



Senkadagala Finance PLC

**Interim Financial Statements for the period ended
31st December 2020**



**Fitch Ratings Lanka Limited:
BBB+(lka)**

Senkadagala Finance PLC

Income statement

For the three month period ended 31st December	Company			Group		
	2020 Rs.	2019 Rs.	Change %	2020 Rs.	2019 Rs.	Change %
Interest income	1,667,200,970	1,663,937,104	0	1,667,398,751	1,664,118,147	0
Interest expense	(827,480,755)	(892,694,321)	(7)	(827,118,071)	(892,820,164)	(7)
Net interest income	839,720,215	771,242,783	9	840,280,680	771,297,983	9
Fee and commission income	12,868,900	30,746,330	(58)	58,765,147	61,070,431	(4)
Fee and commission expense	(2,605,779)	(3,693,563)	(29)	(2,605,779)	(3,693,563)	(29)
Net fee and commission income	10,263,121	27,052,767	(62)	56,159,368	57,376,868	(2)
Net gain from trading	15,846,452	1,096,750	1,345	15,846,452	1,096,750	1,345
Net gain from financial instruments designated at fair value through profit or loss	44,344,282	11,912,555	272	46,768,496	11,912,555	293
Other operating income	15,954,789	8,810,568	81	15,879,789	8,735,568	82
Net other operating income	76,145,523	21,819,873	249	78,494,737	21,744,873	261
Total operating income	926,128,859	820,115,423	13	974,934,785	850,419,724	15
Impairment charges and other credit losses	(163,317,670)	(105,069,872)	55	(163,317,670)	(105,069,872)	55
Net operating income	762,811,189	715,045,551	7	811,617,115	745,349,852	9
Personnel expenses	(157,547,845)	(170,879,518)	(8)	(161,904,150)	(172,057,890)	(6)
Depreciation expense	(103,876,557)	(101,741,316)	2	(104,226,617)	(102,046,457)	2
Amortisation expense	(3,068,537)	(3,590,986)	(15)	(3,068,537)	(3,590,986)	(15)
Other operating expenses	(185,764,865)	(190,772,616)	(3)	(187,866,787)	(191,791,535)	(2)
Operating profit before taxes on financial services	312,553,385	248,061,115	26	354,551,024	275,862,984	29
Taxes on financial services	(52,016,487)	(79,021,108)	(34)	(52,016,487)	(79,021,108)	(34)
Profit before income tax	260,536,898	169,040,007	54	302,534,537	196,841,876	54
Income tax expense	(20,457,435)	(47,967,129)	(57)	(28,268,433)	(56,070,053)	(50)
Profit for the period	240,079,463	121,072,878	98	274,266,104	140,771,823	95
Earnings per share	3.31	1.67	98	3.78	1.94	95

Figures in brackets in 2020 and 2019 columns indicate deductions.
The above figures are provisional and subject to audit.

Statement of other comprehensive income

<i>For the three month period ended 31st December</i>	Company			Group		
	2020	2019	Change	2020	2019	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	240,079,463	121,072,878	98	274,266,104	140,771,823	95
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Changes in fair value on investments in equity at fair value through other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period net of tax	240,079,463	121,072,878	98	274,266,104	140,771,823	95

Figures in brackets in 2020 and 2019 columns indicate deductions.

The above figures are provisional and subject to audit.

Income statement

For the nine month period ended 31st December	Company			Group		
	2020 Rs.	2019 Rs.	Change %	2020 Rs.	2019 Rs.	Change %
Interest income	4,085,190,472	5,091,932,105	(20)	4,086,129,747	5,092,462,706	(20)
Interest expense	(2,411,912,216)	(2,840,087,642)	(15)	(2,409,498,535)	(2,838,268,103)	(15)
Net interest income	1,673,278,256	2,251,844,463	(26)	1,676,631,212	2,254,194,603	(26)
Fee and commission income	39,451,560	65,273,830	(40)	177,606,474	163,116,326	9
Fee and commission expense	(9,107,850)	(16,885,120)	(46)	(9,107,850)	(16,885,120)	(46)
Net fee and commission income	30,343,710	48,388,710	(37)	168,498,624	146,231,206	15
Net gain / (loss) from trading	17,528,816	(134,828)	13,101	17,528,816	(134,828)	13,101
Net gain from financial instruments designated at fair value through profit or loss	77,804,548	21,210,806	267	80,967,596	21,210,806	282
Other operating income	91,207,358	79,413,408	15	45,982,358	40,488,408	14
Net other operating income	186,540,722	100,489,386	86	144,478,770	61,564,386	135
Total operating income	1,890,162,688	2,400,722,559	(21)	1,989,608,606	2,461,990,195	(19)
Impairment charges and other credit losses	(248,145,075)	(434,998,505)	(43)	(248,145,075)	(434,998,505)	(43)
Net operating income	1,642,017,613	1,965,724,054	(16)	1,741,463,531	2,026,991,690	(14)
Personnel expenses	(466,615,023)	(511,462,581)	(9)	(478,910,266)	(514,915,148)	(7)
Depreciation expense	(310,998,563)	(320,991,139)	(3)	(312,030,957)	(321,895,898)	(3)
Amortisation expense	(9,749,717)	(9,997,320)	(2)	(9,749,717)	(9,997,320)	(2)
Other operating expenses	(508,685,906)	(525,660,874)	(3)	(515,794,892)	(529,584,487)	(3)
Operating profit before taxes on financial services	345,968,404	597,612,140	(42)	424,977,699	650,598,837	(35)
Taxes on financial services	(93,504,661)	(174,539,519)	(46)	(93,504,661)	(174,539,519)	(46)
Profit before income tax	252,463,743	423,072,621	(40)	331,473,038	476,059,318	(30)
Income tax reversal / (expense)	8,036,016	(194,779,150)	(104)	(15,655,347)	(227,242,030)	(93)
Profit for the period	260,499,759	228,293,471	14	315,817,691	248,817,288	27
Earnings per share	3.59	3.15	14	4.36	3.43	27

Figures in brackets in 2020 and 2019 columns indicate deductions.
The above figures are provisional and subject to audit.

Statement of other comprehensive income

<i>For the nine month period ended 31st December</i>	Company			Group		
	2020	2019	Change	2020	2019	Change
	Rs.	Rs.	%	Rs.	Rs.	%
Profit for the period	260,499,759	228,293,471	14	315,817,691	248,817,288	27
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Changes in fair value on investments in equity at fair value through other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period net of tax	260,499,759	228,293,471	14	315,817,691	248,817,288	27

Figures in brackets in 2020 and 2019 columns indicate deductions.

The above figures are provisional and subject to audit.

Statement of financial position

As at	Company			Group		
	31.12.2020 Rs.	31.03.2020 Rs. (Audited)	31.12.2019 Rs.	31.12.2020 Rs.	31.03.2020 Rs. (Audited)	31.12.2019 Rs.
Assets						
Cash and cash equivalents	1,211,409,501	718,612,914	681,241,296	1,239,636,820	760,978,541	691,273,528
Deposits with licensed commercial banks	4,227,313,177	884,788,297	1,641,763,136	4,227,313,177	884,788,297	1,641,763,136
Repurchase agreements	625,734,841	1,001,277,322	480,172,345	625,734,841	1,001,277,322	480,172,345
Financial assets held at fair value through profit or loss	523,530,086	378,817,366	189,291,506	566,730,820	391,355,052	189,291,506
Financial assets at amortised cost - Finance leases and hire purchases	25,049,574,150	24,366,846,750	24,661,999,271	25,049,574,150	24,366,846,750	24,661,999,271
Financial assets at amortised cost - Other loans and receivables	3,481,146,692	2,866,163,263	2,848,086,232	3,481,169,692	2,866,393,263	2,848,086,232
Financial assets measured at fair value through other comprehensive income	14,803,522	14,803,522	14,597,603	14,803,522	14,803,522	14,597,603
Financial assets at amortised cost - Other financial instruments	1,189,685,262	1,131,895,795	1,105,508,409	1,189,685,262	1,131,895,795	1,105,508,409
Investments in subsidiaries	328,301,663	328,301,663	320,000,000	-	-	-
Investment property	362,238,807	365,410,369	373,330,895	266,577,295	269,748,857	275,710,383
Property, plant and equipment	1,554,599,161	1,744,830,446	1,756,717,168	1,557,290,846	1,747,957,408	1,760,159,860
Intangible assets	36,487,910	46,237,627	49,864,416	36,635,557	46,237,627	49,864,416
Current tax receivable	125,885,042	6,429,659	-	123,822,378	9,487,493	-
Right-of-use assets	415,007,412	388,931,384	380,504,379	415,007,412	388,931,384	380,504,379
Other assets	127,255,820	151,179,996	234,075,930	129,900,579	114,731,215	234,763,362
Total assets	39,272,973,046	34,394,526,373	34,737,152,586	38,923,882,351	33,995,432,526	34,333,694,430
Liabilities						
Due to banks	6,703,781,174	5,257,315,384	4,566,554,215	6,703,781,174	5,257,315,384	4,569,434,650
Financial liabilities at amortised cost - Due to depositors	11,256,725,309	11,222,611,480	11,471,730,348	11,214,615,319	11,174,910,555	11,435,518,457
Financial liabilities at amortised cost - Other borrowings	12,140,810,729	6,432,119,305	7,369,109,623	12,140,810,729	6,432,119,305	7,369,109,623
Debt securities issued	-	2,539,828,926	2,511,726,939	-	2,539,828,926	2,511,726,939
Subordinated debentures	1,829,014,285	1,779,700,505	1,768,309,828	1,829,014,285	1,779,700,505	1,768,309,828
Lease liabilities	376,613,210	344,723,626	328,546,692	376,613,210	344,723,626	328,546,692
Deferred tax liabilities	394,335,023	402,371,039	274,547,089	394,120,202	402,137,961	274,350,738
Current tax payable	-	-	176,451,186	-	-	177,251,320
Amounts due to related company	282,247,412	282,247,412	282,247,412	-	-	-
Employee retirement benefits	148,745,339	123,291,686	110,949,891	151,755,934	125,625,819	111,969,885
Other liabilities	469,894,234	600,010,438	455,776,878	475,739,946	617,456,584	458,050,440
Total liabilities	33,602,166,715	28,984,219,801	29,315,950,101	33,286,450,799	28,673,818,665	29,004,268,572
Equity						
Stated capital	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680	1,587,862,680
Statutory reserve fund	430,036,033	430,036,033	415,036,033	434,997,079	434,997,079	419,997,079
Fair value reserve	4,099,516	4,099,516	3,893,597	4,099,516	4,099,516	3,893,597
Retained earnings	3,648,808,102	3,388,308,343	3,414,410,175	3,610,472,277	3,294,654,586	3,317,672,502
Total equity	5,670,806,331	5,410,306,572	5,421,202,485	5,637,431,552	5,321,613,861	5,329,425,858
Total liabilities and equity	39,272,973,046	34,394,526,373	34,737,152,586	38,923,882,351	33,995,432,526	34,333,694,430
Net assets per share	78.24	74.65	74.80	77.78	73.43	73.53

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit, unless stated otherwise.

It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007 and the Finance Business Act No.42 of 2011.

Sgd.

S D Bandaranayake
Additional Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.

Sgd.

W M R S Dias
Chairman

Sgd.

L Balasuriya
Chief Executive Officer/Managing Director

Colombo, Sri Lanka
11th February 2021

Statement of changes in equity

	Stated capital	Statutory reserve fund	Fair value reserve	Retained earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Company					
Balance as at 1st April 2019	1,587,862,680	415,036,033	3,893,597	3,290,248,392	5,297,040,702
Adjustment on initial application of SLFRS 16	-	-	-	(35,280,380)	(35,280,380)
Restated balance as at 1st April 2019	1,587,862,680	415,036,033	3,893,597	3,254,968,012	5,261,760,322
Total comprehensive income for the period					
Profit for the period	-	-	-	228,293,471	228,293,471
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	228,293,471	228,293,471
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(68,851,308)	(68,851,308)
Total contributions from and distribution to equity holders	-	-	-	(68,851,308)	(68,851,308)
Balance as at 31st December 2019	1,587,862,680	415,036,033	3,893,597	3,414,410,175	5,421,202,485
Balance as at 1st April 2020	1,587,862,680	430,036,033	4,099,516	3,388,308,343	5,410,306,572
Total comprehensive income for the period					
Profit for the period	-	-	-	260,499,759	260,499,759
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	260,499,759	260,499,759
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distribution to equity holders	-	-	-	-	-
Balance as at 31st December 2020	1,587,862,680	430,036,033	4,099,516	3,648,808,102	5,670,806,331
Group					
Balance as at 1st April 2019	1,587,862,680	419,997,079	3,893,597	3,172,986,902	5,184,740,258
Adjustment on initial application of SLFRS 16	-	-	-	(35,280,380)	(35,280,380)
Restated balance as at 1st April 2019	1,587,862,680	419,997,079	3,893,597	3,137,706,522	5,149,459,878
Total comprehensive income for the period					
Profit for the period	-	-	-	248,817,288	248,817,288
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	248,817,288	248,817,288
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	(68,851,308)	(68,851,308)
Total contributions from and distribution to equity holders	-	-	-	(68,851,308)	(68,851,308)
Balance as at 31st December 2019	1,587,862,680	419,997,079	3,893,597	3,317,672,502	5,329,425,858
Balance as at 1st April 2020	1,587,862,680	434,997,079	4,099,516	3,294,654,586	5,321,613,861
Total comprehensive income for the period					
Profit for the period	-	-	-	315,817,691	315,817,691
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	315,817,691	315,817,691
<i>Transactions with equity holders recognised directly in equity</i>					
Dividends paid	-	-	-	-	-
Total contributions from and distribution to equity holders	-	-	-	-	-
Balance as at 31st December 2020	1,587,862,680	434,997,079	4,099,516	3,610,472,277	5,637,431,552

Figures in brackets indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows

For the period ended 31st December	Company		Group	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Cash flows from operating activities				
Interest and commission receipts	3,150,695,233	4,905,986,411	3,289,789,421	5,004,359,508
Interest payments	(2,450,622,284)	(2,853,833,636)	(2,448,208,603)	(2,852,014,097)
Recoveries of bad debts	32,276,327	32,187,778	32,276,327	32,187,778
Other operating income	32,507,620	24,101,576	32,282,620	23,876,576
Operating expenditure	(701,790,599)	(825,426,829)	(708,620,131)	(829,350,442)
Rent expenses	(3,908,680)	-	(4,038,280)	-
Cash payments to employees	(438,214,307)	(483,061,865)	(449,833,088)	(486,340,786)
Operating cash flow before changes in operating assets and liabilities (Note A)	(379,056,690)	799,953,435	(256,351,734)	892,718,537
Changes in operating assets and liabilities				
Net funds (advanced to) / received from customers	(509,841,187)	1,451,947,766	(509,634,187)	1,451,947,766
Deposits from customers	34,113,829	1,462,754,302	39,704,764	1,477,956,978
Deposits with licensed commercial banks	(3,342,524,880)	(290,732,763)	(3,342,524,880)	(290,732,763)
Government and other securities	317,753,014	974,267,356	317,753,014	974,267,356
Other assets	24,381,883	(49,540,570)	(14,711,657)	(70,742,365)
Other liabilities	(122,127,600)	(104,189,257)	(133,728,037)	(111,035,541)
	(3,598,244,941)	3,444,506,834	(3,643,140,983)	3,431,661,431
Net cash flow from operating activities before taxation	(3,977,301,631)	4,244,460,269	(3,899,492,717)	4,324,379,968
Taxes paid	(127,901,694)	(296,456,892)	(146,604,156)	(334,121,106)
Gratuity paid	(2,947,063)	(6,023,725)	(2,947,063)	(6,023,725)
Net cash (used in) / generated from operating activities	(4,108,150,388)	3,941,979,652	(4,049,043,936)	3,984,235,137
Cash flows from investing activities				
Net investment in trading securities	(49,379,354)	(315,219)	(76,879,354)	(315,219)
Dividends received on investments	48,483,879	41,709,969	3,483,879	3,009,969
Purchase of property, plant and equipment	(55,369,292)	(114,728,325)	(55,955,292)	(115,053,725)
Purchase of intangible assets	-	(14,730,063)	(158,760)	(14,730,063)
Proceeds from sale of property, plant and equipment	21,538,000	30,028,163	21,538,000	30,028,163
Addition of right-of-use assets	(24,950,200)	(34,881,453)	(24,950,200)	(34,881,453)
Net cash used in investing activities	(59,676,967)	(92,916,928)	(132,921,727)	(131,942,328)
Cash flows from financing activities				
Subordinated debentures issued	-	1,750,000,000	-	1,750,000,000
Redemption of debentures	(2,413,210,000)	(189,520,000)	(2,413,210,000)	(189,520,000)
Securitized loans obtained	12,153,250,000	-	12,153,250,000	-
Repayment of loans	(4,867,998,336)	(5,332,530,628)	(4,867,998,336)	(5,332,530,628)
Repayment of lease liabilities	(86,537,390)	(86,508,185)	(86,537,390)	(86,508,185)
Dividends paid	-	(67,409,467)	-	(67,409,467)
Net cash generated from / (used in) financing activities	4,785,504,274	(3,925,968,280)	4,785,504,274	(3,925,968,280)

Figures in brackets in 2020 and 2019 columns indicate deductions.

The above figures are provisional and subject to audit.

Statement of cash flows (Continued)

For the period ended 31st December	Company		Group	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
Net increase / (decrease) in cash and cash equivalents	617,676,919	(76,905,556)	603,538,611	(73,675,471)
Cash and cash equivalents at the beginning of the period	521,600,576	668,923,873	563,966,203	672,845,585
Cash and cash equivalents at the end of the period	<u>1,139,277,495</u>	<u>592,018,317</u>	<u>1,167,504,814</u>	<u>599,170,114</u>
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	1,211,409,501	681,241,296	1,239,636,820	691,273,528
Bank overdrafts	<u>(72,132,006)</u>	<u>(89,222,979)</u>	<u>(72,132,006)</u>	<u>(92,103,414)</u>
	<u>1,139,277,495</u>	<u>592,018,317</u>	<u>1,167,504,814</u>	<u>599,170,114</u>
Note A				
Reconciliation of operating profit				
Profit before income tax	252,463,743	423,072,621	331,473,038	476,059,318
Depreciation and amortisation	320,748,280	330,988,459	321,780,674	331,893,218
Dividend receipts on investments	(48,483,879)	(41,709,969)	(3,483,879)	(3,009,969)
Profit on disposal of property, plant and equipment	(10,215,859)	(13,601,863)	(10,215,859)	(13,601,863)
Provision for defined benefit plan	28,400,716	28,400,716	29,077,178	28,574,362
Impairment charge on financial assets	186,455,251	359,931,735	186,455,251	359,931,735
Gain from auction of pawned articles	(434,711)	(1,086,768)	(434,711)	(1,086,768)
Net gain from financial instruments designated at FVTPL	(77,804,548)	(21,210,806)	(80,967,596)	(21,210,806)
Net (gain) / loss from trading	(17,528,816)	134,828	(17,528,816)	134,828
Interest expense on lease liabilities	43,752,579	30,814,801	43,752,579	30,814,801
Withholding tax written off	-	-	149,854	-
Accrued interest on loans and advances	(973,946,799)	(251,219,524)	(973,946,800)	(251,219,524)
Accrued interest on borrowings	(5,157,501)	(32,069,667)	(5,157,501)	(32,069,667)
Accrued interest on debentures	<u>(77,305,146)</u>	<u>(12,491,128)</u>	<u>(77,305,146)</u>	<u>(12,491,128)</u>
	<u>(379,056,690)</u>	<u>799,953,435</u>	<u>(256,351,734)</u>	<u>892,718,537</u>

Figures in brackets in 2020 and 2019 columns indicate deductions.

The above figures are provisional and subject to audit.

Financial instruments – Fair values

Accounting classifications and fair values - Company

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31st December 2020					As at 31st March 2020						
	Carrying amount Rs.			Fair value Rs.		Carrying amount Rs.			Fair value Rs.			
	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level
Financial assets measured at fair value												
Investments in equity securities - quoted	88,725,763	-	-	88,725,763	88,725,763	Level 1	79,503,906	-	-	79,503,906	79,503,906	Level 1
Investments in equity securities - unquoted	-	14,803,522	-	14,803,522	14,803,522	Level 3	-	14,803,522	-	14,803,522	14,803,522	Level 3
Investments in unit trusts - quoted	2,346,750	-	-	2,346,750	2,346,750	Level 1	2,346,750	-	-	2,346,750	2,346,750	Level 1
Investments in unit trusts - unquoted	432,457,573	-	-	432,457,573	432,457,573	Level 3	296,966,710	-	-	296,966,710	296,966,710	Level 3
	523,530,086	14,803,522	-	538,333,608	538,333,608		378,817,366	14,803,522	-	393,620,888	393,620,888	-
Financial assets not measured at fair value												
Cash and cash equivalents	-	-	1,211,409,501	1,211,409,501	-		-	-	718,612,914	718,612,914	-	
Deposits with licensed commercial banks	-	-	4,227,313,177	4,227,313,177	-		-	-	884,788,297	884,788,297	-	
Repurchase agreements	-	-	625,734,841	625,734,841	-		-	-	1,001,277,322	1,001,277,322	-	
Loans and advances	-	-	27,262,614,677	27,262,614,677	-		-	-	26,800,770,355	26,800,770,355	-	
Other advances	-	-	1,268,106,165	1,268,106,165	-		-	-	432,239,658	432,239,658	-	
Treasury bonds	-	-	190,889,967	190,889,967	195,074,442	Level 1	-	-	192,146,568	192,146,568	198,542,430	Level 1
Treasury bills	-	-	998,795,295	998,795,295	1,003,168,023	Level 1	-	-	939,749,227	939,749,227	935,796,366	Level 1
	-	-	35,784,863,623	35,784,863,623	1,198,242,464		-	-	30,969,584,341	30,969,584,341	1,134,338,796	-
Financial liabilities not measured at fair value												
Due to banks	-	-	6,703,781,174	6,703,781,174	-		-	-	5,257,315,384	5,257,315,384	-	
Term deposits from customers	-	-	10,267,436,465	10,267,436,465	10,404,818,939	Level 3	-	-	10,725,039,444	10,725,039,444	11,135,110,788	Level 3
Savings deposits from customers	-	-	989,288,844	989,288,844	-		-	-	497,572,036	497,572,036	-	
Short term and floating rated borrowings	-	-	12,140,810,729	12,140,810,729	-		-	-	6,432,119,305	6,432,119,305	-	
Debt securities issued	-	-	-	-	-	Level 3	-	-	2,539,828,926	2,539,828,926	2,445,018,847	Level 3
Subordinated debentures	-	-	1,829,014,285	1,829,014,285	2,229,272,440	Level 3	-	-	1,779,700,505	1,779,700,505	1,991,833,717	Level 3
	-	-	31,930,331,497	31,930,331,497	12,634,091,379		-	-	27,231,575,600	27,231,575,600	15,571,963,352	-

Financial instruments – Fair values

Accounting classifications and fair values - Group

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31st December 2020					As at 31st March 2020						
	Carrying amount Rs.			Fair value Rs.		Carrying amount Rs.			Fair value Rs.			
	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level	Designated at FVTPL	Designated at FVOCI	Designated at Amortized Cost	Total	Total	Level
Financial assets measured at fair value												
Investments in equity securities - quoted	88,725,763	-	-	88,725,763	88,725,763	Level 1	79,503,906	-	-	79,503,906	79,503,906	Level 1
Investments in equity securities - unquoted	-	14,803,522	-	14,803,522	14,803,522	Level 3	-	14,803,522	-	14,803,522	14,803,522	Level 3
Investments in unit trusts - quoted	2,346,750	-	-	2,346,750	2,346,750	Level 1	2,346,750	-	-	2,346,750	2,346,750	Level 1
Investments in unit trusts - unquoted	475,658,307	-	-	475,658,307	475,658,307	Level 3	309,504,396	-	-	309,504,396	309,504,396	Level 3
	566,730,820	14,803,522	-	581,534,342	581,534,342		391,355,052	14,803,522	-	406,158,574	406,158,574	-
Financial assets not measured at fair value												
Cash and cash equivalents	-	-	1,239,636,820	1,239,636,820	-		-	-	760,978,541	760,978,541	-	
Deposits with licensed commercial banks	-	-	4,227,313,177	4,227,313,177	-		-	-	884,788,297	884,788,297	-	
Repurchase agreements	-	-	625,734,841	625,734,841	-		-	-	1,001,277,322	1,001,277,322	-	
Loans and advances	-	-	27,262,637,677	27,262,637,677	-		-	-	26,801,000,355	26,801,000,355	-	
Other advances	-	-	1,268,106,165	1,268,106,165	-		-	-	432,239,658	432,239,658	-	
Treasury bonds	-	-	190,889,967	190,889,967	195,074,442	Level 1	-	-	192,146,568	192,146,568	198,542,430	Level 1
Treasury bills	-	-	998,795,295	998,795,295	1,003,168,023	Level 1	-	-	939,749,227	939,749,227	935,796,366	Level 1
	-	-	35,813,113,942	35,813,113,942	1,198,242,464		-	-	31,012,179,968	31,012,179,968	1,134,338,796	-
Financial liabilities not measured at fair value												
Due to banks	-	-	6,703,781,174	6,703,781,174	-		-	-	5,257,315,384	5,257,315,384	-	
Term deposits from customers	-	-	10,225,326,475	10,225,326,475	10,362,886,519	Level 3	-	-	10,677,338,519	10,677,338,519	11,088,390,744	Level 3
Savings deposits from customers	-	-	989,288,844	989,288,844	-		-	-	497,572,036	497,572,036	-	
Short term and floating rated borrowings	-	-	12,140,810,729	12,140,810,729	-		-	-	6,432,119,305	6,432,119,305	-	
Debt securities issued	-	-	-	-	-	Level 3	-	-	2,539,828,926	2,539,828,926	2,445,018,847	Level 3
Subordinated debentures	-	-	1,829,014,285	1,829,014,285	2,229,272,440	Level 3	-	-	1,779,700,505	1,779,700,505	1,991,833,717	Level 3
	-	-	31,888,221,507	31,888,221,507	12,592,158,959		-	-	27,183,874,675	27,183,874,675	15,525,243,308	-

Segment report

As at 31st December	Leasing & Hire purchase		Pawning advances		Other Advances		Investments		Insurance Brokering		Asset management		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue																
<i>External customers</i>																
Interest	3,430,732,689	4,314,265,087	182,714,692	190,885,582	206,303,513	302,858,682	265,439,578	283,922,754	703,420	530,601	235,855	-	-	-	4,086,129,747	5,092,462,706
Trading	-	-	-	-	-	-	95,333,364	21,075,978	-	-	3,163,048	-	15,516	37,307	98,511,928	21,113,285
Commissions	-	-	-	-	-	-	-	-	104,991,384	98,043,771	33,163,530	-	81,007	-	138,235,921	98,043,771
Rent	-	-	-	-	-	-	13,613,367	13,961,827	-	-	-	-	-	-	13,613,367	13,961,827
Dividends	-	-	-	-	-	-	3,483,879	3,009,969	-	-	-	-	-	-	3,483,879	3,009,969
Other income	-	-	-	-	-	-	10,215,859	13,601,863	-	-	-	-	58,024,290	74,949,997	68,240,149	88,551,860
Total revenue	3,430,732,689	4,314,265,087	182,714,692	190,885,582	206,303,513	302,858,682	388,086,047	335,572,391	105,694,804	98,574,372	36,562,433	-	58,120,813	74,987,304	4,408,214,991	5,317,143,418
Profit before tax															331,473,038	476,059,318
Taxation															(15,655,347)	(227,242,030)
Profit after tax															315,817,691	248,817,288
Segment Assets	25,049,574,150	24,661,999,271	1,109,802,164	1,194,184,099	2,371,344,528	1,653,902,133	8,438,731,254	5,513,624,966	25,200,875	14,162,353	51,874,398	-	1,877,354,982	1,295,821,608	38,923,882,351	34,333,694,430
Segment Liabilities	26,762,400,101	24,148,038,499	1,425,317,603	1,060,566,627	1,609,328,869	1,682,692,885	3,027,374,909	1,867,399,374	6,117,473	5,975,079	2,466,513	-	453,445,331	239,596,108	33,286,450,799	29,004,268,572
Information on Cash flows																
Operating activities	(147,610,780)	3,062,906,694	64,631,209	143,307,457	(106,898,739)	254,531,698	(3,643,603,981)	761,747,903	4,102,702	40,660,943	19,415,685	-	(239,080,032)	(278,919,558)	(4,049,043,936)	3,984,235,137
Investing activities	-	-	-	-	-	-	(51,857,475)	2,694,750	-	(325,400)	-	-	-	30,028,163	(51,857,475)	32,397,513
Capital expenditure	(51,792,392)	(118,094,531)	(2,294,622)	(5,718,377)	(4,902,982)	(7,919,747)	(17,447,885)	(26,402,116)	-	-	(744,760)	-	(3,881,611)	(6,205,070)	(81,064,252)	(164,339,841)
Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	4,785,504,274	(3,925,968,280)	4,785,504,274	(3,925,968,280)
Net cash flow	(199,403,172)	2,944,812,163	62,336,586	137,589,080	(111,801,721)	246,611,951	(3,712,909,340)	738,040,537	4,102,702	40,335,543	18,670,925	-	4,542,542,631	(4,181,064,745)	603,538,611	(73,675,471)
Depreciation and amortisation	(261,613,447)	(225,509,073)	(11,590,583)	(10,919,607)	(24,765,915)	(15,123,264)	(3,171,562)	(2,550,000)	(942,523)	(904,759)	(89,871)	-	(19,606,773)	(76,886,515)	(321,780,674)	(331,893,218)

Selected performance indicators

<i>As at 31st December</i>	2020	2019
Regulatory Capital Adequacy		
Core Capital - Tier 1 (Rs. '000)	5,336,839	5,225,397
Total Capital Base - Tier 1 and 2 (Rs. '000)	7,101,597	7,336,190
Core Capital Adequacy Ratio, (Minimum requirement 6.5%)	14.63%	15.02%
Total Capital Adequacy Ratio, (Minimum requirement 10.5%)	19.46%	21.09%
Capital funds to Deposit Liabilities Ratio, (Minimum requirement 10%)	63.09%	63.95%

Computed as per Finance Companies Act (Capital Adequacy Requirements) Direction No. 03 of 2018

Quality of Loan Portfolio

Gross Non-Performing Loans (Rs. '000)	1,835,021	2,075,046
Gross Non-Performing Loans Ratio	6.25%	7.18%
Net Non-Performing Loans Ratio	1.44%	2.93%
Net Non-Performing Loans to Core Capital Ratio	7.93%	16.21%
Provision Coverage Ratio	77.03%	59.26%

Profitability

Net Interest Margin	9.00%	9.25%
Return on Assets (before Tax)	1.25%	2.23%
Return on Equity (after Tax)	6.26%	5.58%
Cost to Income Ratio	68.72%	57.29%

Liquidity

Required minimum amount of Liquid Assets (Rs. '000)	739,218	1,442,978
Available amount of Liquid Assets (Rs. '000)	2,636,611	3,680,639
Available Liquid Assets to Required Liquid Assets	356.68%	255.07%
Liquid Assets to External Funds	8.26%	13.29%
Required minimum amount of Government Securities (Rs. '000)	707,062	1,099,434
Available amount of Government Securities (Rs. '000)	1,797,228	1,397,480

Computed as per CBSL guidelines

Debt

Debt-to-Equity ratio (times)	3.65	2.99
Interest cover (times)	1.10	1.15

Memorandum information

Number of employees	802	817
Number of branches	59	59
Number of service centers	41	41
External Credit Rating by Fitch Ratings Lanka Limited	BBB+(lka) Stable outlook	BBB+(lka) Stable outlook

There are no regulatory restrictions imposed by the Central Bank of Sri Lanka over the operations of the Company.

The above figures are provisional and subject to audit.

Notes to the financial statements

1 General

The financial statements of the Company and the Group are prepared on the basis of the accounting policies and methods of computation applied in the year ended March 31, 2020 and are in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS). The interim financial statements are prepared in compliance with Sri Lanka Accounting Standard (LKAS) 34 - Interim Financial Reporting.

- 2 Executive, Non-independent Director, Dr. M. Balasuriya passed away on November 13, 2020. As at the date of his demise, he held 4,172,046 voting shares of Senkadagala Finance PLC.
- 3 There were no material changes in the composition of assets, liabilities and contingent liabilities during the period and the use of funds raised through debentures during the period.
- 4 All known expenses have been provided for in these financial statements.
- 5 The Board of Directors has not declared any dividends during the period.

6 Debenture Information

- 6.1 During the period, the Company redeemed the senior, unsecured, listed, redeemable, rated debentures to the value of Rs.2,413.21 million.

6.2 Debenture issue -August 2019

Utilisation of funds raised via capital market Debenture issue as at February 11, 2021

Objective as per prospectus	Amount allocated as per prospectus	Proposed date of utilization as per prospectus	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount utilized in Rs. (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
Expansion of the lending portfolio	Rs.1.75 Bn	Within 12 months from the date of allotment	Rs.1.75 Bn	100%	Rs.1.75 Bn	100%	N/A

6.3 Information on listed debenture

Type of Debenture	Date of issue	Date of maturity	Effective annual yield %	Current yield %	Yield to maturity %	Last traded Value Rs.	Highest traded Value Rs.	Lowest traded Value Rs.
5 year - 12.875% payable Semi- Annually	Aug-19	Aug-24	13.29%	11.92%	9.74%	108.00	108.00	108.00

6.4 Interest rate of comparable government securities

As at	31.12.2020	31.12.2019
5 year Treasury bond	6.60%	9.70%

7 Share information

7.1 Directors' shareholdings

The number of shares held by the members of the Board of Directors and their close family members are as follows;

As at	31.12.2020
1. Dr. A. Balasuriya & Mr. D. Balasuriya	2,086,023
2. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,086,023
3. Dr. A. Balasuriya & Mr. S. Balasuriya	2,086,022
4. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,086,022
5. Mrs. L. Fernando & Ms. S.A. Fernando	1,166,232
6. Mrs. L. Fernando & Mr. A. R. Fernando	1,166,231
7. Mrs. L. Fernando & Ms. A.L. Fernando	1,166,231
8. Mr. L. Balasuriya - The Trustee of the Capitalization Issue	15
9. Mr. S. D. Bandaranayake	Nil
10. Mr. D.T.P. Collure	Nil
11. Mr. W.M.R.S. Dias	Nil
12. Mr. S.R. Pushpakumara	Nil
13. Mr. N. Vasantha Kumar	Nil
14. Ms. R. A. Perera	Nil

Notes to the financial statements (continued)

7.2 Key Management Shareholdings

The number of shares held by the Key Management Personnel.

As at	31.12.2020
1. Mr. P.P.K. Ikiriwatte	16,977
2. Mr. J.K. Jayatileke	16,963

7.3 Stated Capital

Stated capital is represented by the number of shares in issue as set out below:

As at	31.12.2020	31.03.2020
Ordinary shares	72,475,061	72,475,061

7.4 The 20 largest shareholders of the Company as at December 31, 2020 were:

Shareholder	Number of Shares	%
1. E. W. Balasuriya & Co. (Pvt) Limited	40,918,535	56.46
2. Hallsville Trading Group Inc.	5,954,393	8.22
3. Dr. M. Balasuriya (Deceased)	4,172,046	5.76
4. Dr. (Mrs.) G. Madan Mohan	4,172,045	5.76
5. Mr. R. Balasuriya	4,172,045	5.76
6. Dr. A. Balasuriya & Mr. D. Balasuriya	2,086,023	2.88
7. Mr. L. Balasuriya & Mr. S. K. Balasuriya	2,086,023	2.88
8. Mr. L. Balasuriya & Ms. A. S. Balasuriya	2,086,022	2.88
9. Dr. A. Balasuriya & Mr. S. Balasuriya	2,086,022	2.88
10. Mrs. L. Fernando & Ms.S.A. Fernando	1,166,232	1.61
11. Mrs. L. Fernando & Mr. A. R.Fernando	1,166,231	1.61
12. Mrs. L. Fernando & Ms. A.L. Fernando	1,166,231	1.61
13. Mr. D. K. C. R. Fernando	673,348	0.93
14. Mrs. Chandra Fernando	172,888	0.24
15. Estate of the late Mr. D. G. K. Hewamallika	172,888	0.24
16. Mr. I. M. Thaha	144,073	0.20
17. Mr. M. M. Ariyaratne	31,653	0.04
18. Mr. P. P. K. Ikiriwatte	16,977	0.02
19. Mr. J. K. Jayatileke	16,963	0.02
20. Mrs. S. Thaha	14,408	0.02
	72,475,046	

Notes to the financial statements (continued)

7.5 The float adjusted market capitalisation and public holding

As at	31.12.2020	31.12.2019	Minimum Requirement
The float adjusted market capitalisation	1,426,712,264	1,426,712,172	Rs. 1 Bn
Public holding percentage	21.40%	21.40%	7.5%
Number of public shareholders	9	9	200

7.6 Information on Ratios and Share Prices

As at	31.12.2020	31.12.2019
Dividend per share (Rs.)	Nil	0.95
Net Assets per share (Rs.)	78.24	74.80
Market Prices (Rs.)		
- Highest price	Not traded	92.00
- Lowest price	Not traded	92.00
- Last traded price	Not traded	92.00

8 The impact of COVID-19 pandemic on the business/ operations of the Company

The outbreak of COVID-19 has caused disruptions to business and economic activities creating a widespread uncertainty in the global economy. In Sri Lanka, several guidelines and instructions were issued by the government health authorities and the Central Bank of Sri Lanka which are strictly followed by the Company.

The Central Bank of Sri Lanka issued circulars and guidelines for financial institutions to offer concessions on financial obligations to individual customers and private businesses as a result of the adverse short-term impact on their sources of income. The relief measures include deferment of payment, restructuring, concessionary interest rate and waving off certain charges and fees. These are causing an adverse impact to the earnings, cash flows and liquidity positions of the Company.

However, the management is of the view that the Company is able to maintain a satisfactory liquidity position to safeguard the interest of all stakeholders. Accordingly, the management concluded that the Company has adequate resources to continue as a going concern, and is continuously monitoring and assessing the impact of COVID-19 pandemic, on the financial performance, financial position and cash flows of the Company.

9 Events after the reporting period

There were no material events occurring after the reporting period that require adjustment to or disclosure in the Financial Statements other than the disclosure above.