

SINGER FINANCE

SINGER FINANCE (LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
TWLVE MONTHS ENDED 31ST MARCH 2020

SINGER[®]
Trusted Excellence

STATEMENT OF FINANCIAL POSITION

As At	31-March-2020 Rs.'000	31-Mar-2019 (Audited) Rs.'000
ASSETS		
Cash and Cash Equivalents	214,376	317,309
Placement with Banks	101,394	83,324
Financial assets at amortised cost-Hire Purchase Receivables	3,911	14,584
Financial assets at amortised cost-Finance Lease Receivables	14,958,657	13,950,248
Financial assets at amortised cost-Loans and Advances	5,195,000	3,883,300
Financial assets measured at fair value through other comprehensive income	41	41
Financial assets at amortised cost-Debt and other financial instruments	789,889	623,372
Due from Related Companies	185,521	92,444
Other Debtors, and Prepayments	260,166	290,636
Deferred Tax Assets	-	15,632
Intangible Assets	42,277	46,293
Property, Plant & Equipment	327,720	221,885
Right-of-use assets / Lease assets	468,490	-
Total Assets	22,547,442	19,539,068
LIABILITIES		
Financial liabilities at amortised cost-Due to Customers	7,175,552	6,095,816
Financial liabilities at amortised cost-Interest Bearing Loans & Borrowings	9,228,199	6,631,191
Lease Liabilities	476,002	-
Interest Bearing Loans - Related party	400,000	1,000,000
Trade & Other Payables	466,928	844,909
VAT Payable	627	3,112
Due to Related Companies	4,512	1,570
Bank Overdraft	618,330	1,134,836
Current Tax Liabilities	117,351	220,581
Deferred Tax Liabilities	77,364	-
Retirement Benefit Obligations	73,397	63,118
Total Liabilities	18,638,262	15,995,133
SHAREHOLDERS' FUND		
Stated Capital	1,996,444	1,996,444
Reserve Fund	182,548	163,096
Retained Earnings	1,730,188	1,384,395
Total Equity	3,909,180	3,543,935
Total Liabilities & Equity	22,547,442	19,539,068

Net Assets per share (Rs)	19.35	17.54
----------------------------------	--------------	--------------

I certify that the financial statements of the Company comply with the requirements of the companies Act 07 of 2007

(Sgd) Eraj Fernando
Head of Finance

The above figures are provisional and subject to audit unless specified.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the Board by,

(Sgd) A.Perera
Chairman

(Sgd) Thushan Amarasuriya
Director/Chief Executive Officer

Colombo
14th May 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 31st March	2020	2019	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
Gross Income	1,194,118	1,115,981	78,137	7%
Interest Income	1,086,382	1,040,591	45,791	4%
Less: Interest Expense	474,307	462,854	(11,453)	(2%)
Net Interest Income	612,075	577,737	34,338	6%
Net Fee and Commission Income	55,456	55,340	116	0%
Trading Income	71	375	(304)	(81%)
Other Operating Income	52,209	19,675	32,534	165%
Total Operating Income	719,811	653,127	66,684	10%
Less: Impairment charges and Other Credit Losses on Financial Assets	106,082	125,999	19,917	16%
Net Operating Income	613,729	527,128	86,601	16%
Less:- Expenses				
Personnel Cost	104,200	135,976	31,776	23%
Administration & Selling Expenses	188,928	216,728	27,800	13%
Operating Profit Before VAT, NBT and DRL on Financial Services	320,601	174,424	146,177	84%
Less: VAT, NBT and DRL on Financial Services	46,045	70,018	23,973	34%
Profit Before Income Tax	274,556	104,406	170,150	163%
Less: Income Tax Expense	109,337	(48,690)	(158,027)	325%
Net profit for the Period	165,219	153,096	12,123	8%
Other Comprehensive Income				
Actuarial Loss on Retirement Benefit Obligation	1,347	(1,792)	3,139	(175%)
Add: Deferred Tax on Actuarial Losses on Defined Benefit Obligation	(377)	502	(879)	(175%)
Other Comprehensive Income for the Period, Net of Tax	970	(1,290)	2,260	(175%)
Total Comprehensive Income for the Period	166,189	151,806	14,383	9%
Basic Earnings per Share (Rs)	0.82	0.76		

Share Price

Quarter Ended

Quarter Ended

31st March 2020

31st March 2019

Rs.

Rs.

Highest

13.30

14.40

Lowest

8.00

12.50

Closing

8.60

12.60

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Twelve Months ended 31st March	2020	2019	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
Gross Income	4,598,411	4,129,759	468,652	11%
Interest Income	4,310,449	3,818,504	491,945	13%
Less: Interest Expense	1,991,392	1,645,624	(345,768)	(21%)
Net Interest Income	2,319,057	2,172,880	146,177	7%
Net Fee and Commission Income	215,531	237,077	(21,546)	(9%)
Trading Income	928	1,516	(588)	(39%)
Other Operating Income	71,503	72,662	(1,159)	(2%)
Total Operating Income	2,607,019	2,484,135	122,884	5%
Less: Impairment charges and Other Credit Losses on Financial Assets	358,386	281,988	(76,398)	(27%)
Net Operating Income	2,248,633	2,202,147	46,486	2%
Less:- Expenses				
Personnel Cost	546,204	480,024	(66,180)	(14%)
Administration & Selling Expenses	812,253	738,266	(73,987)	(10%)
Operating Profit Before VAT, NBT and DRL on Financial Services	890,176	983,857	(93,681)	(10%)
Less: VAT, NBT and DRL on Financial Services	259,867	260,956	1,089	0%
Profit Before Income Tax	630,309	722,901	(92,592)	(13%)
Less: Income Tax Expense	241,269	181,170	(60,099)	(33%)
Profit for the Period	389,040	541,731	(152,691)	(28%)
Other Comprehensive Income				
Acturial (Loss)/Gain on Retirement Benefit Obligaion	1,347	(1,792)	3,139	(175%)
Deferred Tax on Actuarial Losses on Defined Benefit Obligation	(377)	502	(879)	(175%)
Other Comprehensive Income for the Period, Net of Tax	970	(1,290)	2,260	(175%)
Total Comprehensive Income for the Period	390,010	540,441	(150,431)	(28%)
Basic Earnings per Share (Rs)	1.93	2.68		

Share Price

Twelve Months Ended

	31st March 2020	31st March 2019
	Rs.	Rs.
Highest	14.70	16.40
Lowest	8.00	12.50
Closing	8.60	12.60

STATEMENT OF CHANGES IN EQUITY

For the Twelve Months ended 31st March

	Attributable to Equity Holders of the Company			
	Stated Capital Rs.'000	Reserve Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 31st March 2018	1,996,444	136,009	1,202,661	3,335,114
Impact of Adopting SLFRS-09- Note 7.1	-	-	(109,339)	(109,339)
Balance as at 01st April 2018	1,996,444	136,009	1,093,322	3,225,775
Total Comprehensive Income				
Profit for the Period	-	-	541,731	541,731
Other Comprehensive Income				
Actuarial Loss on Retirement Benefit Obligation	-	-	(1,792)	(1,792)
Tax on Other Comprehensive Income	-	-	502	502
Total Other Comprehensive Income for the Period	-	-	(1,290)	(1,290)
Total Comprehensive Income for the Period	-	-	540,441	540,441
Transactions with Owners, Recorded Directly in Equity				
Transferred to/(from) during the Period	-	27,087	(27,087)	-
Dividends	-	-	(222,281)	(222,281)
Total Transactions with Equity Owners	-	27,087	(249,368)	(222,281)
Balance as at 31st March 2019	1,996,444	163,096	1,384,395	3,543,935
Impact of Adopting SLFRS-16- Note 8.1			(34,395)	(34,395)
Deferred Tax Impact on Adopting SLFRS-16			9,630	9,630
Balance as at 01st April 2019	1,996,444	163,096	1,359,630	3,519,170
Total Comprehensive Income				
Profit for the Period	-	-	389,040	389,040
Other Comprehensive Income				
Actuarial Loss on Retirement Benefit Obligation	-	-	1,347	1,347
Tax on Other Comprehensive Income	-	-	(377)	(377)
Total Other Comprehensive Income for the Period	-	-	970	970
Total Comprehensive Income for the Period	-	-	390,010	390,010
Transactions with Owners, Recorded Directly in Equity				
Transferred to/(from) During the Period	-	19,452	(19,452)	-
Total Transactions with Equity Owners	-	19,452	(19,452)	-
Balance as at 31st March 2020	1,996,444	182,548	1,730,188	3,909,180

CASH FLOW STATEMENT

For the Twelve Months ended 31st March	2020	2019
	Rs.'000	Rs.'000
Cash Flows From Operating Activities		
Profit Before Tax	630,309	722,901
Adjustments for		
Non-Cash Items Included In Profit Before Tax		
Interest Income from Investing Activities	(66,217)	(57,813)
Interest Income from Placement With Banks	(8,693)	(8,494)
Finance Cost	1,792,271	1,313,949
Depreciation/Amortization	128,598	40,240
(Profit)/ Loss on disposal of Property, Plant and Equipment	7,676	86
Provision for Define Benefit Plans - Gratuity	15,865	14,054
Provision for Bad Debt	358,388	281,989
Issue Cost_Securitization	24,956	7,381
Debenture Issue Cost	5,479	7,058
Operating Profit Before Changes In Operating Assets And Liabilities	2,888,632	2,321,351
Changes In;		
Increase in Lease Rentals Receivables	(1,225,157)	(2,749,819)
Decrease in Hire Debtors	12,367	69,965
Increase in Loans and Advances	(1,455,026)	(1,193,165)
(Increase)/ Decrease in Other Assets	14,990	(105,197)
(Increase)/ Decrease in Due from Related Companies	(93,078)	243,825
Increase In Public Deposits	1,021,154	763,241
Increase in Right-of-use assets / Lease assets	(535,311)	-
Increase in Lease Liabilities	441,608	-
Increase/ (Decrease) in amounts due to Related Companies	2,943	(463,777)
Increase in Other Liabilities	(159,153)	(106,682)
Cash from/(used in) Operations	913,969	(1,220,258)
Finance costs paid	(1,655,576)	(1,297,711)
Retiring Gratuity Paid	(4,239)	(7,941)
ESC Paid	(22,671)	(19,475)
Income Tax Paid	(204,099)	(96,341)
Net Cash from/(used in) Operating Activities	(972,616)	(2,641,726)
Cash Flows from/(used in) Investing Activities		
Acquisition of Property Plant & Equipment	(171,351)	(141,172)
Proceeds from Sale of Property, Plant & Equipment	2,240	5,446
Incurred on Software Development	(2,165)	(2,771)
(Increase)/Decrease Investment in Investment Securities	(160,559)	45,084
Interest Income Received	70,882	67,413
Net Cash Flows from/ (used in) Investing Activities	(280,953)	(26,000)
Cash Flows from/(used in) Financing Activities		
Issue Of Securitization	950,000	2,050,000
Loans Obtained During the Period Other Than Related Party	5,625,000	3,760,000
Loans Obtained During the Period From Related Party	500,000	425,000
Repayment of Loans Other Than Related Party	(3,014,616)	(2,946,660)
Repayment of Loans Related Party	(1,100,000)	(425,000)
Repayment of Debenture	(409,300)	(416,668)
Repayment of Securitization	(640,720)	(153,501)
Securitization Issue Cost	(21,905)	(29,762)
Dividends Paid	(221,317)	(31,995)
Net Cash Flows from Financing Activities	1,667,142	2,231,414
Net increase/(Decrease) in Cash and Cash Equivalents	413,573	(436,312)
Cash and Cash Equivalents at the beginning of the Period	(817,527)	(381,215)
Cash and Cash Equivalents at the end of the Period	(403,954)	(817,527)

Interim Financial Statements for the Quarter Ended 31st March 2020

Notes to the Financial Statements

FINANCIAL REPORTING BY SEGMENTS AS PER PROVISION OF THE SRI LANKA ACCOUNTING STANDARD SLFRS 8

The primary business segment reporting format is determined based on the nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves different markets

The following table presents financial information regarding business segments:

Business Segments (Rs.'000)

For the quarter ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest	781,995	767,318	180	1,123	275,596	238,401	28,611	33,749	1,086,382	1,040,591
Net Fee and Commission Income	28,418	12,297	9	(12)	26,994	45,831	35	(2,776)	55,456	55,340
Net Trading Income	-	-	-	-	-	-	71	375	71	375
Other Operating Income	23,511	6,036	12	(8)	9,816	6,013	18,870	7,634	52,209	19,675
Total Revenue	833,924	785,651	201	1,103	312,406	290,245	47,587	38,982	1,194,118	1,115,981
Interest Expense	(340,789)	(341,227)	(70)	(527)	(120,982)	(106,021)	(12,466)	(15,079)	(474,307)	(462,854)
Depreciation & Amortization	(25,883)	(8,745)	(6)	(14)	(9,041)	(2,715)	-	-	(34,930)	(11,474)
Period S&A	(189,640)	(260,019)	(28)	(419)	(68,530)	(80,792)	-	-	(258,198)	(341,230)
Impairment charges and Other Credit Losses on Financial Assets	(73,261)	(62,068)	120	(1,402)	(32,941)	(62,529)	-	-	(106,082)	(125,999)
Less: VAT, NBT and DRL on Financial	(32,704)	(51,636)	(2)	(74)	(12,142)	(16,043)	(1,197)	(2,265)	(46,045)	(70,018)
Profit Before Tax	171,647	61,956	215	(1,333)	68,770	22,145	33,924	21,638	274,556	104,406
Income Tax Expense	(68,355)	28,893	(86)	(622)	(27,386)	10,328	(13,510)	10,091	(109,337)	48,690
Profit After Tax	103,292	90,849	129	(1,955)	41,384	32,473	20,414	31,729	165,219	153,096
Segment Assets	15,883,625	14,617,380	4,151	15,281	5,516,234	4,069,008	1,143,432	837,399	22,547,442	19,539,068
Segment Liabilities	13,129,789	11,966,127	3,431	12,510	4,559,853	3,330,984	945,189	685,511	18,638,262	15,995,132
* Segment assets include the additions to non current assets	21,221	40,823	5	12	10,824	11,479	1,558	868	33,608	53,182

Interim Financial Statements for the Twelve Months Ended 31st March 2020

Notes to the Financial Statements

FINANCIAL REPORTING BY SEGMENTS AS PER PROVISION OF THE SRI LANKA ACCOUNTING STANDARD SLFRS 8

The primary business segment reporting format is determined to be business segment as nature of the products and services provided, with each segment representing a strategic business unit that offers different product and serves different markets

The following table presents financial information regarding business segments:

Business Segments (Rs.'000)

For the Twelve Months ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest	3,175,614	2,801,307	1,705	9,477	1,016,876	871,024	116,254	136,696	4,310,449	3,818,504
Net Fee and Commission Income	111,935	110,880	60	385	103,368	125,631	168	181	215,531	237,077
Trading Income	-	-	-	-	-	-	928	1,516	928	1,516
Other Operating Income	30,529	43,903	16	148	21,239	20,748	19,719	7,863	71,503	72,662
Total Revenue	3,318,078	2,956,090	1,781	10,010	1,141,483	1,017,403	137,069	146,256	4,598,411	4,129,759
Interest Expense	(1,467,107)	(1,207,252)	(788)	(4,084)	(469,791)	(375,377)	(53,706)	(58,911)	(1,991,392)	(1,645,624)
Depreciation & Amortization	(97,367)	(30,617)	(52)	(104)	(31,178)	(9,518)	-	-	(128,597)	(40,239)
Period S&A	(931,181)	(896,320)	(500)	(3,032)	(298,179)	(278,699)	-	-	(1,229,860)	(1,178,051)
Impairment charges and Other Credit Losses on Financial Assets	(212,907)	(151,192)	1,692	2,526	(147,171)	(133,322)	-	-	(358,386)	(281,988)
Less: VAT, NBT and DRL on Financial Services	(191,450)	(191,441)	(103)	(648)	(61,305)	(59,526)	(7,009)	(9,341)	(259,867)	(260,956)
Profit Before Income Tax	418,066	479,268	2,030	4,668	133,859	160,961	76,354	78,004	630,309	722,901
Income Tax Expense	(160,027)	(120,112)	(777)	(1,170)	(51,238)	(40,339)	(29,227)	(19,549)	(241,269)	(181,170)
Profit After Tax	258,039	359,156	1,253	3,498	82,621	120,622	47,127	58,455	389,040	541,731
Segment Assets	15,883,625	14,617,380	4,151	15,281	5,516,234	4,069,008	1,143,432	837,399	22,547,442	19,539,068
Segment Liabilities	13,129,789	11,966,127	3,431	12,510	4,559,853	3,330,984	945,189	685,511	18,638,262	15,995,132
* Segment assets include the additions to non current assets	133,107	94,762	35	99	46,227	26,379	9,582	5,428	188,951	126,668

Notes to the Financial Statements

- 1 The Interim Financial Statements of the Company have been prepared on the basis of the same accounting policies and methods applied for the year ended 31st March 2019, except for the Accounting Policies and methods of computation adopted to be in compliant with the requirements of the Sri Lanka Accounting Standard SLFRS - 16 on Leases, which became effective for Annual Financial periods from January 01, 2019.

SLFRS 16 requires the recognition of lease liabilities and right of use of assets for leases previously classified as operating leases in accordance with LKAS 17 – “Leases:”

Accordingly, the required transition adjustments have been made on best estimate at the date of initial application of SLFRS 16.

These Interim Financial Statements are in compliance with Sri Lanka Accounting Standards 34 - 'Interim Financial Reporting' and provide the information as required in terms of Rule 7.4 of the Colombo Stock Exchange. Further details of SLFRS-16 are disclosed under Note-8

2 COMMITMENT & CONTINGENCIES

There are no significant capital commitments which have been approved or contracted for by the company as at 31st March 2020 except following,

2.1 Operating Lease Commitments as at 31st March 2020

Within One Year Rs. 25.95 million

2.2 Approved but not disbursed facilities

Revolving Loan Facility Amount Rs. 255.04 million

2.3 (a) As at 31st March 2020, the Company has provided letters of guarantee totaling to Rs. 4,500,000/- against Fixed Deposits of Rs. 4,700,000/-

2.4 Assets Pledged as Securities

Company has given a negative pledge amounting to Rs.12,284,696,329/- over the Company's Lease receivable and Hire Purchase receivable, for the following banks over Loans, Overdrafts, Securitization & Debentures having a carrying value of Rs.9,330,793,330/- as at 31st March 2020.

Bank	Exposure	Type of Facility	Carrying Value Rs.	Amount Pledged Rs.
Sampath Bank	135% of the Banks's exposure	Loan Overdraft Facility	593,300,000 300,000,000	1,205,955,000
Commercial Bank	150% of the Banks's exposure	Loan Overdraft Facility	350,000,000 200,000,000	825,000,000
Seylan Bank	130% of the Banks's exposure	Loan Overdraft Facility	683,380,000 250,000,000	1,213,394,000
Nations Trust Bank	130% of the Banks's exposure	Loan Overdraft Facility	930,000,000 70,000,000	1,300,000,000
National Development Bank	130% of the Banks's exposure	Loan Overdraft Facility	200,000,000 100,000,000	390,000,000
Cargills Bank	130% of the Banks's exposure	Loan	200,000,000	260,000,000
Bank of Ceylon	130% of the Banks's exposure	Loan	758,333,330	985,833,329
Singer Sri Lanka	130% of the Debenture exposure	Loan	400,000,000	520,000,000
Deutsche Bank-	130% of the Debenture exposure	Debenture	2,090,000,000	2,717,000,000
Hatton National Bank	130% of the Banks's exposure	Securitization	2,205,780,000	2,867,514,000
			<u>9,330,793,330</u>	<u>12,284,696,329</u>

- 2.5 A Case bearing No.404 has been filled against the Company by a customer in the District Court of Ampara claiming Rs.2,000,000 as damages caused by repossessing and selling of the vehicle leased through the Company. The lawyers of the Company are of the view that there will be a possible outflow of resources due to outcome of the pending court decision.

3 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Reporting Period date which require adjustments to or disclosure in the financial statements.

Notes to the Financial Statements

4 LISTED DEBENTURES

Details regarding the listed Debentures are as follows.

	Face Value Rs.	Maturity Date	Interest rate of Comparable Government Securities
1. 9.95% 60 months Debentures Secured	1,500,000,000	16-June-2020	as at 11th June 2015 was 8.35%
2. 12% 48 months Debentures Secured	590,700,000	06-April-2020	as at 1st April 2016 was 13%
Interest rate of Comparable Government Securities as at 31st March 2020 was 9.27%			

The Listed Debentures were not traded during the period 01st April 2019 to 31st March 2020. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price as at 31st March 2020, Interest Yield and Yield to Maturity of trade were not available.

	31-Mar.-2020	31-Mar.-2019
Debt Equity Ratio	4.58	4.19
Interest Cover	1.32	1.44
Quick Assets Ratio	0.79	0.81
Liquid Asset Ratio	11.77%	10.49%

5 Directors' and CEO's Debenture holding as at 31st March 2020

Name of the Director	No of Debentures 31-Mar.-2020	No of Debentures 31-March-2019
Mr. Aravinda Perera	-	-
Mr. J.A. Setukavalar	-	-
Mr. Priyath Salgado	-	-
Mr. Jayanth Perera	-	-
Ms. D. Talpahewa	-	-
Mr. L.S. Sadeep Perera	-	-
Mr. T.A.Amarasuriya (Chief Executive Officer/Executive Director)	-	-
Mr. Mahesh H. Wijewardene	-	-
Mr. K.K.L.P.Yatiwella (Alternate Director to Ms. D. Talpahewa)	10,000	10,000

6 INFORMATION ON ORDINARY SHARES

a) Stated Capital	31-Mar.-2020	31-Mar.-2019
Value-Ordinary Shares	Rs.1,996,444,457	Rs.1,996,444,457
No of Shares-Ordinary Shares	202,074,075	202,074,075
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

Notes to the Financial Statements

c) Twenty Largest holders of Shares as at 31st March 2020

Name	No of Shares	%
1 Singer (Sri Lanka) PLC	161,513,035	79.93
2 Employees Trust Fund Board	3,440,878	1.70
3 Associated Electrical Corporation Ltd	2,947,500	1.46
4 Mr. A. M. C. S. Atapattu	1,405,000	0.70
5 Mr. D. A. S. De Abrew Abeyesinhe	1,000,000	0.49
6 Mr. S. T. Hettige Don	711,000	0.35
7 Mrs.H. G. E. Arumugampillai	684,500	0.34
8 United Motors Lanka PLC	679,224	0.34
9 Hatton National Bank PLC/ Mr. S. A. Lukmanjee	569,867	0.28
10 Mrs.Vasudevan Saraswathi & Mr. S. Vasudevan	554,118	0.27
11 Mr. M. L. Ajit Benedict	534,427	0.26
12 Unimo Enterprises Ltd	521,885	0.26
13 Mr. S. Vasudevan & Mrs. V. Saraswathi	520,000	0.26
14 Mr. A. M. Weerasinghe	500,000	0.25
15 Bank of Ceylon A/C NDB Wealth Growth Fund	492,081	0.24
16 A E C Properties (Pvt) Ltd.	440,000	0.22
17 Hatton National Bank PLC/Arunasalam Sithampalam	420,944	0.21
18 Mr. M.A.A. Hassanaly Esufally	385,000	0.19
19 Mr. Ram Pritamdas, Mr. D. Pritamdas & Miss. L.P. Hathiramani	380,623	0.19
20 Mr. L.N.S. Kumara Samarasinghe	355,000	0.18
	178,055,082	88.11
Others	24,018,993	11.89
	202,074,075	100.00

d) Directors' and CEO's Shareholding as at 31st March 2020

Name of the Director	Shareholding 31-March-2020 No of Shares	Shareholding 31-March-2019 No of Shares
Mr. Aravinda Perera	-	-
Mr. J.A. Setukavalar	-	-
Mr. Priyath Salgado	12,224	12,224
Mr. Jayanth Perera	-	-
Ms. D. Talpahewa	-	-
Mr. L.S. Sadeep Perera	-	-
Mr. T.A.Amarasuriya (Chief Executive Officer/Executive Director)	50,155	50,155
Mr. Mahesh H. Wijewardene	-	-
Mr. K.K.L.P.Yatiwella (Alternate Director to Ms. D. Talpahewa)	-	-

e) Public Holding

	31-Mar.-2020	31-Mar.-2019
No of Share Holders	6,836	6,907
No of Shares	40,498,661	40,498,661
% of Public Holding	20.04%	20.04%
Float Adjusted Market Capitalization	Rs. 348,262,544/-	Rs. 510,245,122/-
The Company is Compliant with option 5 of the Listing Rules 7.13.1 (a) - Less than Rs.2.5Bn Float Adjusted Market Capitalization which requires 20% minimum Public Holding		

7 Sri Lanka Accounting Standard-SLFRS 9 on "Financial Instruments"

The Sri Lanka Accounting Standard – SLFRS 9 on “Financial Instruments”, which replaces the existing guidance on LKAS 39 on “Financial Instruments: Recognition and Measurement” has become effective for annual reporting periods beginning on or after January 01, 2018. SLFRS 9 replaces the “Incurred Loss Model” in LKAS 39 with forward looking “Expected Loss Model (“ECL”) which requires considerable judgement over how changes in economic factors affect ECL, which in turn is to be determined on a probability weighted basis. SLFRS 9 also contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed based on their cash flow characteristics.

The impact of adopting SLFRS 9 at transition date, April 01, 2018, on the Statement of Financial Position, and equity are given in the Note 7.1 under Transitions Disclosures.

SINGER FINANCE (LANKA) PLC

7.1 Transition Disclosures

The impact of transition to SLFRS 9 on retained earnings, is as follows.

	Retained earnings Rs.'000
Closing balance under LKAS 39 as at 31st March 2018	1,202,661
<u>Remeasurement adjustments on adoption of SLFRS 9</u>	
Impact of expected credit losses under SLFRS 9	(109,339)
Total change in equity due to adoption of SLFRS 9	(109,339)
Opening balance under SLFRS 9 as at 1st April 2018	1,093,322

The following table reconciles the aggregate opening loan loss provision allowances under LKAS 39 to the ECL allowances under SLFRS 9

	Loan loss provision under LKAS 39 as at 31 March 2018	Re-measurement	ECLs under SLFRS 9 as at 1 April 2018
	Rs.'000	Rs.'000	Rs.'000
Hire Purchase Receivables	11,790	822	12,612
Finance Lease Receivables	126,311	38,931	165,242
Loans and Advances	168,104	69,586	237,690
	306,205	109,339	415,544

8 Sri Lanka Accounting Standard-SLFRS 16 on "Leasing"

SLFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

8.1 Transition to SLFRS 16

The Company applied SLFRS 16 from 01 April 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting SLFRS 16 was recognized as an adjustment to the opening balance of Retained Earnings at 01 April 2019, with no restatement of comparative information.

The impact of transition to SLFRS 16 on retained earnings, is as follows.

	Retained earnings Rs.'000
Closing balance as at 31st March 2019	1,384,395
<u>Remeasurement adjustments on adoption of SLFRS 16</u>	
Impact of adopting SLFRS 16	(34,395)
Deferred Tax Impact on Adopting SLFRS-16	9,630
Total change in equity due to adoption of SLFRS 16	(24,765)
Opening balance under SLFRS 16 as at 1st April 2019	1,359,630

9 Information of the Company Secretary

Hayleys Group Services (Pvt) Ltd
TP: 2-627000