

# PRESS RELEASE

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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

**Issued By** Department of Supervision of Non-Bank Financial Institutions

**Date** 01.09.2023

## **Bimpuh Finance PLC**

### **Cancellation of Licence issued under the Finance Business Act, No. 42 of 2011**

Bimpuh Finance PLC (BFP), a Licensed Finance Company under the Finance Business Act, No. 42 of 2011 (FBA) has continuously been violating/contravening provisions of the FBA, several general Directions and Rules that have been issued with the view to achieve the overall objective of financial system stability and also specific directions issued to BFP in order to address the critical financial position of the company. Consequently, the financial condition of BFP had been deteriorating due to deficient capital level, poor asset quality and continuous losses.

Despite several time extensions granted to BFP by the Monetary Board of the Central Bank of Sri Lanka (Monetary Board) to comply with the provisions of the FBA, Directions and Rules issued thereunder and adhere to the Masterplan for Consolidation of Non-Bank Financial Institutions (the Masterplan), no satisfactory progress has been made by BFP to revive the critical condition faced by BFP.

In view of the above, the Monetary Board has decided to cancel the licence issued to BFP under the FBA to carry on finance business, with effect from 01.09.2023. Accordingly, BFP is not allowed to engage in Finance Business with effect from same date.

Largely complying with the Monetary Board directions issued, BFP managed to repay major portion of its deposit liabilities during 2022 and Sri Lanka Deposit Insurance and Liquidity Support Scheme (SLDILSS) will initiate necessary actions to pay compensation to the unclaimed depositors of BFP, up to a maximum of Rs. 1,100,000/- per depositor as per the regulations of the SLDILSS. Accordingly, all eligible depositors of BFP will be able to recover their deposits in full through SLDILSS upon submitting due claims within two years from the date of cancellation of licence or before the appointment of the liquidator by competent court, whichever occurs earlier as per the regulation of SLDILSS.

Further, all debtors of BFP are advised to repay their dues to BFP on time, only through a bank account under the name of BFP and maintain records for all such payments.

You may contact the Department of Supervision of Non-Bank Financial Institutions through following for further clarifications.

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