

පීපල්ස් මර්චන්ට් ෆිනෑන්ස් පීඑල්සී

2020 මාර්තු 31 වන දිනයෙන් අවසන් වූ වර්ෂය සඳහා මලපු පකාශන

ආදායම් පුකාශනය	ආයතනය			සමූහය		
	2020 රු. '000	2019 రా. '000	වෙනස %	2020 රු. '000	2019 రూ. '000	වෙන ැ ඉ
මාර්තු මස 31න් අවසන් වන වර්ෂය සඳහා	විගණනය කල	විගණනය කල		විගණනය කල	විගණනය කල	
- පොලී ආදායම	563,581	546,759	3.1	563,581	546,759	3.1
අඩු කළා : පොලී වියදම	292,067	357,067	(18.2)	292,067	357,067	(18.2)
ශුද්ධ පොලී ආදායම	271,514	189,692	43.1	271,514	189,692	43.1
ගාස්තු හා කොමිස් ආදායම්	5,177	7,260	(28.7)	5,177	7,260	(28.7)
FVTPL හි මූලූ වත්කම් වලින් ශුද්ධ සාධාරණ වටිනාකම / අලාභය	29,294	(461)	(6,454.4)	29,294	(461)	(6,454.4)
වෙනත් මෙනෙයුම් ආදායම්	31,475	63,112	(50.1)	31,475	63,112	(50.1)
මුළු මෙහෙයුම් ආදායම්	337,461	259,603	30.0	337,461	259,603	30.0
අඩු කළා : ණය හා						
අනෙකුත් අලාභ සඳහා හානිකරණ	122,535	85,389	43.5	122,535	85,389	43.5
	214,926	174,214	23.4	214,926	174,214	23.4
අඩු කලා :						
සේවක වියදුම්	129,607	127,248	1.9	129,607	127,248	1.9
දේපල පිරියන හා උපකරණ කෂය	4,378	3,703	18.2	4,378	3,703	18.2
අස්පෘශෘ වත්කම් කුමකෂය	3,285	3,083	6.6	3,285	3,083	6.6
හිමිකමක් ඇති වත්කම්වල කුමසෂය	28,930	-	100.0	28,930	-	100.0
අනෙකුත් මෙහෙයුම් වියදම්	116,999	122,794	(4.7)	117,085	121,869	(3.9)
මුළු මෙහෙයුම් වියදම්	283,199	256,828	10.3	283,285	255,903	10.7
මූලප සේවා අගය මත බද්දට හා						
ආදායම් බද්දට පෙර ලාභය / අලාභය	(68,274)	(82,614)	(17.4)	(68,360)	(81,689)	(16.3)
අඩුකලා : මූලප සේවා අගය මත බද්ද	11,681	9,328	25.2	11,681	9,328	25.2
බඳුවලට පෙර ලාභය / අලාභය	(79,954)	(91,942)	(13.0)	(80,041)	(91,017)	(12.1)
අඩු කළා : ආදායම් බදු වියදම්	132	1,742	(92.4)	132	1,742	(92.4)
කාලච්ඡේදය සඳහා අලාභය	(80,086)	(93,684)	(14.5)	(80,173)	(92,759)	(13.6)
සාමානෳ කොටසක අලානය (රු)	(0.41)	(1.38)		(0.41)	(1.37)	

9-P04/-	ආයතනය			සමූහය		
විස්තීරණ ආදායම් පුකාශනය මාර්තු මස 31ග් අවසග් වන වර්ෂය සඳහා	2020 රු. '000 විගණනය කල	2019 රු. '000 විගණනය කල	වෙනස %	2020 රු. '000 විගණනය කල	2019 රු. '000 විගණනය කල	වෙනස %
කාලච්පේදය සඳහා අලාභය	(80,086)	(93,684)	(14.5)	(80,173)	(92,759)	(13.6)
වෙනස් විස්තීර්ණ ආදායම්/(වියදම්) (බදු ගෙවූ පසු)						
අලෙවිය සඳහා ඇති වත්කම් නැවත ගණනය කල ලාභ/(අලාභ)	(470)	(6,222)	(92.4)	(470)	(6,222)	(92.4)
අනෙකුත් විස්තීරණ ආදායමට අදාල බදු (වියදම්)/(ආදායම්	132	1,742	(92.4)	132	1,742	(92.4)
ආශිුත ඔදු නිශ්චිත පුතිලාභ සැලසුම් මත පුතිලාභ	(338)	(4,480)	(92.4)	(338)	(4,480)	(92.4)
කාලවිපේදය සඳහා මුළු විස්තීර්ණ ආදායම	(80,426)	(98,164)	(18.1)	(80,511)	(97,239)	(17.2)

වරහන් තුළ ඇති අගයන් අඩු කිරීම ලෙස පෙන්නම් කෙරේ

මුලුපු තත්වය පිළිබඳ	ආයතනය			සමූහය			
ම්ලිය නහරය පළඟඳ මාර්තු මස 31 දිනට	2020 රු. '000 විගණනය කල	2019 රු. '000 විගණනය කල	වෙනස %	2020 රු. '000 වගණනය කල	2019 රු. '000 විගණනය කල	වෙනස %	
වත්කම්							
මුදල් හා මුදල් වලට සමාන දෑ	291,440	226,281	28.8	291,690	226,537	28.8	
බැංකු සහ මූලූූ ආයතන සමග ඇති ශේෂය	1,214,097	56,747	2,039.5	1,214,097	56,747	2,039.5	
ගණුදෙනු කිරීම සඳහා රදවා ගෙන ඇති මූලෘ වත්කම්	486,188	2,142	22,597.9	486,188	2,142	22,597.9	
ණය සහ ලැබීම් - කල්බඳු	1,052,773	1,719,010	(38.8)	1,052,773	1,719,010	(38.8)	
ණය සහ ලැබීම් - කුලී පිට ගැනුම්	2,023	6,424	(68.5)	2,023	6,424	(68.5)	
ණය සහ ලැබීම් - වෙනත්	603,514	778,830	(22.5)	603,514	778,830	(22.5)	
දේපල පිරියත සහ උපකරණ	11,539	13,569	(15.0)	11,539	13,569	(15.0)	
අස්පෘශෘ වන්කම්	2,483	5,125	(51.6)	2,483	5,125	(51.6)	
තිමිකමක් ඇති වත්කම්	63,643	-	100.0	63,643	-	100.0	
අනෙකුත් වත්කම්	87,242	85,255	2.3	87,242	85,255	2.3	
මුළු වත්කම්	3,814,942	2,893,383	31.9	3,815,192	2,893,639	31.8	
වගකීම							
බැංකු සඳහා	1,715	219,144	(99.2)	1,715	219,144	(99.2)	
ගණුදෙනු කරුවන් සඳහා	2,100,936	2,434,733	(13.7)	2,100,936	2,434,733	(13.7)	
නිකුත්කල ආරක්ෂක ණය	16,000	15,400	3.9	16,000	15,400	3.9	
කල්බදු වගකීම්	74,386	-	100.0	74,386	-	100.0	
අනෙකුත් වගකීම්	69,404	81,848	(14.5)	69,763	81,426	(14.3)	
මුළු වගකීම	2,262,441	2,750,425	(17.7)	2,262,800	2,750,703	(17.7)	
හිමිකම -							
<u>ප</u> ාග්ධනය	2,440,290	1,238,302	97.1	2,440,290	1,238,302	97.1	
පුාග්ධන ආත්තිකාරම	300,000	-	100.0	300,000	-	100.0	
වෘවස්ථාපිත සංචිත අරමුදල	7,259	7,259	(0.0)	7,259	7,259	(0.0)	
රඳවාගත් ඉපැයුම්	(1,195,048)	(1,102,603)	8.4	(1,195,157)	(1,102,625)	8.4	
මුළු හිමිකම්	1,552,501	142,958	986.0	1,552,392	142,936	986.1	
මුළු වගකීම් සහ හිමිකම	3,814,942	2,893,383	31.9	3,815,192	2,893,639	31.8	
අසම්භාවන වගකීම් සහ බැඳීම්	40,028	47,431	(15.6)	40,028	47,431	(15.6)	
කොටසක ශුද්ධ වන්කම් අගය (රු)	7.36	1.69		7.36	1.69		

		ආය	තනය
තෝරාගත් කාර්යය සාධක දර්ශක		31.03.2020	31.03.2019
		දිනට	දිනට
වත්කම් වල තත්වය - (රු '000)			
මු ළු පුතියෝජන		2,134,897	2,898,438
ශුද්ධ මු ළු පුතියෝජන (අඩමාන ණය සඳහා ශුද්ධ පුතිපාදන)		1,658,310	2,504,264
අඛ්ය පුතියෝජන (අවලම්භන පොලී පුමාණය)		634,491	337,958
දළ අඛ්ය අත්තිකාරම් අනුපාදය (%)		29.72%	11.66%
නියාමන දවශීලතාවය - (රු. '000)			
 අවශෘ අවම දුවශීල වත්කම් පුමාණය		212,462	246,517
පවත්නා දුවශීල වත්කම් පුමාණය		1,442,077	255,500
අවශෘ අවම රාජෘ සුරැකුම්පත් පුමාණය		184,134	184,913
පවත්නා රාජෘ සුරැකුම්පත් පුමාණය		250,803	185,810
	31.03.2020	31.03.2020	31.03.2019
	දිනට නැවත සකස් කරන ලදී	දිනට	දිනට
පුාග්ධන පුමාණාත්මතාව [®]			
	1,249,467	1,549,466	137,102
මුළු පුාග්ධනය (රු. දහස්)*	1,248,916	1,548,915	136,371
	39.58%	49.09%	4.85%
අවදානම මත බර තැබූ වත්කම් මත මු ළු පුාග්ධන පුමාණාත්මතා අනුපාතය % ලෙස (අවම අනුපාතය 10%)*	39.56%	49.07%	4.82%
පුාග්ධන අනුපාතයට මු ළු තැන්පතු වගකීම් අනුපාතය % ලෙස (අවම අනුපාතය 10%)*	59%	73.73%	5.60%
ශුී ලංකා මහ බැංකුව විසින් ගනු ලැබූ නියාමන කිුයාමාර්ගය			
ශී් ලංකා මත බැංකුවේ මුදල් මණ්ඩලය 2011 අංක 42 දරණ මූලෳ වනපාර පනතේ 12 වන වගන්තිය යටතේ සම	මාගමට සම්පූර්ණ තෘ	න්පතු සහ ණය අ	ාැනීමේ වගකීම්

(උපවිත පොළි සතිතව) රුපියල් මිලියන 2,500 ක් සන රුපියල් මිලියන 39 ක් ලෙස නියම කර නිඹේ. පිළිවෙලින්, 2017 අංක 2 දරණ මූලූන වනපාර පනතේ නියමයට අනුව අවම මූලික පුාග්ධනය සපුරාලන තෙක් මෙම නියාමනය බලාත්මක වේ.

කෙසේ වෙතත්, COVID-19 හි බලපෑම තේතුවෙන් ශුී ලංකා මහ බැංකුව අවම මූලික පාග්ධන අවශනතාවය 2021 ජනවාරි 01 තෙක් රුපියල් බිලියන 2ක දක්වා දීර්ග කර ඇත. එහි පුනිළුලයක් ලෙස සමාගම මේ වන විට අවම මූලික පාග්ධන අවශනතාව වන රු. බිලයන 1.5ක් පුකාශිත දිනට සම්පූර්ණ කර ඇත.

ලාභදායිත්වය (වාර්ෂික)		
පොලී ආන්තිකය	8%	7%
වත්කම් මත පුතිලාභය (බදු පෙර)	-2%	-3%
සාමානෘ හිමිකම් මත පුතිලාභය (බදු පසු)	-9%	-52%
නාමික පොරතුරු		
සේවක සංඛනාව	118	123
ශාඛා ගණන	10	10
සේවා මධ්‍යස්ථාන පුමාණය	-	-
උකස් මධ්අස්ථාන පුමාණය	1	1

2019/20 මූලූඅ වර්ෂය සඳහා වාර්ෂික නිණුම්වල පුකාශයට පත් කර ඇති තොරතුරු අනුව 2020 මාර්තු 31 වන දිනට අදාල තොරතුරු සහ 2018/19 මූලූඅ වර්ෂය සඳහා වාර්ෂික නිණුම්වල පුකාශයට පත් කර ඇති තොරතුරු අනුව 2019 මාර්තු 31 වන දිනට අදාල තොරතුරු ලබා දෙන ලදී.

පහන අත්සන් කරන පිපල්ස් මර්චන්ට් ෆිනෑන්ස් පීඑල්සී නි පුධාන විධායක නිලධාරී සහ ගණකාධිකාරී වන අප එක්ව පහන කරුණු සහතික කරමු.

a) ඉහත පුකාශන පිළියෙල කොට ඇත්තේ ශීූ ලංකා මහ බැංකුව විසින් නිර්දේශ කල ආකෘතියට සහ නිර්වචන වලට අනුකූලවය. b) විගණනය කල බව සඳහන් කල ඉහත සියළු තොරතුරු පීපල්ස් මර්වන්ට් ෆිනෑන්ස් පීඑල්සී නි විගණනය කරන ලද මූලුය පුකාශන වලින් උපුටාගෙන ඇත.

(අත්සන් කලේ) නලින් විජේකෝන් පුධාන විධායක නිලධාරි

(අත්සන් කලේ) උදිත නදීෂාන්

මෙම මූලුඅ පුකාශනය සකස් කිරීම හා ඉදිරිපත් කිරීමේ වගකීම අධ්යස මණ්ඩලය සතුය. අධ්යස මණ්ඩලය වෙනුවෙන් අනුමත කර අත්සන තඹන ලද්දේ,

1983 ජනවාරි 26 වැනි දින සංස්ථාපනය කරන ලදී. 2011 අංක 42 දරණ මුදල් වනපාර පනත යටතේ

(අත්සන් කලේ චන්දුල අබේවිකුම 2020 ඔක්තෝබර් 27

(අත්සන් කලේ) චන්න මනෝහරන් අධුපක්ෂක

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PEOPLE'S MERCHANT FINANCE PLC



NO: 32A, Sir Mohamed Macan Markar Mawatha P.O. Box 186, Colombo, Sri Lanka.

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of People's Merchant Finance PLC ("the Company") and the consolidated financials of the Company and its subsidiary ('the Group'), which comprise the statement of financial position as at March 31, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at March 31, 2020, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the company and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment allowance for loans and advances

Risk description Our response As disclosed in Note 18 to the Our audit procedures to assess financial statements, the Group impairment of loans and advances to customers included. and the Company has recorded Rs. 1,658Mn as loans and Assessment of the methodology

advances net of Rs. 477Mn expected credit losses as at 31 March 2020. SLFRS 9 "Financial Instruments" requires the application of the expected credit loss (ECL) model which takes into account judgements

in setting the assumptions such as forward-looking probability of default (PD), loss given default (LGD), macroeconomic including their weighting and judgements over the use of data inputs required. As at the reporting date 43% of total assets of the Group consisted of loans and advances. Loan impairment remains one of the most significant judgements made by management particularly in light of the uncertain economic outlook in Sri Lanka and, at the reporting date the potential impact of the global COVID-19

We identified the impairment of loans and advances to customers as a key audit matter because of the inherent uncertainty and management judgement involved in the FCL model and the materiality of the reported amounts for loans and advances and impairment

allowance. Refer to Note 18 and Note 35 to the financial statements and Note 4.17 in the accounting

in the ECL models, including, staging, PD and LGD and evaluating the reasonableness of Management's key judgements

Financial Instruments

Testing the accuracy and completeness of the data inputs by testing reconciliations between source systems and the ECL model and assessment of economic information used within, and weightings applied to, forward looking scenarios;

inherent within the models against

the requirements of SLFRS 9

Challenging the key assumptions

Recalculation of ECL for a sample using the key assumptions used in the models, such as PD and LGD;

Challenging how management had assessed the impact of Covid-19 within the ECL model to assess whether it was appropriately considered in the measurement of ECL at the year end. In particular, we challenged Management's assessment of the likelihood of a severe econdownturn caused by COVID-19 at the reporting date with reference to the reasonable and supportable information available to management at that date;

Comparing the economic factors used in the models to market information to assess whether they were aligned with the market and economic development;

Group's ability to continue as a going

Obtaining the Company's cash

flow projections covering a period

of not less than twelve months

from the reporting period end

date and challenging these key

assumptions used in preparing

Evaluating the sensitivity of

the projected cash flows by

considering downside scenarios

together with reasonably plausible

changes to the key assumptions

and considering whether

there were any indicators of

management bias in the selection

Assessing disclosures in the

financial statements in relation

to the potential impact of the

COVID-19 on the use of going

concern basis of accounting with

reference to the requirements of

the accounting standards.

of the assumptions:

Our response

concern included:

the projections:

Management's assessment of the Group's ability to continue as a going concern due to the potential impact of COVID-19 pandemic

Risk description

The financial statements of the | Our audit procedures to assess the Group have been prepared on a going concern basis. In adopting the going concern basis of preparation of the financial statements, the directors have reviewed the Company's 12-months cash flow projections prepared by management. The cash flow projections were based on management's assumptions and estimation of future cash inflows and outflows, taking into consideration the impact of COVID-19 related events.

Note 42 describes the impact of COVID-19 outbreak to the current year financial statements and possible effects to the Company's, future prospects, performance and cash flows Further, the management has described how they plan to deal with these events and circumstances as the outbreak is still prevailing as at the date of this report.

We identified the assessment of going concern as a key audit matter because the assessment of going concern involves consideration of future events which are inherently uncertain and because the assessment requires the exercise of significant management judgement in assessing future cash inflows and outflows which could be subject to potential bias.

Refer note 42 to the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those **Charged with Governance for the Financial**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting

Auditor's Responsibilities for the Audit of the **Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if. individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is

> **CHARTERED ACCOUNTANTS** Colombo, Sri Lanka 30 June 2020