

# CONDENSED INTERIM FINANCIAL STATEMENTS

---



*For the period ended 30th September 2023*





PMF FINANCE PLC

## **Contents**

### **Interim Financial Information**

Condensed Statement of Financial Position	03
Condensed Statement of Profit or Loss	04
Statement of Profit or Loss - Group	05
Condensed Statement of Comprehensive Income - Company	06
Condensed Statement of Comprehensive Income - Group	07
Condensed Statement of Changes in Equity - Company	08
Condensed Statement of Changes in Equity - Group	09
Condensed Statement of Cash Flows	10
Explanatory Notes	11
Segmental Analysis	17
Corporate Information	18

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**

As at,	Notes	Company			Group		
		30.09.2023	31.03.2023	Change %	30.09.2023	31.03.2023	Change %
		Unaudited Rs. '000	Audited Rs. '000		Unaudited Rs. '000	Audited Rs. '000	
<b>Assets</b>							
Cash and cash equivalents	11.1	1,282,103	561,607	128.3	1,282,342	561,846	128.2
Placements with banks and financial institutions	11.1	1,713,804	1,264,071	35.6	1,713,804	1,264,071	35.6
Financial assets measured at fair value	11.1	485,638	409,936	18.5	485,638	409,936	18.5
Financial assets measured at amortised cost - Loans and advances	11.1	9,180,562	8,318,103	10.4	9,180,562	8,318,103	10.4
Real estate inventories		55,931	55,859	0.1	55,931	55,859	0.1
Property, plant and equipment		256,979	169,495	51.6	256,979	169,495	51.6
Intangible assets		53,536	44,239	21.0	53,536	44,239	21.0
Right of use assets		152,686	173,662	(12.1)	152,686	173,662	(12.1)
Deferred tax assets		79,874	79,874	-	79,874	79,874	-
Other Assets		437,828	344,376	27.1	437,828	344,376	27.1
<b>Total Assets</b>		<b>13,698,940</b>	<b>11,421,222</b>	<b>19.9</b>	<b>13,699,180</b>	<b>11,421,461</b>	<b>19.9</b>
<b>Liabilities</b>							
Due to banks	11.1	567,528	757,280	(25.1)	567,528	757,280	(25.1)
Financial liabilities at amortised cost - due to depositors	11.1	10,036,758	7,655,744	31.1	10,036,758	7,655,744	31.1
Debt securities issued	11.1	18,100	17,800	1.7	18,100	17,800	1.7
Lease liabilities	11.2	181,730	197,581	(8.0)	181,730	197,581	(8.0)
Employee benefit obligation		12,239	12,249	(0.1)	12,239	12,249	(0.1)
Other liabilities		212,003	103,360	105.1	212,833	104,188	104.3
<b>Total Liabilities</b>		<b>11,028,358</b>	<b>8,744,016</b>	<b>26.1</b>	<b>11,029,188</b>	<b>8,744,843</b>	<b>26.1</b>
<b>Equity</b>							
Stated capital		3,762,054	3,762,054	0.0	3,762,054	3,762,054	0.0
Statutory reserve fund		20,239	20,239	0.0	20,239	20,239	0.0
Accumulated losses		(1,111,712)	(1,105,087)	(0.6)	(1,112,301)	(1,105,676)	(0.6)
<b>Total Equity</b>		<b>2,670,581</b>	<b>2,677,206</b>	<b>(0.2)</b>	<b>2,669,992</b>	<b>2,676,617</b>	<b>(0.2)</b>
<b>Total Liabilities &amp; Equity</b>		<b>13,698,940</b>	<b>11,421,222</b>	<b>19.9</b>	<b>13,699,180</b>	<b>11,421,461</b>	<b>19.9</b>
Contingent liabilities and commitments		78,081	94,159	(17.1)	78,081	94,159	(17.1)
Net assets value per ordinary share (Rs.)		6.59	6.61	(0.2)	6.59	6.61	(0.3)
<b>CERTIFICATION</b>							
We certify that the above interim financial statements are in compliance with the requirement of the Companies Act No 07 of 2007							
 <b>Achan Chandula</b> Chief Manager-Finance		 <b>Terrance Kumara</b> 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.							
 <b>Chandula Abeywickrema</b> Chairman		 <b>Rangana Korlage</b> Director					
10th November 2023 Colombo							

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS-COMPANY**

As at,	For the six months ended			For the quarter ended		
	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %
<b>Gross Income</b>	<b>1,582,628</b>	860,763	83.9	<b>833,025</b>	492,125	69.3
Interest income	1,457,012	837,785	73.9	765,197	480,351	59.3
Less: Interest expense	1,020,904	496,323	(105.7)	518,570	303,013	(71.1)
<b>Net interest income</b>	<b>436,108</b>	341,462	27.7	<b>246,628</b>	177,338	39.1
Fee and commission income	21,242	11,175	90.1	11,351	5,861	93.7
Net fair value gain from financial assets at FVTPL	83,027	506	16292.9	43,172	2,637	1537.0
Other operating income	21,348	11,297	89.0	13,304	3,277	306.0
<b>Total operating income</b>	<b>561,725</b>	364,439	54.1	<b>314,455</b>	189,112	66.3
Less: Impairment charges for loans and receivables and other losses	67,039	77,640	13.7	4,335	10,122	57.2
<b>Net operating income</b>	<b>494,686</b>	286,800	72.5	<b>310,120</b>	178,990	73.3
Less: Personnel Expenses	198,997	170,889	(16.4)	102,588	88,753	(15.6)
Depreciation of property, plant and equipment	23,460	10,066	(133.1)	12,746	5,568	(128.9)
Amortisation of intangible assets	1,434	1,067	(34.4)	1,503	935	(60.8)
Amortisation of right of use assets	25,498	19,206	(32.8)	12,674	10,046	(26.2)
Other expenses	231,292	153,656	(50.5)	119,709	81,125	(47.6)
<b>Operating profit / (loss) before tax on financial services</b>	<b>14,004</b>	(68,085)	120.6	<b>60,901</b>	(7,436)	918.9
Less : Tax on financial services	20,630	17,754	(16.2)	13,443	13,716	2.0
<b>Profit/(loss) before income tax</b>	<b>(6,625)</b>	(85,839)	92.3	<b>47,457</b>	(21,153)	324.4
(Less)/Add: Income tax (expense)/reversal	-	2,123	0.0	-	-	-
<b>Profit/(loss) for the period</b>	<b>(6,625)</b>	(87,962)	92.5	<b>47,457</b>	(21,153)	324.4
Basic earnings/(loss) per share - (Rs)	(0.02)	(0.22)	92.6	0.12	(0.05)	334.2

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS-GROUP**

As at,	For the six months ended			For the quarter ended		
	30.09.2023	30.09.2022	Change %	30.09.2023	30.09.2022	Change %
	Unaudited Rs. '000	Unaudited Rs. '000		Unaudited Rs. '000	Unaudited Rs. '000	
<b>Gross Income</b>	<b>1,582,628</b>	860,763	83.9	<b>833,025</b>	492,125	69.3
Interest income	<b>1,457,012</b>	837,785	73.9	<b>765,197</b>	480,351	59.3
Less: Interest expense	<b>1,020,904</b>	496,323	(105.7)	<b>518,570</b>	303,013	(71.1)
<b>Net interest income</b>	<b>436,108</b>	341,462	27.7	<b>246,628</b>	177,338	39.1
Fee and commission income	<b>21,242</b>	11,175	90.1	<b>11,351</b>	5,861	93.7
Net fair value gain/(loss) from financial assets at FVTPL	<b>83,027</b>	506	16,292.9	<b>43,172</b>	2,637	1,537.0
Other operating income	<b>21,348</b>	11,297	89.0	<b>13,304</b>	3,277	306.0
<b>Total operating income</b>	<b>561,725</b>	364,439	54.1	<b>314,455</b>	189,112	66.3
Less: Net impairment charges/ (reversal) on financial assets	<b>67,039</b>	77,640	13.7	<b>4,335</b>	10,122	57.2
<b>Net operating income</b>	<b>494,686</b>	286,800	72.5	<b>310,120</b>	178,990	73.3
Less: Personnel Expenses	<b>198,997</b>	170,889	(16.4)	<b>102,588</b>	88,753	(15.6)
Depreciation of property, plant and equipment	<b>23,460</b>	10,066	(133.1)	<b>12,746</b>	5,568	(128.9)
Amortisation of intangible assets	<b>1,434</b>	1,067	(34.4)	<b>1,503</b>	935	(60.8)
Amortisation of right of use assets	<b>25,498</b>	19,206	(32.8)	<b>12,674</b>	10,046	(26.2)
Other expenses	<b>231,292</b>	153,656	(50.5)	<b>119,709</b>	81,125	(47.6)
<b>Operating profit/(loss) before tax on financial services</b>	<b>14,004</b>	(68,084)	120.6	<b>60,901</b>	(7,436)	918.9
Less : Tax on financial services	<b>20,630</b>	17,754	(16.2)	<b>13,443</b>	13,716	2.0
<b>Profit/(loss) before income tax</b>	<b>(6,625)</b>	(85,838)	92.3	<b>47,457</b>	(21,153)	324.4
(Less)/Add: Income tax (expense)/reversal	-	(2,123)	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>(6,625)</b>	(87,962)	92.5	<b>47,457</b>	(21,153)	324.4
Basic earnings/(loss) per share - (Rs)	<b>(0.02)</b>	(0.22)	92.6	<b>0.12</b>	(0.05)	334.2

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - COMPANY**

<i>As at,</i>	For the six months ended			For the quarter ended		
	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %
<b>Profit / (loss) for the period</b>	(6,625)	(87,962)	92.5	47,457	(21,153)	324.4
<b>FINANCIAL</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial loss on defined benefit plans		-	-	-	-	-
Deferred tax effect on actuarial loss	-	-	-	-	-	-
<b>Other comprehensive income for the period</b>	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	(6,625)	(87,962)	92.5	47,457	(21,153)	324.4

*Figures in brackets indicate deductions.*

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - GROUP**

<i>As at,</i>	For the six months ended			For the quarter ended		
	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	Change %
<b>Profit / (loss) for the period</b>	(6,625)	(87,962)	92.5	47,457	(21,153)	324.4
<b>FINANCIAL</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial loss on defined benefit plans	-	-	-	-	-	-
Deferred tax effect on actuarial loss	-	-	-	-	-	-
<b>Other comprehensive income for the period</b>	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	(6,625)	(87,962)	92.5	47,457	(21,153)	324.4

*Figures in brackets indicate deductions.*

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY - COMPANY**

Company	Ordinary share capital	Reserve fund	Retained earnings	Total equity
<i>In thousands of rupees</i>				
<b>Balance as at 1 April 2022</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(948,600)</b>	<b>2,833,694</b>
Profit/(loss) for the period ended 30 September 2022	-	-	(87,962)	<b>(87,962)</b>
<b>Total comprehensive income</b>	-	-	<b>(87,962)</b>	<b>(87,962)</b>
Transfers to the reserve fund			-	-
Issues of Ordinary shares through rights issue		-	-	-
Transaction cost related to rights issue	-	-		-
<b>Total contribution and distribution</b>	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	-
<b>Balance as at 30 September 2022</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(1,036,562)</b>	<b>2,745,733</b>
<b>Balance as at 1 April 2023</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(1,105,087)</b>	<b>2,677,207</b>
Profit/(loss) for the year ended 30 September 2023	-	-	(6,625)	<b>(6,625)</b>
<b>Total comprehensive income /(loss)</b>	-	-	<b>(6,625)</b>	<b>(6,625)</b>
<b>Balance as at 30 September 2023</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(1,111,712)</b>	<b>2,670,581</b>

*Figures in brackets indicate deductions.*



**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY - GROUP**

<b>Group</b>	<b>Stated capital</b>	<b>Reserve fund</b>	<b>Retained earnings</b>	<b>Total equity</b>
<i>In thousands of rupees</i>				
<b>Balance as at 1 April 2022</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(948,957)</b>	<b>2,833,336</b>
Profit/(loss) for the period ended 30 September 2022	-	-	(87,962)	(87,962)
Other comprehensive income				
Remeasurement of defined benefit liability	-	-		-
Tax on other comprehensive income	-	-		-
Total other comprehensive income	-	-		-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(87,962)</b>	<b>(87,962)</b>
Transfer to reserve fund			-	-
Issues of Ordinary shares through rights issue		-	-	-
Transaction cost related to rights issue				-
<b>Total contribution and distribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 September 2022</b>	<b>7,524,109</b>	<b>20,239</b>	<b>(1,036,919)</b>	<b>2,745,374</b>
<b>Balance as at 1 April 2023</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(1,105,676)</b>	<b>2,676,617</b>
Profit/(loss) for the year ended 30 September 2023	-	-	(6,625)	(6,625)
<b>Total comprehensive income/ (loss)</b>	<b>-</b>	<b>-</b>	<b>(6,625)</b>	<b>(6,625)</b>
<b>Balance as at 30 September 2023</b>	<b>3,762,054</b>	<b>20,239</b>	<b>(1,112,301)</b>	<b>2,669,992</b>

*Figures in brackets indicate deductions.*

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**

As at,	COMPANY		GROUP	
	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000	30.09.2023 Unaudited Rs. '000	30.09.2022 Unaudited Rs. '000
<b>Cash flows from operating activities</b>				
<b>Profit/(Loss) before tax</b>	(6,625)	(85,839)	(6,625)	(85,839)
<b>Adjustment for:</b>				
- Depreciation and amortisation	50,392	30,339	50,392	30,339
- Profit on real estate sales	-	-	-	-
- Gain on derecognition of right-of-use assets	-	(288)	-	(288)
- Net gain on investment securities at FVPTL	(82,989)	(506)	(82,989)	(506)
- Net impairment loss on loans and advances	67,039	77,640	67,039	77,640
- Interest expense on preference shares	300	300	300	300
- Interest expense on leases	15,699	7,780	15,699	7,780
- Dividend on equity securities at FVPTL	-	(51)	-	(51)
- Interest income	(242,151)	(94,013)	(242,151)	(94,013)
- Provision for retirement benefit obligation	1,129	2,640	1,129	2,640
- Loss / (Gain) on disposal of property, plant and equipment	(7)	(52)	(7)	(52)
<b>Net cash used in operating activities</b>	<b>(197,212)</b>	<b>(62,051)</b>	<b>(197,212)</b>	<b>(62,050)</b>
<b>Changes in</b>				
Financial assets measured at amortised cost - Loans and advances	(929,498)	(1,352,680)	(929,498)	(1,352,680)
Other assets	(93,452)	6,723	(93,452)	6,723
Due to customers	2,381,013	1,736,081	2,381,013	1,736,081
Other liabilities	86,646	11,922	86,646	11,922
Retiring gratuity paid	1,247,497	339,996	1,247,497	339,997
Income tax paid	(2,631)	(1,031)	(2,631)	(1,031)
<b>Net cash generated from / (used in) operating activities</b>	<b>1,244,867</b>	<b>338,965</b>	<b>1,244,867</b>	<b>(2,682,165)</b>
<b>Cash flows from investing activities</b>				
Interest income on short term investment	242,151	94,013	242,151	94,013
Net proceeds from investments in fixed deposits	(449,733)	(429,219)	(449,733)	(429,219)
Net proceeds from investments in securities	7,287	886	7,287	886
Acquisition of property, plant and equipment	(11,770)	(47,575)	(11,770)	(47,575)
Purchase of intangible assets	(86,703)	(27,997)	(86,703)	(27,997)
Proceeds from disposal of property, plant and equipment	-	-	-	-
Dividends received from investments	-	51	-	51
<b>Net cash generated from / (used in) investing activities</b>	<b>(298,769)</b>	<b>(409,840)</b>	<b>(298,769)</b>	<b>(409,840)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from rights issue of shares	-	-	-	-
Net proceeds from Borrowing from due to banks	(189,752)	(534,891)	(189,752)	(534,891)
Lease rental payments	(35,778)	(23,164)	(35,778)	(23,164)
<b>Net cash generated from / (used in) financing activities</b>	<b>(225,531)</b>	<b>(558,055)</b>	<b>(225,531)</b>	<b>(558,055)</b>
Net increase in cash and cash equivalents	720,567	(628,930)	720,567	(628,930)
Cash and cash equivalents at beginning of the year	561,607	660,873	561,846	661,116
<b>Cash and cash equivalents at the end of the year</b>	<b>1,282,175</b>	<b>31,943</b>	<b>1,282,414</b>	<b>32,186</b>
<b>Cash and cash equivalents at the end of the year</b>				
Cash and cash equivalents	1,282,103	368,689	1,282,342	368,932
Bank overdraft	-	(336,746)	-	(336,746)
	<b>1,282,103</b>	<b>31,943</b>	<b>1,282,342</b>	<b>32,186</b>

Figures in brackets indicate deductions.

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**EXPLANATORY NOTES**

1 PMF Finance PLC (“the Company”) is a Licensed Finance Company registered under the Finance Business Act No. 42 of 2011 and listed on the Colombo Stock Exchange. The Company was incorporated on 26 January 1983 and is domiciled in Sri Lanka. The Company was listed on the main board of Colombo Stock Exchange on 11 July 1994. The registered office of the Company and the principal place of the business is situated at No. 361, 361/1, R.A.De Mel Mawatha, Colombo 03.

2 The condensed 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 .

3 There are no significant changes in the accounting policies since the publication of 2022/23 Audited Financial Statements.

**4 Share capital**

As at	30.09.2023	30.09.2022
Ordinary Shares (Number of Shares)	405,301,750	405,301,750
Ordinary Shares (Value Rs.)	3,762,054,500	3,762,054,500

**5 Preference shares**

As at	30.09.2023	30.09.2022
Cumulative Preference Shares (Number of Shares)	1,000,000	1,000,000
Cumulative Preference Shares (Value Rs.)	10,000,000	10,000,000

**6 Market Price**

<u>Market Price</u>	30.09.2023	30.09.2022
	Rs.	Rs.
Highest price during the quarter ended 30th September	5.80	6.00
Lowest price during the quarter ended 30th September	4.30	4.20
Closing price as at 30th September	4.80	5.10

**7 Ratios**

Ratios	As at 30.09.2023	As at 30.09.2022
Debt to equity ratio (times)	3.98	2.41
Interest cover (times)	0.99	0.82
Quick asset ratio (%)	16.42	5.54

CONDENSED INTERIM FINANCIAL STATEMENTS  
EXPLANATORY NOTES

**8 Twenty Largest Ordinary Shareholders as at 30th September 2023**

Name of the Share Holder	No: of Shares	%
Sterling Capital Investments (Private) Limited	330,714,052	81.60
People's Bank	33,856,246	8.35
People's Leasing & Finance PLC	25,014,002	6.17
Mr. L. De Fonseka	1,000,000	0.25
Mr. Z.G. Carimjee	600,000	0.15
People's Leasing & Finance PLC/ Dr. H.S.D. Soysa & Mrs. G. Soysa	599,064	0.15
Mr. H.V. Pakianathan	370,143	0.10
Dr. H.S.D. Soysa	348,000	0.09
Mr. H. Beruwalage	344,088	0.09
Mr. A.N. Handunpathirana	297,703	0.08
Mr. D. Selvaraj	290,244	0.07
Mr. W.I.J Fernando	278,836	0.07
Mr. D.T. Beruwalage	202,480	0.05
Mrs. P.D.A.S.K. Beruwalage	200,348	0.05
LOLC Finance PLC /A.D.M. Dharmasena	198,240	0.05
MR. D.C. Thantrimudali	195,000	0.05
Mr.T A S Dilshan	187,500	0.04
Mr. D.P. Nadaraja	184,774	0.04
DIALOG Finance PLC/ W.G.Herath	166,353	0.04
MR. S. Ramachandra	148,300	0.04
	395,195,373	97.53

**9 Directors and Chief Executive Officer's holding in Shares as at 30th September 2023**

Name	Position	No: of Shares
Mr. C.P.Abeywickrema - Chairman	Chairman	-
Mr. K.R.P.Madusanka	Director	-
Mr.M.J.T.Waas	Director	-
Ms. Krystle Wijesuriya	Director	-
Dr. M.Nirmal De Silva	Director	-
Mr. Terrance Kumara	Chief Executive Officer	-
<b>Total</b>		-

**10 Public Holding as at 30th September 2023**

Public Holding percentage as at 30 September 2023 being 18.4% comprising of 10,093 shareholders

The Float adjusted market capitalisation as at 30 September 2023 – Rs.357,962,506

The Float adjusted market capitalization of the Company falls under Option 2 of Rule 7.13.1 (i) (b), of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

**11 Financial instruments**

**11.1 Analysis of financial instrument by measurement basis**

As at 30th September 2023	Company			Total Rs. '000
	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments recognized through other comprehensive income (FVTOCI) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	
<b>Assets</b>				
Cash and cash equivalents	-	-	1,282,103	1,282,103
Balances with banks and financial institutions	-	-	1,713,804	1,713,804
Financial assets measured at amortised cost - Loans and adva	-	-	9,180,562	9,180,562
Investments in securities	485,615	23	-	485,638
<b>Total Financial Assets</b>	<b>485,615</b>	<b>23</b>	<b>12,176,467</b>	<b>12,662,105</b>
<b>Liabilities</b>				
Due to banks	-	-	567,528	567,528
Financial liabilities at amortised cost - due to depositors	-	-	10,036,758	10,036,758
Debt securities issued	-	-	18,100	18,100
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>10,622,386</b>	<b>10,622,386</b>

CONDENSED INTERIM FINANCIAL STATEMENTS  
EXPLANATORY NOTES

11.1 Analysis of financial instrument by measurement basis (Continued)

Company				
As at 31.03.2023	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments recognized through other comprehensive income (FVTOCI) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>				
Cash and cash equivalents	-	-	561,607	561,607
Balances with banks and financial institutions	-	-	1,264,071	1,264,071
Financial assets measured at amortised cost - Loans and advances	-	-	8,318,103	8,318,103
Investments in securities	409,913	23	-	409,936
<b>Total Financial Assets</b>	<b>409,913</b>	<b>23</b>	<b>10,143,782</b>	<b>10,553,718</b>
<b>Liabilities</b>				
Due to banks	-	-	757,280	757,280
Financial liabilities at amortised cost - due to depositors	-	-	7,655,744	7,655,744
Debt securities issued	-	-	17,800	17,800
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,430,825</b>	<b>8,430,825</b>
Group				
As at 30th September 2023	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments recognized through other comprehensive income (FVTOCI) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>				
Cash and cash equivalents	-	-	1,282,342	1,282,342
Balances with banks and financial institutions	-	-	1,713,804	1,713,804
Financial assets measured at amortised cost - Loans and advances	-	-	9,180,562	9,180,562
Investments in securities	485,615	23	-	485,638
<b>Total Financial Assets</b>	<b>485,615</b>	<b>23</b>	<b>12,176,707</b>	<b>12,662,345</b>
<b>Liabilities</b>				
Due to banks	-	-	567,528	567,528
Financial liabilities at amortised cost - due to depositors	-	-	10,036,758	10,036,758
Debt securities issued	-	-	18,100	18,100
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>10,622,386</b>	<b>10,622,386</b>
Group				
As at 31.03.2023	Financial instruments recognized through profit or loss (FVTPL) Rs. '000	Financial instruments recognized through other comprehensive income (FVTOCI) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Total Rs. '000
<b>Assets</b>				
Cash and cash equivalents	-	-	561,846	561,846
Balances with banks and financial institutions	-	-	1,264,071	1,264,071
Financial assets measured at amortised cost - Loans and advances	-	-	8,318,103	8,318,103
Investments in securities	409,913	23	-	409,936
<b>Total Financial Assets</b>	<b>409,913</b>	<b>23</b>	<b>10,144,021</b>	<b>10,553,957</b>
<b>Liabilities</b>				
Due to banks	-	-	757,280	757,280
Financial liabilities at amortised cost - due to depositors	-	-	7,655,744	7,655,744
Debt securities issued	-	-	17,800	17,800
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,430,825</b>	<b>8,430,825</b>

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**EXPLANATORY NOTES**

**11.2 Fair value measurement hierarchy**

The following table shows the carrying amounts and fair values of financial assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount Rs. '000		Fair value Rs. '000					
	Company	Group	Company			Group		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
Investment securities measured at FVTPL (note a)	485,615	485,638	4,496	481,120	-	4,496	481,120	-
Investment securities measured at FVOCI (note b)	23	-	-	-	23	-	-	23
	<b>485,638</b>	<b>485,638</b>	<b>4,496</b>	<b>481,120</b>	<b>23</b>	<b>4,496</b>	<b>481,120</b>	<b>23</b>
<b>Financial assets not measured at fair value</b>								
Loans and advances (note c)	9,180,562	9,180,562	-	-	-	-	-	-
Cash and cash equivalent (note d)	1,282,103	1,282,342	-	-	-	-	-	-
Placements with banks and financial institutions (note e)	1,713,804	1,713,804	-	-	-	-	-	-
	<b>12,176,468</b>	<b>12,176,707</b>	-	-	-	-	-	-
	<b>12,662,106</b>	<b>12,662,345</b>	<b>4,496</b>	<b>481,120</b>	<b>23</b>	<b>4,496</b>	<b>481,120</b>	<b>23</b>
<b>Financial liabilities</b>								
<b>Financial liabilities not measured at fair value</b>								
Due to banks (note f)	567,528	567,528	-	-	-	-	-	-
Deposits due to customers (note g)	10,036,758	10,036,758	-	-	-	-	-	-
Debt securities issued (note h)	18,100	18,100	-	-	-	-	-	-
Financial liabilities (note i)	224,242	225,072	-	-	-	-	-	-
Lease liabilities (note j)	181,730	181,730	-	-	-	-	-	-
	<b>11,028,358</b>	<b>11,029,188</b>	-	-	-	-	-	-
	<b>11,028,358</b>	<b>11,029,188</b>	-	-	-	-	-	-
<b>31.03.2023</b>								
Investment securities measured at FVTPL (note a)	409,913	409,913	6,698	2,524	-	6,698	2,524	-
Investment securities measured at FVOCI (note b)	23	23	-	-	23	-	-	23
	<b>409,936</b>	<b>409,936</b>	<b>6,698</b>	<b>2,524</b>	<b>23</b>	<b>6,698</b>	<b>2,524</b>	<b>23</b>
<b>Financial assets not measured at fair value</b>								
Loans and advances (note c)	8,318,103	9,180,562	-	-	-	-	-	-
Cash and cash equivalent (note d)	561,607	561,846	-	-	-	-	-	-
Placements with banks and financial institutions (note e)	1,264,071	1,264,071	-	-	-	-	-	-
	<b>10,143,781</b>	<b>11,006,479</b>	-	-	-	-	-	-
	<b>10,553,717</b>	<b>11,416,415</b>	<b>6,698</b>	<b>2,524</b>	<b>23</b>	<b>6,698</b>	<b>2,524</b>	<b>23</b>
<b>Financial liabilities not measured at fair value</b>								
Due to banks (note f)	757,280	757,280	-	-	-	-	-	-
Deposits due to customers (note g)	7,655,744	7,655,744	-	-	-	-	-	-
Debt securities issued (note h)	17,800	17,800	-	-	-	-	-	-
Financial liabilities (note i)	115,609	116,437	-	-	-	-	-	-
Lease liabilities (note j)	197,581	197,581	-	-	-	-	-	-
	<b>8,744,015</b>	<b>8,744,843</b>	-	-	-	-	-	-

The methodologies and assumptions used to estimate the fair values of the financial instruments, which are not carried at fair value are as follows:

- Investment securities measured at FVTPL – The carrying amount of these investments reflect last traded price at stock exchange and NDB Wealth Money Plus daily reports.
- Investment securities measured at FVOCI – The carrying amount of these shows investments in the Credit Information Bureau of Sri Lanka. As CRIB is a private company unable to find market values. It is assumed that the carrying amounts approximate their fair values.
- Loans and advances to customers – The carrying amount reflects amortised value of loan and advances. Thus its carrying amount approximates to the fair value
- Cash and cash equivalents – The carrying amount of cash and cash equivalents approximate its fair value due to the relatively short maturity of the financial instruments
- Placements with banks and financial institutions – The carrying amount of investment in fixed deposits approximate its fair value due to the relatively short maturity of the financial instruments;

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**EXPLANATORY NOTES**

**11.3 Fair value measurement hierarchy (Continued)**

- f) Due to banks – Fair value of these financial instruments with remaining maturity of less than one year approximate their carrying amounts due to the relatively short maturity of such instruments;
- g) Deposits due to customers – The carrying amount reflecting amortised cost of deposits from customers. Thus its carrying amount approximates to the fair value
- h) Debt securities issued – Fair value of preference shares reflect market value with the consideration of 6% interest rate
- i) Financial liabilities – The carrying value is approximately its fair value of the financial instrument
- j) Lease liabilities – The carrying amount reflects the amortised cost of lease liabilities.

There were no transfers between Level 1 and Level 2 during the reporting period.

**Level 3 Fair value measurement**

The following table shows a reconciliation from the beginning balance to the ending balance for fair value measurement in level 3 of the fair value hierarchy

	Group Rs. '000		Company Rs. '000	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Balance at the beginning of the year	23	23	23	23
Changes in fair value during the period	-	-	-	-
Balance at the end of the year	23	23	23	23

**12 Events occurring after the reporting date**

There have been no material events occurring after the reporting date which require adjustments to or disclosure in these financial statements.

**13 Commitments and contingencies**

There are no significant capital commitments which have been approved or contracted for by the company as at 30th September 2023.

- Contingent liability has been decreased up to Rs 78,080,500 as at 30-09-2023 due to the decrease of Margin Trading un-utilized balances.

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**EXPLANATORY NOTES**

**14 New accounting standard amendments issued but not effective as at reporting date**

The Institute of Chartered Accountants of Sri Lanka has issued following new Sri Lanka Accounting Standard amendments (SLFRSs/LKASs) which will become applicable for financial periods beginning on or after 1<sup>st</sup> January 2022. Accordingly, the Group and Company has not applied the following new standard amendments in preparing these Condensed Financial Statements.

These amended standards and interpretations are not expected to have a significant impact on the Group's and Company's financial statements.

Onerous Contracts – Cost of fulfilling a contract (amendments to LKAS 37)

Covid-19 Related Rent Concessions (amendments to SLFRS 16)

Property, Plant and Equipment: Proceeds before Intended Use (amendments to LKAS 16)

Reference to Conceptual Framework (amendments to SLFRS 3)

Classification of Liabilities as Current or Non-current (amendments to LKAS 1)

Annual improvements to SLFRS standards 2018-2020

Definition of accounting estimate (amendments to LKAS 8)

Disclosure of accounting policies (amendments to LKAS 1 and SLFRS practice statement 2)

**15 Utilization of proceeds of the Rights issue undertaken in December 2021**

The utilization of the rights issue proceeds amounting to Rs. 509,895,750 is as follows.

Objective as per circular/Prospects	Amount allocated as per circular/prospects in Rs.	Proposed date of utilization as per circular/prospects	Amount allocated upon the receipt of proceeds in Rs.	As a % of total proceeds	Amount utilized in the objective Rs.	% of utilize against allocation Rs.	Clarification if not fully utilized including where the funds are invested
Meet the Core Capital requirement Stipulated by the CBSL	509,895,750	23rd December 2021	509,895,750	100%	509,895,750	100%	N/A



CONDENSED INTERIM FINANCIAL STATEMENTS

15 Segmental analysis

Rs. '000

As at 30th September	Leasing & Hire Purchases		Loans and Pawning		Margin Trading		Other		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>										
Interest income	648,820	340,824	487,006	314,671	71,586	82,568	249,600	99,726	1,457,012	837,789
Fee and commission income	21,242	178	0	-	-	-	-	-	21,242	178
Net income from other financial instruments at FVTPL	-	-	-	-	-	-	83,027	506	83,027	506
Other operating income	8,370	4,702	4,002	2,772	-	-	8,976	14,816	21,349	22,290
<b>Gross revenue</b>	<b>678,432</b>	<b>345,705</b>	<b>491,009</b>	<b>317,443</b>	<b>71,586</b>	<b>82,568</b>	<b>341,603</b>	<b>115,048</b>	<b>1,582,629</b>	<b>860,764</b>
Less: Interest expenses	371,659	186,082	271,050	182,725	41,455	35,530	336,740	91,986	1,020,904	496,323
<b>Total operating income</b>	<b>306,774</b>	<b>159,623</b>	<b>219,960</b>	<b>134,718</b>	<b>30,131</b>	<b>47,039</b>	<b>4,863</b>	<b>23,061</b>	<b>561,726</b>	<b>364,440</b>
Net impairment charges/(reversal)	87,297	56,805	(28,412)	12,322	8,154	8,513	-	-	67,039	77,640
<b>Net operating income</b>	<b>219,476</b>	<b>102,818</b>	<b>248,372</b>	<b>122,396</b>	<b>21,977</b>	<b>38,526</b>	<b>4,863</b>	<b>23,061</b>	<b>494,688</b>	<b>286,802</b>
Less: Operating Expenses	174,992	133,054	127,621	130,654	19,519	25,405	158,551	65,773	480,682	354,885
<b>Segment results</b>	<b>44,485</b>	<b>(30,235)</b>	<b>120,751</b>	<b>(8,258)</b>	<b>2,459</b>	<b>13,121</b>	<b>(153,689)</b>	<b>(42,711)</b>	<b>14,006</b>	<b>(68,083)</b>
Less: Tax on financial services	-	-	-	-	-	-	-	-	20,630	17,754
Less: Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Profit/(loss) attributable to equity holders</b>									<b>(6,623)</b>	<b>(85,837)</b>
<b>As at 30th September</b>										
Segment Assets	4,987,171	3,659,469	3,637,127	3,593,459	556,269	698,720	4,518,613	1,808,997	13,699,180	9,760,645
<b>Total Assets</b>	<b>4,987,171</b>	<b>3,659,469</b>	<b>3,637,127</b>	<b>3,593,459</b>	<b>556,269</b>	<b>698,720</b>	<b>4,518,613</b>	<b>1,808,997</b>	<b>13,699,180</b>	<b>8,280,059</b>
Segment Liabilities	4,015,163	2,630,171	2,928,245	2,582,728	447,851	502,191	3,637,928	1,300,181	11,029,188	7,015,271
<b>Total Liabilities</b>	<b>4,015,163</b>	<b>2,630,171</b>	<b>2,928,245</b>	<b>2,582,728</b>	<b>447,851</b>	<b>502,191</b>	<b>3,637,928</b>	<b>1,300,181</b>	<b>11,029,188</b>	<b>7,015,271</b>
<i>Figures in brackets indicate deductions.</i>										

**CORPORATE INFORMATION**

<b>Name of Company</b> PMF Finance PLC	<b>Branch Offices</b> Corporate Anuradhapura Kurunegala Negombo Trincomalee Kandy Matara Homagama Matugama Elpitiya Gampaha Wellawatta Matale Narahenpitiya	<b>Related Party Transactions Review Committee</b> Mr. C.P.Abeywickrema - Chairman Ms. Krystle Wijesuriya Mr.M.J.T.Waas
<b>Legal Form</b> Public Limited Liability Company (Incorporated and domiciled in Sri Lanka)		<b>Bankers</b> People's Bank National Development Bank PLC Cargills Bank Ltd Hatton National Bank PLC Commercial Bank PLC
<b>Date of Incorporation</b> 26 <sup>th</sup> January 1983		
<b>Company Registration Number</b> PQ 200		
<b>Stock Exchange Listing</b> The ordinary shares of the Company were quoted on the Colombo Stock Exchange (CSE) on 11 <sup>th</sup> July 1994.	<b>Board of Directors and Board Sub-Committees</b> <b>Board of Directors</b> Mr. C.P.Abeywickrema - Chairman  Mr. K.R.P.Madusanka Mr.M.J.T.Waas Ms. Krystle Wijesuriya Dr. M.Nirmal De Silva	<b>Subsidiary Company</b> PMB Services Limited  <b>Vehicle Yard</b> No.49, Wellawa, Kurunegala.  Sri Lanka.
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.		<b>Tax Payer Identity Number (TIN)</b> 134000228
<b>Accounting Year-End</b> March -31	<b>Integrated Risk Management Committee</b>	<b>Central Bank Registration Number</b> LFC/043 (Under the Finance Business Act No. 42 of 2011)
<b>Registered Office &amp; Principle Place of Business</b> No. 361,361/1, R.A.De Mel Mawatha, Colombo 03, Sri Lanka Telephone +94117666333/4 Email; info@pmf.lk Web Address; www.pmf.lk	Mr. C.P.Abeywickrema - Chairman Mr. K.R.P.Madusanka Mr.M.J.T.Waas Dr. M.Nirmal De Silva	<b>Credit Agency Status</b> 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.
<b>Registrars</b> SSP Corporate Services (Pvt) Ltd No. 101, Inner Flower Road, Colombo 03, Sri Lanka Telephone; +94112573894, +94112576871 Fax; +94112573609 Email; <a href="mailto:sspsec@sltnet.lk">sspsec@sltnet.lk</a>	<b>Board Audit Committee</b> Mr. K.R.P.Madusanka - Chairman Mr. C.P.Abeywickrema Mr.M.J.T.Waas Dr. Nirmal De Silva	<b>Credit Rating</b> B + (Stable) by Lanka Rating Agency
<b>Auditors</b> Ernst & Young Chartered Accountants 201, De Saram Place, P.O Box 101. Colombo 03.	<b>Remuneration Committee</b> Mr. C.P.Abeywickrema - Chairman Mr. K.R.P.Madusanka Ms. Krystle Reid Wijesuriya Mr.M.J.T.Waas	
	<b>Nomination Committee</b> Mr. C.P.Abeywickrema - Chairman Mr. K.R.P.Madusanka Ms. Krystle Reid Wijesuriya	