



TRADE FINANCE

Interim Financial Statements

For the Year ended
31st March 2019

TRADE FINANCE & INVESTMENTS PLC

Subsidiary of COMMERCIAL CREDIT & FINANCE PLC

📍 459, Union Place, Colombo - 02.

☎ +94 (0)112 688 421-2 / +94 (0)112 698 818

📞 +94 (0)112 699 226

✉ info@tfil.lk

www.tfil.lk

STATEMENT OF COMPREHENSIVE INCOME

	For the Quarter Ended			For the year Ended		
	31/03/2019	31/03/2018	Change	31/03/2019	31/03/2018	Change
	Rs.	Rs.	%	Rs.	Rs.	%
	"Unaudited"	"Unaudited"		"Unaudited"	"Audited"	
Income	634,949,062	522,061,985	22%	2,626,148,291	1,675,423,606	57%
Interest Income	616,472,116	557,858,645	11%	2,530,404,261	1,592,564,306	59%
Less : Interest Expense	(240,581,628)	(161,675,709)	49%	(921,484,692)	(475,476,142)	94%
Net Interest Income	375,890,489	396,182,935	-5%	1,608,919,569	1,117,088,163	44%
Other Operating Income	18,476,946	(35,796,660)	-152%	95,744,030	82,859,300	16%
Total operating income	394,367,435	360,386,275	9%	1,704,663,599	1,199,947,463	42%
Less : Impairment (Charge) / Reversal for Loans and Receivables	40,469,203	(44,820,133)	190%	(191,830,201)	(90,239,070)	113%
Net Operating Income	434,836,638	315,566,142	38%	1,512,833,398	1,109,708,393	36%
Less : Operating Expenses						
Personnel Costs	(27,288,276)	(37,198,714)	-27%	(242,958,638)	(151,551,351)	60%
General and Administrative Expenses	(125,825,939)	(126,400,000)	0%	(283,486,223)	(241,760,876)	17%
Operating Profit Before Value Added Tax on Financial Services	281,722,423	151,967,428	85%	986,388,537	716,396,166	38%
Less : Value Added Tax on Financial Services	(92,267,602)	(24,059,859)	283%	(212,160,021)	(123,051,371)	72%
Profit Before Taxation	189,454,821	127,907,569	48%	774,228,516	593,344,795	30%
Less : Net Income Tax Expense	4,387,513	(55,361,862)	-108%	(165,196,859)	(175,448,977)	-6%
Profit for the Period	193,842,334	72,545,707	167%	609,031,658	417,895,818	46%
Other comprehensive income						
Items that will never be reclassified to Profit or Loss						
Actuarial (Loss)/ Gain arising on Retirement Benefit Obligation	95,551	1,448,976	-93%	95,551	1,456,406	-93%
Deferred Tax effect on Retirement Benefit Obligation	(26,754)	(415,224)	-94%	(26,754)	(407,794)	-93%
Items that are or may be reclassified to Profit or Loss						
Fair Value Gains that arose during the Year	1,634,479	(82,931)	-2071%	1,737,082	(82,925)	-2195%
Fair Value Gains that arose during the Year	-	139,753	-100%	-	139,753	-100%
Fair Value Losses / (Gains) reclassified to the Profit or Loss on disposal	-	(15,912)	-100%	-	(15,912)	-100%
	1,703,275	1,074,662	58%	1,805,879	1,089,528	66%
Total Comprehensive Income	195,545,609	73,620,370	166%	610,837,537	418,985,347	46%
Basic Earnings Per Share	3.41	1.28	167%	10.72	7.36	46%

Figures in brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

Interim Financial Statements

For the Year ended
31st March 2019

As at	31/03/2019 Rs. " Unaudited"	31/03/2018 Rs. " Audited"
ASSETS		
Cash and cash equivalents	591,483,310	50,946,478
Reverse Repurchase Agreement	127,245,799	91,608,640
Placements with banks and other finance companies	8,697,511	13,621,970
Financial assets at amortised cost		
- Loans and advances	9,206,918,652	7,125,304,701
Financial assets measured at fair value through other comprehensive income	59,298,841	57,424,382
Financial assets recognised through profit or loss		
- Measured at fair value	4,489,612	6,027,139
Property and equipment	47,425,814	46,584,559
Deferred tax asset	133,498,234	7,458,705
Intangible assets	46,954,462	15,326,676
Other assets	105,200,432	56,977,452
Total Assets	10,331,212,667	7,471,280,702
LIABILITIES		
Due to banks	5,786,042,819	3,292,786,909
Financial liabilities at amortised cost		
- Due to depositors	2,131,348,090	1,918,936,640
Other liabilities	540,540,227	653,917,611
Provision for retiring gratuity	13,674,900	10,561,863
Deferred tax liability	-	3,104,817
Current tax liabilities	186,068,526	93,846,585
Total Liabilities	8,657,674,562	5,973,154,425
EQUITY		
Stated capital	247,001,000	247,001,000
Statutory reserve fund	165,449,440	134,997,857
Other reserves	1,038,647	1,425,569
Retained earnings	1,260,049,018	1,114,701,851
Total Equity	1,673,538,105	1,498,126,277
Total Equity and Liabilities	10,331,212,667	7,471,280,702

I certify that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 7 of 2007.



R. D. R. U. Wijesinghe
Accountant

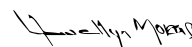
The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.



L.G.S. Perera
Chairman

Colombo.
31st May 2019



L.A.J.F. Morais
Managing Director

STATEMENT OF CHANGES IN EQUITY

Interim Financial Statements

For the Year ended
31st March 2019

For Nine Months ended 31st March 2019

	Stated Capital	Statutory Reserve Fund	Fair Value Through Other Comprehensive Income/AFS Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2017 (Audited)	247,001,000	114,103,066	1,384,653	943,853,811	1,306,342,530
Comprehensive Income for the Period					
Profit for the Period	-	-	-	417,895,819	417,895,819
Other Comprehensive Income	-	-	40,916	1,048,612	1,089,528
Total Comprehensive Income for the Period	247,001,000	114,103,066	1,425,569	1,362,798,242	1,725,327,877
Transactions with Equity Holders					
Dividend paid	-	-	-	(227,201,600)	(227,201,600)
Transferred to Statutory Reserve Fund	-	20,894,791	-	(20,894,791)	-
Total Transactions with Equity Holders	-	20,894,791	-	(248,096,391)	(227,201,600)
Balance as at 31st March 2018 (Audited)	247,001,000	134,997,857	1,425,569	1,114,701,851	1,498,126,277
Balance as at 1st April 2018 (Audited)	247,001,000	134,997,857	1,425,569	1,114,701,851	1,498,126,277
Impact of adopting SLFRS - 9			(2,192,801)	(379,132,322)	(381,325,123)
Restated Balance as at 1st April 2018 (Unaudited)	247,001,000	134,997,857	(767,232)	735,569,529	1,116,801,154
Comprehensive Income for the Period					
Profit for the Period	-	-	-	609,031,658	609,031,658
Other Comprehensive Income	-	-	1,805,879	2,699,814	4,505,693
Total Comprehensive Income for the Period	-	-	1,805,879	611,731,472	613,537,351
Transactions with Equity Holders					
Dividend paid	-	-	-	(56,800,400)	(56,800,400)
Transferred to Statutory Reserve Fund	-	30,451,583	-	(30,451,583)	-
Total transactions with equity holders	-	30,451,583	-	(87,251,983)	(56,800,400)
Balance as at 31st March 2019 (Unaudited)	247,001,000	165,449,440	1,038,647	1,260,049,017	1,673,538,104

Figures in brackets indicate deductions.

CASH FLOW STATEMENT

For the Year Ended 31st March	2019	2018
	" Unaudited"	"Audited"
Cash Flows from Operating Activities		
Interest Received	5,943,201,827	1,610,267,480
Interest Payments	(286,928,218)	(177,473,609)
Fees, Commission and Other Income Received	95,744,030	46,452,442
Employees Related Payments	(239,241,152)	(148,123,119)
Payment of Other Operating Expenses	(253,652,132)	(219,750,022)
Net Cash Inflows Before Changes In Operating Assets	5,259,124,354	1,111,373,172
Decrease/(Increase) in Operating Assets		
Net Fund Advanced to Customers	(6,086,408,724)	(3,265,137,044)
Gratuity Paid	(604,449)	(2,568,750)
Other Receivables	(48,222,979)	(34,001,723)
	(6,135,236,152)	(3,301,707,517)
Increase/(Decrease) in Operating Liabilities		
Net Deposit From Customers	205,218,347	1,006,236,080
Other Short Term Liabilities	(113,292,849)	(212,598,484)
	91,925,498	793,637,596
Net Cash Generate from/ (used for) Operation Activities	(784,186,299)	(1,396,696,748)
Income Tax Paid	(199,419,449)	(109,288,279)
Payment of VAT on Financial Services	(212,160,021)	(110,973,058)
Net Cash Inflow / (Outflow) from Operating Activities	(1,195,765,769)	(1,616,958,085)
Cash Flows from Investing Activities		
Net Investment in Property and Equipment	(62,303,131)	(31,512,475)
Net Investment in Banks and Other Financial Institution	(12,023,933)	(3,002,361)
Proceeds from sale of Fair Value through OCI & Profit and Loss	1,537,527	33,955,611
Net Investments in Reverse Repurchase Agreements	-	(91,608,640)
Proceeds from sale of Property and Equipment	-	629,015
Net Cash Inflow / (Outflow) from Investing Activities	(72,789,537)	(91,538,850)
Cash Flows from Financing Activities		
Interest on Bank Overdraft and Bank Loans	(7,059,702)	(237,862,947)
Net movement in the Bank Borrowings	1,978,081,263	1,991,595,381
Dividends Paid	(56,800,400)	(227,201,600)
Net Cash Inflow from Financing Activities	1,914,221,161	1,526,530,834
Net Cash Inflow /(Outflow) from Investing and Financing Activities	1,841,431,624	1,434,991,984
Increase / (Decrease) in Cash and Cash Equivalents	645,665,855	(181,966,101)
Cash and Cash Equivalents at the Beginning of the Period	(199,584,624)	(17,618,522)
Cash and Cash Equivalents at the End of the Period	446,081,231	(199,584,623)
Cash and Cash Equivalents		
Cash in Hand and at Bank	591,483,310	50,946,478
Bank Overdraft	(145,402,079)	(250,531,102)
	446,081,231	(199,584,624)

Figures in brackets indicate deductions.

SEGMENT ANALYSIS

SEGMENT ANALYSIS	Finance Lease		Hire Purchase and other Loans		Investments		Unallocated		Total	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
For Year ended 31st March										
Interest	2,285,643,666	1,415,671,161	207,341,090	146,906,609	37,419,505	29,986,536	-	-	2,530,404,261	1,592,564,307
Other Operating Income	83,839,374	59,163,885	11,082	12,730,616	250,773	388,539	11,642,801	10,576,260	95,744,030	82,859,300
Total Revenue	2,369,483,040	1,474,835,046	207,352,172	159,637,225	37,670,278	30,375,075	11,642,801	10,576,260	2,626,148,291	1,675,423,606
Profit Before Tax	698,559,691	522,307,132	61,130,579	56,534,906	11,105,772	10,757,215	3,432,475	3,745,542	774,228,516	593,344,795
Income Tax Expense	-	-	-	-	-	-	-	-	(165,196,859)	(175,448,977)
Profit After Taxation	-	-	-	-	-	-	-	-	609,031,658	417,895,818
Other Comprehensive Income	-	-	-	-	1,737,082	1,089,528	-	-	1,805,879	1,089,528
Total Comprehensive Income	-	-	-	-	-	-	-	-	610,837,537	418,985,347
Segment Assets	8,612,413,362	3,291,701,178	376,424,134	146,510,545	202,867,292	102,883,073	1,139,507,880	3,930,185,907	10,331,212,667	7,471,280,703
Segment Liabilities	7,217,301,055	2,040,749,489	315,447,736	90,831,854	170,005,115	63,784,216	954,920,657	3,777,788,867	8,657,674,563	5,973,154,425

Figures in brackets indicate deductions.

INFORMATION ON ORDINARY SHARES OF THE COMPANY

1 Market Prices of Shares Recorded During the Period

	Quarter Ended 31st March		Year Ended 31st March		Year Ended 31st March
	2019	2018	2019	2018	2018
Highest Price (Rs.)	56.00	35.40	75.00	73.00	73.00
Lowest Price (Rs.)	41.00	28.00	52.00	42.00	42.00
Closing Price (Rs.)	50.00	33.60	50.00	67.10	67.10

2 Stated Capital

Stated Capital as at 31st March 2019 was represented by the number of shares in issue as given below;

	Number	Rs.
Ordinary Shares	56,800,400	247,001,000

3 Directors' and Chief Executive Officer's Holding in Shares as at 31st March 2019

Name of the Director	Number of Shares	% Holding
Mr. R.S. Egodage	-	0.00%
Mr. L.G.S. Perera	-	0.00%
Mr. I.G.S.K. Gunaratne	-	0.00%
Mr.D.A.Rodrigo	-	0.00%
Mr.G.B. Egodage	-	0.00%
Mr.L.A.J.F.Morais (Chief Executive Officer)	-	0.00%

4 Net Assets Value per Share as at 31st March 2019 is Rs.29.46 (As at 31st March 2018 was Rs. 26.38)

5 Top Shareholder as at 31st March 2019

Name of the Shareholder	Number of Shares	% Holding
COMMERCIAL CREDIT AND FINANCE PLC	56,602,573	99.65%
MR. N.P.D.E.A.SAMARANAYAKE	50,000	0.09%
MR. K.S.D.SENAWEEERA	32,829	0.06%
PEOPLES LEASING & FINANCE PLC /MS.S.N.EGODAGE	25,477	0.04%
MRS. C.A.D.S.WOODWARD	25,100	0.04%
MR. M.R.RATNASABAPATHY	17,182	0.03%
MR. N.HEWA KANDAMBY	15,000	0.03%
MR. K.H.B.HAPUTHANTHRI	5,000	0.01%
MR. W.D.J.M.DE SILVA	4,995	0.01%
MISS. M.S.FERNANDO	2,000	0.00%
MR. S.MUHUNTHAN	2,000	0.00%
MR. A.WICKRAMATUNGE(DECEASED)	2,000	0.00%
MR. M.P.D.JAYATHILAKA	1,825	0.00%

5 Top Shareholder as at 31st March 2019 (Continued)

Name of the Shareholder	Number of Shares	% Holding
MR. A.P.KUMANAYAKE	1,375	0.00%
MR. P.GAJENDRA	1,001	0.00%
MR. P.P.U.ANANDASIRI	1,000	0.00%
DR. W.M.D.FERNANDO	1,000	0.00%
SEYLAN BANK PLC/MR. MANIKKAVASAGAR THIYAGARAJA	1,000	0.00%
MS. K.SIVASOTHY	1,000	0.00%
MRS V.SIVASOTHY	1,000	0.00%

Percentage of Public Holding as at 31st March 2019 was 0.35%.

Number of Public Share Holders as at 31st March 2019 was 153.

EXPLANATORY NOTES

- Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Company for the Period ended 31st March 2019 are drawn up from unaudited accounts of the Company. Company provides information as required by the Colombo Stock Exchange and LKAS 34 - 'Interim Financial Reporting'. Further, provision of the Companies Act No. 7 of 2007 has been considered in preparing the said financial statements of the Company.
- The profit and income of the Company are liable for taxation at the rate of 28%.
- Prior period figures have been reclassified wherever necessary to conform current period presentation.
- 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 2018 except for the adoption of SLFRS 9 as explained below.

4.1 Changes in Accounting Policies and Disclosures

In these financial statements, the Company has applied SLFRS 9 effective for annual periods beginning on or after 1st January 2018, for the first time.

4.2 SLFRS 9 Financial Instruments

SLFRS 9 replaces LKAS 39 for annual periods on or after 01st January 2018. The Company has not restated comparative information for 2017/2018 for financial instruments in the scope of SLFRS 9. Therefore, comparative information for 2017/2018 is reported under LKAS 39 and is not comparable to the information presented for the year ended 31st March 2019. Differences arising from the adoption of SLFRS 9 have been recognized directly in retained earnings as of 01st April 2018.

4.3 Changes to Classification and Measurement

To determine their classification and measurement category, SLFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

EXPLANATORY NOTES (Continued)

4.3 Changes to Classification and Measurement (Contd..)

The LKAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- Financial assets FVPL

The accounting for financial liabilities remains largely the same as it was under LKAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the income statement.

4.4 Changes to the impairment calculation

The adoption of SLFRS 9 has fundamentally changed the Company's accounting for loan loss impairments by replacing LKAS 39's incurred loss approach with a forwardlooking expected credit loss (ECL) approach. SLFRS 9 requires the Company to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in the ECLs over the life of the asset.

Measurement categories of financial assets and liabilities

From 1st April 2018, the Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVPL

The Company classifies and measures its trading portfolio at FVPL. The Company may designate financial instruments at FVPL, if so doing eliminates or significantly reduces measurement or recognition. Before 1st April 2018, the Company classified its financial assets as loans and receivables (amortised cost), FVPL, available-for-sale or held-to-maturity (amortised cost). Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL

- 5 During the period there were no material changes in composition of assets, liabilities and contingent liabilities other than those required by LKASs/SLFRSs.
- 6 The Company declared and paid the final dividend of 1 rupees per Ordinary Share aggregating to a sum of Rs. 56,800,400 as the final dividend for the financial year ended 31st March 2018.
- 7 There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

CORPORATE INFORMATION

Name of Company

Trade Finance & Investments PLC

Statutory Status Quoted Public Limited Liability Company

The Company was incorporated as a public limited liability Company in Sri Lanka on 05th January, 1978 under Companies Ordinance No.51 of 1938 and re-registered under The Companies Act No.07 of 2007 on 04th September, 2008.

Company Registration

PB 445 PQ

Registered Office

459, Union Place, Colombo 02, Sri Lanka.
Tel :(+94) 011 2688421, 011 2688422, 011 2698818
Fax :(+94) 011 2699226
E-mail : tradefi@sltnet.lk, info@tfil.lk

Website

www.tfil.lk

Branches

Jaffna
74, Kannathiddy Road, Jaffna.
Tel : 0212221898, 212221900 Fax : 0212221899
E-Mail : tradefij@sltnet.lk

Kilinochchi

A9 Road, Karadippokku Junction, Kilinochchi.
Tel : 021 2280108, 0212280110 Fax : 021 2280109
E-Mail : tradefik@sltnet.lk

Batticaloa

38, New Road, Batticaloa
Tel : 065 2229100/1 Fax : 065 2229102
E-Mail : tradefib@sltnet.lk

Negombo

163,165, Chilaw Road, Negombo.
Tel : 0312235100, 0312235200 Fax : 0312235102
E-Mail : Tradefin@sltnet.lk

Marawila

423/2, Mudukatuwa, Negombo road, Marawila.
Tel: 0322059526, 0322059527 Fax: 0322059529
E-mail: tradefim@tfil.lk

Maligawatta

No 65, Maligawatta Road, Colombo 10
Tel : 0112333533 , 0112333104 Fax : 0112333098
E-Mail : tradefimg@tfil.lk

Board of Directors

Mr. L.G.S. Perera - Chairman
Mr. R.S. Egodage - Director
Mr. I.G.S.K. Guneratne - Director
Mr. L.A.J.F. Morais - Managing Director/ CEO
Mr. D.A. Rodrigo - Director
Mr. G.B. Egodage - Director

Audit Committee

Mr. D.A. Rodrigo - Chairman
Mr. L.G.S. Perera
Mr. I.G.S.K. Guneratne

Remuneration Committee

Mr. I.G.S.K. Guneratne - Chairman
Mr. L.G.S. Perera

Integrated Risk Management Committee

Mr. L.G.S. Perera - Chairman
Mr. D.A. Rodrigo
Mr. I.G.S.K. Guneratne
Mr. L.A.J.F. Morais
Mr. A.D.N.De Silva
Mr. R.D.R.U. Wijesinghe

Auditors

KPMG,
Chartered Accountants
32/A, Sir Mohamed Macan Markar Mawatha,
Colombo 03.

Legal Consultants

R.D.N. Lenora (LL.B Sri Lanka)
Attorney-at-Law & Notary Public

Secretaries

Corporate Services (Private) Limited
216, De Saram Place, Colombo 10

Bankers

Commercial Bank of Ceylon PLC
Sampath Bank PLC
Bank of Ceylon
Cargils Bank

Credit Ratings

ICRA Lanka Limited
National Long –Term Rating – (SL) BBB-

Interim Financial Statements

For the Year ended
31st March 2019