

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

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 SIX MONTHS ENDED 30TH SEPTEMBER 2018

	FOR THE THREE MONTHS ENDED			FOR THE SIX MONTHS ENDED		
	30.09.2018	30.09.2017	Variance	30.09.2018	30.09.2017	Variance
	(Unaudited)	(Unaudited)	Fav/ (Adverse)	(Unaudited)	(Unaudited)	Fav/ (Adverse)
	Rs.	Rs.	%	Rs.	Rs.	%
Income	81,340,085	51,189,802	59	157,082,576	100,872,225	56
Interest income	74,348,464	43,119,598	72	144,177,456	85,856,117	68
Interest expenses	(27,082,738)	(14,865,629)	(82)	(49,743,674)	(28,052,378)	(77)
Net interest income	47,265,726	28,253,970	67	94,433,782	57,803,740	63
Fee and commission income	7,298,408	4,775,146	53	12,521,384	9,023,828	39
Other income	(306,787)	3,295,057	(109)	383,736	5,992,280	(94)
Net income from operations	54,257,348	36,324,173	49	107,338,902	72,819,848	47
Operating expenses						
Personnel cost	(29,817,750)	(14,128,016)	(111)	(59,396,920)	(28,955,551)	(105)
Net impairment of available-for-sale financial assets	-	(127,618)	100	(32,386)	(203,228)	84
Depreciation and amortization charge	(1,955,864)	(923,087)	(112)	(3,339,793)	(1,844,563)	(81)
Other operating expenses	(21,766,649)	(17,026,069)	(28)	(40,732,458)	(33,197,995)	(23)
Total operating expenses	(53,540,262)	(32,204,790)	(66)	(103,501,556)	(64,201,338)	(61)
Profit/(Loss) before impairment and taxation	717,085	4,119,383	(83)	3,837,346	8,618,510	(55)
Impairment (charge)/reversal for loan and other advances	(7,273,517)	(2,560,781)	(184)	(10,909,937)	(4,897,062)	(123)
Profit/(Loss) before taxation and VAT on Financial Services	(6,556,432)	1,558,603	(521)	(7,072,591)	3,721,448	(290)
Value Added Tax on Financial Services	(2,200,000)	(1,180,000)	(86)	(2,700,000)	(2,350,000)	(15)
Profit/(Loss) before taxation	(8,756,432)	378,603	(2,413)	(9,772,591)	1,371,448	(813)
Income Tax (Expense)/Reversal	(550,000)	(500,000)	(10)	(700,000)	(1,289,026)	46
Profit/(Loss) for the period	(9,306,432)	(121,397)	(7,566)	(10,472,591)	82,422	(12,806)
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss						
Net change in fair value of available-for-sale financial assets	-	(16,940)	100	-	214,683	(100)
	-	(16,940)	100	-	214,683	(100)
Other comprehensive income for the period, net of tax	-	(16,940)	100	-	214,683	(100)
Total comprehensive income / (expense) for the period	(9,306,432)	(138,338)	(6,627)	(10,472,591)	297,105	(3,625)
Earnings/(Loss) per share (Rs.) (Annualized)	(0.59)	(0.01)		(0.33)	0.003	

Figures in brackets indicate deductions.

MULTI FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPTEMBER 2018

	As at 30.09.2018 Rs. (Unaudited)	As at 31.03.2018 Rs. (Audited)
ASSETS		
Cash and cash equivalents	67,438,486	94,163,856
Placements with Banks and other financial institutions	72,724,470	233,069,642
Rental receivable on lease	473,224,815	333,913,312
Rental receivable on hire purchase	7,895,199	12,643,028
Advance and other loans	997,229,902	850,737,233
Trade and other receivables	69,348,600	50,523,101
Inventories	2,356,795	668,000
Income tax receivables	3,752,001	4,452,003
Available for sale financial assets	7,836,852	8,071,749
Intangible assets	1,349,034	1,417,849
Property, plant & equipment	23,865,332	12,426,351
Deferred Tax Asset	31,748,785	31,748,786
TOTAL ASSETS	1,758,770,270	1,633,834,910
LIABILITIES		
Due to banks and financial institutions	57,300,081	75,126,583
Deposits due to customers	841,356,265	649,996,600
Trade and other payables	59,184,343	97,768,754
Retirement benefit obligation	5,596,373	5,137,175
TOTAL LIABILITIES	963,437,062	828,029,112
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	280,939	280,939
Retained earnings	(119,978,292)	(109,505,702)
TOTAL EQUITY	795,333,208	805,805,798
TOTAL LIABILITIES AND EQUITY	1,758,770,270	1,633,834,910
Net Assets Per Share (Rs.)	12.50	12.67

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

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. P. Jayasundera
 Director / Chief Executive Officer

07th Nov 2018
 Colombo

Sgd.
Mr. Kuvera De Zoysa
 Chairman - Independent Non Executive
 Director

MULTI FINANCE PLC
**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018**

	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 2017	898,375,289	5,389,222	11,266,050	2,014,937	(92,625,081)	824,420,417
Profit/(Loss) for the Period					82,422	82,422
Other comprehensive income net of tax for the year				214,683		214,683
Balance as at 30th September 2017	898,375,289	5,389,222	11,266,050	2,229,620	(92,542,659)	824,717,522
Balance as at 01st April 2018	898,375,289	5,389,222	11,266,050	280,939	(109,505,702)	805,805,798
Profit/(Loss) for the Period	-	-	-	-	(10,472,591)	(10,472,591)
Other comprehensive income net of tax for the year	-	-	-	-	-	-
Balance as at 30th September 2018	898,375,289	5,389,222	11,266,050	280,939	(119,978,292)	795,333,208

Figures in brackets indicate deductions.

MULTI FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

	30.09.2018 (Unaudited) Rs.	30.09.2017 (Unaudited) Rs.
Profit /(Loss) Before Taxation	(9,772,591)	1,371,448
Adjustments for :		
Provision for Retirement Benefit Plans	459,198	459,198
Depreciation on Property, Plant and Equipment	2,943,017	1,607,240
Interest Expenses	49,743,674	28,052,378
Amortisation of Intangible Assets	396,776	237,323
(Profit)/Loss on disposal of Property, Plant & Equipment	(312,541)	(389,800)
Impairment charge/(reversal) for loan and other advances	10,909,937	4,897,062
Profit from Sale of Dealing Securities	(58,242)	-
Provision/(reversal) for diminution in share value	32,386	(232,498)
(Profit)/Loss on pawning auction	(32,914)	(26,487)
Impairment of AFS Investment	-	203,228
(Profit)/Loss on disposal of Repossessed Stock	1,113,795	(53,299)
Interest Income on Government Securities	(350,731)	(350,731)
Interest Income on Fixed Deposit Investments	(5,861,664)	(2,018,304)
Interest Income on Reverse Repurchase Agreements	(1,189,371)	(25,915,081)
Notional tax credit on interest on Treasury Bonds	-	35,073
Value Added Tax on Financial Services	2,700,000	2,350,000
	50,720,728	10,226,751
Changes in working capital :		
(Increase)/Decrease in Investment in Hirepurchase, Lease and Other Loans	(294,647,160)	(89,411,594)
(Increase)/Decrease in Trade & Other Receivables	(12,974,980)	(14,775,894)
(Increase)/Decrease in Inventories	(1,688,795)	(840,000)
Increase/ (Decrease) in Deposits from Customers	191,359,665	34,183,012
Increase / (Decrease) in Amounts Due to Related Party	-	1,327,647
Increase/ (Decrease) in Trade & Other Payables	(38,584,411)	(3,278,469)
Cash generated from Operating Activities	(105,814,954)	(62,568,548)
Income Tax Paid	-	(787,383)
Gratuity Paid	-	(100,000)
VAT on Financial Services Paid	(8,515,443)	(2,350,000)
Interest Paid	(49,743,674)	(28,052,378)
Net cash generated / (used) in Operating Activities	(164,074,071)	(93,858,310)
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(14,392,868)	(1,199,129)
Proceeds from sale of Property, Plant & Equipment	323,410	389,800
Cash Received from Pawning Auction	1,600,000	2,890,253
Proceeds from disposal of dealing securities	576,410	-
Purchase of Intangible Assets	(327,961)	-
Interest Receipt on FD	5,861,665	2,018,304
Interest Receipt on Reverse Repurchase Agreements	1,189,371	25,915,081
Net Investment in Fixed deposits	160,345,172	(210,000,000)
Net cash generated from Investing Activities	155,175,200	(179,985,692)
Cash flow from Financing Activities		
Loans repayments during the year	-	(17,455,656)
Net cash generated / (used) in Financing Activities	-	(17,455,656)
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,898,869)	(291,299,658)
Cash & Cash Equivalents at the Beginning of the period	19,037,273	595,863,047
Cash & Cash Equivalents at the end of the period	10,138,404	304,563,389
<u>Analysis of Cash & Cash Equivalents</u>		
Favourable balance		
Investment in Repurchase Agreements	36,500,000	374,099,999
Cash at Bank	19,307,900	15,283,702
Cash in Hand	11,630,586	8,447,463
	67,438,486	397,831,165
Unfavourable balance		
Bank overdrafts	(57,300,081)	(17,767,776)
Loans against Reverse Repos	-	(75,500,000)
	(57,300,081)	(93,267,776)
	10,138,404	304,563,389

Figures in brackets indicate deductions.

MULTI FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

SEGMENTAL ANALYSIS

	Lease & Hire Purchase		Loans		Pawning		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income										
Interest Income	39,233,896	13,991,417	77,307,477	32,420,613	20,167,595	11,159,972	7,468,488	28,284,115	144,177,456	85,856,117
Other Income	3,980,682	4,222,350	6,862,562	4,319,331	597,258	482,147	1,464,618	5,992,280	12,905,120	15,016,108
Total Income	43,214,578	18,213,767	84,170,039	36,739,944	20,764,853	11,642,119	8,933,105	34,276,395	157,082,576	100,872,225
Unallocated Expenses									(166,855,167)	(99,500,777)
Profit / (Loss) Before Tax									(9,772,591)	1,371,448
Income Tax									(700,000)	(1,289,026)
Net Profit / (Loss) for the period									(10,472,591)	82,422
Segment Assets	481,120,014	167,534,801	822,928,986	383,520,660	174,300,916	125,585,806	156,018,718	271,270,486	1,634,368,634	947,911,753
Unallocated Assets									124,401,636	419,146,724
Total Assets	481,120,014	167,534,801	822,928,986	383,520,660	174,300,916	125,585,806	156,018,718	271,270,486	1,758,770,270	1,367,058,477
Unallocated Liabilities									1,758,770,270	1,367,058,477
Total Liabilities									1,758,770,270	1,367,058,477

Figures in brackets indicate deductions.

MULTI FINANCE PLC
EXPLANATORY NOTES
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2018

- 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 Audited Financial Statements for the financial year ended 31st March 2018.
- 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 Audited Financial Statements for the year ended 31st March 2018.
- 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 30/09/2018</u>	<u>As at 30/09/2017</u>
Ordinary shares	63,610,181	63,610,181
8 Market price per share for the quarter ended 30th Sep	<u>2018</u>	<u>2017</u>
	Rs.	Rs.
Highest	14.80	16.50
Lowest	11.50	11.00
Last traded	12.10	15.10

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

	<u>As at 30/09/2018</u>
Mr. E.K.De Zoysa	Nil
Mrs. C.J.Atapattu	20,575
Mr. Imal Fonseka	Nil
Mr. P.Abeysekara	Nil
Mr. W.Lakshman	14,391
Dr. R. A. Fernando	Nil
Mr. P.Jayasundera (Director/CEO)	Nil
Mr. Shelton Peiris*	Nil

*Resigned w.e.f 30th Sep 2018

10 Twenty largest shareholders of the company are as follows:

Name	<u>As at 30/09/2018</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 ENTRUST LIMITED	186,000	0.29
4 LAUGFS GAS PLC	184,900	0.29
5 MISS. R. W. K. C. M. A. SAMADHIE FERDINANDO	183,664	0.29
6 MR. MIGARA MUNASINGHE DISSANAYAKE	134,948	0.21
7 SEYLAN BANK PLC/MS.PRIME LANDS (PVT) LTD	125,421	0.20
8 ASSETLINE LEASING CO. LTD/R.K.R. PATHIRANAGE	85,900	0.14
9 MR. PUWAKGAHA ALLE GEDARA WEERAKOON BANDA	80,620	0.13
10 MR. WIJITHA NANDA ABEYSURIYA	76,081	0.12
11 SERENDIB ENGINEERING & AGENCIES (PVT) LTD	75,500	0.12
12 FAIRWAY HOLDINGS PVT LTD	74,065	0.12
13 MRS. SAROJANI GUNASINGHE	58,000	0.09
14 MR. SENTHI NANDHANAN SENTHILVERL	55,761	0.09
15 SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	53,371	0.08
16 MR. CHANDRASIRI THILAK MALIDUWA PATHIRANA	50,000	0.08
17 MISS. DIVMINI SACHINTHANA SENARATHNE	47,300	0.07
18 MERCHANT BANK OF SRI LANKA PLC/W.A.S.P.ABESIRIWARDANA	45,602	0.07
19 MR. PANGIRASARIYARATNAM RAJANIKANTH	43,800	0.07
20 LB FINANCE PLC/N.A. GAYAN UDAYA KUMARA WICKRAMARATHNE	41,000	0.06
Other shareholders	61,749,194	97.07
	1,860,987	2.93
	63,610,181	100.00

11 Public holding

The Company has opted to adopt option 02 under the section 7.13.1 of the amended Listing Rules which are effective from 17th January 2018.

Option	<u>As at 30.09.2018</u>					
	<u>Float adjusted market capitalization (Rs.Bn)</u>		<u>Public holding percentage (%)</u>		<u>Number of public shareholders</u>	
	<u>Minimum requirement</u>	<u>Available amount</u>	<u>Minimum requirement</u>	<u>Public holding (%)</u>	<u>Minimum requirement</u>	<u>Public shareholders</u>
Option 2	less than Rs. 1 Bn.	0.27 Bn.	10%	35.20%	200	854

12 Commitments and Contingencies

There were no material contingent liabilities and /or capital commitments as at reporting date except for the undrawn loan commitment as follows :

	<u>As at 30/09/2018</u>	<u>As at 30/09/2017</u>
Commitment for unutilised credit facilities	19,417,081	-

13 Comparative figures

Previous period's figures and phrases have been re-arranged wherever necessary to confirm to the current year presentation.