

CEYBANK UNIT TRUST

**FINANCIAL STATEMENTS
- 31 MARCH 2011**



CEYBANK UNIT TRUST

FINANCIAL STATEMENTS - 31 MARCH 2011

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Independent Auditor's Report

To the unitholders of Ceybank Unit Trust

Report on the Financial Statements

1 We have audited the accompanying financial statements of Ceybank Unit Trust, which comprise the balance sheet as at 31 March 2011, and the statement of total return, statement of movement in unitholders' fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 3 to 18.

Management's Responsibility for the Financial Statements

2 Ceybank Asset Management (Private) Limited the managers of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and Statement of Recommended Accounting Practice (SoRP) for open-ended Unit Trusts issued by the Institute of Chartered Accountants of Sri Lanka and adopted as directed by the Securities and Exchange Commission of Sri Lanka in the discharge of their responsibilities under the Trust Deed. 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

3 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

4 An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

5 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.

Independent auditor's report continued on page 2.

Independent Auditor's Report (Contd)

To the unitholders of Ceybank Unit Trust

Report on the Financial Statements

Opinion

6 In our opinion, so far as appears from our examination, the manager of the Trust maintained proper books of account for the year ended 31 March 2011, and to the best of our information and according to the explanations given to us, the said balance sheet and related statements of total return and cash flows and the accounting policies and notes thereto, which are in agreement with the said books and have been prepared and presented in accordance with Sri Lanka Accounting Standards, the Statement of Recommended Accounting Practices (SoRP) for open-ended Unit Trusts issued by the Institute of Chartered Accountants of Sri Lanka, the Unit Trust Deed and, the Unit Trust Code of the Securities and Exchange Commission of Sri Lanka in the manner so required. Further, the said financial statements give a true and fair view of Ceybank Unit Trust's state of affairs as at 31 March 2011 and of its total return from operations and its cash flows for the year then ended.

1 July 2011
COLOMBO

Signed
CHARTERED ACCOUNTANTS

Statement of total return

(all amounts in Sri Lanka Rupees thousands)

	Note	Year ended 31 March	
		2011	2010
Gross income	4	117,718	37,944
Expenses	5	(102,142)	(50,785)
Net income / (expenses)		15,576	(12,841)
Net realised gain on sale of investments	6	1,132,197	615,709
Net unrealised appreciation on valuation of investments at market value		1,729,303	1,594,768
Net gains on investments		2,861,500	2,210,477
		2,877,076	2,197,636
Taxation	7	(1,596)	(1,002)
Total earnings		2,875,480	2,196,634
Equalisation			
Received on creation of units	8	270,649	86,958
Paid on redemption of units	8	(68,752)	(90,987)
		201,897	(4,029)
Total return for the year		3,077,377	2,192,605
Distribution			
In respect of the current year	9	(329,835)	(156,975)
Net increase in unitholders' funds		2,747,542	2,035,630

Statement of movement in unitholders' funds

(all amounts in Sri Lanka Rupees thousands)

	Year ended 31 March	
	2011	2010
Net assets at the beginning of the year	3,766,020	1,737,219
Movement due to creation and redemption of units		
Received on creation of units	76,482	60,574
Paid on redemption of units	(18,819)	(67,403)
	57,663	(6,829)
Net increase in unitholders' funds	2,747,542	2,035,630
Net assets at the end of the year	6,571,225	3,766,020

Balance sheet

(all amounts in Sri Lanka Rupees thousands)

	Note	31 March	
		2011	2010
Investments			
Investments in equity shares	10	6,538,303	3,690,381
Debtors			
Sales awaiting settlement		2,031	Nil
Accrued income	11	15,387	524
Other receivables	12	16,498	8,251
Share application money		Nil	10,000
		33,916	18,775
Repurchase agreements		377,052	232,629
Cash and cash equivalents	13	1,554	1,501
		412,522	252,905
Creditors : amounts falling due within one year			
Amount payable on redemption		(395)	(69)
Purchases awaiting settlement		(16,933)	(1,729)
Accrued expenses	14	(31,350)	(17,627)
Unclaimed dividends		(1,087)	(866)
		(49,765)	(20,291)
Distribution payable	9	(329,835)	(156,975)
		(379,600)	(177,266)
Net current assets		32,922	75,639
Net assets		6,571,225	3,766,020
Capital account			
Unit capital		1,881,449	1,673,566
Net realised gains		1,491,081	640,002
Net unrealised appreciation		3,123,832	1,394,529
	15	6,496,362	3,708,097
Income account	16	74,863	57,923
Net assets		6,571,225	3,766,020

These financial statements were approved by the Board of Directors of the Management Company and the Trustee on 1 July 2011 and on 1 July 2011 respectively.

Signed) Directors of Ceybank Asset
 Management (Private) Limited
 Signed) (Managers of the Trust)

The notes on pages 10 to 18 form an integral part of these financial statements.

Statement of changes in net assets

(all amounts in Sri Lanka Rupees thousands)

	Year ended 31 March	
	2011	2010
Net income / (expense) for the year (net of tax)	13,980	(13,843)
Net realised gain on sale of investments	1,132,197	615,709
Net equalisation	201,897	(4,029)
	1,348,074	597,837
Distribution	(329,835)	(156,975)
Increase in net assets resulting from operations	1,018,239	440,862
Increase in net assets due to sale and repurchase of units:		
Received on creation of units	76,482	60,574
Paid on redemption of units	(18,819)	(67,403)
	57,663	(6,829)
Increase in unrealised appreciation	1,729,303	1,594,768
Increase in net assets	2,805,205	2,028,801
Net assets:		
At the beginning of year	3,766,020	1,737,219
At the end of year	6,571,225	3,766,020
Increase in net assets	2,805,205	2,028,801

The notes on pages 10 to 18 form an integral part of these financial statements.

Cash flow statement

(all amounts in Sri Lanka Rupees thousands)

	Year ended 31 March	
	2011	2010
Cash flows from operating activities		
Dividend received	78,315	41,817
Net interest and discount received	24,540	13,930
Management fees and trustee fees paid	(87,584)	(41,517)
Central Depository System fees paid	(387)	(437)
Tax / ESC paid	(3,266)	Nil
Other expenses paid	(589)	568
Operating income before changes in operating assets and liabilities	11,029	14,361
Decrease / (increase) in operating assets		
Increase in sales awaiting settlement	(2,031)	Nil
Decrease in Share application money	10,000	Nil
Increase in other assets	(6,436)	(14,993)
	1,533	(14,993)
Increase in operating liabilities		
Increase in purchases awaiting settlement	15,204	1,289
Net cash generated from operating activities	27,766	657
Cash flows from investing activities		
Net sale of equity shares	13,578	167,347
Net investments in fixed income securities and repurchase agreements	(144,423)	(77,642)
Net cash (used in) / generated from investing activities	(130,845)	89,705
Cash flows from financing activities		
Cash received on creation of units	347,131	147,532
Cash paid on redemption of units	(87,245)	(158,493)
Dividends paid	(156,754)	(79,379)
Net cash generated from / (used in) financing activities	103,132	(90,340)
Net increase in cash and cash equivalents	53	22
Movement in cash and cash equivalents		
At start of the year	1,501	1,479
Net increase in cash and cash equivalents	53	22
At the end of year	1,554	1,501

The notes on pages 10 to 18 form an integral part of these financial statements.

Portfolio statement

(all amounts in Sri Lanka Rupees thousands)

	Holding at cost	Market value	Percentage of total portfolio	
			2011	2010
Investment in equity shares	3,386,287	6,538,303	94.53	94.03
Repurchase agreements	377,052	377,127	5.45	5.93
Cash and cash equivalents				
- Balances at bank	1,554	1,554	0.02	0.04
	3,764,893	6,916,984	100	100

Distribution table

(all amounts in Sri Lanka Rupees thousands)

	Unit capital	Net realised gains	Net unrealised appreciation	Net income	Total
At beginning of year	1,673,566	640,002	1,394,529	57,923	3,766,020
Movement due to creation and redemption of units					
- Capital	57,663	Nil	Nil	Nil	57,663
- Equalisation - capital adjustment	150,220	48,717	Nil	Nil	198,937
- income adjustment	Nil	Nil	Nil	2,960	2,960
Net income for the year (net of tax)	Nil	Nil	Nil	13,980	13,980
Net realised gain on investments during the year (net of tax)	Nil	1,132,197	Nil	Nil	1,132,197
Unrealised appreciation in investments during the year	Nil	Nil	1,729,303	Nil	1,729,303
Balance before the distribution	1,881,449	1,820,916	3,123,832	74,863	6,901,060
Distribution	Nil	(329,835)	Nil	Nil	(329,835)
Balance carried forward	1,881,449	1,491,081	3,123,832	74,863	6,571,225

Notes to the financial statements

(In the notes all amounts are shown in Sri Lanka Rupees thousands unless otherwise stated)

1 General information

Ceybank Unit Trust is an income and growth fund, which was launched in March 1992 by Ceybank Asset Management (Private) Limited with the objective of providing capital growth in terms of appreciation of the unit price whilst striving to provide a regular stream of dividend to the investors possibly on an annual basis. The Fund would be invested in a mix of equity and fixed income securities with a view to balancing the risk assumed by the unitholders by investing primarily in listed equity. The registered office of the Management Company is located in 3rd Floor, Bank of Ceylon Building, York Street, Colombo 1.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The financial statements are prepared in accordance with and comply with Sri Lanka Accounting Standards and Recommended Accounting Practice for Open-Ended Unit Trust issued by the Institute of Chartered Accountants of Sri Lanka and adopted as directed by the Securities and Exchange Commission of Sri Lanka. The financial statements are prepared under the historical cost convention whereby transactions are recorded at the values prevailing on the dates when the assets were acquired, the liabilities incurred, or the unit capital obtained except for the valuation of quoted investments and government / fixed interest securities which are stated in the financial statements at the market value.

2.2 Assets and bases of their valuation

Assets classified as current assets are cash and those which are expected to be realised in cash, during the normal operating cycle of the Unit Trust's business or within one year from the balance sheet date whichever is shorter. Assets other than current assets are those which the Unit Trust intends to hold beyond a period of one year from the balance sheet date.

2.3 Investments

Marketable securities are carried at market value and if market rates are not available such securities are stated at fair value. Market value is calculated by reference to Stock Exchange quoted selling prices in respect of quoted equity shares, at the close of business on the balance sheet date.

Investments that bear interest are valued at market value net of any accrued interest, such accrued interest being included in the balance sheet as an income related item.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of total return.

2.4 Tax

The charge for taxation is based on the results for the year as adjusted for disallowable items and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes, of certain items of income and expenses in a different accounting period from that in which they are recognised in the financial statements. The tax effect of other timing differences as reduced by the tax benefits of any accumulated losses is treated as a deferred tax liability.

Notes to the financial statements (Contd)

2.5 Income recognition

Dividend income from investment in equity shares is recognised when equity share is quoted ex-dividend. Interest income from investment in fixed income earning instruments or otherwise is recognised on an accrual basis. Dividends on unquoted equities are recognised when the right to receive payment is established. Underwriting commission and other income are accounted for on an accrual basis.

2.6 Net unrealised market appreciation and depreciation

The difference between market value and original cost of marketable equity securities is defined as market appreciation or depreciation and accounted for in the capital account in accordance with the accounting practices of Unit Trusts.

2.7 Comparatives

Where necessary, comparative figures have been amended as listed below to conform with changes in presentation in the current year.

- Income tax amounting to Rs 1,001,743 which has not been accounted in the previous year as netted off with the ESC paid, has now been separately disclosed as "Income tax expenses" against the current year figures
- as a result, notional tax credit of Rs 1,541,144 has been grossed up to the interest income on treasury bills and the ESC receivable amounting to Rs 1,001,743 has also been reversed as claimed against the income tax expense.

3 Units in issue

There were 164,917,520 units (2010 - 156,974,994.50 units) in issue on 31 March 2011. The offer price was Rs 44.26 (2010 - Rs 25.28) per unit and the bid price was Rs 41.51 (2010 - Rs 24.69) per unit on 31 March 2011.

The net asset value per unit (cum dividend) as at that date was Rs 41.84 [2010 - (cum dividend) Rs 24.99]

The Trust follows "forward pricing" mechanism for the issue and redemption of units.

The Managing Company had 1,533,296 units (2010 - 1,472,135.4 units) of the Trust as at 31 March 2011.

4 Gross income

Gross income of the Unit Trust is made up as follows:

	2011	2010
Dividends	93,170	22,533
Interest received on		
- repurchase agreements	22,570	14,257
- treasury bills	Nil	1,154
- bank deposits	1,013	Nil
- commercial papers	965	Nil
	24,548	15,411
	117,718	37,944

Notes to the financial statements (Contd)

5 Expenses

	2011	2010
Manager's periodic charge	86,714	42,711
Trustee's fee	14,452	7,118
Central Depository System fee	387	437
Bank charges	186	129
Miscellaneous expenses	403	390
	102,142	50,785

Miscellaneous expenses consist of Social Responsibility Levy, printing and stationery costs and postage expenses.

6 Net realised gain on sale of investments

	2011	2010
Proceeds on sale of investments	2,138,085	1,468,308
Average cost of investments sold after adjustment for permanent diminution	(1,005,888)	(852,599)
	1,132,197	615,709

7 Taxation

(a) Tax liability of the Fund

i Income tax

As per the Second Schedule to the Inland Revenue Act, No. 10 of 2006, the profits and income of the unit trust are liable to income tax at the rate of 10%.

ii Economic Service Charge and Social Responsibility Levy

As per the Economic Service Charge (ESC) Act, No. 13 of 2006, the Trust is liable to pay ESC at the rate of 0.5% on interest and dividend income and 0.25% on net gain on sale of shares, if the aggregate income from unit trust operations for the quarter is Rs 7,500,000 or more, consisting of capital gains on shares and bonds, interest and dividend. The Trust is also liable for Social Responsibility Levy (SRL) at 1.5% on income tax for the year.

	2011	2010
Current tax on profit for the year	1,596	1,002

(b) Taxation liability of unitholders

i Dividend distributions

Distribution in the form of dividends is exempt from tax in terms of the Inland Revenue Act No. 10 of 2006 and Inland Revenue (Amendment) Act No.10 of 2007.

ii Redemption of units

Capital gains arising from redemption proceeds of units are exempt from tax in terms of Section 3 of the Inland Revenue Act No.10 of 2006.

Notes to the financial statements (Contd)

8 Equalisation

	2011	2010
Received on creation of units		
- Net income accrued	4,095	3,775
- Realised capital gain	65,478	18,914
- Unrealised capital appreciation	201,076	64,269
Paid by unitholders as part of the offer price	270,649	86,958
Paid on redemption of units		
- Net income accrued	(1,135)	(4,288)
- Realised capital gain	(16,761)	(17,528)
- Unrealised capital appreciation	(50,856)	(69,171)
Paid back to unitholders as part of the bid price	(68,752)	(90,987)
	201,897	(4,029)

9 Distribution

The Trust declared a dividend of Rs 2.00 per unit (2010 - Rs 1.00 per unit) for the year ended 31 March 2011 for 164,917,520 units in issue as at that date (2010 for 156,974,994.50 units in issue as at 31 March 2010) on 24 March 2011, amounting to Rs 329,835,040 (2010 - Rs 156,974,994.50).

The dividend of Rs 2.00 per unit (2010 - Rs 1.00) was declared out of the net realised capital gains for the year ended 31 March 2011. No dividend was declared out of the income account for the year ended 31 March 2011 (2010 - Nil).

The total dividend declared comprised distribution as follows:

	2011	2010
From net income for the current year (Note 16)	Nil	Nil
From net realised gains for the current year (Note 15)	329,835	156,975
	329,835	156,975

10 Investment portfolio

As explained in paragraph 2.3 of the accounting policies, investments in quoted public companies and government securities are shown at market value. Accrued interest on all types of fixed income securities are included in the balance sheet (Note 11) as interest and dividend income receivable. The investment portfolio is given on pages 13 to 15 of the financial statements.

Investment in equity shares

Company	←----- 2011 ----->			←----- 2010 ----->	
	Holding number of shares	Market value	Percentage of total net assets	Market value	Percentage of total net assets
Quoted shares at market value					
Banks, Finance and Insurance					
Merchant Bank of Sri Lanka PLC	4,164,610	192,405	2.93	84,602	2.25
Commercial Bank of Ceylon PLC	101,548	26,991	0.41	Nil	Nil
Hatton National Bank PLC	20,900	7,942	0.12	2,918	0.08
Sampath Bank PLC	75,500	21,767	0.33	Nil	Nil
		249,105	3.79	87,520	2.33
Construction and Engineering					
Colombo Dockyard PLC	Nil	Nil	Nil	1,064	0.03
Diversified Holdings					
John Keells Holdings PLC	279,046	79,696	1.21	2,658	0.07
		79,696	1.21	2,658	0.07
Balance carried over		328,801	5.000	91,242	2.43

Notes to the financial statements (Contd)

10 Investment portfolio (Contd)

EQUITY INVESTMENTS (Contd) Company	←----- 2011 ----->			←----- 2010 ----->	
	Holding number of shares	Market value	Percentage of total net assets	Market value	Percentage of total net assets
Quoted shares at market value					
Balance brought over		328,801	5.00	91,242	2.43
Hotels and Travels					
Asian Hotels & Properties PLC	4,567,600	858,252	13.06	283,646	7.53
Aitken Spences Hotels Holdings PLC	9,723,217	952,875	14.50	427,883	11.36
Aitken Spences Hotels Holdings PLC (Rights)	Nil	Nil	Nil	34,731	0.92
Amaya Leisure PLC	4,021,627	482,997	7.35	306,142	8.13
John Keells Hotel PLC	Nil	Nil	Nil	99,992	2.66
The Light House Hotel PLC	Nil	Nil	Nil	120,283	3.19
Trans Asia Hotels PLC	2,279,000	446,228	6.79	158,184	4.20
Hotel Developers (Lanka) PLC	147,400	19,855	0.30	Nil	Nil
		2,760,207	42.00	1,430,861	37.99
Information Technology					
PC House PLC	182,700	3,124	0.05	Nil	Nil
Land and Property					
CT Land Development PLC	4,872,600	160,309	2.44	80,944	2.15
Equity Two PLC	1,313,000	35,714	0.54	17,137	0.46
		196,023	2.98	98,081	2.61
Manufacturing					
Dankotuwa Porcelain PLC	Nil	Nil	Nil	14,508	0.39
Lanka Floortiles PLC	1,247,737	163,578	2.49	127,495	3.39
Lanka Walltiles PLC	804,854	136,825	2.08	200,647	5.33
Royal Ceramics Lanka PLC	1,798,752	282,404	4.30	305,498	8.11
Samson International PLC	Nil	Nil	Nil	32,132	0.85
Kelani Tyres PLC	257,000	13,518	0.21	Nil	Nil
		596,325	9.08	680,280	18.07
Plantations					
Kahawatte Plantations PLC	6,324,166	246,010	3.74	190,200	5.05
Kelani Valley Plantations PLC	1,862,100	335,737	5.11	68,137	1.81
Maskeliya Plantations PLC	Nil	Nil	Nil	283	0.01
Watawala Plantations PLC	17,846,400	446,160	6.79	329,982	8.76
		1,027,907	15.64	588,602	15.63
Balance carried over		4,912,387	74.70	2,889,066	76.73

Notes to the financial statements (Contd)

10 Investment portfolio (Contd)

EQUITY INVESTMENTS (Contd) Company	←----- 2011 ----->			←----- 2010 ----->	
	Holding number of shares	Market value	Percentage of total net assets	Market value	Percentage of total net assets
Quoted shares at market value					
Balance brought over		4,912,387	74.70	2,889,066	76.73
Power and Energy					
Lanka IOC PLC	17,759,200	312,562	4.76	243,044	6.45
Laugf Gas PLC	1,260,100	55,948	0.85	Nil	Nil
Laugf Gas PLC (Non voting)	1,752,100	60,798	0.93	Nil	Nil
		429,308	6.54	243,044	6.45
Trading					
Finlays Colombo PLC	389,600	126,620	1.93	75,225	2.00
Singer Sri Lanka PLC	1,024,633	229,723	3.50	40,939	1.09
Brown and Company PLC	244,300	70,798	1.08	Nil	Nil
		427,141	6.51	116,164	3.09
Telecommunication					
Dialog Axiata PLC	14,136,700	148,435	2.26	254,336	6.75
Sri Lanka Telecom PLC	10,895,300	621,032	9.45	187,771	4.99
		769,467	11.71	442,107	11.74
Total of quoted equity investments at market value		6,538,303	97.68	3,690,381	98.01
Cost of equity investment		3,386,287		2,267,667	

[Investment in equity instruments of Vanik corporation Limited was written off by the management owing to the current situation of the Company. Total cost of the investment written off is Rs 28,184,592 as at 31 March 2011.]

11 Accrued income

	2011	2010
Dividends receivable	15,312	457
Interest receivable on repurchase agreements	75	67
	15,387	524

12 Other receivables

	2011	2010
Economic Service Charge recoverable	6,319	4,508
Withholding tax recoverable	559	361
Money receivable on Unit sales	5,822	1,841
Notional tax credit receivable	3,798	1,541
	16,498	8,251

13 Cash and cash equivalents

Cash and equivalents consist of balances with Bank of Ceylon, held in current accounts.

Notes to the financial statements (Contd)

14 Accrued expenses

	2011	2010
Manager's fee payable	25,615	13,973
Trustee's fee payable	4,269	2,329
Economic Service Charge payable	1,466	1,325
	31,350	17,627

15 Capital account

The movement of the capital account is as follows:

	2011	2010
Unit capital		
Balance as at 1 April	1,673,566	1,685,297
Movement due to creation and redemption of units	57,663	(6,829)
Movement in capital equalisation	150,220	(4,902)
Balance as at 31 March	1,881,449	1,673,566
Net realised gain		
Balance as at 1 April	640,002	179,882
Gains during the year (net of tax)	1,132,197	615,709
Movement in capital equalisation	48,717	1,386
Amount utilised for distribution (Note 9)	(329,835)	(156,975)
Balance as at 31 March	1,491,081	640,002
Net unrealised appreciation / (depreciation)		
Balance as at 1 April	1,394,529	(200,239)
Appreciation during the year	1,729,303	1,594,768
Balance as at 31 March	3,123,832	1,394,529
	6,496,362	3,708,097

Notes to the financial statements (Contd)

16 Income account

The movement of the income account is as follows:

	2011	2010
Balance as at 1 April	57,923	72,279
Net income / (expense) for the year (net of tax)	13,980	(13,843)
Net income on income equalisation		
- Received on units created	4,095	3,775
- Paid on units redeemed	(1,135)	(4,288)
	2,960	(513)
	74,863	57,923
Amount utilised for distribution (Note 9)	Nil	Nil
Balance as at 31 March	74,863	57,923

17 Related party transactions

The following organisations which have shareholdings in the Managing Company, Ceybank Asset Management (Private) Limited are identified as related parties in accordance with Sri Lanka Accounting Standards, SLAS No. 30, Related Party Disclosures.

Name of organisation	Shareholding %
Bank of Ceylon	43.36
Carson Cumberbatch PLC	12.59
Sri Lanka Insurance Corporation Limited	26.57
Unit Trust of India	17.48

- (a) Mr K L Hewage, chairman of the Managing Company is also a Director of Bank of Ceylon which holds shares of the Managing Company.
- (b) Mr Mano Selvanathan, Deputy Chairman and Alternate Director Mr D C R Gunawardena of the Managing Company are also Directors of Carsons Cumberbatch PLC which holds shares of the Managing Company.
- (c) Mr B A C Fernando, General Manager, Bank of Ceylon, alternate director Mr. P A Lionel and Mr D M Gunasekara, Deputy General Manager (Sales and Channel Management), Bank of Ceylon, represent the Bank which hold shares in the Managing Company, as nominee directors. The Trust had placed funds on repurchase agreements with the Bank in the ordinary course of business. The balance as at 31 March 2011 in respect of repurchase agreement made with the bank amounted to Rs 337.5 Mn.
- (d) Mr M S P Ranjith Perera, Senior Deputy General Manager, Finance and Investments, Sri Lanka Insurance Corporation Limited, represents Sri Lanka Insurance Corporation Limited, which holds shares in the Managing Company.
- (e) Shri B Babu Rao, Senior Vice President of the Administrator of Specified Under Taking of Unit Trust of India, represents Specified Undertaking of Unit Trust of India which holds shares in the Managing Company.

Notes to the financial statements (Contd)

18 Contingent liabilities

There were no material contingent liabilities at the balance sheet date.

19 Commitments

Capital commitments

There were no material capital commitments at the balance sheet date.

Financial commitments

There were no material financial commitments at the balance sheet date.

20 Events after the reporting period

No events have occurred since the balance sheet date which would require adjustment to, or disclosure in the financial statements.