



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2014**

(Company Registration No. PB641PQ)

SOFTLOGIC FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	31/12/2014 (Unaudited)	31/12/2013 (Unaudited)	31/03/2014 (Audited)
	Rs.	Rs.	Rs.
ASSETS			
Cash and cash equivalents	1,462,312,594	1,187,431,173	2,431,468,734
Financial investments - Available for sale	72,525,997	1,110,975,604	1,515,468,191
Financial investments - Held for trading	119,250,000	76,558,500	85,192,200
Lease and hire purchase receivables	6,380,778,513	8,344,062,227	8,324,788,232
Loans and receivables	9,258,484,003	3,676,691,269	3,887,396,468
Other non financial assets	1,799,844,947	1,220,677,976	1,693,254,204
Intangible assets	23,977,084	10,238,143	9,924,111
Property, plant & equipment	328,048,223	164,288,140	312,247,164
TOTAL ASSETS	19,445,221,361	15,790,923,033	18,259,739,304
LIABILITIES			
Due to banks	1,295,597,665	452,200,854	1,596,706,959
Derivative financial instruments	-	-	11,484,342
Due to customers	11,744,661,892	7,644,336,819	9,312,742,952
Other borrowed funds	4,200,647,772	5,525,165,427	4,887,560,395
Other non financial liabilities	658,751,614	767,387,295	1,073,130,911
Retirement benefit obligations	17,312,334	15,827,867	21,967,734
Deferred tax liabilities	43,426,170	117,302,110	46,597,380
TOTAL LIABILITIES	17,960,397,446	14,522,220,371	16,950,190,673
SHARE HOLDERS' FUNDS			
Stated capital	1,003,230,820	1,003,230,820	1,003,230,820
Statutory reserve fund	106,571,718	65,008,031	75,970,040
Investment fund reserve	-	71,399,229	75,933,826
Retained earnings	371,085,712	139,589,886	142,204,832
Available for sale reserve	3,935,665	(10,525,304)	12,209,113
SHARE HOLDERS' FUNDS	1,484,823,915	1,268,702,662	1,309,548,631
TOTAL LIABILITIES AND SHARE HOLDERS' FUNDS	19,445,221,361	15,790,923,033	18,259,739,304
Net Assets Per Share	39.64	33.87	34.96

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 : January 30, 2015

SOFTLOGIC FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	3 Months ended 31-Dec-14 (Unaudited)	9 Months ended 31-Dec-14 (Unaudited)	3 Months ended 31-Dec-13 (Unaudited)	9 Months ended 31-Dec-13 (Unaudited)
	Rs.		Rs.	
INCOME	1,086,954,077	2,970,714,755	903,719,090	2,542,127,099
Interest income	966,681,324	2,709,520,383	866,332,859	2,448,473,412
Interest expenses	(549,343,009)	(1,591,942,753)	(514,164,524)	(1,508,905,531)
NET INTEREST INCOME	417,338,315	1,117,577,630	352,168,335	939,567,881
Net fee and commission income	40,606,059	104,292,391	23,576,752	79,694,340
Net trading income/loss	10,193,915	42,834,579	9,876,441	7,024,598
Other operating income	69,472,779	114,067,402	3,933,038	6,934,749
Total operating income	537,611,068	1,378,772,002	389,554,566	1,033,221,568
Impairment for loans and receivables	166,027,043	365,146,262	99,146,426	221,332,249
NET OPERATING INCOME	371,584,025	1,013,625,740	290,408,140	811,889,319
OPERATING EXPENSES				
Personnel costs	126,199,828	357,941,685	98,213,127	279,734,262
Depreciation of property plant and equipment	17,460,822	49,547,048	11,513,569	35,175,907
Amortization of intangible assets	1,566,876	3,743,325	746,578	2,248,941
Other operating expenses	148,955,018	386,200,346	113,036,961	297,153,900
	294,182,544	797,432,404	223,510,234	614,313,010
PROFIT BEFORE TAX & VAT ON FINANCIAL SERVICES	77,401,481	216,193,336	66,897,906	197,576,309
VAT on financial services	14,555,479	42,869,931	12,139,720	33,894,801
PROFIT BEFORE INCOME TAX	62,846,002	173,323,405	54,758,187	163,681,507
Income tax expense/(reversal)	1,754,358	20,315,015	14,804,417	52,151,968
Net profit for the quarter/period	61,091,645	153,008,390	39,953,770	111,529,539
Basic Earnings Per Share (Rs.)	1.63	4.09	1.07	2.98
STATEMENT OF COMPREHENSIVE INCOME				
Profit for the quarter/period	61,091,645	153,008,390	39,953,770	111,529,539
Other comprehensive income :				
Transferred (loss)/gain to income statement on disposal of available for sale financial investments	(61,529,000)	(56,612,720)	(322,821)	(219,991)
Gain/(Loss) on remeasuring available for sale financial investments	(5,290,040)	48,339,273	11,740,347	8,977,550
Impact on Derivative financial instruments	30,540,342	30,540,342	-	-
Total Comprehensive Income for the quarter/period	24,812,946	175,275,284	51,371,296	120,287,098

SOFTLOGIC FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2014

	9 Months ended 31-Dec-14 (Unaudited) Rs.	9 Months ended 31-Dec-13 (Unaudited) Rs.
Cash Flows from/(used in) Operating Activities		
Net Profit/(Loss) before Taxation	173,323,405	163,681,507
Adjustments for		
Depreciation	49,547,048	35,175,907
Amortization of intangible assets	3,743,325	2,248,941
(Profit)/Loss on disposal of property, plant & equipment	(490,848)	(189,000)
Impact on Derivative financial instruments	19,056,000	-
Impairment for loans and receivables	365,146,262	221,332,249
Provision for staff retirement benefits	3,600,000	3,600,000
Interest expenses	1,591,942,753	1,508,905,531
Operating Profit before Working Capital Changes	2,205,867,946	1,934,755,135
(Increase)/Decrease in Lease and hire purchase receivables	1,578,863,458	(1,343,427,395)
(Increase)/Decrease in Loans and receivables	(5,371,087,536)	(323,781,299)
(Increase) in financial investments - Held for trading	(34,057,800)	2,146,500
(Increase)/Decrease in Other non financial assets	(106,590,743)	(429,139,787)
Increase/(Decrease) in Due to banks	(679,561,106)	(2,125,235,475)
Increase/(Decrease) in Due to customers	2,431,918,940	687,385,771
Increase/(Decrease) in Other borrowed funds	(686,912,623)	3,944,476,750
Increase/(Decrease) in Other non financial liabilities	(382,473,782)	23,627,268
Cash Generated from/(used in) Operations	(1,044,033,246)	2,370,807,467
Interest paid	(1,591,942,753)	(1,508,905,531)
Taxes paid	(55,391,744)	-
Defined benefit plan costs paid	(8,255,400)	(1,284,799)
Net Cash from/(used in) Operating Activities	(2,699,623,143)	860,617,137
Cash Flows from/(used in) Investing Activities		
Purchase of property, plant & equipment	(65,528,620)	(22,333,463)
Addition to intangible assets	(17,796,299)	(4,135,609)
Proceeds from Sale of property, plant & equipment	671,363	189,000
Purchase/Sale of available for sale investments (net)	1,434,668,747	(985,108,884)
Net Cash from/(used in) Investing Activities	1,352,015,191	(1,011,388,956)
Cash Flows from/(used in) Financing Activities		
Proceeds from rights issue of shares	-	-
Dividend paid	-	(56,180,927)
Net Cash from/(used in) Financing Activities	-	(56,180,927)
Net Increase in Cash & Cash Equivalents	(1,347,607,952)	(209,099,245)
Cash & Cash Equivalents at the beginning of the period	2,282,945,030	1,217,178,823
Cash & Cash Equivalents at the end of the period	935,337,078	1,008,079,578
Reconciliation of Cash & Cash Equivalents		
Cash & Cash Equivalents	1,462,312,594	1,187,431,173
Bank Overdrafts	(526,975,516)	(179,351,595)
	935,337,078	1,008,079,578

SOFTLOGIC FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2014

	Stated Capital	Retained Profit	Statutory Reserve	Investment Fund	Available for Sale Reserve	Total
	Rs.	Rs.	Fund Rs.	Reserve Rs.	Rs.	Rs.
Balance as at April 1, 2013	1,003,230,820	130,122,021	42,839,262	47,687,252	(19,282,863)	1,204,596,492
Net Profit for the period	-	111,529,539	-	-	-	111,529,539
Other comprehensive income for the period	-	-	-	-	8,757,559	8,757,559
Dividends	-	(56,180,928)	-	-	-	(56,180,928)
Transferred to/(from) during the period	-	(45,880,747)	22,168,770	23,711,977	-	(0)
Balance as at December 31, 2013	1,003,230,820	139,589,886	65,008,032	71,399,229	(10,525,304)	1,268,702,662
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
Rights Issue of Shares	-	-	-	-	-	-
Net Profit for the period	-	153,008,390	-	-	-	153,008,390
Other comprehensive income for the period	-	30,540,342	-	-	(8,273,447)	22,266,895
Dividends	-	-	-	-	-	-
Transferred to/(from) during the period	-	45,332,148	30,601,678	(75,933,826)	-	-
Balance as at December 31, 2014	1,003,230,820	371,085,712	106,571,718	-	3,935,665	1,484,823,915

EXPLANATORY NOTES
FOR THE PERIOD ENDED DECEMBER 31, 2014

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 Dec 31, 2014)	49.20
Market Price - Lowest (for the quarter ended Dec 31, 2014)	40.00
Market Price as at Dec 31, 2014	43.90

	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
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Market Price - Highest (for the quarter ended Dec 31, 2014)	Did not trade during October1, 2014 to Dec 31, 2014	106.79	Did not trade during October1, 2014 to Dec 31, 2014	Did not trade during October1, 2014 to Dec 31, 2014	101.01
Market Price - Lowest (for the quarter ended Dec 31, 2014)		106.79			100.48
Market Price as at Dec 31, 2014		106.79			100.48

31-Dec-14

Debt to equity ratio (Times)	12.10
Liquid assets ratio (%) - Statutory Minimum 10%	10.27%
Interest cover (Times)	1.11
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 October 1, 2014 to Dec 31, 2014
CRL-BC-27/08/16 B-16.5	11.88%
CRL-BC-27/08/16 C-16	Did not trade during October 1, 2014 to Dec 31, 2014
CRL-BC-29/08/19 A-10	Did not trade during October 1, 2014 to Dec 31, 2014
CRL-BC-29/08/19 B-7.69	0.08%

Interest Rate of Comparable Government Securities

3 Year Treasury Bond	7.05%
5 Year Treasury Bond	7.37%
(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, 2014.

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 37,453,951 Ordinary Shares as at December 31, 2014.

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, 2014.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD ENDED DECEMBER 31, 2014

8. List of Twenty Major Shareholders of the Company as at December 31, 2014

<u>Name</u>		<u>No. of Shares</u>	<u>(%)</u>
Softlogic Capital PLC	14,509,288	23,362,623	62.377
Pan Asia Banking Corporation/Softlogic Capital PLC	8,853,335		
Vanik Incorporation PLC		5,376,068	14.354
LB Finance PLC		1,540,000	4.112
Royal Ceramic Lanka PLC		1,042,200	2.783
Associated Electrical Corporation Ltd		712,500	1.902
People's Leasing & Finance PLC/Mr. L. P. Hapangama		642,620	1.716
Softlogic Holdings PLC		574,714	1.534
First Capital LTD		484,931	1.295
Waldock Mackenzie Ltd/HI-Line Trading (Pvt) Ltd		290,420	0.775
Mr. A.K. Pathirage		168,000	0.449
Mr. M.M Faud		150,165	0.401
Trading Partners(Pvt) Ltd		92,090	0.246
D S L Investments (Private) Limited		102,300	0.273
Mr. S. Abishek		72,332	0.193
Dee Sanda Holdings Private Limited		126,786	0.339
Waldock Mackenzie Ltd/Mrs. G. Soysa		66,000	0.176
People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd		91,118	0.243
Mr. M. M.C.J Fernandopulle		61,000	0.163
Mr. T.M.I.Ahamed		58,720	0.157
Mr. C.P.Shivaraj		50,000	0.133
Mr. K.R.B.Fernando		50,000	0.133
Mrs. F A A Mack		50,000	0.133
		35,164,587	93.887
Others		2,289,364	6.113
		37,453,951	100.00

9. Directors' Shareholding as at December 31, 2014

<u>Names of Directors</u>	<u>No. of Shares</u>	<u>(%)</u>
Asoka Kariyawasam Pathirage (Chairman)	168,000	0.45
Nalin Hemantha Gamini Wijekoon (CEO)	9,666	0.03
Tuan Mihilar Ifthikar Ahamed	58,720	0.16
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

10. The percentage of shares held by the public as at December 31, 2014 is 36.95%.

11. The number of public shareholders as at December 31, 2014 are 1,021.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD ENDED DECEMBER 31, 2014

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	42,816,502

12.1.3 Remuneration to Key Managerial Personnel amounted to Rs. 14,322,750/- for the period ended December 31, 2014

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 period.

	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	-	-	-	-	27,551,016	-	500,000,000
Asian Alliance Insurance PLC	Group Company	151,147,035	880,877	80,000,000	29,282,801	17,051,437	-	-
Softlogic Stock Brokers (Pvt) Ltd	Group Company	-	-	-	-	660,822	-	-
Softlogic Retail (Pvt) Ltd	Affiliated Company	-	-	4,553,833	445,341	3,351,376	2,507,162	-
Softlogic Communications (Pvt) Ltd	Affiliated Company	-	-	-	955,613	10,960	-	-
Softlogic Computers (Pvt) Ltd	Affiliated Company	-	-	-	-	708,830	954,750	-
Softlogic Information Technologies (Pvt) Ltd	Affiliated Company	-	-	-	953,973	7,928,989	6,611,891	-
Softlogic Automobiles (Pvt) Ltd	Affiliated Company	-	10,278,990	-	7,566,877	6,440,625	-	-
Softlogic Trading (Pvt) Ltd	Affiliated Company	-	-	-	-	2,027,844	4,898,445	-

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD ENDED DECEMBER 31, 2014

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		Other Loans and Receivables		Unallocated		Total	
	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.	2014 Rs.	2013 Rs.
Revenue										
Interest	342,860,660	427,133,011	1,111,056,406	1,021,868,031	1,099,619,899	891,660,520			2,553,536,964	2,340,661,561
Investment Income							155,983,419	107,811,851	155,983,419	107,811,851
Fee based income and others	7,386,167	15,291,937	38,662,480	36,584,253	58,243,744	32,419,619	156,901,981	9,357,877	261,194,372	93,653,687
Total Revenue	350,246,827	442,424,948	1,149,718,885	1,058,452,284	1,157,863,643	924,080,139	312,885,400	117,169,728	2,970,714,755	2,542,127,099
Depreciation of property, plant and equipment	(5,841,590)	(6,121,920)	(19,175,579)	(14,646,010)	(19,311,422)	(12,786,677)	(5,218,457)	(1,621,300)	(49,547,048)	(35,175,907)
Amortisation of intangible assets	(441,337)	(391,400)	(1,448,733)	(936,380)	(1,458,996)	(817,505)	(394,259)	(103,656)	(3,743,325)	(2,248,941)
Profit/(Loss) before tax	20,434,804	20,799,290	67,079,208	49,759,978	67,554,406	43,442,872	18,254,988	49,679,368	173,323,405	163,681,507
Income tax expense									(20,315,015)	(52,151,968)
Profit after tax									153,008,390	111,529,539
Segment Assets	2,153,466,579	2,587,009,327	4,227,311,934	5,757,052,901	9,258,484,003	2,179,171,038	3,805,958,846	5,267,689,768	19,445,221,361	15,790,923,033
Segment Liabilities	1,989,029,331	2,379,159,183	3,904,517,262	5,294,509,431	8,551,512,444	2,004,088,169	3,515,338,409	4,844,463,588	17,960,397,446	14,522,220,371

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. Chamilantha Fernando - GM

Mr.Manjula Goonaratne - Head of Leasing & HP

Mr. Sanjaya Vithanage - DGM

Mr. Nalinda Ranaraja - DGM

Mr. Nalaka De Silva - AGM

Mr. Lasantha Perera - AGM

Mr. Kumara Kongahawatta - AGM

Mr. Sudesh Suranga - AGM

Mr. Priyan Jayakody - CM

Mr. Gayan Jayatissa - SM

Mr. Shehan Uduwara - SM

Mr. Mark Thirimavithana - SM

Secretaries

P W Corporate Secretarial (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 Jinathana 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.55,57 & 59, Kasthuriar Road

Tel: 021-2219444

Anuradhapura

No. 561/11, Maithreepala Senanayaka Mawatha, New Town

Tel: 025-2226279