



## Financial Statements

For the Six Months ended 30th September 2020



The first company in the banking and non-banking sector of Sri Lanka to be certified with ISO 9001:2015 Quality Management system and ISO 22301:2012 for Business Continuity Management Systems

# Alliance Finance Company PLC

## STATEMENT OF PROFIT OR LOSS - COMPANY

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %
<b>Gross Income</b>	1,914,309,796	1,945,619,689	(2)	3,694,015,435	3,824,313,155	(3)
Interest income	1,719,964,290	1,838,760,039	(6)	3,425,388,217	3,619,154,492	(5)
Interest expenses	(736,146,953)	(817,248,755)	(10)	(1,562,567,702)	(1,652,591,340)	(5)
<b>Net Interest Income</b>	983,817,337	1,021,511,284	(4)	1,862,820,515	1,966,563,152	(5)
Fee and commission income	46,948,215	44,257,353	6	76,874,637	85,873,737	(10)
Fee and commission expenses	(77,209,506)	(38,859,267)	99	(134,741,319)	(79,787,927)	69
<b>Net Fee and Commission Income</b>	(30,261,291)	5,398,086	(661)	(57,866,682)	6,085,810	(1,051)
Net gain/(loss) from trading	2,193,886	13,216,461	(83)	2,268,822	25,281,215	(91)
Other operating income (net)	145,203,405	49,385,836	194	189,483,759	94,003,711	102
<b>Total Operating Income</b>	1,100,953,337	1,089,511,667	1	1,996,706,414	2,091,933,888	(5)
Impairment (charges) / reversal for loans and other losses	(155,435,581)	(278,102,111)	(44)	(486,488,251)	(579,017,478)	(16)
<b>Net Operating Income</b>	945,517,756	811,409,556	17	1,510,218,163	1,512,916,410	(0)
<b>Operating Expenses</b>						
Personnel expenses	(222,653,756)	(188,957,862)	18	(410,871,195)	(397,094,113)	3
Other operating expenses	(313,912,630)	(348,517,396)	(10)	(557,476,266)	(618,112,820)	(10)
Depreciation and amortization	(32,724,990)	(31,795,595)	3	(65,691,847)	(63,451,588)	4
<b>Total operating expenses</b>	(569,291,376)	(569,270,853)	0	(1,034,039,308)	(1,078,658,521)	(4)
<b>Operating Profit before Taxes on Financial Services</b>	376,226,380	242,138,703	55	476,178,855	434,257,889	10
Taxes on financial services	(69,969,113)	(82,380,095)	(15)	(106,805,589)	(155,393,711)	(31)
<b>Operating Profit after Taxes on Financial Services</b>	306,257,267	159,758,608	92	369,373,266	278,864,178	32
Share of profit/(loss) from associates	5,408,508	1,618,660	234	(3,099,199)	1,039,261	(398)
<b>Profit before Taxation from Operations</b>	311,665,775	161,377,268	93	366,274,067	279,903,439	31
Provision for income taxation	(156,500,000)	(72,000,000)	117	(195,500,000)	(132,000,000)	48
<b>Profit for the Period</b>	<u>155,165,775</u>	<u>89,377,268</u>	74	<u>170,774,067</u>	<u>147,903,439</u>	15
Basic/ Diluted earnings per share	9.21	5.30		10.14	8.78	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

**Alliance Finance Company PLC**  
**STATEMENT OF PROFIT OR LOSS - GROUP**

For the period ended 30th September	For the Quarter ended			For the Six months ended		
	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %
<b>Gross Income</b>	1,929,452,570	1,958,947,012	(2)	3,727,392,366	3,859,429,744	(3)
Interest income	1,720,644,916	1,839,537,103	(6)	3,426,754,802	3,620,498,610	(5)
Interest expenses	(736,146,953)	(817,248,755)	(10)	(1,562,567,702)	(1,652,591,340)	(5)
<b>Net Interest Income</b>	984,497,963	1,022,288,348	(4)	1,864,187,100	1,967,907,270	(5)
Fee and commission income	61,410,363	56,807,612	8	108,884,983	119,646,208	(9)
Fee and commission expenses	(77,209,506)	(38,859,267)	99	(134,741,319)	(79,787,927)	69
<b>Net Fee and Commission Income</b>	(15,799,143)	17,948,345	(188)	(25,856,336)	39,858,281	(165)
Net gain/(loss) from trading	2,193,886	13,216,461	(83)	2,268,822	25,281,215	(91)
Other operating income (net)	145,203,405	49,385,836	194	189,483,759	94,003,711	102
<b>Total Operating Income</b>	1,116,096,111	1,102,838,990	1	2,030,083,345	2,127,050,477	(5)
Impairment (charges) / reversal for loans and other losses	(155,435,581)	(278,102,111)	(44)	(486,488,251)	(579,017,478)	(16)
<b>Net Operating Income</b>	960,660,530	824,736,879	16	1,543,595,094	1,548,032,999	(0)
<b>Operating Expenses</b>						
Personnel expenses	(225,439,825)	(191,761,131)	18	(416,415,452)	(402,479,821)	3
Other operating expenses	(315,451,355)	(350,063,559)	(10)	(560,489,114)	(621,021,733)	(10)
Depreciation and amortization	(32,746,475)	(31,830,178)	3	(65,740,063)	(63,525,104)	3
<b>Total operating expenses</b>	(573,637,655)	(573,654,868)	(0)	(1,042,644,629)	(1,087,026,658)	(4)
<b>Operating Profit before Taxes on Financial Services</b>	387,022,874	251,082,010	54	500,950,465	461,006,341	9
Taxes on financial services	(69,969,113)	(82,380,095)	(15)	(106,805,589)	(155,393,711)	(31)
<b>Operating Profit after Taxes on Financial Services</b>	317,053,761	168,701,915	88	394,144,876	305,612,630	29
Share of profit/(loss) from associates	5,408,508	1,618,660	234	(3,099,199)	1,039,261	(398)
<b>Profit before Taxation from Operations</b>	322,462,269	170,320,575	89	391,045,677	306,651,891	28
Provision for income taxation	(159,168,529)	(74,587,602)	113	(201,601,185)	(139,657,737)	44
<b>Profit for the Period</b>	163,293,740	95,732,973	71	189,444,492	166,994,154	13
Profit attributable to :						
Equity holders of the Company	160,362,796	93,441,107	72	182,711,938	160,110,043	14
Non controlling interest	2,930,944	2,291,867	28	6,732,554	6,884,112	(2)
<b>Profit for the Period</b>	<b>163,293,740</b>	<b>95,732,974</b>	<b>71</b>	<b>189,444,492</b>	<b>166,994,154</b>	<b>13</b>
Basic/ Diluted earnings per share	9.69	5.68		10.84	9.50	
Dividend Per Share (Rs./Cts.)	-	-		-	-	

# Alliance Finance Company PLC

## STATEMENT OF COMPREHENSIVE INCOME - COMPANY

	For the Quarter ended			For the Six months ended		
For the period ended 30th September	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %
<b>Profit for the period</b>	<u>155,165,775</u>	<u>89,377,268</u>		<u>170,774,067</u>	<u>147,903,439</u>	
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income not to be Reclassified to Profit or Loss</b>						
Equity investments at FVOCI - net change in fair value	<u>30,621,414</u>	<u>-</u>	100	<u>59,781,080</u>	<u>-</u>	100
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>30,621,414</u>	<u>-</u>		<u>59,781,080</u>	<u>-</u>	
<b>Total Comprehensive Income for the period</b>	<u>185,787,189</u>	<u>89,377,268</u>		<u>230,555,147</u>	<u>147,903,439</u>	

# Alliance Finance Company PLC

## STATEMENT OF COMPREHENSIVE INCOME - GROUP

	For the Quarter ended			For the Six months ended		
For the period ended 30th September	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %	2020 (unaudited) Rs.	2019 (unaudited) Rs.	Variance %
<b>Profit for the period</b>	<u>163,293,740</u>	<u>95,732,974</u>		<u>189,444,492</u>	<u>166,994,154</u>	
<b>Other Comprehensive Income</b>						
Equity investments at FVOCI - net change in fair value	30,621,414	-	100	59,781,080	-	100
<b>Net Other Comprehensive Income not be Classified to Profit or Loss</b>	<u>30,621,414</u>	<u>-</u>		<u>59,781,080</u>	<u>-</u>	
<b>Total Comprehensive Income for the period</b>	<u>193,915,154</u>	<u>95,732,974</u>		<u>249,225,572</u>	<u>166,994,154</u>	
Attributable to:						
Equity holders of the company	190,984,210	93,441,107		242,493,018	160,110,043	
Non controlling interest	<u>2,930,944</u>	<u>2,291,867</u>		<u>6,732,554</u>	<u>6,884,112</u>	
<b>Total Comprehensive Income for the period</b>	<u>193,915,154</u>	<u>95,732,974</u>		<u>249,225,572</u>	<u>166,994,154</u>	

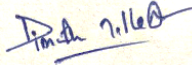
**Alliance Finance Company PLC**  
**STATEMENT OF FINANCIAL POSITION**


As at	Company		Group	
	30.09.2020	31.03.2020	30.09.2020	31.03.2020
	Rs.	Rs.	Rs.	Rs.
	(unaudited)	(audited)	(unaudited)	(audited)
<b>Assets</b>				
Cash and cash equivalents	692,403,121	986,553,659	758,282,311	1,027,324,614
Repurchase agreements	500,000,000	350,388,985	500,000,000	350,388,985
Placements with banks & financial institutions	973,449,011	915,617,034	973,449,011	915,617,034
Financial assets recognised through profit or loss	1,780,114,925	1,550,282,902	1,780,114,925	1,550,282,902
Loans and advances - at amortised cost	6,029,310,383	6,184,304,979	6,029,437,683	6,184,454,429
Lease rentals receivable & stock out on hire - at amortised cost	21,105,706,443	20,055,543,842	21,105,706,443	20,055,543,842
Hire purchase rentals receivable & stock out on hire - at amortised cost	5,732,733	4,527,976	5,732,733	4,527,976
Financial assets- fair value through other comprehensive income	197,151,768	137,940,332	197,151,768	137,940,332
Other trading stocks	148,383,906	207,388,189	148,383,906	207,388,189
Other financial assets	499,621,091	459,367,873	588,143,718	535,032,270
Other non financial assets	147,072,170	176,524,164	147,547,483	176,999,477
Investments in associates	42,527,518	45,626,717	91,334,988	94,434,188
Investments in subsidiaries	16,924,038	16,924,038	-	-
Investment property	549,000,000	549,000,000	549,000,000	549,000,000
Property, plant & equipment	1,640,128,717	1,694,020,530	1,640,201,700	1,694,141,728
Intangible assets	52,864,330	55,957,723	52,864,330	55,957,723
Right of use asset	220,067,403	259,039,810	220,067,403	259,039,810
Retirement benefit Assets	-	1,046,687	-	-
Deferred tax assets	295,240,407	295,240,407	295,790,314	295,790,313
<b>Total Assets</b>	<b>34,895,697,964</b>	<b>33,945,295,847</b>	<b>35,083,208,716</b>	<b>34,093,863,812</b>
<b>Liabilities</b>				
Due to banks	15,349,366,482	15,424,806,029	15,385,068,453	15,453,081,167
Due to depositors - at amortised cost	12,899,071,333	12,347,296,849	12,899,071,333	12,347,296,849
Other financial liabilities	915,972,490	791,703,913	945,249,119	810,353,917
Other non financial liabilities	49,592,324	26,266,583	49,592,324	26,266,583
Derivative financial liabilities	82,639,625	59,836,277	82,639,625	59,836,277
Income tax liabilities	214,867,693	152,139,514	218,331,049	155,059,678
Retirement benefit liabilities	10,386,187	-	13,306,483	1,244,584
Deferred tax liabilities	530,275,377	530,275,376	530,283,797	530,283,797
<b>Total Liabilities</b>	<b>30,052,171,511</b>	<b>29,332,324,541</b>	<b>30,123,542,183</b>	<b>29,383,422,851</b>
<b>Shareholders' Funds</b>				
Stated capital	613,980,000	613,980,000	613,980,000	613,980,000
Retained earnings	1,948,516,412	1,777,742,345	2,016,665,631	1,833,953,693
Reserves	2,281,030,041	2,221,248,961	2,281,030,041	2,221,248,961
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>4,843,526,453</b>	<b>4,612,971,306</b>	<b>4,911,675,672</b>	<b>4,669,182,654</b>
Non controlling interest	-	-	47,990,862	41,258,308
<b>Total Equity</b>	<b>4,843,526,453</b>	<b>4,612,971,306</b>	<b>4,959,666,534</b>	<b>4,710,440,961</b>
<b>Total Liabilities and Shareholders' Funds</b>	<b>34,895,697,964</b>	<b>33,945,295,847</b>	<b>35,083,208,716</b>	<b>34,093,863,812</b>
Contingent Liabilities and Commitments	312,926,200	339,910,381	312,926,200	339,910,381
Net assets value per share (Rs.)	144	137	146	139

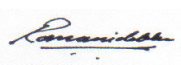
Accounting policies & notes to the accounts form an integral part of these Financial Statements.

**Certification**

I certify that these Financial Statements are presented in compliance with the requirements of the Companies Act No. 07 of 2007.

  
.....  
Dimuthu Tillekeratne  
Head of Finance  
12-Nov-20  
Colombo

  
.....  
Kusal Jayawardana  
Director Finance & Operations

  
.....  
R.K.E.P. de Silva  
Deputy Chairman & Managing  
Director

**Alliance Finance Company PLC**
**STATEMENT OF CHANGES IN EQUITY**

Company	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 1st April 2019 (Audited)</b>	613,980,000	834,309,800	1,018,409,546	388,258,055	-	-	1,655,299,368	4,510,256,769
Profit for the period	-	-	-	-	-	-	147,903,439	147,903,439
Other comprehensive income, net of tax								
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
<b>Balances as at 30th September 2019</b>	<b>613,980,000</b>	<b>834,309,800</b>	<b>1,018,409,546</b>	<b>388,258,055</b>	<b>-</b>	<b>-</b>	<b>1,769,506,807</b>	<b>4,624,464,208</b>
<b>Balance as at 1st April 2020 (Audited)</b>	613,980,000	876,036,520	1,018,409,546	388,258,055	(61,455,160)	-	1,777,742,345	4,612,971,306
Profit for the period	-	-	-	-	-	-	170,774,067	170,774,067
Other comprehensive income, net of tax								-
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	59,781,080	-	-	59,781,080
<b>Balances as at 30th September 2020</b>	<b>613,980,000</b>	<b>876,036,520</b>	<b>1,018,409,546</b>	<b>388,258,055</b>	<b>(1,674,080)</b>	<b>-</b>	<b>1,948,516,412</b>	<b>4,843,526,453</b>

# Alliance Finance Company PLC

## STATEMENT OF CHANGES IN EQUITY

Group	Stated Capital	Statutory Reserve Fund	Revaluation Reserve	General Reserve	FVOCI	Non Controlling Interest	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Balance as at 1st April 2019 (Audited)</b>	613,980,000	834,309,800	1,018,409,546	388,258,055	-	29,810,747	1,691,222,896	4,575,991,044
Profit for the period	-	-	-	-	-	6,884,112	160,110,043	166,994,154
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(33,696,000)	(33,696,000)
<b>Balances as at 30th September 2019</b>	<b>613,980,000</b>	<b>834,309,800</b>	<b>1,018,409,546</b>	<b>388,258,055</b>	<b>-</b>	<b>36,694,859</b>	<b>1,817,636,938</b>	<b>4,709,289,198</b>
<b>Balance as at 1st April 2020 (Audited)</b>	613,980,000	876,036,520	1,018,409,546	388,258,055	(61,455,160)	41,258,308	1,833,953,692	4,710,440,961
Profit for the period	-	-	-	-	-	6,732,554	182,711,938	189,444,492
Other comprehensive income, net of tax -								
Net actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-	-	-
Equity investments at FVOCI - net change in fair value	-	-	-	-	59,781,080	-	-	59,781,080
Dividend paid	-	-	-	-	-	-	-	-
<b>Balances as at 30th September 2020</b>	<b>613,980,000</b>	<b>876,036,520</b>	<b>1,018,409,546</b>	<b>388,258,055</b>	<b>(1,674,080)</b>	<b>47,990,862</b>	<b>2,016,665,631</b>	<b>4,959,666,534</b>

Figures in brackets indicate deductions.

Accounting policies & notes to accounts form an integral part of these Financial Statements.



**Alliance Finance Company PLC**  
**STATEMENT OF CASH FLOWS**

For the period ended 30th September	Company 2020	2019	Group 2020	2019
Cash Flows From / (Used in) Operating Activities	Rs.	Rs.	Rs.	Rs.
Profit before Income Tax Expense	366,274,067	279,903,439	391,045,677	306,651,891
<b>Adjustments for;</b>				
Depreciation of property, plant & equipment	60,984,343	58,897,902	61,032,559	58,971,418
Amortization of intangible assets	4,707,504	4,553,686	4,707,504	4,553,686
Amortization of Right of use asset	38,972,407	-	38,972,407	-
Impairment (reversal)/provision	241,761,718	403,548,719	241,761,718	403,548,719
Interest on fixed deposits, commercial paper & treasury bills	(69,982,256)	(57,153,381)	(71,348,840)	(58,497,498)
(Profit) /loss on sale of securities	(538,761)	(7,308,645)	(538,761)	(7,308,645)
Fair value (gain)/loss on equity investments (FVTPL)	(5,437,234)	(6,921,074)	(5,437,234)	(6,921,074)
Bad debt written-off	244,726,533	175,468,759	244,726,533	175,468,759
Diminution/(appreciation) in value of investments	-	(3,368,180)	-	(3,368,180)
Diminution/(appreciation) in value of treasury bonds	974,384	2,565,857	974,384	2,565,857
Loss/(profit) on disposal of property, plant & equipment	(36,020,132)	42,684	(36,020,132)	42,684
Provision/(reversal) for defined benefit plans	15,000,000	12,000,000	15,629,025	12,571,841
Dividend received	(4,809,076)	(3,256,080)	(4,809,076)	(3,256,080)
Share of loss/(profit) from associates	3,099,199	(1,039,261)	3,099,199	(1,039,261)
<b>Operating Profit before Working Capital Changes</b>	<b>859,712,696</b>	<b>857,934,425</b>	<b>883,794,963</b>	<b>883,984,116</b>
(Increase)/decrease in trading stock	59,004,283	143,383,387	59,004,283	143,383,387
(Increase)/decrease in loans and advances	(1,853,911)	192,962,300	(1,831,761)	192,959,160
(Increase)/decrease in lease rentals receivable & stock out on hire	(1,379,796,929)	(1,429,590,156)	(1,379,796,929)	(1,429,590,156)
(Increase)/decrease in hire purchase rentals receivable & stock out on hire	(1,210,172)	9,075,048	(1,210,172)	9,075,048
(Increase)/decrease in fixed deposits & repurchase agreements	(207,442,991)	153,692,572	(207,442,991)	153,692,572
(Increase)/decrease in other financial assets	(40,253,218)	31,792,410	(53,111,448)	(4,407,586)
(Increase)/decrease in other non financial assets	71,654,191	(9,195,722)	71,654,191	(9,195,722)
Increase/(decrease) in amounts due to depositors	551,774,484	(25,284,010)	551,774,484	(25,284,010)
Increase/(decrease) in derivative financial liabilities	22,803,348	104,572,069	22,803,348	104,572,069
Increase/(decrease) in other financial liabilities	124,268,577	25,137,462	134,895,202	58,569,494
Increase/(decrease) in other non financial liabilities	23,325,741	(15,825,298)	23,325,741	(15,825,298)
<b>Cash generated from/(used in) Operations</b>	<b>81,986,099</b>	<b>38,654,487</b>	<b>103,858,911</b>	<b>61,933,074</b>
Retirement benefit liabilities paid	(24,339,500)	(6,977,009)	(24,339,500)	(7,086,909)
Taxes paid	(111,999,447)	(229,407,083)	(117,557,438)	(235,539,860)
Net cash generated from/(used in) operating activities	<b>(54,352,848)</b>	<b>(197,729,605)</b>	<b>(38,038,027)</b>	<b>(180,693,695)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of property, plant & equipment	(20,381,398)	(31,067,716)	(20,381,398)	(31,067,716)
Acquisition of Intangible Assets	(1,614,112)	-	(1,614,112)	-
Investment in unquoted equities	-	-	-	(11,027,762)
Proceeds from sales of property, plant & equipment	49,309,000	125,000	49,309,000	125,000
Net sales/ (purchases) of financial investments -FVTPL/FVOCI	(224,260,768)	(894,814,747)	(224,260,768)	(894,814,747)
Dividend received	4,809,076	3,256,080	4,809,076	3,256,080
Interest on fixed deposits, commercial paper & treasury bills	69,982,256	57,153,381	71,348,840	58,497,498
<b>Net cash generated from investing activities</b>	<b>(122,155,946)</b>	<b>(865,348,002)</b>	<b>(120,789,362)</b>	<b>(875,031,647)</b>
<b>Cash flows from / (used in) financing activities</b>				
Settlement of operating Lease liabilities	(42,202,197)	-	(42,202,197)	-
Increase in borrowed funds	-	37,502,466	-	37,502,466
Net increase /(decrease) in other borrowings	(75,439,547)	1,070,259,335	(68,012,717)	1,092,264,301
Net increase /(decrease) in finance lease	-	(1,917,211)	-	(1,917,211)
Dividend paid	-	(33,696,000)	-	(33,696,000)
<b>Net cash generated from/(used in) financing activities</b>	<b>(117,641,744)</b>	<b>1,072,148,590</b>	<b>(110,214,914)</b>	<b>1,094,153,556</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(294,150,538)</b>	<b>9,070,983</b>	<b>(269,042,303)</b>	<b>38,428,215</b>
Cash and cash equivalents at the beginning of the year	986,553,659	281,584,736	1,027,324,614	290,719,999
Cash and cash equivalents at the end of the year	692,403,121	290,655,719	758,282,311	329,148,214
<b>Movement in Cash and Cash Equivalent</b>	<b>(294,150,538)</b>	<b>9,070,983</b>	<b>(269,042,303)</b>	<b>38,428,215</b>

Note : Reporting cash flows from operating activities

The Company reports cash flows from operating activities by using the indirect method. The indirect method – whereby profit or loss is adjusted for the effects of non-cash items, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows – is shown in the above.

# Alliance Finance Company PLC

## NOTES TO THE FINANCIAL STATEMENTS

For six month ended 30th September 2020

### SEGMENT REPORT

30th September 2020 - Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>									
External sales	8,716,517,157	391,636,464	285,858,136	13,467,247	4,809,076	70,077,728	3,660,130	228,160,356	9,714,186,294
<b>Total revenue</b>	<b>8,716,517,157</b>	<b>391,636,464</b>	<b>285,858,136</b>	<b>13,467,247</b>	<b>4,809,076</b>	<b>70,077,728</b>	<b>3,660,130</b>	<b>228,160,356</b>	<b>9,714,186,294</b>
Total income	2,727,201,062	391,590,252	285,858,136	13,467,247	5,347,837	71,807,789	5,689,747	226,430,296	3,727,392,366
<b>RESULTS</b>									
<b>Segment results</b>	<b>2,072,627,972</b>	<b>174,296,181</b>	<b>244,887,554</b>	<b>7,043,448</b>	<b>5,347,837</b>	<b>71,807,789</b>	<b>5,689,747</b>	<b>211,750,488</b>	<b>2,793,451,016</b>
Unallocated company expenses									(836,738,439)
Operating profit									1,956,712,577
Interest expenses	(1,044,826,204)	(190,392,198)	(108,010,693)	(4,805,481)	(9,757,238)	(112,845,164)	(1,322,239)	(90,608,484)	(1,562,567,701)
Share of profits of associates before tax									(3,099,199)
Income taxes									(201,601,185)
<b>Net Profit</b>									<b>189,444,492</b>
<b>OTHER INFORMATION</b>									
Segment assets	21,111,439,177	3,847,006,601	2,182,431,082	97,098,082	197,151,768	2,280,114,925	26,716,759	1,830,807,359	31,572,765,752
Investment in associates									91,334,988
Unallocated company assets									3,419,107,975
<b>Total assets</b>									<b>35,083,208,716</b>
Segment liabilities	18,330,616,075	3,228,016,599	1,831,274,154	81,474,833	165,429,708	1,913,240,498	22,417,986	1,536,227,295	27,108,697,150
Unallocated company liabilities									3,014,845,033
<b>Total liabilities</b>									<b>30,123,542,183</b>

# Alliance Finance Company PLC

## NOTES TO THE FINANCIAL STATEMENTS

### SEGMENT REPORT

30th September 2019 - Group	Leasing & Hire Purchase	Loans	Gold Loans	Hire of vehicles	Investing in Shares	Investing in Government Securities	Collaboration Finance	Others	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>REVENUE</b>									
External sales	7,411,961,209	644,601,157	211,822,395	15,190,367	28,537,295	80,657,443	5,721,559	126,076,676	8,524,568,102
<b>Total revenue</b>	<b>7,411,961,209</b>	<b>644,601,157</b>	<b>211,822,395</b>	<b>15,190,367</b>	<b>28,537,295</b>	<b>80,657,443</b>	<b>5,721,559</b>	<b>126,076,676</b>	<b>8,524,568,102</b>
Total income	2,759,846,916	644,269,905	211,822,395	15,190,367	13,932,905	90,906,616	7,633,137	115,827,503	3,859,429,744
<b>RESULTS</b>									
<b>Segment results</b>	<b>1,385,114,479</b>	<b>(107,398,919)</b>	<b>137,372,853</b>	<b>1,028,739</b>	<b>5,378,935</b>	<b>51,935,184</b>	<b>7,633,137</b>	<b>42,504,235</b>	<b>1,523,568,641</b>
Unallocated company expenses									434,635,330
Operating profit									1,958,203,971
Interest expenses	(1,096,000,027)	(251,732,514)	(93,531,697)	(5,937,610)	(7,617,854)	(108,189,307)	(219,157)	(89,363,175)	<b>(1,652,591,341)</b>
Share of profits of associates before tax									1,039,261
Income taxes									<b>(139,657,737)</b>
<b>Net Profit</b>									<b>166,994,154</b>
<b>OTHER INFORMATION</b>									
Segment assets	19,783,033,634	4,543,825,423	1,688,267,023	107,175,122	137,503,881	1,952,839,997	3,955,835	1,613,024,313	29,829,625,228
Investment in associates									96,798,572
Unallocated company assets									3,568,448,467
<b>Total assets</b>									<b>33,494,872,267</b>
Segment liabilities	17,809,856,973	3,974,480,529	1,476,725,839	93,745,995	120,274,537	1,708,147,612	3,460,166	1,410,911,100	26,597,602,751
Unallocated company liabilities									2,187,980,319
<b>Total liabilities</b>									<b>28,785,583,070</b>

- 1 The figures given in the financial statements for the quarter ended 30th September 2020 are provisional and subject to audit.
- 2 The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 March 2020.

**3 Amendments to the Income Tax Law Announced by the Government**

The Ministry of Finance has instructed on 31st January 2020 and 05th March 05 2020, that the revised income tax rates proposed to the Inland Revenue Act, No. 24 of 2017 (IRA) by Circular No. PN/IT/2020-03 (Revised), be implemented with effect from 1 January 2020, pending formal amendments being made to the IRA.

The Company's management having applied significant judgment to the said proposed revision of income tax rates, have determined that it is probable that formal amendments to the IRA will be made. The management concluded that Circular No. PN/IT/2020-03 (Revised) is more likely to be enacted in the near future and therefore, income tax rates and proposed basis of quantifying current income tax stipulated in the said Circular to be effective from 1 January 2020 have been used to calculate income tax provisions for the quarter ended 30th September 2020.

**4 Impact due to the COVID – 19**

The Company has provided debt moratorium and other concessions for affected customers in line with the directions, guidelines and subsequent amendments issued by the Central Bank of Sri Lanka.

**5 Going Concern**

In determining the basis of preparing the financial statements for the quarter ended 30th September 2020, based on available information, the management has assessed the existing and anticipated effects of COVID-19 on the Company and the appropriateness of the use of the going concern basis.

**6 Commitments & Contingencies as at 30th September 2020**

	Rs.
Financial guarantees	826,200
Tax assessments	312,100,000
	<u>312,926,200</u>

There has not been a significant changes in the nature of the Contingent Liabilities which were disclosed above.

7

**7.1 Retirement of Directors**

Mrs.Ramani Nelun Ponnambalam, the Chairperson to the board and Mr. Athula Ranmal Samarasinghe, an Independent Non Executive Director resigned from the Board with effect from 22nd October 2020.

**7.2 Appointment of new Directors**

Mrs.Gopa Sarojini Tamara Dharmakirti-Herath was appointed as the new Chairperson to the Board and Mr. Don Lasantha Ivers Hettiarachchi was appointed as an Independent Non Executive Director with effect from 22nd October 2020.

- 8 There were no material events that took place since September 30th, 2020, that require disclosure in these Interim Financial Statements other than those disclosed above.

- 9 All known expenses including management fees and other similar expenses have been provided for six months ended 30th September 2020.

## Alliance Finance Company PLC

### SHAREHOLDERS' INFORMATION

#### Market price per share

Quarter ended 01st July to 30th September	2020	2019
Highest Price	51.00	51.80
Lowest Price	39.00	40.00
Last Traded	49.30	43.20

#### Issued capital

As at 30th September 2020 the Stated Capital was Rs. 613,980,000/- of 33,696,000 Ordinary shares were issued.

#### Directors'/ CEO's Holding in Shares as at 30th September 2020

No	Name of Director	No of Shares
1	Mrs.R.N. Ponnambalam	2,712
2	Mr.R.K.E.P. de Silva	11,035,291
3	Mr.A.R. Samarasinghe	1,386
4	Mr.J.M. Gunasekera	1,500
5	Mr.W.P.K. Jayawardana	100
6	Mrs.P. De Silva	100
7	Mr.R.E. Rambukwelle	10,000
8	Mr.L.J.H. De Silva	3,052

#### Twenty Largest Ordinary Shareholders as at 30th September 2020

No.	Name of Shareholder	No. of Shares	%
1	Mr.R.K.E.P. de Silva	11,035,291	32.75
2	Motor Service Station (Pvt) Ltd.,	4,542,220	13.48
3	Mrs D.M.E.P. Perera	2,501,443	7.42
4	Mr.D.F.W.S.K. Perera & Mr.D.F.W. Perera	1,381,536	4.10
5	Orient Hotels Ltd.,	1,358,323	4.03
6	Mrs.S.E. Canekaratne	612,268	1.82
7	Mr.D.L.S.R. Perera	553,556	1.64
8	Mr. S. Vasudevan	500,000	1.48
9	Mr.D.G. Wijemanne	438,935	1.30
10	Mrs.C.R. de Silva	374,400	1.11
11	Elgin Investments Ltd.	311,877	0.93
12	Mr. D.F.W. Perera	310,560	0.92
13	Ms.D.D.P.T. Perera	309,384	0.92
14	Mrs.P. Weththasinghe	299,975	0.89
15	Mrs.A.S. Wijewardena	259,200	0.77
16	Miss S. Marcelline	246,240	0.73
17	Miss Z. Marcelline	246,240	0.73
18	Mrs.V. Saraswathi & Mr.S. Vasudevan	236,721	0.70
19	Ms.D.C.M.A. Perera	236,632	0.70
20	People's Leasing Finance PLC/Mr.K.K. Shujeevan	235,594	0.70

## **Alliance Finance Company PLC**

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### **SHAREHOLDERS' INFORMATION**

#### **Public Shareholding as at 30th September 2020**

No of Shares	%
18,061,537	53.60

#### **No of Shareholders**

The percentage of ordinary shares held by the public as at 30th September 2020 was 53.60 and the number of shareholders representing the public holding was 1,317.

#### **Float Adjusted Market Capitalization**

The Float adjusted market capitalization as at 30th September 2020 - Rs. 891,739,031/- and the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

## Alliance Finance Company PLC

### CORPORATE INFORMATION

#### **Name of the Company**

Alliance Finance Company PLC.

#### **Statutory Status**

Quoted Public Limited Liability Company, Incorporated on 18th July 1956. Approved and registered under the Finance Business Act No.42 of 2011 and Finance Leasing Act No.56 of 2000. An approved Credit Agency under the Mortgage Act No.06 of 1949 and the Trust receipt Ordinance No.12 of 1947.

#### **Company Registration**

Registered under the Companies Act No.07 of 2007.  
Company Registration number PQ 93

#### **Registered Office**

Alliance House, No.84, Ward Place, Colombo 07.  
Tel : 011 2673673 Fax: 011 2697205  
e mail : info@alliancefinance.lk

#### **Board of Directors**

R.N Ponnambalam - *Chairperson*  
Romani de Silva - F.I.C.M.(SL) - *Deputy Chairman / Managing Director*  
J.M. Gunasekara, B.Sc. (Agri), MBA, *Executive Director Sustainability*  
W.P. Kusal Jayawardana - CFA, MBA, ACMA, CGMA - *Executive Director Finance and Operations*  
Ravi Rambukwelle - BA, MCIM(UK), ACI (UK), *Executive Director - Credit Operations and Marketing*  
Lt. Col (Retd) A.R. Samarasinghe, MSc, CS (Security), BIT- *Independent Non Executive Director*  
Priyanthi de Silva - FCMA, CGMA, FCPA - *Independent Non Executive Director*  
L.J.H. de Silva - *Independent Non Executive Director*

#### **Secretaries**

Alliance Management Services (Pvt) Ltd.  
No. 84, Ward Place  
Colombo 07.

#### **Audit Committee**

Mrs. P. de Silva *Chairperson*  
Lt.Col (Retd.) A.R. Samarasinghe

#### **Remuneration Committee**

Mrs. R.N. Ponnamlalam - *Chairman*  
Mrs. P. de Silva  
Mr. L.J.H De Silva

#### **Auditors**

M/s Baker Tilly Edirisinghe & Co.  
Chartered Accountants,  
No.45, 2nd Floor, Bray Brooke Street,  
Colombo 02.

#### **Legal Consultants**

Gunawardene Ranasinghe Associates  
Sudath Perera Associates

#### **Advisory Council**

K.S.K. de Silva  
B. Ponnambalam  
Abbas Akbarally - Chairman, Akbar Brother Group of Companies  
K. Kanag Isvaran LLB (London) of Lincoln's Inn Barrister (President's Counsel)  
S.P. Morawake - Former Registrar of Companies

#### **Bankers**

Sampath Bank PLC  
Seylan Bank PLC  
Public Bank Berhad  
People's Bank  
Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
Bank of Ceylon  
Nations Trust Bank PLC  
Union Bank of Colombo PLC  
DFCC Bank PLC  
NDB Bank PLC  
Lankaputhra Development Bank Limited  
Deutsche Bank