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Mahindra Ideal Finance PLC

Interim Financial Statements

for the period ended 30 September 2026

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IDEAL FINANCE

Interim Financial Statements

for the period ended 30 September 2026

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STATEMENT OF COMPREHENSIVE INCOME

	For the Quarter ended			For the Six Months ended		
	30th Sept. 2026 Un-Audited Rs. '000	30th Sept. 2025 Un-Audited Rs. '000	Change %	30th Sept. 2026 Un-Audited Rs. '000	30th Sept. 2025 Un-Audited Rs. '000	Change %
Income	**1,400,484**	992,606	41%	**2,749,123**	1,847,078	49%
Interest Income	**1,352,914**	907,262	49%	**2,632,648**	1,688,246	56%
Interest Expenses	**(685,648)**	(387,107)	77%	**(1,324,061)**	(719,066)	84%
Net Interest Income	**667,266**	520,155	28%	**1,308,587**	969,180	35%
Fees and Commission Income	**10,568**	7,299	45%	**20,128**	13,616	48%
Net Fee and Commission Income	**10,568**	7,299	45%	**20,128**	13,616	48%
Other Operating Income	**37,002**	78,045	-53%	**96,347**	145,216	-34%
Total Operating Income	**714,836**	605,499	18%	**1,425,062**	1,128,012	26%
Impairment Charges for Loans and other Losses	**(67,402)**	(20,225)	233%	**(145,165)**	(40,685)	257%
Net Operating Income	**647,434**	585,274	11%	**1,279,897**	1,087,327	18%
Operating Expenses						
Personnel Expenses	**(179,347)**	(162,898)	10%	**(373,244)**	(311,306)	20%
Depreciation of Property Plant & Equipment	**(47,955)**	(38,239)	25%	**(94,408)**	(75,963)	24%
Amortization of Intangible Assets	**(2,593)**	(2,113)	23%	**(5,040)**	(4,256)	18%
Other Operating Expenses	**(159,582)**	(114,874)	39%	**(297,810)**	(219,224)	36%
Operating Profit before VAT on Financial Services and Social Security Contribution Levy	**257,957**	267,150	-3%	**509,395**	476,578	7%
Tax on Financial Services	**(73,363)**	(67,695)	8%	**(146,140)**	(124,571)	17%
Profit before Taxation	**184,594**	199,455	-7%	**363,255**	352,007	3%
Income Tax Expenses	**(82,288)**	(80,145)	3%	**(162,651)**	(142,973)	14%
Profit/ (Loss) for the period	**102,306**	119,310	-14%	**200,604**	209,034	-4%
Other Comprehensive Income/(Expense)						
Other Comprehensive Income not be Reclassified to Profit or Loss in Subsequent Periods						
Actuarial Gain/ (Loss) on Defined Benefit Obligations	**-**	-		**-**	-	
Deferred Tax (Charge)/Reversal on Acturial Gain/ (Loss)	**-**	-		**-**	-	
Other Comprehensive Income for the period, Net of Tax	**-**	-		**-**	-	
Total Comprehensive Income for the period, Net of Tax	**102,306**	119,310	-14%	**200,604**	209,034	-4%
Basic and Diluted Earning per Share	**2.81**	3.28	-14%	**2.75**	2.87	-4%

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at	30th Sept. 2026 Un-Audited Rs. '000	31st March 2026 Audited Rs. '000	Change %
ASSETS			
Cash and Bank Balances	**1,301,519**	423,093	208%
Investment in Government Securities at Amortized cost	**637,840**	2,294,257	-72%
Placements with Banks and Other Financial Institutions	**1,437,868**	401,207	258%
Gold Advances	**8,150,768**	9,184,231	-11%
Lease Rental Receivables	**2,357,224**	2,480,946	-5%
Loans and Advances	**18,023,922**	15,281,083	18%
Other Financial Assets	**22,952**	29,826	-23%
Other Non Financial Assets	**143,512**	139,783	3%
Financial Investments-Measured at Fair Value through OCI	**458**	458	0%
Property, Plant and Equipment	**630,400**	654,923	-4%
Intangible Assets	**42,501**	29,517	44%
Deferred Tax Assets	**62,357**	60,430	3%
TOTAL ASSETS	**32,811,321**	30,979,754	6%
LIABILITIES			
Interest Bearing Borrowings	**18,488,918**	17,176,069	8%
Due to the Customers	**8,289,741**	7,530,175	10%
Subordinate Liabilities	**1,030,177**	1,000,626	3%
Other Financial Liabilities	**928,399**	1,374,610	-32%
Other Non Financial Liabilities	**183,138**	81,005	126%
Post Employment Benefit Liability	**49,972**	47,021	6%
Current Tax Liabilities	**79,387**	209,263	-62%
TOTAL LIABILITIES	**29,049,732**	27,418,769	6%
EQUITY			
Stated Capital	**1,908,247**	1,908,247	0%
Retained Earnings	**1,768,847**	1,568,243	13%
Reserves	**84,495**	84,495	0%
TOTAL EQUITY	**3,761,589**	3,560,985	6%
TOTAL LIABILITIES AND EQUITY	**32,811,321**	30,979,754	6%
Net Assets Value per Share (Rs.)	**25.83**	24.45	6%

We certify that the Financial Statements are prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.

Sgd.
Rohit Agarwalla
Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these Financial Statements.
Approved and Signed for and on behalf of the Board of Directors;

Sgd.
Thilan Wijesinghe
Chairman

Sgd.
Mufaddal Choonia
MD & CEO

Colombo
16 October 2026

STATEMENT OF CHANGES IN EQUITY

For the Period ended	Stated Capital Rs. '000	Retained Earnings Rs. '000	Statutory Reserve Fund Rs. '000	Total Equity Rs. '000
Balance as at 1 April 2025 (Audited)	1,908,247	1,114,205	60,600	3,083,052
Total Comprehensive Income for the period				
Profit for the period	-	209,034	-	209,034
Other Comprehensive Income				
Other Comprehensive Income net of taxes	-	-	-	-
Other movements in Equity				
Transferred to Statutory Reserve Fund	-	-	-	-
Balance as at 30 September 2025 (Un-Audited)	1,908,247	1,323,239	60,600	3,292,086
Balance as at 01 April 2026 (Audited)	**1,908,247**	**1,568,243**	**84,495**	**3,560,985**
Total Comprehensive Income for the period				
Profit for the period	-	200,604	-	200,604
Other Comprehensive Income				
Other Comprehensive Income net of taxes	-	-	-	-
Other movements in Equity				
Transferred to Statutory Reserve Fund	-	-	-	-
Balance as at 30 September 2026 (Un-Audited)	**1,908,247**	**1,768,847**	**84,495**	**3,761,589**

STATEMENT OF CASH FLOWS

For the Period ended	30th Sept. 2026 (Un-Audited) Rs. '000	30th Sept. 2025 (Un-Audited) Rs. '000
Cash Flows From / (Used in) Operating Activities		
Profit before income tax expense	**363,253**	352,007
Adjustment for Other Non-Cash Items Included in Profit Before Tax		
Depreciation of property, plant and equipment and ROU assets	**94,408**	75,963
Amortization of intangible assets	**5,040**	4,256
Provision for impairment	**145,165**	40,685
Interest expenses on borrowings	**844,651**	394,316
Defined benefit obligation	**6,000**	6,000
Dividend Income	**-**	-
Disposal (gain) / loss in fixed assets	**(2,684)**	(8)
Operating Profit before Working Capital Changes	**1,455,833**	873,219
(Increase)/Decrease in Lease Rentals Receivable	**125,278**	168,255
(Increase)/Decrease in Loans and Advances	**(2,878,101)**	(4,612,732)
(Increase)/Decrease in Gold Advances	**1,022,005**	(1,169,644)
(Increase)/Decrease in Other Financial Assets	**6,874**	(372)
(Increase)/lecrease in Other Non Financial Assets	**(3,729)**	(45,747)
Increase/(Decrease) in Amounts Due to Customers	**759,566**	941,448
Increase/(Decrease) in Other Financial Liabilities	**(446,211)**	393,024
Increase/(Decrease) in Other Non Financial Liabilities	**102,133**	9,060
Increase/(Decrease) in Current Tax liabilities	**1,927**	-
Cash Generated from Operations	**145,575**	(3,443,489)
Retirement benefit liabilities paid	**(3,049)**	(2,043)
Income tax paid	**(279,152)**	(113,997)
Net Cash Flows from/(Used in) Operating Activities	**(136,626)**	(3,559,529)
Cash Flows from / (Used in) Investing Activities		
Purchase of Property, Plant and Equipment	**(83,083)**	(88,713)
Purchase of Right-of-Use Assets	**-**	(97)
Purchase of Intangible Assets	**(18,024)**	(533)
Disposal of Property, Plant and Equipment	**10,517**	7
Dividend Received	**-**	-
Investment in Treasury Bills	**59,411**	79,414
Investment in Fixed Deposits	**(134,522)**	49,945
Net Cash Flows from/(Used in) Investment Activities	**(165,701)**	40,023
Cash Flows from / (Used in) Financing Activities		
Proceeds from bank borrowings	**6,150,000**	7,968,037
Repayment of bank borrowings	**(4,696,418)**	(3,918,467)
Rental paid for lease obligation	**(47,923)**	(41,602)
Proceeds from subordinate liabilities	**-**	-
Net Cash Flows from/(Used in) Financing Activities	**1,405,659**	4,007,968
	(1,613,468)	69,589
Net Increase/(Decrease) in Cash & Cash Equivalents	**1,103,332**	488,462
Cash and Cash Equivalents at the Beginning of the Period	**1,724,195**	10,173
Cash and Cash Equivalents at the End of the Period	**2,827,527**	498,635

1. ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

The table below provides a reconciliation between line items in the Statement of Financial Position and categories of Financial Assets & Financial Liabilities of the Company as per SLFRS.

Assets	As at 30th Sept. 2026 (Un-Audited)			As at 31st March 2026 (Audited)		
	Financial Asset at Fair Value Through Profit or Loss	Financial Asset at Amortized Cost	Financial Asset at Fair Value Through Other Comprehensive Income (FVOCI)	Financial Asset at Fair Value Through Profit or Loss	Financial Asset at Amortized Cost	Financial Asset at Fair Value Through Other Comprehensive Income (FVOCI)
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash and Bank Balances	-	1,301,519	-	-	423,093	-
Investment in Government Securities at Amortized cost	-	637,840	-	-	2,294,257	-
Placements with Banks and Other Financial Institutions		1,437,868	-	-	401,207	-
Gold Advances	-	8,150,768	-	-	9,184,231	-
Lease Rental Receivables	-	2,357,224	-	-	2,480,946	-
Loans and Advances		18,023,922			15,281,083	
Other Financial Assets	-	22,952	-	-	29,826	-
Financial Investments-Measured at Fair Value through OCI	-	-	458	-	-	458
Total Financial Assets	-	31,932,093	458	-	30,094,643	458

Liabilities	30th Sept. 2026 (Un-Audited)	31st March 2026 (Audited)
	Financial Liabilities at Amortized Cost	Financial Liabilities at Amortized Cost
	Rs. '000	Rs. '000
Due to Bank and Other Financial Institutions	18,488,918	17,176,069
Due to the Customers	8,289,741	7,530,175
Subordinate Liabilities	1,030,177	1,000,626
Other Financial Liabilities	928,399	1,374,610
Total Financial Liabilities	28,737,235	27,081,480

2. FINANCIAL REPORTING BY SEGMENT

For management purposes, the Company is organized into business units based on its products and services and has three reportable segments. The following table presents income, profit, asset and liability information of the Company's operating segments.

Quarter ended	Finance Leases		Gold Loan		Loans and Advances		Other		Total	
	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000
Income										
Interest income	**129,687**	138,544	**478,223**	373,451	**710,866**	338,908	**34,138**	56,359	**1,352,914**	907,262
Other income	**7,018**	1,817	**16,787**	53,588	**21,128**	21,582	**2,638**	8,357	**47,570**	85,344
Total income	**136,705**	140,361	**495,010**	427,039	**731,994**	360,490	**36,776**	64,716	**1,400,484**	992,606
Unallocated expenses	**-**	-	**-**	-	**-**	-	**-**	-	**(1,215,890)**	(793,150)
Profit / (loss) before tax	**-**	-	**-**	-	**-**	-	**-**	-	**184,594**	199,456
Income tax expenses	**-**	-	**-**	-	**-**	-	**-**	-	**(82,288)**	(80,145)
Profit for the period	**-**	-	**-**	-	**-**	-	**-**	-	**102,306**	119,311

Period ended	Finance Leases		Gold Loan		Loans and Advances		Other		Total	
	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000	30.09.2026 Rs. '000	30.09.2025 Rs. '000
Segment assets	**2,357,224**	2,822,383	**8,150,768**	5,002,368	**18,023,922**	3,247,127	**1,437,868**	100,025	**29,969,782**	11,171,903
Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**2,841,539**	19,807,851
Total assets	**2,357,224**	2,822,383	**8,150,768**	5,002,368	**18,023,922**	3,247,127	**1,437,868**	100,025	**32,811,321**	30,979,754
Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**29,049,732**	27,418,769
Total liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**29,049,732**	27,418,769

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the financial statements.

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue during the year ended 30th September 2026 or 30th September 2025.

3. CORPORATE INFORMATION

3.1 General

Mahindra Ideal Finance PLC (the "Company"), bearing Registration No. PQ 00362532, was incorporated on 12 March 2012 under the provisions of the Companies Act No. 07 of 2007 as Ideal Investments Limited. The Company subsequently changed its name to Ideal Finance Limited and thereafter, on 28 January 2022, was renamed Mahindra Ideal Finance Limited. The Company was quoted on the Colombo Stock Exchange on 07th April 2026 and changed its legal status to Public Limited Company on 30th April 2026. As at 30 September 2026, Fitch Ratings Lanka Limited affirmed the Company's national long-term rating at AA- with a Stable Outlook. The Company's registered office is situated at No. 299, Dr. Colvin R. de Silva Mawatha (formerly Union Place), Colombo 02, Sri Lanka.

3.2 Principal Activities and Nature of Operations

The principal activity of the Company is to carry on finance business in conformity with the provisions of the Finance Business Act No: 42 of 2011 as amended and superseded from time to time and in conformity with provisions of all written laws of the time being in force and all regulations, directions, determinations, rules, orders of requirements made, given or imposed thereunder.

3.3 Parent and Ultimate Parent Entity

The Company's immediate parent is Mahindra & Mahindra Financial Services Ltd (MMFSL) which is incorporated in India.

4. BASIS OF PREPARATION

The Interim Financial Statements of the Company have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKAS). There were no changes to the Accounting Policies and methods of computation since the publication of the Audited Financial Statements for the year ended 31st March 2026. Further, these Interim Financial Statements have been prepared in compliance with the requirements of the Sri Lanka Accounting Standard (LKAS 34) on Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

5. ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

6. SUBORDINATE LIABILITIES

The Company issued One Billion (1,000,000,000) Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 year Debenture (2026-2031), at the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each and raised Sri Lankan Rupees One Billion (LKR 1,000,000,000/-). The Debentures have been listed on Colombo Stock Exchange wef 07th April 2026. This has been recorded as Subordinate Liabilities in the Statement of Financial Position.

7. DISCLOSURE REGARDING THE UTILIZATION OF FUND AS PER THE OBJECTIVES STATED THE DEEBENTURE ISSUE PROSPECTUS

Debenture Issue proceeds utilisation as at 30 September 2026.

No.	Objective as per Prospectus	Amount Allocated as per Prospectus	Proposed Date of Utilisation	Amount Allocated from Proceeds (A)	% of Total Proceeds	Amount Utilised (B)	% Utilisation (B/A)	Clarification if not fully utilised / Where funds are invested
1	To Expand Tier 2 Capital Base	LKR 1,000 Mn	Upon receipt of the Governing Board Approval	LKR 1,000 Mn	100%	LKR 1000 Mn	100%	Recognised as Tier 2 capital upon receipt of Governing Board approval on 27 May 2026
2	To Grow Lending Portfolio	LKR 1,000 Mn	Within 6 months from allotment	LKR 1,000 Mn	100%	LKR 1000 Mn	100%	Funds are already utilized for the lending business.

8. INVESTOR INFORMATION

8.1 Stated Capital

Issued and full paid - Ordinary shares	As at 30th Sept. 2026		As at 30th Sept. 2025	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the period	145,639,098	1,908,247,125	145,639,098	1,908,247,125
Issued during the period	-	-	-	-
At the end of the period	145,639,098	1,908,247,125	145,639,098	1,908,247,125

8.2 Directors' and Chief Executive Officer's holding in Shares of the Company

Shareholder Name	No of Shares	Ownership %
NA	NA	NA

8.3 Shareholders list as at 30th September 2026

Shareholder's Name	No. of Shares	Ownership %
Mahindra & Mahindra Financial Services Ltd	84,768,130	58.20%
Ideal Motors (Pvt) Ltd	25,150,953	17.27%
P Aravinda De Silva	25,150,953	17.27%
J V W Malawanna	7,633,211	5.24%
Veritas Holdings (Pvt) Ltd	2,935,851	2.02%
Total	145,639,098	100%

8.4 Selected Performance Indicators

	30th Sept. 2026	30th Sept. 2025
Capital Adequacy (%)		
Tier 1 Capital Adequacy Ratio (Minimum 8.50%)	12.00	17.96
Total Capital Ratio (Minimum 12.50%)	15.60	18.12
Capital Funds to Deposit Liabilities Ratio	49.00	41.92
Profitability (%)		
Operating Profit Margin	18.53	25.8
Net Interest Margin on Average Assets	8.21	9.87
Return on Average Assets - Pre Tax	2.28	3.59
Return on Average Equity - Post Tax	10.96	13.12
Asset Quality (%)		
Gross Stage 03	3.95	1.66
Net Stage 03	3.22	1.16
Liquidity (%)		
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	377	125
Liquid Assets to External Funds	11.95	5.09
Leverage Ratios (Times)		
Debt to Equity Ratio	7.39	5.35
Interest Cover	1.27	1.52

CORPORATE INFORMATION

NAME OF THE COMPANY
Mahindra Ideal Finance PLC

LEGAL FORM OF THE COMPANY
Incorporated as a limited liability company under the Companies Act No. 07 of 2007 and Registered under the Finance Business Act No. 42 of 2011 and the Finance leasing Act No. 56 of 2000.

The Company was quoted on the Colombo Stock Exchange on 07th April 2026 and changed its legal status to Public Limited Company on 30th April 2026.

BUSINESS REGISTRATION NO
PQ 00362532

DATE OF INCORPORATION
24th January 2012

FINANCIAL YEAR END
31st March

REGISTERED OFFICE
No. 299, Dr. Colvin R De Silva Mawatha
(Union Place) Colombo 02

NO OF BRANCHES
38

DIRECTORATE
Mr. Thilan Wijesinghe
(Chairman & Independent Non-Executive Director)
Mr. Mufaddal A. Choonia
(Managing Director & CEO)
Mr. Sujeewa Mudalige
(Independent Non-Executive Director)
Mr. Mangalanath Wickramanayake
(Independent Non-Executive Director)
Mr. Raul Rebello
(Non-Executive Non-Independent Director)
Ms. Nimisha Welgama
(Non-Executive Non-Independent Director)
Ms. Anushka Wijenayaka
(Non-Executive Non-Independent Director)
Mr. Pradeep Agrawal
(Non-Executive Non-Independent Director)

BOARD SUB COMMITTEES OPERATING
- Board Audit Committee
- Board Human Resources and Remuneration Committee
- Board Integrated Risk Management Committee
- Board Nominations and Governance Committee
- Board Credit Committee
- Related Party Transaction Review Committee
- Board Information Technology Steering Committee

COMPANY SECRETARY
Ms. Sonali Niranjala Dunuwila

EXTERNAL AUDITOR
BDO Partners
Charter House, 65/2, Sir Chittampalam A Gardiner
Mawatha, Colombo 02.

TAX IDENTIFICATION NUMBER
134049634

BANKERS
Bank of Ceylon
HSBC
Deutsche Bank
Hatton National Bank
Commercial Bank of Ceylon PLC
Seylan Bank PLC
Cargills Bank Limited


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