

People's Leasing & Finance Reports Steady Growth in FY 2023/24

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Pradeep Amirthanayagam, Chairman, People's Leasing & Finance.



Udesch Gunawardena, Acting Chief Executive Officer, People's Leasing & Finance.

People's Leasing & Finance has demonstrated remarkable resilience and strategic foresight in its financial performance for the fiscal year 2023/24. The company reported a robust Profit After Tax (PAT) of 3,541 million rupees, a 17.3 percent increase from the 3,018 million rupees recorded the previous year. People's Leasing & Finance experienced a solid second half of the year, with the third and fourth quarters proving particularly favorable. Profitability improved notably during this period, with the company recording a PAT of 2,438 million rupees.

Amidst a challenging business environment marked by reduced interest rates, People's Leasing & Finance limited the decline in Interest Income to just 4.5 percent. The company also boosted profitability by implementing several strategic measures, particularly effective collection strategies, and impairment reversal measures. Accordingly, the impairment reversal for FY 2023/24 amounted to 1,156 million rupees, contributing to a healthy average collection ratio.

These achievements underscore the company's ability to deliver sustainable growth amidst a dynamic business environment and in a fiscal year marked by two distinct periods: the first half characterized by subdued demand and prolonged economic challenges, and the latter half witnessing a notable upswing spurred by a resurgence in economic activity in late 2023.

Meanwhile, the total loans and receivables portfolio showed improvement relative to the end of Q3, amounting to 103,650 million rupees as of March 31, 2024. The asset base of People's Leasing & Finance also showed marginal growth compared with Q3. Accordingly, Total Assets as of March 31, 2024, stood at 159,850 million rupees.

Throughout the year, the company strategically opted against aggressive deposit canvassing, capitalizing on surplus funds generated from diligent collection efforts, and maximizing investment returns. The company's liquidity position and capital adequacy ratios remained robust, comfortably exceeding all regulatory requirements, which reflects its financial stability.

Udesh Gunawardena, Acting Chief Executive Officer of People's Leasing & Finance, stated, "Despite facing significant economic headwinds in the first half of the fiscal year, our strategic initiatives and unwavering commitment to operational excellence have enabled us to deliver robust financial results. We have focused on improving our collection strategies, optimizing asset quality, and strategically managing our balance sheet. As we move forward, People's Leasing & Finance is well-positioned to capitalize on the emergent economic recovery and continue providing exceptional value to our customers, people, and stakeholders."