



INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2015
(Company Registration No. PB641PQ)

SOFTLOGIC FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2015

	30/06/2015 (Unaudited)	30/06/2014 (Unaudited)	31/03/2015 (Audited)
	Rs.	Rs.	Rs.
ASSETS			
Cash and cash equivalents	2,187,567,540	1,268,615,461	1,078,468,881
Financial investments - Available for sale	60,730,332	1,873,035,821	60,730,332
Financial investments - Held for trading	124,163,100	97,355,700	118,296,000
Lease, hire purchase and loans receivables	5,956,880,216	8,878,167,684	6,419,519,552
Other loans and receivables	11,244,935,846	3,670,085,568	10,314,478,187
Other non financial assets	1,658,582,029	1,520,160,311	1,654,875,637
Intangible assets	36,591,939	13,532,338	33,661,754
Property, plant & equipment	329,209,731	309,703,751	333,803,481
TOTAL ASSETS	21,598,660,733	17,630,656,635	20,013,833,825
LIABILITIES			
Due to banks	372,595,819	2,296,109,180	995,254,773
Derivative financial instruments	-	11,484,342	-
Due to customers	12,996,735,749	9,727,923,999	12,077,053,786
Other borrowed funds	5,495,414,174	3,381,629,565	4,400,894,797
Other non financial liabilities	757,663,104	810,694,569	556,621,995
Retirement benefit obligations	15,242,952	16,007,034	14,263,852
Deferred tax liabilities	32,600,331	47,195,228	20,109,228
TOTAL LIABILITIES	19,670,252,129	16,291,043,917	18,064,198,431
SHARE HOLDERS' FUNDS			
Stated capital	1,404,523,150	1,003,230,820	1,404,523,150
Statutory reserve fund	130,271,718	77,013,790	119,267,968
Investment fund reserve	-	77,419,183	-
Retained earnings	393,613,736	144,894,476	425,844,276
Available for sale reserve	-	37,054,450	-
SHARE HOLDERS' FUNDS	1,928,408,604	1,339,612,718	1,949,635,394
TOTAL LIABILITIES AND SHARE HOLDERS' FUNDS	21,598,660,733	17,630,656,635	20,013,833,825
Net Assets Per Share	37.94	35.77	38.36

These Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

(Sgd.) B H S Suranga
Assistant General Manager - Finance

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

Signed for and on behalf of Board by;

(Sgd.) A K Pathirage
Chairman

(Sgd.) N H G Wijekoon
CEO/Director

Date : August 06, 2015

SOFTLOGIC FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	Quarter ended 30-Jun-15 (Unaudited)	Quarter ended 30-Jun-14 (Unaudited)
	Rs.	Rs.
INCOME	986,015,117	879,604,601
Interest income	877,024,642	826,782,308
Interest expenses	(498,707,044)	(533,576,192)
NET INTEREST INCOME	378,317,598	293,206,116
Net fee and commission income	98,678,693	29,951,641
Net trading income/loss	5,953,944	8,181,197
Other operating income	4,357,838	14,689,456
Total operating income	487,308,073	346,028,410
Impairment for loans and receivables	109,218,461	90,554,950
NET OPERATING INCOME	378,089,612	255,473,460
OPERATING EXPENSES		
Personnel costs	148,516,269	110,328,417
Depreciation of property plant and equipment	18,030,834	15,642,899
Amortization of intangible assets	2,380,715	1,031,394
Other operating expenses	120,108,853	112,235,902
	289,036,671	239,238,612
PROFIT BEFORE TAX & VAT ON FINANCIAL SERVICES	89,052,942	16,234,848
VAT on financial services	18,222,494	8,323,976
Nations Building Tax	3,313,181	2,094,275
PROFIT BEFORE INCOME TAX	67,517,267	5,816,597
Income tax expense/(reversal)	12,498,513	597,848
Net profit for the quarter	55,018,754	5,218,750
Basic Earnings Per Share (Rs.)	1.08	0.14
STATEMENT OF COMPREHENSIVE INCOME		
Profit for the quarter	55,018,754	5,218,750
Other comprehensive income :		
Transferred (loss)/gain to income statement on disposal of available for sale financial investments	-	4,916,280
Gain/(Loss) on remeasuring available for sale financial investments	-	19,929,057
Actuarial loss on post employment benefit obligations	-	-
Impact on Derivative financial instruments	-	-
Total Comprehensive Income for the quarter	55,018,754	30,064,087

SOFTLOGIC FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED JUNE 30, 2015

	Quarter ended 30-Jun-15 (Unaudited) Rs.	Quarter ended 30-Jun-14 (Unaudited) Rs.
Cash Flows from/(used in) Operating Activities		
Net Profit/(Loss) before Taxation	67,517,267	5,816,597
Adjustments for		
Depreciation	18,030,834	15,642,899
Amortisation of intangible assets	2,380,715	1,031,394
Profit on disposal of property, plant and equipment	(4,357,838)	-
Gain from disposal of available for sale investments	-	24,845,337
Impairment charge bad and doubtful debts	109,218,461	90,554,950
Provision for defined benefit plans	1,200,000	1,200,000
Interest expenses	498,707,044	533,576,192
Operating Profit before Working Capital Changes	692,696,481	672,667,369
(Increase)/Decrease in lease, hire purchase and loans receivable	462,639,336	(643,934,402)
(Increase)/Decrease in other loans & receivables	(1,039,676,119)	217,310,899
(Increase) in financial investments - Held for trading	(5,867,100)	-
(Increase)/Decrease in other non financial assets	(3,706,392)	173,093,893
(Decrease) / increase in amounts due to banks	(382,023,881)	482,432,091
Increase in amounts due to customers	919,681,963	415,181,047
(Decrease) / increase in other borrowed funds	1,094,519,376	(1,505,930,830)
(Decrease) / increase in other non financial liabilities	201,041,109	(255,955,571)
Cash Generated from/(used in) Operations	1,939,304,775	(445,135,503)
Interest paid	(498,707,044)	(533,576,192)
Taxes paid	-	(6,480,771)
Defined benefit plan costs paid	(220,900)	(7,160,700)
Net Cash from/(used in) Operating Activities	1,440,376,831	(992,353,166)
Cash Flows from/(used in) Investing Activities		
Purchase of property, plant and equipment	(18,747,984)	(13,099,485)
Proceeds from disposal of property, plant and equipment	4,350,429	(4,639,622)
(Purchase)/Proceeds from available for sale investments (net)	-	(369,731,130)
Net Cash from/(used in) Investing Activities	(14,397,555)	(387,470,237)
Cash Flows from/(used in) Financing Activities		
Proceeds from rights issue of shares	-	-
Dividend paid	(76,245,543)	-
Net Cash from/(used in) Financing Activities	(76,245,543)	-
Net Increase in Cash & Cash Equivalents	1,349,733,732	(1,379,823,403)
Cash & Cash Equivalents at the beginning of the Quarter	837,833,807	2,282,945,030
Cash & Cash Equivalents at the end of the Quarter	2,187,567,540	903,121,627
Reconciliation of Cash & Cash Equivalents		
Cash & Cash Equivalents	2,187,567,540	1,268,615,461
Bank Overdrafts	-	(365,493,834)
	2,187,567,540	903,121,627

SOFTLOGIC FINANCE PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED JUNE 30, 2015

	Stated Capital	Retained Profit	Statutory Reserve Fund	Investment Fund Reserve	Available for Sale Reserve	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1, 2014	1,003,230,820	142,204,832	75,970,040	75,933,826	12,209,113	1,309,548,631
Net Profit for the Quarter	-	5,218,750	-	-	-	5,218,750
Other comprehensive income for the Quarter	-	-	-	-	24,845,337	24,845,337
Dividends	-	-	-	-	-	-
Transferred to/(from) during the Quarter	-	(2,529,107)	1,043,750	1,485,357	-	-
Balance as at June 30, 2014	1,003,230,820	144,894,475	77,013,790	77,419,183	37,054,450	1,339,612,718
Balance as at April 1, 2015	1,404,523,150	425,844,276	119,267,968	-	-	1,949,635,394
Rights Issue of Shares	-	-	-	-	-	-
Net Profit for the Quarter	-	55,018,754	-	-	-	55,018,754
Other comprehensive income for the Quarter	-	-	-	-	-	-
Dividends	-	(76,245,543)	-	-	-	(76,245,543)
Transferred to/(from) during the Quarter	-	(11,003,751)	11,003,751	-	-	-
Balance as at June 30, 2015	1,404,523,150	393,613,736	130,271,718	-	-	1,928,408,604

EXPLANATORY NOTES

FOR THE QUARTER ENDED JUNE 30, 2015

1. The Above figures are provisional and subject to audit.

2. Information on shares and debentures

Market Price per Share (Rs.)

Market Price - Highest (for the quarter ended June 30, 2015)	54.50
Market Price - Lowest (for the quarter ended June 30, 2015)	34.90
Market Price as at June 30, 2015	51.90

Market Price per Debenture (Rs.)

	CRL-BC-27/08/16 A-17	CRL-BC-27/08/16 B-16.5	CRL-BC-27/08/16 C-16	CRL-BC-29/08/19 A-10	CRL-BC-29/08/19 B-7.65
Market Price - Highest (for the quarter ended June 30, 2015)	Did not trade during April 1, 2015 to June 30, 2015	Did not trade during April 1, 2015 to June 30, 2015	Did not trade during April 1, 2015 to June 30, 2015	Did not trade during April 1, 2015 to June 30, 2015	Did not trade during April 1, 2015 to June 30, 2015
Market Price - Lowest (for the quarter ended June 30, 2015)					
Market Price as at June 30, 2015					

30-Jun-15

Debt to equity ratio (Times)	10.20
Liquid assets ratio (%) - Statutory Minimum 10%	12.92%
Interest cover (Times)	1.14
Interest yield as at date of last trade/Yield To Maturity of Trade Done	
CRL-BC-27/08/16 A-17	Did not trade during April 1, 2015 to June 30, 2015
CRL-BC-27/08/16 B-16.5	Did not trade during April 1, 2015 to June 30, 2015
CRL-BC-27/08/16 C-16	Did not trade during April 1, 2015 to June 30, 2015
CRL-BC-29/08/19 A-10	Did not trade during April 1, 2015 to June 30, 2015
CRL-BC-29/08/19 B-7.69	Did not trade during April 1, 2015 to June 30, 2015
Interest Rate of Comparable Government Securities	
3 Year Treasury Bond	7.71%
5 Year Treasury Bond	8.33%
(Above rates are excluding 10% withholding tax)	

3. There are no changes in the accounting policies and methods of computations since the publication of annual accounts for the year ended March 31, 2015.

4. The Interim Financial Statements are in compliance with Sri Lanka Accounting Standards LKAS 34 - Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

5. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

6. Stated capital consists of 50,830,362 Ordinary Shares as at June 30, 2015.

7. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended March 31, 2015.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE QUARTER ENDED JUNE 30, 2015

8. No circumstances have arisen since the balance sheet date, which would require adjustments to or disclosure in the financial statements.

9. List of Twenty Major Shareholders of the Company as at June 30, 2015

<u>Name</u>		<u>No. of Shares</u>	<u>(%)</u>
Softlogic Capital PLC	20,173,769	} 32,189,009	63.330
Pan Asia Banking Corporation/Softlogic Capital PLC	12,015,240		
Vanik Incorporation PLC		5,376,068	10.58
LB Finance PLC		2,090,000	4.11
Royal Ceramic Lanka PLC		1,248,598	2.46
Softlogic Holdings PLC		779,969	1.53
People's Leasing & Finance PLC/Mr. L. P. Hapangama		587,912	1.61
Deutsche Bank AG as trustee to Astrue Alpha Fund		529,903	1.04
First Capital LTD		464,273	0.91
Waldock Mackenzie Ltd/HI-Line Trading (Pvt) Ltd		414,809	0.82
Mr. Teruaki Ono		339,250	0.67
Mr. A.K. Pathirage		228,000	0.45
Commercial Bank of Ceylon PLC/ S.R. Fernando		224,586	0.44
Mr. M.M Faud		207,904	0.41
Mr. Wetthinge Jinadasa		200,000	0.39
Mr. Dhammika Sampath Hewapathirana		157,817	0.31
Mrs. Lasani Sriyanthi Amala serasinghe		130,550	0.26
Mr. Frank Samuel Duke Paranawithana		120,000	0.24
Mrs. W.A.S.G. Weerasinghe		108,704	0.21
D S L Investments (Private) Limited		102,300	0.20
		45,499,652	89.97
Others		5,330,710	10.03
		50,830,362	100.00

10. Directors' Shareholding as at June 30, 2015

<u>Names of Directors</u>	<u>No. of Shares</u>	<u>(%)</u>
Asoka Kariyawasam Pathirage (Chairman)	228,000	0.45
Harris Premaratne (Deputy Chairman)	Nil	Nil
Nalin Hemantha Gamage Wijekoon (CEO)	13,118	0.03
Tuan Mihilar Ifthikar Ahamed	58,720	0.12
Baddegama Hevege Sirinimal Jayawardene	Nil	Nil
Chrysanthus John Emmanuel Corea	Nil	Nil
Dushan Travice Columban Soza	Nil	Nil
Saliya Wickremasinghe	Nil	Nil
S N P Palihena	Nil	Nil

11. The percentage of shares held by the public as at June 30, 2015 is 34.55 %. The number of public shareholders as at June 30, 2015 are 1,478.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE QUARTER ENDED JUNE 30, 2015

12 RELATED PARTY TRANSACTIONS

Details of significant related party disclosures are as follows:

12.1 Transactions with Key Managerial Personnel (KMPs)

12.1.1 Key Managerial Personnel includes Members of the Board of Directors of the Company and of it's Holding Company.

12.1.2 The following table provides the total amount of transactions which have been entered in to with Key Managerial Personnel and their close family members.

	Rs.
Deposits	48,756,526

12.1.3 Remuneration to Key Managerial Personnel amounted to Rs. 6,464,000/- for the quarter ended June 30, 2015

12.2 Transactions with Group Companies

The Company enters into transactions with group companies and the following tables shows the outstanding balances and corresponding transactions during the quarter ended June 30, 2015.

	Relationship	Investments Rs.	Loans & Advances Rs.	Debentures Borrowings/ Deposits Rs.	Income Earned Rs.	Cost Incurred Rs.	Plant & Equip. Purchased Rs.	Guarantees Obtained Rs.
Softlogic Capital PLC	Parent Company	-	-	-	-	9,183,672	-	700,000,000
Asian Alliance Insurance PLC	Group Company	153,134,072	204,721	80,000,000	3,610,160	3,315,890	-	-
Softlogic Stock Brokers (Pvt) Ltd	Group Company	-	97,940	45,000,000	3,484	78,134	-	-
Softlogic Retail (Pvt) Ltd	Affiliated Company	-	-	-	-	167,013	1,505,732	-
Softlogic Communications (Pvt) Ltd	Affiliated Company	-	-	-	-	3,843	-	-
Softlogic Computers (Pvt) Ltd	Affiliated Company	-	-	-	-	265,747	323,000	-
Softlogic Information Technologies (Pvt) Ltd	Affiliated Company	-	-	-	-	3,120,327	5,681,197	-
Softlogic Automobiles (Pvt) Ltd	Affiliated Company	-	9,846,977	-	1,476,279	2,146,875	-	-
Softlogic Trading (Pvt) Ltd	Affiliated Company	-	-	-	-	730,375	-	-

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE QUARTER ENDED JUNE 30, 2015

13. BUSINESS SEGMENT INFORMATION

The Company's segmental reporting is based on the following operating segments: Leasing, Hire purchase, other loans and receivables.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, and in certain respects, are measured differently from operating profits or losses in the financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

	Leasing		Hire Purchases and Loans		Other Loans and Receivables		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue										
Interest	65,377,967	124,575,208	293,243,932	372,167,225	489,239,803	279,616,953			847,861,702	776,359,386
Investment Income							29,162,940	50,422,922	29,162,940	50,422,922
Fee based income and others	-	4,167,076	2,432,284	17,966,071	96,246,409	7,818,493	4,444,682	13,768,233	103,123,375	43,719,874
Profit/(Loss) from Dealing Securities							5,867,100	9,102,420	5,867,100	9,102,420
Total Revenue	65,377,967	128,742,284	295,676,215	390,133,297	585,486,212	287,435,446	39,474,723	73,293,575	986,015,117	879,604,601
 Depreciation of property, plant and equipment	 (1,195,539)	 (2,289,554)	 (5,406,904)	 (6,938,135)	 (10,706,534)	 (5,111,755)	 (721,857)	 (1,303,454)	 (18,030,834)	 (15,642,899)
Amortisation of intangible assets	(157,854)	(150,959)	(713,905)	(457,457)	(1,413,645)	(337,037)	(95,311)	(85,942)	(2,380,715)	(1,031,394)
Profit/(Loss) before tax	4,476,748	851,339	20,246,393	2,579,850	40,091,098	1,900,736	2,703,027	484,671	67,517,267	5,816,597
 Income tax expense									(12,498,513)	(597,848)
Profit after tax									55,018,754	5,218,750
 Segment Assets	 1,323,395,415	 2,219,975,487	 4,633,484,801	 6,658,192,197	 11,244,935,846	 3,670,085,568	 4,396,844,671	 5,082,403,383	 21,598,660,733	 17,630,656,635
Segment Liabilities	1,205,237,760	2,051,297,288	4,219,790,078	6,152,289,376	10,240,946,232	3,391,225,092	4,004,278,058	4,696,232,161	19,670,252,129	16,291,043,917

CORPORATE INFORMATION

Name of the Company

Softlogic Finance PLC

Holding Company

Softlogic Capital PLC

Legal Form

Incorporated under the Companies Act No 17 of 1982

Date of Incorporation 24th August 1999.

Re-registered under the Companies Act No. 7 of 2007 on 29th September 2008.

Registered under the Finance Business Act No. 42 of 2011.

Registered under the Finance Leasing Act No. 56 Of 2000.

Approved Credit Agency under the Mortgage Act No 6 of 1949 and Inland Trust Receipts Act No 14 of 1990.

Quoted in the Colombo Stock Exchange on 22nd January 2009.

Registered under the Securities & Exchange Commission of Sri Lanka Act No. 36 of 1987 as Margin Provider

Company Registration Number

PB641PQ

Tax Payer Identification Number (TIN)

134008350

Accounting Year End

31st March

Registered Office

No.13, De Fonseka Place
Colombo 4

Principal Place of Business

No.13, De Fonseka Place, Colombo 4
Tel : 94-11- 2359600/2359700
Facsimile : 94-11-2359799
E-mail : leasing@softlogicfinance.lk
Website : www.softlogicfinance.lk

Board of Directors

Mr. Ashok Pathirage (Chairman)
Mr. Harris Premaratne (Deputy Chairman)
Mr. Nalin Wijekoon (CEO)
Mr. Tuan Ifthikar Ahamed
Mr. B.H.S.Jayawardene
Mr. Chris Corea
Mr. Dushan Soza
Mr. Saliya Wickremasinghe
Mr. S N P Palihena

Senior Management

Mr. Harris Premaratne - Deputy Chairman
Mr. Nalin Wijekoon - Director/CEO
Mr. Tuan Ifthikar Ahamed - Director
Mrs. Indresh Fernando - COO
Mr. Sanjaya Vithanage - DGM
Mr. Nalinda Ranaraja - DGM
Mrs. Nimali Monika Ranasinghe -DGM
Mr. Nalaka De Silva - AGM
Mr. Kumara Kongahawatta - AGM
Mr. Susantha De Alwis - AGM
Mr. Priyan Jayakody - CM
Mr. Gayan Jayatissa - SM
Mr. Shehan Uduwara - SM
Mr. Mark Thirimavithana - SM
Mr. Hemantha Silva - SM

Secretaries

Softlogic Corporate Services (Pvt) Ltd

Auditors

Messrs. PricewaterhouseCoopers
Chartered Accountants

Legal Advisors to the Company

Nithya Partners

Bankers

DFCC Vardhana Bank
Sampath Bank
HSBC
Bank of Ceylon
Commercial Bank
Seylan Bank
Hatton National Bank
Pan Asia Banking Corporation
People's Bank
Nations Trust Bank
Deutsche Bank

Branch Network

Badulla

No 30, Anagarika Dharmapala Mawatha
Tel: 055-5635072

Kandy

No. 165, Kotugodella Veediya
Tel: 081- 2224913

Polonnaruwa

No. 125, Batticaloe Road
Tel: 027-2226727

Chilaw

No. 28 B, Kurunegala Road
Tel: 032-2221415

Matara

No. 8C, F. N. Building, 2nd Floor, Station Road
Tel: 041-2220195

Ratnapura

No.1/200, Ground Floor, Main Street
Tel: 045-2230677

Galle

No. 64, Colombo Road, Kaluwella
Tel: 091-2226501

Nuwara Eliya

No. 36, 1st Floor, Unit 6, Park Road
Tel: 052-2223382

Negombo

No. 406/1 ,Udayarthoppuwa Road
Tel: 031-2224714

Embilipitiya

No.176, Rathnapura Road, Pallegama
Tel: 047-2230590

City Branch

No 14/9, Sri Jinarathana Road, Colombo 02
Tel: 011-2303373

Dambulla

No.719, Anuradhapura Road
Tel: 066-2284737

Kadawatha

No. 139/7/D, Kandy Road
Tel: 011-2923011

Kurunegala

No. 13, Rajapihilla Road
Tel: 037-2232875

Nawala

No.305B, Nawala Road
Tel: 011-2807080

Jaffna

No 62,64,62/01,64/01,64/02,66/01,66/02 Stanley Road Jaffna
Tel: 021-2219444

Anuradhapura

No. 561/11, Maithreepala Senanayaka Mawatha, New Town
Tel: 025-2226279

Pamankada

No. 201 W A De Silva Mawatha Wellawatta

Senkadagala

No. 235 B Katugasthota Road Kandy

Hatton

No. 107 Main Street Hatton