



ORIENT FINANCE PLC

Unaudited Interim Financial Statements

For the Year Ended 31 March 2021

For the	Quarter Ended 31 March		Year ended 31 March		Variance
	2021 Rs.	2020 Rs.	2021 Rs. Unaudited	2020 Rs. Audited	
Income	766,097,462	800,624,099	2,679,447,856	3,285,237,560	-18.44%
Interest income	708,935,872	723,723,719	2,484,362,604	3,052,677,796	-18.62%
Interest expenses	(283,145,913)	(406,951,407)	(1,312,494,270)	(1,799,707,844)	-27.07%
Net interest income	425,789,959	316,772,312	1,171,868,334	1,252,969,952	-6.47%
Fee and commission income	32,131,122	48,874,982	122,533,493	162,802,070	-24.73%
Other operating income	25,030,468	28,025,398	72,551,759	69,757,694	4.01%
Total operating income	482,951,549	393,672,692	1,366,953,586	1,485,529,716	-7.98%
Impairment charges for loans and receivables to customers	(64,920,623)	(288,795,183)	(197,570,915)	(1,014,789,196)	-80.53%
Net operating income	418,030,926	104,877,510	1,169,382,670	470,740,520	
Operating expenses					
Personnel expenses	(114,458,957)	(83,173,779)	(425,016,238)	(427,044,060)	-0.47%
Depreciation and amortization	(42,963,440)	(37,667,242)	(69,077,693)	(63,584,937)	8.64%
Other operating expenses	(87,250,442)	(68,025,110)	(416,420,516)	(405,800,088)	2.62%
Operating profit/(loss) before Value Added Tax and NBT	173,358,087	(83,988,621)	258,868,224	(425,688,565)	160.81%
Value Added Tax and NBT on financial services	(30,703,008)	(3,707,179)	(66,291,132)	(11,658,516)	468.61%
Profit/(loss) before income tax	142,655,080	(87,695,800)	192,577,092	(437,347,081)	144.03%
Income tax (expense)/reversal	4,779,797	-	-	0	0.00%
Profit/(loss) for the year	147,434,877	(87,695,800)	192,577,092	(437,347,081)	144.03%
Other Comprehensive Income					
Change in fair value of financial assets at fair value through other comprehensive income	0	(4,179,711)	0	(1,069,031)	-100.00%
Fair Value Gain/(Loss) on Investment in Quoted Shares	(16,556,775)		(16,556,775)		
Actuarial gain/(loss) on retirement benefit plan	0	(719,951)		(719,951)	-100.00%
Deferred tax effect on above			0	(201,586)	-100.00%
	130,878,102	(92,595,462)	176,020,317	(439,337,649)	140.06%
Basic earnings per share (Rs.)	0.70	(0.53)	0.91	(3.06)	
Diluted earnings per share (Rs.)	0.70	(0.53)	0.91	(2.63)	
Dividend per share (Rs.)	-	-	-	-	

Figures in brackets indicate deductions.

Colombo
31st May, 2021

ORIENT FINANCE PLC
STATEMENT OF FINANCIAL POSITION

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As At 31st March

	2021 Rs.	2020 Rs.
	Unaudited	Audited
ASSETS		
Cash and cash equivalents	233,233,333	70,618,412
Financial assets - fair value through other comprehensive income	849,632,814	934,478,086
Loans and receivables	11,499,267,695	12,339,298,071
Investments with banks and other financial institutions	31,684,600	82,492,401
Other assets	269,809,768	279,432,153
Real estate stock	25,074,718	16,772,709
Deferred tax asset	370,887,354	370,887,353
Goodwill	564,545,746	564,545,746
Brand value	235,880,000	235,880,000
Intangible assets	50,664,119	805,470
Property, plant and equipment	94,853,542	75,180,798
Right-of-use of Assets	129,167,820	128,894,557
Investment properties	538,250,002	538,250,002
Total assets	14,892,951,512	15,637,535,758
LIABILITIES		
Due to banks - bank overdrafts	87,288,687	265,514,298
Deposits from customers	8,692,940,932	9,020,632,231
Interest bearing borrowings	2,650,800,328	3,038,038,298
Lease liability - Rights of use assets	104,375,186	117,941,195
Other liabilities	421,464,715	442,612,869
Retirement benefit obligations	49,851,738	42,587,258
Total liabilities	12,006,721,586	12,927,326,149
EQUITY		
Stated capital	2,431,879,039	2,431,879,039
Statutory reserve fund	311,080,742	311,080,742
Revaluation reserve	141,120,773	141,120,773
Retained earnings	2,149,372	(173,870,945)
Total equity	2,886,229,926	2,710,209,609
Total equity and liabilities	14,892,951,512	15,637,535,758
Net assets per share	13.67	12.84

Figures in brackets indicate deductions.

The financial statements are in compliance with the requirements of the Companies Act No.07 of 2007.

Sgd.
Sanjeeva Jayasinghe
Head of Finance

Sgd.
K.M.M.Jabir
Chief Executive Officer/Director

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.
Mr.Anil Tittawella
Chairman

Sgd.
Prakash Schaffter
Director

Colombo
31st May, 2021

ORIENT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

For the Period ended 31st March 2021

	Stated Capital Rs.	Statutory reserve fund Rs.	Revaluation reserve Rs.	Fair value reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 1 st April, 2019	1,378,689,779	306,478,542	141,120,773	1,069,031	339,141,684	2,166,499,809
Profit/(Loss) for the year	-	-	-	-	(437,347,081)	(437,347,081)
Other comprehensive income (expense) net of taxes	-	-	-	(1,069,031)	(921,537)	(1,990,568)
Deferred tax effect on revaluation	-	-	-	-	-	-
Transfer to statutory reserve (Note 35.2)	-	4,602,200	-	-	(4,602,200)	-
<u>Transactions with Equityholders</u>						-
Conversion of Preference Share Capital to Ordinary Shares	470,038,111	-	-	-	-	470,038,111
Conversion of Accrued Preference Share Interest to Ordinary Shares	76,508,375	-	-	-	-	76,508,375
Write off of share premium generated in share conversion	-	-	-	-	(70,141,811)	(70,141,811)
Right issue of shares	506,642,774	-	-	-	-	506,642,774
Balance as at 31st March, 2020	<u>2,431,879,039</u>	<u>311,080,742</u>	<u>141,120,773</u>	<u>-</u>	<u>(173,870,945)</u>	<u>2,710,209,609</u>
Profit/ Loss for the year					192,577,092	192,577,092
Other comprehensive income (expense) net of taxes				0	(16,556,775)	(16,556,775)
Balance as at 31st March, 2021	<u>2,431,879,039</u>	<u>311,080,742</u>	<u>141,120,773</u>	<u>-</u>	<u>2,149,372</u>	<u>2,886,229,926</u>

Figures in brackets indicate deductions.

Colombo
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For the year ended 31st March

	2021 Rs.	2020 Rs.
Cash flows from operating activities		
Profit/(loss) before income tax expense	192,577,092	(424,447,082)
Adjustment for:		
Depreciation/amortization	69,077,693	34,401,264
Profit on disposal of property, plant and equipment	(433,641)	(260,675)
Impairment charges for loans and receivables to customers	197,570,915	1,014,789,196
Finance expenses	1,312,494,270	1,780,679,307
Profit on sale of real estate	-	-
Investment income	(47,197,954)	(114,577,128)
Provision for gratuity	17,172,000	10,217,160
Right of Use Asset Depreciation	32,207,083	29,183,673
Right of Use Asset Finance Cost	21,289,888	19,028,537
Operating profit/(Loss) before working capital changes	1,794,757,347	2,349,014,252
Change in loans and receivables to customers	642,459,460.25	542,022,391
Change in other assets	9,622,385	(27,039,326)
Change in deposits from customers	(327,691,299)	(1,434,715,124)
Change in other liabilities	(131,245,357)	6,281,696
	1,987,902,536	1,435,563,889
Rent Paid	(68,778,635)	(59,165,572)
Interest paid	(1,045,895,606)	(1,295,885,791)
Income tax paid	-	-
Gratuity paid	(9,148,833)	(18,655,827)
Net cash from/(used in) operating activities	864,079,462	61,856,699
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(69,531,393)	(30,740,368)
Proceeds from sale of property, plant and equipment	-	282,706
Proceeds from sale of real estate	-	-
Net change in available for sale financial assets	84,845,272	1,392,493
Net change in investments with bank and other financial institutions	50,807,801	203,380,071
Investment income received	11,740,282	114,957,986
Net cash generated from/(used in) investing activities	77,861,961	289,272,888
Cash flows from financing activities		
Interest bearing borrowings obtained	3,820,194,675	7,283,733,569
Repayment of interest bearing borrowings	(3,919,222,795)	(6,359,055,739)
Interest Paid on Borrowings	(502,072,772)	(398,979,517)
Interest paid on debentures	-	(90,195,165)
Redemption of Preference shares	-	(59,289,140)
Redemption of Debentures	-	(1,000,000,000)
Right issue of shares	-	506,642,774
Dividend paid	-	-
Net cash generated from/(used in) financing activities	(601,100,892)	(117,143,218)
Net change in cash and cash equivalents	340,840,532	233,986,369
Cash and cash equivalents at the beginning of the year	(194,895,886)	(428,882,252)
Cash and cash equivalents at the end of the year (Note A)	145,944,646	(194,895,883)
Analysis of cash and cash equivalents at the end of the year		
Cash in hand	138,317,736	62,617,606
Cash at bank	94,915,598	8,000,806
Bank overdrafts - secured	(87,288,687)	(265,514,298)
	145,944,646	(194,895,886)

Figures in brackets indicate deductions.

FINANCIAL REPORTING BY SEGMENTS

Business Segments

The company has four reportable segments, as described below, which are the company's strategic divisions. The strategic divisions offer different products and services, which are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the company's management reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the company's reportable segments.

- a) Hire purchase, finance leasing- Provision of hire purchase and leasing facilities to customers
- b) Loans - Provision of Loan facilities to customers
- c) Factoring - Debt factoring
- d) Gold Loan - Provision of loans against gold

For the year ended 31 March	Finance leases, Hire purchases		Loans		Factoring		Gold Loan		Others		Total	
	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.	2021 Rs.	2020 Rs.
Interest income	1,832,213,940	2,338,403,999	153,740,816	310,882,396	18,280,832	53,632,255	432,929,062	349,759,147	47,197,954	41,425,123	2,484,362,604	3,052,677,796
Fee and commission income	77,371,335	148,749,131	3,109,202	8,717,242	1,921,243	5,335,697	-	-	40,131,713	11,768,093	122,533,493	162,802,070
Other income	54,497,653	58,800,620	4,589,925		919,342		5,447,808		18,054,106	5,400,000	72,551,759	64,357,694
Total segmental income	1,964,082,928	2,545,953,750	156,850,018	324,189,563	20,202,074	59,887,294	432,929,062	355,206,954	105,383,773	58,593,216	2,679,447,856	3,285,237,560
Less: Interest expense	(962,081,641)	(1,313,452,946)	(76,831,034)	(203,692,452)	(9,895,735)	(40,798,716)	(212,064,927)	(241,763,731)	(51,620,933)	(48,125,450)	(1,312,494,270)	(1,799,707,844)
Segmental results	1,002,001,287	1,232,500,804	80,018,984	120,497,111	10,306,339	19,088,578	220,864,135	113,443,224	53,762,840	10,467,766	1,366,953,586	1,485,529,716
Depreciation and amortization	(50,635,177)	(45,712,808)	(4,043,683)	(7,193,432)	(520,821)	(1,440,813)	(11,161,158)	(8,537,925)	(2,716,854)	(699,958)	(69,077,693)	(63,584,937)
Impairment charge	(187,573,420)	(784,514,837)	0	(154,154,296)	(9,997,457)	(71,286,151)	(4,833,911)	(4,833,911)	(0)	(0)	(197,570,915)	(1,014,789,196)
Other Expenses	(616,788,104)	(612,870,355)	(49,256,182)	(96,509,825)	(6,344,131)	(19,510,108)	(135,954,288)	(115,612,376)	(33,094,049)	(6,125,450)	(841,436,754)	(844,502,664)
Value Added Tax and NBT on financial services	(48,592,579)	-	(3,880,563)	-	(499,811)	-	(10,710,922)	-	(2,607,257)	(1,450,126)	(66,291,132)	-
Profit/(loss) after tax	98,412,007	(210,597,196)	22,838,557	(138,360,442)	(7,055,881)	(73,148,494)	63,037,767	(15,540,988)	15,344,680	2,192,232	192,577,092	(437,347,081)
Segmental assets	10,029,910,656	10,358,920,921	1,133,671,276	1,783,795,451	189,008,266	357,286,500	2,258,313,363	2,117,196,973	1,282,047,951	982,125,850	14,892,951,512	15,599,325,695
Segmental liabilities	8,086,130,186	8,619,091,009	913,967,615	1,478,759,329	152,378,770	296,189,086	1,820,655,884	1,755,160,737	1,033,589,131	778,125,987	12,006,721,586	12,927,326,149

NOTES TO THE FINANCIAL STATEMENTS

- 1 These Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards that came into effect from January 01, 2012 (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the Year Ended 31 March 2020. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard 34 (LKAS 34) on Interim Financial Reporting.
- 2 There are no material events that took place after the reporting date that require adjustments to or disclosure in the Financial Statements.
- 3 All known expenses have been provided for in these Financial Statements.
- 4 According to the CBSL circular No.05 of 2020 company applied only up to 11.5% p.a. interest rate for the moratorium granted contracts and as a result of that Rs.243,080,000.00 income had foregone for the year ended 31 March 2021.
- 5 There are no significant changes in the nature of the Contingent Assets or Contingent Liabilities which were disclosed in the Audited Financial Statements for the year ended 31st March 2020.

Ordinary Share Information

The Company's Ordinary Shares are listed on the Diri Savi Board of the Colombo Stock Exchange (CSE).

<u>Stated Capital</u>	31-Mar-21	31-Mar-20
Value of Ordinary Shares (Rs.)	2,431,879,039	2,431,879,039
No. of Ordinary Shares	211,101,155	211,101,155

Share Price During the Period	For the Quarter Ended	
	31-Mar-21	31-Mar-20
Highest (Rs)	18.00	12.70
Lowest (Rs)	11.70	6.00
Closing (Rs)	13.90	6.10

NOTES TO THE FINANCIAL STATEMENTS

Shareholders as at 31st March 2021		
Name	No. of Shares	%
1 Janashakthi PLC	196,010,494	92.85
2 First Capital PLC	2,138,299	1.013
3 Sandwave Limited	971,783	0.460
4 Hatton National Bank PLC/ S.R. Fernando	808,581	0.383
5 Mr. L.P.Mendis	566,495	0.268
6 Mr. R.A.B.K.Kumara	500,000	0.237
7 Mr.N.L.S.Fernando	367,677	0.174
8 Mrs.I.P.I.L. Gunathilaka	363,571	0.172
9 Peoples Leasing & Finance PLC/L.P.Hapangama	358,673	0.170
10 Commercial Credit and Finance PLC	330,000	0.156
11 Mr.A.S.A.Fernando	316,100	0.150
12 Peoples Leasing & Finance PLC/Mr.D.M.P.Disanayake	254,821	0.121
13 Seylan Bank PLC/Karagoda Loku Gamage Udayananda	231,365	0.110
14 Hatton National Bank PLC/ Mushtaq Mohamed Fuad	221,503	0.105
15 Mrs.V.Saraswathi	216,100	0.102
16 Mrs.F.F.Haniffa	215,601	0.102
17 DFCC Bank PLC/G.A.C. De Silva	211,000	0.100
18 Mr.M.K.De Livera	207,628	0.098
19 Mr.S.D.S. Gunasekara	198,938	0.094
20 Merchant Bank of Sri Lanka & Finance PLC 1	192,500	0.091
Others	6,420,026	3.041
Total	211,101,155	100.00
Directors' Shareholding as at 31st March 2021		
Name of the Director	No. of Shares	%
1 Mr. K. M. A. T. B. Tittawella - Chairman	-	-
2 Mr. Prakash Anand Schaffter	10	-
3 Ms. Minette D. A. Perera	-	-
4 Ms. Indrani Goonesekara	-	-
5 Mr. Ramesh Schaffter	10	-
6 Mr. Sriyan Cooray	-	-
7 Mr. K.M.M. Jabir	-	-
8 Mr. R.M.D.J.Ratnayake	-	-
Total	20	
CEO's Shareholding as at 31st March 2021		
Mr. K.M.M. Jabir	-	-
Public Holding as at 31st March 2021		
Number of Public Shareholders	12,952,282	
Public Shareholding Percentage	838	
Float Adjusted market capitalization (Rs)	6.14%	
	180,166,392	

The CSE granted an extension in terms of section 7.13.3 (iii) of the Listing Rules to comply with the minimum public holding requirement until 04th March 2021. Due to the above non-compliance, currently the securities of the Company have been transferred to the Second Board with effect from 12th March 2021 at the expiration of extensions granted. Entities that are not compliant only with the minimum public holding requirement are listed on the Second Board.