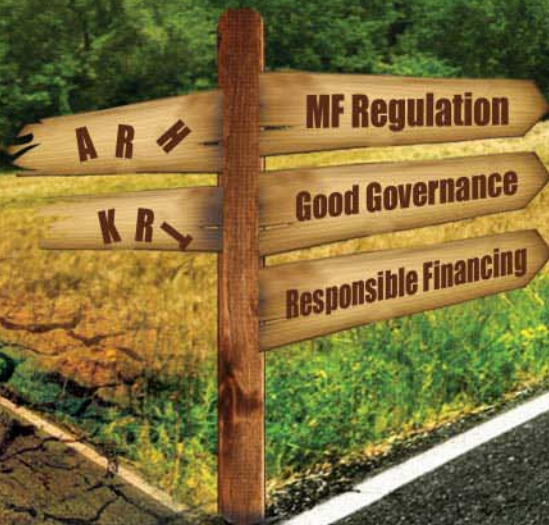




Lanka Microfinance Practitioners' Association



Annual Report
2015

Vision

A “Dynamic & Sustainable Microfinance Sector for an Inclusive Financial System in Sri Lanka”

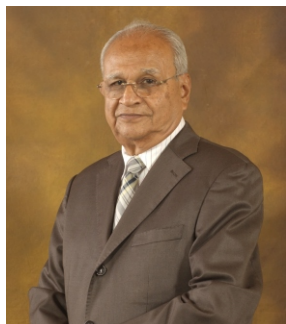
Mission

To “contribute to the development of sustainable and effective microfinance service by, supporting all the stakeholders in the sector and creating a conducive environment through collective action in an effective and efficient manner”.

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Message from the LMFPA President



On behalf of the members of LMFPA it gives me great pleasure to deliver the President's message for the 10th year celebration of the Association.

The Sri Lankan microfinance sector achieved a landmark victory by May 2016 when the long awaited Microfinance Act was finally passed in Parliament. In my opinion, the valiant efforts of LMFPA throughout the latter part of 2015 and the first quarter of 2016 played a vital role to make this victory possible. Since the last Annual General Meeting the LMFPA Advocacy and Lobbying committee closely monitored the regulatory process and when the fourth draft of the Act appeared in June 2015 it grew criticism for ignoring the NGO Microfinance sector. LMFPA lobbying efforts were successful when the draft Act was modified with a separate section to regulate NGO MFIs and was approved by the Cabinet to be presented to Parliament by end of 2015. During the first quarter of 2016, LMFPA took a further step by writing to all Members of Parliament enlightening them on the importance of the Microfinance Regulation. This did seem to have a positive effect as the Microfinance Act was approved by Parliament unanimously in May 2016.

Since the development of the new strategic plan the LMFPA was able to diversify its activities for the benefit of its members. One such activity was the organizing of microfinance exposure visits. In January 2016, the association organized its first foreign exposure visit by sending 17 member representatives to Hyderabad and Bangalore, India. Apart from this, the association also had the opportunity to organize several exposure visits in Sri Lanka for groups of Nepal delegates from the Centre for Self-help Development. LMFPA received much praise from Nepal for its efficient organizing of the exposure programmes and part of this appreciation should go to our members who gave their fullest support in organizing field visits for the foreign delegates and showered them with the much famed Sri Lankan hospitality.

The annual LMFPA publication MF Review 2014 was also launched during this year that highlighted the financial and social performances of MFI members. I would like to acknowledge the support we received from our member organization Berendina Microfinance Institute for providing the association with financial support to hire the services of a Microfinance Consultant in this project. The Association's quarterly E Magazine "Sri Lanka Microfinance Forum" has also continued to be a very popular source of information among the membership and the enthusiasm displayed by members in providing timely articles and news events has been very encouraging.

The inaugural cricket tournament for the Sri Lankan Microfinance Industry, the "SLMF Cricket Encounter 2015" held in October 2015 was organized by LMFPA in collaboration with IDEAs Consultancy (Pvt) Ltd, as a fraternity event to build the momentum within the Sri Lankan Microfinance Sector by allowing Microfinance Institutions (MFIs) and their service providers to interact with each other and create positive business relationships. The response was very encouraging as 25 teams in total registered for the tournament.

The path for the growth of the Sri Lankan microfinance industry is now illuminated, thanks to the new regulation. And how we as stakeholders tread both ethically and professionally will now determine the brightness and sustainability of this path for many years to come. I take this opportunity to convey my sincere appreciation to our members, stakeholders, board of directors and staff for their continued dedication and support through thick and thin to make the Sri Lankan microfinance regulation a reality.

S.W. Kiriarachchi
Hony President – 2015/2016

Corporate Information

Address: 112A, Maddumagewatte, Nugegoda

Tel: + 94 11 4367621, 4369612

Fax: +94 11 2827109

Email: info@lankamicrofinance.com

Web: www.microfinance.lk

Legal Form: Re-registered under the Companies Act no.7 of 2007 Registration no- GA 136

Auditors: M/s Ernst & Young Chartered Accountants

Secretaries: RNH Holdings (Pvt) Ltd

Bankers: Commercial Bank of Ceylon PLC

The Board of Directors



Mr. S. W. Kiriarachchi
Hony. President

Mr. Kiriarachchi is the chairman of Janamithu Lanka Ltd, a subsidiary of Agro Micro Finance and has vast experience in Microfinance and community development fields. Mr. Kiriarachchi has immense hands-on experience in Administration, Agriculture and Human Resource Management with his career in the public sector. He is a Retired Secretary who served in Chief Ministry and Ministry of Agriculture, Lands, Irrigation, High ways, Local Government, Transport, Industries, Housing and Construction, etc. He also held the post of Chairman of Wayamba Development Authority, Passenger Transport Board Machinery Authority, Industrial Service Bureau, Human Resources Development Authority and Wayamba Training Institute. Mr. Kiriarachchi has also served as the President of LMFFA in the year 2009/2010 and re-elected in 2013/2014 and continued to date as President. His wide experience and knowledge in Microfinance and administration has given the LMFFA an unprecedented driving force to move forward with dignity.



Mr. Imran Nafeer
Hony. Secretary

Mr. Imran Nafeer is a Director of Muslim Aid Micro Credit Company and has experience and exposure both local and international level as a Microfinance consultant in various aspects including Social Performance Management, Research & Product Development, Islamic Microfinance and Micro Insurance. He is an accredited trainer of CGAP and Frankfurt School of Finance & Management. Recently he was awarded as a certified Social Auditor from CERISE France on behalf of LMFFA. He holds an Honours Degree in B. Com. (Marketing) Special from the University of Sri Jayawardenapura. He obtained Post Graduate Qualifications in Marketing from Chartered Institute of Marketing (UK) and in International Relations from Bandaranaike Centre for International Studies (BCIS). He also serves as a lecturer in the Microfinance Diploma course by the Institute of Bankers of Sri Lanka (IBSL).



Mr. Charith Fernando
Hony. Treasurer

Mr. Charith Fernando serves as the General Manager of Berendina Microfinance Institute (Gte) Ltd (BMI). He was the General Manager - Finance & Administration of Berendina Group before assuming the present position. Also he is a Director of Berendina Micro Investments Company Ltd which is the second microfinance arm of the Berendina Group. He has more than 15 years' experience in the field of auditing, accounting & finance in Private sector as well as NGO sector establishments, including over 6 years' experience in the microfinance sector.

He holds B.Sc. in Management (Special) Degree(Public) from the University of Sri Jayawardenapura. At present, he is a Finalist of the Institute of Chartered Accountants of Sri Lanka (ICASL).

Mr. Charith Fernando is one of the Boulder certified Microfinance Management Professionals and has attended International Microfinance Symposium which was conducted by Boulder Institute and Master Card Foundation in the year 2013, 2014 and 2015.



Mr. M. M. Attanayake
Hony. Vice President

Mr. Attanayake, Director/CEO of Lak Jaya Microfinance, has experience of 36 years in the Central Bank of Sri Lanka during which he held the position of Director in several departments. Representing the Central Bank he has served as Executive Chairman of Nuwara Eliya Regional Development Bank, (1988-1988) Director/Trustee – National Development Trust Fund (2002 – 2005); and Adviser to the SME Bank. He has also served in Microfinance project implemented by UNDP in Papua New Guinea (1993-1995) as Chief Technical Officer. His expertise runs across many fields including Economics, Regional Development, Rural Credit, Micro, Small and Medium Enterprise Financing. He holds Master of Economic Degree from Monash University, Australia, Post Graduate Diploma from Vidyodaya University and B.A (Hons.) from University of Sri Lanka and served as visiting lecturer in several universities in Sri Lanka, He is an expert trainer in Microfinance who can bring insights to developing the capacities of member organizations.



Mr. Samuel Jebaratnam
Hony. Asst Secretary

Mr. Samuel Jebaratnam is the Executive Director/ CEO of VisionFund Lanka (VFL). He is a versatile banker with 36 years of experience in Banking, including two reputed foreign banks in Sri Lanka. Prior to his commitment with VFL, he served as the Senior Deputy General Manager of Seylan Bank PLC, with wide exposure to Credit, Operations, Human Resources, Administration, International Banking and Information Technology and has represented the bank at various Boards, Committees, Conferences and Forums in Sri Lanka and overseas.

He holds an MBA from the Postgraduate Institute of Management (PIM) of the University of Jayawardenpura, a Postgraduate Executive Diploma in Bank Management and a Fellow from the Institute of Bankers of Sri Lanka. He has also undergone training in Barclays Bank, London and Industrial development Bank of India and is a recipient of the prestigious “Achievers Award” from the Postgraduate Institute of Management Professional Association (PIMPA).

Mr. Jebaratnam has had an illustrious career at the helm of Banking and has proven himself to be of exemplary character, a highly motivated and result oriented leader within the Banking industry, encompassing valuable experience in all its spheres.



Mr. Ramesh Fonseka
Director

Mr. Fonseka is a Graduate from the University of Charleston WV USA in Business Administration and a Post Graduate Diploma Holder in Business Administration from PIM-SUJ and a former President PIM alumni association. He also holds a Diploma in International Trade shipping and Logistics and a certificate in Micro Finance.

Mr. Fonseka has over 10 years hands on experience in MFI and currently holds the post of AGM-MIS/Compliance at HNB Grameen Finance Ltd. Prior to it he has held many coveted posts as Deputy Director at Grameen Micro Finance Ltd and Senior AGM Ceylinco Grameen Automobiles Ltd. He started his carrier as a factory executive at Anglo Asian Supermarkets Ltd and became one of the youngest Regional Managers at Bata Shoe Company (Ceylon)Ltd. Prior to joining the Ceylinco Group in 2004 he held the post of Marketing Manager E.S.F. International Forwarders.



Mr. Kapila Keerawella
Director

Mr. Keerawella holds a B. Com. (Special) Degree from the University of Sri Jayawardenapura. He also holds an Advance Certificate in Banking & Finance from the Institute of Bankers of Sri Lanka and is an Intermediate of Chartered Accountancy (ICA).

Mr. Keerawella was nominated to the Board of Directors representing the Sri Lanka Savings Bank Ltd (SLSB) which is a licensed specialized bank fully owned by the government of Sri Lanka

Mr. Keerawella is presently working in the capacity of Senior Manager - Credit Services of SLSB covering Microfinance, Commercial credit, Leasing and Hire purchase and Recoveries. He brings with him a wealth of knowledge in the Finance and Banking industry for more than 13 years in Finance company, commercial Bank and specialized bank categories.

He counts vast experience in corporate and project finance, Bank operations, Real estate and property development, Leasing and Hire purchase, SME Banking and Microfinance.



Mr. M. Wickramasinghe
Director

Mr. Mahinda's professional experience spans over two decades in microfinance, in various capacities. He served as the Manager and Program Manager at Arthacharya Foundation, as the General Manager of Arthavida Foundation, and is currently serving as the General Manager of Arthavida Intermediary Limited, since April 2014.

He holds a BA degree in social science in OUSL, Diploma in Microfinance from the University of Colombo. Trained in, Microsave India, International Labour Organization (ILO) in Start and Improve Your Business (SIYB), GIZ's Competency based Economies through Formation of Enterprise (CEFE) in Sustainable Business Circles (SBC), and the Consultative Group to Assist the Poor (CGAP) among others.

Mr Mahinda also has experience of working on various local and foreign funded projects such as JTF, UNDP, Norad, Rabobank Foundation, Ford foundation, European Union, Community water supply and sanitation project, Microsoft etc



Mr. Gamini Jayaweera
Director

Mr. Gamini Jayaweera is the founder member of Business Development Co-operative Society (Co-op Bank) and serves there as the General Secretary. He has vast experience as a Management Consultant and also has international exposure in microfinance in India and in Philippines. He has a B.B.A (Special) UC. Prior to working in Co-op Bank, he had served as the Chief Executive Officer at Sanasa Printers and Publishers.

His other activities include:

- Participation in the National Work Shop on Good Governance and Leadership at Sri Lanka Foundation in 2012.
- Participation in the Capacity Building Training Programme at Institute of Bankers of Sri Lanka. (IBSL)
- Participation in the Programme of Studies on Excellent Management for Non-Governmental Organizations at National Institute of Business Management (NIBM) in 2005.
- Successful completion of the Diploma Course in Human Rights at Institute of Human Rights in 2004.



Mr. A. Prasad Seneviratne
Director

Mr. Prasad Seneviratne who was an old boy of Trinity College Kandy, and obtained his Bachelors degree in Business Administration from the University of South Alabama in the USA, and has gained experience of being a Director on Board of several companies. He was the Managing Director of Silverreen Finance Company Ltd, until June 2009 (which was registered under the central bank of Sri Lanka).

Presently he is functioning as the Managing Director of Silverreen Micro Credit Company Ltd., Silverreen Real Estate Company (pvt) Ltd., and Silverreen Trade Solutions Company (pvt) Ltd., (previously known as Silverreen Agencies Company (pvt) Ltd., the importers of brand new and recondition motor vehicles from Japan), and counts more than 14 years of experience in the mainstream financial sector.



Mr. W. G. Mithraratne
Director

Mr. Mithraratne is the Founder & Chairman of Women's Development Federation, Hambantota. He was secretary to the Ministry of Science & Technology, Ministry of Youth Affairs and Director General of Samurdhi Authority. He was also a Government Agent Hambanthota. He has held many positions of high responsibility and published books on empowering the poor, from the knowledge harnessed about poverty alleviation through the MFI Janashakthi Bank.



Mr. Sumith Nishantha
Director

Mr. Sumith began his career in 1990 at Sarvodaya. Thereafter he joined SANASA Federation in 1994 as a Field Officer and now serves as the Deputy General Manager since 2014. Mr. Sumith has an MSC from University of Colombo. He also holds Post graduate qualifications from University of Colombo and is a member of CMI-UK. He has international exposure on Microfinance in India, Japan and Thailand.



Mr. Priyantha Dematagoda
Director

Mr. Dematagoda is the General Manager of Sewa Community Credit Limited, is a Professional Banker with 23 years of Commercial Banking experience. He is a Faculty member of the Institute of Bankers of Sri Lanka (IBSL), Center for Banking Studies CBSL, and at various other Government and Private Banks. He is a Certified Trainer in Micro Finance by Frankfurt School for Finance and Management. Has a Masters Degree in Business Studies from University of Colombo, has obtained Post Graduate Diploma in Business Administration (University of Colombo) and Diploma in Human Rights (Institute of Human Rights Sri Lanka). He has also undergone training at National University of Singapore (NUS), and with the Association for Development Financing in Asia and Pacific (ADFIAP) and University of Sri Jayawardhanapura.



Mr. Kenneth Mendis
Director

Mr. Kenneth Mendis serves as Assistance General Manager –Alternative Channels in Sarvodaya Development Finance Ltd. He has over 5 years experience in the micro finance sector while severing in SEEDS and SANASA Bank. Further he has been a career banker having over 25 years experience in the banking sector. He commenced his banking career at HNB and then moved to Seylan Bank PLC, Pan Asia Bank and Sanasa Bank where he specialized in Operations, Credit, International Trade and Risk Management. He is an Associate Member of the Institution of Bankers of Sri Lanka (IBSL)

Our Members

- | | |
|--|---|
| 01 Akmeemana Women Development Society | 40 Prajashakthi Eksath Sangamaya |
| 02 Alliance Finance Co. PLC | 41 Prajashakthi Sanwardana Padanama – Pathahewaheta |
| 03 Arthavida Intermediary Ltd | 42 Dr. S. P. Premaratne |
| 04 Asia Asset Finance Ltd | 43 Pro IT Solutions (Pvt) Ltd |
| 05 Berendina Microfinance Institute (Gte) Ltd | 44 Prosperous Capital & Assurance Ltd |
| 06 Bimpuh Finance PLC | 45 Puttalam District Isuru Development Company |
| 07 Brac Lanka Finance PLC | 46 Rajarata Micro Credit & Services (Pvt) Ltd |
| 08 Business Development Co-operative Society | 47 Rajarata Participatory Development Foundation |
| 09 Care Investments (Pvt) Ltd | 48 Rajeeda Holdings (Pvt) Ltd |
| 10 Central Finance Company PLC | 49 S. N. Micro Credit (Pvt) Ltd |
| 11 CLCMS | 50 Sabaragamuwa Child Development Federation |
| 12 CB Lanka Microfinance | 51 SANASA Development Bank Ltd |
| 13 Commercial Credit PLC | 52 SANASA Federation Ltd |
| 14 Development Facilitators (Pvt) Ltd | 53 Sareeram Sri Lanka National Foundation |
| 15 Dumbara Micro Credit Company | 54 Sarvodaya Development Finance Ltd |
| 16 ECLOF Lanka (Gte) Ltd | 55 Saviya Development Foundation |
| 17 Eksath Lanka Subasadaka Padanama | 56 SSEEDS (Gte) Ltd |
| 18 Etimos Lanka (Pvt) Ltd | 57 Sejaya Micro Credit Ltd |
| 19 Gampola Udapalatha Prajashakthi Foundation | 58 Ms. Delrene Seneviratne |
| 20 Graduate Investment Ltd | 59 Senkada Micro credit Co. Ltd. |
| 21 Habaraduwa Participatory Development Foundation | 60 Sewa Community Credit Ltd |
| 22 Hambantota WDF | 61 Silvereen Micro Credit Company Ltd |
| 23 HNB Grameen Finance Ltd | 62 SIYB Association of Sri Lanka |
| 24 IDEAs Consultancy (Pvt) Ltd | 63 Sri Lanka Business Development Centre |
| 25 Janamithu Lanka Ltd | 64 Sri Lanka Savings Bank |
| 26 Janatha Microfinance (Pvt) Ltd | 65 Stromme Micro Finance Asia (Gte) Ltd |
| 27 Lak Jaya Microfinance Ltd | 66 SAPCO |
| 28 Lanka Financial Services for Undeserved Settlements (LFSUS) | 67 South Asia Partnership Sri Lanka |
| 29 Loans & Land Investment (Pvt) Ltd | 68 Temperance Youth Club of Sri Lanka |
| 30 LOLC Micro Credit Ltd | 69 INDECOS |
| 31 Muslim Aid Micro Credit (Gte) Ltd | 70 Uva Govijana Kendraya |
| 32 Nation Lanka Finance PLC | 71 Vision Fund Lanka (Pvt) Ltd |
| 33 Negombo Community Development Company | 72 Wickramaratna Micro Credit (Pvt) Ltd |
| 34 Nomic International (Pvt) Ltd | 73 Wijitha Finance Ltd |
| 35 OpenArc Systems Management (Pvt) Ltd | 74 Women & Child Development Foundation |
| 36 People's Microfinance Ltd | 75 Y GRO Ltd |
| 37 People's Rural Development Association | 76 Yes Foundation |
| 38 Pragathi Sewa Foundation | 77 YMCA Batticaloa |
| 39 Praja Shakthi Padanama – Galagedara | |

Major Activities during 2015/2016

The progress of the Sri Lankan Microfinance regulation process

The year 2015 could be viewed as a year where rapid progress was made to the microfinance regulation process. Soon after the Central Bank microfinance regulatory proposal became public in June 2015, comments and observations from pioneers of the Sri Lankan microfinance sector i.e. the NGO sector drew attention of the LMFPFA. The draft microfinance act focused more on giving license to public companies and had no provision whatsoever to regulate NGO MFIs. As many as 20 NGO MFIs are also members of LMFPFA, immediate talks were held between the LMFPFA committee and Mr. Charitha Ratwatte, Senior Advisor to the Prime Minister regarding this issue in August 2015. During the following month LMFPFA held a workshop for its NGO MFI members to hear their issues with regard to the Central Bank's regulatory framework and forwarded the members' feedback to the Central Bank soon afterwards. The Central Bank officials were very attentive to the issues of the NGO MFIs and promised LMFPFA that they will take remedial action to amend the draft act.



Meeting with Senior Advisor to Prime Minister Mr. Charitha Ratwatte



Workshop with NGO MFIs

As a result the microfinance draft act was amended and was made public in October 2015. The new draft had a special section with regard to the NGO MFIs and how they should be regulated. The latest draft Act drew positive remarks from majority of microfinance practitioners. Following these series of events the draft Act was later approved by the Cabinet in November 2015 and presented to Parliament. LMFPA took another initiative during the first quarter of 2016, by writing to all Members of Parliament and enlightening them on the importance of the Microfinance Regulation in creating an enabling environment for growth of the industry. This did seem to have a positive effect as the Microfinance Act was unanimously approved by Parliament in May 2016.

The Microfinance Act empowers the Central Bank of Sri Lanka to issue license to public limited microfinance companies and directly supervise them through the Department for the Supervision of Microfinance Institutions. On the other hand, the microfinance NGOs and Micro credit NGOs will come under the direct supervision of the NGO Secretariat in accordance with the guidelines of the Central Bank.



Discussions with the Committee of the Department of Supervision of MFIs – Central Bank of Sri Lanka

Not resting on its laurels the LMFPA has already taken the initiative to hold talks with the regulators; the team led by Ms. Kumudhini Saravanamuttu, Assistant Governor Central Bank on the development of the necessary regulation guidelines for the microfinance companies as well as the NGOs. Early discussions were held during the month of June with the Central Bank and the NGO Secretariat in this regard which were quite successful. The guidelines are expected to be made public during the course of 2016 and the LMFPA committee will be working continuously to ensure that the majority of stakeholders in the microfinance industry will be benefitted from it.

Training Workshops

In its efforts to build the capacities of member organizations, LMFPFA organized two training workshops on Product Development on the 22nd of August in Colombo and on the 26th of September in Kurunegala.



The programme was facilitated by Mr. Imran Nafeer, Director of IDEAs Consultancy (Pvt) Ltd. A total of 57 participants in total took part in the programmes representing the following organizations:

- Berendina Microfinance Institute (Gte) Ltd
- HDFC Bank
- Janamithu Lanka Ltd
- Lak Jaya Microfinance Ltd
- Loan & Land Investment (Pvt) Ltd
- LOLC Micro Credit Ltd
- Prosperous Capital & Assurance Ltd
- Puttalam District Isuru Company
- Rajarata Micro Credit and Services (Pvt) Ltd
- Rajarata Participatory Development Foundation
- S. N. Micro Credit
- Sabaragamuwa Child Development Federation
- Silver Enterprises (Pvt) Ltd
- Sanasa Federation Ltd
- SAPCO
- Sarvodaya Development Finance Ltd

The above training programme will denote the start of a series of Capacity Building initiatives planned by LMFPFA for its members in the coming years.

LMFPFA acknowledges the co-sponsorship of its member organizations namely VisionFund Lanka Ltd and Janamithu Lanka Ltd whose contributions made both these events a good success.

SLMF Cricket Encounter 2015

The inaugural cricket tournament among the Sri Lankan Microfinance Institutions, the “SLMF Cricket Encounter 2015” organized by IDEAs Consultancy (Pvt) Ltd in collaboration with LMFPFA, was held on the 10th of October 2015 at the Shalika Grounds, Colombo 05.

This Cricket Encounter was organized as a fraternity event to build the momentum within the Sri Lankan Microfinance Sector by allowing Microfinance Institutions (MFIs) and their service providers to interact with each other and create positive business relationships. The response was very encouraging as 25 teams in total registered for the tournament representing the following organizations:

- Alliance Finance PLC
- Arthavida Intermediary Ltd
- Berendina Microfinance Institute (Gte) Ltd
- Bimputh Finance PLC
- BRAC Lanka Finance PLC
- Commercial Credit & Finance PLC
- HNB Grameen Finance Ltd
- Janamithu Lanka Ltd
- Kanrich Finance PLC
- Lak Jaya Microfinance Ltd
- LOLC Micro Credit Ltd
- Muslim Aid Micro Credit (Gte) Ltd
- Prosperous Capital & Assurance Ltd
- Rajeeda Holdings (Pvt) Ltd
- Rathnayake Enterprises
- Sanasa Development Bank
- Sarvodaya Development Finance Ltd
- Sewa Community Credit Ltd
- Sri Lanka Savings Bank
- VisionFund Lanka Ltd



The Commercial Credit team was crowned as Grand Champions while the team from Prosperous Capital became runners up. The Plate Championship was won by HNB Grameen team and VisionFund Lanka team being the runners up. LMFPFA would like to thank all the teams who took part in this inaugural tournament in the spirit of sportsmanship and all the sponsors who gave their support towards the success of the event.

LMFPA Exposure Visit to India

In collaboration with the Basix Academy for Livelihoods and Micro Enterprise Promotion (B-A-LAMP) of India, LMFPA organized an Exposure visit programme on Microfinance, Micro insurance and Social Performance Management for its members in January 2016. Applications were called in November 2015 and 17 representatives from the following organizations took part in the programme.



- Arthavida Intermediary Ltd
- Bimpuh Finance PLC
- HNB Grameen Finance Ltd
- Loans & Land Investment (Pvt) Ltd
- Prosperous Capital & Assurance Ltd
- Sarvodaya Development Finance Ltd
- Wijitha Finance Ltd

The programme spanned from 18th to 22nd January and participants visited areas of Hyderabad and Bangalore. In addition to getting exposure on different microfinance practices in India, the participants were also able to gain knowledge on MIS systems and Social Performance Management application in the Indian MFI operations. LMFPA looks forward to organize similar exposure visits to other neighbouring countries in the near future.

Enabling Dialogue on Sri Lankan Microfinance Regulatory Process

During the month of February 2016, LMFPA took the initiative to write to all the Members of Parliament with regards to the upcoming regulation. The objective of the letter was to enlighten the Members of Parliament on the importance of the regulation to the sector and its stakeholders and seek their support in favour of the implementation of the Act.



In early March, LMFPA convened a meeting with Mr. Keerthi Wijetunga and Mr. V. Baskaran, Directors of the Department of Supervision of Microfinance Institutions of the Central Bank. During this meeting the Directors of LMFPA and the Directors of Central Bank discussed on the areas in which both parties can work together for the benefit of the sector. The Central Bank directors also accepted LMFPA's invitation to be Guest speakers at the Enabling Dialogue on the Microfinance Regulatory Process which was held the following week on 11th March 2016 in Colombo. The event attracted much interest from member organizations with more than 70 representatives being present.



During the Dialogue Mr. Wijetunga highlighted the salient features of the draft Act which were:

- Microfinance Companies
- Microfinance NGOs
- Principles, Standards and Guidelines issued by the Monetary Board
- Other features

In the proposed Regulatory model, the Monetary Board is licensing and regulatory authority supervising the microfinance companies. It will also issue guidelines to the NGO Secretariat who will be in charge of Registering and supervising Microfinance NGOs and Microcredit NGOs. Microfinance under the new regulation is defined as accepting deposits and providing financial accommodation of any form and/or other financial services mainly to low income persons and micro-enterprises in conformity with the permitted business activities.

The Monetary Board will also direct on any aspect of the business and corporate affairs of the company. These include:

- Terms and conditions, maximum rate of interest on deposits
- Terms and conditions, maximum rate of interest on loans
- Capital to be maintained
- Reserve Fund to be maintained
- Liquid Assets
- Insurance of Deposits
- Fit & Propriety criteria for Directors, CEO, KMPs & Significant shareholders
- Corporate Governance
- Code of Conduct

The Monetary Board will also set up principles, standards and issue guidelines to Microfinance and Microcredit NGOs through the NGO Secretariat. A Registrar will be appointed at the NGO Secretariat who will set up the following requirements for Microfinance and Microcredit NGOs:

- Criteria for registration
- Reporting and disclosure requirements, including financial statements.
- Terms and credit and savings mobilization
- Maximum ratio of outstanding deposits to outstanding loans
- Net assets to be maintained
- Number of borrowers and depositors
- Consumer protection
- Forms to be used

Exposure visits of Delegates from Centre for Self-help Development Nepal

Much impressed by the microfinance activities among the LMFPFA membership as well as the general hospitality service of Sri Lankans, the Centre for Self-help Development (CSD) of Nepal have partnered with LMFPFA in sending more teams of their network representatives and members on exposure visits to Sri Lanka. CSD is an organization that supports microfinance institutions helping to create and enhance the skills and knowledge of self-help groups and organizations at the grassroots level for enhancing livelihoods of poor. From its inception CSD has been working incessantly in the field of community development, microfinance and training related to various facets of development interventions.

During the past year CSD has sent a total of 3 separate groups to Sri Lanka during the month of December 2015, March 2016 and May 2016 and has commended LMFPFA for organizing the programmes in an efficient and professional manner. Organizing these exposure visits also gave LMFPFA the opportunity to provide more publicity for its members. We would like to thank the following member organizations who gave their fullest support in organizing field visits for the following:

- Berendina Microfinance Institute(Gte) Ltd
- Business Development Co-operative Society
- Janamithu Lanka Ltd
- Lak Jaya Microfinance Ltd
- Pragathi Sewa Foundation
- Puttalam Isuru Development Co
- Rajarata Micro Credit & Services (Pvt) Ltd
- SANASA Federation
- SANASA Development Bank
- Sarvodaya Development Finance Ltd
- Silvereen Micro Credit Co Ltd
- VisionFund Lanka Ltd



Token of appreciation received from the group leader of CSD Nepal Ms. Shova Bajracharya Shakya (May 2016)



CSD Group of December 2015



CSD Group of March 2016

Microfinance Review – Sri Lanka 2014



For the 5th consecutive year LMFPFA completed its annual review of microfinance and allied services in the country through its publication the Microfinance Review – Sri Lanka 2014; the only publication that comprehensively analyses the status of the microfinance sector in Sri Lanka and reflects on the evolution of microfinance, sustainability of services, emerging issues and challenges.

This review appraises the developments in Sri Lanka's microfinance sector in 2014 and it is based on data in relation to financial and social performances, obtained from 37 MFIs in Sri Lanka for which reliable data (audited financial statements and credible operational data) was available. Some of the conclusions that were drawn on current performances of the microfinance sector were mainly based on data provided by the MFIs throughout the reporting period. Thus, the data of member MFIs has been derived from structured data forms (known as member profiles) of MFIs while data of non member MFIs were obtained from the published reports. Moreover, unpublished data of some of the non MFIs and microfinance programs have been also used wherever possible (in the event where published data was not available) in order to provide a more comprehensive analysis of the sector.

The review provides a detailed analysis of the financial and social performances of the sector at three levels: industry, peer group, and institution. The review also highlights the way forward for the sector with a focus on major challenges and opportunities.

LMFPA E-Magazine “Sri Lanka Microfinance Forum”



LMFPA's quarterly magazine “Sri Lanka Microfinance Forum” continued smoothly since its inception and it has already reached its 6th Volume by June 2016. LMFPA received positive feedback for its initiative in implementing this E Magazine and the enthusiasm of member organizations in providing articles for every volume has been very encouraging. We would like to acknowledge the following members who were with us throughout the previous editions:

- AFC Microfinance
- Berendina Microfinance Institute (Gte) Ltd
- Business Development Co-operative Society
- Development Facilitators (Pvt) Ltd
- Institute for Development of Community Strengths (INDECOS)
- Janamithu Lanka Ltd
- Lanka Financial Services for Undeserved Settlement (LFSUS)
- Nation Lanka Finance PLC
- Sarvodaya Development Finance Ltd
- Sewa Community Credit Ltd
- South Asia Partnership Sri Lanka
- SIYB Association of Sri Lanka
- VisionFund Lanka Ltd

The E magazine serves as a platform for member organizations to share their significant events and achievements as well as case studies. The magazine also updates the reader on the various activities of LMFPA and latest news of the Sri Lankan microfinance industry.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANKA MICROFINANCE PRACTITIONERS' ASSOCIATION

Report on the Financial Statements

We have audited the accompanying financial statements of Lanka Microfinance Practitioners' Association, which comprise the Statement of financial position as at 31 December 2015, and Statement of comprehensive income, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Members of Board Management are responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the accounting principles used and significant estimates made by the Board of Management, evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31 December 2015 and the financial statements give a true and fair view of the Company's state of affairs as at 31 December 2015 and its operations for the year then ended in accordance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities.

30, June, 2016
Galle.

STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended 31st December 2015

INCOME	Note	2015 Rs.	2014 Rs.
Membership fees	4	1,155,000	777,500
Project Activity Income	5	5,543,958	797,369
Interest Income	6	84,356	71,604
Other Income and Gains	7	893,522	1,438,600
		<u>7,676,836</u>	<u>3,085,073</u>
EXPENDITURE			
Administrative Expenses	8	(2,750,628)	(2,962,157)
Activities Expenses	9	(5,230,001)	(319,917)
Surplus/(Deficit) before taxation	10	<u>(303,793)</u>	<u>(197,001)</u>
Income Tax Expense	11	-	(6,698)
Surplus/(Deficit) for the Year		<u><u>(303,793)</u></u>	<u><u>(203,699)</u></u>



The accounting policies and notes on pages 5 through 13 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 Rs.	2014 Rs.
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	12	164,081	236,005
Investments	13	561,005	500,000
		<u>725,086</u>	<u>736,005</u>
Current Assets			
Trade and Other Receivables	14	285,005	404,595
Cash and Cash Equivalents	15	734,568	375,558
		<u>1,019,573</u>	<u>780,153</u>
Total Assets		<u><u>1,744,659</u></u>	<u><u>1,516,158</u></u>
FUNDING AND LIABILITIES			
Funds			
Accumulated Fund	21	738,645	1,042,438
Total Funds		<u>738,645</u>	<u>1,042,438</u>
Non-Current Liabilities			
Retirement Benefits Liability	17	135,000	-
		<u>135,000</u>	<u>-</u>
Current Liabilities			
Trade and Other Payables	16	871,014	473,720
		<u>871,014</u>	<u>473,720</u>
Total Accumulated Fund and Liabilities		<u><u>1,744,659</u></u>	<u><u>1,516,158</u></u>



The Board of Management is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of Lanka Micro Finance Practitioners' Association by,

A blue ink signature, appearing to be "D. S. S.", written over a dotted line.

Member of Board of Management

A blue ink signature, appearing to be "A. K. S.", written over a dotted line.

Member of Board of Management

The accounting policies and notes on pages 5 through 13 form an integral part of the Financial Statements.

June 30, 2016

CASH FLOW STATEMENT

Year ended 31st December 2015

	Note	2015 Rs.	2014 Rs.
Cash Flows From / (Used in) Operating Activities			
Profit/(Loss) before tax from continuing operations		(303,793)	(197,001)
Adjustments for			
Depreciation	12	71,924	64,174
Interest Received		(84,356)	(71,604)
Gratuity	17	135,000	-
Operating Profit/(Loss) before Working Capital Changes		(181,225)	(204,431)
(Increase)/ Decrease in Trade and Other Receivables		119,590	114,446
Increase/ (Decrease) in Trade and Other Payables		397,294	396,477
Cash Generated from Operations		335,660	306,491
Income Tax Paid		-	(6,698)
Net Cash From/(Used in) Operating Activities		335,660	299,794
Cash Flows from / (Used in) Investing Activities			
Acquisition of Property, Plant & Equipment	12	-	(144,358)
Interest Received		84,356	71,604
Acquisition of Investments		(61,005)	-
Net Cash Flows from/(Used in) Investing Activities		23,351	(72,754)
Net Increase/(Decrease) in Cash and Cash Equivalents			
		359,011	227,039
Cash and Cash Equivalents at the beginning of the year	15	375,557	148,518
Cash and Cash Equivalents at the end of the year	15	734,568	375,557



The accounting policies and notes on pages 5 through 13 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

1. GENERAL INFORMATION

- 1.1 Lanka Micro Finance Practitioners' Association ('Previous called Lanka Micro Finance Network') is a Non-Governmental organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Not –for-Profit Organizations including Non-Governmental Organizations

The Organization has been incorporated under the Companies Act No. 07 of 2007 of Sri Lanka as an Association.

- 1.2 The organization domiciled in Sri Lanka and the principle place of the activity of the Organization is located at No.112/A Maddumagewatta Nugegoda.

Except for the certain activities that will conclude on the realisation of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on a going concern basis.

- 1.3 The notes to the financial statements on pages 05 to 13 are integral part of the financial statements.

- 1.4 The principal activities of the organization are provided below:

To promote membership among Micro Finance Institutions (MFIs) locally, advocate for a policy Environment for collective action by MFIs, promote the adoption and installation of internationally accepted performance standard for the MFIs develop and strengthen system for information collection, promote the expansion of the formal financial market as Micro Finance Service , protect and strengthen the capacity of the MFIs, develop and operational an independent performance monitoring system for MFIs' and mobilize resources and network with Government , donors, funding agencies, investors and commercial loan providers.

The financial` statement of Lanka Micro Finance Practitioner's Association year ended December 31 2015 were authorized for issue in accordance with a resolution of the Board of Management 30th June 2016



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The balance sheet, statements of financial activities and the cash flows, together with the Accounting Policies and Notes of the financial statements as at December 31, 2015 and for year then ended, comply with the Sri Lanka Statement of Recommended Practice for Not-for –Profit organisations including Non-Governmental Organisations issued by the Institute of Chartered Accountants of Sri Lanka.

The financial statements have been prepared on a historical basis.

2.1.2 Taxation

(a) Current Taxes

Income tax is provided in accordance with the provision of the Inland Revenue Act No.38 of 2000 section 102 of the Inland Revenue Act No. 10 of 2006 and amendments thereon; and based on the elements of grants received after April 01, 2005.

(b) Value Added Tax

Value Added Taxes (or VAT) are payable on the purchases of certain items and are normally included in the cost of such items.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

2.2 Accounting for the receipt and utilization of funds

2.2.1 Funds

(a) Unrestricted Funds

Unrestricted funds are those that are available for use by the Organization at the discretion of the Board, in furtherance of the general objectives of the Organization and which are not designated for any specific purpose.

(b) Restricted Funds

Restricted Funds are the funds where grants are received for use in an identified project or activity, such funds are held in a fund account and transferred to the statement of financial activities account to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund in the balance sheet until such time as they are required. Funds collected through a fund raising activity for any specific or defined purpose are also included under this category. The activities for which these restricted funds may be and are being used are identified in the notes to the financial statements.

(C) Designated Funds

Unrestricted funds designate by the board to a specific purpose identified as designated funds. The activities for which these funds may be used are identified in the life of the assets.

2.2.1 Grant and subsidies

Grant and subsidiaries related to assets are generally deferred in the balance sheet and credit to the statement of financial activities over the useful life of the assets.

2.3 Valuation of Assets and their Measurement Bases

2.3.1 Receivable

Receivables are stated at the amounts they are estimated realized.

2.3.2 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

2.3.3 Property, Plant and Equipment

a) Cost and Valuation

All items of property, plant and equipment is recorded at cost less accumulated depreciation.

b) Restoration Costs

The provision for depreciation is calculated by using a straight line method on the cost of all property, plant and equipment in order to write off such amount over the following estimated useful lives by equal installments. The annual rates of depreciation currently being use by the organization are;

c) Depreciation

As a result of determining depreciation charge separately for significant parts, and beginning to depreciation items of Property, Plant and Equipment from the time they are available for use (rather than adopting method whereby property, plant and equipment are depreciated fully in the year of disposal, with no such charge being accounted for in the year of acquisition).

Office Equipment	Over 5 Years
Computer and software	Over 5 Years
Furniture and Fittings	Over 10 Years



2.4 Liabilities and Provisions

2.4.1 Provisions

Provisions are recognized when the organization has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

a) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively

b) Defined benefit plans

The Company has an unfunded, non-contributory defined benefit plan covering all of its regular employees where the benefits are based on the years of service and percentage of latest monthly salary. The simplifications on estimated future salary increases, future service of current employees and in-service mortality of current employees as per Section 28.19 have been used in calculating the value of the liability. The gratuity liability is not funded nor actuarially valued.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2015

2.5 Statements of Financial Activities

2.5.1 Income recognition

(a) Incoming Resources

Income realized from restricted funds is recognized in the statements of financial activities only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the statement of financial activities. Unutilized funds are carried forward as such in the balance sheet. All other income is recognized when the society is legally entitled to use of such funds and the amount can be quantified. This would include income receivable through fund raising activities.

(b) Others

Other income is recognised on an accrual basis

Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

2.5.2 Expenditure Recognition

Expenses in carrying out the projects and other activities of the organization are recognized in the statement of financial activities during the period in which they are incurred. Other expenses incurred in administering and running the society and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of financial activities. The society has adopted the "Function of expense" method to present fairly the elements of organization activities in its statement of financial activities.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2015

	2015	2014
	Rs.	Rs.
4 MEMBERSHIP FEES		
Entrance fees	60,000	50,000
Subscription income	1,095,000	727,500
	<u>1,155,000</u>	<u>777,500</u>
5 PROJECT ACTIVITY INCOME		
Restricted funds (Projects)	-	797,369
Exposure Programme Income	5,543,958	-
	<u>5,543,958</u>	<u>797,369</u>
6 INTEREST INCOME		
Interest on Fixed Deposits	84,356	71,604
	<u>84,356</u>	<u>71,604</u>
7 OTHER INCOME AND GAINS		
AGM/EGM Income	272,500	132,500
Training Income	336,500	70,000
Miscellaneous Income	229,022	1,202,100
Corporate Profiles on Website	37,000	14,000
Book Sale Income	18,500	20,000
	<u>893,522</u>	<u>1,438,600</u>



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2015

8 ADMINISTRATIVE EXPENSES	2015 Rs.	2014 Rs.
Staff	1,064,390	1,531,800
Travelling & Others	50,185	72,445
Auditors remuneration	86,047	74,159
Secretary fee	59,673	50,500
Printing & Stationery	96,550	39,502
Office Maintenance	12,560	24,383
Postage	19,950	37,305
Web Site Development	28,925	32,100
AGM Expenses	122,525	103,725
Telephone	21,611	29,971
Gratuity	135,000	-
Electricity	9,969	24,843
Mobile Allowances	18,000	18,000
Computer Repair	2,250	3,640
Rent	371,880	338,074
Welfare Society Membership Fees	6,000	7,000
Sundry Expenses	40,758	44,625
Water	6,997	8,664
Depreciation	71,924	64,174
Internet Charges	54,690	42,419
Membership Fee	96,003	91,720
Bank Charges	5,791	5,828
Other Expenses	194,698	197,280
Travel Allowance	97,500	120,000
Membership Fee Receivable Write Off	76,750	-
	<u>2,750,628</u>	<u>2,962,157</u>
9 ACTIVITIES EXPENSES	2015 Rs.	2014 Rs.
Enabling Dialogues	-	29,917
Exposure Programe Expenses	5,230,001	290,000
	<u>5,230,001</u>	<u>319,917</u>
10 SURPLUS BEFORE TAXATION	2015 Rs.	2014 Rs.
Surplus before taxation is stated after charging all the expenses including the following:		
Auditors Remuneration	86,047	74,159
Depreciation	71,924	64,174
	<u>157,971</u>	<u>138,333</u>
11 INCOME TAX	2015 Rs.	2014 Rs.
The major components of income tax expense for the years ended 31 December are as follows :		
Income Statement		
Current Income Tax		
Total grants received	-	797,369
Net funding received liable to tax	-	797,369
3% thereof	-	23,921
Tax payable thereon at 28%	-	6,698

**Applicable rates of tax and the relevant tax regimes**

As per the Inland Revenue Act No.10 of 2006 and amendments thereon, all Non Governmental Organizations are liable to 3% of all the grants received during the year are taxable at 28% subject to certain specified exemptions.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2015

12 PROPERTY, PLANT & EQUIPMENT

12.1 Cost	Furniture Fittings	Office Equipment	Computer	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2015	162,528	565,981	480,561	1,209,070
Additions during the year	-	-	-	-
Balance as at 31.12.2015	<u>162,528</u>	<u>565,981</u>	<u>480,561</u>	<u>1,209,070</u>
12.2 Accumulated Depreciation				
Balance as at 01.01.2015	111,902	508,987	352,176	973,065
Charge for the year	16,253	23,952	31,720	71,924
Balance as at 31.12.2015	<u>128,155</u>	<u>532,939</u>	<u>383,896</u>	<u>1,044,989</u>
12.3 Carrying Value				
As at 31 December 2014	<u>50,626</u>	<u>56,994</u>	<u>128,385</u>	<u>236,005</u>
As at 31 December 2015	<u>34,373</u>	<u>33,042</u>	<u>96,665</u>	<u>164,081</u>

12.4 The useful lives of the assets are estimated as follows

Computer Equipment
Furniture and Fittings
Office Equipment



2015	2014
Over 5 Year	Over 5 Year
Over 10 Year	Over 10 Year
Over 5 Year	Over 5 Year

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st December 2015

	2015	2014
	Rs	Rs
13 INVESTMENTS		
Fixed deposits	561,005	500,000
	<u>561,005</u>	<u>500,000</u>
14 TRADE AND OTHER RECEIVABLES	2015	2014
	Rs.	Rs.
Funds Receivables	40,957	82,543
Membership Subscription	153,750	235,500
Refundable deposit	60,000	60,000
WHT Receivables	19,590	15,844
Income Tax Receivable	10,708	10,708
	<u>285,005</u>	<u>404,595</u>
15 CASH AND CASH EQUIVALENTS	2015	2014
	Rs.	Rs.
15.1 Favourable Cash & Cash Equivalents balance		
Commercial Bank -1200019410	719,810	24,750
Commercial Bank -1190023870	10,274	341,706
Cash in Hand	4,484	9,102
Total Cash and Cash Equivalents for the Purpose of Cash Flow Statement	<u>734,568</u>	<u>375,558</u>
16 TRADE AND OTHER PAYABLES	2015	2014
	Rs.	Rs.
Accrued expenses	-	12,094
Prepaid Membership Fees	791,250	393,750
Audit Fee	79,764	67,876
	<u>871,014</u>	<u>473,720</u>
17 RETIREMENT BENEFITS LIABILITY		
As at 1 January	-	-
Charge for the year	135,000	-
Payment for the year	-	-
As at 31 December	<u>135,000</u>	<u>-</u>
18 COMMITMENTS AND CONTINGENCIES		
18.1 Capital Expenditure Commitments		
The Company does not have significant capital commitments as at the reporting date.		
19 RELATED PARTY DISCLOSURES		
The Company does not have significant related party transactions as at the reporting date.		
20 EVENTS OCCURRING AFTER THE REPORTING DATE		
There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements		
21 ACCUMULATED FUNDS	2015	2014
	Rs.	Rs.
Balance at beginning of the year	1,042,438	1,246,136
Surplus / (Deficit) for the year	(303,793)	(203,699)
Balance at end of the year	<u>738,645</u>	<u>1,042,438</u>





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Practitioners' Association**

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