

CONDENSED INTERIM FINANCIAL STATEMENTS

PEOPLE'S MERCHANT FINANCE PLC

For the period ended 30th September 2021





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PEOPLE'S MERCHANT FINANCE PLC INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim financial statements of People's Merchant Finance PLC ("the Company") and condensed interim consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the condensed interim statement of financial position as at 30 September 2021, and the condensed interim statements of profit or loss, other comprehensive income and cash flows for the six (06) months period then ended, and notes to the condensed interim financial statements set out on pages 3 to 16 of this condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with LKAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Sri Lanka Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Sri Lanka Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements does not give a true and fair view of the financial position as at 30 September 2021, and of its financial performance and its cash flows for the six-months period then ended, in accordance with LKAS 34 "Interim Financial Reporting".

Chartered Accountants

10th November 2021
Colombo

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CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	30.09.21 Reviewed Rs. '000	31.03.21 Audited Rs. '000	Change %	30.09.21 Reviewed Rs. '000	31.03.21 Audited Rs. '000	Change %
Assets						
Cash and cash equivalents	321,289	707,190	(54.6)	321,536	707,437	(54.5)
Placements with banks and financial institutions	5,255	5,126	2.5	5,255	5,126	2.5
Financial assets measured at fair value	468,509	647,840	(27.7)	468,509	647,840	(27.7)
Financial assets measured at amortised cost - Loans and advances	4,273,739	3,156,568	35.4	4,273,739	3,156,568	35.4
Property, plant and equipment	39,659	24,879	59.4	39,659	24,879	59.4
Intangible assets	8,681	6,590	31.7	8,681	6,590	31.7
Right of use assets	137,682	68,787	100.2	137,682	68,787	100.2
Other Assets	373,565	86,872	330.0	373,565	86,872	330.0
Total Assets	5,628,379	4,703,852	19.7	5,628,626	4,704,099	19.7
Liabilities						
Due to banks	595,833	-	100.0	595,833	-	100.0
Financial liabilities at amortised cost - due to depositors	2,413,623	2,289,491	5.4	2,413,623	2,289,491	5.4
Debt securities issued	16,900	16,600	1.8	16,900	16,600	1.8
Lease liabilities	156,141	80,424	94.1	156,141	80,424	94.1
Employee benefit obligation	19,977	18,360	8.8	19,977	18,360	8.8
Other liabilities	291,706	167,776	73.9	292,139	168,209	73.7
Total Liabilities	3,494,180	2,572,651	35.8	3,494,613	2,573,084	35.8
Equity						
Stated capital	3,252,159	3,252,159	(0.0)	3,252,159	3,252,159	(0.0)
Statutory reserve fund	10,649	10,649	0.0	10,649	10,649	0.0
Accumulated losses	(1,128,609)	(1,131,607)	0.3	(1,128,795)	(1,131,793)	0.3
Total Equity	2,134,199	2,131,201	0.1	2,134,013	2,131,015	0.1
Total Liabilities & Equity	5,628,379	4,703,852	19.7	5,628,626	4,704,099	19.7
Contingent liabilities and commitments	212,610	81,260	161.6	212,610	81,260	161.6
Net assets value per ordinary share (Rs.)	6.53	6.52	0.1	6.53	6.52	0.1
CERTIFICATION						
We certify that the above interim financial statements are in compliance with the requirement of the Companies Act No 07 of 2007.						
(Signed)				(Signed)		
Darshana Wijayanayaka				Nalin Wijekoon		
Chief Manager-Finance				Chief Executive Officer		
The Board of Directors is responsible for the preparation and presentation of these Interim Financial Statements.						
Approved and signed for and on behalf of the Board of Directors.						
(Signed)				(Signed)		
Chandula Abeywickrema				Channa Manoharan		
Chairman				Director		
10th November 2021 Colombo						
<i>Figures in brackets indicate deductions.</i>						

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS

	For the six months ended			For the quarter ended		
	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %
Gross Income	382,788	268,166	42.7	199,229	143,783	38.6
Interest income	298,946	207,797	43.9	163,378	103,758	57.5
Less: Interest expense	107,719	120,442	(10.6)	55,045	57,121	(3.6)
Net interest income	191,227	87,355	118.9	108,333	46,637	132.3
Fee and commission income	6,203	4,424	40.2	3,921	3,200	22.5
Net fair value gain/(loss) from financial assets at FVTPL	24,996	25,790	(3.1)	9,560	13,209	(27.6)
Other operating income	52,645	30,155	74.6	22,371	23,618	(5.3)
Total operating income	275,071	147,725	86.2	144,185	86,664	66.4
Less: Impairment charges for loans and receivables and other losses	14,297	6,430	122.4	(2,456)	(26,908)	90.9
Net operating income	260,774	141,295	84.6	146,641	113,572	29.1
Less: Personnel Expenses	129,162	71,702	80.1	64,741	43,248	49.7
Depreciation of property, plant and equipment	2,807	1,971	42.4	1,282	1,023	25.3
Amortisation of intangible assets	237	793	(70.2)	128	513	(75.1)
Amortisation of right of use assets	23,370	14,465	61.6	12,670	7,233	75.2
Other expenses	82,493	48,687	69.4	51,440	29,678	73.3
Operating profit/(loss) before tax on financial services	22,705	3,677	517.5	16,380	31,877	(48.6)
Less : Tax on financial services	19,707	9,526	100.0	10,435	9,526	100.0
Profit/(Loss) before income tax	2,998	(5,850)	151.2	5,945	22,351	(73.4)
Less: Income tax expense	-	-	-	-	-	-
Profit/(Loss) for the period	2,998	(5,850)	151.2	5,945	22,351	(73.4)
Basic earnings/(loss) per share - (Rs)	0.01	(0.03)	130.6	0.02	0.11	(82.8)

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS - GROUP

	For the six months ended			For the quarter ended		
	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %
Gross Income	382,789	268,167	42.7	199,230	143,784	38.6
Interest income	298,946	207,797	43.9	163,378	103,758	57.5
Less: Interest expense	107,719	120,442	(10.6)	55,045	57,121	(3.6)
Net interest income	191,227	87,355	118.9	108,333	46,637	132.3
Fee and commission income	6,203	4,424	40.2	3,921	3,200	22.5
Net fair value gain/(loss) from financial assets at FVTPL	24,996	25,790	(3.1)	9,560	13,209	(27.6)
Other operating income	52,645	30,155	74.6	22,371	23,618	(5.3)
Total operating income	275,071	147,725	86.2	144,185	86,664	66.4
Less: Net impairment charges/ (reversal) on financial assets	14,297	6,430	122.4	(2,456)	(26,908)	90.9
Net operating income	260,774	141,295	84.6	146,642	113,572	29.1
Less: Personnel Expenses	129,162	71,702	80.1	64,741	43,248	49.7
Depreciation of property, plant and equipment	2,807	1,971	42.4	1,282	1,023	25.3
Amortisation of intangible assets	237	793	(70.2)	128	513	(75.1)
Amortisation of right of use assets	23,370	14,465	61.6	12,670	7,233	75.2
Other expenses	82,493	48,687	69.4	51,440	29,678	73.3
Operating profit/(loss) before tax on financial services	22,705	3,677	517.5	16,380	31,877	(48.6)
Less : Tax on financial services	19,707	9,526	106.9	10,435	9,526	9.5
Profit/(Loss) before income tax	2,998	(5,850)	151.2	5,945	22,351	(73.4)
Less: Income tax expense	-	-	-	-	-	-
Profit/(Loss) for the period	2,998	(5,850)	151.2	5,945	22,351	(73.4)
Basic earnings/(loss) per share - (Rs)	0.01	(0.03)	133.1	0.02	0.11	(82.8)
<i>Figures in brackets indicate deductions.</i>						

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF OTHER COMPREHENSIVE INCOME

	For the six months ended			For the quarter ended		
	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %
Profit / (Loss) for the period	2,998	(5,850)	151.2	5,945	22,351	(73.4)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Deffered tax effect on acturial loss	-	-	-	-	-	-
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	2,998	(5,850)	151.2	5,945	22,351	(73.4)

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF OTHER COMPREHENSIVE INCOME - GROUP

	For the six months ended			For the quarter ended		
	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %	30.09.2021 Reviewed Rs. '000	30.09.2020 Reviewed Rs. '000	Change %
Profit / (Loss) for the period	2,998	(5,850)	151.2	5,945	22,351	73.4
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Deffered tax effect on acturial loss	-	-	-	-	-	-
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	2,998	(5,850)	151.2	5,945	22,351	73.4

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY - COMPANY

Company	Stated capital	Advance against stated capital	Reserve fund	Retained earnings	Total equity
<i>In thousands of rupees</i>					
Balance as at 1 April 2020	2,440,290	300,000	7,259	(1,195,048)	1,552,501
Profit/(loss) for the six months ended 30 September 2020	-	-	-	(5,850)	(5,850)
Total comprehensive income	-	-	-	(5,850)	(5,850)
Transactions with owners of the Company					
Contributions and distributions					
Right issue of shares	-	-	-	-	-
Total contribution and distribution	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
Balance as at 30 September 2020	2,440,290	300,000	7,259	(1,200,898)	1,546,651
Balance as at 1 April 2021	3,252,159	-	10,649	(1,131,607)	2,131,201
Profit/(loss) for the six months ended 30 September 2021	-	-	-	2,998	2,998
Total comprehensive income	-	-	-	2,998	2,998
Balance as at 30 September 2021	3,252,159	-	10,649	(1,128,609)	2,134,199

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY - GROUP

Group	Stated capital	Advance against stated capital	Reserve fund	Retained earnings	Total equity
<i>In thousands of rupees</i>					
Balance as at 1 April 2020	2,440,290	300,000	7,259	(1,195,157)	1,552,392
Profit/(loss) for the six months ended 30 September 2020	-	-	-	(5,850)	(5,850)
Total comprehensive income	-	-	-	(5,850)	(5,850)
Transactions with owners of the Company					
Contributions and distributions					
Right issue of shares	-	-	-	-	-
Total contribution and distribution	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
Balance as at 30 September 2020	2,440,290	300,000	7,259	(1,201,007)	1,546,542
Balance as at 1 April 2021	3,252,159	-	10,649	(1,131,793)	2,131,015
Profit/(loss) for the six months ended 30 September 2021	-	-	-	2,998	2,998
Total comprehensive income	-	-	-	2,998	2,998
Balance as at 30 September 2021	3,252,159	-	10,649	(1,128,795)	2,134,013

Figures in brackets indicate deductions.

The notes to the Financial Statements form an integral part of these Financial Statements.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS

For the six months ended 30th September	COMPANY		GROUP	
	2021 Reviewed Rs '000	2020 Reviewed Rs '000	2021 Reviewed Rs '000	2020 Reviewed Rs '000
Cash flows from operating activities				
Profit/(Loss) before tax	2,998	(5,850)	2,998	(5,850)
Adjustment for:				
- Depreciation and amortisation	26,413	17,229	26,413	17,229
- Net gain on investment securities at FVPTL	(24,996)	(25,790)	(24,996)	(25,790)
- Net impairment loss on loans and advances	14,297	6,430	14,297	6,430
- Interest expense on preference shares	300	300	300	300
- Interest expense on leases	4,420	3,701	4,420	3,701
- Dividend on equity securities at FVPTL	(27)	(342)	(27)	(342)
- Interest income	(5,172)	(51,397)	(5,172)	(51,397)
- Provision for retirement benefit obligation	2,400	2,350	2,400	2,350
- Loss / (Gain) on disposal of property, plant and equipment	-	(9,594)	-	(9,594)
	20,633	(62,963)	20,633	(62,963)
Changes in				
Financial assets measured at amortised cost - Loans and advances	(1,131,468)	(404,562)	(1,131,468)	(404,562)
Other assets	(286,692)	(12,914)	(286,692)	(12,914)
Due to customers	124,132	65,069	124,132	65,069
Other liabilities	124,218	49,134	124,218	49,134
	(1,149,177)	(366,236)	(1,149,177)	(366,236)
Retiring gratuity paid	(1,070)	(5,186)	(1,070)	(5,186)
Income tax paid	-	-	-	-
Net cash from/ (used in) operating activities	(1,150,247)	(371,422)	(1,150,247)	(371,422)
Cash flows from investing activities				
Interest income on short term investment	5,172	51,397	5,172	51,397
Net proceeds from investments in fixed deposits	(130)	598,504	(130)	598,504
Net proceeds from investments in securities	204,327	(240,000)	204,327	(240,000)
Acquisition of property, plant and equipment	(17,587)	(5,003)	(17,587)	(5,003)
Purchase of intangible assets	(2,328)	(1,454)	(2,328)	(1,454)
Proceeds from disposal of property, plant and equipment	-	-	-	-
Dividends received from investments	27	342	27	342
Net cash from/ (used in) investing activities	189,481	413,401	189,481	413,401
Cash flows from financing activities				
Borrowing from due to banks	600,000	-	600,000	-
Payment for due to banks	(4,167)	-	(4,167)	-
Lease rental payments	(20,968)	(21,797)	(20,968)	(21,797)
Net cash from / (used in) financing activities	574,865	(21,797)	574,865	(21,797)
Net increase / (decrease) in cash and cash equivalents	(385,901)	20,182	(385,901)	20,182
Cash and cash equivalents at beginning of the year	707,190	289,725	707,437	289,975
Cash and cash equivalents at the end of the year	321,289	309,907	321,536	310,157
Cash and cash equivalents at the end of the year				
Cash and cash equivalents	321,289	326,139	321,536	326,389
Bank overdraft	-	(16,232)	-	(16,232)
	321,289	309,907	321,536	310,157

*The notes to the financial statements are an integral part of these financial statements.
Figures in brackets indicate deductions.*

CONDENSED INTERIM FINANCIAL STATEMENTS
ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

As at 30th September 2021	Company		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
Assets			
Cash and cash equivalents	-	321,289	321,289
Balances with banks and financial institutions	-	5,255	5,255
Financial assets measured at amortised cost - Loans and advances	-	4,273,739	4,273,739
Investments in securities	468,509	-	468,509
Total Financial Assets	468,509	4,600,283	5,068,792
Liabilities			
Due to banks	-	595,833	595,833
Financial liabilities at amortised cost - due to depositors	-	2,413,623	2,413,623
Debt securities issued	-	16,900	16,900
Total Liabilities	-	3,026,356	3,026,356
As at 31st March 2021	Company		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
Assets			
Cash and cash equivalents	-	707,190	707,190
Balances with banks and financial institutions	-	5,126	5,126
Financial assets measured at amortised cost - Loans and advances	-	3,156,568	3,156,568
Investments in securities	647,840	-	647,840
Total Financial Assets	647,840	3,868,884	4,516,724
Liabilities			
Due to banks	-	-	-
Financial liabilities at amortised cost - due to depositors	-	2,289,491	2,289,491
Debt securities issued	-	16,600	16,600
Total Liabilities	-	2,306,091	2,306,091

CONDENSED INTERIM FINANCIAL STATEMENTS
ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

As at 30th September 2021	Group		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
Assets			
Cash and cash equivalents	-	321,536	321,536
Balances with banks and financial institutions	-	5,255	5,255
Financial assets measured at amortised cost - Loans and advances	-	4,273,739	4,273,739
Investments in securities	468,509	-	468,509
Total Financial Assets	468,509	4,600,530	5,069,039
Liabilities			
Due to banks	-	595,833	595,833
Financial liabilities at amortised cost - due to depositors	-	2,413,623	2,413,623
Debt securities issued	-	16,900	16,900
Total Liabilities	-	3,026,356	3,026,356
As at 31st March 2021	Group		
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
Assets			
Cash and cash equivalents	-	707,437	707,437
Balances with banks and financial institutions	-	5,126	5,126
Financial assets measured at amortised cost - Loans and advances	-	3,156,568	3,156,568
Investments in securities	647,840	-	647,840
Total Financial Assets	647,840	3,869,131	4,516,971
Liabilities			
Due to banks	-	-	-
Financial liabilities at amortised cost - due to depositors	-	2,289,491	2,289,491
Debt securities issued	-	16,600	16,600
Total Liabilities	-	2,306,091	2,306,091

CONDENSED INTERIM FINANCIAL STATEMENTS
SEGMENTAL ANALYSIS

Rs. '000

For the six months ended 30th September	Leasing & Hire Purchases		Loans and Pawning		Margin Trading		Other		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income										
Interest income	141,923	88,239	45,445	28,434	38,146	10,762	73,433	80,362	298,946	207,797
Fee and commission income	6,201	3,952	2	472	-	-	-	-	6,203	4,424
Net income from other financial instruments at FVTPL	-	-	-	-	-	-	24,996	25,790	24,996	25,790
Other operating income	5,545	5,785	35,442	8,626	-	-	11,658	15,744	52,645	30,155
Gross revenue	153,670	97,976	80,888	37,533	38,146	10,762	110,086	121,896	382,788	268,167
Less: Interest expenses	37,976	37,903	30,783	19,817	13,031	3,563	25,929	59,159	107,719	120,442
Total operating income	115,693	60,073	50,105	17,716	25,115	7,199	84,157	62,737	275,069	147,725
Net impairment charges/(reversal)	701	15,725	10,429	(9,295)	3,166	-	-	-	14,297	6,430
Net operating income	114,991	44,348	39,676	27,011	21,949	7,199	84,157	62,737	260,772	141,295
Less: Operating Expenses	83,930	45,883	68,032	23,989	28,798	4,313	57,306	63,433	238,067	137,619
Segment results	31,061	(1,536)	(28,357)	3,022	(6,849)	2,886	26,850	(697)	22,705	3,677
Less: Tax on financial services	-	-	-	-	-	-	-	-	19,707	9,526
Less: Income tax expense	-	-	-	-	-	-	-	-	-	-
Loss attributable to equity holders									2,998	(5,850)
As at 30th September										
Segment Assets	1,984,366	1,271,894	1,608,492	664,991	680,882	119,557	1,354,886	1,860,987	5,628,626	3,917,429
Total Assets	1,984,366	1,271,894	1,608,492	664,991	680,882	119,557	1,354,886	1,860,987	5,628,626	3,917,429
Segment Liabilities	1,232,022	769,770	998,655	402,462	422,735	72,358	841,201	1,126,297	3,494,613	2,370,887
Total Liabilities	2,889,198	769,770	454,916	402,462	402	72,358	150,096	1,126,297	3,494,613	2,370,887

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
INFORMATION ON ORDINARY SHARES OF THE COMPANY

<u>Market Price</u>	2021 Rs.	2020 Rs.
Highest price during the quarter ended 30th September	7.40	10.70
Lowest price during the quarter ended 30th September	6.00	7.50
Closing price as at 30th September	6.40	9.90
<u>Capital</u>	2021	2020
Ordinary Shares (Number of Shares)	326,856,250	210,875,000
Ordinary Shares (Value Rs.)	3,252,158,750	2,440,290,000
Advance against Stated Capital (Value Rs.)	-	300,000,000
<u>Preference Shares</u>		
Cumulative Preference Shares (Number of Shares)	1,000,000	1,000,000
Cumulative Preference Shares (Value Rs.)	10,000,000	10,000,000

<u>Ratios</u>	As at 30.09.2021	As at 31.03.2021
Debt to equity ratio (times)	1.14	1.08
Interest cover (times)	1.03	1.29
Quick asset ratio (%)	17.38	24.27

CONDENSED INTERIM FINANCIAL STATEMENTS
SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 30th September 2021		
Name of the Share Holder	No: of Shares	%
Sterling Capital Investments (Private) Limited	256,734,990	78.55
People's Bank	33,856,246	10.36
People's Leasing & Finance PLC	25,014,002	7.65
Mr. L. De Fonseka	1,000,000	0.31
People's Leasing & Finance PLC/ Dr. H.S.D. Soysa & Mrs. G. Soysa	610,704	0.19
Mr. Z.G. Carimjee	500,000	0.15
Mr. H.V. Pakianathan	370,143	0.11
People's Merchant Finance PLC/ M.Thiyagaraja	200,031	0.06
Dr. H.S.D. Soysa	200,000	0.06
DFCC Bank PLC/ Mr.W.G. Herath	166,353	0.05
Mr. P.M.R.K. Kirimetiya	148,100	0.05
Mr. M.C.M. Zarook	139,500	0.04
Mr. H. Beruwalage	116,200	0.04
Mr. B.W.Kundanmal	102,100	0.03
Mr. P.K. Biswas	100,000	0.03
Mr. S.N.C.W.M.B.C. Kandededara	100,000	0.03
Mr. W.L.E. Ruwinka	100,000	0.03
Mr. W.G. Herath	96,829	0.03
Mr. C.N. Pakianathan	92,975	0.03
Mr. T.Kulanthaivelu	92,328	0.03
	319,740,501	97.83

Directors' Shareholding	Position	No: of Shares
Mr. C.P.Abeywickrama	Chairman	-
Mr. C.S.Manoharan	Director	-
Mr. K.R.P.Madusanka	Director	-
Mr.M.J.T.Waas	Director	-
Mr. R. Kodituwakku	Director	-
Total		-

	No: of Shares
Issued Share Capital as at 30th September 2021	326,856,250
<i>Less:</i>	
Parent Company	256,734,990
Common Director	-
Directors shareholding	-
Spouses & Children under 18 and Close Family of Directors	-
Chief Executive Officers Shareholding	-
Spouse, Children under/over 18 & close family Members of CEO	-
Holding of 5% or more jointly or severally	-
Public Shareholding (9,962 Shareholders)	70,121,260
Public Holding as a % of Shares Issued	21.45%

Issued Share Capital as at 30th September 2021	326,856,250
Closing Mkt Price	6.40
Total Market Capitalization	2,091,880,000
Public Shareholding (9,962 Shareholders)	21.45%
Float adjusted market capitalization	448,776,064

CONDENSED INTERIM FINANCIAL STATEMENTS
EXPLANATORY NOTES

- 1 The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standard - LKAS 34 - Interim Financial Reporting and the provisions of the Companies Act No. 7 of 2007 and provide the information as required in terms of Rule 7.4 of Colombo Stock Exchange .
- 2 There are no significant changes in the accounting policies since the publication of 2020/21 Audited Financial Statements.
- 3 There been no material events subsequent to the reporting date, other than mentioned above, which require adjustments to or disclosure in the interim financial statements.
- 4 The Monetary Board of the Central Bank of Sri Lanka has issued a direction on the Company under Section 12 of the Finance Business Act No 42 of 2011 to cap the total deposits (with accrued interest) at Rs 3,500 Mn until such time the company meets the required minimum core capital of Rs.2.5Bn on or before 31/12/2021 as per the Finance Business Act Direction No 2 of 2017 – Minimum Core Capital.
- 5 Rights Issue Of Shares - Utilization Of Proceeds

On 29th March 2021 the Company raised capital of Rs. 811,868,750 through a rights issue by issuing 115,981,250 ordinary shares at an exercise price of Rs. 7.0/- per share.

Utilization of rights issue proceeds

The utilization of the rights issue amounting to Rs. 811,868,750 is as follows.

Objective No.	Objective as per circular	Proposed date of utilization	Amount allocated Rs.000'	% of total proceeds	Amounts utilized against allocation Rs.000'	Clarification if not utilized
1	Meet the Minimum Capital Obligations Stipulated by the CBSL	March 29, 2021	811,869	100%	811,869	N/A
2	Part Finance the Growth in the Loan Portfolio of the Company	Expand its loan book in the ordinary course of business within 12 months based on the anticipated demand for credit.	811,869	100%	811,869	N/A

CONDENSED INTERIM FINANCIAL STATEMENTS
CORPORATE INFORMATION

<p>Name of Company People's Merchant Finance PLC</p> <p>Legal Form Public Limited Liability Company (Incorporated and domiciled in Sri Lanka)</p> <p>Date of Incorporation 26th January 1983</p> <p>Company Registration Number PQ 200</p> <p>Stock Exchange Listing The ordinary shares of the Company were quoted on the Colombo Stock Exchange (CSE) on 11th July 1994.</p> <p>The company has been transferred from Second Board to Dirisavi Board with effect from 12th October 2021 due to compliance with the Minimum public holding requirement.</p> <p>Accounting Year-End March -31</p> <p>Registered Office & Principle Place of Business No. 361,361/1, R.A.De Mel Mawatha, Colombo 03, Sri Lanka Telephone +94117666333 Email; info@pmb.lk Web Address; www.peoplesmerchant.lk</p> <p>Registrars SSP Corporate Services (Pvt) Ltd No. 101, Inner Flower Road, Colombo 03, Sri Lanka Telephone; +94112573894, +94112576871 Fax; +94112573609 Email; sspsec@slt.net.lk</p> <p>Auditors M/s. KPMG Chartered Accountants 32A, Sir Mohamed Macan Maker Mawatha, Colombo 03.</p>	<p>Branch Offices Corporate Anuradhapura Kurunegala Negombo Trincomalee Kandy Matara Awissawella Matugama Elpitiya Gampaha Wellawatta Pawning Center</p> <p>Board of Directors and Board Sub-Committees Board of Directors Mr. C.P.Abeywickrema - Chairman Mr. C.S.Manoharan Mr. K.R.P.Madusanka Mr.M.J.T.Waas Mr.Ranjith Kodituwakku</p> <p>Integrated Risk Management Committee Mr. C.P.Abeywickrema - Chairman Mr. C.S.Manoharan Mr. K.R.P.Madusanka Mr.M.J.T.Waas Mr.N.H.G.Wijekoon, CEO Mr.Athula Banadaranayake. Chief Manager-Risk Ms.Shyamali Pematratne, Compliance Officer</p> <p>Board Audit Committee Mr. C.S.Manoharan - Chairman Mr. C.P.Abeywickrema Mr. K.R.P.Madusanka</p> <p>Remuneration Committee Mr. C.P.Abeywickrema - Chairman Mr. C.S.Manoharan Mr. K.R.P.Madusanka</p> <p>Nomination Committee Mr. C.P.Abeywickrema - Chairman Mr. C.S.Manoharan Mr. K.R.P.Madusanka</p>	<p>Related Party Transactions Review Committee Mr. C.S.Manoharan - Chairman Mr. K.R.P.Madusanka Mr.M.J.T.Waas</p> <p>Bankers People's Bank National Development Bank PLC Cargills Bank Ltd</p> <p>Subsidiary Company PMB Services Limited</p> <p>Vehicle Yards No.49, Wellawa, Kurunegala. Sri Lanka.</p> <p>Tax Payer Identity Number (TIN) '134000228</p> <p>Central Bank Registration Number LFC/043 (Under the Finance Business Act No. 42 of 2011)</p> <p>Credit Agency Status An approved Credit Agency under the Mortgage Act No.6 of 1949 and the Trust Receipt Ordinance No.12 of 1947 by the department of Commerce.</p> <p>Credit Rating [SL] B Stable</p>
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