

Consolidated Statement of Financial Position

	Unaudited 31-Mar-21 Rs'000	Unaudited 31-Mar-20 (Restated) Rs'000	Audited 30-Jun-20 Rs'000
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Intangible assets	18,898	22,291	21,294
Plant and equipment ¹	723,772	699,458	674,034
Investments in associates	5,117,203	5,241,573	5,193,719
Investment securities	791,013	801,195	726,954
Loan receivable	362,201	327,037	342,937
Finance lease receivables ²	2,108,762	2,250,206	2,230,566
Deposits with financial institutions	-	57,176	-
	9,121,849	9,398,936	9,189,504
CURRENT ASSETS	1,292,815	1,639,272	1,796,107
CURRENT LIABILITIES	(2,122,256)	(2,646,805)	(2,744,889)
NET CURRENT LIABILITIES	(829,441)	(1,007,533)	(948,782)
	8,292,408	8,391,403	8,240,722
FINANCED BY			
Share capital	103,355	103,355	103,355
Retained earnings	2,032,263	2,073,362	1,993,687
Other components of equity	3,513,751	3,525,421	3,579,782
SHAREHOLDERS' INTERESTS	5,649,369	5,702,138	5,676,824
NON-CURRENT LIABILITIES			
Deposits from customers	2,248,390	2,334,870	2,192,914
Borrowings	381,591	339,389	353,934
Deferred tax liabilities	13,058	15,006	17,050
	2,643,039	2,689,265	2,563,898
	8,292,408	8,391,403	8,240,722

Consolidated Statement of Profit or Loss

	Unaudited Quarter to 31-Mar-21 Rs'000	Unaudited Quarter to 31-Mar-20 Rs'000	Unaudited 9 Months to 31-Mar-21 Rs'000	Unaudited 9 Months to 31-Mar-20 Rs'000	Audited Year to 30-Jun-20 Rs'000
Revenue	124,579	127,177	357,337	378,847	487,742
Other income	64,071	61,611	188,273	175,180	224,253
Profit/(Loss) on exchange	51	(264)	(258)	(299)	(540)
Finance income	68,332	68,389	190,850	206,490	269,060
Finance costs	(38,173)	(54,826)	(130,388)	(165,894)	(218,106)
Operating expenses ³	(55,725)	(61,577)	(167,635)	(181,916)	(238,791)
Operating profit before impairment	38,556	13,333	80,842	33,561	35,876
Net impairment of financial assets	(14,183)	(18,181)	(20,236)	(12,877)	(9,718)
Operating profit /(loss)	24,373	(4,848)	60,606	20,684	26,158
Share of losses of associates	(22,645)	(32,617)	(21,604)	(4,413)	(76,608)
Profit/(Loss) before tax	1,728	(37,465)	39,002	16,271	(50,450)
Income tax (expense)/credit	(5,744)	1,885	(3,668)	1,080	(965)
(Loss)/Profit attributable to equity holders of the parent	(4,016)	(35,580)	35,334	17,351	(51,415)
(Loss)/Earnings per share (Re.) ⁵	(0.04)	(0.34)	0.34	0.17	(0.50)
Number of shares in issue (thousands)	103,355	103,355	103,355	103,355	103,355

Consolidated Statement of Comprehensive Income

	Unaudited Quarter to 31-Mar-21 Rs'000	Unaudited Quarter to 31-Mar-20 Rs'000	Unaudited 9 Months to 31-Mar-21 Rs'000	Unaudited 9 Months to 31-Mar-20 Rs'000	Audited Year to 30-Jun-20 Rs'000
(Loss)/Profit attributable to equity holders of the parent	(4,016)	(35,580)	35,334	17,351	(51,415)
Other comprehensive expense:					
Items that will not be reclassified to profit or loss:					
Net fair value gain/(loss) on equity investments	-	18,000	(7,877)	31,500	50,625
Share of other comprehensive expense of associates	(75,974)	(410,169)	(55,481)	(281,909)	(254,711)
	(75,974)	(392,169)	(63,358)	(250,409)	(204,086)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income/(expense) of associates	556	21	569	44	(26)
	556	21	569	44	(26)
Other comprehensive expense for the period	(75,418)	(392,148)	(62,789)	(250,365)	(204,112)
Total comprehensive expense attributable to equity holders of the parent	(79,434)	(427,728)	(27,455)	(233,014)	(255,527)

Consolidated Statement of Changes in Equity

	Share Capital Rs'000	Capital Contribution Rs'000	Retained Earnings Rs'000	Capital Reserve Rs'000	Revaluation & Other Reserve Rs'000	Statutory Reserve Rs'000	Total Rs'000
At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Profit for the period	-	-	17,351	-	-	-	17,351
Other comprehensive expense for the period	-	-	(96)	-	(250,269)	-	(250,365)
Total comprehensive income/(expense) for the period	-	-	17,255	-	(250,269)	-	(233,014)
Share of transfer by associate	-	-	10,446	-	(10,446)	-	-
Share of other movements in reserves of associate	-	-	8,388	-	(7,410)	-	978
Dividends	-	-	(62,013)	-	-	-	(62,013)
Dividends to non-cumulative preference shareholders	-	-	(11,000)	-	-	-	(11,000)
At 31 March 2020	103,355	200,000	2,073,362	610,428	2,605,816	109,177	5,702,138
At 01 July 2019, as restated	103,355	200,000	2,110,286	610,428	2,873,941	109,177	6,007,187
Loss for the year	-	-	(51,415)	-	-	-	(51,415)
Other comprehensive expense for the year	-	-	(329)	-	(203,783)	-	(204,112)
Total comprehensive expense for the year	-	-	(51,744)	-	(203,783)	-	(255,527)
Share of transfer by associate	-	-	10,836	-	(10,836)	-	-
Effect of employee share options exercised in associate	-	-	(3,011)	-	-	-	(3,011)
Share of other movements in reserves of associate	-	-	-	-	(7,195)	-	(7,195)
Share of impact of change in shareholding in associates	-	-	8,383	-	-	-	8,383
Dividends	-	-	(73,013)	-	-	-	(73,013)
Transfer to statutory reserve	-	-	(8,050)	-	-	8,050	-
At 30 June 2020	103,355	200,000	1,993,687	610,428	2,652,127	117,227	5,676,824
Profit for the period	-	-	35,334	-	-	-	35,334
Other comprehensive income/(expense) for the period	-	-	-	15,081	(77,870)	-	(62,789)
Total comprehensive income/(expense) for the period	-	-	35,334	15,081	(77,870)	-	(27,455)
Share of other movements in reserves of associate	-	-	3,242	-	(3,242)	-	-
At 31 March 2021	103,355	200,000	2,032,263	625,509	2,571,015	117,227	5,649,369

Consolidated Statement of Cash Flows

	Unaudited 9 Months to 31-Mar-21	Unaudited 9 Months to 31-Mar-20	Audited Year to 30-Jun-20
	Rs'000	Rs'000	Rs'000
Net cash flows (used in)/from operating activities	(766,791)	724,565	885,491
Income tax paid	(3,155)	(2,042)	(3,264)
Investing activities	(12,052)	(363,349)	(374,384)
Net cash flows before financing activities	(781,998)	359,174	507,843
Financing activities			
Net increase/(decrease) in borrowings	367,378	(107,705)	(113,680)
Dividends paid	-	(73,013)	(73,013)
Net cash flows from/(used in) financing activities	367,378	(180,718)	(186,693)
(Decrease)/Increase in cash and cash equivalents	(414,620)	178,456	321,150
Net cash and cash equivalents brought forward	(249,606)	(570,756)	(570,756)
Net cash and cash equivalents carried forward	(664,226)	(392,300)	(249,606)

RESULTS

Fincorp posted a consolidated profit after tax of Rs 35.3 million for the nine months period ended March 31, 2021 compared to Rs 17.4 million for the corresponding period last year.

Operating profit before impairment increased from Rs 33.6 million to Rs 80.8 million. This increase is mainly on the back of a fair value gain of Rs 22.0 million recorded by Fincorp on its investment portfolio as well as a drop of Rs 7.2 million in its finance charges in line with the declining interest rate environment. MCB Leasing Limited contributed a further Rs 18.1 million of this increase, reflecting an improvement in net interest margins as well as a drop in operating expenses achieved by some cost-cutting measures in the midst of the exceptionally difficult economic context.

Net impairment charges amounted to Rs 20.2 million for the 9 months to March 31, 2021 compared to Rs 12.9 million for the corresponding period last year. MCB Leasing Limited was impacted by additional expected credit losses in line with continued uncertainties in the local economy as a result of the pandemic as well as a deterioration in credit quality giving rise to additional specific provisions booked this quarter.

The share of losses of associates increased from Rs 4.4 million last year to Rs 21.6 million in the current financial year. Caudan's results improved during the reporting period, contributing Rs 5.7 million to group profits compared to Rs 2.8 million in the corresponding period last year. This improved performance can be attributed primarily to lower financing charges resulting from a drop in interest rate. On the other hand, PAD's direct investments (excluding Caudan) and associates contributed to a loss of Rs 27.4 million this year compared to a loss of Rs 7.2 million last year due to the significant drop in its investment income.

PROSPECTS

Looking ahead, global economic outlook has improved amidst progress of the vaccination rollout and gradual removal of lockdown restrictions in a number of countries. The operating context locally is likely to remain challenging with the impact of the recent lockdown expected to be moderate. The pace of the recovery will critically hinge on the easing of travel and border restrictions, which remains dependent on the implementation of the vaccination programme.

By order of the Board

12 May 2021

Notes

1. Plant and equipment

Assets under operating leases included under the above caption

Unaudited 31-Mar-21 Rs'000	Unaudited 31-Mar-20 Rs'000	Audited 30-Jun-20 Rs'000
720,977	696,187	670,862

2. Finance lease receivables

Receivable within one year and included in current assets

Receivable after one year

1,118,227	1,158,375	1,063,906
2,108,762	2,250,206	2,230,566
3,226,989	3,408,581	3,294,472

3. Operating expenses

Depreciation of assets under operating leases included in operating expenses

110,600	117,304	155,501
---------	---------	---------

4. Operating Segments

9 months to 31 Mar 2021

Segment revenue

Operating profit

9 months to 31 Mar 2020

Segment revenue

Operating profit

Year ended 30 June 2020

Segment revenue

Operating profit

Group Rs'000	Leasing Rs'000	Investing Rs'000	Eliminations Rs'000
357,337	349,920	7,417	-
60,606	57,567	3,039	-
378,847	372,690	69,615	(63,458)
20,684	45,025	39,117	(63,458)
487,742	479,215	71,985	(63,458)
26,158	54,480	35,136	(63,458)

5. (Loss)/Earnings per share

(Loss)/Earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the parent by the number of equity shares in issue and ranking for dividend.

The abridged unaudited interim consolidated financial statements comply with IAS 34 and have been prepared using the same accounting policies as those adopted in the financial statements for the year ended 30 June 2020.

Where necessary, comparative figures have been amended to conform with changes in presentation or in accounting policies and restatements made.

Copies of the abridged unaudited interim consolidated financial statements are available to the public and can be obtained free of charge from the Company Secretary at the registered office of the Company, 9-15, Sir William Newton Street, Port-Louis and can be viewed on our website: www.fincorp.mu

The statement of direct and indirect interests of officers of the Company required under rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007 is available upon request, free of charge, at the registered office of the Company.

This communiqué is issued pursuant to Listing Rule 12.20 and Securities Act 2005.

The Board of Directors of Fincorp Investment Limited accepts full responsibility for the accuracy of the information contained in this communiqué.