

Sarvodaya Development Finance PLC

Amended Interim Financial Statements

For the Nine Months Ended 31 December 2021

Sarvodaya Development Finance PLC

Statement of Profit or Loss and Other Comprehensive Income

Nine Months Period Ended	9 Months to 31 Dec 2021 Unaudited Rs.	9 Months to 31 Dec 2020 Unaudited Rs.	Variance %
Income	1,282,010,481	1,227,632,526	4.4%
Interest Income	1,227,805,454	1,174,434,023	4.5%
Interest Expenses	(413,089,813)	(479,065,355)	-13.8%
Net Interest Income	814,715,641	695,368,668	17.2%
Net Fee and Commission Income	37,564,500	27,090,700	38.7%
Other Operating Income	16,640,526	26,107,803	-36.3%
Total Operating Income	868,920,668	748,567,171	16.1%
Impairment Charges for Loans and Other Losses	(105,704,670)	(52,457,808)	101.5%
Net Operating Income	763,215,997	696,109,363	9.6%
Operating Expenses			
Personnel Expenses	(301,025,290)	(263,781,306)	14.1%
Depreciation of Property, Plant and Equipment	(26,151,982)	(27,937,754)	-6.4%
Amortisation of Intangible Assets	(2,303,866)	(7,735,212)	-70.2%
Other Operating Expenses	(230,184,152)	(207,729,503)	10.8%
Operating Profit before Tax on Financial Services	203,550,708	188,925,587	7.7%
Tax on Financial Services	(64,560,793)	(59,514,138)	8.5%
Profit/(Loss) before Taxation	138,989,915	129,411,449	7.4%
Income Tax Expenses	(20,967,767)	(49,680,859)	-57.8%
Profit/(Loss) for the Period	118,022,148	79,730,590	48.0%
Total Comprehensive Income/(Expenses) for the Period**	118,022,148	79,730,590	48.0%
Basic Earnings Per Share (Rs)			
Earning per Share - Basic *	1.09	1.17	-6.8%

* Calculated based on profit/(loss) for the period

** There are no other comprehensive income and expenses for the reporting period

Sarvodaya Development Finance PLC

Statement of Profit or Loss and Other Comprehensive Income

Three Months Period Ended	3 Months to 31 Dec 2021 Unaudited Rs.	3 Months to 31 Dec 2020 Unaudited Rs.	Variance %
Income	468,754,563	435,971,376	7.5%
Interest Income	441,990,590	419,196,574	5.4%
Interest Expenses	(141,368,521)	(141,676,442)	-0.2%
Net Interest Income	300,622,069	277,520,132	8.3%
Net Fee and Commission Income	18,723,439	8,210,869	128.0%
Other Operating Income	8,040,535	8,563,932	-6.1%
Total Operating Income	327,386,042	294,294,934	11.2%
Impairment Charges for Loans and Other Losses	(30,627,786)	(4,055,342)	655.2%
Net Operating Income	296,758,256	290,239,592	2.2%
Operating Expenses			
Personnel Expenses	(103,979,809)	(95,756,785)	8.6%
Depreciation of Property, Plant and Equipment	(7,973,151)	(9,279,070)	-14.1%
Amortisation of Intangible Assets	(661,192)	(2,392,966)	-72.4%
Other Operating Expenses	(78,882,452)	(75,110,421)	5.0%
Operating Profit before Tax on Financial Services	105,261,651	107,700,351	-2.3%
Tax on Financial Services	(26,645,858)	(27,586,373)	-3.4%
Profit/(Loss) before Taxation	78,615,793	80,113,978	-1.9%
Income Tax Expenses	(11,626,496)	(27,151,678)	-57.2%
Profit/(Loss) for the Period	66,989,298	52,962,300	26.5%
Total Comprehensive Income/(Expenses) for the Period**	66,989,298	52,962,300	26.5%

** There are no other comprehensive income and expenses for the reporting period

Sarvodaya Development Finance PLC

Statement of Financial Position

Nine Months Period Ended	Unaudited	Audited	Variance
	31 Dec 2021	31 Mar 2021	%
	Rs.	Rs.	%
Assets			
Cash and Cash Equivalents	443,975,110	130,870,989	239.2%
Loans and Receivables	4,938,051,474	4,954,331,169	-0.3%
Lease Rentals Receivables	4,023,149,953	2,952,368,025	36.3%
Financial Investments	516,872,992	374,591,188	38.0%
Other Financial Assets	809,492	779,506	3.8%
Other Non Financial Assets	117,928,803	99,226,178	18.8%
Intangible Assets	5,571,421	5,055,287	10.2%
Investment Property	215,678,750	215,678,750	0.0%
Property, Plant and Equipment	146,495,343	160,884,369	-8.9%
Right-of-use Lease Assets	131,240,211	142,812,343	-8.1%
Total Assets	10,539,773,549	9,036,597,804	16.6%
Liabilities			
Due to Banks and Other Institutions	2,144,469,402	1,729,624,109	24.0%
Due to Customers	4,543,089,574	4,551,945,183	-0.2%
Other Non Financial Liabilities	383,043,902	282,552,100	35.6%
Post Employment Benefit Liability	56,734,613	55,828,613	1.6%
Current Tax Liabilities / (Refund)	(3,952,683)	53,665,325	-107.4%
Lease Creditor	152,339,485	161,198,954	-5.5%
Deferred Tax Liabilities	12,936,905	20,398,293	-36.6%
Total Liabilities	7,288,661,198	6,855,212,577	6.3%
Shareholders' Funds			
Stated Capital	2,645,842,023	1,694,137,046	56.2%
Retained Earnings	444,678,092	326,655,945	36.1%
Reserves	160,592,235	160,592,235	0.0%
Total Shareholders' Funds	3,251,112,351	2,181,385,227	49.0%
Total Liabilities and Shareholders' Funds	10,539,773,549	9,036,597,804	16.6%
Net Assets Value per Share	21.73	20.95	3.72%

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



Mahesh Jayasanka
Chief Manager - Finance



Nilantha Jayanetti
Chief Executive Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board of Directors by;



Channa de Silva
Chairman



Chamindha Rajakaruna
Director

26th January 2022
Colombo

Sarvodaya Development Finance PLC

Cashflow Statement

Nine Months Period Ended	9 Months to 31 Dec 2021 Rs.	9 Months to 31 Dec 2020 Rs.
Cash Flows From / (Used in) Operating Activities		
Profit before Income Tax Expense	138,989,915	129,411,449
Adjustments for		
Impairment Provision	105,704,670	52,457,808
Loss/(Profit) on Disposal of Property, Plant and Equipment	(93,052)	(123,672)
Provision for Defined Benefit Plans	6,300,000	5,350,000
Depreciation of Property, Plant and Equipment	26,151,982	27,937,754
Amortisation of Intangible Assets	2,303,866	7,735,212
Amortisation of Right to Use Assets	45,478,253	46,258,690
Interest Expenses on Lease Creditor	14,096,312	15,426,891
Operating Profit before Working Capital Changes	338,931,946	284,454,132
(Increase)/Decrease in Loans and Receivables	(54,127,016)	257,519,010
(Increase)/Decrease in Lease Rentals Receivable	(1,099,538,808)	(899,590,060)
(Increase)/Decrease in Other Financial Assets	(29,986)	163,761,338
(Increase)/Decrease in Other Non Financial Assets	(18,702,626)	20,564,351
Increase/(Decrease) in Amounts Due to Customers	(8,855,609)	(84,839,274)
Increase/(Decrease) in Other Non Financial Liabilities	100,572,776	109,647,798
Cash Generated from Operations	(741,749,323)	(148,482,705)
Retirement Benefit Liabilities Paid	(5,394,000)	(7,137,721)
Net Collection of LRAB Fund	(80,974)	59,562
Income Tax Paid	(86,047,163)	(6,824,685)
Repayment of Lease Creditor	(63,183,684)	(77,621,630)
Net Cash From/(Used in) Operating Activities	(896,455,144)	(240,007,179)
Cash Flows from / (Used in) Investing Activities		
Sales of Property, Plant and Equipment	0	134,214
Acquisition of Property, Plant and Equipment	(11,889,203)	(31,272,860)
Acquisition of Intangible Assets	(2,820,000)	0
Financial Investments	(142,281,804)	67,020,814
Net Cash Flows from/(Used in) Investing Activities	(156,991,007)	35,882,168
Cash Flows from / (Used in) Financing Activities		
Funds received from bank and other institutional borrowings	1,387,750,000	322,658,000
Repayment of bank and other institutional borrowings	(794,319,517)	(139,305,361)
Share Issue	951,704,977	11,440,000
Net Cash Flows from/(Used in) Financing Activities	1,545,135,460	194,792,639
Net Increase in Cash and Cash Equivalents	491,689,310	(9,332,374)
Cash and Cash Equivalents at the beginning of the year	(96,338,146)	(135,354,147)
Cash and Cash Equivalents at the end of the year (A)	395,351,165	(144,686,521)
Cash and Cash Equivalents at the end of the year (A)		
Favourable Cash & Cash Equivalents	443,975,110	92,418,072
Unfavourable Cash & Cash Equivalents	(48,623,944)	(237,104,593)
Total Cash and Cash Equivalents at the end of the year	395,351,165	(144,686,521)

Sarvodaya Development Finance PLC

Statement Of Changes In Equity

Nine Months Period Ended 31 December 2021

	Stated Capital Capital Rs.	Retained Earnings Rs.	Statutory Reserves Rs.	Revaluation Reserves Rs.	Total Equity Rs.
Balances as at 01 April 2020 (Audited)	890,000,020	195,476,360	42,796,761	67,406,124	1,195,679,265
Issue of Share Capital	11,440,000	-	-	-	11,440,000
Profit for the Period	-	79,730,590	-	-	79,730,590
Balances as at 31 December 2020	901,440,020	275,206,949	42,796,761	67,406,124	1,286,849,855
Balances as at 01 April 2021 (Audited)	1,694,137,046	326,655,944	104,077,474	56,514,761	2,181,385,227
Profit for the Period	-	118,022,148	-	-	118,022,148
Issue of Share Capital	951,704,977	-	-	-	951,704,977
Balances as at 31 December 2021	2,645,842,023	444,678,092	104,077,474	56,514,761	3,251,112,351

Sarvodaya Development Finance PLC

Notes to the Interim Financial Statements

1 Explanatory Notes

The accounting policies followed in preparing the above Interim Financial Statements are the same as those disclosed in our Annual Report for the year ended 31 March 2021.

These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards -LKAS 34 Interim Financial Reporting.

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

The Commitments and Contingencies as at 31 December 2021 was Rs. 7.4 Mn and as at 31 March 2021 was Rs. 7.7 Mn.

The Company was provided income tax at the concessionary tax rate of 12% for the nine-months period ended 31 December 2021 and used 24 % for the 2020 same period.

2 Stated Capital

	Number of Shares	31 Dec 2021 Rs.	Number of Shares	31 Mar 2021 Rs.
Issued and Fully Paid-Ordinary shares				
At the beginning of the year	104,141,506	1,694,137,046	67,500,006	890,000,020
Issued during the year	45,454,546	951,704,977	36,641,500	804,137,026
At the end of the year	149,596,052	2,645,842,023	104,141,506	1,694,137,046

3 Fair Value Measurement Hierarchy

As at 31 December 2021

	Faire Value			Total Rs.	Carrying Value Rs.
	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.		
Financial Assets					
Cash and Cash Equivalents	443,975,110			443,975,110	443,975,110
Loans and Receivables			5,290,074,350	5,290,074,350	5,241,813,817
Lease Rentals Receivables			4,161,254,262	4,161,254,262	4,190,534,941
Financial Investments	516,872,992			516,872,992	516,872,992
Other Financial Assets		809,492		809,492	809,492
	960,848,102	809,492	809,492	962,467,086	9,922,859,021
Financial Liabilities					
Due to Banks and Other Institutions		1,595,035,613			2,144,469,402
Due to Customers			4,543,089,574		4,543,089,574
	0	1,595,035,613	4,543,089,574		6,687,558,976

As at 31 March 2021

	Faire Value			Total Rs.	Carrying Value Rs.
	Level 1 Rest.	Level 2 Rs.	Level 3 Rs.		
Financial Assets					
Cash and Cash Equivalents	73,226,394			261,741,978	261,741,978
Loans and Receivables			5,042,568,079	5,042,568,079	5,011,615,239
Lease Rentals Receivables			3,374,567,814	3,374,567,814	3,405,226,261
Financial Investments	749,182,376			749,182,376	749,182,376
Other Financial Assets		1,559,012		1,559,012	1,559,012
	822,408,770	1,559,012	8,417,135,893	9,429,619,259	9,429,324,866
Financial Liabilities					
Due to Banks and Other Institutions		1,729,624,109			1,729,624,109
Due to Customers			4,551,945,183		4,551,945,183
	0	1,729,624,109	4,551,945,183	0	6,281,569,292

Note - All financial assets and liabilities are measured at the amortized cost as at 31 December 2021 and 2020

Sarvodaya Development Finance PLC

Notes to the Interim Financial Statements

4 Share Information

Market prices of ordinary shares recorded during the quarter ended 31st December 2021 are as follows:

Last Traded Price	19.50
Highest Price	26.00
Lowest Price	17.70

5 Directors' Holding and Chief Executive Officer's Holding in Shares of the Entity

Shareholder Name	No of Shares	Ownership %
Mr. Channa de Silva	323,200	0.22%
Mr. Dhammika Ganegama	72,400	0.05%
Mrs. Shehara De Silva	36,600	0.02%
Mr. J K D N Pushpakumara	86,700	0.06%

6 Top 20 Shareholders

Shareholder Name	No of Shares	Ownership %
Sarvodaya Economic Enterprises Development Services (Gte) Ltd	54,000,000	36.10%
Gentosha Total Asset Consulting Inc.	13,500,004	9.02%
Janashakthi Capital Limited	11,365,000	7.60%
Sentilverl Holding (Pvt) Ltd	10,000,000	6.69%
Lanka Jathika Sarvodaya Shramadana Sangamaya	4,645,000	3.11%
Ideal Automobile (Pvt) Ltd	4,382,246	2.93%
Capital Trust Holdings Ltd	3,625,073	2.42%
Sanasa Life Insurance Company Ltd (Life)	3,579,900	2.39%
Janashakthi Investment Trust Limited	1,946,900	1.30%
Janashakthi Ltd	1,797,700	1.20%
Thalwila Sarvodaya Shramadana Society	1,364,000	0.91%
Sanasa General Insurance Company Ltd	1,108,445	0.74%
NDB Capital Holdings Limited	1,081,200	0.72%
Mr. Murtaza Ali Abidhussen Hassanaly Esufally & Mrs. Avanti Manoja Moon	1,072,200	0.72%
Mr. Gerard Shamil Niranjan Peiris & Mrs. Indrani Roshani Peiris	978,433	0.65%
Mr. Tuan Hafees Rajudin	613,600	0.41%
Mr. Jeevan Dhammika Ariyaratne	454,600	0.30%
Macksons Holdings (Pvt) Ltd	454,500	0.30%
Porathota Sarvodaya Shramadana Society	450,000	0.30%
Kekunawela Sarvodaya Shramadana Society	450,000	0.30%

7 Public Shareholding

Public shareholding Information pertaining to public shareholding as at 31 December 2021 is as follows:

	Available	Requirement
Public holding percentage	52.78%	20%
Number of public shareholders	2,436	500
Float Adjusted Market Capitalization	1,468,576,987	less than Rs.2.5 Bn (Option 5)

- Public Holding percentage as at 31 December 2021 being 52.78% comprising of 2,436 shareholders.

- The Float adjusted market capitalization as at 31 December 2021 - Rs. 1,468,576,987

- The Float adjusted market capitalization of 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.

Sarvodaya Development Finance PLC

Notes to the Interim Financial Statements

8 IPO Fund Utilisation

Objective as per Prospectus	Amount Allocated as per Prospectus (LKR Mn)	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceed (LKR Mn) (A)	% of Total Proceeds	Amounts Utilised (LKR Mn) (B)	% of Utilisation against Allocation (B/A)	Clarification if not Fully Utilised including where the funds are invested
1. Improve the Core Capital and thereby Strengthen the Equity Base of the Company							Rs. 1 Bn new capital raised from the IPO and same we have fulfilled CBSL core capital requirement of Rs 2.5 Bn before 31 December 2021
2. Part Finance the Growth in the Loan Portfolio of SDF	1,000	Before 30 June 2022	1,000	100.0%	433	43.3%	Unutilised funds Rs. 567 Mn invested in Money Market accounts

Corporate Information

Name of the Company

Sarvodaya Development Finance PLC

Legal Form

Public Quoted Company Incorporated in Sri Lanka under the Companies Act No. 7 of 2007.

A Licensed Finance Company under the Finance Business Act No. 42 of 2011.

A registered Financed Leasing Establishment in terms of Finance Leasing Act No. 56 of 2000.

The Company was admitted to the official List of the Colombo Stock Exchange on 14th December 2021.

Principal Activities

The Company provides a comprehensive range of financial services encompassing Acceptance of Fixed Deposits, Savings, Providing Finance Lease, SME Loans, Gold Loans, Personal Loans, Other Credit Facilities, Digital Financial Services and Value-Added Services.

Company Registration Number

PB 3795 (Before Listing)

PQ 00251293

Central Bank Registration No.

047

Tax Payer Identity Number (TIN)

134037954

Registered Office & Head Office

No. 155/A,

Dr. Danister De Silva Mawatha,

Colombo 08,

Sri Lanka.

Telephone No.: 011 5 444 666

E-mail: info@sdf.lk

Website: www.sarvodayafinance.lk

Accounting Year-end

31st March

No of Branches

51

Board of Directors

Mr. Channa de Silva - Chairman

Non-Indipended/Non-Executive

Mr. Dammika Ganegama - Senior Director

Independent/Non-Executive

Mr. Masayoshi Yamashita - Director

Non-Indipended/Non-Executive

Dr. Janaki Kuruppu - Director

Independent/Non-Executive

Mr. Chamindha Rajakaruna - Director

Non-Indipended/Non-Executive

Mr. Amrit CanagaRetna - Director

Independent/Non-Executive

Ms. Shehara De Silva - Director

Independent/Non-Executive

Mr. Sunil De Silva - Director

Independent/Non-Executive

Mr. Nandhanan Senthilverl - Director

Non-Indipended/Non-Executive

Baord Committees Operating

Board Audit Committee

Board Credit Committee

Integrated Risk Management Committee

Remuneration Committee

Related Party Transaction Committee

Company Secretary

P W Corporate Secretarial (Pvt) Ltd

No.3/17, Kynsey Road

Colombo 08.

External Auditors

M/s Ernst & Young

Chartered Accountants,

201, De Saram Place,

Colombo 10.

Legal Adviser

Nithya Partners

D. L. & F. De Saram

Bankers

Hatton National Bank PLC

People's Bank

Bank of Ceylon

Seylan Bank PLC

DFCC Bank PLC

Commercial Bank PLC

National Development Bank PLC

Sanasa Development Bank PLC

Cargills Bank PLC