

**INTERIM FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST MARCH 2019**

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 YEAR ENDED 31ST MARCH 2019

	FOR THE THREE MONTHS ENDED			FOR THE TWELVE MONTHS ENDED		
	31.03.2019	31.03.2018	Variance Fav/ (Adverse)	31.03.2019	31.03.2018	Variance Fav/ (Adverse)
	(Unaudited)	(Unaudited)		(Unaudited)	(Audited)	(Adverse)
	Rs.	Rs.	%	Rs.	Rs.	%
Income	63,382,710	72,124,745	(12)	297,626,721	235,416,652	26
Interest income	56,980,914	65,049,880	(12)	271,332,009	204,173,082	33
Interest expenses	(24,037,947)	(20,034,742)	(20)	(100,065,423)	(64,892,696)	(54)
Net interest income	32,942,968	45,015,138	(27)	171,266,585	139,280,386	23
Fee and commission income	4,148,889	3,708,533	12	15,185,357	13,643,421	11
Other income	2,252,906	3,366,333	(33)	11,109,355	17,600,149	(37)
Net income from operations	39,344,763	52,090,003	(24)	197,561,297	170,523,956	16
Operating expenses						
Personnel cost	(26,964,875)	(20,503,414)	(32)	(115,395,597)	(67,598,026)	(71)
Net impairment of available-for-sale financial assets	-	200,924	(100)	(32,386)	(165,794)	80
Depreciation and amortization charge	(2,778,484)	(1,187,426)	(134)	(8,841,285)	(3,984,668)	(122)
Other operating expenses	(28,175,171)	(28,230,915)	0.2	(92,323,064)	(80,875,276)	(14)
Total operating expenses	(57,918,529)	(49,720,831)	(16)	(216,592,331)	(152,623,764)	(42)
Profit/(Loss) before impairment and taxation	(18,573,766)	2,369,173	(884)	(19,031,034)	17,900,192	(206)
Impairment (charge)/reversal for loan and other advances	(10,694,120)	(34,114,069)	69	(33,054,452)	(45,958,055)	28
Profit/(Loss) before taxation and VAT on Financial Services	(29,267,886)	(31,744,896)	8	(52,085,486)	(28,057,863)	(86)
Value Added Tax on Financial Services	(3,000,000)	(1,470,379)	(104)	(7,600,000)	(5,880,379)	(29)
Profit/(Loss) before taxation	(32,267,886)	(33,215,275)	3	(59,685,486)	(33,938,242)	(76)
Income Tax (Expense)/Reversal	(898,110)	19,026,683	(105)	(2,496,220)	16,987,657	(115)
Profit/(Loss) for the period	(33,165,996)	(14,188,591)	(134)	(62,181,706)	(16,950,585)	(267)
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement of retirement benefit obligation	2,414,010	97,172	2,384	2,414,010	97,172	2,384
Tax on actuarial gain	(675,923)	(27,208)	(2,384)	(675,923)	(27,208)	(2,384)
	1,738,087	69,964		1,738,087	69,964	2,384
Items that are or may be reclassified subsequently to profit or loss						
Reclassification of Available for sale reserve to profit / loss	-	(1,807,499)	100	-	(1,807,499)	100
Net change in fair value of available-for-sale financial assets	(48,887)	(126,061)	61	(48,887)	73,501	(167)
	(48,887)	(1,933,560)	97	(48,887)	(1,733,998)	97
Other comprehensive income for the period, net of tax	1,689,201	(1,863,596)	191	1,689,201	(1,664,034)	202
Total comprehensive income / (expense) for the period	(31,476,795)	(16,052,188)	(96)	(60,492,506)	(18,614,619)	(225)
Earnings/(Loss) per share (Rs.) (Annualized)	(2.09)	(0.89)		(0.98)	(0.27)	

Figures in brackets indicate deductions.

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

	2019 Rs. (Unaudited)	2018 Rs. (Audited)
	Rs.	Rs.
ASSETS		
Cash and cash equivalents	41,943,206	94,163,856
Placements with Banks and other financial institutions	61,460,074	233,069,642
Rental receivable on lease	415,738,767	333,913,312
Rental receivable on hire purchase	3,311,635	12,643,028
Advance and other loans	786,029,008	850,737,233
Trade and other receivables	74,295,271	50,523,101
Inventories	15,443,999	668,000
Income tax receivables	2,252,001	4,452,003
Financial Assets Measured at Fair Value Through Other comprehensive income / Financial Investments - Available For Sale	8,103,623	8,071,749
Intangible assets	2,606,396	1,417,849
Property, plant & equipment	32,126,903	12,426,351
Deferred Tax Asset	41,145,661	31,748,786
TOTAL ASSETS	1,484,456,542	1,633,834,910
LIABILITIES		
Due to banks and financial institutions	48,509,429	75,126,583
Deposits due to customers	660,625,888	649,996,600
Trade and other payables	51,017,435	97,768,754
Retirement benefit obligation	4,891,980	5,137,175
TOTAL LIABILITIES	765,044,732	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	232,052	280,939
Retained earnings	(195,850,803)	(109,505,702)
TOTAL EQUITY	719,411,810	805,805,798
TOTAL LIABILITIES AND EQUITY	1,484,456,542	1,633,834,910
Net Assets Per Share (Rs.)	11.31	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

Sgd.

Mrs. C.J.Atapattu

Executive Director

30th May 2019

Colombo

MULTI FINANCE PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2019**

	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					(16,950,585)	(16,950,585)
Other comprehensive income net of tax for the year				(1,733,998)	69,964	(1,664,034)
Balance as at 31st March 2018	898,375,289	5,389,222	11,266,050	280,939	(109,505,702)	805,805,798
Impact of adopting SLFRS 9 as at 1 April 2018 (Note 4)					(25,901,482)	(25,901,482)
Balance as at 01st April 2018	898,375,289	5,389,222	11,266,050	280,939	(135,407,184)	779,904,316
Profit/(Loss) for the Period	-	-	-	-	(62,181,706)	(62,181,706)
Other comprehensive income net of tax for the year	-	-	-	(48,887)	1,738,087	1,689,201
Balance as at 31st March 2019	898,375,289	5,389,222	11,266,050	232,052	(195,850,803)	719,411,810

Figures in brackets indicate deductions.

MULTI FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED 31ST MARCH

	2019 (Unaudited) Rs.	2018 (Audited) Rs.
Profit /(Loss) Before Taxation	(59,685,486)	(33,938,242)
Adjustments for :		
Provision for Retirement Benefit Plans	2,301,115	1,536,583
Depreciation on Property, Plant and Equipment	8,103,615	3,401,933
Interest Expenses	100,065,423	64,892,696
Amortisation of Intangible Assets	737,670	582,735
(Profit)/Loss on disposal of Property, Plant & Equipment	(490,578)	(889,672)
Impairment charge/(reversal) for loan and other advances	33,054,452	45,958,055
Profit from Sale of Dealing Securities	(58,242)	(2,320,051)
Provision/(reversal) for diminution in share value	-	(210,498)
(Profit)/Loss on pawning auction	(94,592)	(96,231)
Impairment of AFS Investment	32,386	165,794
(Profit)/Loss on disposal of Repossessed Stock	2,424,254	373,422
Interest Income on Government Securities	(701,461)	(701,461)
Interest Income on Fixed Deposit Investments	(8,913,011)	(16,652,681)
Interest Income on Reverse Repurchase Agreements	(1,201,948)	(32,707,692)
	75,573,597	29,394,690
Changes in working capital :		
(Increase)/Decrease in Investment in Hirepurchase, Lease and Other Loans	(85,325,470)	(655,404,373)
(Increase)/Decrease in Trade & Other Receivables	(23,772,170)	(21,418,188)
(Increase)/Decrease in Inventories	(14,775,999)	(668,000)
Increase/ (Decrease) in Deposits from Customers	10,629,287	281,584,484
Increase/ (Decrease) in Trade & Other Payables	(47,359,888)	53,974,342
Cash generated from Operating Activities	(85,030,642)	(312,537,045)
Income Tax Paid	(296,220)	(787,383)
Gratuity Paid	(132,300)	(577,500)
Interest Paid	(99,752,554)	(64,892,696)
Net cash generated / (used) in Operating Activities	(185,211,716)	(378,794,624)
Cash flows from Investing Activities		
Purchase of Property, Plant and Equipment	(27,459,050)	(8,043,436)
Purchase of Intangible Assets	(1,926,218)	-
Proceeds from sale of Property, Plant & Equipment	511,310	1,005,197
Cash Received from Pawning Auction	6,181,240	6,812,753
Proceeds from disposal of investment securities	-	4,690,261
Proceeds from disposal of dealing securities	576,410	-
Purchase of Intangible Assets	-	(1,331,000)
Interest Receipt on Fixed Deposits	8,913,011	16,652,682
Interest Receipt on Reverse Repurchase Agreements	1,201,948	32,707,692
Net Investment in Fixed deposits	171,609,568	(233,069,642)
Net cash generated from Investing Activities	159,608,219	(180,575,492)
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	(25,603,497)	(576,825,773)
Cash & Cash Equivalents at the Beginning of the period	19,037,273	595,863,046
Cash & Cash Equivalents at the end of the period	(6,566,224)	19,037,273
Analysis of Cash & Cash Equivalents		
Favourable balance		
Investment in Repurchase Agreements	-	65,500,000
Cash at Bank	35,590,119	21,114,116
Cash in Hand	6,353,086	7,549,740
	41,943,206	94,163,856
Unfavourable balance		
Bank overdrafts	(48,509,429)	(75,126,583)
Loans against Reverse Repurchase Agreements	-	-
	(48,509,429)	(75,126,583)
	(6,566,224)	19,037,273

Figures in brackets indicate deductions.

MULTI FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST MARCH

SEGMENTAL ANALYSIS

	Lease & Hire Purchase		Loans		Pawning		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Income										
Interest Income	78,774,402	36,567,820	139,364,979	86,267,474	42,032,269	28,561,898	11,160,358	52,775,891	271,332,009	204,173,082
Other Income	9,290,867	9,085,002	12,669,449	11,744,214	1,132,266	1,164,327	3,202,129	9,250,028	26,294,712	31,243,570
Total Income	88,065,270	45,652,822	152,034,427	98,011,688	43,164,535	29,726,225	14,362,488	62,025,919	297,626,721	235,416,652
Unallocated Expenses									(357,312,207)	(269,354,894)
Profit / (Loss) Before Tax									(59,685,486)	(33,938,242)
Income Tax									(2,496,220)	16,987,657
Net Profit / (Loss) for the period									(62,181,706)	(16,950,585)
Segment Assets	419,050,402	346,556,340	568,046,592	694,304,657	217,982,416	156,432,576	161,554,967	296,784,494	1,366,634,377	1,494,078,068
Unallocated Assets									117,822,165	139,756,842
Total Assets	419,050,402	346,556,340	568,046,592	694,304,657	217,982,416	156,432,576	161,554,967	296,784,494	1,484,456,542	1,633,834,910
Unallocated Liabilities									1,484,456,542	1,633,834,910
Total Liabilities									1,484,456,542	1,633,834,910

Figures in brackets indicate deductions.

MULTI FINANCE PLC

EXPLANATORY NOTES

FOR THE YEAR ENDED 31st MARCH 2019

- 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, except for adaption of SLFRS 09.
- 3 These Interim Financial Statements have been prepared based on the new accounting policies and methods which have been revised in line with the requirements of the SLFRS 9 - Financial Instruments. The Company complied with LKAS - 39, Financial Instruments : Recognition and measurements up to 31 March 2018, in the preparation of its Financial Statements. In order to recognize the impact on the transition, the Company has adopted the modified retrospective approach in line with SLFRS 9 - Financial Instruments. Accordingly the impact on the adoption of SLFRS 9 as at 31 March 2018, has been reflected in the opening equity balance as at 01 April 2018.

4 TRANSITION DISCLOSURES

The following set out the impact of adopting SLFRS 9 on the Statement of Financial Position, and retained earnings including the effect of replacing LKAS 39's incurred loss calculations with SLFRS 9's expected credit losses.

- 4.1 A reconciliation between the carrying amounts under LKAS 39 to the balances reported under SLFRS 9 as of 1st April 2018 is, as follows.

	Reference	LKAS 39 Measurement Category	Amount Rs.	Reclassification Rs.	Measurement Rs.	SLFRS 09 Amount Rs.	Category
ASSETS							
Cash and cash equivalents		Loans & Receivable	94,163,856			94,163,856	Amortized cost
Placements with Banks and other financial institutions		Loans & Receivable	233,069,642			233,069,642	Amortized cost
Rental receivable on lease		Loans & Receivable	333,913,312		(4,555,191)	329,358,121	Amortized cost
Rental receivable on hire purchase		Loans & Receivable	12,643,028		(1,080,159)	11,562,869	Amortized cost
Advance and other loans		Loans & Receivable	850,737,233		(30,338,929)	820,398,304	Amortized cost
Trade and other receivables		Loans & Receivable	50,523,101			50,523,101	Amortized cost
Inventories			668,000			668,000	
Income tax receivables			4,452,003			4,452,003	
Available for sale financial assets	A	Available For Sale	8,071,749	(8,071,749)		8,071,749	
Equity instruments at fair value through OCI	A		-	8,071,749		-	FVOCI
Intangible assets			1,417,849			1,417,849	
Property, plant & equipment			12,426,351			12,426,351	
Deferred Tax Asset	B		31,748,786		10,072,798	41,821,584	
TOTAL ASSETS			1,633,834,910	-	(25,901,482)	1,607,933,428	
LIABILITIES							
Due to banks and financial institutions		Amortized cost	75,126,583			75,126,583	Amortized cost
Deposits due to customers		Amortized cost	649,996,600			649,996,600	Amortized cost
Trade and other payables		Amortized cost	97,768,754			97,768,754	Amortized cost
Retirement benefit obligation			5,137,175			5,137,175	
TOTAL LIABILITIES			828,029,112	-	-	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			(109,505,702)		(25,901,482)	(135,407,183)	
TOTAL EQUITY			805,805,798	-	(25,901,482)	779,904,317	
TOTAL LIABILITIES AND EQUITY			1,633,834,910	-	(25,901,482)	1,607,933,428	

A Financial assets previously classified under available for sale category have been reclassified as financial assets fair value through other comprehensive income (FVOCI) upon adoption of SLFRS 9.

B The impact of adopting SLFRS 9 on deferred tax is Rs.10,072,798.

**MULTI FINANCE PLC
EXPLANATORY NOTES
FOR THE YEAR ENDED 31ST MARCH 2019**

- 5 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.
- 6 All regulatory requirements including bad debt provisioning as per Central Bank of Sri Lanka and Colombo Stock Exchange listing rules have been complied with.
- 7 No circumstances have arisen since the Balance Sheet date, which would require adjustments to or disclosure in these financial statements other than transition disclosures on adopting SLFRS 9.
- 8 These Interim Financial Statements have been prepared in compliance with the requirements of Sri Lanka Accounting Standards - LKAS 34 on Interim Financial Reporting.
- 9 Stated Capital is represented by number of shares in issue as given below :

	<u>As at 31/03/2019</u>	<u>As at 31/03/2018</u>
No. of Ordinary shares	63,610,181	63,610,181

10 Market price per share for the quarter ended 31st Mar

	<u>2019</u>	<u>2018</u>
	<u>Rs.</u>	<u>Rs.</u>
Highest	21.00	16.90
Lowest	11.30	13.00
Last traded	17.30	13.80

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

	<u>As at 31/03/2019</u>
Mr. E.K.I.De Zoysa	Nil
Mrs. C.J.Atapattu	20,575
Mr. P.Jayasundera (Director/CEO)	Nil
Mr. H.F.Imal Fonseka	Nil
Mr. K.D.P.Abeyssekera	Nil
Mr. W.Lakshman	14,391
Dr. R. A. Fernando	Nil

12 Twenty largest shareholders of the company are as follows:

Name	<u>As at 31/03/2019</u>	
	Number of shares	%
1 HATTON NATIONAL BANK PLC/FAIRWAY HOLDINGS (PVT) LTD	41,110,075	64.63
2 ENTRUST HOLDINGS LIMITED	19,037,186	29.93
3 SANDWAVE LIMITED	606,440	0.95
4 ENTRUST LIMITED	186,000	0.29
5 LAUGFS GAS PLC	184,900	0.29
6 MISS. R. W. K. C. M. M. ANUSHKI SAMADHIE FERDINANDO	168,584	0.27
7 MR. MIGARA MUNASINGHE DISSANAYAKE	134,948	0.21
8 SEYLAN BANK PLC/MS.PRIME LANDS (PVT) LTD	125,421	0.20
9 MR. PUWAKGAHA ALLE GEDARA WEERAKOON BANDA	103,810	0.16
10 MR. WIJITHA NANDA ABEYSURIYA	76,081	0.12
11 FAIRWAY HOLDINGS PVT LTD	74,065	0.12
12 MRS. SAROJANI GUNASINGHE	58,000	0.09
13 MR. CHANDRASIRI THILAK MALIDUWA PATHIRANA	50,000	0.08
14 MERCHANT BANK OF SRI LANKA PLC/W.A.S.P.ABESIRIWARDANA	49,013	0.08
15 MR. PANGIRAS ARIYARATNAM RAJANIKANTH	43,800	0.07
16 MR. PALLEWATTHA GAMARALALAGE WIJAYANANDA SIRISENA	38,000	0.06
17 MR. KOSALA MUNASINGHE DISSANAYAKE	32,600	0.05
18 MERCHANT BANK OF SRI LANKA PLC/S M PATHIRANAGE	32,515	0.05
19 MR. MUSHTAQ MOHAMED FUAD	30,770	0.05
20 MRS. MENAKA PRIYADHARSHANI RAJAPAKSE	30,000	0.05
	62,172,208	97.74
Other shareholders	1,437,973	2.26
	<u>63,610,181</u>	<u>100.00</u>

13 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 31.03.2019</u>					
	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. 0.39 Bn.	10%	35.20%	200	824

14 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 31/03/2019</u>	<u>As at 31/03/2018</u>
	Rs.	Rs.
Commitment for unutilized credit facilities	28,753,311	5,010,927

15 Comparative figures

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