



SARVODAYA DEVELOPMENT FINANCE PLC

# PROSPECTUS

Sri Lanka's First High Yield Sustainable  
Bond Issue 2025





**SARVODAYA DEVELOPMENT FINANCE PLC**



**PROSPECTUS**

AN INITIAL ISSUE OF UP TO TEN MILLION (10,000,000) TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE 5 YEAR (2025/2030) HIGH YIELD SUSTAINABLE BONDS OF LKR 100.00 EACH TO RAISE SRI LANKAN RUPEES ONE BILLION (LKR 1,000,000,000/-) WITH AN OPTION TO ISSUE UP TO A FURTHER TEN MILLION (10,000,000) OF THE SAID BONDS IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE TO RAISE UP TO A MAXIMUM OF SRI LANKAN RUPEES TWO BILLION ( LKR 2,000,000,000/- ) AT THE DISCRETION OF THE COMPANY BY SARVODAYA DEVELOPMENT FINANCE PLC.

**TO BE LISTED ON THE  
COLOMBO STOCK EXCHANGE  
(SUBJECT TO THE COMPLIANCE WITH THE CSE LISTING RULES AT THE TIME OF LISTING)**

**INSTRUMENT RATING "BB" BY LANKA RATING AGENCY**

**ISSUE IS LIMITED TO "QUALIFIED INVESTORS" ONLY AS DEFINED HEREIN**

**Issue opens on**  
08th October 2025



**Managers to the Issue**

## PROSPECTUS

This Prospectus is dated 26th September 2025

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 or omitted statements /undisclosed information in this Prospectus. Moreover, the CSE does not regulate the pricing of the Bonds 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 circumstance 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. In the event if there would be a material change since the date of this Prospectus, that the Company would make a market announcement.

If you are in 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, your stockbroker, lawyer or any other professional advisor.

**We advise you to read the contents of the Prospectus carefully prior to investment.**

## Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

This Prospectus has been prepared by Capital Alliance Partners Limited on behalf of Sarvodaya Development Finance PLC (hereinafter referred to as "SDF" or the "Company").

The Directors of the Company have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy and completeness of the of the information given and confirm that after making all reasonable inquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material 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 this 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 its best judgment.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the Qualified Investors based on the information contained herein. In making such investment decisions, prospective Qualified Investors are advised to read the Prospectus and rely on their own examination and assessment of the Company and the terms of the Bonds issued including the risks associated.

**For inquiries, please contact the Managers to the Issue, Capital Alliance Partners Limited.**

## Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of section 40 of the Companies Act No.7 of 2007. 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.

- The written consent of the Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Company.
- The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Company.
- The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- The written consent of the Company Secretary of the Sarvodaya Development Finance PLC for the inclusion of the name in the Prospectus as Company Secretary to the Company.
- The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- The written consent of the Managers to the Issue for the inclusion of their names in the Prospectus as Managers and Placement Agents to the Issue.
- The written consent of the Independent External Reviewer to the Issue for the inclusion of their name in the Prospectus as Independent External Reviewer to the Issue
- 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.

The said Auditors and Reporting Accountants to the Issue and to the Company, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers to the Issue, Registrars to the Issue, Lawyers to the Issue, , Independent External Reviewer to the Issue and Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

### **Submission of the Prospectus to the Securities and Exchange Commission of Sri Lanka**

A copy of the Prospectus has been delivered to the Securities and Exchange Commission of Sri Lanka prior in compliance with Section 82(2) of the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021.

### **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 Qualified Investors may be affected by the laws of the jurisdiction of their residence. Such Qualified Investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

### **Representation**

The Bonds are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, sales person, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Company.

### **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 Qualified Investors, see Section 5.14 **“Risks Involved in Investing in the Bonds”** 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.

Since there may be 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, Qualified Investors are advised not to place sole reliance on such statements.

## Presentation of Currency Information and other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” is the lawful currency of Sri Lanka.

Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### IMPORTANT

#### **All Qualified Investors should indicate in the application for Bonds, their Central Depository Systems (Private) Limited (CDS) account number.**

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the application form differs 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.

As per the directive of the Securities and Exchange Commission made under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 issued by the CDS dated 30th November 2010, all Bonds are required to be directly deposited in to the CDS. To facilitate compliance with this directive, all Qualified Investors are required to indicate their CDS account number.

In line with this directive, **THE BONDS ALLOTTED TO AN QUALIFIED INVESTOR WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH QUALIFIED INVESTOR**, the details of which is indicated in their application form. If the CDS account number indicated in the application form is found to be inaccurate /incorrect or there is no CDS number indicated, the application will be rejected and no allotments will be made.

The Company may require a Qualified Investor to provide such documentation as is reasonably necessary to satisfy itself that the investor is a Qualified Investor.

#### **PLEASE NOTE THAT BONDS CERTIFICATES WILL NOT BE ISSUED.**

Qualified Investors who wish to open a CDS account, may do so through a **Trading Participant** of the CSE as set out in Annexure III or through any Custodian Bank as set out in Annexure IV of this Prospectus.

## OFFER AT A GLANCE

<b>Issuer</b>	Sarvodaya Development Finance PLC																							
<b>Instrument</b>	Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds																							
<b>Number of Sustainable Bonds to be Issued</b>	An initial issue of up to Ten Million (10,000,000) Bonds with an option to issue up to a further Ten Million (10,000,000) bonds in the event of an oversubscription of the initial issue at the discretion of the Company and in such event, the maximum issue of said bonds totalling to Twenty Million (20,000,000)																							
<b>Amount to be Raised</b>	Sri Lankan Rupees Two Billion (LKR 2,000,000,000/-)																							
<b>Entity Rating</b>	"BB+"/ Stable by Lanka Rating Agency																							
<b>Issue Rating</b>	"BB" by Lanka Rating Agency																							
<b>Issue Price</b>	LKR 100.00 (Sri Lankan Rupees One Hundred)																							
<b>Tenure of Bond</b>	5 Years (2025/2030)																							
<b>Interest Rates</b>	<table border="1"> <thead> <tr> <th>Type</th> <th>Tenure</th> <th>Type of Interest</th> <th>Interest rate (per annum)</th> <th>Interest Payment Frequency</th> <th>AER</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>5 Years</td> <td>Fixed</td> <td>12.00%</td> <td>Annual</td> <td>12.00%</td> </tr> <tr> <td>B</td> <td>5 Years</td> <td>Fixed</td> <td>11.66%</td> <td>Semi Annual</td> <td>12.00%</td> </tr> </tbody> </table>						Type	Tenure	Type of Interest	Interest rate (per annum)	Interest Payment Frequency	AER	A	5 Years	Fixed	12.00%	Annual	12.00%	B	5 Years	Fixed	11.66%	Semi Annual	12.00%
Type	Tenure	Type of Interest	Interest rate (per annum)	Interest Payment Frequency	AER																			
A	5 Years	Fixed	12.00%	Annual	12.00%																			
B	5 Years	Fixed	11.66%	Semi Annual	12.00%																			
<b>Minimum Subscription</b>	<p>The minimum subscription requirement applicable for a Qualified Investor other than individual Qualified Investor applying for Bonds shall be Rupees Ten Thousand (LKR 10,000/-).</p> <p>Provided however, the minimum subscription requirement applicable for an individual Qualified Investor applying for the High Yield Debt Securities as per Rule 2.2.1 (u) (ii) read together with the Definition section of the CSE Listing Rules shall be Rupees Five Million (LKR 5,000,000/-).</p> <p>Applications exceeding the minimum subscription should be in multiples of 100 bonds (LKR10,000/-)</p>																							
<b>Method of Payment of Principal and Interest</b>	Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Bond Holders subject to the prevalent limitation with regard to SLIPS and RTGS or by cheque marked "Account Payee Only".																							
<b>Issue Opening Date</b>	08th October 2025, however, applications may be submitted forthwith																							
<b>Issue Closing Date</b>	<p>Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on 08th October 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 28th October 2025</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:</p> <ul style="list-style-type: none"> <li>● The maximum of 20,000,000 (Twenty Million) Bonds are fully subscribed; or</li> <li>● The Board of Directors of the Company decides to close the Issue upon the initial issue of 10,000,000 (Ten Million) Bonds becoming fully subscribed in terms of this Prospectus.</li> </ul> <p>In the event the Board of Directors of the Company decides to exercise the option to issue further up to 10,000,000 Bonds (initial issue of 10,000,000 Bonds being fully subscribed) but subsequently decides to close the subscription list upon part of the further issue of 10,000,000 Bonds becoming subscribed, 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 pm.</p> <p>In the event, the Board of Directors of the Company decides to close the Issue without the full subscription of the initial issue, 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 pm.</p> <p>Please refer section 5.2 for more information.</p>																							

<p><b>Allotment Date &amp; the Basis of Allotment</b></p>	<p>To be allotted at the discretion of Chief Executive Officer or any person authorized by the board of directors in a fair and equitable manner within seven (7) market days from the date of closure (Refer Section 6.7).</p> <p>The Company shall reserve the right to allocate up to a maximum of 75% of the Number of Bonds to be allotted under this Prospectus on a preferential basis, to identified Qualified Investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future as future Qualified Investors.</p> <p>Number of Bonds to be allotted to identified Qualified Investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other Qualified Investors (Qualified Investors that do not fall under preferential category). In the event of such undersubscription from the other Qualified Investors, such other Qualified Investor category to be allotted in full and any remaining Bonds to be allotted to identified Qualified Investor/s.</p>
<p><b>Maturity date</b></p>	<p><b>For Type A Type and Type B Bonds:</b> On completion of Five years (5) from the date of allotment, or on such earlier date on which the Bonds are redeemed or become payable in terms of the Trust Deed.</p>
<p><b>Interest Payment Date</b></p>	<p><b>For Type A Bonds:</b> The dates on which payments of interest shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p><b>For Type B Bonds:</b> The dates on which payments of interest shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter 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) Working Days from each Interest Payment Date. (Excluding such interest payment date)</p> <p>The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>

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## 1.0 CORPORATE INFORMATION

<b>The Company</b>	Sarvodaya Development Finance Plc
<b>Legal Form of the Company</b>	Sarvodaya Development Finance PLC Incorporated in Sri Lanka under the Companies Act No. 7 of 2007, a Licensed Finance Company under the Finance Business Act No. 42 of 2011, a registered Finance Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000 and the Company is listed on the main board of the Colombo Stock Exchange on 14th December 2021.
<b>Regulatory Licence</b>	The Company operates under the authority of the licence issued by Monetary Board of Central Bank of Sri Lanka. The licence issued is a continuous licence and does not have an expiry date.
<b>Date of Incorporation</b>	01st January 2010
<b>Company Registration No.</b>	PQ 00251293
<b>Issuer Rating</b>	BB+(Stable) by Lanka Rating Agency
<b>Place of Incorporation</b>	Colombo, Sri Lanka
<b>Registered/ Business Office</b>	Sarvodaya Development Finance PLC No. 155A, Dr. Danister De Silva Mawatha, Colombo 08, Sri Lanka  Tel: 011 5 444 666 Email: <a href="mailto:info@sdf.lk">info@sdf.lk</a> Website : <a href="http://www.sarvodayafinance.lk">www.sarvodayafinance.lk</a>
<b>Company Secretary</b>	Mrs. Shiromi Patabendige ACCS Sarvodaya Development Finance PLC No. 155A, Dr. Danister De Silva Mawatha, Colombo 08, Sri Lanka  Tel : +94 777135248
<b>Auditors to the Company</b>	M/s Deloitte Associates Chartered Accountants No. 100, Braybrooke Place, Colombo 02  Tel : +94 112 580 409
<b>Credit Rating Agency</b>	Lanka Rating Agency 145 Kynsey Road, Colombo 08  Tel : +94 114 500 099
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>● Mr. Channa de Silva - Chairman      Non-Independent/Non-Executive Director</li> <li>● Mr. Dhammika Ganegama              Independent/ Non-Executive Director</li> <li>● Mr. Ramesh Schaffter                  Non-Independent/Non-Executive Director</li> <li>● Mr. Senthil Nandhanan Senthilverl      Non-Independent/Non-Executive Director</li> <li>● Mr. Amrit CanagaRetna                  Independent/Non-Executive Director</li> <li>● Mrs. Shehara De Silva                  Independent/ Non-Executive Director</li> <li>● Ms. Ramya Suranjani Wickremeratne      Independent/ Non-Executive Director</li> </ul>

## 2.0 RELEVANT PARTIES TO THE ISSUE

<b>Managers to the Issue</b>	<p><b>Capital Alliance Partners Limited</b> Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 02.</p> <p>T: +94 11 2317777 F: +94 11 2317788</p>
<b>Lawyer to the Issue</b>	<p><b>Nithya Partners</b> 97 A, Galle Road, Colombo 03.</p> <p>T: +94 11 4712625 F: +94 11 2328817</p>
<b>Registrar to the Issue</b>	<p><b>Central Depository Systems (Pvt) Ltd</b> Ground Floor, M &amp; M Center, 341/5, Kotte Road, Rajagiriya. Email: registrars@cse.lk T: +94 112 356 444 Fax : +94 11 2440396</p>
<b>Bankers to the Issue</b>	<p><b>Hatton National Bank PLC</b> Maradana Branch 696, 10 Maradana Rd, Colombo 01 Tel: +94 112 673 371</p>
<b>Trustee to the Issue</b>	<p><b>National Development Bank PLC</b> Custody and Trustee Services No. 40, Nawam Mawatha, Colombo 2, Sri Lanka</p> <p>T:+94 11 244 8448</p>
<b>Auditor and Reporting Accountant to the Issue</b>	<p><b>M/s Deloitte Associates</b> Chartered Accountants No. 100, Braybrooke Place, Colombo 02 Tel : +94 112 580 409</p>
<b>Independent External Reviewer to the Issue</b>	<p><b>Accounting Related Assurance Division</b> <b>M/s Deloitte Partners</b> Chartered Accountants No. 100, Braybrooke Place, Colombo 02</p> <p>Tel : +94 112 580 409</p>
<b>Rating Agency to the Issue</b>	<p><b>Lanka Rating Agency</b> 145 Kynsey Road, Colombo 08</p> <p>Tel : +94 114 500 099</p>
<b>Company Secretary to the Issue</b>	<p><b>Mrs. Shiromi Patabendige ACCS</b> Sarvodaya Development Finance PLC No. 155A, Dr. Danister De Silva Mawatha, Colombo 08, Sri Lanka</p> <p>Tel : +94 777135248</p>

### 3.0 ABBREVIATIONS USED IN THE PROSPECTUS

<b>AER</b>	Annual Effective Rate
<b>ATS</b>	Automated Trading System
<b>AWPLR</b>	Average Weighted Prime Lending Rate
<b>CAL</b>	Capital Alliance Partners Limited
<b>CBSL</b>	Central Bank of Sri Lanka
<b>CDS</b>	Central Depository Systems (Private) Limited
<b>CSE</b>	Colombo Stock Exchange
<b>FY</b>	Financial Year
<b>SDF</b>	Sarvodaya Development Finance PLC
<b>LCB</b>	Licensed Commercial Bank
<b>NIC</b>	National Identity Card
<b>POA</b>	Power of Attorney
<b>RGFCA</b>	Resident Guest Foreign Currency Account
<b>Rs./LKR</b>	Sri Lankan Rupees
<b>SEC</b>	Securities and Exchange Commission of Sri Lanka
<b>IIA</b>	Inward Investment Account
<b>SLIPS</b>	Sri Lanka Interbank Payment System
<b>USD</b>	US Dollar
<b>VAT</b>	Value Added Tax
<b>WHT</b>	Withholding Tax
<b>YoY</b>	Year on Year
<b>IIA</b>	Inward Investment Account
<b>FCBU</b>	Foreign Currency Banking Units
<b>CEFTS</b>	Common Electronic Fund Transfers Switch
<b>CBI Standards</b>	Climate Bonds Initiative Standards
<b>SBF</b>	Sustainable Bond Framework
<b>GBP</b>	Green Bond Principles 2021 (with June 2022 Appendix 1)
<b>SBP</b>	Social Bond Principles 2023
<b>SBG</b>	Sustainability Bond Guidelines 2021
<b>ICMA</b>	International Capital Markets Association
<b>SPSD</b>	Strategic Planning & Sustainability Department
<b>SME</b>	Small and Medium Enterprise
<b>EU</b>	European Union

## 4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

<b>Applicant/s</b>	Any person identified as a Qualified Investor who submits an Application Form under this Prospectus.
<b>Application Form/Application</b>	The application form that constitutes part of this Prospectus through which the Qualified Investors may apply for the bonds in issue
<b>Board/Board of Directors/ Directors</b>	The Board of Directors of Sarvodaya Development Finance PLC
<b>Closure Date</b>	The date of closure of the subscription list as set out in Section 5.2 of this Prospectus
<b>Date of Allotment</b>	The date on which the Bonds will be allotted by the Company to Applicants subscribing thereto
<b>Date of Redemption</b>	The date on which Redemption of the Bonds will take place as referred to in Section 5.7
<b>Bonds</b>	All Tier 2 Listed Rated Unsecured Subordinated Redeemable 5-year High Yield Sustainable Bonds to be issued pursuant to this Prospectus
<b>Entitlement Date</b>	Market Day immediately preceding the respective interest payment date or immediately preceding the date of redemption on which a Bond Holder would need to be recorded as being a Bond Holder on the list of Bond Holders provided by the CDS to the Company in order to qualify for the payment of any interest or any redemption proceeds.
<b>Interest Payment Date</b>	<p><b>For Type A Bonds:</b> The dates on which payments of interest shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p><b>For Type B Bonds:</b> The dates on which payments of interest shall fall due, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter 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) Working Days from each Interest Payment Date. (Excluding such interest payment date)</p> <p>The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>
<b>Interest Period</b>	<p><b>Type A Bonds:</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> <p><b>Type B Bonds:</b> 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>

## 4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

<b>Qualified Investors</b>	<ul style="list-style-type: none"> <li>i. A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).</li> <li>ii. A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended).</li> <li>iii. A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.</li> <li>iv. A venture capital fund/ company and private equity company.</li> <li>v. A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).</li> <li>vi. A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended)</li> <li>vii. A company licensed by the Insurance Board of Sri Lanka to carry on Insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended)</li> <li>viii. A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007.</li> <li>ix. An investment trust or investment company</li> <li>x. A Non-Resident institutional investor</li> <li>xi. An individual with an initial investment amount of LKR 5,000,000/-</li> </ul>
<b>Issue</b>	The offer of Bonds to Qualified Investors pursuant to this Prospectus
<b>Issue Price</b>	LKR 100/- per each Bonds
<b>Market Day</b>	Any day on which CSE is open for trading
<b>Non-Resident(s)</b>	Persons resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka.
<b>Par Value</b>	LKR 100/- per each Bond
<b>Prospectus</b>	This Prospectus dated 26th September 2025
<b>Redemption</b>	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Bond to a Bond Holder by the Company
<b>Registered Address</b>	The address provided by the Bond Holders to the CDS
<b>Subordinated</b>	Means the claims of the Bondholders shall in the event of winding up of the Company rank after all the claims of depositors and secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company, but shall rank pari passu with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary shareholders of the Company.
<b>Tier 2</b>	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Company
<b>Trustee</b>	National Development Bank PLC
<b>Trust Deed</b>	Trust Deed dated 19th September 2025 between The Company and the Trustee
<b>The Company/Issuer/SDF</b>	Sarvodaya Development Finance PLC
<b>Unsecured</b>	Repayment of the Principal Sum and payment of interest on the Bonds are not secured by a charge on any assets of the Issuer
<b>Working Day</b>	Any day (other than a Saturday or Sunday or any statutory holiday) on which the banks are open for business in Sri Lanka

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### 5.1 INVITATION TO SUBSCRIBE

The Board of Directors of SDF (hereinafter referred to as the "Board") on 30th April 2025 resolved to raise a sum of Rupees One Billion (LKR 1,000,000,000/-) by an initial issue of up to Ten Million (10,000,000) Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds, each with a Par Value of LKR 100/- and to raise a further sum of Rupees One Billion (LKR 1,000,000,000/-) by an issue of a further Ten Million (10,000,000) of the said Bonds, in the event of an over subscription of the initial issue.

As such a maximum amount of Rupees Two Billion (LKR 2,000,000,000) would be raised by the issue of a maximum of Twenty Million (20,000,000) Bonds each with the Par Value of LKR 100/-.

The Company hereby invites Qualified Investors to make Applications for the Bonds (Type A and Type B) which shall rank equal and pari passu with each other, apart from interest rate, interest period - without any preference or priority of any one over the others (Please refer Sections 5.3, 5.4 and 5.5 for further details regarding the Bonds).

The claims of the Bonds Holders shall in the event of winding up of the Company rank after all the claims of depositors and secured and other unsecured creditors of the Company and any preferential claims under any Statutes governing the Company, but shall rank pari passu with other subordinated creditors of the Company and shall rank in priority to and over the claims and rights of the ordinary shareholders of the Company.

It is the intention of the Company to list the Bonds on the Colombo Stock Exchange. The CSE has given its in principle approval for the listing of the Bonds on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

These Bonds are issued subject to the enforcement actions as per the CSE Listing Rules 7.12.4 (A) (II) (a), (b), (c), (d), (e) and (f) and CSE Listing Rules 7.12.4 (E) (a), (b), (c), (d), (e), (f) and (h) if the Company fails to comply with the continuous listing requirements applicable for these High Yield Sustainable Bonds.

The instrument rating of these bonds ("BB") is one notch below the entity rating (BB+ (Stable)) due to its subordinate nature and Tier II characteristics.

The CBSL approval for the issuance and listing of Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds has been provided via the letter dated 18th June 2025

### 5.2 SUBSCRIPTION LIST AND CLOSURE DATE

The subscription list for the Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds pursuant to this Prospectus will open at 9.00 a.m. on 08th October and shall remain open for fourteen (14) market days until closure at 4.30 p.m. on 28th October 2025.

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

- The maximum of 20,000,000 (Twenty Million) Bonds are fully subscribed; or
- The Board of Directors of the Company decides to close the Issue upon the initial issue of 10,000,000 (Ten Million) Bonds becoming fully subscribed in terms of this Prospectus.

In the event the Board of Directors of the Company decides to exercise the option to issue further up to 10,000,000 Bonds (initial issue of 10,000,000 Bonds being fully subscribed) but subsequently decides to close the subscription list upon part of the further issue of 10,000,000 Bonds becoming subscribed, 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 pm.

In the event, the Board of Directors of the Company decides to close the Issue without the full subscription of the initial issue, 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 pm.

Application may be made forthwith in the manner set out under the Procedure for Application in section 6.0 of this Prospectus and will be accepted at any one of the collection points set out in Annexure III of this Prospectus.

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### 5.3 TYPE OF BONDS

The Bond Issue comprises of Bonds of Type A and Type B that will carry rates of interest as described below:

Type of Bonds	Tenure	Type of Interest	Interest rate (per annum)	AER (per annum)	Interest Payment Frequency
Type A	5 Years	Fixed	12.00%	12.00%	Annual
Type B	5 Years	Fixed	11.66%	12.00%	Semi-Annual

Each type of above stated Bonds (Types A and B) which shall rank equal and pari passu with each other, apart from interest rate and interest period without any preference or priority of any one over the others

### 5.4 OBJECTIVES OF THE ISSUE AND SPECIFIC RISKS RELATING TO THE OBJECTIVES

The Company proposes to utilise the entirety of the funds raised through this Issue for the purpose of achieving the following two main objectives;

#### 1) Expand the Tier II capital and strengthen the total capital base of the Company

The Company intends to utilize the entirety of the funds raised through the Bond Issuance to further strengthen capital base of the Company by expanding the Tier 2 Capital. The CBSL approval for the issuance and listing of Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds has been provided via the letter dated 18th June 2025. The CBSL, in its approval letter, has instructed the Company to notify them upon receipt of the Bond proceeds in order to obtain approval for inclusion under Tier 2 Capital. While the achievement of the above Objective 01 is subject to a second approval, the Company does not anticipate any risk of rejection, as the CBSL has already approved the issuance and listing of this Subordinated High Yield Sustainable Bond.

The company has complied with the CBSL minimum capital adequacy requirement as of 31st March 2025. The Company's decision to further strengthen the Tier 2 Capital Base is to maintain the Total Capital Adequacy Ratio at a satisfactory level to meet the envisaged demand for credit from the private sector from 2025 onwards and to optimize the cost of the capital by capitalizing on the current interest rates.

The monthly average loan disbursements for the last 3 months are as follows;

June 2025 (Rs. Million)	July 2025 (Rs. Million)	August 2025 (Rs. Million)	Total (Rs. Million)	Monthly Average (Rs. Million)
3,128	2,819	3,016	8,963	2,988

Current Capital Adequacy Ratios of the Company and the effect of the proposed Bond Issue on the Capital Adequacy Ratios are as follows;

The Capital Adequacy Requirements (as per the Finance Business Act. (Capital Adequacy Requirements) Direction No. 03 of 2018) as at 31.03.2025			The level of compliance by the Company as at 31.03.2025	Capital levels after inclusion of the Bond Issuance Proceeds	
				LKR 1 Bn	LKR 2 Bn
Tier 1	-	8.50%	20.50%	19.50%	18.50%*
** Total Capital	-	12.50%	20.60%	24.80%	28.50%

\* In the calculation it's assumed that the Total Risk Weighted Asset increase (loans) is equal to the issue amount.

\*\* Total Capital = Tier 1 + Tier 2

**2) Financing projects that fall within the Green and/or Social Eligible Categories outlined in the prospectus, in accordance with the Sustainable Bond Framework of SDF.**

With over 60 years of experience in social development activities, the company plans to allocate 75% of the funds towards socially impactful financing and 25% towards climate impact financing. The company has already financed such initiatives as outlined below, and the new funds will further strengthen its ongoing contribution to social and climate-related financing.

The Company is required to obtain an Independent Assurance Report of the Sustainable Bond framework from the Independent External Reviewer, confirming its alignment with the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) prior to the Sustainable Bond issuance. The Company has obtained the same. The same is provided by Accounting Related Assurance Division of M/s Deloitte Associates Partners. Please refer Annexure II for the certified copy of the Assurance Report.

Company’s Sustainable Bond Framework (the Framework) which states the identified green eligible projects and social eligible projects, adheres to the Green Bond Principles (GBP) Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) set by the International Capital Markets Association (ICMA), ensuring transparency and best practices in sustainable finance. Furthermore, the Company is in compliance with the **Sri Lanka Green Finance Taxonomy (May 2022) issued by the CBSL.**

The below table outlines a brief overview of the Utilisations of the funds under objective 02.

**Green Eligible Financing Projects**

<b>GBP Category</b>	<b>Targeted Projects</b>	<b>Estimated Allocation of the Bond Proceeds</b>
Renewable Energy	a) Rooftop solar energy installation financing b) Solar equipment vendor financing	25% of the Bond Proceeds (Each GBP category will receive at least 30% of the allocated Bond Proceeds for Green Eligible Financing Projects)
Clean Transportation	c) Purchase of electric vehicle financing d) Low carbon transportation infrastructure financing projects, such as electric vehicle (EV) charging centres	

The funds allocated under above will provide immediate benefits such as Contributes to national electricity generation by replacing fossil fuels, thereby reducing reliance on coal, and significantly lowering air and water pollution. And promoting reduced fossil fuel consumption by encouraging the purchasing of electric vehicles and via supporting the expansion of solar-powered charging infrastructure to support the use of electric vehicles, thus mitigating air pollution.

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### Social Eligible Financing Projects

SBP Category	Targeted Projects	Estimated Allocation of the Bond Proceeds
Affordable Housing	Loans to underserved communities for affordable housing projects such as: <ol style="list-style-type: none"> <li>Purchase an existing house</li> <li>Construct a house</li> <li>Purchase a bare land to construct a house for residential purposes</li> <li>Complete construction of a partially-built house</li> <li>Renovate or modify an already constructed house</li> </ol>	75% of the Bond Proceeds (Each SBP category will receive at least 10% of the allocated Bond Proceeds for Social Eligible Financing Projects)
Employment Generation	Providing SME financing solutions specifically designed to support business startup and enhance the capacity development of existing SMEs owned by or serving underserved and marginalized groups, including youth, persons with disabilities, and low-income communities.	
Women Empowerment	Providing Financial services specialized for women entrepreneurs and women-led enterprises	
Food Security	Improved productivity of small-scale producers through access to affordable leasing for agricultural equipment & machinery	
Socioeconomic Advancement	Provide Microfinance loans for village and home-based small businesses and income generative cultivation activities, such as tea, cinnamon planting and any other commercial crops for low-income communities	

The proceeds utilised under the social eligible categories of the bond issue will be directed towards extending financing to underserved and marginalized population segments such as daily wage earners, farmers, rural entrepreneurs, and SMEs lacking access to formal financial services. This will enable SDF to support business growth, affordable housing, and income generation—reducing reliance on informal lending mechanisms. With approximately 48% of the Company's customer base comprising women, primarily from rural communities, the bond proceeds will also promote gender equality by empowering female-led enterprises. Further, targeted support will be channelled towards micro-businesses in agriculture and low-income areas, fostering financial inclusion and improving livelihoods. This includes improving the productivity of small-scale producers by facilitating access to affordable leasing options for agricultural equipment and machinery. Please note that the Individual project allocation estimation is difficult at the time of the prospectus issuance. However, the fund utilization into each project will be integrated into SDF's annual report, ensuring comprehensive and accessible updates.

Under the given eligibility criteria stated above, the company will provide financing for new funding requirements and will not include refinancing.

### Sri Lanka Green Finance Taxonomy (May 2022)

The Green Finance Taxonomy introduced by the Central Bank of Sri Lanka (CBSL) provides a classification system to identify and define environmentally sustainable economic activities. It serves as a guiding framework for financial institutions, investors, and issuers to channel capital towards green projects that support national and global environmental objectives. It also promotes transparency, comparability, and accountability in green financing and aligns with international standards such as those of the EU and the International Capital Market Association (ICMA). This initiative is part of CBSL's broader effort to develop Sri Lanka's sustainable finance ecosystem and mobilize private sector investment towards achieving climate and environmental goals

### ICMA issued Bond Principles Applicable to this Sustainable Bond Issuance

The ICMA Bond Principles typically refer to the Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) published by the International Capital Market Association (ICMA). These are voluntary frameworks that promote transparency, disclosure, and integrity in the market for sustainable bonds.

Since the proceeds of this Bond Issuance will be utilised to finance a combination of both Green and Social Projects, this bond issuance is aligned with both the GBP and SBP with the former being especially relevant to underlying Green Projects and the latter to underlying Social Projects while following the Sustainability Bond Guidelines applicable as per ICMA.

ICMA Principles consists of four core components:

01. Use of Proceeds	Funds raised must be used <b>exclusively for eligible green, social, or sustainability projects</b> as defined by the issuer.
02. Project Evaluation and Selection	The issuer should clearly define the <b>criteria and process</b> used to identify and select eligible projects, including sustainability objectives.
03. Management of Proceeds	The issuer must <b>track and manage</b> the proceeds in a transparent manner, often using a sub-account or equivalent approach to ensure proper allocation.
04. Reporting	Regular <b>disclosure of the allocation and impact</b> of the proceeds is expected. This includes annual updates and details on the environmental or social benefits of the financed projects.

The objectives of the Company's Sustainable Bond will be fully dedicated to financing Green Eligible Financing Projects and Social Eligible Financing Projects installations. This allocation aligns with the GBP, SBP and SBG established by the ICMA, as they directly contribute to environmental benefits and/or provide clear social benefits. The process, management, and reporting outlined below are in accordance with the applicable ICMA principles, ensuring transparency and accountability in the allocation of funds towards these eligible Projects.

### Factors Considered or to be Considered in Determining the Eligible Sustainable Projects.

Based on the use of proceeds, the project must align with at least one of the eligible project categories outlined below and further detailed in the Prospectus under the section titled "Objectives of the Issue";

- i. **Green eligible projects** and the following qualitative / quantitative indicators may be considered
  - a. Estimated kilowatt-hours (kWh) of solar energy generated
  - b. Reduction in fossil fuel consumption (e.g., liters/year or emissions offset)
  - c. CO2 emissions avoided (measured in metric tons/year)
- ii. **Social eligible projects** and the following qualitative / quantitative indicators may be considered
  - a. Income level of the applicant or target beneficiary group
  - b. Number of direct and indirect jobs created
  - c. Number of farming acres supported or cultivated
  - d. Number of women employed or trained through the initiative
  - e. Whether the founder or business owner is a woman
  - f. Number of youth or marginalized individuals engaged
  - g. Support to first-time entrepreneurs or micro-enterprises

### Systems, Procedures, Processes, and Controls of the Applicant Entity

This section outlines the key systems, operational procedures, internal processes, and control mechanisms implemented by the Applicant Entity to ensure effective governance, regulatory compliance, risk management, and operational efficiency.

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### Evaluation and Selection of Green and Social Bond Projects

SDF has formed a Strategic Planning & Sustainability Department (SPSD) to oversee the selection and evaluation of eligible portfolios under its Sustainable Bond Framework. Comprising four key staff members, SPSP reports to a 10-member Management Sustainability Committee, which includes senior leadership such as the CEO and Head of Strategic Planning (HOSP). This two-tier governance structure ensures a rigorous and accountable selection process, aligned with strategic and technical expertise. The committee also evaluates project compliance with the Sri Lanka Green Finance Taxonomy (May 2022) issued by the CBSL.

The SPSP will assess each project using specific indicators tailored to its Green or Social category, measuring environmental and social impact to ensure alignment with the Sustainable Bond Framework.

Key Project Evaluation Steps at Sarvodaya:

#### 1. Loan Application Submission:

- The process begins when a customer submits a loan application at a Sarvodaya branch.

#### 2. Initial Branch-Level Screening:

- Branch officers conduct a preliminary assessment to check alignment with Sarvodaya's sustainability objectives.
- Branch officers will use the guidelines provided by the Sustainability Committee to identify eligible products.

#### 3. Escalation to SPSP:

- If the project is potentially eligible, the application is forwarded to the Strategic Planning & Sustainability Department (SPSP).

#### 4. Detailed Evaluation by SPSP:

- SPSP reviews the proposal against:
- Eligibility criteria in the Sustainable Bond Framework.
- Sarvodaya's sustainability priorities.
- Other relevant internal and external guidelines.

#### 5. Feasibility Analyses:

- The SPSP conducts both technical and financial feasibility assessments to ensure the project is viable and impactful.

#### 6. Compliance Check:

- The project is reviewed by the Compliance Department of SDF to ensure it complies with the Sri Lanka Green Finance Taxonomy (May 2022) issued by the CBSL.

#### 7. Final Credit Approval:

- After due diligence, the proposal is submitted for credit approval based on the loan amount:
  - a. Senior Manager - Credit for moderate exposures.
  - b. Head of Credit for larger exposures.Approvals are governed by the Board-approved credit policy.

### Management of Proceeds

Proceeds from the sustainable bonds will be managed on an aggregate basis through a dedicated bank account. SDF is committed to promptly deploying the proceeds from its sustainable bonds, with full allocation expected within 12 Months of issuance. To ensure adherence to the Sustainable Bond Framework, an independent third-party auditor will conduct an annual external review in accordance with applicable rules and regulations. Unallocated proceeds will be temporarily invested in cash, cash equivalents, or Sri Lanka Government Securities.

## Reporting

### 01. Allocation Reporting

This report will be integrated to the Company's Annual report to verify that the proceeds received have been allocated to the Eligible Project Categories which would also be published on the listed exchange.

- Total proceeds allocated
- Breakdown by portfolio category
- Geographic distribution of portfolios

The Company's Annual Report will be available on the SDF website and other relevant platforms.

The Treasury Department and SPSP will periodically report allocation and impact details to the Sustainable Bond Committee and the Board. Any changes to the Sustainable Bond portfolio require clearance from the SPSP. SDF will publicly disclose aggregated use-of-proceeds and impact data annually via its Annual Report, available on the company website and other relevant platforms. The reporting will be done in line with the ICMA 'Harmonised Framework for Impact Reporting for Green Bonds and Harmonised Framework for Impact Reporting for Social Bonds' where applicable.

### 02. Impact Reporting:

This report will be shared exclusively with the investors of the bond, while the annual report will track and highlight the impact generated by the proceeds of the bond, demonstrating how the funds have contributed to the intended goals and outcomes such as;

- CO2 emissions avoided
- Estimated kilowatt-hours (kWh) of solar energy generated
- Reduction in fossil fuel consumption (e.g., liters/year or emissions offset)
- Number of direct and indirect jobs created
- Number of farming acres supported or cultivated
- Number of women employed or trained through the initiatives
- Number of affordable housing units financed
- Number of SMEs supported
- Where appropriate, SDF will include case studies to illustrate the real-world benefits and outcomes of the funded projects, offering a narrative complement to quantitative results.

Impact reporting will utilize standardized, globally recognized metrics to ensure comparability and transparency. SDF will utilize the Harmonized Framework for Impact Reporting to ensure that metrics align with industry best practices and are consistent with leading sustainability standards.

### Pre Issuance and Post Issuance

SDF has obtained a Limited Independent Assurance Report from a reputed Independent External Reviewer to confirm alignment of its Sustainable Bond Framework with ICMA Green Bond Principles, Social Bond Principals, Sustainable Bond Guidelines prior to issuance.

A Post-Issuance Assurance Report will be conducted by Accounting Related Assurance Division of M/s Deloitte Associates Partners (Independent External Reviewer) 12 months after issuance, reviewing internal processes, allocation, and impact reports as well as to confirm alignment of its Sustainable Bond Framework with ICMA Green Bond Principles, Social Bond Principals, Sustainable Bond Guidelines and Green Finance Taxonomy

Subsequently, annual allocation and impact reports will also be externally reviewed, with abridged versions and external opinions published on SDF's website. This reflects SDF's commitment to sustainable development and long-term stakeholder value.

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### **General Statements applicable for the Bonds**

It is the understanding of the Company that the entire quantum of funds will be utilized within a period of 12 Months from the date of allotment of the Bonds and in the interim period these funds will be invested in cash and cash equivalents or Government Securities at the current market rates. The current 182-day Treasury bill yield is in the range of 7.80% to 7.90% while the 364-day Treasury bill yield is in the range of 8.00% to 8.05%

The Company as at the date of this Prospectus has not recognized related parties for the lending of the proceeds of the Issue. However, any potential transaction with related parties will be carried out in compliance with all applicable Statutes, Directions, Regulations, and Section 9 of the CSE Listing Rules including following the due process of RPT Review committee (RPTRC). Please refer to Section 8.2 for Composition of the Related Party Transactions Review Committee as at 31st March 2025.

Further, in terms of the Articles of Association of the Company shareholder approval is not required for this Bond issue, therefore the Company will not seek the shareholder approval for the Issue as it is not applicable.

The company has not issued any bonds or debentures previously. Therefore, the Company has no outstanding proceeds of Debentures or Bond Issues towards achieving the objectives of the respective Issues.

The proposed bond issue does not fall within the definition of a major transaction in terms of Section 185 of the Companies Act No 7 of 2007.

Sarvodaya Development Finance PLC 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.

### **Specific risks relating to objectives of the Bond Issue**

Dependence of proceeds of the Issue to achieve the objectives is marginal, as the Company in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.

Further, the risk of under subscription of the Bond Issue will be greatly mitigated through appointing experienced managers to the Issue, pre-marketing and building a pipeline of potential Qualified Investors.

The risk of the Company being unable to utilize the funds to achieve the Objectives of the Issue is minimum as the Company already has demand from their existing clients as well as inquiries from new potential clients for financing such projects. As such, based on Company's past experience and the growth achieved as at date there is no specific risk factor that may lead to non-achievement of expanding the Company's loan portfolio within the specified time line via the proceeds of the Issue up to a maximum of LKR 2 Billion. However, in the highly unlikely event of the Company failing to lend these funds due to an unforeseen reason, these funds would be invested in Government Securities at the current market rates until the use of funds for the purpose of the above said objectives of the issue. If due to some unforeseen reason, these funds are not utilized as proposed, the Company will seek relevant approvals (as applicable) regarding the course of action to be taken. In such an instance SDF will make a prior market announcement through the CSE in this regard.

The Company may not anticipate specific risks associated with financing above stated projects who have failed to secure all necessary approvals as necessary prerequisites are in place as mentioned in the Evaluation and Selection of Green and Social Bond Projects under Section 5.4 of this Prospectus.

### **Utilisation of Bond Proceeds**

The Company undertakes to disclose the progress of the utilization of proceeds in the format outlined below, in all of their future interim and annual financial statements, until funds are fully utilized for the respective objectives stated in the Prospectus.

Bond Issue proceeds utilization as at dd-mm-yyyy

No.	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization as per prospectus	Amount allocated in LKR (A)	% of total proceeds	Amount utilized in LKR (B)	% of Utilized against allocation (B/A)	Clarification if not fully utilized including where are the funds invested (e.g. whether lent to related party/s etc.).
01	To improve the capital Adequacy ratio	Initial issue of LKR 1 Bn and a maximum issue of LKR 2 BN	Upon allotment, following CBSL's final confirmation for Tier 2 recognition of proceeds.					To be disclosed in the Annual Report and the Interim Financial Statements
02	<b>Green Eligible Financing Projects</b>							
	<ul style="list-style-type: none"> <li>a) Rooftop solar energy installation financing</li> <li>b) Solar equipment vendor financing</li> <li>c) Purchase of electric vehicle financing</li> <li>d) Low carbon - transportation infrastructure financing projects, such as electric vehicle (EV) charging centres</li> </ul>	25% of the Bond Proceeds (Each GBP category will receive at least 30% of the allocated Bond Proceeds for Green Eligible Financing Projects)	12 Months					To be disclosed in the Annual Report and the Interim Financial Statements
	<b>Social Eligible Financing Projects</b>							
	<ul style="list-style-type: none"> <li>a) Housing-related purposes include purchasing or constructing a house, buying land for residential construction, completing a partially-built home, or renovating an already constructed house</li> <li>b) Providing SME financing solutions specifically designed to support business startup and enhance the capacity development of existing SMEs owned by or serving underserved and marginalized groups, including youth, persons with disabilities, and low-income communities.</li> <li>c) Providing Financial services specialized for women entrepreneurs and women-led enterprises</li> <li>e) Leasing for agricultural equipment &amp; machinery</li> <li>f) Provide Microfinance loans for loans for village and home-based small businesses and income generative cultivation activities such as tea, cinnamon planting and any other commercial crops for low-income communities</li> </ul>	75% of the Bond Proceeds (Each SBP category will receive at least 10% of the allocated Bond Proceeds for Social Eligible Financing Projects)	12 Months					To be disclosed in the Annual Report and the Interim Financial Statements

## 5.0 PRINCIPAL FEATURES OF THE BONDS

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 as per the above template.

The Company will make immediate disclosures in the instances which are specified under item 34 and 38 of Appendix 8A of Section 8 of the CSE listing Rules. The Company will comply with the requirements stipulated under continuous listing rules of the CSE specifically applicable to the bonds issued under this Prospectus.

### 5.5 PAYMENT OF INTEREST

The interest payments in respect of the Bond options will be as follows:

Type of Bonds	Tenure	Type of Interest	Interest rate (per annum)	AER (per annum)	Interest Payment Frequency
Type A	5 Years	Fixed	12.00%	12.00%	Annual
Type B	5 Years	Fixed	11.66%	12.00%	Semi-Annual

The interest rates have been determined giving consideration to the Company's rating as Issuer, the instrument rating, regulatory limitations, market conditions and features of the instruments.

Interest on the Bonds accruing on a daily basis will be paid annually for Type A Bonds and semi-annually for Type B Bonds as applicable from the Date of Allotment until the Date of Redemption on the outstanding Principal Sum.

The interest due on the Bonds 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] Working Days from each Interest Payment Date.

In order to accommodate the bond interest cycles in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include Bond Holders holding Bond in the CDS as of the Entitlement Date.

### 5.6 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Bonds will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Bond Holders.

Qualified Investors are advised to obtain clarifications in this regard from their tax advisors.

### 5.7 THE INSTANCES AND CONDITIONS UPON WHICH THE ENTITY MAY REDEEM THE HIGH YIELD CORPORATE DEBT SECURITIES LISTED ON THE EXCHANGE

Redemption of the Bonds will take place on the respective Date of Redemption as described in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Bonds will be paid not later than three (03) Working Days from the Date of Redemption.

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 for each calendar day up to the date immediately preceding such Market Day

Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds issued under the prospectus do not have a "convertible option". Furthermore, these Bonds are not subject to an early redemption or maturity for any reason whatsoever except due to the occurrence of an Event of Default contemplated in Clause 10 of the Trust Deed. Bonds shall become immediately payable at the option of the Trustee on the occurrence of event of default as specified in Clause 10 and Enforcement Procedures in Clause 12 of the trust deed. This bond is not collateralized by any asset of the company. Please refer section 5.14 risks involved to investing in the bonds.

On the date of maturity/redemption of the Bonds, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Bonds Holders the principal sum of the Bonds which ought to be redeemed and interest (if any) remaining unpaid up to the date of maturity/redemption of the Bonds.

## **5.8 PAYMENT OF PRINCIPAL AND INTEREST**

Payment of principal and interest will be made after deducting taxes at source, (if applicable) in Sri Lankan Rupees to the registered Bond Holders only as of the Entitlement Date. In the case of joint Bond Holders, the payment of Principal Sum and interest will be made to the one whose name stands first in the register of Bond Holders on the date of payment.

In the event accurate bank account details are provided to the CDS by the Bond Holders, the payment of principal sum and interest shall be made to Bond holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (arranged only at the expense of the Qualified Investor) or SLIPS. RTGS transfers however shall be accommodated only for amounts over and above the maximum value of Rupees Five Million that can be accommodated via SLIPS transfers.

If the Bond holder has not provided to the CDS accurate and correct details of his/her/its/their bank account/s for the payment of principal sum and interest, such payment to the Bond holder will be posted to the address registered with the CDS through registered post to the Bond holder, by crossed cheques marked "Account Payee Only". For all Bond Interest payable will be made only by cheques within three (3) market days from the end of each period.

In the event of there being any delay in the redemption of the High Yield Sustainable Bonds or the payment of interest thereon due to a default by the Company, the Company shall pay default interest at the Rate of Interest plus Two per centum (2%) per annum from the Date of Redemption or the Interest Payment Date as the case may be. ( As per Clause 4.1 (a) (vi) of the Trust Deed)

It is the responsibility of the Non-Resident and Foreign Qualified Investors to ensure that their IIA through which they invest for Bonds is recorded correctly against the records in CDS to dispatch their principal payment and Bond interest payments.

## **5.9 TRUSTEES TO THE ISSUE**

The Company has entered into an agreement with National Development Bank PLC, who will act as Trustee to the Issue and who is in compliance with the requirements Rule 2.2.1 (n) (ii), (iii) (iv) and (v) of the CSE Listing Rules. Bond Holders in their Application Forms for subscription will be required to authorize the Trustee, to act as the agent in entering into such deeds, writings and instruments with the Company and to act as the Agent and Trustee for the Bond Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Bonds will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be Sri Lankan Rupees Four Hundred and Eighty Thousand (LKR 480,000 -) per annum plus statutory levies until the maturity of the Bonds. Trustee/its directors have no conflict of interest with the Company, except that the Trustee is one of the Bank's rendering banking related services to the Company.

## **5.10 THE INDEPENDENT EXTERNAL REVIEWER**

The Company has appointed Deloitte Associates Sri Lanka as the Independent External Reviewer for the issuance. The Independent External Reviewer has agreed to provide an Independent Assurance Report (Annexure II) for Sarvodaya Development Finance PLC's Sustainable Bond Framework, in accordance with the Voluntary Process Guidelines issued by the International Capital Market Association (ICMA). The Independent External Reviewer (Accounting Related Assurance Division, M/s Deloitte Associates Partners) has no conflict of interest with the Company and remains fully independent until the Sustainable Bonds reach maturity.

Key Personnel involved in the Independent External Reviewer Report:

- Malinda Boyagoda, Sri Lanka Assurance Leader - Deloitte

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### Experience of the Independent External Reviewer:

Deloitte Associates, as part of the global Deloitte network, has extensive experience in providing limited assurance engagements as an Independent External Reviewer for Green Bond, Social Bond and Sustainability Bond frameworks. This includes engagements aligned with internationally recognized principles issued by the International Capital Market Association (ICMA), the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA), and Loan Syndications and Trading Association (LSTA). Notable past engagements include:

- Alliance Finance PLC (2024): Provided limited assurance on the alignment of a green bond issuance with the ICMA Green Bond Principles (GBP) 2021, focused on solar energy projects.
- A Leading Listed Company in Renewable Energy (2025): Acted as the Independent External Reviewer for a green bond aligned with ICMA GBP 2021, supporting hydropower and solar energy projects.
- Fraser Logistics and Commercial Trust (2021): Delivered independent assurance for a sustainability bond issuance aligned with the ICMA GBP 2021, Sustainability Bond Guidelines (SBG) 2021, Sustainability-Linked Bond Principles (SLBP) 2020, and the LMA/APLMA/LSTA Green Loan Principles (GLP) 2021 and Sustainability Linked Loan Principles (SLLP) 2021. The bond financed green real estate and commercial buildings.
- Fraser Centrepoint Trust (2021): Assured a sustainability bond against the ICMA GBP 2021 and SBG 2021, and GLP 2021, supporting green real estate initiatives.
- Frasers Property Australia Pty Ltd and Frasers Property Industrial Australia Pty Ltd (2021): Provided external verification for a sustainability bond framework consistent with ICMA GBP 2021, SBG 2021, SLBP 2020, and LMA/APLMA/LSTA GLP and SLLP (2021), targeting green building projects.
- Frasers Property Treasury Pte Ltd (2022): Delivered assurance on a green bond aligned with ICMA GBP 2021 and GLP 2021, focusing on green real estate developments in Singapore.
- Confidential Client (2022): Conducted limited assurance on a green bond framework including evaluation of use and reporting of proceeds, and project evaluation and selection process for green transport (leasing) projects

In addition, the broader Deloitte global network has provided external verification and sustainability bond assurance services for major international clients, including:

- KB Financial Group (2020) – Sustainability bond aligned with SBG 2018 (Social & Green projects).
- Hyundai Capital (2020) – Green bond supporting green vehicle initiatives.
- KB Kookmin Card (2020) – Sustainability bond aligned with GBP 2018, SBP 2018, and SBG 2018 (loan portfolios).
- SpareBank 1 Boligkreditt (2019) – Green bond aligned with GBP 2018, financing green buildings.
- Swedbank (2019) – Green bond aligned with GBP 2017, supporting green buildings and renewable energy projects.

These engagements demonstrate Deloitte's deep expertise, technical capabilities, and global alignment in conducting independent verification of green and sustainability bond frameworks across a wide range of sectors and geographies.

### Scope of the Review

Deloitte has been engaged by Sarvodaya Development Finance PLC to perform a limited assurance engagement on the alignment of its Sustainability Bond Framework with the following International Capital Market Association (ICMA) guidelines:

- Social Bond Principles (2023)
- Green Bond Principles (2021)
- Sustainability Bond Guidelines (2021)

The objective of Deloitte’s engagement is to assess whether the Sustainability Bond Framework developed by Sarvodaya Development Finance PLC is aligned with the four core components set out in the above ICMA principles, namely:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

This limited assurance engagement is conducted in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3000, as the applicable standard for external assurance of sustainability bonds. Deloitte’s Sustainability team brings the required expertise, knowledge, and experience in providing assurance services on sustainable finance instruments and their alignment with globally accepted frameworks.

### 5.11 CREDIT RATING

Lanka Rating Agency has assigned an Initial rating of “BB(Stable)” to the Company’s Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds from the report dated 12th June 2025. The rating report issued by Lanka Rating Agency is set out in Annexure I of this Prospectus.

“BB” rating denotes a 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.

Source: [https://lra.com.lk/wp-content/uploads/2024/10/Final\\_LRA\\_M\\_Debt-Instrument\\_Aug\\_24.pdf](https://lra.com.lk/wp-content/uploads/2024/10/Final_LRA_M_Debt-Instrument_Aug_24.pdf)

However, it’s noteworthy to mention that Sarvodaya Development Finance PLC entity rating was upgraded from BB (Stable) to BB+(Stable) by Lanka Rating Agency with effective from 11th April 2025.

Source: <http://165.22.107.238/wizlanka/public/finalPr/188>

The Board of Directors will undertake to keep the Trustee of the Bond Issue and CSE informed on any change to the credit rating of the Bonds as soon as the Company / any of the Directors are aware of any changes to the ratings.

### 5.12 RIGHTS AND OBLIGATIONS OF BOND HOLDERS

#### a) Bond holders are entitled to the following rights

- Receive the interest on the Interest Payment Dates at the interest rates set out in Section 5.5 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.7 and 5.8 of this Prospectus, subject to the provisions contained in this Prospectus and the Trust Deed.
- To Call, receive notice, attend, and vote at the meetings of the Bond holders in accordance with the provisions contained in the Trust Deed pertaining to this Bond issue.
- Receive a copy of the Annual Report within 5 months from the financial year end at the same time and in the same manner as an ordinary shareholder would receive the same. Annual Report will be sent to Bond Holders in CD form, unless a specific request for a hard copy is received by the Company.
- In the event of liquidation, Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds will rank above the ordinary voting shareholders of the Company
- The other rights of the holders of these Bonds are set out in the Trust Deed.
- In the event of any Bond Holder dissenting to the resolution/s passed at the meeting of the Bond Holders referred to in Listing Rule 7.12.4 (A) (II) (c) (iii), the Company shall pay the maturity proceeds relating to the High Yield Sustainable Bonds held by such dissenting Bond Holders within seven (07) Market Days from the meeting of the Bond Holders.

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### b) Bond holders are NOT entitled to the following rights

- Attending and voting at meetings of holders of shares and other types of bonds.
- 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 of the Bond Holders

- Each Bond Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Bond Holder shall 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. Provided further that the Bond Holder shall 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 Bond Holders.

## 5.13 BENEFITS OF INVESTING IN THE BONDS ISSUED BY THE COMPANY

- Provides an opportunity to diversify the investment portfolio of the Qualified Investor.
- Provides the Qualified Investor with a regular cash inflow of interest payments.
- Provides the Qualified Investor with an opportunity to invest in Bonds issued by a leading Company in Sri Lanka
- Being listed on the CSE, the Bonds will have a secondary market subject to secondary market trading of these Bonds, thus providing the Qualified Investor with an opportunity to exit at the market price prevailing at the time of divestiture subject to market conditions.
- The Bonds may be used as collateral to obtain credit facilities from banks and financial institutions with the exception of the issuing Company, subject to the policies of those institutions.
- The Sustainable Bonds issued under this prospectus are specifically earmarked to finance projects that have positive environmental and social impacts. This allows investors to align their investments with their values, supporting sustainable initiatives while potentially enhancing their reputation as socially responsible investors.

## 5.14 RISKS INVOLVED IN INVESTING IN THE HIGH YIELD SUSTAINABLE BONDS

Subscribers to the Bonds could be exposed to the following risks.

### a. Interest Rate Risk

Provided all other factors are equal, the market price of the Bonds will generally fluctuate in the opposite direction to the fluctuation in market interest rates. Thus, the interest rate risk could be identified as the reduction in the market price of Bonds resulting from a rise in interest rates.

### b. Reinvestment Risk

Interests on the Bonds are payable annually for Type A and Semi Annually for Type B. A Qualified Investor may decide to reinvest this interest payment and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Bond Holders by reinvesting such interest received being higher or lower than the return offered by the Bonds is known as reinvestment risk.

### c. Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

### d. Credit Risk

Credit risk is also referred to as default risk. This is the risk that the issuer of a bond may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. Lanka Rating Agency as assigned an initial rating of 'BB (Stable)' from the report dated 12th June 2025 to these Bonds and will be periodically reviewing the same.

#### **e. Liquidity Risk**

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Bonds, the Issuer has applied for a listing of these Bonds on the CSE and has received in-principal approval for such listing whereby Bonds Holders will be able to sell the Bonds through the CSE in order to convert the Bonds to cash and exit from the investment. However, transaction price or bid-ask spread will be dependent upon the marketability, demand, supply, and other macro factors such as market interest rates. Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

#### **f. Inflation Risk**

If the Sri Lankan inflation rate is to increase, this would compel the CBSL to increase policy rates which would eventually have an upward push on the interest rates of the existing Government Bonds and the Corporate Bonds at the given time period. As the price of Bond/Debenture is inversely proportional to the interest rate of the same instrument, this will have an impact on the price of the Bond as they will be pushed down.

#### **g. Investor Restriction Risk**

Certain investors are not allowed to invest in fixed income instruments that are rated below investment grade rating. High Yield Bonds fall under this category and as a result the investor pool is concentrated amongst a few investors, this would mean, in the event a High Yield Bond holder wishes to trade his or her bond in the secondary market, this lack of liquidity might serve as an obstacle.

#### **h. Operational Risk**

The Company operates in the finance sector with a primary focus on SMEs and microcredit clients. As such, it is exposed to elevated operational risk arising from economic shocks, interest rate volatility, and liquidity constraints, which may impact the financial capacity of its target client base. These factors can directly affect repayment performance, increasing the risk of non-performing loans (NPLs) of the Company. However, the Company has implemented robust processes and risk management frameworks to mitigate these vulnerabilities and manage operational risks effectively

### **5.15 ACTION PLAN TO HONOUR INTEREST PAYMENTS**

In order to make interest payments on time, the Company is going to reserve the cash flow requirement for the interest payments Five (05) working days prior to the due date.

### **5.16 ENFORCEMENT ACTION APPLICABLE FOR GSS+ BONDS**

In terms of CSE Rule 7.12.4 (A)(II)(c) and (d), the dissenting option may be exercised in the event the Listed Entity fails to rectify the non-compliance within the stipulated six (06) month period, whereby GSS+ Bond Holders who dissent to the proposed course of action may opt to be repaid their maturity proceeds within seven (07) Market Days from the date of the Bond Holders' meeting

Thereafter, the Exchange shall cease to recognize such Debt Securities as GSS+ Bonds, and the remaining bonds will continue to be listed on the Exchange under the classification of high-yield bonds

### **5.17 ENFORCEMENT ACTION APPLICABLE FOR HIGH YIELD BONDS**

As per CSE Listing Rule 7.12.4 (E) the High Yield Corporate Debt Securities of a Listed Entity shall be transferred to the Watch List on or before the expiry of five (05) Market Days from the date of the immediate announcement to the Market in the instances set out below:

- Where the Entity fails to submit its Financial Statements and/or a fresh rating report in lieu of its Financial Statements as referred to in these Rules.
- Where the Entity has defaulted on interest and/or principal payments in respect of loans obtained by such Entity not paid within 30 days.
- Where the Entity has breached any term or condition relating to other Debt Securities issued by such Entity.
- Where the Entity's rating in relation to the High Yield Corporate Debt Security referred to in Rule 7.12.2 of the CSE Listing Rules is downgraded to a Default rating by a rating agency licensed by the SEC
- Where the Entity fails to make timely interest payments as referred to in the CSE Listing Rules

## 5.0 PRINCIPAL FEATURES OF THE BONDS

### 5.18 TRANSFER OF BONDS

The Bonds will be transferable and transmittable in the manner set out in the Trust Deed, which is reproduced below.

- These High Yield Sustainable Bonds shall be freely transferable among Qualified Investors 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.
- The Bonds shall be transferable and transmittable through the CDS as long as the Bonds are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of Bonds, 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 Bond Holder
  - I. The survivor where the deceased was a joint holder; and
  - II. 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 High Yield Sustainable Bond Holder was the sole or only surviving holder
- Any person becoming entitled to any High Yield Sustainable Bonds in consequence of bankruptcy or winding up of any High Yield Sustainable Bond Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a High Yield Sustainable Bond Holder in respect of such High Yield Sustainable Bonds 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 deal in and obtain a listing for these Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds at a par value of LKR100/- each, all of which are offered to the public by way of this Bond issue and has been approved in principle. It is the intention of the Company to list the Bonds in the Colombo Stock Exchange upon the allotment thereof. 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. There are no other approvals required for the said Bond issue apart from the approval of the CBSL and CSE.

At the point of listing, the Company will ensure that the Bonds to be listed are fully paid and issued only for cash.

**The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included or omitted statements /undisclosed information in this Prospectus. A Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Bonds issued.**

### 5.20 COST OF THE ISSUE

The directors estimate that the total cost of the issue including the Listing fee, Trustee fee, Brokerage, Marketing, Managers and Registrars fees and other costs connected with the issue will be approximately Sri Lankan Rupees 22 million and such costs will be financed by internally generated funds of the Company.

### 5.21 BROKERAGE FEE

Brokerage fee of Fifteen Cents (LKR 0.15) per Bonds shall be paid in respect of the number of Bonds allotted on Applications bearing the original seal of any Bank operating in Sri Lanka or a Trading Participant of the CSE or any other party identified by the Company and/or Managers and Placement Agent as involved in the Issue.

## 5.22 UNDERWRITING

This Issue is not underwritten.

The offering is not conditional to any minimum amount to be raised through this Issue. In the event of an under subscription, the subscribers shall be allotted in full and the Company is confident that any short fall in the funds required to meet the objectives of the Issue can be financed through internally generated funds and other credit facilities that could be obtained by the Company, at its discretion depending on the situation.

## 5.23 INSPECTION OF DOCUMENTS

Certified copies of the Articles of Association of the Company, the Audited financial statements of the Company for the last five financial years ending 31 March 2025 (i.e. the five (05) financial years immediately preceding the date of this Prospectus) , Interim Unaudited Financial Statements and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Company (if any) would be made available for inspection by the public during normal working hours, seven (07) Market Days prior to the date of opening of the subscription list at the registered office of Sarvodaya Development Finance PLC No.155A, Dr. Danister De Silva Mawatha, Colombo 08 , Sri Lanka from the date, until the Date of Redemption of the Bonds

The Prospectus, Trust Deed and the Articles of Association of the Company, will be available on the website of CSE, [www.cse.lk](http://www.cse.lk) and the website of the Company, [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk) from seven (07) Market Days prior to the date of opening of the subscription list until the date of maturity of the Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

Audited financial statements of Sarvodaya Development Finance PLC made up to 31st March 2025, Interim financial statements of the Entity made up to a date not less than 3 months from the date of submission of the listing application (as at 30th June 2025), Accountants Report and the five-year summary of financial statements will be available on the website of CSE, [www.cse.lk](http://www.cse.lk) and the website of the Company, [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk)

## 5.24 PROSPECTUS AND APPLICATION FORMS

Application Forms may be obtained free of charge from the collection points listed in Annexure III from Seven (07) Market Days prior to the date of opening of the subscription list. Soft Copies of the Prospectus and the Application Forms can also be downloaded from the websites of the CSE “[www.cse.lk](http://www.cse.lk)” and the Company website [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk)

As part of its broader sustainable initiatives, the Company aims to reduce the environmental impact of the Sustainable Bond issue by minimizing the use of printed material. Therefore, via the letter dated 07th August 2025 the Company requested a waiver from the CSE for Listing Rule 2.4 (f), which requires making physical copies of the Prospectus available. Upon careful deliberation of the said request made by the Company, the CSE granted the waiver. Consequently, only digital copies of the Prospectus and the Application Form will be available to Trading Participants of the Exchange, and the public.

## 6.0 APPLICATION PROCEDURE

### 6.1 ELIGIBLE APPLICANTS

Applications are invited from the following categories of Qualified Investors:

- a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended).
- c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.
- d) A venture capital fund/ company and private equity company.
- e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).
- f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, No. 56 of 2000 (as amended)
- g) A company licensed by the Insurance Board of Sri Lanka to carry on Insurance business in terms of the Regulation of the Insurance Industry Act, No. 43 of 2000 (as amended)
- h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007.
- i) An investment trust or investment company
- j) A Non-Resident institutional investor
- k) An individual with an initial investment amount of LKR 5,000,000/-

In view of the above, trading of the Bonds on the CSE will also be limited to Qualified Investors

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons. Applications will also not be entertained from any financial institution over which the Company has control.

“Persons resident outside Sri Lanka” will have the same meaning as in the Order published under Section 31 of the Foreign Exchange Act No 12 of 2017 in Gazette No.2213/40 dated 3rd February 2021.

When permitting Non-Residents to invest in the Bonds, the Company will comply with the relevant Foreign Exchange Regulations including, the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Bonds of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka as published in the Government Gazette (Extraordinary) No. 2213/35 dated 3rd February 2021.

### 6.2 HOW TO APPLY

The Application Forms and the Prospectus can be downloaded from the website of CSE, [www.cse.lk](http://www.cse.lk), the website of the Company, [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk) until the Closure Date.

Copies of Prospectus will be made available free of charge from the collection points listed in Annex III. The softcopies of the Prospectus can be downloaded from [www.cse.lk](http://www.cse.lk) and the Company website [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk) until the Closure Date. The above is carried out in accordance with the laws of the land.

The Application Form should be legibly completed and be received by the Registrars to the Offer during the stipulated time period. 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.

**Only Non-resident Qualified Investors** may submit **a clear scanned copy or photocopy** of the duly completed application form via email to [sdfbond@sdf.lk](mailto:sdfbond@sdf.lk) through their respective investment advisors. This submission must be accompanied by an **undertaking from the investment advisor** on behalf of the Non-resident Qualified Investors confirming that the original application form will be posted, couriered, or hand-delivered to the Registrars to the Issue **no later than 12.00 noon on the second working day** from the issue **Closing Date**.

Please note that failure to submit the original application within this period may result in the application being rejected, subject to the final discretion of the Issuer.

### **The terms and conditions applicable to the Applicants are as follows**

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 issued free of charge by the parties listed in Annexure III of this Prospectus.

**Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected. The Company reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investor.**

- b) Applicants should apply for only one Type of Bonds under one Application Form.
- c) In the event an Applicant wishes to apply for more than one Type of Bonds, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Bonds, it will not be possible for an Applicant to switch between the Types of Bonds.
- d) More than one Application submitted by an Applicant under the same Type of Bonds will not be accepted. If more than one Application Forms are submitted for one Type of Bonds from a single Applicant, those would be construed as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.
- e) If the ownership of the Bonds 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.
- f) An Applicant of a joint Application will not be eligible to apply for the Bonds 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 Bonds (except in the case of executors, administrators, or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

- g) Applications by companies, corporate bodies, incorporated 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 Bonds 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.

## 6.0 APPLICATION PROCEDURE

h) All Qualified Investors should indicate in the Application for Bonds, their CDS account number.

In the event the name, address or NIC number/passport number/company number of the Qualified Investor 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 CDS records will prevail and be considered as the name, address or NIC number/passport number/ company number of such Qualified Investor. Therefore, Qualified Investors 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.

i) 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 Bonds 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.

j) 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) which has been executed and submitted for registration in accordance with the Powers of Attorney (Amendment) Act No.28 of 2022. 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.

k) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure V together with the Application Form. Under the provisions of FATCA, "US Persons" include;

- a) US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- b) A lawful citizen of the U.S. (including Green card holders)
- c) A person residing in the U.S.
- d) A person who spends certain number of days in the U.S. each year
- e) U.S. Corporations, estates and trusts
- f) Any entity that has a linkage or ownership to U.S. or the U.S. territories
- g) Non U.S. entities that have at least one U.S. Person as a "substantial beneficial owner"

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.

Applications not made in line with the instructions will be rejected.

l) Funds for the investments in Bonds and the payment for Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) (formerly known as Securities Investment Accounts) of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

m) 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/Internal Direct Transfer has been made out of the funds available in the IIA.

Applications not made in line with the instructions will be rejected

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

o) **Non-resident Qualified Investors** may submit a **clear scanned copy or photocopy** of the duly completed application form via email to [sdfbond@sdf.lk](mailto:sdfbond@sdf.lk) through their respective investment advisors. This submission must be accompanied by an **undertaking from the investment advisor** on behalf of the Non-resident Qualified Investors confirming that the **original application form** will be posted, couriered, or hand-delivered to the Registrars to the Issue **no later than 12.00 noon** on the **second working day** from the issue **Closing Date**.

Please note that failure to submit the original application within this period may result in the application being rejected, subject to the final discretion of the Issuer.

The relevant investment funds pertaining to applications submitted by **Non-resident Qualified Investors** as soft copies must be credited to the designated bank account on the **Issue opening date**. Additionally, the bank endorsement confirming that the payment has been made from funds available in their respective IIA must be attached along with the soft copy of the application and the original should be posted, couriered, or hand-delivered to the Registrars to the Issue no later than **12.00 noon** on the **second working day** from the issue **Closing Date** along with the original application form.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application if not remitted through RTGS transfer should be enclosed in an envelope Marked **"SARVODAYA DEVELOPMENT FINANCE PLC SUSTAINABLE BOND ISSUE 2025"** on the top left-hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue or collection points mentioned in Annexure III of this Prospectus.

All Applications (not including the original hard copies of the softcopies submitted by Non-residents ) sent by post or courier or delivered by hand or delivered to any collection point set out in Annexure III of this Prospectus should reach the office of the Registrar to the Issue Central Depository Systems (Pvt) Ltd, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya at least by 4.30 p.m. on the following Market Day immediately upon the Closure 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 Closure Date or carry a postmark dated prior to the Closure Date.

**Softcopies of the Applications of the Non-resident Qualified Investors** and the payment confirmation along with the undertaking from their respective investment advisor and the bank endorsement confirming that the payment has been made from funds available in their respective IIA should reach the above given email address at least by 4.30 p.m. on the issue Closing Date. Applications received after the said period will be rejected

Original hard copies of the applications submitted by Non-resident Qualified Investors (who have already forwarded a soft copy in accordance with Section 6.2 (o) above), whether sent by post, courier, hand-delivered, or submitted to any collection point listed in Annexure III of this Prospectus, must reach the office of the Registrar to the Issue, Central Depository Systems (Pvt) Ltd, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, no later than 12.00 noon on the **second working day** from the Issue Closing Date. Please note that failure to submit the original application within this period may result in its rejection, at the sole discretion of the Issuer.

## 6.0 APPLICATION PROCEDURE

Applications delivered by hand to the Registrars to the Issue after the Closure 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 BONDS 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 Bonds under this Issue, the allotted Bonds would be credited to the Applicant's CDS account so indicated.**

**Hence, BOND CERTIFICATES SHALL NOT BE ISSUED.**

### 6.3 NUMBER OF BONDS TO BE SUBSCRIBED

Applicants are allowed to invest in either;

- a. Bond of Type A; and/or
- b. Bond of Type B;

subject to the minimum subscription under each Type of Bonds as given below.

The minimum subscription requirement applicable for a Qualified Investor other than individual Qualified Investors applying for Debt Securities shall be Rupees Ten Thousand (LKR 10,000/-).

The minimum subscription requirement applicable for an **individual investor** applying for High Yield Debt Securities as per Rule 2.2.1 (k) and Rule 2.2.1 (u) (ii) which are to be read together with the Definition Section of the CSE Listing Rules shall be Sri Lanka Rupees Five Million (LKR 5,000,000/-)

Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lanka Rupees Ten Thousand (LKR 10,000/-).

An Applicant should apply only for one **Type of Bonds** under one **Application Form**.

### 6.4 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

- Payment in full for the total value of Bonds 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 CEFTS/SLIPS/ RTGS transfer directed through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to the following:
- Payments for Applications for values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a;
  - a) Bank guarantee issued by a licensed commercial bank; or

- b) 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/-; or
- c) RTGS / Internal Direct transfer with value on the Issue opening date:

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

**Multiple electronic fund transfers (CEFTS/SLIPS/RTGS) will not be accepted for Applications with any value. As such, in case an Applicant wishes to use electronic fund transfer mechanism recognised by the banking system of Sri Lanka for the payment for the value of Bonds applied;**

- **Payments for Applications for up to and inclusive of Sri Lanka Rupees Five Million (LKR 5,000,000/-) should be supported by either a CEFTS/SLIPS/RTGS transfer; and**
- **Payments for Applications for values above Sri Lanka Rupees Five Million (LKR 5,000,000/-) should be supported by a RTGS/ Internal Direct transfer.**
- Cheques or bank drafts should be made payable to **“Sarvodaya Development Finance PLC - Sustainable Bond Issue 2025”** and crossed “Account Payee Only”, and must be honoured on the first presentation.
- In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“Sarvodaya Development Finance PLC - Sustainable Bond Issue 2025”** in a manner acceptable to the Bank, and be valid for a minimum of one (01) month from the Issue opening date (08th October 2025).

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.

- In case of RTGS / Internal Direct transfers and other electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as CEFTS/SLIPS/, such transfers should be made to the credit of the following bank account with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

Account Name : Sarvodaya Development Finance PLC – Sustainable Bond Issue 2025  
 Account Number : 108010115588  
 Bank Name : Hatton National Bank PLC  
 Bank Code : 7083  
 Branch : Maradana  
 Branch Code : 108

It is mandatory to provide the CDS Account Number as the transaction reference for all types of Electronic Fund transfers. In case payment for the Application is made via a CEFTS or a SLIPS transfer, the CDS Account Number of the Applicant should be mentioned as the narration of such fund transfers

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 Bonds applied for to the credit of the above bank account and should be attached with the Application Form.

## 6.0 APPLICATION PROCEDURE

- For RTGS transfers/ Internal Direct 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 **Two Decimal Five per centum (2.50%)** per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers/ Internal Direct transfers are not realized before 4.30 p.m. of the Closure Date of the Subscription List. 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.
- Cash Deposits will not be accepted to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of bond within the given time lines.
- Payment for the Bonds by Non-Residents should be made only out of funds received as inward remittances or available to the credit of "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign 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.**

- In the event that cheques are not realized within Two (02) Market Days of deposit, the monies will be refunded and no allotment of Bonds will be made. Cheques must be honoured on first presentation for the Application to be valid.
- The amount payable should be calculated by multiplying the number of Bonds applied for by the Par Value (LKR 100/-). 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.
- All cheques/bank drafts received in respect of the Applications for Bonds will be banked commencing from the **Working Day immediately following the Closure Date of the Subscription List.**
- Applications should not be posted, couriered or hand delivered to any other address.

### 6.5 REJECTION OF APPLICATIONS

Application Forms and the accompanying cheques/bank drafts/bank guarantees or SLIPS/CEFT/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 from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.

More than one Application Form submitted under one Type of Bonds by an Applicant will not be accepted. If more than one Application Form is submitted under one type of Bonds by a single Applicant, those would be considered as multiple Applications and the Company reserves the right to reject such multiple Applications or suspected multiple Applications.

Any Application Form with more than three (03) natural persons as joint Applicants for any type of Bonds will be rejected.

Applications (not including the original hard copies of the softcopies submitted by Non-residents) delivered by hand to the Registrars to the Issue after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

Softcopies of the Applications of the Non-resident Qualified Investors and the payment confirmation along with the undertaking from their respective advisor and the bank endorsement confirming that the payment has been made from funds available in their respective IIA sent to the email stated in Section 6.2 (o) above after 4.30 p.m. on the issue Closing Date will also be rejected.

Original hard copies of the applications submitted by Non-resident Qualified Investors (who have already forwarded a soft copy in accordance with Section 6.2 (o) above) received at the Registrar's office later than 12.00 noon on the second working day from the Issue Closing Date may result in its rejection, at the sole discretion of the Issuer.

In the event that cheques are not realized within Two (02) Market Days of deposit and realized after such date, the monies will be refunded and no allotment of Bonds 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.

## **6.6 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 Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

## **6.7 BASIS OF ALLOTMENT OF BONDS**

The allotment of Bonds as above will be done subject to the provisions in 3.3.15 (i) (d) and Rule 2.2.1 (u) (ii) which are to be read together with the Definition Section of the CSE Listing Rules

As such High Yield Debt Securities offered hereunder shall be allotted only to 'Qualified Investors' as defined in the Listing Rules of the CSE on a basis to be determined by the Entity.

In the event of an over subscription, Chief Executive Officer or any person authorized by the board of directors of the Company will endeavour to decide the basis of allotment in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Bonds to be allotted under this Issue to identified Qualified investor/s of strategic importance with whom the Company might have mutually beneficial relationships in the future.

Number of Bonds to be allotted to identified investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other Qualified investors (Qualified investors that do not fall under preferential category). In the event of such undersubscription from the other Qualified Investors, such other Qualified investor category to be allotted in full and any remaining Bonds to be allotted to identified Qualified Investor/s.

The number of Bonds to be issued under each type of Bonds offered under this prospectus will be in accordance with the basis of allotment which will be decided at the discretion of the Board of Directors of the Company in a fair and equitable manner in the event of an oversubscription. 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 therefor.

A written confirmation informing successful Applicants of the allotment of Bonds will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

## 6.0 APPLICATION PROCEDURE

### 6.8 REFUNDS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
- the Application is accepted only in part.

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 refund payment is over Rupees Five Million (LKR 5,000,000/-), if the Applicant has provided accurate and correct details of his/her bank account refunds will be made via RTGS or if the Applicant has not provided accurate and correct details of his/her 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.

It is the responsibility of Non-Residents/Foreign Qualified Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

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

<https://www.lankaclear.com/products-and-services/slips/#slips-member>

Refunds on Applications rejected or partly allotted Bonds would be made within eight (8) Market Days excluding the Closure Date. 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) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

### 6.9 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Bonds 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 Closure Date. 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 Bonds.

Trading of Bonds on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

**Further, as per CSE Listing Rule 3.3.15 (i) (e) and 3.3.15 (i) (f) the secondary market trading of the Bonds shall be limited to the "Qualified Investors". The High Yield Debt Securities offered hereunder shall only be traded on the OTC Platform of the CSE**

## 7.0 COMPANY INFORMATION

### 7.1 BACKGROUND

Sarvodaya Development Finance PLC (SDF), a licensed financial institution, was listed on the Colombo Stock Exchange on January 1st, 2010. Committed to empowering communities through inclusive financial solutions, SDF was founded with the vision of fostering sustainable economic development. The company is deeply rooted in the Sarvodaya Movement, Sri Lanka's largest non-governmental organization dedicated to social and economic upliftment. (<https://www.sarvodaya.org/about-us/#history>)

Initially incorporated as a private limited liability company, SDF transitioned into a public company under the Companies Act No. 07 of 2007, reinforcing its commitment to transparency, inclusivity, and financial empowerment. The company offers a wide range of financial products, including microfinance, SME loans, leasing, and savings solutions, with a strong focus on serving underserved communities and entrepreneurs across the country. The Company operates under the authority of the licence issued by Monetary Board of Central Bank of Sri Lanka. The licence issued is a continuous licence and does not have an expiry date

Guided by the principles of ethical finance and sustainable development, Sarvodaya Development Finance PLC continues to drive financial empowerment, fostering both economic resilience and social progress in Sri Lanka.

### 7.2 FINANCIAL YEAR

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

### 7.3 STATED CAPITAL

The stated capital of the Company represents ordinary shares as given below.

<b>Ordinary Voting Shares</b>	<b>31st March 2024</b>	<b>31st March 2025</b>
Balance (LKR)	2,696,113,032	2,696,113,032
Number of Shares	149,596,052	149,596,052

## 7.0 COMPANY INFORMATION

### 7.4 MAJOR SHAREHOLDERS AS AT 30th June 2025

#### Ordinary Shares

	Name	No of Shares	%
1	Sarvodaya Economic Enterprises Development Services (GTE) Ltd	54,000,000	36.1
2	Janashakthi Capital Limited	11,365,000	7.6
3	Seylan Bank PLC/Janashakthi Capital Limited	4,724,270	3.16
4	Commercial Bank of Ceylon PLC/Janashakthi Capital Limited	13,500,004	9.02
5	Gentosha Media Consulting Inc.	12,747,542	8.52
6	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	4,645,000	3.11
7	Lanka Jathika Sarvodaya Shramadana Sangamaya	4,382,246	2.93
8	Ideal Automobile (Pvt) Ltd	3,065,765	2.05
9	Sanasa Life Insurance Company PLC	2,500,000	1.67
10	Mr. G.B.D. Thilakaratne	1,414,000	0.95
11	Thalwila Pibidena Sarvodaya Shramadana Society	1,072,200	0.72
12	Mr M.A.H. Esufally & Mrs A.M. Esufally	912,259	0.61
13	Commercial Bank of Ceylon PLC/Ayenka Holdings (Pvt) Limited	774,602	0.52
14	Sanasa General Insurance Company Ltd	600,000	0.4
15	Dialog Finance PLC/R. Arifeen	526,887	0.35
16	Commercial Bank of Ceylon PLC/ H.G. Balasuriya	500,000	0.33
17	Dr. T.H. Rajudin	457,090	0.31
18	Mr. A.L. Fernandez	454,600	0.3
19	Mr J.D. Ariyaratne	450,000	0.3
20	Kekunawela Sarvodaya Shramadana Society	450,000	0.3
		118,991,377	79.54%
	Others	30,604,675	20.46%
	<b>Total</b>	<b>149,596,052</b>	<b>100 %</b>

### 7.5 DETAILS OF OTHER BONDS / DEBENTURES IN ISSUE

There were no other Debentures or Bonds issued by the Company as at the date of this Prospectus.

### 7.6 PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE COMPANY

As at 01st April 2023, 31st March 2024, 31st March 2025 and 30th June 2025 the outstanding balances are given in the table below.

Category	LKR'000
Balance as at 01st April 2023	1,419,276
Net of New borrowings / (Settlements)	1,112,239
<b>Balance as at 31st March 2024</b>	<b>2,531,515</b>
Net of New borrowings / (Settlements)	4,590,109
<b>Balance as at 31st March 2025</b>	<b>7,121,625</b>
Net of New borrowings / (Settlements)	*2,685,435
<b>Balance as at 30th June 2025</b>	<b>*9,807,060</b>

\*Unaudited

Borrowings of the Company as at 31st March 2024 , as at 31st March 2025 and as at 30th June 2025 comprise of the following categories.

<b>Category</b>	<b>As at 31st March 2024</b> <b>LKR'000</b>	<b>As at 31st March 2025</b> <b>LKR'000</b>	<b>* As at 30th June 2025</b> <b>LKR'000</b>
Due to Banks and Other Institutions	3,005,408	7,565,769	9,965,895
Financial Liability at Amortised Cost - Due to Customers	7,492,006	9,832,710	10,146,030
Lease Liability	202,487	249,452	239,954
Other Non-Financial Liabilities	425,291	724,704	1,119,427
Current Tax Liabilities	144,945	154,998	193,467
Post Employment Benefit Obligation	56,992	70,333	76,737
<b>Total</b>	<b>11,327,129</b>	<b>18,597,967</b>	<b>21,741,510</b>

*\*Unaudited*

## 7.7 CONTINGENT LIABILITIES AND LITIGATION AGAINST THE COMPANY

### Litigation against the Company

Apart from legal proceedings in the normal course of its business, the Company is not a party to any litigation 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 or profitability nor has it been a party to any such proceedings in the recent past.

A statement of Contingent Liabilities that would affect current and future profits of the Entity as at 31st March 2024 , as at 31st March 2025 and as at 30th June 2025 are as follows;

<b>Commitments</b>	<b>As at 31st March 2024</b> <b>LKR</b>	<b>As at 31st March 2025</b> <b>LKR</b>	<b>* As at 30th June 2025</b> <b>LKR</b>
Guarantees issues to other institution	-	-	-
Cases pending against the Company	6,048,100	20,317,100	20,317,100

*\*Unaudited*

## 7.0 COMPANY INFORMATION

### 7.8 KEY FINANCIAL RATIOS

	31.03.2021	31.03.2022	31.03.2023	31.03.2024	31.03.2025
Debt / Equity Ratio (Times) **	2.9	2.1	2.2	2.9	4.4
Interest Cover Ratio (Times) ***	1.6	1.7	1.4	1.4	1.8
Debt Service Cover Ratio (Times)****	0.55	0.53	0.65	0.97	0.97
Debt/ Cash Flow Ratio*****	462.00%	397.90%	304.70%	341.60%	517.50%

**Debt to Equity Ratio as at 30th June 2025 is 4.9 Times and the same after including the proceeds raised through this issuance will be 5.4 Times (based on the 30th June 2025 financials)**

#### **\*\*Debt/Equity**

(Liabilities on Other Financial liabilities due to Customer + Interest bearing loans & Borrowings +  
Due to related companies + Bank Overdraft)  
 Total Equity

#### **\*\*\*Interest Cover ratio**

Profit before Interest & Taxes  
 Interest Expense

#### **\*\*\*\*Debt Service Cover Ratio**

Profit Before Tax (PBT) + Interest Expense + Depreciation + Impairment  
 Principal Payment + Interest Payment

#### **\*\*\*\*\*Debt/ Cash Flow Ratio**

Total Debt  
 Operating Cashflow

### 7.9 PAST BONDS/DEBENTURES INTEREST PAYMENT DETAILS

The Company has not issued any Bonds or Debentures during the past 5 years.

### 7.10 TAXATION

The Company is not enjoying any tax exemptions as at the date of the Prospectus. Currently corporate tax applicable to the Company is 30%

### 7.11 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

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

- Audited financial statements of Sarvodaya Development Finance PLC as at 31st March 2025
- Unaudited Interim financial statements of Sarvodaya Development as at 30th June 2025
- Summarized financial statement for the five years ended 31st March 2021 to 31st March 2025 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.

## 8.0 BOARD OF DIRECTORS

### 8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of Sarvodaya Development Finance PLC as at the date of this Prospectus are given below

Name of Directors	Designation
Mr. Channa de Silva -Chairman	Non-Independent/Non-Executive Director
Mr. Dhammika Ganegama	Independent/ Non-Executive Director
Mr. Ramesh Schaffter	Non-Independent/Non-Executive Director
Mr. Senthil Nandhanan Senthilverl	Non-Independent/Non-Executive Director
Mr. Amrit CanagaRetna	Independent/Non-Executive Director
Mrs. Shehara De Silva	Independent/ Non-Executive Director
Ms. Ramya Suranjani Wickremeratne	Independent/ Non-Executive Director

### 8.2 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Composition of the Related Party Transactions Review Committee as at 31st March 2025 is as follows.

Related Party Transaction Review Committee Members as at 31st March 2025	Membership Status	Directorship
Mr. C Amrit CanagaRetna	Chairman of the Committee	Non-Executive, Independent Director
Mr. Channa de Silva	Member	Non-Executive, Non- Independent Director
Mr. Dhammika Ganegama	Member	Senior Director/ Non-Executive, Independent Director

## 9.0 STATUTORY DECLARATIONS

### Statutory Declaration by the Directors

We, the undersigned who are named herein as Directors of Sarvodaya Development Finance PLC hereby declare and confirm that we have read the provisions of CSE Listing Rules and of the Companies Act No.7 of 2007 and any amendments thereto relating to the issue of the Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of our knowledge and belief, 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 Entity have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Entity and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

The parties to the Issue including Managers to the issue, Lawyers, Auditors, Registrars, Company Secretary, Independent External Reviewer to the Issue and Rating Company have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company.

An application has been made to the CSE for permission to deal in and for a listing for Bonds issued by the Company and those Bonds which are the subject of this Issue.

Such permission will be granted when Bonds are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Entity or of the Bonds issued.

Name of Directors	Designation	
Mr. Channa de Silva -Chairman	Non-Independent/Non-Executive Director	Sgd.
Mr. Dhammika Ganegama	Independent/ Non-Executive Director	Sgd.
Mr. Ramesh Schaffter	Non-Independent/Non-Executive Director	Sgd.
Mr. Senthil Nandhanan Senthilverl	Non-Independent/Non-Executive Director	Sgd.
Mr. Amrit CanagaRetna	Independent/Non-Executive Director	Sgd.
Mrs. Shehara De Silva	Independent/ Non-Executive Director	Sgd.
Ms. Ramya Suranjani Wickremeratne	Independent/ Non-Executive Director	Sgd.

**Statutory Declaration by Managers to the Issue**

We, Capital Alliance Partners Limited, of Level 5, Millennium House, 46/58, Navam Mawatha, Colombo 02, 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 Sarvodaya Development Finance PLC, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Sarvodaya Finance PLC whose Bonds are being listed.

Signed by two Directors of Capital Alliance Partners Limited, being duly authorised thereto, at Colombo on this 26th September 2025

**Sgd.**  
*Director*

**Sgd.**  
*Director*

## 10.0 FINANCIAL INFORMATION

### 10.1 ACCOUNTANTS' REPORT AND FIVE-YEAR SUMMARY OF FINANCIAL STATEMENTS



**Deloitte Associates**  
No 100, Braybrooke Place  
Colombo 02  
Sri Lanka

Tel: +94 11 5444400, +94 11 2580409,  
+94 11 2503262,  
Fax: +94 11 2582452  
www.deloitte.com

06 June 2025

The Board of Directors  
Sarvodaya Development Finance PLC  
No. 51/A, Dr. Danister De Silva Mawatha  
Colombo 08

Dear Sirs/Mesdames,

#### **Accountants' report for inclusion in the prospectus of Sarvodaya Development Finance PLC**

##### **Introduction**

This report has been prepared for the inclusion in the prospectus issued in connection with the proposed issuance of Twenty Million (20,000,000) sustainability bonds at rupees one hundred (LKR 100.00) to raise rupees two billion (LKR 2,000,000,000) by Sarvodaya Development Finance PLC (the "Company"). The tenor of the instrument will be 5 years and it is annually couponed. This instrument will be listed in the CSE and rated by Lanka Rating Agency. The proceeds of the proposed sustainability bonds will be used specifically for financing:

- A. The development and implementation of rooftop solar electricity generation facilities, including dedicated transmission and supporting infrastructure.
- B. Financing for solar equipment vendors and suppliers to strengthen the renewable energy supply chain.
- C. Providing loan and affordable leasing facilities to support the purchase of electric vehicles (EVs).
- D. Financing low-carbon public transportation infrastructure projects, such as EV charging centres.
- E. Providing loans to underserved communities for affordable housing projects.
- F. Offering financial services specialized for women entrepreneurs and women-led enterprises.
- G. Providing loan facilities and affordable leasing options for agricultural equipment and machinery to support farmers.
- H. Offering microfinance loans for low-income communities.

We have examined the financial statements of the Company for the financial years ended 31 March 2021 to 31 March 2025 ("period"), and report as follows.

#### **1. Incorporation**

Sarvodaya Development Finance PLC is a limited liability company incorporated and domiciled in Sri Lanka in 2010. The registered office of the company and the principal place of business are situated at No. 51/A, Dr. Danister De Silva Mawatha, Colombo 8.

Sarvodaya Development Finance PLC offers a range of financial services to both individuals and businesses. These services encompass leasing, gold loans, term loans, as well as savings and deposits.

G J David FCA, T U Jayasinghe FCA, P D R Bharatha FCA, W A D Gayan ACA, H A C H Gunaratne FCA, M P M T Gunasekara FCA, M S J Henry FCA,  
M M R Hilmy FCA, S Y Kodagoda ACA, M M M Manzeer FCA



## **2. Financial Information**

### **2.1. Five Year Summary of Audited Financial Statements**

A summary of statement of profit and loss and other comprehensive income, statement of financial position, statement of cash flow and statement of changes in equity of the company for the financial year ended 31 March 2020 to 31 March 2025, based on the audited financial statements of the company is set out in Annexure 1.

Summaries presented for operating results, assets, liabilities and shareholders' fund for financial year ended 31 March 2021 to 31 March 2025 are based on the financial statement prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), effective from 1 January 2012 in the annual reports of the respective years.

### **2.2. Audit Reports**

We have only audited the financial statements of the company for the year ended 31 March 2025 and previous four years financial statements for 31 March 2021 to 31 March 2024 were audited by the predecessor auditor Ernst and Young Sri Lanka.

Unqualified audit opinions have been issued for the said financial years by audit reports dated 14 July 2021, 31 May 2022, 29 May 2023, 31 May 2024, and 2 June 2025 respectively.

### **2.3. Application of Accounting Standards and Accounting Policies**

The financial statements of the company for the years ended 31 March 2021 to 31 March 2025 comply with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/"LKAS") laid down by the Institute of Chartered Accountant of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007.

The accounting policies and changes in the accounting policies of the company are stated in detail in the audited financial statements of the company for the years ended 31 March 2021 to 31 March 2025.

The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the company for the financial years ended 31 March 2021 to 31 March 2025 are set out in Annexure 2.

### **2.4. Dividends**

The company has paid the following dividends in respect of ordinary shares for the year ended 31 March 2021 to 31 March 2025.



Year/Period Ended	Dividend Paid (Rs. Mn)	Dividend Declared Per Share
31 March 2025	-	-
31 March 2024	97.23	0.65
31 March 2023	112.20	0.75
31 March 2022		
-Final dividend	74.79	0.50
-Interim dividend	74.79	0.50
31 March 2021	-	-

## 2.5. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Sarvodaya Development Finance PLC for the inclusion in the prospectus issued in connection with the proposed issue of sustainability bond. .

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 year ended 31 March 2025, for the report, or for the opinion we have formed for the financial statements for the year ended 31 March 2025. This report should not be used, circulated, quoted, or otherwise referred to any other purpose.

Yours faithfully,

**Deloitte Associates**  
Chartered Accountants  
Colombo

06 June 2025

## Annexure 1

### Sarvodaya Development Finance PLC Statements of Profit or Loss For the year ended 31 March

	2025	2024	2023	2022	2021
Interest income	4,063,784,067	3,101,982,284	2,461,331,443	1,822,315,188	1,584,744,640
Interest expenses	(1,424,294,944)	(1,322,454,402)	(1,221,614,731)	(562,116,108)	(623,347,022)
Net Interest Income	2,639,489,123	1,779,527,882	1,239,716,712	1,260,199,080	961,397,618
Non-Interest Income	310,610,902	224,791,311	136,160,511	108,094,089	158,794,565
Impairment charges for loans and other losses	(438,903,833)	(332,531,900)	(63,092,109)	(192,618,588)	(60,091,862)
Total operating expenses	(1,372,015,880)	(1,080,570,958)	(866,708,145)	(800,411,042)	(703,903,250)
Operating Profit before Taxes on Financial Services	1,139,180,311	591,216,335	446,076,970	375,263,540	356,197,071
Operating Profit after Taxes on Financial Services	829,600,053	409,260,182	300,131,895	268,710,633	266,834,766
Profit before Taxation from Operations					
<b>Profit for the year</b>	<b>473,812,931</b>	<b>249,596,654</b>	<b>221,649,449</b>	<b>215,466,246</b>	<b>183,356,743</b>

### Certification

This is the extraction of Audited Financial Statements covering a period of five years

Annexure 1

Sarvodaya Development Finance PLC  
Statement of Financial Position

As at 31 March

	2025	2024	2023	2022	2021
<b>Assets</b>					
Cash and cash equivalents	927,665,722	544,919,606	664,043,703	92,132,395	130,870,989
Financial Investments	906,304,991	772,478,191	576,027,374	532,667,038	374,591,188
Other Financial Assets	459,810,771	50,960,718	874,494	814,391	779,506
Financial Assets at Amortised Cost - Loans and Receivables	12,322,099,025	6,958,212,710	5,105,311,168	5,110,595,093	4,954,331,169
Financial Assets at Amortised Cost - Lease Rentals Receivables	6,860,059,251	5,616,318,355	4,674,862,363	4,768,166,996	2,952,368,025
Other Non Financial Assets	276,583,187	238,195,920	155,939,726	162,122,503	99,226,178
Investment Property	246,710,000	246,710,000	234,257,500	234,257,500	215,678,750
Property, Plant and Equipment	271,420,091	224,485,283	147,095,459	139,267,592	160,884,369
Right-of-use Lease Assets	227,819,115	185,152,504	105,241,220	129,533,191	142,812,343
Intangible Assets	1,080,000	4,176,618	4,686,053	4,927,786	5,055,287
Deferred Tax Assets	42,374,071	56,237,769	1,954,498	-	-
<b>Total Assets</b>	<b>22,541,926,224</b>	<b>14,897,847,674</b>	<b>11,670,293,558</b>	<b>11,174,484,484</b>	<b>9,036,597,804</b>
<b>Liabilities</b>					
Due to Banks and Other Institutions	7,565,769,379	3,005,408,260	1,508,114,678	2,320,184,829	1,729,624,109
Financial Liability at Amortised Cost - Due to Customers	9,832,710,440	7,492,005,969	6,193,431,026	4,729,097,119	4,551,945,183
Lease Liability	249,451,675	202,487,184	119,947,887	149,951,692	161,198,954
Other Non Financial Liabilities	724,704,208	425,290,696	291,925,223	596,809,388	282,552,100
Current Tax Liabilities	154,998,448	144,945,144	71,709,569	21,170,445	53,665,325
Post Employment Benefit Obligation	70,333,157	56,992,064	35,677,457	32,066,158	55,828,613
Deferred Tax Liabilities	-	-	-	20,409,737	20,398,293
<b>Total Liabilities</b>	<b>18,597,967,307</b>	<b>11,327,129,316</b>	<b>8,220,805,840</b>	<b>7,869,689,368</b>	<b>6,855,212,578</b>
<b>Shareholders' Funds</b>					
Stated capital	2,696,113,032	2,696,113,032	2,696,113,032	2,696,113,032	1,696,113,020
Reserves	218,618,500	194,927,853	182,448,021	171,365,549	160,592,236
Retained earnings	1,029,227,385	679,677,472	570,926,665	437,316,534	324,679,970
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>3,943,958,917</b>	<b>3,570,718,357</b>	<b>3,449,487,718</b>	<b>3,304,795,115</b>	<b>2,181,385,226</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>22,541,926,224</b>	<b>14,897,847,674</b>	<b>11,670,293,558</b>	<b>11,174,484,484</b>	<b>9,036,597,804</b>
<b>Contingent liabilities and commitments</b>	<b>20,317,100</b>	<b>6,048,100</b>	<b>7,433,330</b>	<b>4,290,100</b>	<b>7,689,916</b>

**Certification**

This is the extraction of audited Financial Statements covering a period of five years.

Annexure 1

**Sarvodaya Development Finance PLC**  
**Statements of Changes in Equity**  
**for the year ended 31st March**

	2025	2024	2023	2022	2021
<b>Balance as at the beginning of the year</b>	<b>3,570,718,357</b>	<b>3,449,487,718</b>	<b>3,304,795,115</b>	<b>2,181,385,226</b>	<b>1,195,679,265</b>
Profit for the year	473,812,931	249,596,654	221,649,449	215,466,246	183,356,743
Other Comprehensive Income	(3,334,937)	(16,168,977)	(2,158,820)	31,788,904	(1,787,809)
Transfer to Statutory Reserves Fund		-	-	-	-
Share Issue		-	-	1,000,000,012	806,113,000
Expenses related to the Share Issue		-	-	(49,047,249)	(1,975,974)
Interim Dividend		-	(74,798,026)	(74,798,026)	-
Final dividend	(97,237,434)	(112,197,039)	-	-	-
<b>Balances as at the end of the year</b>	<b>3,943,958,917</b>	<b>3,570,718,357</b>	<b>3,449,487,718</b>	<b>3,304,795,115</b>	<b>2,181,385,226</b>

Sarvodaya Development Finance PLC  
**Statements of Cash Flows**  
For the year ended 31 March

	2025	2024	2023	2022	2021
<b>Cash Flows From / (Used in) Operating Activities</b>					
Profit before Income Tax Expense	829,600,053	409,260,182	300,131,895	268,710,633	266,834,766
<b>Adjustments for;</b>					
Impairment Charges for Loans / Lease Rental and Other Receivables	438,903,833	332,531,900	63,092,109	192,618,588	50,884,654
Changing Fair Value of Investment Property	-	(12,452,500)	-	(18,578,750)	(89,584,250)
Reversal of Provision of Loan Risk Assurance Benefit Fund	-	-	-	-	-
Loss/(Profit) on Disposal of Property, Plant and Equipment	(239,401)	(8,287,416)	3,601,501	1,744,069	(267,857)
Profit/(Loss) on ROU assets	(635,124)	(671,152)	31,067	(672,002)	-
Provision for Defined Benefit Plans	17,447,047	12,579,736	10,021,516	20,456,300	12,491,938
Depreciation of Property, Plant and Equipment	46,980,467	35,974,055	29,034,587	33,428,444	37,102,566
Amortisation of Intangible Assets	3,096,618	509,435	1,164,233	2,947,501	10,055,835
Amortisation of Right to Use Assets	93,152,274	80,014,671	70,140,299	64,393,112	62,944,563
Interest Expenses on Lease Creditor	33,583,789	30,331,731	17,758,693	18,005,565	23,920,090
<b>Operating Profit before Working Capital Changes</b>	<b>1,461,889,556</b>	<b>879,790,640</b>	<b>494,975,900</b>	<b>583,053,459</b>	<b>374,382,306</b>
(Increase)/Decrease in Loans and Receivables	(5,578,637,759)	(1,976,585,950)	125,563,957	(173,355,281)	233,886,268
(Increase)/Decrease in Lease Rentals Receivables	(1,466,152,207)	(1,136,412,727)	(92,482,507)	(1,983,759,093)	(1,257,917,674)
(Increase)/Decrease in Other Financial Assets	(408,850,053)	(50,086,224)	(60,103)	(34,885)	163,756,160
(Increase)/Decrease in Other Non Financial Assets	(46,228,968)	(82,549,694)	8,597,776	(70,463,433)	42,817,778
Increase/(Decrease) in Amounts Due to Customers	2,340,704,471	1,298,574,943	1,464,333,905	177,151,935	(550,030,770)
Increase/(Decrease) in Other Non Financial Liabilities	298,050,075	133,182,415	(230,546,093)	239,354,827	183,374,104
<b>Cash Generated from Operation</b>	<b>(3,399,224,884)</b>	<b>(934,086,597)</b>	<b>1,770,382,834</b>	<b>(1,228,052,469)</b>	<b>(809,731,828)</b>
Retirement Benefit Liabilities Paid	(8,870,150)	(14,363,667)	(9,494,245)	(8,095,000)	(10,818,721)
Net Collection of LRAB Fund	(245,216)	-	123,525	104,435	(42,591)
Income Tax Paid	(330,440,861)	(133,781,663)	(49,382,348)	(90,062,673)	(26,665,820)
Repayment of Lease Liability	-	(101,931,772)	(93,525,230)	(79,694,785)	(70,768,771)
<b>Net Cash From/(Used in) Operating Activities</b>	<b>(3,738,781,111)</b>	<b>(1,184,163,699)</b>	<b>1,618,104,536</b>	<b>(1,405,800,491)</b>	<b>(918,027,731)</b>
<b>Cash Flows from / (Used in) Investing Activities</b>					
Sales of Property, Plant and Equipment	(518,169)	(9,264,831)	402,068	274,301	494,697
Acquisition of Property, Plant and Equipment	(94,194,044)	(114,341,293)	(40,865,923)	(13,830,036)	(33,895,737)
Acquisition of Intangible Assets	-	-	(922,500)	(2,820,000)	-
Financial Investment	(133,826,800)	(196,450,817)	(43,360,336)	(158,075,850)	70,347,843
Dividend Paid	-	-	-	-	-
<b>Net Cash Flows from/(Used in) Investing Activities</b>	<b>(228,539,013)</b>	<b>(320,056,941)</b>	<b>(84,746,691)</b>	<b>(174,451,586)</b>	<b>36,946,804</b>
<b>Cash Flows from / (Used in) Financing Activities</b>					
Funds received from bank and other institutional borrowings	6,272,533,824	2,112,009,434	512,961,416	1,560,350,000	1,293,108,000
Repayment of bank and other institutional borrowings	(1,646,501,812)	(994,926,457)	(1,076,151,729)	(1,075,832,549)	(1,177,148,099)
Funds Received from Share Issue	-	-	-	1,000,000,012	806,113,000
Repayment of Lease Liability	(115,724,394)	-	-	-	-
Dividend Payment	(97,237,434)	(112,197,039)	(149,376,386)	-	-
Expenses related to the Share Issue	-	-	-	(49,047,249)	(1,975,974)
<b>Net Cash Flows from/(Used in) Financing Activities</b>	<b>4,413,070,184</b>	<b>1,004,885,938</b>	<b>(712,566,699)</b>	<b>1,435,470,215</b>	<b>920,096,928</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>445,750,060</b>	<b>(499,334,702)</b>	<b>820,791,146</b>	<b>(144,781,862)</b>	<b>39,016,000</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>80,336,436</b>	<b>579,671,138</b>	<b>(241,120,008)</b>	<b>(96,338,146)</b>	<b>(135,354,147)</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>526,086,496</b>	<b>80,336,436</b>	<b>579,671,138</b>	<b>(241,120,008)</b>	<b>(96,338,146)</b>
<b>A. Cash and Cash Equivalents at the end of the year</b>					
Favorable Cash & Cash Equivalents	927,665,722	544,919,606	664,043,703	92,132,395	130,870,989
Unfavorable Cash & Cash Equivalents	(401,579,227)	(464,583,171)	(84,372,565)	(333,252,403)	(227,209,135)
<b>Total Cash and Cash Equivalents at the end of the year</b>	<b>526,086,496</b>	<b>80,336,436</b>	<b>579,671,138</b>	<b>(241,120,008)</b>	<b>(96,338,146)</b>

**Note 1**

Repayment of lease liability has been classified under 'Cash Flows from / (Used in) Financing Activities' in the 2025 annual report, whereas in previous years it was classified under 'Cash Generated from Operations'.

## Annexure 1

### Sarvodaya Development Finance PLC

#### Key Financial Ratios

	2024-25	2023-24	2022-23	2021-22	2020-21
Debt / Equity Ratio (Times)	4.41	2.93	2.23	2.13	2.88
Interest Cover Ratio (Times)	1.72	1.45	1.37	1.67	1.57
Capital Adequacy - Core Capital Ratio %	20.52%	25.84%	32.75%	29.17%	21.58%
Capital Adequacy - Total Capital Ratio %	20.64%	26.00%	34.01%	30.42%	21.80%

Debt/ Equity Ratio = Total Debt / Total Equity

Interest Cover Ratio = Profit before Tax + Depreciation + Amortization + Impairment + Interest Expense / Interest Expense

## Annexure 2

Financial Year Ended	Accounting policy changes.
31 March 2021 to 31 March 2025	There were no material changes to accounting policies in the mentioned period that had a material impact on the financial statements.

# ANNEX I – COPY OF THE CREDIT RATING REPORT



Lanka Rating Agency

## Rating Report

SDF-Tier II Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds	<b>Report Contents</b>
	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
12-Jun-2025	BB	Stable	Initial	-

Rating Rationale and Key Rating Drivers
<p>Sarvodaya Development Finance PLC (“SDF” or “the Company”) is a relatively small player in the LFC sector. However, it maintains a strong foothold in rural communities, supported by its extensive grassroots-level connectivity. SDF is planning to issue a Sustainable Bond of up to LKR 2 billion, with a proposed tenor of 5 years. The said Bond is intended to finance eligible projects that are expected to generate measurable social and environmental benefits, in line with the principles outlined under the ICMA Sustainability Bond Guidelines and Sri Lanka Green Finance Taxonomy (May 2022). The use of proceeds is expected to cover a broad range of categories, including renewable energy, MSME financing, clean transportation, women’s empowerment, rural economic development, and agriculture-based livelihoods. SDF plans to allocate approximately 75% of the proceeds to socially focused financing and 25% to climate-related initiatives. The proposed allocation is consistent with the Company’s emphasis on inclusive and sustainable growth, particularly within underserved communities, and broadly aligns with its existing exposure.</p> <p>The proposed Sustainable Bond has been rated one notch below SDF’s issuer rating, reflecting its subordinated and unsecured nature. The instrument ranks pari passu with other subordinated obligations of the Company and is contractually senior to claims of both ordinary and preference shareholders in the event of liquidation. Deloitte Associates Sri Lanka has been engaged as the Independent External Verifier for the proposed Sustainable Bond.</p> <p>SDF’s net interest income grew by ~48.3% YoY in FY25, driven by higher asset yields and lower funding costs. SDF reported a net profit of LKR~473.8mn in FY25 (FY24: LKR~249.6mn). As of FY25, the CAR stood at ~20.6%, supported by a net capital base of LKR~3.7bn, reflecting a comfortable capital position. The proposed bond issuance will further increase the CAR to ~31.7%, providing room for growth.</p> <p>The rating is dependent upon the Company’s ability to preserve its unique accessibility to the rural segment in the island. Sustaining its growth momentum while improving margins will be key for the Company. The rating will rely on the successful execution of the Company’s strategy to grow its asset base while preserving the asset quality. Meanwhile, from a bondholder’s perspective, the prudent management of Sustainable Bond proceeds and the implementation of a comprehensive governance framework are critical.</p>

Disclosure	
Name of Rated Entity	SDF-Tier II Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology   Debt Instrument Rating(Aug-24)
Related Research	Sector Study   Leasing & Finance Companies(Feb-25)
Rating Analysts	Gayani Randima Ariyawansa   gayani@lra.com.lk   +94 114 500099



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## Issuer Profile

**Profile** Sarvodaya Development Finance PLC ("SDF" or "the Company") is a public limited liability company, incorporated in 2010, under the Companies Act No. 07 of 2007 and the Finance Business Act No. 42 of 2011. SDF was listed on the Colombo Stock Exchange ("CSE") in December 2021. The Company was incorporated as Deshodaya Development Finance Company Limited in 2010 and assumed its current name in 2015. The principal business activities include acceptance of deposits, granting micro finance loans, SME loans, leasing, housing loans, business loans, pawning and other credit facilities, digital financial services and other value-added services. The Company has 56 branches, of which more than 82% are situated outside the Western Province. SDF is connected to 5,400 societies (through Sarvodaya Movement) with more than 800,000 members.

**Ownership** The largest share of the company is owned by Sarvodaya Economic Enterprises Development Services (GTE) Ltd ("SEEDS"), with an ownership of ~36.1%, while the Sarvodaya Movement collectively owns ~55% of the Company. Janashakthi Capital Limited, Senthilveri Holdings (Pvt) Ltd and Gentsosha Media Consulting Inc. owns ~10.8%, ~12.1% and ~9% respectively. SEEDS was established in 1986 as the economic arm of the Sarvodaya Movement. The ownership of SEEDS has not gone through a major change, since it has been able to maintain its shareholding, post listing in CSE. SEEDS is engaged in economic development of rural communities through providing training in business development skills and financial services. The Sarvodaya Movement has multiple companies and independent units which operates under it. The Company does not have a written financial guarantee from the parent entity or other shareholders.

**Governance** The Board of Directors comprises of seven non-executive Directors, of which four are independent and three are non-independent. The Board members have diverse expertise in banking, sales, marketing, IT, and consulting. They are well qualified in their respective domains along with decades of experience. The Chairman, Mr. Channa De Silva has held senior management positions in many reputed firms, including financial institutions and banks. The Company has formed six board sub-committees, namely, i) Board Integrated Risk Management Committee ("BIRMC"), ii) Board Audit Committee ("BAC"), iii) Board Nomination and Governance Committee ("BNGC"), iv) Related Party Transaction Review Committee ("RPTRC"), v) Board Credit Committee ("BCC"), vi) Board Human Resources and Remuneration Committee ("BHRR"). The external auditors of the Company, Deloitte, issued an unqualified audit opinion pertaining to annual financial statements for FY25.

**Management** The Company has 15 separate divisions to carry out its operations. The Compliance Department and the Risk Departments report to the BIRMC, while the Internal Audit Department reports to the BAC. The management team is headed by the Chief Executive Officer ("CEO"), Mr. Nilantha Jayanetti. The CEO has extensive knowledge in business management and strategic leadership and has experience in the banking and financial sectors. SDF has formed eight management committees, namely, i) Assets and Liability Management Committee ("ALCO"), ii) Management Credit Committee ("MCC"), iii) IT Steering Committee ("ITSC"), iv) Management Committee ("MC"), v) Product Development Committee ("PDC"), vi) Sustainability Committee ("SC"), vii) Information Security Committee ("ISC"), viii) Management Operational Risk Management Committee ("MORMC"). The main ERP system of the Company is the eFinancials system, provided by Scienter Technologies (Pte) Ltd. The Company is also connected to the Lanka Pay CEFT network, Shared ATM Switch ("SAS") and Common ATM Switch ("CAS"). The BAC has the responsibility to ensure the integrity of the financial reporting and the effectiveness of the internal control systems. Risk reports are submitted to the BIRMC for each type of risk identified with a rectification plan. Heads of Departments have the responsibility to identify and focus on potential risks in their respective areas of operations.

**Business Risk** There are 33 Licensed Finance Companies ("LFC") in Sri Lanka, out of which, 27 are listed on the CSE. The sector profitability of the LFC sector improved by ~64% to LKR~51.5bn in FY24 compared to FY23 which was LKR~33.2bn (9MFY25: LKR~43.1bn). The deposits of the LFC sector increased by ~8.8% in FY24 to LKR~987bn while it was at LKR~907.2bn in FY23 (9MFY25: LKR~1,056.9bn). However, total borrowings of the sector depicted a decline by ~11.4% in FY24 to LKR~248.5bn from LKR~281.2bn in FY23 (9MFY25: LKR~305.3bn). Total loans and advances of the sector have increased by ~4.7% to LKR~1,214.7bn in FY24 from LKR~1,159.9bn in FY23 (9MFY25: 1,430.2bn). The total asset base of the LFC sector stood at LKR~1,630.3bn and LKR~1,760.7bn as at FY23 and FY24 respectively (9MFY25: LKR~1,930.7bn). The Company remains a small player in the industry, as it accounts for ~1.04% of the assets in the sector as at 9MFY25 and its deposits as a percentage of the total sector deposit stood at ~0.85% in 9MFY25. The Company's interest income increased by ~31.0% in FY25 to LKR~4.1bn from LKR~3.1bn in FY24. Interest expense of the Company increased by ~7.7% in FY25 to LKR~1.4bn from LKR~1.3bn in FY24 (FY23: LKR~2.5bn). The Profit After Tax ("PAT") of the Company recorded a significant growth in FY25 of ~89.8% to LKR~473.8mn from LKR~249.6mn in FY24 (FY23: LKR~221.6mn). This improvement points to rise in net interest income as a result of higher asset yields compared to lower funding costs. ROE improved to 12.6% in FY25 from 7.1% in FY24. ROA remained low at ~2.5% for both FY25 and ~1.9% in FY24. The Company intends to strengthen customer reach and accessibility by strategically growing the branch and ATM network to provide better financial access, especially to community-level businesses and economically active groups. SDF plans to expand market opportunities for MSMEs by fostering entrepreneurship among the youth and women associated with rural areas of the island.

**Financial Risk** The Company has been able to improve its NPLs since FY20. However, it increased drastically in FY23 to ~18.09% and as a result of the dire economic condition of the country, however it remained less than industry averages. NPL recorded at ~7.88% and ~12.6% as at FY25 and FY24. SDF has a granular customer base as the top 20 advances account for only ~2.6% of the total advances as at FY25 (FY24: 2.9%). The Company increased its investments by ~25.8% in FY24 which saw a increase of ~13.2% in FY25. It increased its investment in government securities in FY25 by ~17.4% to LKR~906mn compared to LKR~772mn in FY24. Investments in government securities constituted ~78.6% of the total investments as at FY25. The reliance on customer deposits decreased from ~21.0% in FY23 to ~14.8% in FY25. Liquidity is anticipated to improve as tranches from European Development Finance Institutions amounting to USD~3mn have already been realized. Further loans from international loans are in the pipeline that will diversify funding base. The Company's CAR reduced to ~20.63% as of FY25 compared to ~26.00% as of FY24 (FY23: ~34.01%) against a statutory requirement of 12.50%. Tier-I Capital Ratio of the Company stood at ~20.52% as of FY25 and ~25.84% as of FY24.

## Instrument Rating Considerations

**About The Instrument** SDF intends to issue a 5-year Tier-II Listed, Subordinated, Unsecured, Redeemable, Sustainable Bond (Up to maximum of LKR~2bn face value). Type A and Type B instruments will be paid annually and semi annually.

**Relative Seniority/Subordination Of Instrument** The claim of the bond holder 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 shareholders of the Company.

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



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	<i>LKR mln</i>			
Sarvodaya Development Finance PLC	Mar-25	Mar-24	Mar-23	Mar-22
#	12M	12M	12M	12M
<b>A BALANCE SHEET</b>				
1 Total Finance-net	17,475	11,455	8,272	8,558
2 Investments	1,153	1,019	810	767
3 Other Earning Assets	1,214	494	604	42
4 Non-Earning Assets	993	810	476	487
5 Non-Performing Finances-net	1,707	1,119	1,509	1,321
<b>Total Assets</b>	<b>22,542</b>	<b>14,898</b>	<b>11,670</b>	<b>11,174</b>
6 Funding	17,648	10,700	7,821	7,199
7 Other Liabilities	950	627	399	670
<b>Total Liabilities</b>	<b>18,598</b>	<b>11,327</b>	<b>8,221</b>	<b>7,870</b>
<b>Equity</b>	<b>3,944</b>	<b>3,571</b>	<b>3,449</b>	<b>3,305</b>
<b>B INCOME STATEMENT</b>				
1 Mark Up Earned	4,064	3,102	2,461	1,822
2 Mark Up Expensed	(1,424)	(1,322)	(1,222)	(562)
3 Non Mark Up Income	299	210	124	96
<b>Total Income</b>	<b>2,938</b>	<b>1,990</b>	<b>1,363</b>	<b>1,357</b>
4 Non-Mark Up Expenses	(1,372)	(1,081)	(867)	(800)
5 Provisions/Write offs/Reversals	(427)	(318)	(51)	(181)
<b>Pre-Tax Profit</b>	<b>1,139</b>	<b>591</b>	<b>446</b>	<b>375</b>
6 Taxes on Financial Services	(310)	(182)	(146)	(107)
<b>Profit Before Income Taxes</b>	<b>830</b>	<b>409</b>	<b>300</b>	<b>269</b>
7 Income Taxes	(356)	(160)	(78)	(53)
<b>Profit After Tax</b>	<b>474</b>	<b>250</b>	<b>222</b>	<b>215</b>
<b>C RATIO ANALYSIS</b>				
<b>1 PERFORMANCE</b>				
a Non-Mark Up Expenses / Total Income	46.7%	54.3%	63.6%	59.0%
b ROE	12.6%	7.1%	6.6%	7.9%
<b>2 CREDIT RISK</b>				
a Gross Finances (Total Finance-net + Non-Performing Advances + Non-Performing Debt Instruments) / Funding	114.7%	124.0%	131.1%	144.9%
b Accumulated Provisions / Non-Performing Advances	38.4%	38.4%	23.8%	29.4%
<b>3 FUNDING &amp; LIQUIDITY</b>				
a Liquid Assets / Funding	13.0%	12.8%	15.9%	8.7%
b Borrowings from Banks and Other Financial Institutions / Funding	28.2%	28.1%	19.3%	32.2%
<b>4 MARKET RISK</b>				
a Investments / Equity	29.2%	28.5%	23.5%	23.2%
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)	17.5%	24.0%	29.6%	29.6%
b Capital formation rate (Profit After Tax - Cash Dividend) / Equity	10.5%	4.0%	4.4%	4.2%



**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.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA 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.
A+ A 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.
BBB+ 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.
BB+ BB 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.
B+ 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.
CCC CC C	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.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

**Rating Modifiers | Rating Actions**

Outlook (Stable, Positive, Negative, Developing)	Rating Watch	Suspension	Withdrawn	Harmonization
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'.	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.	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.	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) LRA finds it impractical to surveil the opinion due to lack of requisite information.	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. Rating actions may include "maintain", "upgrade", or "downgrade".

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

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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 FY25 (LKR)
Tier 2 Listed Rated Unsecured Subordinated Redeemable High Yield Sustainable Bonds	LKR 2 Billion	5 YEARS	None	N/A	N/A	NDB Bank PLC	

<b>Name of Issuer</b>	Sarvodaya Development Finance PLC
<b>Issue Date</b>	
<b>Maturity</b>	
<b>Coupon Basis</b>	Not decided yet
<b>Repayment</b>	Capital repayment - Bullet at maturity
<b>Option</b>	

Sarvodaya Development Finance PLC

Due Date Principal	Opening Principal	Principal Repayment	Coupon Due Date	Fixed Rate	Coupon	Principal Outstanding	
					YYYY-MM-DD	LKR	
Type A	LKR				Fixed		
At maturity	LKR 2.0 Billion	Bullet at Maturity	Annually	To be decided	To be decided	Not applicable at this stage	
Type B				Floating	Floating		

# ANNEX II – INDEPENDENT ASSURANCE REPORT BY THE INDEPENDENT EXTERNAL REVIEWER

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.....  
Company Secretary  
SARVODAYA DEVELOPMENT FINANCE PLC  
Date: 08/07/2024

## Deloitte.

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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF SARVODYA DEVELOPMENT FINANCE PLC ON THE INFORMATION CONTAINED IN THE SARVODAYA DEVELOPMENT FINANCE PLC'S SUSTAINABLE BOND FRAMEWORK PERTAINING TO THE 2025 SUSTAINABLE BOND ISSUANCE, IN RELATION TO THE USE OF PROCEEDS, PROCESS FOR PROJECT EVALUATION AND SELECTION, MANAGEMENT OF PROCEEDS, AND REPORTING.

### SCOPE

We have been engaged by Sarvodaya Development Finance PLC (the "Company") to perform a limited assurance engagement, as defined by Sri Lanka Standard on Assurance Engagements, to report on the Sustainable Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the 2025 Sustainable Bond Issuance (the "Subject Matter").

### CRITERIA APPLIED BY THE COMPANY

In preparing the Sarvodaya Development Finance PLC Sustainable Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the Sarvodaya Development Finance PLC's 2025 Sustainable Bond Issuance, the company applied the Green Bond Principles (GBP) 2021 (with June 2022 Appendix), Sustainability Bond Guidelines (SBG) 2021 and Social Bond Principles (SBP) 2023 Published by International Capital Market Association (the "Criteria").

### MANAGEMENT'S RESPONSIBILITY

The Company's management is responsible for selecting the Criteria, and for presenting the Sarvodaya Development Finance PLC Sustainable Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, and reporting of the 2025 Sustainable Bond Issuance in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

C.S Manoharan FCA, T.U Jayasinghe FCA, M.D.B Boyagoda FCA, H.A.C.H Gunarathne FCA, M.P.M.T Gunasekera FCA, N.R Gunasekera FCA, M.S J Henry FCA, M.M.R Hilmy FCA, H.P.V Lakdeva FCA, K.M.D.R.P. Manatunga ACA, M.M.M. Manzeer FCA, L.A.C. Tilakaratne ACA, D.C.A.J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

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.....  
Company Secretary  
SARVODAYA DEVELOPMENT FINANCE PLC  
Date: 08/07/2023

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### OUR RESPONSIBILITY

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained. We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. The standard require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Sri Lanka Standard on Quality Management (SLSQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

### DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance.

on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

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.....  
Company Secretary  
SARVODAYA DEVELOPMENT FINANCE PLC  
Date: 08/07/2025

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A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing Sarvodaya Development Finance PLC Sustainable Bond Framework pertaining to the use of proceeds, process for project evaluation and selection, management of proceeds, reporting of the 2025 Sustainable Bond Issuance and related information, and applying analytical and other appropriate procedures.

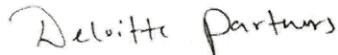
Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process.
- Conducted interviews with key personnel to understand the process for collecting, collating, and reporting the Information containing in the Subject Matter.
- Checked whether the content of the 2025 Sustainable Bond Framework aligns with the principles outlined in the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

### CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter has not been presented, in all material respects, fairly and in accordance with the Criteria defined.



Deloitte Partners

CHARTERED ACCOUNTANTS

COLOMBO

13<sup>th</sup> June 2025

## ANNEX III – COLLECTION POINTS

Copies of the Application Form can be obtained free of charge from the following collection points.

<p><b>Issuer</b> Sarvodaya Development Finance PLC No. 155A, Dr. Danister De Silva Mawatha, Colombo 08, Sri Lanka Tel: 011 5 444 666</p>	<p><b>Managers to the Issue</b> Capital Alliance Partners Limited Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 02. Tel: +94 11 2317777, Fax: +94 11 2317788</p>
<p><b>Registrars to the Issue</b> Central Depository Systems (Pvt) Ltd Ground Floor, M &amp; M Center, 341/5, Kotte Road, Rajagiriya. Email: registrars@cse.lk T: +94 112 356 444 Fax: +94 11 2440396</p>	<p><b>Bankers to the Issue</b> Hatton National Bank PLC Maradana Branch 696, 10 Maradana Rd, Colombo 01 Tel: +94 112 673 371</p>

Application Forms and prospectuses could also be downloaded from the Company's web site, [www.sarvodayafinance.lk](http://www.sarvodayafinance.lk) and CSE web site [www.cse.lk](http://www.cse.lk) until the Closure Date. The above is carried out in accordance with the laws of the land.

### Trading Participants of the CSE

<p><b>Asha Securities Limited</b> No. 60, 5th Lane, Colombo 03  Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net</p>	<p><b>Almas Equities (Pvt) Ltd</b> Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 08  Tel: +94 707 144 551 Fax: +94 11 2 673 908 E-mail: info@almasequities.com</p>
<p><b>Asia Securities (Private) Limited</b> 4th Floor, Lee Hedges Tower, No. 349, Galle Road, Colombo 03  Tel: +94 11 7 722 000 Fax: +94 11 2 584 864 E-mail: inquiries@asiasecurities.lk</p>	<p><b>ACS Capital (Private) Limited</b> No.44, Guildford Crescent, Colombo 07  Tel: +94 11 7 898 302 E-mail: info@acscapital.lk</p>
<p><b>Bartleet Religare Securities (Private) Limited</b> Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 02  Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com</p>	<p><b>Capital Trust Securities (Private) Limited</b> 42, Sir Mohamed Macan Markar Mawatha, Colombo 03  Tel: +94 11 2 174 174 / 75 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk</p>
<p><b>CT Smith Securities (Private) Limited</b> 4-14, Majestic City, 10, Station Road, Colombo 04  Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctcls.lk</p>	<p><b>First Capital Equities (Pvt) Limited</b> Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03  Tel: +94 11 2 639 898 Fax: +94 11 5 736 264 E-mail: equity@firstcapital.lk</p>

<p><b>HNB Stockbrokers (Private) Limited</b> 53, Dharmapala Mawatha, Colombo 03</p> <p>Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: sales@hnbstockbrokers.com</p>	<p><b>J B Securities (Private) Limited</b> 150, St. Joseph Street Colombo 14</p> <p>Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p>
<p><b>John Keells Stock Brokers (Private) Limited</b> 186, Vauxhall Street, Colombo 02</p> <p>Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p>	<p><b>Lanka Securities (Private) Limited</b> 3rd Floor, "M2M Veranda Offices", No. 34, W.A.D. Ramanayeke Mawatha, Colombo 02</p> <p>Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com</p>
<p><b>NDB Securities (Private) Limited</b> Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04</p> <p>Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p>	<p><b>SC Securities (Private) Limited</b> 5th Floor, No. 26B, Alwis Place Colombo 03</p> <p>Tel: +94 11 4 711 000 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk</p>
<p><b>Somerville Stockbrokers (Private) Limited</b> No. 410/95, 1/1, Bauddhaloka Mawatha, Colombo 07</p> <p>Tel: +94-11 2 502 852/ 54/ 58/ 62 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk</p>	
<p><b>Ambeon Securities (Private) Limited</b> No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08</p> <p>Tel: +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>	<p><b>ACAP Stock Brokers (Private) Limited</b> No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02</p> <p>Tel: +94 11 7 564 000 Fax: +94 11 2 331 756 E-mail: info@acapstockbrokers.lk</p>
<p><b>Capital Alliance Securities (Private) Limited</b> Level 5, "Millennium House" 46/58, Navam Mawatha Colombo 02</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk</p>	<p><b>Enterprise Ceylon Capital (Private) Limited</b> 2nd Floor-4B, Liberty Plaza, No. 250, R A De Mel Mawatha, Colombo 03</p> <p>Tel: +94 11 2 445 644 E-mail: info@ecc.lk</p>

<p><b>First Guardian Equities (Private) Limited</b> 32nd Floor, East Tower, World Trade Centre, Colombo 01</p> <p>Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: info@fge.lk</p>	<p><b>LOLC Securities Limited</b> No.481, T.B. Jayah Mawatha Colombo 10</p> <p>Tel: +94 11 7 582 000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com</p>
<p><b>Nestor Stock Brokers (Pvt) Limited</b> The Landmark Building, No. 385, Galle Road Colombo 03</p> <p>Tel: +94 11 4 758 813 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk</p>	<p><b>Richard Pieris Securities (Pvt) Limited</b> No. 310, High Level Road, Nawinna, Maharagama</p> <p>Tel: +94 11 4 310 500 Fax: +94 11 2 802 385 E-mail: rpfs@rpsecurities.com</p>
<p><b>Senfin Securities Limited</b> 4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04</p> <p>Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com</p>	<p><b>Softlogic Stockbrokers (Private) Limited</b> Level 16, One Galle Face Tower, Colombo 02</p> <p>Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: ssb.inquiry@softlogic.lk</p>

#### Trading Participants - Debt

<p><b>Capital Alliance PLC</b> Level 5, "Millenium House" 46/58, Nawam Mawatha Colombo 2</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-mail: info@cal.lk</p>	<p><b>Wealthtrust Securities Limited</b> No. 102/1 Dr. N. M. Perera Mawatha Colombo 08.</p> <p>Tel: +94 11 2 675 091 - 4 Fax: +94 11 2 689 605 E-mail: info@wealthtrust.lk</p>
<p><b>Seylan Bank PLC</b> Level 3, Seylan Towers, 90, Galle Road, Colombo 03.</p> <p>Tel: +94 11 245 6300 Fax: +94 11 245 2215 E-Mail: info@seylan.lk</p>	

## ANNEX IV – CUSTODIAN BANKS

<p><b>Bank of Ceylon (Head Office)</b> 7th Floor, 04, Bank of Ceylon Mawatha, Colombo 01</p> <p>T: +94 11 2 448 348</p>	<p><b>Citi Bank, N A</b> 65 C, Dharmapala Mawatha, Colombo 07</p> <p>T: +94 11 4 794 733</p>
<p><b>Commercial Bank of Ceylon PLC</b> Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01</p> <p>T: +94 11 2 486 498</p>	<p><b>Deutsche Bank AG</b> Level 21, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02</p> <p>T: +94 11 4 791 103</p>
<p><b>Hatton National Bank PLC</b> HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10</p> <p>T: +94 77 7 712 406</p>	<p><b>The Hong Kong and Shanghai Banking Corporation Limited</b> 24, Sir Baron Jayathilake Mawatha, Colombo 01</p> <p>T: +94 11 4 451 275</p>
<p><b>People’s Bank (Head Office)</b> Treasury, 5th Floor, 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02</p> <p>T: +94 11 2 206 782</p>	<p><b>Pan Asia Banking Corporation PLC (Head Office)</b> 450, Galle Road, Colombo 03</p> <p>T: +94 11 2 565 565</p>
<p><b>Nations Trust Bank PLC</b> 256, Sri Ramanathan Mawatha, Colombo 15</p> <p>T: +94 11 4 313 131</p>	<p><b>Sampath Bank PLC</b> 110, Sir James Peiris Mawatha, Colombo 02</p> <p>T: +94 11 5 406 939</p>
<p><b>Seylan Bank PLC</b> Level 7, Seylan Towers, 90, Galle Road, Colombo 03</p> <p>T: +94 11 2 456 701, +94 11 2 456 764</p>	<p><b>Standard Chartered Bank</b> 37, York Street, Colombo 01</p> <p>T: +94 11 2 480 450</p>
<p><b>Union Bank of Colombo Limited</b> 64, Galle Road, Colombo 03</p> <p>T: +94 11 2 374 205</p>	

## ANNEX V – FATCA DECLARATION

Manager

Sarvodaya Development Finance PLC

.....

I/We.....

.....and.....of.....

.....(address).....holder/s of Passport Number/ NIC

Number..... who fall under definition of a US Persons under the provision of the Foreign Account Tax

Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/

We confirm that I/We understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request Sarvodaya Development Finance PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Sarvodaya Development Finance PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America. I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

Date:.....

.....

Signature/s of Applicants

