

Central Finance Company PLC

Rated A+(lka) by Fitch Ratings Lanka Ltd.

INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

| CENTRAL FINANCE COMPANY PLC INCOME STATEMENT | | | | | | |
|-------------------------------------------------------------------------------|-------------------|-------------------|---------------|------------------|-------------------|---------------|
| For the year ended 31st March | Group | | | Company | | |
| | 2021 | 2020 | Increase | 2021 | 2020 | Increase |
| | Unaudited | Audited | (decrease) | Unaudited | Audited | (decrease) |
| | Rs.'000 | Rs.'000 | % | Rs.'000 | Rs.'000 | % |
| Income | 23,994,266 | 25,758,685 | (6.85) | 19,406,200 | 22,064,136 | (12.05) |
| Interest income | 16,604,313 | 20,116,816 | (17.46) | 16,546,553 | 20,038,336 | (17.43) |
| Less: Interest expenses | 6,150,191 | 6,769,027 | (9.14) | 6,194,811 | 6,825,241 | (9.24) |
| Net interest income | 10,454,122 | 13,347,789 | (21.68) | 10,351,742 | 13,213,095 | (21.66) |
| Net income from financial instruments at FVTPL | 1,094,480 | 216,267 | 406.08 | 1,030,158 | 201,326 | 411.69 |
| Net other revenue | 1,228,227 | 1,056,586 | 16.24 | - | - | - |
| Operating lease income | 1,015,166 | 1,030,459 | (1.48) | 1,019,196 | 1,033,916 | (1.42) |
| Other income | 652,279 | 641,985 | 1.60 | 810,293 | 790,558 | 2.50 |
| Total operating income | 14,444,274 | 16,293,086 | (11.35) | 13,211,389 | 15,238,895 | (13.30) |
| Less: Impairments and other credit losses | 3,270,465 | 4,785,758 | (31.66) | 3,256,083 | 4,775,343 | (31.81) |
| Net Operating Income | 11,173,809 | 11,507,328 | (2.90) | 9,955,306 | 10,463,552 | (4.86) |
| Less: Operating expenses | | | | | | |
| Personnel expenses | 2,267,499 | 2,571,991 | (11.84) | 1,947,029 | 2,259,167 | (13.82) |
| Premises, equipment, establishment and other expenses | 2,307,864 | 2,682,749 | (13.97) | 2,129,852 | 2,507,623 | (15.06) |
| | 4,575,363 | 5,254,740 | (12.93) | 4,076,881 | 4,766,790 | (14.47) |
| Operating profit before share of profit of equity accounted investees | 6,598,446 | 6,252,588 | 5.53 | 5,878,425 | 5,696,762 | 3.19 |
| Share of profit of equity accounted investees, net of tax | 1,069,144 | 859,924 | 24.33 | - | - | - |
| Operating profit before taxes on financial services | 7,667,590 | 7,112,512 | 7.80 | 5,878,425 | 5,696,762 | 3.19 |
| Less: taxes on financial services | 863,462 | 1,275,328 | (32.29) | 863,462 | 1,275,328 | (32.29) |
| Profit before tax | 6,804,128 | 5,837,184 | 16.57 | 5,014,963 | 4,421,434 | 13.42 |
| Less: Income tax expense | 1,024,160 | 1,727,880 | (40.73) | 878,992 | 1,526,240 | (42.41) |
| Profit for the year | 5,779,968 | 4,109,304 | 40.66 | 4,135,971 | 2,895,194 | 42.86 |
| Profit attributable to : | | | | | | |
| Equity holders of the parent | 5,544,132 | 3,990,148 | 38.95 | 4,135,971 | 2,895,194 | 42.86 |
| Non-controlling interest | 235,836 | 119,156 | 97.92 | - | - | - |
| Profit for the year | 5,779,968 | 4,109,304 | 40.66 | 4,135,971 | 2,895,194 | 42.86 |
| Basic and diluted earnings per share -Rs. | 24.75 | 17.81 | 38.95 | | | |
| The annexed notes form an integral part of these interim financial statements | | | | | | |

| CENTRAL FINANCE COMPANY PLC STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | | | | | |
|-----------------------------------------------------------------------------------------------|------------------|------------------|-----------------|------------------|------------------|---------------|
| For the year ended 31st March | Group | | | Company | | |
| | 2021 | 2020 | Increase | 2021 | 2020 | Increase |
| | Unaudited | Audited | (decrease) | Unaudited | Audited | (decrease) |
| | Rs.'000 | Rs.'000 | % | Rs.'000 | Rs.'000 | % |
| Profit for the year | 5,779,968 | 4,109,304 | 40.66 | 4,135,971 | 2,895,194 | 42.86 |
| Other comprehensive income to be reclassified to income statement | | | | | | |
| Fair value changes in debt securities at fair value through other comprehensive income | | | | | | |
| Share of equity accounted investees, net of tax | (84,229) | 93,774 | (189.82) | - | - | - |
| Total other comprehensive income to be reclassified to income statement | (84,229) | 93,774 | (189.82) | - | - | - |
| Other comprehensive income not to be reclassified to income statement | | | | | | |
| Actuarial gains / (losses) on defined benefit plans | (15,303) | (177,388) | 91.37 | (6,350) | (172,737) | 96.32 |
| Tax effect | 3,305 | 49,580 | (93.33) | 1,524 | 48,366 | (96.85) |
| Share of equity accounted investees, net of tax | (11,998) | (127,808) | 90.61 | (4,826) | (124,371) | 96.12 |
| | (9,462) | (10,018) | 5.55 | - | - | - |
| Revaluation of land & buildings | | | | | | |
| Gain on revaluation of land & buildings | | | | | | |
| Share of equity accounted investees, net of tax | 5,283 | 86,032 | (93.86) | - | - | - |
| Deferred tax impact on revaluation reserve due to change of income tax rate | 328,748 | - | - | 186,792 | - | - |
| Total other comprehensive income not to be reclassified to income statement | 312,571 | (51,794) | 703.49 | 181,966 | (124,371) | 246.31 |
| Other comprehensive income for the year(net of tax) | 228,342 | 41,980 | 443.94 | 181,966 | (124,371) | 246.31 |
| Total comprehensive income for the year | 6,008,310 | 4,151,284 | 44.73 | 4,317,937 | 2,770,823 | 55.84 |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the parent | 5,726,520 | 4,031,948 | 42.03 | 4,317,937 | 2,770,823 | 55.84 |
| Non-controlling interest | 281,790 | 119,336 | 136.13 | - | - | - |
| Total comprehensive income for the year | 6,008,310 | 4,151,284 | 44.73 | 4,317,937 | 2,770,823 | 55.84 |
| The annexed notes form an integral part of these interim financial statements | | | | | | |

**CENTRAL FINANCE COMPANY PLC
INCOME STATEMENT**

| For the three months ended 31st March | Group | | | Company | | |
|-------------------------------------------------------------------------------|----------------------|----------------------|-----------------|----------------------|----------------------|-----------------|
| | 2021 | 2020 | Increase | 2021 | 2020 | Increase |
| | Unaudited Rs.'000 | Unaudited Rs.'000 | (decrease) % | Unaudited Rs.'000 | Unaudited Rs.'000 | (decrease) % |
| Income | 6,080,379 | 6,659,441 | (8.70) | 4,764,092 | 5,865,369 | (18.78) |
| Interest income | 3,785,915 | 5,303,586 | (28.62) | 3,786,363 | 5,285,699 | (28.37) |
| Less: Interest expenses | 1,364,078 | 1,709,584 | (20.21) | 1,374,379 | 1,723,098 | (20.24) |
| Net interest income | 2,421,837 | 3,594,002 | (32.61) | 2,411,984 | 3,562,601 | (32.30) |
| Net income from financial instruments at FVTPL | 435,097 | 68,698 | 533.35 | 388,104 | 61,165 | 534.52 |
| Net other revenue | 326,652 | 226,920 | 43.95 | - | - | - |
| Operating lease income | 259,519 | 257,099 | 0.94 | 260,441 | 257,677 | 1.07 |
| Other income | 230,574 | 177,675 | 29.77 | 329,184 | 260,828 | 26.21 |
| Total operating income | 3,673,679 | 4,324,394 | (15.05) | 3,389,713 | 4,142,271 | (18.17) |
| Less: Impairments and other credit losses | (455,398) | 1,572,855 | (128.95) | (455,372) | 1,570,907 | (128.99) |
| Net operating income | 4,129,077 | 2,751,539 | 50.06 | 3,845,085 | 2,571,364 | 49.53 |
| Less Operating expenses | | | | | | |
| Personnel expenses | 678,421 | 633,003 | 7.18 | 587,504 | 551,937 | 6.44 |
| Premises, equipment, establishment and other expenses | 723,507 | 709,827 | 1.93 | 665,341 | 657,034 | 1.26 |
| | 1,401,928 | 1,342,830 | 4.40 | 1,252,845 | 1,208,971 | 3.63 |
| Operating profit before share of profit of equity accounted investees | 2,727,149 | 1,408,709 | 93.59 | 2,592,240 | 1,362,393 | 90.27 |
| Share of profit of equity accounted investees, net of tax | 389,884 | 213,919 | 82.26 | - | - | - |
| Operating profit before taxes on financial services | 3,117,033 | 1,622,628 | 92.10 | 2,592,240 | 1,362,393 | 90.27 |
| Less: Taxes on financial services | 357,273 | 206,961 | 72.63 | 357,273 | 206,961 | 72.63 |
| Profit before tax | 2,759,760 | 1,415,667 | 94.94 | 2,234,967 | 1,155,432 | 93.43 |
| Less: Income tax expense | 225,794 | 468,312 | (51.79) | 201,592 | 413,688 | (51.27) |
| Profit for the period | 2,533,966 | 947,355 | 167.48 | 2,033,375 | 741,744 | 174.13 |
| Profit attributable to : | | | | | | |
| Equity holders of the parent | 2,467,852 | 929,248 | 165.58 | 2,033,375 | 741,744 | 174.13 |
| Non-controlling interest | 66,114 | 18,107 | 265.13 | - | - | - |
| Net profit for the period | 2,533,966 | 947,355 | 167.48 | 2,033,375 | 741,744 | 174.13 |
| Basic and diluted earnings per share - Rs. | 11.02 | 4.15 | 165.58 | | | |
| The annexed notes form an integral part of these interim financial statements | | | | | | |

**CENTRAL FINANCE COMPANY PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

| For the three months ended 31st March | Group | | | Company | | |
|----------------------------------------------------------------------------------------|----------------------|----------------------|-----------------|----------------------|----------------------|-----------------|
| | 2021 | 2019 | Increase | 2021 | 2019 | Increase |
| | Unaudited Rs.'000 | Unaudited Rs.'000 | (decrease) % | Unaudited Rs.'000 | Unaudited Rs.'000 | (decrease) % |
| Profit for the period | 2,533,966 | 947,355 | 167.48 | 2,033,375 | 741,744 | 174.13 |
| Other comprehensive income to be reclassified to income statement | | | | | | |
| Fair value changes in debt securities at fair value through other comprehensive income | | | | | | |
| Share of equity accounted investees, net of tax | (110,970) | 49,130 | (325.87) | - | - | - |
| Total other comprehensive income to be reclassified to income statement | (110,970) | 49,130 | (325.87) | - | - | - |
| Other comprehensive income not to be reclassified to income statement | | | | | | |
| Actuarial gains / (losses) on defined benefit plans | (15,303) | (177,388) | 91.37 | (6,350) | (172,737) | 96.32 |
| Tax effect thereon | 3,305 | 49,580 | (93.33) | 1,524 | 48,366 | (96.85) |
| | (11,998) | (127,808) | 90.61 | (4,826) | (124,371) | 96.12 |
| Share of equity accounted investees, net of tax | (3,146) | 1,415 | (322.33) | - | - | - |
| Revaluation of land & buildings | | | | | | |
| Share of equity accounted investees, net of tax | 5,283 | 7,273 | (27.36) | - | - | - |
| Deferred tax impact on revaluation reserve due to change of income tax rate | 328,748 | - | - | 186,792 | - | - |
| Total other comprehensive income not to be reclassified to income statement | 318,887 | (119,120) | 367.70 | 181,966 | (124,371) | 246.31 |
| Other comprehensive income for the period (net of tax) | 207,917 | (69,990) | 397.07 | 181,966 | (124,371) | 246.31 |
| Total comprehensive income for the period | 2,741,883 | 877,365 | 212.51 | 2,215,341 | 617,373 | 258.83 |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the parent | 2,629,815 | 859,078 | 206.12 | 2,215,341 | 617,373 | 258.83 |
| Non-controlling interest | 112,068 | 18,287 | 512.83 | - | - | - |
| Total comprehensive income for the period | 2,741,883 | 877,365 | 212.51 | 2,215,341 | 617,373 | 258.83 |
| The annexed notes form an integral part of these interim financial statements | | | | | | |

CENTRAL FINANCE COMPANY PLC
STATEMENT OF FINANCIAL POSITION

| As at | Group | | Company | |
|--------------------------------------------------------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | 31.03.2021 Unaudited Rs.'000 | 31.03.2020 Audited Rs.'000 | 31.03.2021 Unaudited Rs.'000 | 31.03.2020 Audited Rs.'000 |
| ASSETS | | | | |
| Cash and cash equivalents | 988,137 | 773,312 | 930,383 | 671,117 |
| Fair value through profit or loss financial assets | 15,669,893 | 5,599,847 | 14,299,981 | 5,320,028 |
| Securities bought under repurchase agreements | 4,378,520 | 4,440,427 | 4,378,520 | 4,440,427 |
| Financial assets at amortised cost- Debt and other financial instruments | 4,473,794 | 5,019,765 | 4,226,850 | 4,425,119 |
| Financial assets at amortised cost- Loans and receivables from customers | 3,405,974 | 4,167,030 | 3,413,453 | 4,167,893 |
| Financial assets at amortised cost- Net investment in leases and hire purchase | 61,108,561 | 74,343,334 | 61,108,561 | 74,343,334 |
| Trade receivables | 1,077,716 | 822,365 | - | - |
| Investments in subsidiaries | - | - | 306,481 | 289,063 |
| Investments in equity accounted investees | 8,276,910 | 7,430,736 | 1,454,646 | 1,454,646 |
| Inventories and other stocks | 1,380,216 | 997,014 | 48,724 | 81,520 |
| Investment properties | 303,800 | 303,800 | 303,800 | 303,800 |
| Property, plant and equipment | 12,308,748 | 12,605,679 | 10,056,995 | 10,358,739 |
| Right of use assets | 439,173 | 443,545 | 574,707 | 612,968 |
| Intangible assets | 100,774 | 132,421 | 100,280 | 131,751 |
| Current tax assets | 2,420 | 1,616 | - | - |
| Deferred tax asset | 18,406 | 18,439 | - | - |
| Other assets | 453,759 | 676,998 | 379,998 | 566,309 |
| Real estates held for sale | 10,697 | 18,339 | 10,697 | 18,339 |
| Total assets | 114,397,498 | 117,794,667 | 101,594,076 | 107,185,053 |
| LIABILITIES | | | | |
| Bank overdrafts | 1,455,291 | 1,241,075 | 1,444,603 | 1,224,972 |
| Financial liabilities at amortised cost -Deposits | 52,096,938 | 52,912,500 | 52,531,512 | 53,390,977 |
| Financial liabilities at amortised cost -Interest bearing borrowings | 1,673,965 | 8,132,977 | 1,091,332 | 7,798,612 |
| Debt securities issued | - | 1,791,038 | - | 1,791,038 |
| Lease liabilities | 390,449 | 353,415 | 537,314 | 522,842 |
| Employee benefit obligations | 1,959,247 | 1,746,130 | 1,803,815 | 1,612,038 |
| Current tax liabilities | 1,380,518 | 836,968 | 1,253,375 | 752,572 |
| Deferred tax liability | 2,201,544 | 3,960,035 | 1,872,272 | 3,459,432 |
| Other liabilities | 1,734,097 | 1,297,648 | 1,109,197 | 999,517 |
| Total liabilities | 62,892,049 | 72,271,786 | 61,643,420 | 71,552,000 |
| EQUITY | | | | |
| Stated capital | 1,961,597 | 1,696,898 | 1,961,597 | 1,696,898 |
| Statutory Reserve fund | 2,371,000 | 2,213,000 | 2,371,000 | 2,213,000 |
| Revaluation reserve | 5,102,431 | 4,823,863 | 3,747,729 | 3,567,167 |
| Fair value reserve | 27,538 | 111,767 | - | - |
| Loan loss reserve | 920,000 | 920,000 | 920,000 | 920,000 |
| General reserve | 23,402,957 | 23,402,957 | 23,391,776 | 23,391,776 |
| Retained earnings | 16,266,493 | 11,157,205 | 7,558,554 | 3,844,212 |
| Total equity, excluding non-controlling interest | 50,052,016 | 44,325,690 | 39,950,656 | 35,633,053 |
| Non-controlling interest | 1,453,433 | 1,197,191 | - | - |
| Total equity | 51,505,449 | 45,522,881 | 39,950,656 | 35,633,053 |
| Total liabilities and equity | 114,397,498 | 117,794,667 | 101,594,076 | 107,185,053 |
| Net asset value per share - Rs. | 223.42 | 197.86 | 178.33 | 159.06 |

These financial statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.


K. Kandeepan Ihsar
Chief Financial 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.


E. H. Wijenaik
Managing Director


G. S. N. Peiris
Director (Finance)

18th May 2021
Colombo

The annexed notes form an integral part of these interim financial statements

CENTRAL FINANCE COMPANY PLC
STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March 2021

| Group | Attributable to equity holders of the company | | | | | | | | Non-controlling interest | Total |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------|---------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|
| | Stated capital | Statutory reserve fund | Revaluation reserve | Fair value reserve | Loan loss reserve | General reserves | Retained earnings | Total | | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | | |
| Balance as at 1st April 2019 | 1,527,778 | 2,037,000 | 4,745,864 | 17,993 | 920,000 | 23,402,957 | 8,089,048 | 40,740,640 | 1,119,290 | 41,859,930 |
| Total comprehensive income | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 3,990,148 | 3,990,148 | 119,156 | 4,109,304 |
| Other comprehensive income | - | - | 86,032 | 93,774 | - | - | (138,006) | 41,800 | 180 | 41,980 |
| Total comprehensive income | - | - | 86,032 | 93,774 | - | - | 3,852,142 | 4,031,948 | 119,336 | 4,151,284 |
| Transactions with equity holders of the Company and other transfers, recognised directly in equity | | | | | | | | | | |
| Depreciation on revaluation surplus | - | - | (8,033) | - | - | - | 8,033 | - | - | - |
| Transfers during the year | - | 176,000 | - | - | - | - | (176,000) | - | - | - |
| Effect arising out of buy-back of shares by a subsidiary company | - | - | - | - | - | - | (1,449) | (1,449) | 1,449 | - |
| Unclaimed dividends written back | - | - | - | - | - | - | 98 | 98 | 86 | 184 |
| Dividends - Scrip | 169,120 | - | - | - | - | - | (169,120) | - | - | - |
| Dividends - Cash | - | - | - | - | - | - | (445,547) | (445,547) | (42,970) | (488,517) |
| Total contributions from and distribution to equity holders | 169,120 | 176,000 | (8,033) | - | - | - | (783,985) | (446,898) | (41,435) | (488,333) |
| Balance as at 31st March 2020 | 1,696,898 | 2,213,000 | 4,823,863 | 111,767 | 920,000 | 23,402,957 | 11,157,205 | 44,325,690 | 1,197,191 | 45,522,881 |
| Balance as at 1st April 2020 | 1,696,898 | 2,213,000 | 4,823,863 | 111,767 | 920,000 | 23,402,957 | 11,157,205 | 44,325,690 | 1,197,191 | 45,522,881 |
| Total comprehensive income | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 5,544,132 | 5,544,132 | 235,836 | 5,779,968 |
| Other comprehensive income | - | - | 286,670 | (84,229) | - | - | (20,053) | 182,388 | 45,954 | 228,342 |
| Total comprehensive income | - | - | 286,670 | (84,229) | - | - | 5,524,079 | 5,726,520 | 281,790 | 6,008,310 |
| Transactions with equity holders of the Company and other transfers, recognised directly in equity | | | | | | | | | | |
| Depreciation on revaluation surplus | - | - | (8,102) | - | - | - | 8,102 | - | - | - |
| Unclaimed dividends written back | - | - | - | - | - | - | 140 | 140 | 129 | 269 |
| Transfers during the year | - | 158,000 | - | - | - | - | (158,000) | - | - | - |
| Dividends - Scrip/ Cash | 264,699 | - | - | - | - | - | (265,033) | (334) | (25,677) | (26,011) |
| Total contributions from and distribution to equity holders | 264,699 | 158,000 | (8,102) | - | - | - | (414,791) | (194) | (25,548) | (25,742) |
| Balance as at 31st March 2021 | 1,961,597 | 2,371,000 | 5,102,431 | 27,538 | 920,000 | 23,402,957 | 16,266,493 | 50,052,016 | 1,453,433 | 51,505,449 |

CENTRAL FINANCE COMPANY PLC
STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March 2021

| Company | Stated capital | Statutory reserve fund | Revaluation reserve | Loan loss reserve | General reserve | Retained earnings | Total |
|-----------------------------------------------------------------------------------------------------------|------------------|---------------------------|------------------------|-------------------|--------------------|----------------------|-------------------|
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Balance as at 01st April 2019 | 1,527,778 | 2,037,000 | 3,573,069 | 920,000 | 23,391,776 | 1,858,154 | 33,307,777 |
| Total comprehensive income | | | | | | | |
| Profit for the year | - | - | - | - | - | 2,895,194 | 2,895,194 |
| Other comprehensive income | - | - | - | - | - | (124,371) | (124,371) |
| Total comprehensive income | - | - | - | - | - | 2,770,823 | 2,770,823 |
| Transactions with equity holders of the Company and other transfers, recognised directly in equity | | | | | | | |
| Depreciation on revaluation surplus | - | - | (5,902) | - | - | 5,902 | - |
| Transfers during the year | - | 176,000 | - | - | - | (176,000) | - |
| Dividends - Scrip | 169,120 | - | - | - | - | (169,120) | - |
| Dividends - Cash | - | - | - | - | - | (445,547) | (445,547) |
| Total contributions from and distribution to equity holders | 169,120 | 176,000 | (5,902) | - | - | (784,765) | (445,547) |
| Balance as at 31st March 2020 | 1,696,898 | 2,213,000 | 3,567,167 | 920,000 | 23,391,776 | 3,844,212 | 35,633,053 |
| Balance as at 01st April 2020 | 1,696,898 | 2,213,000 | 3,567,167 | 920,000 | 23,391,776 | 3,844,212 | 35,633,053 |
| Total comprehensive income | | | | | | | |
| Profit for the year | - | - | - | - | - | 4,135,971 | 4,135,971 |
| Other comprehensive income | - | - | 186,792 | - | - | (4,826) | 181,966 |
| Total comprehensive income | - | - | 186,792 | - | - | 4,131,145 | 4,317,937 |
| Transactions with equity holders of the Company and other transfers, recognised directly in equity | | | | | | | |
| Depreciation on revaluation surplus | - | - | (6,230) | - | - | 6,230 | - |
| Transfers during the year | - | 158,000 | - | - | - | (158,000) | - |
| Dividends - Scrip/ Cash | 264,699 | - | - | - | - | (265,033) | (334) |
| Total contributions from and distribution to equity holders | 264,699 | 158,000 | (6,230) | - | - | (416,803) | (334) |
| Balance as at 31st March 2021 | 1,961,597 | 2,371,000 | 3,747,729 | 920,000 | 23,391,776 | 7,558,554 | 39,950,656 |

The annexed notes form an integral part of these interim financial statements

CENTRAL FINANCE COMPANY PLC
STATEMENT OF CASH FLOW

| For the year ended 31st March | Group | | Company | |
|-----------------------------------------------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | 2021 Unaudited Rs.'000 | 2020 Audited Rs.'000 | 2021 Unaudited Rs.'000 | 2020 Audited Rs.'000 |
| Cash flows from operating activities | | | | |
| Interest receipts | 13,847,556 | 18,172,983 | 13,754,181 | 18,125,075 |
| Interest payments | (4,237,840) | (2,914,496) | (4,259,823) | (2,968,428) |
| Recoveries on bad debts previously written off | 213,463 | 123,020 | 213,463 | 123,020 |
| Receipts from other operating activities | 5,926,381 | 7,937,349 | 1,227,372 | 1,171,897 |
| Cash payments to employees and suppliers | (6,838,017) | (9,663,501) | (2,658,462) | (3,313,098) |
| Operating profit before changes in operating assets | 8,911,543 | 13,655,355 | 8,276,731 | 13,138,466 |
| (Increase) / decrease in operating assets: | | | | |
| Securities with bank and non-bank financial institutions | (7,531,648) | (8,620,210) | (7,531,648) | (8,620,210) |
| Loans to customers | (21,751,044) | (34,836,966) | (21,771,884) | (34,830,332) |
| Customer repayments | 34,672,411 | 33,477,994 | 34,687,122 | 33,461,766 |
| Others | (553,599) | 417,175 | (519,869) | 433,923 |
| Increase / (decrease) in operating liabilities: | | | | |
| Net cash effect on deposits | (2,314,194) | 5,596,575 | (2,369,401) | 5,555,372 |
| Net cash from operating activities before taxes on financial services | 11,433,469 | 9,689,923 | 10,771,051 | 9,138,985 |
| Taxes on financial services | (1,026,912) | (1,717,647) | (940,104) | (1,574,968) |
| Net cash on operating activities before income tax | 10,406,557 | 7,972,276 | 9,830,947 | 7,564,017 |
| Income tax paid | (1,907,819) | (3,837,194) | (1,777,033) | (3,660,346) |
| Net cash generated from operating activities | 8,498,738 | 4,135,082 | 8,053,914 | 3,903,671 |
| Cash flows from investing activities | | | | |
| Dividends received from subsidiaries and associates | 242,903 | 24,550 | 201,831 | 72,469 |
| Dividends received from other companies | 2,254 | 6 | - | - |
| Acquisition of financial investments | (1,363,865) | (584,204) | - | (63,592) |
| Proceeds from sale of financial investment | 654,765 | 251,622 | - | - |
| Purchase of property, plant and equipment | (590,585) | (587,014) | (515,011) | (534,307) |
| Disposal of property, plant and equipment | 89,336 | 136,326 | 89,070 | 132,868 |
| Net cash used in investing activities | (965,192) | (758,714) | (224,110) | (392,562) |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | 2,949,292 | 6,196,624 | 950,000 | 4,540,000 |
| Repayment of borrowings and debt securities | (10,368,851) | (8,644,296) | (8,617,827) | (7,224,933) |
| Lease installment settlement | (85,674) | (189,220) | (119,012) | (189,205) |
| Dividends paid to equity holders of the parent | (3,247) | (443,429) | (3,247) | (443,429) |
| Dividends paid to non-controlling interest | (24,349) | (42,796) | - | - |
| Net cash used in financing activities | (7,532,829) | (3,123,117) | (7,790,086) | (3,317,567) |
| Net increase in cash and cash equivalents | 717 | 253,251 | 39,718 | 193,542 |
| Cash and cash equivalents at the beginning of the period | (467,693) | (720,944) | (553,787) | (747,329) |
| Cash and cash equivalents at the end of the year | (466,976) | (467,693) | (514,069) | (553,787) |
| Cash and cash equivalents | 988,137 | 773,312 | 930,383 | 671,117 |
| Bank overdrafts | (1,455,291) | (1,241,075) | (1,444,603) | (1,224,972) |
| Impairment provision for cash equivalents | 178 | 70 | 151 | 68 |
| Cash and cash equivalents at the end of the year | (466,976) | (467,693) | (514,069) | (553,787) |

The annexed notes form an integral part of these interim financial statements

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

- 1 The interim financial statements of the Company and the Group have been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31st March 2020 and provide the information as required by the Colombo Stock Exchange and LKAS 34-Interim Financial Reporting.
- 2 The presentation and classification of the previous periods have been amended where relevant for better presentation and to be comparable with those of the current period.

- 3 Stated capital is represented by number of shares in issue as given below:

| | As at 31.03.2021 | As at 31.12.2020 |
|-----------------|---------------------|---------------------|
| Ordinary shares | 224,024,987 | 224,024,987 |

- 4 Market price per share

| | Quarter ended 31.03.2021 Rs. | Quarter ended 31.12.2020 Rs. |
|-------------|------------------------------------|------------------------------------|
| Highest | 135.00 | 96.90 |
| Lowest | 80.00 | 72.50 |
| Last traded | 80.70 | 83.00 |

- 5 Number of shares held by individual Directors are as follows:

| | As at 31.03.2021 | As at 31.12.2020 |
|----------------------------|---------------------|---------------------|
| E.H. Wijenaikie | 34,526,340 | 34,526,340 |
| G.S.N. Peiris | 313,843 | 313,843 |
| A.K. Gunaratne | 1,784,132 | 1,784,132 |
| D.P. de Silva | 221,819 | 221,819 |
| A.D.B. Talwatte | Nil | Nil |
| Dr. (Mrs.) A.D.N. de Zoysa | Nil | Nil |
| A.R. Fernando | Nil | Nil |
| C.K. Hettiarachchi | 132,430 | 132,430 |
| K.B. Herath | Nil | Nil |
| M.H.de Silva | Nil | Nil |

- 6 Twenty largest shareholders of the Company are as follows:

| | As at 31.03.2021 | | *As at 31.12.2020 | |
|-----------------------------------------------------|---------------------|-------|---------------------|-------|
| | Number of shares | % | Number of shares | % |
| 1 Corporate Services (Pvt) Ltd. A/C No.01 | 36,088,465 | 16.11 | 36,088,465 | 16.11 |
| 2 E.H. Wijenaikie | 34,526,340 | 15.41 | 34,526,340 | 15.41 |
| 3 Employees Provident Fund | 24,061,391 | 10.74 | 24,061,391 | 10.74 |
| 4 Thurston Investments Limited | 13,045,963 | 5.82 | 13,045,963 | 5.82 |
| 5 Hallsville Trading Group INC | 12,056,371 | 5.38 | 11,891,944 | 5.31 |
| 6 Ceylon Investment PLC A/C No.02 | 8,813,521 | 3.93 | 8,813,521 | 3.93 |
| 7 A.J. Wijenaikie | 6,987,572 | 3.12 | 6,987,572 | 3.12 |
| 8 Rubber Investment Trust Limited. A/C No.01 | 6,113,409 | 2.73 | 7,214,520 | 3.22 |
| 9 Ceylon Guardian Investment Trust PLC A/C No.02 | 6,064,799 | 2.71 | 6,064,799 | 2.71 |
| 10 N.W. Wijegoonawardene | 4,618,754 | 2.06 | 4,618,754 | 2.06 |
| 11 E.W. Balasuriya & Co.(Pvt) Ltd. | 4,277,148 | 1.91 | 4,067,148 | 1.82 |
| 12 C.R. Dunuwille | 2,880,551 | 1.29 | 2,880,551 | 1.29 |
| 13 N.M. Gunawardana | 2,777,519 | 1.24 | 2,777,519 | 1.24 |
| 14 P.R. Munasinha | 2,620,812 | 1.17 | 2,620,812 | 1.17 |
| 15 Sri Lanka Insurance Corporation Ltd. -Life Fund. | 1,841,241 | 0.82 | - | - |
| 16 S.K. Wedande | 1,820,562 | 0.81 | 1,820,562 | 0.81 |
| 17 A.K. Gunaratne | 1,784,132 | 0.80 | 1,784,132 | 0.80 |
| 18 P.M. Wijenaikie | 1,658,544 | 0.74 | 1,658,544 | 0.74 |
| 19 Employees Trust Fund Board | 1,614,890 | 0.72 | 2,339,262 | 1.04 |
| 20 N.M. Wahab | 1,602,618 | 0.72 | 1,602,618 | 0.72 |

*Comparative shareholdings as at 31.12.2020 held by the twenty largest shareholders as at 31.03.2021.

CENTRAL FINANCE COMPANY PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Public holding

The company qualifies under option one of the minimum public holding requirement No.7.13.1 of the Listing Rules of the Colombo Stock Exchange and relevant information is given below.

As at 31.03.2021

| Float adjusted market capitalization | | Public holding percentage (%) | | Number of public shareholders | |
|--------------------------------------|------------------|-------------------------------|-----------|-------------------------------|-----------|
| Minimum requirement | Available amount | Minimum requirement | Available | Minimum requirement | Available |
| Rs.10 Bn | Rs.11.47 Bn | No minimum % requirement | 63.45% | 500 | 3,684 |

As at 31.12.2020

| Float adjusted market capitalization | | Public holding percentage (%) | | Number of public shareholders | |
|--------------------------------------|------------------|-------------------------------|-----------|-------------------------------|-----------|
| Minimum requirement | Available amount | Minimum requirement | Available | Minimum requirement | Available |
| Rs.10 Bn | Rs.11.80 Bn | No minimum % requirement | 63.45% | 500 | 3,435 |

8 Contingent liabilities

| | Group | | Company | |
|----------------------------------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 31.03.2021 Rs.'000 | As at 31.12.2020 Rs.'000 | As at 31.03.2021 Rs.'000 | As at 31.12.2020 Rs.'000 |
| Guarantees issued | | | | |
| Guarantees issued on behalf of depositors, fully secured on their deposits | 70,185 | 71,785 | 70,185 | 71,785 |
| Letter of credit facilities | 19,106 | | 19,106 | |
| | 89,291 | 71,785 | 89,291 | 71,785 |

Tax assessments

Company and the group

There are no major changes to the outstanding tax assessments reported in the annual report for the year ended 31st March 2020.

9 Interest expenses of the group other than the parent are categorised under premises, equipment, establishment and other expenses.

| 10 Classification of financial assets and liabilities - Group | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|
| The following table analyses the carrying amounts of the financial instruments by category as defined in Sri Lanka Accounting Standard - SLFRS 9 Financial Instruments. | | | | | |
| Financial assets and financial liabilities measured at fair value - fair value hierarchy | | | | | |
| Fair value through profit or loss financial assets - Group | | | | | |
| 31.03.2021 | Level 1 | Level 02 | Level 03 | Total | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Investments in quoted securities | 796,185 | - | - | 796,185 | |
| Unquoted equities | - | - | 104,335 | 104,335 | |
| Investments in units | - | 14,769,373 | - | 14,769,373 | |
| | 796,185 | 14,769,373 | 104,335 | 15,669,893 | |
| Fair value through profit or loss financial assets - Group | | | | | |
| 31.03.2020 | Level 1 | Level 02 | Level 03 | Total | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Investments in quoted securities | 174,542 | - | - | 174,542 | |
| Unquoted equities | - | - | 100,567 | 100,567 | |
| Investments in units | - | 5,324,738 | - | 5,324,738 | |
| | 174,542 | 5,324,738 | 100,567 | 5,599,847 | |
| Fair value through profit or loss financial assets - Company | | | | | |
| 31.03.2021 | Level 1 | Level 02 | Level 03 | Total | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Investments in quoted securities | 582,478 | - | - | 582,478 | |
| Unquoted equities | - | - | 102,337 | 102,337 | |
| Investments in units | - | 13,615,166 | - | 13,615,166 | |
| | 582,478 | 13,615,166 | 102,337 | 14,299,981 | |
| Fair value through profit or loss financial assets - Company | | | | | |
| 31.03.2020 | Level 1 | Level 02 | Level 03 | Total | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Investments in quoted securities | 174,324 | - | - | 174,324 | |
| Unquoted equities | - | - | 98,762 | 98,762 | |
| Investments in units | - | 5,046,942 | - | 5,046,942 | |
| | 174,324 | 5,046,942 | 98,762 | 5,320,028 | |
| Level 3 - fair value measurement | | | | | |
| The following table shows a reconciliation from the beginning balance to the ending balance for fair value measurement in level 3 of the fair value hierarchy. | | | | | |
| | Group | | Company | | |
| | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | |
| | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | |
| Balance at the beginning of the year | 100,567 | 108,614 | 98,762 | 106,524 | |
| Changes in fair value during the period | 3,768 | (8,047) | 3,575 | (7,762) | |
| | 104,335 | 100,567 | 102,337 | 98,762 | |
| Fair value of financial assets and liabilities not measured at fair value -Group | | | | | |
| As at 31.03.2021 | | | | | |
| | Amortised cost | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| Description | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 | Rs.'000 |
| Cash and cash equivalents | 988,137 | - | 988,137 | - | 988,137 |
| Securities bought under repurchase agreements | 4,378,520 | - | 4,378,520 | - | 4,378,520 |
| Financial assets at amortised cost- Debt and other financial instruments | 4,473,794 | - | 4,483,162 | - | 4,483,162 |
| Financial assets at amortised cost- Loans and receivables from customers | 3,405,974 | - | 3,499,567 | - | 3,499,567 |
| Financial assets at amortised cost- Net investment in leases and hire purchase | 61,108,561 | - | 61,108,561 | - | 61,108,561 |
| Trade receivables | 1,077,716 | - | 1,077,716 | - | 1,077,716 |
| Other financial assets | 123,687 | - | 123,687 | - | 123,687 |
| Total financial assets | 75,556,389 | - | 75,659,350 | - | 75,659,350 |
| Bank overdrafts | 1,455,291 | - | 1,455,291 | - | 1,455,291 |
| Financial liabilities at amortised cost -Deposits | 52,096,938 | - | 53,413,109 | - | 53,413,109 |
| Financial liabilities at amortised cost -Interest bearing borrowings | 1,673,965 | - | 1,675,608 | - | 1,675,608 |
| Lease liabilities | 390,449 | - | 271,389 | - | 271,389 |
| Other financial liabilities | 987,479 | - | 987,479 | - | 987,479 |
| Total financial liabilities | 56,604,122 | - | 57,802,876 | - | 57,802,876 |

| As at 31.03.2020 - Group | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|-------------------|----------------|-------------------|
| Description | Amortised cost | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| | | Rs.'000 | Rs.'000 | Rs.'000 | |
| Cash and cash equivalents | 773,312 | | 773,312 | | 773,312 |
| Securities bought under repurchase agreements | 4,440,427 | | 4,440,427 | | 4,440,427 |
| Financial assets at amortised cost- Debt and other financial instruments | 5,019,765 | | 4,912,005 | | 4,912,005 |
| Financial assets at amortised cost- Loans and receivables from customers | 4,167,030 | | 3,699,579 | | 3,699,579 |
| Financial assets at amortised cost- Net investment in leases and hire purchase | 74,343,334 | | 74,343,334 | | 74,343,334 |
| Trade receivables | 822,365 | | 822,365 | | 822,365 |
| Other financial assets | 283,047 | | 283,047 | | 283,047 |
| Total financial assets | 89,849,280 | - | 89,274,069 | | 89,274,069 |
| Bank overdrafts | 1,241,075 | | 1,241,075 | | 1,241,075 |
| Financial liabilities at amortised cost -Deposits | 52,912,500 | | 53,044,043 | | 53,044,043 |
| Financial liabilities at amortised cost -Interest bearing borrowings | 8,132,977 | | 7,658,875 | | 7,658,875 |
| Debt securities issued | 1,791,038 | | 1,791,038 | | 1,791,038 |
| Lease liabilities | 352,415 | | 352,182 | | 352,182 |
| Other financial liabilities | 686,861 | | 686,861 | | 686,861 |
| Total financial liabilities | 65,117,866 | - | 64,774,074 | | 64,774,074 |
| Analysis of financial assets and liabilities by measurement basis - Company | | | | | |
| As at 31.03.2021 | | | | | |
| Description | Amortised cost | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| | | Rs.'000 | Rs.'000 | Rs.'000 | |
| Cash and cash equivalents | 930,383 | | 930,383 | | 930,383 |
| Securities bought under repurchase agreements | 4,378,520 | | 4,378,520 | | 4,378,520 |
| Financial assets at amortised cost- Debt and other financial instruments | 4,226,850 | | 4,236,218 | | 4,236,218 |
| Financial assets at amortised cost- Loans and receivables from customers | 3,413,453 | | 3,507,046 | | 3,507,046 |
| Financial assets at amortised cost- Net investment in leases and hire purchase | 61,108,561 | | 61,108,561 | | 61,108,561 |
| Other financial assets | 103,524 | | 103,524 | | 103,524 |
| Total financial assets | 74,161,291 | - | 74,264,252 | | 74,264,252 |
| Bank overdrafts | 1,444,603 | | 1,444,603 | | 1,444,603 |
| Financial liabilities at amortised cost -Deposits | 52,531,512 | | 53,847,683 | | 53,847,683 |
| Financial liabilities at amortised cost -Interest bearing borrowings | 1,091,332 | | 1,092,975 | | 1,092,975 |
| Lease liabilities | 537,314 | | 418,254 | | 418,254 |
| Other financial liabilities | 604,228 | | 604,228 | | 604,228 |
| Total financial liabilities | 56,208,989 | | 57,407,743 | | 57,407,743 |
| As at 31.03.2020 | | | | | |
| Description | Amortised cost | Fair value | | | Total |
| | | Level 1 | Level 2 | Level 3 | |
| | | Rs.'000 | Rs.'000 | Rs.'000 | |
| Cash and cash equivalents | 671,117 | | 671,117 | | 671,117 |
| Securities bought under repurchase agreements | 4,440,427 | | 4,440,427 | | 4,440,427 |
| Financial assets at amortised cost- Debt and other financial instruments | 4,425,119 | | 4,316,569 | | 4,316,569 |
| Financial assets at amortised cost- Loans and receivables from customers | 4,167,893 | | 3,700,442 | | 3,700,442 |
| Financial assets at amortised cost- Net investment in leases and hire purchase | 74,343,334 | | 74,343,334 | | 74,343,334 |
| Other financial assets | 223,669 | | 223,669 | | 223,669 |
| Total financial assets | 88,271,559 | - | 87,695,558 | | 87,695,558 |
| Bank overdrafts | 1,224,972 | | 1,224,972 | | 1,224,972 |
| Financial liabilities at amortised cost -Deposits | 53,390,977 | | 53,522,520 | | 53,522,520 |
| Financial liabilities at amortised cost -Interest bearing borrowings | 7,798,612 | | 7,324,510 | | 7,324,510 |
| Debt securities issued | 1,791,038 | | 1,791,038 | | 1,791,038 |
| Lease liabilities | 522,842 | | 521,609 | | 521,609 |
| Other financial liabilities | 558,140 | | 558,140 | | 558,140 |
| Total financial liabilities | 65,286,581 | | 64,942,789 | | 64,942,789 |
| <p>Level 01 valuations are based on market prices published by the Colombo Stock Exchange for shares quoted on the Colombo Stock Exchange and level 2 valuations for units are based on the prices published by fund managers for respective funds.</p> <p>Level 03 valuations have been determined using valuation techniques which approximate the fair value.</p> <p>Financial instruments measured at amortised cost presented above where the fair value has not been disclosed separately, are approximately representing the fair value of such investments.</p> <p>There have been no transfers among levels 01, 02 and 03.</p> | | | | | |
| <p>11 The COVID - 19 pandemic has disrupted business and economic activities and increased uncertainty in the global and local economies. Subsequent to the outbreak of COVID-19 in Sri Lanka, the Company has been strictly adhering to the guidelines and directions issued by the Government, Health authorities and the Central Bank of Sri Lanka (CBSL) when conducting its business operations. Accordingly, the Company has provided relief measures including rescheduling of contracts with extended payment periods, deferment of repayment of contracts and waiving-off certain fees including late payment fees, in line with the directions issued by CBSL. The Company is continuously assessing possible disruptions due to COVID -19 pandemic.</p> | | | | | |
| <p>The Company has used the Probability of Default, Loss Given Default, Economic Factor Adjustment as at 31st March 2021, in computing the expected credit losses for the period ended 31st March 2021. The Company has made adequate impairment provisions as of 31st March 2021 in view of the potential impact on its loans and lease portfolio. The company has also made an additional impairment provision in view of the expected delinquency in the portfolio owing to the Covid-19 pandemic. The actual losses may differ from the assessment due to the uncertainty.</p> | | | | | |

12 Liquidation of an associate company of the group, Capital Suisse Asia Ltd., commenced on 10th November 2020. Subsequent to the balance sheet date, the group received following amounts on 29th April 2021 being the initial distribution made towards the shareholders.

| | Central Finance Company PLC | CF Growth Fund Ltd. | Group |
|----------------------------|--------------------------------|------------------------|-----------|
| Number of shares held | 2,949,003 | 1,500,000 | 4,449,003 |
| Holdings (%) | 16.29 | 8.29 | 24.58 |
| Proceeds received (Rs.000) | 30,828 | 15,681 | 46,509 |

13 As per the Notice (PN/IT/2020-03) issued by the Department of Inland Revenue on, "Implementation of proposed changes to the Inland Revenue Act No 24 of 2017", the income tax rate of 28% was proposed to be reduced to 24%. Both income tax and deferred tax provisions were calculated at the rate of 28% up to the period ended 31st December 2020 on the basis that the said amendment was not considered to be substantially enacted as per LKAS 12 as at 31 December 2020. The proposed change is now at the Bill stage and has been listed in the Order Paper on 26th March 2021 to be approved by Parliament. As per the 'Guideline on Application of Tax Rates in Measurement of Current tax and Deferred tax in LKAS 12' issued by CA Sri Lanka on 23rd April 2021, the proposed tax rate of 24% can be considered as substantially enacted for the reporting periods after 26th March 2021. Accordingly, the Company has applied 24% for the computation of current and deferred tax for the year ended 31 March 2021. Group companies have applied tax rates as applicable.

14 There have been no material events subsequent to the reporting date which require adjustments to or disclosure in these interim Financial Statements.

BUSINESS SEGMENT INFORMATION

| | Leasing, hire purchase and other advances | | Medical services | | Power generation | | Manufacturing | | Insurance broking | | Investments | | Real estate | | Intra segmental adjustments | | Total | | |
|-----------------------------------------------------------|-------------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|-----------------------------|--------------------|--------------------|--------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| For the year ended 31st March | | | | | | | | | | | | | | | | | | | |
| All figures in Rs.000 | | | | | | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | | | | | | |
| Interest income | 16,044,854 | 19,422,740 | 8,317 | 15,449 | - | - | 2,003 | 698 | 45,787 | 55,335 | 500,735 | 618,698 | 2,617 | 3,896 | - | - | 16,604,313 | 20,116,816 | |
| Other revenue | - | - | 96,562 | 119,951 | 91,116 | 58,506 | 4,139,726 | 3,203,008 | 300,624 | 371,693 | - | - | - | - | - | - | 4,628,028 | 3,753,158 | |
| Net income from financial instruments at FVTPL | 8,268 | 4,779 | 8,099 | - | - | - | - | 18,994 | (67) | 21,081 | 7,423 | 1,037,845 | 204,417 | 193 | (285) | - | 1,094,480 | 216,267 | |
| Operating lease income | 1,015,166 | 1,030,459 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,015,166 | 1,030,459 | |
| Other income | 637,948 | 616,546 | 725 | 664 | - | - | 8,839 | 6,144 | 29,152 | 33,301 | 106,023 | 141,866 | 4,155 | 6,203 | (134,563) | (162,739) | 652,279 | 641,985 | |
| Income from external customers | 17,706,236 | 21,074,524 | 113,703 | 136,064 | 91,116 | 58,506 | 4,169,562 | 3,209,783 | 396,644 | 467,752 | 1,644,603 | 964,981 | 6,965 | 9,814 | (134,563) | (162,739) | 23,994,266 | 25,758,685 | |
| Inter - segment income | 29,597 | 30,350 | 1 | 1 | 527 | 3,589 | 239 | 336 | 10,687 | 36,779 | 105,306 | 83,204 | 47,679 | 46,331 | (194,036) | (200,590) | - | - | |
| Total income | 17,735,833 | 21,104,874 | 113,704 | 136,065 | 91,643 | 62,095 | 4,169,801 | 3,210,119 | 407,331 | 504,531 | 1,749,909 | 1,048,185 | 54,644 | 56,145 | (328,599) | (363,329) | 23,994,266 | 25,758,685 | |
| Expenses | | | | | | | | | | | | | | | | | | | |
| Interest expenses | 5,740,406 | 6,321,993 | - | - | - | - | - | - | - | - | 407,457 | 425,682 | 19,020 | 21,352 | (16,692) | - | 6,150,191 | 6,769,027 | |
| Depreciation & amortisation | 721,169 | 743,814 | 10,946 | 9,780 | 10 | 10 | 55,247 | 44,561 | 14,635 | 16,260 | 8 | - | 2,475 | 2,476 | (46,795) | (14,800) | 757,695 | 802,101 | |
| Cost of sales | - | - | 46,251 | 56,562 | 19,059 | 20,716 | 3,286,502 | 2,579,652 | - | - | - | - | - | - | - | - | 3,351,812 | 2,656,930 | |
| Impairments and other credit losses | 3,255,434 | 4,777,372 | (206) | (279) | - | (4) | 14,908 | 11,237 | (214) | (1,283) | (2,383) | (580) | 2,990 | (2,373) | (64) | 1,668 | 3,270,465 | 4,785,758 | |
| Other operating and administrative expenses | 3,305,389 | 3,971,240 | 47,140 | 57,090 | 2,343 | 5,850 | 344,437 | 314,264 | 97,289 | 113,869 | 829 | 591 | 14,667 | 16,095 | 53,563 | 13,282 | 3,865,657 | 4,492,281 | |
| | 13,022,398 | 15,814,419 | 104,131 | 123,153 | 21,412 | 26,572 | 3,701,094 | 2,949,714 | 111,710 | 128,846 | 405,911 | 425,693 | 39,152 | 37,550 | (9,988) | 150 | 17,395,820 | 19,506,097 | |
| Inter - segment expenses | 68,284 | 97,026 | - | - | 2,492 | - | 34 | 73 | 26,973 | 24,453 | 1,360 | 979 | 1,338 | 979 | (100,481) | (123,510) | - | - | |
| Total expenses | 13,090,682 | 15,911,445 | 104,131 | 123,153 | 23,904 | 26,572 | 3,701,128 | 2,949,787 | 138,683 | 153,299 | 407,271 | 426,672 | 40,490 | 38,529 | (110,469) | (123,360) | 17,395,820 | 19,506,097 | |
| Segment results | 4,645,151 | 5,193,429 | 9,573 | 12,912 | 67,739 | 35,523 | 468,673 | 260,332 | 268,648 | 351,232 | 1,342,638 | 621,513 | 14,154 | 17,616 | (218,130) | (239,969) | 6,598,446 | 6,252,588 | |
| Share of profit of equity accounted investees, net of tax | | | | | | | | | | | | | | | | | | 1,069,144 | 859,924 |
| Operating profit before taxes on financial services | | | | | | | | | | | | | | | | | | 7,667,590 | 7,112,512 |
| Less: Taxes on financial services | | | | | | | | | | | | | | | | | | 863,462 | 1,275,328 |
| Profit before tax | | | | | | | | | | | | | | | | | | 6,804,128 | 5,837,184 |
| Less: Income tax expense | | | | | | | | | | | | | | | | | | 1,024,160 | 1,727,880 |
| Profit for the year | | | | | | | | | | | | | | | | | | 5,779,968 | 4,109,304 |
| Non-controlling interest | | | | | | | | | | | | | | | | | | 235,836 | 119,156 |
| Profit attributable to equity holders of the parent | | | | | | | | | | | | | | | | | | 5,544,132 | 3,990,148 |
| | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 | |
| Segment assets | 79,925,665 | 92,267,184 | 643,436 | 642,855 | 143,711 | 72,879 | 3,735,436 | 2,708,756 | 2,427,489 | 2,246,473 | 21,886,400 | 15,359,692 | 1,157,056 | 1,157,397 | (4,829,268) | (4,894,173) | 105,089,925 | 109,561,063 | |
| Investments in equity accounted investees | | | | | | | | | | | | | | | | | | 8,276,910 | 7,430,736 |
| Unallocated assets | | | | | | | | | | | | | | | | | | 1,030,663 | 802,868 |
| Total assets | 79,925,665 | 92,267,184 | 643,436 | 642,855 | 143,711 | 72,879 | 3,735,436 | 2,708,756 | 2,427,489 | 2,246,473 | 21,886,400 | 15,359,692 | 1,157,056 | 1,157,397 | (4,829,268) | (4,894,173) | 114,397,498 | 117,794,667 | |
| Segment liabilities | 53,778,327 | 61,526,669 | 82,254 | 148,542 | 20,129 | 7,499 | 1,455,202 | 846,090 | 325,772 | 297,555 | 2,779,428 | 4,012,972 | 528,034 | 579,469 | (1,006,559) | (971,052) | 57,962,587 | 66,447,744 | |
| Unallocated liabilities | | | | | | | | | | | | | | | | | | 4,929,462 | 5,824,042 |
| Total liabilities | 53,778,327 | 61,526,669 | 82,254 | 148,542 | 20,129 | 7,499 | 1,455,202 | 846,090 | 325,772 | 297,555 | 2,779,428 | 4,012,972 | 528,034 | 579,469 | (1,006,559) | (971,052) | 62,892,049 | 72,271,786 | |
| For the year ended 31st March | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2,020 | |
| Additions to non-current assets | 473,853 | 668,147 | 1,061 | 16,167 | - | - | 68,877 | 36,782 | 6,513 | 2,261 | 65 | - | - | - | - | - | 550,369 | 723,357 | |
| Additions to intangible assets | 11,586 | 57,811 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,586 | 57,811 | |
| Additions to right of use assets | 115,058 | 333,812 | - | - | - | - | - | - | 13,027 | 9,423 | - | - | - | - | - | (178,920) | 128,085 | 164,315 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Cash flows from operating activities | 15,583,951 | 12,523,874 | 10,305 | 11,885 | (25,296) | (9,527) | 305,269 | (160,186) | 109,121 | 278,716 | (7,520,666) | (8,602,186) | 23,364 | 61,384 | 12,690 | 31,122 | 8,498,738 | 4,135,082 | |
| Cash flows from investing activities | (424,243) | (401,610) | (6,172) | (19,666) | 19,742 | 40,604 | (497,951) | (32,625) | (126,843) | (168,474) | 192,817 | (9,271) | 6,458 | (49,389) | (129,000) | (118,283) | (965,192) | (758,714) | |
| Cash flows from financing activities | (7,790,086) | (3,317,567) | - | (1,360) | 6,000 | (30,679) | 208,705 | 187,840 | (45,821) | (36,527) | - | - | (27,937) | (11,985) | 116,310 | 87,161 | (7,532,829) | (3,123,117) | |

Geographic information

The Group function in one geographic location. Accordingly, geographic information is not presented in the financial statements.

CORPORATE INFORMATION

NAME OF COMPANY

Central Finance Company PLC

LEGAL FORM

A Quoted Public Company with limited liability incorporated in Sri Lanka on 5th December 1957 and registered under the Companies Act No.07 of 2007.

Registered under Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000.

Approved Credit Agency under:

- Mortgage Act No.6 of 1949
- Trust Receipt Ordinance No.12 of 1947

COMPANY REGISTRATION NUMBER

PQ 67

CREDIT RATING

Rated A+(Ika) by Fitch Ratings Lanka Ltd.

DIRECTORS

| | |
|--------------------------|-----------------------------------------------------------|
| A.D.B. Talwatte | - Independent Non - executive Director / Chairman |
| E.H. Wijenaikie | - Managing Director / Chief Executive Officer |
| G.S.N. Peiris | - Director (Finance) |
| A.K. Gunaratne | - Deputy Managing Director/Deputy Chief Executive Officer |
| D.P. de Silva | - Director/Chief Operating Officer |
| Dr.(Mrs).A.D.N. de Zoysa | - Independent Non - executive Director |
| A.R. Fernando | - Independent Non - executive Director |
| C.K. Hettiarachchi | - Director (Marketing) |
| K.B. Herath | - Independent Non - executive Director |
| M.H.de Silva | - Independent Non - executive Director |

STOCK EXCHANGE LISTING

The ordinary shares of the Company are listed on the Colombo Stock Exchange.

HEAD / REGISTERED OFFICE

84, Raja Veediya, Kandy.
Telephone : 081 - 2227000
Facsimile : 081 - 2232047

CITY OFFICE

270, Vauxhall Street, Colombo 2.
Telephone : 011 - 2300555
Facsimile : 011 - 2300441
E-mail : cenfin@cf.lk
Website : www.centralfinance.lk

BRANCH OFFICES

Akuressa, Alawwa, Aluthgama, Ambalangoda, Ampara, Anuradhapura, Aralaganwila, Athurugiriya, Avissawella, Badulla, Bakamuna, Balangoda, Bandaragama, Bandarawela, Batticaloa, Chilaw, Dambulla, Dehiattakandiya, Digana, Divulapitiya, Eheliyagoda, Elpitiya, Embilipitiya, Galewela, Galle, Gampaha, Gampola, Giriulla, Godakawela, Hambantota, Hanwella, Hatton, Hettipola, Hingurakgoda, Hiripitiya, Homagama, Horana, Ja-Ela, Jaffna, Kadawatha, Kaduwela, Kalmunai, Kalutara, Kantale, Katugastota, Kegalle, Kekirawa, Killinochchi, Kiribathgoda, Kirindiwela, Kuliypitiya, Kurunegala, Maharagama, Mahiyanganaya, Maho, Malabe, Mannar, Maradana, Matale, Matara, Matugama, Mawanella, Mawathagama, Melsiripura, Minuwangoda, Mirigama, Monaragala, Narammala, Nattandiya, Nawalapitiya, Negombo, Nikaweratiya, Nittambuwa, Nochchiyagama, Nugedoda, Nuwaraeliya, Padukka, Panadura, Pilimathalawa, Piliyandala, Polonnaruwa, Pottuvil, Puttalam, Ragama, Rajagiriya, Rambukkana, Ratmalana, Ratnapura, Rikillagaskada, Talawathugoda, Tambuttegama, Tissamaharama, Trincomalee, Vavuniya, Walasmulla, Warakapola, Wariyapola, Wattala, Welimada, Wellawaya, Wennappuwa.

BANKERS

Bank of Ceylon
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
NDB Bank PLC
Nations Trust Bank PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
DFCC Bank PLC
State Bank of India

AUDITOR

KPMG,
Chartered Accountants,
32 A, Sir Mohamed Macan Markar Mawatha,
Colombo 03.

LEGAL ADVISER

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P.O. Box 212,
Colombo.
Colombo.

COMPANY SECRETARY

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Colombo 10.
Telephone : 011 - 4605100
Facsimile : 011 - 4718220