

පීපල්ස් මර්චන්ට් ෆිනෑන්ස් පීඑල්සී

2021 මාර්තු 31 වන දිනයෙන් අවසන් වූ වර්ෂය සඳහා මූලූ පුකාශන

ආදායම් පුකාශනය	ආයතනය			සමූහය		
යාථාගම පිතාශ්නග	2021 රු. '000	2020 රු. '000	වෙනස %	2021 රු. '000	2020 රු. '000	වෙන (
මාර්තු මස 31න් අවසන් වන වර්ෂය සඳහා	විගණනය කල	විගණනය කල		විගණනය කල	විගණනය කල	
දළ ආදායම	629,491	629,528	(0.0)	629,491	629,528	(0.0)
පොලී ආදායම	470,977	563,581	(16.4)	470,977	563,581	(16.4)
අඩු කළා : පොලී වියදම	237,591	300,039	(20.8)	237,591	300,039	(20.8)
ශුද්ධ පොලී ආදායම	233,386	263,542	(11.4)	233,386	263,542	(11.4)
ගාස්තු හා කොමිස් ආදායම්	11,001	6,182	78.0	11,001	6,182	78.0
FVTPL හි මූලෘ වත්කම් වලින් ශුද්ධ සාධාරණ වටිනාකම / අලාභය	43,995	29,606	48.6	43,995	29,606	48.6
වෙනත් මෙතෙයුම් ආදායම්	103,518	30,159	243.2	103,518	30,159	243.2
මුළු මෙහෙයුම් ආදායම්	391,900	329,489	18.9	391,900	329,489	18.9
අඩු කළා : ණය හා						
අනෙකුත් අලාභ සඳහා හානිකරණ	41,802	(122,535)	134.1	41,802	(122,535)	134.1
ශුද්ධ මෙහෙයුම් ආදායම්	433,702	206,954	109.6	433,702	206,954	109.6
සේවක වියදම්	174,111	129,227	34.7	174,111	129,227	34.7
දේපල පිරියත හා උපකරණ සෂය	4,267	4,378	(2.5)	4,267	4,378	(2.5)
අස්පෘශෘ වත්කම් කුමකෂය	392	3,285	(88.1)	392	3,285	(88.1)
හිමිකමක් ඇති වත්කම්වල කුමසෂය	35,085	28,930	21.3	35,085	28,930	21.3
අනෙකුත් මෙහෙයුම් වියදම්	119,297	109,407	9.0	119,374	109,494	9.0
මූලුප සේවා අශය මත බද්දට හා ආදායම් බද්දට පෙර ලාභය / අලාභය	100,550	(68,273)	247.3	100,473	(68,360)	247.0
ආදායම නදදට පෙට ලාභය / අලාභය අඩුකලා : මුලූූූූූ සේවා අගය මත බද්ද	33,148	11,681	183.8	33,148	11,681	183.8
අපුකලා - මූලා යෙදා අගත පත කදල බදුවලට පෙර ලාභය / අලාභය	67,402	(79,954)	184.3	67,325	(80,041)	184.1
අඩු කළා : ආදායම් බදු වියදම්	397	(132)	401.1	397	(132)	401.1
කාලච්ඡේදය සඳහා ලාභය / අලාභය	67,799	(80,086)	184.7	67,722	(80,173)	184.5
සාමානුදු කොටසක ලාභය / අලාභය (රු)	0.32	(0.40)		0.32	(0.40)	

9-3044m	ආයතනය			සමූහය		
විස්තීරණ ආදායම් පුකාශනය මාර්තු මස 31න් අවසන් වන වර්ගෙ සඳහා	2021 රු. '000 විගණනය කල	2020 රු. '000 විගණනය කල	වෙනස %	2021 රු. '000 විගණනය කල	2020 රු. '000 විගණනය කල	වෙනස %
කාලවිපේදය සඳහා අලාභය වෙනස් විස්තීර්ණ ආදායම්/(වියදම්) (බදු ගෙවූ පසු)	67,799	(80,086)	184.7	67,722	(80,173)	184.5
අලෙවිය සඳහා ඇති වත්කම් නැවත ගණනය කල ලාභ/(අලාභ)	1,656	(470)	452.0	1,656	(470)	452.0
අනෙකුත් විස්තීරණ ආදායමට අදාල බදු (වියදම්)/(ආදායම්	(397)	132	401.7	(397)	132	401.7
ආශිුත බදු නිශ්චිත පුතිලාභ සැළසුම් මත පුතිලාභ	1,259	(338)	473.0	1,259	(338)	473.0
කාලවිපේදය සඳහා මුළු විස්තීර්ණ ආදායම	69,058	(80,424)	185.9	68,981	(80,511)	185.7
වරහන් තුළ ඇති අගයන් අඩු කිරීම ලෙස පෙන්නුම් කෙරේ						

මූලප තත්වය පිළිබඳ		ආයතනය			සමූහය		
සිගා හටා සිහිරි ම්ලා හටා සිහිරි	2021 6z. '000	2020 රු. '000	වෙනස %	2021 රු. '000	2020 රු. '000	වෙනස %	
මාර්තු මස 31 දිනට	විගණනය කල	විගණනය කල		විගණනය කල	විගණනය කල		
වත්කම්							
මුදල් නා මුදල් වලට සමාන දෑ	707,190	291,440	142.7	707,437	291,690	142.5	
බැංකු සහ මූලෳ ආයතන සමග ඇති ශේෂය	5,126	1,214,097	(99.6)	5,126	1,214,097	(99.6)	
ගණුදෙනු කිරීම සඳහා රදවා ගෙන ඇති මූලෘ වත්කම්	647,840	486,188	33.2	647,840	486,188	33.2	
ණය සන ලැබීම් - කල්බඳු	1,618,719	1,054,796	53.5	1,618,719	1,054,796	53.5	
ණය සහ ලැබීම් - කුලී පිට ගැනුම්	1,537,849	603,514	154.8	1,537,849	603,514	154.8	
දේපල පිරියන සහ උපකරණ	24,879	11,539	115.6	24,879	11,539	115.6	
අස්පෘශ් වත්කම්	6,590	2,483	165.4	6,590	2,483	165.4	
නිමිකමක් ඇති ව ත්කම්	68,787	63,643	8.1	68,787	63,643	8.1	
අනෙකුත් වත්කම්	86,872	87,242	(0.4)	86,872	87,242	(0.4)	
මුළු වත්කම්	4,703,852	3,814,942	23.3	4,704,099	3,815,192	23.3	
වගකීම							
බැංකු සඳහා	-	1,715	(100.0)	-	1,715	(100.0)	
ගණුදෙනු කරුවන් සඳහා	2,289,491	2,100,936	9.0	2,289,491	2,100,936	9.0	
නිකුත්කල ආරක්ෂක ණය	16,600	16,000	3.7	16,600	16,000	3.7	
කල්බදු වගකීම්	80,424	74,386	8.1	80,424	74,386	8.1	
සේවක පුතිලාභ වගකීම	18,360	23,457	(21.7)	18,360	23,457	(21.7)	
අනෙකුත් වගකීම්	167,776	45,946	265.2	168,209	46,305	263.3	
මුළු වගකීම	2,572,651	2,262,440	13.7	2,573,084	2,262,799	13.7	
හිමිකම							
පුාග්ධනය	3,252,159	2,440,290	33.3	3,252,159	2,440,290	33.3	
පුාග්ධන ආත්තිකාරම	-	300,000	(100.0)	-	300,000	(100.0)	
වෘවස්ථාපිත සංචිත අරමුදල	10,649	7,259	46.7	10,649	7,259	46.7	
සමුච්චිත අලාභය	(1,131,607)	(1,195,047)	5.3	(1,131,793)	(1,195,156)	5.3	
මුළු හිමිකම්	2,131,201	1,552,502	37.3	2,131,015	1,552,393	37.3	
 මුළු වගකීම් සහ හිමිකම	4,703,852	3,814,942	23.3	4,704,099	3,815,192	23.3	
අසම්භාවය වගකීම් සහ මැඳීම්	81,260	40,028	103.0	81,260	40,028	103.0	
කොටසක ශුද්ධ වත්කම් අගය (රු)	6.52	7.36		6.52	7.36		

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වත්කම් වල තත්වය - (රු '000)		
මුළු පුතියෝජන	3,569,759	2,134,897
ශුද්ධ මු ළු පුතියෝජන (අඩමාන ණය සඳහා ශුද්ධ පුතිපාදන)	3,156,398	1,658,310
අඛ්ය පුතියෝජන (අවලම්භන පොලී පුමාණය)	496,167	634,491
දළ අඛ්ය අත්තිකාරම් අනුපාතය (%)	13.90%	29.72%
නියාමන දුවශීලතාවය - (රු. '000)		
අවශ් අවම දුවශීල වන්කම් පුමාණය	138,682	212,462
පවත්නා දුවශීල වත්කම් පුමාණය	739,867	1,442,077
අවශෘ අවම රාජෘ සුරැකුම්පත් පුමාණය	116,536	184,134
පවත්තා රාජෘ සුරැකුම්පත් පුමාණය	663,288	250,803
	31.03.2021 දීනට	31.03.2020 දිනට
පුාශ්ධන පුමාණාත්මතාව		
මුලික පාග්ධනය (පළමු පෙළ පාග්ධනය) (රු. දහස්)	2,131,201	1,249,467
මුළු පුාග්ධනය (රු. දහස්)	2,123,555	1,248,916
අවදානම් මත බර තැබූ වත්කම් මත මූලික පුාග්ධන පුමාණාත්මතා අනුපානය. % ලෙස (අවම අනුපාතය 6.5%)	44.39%	39.58%
අවදානම මත බර තැබූ වත්කම් මත මු ළු පුාග්ධන පුමාණාත්මතා අනුපාතය % ලෙස (අවම අනුපාතය 10.5%)	44.38%	39.56%
පුාග්ධන අනුපාතයට මු ළු තැන්පතු වගකිම් අනුපාතය % ලෙස (අවම අනුපාතය 10%)	92.75%	59.45%

ශුී ලංකා මහ බැංකුව විසින් ගනු ලැබූ නියාමන කියාමාර්ගය

තෝරාගත් කාර්යය සාධක දර්ශක

ශී ලංකා මන බැංකුවේ මුදල් මණ්ඩලය 2011 අංක 42 දරණ මූලෘ වහපාර පනතේ 12 වන වගන්තිය යටතේ සමාගමට සම්පූර්ණ තැන්පතු සහ ණය ගැනීමේ වගකීම් (උපචිත පොළී සහිතව) රුපියල් මිලියන 2,500 ක් සහ රුපියල් මිලියන 39 ක් ලෙස නියම කර තිබේ. පිළිවෙලින්, 2017 අංක 2 දරණ මූලෘ වහපාර පනතේ නියමයට අනුව අවම මූලික පුාග්ධනය සමාගම විසින් සපුරාලනු ලැබේ. කෙසේ වෙතත්, සමාගම විසින් 2021 මාර්තු 31 වන විට අවශෘ අවම මූලික පාග්ධනය සපුරා ඇති අතර නිවැරදි

ලාභදායිත්වය (වාර්ෂික)		
පොලී ආන්තිකය	7.22%	8.46%
වත්කම් මත පුතිලාභය (බදු පෙර)	1.59%	-2.39%
සාමානඃ නිමිකම් මත පුතිලාභය (බදු පසු)	3.68%	-9.45%
නාමික තොරතුරු		
සේවක සංඛනව	168	118
ශාවා ගණන	11	11
සේවා මධ්පස්ථාන පුමාණය	-	-
උකස් මධෳස්ථාන පුමාණය	1	1

2011 අංක 42 දරණ මූලෳ වනපාර පනතට අනුකූල වන පරිදි 2020/21 මූලෳ වර්ෂය සඳහා වාර්ෂික ගිණුම්වල පුකාශයට පත් කර ඇති තොරතුරු අනුව 2021 මාර්තු 31 වන දිනට අදාල තොරතුරු සහ 2019/20 මූලෳ වර්ෂය සඳහා වාර්ෂික ගිණුම්වල පුකාශයට පත් කර ඇති තොරතුරු අනුව 2020 මාර්තු 31 වන දිනට අදාල තොරතුරු

ලබා දෙන ලදී සහතික කිරීම

2007 අංක 07 දරණ සමාගම් පනතේ අවශෘතාවයන්ට අනුකූලව මෙම මූලෘ පුකාශන සකස් කර ඇත.

(අත්සන් කලේ) පධාන විධායක නිලධාරි

(අත්සන් කලේ) පධාන කළමනාකරු - මලප

ආයතනය

31.03.2021 31.03.2020

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

චන්දල අබේවිකම 2021 ජූති 28

(අත්සන් කලේ) චන්න මනෝහරන් අධෘක්ෂක

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. Tel: 0115 426426

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of People's Merchant Finance PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ('the Group'), which comprise the statement of financial position as at March 31, 2021, 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, 2021, 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 lease rental receivable

Refer to Note 19 and Note 36 to the financial statements and Note 4.17 in the accounting policies

Kisk description
As at the March 31, 2021 67% of total assets of the Group consisted of loans and advances. As disclosed in Note 19 to the financial statements, the Group and the Company has recorded Rs. 3,157 Mn as loans and advances
net of Rs. 413 Mn

expected credit losses as

at the reporting date

Disk description

Loans and advances impairment remain as 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 outbreak.

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 scenarios including their weighting and judgements over the use of data inputs required.

Therefore, We identified impairment loans and advances to customers as a key audit matter because of inherent uncertainty and management iudgement involved in the ECL model This model is reliant on data and a number estimates including the impact of multiple economic scenarios and other assumptions such as defining a significant increase in credit risk.

Our response

Our audit procedures to assess impairment of loans and advances to customers included

- Assessment of the methodology inherent within the models against the requirements of SLFRS 9 - Financial Instruments;
- Assesing the key assumptions in the ECL models, including, staging, PD and LGD and evaluating the reasonableness of Management's key judgements and estimates;
- 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;
- Recalculation of ECL for a sample using the key assumptions used in the models, such as PD and
- management Assesing how had assessed the impact of COVID-19, including the implications of the moratoriums granted to customers, 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 economic downturn caused by COVID-19 at the reporting date with reference to the reasonable and supportable information available 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.
- Assesing the appropriateness of the Group's disclosures in the financial statements using understanding obtained from our testing and against the requirements of the Sri Lanka Accounting standards.

Management's assessment of the Group's ability to continue as a going concern

Risk description

The financial statements of 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 43 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. 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 and complying with the regulatory requirements of the Central Bank of Sri Lanka. Impact arising from COVID-19 requires the exercise of significant management iudgement in assessing future cash inflows and outflows which could be subject to potential bias.

Our response

Our audit procedures to assess the Group's ability to continue as a going concern included;

- Obtaining the Company's cash flow projections covering a period of not less than twelve months from the reporting period end date and assessing these key assumptions used in preparing the projections;
- Evaluating the sensitivity of the projected cash considering flows by downside scenarios together with reasonably plausible changes to the kev assumptions and considering whether there were any indicators of management bias in the selection of the assumptions:
- Assessing correspondence with the Regulator in order to evaluate the potential impact and the agreed rectifications for the noncompliances with regulatory requirements.
- Assessing adequacy of the disclosures in 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 Statements

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 process.

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 management.
- 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 concern.
- 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

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 1224

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka 28th June 2021