

Chief Executive Officer's and Chief Financial Officer's responsibility statement

The Financial Statements of People's Leasing & Finance PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) as at 31 March 2019 are prepared and presented in conformity with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka;
- Companies Act No. 07 of 2007;
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995;
- Directions issued to Licensed Finance Companies by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011;
- Listing Rules of the Colombo Stock Exchange; and
- Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Group on a quarterly basis presents Interim Financial Statements to its shareholders in compliance with the Listing Rules of the Colombo Stock Exchange.

The Company applied the Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments” which replaced the Sri Lanka Accounting Standard LKAS 39 on “Financial Instruments; Recognition and Measurement” with effect from 1 April 2018. The adoption of Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments” had a significant impact on the calculation of impairment of financial instruments on an “expected credit loss model” compared to the “incurred credit loss model” which was applied until 31 March 2018. As permitted by the paragraph 7.2.15 of the Sri Lanka Accounting Standard – SLFRS 9, the Company has decided not to restate Financial Statements of prior periods and has recognised the difference between the previous carrying amount under the Sri Lanka Accounting Standard – LKAS 39 and the carrying amount at the beginning of the annual reporting period the Sri Lanka Accounting Standard –

SLFRS 9 that includes the date of initial application, in the opening retained earnings as at 1 April 2018 as disclosed in Note 4 on pages 238 to 242. Accordingly, comparative information has not been amended to comply with the current presentation.

The accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied by the Group. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation and material departures, if any, have been disclosed and explained. Significant accounting policies and estimates that involved a high degree of judgement and complexity were discussed with the Company's External Auditor and the Board Audit Committee.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgements relating to the Financial Statements were made on a prudent and reasonable basis; in order to ensure that the Financial Statements are reflected in a true and fair manner, the form and substance of transactions and the Company's state of affairs is reasonably presented. We also confirm that the Group has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements.

To ensure this, the Company and the Group has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

Internal Audit Department has conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company and the Group were consistently followed. However, there are inherent limitations that should be

recognised in weighing the assurances provided by any system of internal controls and accounting.

The Board Audit Committee reviewed all of the internal and external audit and inspection programmes, the efficiency of the internal control systems and procedures, the quality of accounting policies and their adherence to statutory and regulatory requirements, the external audit plan and the Management letters and also followed up on any issues raised during the statutory audit, the details of which are given in the “Board Audit Committee Report” on pages 202 and 203 of this Annual Report.

The Financial Statements of the Company and the Group were audited by Messrs Ernst & Young Chartered Accountants and their report is given on page 217 of this Annual Report.

We confirm that:

- the Group has complied with all applicable laws, regulations and prudential requirements, there is no material non-compliance;
- there are no material litigations that are pending against the Group other than those disclosed in Note 52 of the Financial Statements of this Annual Report.

All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31 March 2019 have been paid, or where relevant provided for.



A S Ibrahim
Chief Executive Officer



Sanjeewa Bandaranayake
Chief Financial Officer

13 June 2019