

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

MULTI FINANCE PLC



**MULTI
FINANCE**

(Company Registration No: PB 891 PQ)
The Fairways, No.100, Buthgamuwa road, Rajagiriya.

MULTI FINANCE PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED		
	31.12.2017 (Unaudited) Rs.	31.12.2016 (Unaudited) Rs.	Variance Fav/ (Adverse) %	31.12.2017 (Unaudited) Rs.	31.12.2016 (Unaudited) Rs.	Variance Fav/ (Adverse) %
Income	62,419,681	37,165,331	68	163,291,907	123,097,842	33
Interest income	53,267,086	30,604,713	74	139,123,203	100,992,345	38
Interest expenses	(16,805,577)	(12,137,872)	(38)	(44,857,955)	(40,654,934)	(10)
Net interest income	36,461,509	18,466,841	97	94,265,248	60,337,411	56
Other operating income	7,624,530	4,730,469	61	16,648,359	16,935,180	(2)
Net income from operations	44,086,039	23,197,310	90	110,913,607	77,272,591	44
Operating expenses						
Personnel cost	(17,909,462)	(13,909,806)	(29)	(46,405,815)	(39,294,274)	(18)
Net impairment of available-for-sale financial assets	(163,489)	(352,609)	54	(366,718)	(155,688)	(136)
Provision for retirement benefit obligation	(229,599)	(229,599)	0	(688,797)	(688,797)	0
Depreciation and amortization charge	(952,680)	(826,385)	(15)	(2,797,243)	(3,098,154)	10
Other operating expenses	(19,446,366)	(16,315,209)	(19)	(52,644,361)	(49,184,748)	(7)
Total operating expenses	(38,701,596)	(31,633,608)	(22)	(102,902,933)	(92,421,661)	(11)
Profit/(Loss) before other income	5,384,443	(8,436,298)	164	8,010,674	(15,149,070)	153
Other income	1,528,065	1,830,149	(17)	7,520,345	5,170,318	45
Profit/(Loss) before impairment and taxation	6,912,508	(6,606,149)	205	15,531,019	(9,978,752)	256
Impairment (charge)/reversal for loan and other advances	(6,946,924)	(1,816,676)	(282)	(11,843,986)	(6,324,379)	(87)
Profit/(Loss) before taxation and VAT on Financial Services	(34,416)	(8,422,825)	100	3,687,033	(16,303,130)	123
Value Added Tax on financial services	(2,060,000)	(500,000)	(312)	(4,410,000)	(2,114,924)	(109)
Profit/(Loss) before taxation	(2,094,416)	(8,922,825)	77	(722,967)	(18,418,054)	96
Income Tax Expenses	(750,000)	(524,922)	(43)	(2,039,026)	(524,922)	(288)
Profit/(Loss) for the period	(2,844,416)	(9,447,747)	70	(2,761,993)	(18,942,976)	85
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of retirement benefit obligation	-	-		-	-	
Tax on actuarial gain	-	-		-	-	
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value of available-for-sale financial assets	(15,120)	-	(100)	199,562	534,350	(63)
	(15,120)	-	(100)	199,562	534,350	(63)
Other comprehensive income for the period, net of tax	(15,120)	-	(100)	199,562	534,350	(63)
Total comprehensive income / (expense) for the period	(2,859,536)	(9,447,747)	70	(2,562,431)	(18,408,626)	86
Earnings/(Loss) per share (Rs.) (Annualized)	(0.18)	(1.68)		(0.06)	(1.12)	

Figures in brackets indicate deductions.

MULTI FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2017

	As at 31.12.2017 Rs. (Unaudited)	As at 31.03.2017 Rs. (Audited)
ASSETS		
Cash and cash equivalents	119,650,514	639,038,484
Placements with Banks and other financial institutions	358,280,850	-
Fair value through profit or loss financial assets	997,873	766,878
Rental receivable on lease	223,831,847	108,185,847
Rental receivable on hire purchase	16,226,884	43,260,175
Advance and other loans	720,589,750	443,491,180
Trade and other receivables	52,470,292	31,820,240
Inventories	2,951,591	-
Amount due from related companies	119,259	119,259
Income tax receivables	905,543	2,157,186
Available for sale financial assets	11,039,393	10,733,062
Intangible assets	312,951	669,584
Property, plant & equipment	8,120,511	7,900,371
Deferred Tax Asset	13,391,037	13,391,037
TOTAL ASSETS	1,528,888,296	1,301,533,302
LIABILITIES AND EQUITY		
Due to banks and financial institutions	23,152,266	43,175,437
Deposits due to customers	534,859,159	368,412,116
Other borrowings	-	17,455,656
Trade and other payables	103,170,341	16,074,074
Amount due to related companies	41,221,984	27,720,338
Retirement benefit obligation	4,626,561	4,275,264
TOTAL LIABILITIES	707,030,311	477,112,885
EQUITY		
Stated capital	898,375,289	898,375,289
Statutory Reserve Fund	5,389,222	5,389,222
General Reserve	11,266,050	11,266,050
Available For Sale Reserve	2,214,499	2,014,937
Retained earnings	(95,387,075)	(92,625,081)
TOTAL EQUITY	821,857,985	824,420,416
TOTAL LIABILITIES AND EQUITY	1,528,888,296	1,301,533,302
Net Assets Per Share (Rs.)	12.92	12.96

Figures in brackets indicate deductions.

It is certified that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

Sgd.
Mr. A. M. Galbadaarachchi
Senior Finance Manager

Sgd.
Mr. P. Jayasundera
Director / Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board of Directors of Multi Finance PLC

Sgd.
Mr. M.Shelton Peiris
Independent Non Executive Director

Sgd.
Mr. D.Prasann Leanage
Non-Independent Non Executive Director

14th February 2018
Colombo

MULTI FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

	Stated Capital	Statutory Reserve Fund	General Reserve	Available For Sale Reserve	Retained Earnings/ (Accumulated Losses)	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2016	346,990,186	5,389,222	11,266,050	1,965,911	(52,795,404)	312,815,965
Profit/(Loss) for the Period	-	-	-	-	(18,942,976)	(18,942,976)
Other comprehensive income net of tax for the year	-	-	-	534,350	-	534,350
Balance as at 31st December 2016	346,990,186	5,389,222	11,266,050	2,500,261	(71,738,380)	294,407,339
Balance as at 01st April 2017	898,375,289	5,389,222	11,266,050	2,014,937	(92,625,081)	824,420,416
Profit/(Loss) for the Period	-	-	-	-	(2,761,993)	(2,761,993)
Other comprehensive income net of tax for the year	-	-	-	199,562	-	199,562
Balance as at 31st December 2017	898,375,289	5,389,222	11,266,050	2,214,499	(95,387,075)	821,857,985

Figures in brackets indicate deductions.

MULTI FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

	31.12.2017 Rs. (Unaudited)	31.12.2016 Rs. (Unaudited)
Profit /(Loss) Before Taxation	(722,967)	(18,418,054)
Adjustments for :		
Provision for Retirement Benefit Plans	688,797	688,797
Depreciation on Property, Plant and Equipment	2,440,610	2,669,634
Interest Expenses	44,857,955	40,654,934
Amortisation of Intangible Assets	356,633	428,520
(Profit)/Loss on disposal of Property, Plant & Equipment	(713,226)	(271,215)
Impairment charge/(reversal) for loan and other advances	11,843,986	6,324,379
Provision/(reversal) for diminution in share value	(230,998)	(92,365)
(Profit)/Loss on pawning auction	(35,271)	(94,339)
Impairment of AFS Investment	366,718	(155,688)
(Profit)/Loss on disposal of Repossessed Stock	(315,057)	1,834,488
Interest Income on Government Securities	(526,096)	(526,096)
Interest Income on FD	(9,604,587)	-
Interest Income on Reverse Repurchase Agreements	(30,941,341)	(4,208,916)
Notional tax credit on interest on Treasury Bonds	52,610	-
Value Added Tax on Financial Services	4,410,000	2,114,924
	21,927,765	30,949,001
Changes in working capital :		
(Increase)/Decrease in Investment in Hirepurchase, Lease and Other Loans	(382,489,941)	163,240,124
(Increase)/Decrease in Trade & Other Receivables	(20,650,050)	3,690,520
(Increase)/ Decrease in Amounts Due from Related Party	-	(57,414)
(Increase)/Decrease in Inventories	(2,951,591)	-
Increase/ (Decrease) in Deposits from Customers	166,447,043	(172,458,071)
Increase/ (Decrease) in Other Borrowings	-	-
Increase / (Decrease) in Amounts Due to Related Party	13,501,646	(32,637,213)
Increase/ (Decrease) in Trade & Other Payables	87,096,267	1,997,899
Cash generated from Operating Activities	(117,118,861)	(5,275,153)
Income Tax Paid	(787,383)	(2,478,437)
Gratuity Paid	(337,500)	(247,500)
VAT on Financial Services Paid	(4,410,000)	(2,114,924)
Interest Paid	(44,857,955)	(40,654,934)
Net cash generated / (used) in Operating Activities	(167,511,700)	(50,770,949)
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(2,728,629)	(4,242,347)
Proceeds from sale of Property, Plant & Equipment	781,105	310,000
Investment in Dealing Securities	-	-
Cash Received from Pawning Auction	5,285,003	6,822,898
Proceeds from disposal of investment securities	-	-
Proceeds from disposal of dealing securities	-	-
Purchase of Intangible Assets	-	-
Interest Receipt on Government Securities	-	526,096
Interest Receipt on FD	9,604,587	-
Interest Receipt on Reverse Repurchase Agreements	30,941,341	4,208,916
Proceeds from Disposal of Government Securities	-	-
Investment in Fixed deposits	(358,280,850)	-
Net cash generated from Investing Activities	(314,397,444)	7,625,563
Cash flow from Financing Activities		
New share issue during the year	-	-
Loans obtained during the year	-	-
Loans repayments during the year	(17,455,656)	(34,736,569)
Net cash generated / (used) in Financing Activities	(17,455,656)	(34,736,569)
Net Increase/(Decrease) in Cash and Cash Equivalents	(499,364,800)	(77,881,955)
Cash & Cash Equivalents at the Beginning of the period	595,863,047	138,872,037
Cash & Cash Equivalents at the end of the period	96,498,247	60,990,082
Analysis of Cash & Cash Equivalents		
Favourable balance		
Investment in Repurchase Agreements	77,950,000	72,586,166
Cash at Bank	29,025,210	20,276,391
Cash in Hand	12,675,304	7,083,468
	119,650,514	99,946,025
Unfavourable balance		
Bank overdrafts	(14,147,705)	(18,955,942)
Reverse Repurchase Agreements	(9,004,562)	(20,000,000)
	(23,152,266)	(38,955,942)
	96,498,247	60,990,083

Figures in brackets indicate deductions.

MULTI FINANCE PLC
EXPLANATORY NOTES
FOR THE NINE MONTHS ENDED 31ST DECEMBER

SEGMENTAL ANALYSIS

	Lease & Hire Purchase		Loans		Pawning		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income										
Interest Income	23,185,556	29,509,321	55,148,923	48,962,618	19,716,700	17,785,393	41,072,023	4,735,012	139,123,203	100,992,345
Fee Based Income & Others	7,383,470	4,504,823	8,496,039	10,813,228	768,850	745,600	7,520,345	6,041,847	24,168,704	22,105,498
Total Income	30,569,026	34,014,145	63,644,962	59,775,846	20,485,550	18,530,993	48,592,368	10,776,859	163,291,907	123,097,842
Unallocated Expenses									(164,014,874)	(141,515,896)
Profit / (Loss) Before Tax									(722,967)	(18,418,054)
Income Tax									(2,039,026)	(524,922)
Net Profit / (Loss) for the period									(2,761,993)	(18,942,976)
Segment Assets	240,058,731	170,186,654	575,433,850	356,012,565	145,155,901	97,272,039	426,764,802	56,667,347	1,387,413,283	680,138,606
Unallocated Assets									141,475,014	86,859,768
Total Assets	240,058,731	170,186,654	575,433,850	356,012,565	145,155,901	97,272,039	426,764,802	56,667,347	1,528,888,296	766,998,374
Unallocated Liabilities									1,528,888,296	766,998,374
Total Liabilities									1,528,888,296	766,998,374

Figures in brackets indicate deductions.

MULTI FINANCE PLC
EXPLANATORY NOTES
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2017

- 1 The above figures are provisional and subject to audit.
- 2 There are no changes in the accounting policies and methods of computation since the publication of Annual Report for the financial year ended 31st March 2017.
- 3 Impairment charge for loan & advances has been measured as per the CBSL guidelines and not in line with LKAS/SLFRS.
- 4 There has not been a significant change in the nature of the contingent liabilities which were disclosed in the Annual Report for the year ended 31st March 2017.
- 5 All regulatory requirements including bad debt provisioning as per Central Bank of Sri Lanka and Colombo Stock Exchange listing rules have been complied with.
- 6 No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in these financial statements.
- 7 Stated Capital is represented by number of shares in issue as given below :

	<u>As at 31/12/2017</u>	<u>As at 31/12/2016</u>
Ordinary shares	63,610,181	22,462,039
8 Market price per share for the quarter ended 31st December	<u>2017</u>	<u>2016</u>
	<u>Rs.</u>	<u>Rs.</u>
Highest	17.20	18.90
Lowest	11.80	12.60
Last traded	14.50	13.10

9 The number of shares held by individual directors are as follows:

Mr. E.K.I.De Zoysa
Mr. P.Jayasundera
Mrs. C.J.Atapattu
Mr. D.Prasann Leanage
Mr.H.F. Imal Fonseka
Mr. M.Shelton Peiris
Mr. K.D.P.C.Abeysekara
Mr. W.A.Lakshman
Dr. R.A. Fernando

<u>As at 31/12/2017</u>
Nil
Nil
20,575
Nil
Nil
Nil
Nil
14,391
Nil

10 Twenty largest shareholders of the company are as follows:

Name	<u>As at 31/12/2017</u>	
	<u>Number of shares</u>	<u>%</u>
1 HATTON NATIONAL BANK PLC/FAIRWAY HOLDINGS (PVT) LTD	41,110,075	64.63
2 ENTRUST HOLDINGS LIMITED	19,037,186	29.93
3 MISS. RASSAMANUKULA WARNAKULADIYA KURUKULASURIYA SAMADHI FERNANDES	220,994	0.35
4 ENTRUST LIMITED	186,000	0.29
5 LAUGFS GAS PLC	184,900	0.29
6 MR. MIGARA MUNASINGHE DISSANAYAKE	134,948	0.21
7 SEYLAN BANK PLC/PRIME LANDS (PVT) LTD	125,421	0.20
8 SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	92,150	0.14
9 NATION LANKA CAPITAL LTD/RASIKA KALYANI RUWANPATHIRANAGE	85,900	0.14
10 MR. WIJITHA NANDA ABEYSURIYA	77,061	0.12
11 MR. PUWAKGAHA ALLE GEDARA WEERAKOON BANDA	75,719	0.12
12 SERENDIB ENGINEERING & AGENCIES (PVT) LTD	75,500	0.12
13 FAIRWAY HOLDINGS PVT LTD	74,065	0.12
14 MRS. SAROJANI GUNASINGHE	58,000	0.09
15 MISS. DIVMINI SACHINTHANA SENARATHNE	50,000	0.08
16 MERCHANT BANK OF SRI LANKA PLC/W.A.S.P.ABESIRIWARDANA	45,521	0.07
17 MR. PANGIRAS ARIYARATNAM RAJANIKANTH	43,800	0.07
18 MR. PALLEWATTHA GAMARALALAGE WIJAYANANDA SIRISENA	38,000	0.06
19 LB FINANCE PLC/N.A. GAYAN UDAYA KUMARA WICKRAMARATHNE	36,000	0.06
20 MR. KOSALA MUNASINGHE DISSANAYAKE	32,600	0.05
	61,783,840	97.13
Other shareholders	1,826,341	2.87
	63,610,181	100.00

The percentage of public share holdings and no. of public shareholders as at 31st December 2017 was 35.20% and 858 respectively.

11 Related party transactions

The Company had the following significant transactions with Parent company and its Subsidiaries in the ordinary course of the business.

	<u>As at 31/12/2017</u>	<u>As at 30.09.2016</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>Amount due from Related parties</u>		
Trade and other receivables	119,259	122,465
<u>Amount due to Related parties</u>		
Trade and other payables	41,221,984	21,947,578