

INTERIM FINANCIAL STATEMENTS
For the twelve months ended 31st March 2013



PEOPLE'S LEASING & FINANCE PLC

INCOME STATEMENT - COMPANY

	For the twelve months ended			For the quarter ended		
	31.03.2013	31.03.2012	Growth	31.03.2013	31.03.2012	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Audited		Unaudited	Unaudited	
Revenue	15,928	13,991	13.8	4,343	3,822	13.6
Interest income	14,563	12,277	18.6	3,936	3,459	13.8
Interest expenses	8,376	6,170	35.8	2,279	1,746	30.5
Net interest income	6,187	6,107	1.3	1,657	1,713	(3.3)
Other operating income						
Net trading income from sale of vehicles	3	63	(95.2)	-	5	(100.0)
Fees and commission income	741	636	16.5	189	258	(26.7)
Net income from Islamic finance	5	30	(83.3)	1	(6)	(116.7)
Others	476	229	107.9	218	77	183.1
Total income	7,412	7,065	4.9	2,065	2,047	0.9
Less : Operating expenses						
Personnel cost	898	763	17.7	237	223	6.3
Depreciation	149	132	12.9	37	42	(11.9)
Amortisation of intangible assets	12	11	9.1	3	3	-
Directors' emoluments	2	2	-	1	1	-
Establishment expenses	2	11	(81.8)	-	3	(100.0)
Other expenses	1,523	1,229	23.9	398	320	24.4
Profit from operations before provision for taxation & possible losses	4,826	4,917	(1.9)	1,389	1,455	(4.5)
Provision charge/ (reversal) for bad and doubtful debts and fall in value of investments	614	(1,434)	(142.8)	(114)	(35)	225.7
Operating profit after provision for possible losses	4,212	6,351	(33.7)	1,503	1,490	0.9
Less: Value Added Tax on Financial Services	257	368	(30.2)	87	73	19.2
Profit before taxation	3,955	5,983	(33.9)	1,416	1,417	(0.1)
Income tax expense	1,103	1,776	(37.9)	335	349	(4.0)
Profit after taxation	2,852	4,207	(32.2)	1,081	1,068	1.2
Attributable to:						
Equity holders of the parent	2,852	4,207	(32.2)	1,081	1,068	1.2
Minority interest	-	-	-	-	-	-
Net profit for the period	2,852	4,207	(32.2)	1,081	1,068	1.2
Earnings per share (Basic/ Diluted) (Rs.)	1.74	3.11	(44.1)	0.67	0.66	1.5

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

INCOME STATEMENT - GROUP

	For the twelve months ended			For the quarter ended		
	31.03.2013	31.03.2012	Growth	31.03.2013	31.03.2012	Growth
	Rs. Mn. Unaudited	Rs. Mn. Audited	%	Rs. Mn. Unaudited	Rs. Mn. Unaudited	%
Revenue	18,656	15,897	17.4	5,008	4,482	11.7
Interest income	16,592	13,620	21.8	4,494	3,840	17.0
Interest expenses	10,191	7,041	44.7	2,799	2,032	37.7
Net interest income	6,401	6,579	(2.7)	1,695	1,808	(6.3)
Other operating income						
Net trading income from sale of vehicles	3	63	(95.2)	-	5	(100.0)
Fees and commission income	501	530	(5.5)	126	335	(62.4)
Net income from Islamic finance	775	369	110.0	207	103	101.0
Others	618	314	96.8	180	92	95.7
Total income	8,298	7,855	5.6	2,208	2,343	(5.8)
Less : Operating expenses						
Personnel cost	1,104	922	19.7	293	276	6.2
Depreciation	270	222	21.6	69	69	-
Amortisation of intangible assets	5	13	(61.5)	-	7	(100.0)
Directors' emoluments	3	3	-	1	1	-
Establishment expenses	2	11	(81.8)	-	3	(100.0)
Other operating expenses	1,381	1,135	21.7	371	359	3.3
Profit from operations before provision for taxation & possible losses	5,533	5,549	(0.3)	1,474	1,628	(9.5)
Provision charge/ (reversal) for bad and doubtful debts and fall in value of investments	828	(1,371)	(160.4)	3	(14)	(121.4)
Operating profit after provision for possible losses	4,705	6,920	(32.0)	1,471	1,642	(10.4)
Less: Value Added Tax on Financial Services	287	403	(28.8)	91	76	19.7
Profit before taxation	4,418	6,517	(32.2)	1,380	1,566	(11.9)
Income tax expense	1,345	1,975	(31.9)	374	400	(6.5)
Profit after taxation	3,073	4,542	(32.3)	1,006	1,166	(13.7)
Attributable to:						
Equity holders of the parent	3,045	4,503	(32.4)	1,006	1,154	(12.8)
Minority interest	28	39	(28.2)	-	12	(100.0)
Net profit for the period	3,073	4,542	(32.3)	1,006	1,166	(13.7)
Earnings per share (Basic/ Diluted) (Rs.)	1.86	3.33	(44.1)	0.62	0.71	(12.7)

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

BALANCE SHEET

As at	Group			Company		
	31.03.2013	31.03.2012	Growth	31.03.2013	31.03.2012	Growth
	Rs. Mn.	Rs. Mn.	%	Rs. Mn.	Rs. Mn.	%
	Unaudited	Audited		Unaudited	Audited	
LIABILITIES & SHAREHOLDERS' FUNDS						
LIABILITIES						
Deposits from customers	16,210	8,684	86.7	6,683	-	100.0
Bank overdrafts	862	2,309	(62.7)	775	2,073	(62.6)
Other liabilities evidenced by paper	21,478	28,689	(25.1)	19,720	26,509	(25.6)
Total interest payable	4,316	3,220	34.0	3,704	2,754	34.5
Tax payable	-	279	(100.0)	-	225	(100.0)
Deferred tax liabilities	1,409	766	83.9	1,286	720	78.6
Borrowings	25,065	26,911	(6.9)	23,067	24,702	(6.6)
Other liabilities	4,972	4,495	10.6	2,817	2,370	18.9
Debentures	7,893	2,005	293.7	7,893	2,005	293.7
Total liabilities	82,205	77,358	6.3	65,945	61,358	7.5
SHAREHOLDERS' FUNDS						
Stated capital	12,958	12,958	-	12,958	12,958	-
General reserve	300	300	-	300	300	-
Tax equalisation fund	100	100	-	100	100	-
Reserve fund	853	654	30.4	708	565	25.3
Investment fund reserve	941	543	73.3	895	517	73.1
Retained earnings	4,084	3,948	3.4	3,867	3,830	1.0
	19,236	18,503	4.0	18,828	18,270	3.1
Minority interest	158	212	(25.5)	-	-	-
Total shareholders' funds	19,394	18,715	3.6	18,828	18,270	3.1
Total liabilities & shareholders' funds	101,599	96,073	5.8	84,773	79,628	6.5
ASSETS						
Cash and short term funds	4,319	2,693	60.4	2,763	1,338	106.5
Investments in government securities	1,528	1,563	(2.2)	-	-	-
Deposits with banks & financial institutions	1,769	896	97.4	638	393	62.3
Inventories	16	115	(86.1)	13	112	(88.4)
Dealing securities	238	112	112.5	57	29	96.6
Investment securities	305	305	-	305	305	-
Loans and other advances	9,945	5,580	78.2	7,859	4,170	88.5
Rentals receivable on lease	44,545	40,305	10.5	40,468	36,265	11.6
Rentals receivable on hire-purchase	30,034	34,291	(12.4)	27,331	31,007	(11.9)
Other accommodation	4,035	4,319	(6.6)	24	115	(79.1)
Deferred tax assets	-	1	(100.0)	-	-	-
Investment in subsidiaries	-	-	-	3,183	3,118	2.1
Investment in associate	-	-	-	-	-	-
Other assets	1,912	2,731	(30.0)	1,458	2,062	(29.3)
Property, plant & equipment	2,595	2,811	(7.7)	583	621	(6.1)
Investment property	-	-	-	56	56	-
Intangible assets	358	351	2.0	35	37	(5.4)
Total assets	101,599	96,073	5.8	84,773	79,628	6.5
Contingencies	1,803	377	378.2	1,794	352	409.7
Capital commitments	1,595	1,724	(7.5)	220	476	(53.8)
Net assets value per ordinary share (Rs.)	11.88	11.28	5.3	11.62	11.13	4.4
Memorandum Information						
Number of employees				1,134	1,050	
Number of branches				33	34	

CERTIFICATION

I certify that the above Interim Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007 and give a true and fair view of the state of affairs of People's Leasing & Finance PLC and the Group as at 31st March 2013 and its profit for the twelve months ended 31st March 2013.

(Sgd.)

Chief Financial 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:

(Sgd.)

Director

(Sgd.)

Director

(Sgd.)

Chief Executive Officer

22nd May 2013

Colombo.

The above figures are provisional and subject to audit.

Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Stated Capital	General Reserve	Tax Equalization Fund	Reserve Fund	Investment Fund Reserve	Retained Earnings	Total
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.
Balance as at 01.04.2011	1,850	300	100	355	70	5,767	8,442
Redemption of preference shares	-	-	-	-	-	(150)	(150)
Capitalisation of reserves	4,088	-	-	-	-	(4,088)	-
Issue of share capital	7,020	-	-	-	-	-	7,020
Share issue expenses	-	-	-	-	-	(221)	(221)
Net profit for the twelve months ended 31.03.2012	-	-	-	-	-	4,207	4,207
Transfer into/ (out from) reserve	-	-	-	210	447	(657)	-
Dividends - Preference shares	-	-	-	-	-	(173)	(173)
- Ordinary shares	-	-	-	-	-	(855)	(855)
Balance as at 31.03.2012	12,958	300	100	565	517	3,830	18,270
Redemption of preference shares	-	-	-	-	-	(200)	(200)
Net profit for the twelve months ended 31.03.2013	-	-	-	-	-	2,852	2,852
Transfer into / (out) from reserve	-	-	-	143	378	(521)	-
Dividends - Preference shares	-	-	-	-	-	(144)	(144)
- Ordinary shares	-	-	-	-	-	(1,950)	(1,950)
Balance as at 31.03.2013	12,958	300	100	708	895	3,867	18,828

The above figures are provisional and subject to audit.
 Figures in brackets indicate deductions.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Attributable to Equity Holders of the Company						Total	Minority Interest	Total
	Stated Capital	General Reserve	Tax Equalization Fund	Reserve Fund	Investment Fund Reserve	Retained Earnings			
	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.	Rs. Mn.			
Balance as at 01.04.2011	1,850	300	100	376	70	5,686	8,382	100	8,482
Redemption of preference shares	-	-	-	-	-	(150)	(150)	-	(150)
Capitalisation of reserves	4,088	-	-	-	-	(4,088)	-	-	-
Issue of share capital	7,020	-	-	-	-	-	7,020	-	7,020
Share issue expenses	-	-	-	-	-	(224)	(224)	-	(224)
Disposals and changes in holding	-	-	-	-	-	-	-	83	83
Net profit for the twelve months ended 31.03.2012	-	-	-	-	-	4,503	4,503	39	4,542
Transfer into/ (out) from reserves	-	-	-	278	473	(751)	-	-	-
Dividends - Preference shares	-	-	-	-	-	(173)	(173)	-	(173)
- Ordinary shares	-	-	-	-	-	(855)	(855)	(10)	(865)
Balance as at 31.03.2012	12,958	300	100	654	543	3,948	18,503	212	18,715
Redemption of preference shares	-	-	-	-	-	(200)	(200)	-	(200)
Disposals and changes in holding	-	-	-	-	-	-	-	(46)	(46)
Acquisition of minority interest	-	-	-	-	-	(18)	(18)	-	(18)
Net profit for the twelve months ended 31.03.2013	-	-	-	-	-	3,045	3,045	28	3,073
Transfer into / (out) from reserve	-	-	-	199	398	(597)	-	-	-
Dividends - Preference shares	-	-	-	-	-	(144)	(144)	-	(144)
- Ordinary shares	-	-	-	-	-	(1,950)	(1,950)	(36)	(1,986)
Balance as at 31.03.2013	12,958	300	100	853	941	4,084	19,236	158	19,394

The above figures are provisional and subject to audit.
 Figures in brackets indicate deductions.

CASH FLOW STATEMENT

Twelve months ended 31st March,	Group		Company	
	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.
Cash Flow from Operating Activities				
Interest and similar income	16,192	13,267	14,163	12,168
Interest and similar expenses	(9,095)	(5,926)	(7,425)	(5,269)
Net trading income from sale of vehicles	3	63	3	63
Fees and commission income	501	535	741	528
Income from Islamic credits	776	372	6	34
Other operating income	746	301	122	130
Cash payments to employees and suppliers	(2,898)	(1,960)	(2,689)	(1,889)
Operating profit before changes in operating assets and liabilities	6,225	6,652	4,921	5,765
(Increase)/decrease in other assets	484	24	466	306
Decrease in inventories	98	123	99	125
Net investment in advances	(4,087)	(27,337)	(4,076)	(20,534)
Increase in amounts payable	478	(1,423)	446	(2,621)
Net cash used for operations	3,198	(21,961)	1,856	(16,959)
Tax paid	(930)	(2,136)	(878)	(2,033)
Gratuity paid	(1)	(2)	(1)	(2)
Net cash flow from/ (used in) operating activities	2,267	(24,099)	977	(18,994)
Cash flow from Investing Activities				
Acquisition of property, plant & equipment	(288)	(1,469)	(159)	(503)
Investment in treasury bills, treasury bonds	35	(768)	-	-
Long term receivable	-	(102)	-	-
Investment in associate	-	-	-	(50)
Investments in subsidiaries	-	-	(65)	(810)
Investments in securities/ dealing securities	(126)	(150)	(27)	(90)
Purchase of rights in subsidiaries	-	-	-	(503)
Proceeds from sale of shares	-	31	-	8
Deposits with banks & financial institutions	(872)	(213)	(245)	271
Proceeds on disposal of property, plant & equipment	84	47	27	40
Dividend/ interest received	11	302	363	125
Net cash flow from/ (used in) investing activities	(1,156)	(2,322)	(106)	(1,512)
Cash flow from Financing Activities				
Proceeds from share issue	-	7,020	-	7,020
Proceeds from rights issue	-	65	-	-
Share issue expenses	-	(224)	-	(221)
Proceeds from conversion of warrants into ordinary shares	-	18	-	-
Deposits from customers	7,526	4,037	6,683	-
Borrowings	(3,234)	16,901	(2,535)	14,454
Dividends paid	(2,130)	(1,038)	(2,095)	(1,028)
Redemption of preference shares	(200)	(150)	(200)	(150)
Net cash flow from/ (used in) financing activities	1,962	26,629	1,853	20,075
Net increase/ (decrease) in cash & cash equivalents	3,073	208	2,724	(431)
Cash & cash equivalents at the beginning of the period	384	176	(735)	(304)
Cash & cash equivalents at the end of the period	3,457	384	1,989	(735)
Analysis of Cash & Cash Equivalents at the End of the Period				
Cash in hand	533	451	210	70
Cash at bank	1,852	996	1,757	820
Bank overdraft	(862)	(2,309)	(775)	(2,073)
Deposit at call on short notice	1,934	1,246	797	448
	3,457	384	1,989	(735)

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

SEGMENTAL ANALYSIS - GROUP

	Advances & Leases		Sale of Imported Vehicles		Fee based Activities		Other Activities		Total	
	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.	2013 Rs. Mn.	2012 Rs. Mn.
For the twelve months ended 31st March										
Revenue										
Interest and similar income	17,394	14,242	-	-	-	-	-	-	17,394	14,242
Trading income from sale of vehicles	-	-	143	811	-	-	-	-	143	811
Fees and commission income	-	-	-	-	501	530	-	-	501	530
Other operating income	-	-	-	-	-	-	618	314	618	314
Segment revenue	17,394	14,242	143	811	501	530	618	314	18,656	15,897
Inter segment revenue	7	9	(7)	(9)	-	-	-	-	-	-
Total segment revenue	17,401	14,251	136	802	501	530	618	314	18,656	15,897
Segment result									4,418	6,517
Income tax expenses									1,345	1,975
Net profit									3,073	4,542
Total assets	94,726	86,050	779	4,887	2,728	3,227	3,366	1,909	101,599	96,073
Total liabilities	76,644	69,272	630	3,942	2,208	2,604	2,723	1,540	82,205	77,358

The above figures are provisional and subject to audit.
Figures in brackets indicate deductions.

INFORMATION ON ORDINARY SHARES OF THE COMPANY

Market Price

Market Prices per ordinary share for the quarter ended 31st March 2013 were as follows;

	<u>Rs.</u>
Highest :	16.70
Lowest :	12.80
Closing :	13.10

Stated Capital

Stated Capital as at 31st March 2013 was represented by the number of shares in issue as given below;

	<u>Number</u>	<u>Rs.</u>
Ordinary shares		
Ordinary shares as at 31st March 2013	1,560,000,160	11,608,000,800
Fully paid cumulative redeemable preference shares	70,000,000	1,350,000,000
Total	<u>1,630,000,160</u>	<u>12,958,000,800</u>

SHAREHOLDERS' INFORMATION

Twenty Largest Ordinary Shareholders as at 31st March 2013

Twenty largest ordinary shareholders of the Company as at 31st March were as follows;

No.	Name of the Shareholder	No. of Shares	%
1	People's Bank	1,182,030,999	75.77
2	Employees' Provident Fund	61,884,490	3.97
3	National Savings Bank	58,809,840	3.77
4	Distilleries Company of Sri Lanka PLC	24,517,300	1.57
5	HSBC INTL Nominees Ltd- Credit Suisse AG Zurich	18,000,000	1.15
6	HSBC INTL NOM Ltd JPMCB-J.P. Morgan Clearing Corp	14,176,666	0.91
7	Bank of Ceylon No. 1 Account	11,453,600	0.73
8	HSBC International Nominees Limited-SSBT The Ashmoreemm Umbrella Funds Trust	10,797,914	0.69
9	Bny-CF Ruffer Investment Funds: CF Ruffer Pacific Fund	10,000,000	0.64
10	Sanasa Development Bank Limited	9,864,800	0.63
11	Waldock Mackenzie Limited/ Capital Alliance Holdings Ltd	9,295,200	0.60
12	Ceylon Investment PLC A/C # 01	6,954,891	0.45
13	Sampath Bank Limited A/C No. 1	5,901,600	0.38
14	Mr . D. P. Kumarage	5,000,000	0.32
15	Gampaha District Co-operative Rural Bank Union Ltd.	4,921,800	0.32
16	Ceylon Guardian Investment Trust PLC A/C # 01	3,640,800	0.23
17	NDB Capital Holdings PLC	3,288,800	0.21
18	HSBC INTL NOM Ltd- Jpmire-GAM Star Fund PLS	3,000,000	0.19
19	David Pieris Motor Company Limited	2,250,000	0.14
20	Ms. N.T.M.S. Cooray	1,786,500	0.11

Public Holdings

The percentage of ordinary shares held by the public as at 31st March 2013 was 23.83%.

Directors'/ CEO's Holding in Shares as at 31st March 2013

The number of ordinary shares held by the directors and CEO as at 31st March 2013 was as follows;

Name	Position	No. of Shares
Mr. Weraduwaage Karunajeewa	Late Chairman	-
Mr. Gamini Sedara Senarath	Chairman	-
Seylan Bank PLC/ Dr. Don Joseph Douglas Jayakody	Director	50,000
Mr. Hennek Gedara Wajira Swarna Sri Bandara	Director	-
Mr. Namasivayam Vasantha Kumar	Director	1,000,000
Mr. Paliawadana Arachchige Irenius Sirinimal Perera	Director	20,000
Mrs. Manoli Gonaduwa Jinadasa	Director	-
Mr. Don Padmasiri Kumarage	CEO	5,000,000

1. There are no significant changes in the accounting policies and methods of computation since the publication of financial statements in the annual report for the year 2011/12. The presentation and the classification of the financial statements of the previous period have been adjusted where relevant to conform to the current presentation.
2. The Interim Financial Statements for the twelve months ended 31st March 2013 are drawn up from unaudited accounts of the Company, its subsidiary companies and its associate.
3. The Interim Financial Statements are in compliance with the Sri Lanka Accounting Standards 35: 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 the Colombo Stock Exchange.
4. According to the new ruling issued by the Institute of Chartered Accountants of Sri Lanka, Companies are required to prepare interim financial statements as per LKAS 34 for financial periods beginning on or after 1st January 2012. However, the Institute of Chartered Accountants of Sri Lanka has allowed Companies to prepare interim financial statements during the first financial year commencing on or after 1st January 2012 in accordance with the Sri Lanka Accounting Standards which existed immediately prior to 1st January 2012, with disclosures on the impact to the Statement of Comprehensive Income for the period and Net Assets based on SLFRS/ LKAS.

Refer Annexure I for the Impact to the Financial Statements on Application of New/ Revised Accounting Standards (SLFRS/ LKAS).

5. The consolidated Financial Statements of the Company comprises of the Company and its subsidiaries: People's Leasing Property Development Limited, People's Leasing Fleet Management Limited, People's Finance PLC, People's Insurance Limited, People's Leasing Havelock Properties Limited, People's Microfinance Limited and the Group's interest in its associate: City Finance Corporation Limited (formerly known as Industrial Finance Limited).
6. All known expenses including management fees and similar expenses have been provided for in these financial statements.
7. There has been no significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2012.
8. Mr. Gamini Sedhara Senerath was appointed as the Non-Executive, Non-Independent Chairman of the Board of the Company with effect from 28th February 2013 following the demise of Mr. W. Karunajeewa who headed the Company Board from year 2007 onwards.
9. a.) On 19th March 2013 the Company opened the issue of 30,000,000 Senior Unsecured Redeemable Debentures of Rs. 100/- each with an option to issue up to a further 30,000,000 debentures in the event of an oversubscription. The issue was oversubscribed and closed on the same day. Objectives of the issue were to utilize the proceeds for the working capital purposes of the Company, access to additional source of funds from non deposit source, to minimize the mismatch in funding exposure, to minimize the interest rate risk and the gap exposure in assets/liabilities portfolio, provide investors a structure that meet their risk-return and maturity needs and to facilitate the admission up to 60,000,000 Listed, Unsecured, Redeemable, Rated debentures to the official list of the CSE. On 27th March 2013, Debentures were allotted on the following basis:

Option	Debentures Allotted	
	Number	Value (Rs.)
4 years- 16.50% p.a. payable semi annually	19,865,000	1,986,500,000
5 years - 16.75% p.a. payable semi annually	15,835,000	1,583,500,000
5 years - 17.00% p.a. payable annually	24,300,000	2,430,000,000
Total	60,000,000	6,000,000,000

b.) Debentures were listed on the Debt Securities Main Board of the Colombo Stock Exchange on 04th April 2013.

10. The Company did not raise funds through a share issue or a rights issue during the period ended 31st March 2013.
11. In June 2011, upon the continuous review of lending portfolio, the remaining general provision of Rs. 1,611,476,404/- was reversed to the Income Statement due to continuous increase in the quality of the Company's lending portfolio and the improved economic conditions of the country in all key sectors including leasing industry and low exposure to market risk. (twelve months ended 31st March 2013- Nil)
12. During the twelve months ended 31st March 2013 the Company redeemed 20,000,000 preference shares (5,000,000 on 30th April 2012, 5,000,000 on 30th September 2012, 5,000,000 on 31st October 2012 and 5,000,000 on 31st March 2013) at Rs. 10/- each. The Company also paid preference dividend of Rs. 72,250,000/- on 31st October 2012 and Rs. 72,250,000/- on 31st March 2013.
13. Pursuant to the approval given by the shareholders of the Company at the 16th Annual General Meeting held on 29th June 2012, the Company paid a final dividend of Rs. 0.50 per ordinary share on 11th July 2012 for the financial year ended 31st March 2012.
14. On the 5th of April 2012, the Company received a sum of Rs. 10,823,199/- from People's Insurance Limited, a subsidiary of the Company, as the final dividend of Rs. 0.20 per share for the financial year 2011 and on the 27th of March 2013, Rs. 54,143,545/- was received from People's Insurance Limited as the final dividend for the financial year 2012.
15. On the 29th of June 2012, People's Finance PLC, a subsidiary of the Company, paid a sum of Rs. 186,442,448/- as the first interim dividend of Rs. 2.50 per share for the financial year 2012/2013. Accordingly, the Company has received a net dividend of Rs. 148,975,388/-.

16. On the 21st of February 2013 the Company received a sum of Rs. 137,743,458/- from People's Finance PLC as the second interim dividend of Rs. 2.25 per share for the financial year 2012/2013.
17. Net assets per share have been calculated, for all periods, based on the number of shares in issue as at 31st March 2013.
18. Basic earnings per share is calculated by dividing the net profit attributable to equity holders after deducting the accrued preference dividend for the period by the weighted average number of ordinary shares in issue during the period. As required by the Sri Lanka Accounting Standard 34 (Revised 2005) on "Earnings per Share" the weighted average number of ordinary shares outstanding during the period and the corresponding period were adjusted on account of the events that have changed the number of ordinary shares outstanding without a corresponding change in the resources, such as share splits. Furthermore, in accordance with paragraph 20 of SLAS 34, which allows companies to use a reasonable approximation of the weighted average number of ordinary shares, the Company has considered 30th November 2011 as the date on which funds were received from the IPO in calculating the weighted average number of shares for the twelve months ended 31st March 2013.

The following table illustrates the earnings and number of ordinary shares used in the basic and diluted earnings per share calculation

<i>Group</i>	2012/13		2011/12	
	April to March	Jan to March	April to March	Jan to March
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Net profit attributable to equity holders of the parent	3,045	1,006	4,503	1,154
Less: Preference dividend	137	32	168	40
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	2,908	974	4,335	1,114
Weighted average number of ordinary shares in issue applicable to basic earnings per share	1,560	1,560	1,300	1,560
Basic and Diluted earnings per share (Rs.)	1.86	0.62	3.33	0.71

<i>Company</i>	2012/13		2011/12	
	April to March	Jan to March	April to March	Jan to March
	Rs. Mn	Rs. Mn	Rs. Mn	Rs. Mn
Net profit attributable to equity holders of the parent	2,852	1,081	4,207	1,068
Less: Preference dividend	137	32	168	40
Net profit attributable to ordinary shareholders for basic and diluted earnings per share	2,715	1,049	4,039	1,028
Weighted average number of ordinary shares in issue applicable to basic earnings per share	1,560	1,560	1,300	1,560
Basic and Diluted earnings per share (Rs.)	1.74	0.67	3.11	0.66

19. On the 5th of July 2012, Fitch Ratings Lanka upgraded the Company's National Long-Term rating to 'AA-(lka)' from 'A+(lka)'; Stable Outlook.
20. On the 18th of July 2012, Fitch Ratings has assigned the Company, Long Term Foreign and Local Currency Issuer Default Ratings (IDRs) of "B+" with a Stable Outlook. Moreover, Standard & Poor's Rating Services has also assigned "B+" Long Term and "B" Short Term issuer credit ratings to the Company. The outlook on the long-term rating is stable.
21. At the Extraordinary General Meeting held on the 27th of September 2012 shareholders approved the adoption of the new Articles of Association and the change of name of the Company from "People's Leasing Company PLC" to " People's Leasing & Finance PLC".
22. Upon application made to the Monetary Board of the Central Bank of Sri Lanka on the 12th of June 2012 , the Company received the license to conduct finance business under the Finance Business Act No. 42 of 2011 on the 12th of November 2012. Accordingly, the Company officially commenced business as a licensed finance company under its new name People's Leasing & Finance PLC on the 5th of December 2012.
23. a.) As a condition to the issue of Finance Business License, the Monetary Board has required the Company to amalgamate with People's Finance PLC within a period of two years from the date of the license. Accordingly, the Company amalgamated with People's Finance PLC with effect from 02nd April 2013. All the minority shareholders of People's Finance PLC were entitled to three shares of People's Leasing & Finance PLC (the Amalgamated Company) for every one share held in People's Finance PLC.
- b.) 19,862,322 number of ordinary shares were issued to minority shareholders of People's Finance PLC and listed with effect from 10th April 2013.
24. On the 21st of December 2012, the Company paid an interim dividend of Rs.0.75 per share for the financial year 2012/13 and the total dividend paid amounted to Rs. 1,170,000,120/-.
25. There have been no material events except given in notes 9(b), 23(a) and 23(b) subsequent to the balance sheet date, which require adjustments to or disclosures in the interim financial statements.

SELECTED PERFORMANCE INDICATORS

	Company	
	As at 31.03.2013	As at 31.03.2012
Asset Quality (Rs. Mn)		
Total Accommodations (Net of interest in suspense)	76,584	72,122
Net Total Accommodation (Net of provision for bad and doubtful debts & interest in suspense)	75,681	71,540
Non- Performing Accommodations (Net of interest in suspense)	770	466
Gross Non-Performing Advances Ratio (%)	1.01	0.65
Net Non-Performing Advances Ratio (%)	-0.18	-0.16
Capital Adequacy		
Core Capital (Tier1 Capital) - Rs. Mn **	14,746	15,552
Total Capital Base - Rs.Mn **	14,401	15,552
Core Capital to Risk Weighted Assets Ratio (Minimum 5%) **	18.18%	25.50%
Total Capital to Risk Weighted Assets Ratio (Minimum 10%) **	17.76%	25.50%
Capital Funds to Total Deposit Liabilities Ratio (Minimum 10%) ***	241.93%	-
Profitability (Annualized)		
Interest Margin	8.28%	10.02%
Return on Assets (before Tax)	4.81%	8.83%
Return on Equity	15.29%	32.62%

** Figures as at 31/03/2012 has been computed as per the Finance Leasing (Capital Adequacy Ratio) Direction No. 01 of 2011 where as the figures as at 31/03/2013 has been computed as per the Finance Companies (Risk Weighted Capital Adequacy Ratio) Direction No. 02 of 2006.

*** The Company started accepting fixed deposits after it commenced commercial operations as a finance establishment on the 5th of December 2012. Hence Capital Funds to Total Deposit Liabilities Ratio was not existed as at 31/03/2012.

DEBENTURE INFORMATION

Market Prices for the quarter ended 31st March 2013

	Highest	Lowest	Last Traded
4 Years - 16.50% p.a. payable semi-annually	-	-	-
5 Years - 16.75% p.a. payable semi-annually	-	-	-
5 Years - 17.00% p.a. payable annually	-	-	-

Interest Rates

	Coupon Rate	Annual Effective Rate
4 Years - 16.50% p.a. payable semi annually	16.50%	17.18%
5 Years - 16.75% p.a. payable semi annually	16.75%	17.45%
5 Years - 17.00% p.a. payable annually	17.00%	17.00%

Interest Rate of Comparable Government Securities

6 Months Treasury Bill	10.25%
1 Year Treasury Bill	11.35%
4 Year Treasury Bond	14.10%
5 Year Treasury Bond	10.74%

Current Yield & Yield to Maturity

	4 Years - 16.50%	5 Years - 16.75%	5 Years - 17.00%
Current yield	-	-	-
Yield to maturity of last trade	-	-	-

Ratios

	As at 31.03.2013	As at 31.03.2012
Debt to Equity Ratio (Times)	3.25	3.23
Interest Cover (Times)	1.47	1.97
Quick Asset Ratio (%)	71.95	65.20

Note

Debentures were listed on the Debt Securities Main Board of the CSE on the 04th of April 2013. Therefore market prices, current yield and yield to maturity details were not available as at 31st March 2013.

Annexure I - Impact to the Financial Statements on Application of New/ Revised Accounting Standards (SLFRS/ LKAS)

Area of Impact	Description	Impact to Profit before tax for the year ended 31st March 2013	Impact to Net Assets as at 31st March 2013	Impact to Net Assets as at 31 March 2012
Impairment of financial assets				
Loans and advances	Provisioning based on number of months in arrears as per CBSL directions is replaced with collective and individual impairment. All individually significant loans and advances with objective evidences are individually tested while other loans and advances are tested collectively for impairment. As per the revised standards suspension of interest is no longer applicable and the interest is continued to recognize on the impaired loan balances based on the Effective Interest Rate method (EIR method).	Increase by Rs.91 million	Increase by Rs. 220 million	Increase by Rs. 129 million
Measurement of investments				
Available for Sale Financial Assets	Subsequent measurement of investments classified as Available for Sale (AFS) is at fair value and the corresponding changes in fair value is recognized in Other Comprehensive Income.	Decrease by Rs. 30 million	Decrease by Rs. 121 million	Decrease by Rs. 91 million
Application of effective interest rate				
Loans and receivable	Subsequent measurement of investments classified as Loans and Receivable is at amortized cost based on EIR method and suspension of income on Non Performing Advances is no longer applicable.	Increase by Rs.58 million	Decrease by Rs. 902 million	Decrease by Rs. 960 million
Borrowings and other liabilities	Method of calculating interest expense been changed from the straight line method to effective yield.	Increase by Rs. 48 million	Increase by Rs. 250 million	Increase by Rs. 202 million