,911,898,320</b>	<b>1,728,178,102</b>	<b>1,253,410,112</b>
<b>Earnings Per Share</b>					
Basic Earnings Per Share	9.10	5.69	12.37	7.34	21.29
Diluted Earnings Per Share	9.10	5.69	12.37	7.34	21.29

**VALLIBEL FINANCE PLC (PQ 526)**


**MENAKA SAMEERA**  
SENIOR DEPUTY GENERAL MANAGER  
FINANCIAL CONTROLLER

**VALLIBEL FINANCE PLC (PQ 526)**
**No. 310, Galle Road,  
Colombo 03.**


**vallibel Finance PLC (PQ 526), No. 310, Galle Road, Colombo 03, Sri Lanka.**  
☎ 011 4 393 100 ✉ info@vallibelfinance.com 🌐 www.vallibelfinance.com

**Chairman - K.D.A. Perera, Managing Director - Jayantha S.B. Rangamuwa, Executive Director - S.S. Weerabahu**  
**Directors - J.Kumarasinghe, C.P.Malalgoda, M.A.K.B. Dodamgoda**

**VALLIBEL FINANCE PLC**  
**Statement of Profit or Loss and Other Comprehensive Income - Group**

For the Year Ended 31st March	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.
<b>Gross Income</b>	<b>20,281,299,842</b>	<b>16,688,865,786</b>	<b>11,978,477,367</b>	<b>9,469,941,763</b>
Interest Income	18,371,636,183	15,675,717,444	9,930,097,982	8,331,297,497
Interest Expense	(11,419,214,036)	(11,013,953,929)	(4,234,571,767)	(4,067,534,369)
<b>Net Interest Income</b>	<b>6,952,422,147</b>	<b>4,661,763,515</b>	<b>5,695,526,215</b>	<b>4,263,763,128</b>
Fee and Commission Income	697,029,377	505,805,140	672,707,103	373,550,576
<b>Net Fee and Commission Income</b>	<b>697,029,377</b>	<b>505,805,140</b>	<b>672,707,103</b>	<b>373,550,576</b>
Net Gain / (Loss) from Trading	239,187	(125,888)	12,589	642,028
Net Gain / (Loss) from other Financial Instruments at FVTPL	106,360,511	125,013,492	33,825,363	36,563,641
Other Operating Income	1,106,034,584	382,455,598	1,341,834,330	727,888,021
<b>Total Operating Income</b>	<b>8,862,085,806</b>	<b>5,674,911,857</b>	<b>7,743,905,600</b>	<b>5,402,407,394</b>
Impairment (Charges) / Reversals and Other Credit Losses on Financial Assets	(437,781,236)	(97,575,003)	(592,488,831)	(575,076,254)
<b>Net Operating Income</b>	<b>8,424,304,570</b>	<b>5,577,336,854</b>	<b>7,151,416,769</b>	<b>4,827,331,140</b>
<b>Expenses</b>				
Personnel Expenses	(1,949,075,023)	(1,552,828,907)	(1,404,866,104)	(1,068,771,249)
Premises Equipment and Establishment Expenses	(332,266,473)	(291,600,035)	(221,286,928)	(171,557,465)
Other Operating Expenses	(1,341,009,198)	(988,916,877)	(837,435,478)	(731,704,537)
<b>Operating Profit Before Taxes on Financial Services</b>	<b>4,801,953,876</b>	<b>2,743,991,035</b>	<b>4,687,828,259</b>	<b>2,855,297,889</b>
Taxes on Financial Services	(1,190,768,334)	(697,119,801)	(783,809,641)	(468,767,648)
<b>Profit Before Income Tax</b>	<b>3,611,185,542</b>	<b>2,046,871,234</b>	<b>3,904,018,618</b>	<b>2,386,530,241</b>
Income Tax Expense	(1,556,251,107)	(719,457,930)	(1,062,383,369)	(660,823,634)
<b>Profit for the Year</b>	<b>2,054,934,435</b>	<b>1,327,413,304</b>	<b>2,841,635,249</b>	<b>1,725,706,607</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	2,054,934,435	1,327,413,304	2,841,635,249	1,725,706,607
Non - Controlling Interest	-	-	-	-
<b>Profit for the Year</b>	<b>2,054,934,435</b>	<b>1,327,413,304</b>	<b>2,841,635,249</b>	<b>1,725,706,607</b>
<b>Earnings Per Share</b>				
Basic Earnings Per Share	8.73	5.64	12.07	7.33
Diluted Earnings Per Share	8.73	5.64	12.07	7.33

VALLIBEL FINANCE PLC (PQ 526)

*10/6/24*  
**MENAKA SAMEERA**  
 SENIOR DEPUTY FINANCIAL MANAGER  
 FINANCIAL REPORTING DEPARTMENT

VALLIBEL FINANCE PLC (PQ 526)  
 No. 310, Galle Road,  
 Colombo 03.





VALLIBEL FINANCE PLC  
Statement of Profit or Loss and Other Comprehensive Income contd. - Company

For the Year Ended 31st March	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Profit for the Year</b>	<b>2,141,553,059</b>	<b>1,339,572,151</b>	<b>2,911,898,320</b>	<b>1,728,178,102</b>	<b>1,253,410,112</b>
<b>Other Comprehensive Income, Net of Tax</b>					
<b>Items that will never be reclassified to Profit or Loss</b>					
Gains / (Losses) on remeasurement of Defined Benefit Liability	(57,665,014)	10,848,897	125,947,705	(30,289,378)	(15,747,404)
Deferred Tax ( Charge ) / Reversal on Actuarial Gains / (Losses)	17,299,504	4,625,210	(30,227,449)	7,269,449	4,409,273
<b>Net Actuarial Gains / (Losses) on Defined Benefit Liability</b>	<b>(40,365,510)</b>	<b>15,474,107</b>	<b>95,720,256</b>	<b>(23,019,929)</b>	<b>(11,338,131)</b>
Revaluation of Land & Buildings	27,355,010	-	48,245,347	-	-
Deferred Tax ( Charge ) / Reversal on Revaluation of Land & Buildings	(8,206,503)	-	(9,130,356)	4,615,161	-
Deferred Tax Effect on Revaluation Surplus due to Change in Tax Rate	-	(13,490,252)	-	-	-
<b>Net Change in Revaluation of Land &amp; Buildings</b>	<b>19,148,507</b>	<b>(13,490,252)</b>	<b>39,114,991</b>	<b>4,615,161</b>	-
<b>Items that will be reclassified to Profit or Loss</b>					
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost	-	-	(297,777,200)	-	-
Deferred Tax effect including the effect of Rate Change on opening balance	-	-	-	-	-
Deferred Tax (Charge)/Reversal on Fair Value Gains / (Losses)	-	226,310,672	71,466,528	-	-
<b>Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>-</b>	<b>226,310,672</b>	<b>(226,310,672)</b>	<b>-</b>	<b>-</b>
<b>Other Comprehensive Income for the Year, Net of Tax</b>	<b>(21,217,003)</b>	<b>228,294,527</b>	<b>(91,475,425)</b>	<b>(18,404,768)</b>	<b>(11,338,131)</b>
<b>Total Comprehensive Income for the Year</b>	<b>2,120,336,056</b>	<b>1,567,866,678</b>	<b>2,820,422,895</b>	<b>1,709,773,334</b>	<b>1,242,071,981</b>
<b>Attributable to:</b>					
Equity holders of the Company	2,120,336,056	1,567,866,678	2,820,422,895	1,709,773,334	1,242,071,981
Non - Controlling Interest	-	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>2,120,336,056</b>	<b>1,567,866,678</b>	<b>2,820,422,895</b>	<b>1,709,773,334</b>	<b>1,242,071,981</b>



**VALLIBEL FINANCE PLC (PQ 526)**  
No. 310, Galle Road,  
Colombo 03.

VALLIBEL FINANCE PLC (PQ 526)

MENAKA SARA  
SENIOR DEPUTY GENERAL MANAGER  
FINANCE & ADMINISTRATION

VALLIBEL FINANCE PLC  
Statement of Profit or Loss and Other Comprehensive Income contd. - Group

For the Year Ended 31st March	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.
<b>Profit for the Year</b>	<b>2,054,934,435</b>	<b>1,327,413,304</b>	<b>2,841,635,249</b>	<b>1,725,706,607</b>
<b>Other Comprehensive Income, Net of Tax</b>				
<b>Items that will never be reclassified to Profit or Loss</b>				
Gains / (Losses) on remeasurement of Defined Benefit Liability	(57,665,014)	10,848,897	125,947,705	(30,289,378)
Deferred Tax ( Charge ) / Reversal on Actuarial Gains / (Losses)	17,299,504	4,625,210	(30,227,449)	7,269,449
<b>Net Actuarial Gains / (Losses) on Defined Benefit Liability</b>	<b>(40,365,510)</b>	<b>15,474,107</b>	<b>95,720,256</b>	<b>(23,019,929)</b>
Revaluation of Land & Buildings	603,634,817	-	127,745,347	-
Deferred Tax ( Charge ) / Reversal on Revaluation of Land & Buildings	(181,090,445)	-	(28,210,356)	4,615,161
Deferred Tax Effect on Revaluation Surplus due to Change in Tax Rate	-	(18,260,252)	-	-
<b>Net Change in Revaluation of Land &amp; Buildings</b>	<b>422,544,372</b>	<b>(18,260,252)</b>	<b>99,534,991</b>	<b>4,615,161</b>
<b>Items that will be reclassified to Profit or Loss</b>				
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost	-	-	(297,777,200)	-
Deferred Tax effect including the effect of Rate Change on opening balance	-	-	-	-
Deferred Tax (Charge)/Reversal on Fair Value Gains / (Losses)	-	226,310,672	71,466,528	-
<b>Net Gains / (Losses) on Investment in Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>-</b>	<b>226,310,672</b>	<b>(226,310,672)</b>	<b>-</b>
<b>Other Comprehensive Income for the Year, Net of Tax</b>	<b>382,178,862</b>	<b>223,524,527</b>	<b>(31,055,425)</b>	<b>(18,404,768)</b>
<b>Total Comprehensive Income for the Year</b>	<b>2,437,113,297</b>	<b>1,550,937,831</b>	<b>2,810,579,824</b>	<b>1,707,301,839</b>
<b>Attributable to:</b>				
Equity holders of the Company	2,437,113,297	1,550,937,831	2,810,579,824	1,707,301,839
Non-Controlling Interest	-	-	-	-
<b>Total Comprehensive Income for the Year</b>	<b>2,437,113,297</b>	<b>1,550,937,831</b>	<b>2,810,579,824</b>	<b>1,707,301,839</b>



**VALLIBEL FINANCE PLC (PQ 508)**  
No. 310, Galle Road,  
Colombo 03.

**VALLIBEL FINANCE PLC (PQ 508)**

**IMENAKA SAMEERA**  
SENIOR FINANCIAL MANAGER

**VALLIBEL FINANCE PLC**  
Statement of Financial Position - Company

As at 31st March	2024	2023	2022	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>					
Cash and Cash Equivalents	1,952,377,006	2,332,724,111	877,638,204	1,683,003,076	2,046,506,255
Placements with Banks and Other Finance Companies	8,322,519,888	9,860,926,513	4,167,388,105	267,311,713	2,568,898,162
Reverse Repurchase Agreements	-	-	1,770,612,142	1,795,352,511	2,079,841,356
Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	3,652,151,999	1,498,552,923	314,015,408	1,188,828,796	1,084,454,685
Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	57,895,030,197	50,581,535,164	50,691,038,582	33,660,559,075	27,625,556,987
Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables	10,346,936,570	10,789,860,137	14,973,325,141	14,085,116,152	13,493,996,467
Financial Investments Measured at Fair Value Through Other Comprehensive Income	203,800	203,800	1,737,815,264	203,800	203,800
Financial Assets at Amortised Cost - Debt and other Financial Instruments	5,048,103,209	4,169,488,788	100,423,871	-	97,954,958
Financial Assets at Amortised Cost - Other Financial Assets	34,318,758	28,698,236	13,647,730	15,162,142	16,617,983
Investment in a Subsidiary	20	20	20	20	-
Investment Property	1,178,000,000	1,179,500,000	1,179,500,000	1,100,000,000	-
Property, Plant and Equipment	968,055,891	772,845,990	756,193,121	614,154,778	1,762,546,954
Right-of-use Lease Assets	1,746,894,661	748,848,409	781,224,648	583,944,570	369,692,861
Intangible Assets	20,325,110	18,458,354	28,671,530	9,897,595	17,663,649
Deferred Tax Assets	644,011,716	107,519,914	141,914,484	80,267,468	73,779,797
Other Assets	1,358,620,425	234,912,249	156,802,865	141,234,971	186,135,314
<b>Total Assets</b>	<b>93,167,549,250</b>	<b>82,324,074,608</b>	<b>77,690,211,115</b>	<b>55,225,036,667</b>	<b>51,423,849,228</b>
<b>Liabilities</b>					
Bank Overdrafts	1,913,963,888	1,561,119,013	1,062,546,767	983,750,361	964,529,904
Rental Received in Advance	197,788,433	176,943,085	227,759,381	247,760,859	266,875,302
Financial Liabilities at Amortised Cost - Deposits due to Customers	58,643,446,021	49,659,457,138	41,021,169,765	32,170,953,144	29,243,912,898
Financial Liabilities at Amortised Cost - Interest bearing Borrowings	10,786,680,538	13,888,909,088	20,034,340,212	11,282,498,665	12,037,795,536
Subordinated Term Debt	3,331,609,018	3,163,398,140	2,012,844,267	-	-
Lease Liabilities	1,989,370,134	912,495,354	858,556,285	599,680,856	402,518,972
Current Tax Liabilities	642,304,471	547,185,073	604,894,450	635,606,078	223,998,022
Deferred Tax Liabilities	739,933,605	284,918,764	142,580,571	112,558,388	260,945,390
Other Liabilities	1,791,324,976	955,904,529	989,544,615	841,325,477	1,442,619,116
Retirement Benefit Obligations	157,335,587	86,818,197	80,824,933	162,995,765	102,642,242
<b>Total Liabilities</b>	<b>80,193,756,671</b>	<b>71,237,148,381</b>	<b>67,035,061,246</b>	<b>47,037,129,593</b>	<b>44,945,837,382</b>
<b>Equity</b>					
Stated Capital	1,325,918,000	1,325,918,000	1,325,918,000	1,325,918,000	1,325,918,000
Statutory Reserve Fund	1,873,850,686	1,766,773,033	1,699,794,425	1,554,199,509	1,208,563,889
Other Reserves	184,034,787	164,886,280	(47,934,140)	139,261,541	134,646,380
Retained Earnings	9,589,989,106	7,829,348,914	7,677,371,584	5,168,528,024	3,808,883,577
<b>Total Equity attributable to Equity holders of the Company</b>	<b>12,973,792,579</b>	<b>11,086,926,227</b>	<b>10,655,149,869</b>	<b>8,187,907,074</b>	<b>6,478,011,846</b>
<b>Non - Controlling Interest</b>					
<b>Total Equity</b>	<b>12,973,792,579</b>	<b>11,086,926,227</b>	<b>10,655,149,869</b>	<b>8,187,907,074</b>	<b>6,478,011,846</b>
<b>Total Liabilities and Equity</b>	<b>93,167,549,250</b>	<b>82,324,074,608</b>	<b>77,690,211,115</b>	<b>55,225,036,667</b>	<b>51,423,849,228</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>55.10</b>	<b>47.09</b>	<b>45.25</b>	<b>34.78</b>	<b>110.05</b>



**VALLIBEL FINANCE PLC (PQ 526)**  
No. 310, Galle Road,  
Colombo 03.

**VALLIBEL FINANCE PLC (PQ 526)**

**MENAKA SAMEERA**  
SENIOR MANAGER

**VALLIBEL FINANCE PLC**  
**Statement of Financial Position - Group**

As at 31st March	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.
<b>Assets</b>				
Cash and Cash Equivalents	1,958,980,732	2,339,453,098	900,929,559	1,712,137,601
Placements with Banks and Other Finance Companies	8,322,519,888	9,860,926,513	4,167,388,105	267,311,713
Reverse Repurchase Agreements	-	-	1,780,760,519	1,795,352,511
Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)	4,181,479,931	1,501,875,305	796,421,859	1,352,702,922
Financial Assets at Amortised Cost - Loans and Receivables to Other Customers	57,895,030,197	50,581,535,164	50,691,038,582	33,660,559,075
Financial Assets at Amortised Cost - Lease Rental and Hire Purchase Receivables	10,346,936,570	10,789,860,137	14,973,325,141	14,085,116,152
Financial Investments Measured at Fair Value Through Other Comprehensive Income	203,800	203,800	1,737,815,264	203,800
Financial Assets at Amortised Cost - Debt and other Financial Instruments	5,048,103,209	4,169,488,788	100,423,871	-
Financial Assets at Amortised Cost - Other Financial Assets	34,318,758	28,698,236	13,647,730	15,162,142
Investment in a Subsidiary	-	-	-	-
Investment Property	1,100,225,000	-	-	-
Property, Plant and Equipment	4,477,237,217	3,974,429,790	3,208,302,588	2,119,143,851
Right-of-use Lease Assets	744,153,575	748,848,409	781,224,648	583,944,570
Intangible Assets	21,450,110	18,458,354	28,671,530	9,897,595
Deferred Tax Assets	373,281,789	110,488,657	143,203,176	81,047,940
Other Assets	307,260,400	227,906,193	156,829,959	139,271,402
<b>Total Assets</b>	<b>94,811,181,176</b>	<b>84,352,172,444</b>	<b>79,479,982,531</b>	<b>55,821,851,274</b>
<b>Liabilities</b>				
Bank Overdrafts	1,913,963,888	1,561,119,013	1,062,546,767	983,750,361
Rental Received in Advance	216,238,433	176,943,085	227,759,381	247,760,859
Financial Liabilities at Amortised Cost - Deposits due to Customers	58,643,446,021	49,659,457,138	41,021,169,765	32,170,953,144
Financial Liabilities at Amortised Cost - Interest bearing Borrowings	12,747,146,583	15,954,588,101	21,835,482,493	11,880,986,632
Subordinated Term Debt	3,331,609,018	3,163,398,140	2,012,844,267	-
Lease Liabilities	967,091,730	912,495,354	858,556,285	599,680,856
Current Tax Liabilities	642,304,471	547,185,073	604,894,450	635,606,078
Deferred Tax Liabilities	881,723,481	284,918,764	142,580,571	112,558,388
Other Liabilities	2,048,995,557	947,566,765	990,488,316	842,123,612
Retirement Benefit Obligations	157,335,587	86,818,197	80,824,933	162,995,765
<b>Total Liabilities</b>	<b>81,549,854,769</b>	<b>73,294,489,630</b>	<b>68,837,147,228</b>	<b>47,636,415,695</b>
<b>Equity</b>				
Stated Capital	1,325,918,000	1,325,918,000	1,325,918,000	1,325,918,000
Statutory Reserve Fund	1,873,850,686	1,766,773,033	1,699,794,425	1,554,199,509
Other Reserves	643,080,652	220,536,280	12,485,860	139,261,541
Retained Earnings	9,418,477,069	7,744,455,501	7,604,637,018	5,166,056,529
<b>Total Equity attributable to Equity holders of the Company</b>	<b>13,261,326,407</b>	<b>11,057,682,814</b>	<b>10,642,835,303</b>	<b>8,185,435,579</b>
<b>Non - Controlling Interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>13,261,326,407</b>	<b>11,057,682,814</b>	<b>10,642,835,303</b>	<b>8,185,435,579</b>
<b>Total Liabilities and Equity</b>	<b>94,811,181,176</b>	<b>84,352,172,444</b>	<b>79,479,982,531</b>	<b>55,821,851,274</b>
<b>Net Assets Value Per Share (Rs.)</b>	<b>56.32</b>	<b>46.96</b>	<b>45.20</b>	<b>34.76</b>



**VALLIBEL FINANCE PLC (PQ 526)**  
**No. 310, Galle Road,**  
**Colombo 03.**

**VALLIBEL FINANCE PLC (PQ 526)**  
  
**MENAKA SAMEERA**  
**SENIOR MANAGER**

**VALLIBEL FINANCE PLC**  
Statement of Changes in Equity - Company

	Statcd Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	General Reserve	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2019	1,325,918,000	957,881,867	127,146,380	-	7,500,000	3,052,506,942	5,470,953,189
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	1,253,410,112	1,253,410,112
Other Comprehensive Income, net of Tax							
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through							
Other Comprehensive Income	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	(11,338,131)	(11,338,131)
Total Comprehensive Income for the Year	-	-	-	-	-	1,242,071,981	1,242,071,981
Transactions with owners of the Company							
Contributions and distributions							
Dividends to equity holders	-	-	-	-	-	(235,453,400)	(235,453,400)
First and final Dividend for 2018/19	-	-	-	-	-	440,076	440,076
Unclaimed Dividend Adjustments	-	-	-	-	-	(2,50,682,022)	(2,50,682,022)
Statutory Reserve Transfer	-	250,682,022	-	-	-	-	-
Total Transactions with Equity Holders	-	250,682,022	-	-	-	(485,695,346)	(235,013,324)
Balance as at 31st March 2020	1,325,918,000	1,208,563,889	127,146,380	-	7,500,000	3,808,883,577	6,478,011,846
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	-	-	1,728,178,102	1,728,178,102
Other Comprehensive Income, net of Tax							
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through							
Other Comprehensive Income	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	(23,019,929)	(23,019,929)
Net Change in Revaluation of Land & Buildings	-	-	4,615,161	-	-	-	4,615,161
Total Comprehensive Income for the Year	-	-	4,615,161	-	-	1,705,158,173	1,709,773,334
Transactions with owners of the Company							
Contributions and distributions							
Dividends to equity holders	-	-	-	-	-	121,894	121,894
Unclaimed Dividend Adjustments	-	-	-	-	-	(345,635,620)	-
Statutory Reserve Transfer	-	345,635,620	-	-	-	-	-
Total Transactions with Equity Holders	-	345,635,620	-	-	-	(345,635,620)	-
Balance as at 31st March 2021	1,325,918,000	1,554,199,509	131,761,541	-	7,500,000	5,168,528,024	8,187,907,074



**VALLIBEL FINANCE PLC (PQ 526)**  
No. 310, Galle Road,  
Colombo 03.

**VALLIBEL FINANCE PLC (PQ 526)**

*10/1*  
**MENAKA SAMEERA**  
SENIOR DEPUTY GENERAL MANAGER  
FINANCE & ADMINISTRATION

	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	General Reserve	Retained Earnings	Total Equity		
<b>Total Comprehensive Income for the Year</b>									
Profit for the Year	-	-	-	-	-	2,911,898,320	2,911,898,320		
<b>Other Comprehensive Income, net of Tax</b>									
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through									
Other Comprehensive Income	-	-	-	(226,310,672)	-	-	(226,310,672)		
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	95,720,256	95,720,256		
Net Change in Revaluation of Land & Buildings	-	-	39,114,991	-	-	-	39,114,991		
<b>Total Comprehensive Income for the Year</b>	-	-	39,114,991	(226,310,672)	-	3,007,618,576	2,820,422,895		
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
<b>Dividends to equity holders</b>									
Dividend Paid Share for the Financial Year 2020/21	-	-	-	-	-	(353,180,100)	(353,180,100)		
Unclaimed Dividend Adjustments	-	-	-	-	-	-	-		
Statutory Reserve Transfer	-	145,594,916	-	-	-	(145,594,916)	-		
<b>Total Transactions with Equity Holders</b>	-	145,594,916	-	-	-	(498,775,016)	(353,180,100)		
Balance as at 31st March 2022	1,325,918,000	1,699,794,425	170,876,532	(226,310,672)	7,500,000	7,677,371,584	10,655,149,869		
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No.14 of 2022	-	-	-	-	-	-	-		
Adjusted Balance as at 01st April 2022	1,325,918,000	1,699,794,425	170,876,532	(226,310,672)	7,500,000	7,012,188,064	9,989,966,349		
<b>Total Comprehensive Income for the Year</b>									
Profit for the Year	-	-	-	-	-	1,339,572,151	1,339,572,151		
<b>Other Comprehensive Income, net of Tax</b>									
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	-	-	226,310,672	-	-	226,310,672		
Net Actuarial Gains / (Losses) on Defined Benefit Liability, net of tax	-	-	-	-	-	15,474,107	15,474,107		
Net Change in Revaluation of Land & Buildings, net of tax	-	-	(13,490,252)	-	-	-	(13,490,252)		
<b>Total Comprehensive Income for the Year</b>	-	-	(13,490,252)	226,310,672	-	1,355,046,258	1,567,866,678		
<b>Transactions with owners of the Company</b>									
<b>Contributions and distributions</b>									
<b>Dividends to equity holders</b>									
Dividend Paid Share for the Financial Year 2021/22	-	-	-	-	-	(470,906,800)	(470,906,800)		
Unclaimed Dividend Adjustments	-	-	-	-	-	-	-		
Statutory Reserve Transfer	-	66,978,608	-	-	-	(66,978,608)	-		
<b>Total Transactions with Equity Holders</b>	-	66,978,608	-	-	-	(537,885,408)	(470,906,800)		
Balance as at 31st March 2023	1,325,918,000	1,766,773,033	157,386,280	-	7,500,000	7,829,348,914	11,086,926,227		

VALLIBEL FINANCE PLC (PQ 526)

VALLIBEL FINANCE PLC (PQ 526)  
No. 310, Galle Road,  
Colombo 03.

MENAKA SAMEERA  
SENIOR DEPUTY GENERAL MANAGER



	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	General Reserve	Retained Earnings	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Total Comprehensive Income for the Year</b>							
Profit for the Year	-	-	-	-	-	2,141,553,059	2,141,553,059
<b>Other Comprehensive Income, net of Tax</b>							
Transfer of fair value losses of a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability, net of tax	-	-	-	-	-	(40,365,510)	(40,365,510)
Net Change in Revaluation of Land & Buildings, net of tax	-	-	19,148,507	-	-	-	19,148,507
<b>Total Comprehensive Income for the Year</b>	-	-	<b>19,148,507</b>	-	-	<b>2,101,187,549</b>	<b>2,120,336,056</b>
<b>Transactions with owners of the Company</b>							
<b>Contributions and distributions</b>							
<b>Dividends to equity holders</b>							
Dividend Paid - Share for the Financial Year 2022/23	-	-	-	-	-	(235,453,400)	(235,453,400)
Unclaimed Dividend Adjustments	-	-	-	-	-	1,479,647	1,479,647
Deferred Tax impact on Right of Use Asset	-	-	-	-	-	504,049	504,049
Statutory Reserve Transfer	-	107,077,653	-	-	-	(107,077,653)	-
<b>Total Transactions with Equity Holders</b>	-	<b>107,077,653</b>	-	-	-	<b>(340,547,357)</b>	<b>(233,469,704)</b>
<b>Balance as at 31st March 2024</b>	<b>1,325,918,000</b>	<b>1,873,850,686</b>	<b>176,534,787</b>	-	<b>7,500,000</b>	<b>9,589,989,106</b>	<b>12,973,792,579</b>



**VALLIBEL FINANCE PLC (PQ 526)**  
**No. 310, Galle Road,**  
**Colombo 03.**

**VALLIBEL FINANCE PLC (PQ 526)**  
 126  
**MEENAKA SAMEERA**  
 SENIOR DEPUTY GENERAL MANAGER  
 FINANCE & ADMINISTRATION

VALLIBEL FINANCE PLC

Statement of Changes in Equity - Group

	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	General Reserve	Retained Earnings	Non - Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2020	1,325,918,000	1,208,563,889	127,146,380	-	7,500,000	3,808,883,577	-	6,478,011,846
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	1,725,706,607	-	1,725,706,607
Profit for the Year	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income, net of Tax</b>	-	-	-	-	-	-	-	-
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	(23,019,929)	-	(23,019,929)
Net Change in Revaluation of Land & Buildings	-	-	4,615,161	-	-	-	-	4,615,161
<b>Total Comprehensive Income for the Year</b>	-	-	4,615,161	-	-	1,702,686,678	-	1,707,301,839
Transactions with owners of the Company	-	-	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	121,894	-	121,894
Unclaimed Dividend Adjustments	-	345,635,620	-	-	-	(345,635,620)	-	-
Statutory Reserve Transfer	-	345,635,620	-	-	-	-	-	-
<b>Total Transactions with Equity Holders</b>	-	345,635,620	-	-	-	(345,635,620)	-	-
Balance as at 31st March 2021	1,325,918,000	1,554,199,509	131,761,541	-	7,500,000	5,166,056,529	-	8,185,435,579
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	2,841,635,249	-	2,841,635,249
Profit for the Year	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income, net of Tax</b>	-	-	-	-	-	-	-	-
Net Gains / (Losses) on Investment in Financial Assets at Fair Value through	-	-	-	(226,310,672)	-	-	-	(226,310,672)
Other Comprehensive Income	-	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	95,720,256	-	95,720,256
Net Change in Revaluation of Land & Buildings	-	-	99,534,991	-	-	-	-	99,534,991
<b>Total Comprehensive Income for the Year</b>	-	-	99,534,991	(226,310,672)	-	2,937,355,505	-	2,810,579,824
Transactions with owners of the Company	-	-	-	-	-	-	-	-
Contributions and distributions	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	(353,180,100)	-	(353,180,100)
Dividend Paid Share for the Financial Year 2020/21	-	-	-	-	-	-	-	-
Unclaimed Dividend Adjustments	-	-	-	-	-	-	-	-
Statutory Reserve Transfer	-	145,594,916	-	-	-	(145,594,916)	-	-
<b>Total Transactions with Equity Holders</b>	-	145,594,916	-	-	-	(498,775,016)	-	(353,180,100)
Balance as at 31st March 2022	1,325,918,000	1,699,794,425	231,296,532	(226,310,672)	7,500,000	7,604,637,018	-	10,642,835,303



VALLIBEL FINANCE PLC (PQ 526)  
No. 310, Galle Road,  
Colombo 03.

VALLIBEL FINANCE PLC (PQ 526)

MENAKA SAMEERA  
SENIOR DEPUTY GENERAL MANAGER  
FINANCE & ADMINISTRATION



	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	Fair Value Reserve	General Reserve	Retained Earnings	Non - Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31st March 2022	1,325,918,000	1,699,794,425	231,296,532	(226,310,672)	7,500,000	7,604,637,018	-	10,642,835,303
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No.14 of 2022	-	-	-	-	-	(665,183,520)	-	(665,183,520)
Adjusted Balance as at 01st April 2022	1,325,918,000	1,699,794,425	231,296,532	(226,310,672)	7,500,000	6,939,453,498	-	9,977,651,783
Total Comprehensive Income for the Year	-	-	-	-	-	1,327,413,304	-	1,327,413,304
Profit for the Year	-	-	-	-	-	-	-	-
Other Comprehensive Income, net of Tax	-	-	-	-	-	-	-	-
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	-	-	226,310,672	-	-	-	226,310,672
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	15,474,107	-	15,474,107
Net Change in Revaluation of Land & Buildings	-	-	(18,260,252)	-	-	-	-	(18,260,252)
Total Comprehensive Income for the Year	-	-	(18,260,252)	226,310,672	-	1,342,887,411	-	1,550,937,831
Transactions with owners of the Company								
Contributions and distributions								
Dividends to equity holders	-	-	-	-	-	(470,906,800)	-	(470,906,800)
Dividend Paid - Share for the Financial Year 2021/22	-	-	-	-	-	-	-	-
Unclaimed Dividend Adjustments	-	-	-	-	-	(66,978,608)	-	(66,978,608)
Statutory Reserve Transfer	-	66,978,608	-	-	-	-	-	66,978,608
Total Transactions with Equity Holders	-	66,978,608	-	-	-	(537,885,408)	-	(470,906,800)
Balance as at 31st March 2023	1,325,918,000	1,766,773,033	213,036,280	-	7,500,000	7,744,455,501	-	11,057,682,814
Total Comprehensive Income for the Year	-	-	-	-	-	2,054,934,435	-	2,054,934,435
Profit for the Year	-	-	-	-	-	-	-	-
Other Comprehensive Income, net of Tax	-	-	-	-	-	-	-	-
Transfer of fair value losses o/a reclassification of debt instruments from fair value through other comprehensive income to amortised cost, net of tax	-	-	-	-	-	-	-	-
Net Actuarial Gains / (Losses) on Defined Benefit Liability	-	-	-	-	-	(40,365,510)	-	(40,365,510)
Net Change in Revaluation of Land & Buildings	-	-	422,544,372	-	-	-	-	422,544,372
Total Comprehensive Income for the Year	-	-	422,544,372	-	-	2,014,568,925	-	2,437,113,297
Transactions with owners of the Company								
Contributions and distributions								
Dividends to equity holders	-	-	-	-	-	(235,453,400)	-	(235,453,400)
Dividend Paid - Share for the Financial Year 2022/23	-	-	-	-	-	1,479,647	-	1,479,647
Unclaimed Dividend Adjustments	-	-	-	-	-	504,049	-	504,049
Deferred Tax - impact on Right of Use Asset	-	-	-	-	-	(107,077,653)	-	(107,077,653)
Statutory Reserve Transfer	-	107,077,653	-	-	-	-	-	107,077,653
Total Transactions with Equity Holders	-	107,077,653	-	-	-	(340,547,357)	-	(233,469,704)
Balance as at 31st March 2024	1,325,918,000	1,873,850,686	635,580,652	-	7,500,000	9,418,477,069	-	13,261,326,407

VALLIBEL FINANCE PLC (PQ 526)

VALLIBEL FINANCE PLC (PQ 526)  
No. 310, Galle Road,  
Colombo 03.

MENAKA SAMEERA  
SENIOR DEPUTY GENERAL MANAGER  
FINANCE & ADMINISTRATION



**VALLIBEL FINANCE PLC**  
Cash Flow Statement - Company

For the Year Ended 31st March	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
<b>Cash Flow from Operating Activities</b>					
Interest and Commission Receipts	19,032,527,645	15,972,949,920	10,603,908,836	8,910,714,128	9,274,074,108
Interest Payments	(10,271,754,422)	(9,341,719,405)	(4,129,891,466)	(4,009,051,810)	(4,465,166,232)
Cash Receipts from Customers	747,102,239	369,749,269	1,274,372,014	660,326,353	261,377,709
Cash Payments to Employees and Suppliers	(4,615,632,120)	(3,113,035,549)	(3,144,402,952)	(2,192,261,551)	(2,431,884,789)
<b>Operating Profit Before Changes in Operating Assets and Liabilities ( Note A )</b>	<b>4,892,243,342</b>	<b>3,887,944,235</b>	<b>4,603,986,432</b>	<b>3,369,727,120</b>	<b>2,638,400,796</b>
<b>( Increase ) / Decrease in Operating Assets</b>					
Short Term Funds	(270,243,707)	(329,318,261)	240,946,988	432,173,165	36,355,131
Deposits held for Regulatory or Monetary Control Purposes	(878,614,421)	(2,033,676,253)	(350,812,535)	394,841,356	(13,969,356)
Financial assets at amortised cost – Loans and advances / Lease rental & Hire purchase receivables	(7,293,566,333)	4,127,349,644	(18,537,242,505)	(7,251,267,142)	(2,771,551,993)
Other Short Term Negotiable Securities	(365,294,106)	(4,749,882,032)	(4,692,381,935)	2,115,733,357	(410,380,335)
<b>Increase / ( Decrease ) in Operating Liabilities</b>					
Financial liabilities at amortised cost – Due to depositors	8,307,438,079	7,353,910,814	9,109,892,480	2,977,388,145	3,695,859,938
Financial liabilities at amortised cost – Certificate of Deposits	-	(257,455,201)	(394,238,530)	(159,602,382)	(48,581,330)
Deposits and Trade payables	-	-	-	-	-
<b>Net Cash Generated / (Used in) from Operating Activities before Income Tax</b>	<b>4,391,962,854</b>	<b>7,998,872,946</b>	<b>(10,019,849,605)</b>	<b>1,878,993,619</b>	<b>3,126,132,851</b>
Current Taxes Paid	(1,290,407,014)	(687,216,165)	(1,112,199,327)	(392,986,113)	(973,519,870)
Gratuity Paid	(19,588,564)	(12,199,739)	(6,782,085)	(2,324,327)	(6,354,360)
Surcharge Levy Paid	-	(665,183,520)	-	-	-
<b>Net Cash Generated / (Used in) from Operating Activities</b>	<b>3,081,967,276</b>	<b>6,634,273,522</b>	<b>(11,138,831,017)</b>	<b>1,483,683,179</b>	<b>2,146,258,621</b>
<b>Cash Flows from Investing Activities</b>					
Dividends Received	180,966	191,910	191,910	121,600	210,594
Investment in a Subsidiary	-	-	-	(20)	-
Proceed from Sale of Property , Plant and Equipment	929,435	3,801,957	650,530	512,160	1,166,035
Purchase of Property, Plant and Equipment	(359,724,525)	(181,366,554)	(226,621,921)	(182,245,495)	(148,862,268)
Purchase of Intangible Assets	(11,130,050)	-	(28,483,352)	-	(5,559,099)
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(369,744,174)</b>	<b>(177,372,687)</b>	<b>(254,262,833)</b>	<b>(181,611,755)</b>	<b>(153,044,738)</b>
<b>Cash Flows from Financing Activities</b>					
Net Increase / (decrease) in Financial liabilities at amortised cost – Interest bearing Borrowings	(3,211,441,329)	(5,029,480,374)	10,862,112,672	(1,684,916,954)	(618,088,380)
Dividend Paid	(235,453,400)	(470,906,800)	(353,180,100)	-	(235,453,400)
Unclaimed Dividend Adjustments	1,479,647	-	-	121,894	440,076
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>(3,445,415,082)</b>	<b>(5,500,387,174)</b>	<b>10,508,932,572</b>	<b>(1,684,795,060)</b>	<b>(853,101,704)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(733,191,980)</b>	<b>956,513,661</b>	<b>(884,161,278)</b>	<b>(382,723,636)</b>	<b>1,140,112,179</b>
Cash & Cash Equivalents at the Beginning of the Year	771,605,098	(184,908,563)	699,252,715	1,081,976,351	(58,135,828)
<b>Cash &amp; Cash Equivalents at end of the Year ( Note B )</b>	<b>38,413,118</b>	<b>771,605,098</b>	<b>(184,908,563)</b>	<b>699,252,715</b>	<b>1,081,976,351</b>

**VALLIBEL FINANCE PLC (PQ 526)**  
No. 310, Galle Road,  
Colombo 03.

**VALLIBEL FINANCE PLC (PQ 526)**

  
**MENAKA SAMEERA**  
SENIOR DEPUTY GENERAL MANAGER

**Note A****Reconciliation of Operating Profit Before Changes in Operating Assets and Liabilities**

Profit Before Income Tax	3,455,199,562	2,065,480,132	3,993,869,909	2,389,782,208	1,862,101,349
Amortisation of Intangible Assets	9,263,294	10,213,176	9,709,417	7,766,054	7,542,983
Accrual for Interest Expense / (Income)	(156,215,664)	(233,119,434)	(51,234,200)	(1,673,453)	337,231,016
Accrual for Interest Income / (Expense)	953,974,468	1,576,434,873	27,523,873	139,024,903	(94,871,862)
Accrual for Other Payable	59,689,636	306,385,651	(37,679,598)	147,530,870	(26,725,675)
Retirement Benefit Cost	32,440,940	29,041,900	50,558,958	32,388,472	24,117,387
Depreciation of Property, Plant and Equipment	191,795,178	164,559,765	132,635,844	107,276,263	105,171,430
Impairment Charges and Other Credit Losses on Financial Assets	437,781,236	97,575,003	592,488,831	575,076,254	487,815,203
Dividend Income	(180,966)	(191,910)	(191,910)	(121,600)	(210,594)
Unrealised Fair Value (gains) / losses on Financial Instruments measured at FVTPL	(138,477)	226,598	88,121	(642,028)	503,552
Unrealised Fair Value (gains) / losses on Other Financial Instruments measured at FVTPL	(92,010,886)	(125,013,492)	(33,825,363)	(36,563,641)	(63,839,013)
Gain / (Loss) on Disposal of Property, Plant & Equipment	(854,979)	(3,648,027)	(457,450)	(271,626)	(434,980)
Fair value change in Investment Property	1,500,000	-	(79,500,000)	-	-
Impairment Loss on Property, Plant & Equipment	-	-	-	10,154,444	-
	<b>4,892,243,342</b>	<b>3,887,944,235</b>	<b>4,603,986,432</b>	<b>3,369,727,120</b>	<b>2,638,400,796</b>

**Note B****Cash & Cash Equivalents at the end of the Year**

Cash in Hand and at Banks	1,952,377,006	2,332,724,111	877,638,204	1,683,003,076	2,046,506,255
Bank Overdrafts	(1,913,963,888)	(1,561,119,013)	(1,062,546,767)	(983,750,361)	(964,529,904)
	<b>38,413,118</b>	<b>771,605,098</b>	<b>(184,908,563)</b>	<b>699,252,715</b>	<b>1,081,976,351</b>

**VALLIBEL FINANCE PLC (PQ 526)**  
**No. 310, Galle Road,**  
**Colombo 03.**

VALLIBEL FINANCE PLC (PQ 526)

*MENAKA SAMEERA*  
**MENAKA SAMEERA**  
**SENIOR DEPUTY GENERAL MANAGER**  
**FINANCE & ADMINISTRATION**



**VALLIBEL FINANCE PLC**  
**Cash Flow Statement - Group**

For the Year Ended 31st March	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.
<b>Cash Flow from Operating Activities</b>				
Interest and Commission Receipts	19,018,181,242	15,972,949,920	10,603,908,836	8,910,714,128
Interest Payments	(10,332,669,431)	(9,337,237,236)	(4,201,624,032)	(4,021,627,152)
Cash Receipts from Customers	750,520,827	351,197,975	1,266,138,305	660,326,353
Cash Payments to Employees and Suppliers	(4,577,571,994)	(3,117,575,322)	(3,146,376,468)	(2,194,715,382)
<b>Operating Profit Before Changes in Operating Assets and Liabilities ( Note A )</b>	<b>4,858,460,644</b>	<b>3,869,335,337</b>	<b>4,522,046,641</b>	<b>3,354,697,947</b>
<b>( Increase ) / Decrease in Operating Assets</b>				
Short Term Funds	788,464,293	(313,758,531)	241,587,666	318,540,461
Deposits held for Regulatory or Monetary Control Purposes	(878,614,421)	(2,023,527,877)	(360,960,911)	394,841,356
Financial assets at amortised cost – Loans and advances / Lease rental & Hire purchase receivables	(7,293,566,333)	4,127,349,644	(18,537,242,505)	(7,251,267,142)
Other Short Term Negotiable Securities	(876,950,030)	(4,270,797,962)	(5,010,914,260)	1,955,733,357
<b>Increase / ( Decrease ) in Operating Liabilities</b>				
Financial liabilities at amortised cost – Due to depositors	8,307,438,079	7,353,910,814	9,109,892,480	2,977,388,145
Financial liabilities at amortised cost – Certificate of Deposits	-	(257,455,201)	(394,238,530)	(159,602,382)
Deposits and Trade payables	19,370,046	-	-	-
<b>Net Cash Generated / (Used in) from Operating Activities</b>	<b>4,924,602,278</b>	<b>8,485,056,224</b>	<b>(10,429,829,419)</b>	<b>1,590,331,742</b>
Current Taxes Paid	(1,290,407,014)	(687,216,165)	(1,112,199,327)	(392,986,113)
Gratuity Paid	(19,588,564)	(12,199,739)	(6,782,085)	(2,324,327)
Surcharge Levy Paid	-	(665,183,520)	-	-
<b>Net Cash Generated / (Used in) from Operating Activities</b>	<b>3,614,606,700</b>	<b>7,120,456,800</b>	<b>(11,548,810,831)</b>	<b>1,195,021,302</b>
<b>Cash Flows from Investing Activities</b>				
Dividends Received	180,966	191,910	191,910	121,600
Investment in a Subsidiary	-	-	-	-
Proceed from Sale of Property , Plant and Equipment	929,435	3,801,957	650,530	512,160
Purchase of Property, Plant and Equipment	(759,530,689)	(944,166,762)	(1,022,485,277)	(464,449,113)
Purchase of Intangible Assets	(12,030,050)	-	(28,483,352)	-
<b>Net Cash (Used in) / Generated from Investing Activities</b>	<b>(770,450,338)</b>	<b>(940,172,895)</b>	<b>(1,050,126,189)</b>	<b>(463,815,353)</b>
<b>Cash Flows from Financing Activities</b>				
Net Increase / (decrease) in Financial liabilities at amortised cost – Interest bearing Borrowings	(3,343,499,850)	(4,769,425,812)	12,062,112,672	(1,084,916,954)
Dividend Paid	(235,453,400)	(470,906,800)	(353,180,100)	-
Unclaimed Dividend Adjustments	1,479,647	-	-	121,894
<b>Net Cash (Used in) / Generated from Financing Activities</b>	<b>(3,577,473,603)</b>	<b>(5,240,332,612)</b>	<b>11,708,932,572</b>	<b>(1,084,795,060)</b>
<b>Net Increase / ( Decrease ) in Cash &amp; Cash Equivalents</b>	<b>(733,317,241)</b>	<b>939,951,293</b>	<b>(890,004,448)</b>	<b>(353,589,111)</b>
Cash & Cash Equivalents at the Beginning of the Year	778,334,085	(161,617,208)	728,387,240	1,081,976,351
<b>Cash &amp; Cash Equivalents at end of the Year ( Note B )</b>	<b>45,016,844</b>	<b>778,334,085</b>	<b>(161,617,208)</b>	<b>728,387,240</b>



**VALLIBEL FINANCE PLC (PQ 526)**  
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**SENIOR DEPUTY GENERAL MANAGER**  
**FINANCE & ADMINISTRATION**

**Note A****Reconciliation of Operating Profit Before Changes in Operating Assets and Liabilities**

Profit Before Income Tax	3,611,185,542	2,046,871,234	3,904,018,618	2,386,530,241
Amortisation of Intangible Assets	9,638,294	10,213,176	9,709,417	7,766,054
Accrual for Interest Expense / (Income)	(156,215,664)	(233,119,434)	(122,966,766)	(14,248,795)
Accrual for Interest Income / (Expense)	980,820,022	1,576,434,873	27,523,873	139,024,903
Accrual for Other Payable	62,872,947	306,385,651	(37,535,532)	148,329,006
Retirement Benefit Cost	32,440,940	29,041,900	50,558,958	32,388,472
Depreciation of Property, Plant and Equipment	243,209,660	164,559,765	132,635,844	107,276,263
Impairment Charges and Other Credit Losses on Financial Assets	437,781,236	97,575,003	592,488,831	575,076,254
Dividend Income	(180,966)	(191,910)	(191,910)	(121,600)
Unrealised Fair Value (gains) / losses on Financial Instruments measured at FVTPL	(138,477)	226,598	88,121	(642,028)
Unrealised Fair Value (gains) / losses on Other Financial Instruments measured at FVTPL	(106,360,511)	(125,013,492)	(33,825,363)	(36,563,641)
Gain / (Loss) on Disposal of Property, Plant & Equipment	(854,979)	(3,648,027)	(457,450)	(271,626)
Fair value change in Investment Property	(255,737,400)	-	-	-
Impairment Loss on Property, Plant & Equipment	-	-	-	10,154,444
	<b>4,858,460,644</b>	<b>3,869,335,337</b>	<b>4,522,046,641</b>	<b>3,354,697,947</b>

**Note B****Cash & Cash Equivalents at the end of the Year**

Cash in Hand and at Banks	1,958,980,732	2,339,453,098	900,929,559	1,712,137,601
Bank Overdrafts	(1,913,963,888)	(1,561,119,013)	(1,062,546,767)	(983,750,361)
	<b>45,016,844</b>	<b>778,334,085</b>	<b>(161,617,208)</b>	<b>728,387,240</b>

**VALLIBEL FINANCE PLC (PQ 526)**  
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**MENAKA SAMEERA**  
 SENIOR DEPUTY GENERAL MANAGER  
 FINANCE & ADMINISTRATION



## ANNEXURE I – STATUTORY DECLARATIONS

### Statutory Declaration by the Directors

We, the undersigned who are named in the Prospectus issued by Vallibel Finance PLC “The Company” in connection with its issue of up to 30,000,000 Listed, Subordinated, Unsecured, Redeemable, Rated, debentures (“The Prospectus”), as Directors of the company, hereby declare and confirm that we have seen and read the provisions of Companies Act No.7 of 2007 and the Listing Rules of CSE relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by the Directors of Vallibel Finance PLC (“Company”) and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that provisions of the CSE Listing Rules and the Companies Act No. 07 of 2007 and amendments thereto have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, that there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in the best judgement of the Directors.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of the Debentures issued by the Company and those Debentures which are the subject of this issue. We are aware that such permission will be granted when the Securities are listed on the Colombo Stock Exchange and that the Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made, omitted statements or opinions expressed or reports included in this Prospectus. Further, the listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the Debentures issued.

Name of Director	Designation	Signature
Mr. K. D. A. Perera	Chairman/ Non-Independent Non-Executive Director	Sgd.
Mr. S. B. Rangamuwa	Managing Director/ CEO	Sgd.
Mr. S. S. Weerabahu	Executive Director	Sgd.
Mr. J Kumarasinghe	Senior Independent Director	Sgd.
Mrs. C. P. Malalgoda	Independent Non-Executive Director	Sgd.
Mr. M. A. K. B. Dodamgoda	Independent Non-Executive Director	Sgd.
Mr. R. S. Dahanayake	Independent Non-Executive Director	Sgd.

### **Statutory Declaration by the Managers to the Issue**

We, First Capital Advisory Services (Pvt) Ltd of No. 02, Deal Place, Colombo 03, who are named in the Prospectus as the Managers to the Issue hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by the Company, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Vallibel Finance PLC; and where appropriate, it has satisfied itself that profit forecasts have been stated by the directors after due and careful enquiry.

Signed by an authorized signatory of First Capital Advisory Services (Pvt) Ltd, being duly authorized thereto, on this 08<sup>th</sup> day of November 2024.

Sgd.

**Authorized Signatory**

## ANNEXURE II – CREDIT RATING REPORT



Lanka Rating Agency

### Rating Report

**Vallibel Finance PLC - LKR 3Bn Subordinated - Unsecured - Redeemable Debenture**

#### Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

#### Rating History

Dissemination Date	Long Term Rating	Outlook	Action	Rating Watch
20-Aug-2024	BBB	Stable	Preliminary	-

#### Rating Rationale and Key Rating Drivers

Vallibel Finance PLC (VFIN or the Company) is a licensed finance company (LFC) primarily focusing on, vehicle loans, auto drafts, gold loans and leases in Sri Lanka. It is a mid-sized player in the LFC industry with assets comprising ~5.2% of the total industry. The rating of the entity reflects the Company's extensive outreach, superior asset quality (VFIN NPLs are well below the industry average) and improving profitability. Although VFIN's profitability has improved on YoY basis, it still remains below its profitability in FY22. The profitability is expected to remain stable given reduced interest rates and potential repricing of assets/liabilities leading to better interest margin. On the product mix side, auto drafts, vehicle loans and leases make up ~73% of the total lending portfolio. The Company intends to build its vehicle loan and gold loan portfolio further as a strategic move. The gross NPL remains lower than the industry, but the NPL of the leasing portfolio remains relatively high due to stagnation of the product. Majority of the loan portfolio is short-term in nature and would be repriced accordingly. The gearing ratio remains high (3MFY25: ~6.0; FY24: ~5.9x). The Company's Tier I Capital Adequacy Ratio stands at ~16.46% and total Capital Adequacy Ratio is ~19.18% as at 3MFY25. VFIN has obtained approval from the Central Bank of Sri Lanka (CBSL) to issue a subordinate, unsecured, Tier-II Debenture to further strengthen its capital. Subsequent to the Debenture issue, the Company's Tier I and total CAR will be ~14.15% and ~20.24%, respectively. This will provide cushion to VFIN for its growth plans and to increase its total asset base beyond LKR~100bn in 2024. The Company will invest the funds raised by this Debenture Issue in Government Securities in the interim period until such funds are disbursed for lending purposes gradually within 12 months from the date of issuance. The rating of the Debenture is one notch below the entity rating due to its subordinate nature and Tier II characteristics.

The rating is dependent on sustaining the asset quality and improving the profitability of the Company. Strengthening and expanding the capital base of the Company and adhering to capital adequacy requirements as stipulated by CBSL will be crucial.

#### Disclosure

<b>Name of Rated Entity</b>	Vallibel Finance PLC - LKR 3Bn Subordinated - Unsecured - Redeemable Debenture
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Debt Instrument Rating
<b>Applicable Criteria</b>	Methodology   Debt Instrument Rating(Jun-22)
<b>Related Research</b>	Sector Study   Leasing & Finance Companies(Aug-23)
<b>Rating Analysts</b>	Gayani Randima Ariyawansa   gayani@lra.com.lk   +94 114 500099





# Leasing & Finance Companies

## Lanka Rating Agency

### Issuer Profile

**Profile** Vallibel Finance PLC (the "Company" or "VFIN") is a public limited liability company incorporated in Sri Lanka, regulated under the Finance Business Act No. 42 of 2011. It has been listed on the Colombo Stock Exchange since 2010. Prior to the acquisition by Vallibel Investment (Pvt) Limited (the parent company) in 2005, it was known as Rupee Finance Company Limited. VFIN has a wholly owned subsidiary, Vallibel Properties Limited, formed to manage the construction and maintenance of the new corporate office building. VFIN is engaged in providing financial solutions and offering products and services, such as leasing, vehicle loans, auto drafts, gold loan and fixed deposits.

**Ownership** Vallibel Investments (Pvt) Limited is the major shareholder with ~51.44% stake, followed by Mr. Dhammika Perera (~21.4%) and Mr. Anuradha Perera (~3.62%), who is the current Chairman. Altogether the Perera family owns ~78% in the Company as at end-FY24. Vallibel Investments (the parent company) with equal proportions is owned by Ms. K. A. D. B. Perera and Ms. K. A. D. K. Perera, daughters of Mr. Dammika. The succession has taken place as the next generation of Mr. Dammika is about to reign over the business affairs, hence considered stable. The primary objective of Vallibel Investments is to offer financial services and activities. Vallibel Group is also well renowned in the financial sector. Vallibel Group is well established and positioned in the market. The Group has supported VFIN during the crisis period in order to strengthen the Tier II capital by way of subordinated debt.

**Governance** Vallibel Finance PLC board consists of six members. Out of which three are Independent, Non-Executive directors. Mr. K. D. A. Perera is the Chairman. The Board has appointed Mr. J. Kumarasinghe as a Senior Independent Director since the Chairman is Non-Independent. During the year two Directors completed their tenor and resigned while one director joined the Board. The Board consists of personnel with extensive knowledge, expertise and experience in different business fields giving the Company a competitive edge within the industry. The Chairman holds directorships under several private sector companies that fall under the Vallibel group. VFIN operates with four board committees. Twelve meetings were held during FY23 and the attendance was satisfactory. The external audit was carried out by KMPG Chartered Accountants, and they have issued an unqualified audit opinion with regard to the Company's annual financial statements for FY23.

**Management** The Company has a well-defined organizational structure with 8 divisions. The final authority lies with the Managing Director. The Management team is well experienced and knowledgeable, steered by Mr. S. B. Ranganuwa, who is the Managing Director. VFIN effectively manages the Company operations through 3 management committees. The Company uses "eFinancials" as the core system. Additionally, it uses a MIS system to generate MIS reports and run its everyday operations. In addition, KIMS is used to monitor transactions for anti-money laundering purposes. VFIN has a formal and comprehensive risk management policy in place and adherence is ensured by the IRLMC and Audit Committee.

**Business Risk** At present, there are ~34 LFCs in Sri Lanka, out of which, ~27 are listed. The net interest income has declined in FY23 by ~10% to LKR~115bn and during 9MFY24 it has improved by ~20% to LKR~102bn compared to 9MFY23. Similarly profit after tax saw a decline of ~47% to LKR~31.5bn in FY23 and it was LKR~34.8bn in 9MFY24. The total asset base of the LFC sector stood at LKR~1.6tn and LKR~1.7tn as at FY23 and FY24 respectively. The gross and net NPLs deteriorated to ~14.7% and ~9.4% by FY24 mainly due to change in NPL classification to ~90 days past due (DPD) from ~120 DPD. VFIN represents ~3% of equity in the LFC industry for 9MFY24. The Company's asset base contributes to ~5.2% of the industry assets in FY24 which is an improvement from ~4.7% in FY23. VFIN loan and advance in FY23 was ~5.3% and this increased to ~5.6% in FY24. The deposit base also increased to ~5.9% in FY24 compared to ~5.5% in FY23. The Net Interest Income (NII) of the Company indicates a growth of (~50.30%) to LKR~7,007mn in FY24. Further, in 3MFY25 the NII has improved by ~24.02% on YoY basis to LKR~1,876mn compared to 3MFY24. The average advance yield stands at ~18.9% for 3MFY25 (FY24: ~22.6%). Meanwhile, the average cost of deposits was ~12.1% for 3MFY25 (FY24: ~16.7%) while the average cost of borrowings also came down to ~10.5% for 3MFY25. This has resulted in better spread for FY24 (6%) and 3MFY25 (6.7%) as the Company repriced its advances and funding base. Resultantly, VFIN's profitability (PAT) depicts a YoY growth of 60% to LKR~2,142mn in FY24 (FY23: LKR~1,340mn). The Company's ROA recorded at ~2.4% in the FY24 and ~2.2% during 3MFY25. Moreover, the ROE increased to ~17.8% and ~15.7% in FY24 (FY23: ~12.3%) and 3MFY25, respectively. According to the four-year strategic plan, the NII is expected to grow by ~36% and ~34% for the next two financial years, while the PAT is projected to grow by ~60% and ~45%. The lending portfolio is expected to expand by ~20% and ~12%. The major focus will be on vehicle loans, auto drafts and gold loans (gold loans are expected to be kept below ~30% of the lending portfolio). The Company aims to maintain its gross NPLs at ~6% and ~6.5%, ensuring sound asset quality. VFIN has plans to open eight new branches each year and to introduce savings products to general public and digital services by FY25.

**Financial Risk** VFIN's NPL levels remained significantly below the industry average during the past three years. Gross and Net NPLs stood at ~5.88% and ~0.88%, respectively in FY24. The top 20 advances amounted to ~3.3% showing granular lending portfolio. The Company's has increased its investments in Government securities during 3MFY25 to LKR~11.5bn. VFIN has invested ~7.2% in T-bills (FY24: ~3.2%) while ~% are invested in T-bonds. Moreover ~5.4% of total assets were placed with Banks and other finance companies. In addition to the interest rate risk, the Company is exposed to gold price fluctuations as well. VFIN's majority funds are from customer deposits. In 3MFY25, it represented ~77% of total funding (FY24: ~76%) but the growth of deposit base has slowed down as the Company does not intend to carry high cost deposits or borrowings. The top 20 depositors in 9MFY24 accounted for ~23%, a relatively higher number. The Tier I capital was ~16.46% and the total Capital was ~19.18%, respectively, in 3MFY25. The total debt to equity ratio was 6.0x as at 3MFY25, showing high leverage. The Company expects to maintain a 1/3 dividend payout policy in line with the related companies.

### Instrument Rating Considerations

**About The Instrument** Vallibel Finance PLC intends to raise a listed, rated, subordinated, unsecured, redeemable debenture of LKR~3bn. The initial issue would be of LKR~2bn with an option to issue up to a further LKR~1bn (Total LKR~3bn) in the event of an over subscription. The debenture has a tenor of 5 years. The issue has two types of debentures, namely Type 'A' and Type 'B'. The issue will have Type 'A' and Type 'B' Debentures. Coupon interest will be paid Bi-annually (Type A) and Annually (Type B).

**Relative Seniority/Subordination Of Instrument** The claims of the Debenture Holders shall, in the event of winding up of the Company, rank after all the claims of secured creditors and preferential claims under any Statutes governing the Company but pari passu to the claims of unsecured creditors of the Company. The claims shall rank in priority to and over any subordinated debt of the Company and the ordinary and preference shareholder/s of the Company.

**Credit Enhancement** It is an unsecured and subordinate debt instrument. The capital repayment will be done at the end of the tenor with any interest accruing up to that time.



**Lanka Rating Agency**

*LKR mln*

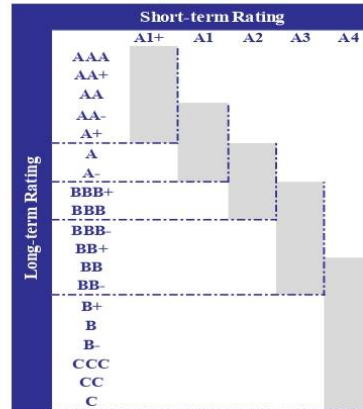
Vallibel Finance PLC Listed Public Limited	Jun-24 3M	Mar-24 12M	Mar-23 12M	Mar-22 12M
<b>A BALANCE SHEET</b>				
1 Total Finance-net	70,977	67,643	60,537	66,726
2 Investments	13,928	9,878	6,848	3,332
3 Other Earning Assets	1,103	8,323	9,861	5,938
4 Non-Earning Assets	7,612	6,690	4,215	2,756
5 Non-Performing Finances-net	891	634	863	(1,061)
<b>Total Assets</b>	<b>94,512</b>	<b>93,168</b>	<b>82,324</b>	<b>77,690</b>
6 Funding	77,721	76,665	69,185	64,989
7 Other Liabilities	3,778	3,529	2,052	2,046
<b>Total Liabilities</b>	<b>81,499</b>	<b>80,194</b>	<b>71,237</b>	<b>67,035</b>
<b>Equity</b>	<b>13,013</b>	<b>12,974</b>	<b>11,087</b>	<b>10,655</b>
<b>B INCOME STATEMENT</b>				
1 Mark Up Earned	4,145	18,372	15,676	9,930
2 Mark Up Expensed	(2,269)	(11,365)	(11,014)	(4,235)
3 Non Mark Up Income	499	1,658	1,029	2,136
<b>Total Income</b>	<b>2,375</b>	<b>8,665</b>	<b>5,690</b>	<b>7,832</b>
4 Non-Mark Up Expenses	(1,113)	(3,582)	(2,830)	(2,461)
5 Provisions/Write offs/Reversals	(106)	(438)	(98)	(592)
<b>Pre-Tax Profit</b>	<b>1,156</b>	<b>4,645</b>	<b>2,763</b>	<b>4,778</b>
6 Taxes on Financial Services	(295)	(1,189)	(697)	(784)
<b>Profit Before Income Taxes</b>	<b>861</b>	<b>3,455</b>	<b>2,065</b>	<b>3,994</b>
7 Income Taxes	(351)	(1,314)	(726)	(1,082)
<b>Profit After Tax</b>	<b>510</b>	<b>2,142</b>	<b>1,340</b>	<b>2,912</b>
<b>C RATIO ANALYSIS</b>				
<b>1 PERFORMANCE</b>				
a Non-Mark Up Expenses / Total Income	46.9%	41.3%	49.7%	31.4%
b ROE	15.7%	17.8%	12.3%	30.9%
<b>2 CREDIT RISK</b>				
a Gross Finances (Total Finance-net + Non-Performing Advances + Non-Performing Debt Instruments) / Funding	97.2%	93.7%	93.2%	105.6%
b Accumulated Provisions / Non-Performing Advances	80.6%	85.0%	78.3%	156.6%
<b>3 FUNDING &amp; LIQUIDITY</b>				
a Liquid Assets / Funding	18.0%	20.0%	23.7%	13.3%
b Borrowings from Banks and Other Financial Institutions / Funding	19.1%	20.8%	26.8%	35.5%
<b>4 MARKET RISK</b>				
a Investments / Equity	107.0%	76.1%	61.8%	31.3%
b (Equity Investments + Related Party) / Equity	0.0%	0.0%	0.0%	0.0%
<b>5 CAPITALIZATION</b>				
a Equity / Total Assets (D+E+F)	13.8%	13.9%	13.5%	13.7%
b Capital formation rate (Profit After Tax - Cash Dividend) / Equity	1.2%	17.2%	8.2%	31.2%



**Credit Rating**

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument, more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Long-term Rating		Short-term Rating	
Scale	Definition	Scale	Definition
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments	A1+	The highest capacity for timely repayment.
AA+		A1	A strong capacity for timely repayment.
AA	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
AA-		A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A+		A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.
A	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.		
A-			
BBB+			
BBB	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.		
BBB-			
BB+	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.		
BB			
BB-			
B+			
B	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.		
B-			
CCC			
CC	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.		
C			
D	Obligations are currently in default.		



\*The correlation shown is indicative and, in certain cases, may not hold.

**Outlook (Stable, Positive, Negative, Developing)** Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

**Rating Watch Alerts** to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

**Suspension** It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

**Withdrawn** A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults, or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.

**Harmonization** A change in rating due to revision in applicable methodology or underlying scale.

**Surveillance.** Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

**Note.** This scale is applicable to the following methodology(s):  
 a) Broker Entity Rating  
 b) Corporate Rating  
 c) Debt Instrument Rating  
 d) Financial Institution Rating  
 e) Holding Company Rating  
 f) Independent Power Producer Rating  
 g) Microfinance Institution Rating  
 h) Non-Banking Finance Companies Rating

**Disclaimer:** LRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. LRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. Contents of LRA documents may be used, with due care and in the right context, with credit to LRA. Our reports and ratings constitute opinions, not recommendations to buy or to sell.



Regulatory and Supplementary Disclosure

Nature of Instrument	Size of Issue (LKR)	Tenor	Security	Quantum of Security	Nature of Assets	Trustee	Book Value of Assets as at 3MFY25 (LKR)
Listed, Rated, Subordinated, Unsecured, Redeemable Debenture	3,000,000,000.00	5 Years	Unsecured	N.A	N.A	HNB	N.A

Name of Issuer	Vallibel Finance PLC
Issue Date	September 20, 2024 (Tentative)
Maturity	November 19, 2024 (Tentative)
Coupon Basis	Bi-annual/ Annual (Fixed)
Repayment	Capital redemption at maturity
Option	

Vallibel Finance PLC

Due Date Principal	Opening Principal	Principal Repayment	Coupon Due Date	Fixed Rate	Coupon	Principal Outstanding	
	LKR				YYYY-MM-DD	LKR	
Type A	1,500,000,000				Fixed		
			20-Mar-25	12.95%	96,326,712		
			20-Sep-25	12.95%	97,923,288		
			20-Mar-26	12.95%	96,326,712		
			20-Sep-26	12.95%	97,923,288		
			20-Mar-27	12.95%	96,326,712		
			20-Sep-27	12.95%	97,923,288		
			20-Mar-28	12.95%	96,858,904		
			20-Sep-28	12.95%	97,923,288		
			20-Mar-29	12.95%	96,326,712		
			20-Sep-29	12.95%	97,923,288		
			Type B	1,500,000,000	-1,500,000,000		Fixed Rate
20-Sep-25	13.37%	200,538,844					
20-Sep-26	13.37%	200,538,844					
20-Sep-27	13.37%	200,538,844					
20-Sep-28	13.37%	201,088,265					
20-Sep-29	13.37%	200,538,844					

\* Kindly note that the issue date is subject to approvals from regulatory bodies and the interest rate shall depend on the 5Yr Treasury Bond on date of signing the Trust Deed

## ANNEXURE IV – COLLECTION POINTS

Copies of the Prospectus and Application Form can be obtained free of charge from the following Collection Points.

Managers to the Issue	Registrars to the Issue
First Capital Advisory Services (Pvt) Ltd No. 02, Deal Place, Colombo 03. T: +94 112 639 812 F: +94 112 576 866	Central Depository Systems (Pvt) Limited Ground Floor, M & M Centre 341/5, Kotte Road, Rajagiriya Tel : +94 112 356 444 Fax: +94 112 440 396

### Trading Participants of the CSE

Acuity Stockbrokers (Private) Limited Level 6, Acuity House, 53, Dharmapala Mawatha, Colombo 03. Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: <a href="mailto:sales@acuitystockbrokers.com">sales@acuitystockbrokers.com</a>	Asha Securities Limited No. 60, 5 <sup>th</sup> Lane, Colombo 03. Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: <a href="mailto:asl@ashasecurities.net">asl@ashasecurities.net</a>
Asia Securities (Private) Limited 4 <sup>th</sup> Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03. Tel: +94 11 7 722 000 Fax: +94 11 2 372 280 E-mail: <a href="mailto:marketinfo@asiasecurities.lk">marketinfo@asiasecurities.lk</a>	Almas Equities (Pvt) Ltd Westin Tower, 5 <sup>th</sup> Level No. 2- 4/1, Lake Drive, Colombo 08 Tel: +94 707 144 551 Fax: +94 11 2 673 908 E-mail: <a href="mailto:info@almasequities.com">info@almasequities.com</a>
Bartleet Religare Securities (Private) Limited Level “G”, “Bartleet House”, 65, Braybrooke Place, Colombo 02. Tel: +94 11 5 220 200 Fax: +94 11 2 434 985 E-mail: <a href="mailto:info@bartleetstock.com">info@bartleetstock.com</a>	Capital Trust Securities (Private) Limited 42, Sir Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 11 2 174 174 Fax: +94 11 2 174 173 E-mail: <a href="mailto:inquiries@capitaltrust.lk">inquiries@capitaltrust.lk</a>
CT CLSA Securities (Private) Limited 4-14, Majestic City, 10, Station Road, Colombo 04. Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: <a href="mailto:info@ctclsa.lk">info@ctclsa.lk</a>	First Capital Equities (Private) Limited No. 2, Deal Place, Colombo 03. Tel: +94 11 2 639 898 Fax: +94 11 5 736 264 E-mail: <a href="mailto:equity@firstcapital.lk">equity@firstcapital.lk</a>

<p>J B Securities (Private) Limited 150, St. Joseph Street, Colombo 14. Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: <a href="mailto:jbs@jb.lk">jbs@jb.lk</a></p>	<p>John Keells Stockbrokers (Private) Limited 186, Vauxhall Street, Colombo 02. Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: <a href="mailto:jstock@keells.com">jstock@keells.com</a></p>
<p>Lanka Securities (Private) Limited 3rd Floor, " M2M Veranda Offices" No 34, W.A.D. Ramanayeke Mawatha, Colombo 2. Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: <a href="mailto:info@lankasec.com">info@lankasec.com</a></p>	<p>Somerville Stockbrokers (Private) Limited No. 410/95,1/1, Bauddhaloka Mawatha Colombo 7 Tel: +94-11 2 502 852/ 54/ 58/ 62 Fax: +94 11 2 502 852 E-mail: <a href="mailto:contact@somerville.lk">contact@somerville.lk</a></p>
<p>NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: <a href="mailto:mail@ndbs.lk">mail@ndbs.lk</a></p>	<p>SC Securities (Private) Limited 5<sup>th</sup> Floor, No. 26B, Alwis Place, Colombo 03. Tel: +94 11 4 711 000 Fax: +94 11 2 394 405 E-mail: <a href="mailto:itdivision@sampathsecurities.lk">itdivision@sampathsecurities.lk</a></p>
<p>Nation Lanka Equities (Private) Limited No. 44, Guildford Crescent, Colombo 07. Tel: +94 11 7 898 302 E-mail: <a href="mailto:info@nlequities.com">info@nlequities.com</a></p>	<p>Wealthtrust Securities Limited No. 102/1, Dr. N.M. Perera Mawatha, Colombo 08. Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-Mail: <a href="mailto:info@wealthtrust.lk">info@wealthtrust.lk</a></p>
<p>Softlogic Stockbrokers (Private) Limited Level 16, One Galle Face Tower, Colombo 02. Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: <a href="mailto:ssb.inquiry@softlogic.lk">ssb.inquiry@softlogic.lk</a></p>	<p>Capital Alliance Securities (Private) Limited Level 5, "Millennium House" 46/58, Navam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: <a href="mailto:info@cal.lk">info@cal.lk</a></p>
<p>Ambeon Securities (Pvt) Limited 2<sup>nd</sup> Floor No. 10, Gothami Road Colombo 08. Tel: +94 11 5 328 200 / +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: <a href="mailto:info@ambeonsecurities.lk">info@ambeonsecurities.lk</a></p>	<p>First Guardian Equities (Private) Limited 32<sup>nd</sup> Floor, East Tower, World Trade Centre, Echelon Square, Colombo 01. Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: <a href="mailto:info@fge.lk">info@fge.lk</a></p>
<p>Senfin Securities Limited 4 th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: <a href="mailto:info@senfinsecurities.com">info@senfinsecurities.com</a></p>	<p>LOLC Securities (Private) Limited No. 481, T.B. Jayah Mawatha, Colombo 10. Tel: +94 11 5 889 889 Fax: +94 11 2 662 883 E-mail: <a href="mailto:info@lolcsecurities.com">info@lolcsecurities.com</a></p>

<p>Enterprise Ceylon Capital (Private) Limited  2 nd Floor-4B, Liberty Plaza, 250,  R A De Mel Mawatha,  Colombo 03  Tel: +94 11 2 445 644  E-mail: <a href="mailto:info@ecc.lk">info@ecc.lk</a></p>	<p>Richard Pieris Securities (Private) Limited  No. 310, Highlevel Road,  Nawinna, Maharagama  Tel: +94 11 4 310 500  Fax: +94 11 2 802 385  E-mail: <a href="mailto:communication@rpsecurities.com">communication@rpsecurities.com</a></p>
<p>Nestor Stock Brokers (Pvt) Limited  No. 428, 2/1, R.A. De Mel Mawatha,  Colombo 3.  Tel: +94 11 4 758 813  Fax: +94 11 2 550 100  E-mail: <a href="mailto:info@nestorstockbrokers.lk">info@nestorstockbrokers.lk</a></p>	<p>ACAP Stock Brokers (Pvt) Ltd  No. 46/46, 7th Floor, Greenlanka Towers,  Nawam Mawatha, Colombo 02.  Tel: +94 11 7 564 000  Fax: +94 112 331 756  E-mail: <a href="mailto:info@acapstockbrokers.lk">info@acapstockbrokers.lk</a></p>
<p>Seylan Bank PLC  Level 3,  Seylan Towers, 90, Galle Road,  Colombo 03  Tel: +94 11 245 6300  Fax: +94 11 245 2215  E-Mail: <a href="mailto:info@seylan.lk">info@seylan.lk</a></p>	<p>Capital Alliance Limited  Level 5, "Millenium House"  46/58, Nawam Mawatha,  Colombo 2.  Tel: +94 11 2 317 777  Fax: +94 11 2 317 788  E-Mail: <a href="mailto:info@cal.lk">info@cal.lk</a></p>
<p>Wealthtrust Securities Limited  No. 102/1, Dr. N.M. Perera Mawatha,  Colombo 08.  Tel: +94 11 2 675 091 – 4  Fax: +94 11 2 689 605  E-Mail: <a href="mailto:info@wealthtrust.lk">info@wealthtrust.lk</a></p>	

## ANNEXURE V – CUSTODIAN BANKS

<p><b>Bank of Ceylon (Head Office)</b> 11<sup>th</sup> Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2 204 064</p>	<p><b>Citi Bank, N A</b> 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 4 794 733</p>
<p><b>Commercial Bank of Ceylon PLC</b> Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01 T: +94 11 2 486 000</p>	<p><b>Deutsche Bank AG</b> 86, Galle Road, Colombo 03 T: +94 11 2447062, 2438057</p>
<p><b>Hatton National Bank PLC</b> HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 11 2 661 762</p>	<p><b>The Hong Kong and Shanghai Banking Corporation Limited</b> 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, , 2446303</p>
<p><b>People’s Bank (Head Office)</b> 5<sup>th</sup> Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2 206 782</p>	<p><b>Standard Chartered Bank</b> 37, York Street, Colombo 01 T: +94 11 4 794 400, 2480 450</p>
<p><b>Sampath Bank PLC</b> 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5 331 458</p>	<p><b>State Bank of India</b> 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 4 622 350</p>
<p><b>Seylan Bank PLC</b> Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 4 701 812, +94 11 4 701 819</p>	<p><b>Union Bank of Colombo Limited</b> 64,Galle Road, Colombo 03 T: +94 11 2 374 205</p>
<p><b>Nations Trust Bank PLC</b> 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4 313 131</p>	<p><b>National Development Bank PLC</b> No.40, Navam Mawatha Colombo 02 T: +94 (0) 11 2 448 448</p>
<p><b>Pan Asia Banking Corporation PLC (Head Office)</b> 450, Galle Road, Colombo 03 T: +94 11 2 565 565</p>	<p><b>DFCC Bank PLC</b> No.73/5, Galle Road Colombo 03 <b>T: +94 112 442 031</b></p>



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