

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2018

MULTI FINANCE PLC



(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 2018

	FOR THE THREE MONTHS ENDED			FOR THE NINE MONTHS ENDED		
	31.12.2018	31.12.2017	Variance	31.12.2018	31.12.2017	Variance
	(Unaudited)	(Unaudited)	Fav/ (Adverse)	(Unaudited)	(Unaudited)	Fav/ (Adverse)
	Rs.	Rs.	%	Rs.	Rs.	%
Income	77,161,435	62,419,681	24	234,244,011	163,291,907	43
Interest income	70,173,638	53,267,086	32	214,351,094	139,123,203	54
Interest expenses	(26,283,803)	(16,805,577)	(56)	(76,027,477)	(44,857,955)	(69)
Net interest income	43,889,835	36,461,509	20	138,323,617	94,265,248	47
Fee and commission income	6,763,391	7,624,530	(11)	19,284,775	16,648,359	16
Other income	224,406	1,528,065	(85)	608,142	7,520,345	(92)
Net income from operations	50,877,632	45,614,104	12	158,216,534	118,433,952	34
Operating expenses						
Personnel cost	(29,033,803)	(18,139,061)	(60)	(88,430,722)	(47,094,612)	(88)
Net impairment of available-for-sale financial assets	-	(163,489)	100	(32,386)	(366,718)	91
Depreciation and amortization charge	(2,723,009)	(952,680)	(186)	(6,062,801)	(2,797,243)	(117)
Other operating expenses	(23,415,434)	(19,446,366)	(20)	(64,147,893)	(52,644,361)	(22)
Total operating expenses	(55,172,246)	(38,701,596)	(43)	(158,673,802)	(102,902,933)	(54)
Profit/(Loss) before impairment and taxation	(4,294,614)	6,912,508	(162)	(457,268)	15,531,019	(103)
Impairment (charge)/reversal for loan and other advances	(11,450,395)	(6,946,924)	(65)	(22,360,332)	(11,843,986)	(89)
Profit/(Loss) before taxation and VAT on Financial Services	(15,745,009)	(34,416)	(45,649)	(22,817,600)	3,687,033	(719)
Value Added Tax on Financial Services	(1,900,000)	(2,060,000)	8	(4,600,000)	(4,410,000)	(4)
Profit/(Loss) before taxation	(17,645,009)	(2,094,416)	(742)	(27,417,600)	(722,967)	(3,692)
Income Tax (Expense)/Reversal	(898,110)	(750,000)	(20)	(1,598,110)	(2,039,026)	22
Profit/(Loss) for the period	(18,543,119)	(2,844,416)	(552)	(29,015,710)	(2,761,993)	(951)
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	-	(15,120)	100	-	199,562	(100)
	-	(15,120)	100	-	199,562	(100)
Other comprehensive income for the period, net of tax	-	(15,120)	100	-	199,562	(100)
Total comprehensive income / (expense) for the period	(18,543,119)	(2,859,536)	(548)	(29,015,710)	(2,562,431)	(1,032)
Earnings/(Loss) per share (Rs.) (Annualized)	(1.17)	(0.18)		(0.61)	(0.06)	

Figures in brackets indicate deductions.

MULTI FINANCE PLC**STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER 2018**

	As at 31.12.2018 Rs. (Unaudited)	As at 31.03.2018 Rs. (Audited)
ASSETS		
Cash and cash equivalents	24,757,393	94,163,856
Placements with Banks and other financial institutions	61,462,237	233,069,642
Rental receivable on lease	446,371,993	333,913,312
Rental receivable on hire purchase	5,286,410	12,643,028
Advance and other loans	888,426,351	850,737,233
Trade and other receivables	92,563,362	50,523,101
Inventories	2,748,000	668,000
Income tax receivables	3,002,001	4,452,003
Available for sale financial assets	7,994,681	8,071,749
Intangible assets	1,199,584	1,417,849
Property, plant & equipment	33,458,951	12,426,351
Deferred Tax Asset	31,748,786	31,748,786
TOTAL ASSETS	1,599,019,749	1,633,834,910
LIABILITIES		
Due to banks and financial institutions	70,413,683	75,126,583
Deposits due to customers	684,286,925	649,996,600
Trade and other payables	61,703,081	97,768,754
Retirement benefit obligation	5,825,972	5,137,175
TOTAL LIABILITIES	822,229,661	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	(138,521,412)	(109,505,702)
TOTAL EQUITY	776,790,088	805,805,798
TOTAL LIABILITIES AND EQUITY	1,599,019,749	1,633,834,910
Net Assets Per Share (Rs.)	12.21	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

13th Feb 2019
 Colombo

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

MULTI FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31ST DECEMBER 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					(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
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	-	-	-	-	(29,015,710)	(29,015,710)
Other comprehensive income net of tax for the year	-	-	-	-	-	-
Balance as at 31st December 2018	898,375,289	5,389,222	11,266,050	280,939	(138,521,412)	776,790,088

Figures in brackets indicate deductions.

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

	2018 (Unaudited) Rs.	2017 (Unaudited) Rs.
Profit /(Loss) Before Taxation	(27,417,600)	(722,967)
Adjustments for :		
Provision for Retirement Benefit Plans	688,797	688,797
Depreciation on Property, Plant and Equipment	5,516,575	2,440,610
Interest Expenses	76,027,477	44,857,955
Amortisation of Intangible Assets	546,226	356,633
(Profit)/Loss on disposal of Property, Plant & Equipment	(397,941)	(713,226)
Impairment charge/(reversal) for loan and other advances	22,360,332	11,843,986
Profit from Sale of Dealing Securities	(58,242)	-
Provision/(reversal) for diminution in share value	32,386	(230,998)
(Profit)/Loss on pawning auction	(54,885)	(35,271)
Impairment of AFS Investment	-	366,718
(Profit)/Loss on disposal of Repossessed Stock	1,287,645	(315,057)
Interest Income on Government Securities	(526,096)	(526,096)
Interest Income on Fixed Deposit Investments	(7,388,919)	(9,604,587)
Interest Income on Reverse Repurchase Agreements	(1,201,948)	(30,941,341)
Notional tax credit on interest on Treasury Bonds	52,610	52,610
Value Added Tax on Financial Services	4,600,000	4,410,000
	74,066,416	21,927,765
Changes in working capital :		
(Increase)/Decrease in Investment in Hirepurchase, Lease and Other Loans	(169,319,273)	(382,489,941)
(Increase)/Decrease in Trade & Other Receivables	(38,175,771)	(20,650,050)
(Increase)/Decrease in Inventories	(2,080,000)	(2,951,591)
Increase/ (Decrease) in Deposits from Customers	34,290,325	166,447,043
Increase / (Decrease) in Amounts Due to Related Party	(2,375,826)	13,501,646
Increase/ (Decrease) in Trade & Other Payables	(33,638,888)	87,096,267
Cash generated from Operating Activities	(137,233,018)	(117,118,861)
Income Tax Paid	(148,110)	(787,383)
Gratuity Paid	-	(337,500)
VAT on Financial Services Paid	(8,515,443)	(4,410,000)
Interest Paid	(76,027,477)	(44,857,955)
Net cash generated / (used) in Operating Activities	(221,924,048)	(167,511,700)
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(26,560,047)	(2,728,629)
Proceeds from sale of Property, Plant & Equipment	408,810	781,105
Cash Received from Pawning Auction	2,935,000	5,285,003
Proceeds from disposal of dealing securities	576,410	-
Purchase of Intangible Assets	(327,961)	-
Interest Receipt on Fixed Deposits	7,388,919	9,604,587
Interest Receipt on Reverse Repurchase Agreements	1,201,948	30,941,341
Net Investment in Fixed deposits	171,607,405	(358,280,850)
Net cash generated from Investing Activities	157,230,485	(314,397,444)
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	(64,693,563)	(499,364,800)
Cash & Cash Equivalents at the Beginning of the period	19,037,273	595,863,047
Cash & Cash Equivalents at the end of the period	(45,656,290)	96,498,247
<u>Analysis of Cash & Cash Equivalents</u>		
Favourable balance		
Investment in Repurchase Agreements	-	77,950,000
Cash at Bank	19,052,402	29,025,210
Cash in Hand	5,704,991	12,675,304
	24,757,393	119,650,514
Unfavourable balance		
Bank overdrafts	(70,413,683)	(14,147,705)
Loans against Reverse Repurchase Agreements	-	(9,004,562)
	(70,413,683)	(23,152,266)
	(45,656,290)	96,498,247

Figures in brackets indicate deductions.

MULTI FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER

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	60,691,816	23,185,556	113,325,862	55,148,923	31,098,597	19,716,700	9,234,819	41,072,023	214,351,094	139,123,203
Other Income	6,358,809	7,383,470	10,848,538	8,496,039	844,668	768,850	1,840,902	7,520,345	19,892,917	24,168,704
Total Income	67,050,625	30,569,026	124,174,400	63,644,962	31,943,265	20,485,550	11,075,720	48,592,368	234,244,011	163,291,907
Unallocated Expenses									(261,661,611)	(164,014,874)
Profit / (Loss) Before Tax									(27,417,600)	(722,967)
Income Tax									(1,598,110)	(2,039,026)
Net Profit / (Loss) for the period									(29,015,710)	(2,761,993)
Segment Assets	451,658,404	167,534,801	701,680,185	383,520,660	186,746,166	125,585,806	167,770,280	271,270,486	1,507,855,035	1,387,413,283
Unallocated Assets									91,164,714	141,475,014
Total Assets	451,658,404	167,534,801	701,680,185	383,520,660	186,746,166	125,585,806	167,770,280	271,270,486	1,599,019,749	1,528,888,296
Unallocated Liabilities									1,599,019,749	1,528,888,296
Total Liabilities									1,599,019,749	1,528,888,296

Figures in brackets indicate deductions.

MULTI FINANCE PLC
EXPLANATORY NOTES
FOR THE NINE MONTHS ENDED 31ST DECEMBER 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 31/12/2018</u>	<u>As at 31/12/2017</u>
No. of Ordinary shares	63,610,181	63,610,181
8 Market price per share for the quarter ended 31st Dec	<u>2018</u>	<u>2017</u>
	<u>Rs.</u>	<u>Rs.</u>
Highest	14.80	17.20
Lowest	9.20	11.80
Last traded	13.90	14.50

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

Mr. E.K.I. De Zoysa
Mrs. C.J. Atapattu
Mr. H.F. Imal Fonseka
Mr. K.D.P. Abeysekera
Mr. W. Lakshman
Dr. R. A. Fernando
Mr. P. Jayasundera (Director/CEO)

<u>As at 31/12/2018</u>
Nil
20,575
Nil
Nil
14,391
Nil
Nil

10 Twenty largest shareholders of the company are as follows:

Name
1 HATTON NATIONAL BANK PLC/FAIRWAY HOLDINGS (PVT) LTD
2 ENTRUST HOLDINGS LIMITED
3 ENTRUST LIMITED
4 LAUGFS GAS PLC
5 MISS. R. W. K. C. M. M. ANUSHKI SAMADHIE FERDINANDO
6 MR. MIGARA MUNASINGHE DISSANAYAKE
7 SEYLAN BANK PLC/MS.PRIME LANDS (PVT) LTD
8 ASSETLINE LEASING CO. LTD/R.K.R. PATHIRANAGE
9 MR. PUWAKGAHA ALLE GEDARA WEERAKOON BANDA
10 MR. WIJITHA NANDA ABEYSURIYA
11 FAIRWAY HOLDINGS PVT LTD
12 MRS. SAROJANI GUNASINGHE
13 MR. SENTHI NANDHANAN SENTHILVERL
14 SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD
15 MR. CHANDRASIRI THILAK MALIDUWA PATHIRANA
16 MISS. DIVINI SACHINTHANA SENARATHNE
17 MERCHANT BANK OF SRI LANKA PLC/W.A.S.P.ABESIRIWARDANA
18 MR. PANGIRASARIYARATNAM RAJANIKANTH
19 LB FINANCE PLC/N.A. GAYAN UDAYA KUMARA WICKRAMARATHNE
20 MRS. FATHIMA FARZANA HANIFA

<u>As at 31/12/2018</u>	
Number of shares	%
41,110,075	64.63
19,037,186	29.93
186,000	0.29
184,900	0.29
183,664	0.29
134,948	0.21
125,421	0.20
85,900	0.14
80,620	0.13
76,081	0.12
74,065	0.12
58,000	0.09
55,571	0.09
53,371	0.08
50,000	0.08
46,675	0.07
46,219	0.07
43,800	0.07
41,000	0.06
38,210	0.06
61,711,706	97.02
1,898,475	2.98
63,610,181	100.00

Other shareholders

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.

<u>As at 31.12.2018</u>						
Option	Float adjusted market capitalization		Public holding percentage (%)		Number of public shareholders	
	Minimum requirement	Available amount	Minimum requirement	Public holding (%)	Minimum requirement	Public shareholders
Option 2	less than Rs. 1 Bn.	Rs. 0.31 Bn.	10%	35.20%	200	870

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 31/12/2018</u>	<u>As at 31/12/2017</u>
	<u>Rs.</u>	<u>Rs.</u>
Commitment for utilised credit facilities	31,216,141	-

13 Comparative figures

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