

CONDENSED INTERIM FINANCIAL STATEMENTS

PEOPLE'S MERCHANT FINANCE PLC

For the period ended 31st March 2021



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CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at	Company			Group		
	31.03.21	31.03.20	Change %	31.03.21	31.03.20	Change %
	Unaudited Rs. '000	Audited Rs. '000		Unaudited Rs. '000	Audited Rs. '000	
Assets						
Cash and cash equivalents	707,190	291,440	142.7	707,437	291,690	142.5
Balances with banks and financial institutions	5,126	1,214,097	(99.6)	5,126	1,214,097	(99.6)
Financial assets measured at amortized cost - loans and lease rental receivables	3,156,568	1,658,310	90.3	3,156,568	1,658,310	90.3
Financial assets measured at fair value	647,840	486,188	33.2	647,840	486,188	33.2
Property, plant and equipment	24,879	11,539	115.6	24,879	11,539	115.6
Intangible assets	6,590	2,483	165.4	6,590	2,483	165.4
Right of use assets	68,787	63,643	8.1	68,787	63,643	8.1
Other assets	86,872	87,242	(0.4)	86,872	87,242	(0.4)
Total Assets	4,703,852	3,814,942	23.3	4,704,099	3,815,192	23.3
Liabilities						
Due to banks	-	1,715	(100.0)	-	1,715	(100.0)
Financial liabilities at amortised cost - due to depositors	2,289,491	2,100,936	9.0	2,289,491	2,100,936	9.0
Debt securities issued	16,600	16,000	3.7	16,600	16,000	3.7
Lease liabilities	80,424	74,386	8.1	80,424	74,386	8.1
Other liabilities	186,136	69,403	168.2	186,569	69,762	167.4
Total Liabilities	2,572,651	2,262,440	13.7	2,573,084	2,262,799	13.7
Equity						
Stated capital	3,252,159	2,440,290	33.3	3,252,159	2,440,290	33.3
Advance against stated capital	-	300,000	(100.0)	-	300,000	(100.0)
Statutory reserve fund	10,649	7,259	46.7	10,649	7,259	46.7
Accumulated losses	(1,131,607)	(1,195,047)	5.3	(1,131,793)	(1,195,156)	5.3
Total Equity	2,131,201	1,552,502	37.3	2,131,015	1,552,393	37.3
Total Liabilities & Equity	4,703,852	3,814,942	23.3	4,704,099	3,815,192	23.3
Contingent liabilities and commitments	81,260	40,028	103.0	81,260	40,028	103.0
Net assets value per ordinary share (Rs.)	6.52	7.36	(11.4)	6.52	7.36	(11.4)

CERTIFICATION

We certify that the above interim financial statements are in compliance with the requirement of the Companies Act No 07 of 2007.

(Signed)

Darshana Wijayanayaka
Chief Manager - Finance

(Signed)

Nalin Wijekoon
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)

Chandula Abeywickrema
Chairman

(Signed)

Channa Manoharan
Director

28th May 2021
Colombo

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS - COMPANY

	For the twelve months ended			For the quarter ended		
	31/03/2021 Unaudited Rs. '000	31/03/2020 Audited Rs. '000	Change %	31/03/2021 Unaudited Rs. '000	31/03/2020 Unaudited Rs. '000	Change %
Gross Income	629,492	629,527	(0.0)	167,755	138,049	21.5
Interest income	470,977	563,581	(16.4)	132,848	117,624	12.9
Less: Interest expense	237,591	300,039	(20.8)	67,611	63,936	5.7
Net interest income	233,386	263,542	(11.4)	65,237	53,688	21.5
Fee and commission income	11,001	6,182	78.0	3,472	995	249.1
Net fair value gain/(loss) from financial assets at FVTPL	43,653	29,294	49.0	4,218	12,756	(66.9)
Other operating income	103,860	30,470	240.9	27,217	6,675	307.8
Total operating income	391,900	329,488	18.9	100,144	74,114	35.1
Less: Net impairment charges/ (reversal) on financial assets	(41,802)	122,535	134.1	(48,776)	21,728	324.5
Net operating income	433,702	206,953	109.6	148,920	52,386	184.3
Less: Personnel Expenses	174,111	129,227	34.7	53,640	35,723	50.2
Depreciation of property, plant and equipment	4,267	4,378	(2.5)	1,218	1,082	12.5
Amortisation of intangible assets	392	3,285	(88.1)	(1,024)	832	223.0
Amortisation of right of use assets	35,085	28,930	21.3	7,039	4,662	51.0
Other expenses	119,297	109,407	9.0	32,772	24,801	32.1
Operating profit/(loss) before tax on financial services	100,550	(68,273)	247.3	55,274	(14,713)	475.7
Less : Tax on financial services	33,148	11,681	183.8	13,170	3,047	332.2
Profit/(Loss) before income tax	67,402	(79,954)	184.3	42,106	(17,760)	337.1
Less: Income tax expense	(397)	132	400.8	(397)	132	400.8
Profit/(Loss) for the period	67,799	(80,086)	184.7	42,503	(17,892)	337.6
Basic profit (loss) per ordinary share - (Rs)	0.32	(0.40)	178.7	0.20	(0.08)	334.8
<i>Figures in brackets indicate deductions.</i>						

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS - GROUP

	For the twelve months ended			For the quarter ended		
	31/03/2021 Unaudited Rs. '000	31/03/2020 Audited Rs. '000	Change %	31/03/2021 Unaudited Rs. '000	31/03/2020 Unaudited Rs. '000	Change %
Gross Income	629,492	629,527	(0.0)	167,755	138,049	21.5
Interest income	470,977	563,581	(16.4)	132,848	117,624	12.9
Less: Interest expense	237,591	300,039	(20.8)	67,611	63,936	5.7
Net interest income	233,386	263,542	(11.4)	65,237	53,688	21.5
Fee and commission income	11,001	6,182	78.0	3,472	995	249.1
Net fair value gain/(loss) from financial assets at FVTPL	43,653	29,294	49.0	4,218	12,756	(66.9)
Other operating income	103,860	30,470	240.9	27,217	6,675	307.8
Total operating income	391,900	329,488	18.9	100,145	74,114	35.1
Less: Net impairment charges/ (reversal) on financial assets	(41,802)	122,535	134.1	(48,776)	21,728	324.5
Net operating income	433,702	206,953	109.6	148,921	52,386	184.3
Less: Staff costs	174,111	129,227	34.7	53,640	35,723	50.2
Depreciation of property, plant and equipment	4,267	4,378	(2.5)	1,218	1,082	12.5
Amortisation of intangible assets	392	3,285	(88.1)	(1,024)	832	223.0
Amortisation of right of use assets	35,085	28,930	21.3	7,039	4,662	51.0
Other expenses	119,373	109,494	9.0	32,848	24,888	32.0
Operating profit/(loss) before tax on financial services	100,473	(68,360)	247.0	55,199	(14,800)	473.0
Less : Tax on financial services	33,148	11,681	183.8	13,170	3,047	332.2
Profit/(Loss) before income tax	67,325	(80,041)	184.1	42,029	(17,847)	335.5
Less: Income tax expense	(397)	132	400.8	(397)	132	400.8
Profit/(Loss) for the period	67,722	(80,173)	184.5	42,426	(17,979)	336.0
Basic profit (loss) per ordinary share - (Rs)	0.32	(0.40)	178.5	0.20	(0.08)	333.2

Figures in brackets indicate deductions.

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF OTHER COMPREHENSIVE INCOME - COMPANY

	For the twelve months ended			For the quarter ended		
	31/03/2021	31/03/2020	Change %	31/03/2021	31/03/2020	Change %
	Unaudited Rs. '000	Audited Rs. '000		Unaudited Rs. '000	Unaudited Rs. '000	
Profit / (Loss) for the period	67,799	(80,086)	184.7	42,503	(17,892)	337.6
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gain/(loss) on retirement benefit obligation	1,656	(470)	452.0	1,656	(470)	452.0
Deferred tax effect on actuarial gain/ (loss)	(397)	132	401.7	(397)	132	401.7
Other comprehensive income/(expense) for the period	1,259	(338)	473.0	1,259	(338)	473.0
Total comprehensive income/(loss) for the year attributable to the owners of the Company	69,058	(80,424)	185.9	43,762	(18,230)	340.1
<i>Figures in brackets indicate deductions.</i>						

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF OTHER COMPREHENSIVE INCOME - GROUP

	For the twelve months ended			For the quarter ended		
	31/03/2021 Unaudited Rs. '000	31/03/2020 Audited Rs. '000	Change %	31/03/2021 Unaudited Rs. '000	31/03/2020 Unaudited Rs. '000	Change %
Profit / (Loss) for the period	67,722	(80,173)	184.5	42,426	(17,979)	336.0
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gain/(loss) on retirement benefit obligation	1,656	(470)	452.0	1,656	(470)	452.0
Deferred tax effect on actuarial gain/ (loss)	(397)	132	401.7	(397)	132	401.7
Other comprehensive income/(expense) for the period	1,259	(338)	473.0	1,259	(338)	473.0
Total comprehensive income/(loss) for the year attributable to the owners of the Group	68,981	(80,511)	185.7	43,685	(18,317)	338.5

Figures in brackets indicate deductions.

PEOPLE'S MERCHANT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

Company	Stated capital	Advance against stated capital	Reserve fund	Retained earnings	Total equity
<i>In thousands of rupees</i>					
Balance at 1 April 2019	1,238,302	-	7,259	(1,102,603)	142,958
Total comprehensive income for the year					
Loss for the year	-	-	-	(80,086)	(80,086)
Other comprehensive income					
Remeasurement of defined benefit liability	-	-	-	(470)	(470)
Tax on other comprehensive income	-	-	-	132	132
Total other comprehensive income	-	-	-	(338)	(338)
Total comprehensive income	-	-	-	(80,424)	(80,424)
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares through right issue	1,201,988	-	-	-	1,201,988
Advance against stated capital	-	300,000	-	-	300,000
Transaction cost related to rights issue	-	-	-	(12,020)	(12,020)
Total contribution and distribution	1,201,988	300,000	-	(12,020)	1,489,968
Total transactions with owners of the Company	1,201,988	300,000	-	(12,020)	1,489,968
Balance at 31 March 2020	2,440,290	300,000	7,259	(1,195,047)	1,552,502
Balance at 31 March 2020	2,440,290	300,000	7,259	(1,195,047)	1,552,502
Total comprehensive income					
Profit for the year	-	-	-	67,799	67,799
Other comprehensive income					
Remeasurement of defined benefit liability	-	-	-	1,656	1,656
Tax on other comprehensive income	-	-	-	(397)	(397)
Total other comprehensive income	-	-	-	1,259	1,259
Total comprehensive income	-	-	-	69,058	69,058
Transfers to the reserve fund	-	-	3,390	(3,390)	-
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares through right issue	811,869	(300,000)	-	-	511,869
Transaction cost related to rights issue	-	-	-	(2,228)	(2,228)
Total contribution and distribution	811,869	(300,000)	-	(2,228)	509,641
Total transactions with owners of the Company	811,869	(300,000)	-	(2,228)	509,641
Balance at 31 March 2021	3,252,159	-	10,649	(1,131,607)	2,131,201

Figures in brackets indicate deductions.

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

PEOPLE'S MERCHANT FINANCE PLC
STATEMENT OF CHANGES IN EQUITY

Group	Stated capital	Advance against stated capital	Reserve fund	Retained earnings	Total equity
<i>In thousands of rupees</i>					
Balance at 1 April 2019	1,238,302	-	7,259	(1,102,625)	142,936
Total comprehensive income for the year					
Loss for the year	-	-	-	(80,173)	(80,173)
Other comprehensive income					
Remeasurement of defined benefit liability	-	-	-	(470)	(470)
Tax on other comprehensive income	-	-	-	132	132
Total other comprehensive income	-	-	-	(338)	(338)
Total comprehensive income	-	-	-	(80,511)	(80,511)
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares through rights issue	1,201,988	-			1,201,988
Advance against stated capital		300,000			300,000
Transaction cost related to rights issue				(12,020)	(12,020)
Total contribution and distribution	1,201,988	300,000		(12,020)	1,489,968
Total transactions with owners of the Company	1,201,988	300,000		(12,020)	1,489,968
Balance at 31 March 2020	2,440,290	300,000	7,259	(1,195,156)	1,552,393
Balance at 31 March 2020	2,440,290	300,000	7,259	(1,195,156)	1,552,393
Total comprehensive income					
Profit for the year	-	-	-	67,722	67,722
Other comprehensive income					
Remeasurement of defined benefit liability	-	-	-	1,656	1,656
Tax on other comprehensive income	-	-	-	(397)	(397)
Total other comprehensive income	-	-	-	1,259	1,259
Total comprehensive income	-	-	-	68,981	68,981
Transfers to the reserve fund	-	-	3,390	(3,390)	-
Transactions with owners of the Company					
Contributions and distributions					
Issue of ordinary shares through rights issue	811,869	(300,000)	-	-	511,869
Transaction cost related to rights issue	-			(2,228)	(2,228)
Total contribution and distribution	811,869	(300,000)	-	(2,228)	509,641
Total transactions with owners of the Company	811,869	(300,000)	-	(2,228)	509,641
Balance at 31 March 2021	3,252,159	-	10,649	(1,131,793)	2,131,015

Figures in brackets indicate deductions.

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

PEOPLE'S MERCHANT FINANCE PLC
STATEMENT OF CASH FLOWS

<i>For the year ended 31 March</i>	Company		Group	
	2021	2020	2021	2020
<i>In thousands of rupees</i>				
Cash flows from operating activities				
Profit/(loss) before tax	67,402	(79,954)	67,325	(80,041)
Adjustment for:				
- Depreciation and amortisation	39,744	36,593	39,744	36,592
- Profit on real estate sales	(26,984)	-	(26,984)	-
- Gain on disposal of right of use assets	(874)	-	(874)	-
- Net gain on investment securities at FVPTL	(43,653)	(29,294)	(43,653)	(29,294)
- Net impairment loss on loans and advances	(41,802)	122,535	(41,802)	122,535
- Interest expense on preference shares	600	600	600	600
- Interest expense on leases	13,635	9,757	13,635	9,757
- Dividend on equity securities at FVPTL	(342)	(311)	(342)	(311)
- Interest income	(77,774)	(115,937)	(77,774)	(115,937)
- Provision for retirement benefit obligation	4,216	4,690	4,216	4,690
- Gain on disposal of property, plant and equipment	(17,526)	(231)	(17,526)	(231)
	(83,358)	(51,553)	(83,434)	(51,639)
Changes in				
Financial assets measured at amortized cost - loans and lease rental receival	(1,456,456)	723,421	(1,456,456)	723,421
Other assets	27,355	(1,988)	27,353	(1,988)
Due to customers	188,555	(333,798)	188,555	(333,798)
Other liabilities	121,828	(13,195)	121,902	(13,114)
	(1,202,076)	322,888	(1,202,080)	322,882
Retiring gratuity paid	(7,656)	(3,710)	(7,656)	(3,710)
Income tax paid	-	-	-	-
Net cash from/(used in) operating activities	(1,209,732)	319,178	(1,209,736)	319,172
Cash flows from investing activities				
Interest income on short term investment	77,774	115,937	77,774	115,937
Investment/upliftment of fixed deposits	1,208,971	(1,157,350)	1,208,971	(1,157,350)
Investments in securities	(117,999)	(454,752)	(117,999)	(454,752)
Acquisition of property, plant and equipment	(17,627)	(2,349)	(17,627)	(2,349)
Purchase of intangible assets	(4,499)	(642)	(4,499)	(642)
Proceeds from disposal of property, plant and equipment	17,547	231	17,547	231
Dividends received from investments	342	311	342	311
Net cash from investing activities	1,164,509	(1,498,614)	1,164,509	(1,498,614)
Cash flows from financing activities				
Proceeds from rights issue of shares	511,869	1,201,988	511,869	1,201,988
Total transactions with owners of the Company	(2,228)	(12,020)	(2,228)	(12,020)
Advances against stated capital	-	300,000	-	300,000
Lease rental payments	(46,953)	(27,944)	(46,953)	(27,944)
Net cash from/(used in) financing activities	462,688	1,462,024	462,688	1,462,024
Net increase/(decrease) in cash and cash equivalents	417,465	282,588	417,462	282,582
Cash and cash equivalents at beginning of the year	289,725	7,137	289,975	7,393
Cash and cash equivalents at the end of the year	707,190	289,725	707,437	289,975
Cash and cash equivalents at the end of the year				
Cash and cash equivalents	707,190	291,440	707,437	291,690
Bank overdraft	-	(1,715)	-	(1,715)
	707,190	289,725	707,437	289,975

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 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
As at 31st March 2020	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	-	291,440	291,440
Balances with banks and financial institutions	-	1,214,097	1,214,097
Financial assets measured at amortised cost - Loans and advances	-	1,658,310	1,658,310
Investments in securities	486,188	-	486,188
Total Financial Assets	486,188	3,163,847	3,650,035
Liabilities			
Due to banks	-	1,715	1,715
Financial liabilities at amortised cost - due to depositors	-	2,100,936	2,100,936
Debt securities issued	-	16,000	16,000
Total Liabilities	-	2,118,651	2,118,651

CONDENSED INTERIM FINANCIAL STATEMENTS
ANALYSIS OF FINANCIAL INSTRUMENT BY MEASUREMENT BASIS

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
As at 31st March 2020	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	-	291,690	291,690
Balances with banks and financial institutions	-	1,214,097	1,214,097
Financial assets measured at amortised cost - Loans and advances	-	1,658,310	1,658,310
Investments in securities	486,188	-	486,188
Total Financial Assets	486,188	3,164,097	3,650,285
Liabilities			
Due to banks	-	1,715	1,715
Financial liabilities at amortised cost - due to depositors	-	2,100,936	2,100,936
Debt securities issued	-	16,000	16,000
Total Liabilities	-	2,118,651	2,118,651

CONDENSED INTERIM FINANCIAL STATEMENTS
SEGMENTAL ANALYSIS

Rs. '000

For the twelve months ended 31st March	Leasing & Hire Purchases		Loans and Pawning		Margin Trading		Other		Total Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income										
Interest income	232,993	316,450	130,577	104,667	29,633	26,528	77,774	115,936	470,977	563,581
Fee and commission income	10,448	5,150	553	-	-	-	-	27	11,001	5,177
Net income from other financial instruments at FVTPL	-	-	-	-	-	-	43,653	29,294	43,653	29,294
Other operating income	12,183	8,382	37,200	629	-	-	54,478	22,464	103,860	31,475
Gross revenue	255,625	329,982	168,330	105,296	29,633	26,528	175,905	167,721	629,491	629,527
Less: Interest expenses	81,757	80,748	59,408	34,912	18,265	11,289	78,161	165,117	237,591	292,067
Total operating income	173,867	249,234	108,922	70,384	11,368	15,239	97,744	2,604	391,900	337,460
Net impairment charges/(reversal)	5,065	104,413	(48,397)	17,516	1,530	606	-	-	(41,802)	122,535
Net operating income	168,802	144,821	157,318	52,868	9,838	14,633	97,744	2,604	433,702	214,925
Less: Operating Expenses	114,667	78,321	83,321	33,862	25,617	10,950	109,624	160,153	333,228	283,285
Segment results	54,135	66,500	73,997	19,006	(15,779)	3,683	(11,881)	(157,549)	100,474	(68,360)
Less: Tax on financial services	-	-	-	-	-	-	-	-	33,148	11,681
Less: Income tax expense	-	-	-	-	-	-	-	-	(397)	132
Profit/(loss) attributable to equity holders									67,722	(80,173)
As at 31st March										
Segment Assets	1,618,719	1,054,795	1,176,218	456,046	361,630	147,467	1,547,532	2,156,883	4,704,099	3,815,192
Total Assets	1,618,719	1,054,795	1,176,218	456,046	361,630	147,467	1,547,532	2,156,883	4,704,099	3,815,192
Segment Liabilities	885,419	625,602	643,376	270,482	197,807	87,463	846,481	1,279,253	2,573,084	2,262,800
Total Liabilities	885,419	625,602	643,376	270,482	197,807	87,463	846,481	1,279,253	2,573,084	2,262,800

Figures in brackets indicate deductions.

Basis of allocation

Items that are not specifically allocated to each segment are allocated based on the respective asset base of each segment under consideration.

CONDENSED INTERIM FINANCIAL STATEMENTS
COMPARATIVE INFORMATION

The Group has applied SLFRS 16 - Leases from the financial year beginning on April 01, 2019. However, the total impact of the adoption of SLFRS 16 has been recorded in the last quarter of the FY 2019/20. Therefore, the error has been corrected by restating the affected financial statement line items for the prior period.

The following tables summarize the impacts on the Group's and Company's financial statements.

Statement of profit or loss - Company

	For the Twelve months ended 31st March 2020 Audited	For the Nine months ended 31st December 2019 Restated	For the Quarter ended 31st March 2020	For the quarter ended 31st March 2020		
				As previously reported	Adjustments	As restated
In thousand of Rupees						
Amortization of right of use assets	28,930	24,269	4,662	28,930	(24,269)	4,662
Other expenses	109,407	84,606	24,801	3,991	20,810	24,801
Profit/(Loss) for the period	138,337	108,875	29,463	32,921	(3,459)	29,463
Basic profit/(loss) per shares				(0.10)		(0.08)

Statement of profit or loss - Group

	For the Twelve months ended 31st March 2020 Audited	For the Nine months ended 31st December 2019 Restated	For the Quarter ended 31st March 2020	For the quarter ended 31st March 2020		
				As previously reported	Adjustments	As restated
In thousand of Rupees						
Amortization of right of use assets	28,930	24,269	4,662	28,930	(24,269)	4,662
Other expenses	109,494	84,606	24,888	3,991	20,897	24,888
Profit/(Loss) for the period	138,424	108,875	29,549	32,921	(3,372)	29,549
Basic profit/(loss) per shares				(0.10)		(0.08)

There is no material impact on the total operating, investing or financing cash flows for the twelve-month period ended 31 March 2020.

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 2019/20 Audited Financial Statements.
- 3 The Company has revised its individual assessment threshold during the year to be in line with the new operational procedures and credit monitoring activities. Accordingly, the movement of impairment includes the movement of impairment between individually assessed loans and collectively assessed loans.
- 4 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.
- 5 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 and borrowing liabilities (with accrued interest) at Rs 2,500 Mn and Rs 39 Mn respectively, until such time the company meets the required minimum core capital as per the Finance Business Act Direction No 2 of 2017 – Minimum Core Capital. However, the Company has met the required minimum core capital as at March 31, 2021 with the right issue of Rs. 811.9 Mn on 29th March 2021 and a request has been made to the Central Bank of Sri Lanka to lift the Cap on total deposits and borrowing liabilities.

6 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 shares at an exercise price of Rs. 7.0/- per share. On 13th May 2019, a rights issue was conducted to raise a capital of Rs.1,201,987,500/- by issuing 126,525,000 shares at an exercise price of Rs. 9.5/- per share.

Utilization of rights issue proceeds

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

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
Meet the Minimum Capital Obligations Stipulated by the CBSL	March 29, 2021	811,869	100%	811,869	N/A

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 31st March	10.70	11.40
Lowest price during the quarter ended 31st March	6.90	7.40
Closing price as at 31st March	7.20	8.70
<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 31.03.2021	As at 31.03.2020
Debt to equity ratio (times)	1.08	1.36
Interest cover (times)	1.29	0.73
Quick asset ratio (%)	24.27	51.32

CONDENSED INTERIM FINANCIAL STATEMENTS
SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 31st March 2021		
Name of the Share Holder	No: of Shares	%
1 Sterling Capital Investments (Private) Limited	256,734,990	78.55
2 People's Bank	33,856,246	10.36
3 People's Leasing & Finance PLC	25,014,002	7.65
4 Mr. L. De Fonseka	1,000,000	0.31
5 People's Leasing & Finance PLC/ Dr. H.S.D. Soysa & Mrs. G. Soysa	610,704	0.19
6 Mr. Z.G. Carimjee	500,000	0.15
7 Mr. H.V. Pakianathan	370,143	0.11
8 People's Merchant Finance PLC/ M.Thiyagaraja	200,031	0.06
9 Dr. H.S.D. Soysa	200,000	0.06
10 DFCC Bank PLC/ Mr.W.G. Herath	166,353	0.05
11 Mr. P.M.R.K. Kirimetiya	150,100	0.05
12 Mrs. A.M.D. Adikari	150,100	0.05
13 Mr. M.C.M. Zarook	139,500	0.04
14 Mr. P.B.C. Kurera	130,960	0.04
15 Mr. H. Beruwalage	116,200	0.04
16 Mr. B.W. Kundanmal	102,100	0.03
17 Mr. T.S.R.T. Fernando	100,155	0.03
18 Mr. S.N.C.W.M.B.C. Kandegedara	100,000	0.03
18 Mr. P.K. Biswas	100,000	0.03
20 Mrs. R.D. Jayawardana	98,887	0.03
	319,840,471	97.85

Directors' Shareholding	Position	No: of Shares
Mr. C.P.Abeywickrama	Chairman	-
Mr. D.N.Daluwatte	Director	5,375
Mr. C.S.Manoharan	Director	-
Mr. K.R.P.Madusanka	Director	-
Mr.M.J.T.Waas	Director	-
Mr. R. Kodituwakku	Director	-
Total		5,375.00

	No: of Shares
Issued Share Capital as at 31st March 2021	326,856,250
<i>Less:</i>	
Parent Company	256,734,990
Common Director	58,870,248
Directors shareholding	5,375
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 (9,989 Shareholders)	11,245,637
Public Holding as a % of Shares Issued	3.44%

Issued Share Capital as at 31st March 2021	326,856,250
Closing Mkt Price	7.20
Total Market Capitalization	2,353,365,000
Public Shareholding (9,989 Shareholders)	3.44%
Float adjusted market capitalization	80,968,586

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. The Company has been transferred to the Second Board of the CSE with effect from 12th February 2021 due to the non-compliance with Minimum Public Holding requirement stipulated in Rule 7.13.1(b) of the Listing Rules of the CSE.</p> <p>Accounting Year-End March -31</p> <p>Registered Office & Principle Place of Business No. 21, Nawam Mawatha, Colombo 02, Sri Lanka Telephone +94112300191 / +94117666333 Fax +94112300190 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@sltnet.lk</p> <p>Auditors M/s. KPMG Chartered Accountants 32A, Sir Mohomed Macan Maker Mawatha, Colombo 03.</p>	<p>Branch Offices 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. D.N.Daluwatte 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. D.N.Daluwatte 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. D.N.Daluwatte Mr. K.R.P.Madusanka</p> <p>Bankers People's Bank</p> <p>Subsidiary Company PMB Services Limited</p> <p>Vehicle Yards No. 21, Nawam Mawatha, Colombo 02, Sri Lanka. Avinro Motors, Hiripitiya Road, Wellawa, Sri Lanka.</p> <p>Tax Payer Identity Number (TIN) 134000228</p> <p>VAT Registration Number 134000228 7000</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; rating put on watch with developing implications by ICRA Lanka Limited.</p>
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