



**INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

(Company Registration No. PB641PQ)

SOFTLOGIC FINANCE PLC
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	31/03/2015 (Unaudited)	31/03/2014 (Audited)
	Rs.	Rs.
ASSETS		
Cash and cash equivalents	1,078,468,881	2,431,468,734
Financial investments - Available for sale	60,730,332	1,515,468,191
Financial investments - Held for trading	118,296,000	85,192,200
Lease, hire purchase and loans receivables	6,419,519,552	8,324,788,232
Other loans and receivables	10,314,478,187	3,887,396,468
Other non financial assets	1,651,182,423	1,693,254,204
Intangible assets	33,685,172	9,924,111
Property, plant & equipment	333,780,063	312,247,164
TOTAL ASSETS	20,010,140,610	18,259,739,304
LIABILITIES		
Due to banks	995,254,773	1,596,706,959
Derivative financial instruments	-	11,484,342
Due to customers	12,077,053,786	9,312,742,952
Other borrowed funds	4,400,894,797	4,887,560,395
Other non financial liabilities	552,928,780	1,073,130,911
Retirement benefit obligations	14,263,852	21,967,734
Deferred tax liabilities	20,109,228	46,597,380
TOTAL LIABILITIES	18,060,505,216	16,950,190,673
SHARE HOLDERS' FUNDS		
Stated capital	1,404,523,150	1,003,230,820
Statutory reserve fund	119,267,968	75,970,040
Investment fund reserve	-	75,933,826
Retained earnings	425,844,276	142,204,832
Available for sale reserve	-	12,209,113
SHARE HOLDERS' FUNDS	1,949,635,394	1,309,548,631
TOTAL LIABILITIES AND SHARE HOLDERS' FUNDS	20,010,140,610	18,259,739,304
Net Assets Per Share	38.36	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 : May 25, 2015

SOFTLOGIC FINANCE PLC
STATEMENT OF COMPREHENSIVE INCOME

	3 Months ended 31-Mar-15 (Unaudited)	Year ended 31-Mar-15 (Unaudited)	3 Months ended 31-Mar-14 (Audited)	Year ended 31-Mar-14 (Audited)
	Rs.		Rs.	
INCOME	1,002,187,645	3,972,902,400	948,766,405	3,490,893,504
Interest income	964,474,174	3,673,994,558	890,069,509	3,338,542,921
Interest expenses	(489,432,566)	(2,081,375,319)	(548,727,208)	(2,057,632,739)
NET INTEREST INCOME	475,041,608	1,592,619,239	341,342,301	1,280,910,181
Net fee and commission income	34,847,294	139,139,685	38,832,593	118,526,933
Net trading income/loss	(1,575,596)	41,258,983	14,276,015	21,300,613
Other operating income	4,441,772	118,509,174	5,588,288	12,523,037
Total operating income	512,755,079	1,891,527,081	400,039,197	1,433,260,765
Impairment for loans and receivables	157,149,263	522,295,525	106,463,985	327,796,234
NET OPERATING INCOME	355,605,816	1,369,231,556	293,575,213	1,105,464,531
OPERATING EXPENSES				
Personnel costs	120,355,733	403,299,879	80,287,055	288,405,108
Depreciation of property plant and equipment	18,707,274	68,254,322	15,173,905	50,349,812
Amortization of intangible assets	2,216,454	5,959,780	771,812	3,020,753
Other operating expenses	168,236,735	629,434,619	166,468,540	535,238,649
	309,516,196	1,106,948,600	262,701,312	877,014,322
PROFIT BEFORE TAX & VAT ON FINANCIAL SERVICES	46,089,620	262,282,956	30,873,900	228,450,209
VAT on financial services	(1,248,220)	41,621,711	3,130,156	37,024,957
PROFIT BEFORE INCOME TAX	47,337,840	220,661,245	27,743,745	191,425,252
Income tax expense/(reversal)	(16,143,410)	4,171,605	(26,380,605)	25,771,363
Net profit for the quarter/year	63,481,250	216,489,640	54,124,350	165,653,889
Basic Earnings Per Share (Rs.)	1.51	5.61	1.45	4.42
STATEMENT OF COMPREHENSIVE INCOME				
Profit for the quarter/year	63,481,250	216,489,640	54,124,350	165,653,889
Other comprehensive income :				
Transferred (loss)/gain to income statement on disposal of available for sale financial investments	(2,820,026)	(59,432,747)	799,067	579,076
Gain/(Loss) on remeasuring available for sale financial investments	(1,115,639)	47,223,634	21,935,350	30,912,900
Actuarial loss on post employment benefit obligations	3,973,564	3,973,564	(5,472,457)	(5,472,457)
Impact on Derivative financial instruments	-	30,540,342	(30,540,342)	(30,540,342)
Total Comprehensive Income for the quarter/year	63,519,149	238,794,433	40,845,967	161,133,065

SOFTLOGIC FINANCE PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	Year ended 31-Mar-15 (Unaudited) Rs.	Year ended 31-Mar-14 (Audited) Rs.
Cash Flows from/(used in) Operating Activities		
Net Profit/(Loss) before Taxation	220,661,245	191,425,252
Adjustments for		
Depreciation	68,298,621	50,349,812
Amortisation of intangible assets	5,959,780	3,020,753
Profit on disposal of property, plant and equipment	(1,248,348)	(189,000)
Gain from disposal of available for sale investments	(59,432,747)	579,076
Impact on Derivative financial instruments	19,056,000	-
Impairment charge bad and doubtful debts	522,295,525	327,796,234
Provision for defined benefit plans	6,678,382	4,267,410
Interest expenses	2,081,375,319	2,057,632,739
Operating Profit before Working Capital Changes	2,864,073,359	2,633,001,667
(Increase) in lease, hire purchase and loans receivable	1,382,973,156	(1,430,617,385)
(Increase) in other loans & receivables	(6,427,081,720)	(534,486,498)
(Increase) in financial investments - Held for trading	(33,103,800)	(6,487,200)
(Increase) in other non financial assets	35,842,200	(919,665,731)
(Decrease) / increase in amounts due to banks	(693,563,555)	(949,901,479)
Increase in amounts due to customers	2,764,310,834	2,355,791,905
(Decrease) / increase in other borrowed funds	(486,665,597)	3,287,083,363
Increase in other non financial liabilities	(495,470,144)	315,097,877
Cash Generated from/(used in) Operations	(1,088,685,268)	4,749,816,519
Interest paid	(2,081,375,319)	(2,057,632,739)
Taxes paid	(55,391,744)	(30,051,117)
Defined benefit plan costs paid	(10,408,700)	(1,284,800)
Purchase of vehicles	-	-
Proceeds from sale of vehicles	5,800,000	19,830,325
Net Cash from/(used in) Operating Activities	(3,230,061,031)	2,680,678,188
Cash Flows from/(used in) Investing Activities		
Purchase of property, plant and equipment	(119,809,073)	(189,327,424)
Proceeds from disposal of property, plant and equipment	1,505,059	189,000
(Purchase)/Proceeds from available for sale investments (net)	1,501,961,493	(1,369,592,630)
Net Cash from/(used in) Investing Activities	1,383,657,479	(1,558,731,054)
Cash Flows from/(used in) Financing Activities		
Proceeds from rights issue of shares	401,292,330	-
Dividend paid	-	(56,180,927)
Net Cash from/(used in) Financing Activities	401,292,330	(56,180,927)
Net Increase in Cash & Cash Equivalents	(1,445,111,222)	1,065,766,207
Cash & Cash Equivalents at the beginning of the year	2,282,945,030	1,217,178,823
Cash & Cash Equivalents at the end of the year	837,833,807	2,282,945,030
Reconciliation of Cash & Cash Equivalents		
Cash & Cash Equivalents	1,078,468,881	2,431,468,734
Bank Overdrafts	(240,635,073)	(148,523,704)
	837,833,807	2,282,945,030

SOFTLOGIC FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 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, 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 year	-	165,653,889	-	-	-	165,653,889
Other comprehensive income for the year	-	(36,012,799)	-	-	31,491,976	(4,520,823)
Dividends	-	(56,180,927)	-	-	-	(56,180,927)
Transferred to/(from) during the year	-	(61,377,352)	33,130,778	28,246,574	-	(0)
Balance as at March 31, 2014	1,003,230,820	142,204,832	75,970,040	75,933,826	12,209,113	1,309,548,631
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	401,292,330	-	-	-	-	401,292,330
Net Profit for the year	-	216,489,640	-	-	-	216,489,640
Other comprehensive income for the year	-	34,513,906	-	-	(12,209,113)	22,304,793
Dividends	-	-	-	-	-	-
Transferred to/(from) during the year	-	32,635,898	43,297,928	(75,933,826)	-	-
Balance as at March 31, 2015	1,404,523,150	425,844,276	119,267,968	-	(0)	1,949,635,394

EXPLANATORY NOTES
FOR THE YEAR ENDED MARCH 31, 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 March 31, 2015)	50.00
Market Price - Lowest (for the quarter ended March 31, 2015)	32.50
Market Price as at March 31, 2015	34.90

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
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Market Price - Highest (for the quarter ended March 31, 2015)	Did not trade during January 1, 2015 to March 31, 2015	106.79	Did not trade during January 1, 2015 to March 31, 2015	Did not trade during January 1, 2015 to March 31, 2015	101.01
Market Price - Lowest (for the quarter ended March 31, 2015)		106.79			100.48
Market Price as at March 31, 2015		106.79			100.48

31-Mar-15

Debt to equity ratio (Times)	9.26
Liquid assets ratio (%) - Statutory Minimum 10%	12.73%
Interest cover (Times)	1.10
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 January 1, 2015 to March 31, 2015
CRL-BC-27/08/16 B-16.5	11.88%
CRL-BC-27/08/16 C-16	Did not trade during January 1, 2015 to March 31, 2015
CRL-BC-29/08/19 A-10	Did not trade during January 1, 2015 to March 31, 2015
CRL-BC-29/08/19 B-7.69	0.08%

Interest Rate of Comparable Government Securities

3 Year Treasury Bond	8.42%
5 Year Treasury Bond	8.95%

(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 50,830,362 Ordinary Shares as at March 31, 2015. Company has issued 13,376,411 ordinary shares at a price of Rs. 30/- by way of right issue in March 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, 2014.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE YEAR ENDED MARCH 31, 2015

8. The Directors have recommended the payment of an interim dividend of Rs 1.50 per share for the financial year 2014/2015. No other 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 March 31, 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	10.580
Mr. M.M Faud		2,097,079	4.130
LB Finance PLC		2,090,000	4.110
Royal Ceramic Lanka PLC		1,414,414	2.780
Associated Electrical Corporation Ltd		966,964	1.900
People's Leasing & Finance PLC/Mr. L. P. Hapangama		818,112	1.610
Softlogic Holdings PLC		779,969	1.530
First Capital LTD		669,642	1.320
Waldock Mackenzie Ltd/Hi-Line Trading (Pvt) Ltd		414,809	0.820
Mr. A.K. Pathirage		228,000	0.450
Dee Sanda Holdings Private Limited		187,749	0.370
Dr. Sena Yaddhegige		138,090	0.270
D S L Investments (Private) Limited		102,300	0.200
Mr. M. M.C.J Fernandopulle		84,233	0.170
People's Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd		80,080	0.160
Waldock Mackenzie Ltd/Mr. Haradasa		67,422	0.130
Mr. T.M.I.Ahamed		58,720	0.120
Mrs. F A A Mack		58,710	0.120
Mr. S. Abishek		55,693	0.110
		47,877,063	94.210
Others		2,953,299	5.790
		50,830,362	100.00

10. Directors' Shareholding as at March 31, 2015

<u>Names of Directors</u>	<u>No. of Shares</u>	<u>(%)</u>
Asoka Kariyawasam Pathirage (Chairman)	228,000	0.45
Harris Premarathne (Deputy Chairman)	Nil	Nil
Nalin Hemantha Gamini 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 Travece 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 March 31, 2015 is 34.55 %. The number of public shareholders as at March 31, 2015 are 1,478.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE YEAR ENDED MARCH 31, 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	44,212,192

12.1.3 Remuneration to Key Managerial Personnel amounted to Rs. 18,160,930/- for the year ended March 31, 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 year.

	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	-	-	-	-	36,734,688	-	700,000,000
Asian Alliance Insurance PLC	Group Company	150,000,000	462,397	80,000,000	36,622,348	15,259,795	-	-
Softlogic Stock Brokers (Pvt) Ltd	Group Company	-	-	15,000,000	-	937,281	-	-
Softlogic Retail (Pvt) Ltd	Affiliated Company	-	-	5,319,459	445,341	4,435,492	2,507,162	-
Softlogic Communications (Pvt) Ltd	Affiliated Company	-	-	-	955,613	14,739	-	-
Softlogic Computers (Pvt) Ltd	Affiliated Company	-	-	-	-	963,894	954,750	-
Softlogic Information Technologies (Pvt) Ltd	Affiliated Company	-	-	-	953,973	10,782,216	10,190,421	-
Softlogic Automobiles (Pvt) Ltd	Affiliated Company	-	9,856,923	-	10,283,246	8,587,500	-	-
Softlogic Trading (Pvt) Ltd	Affiliated Company	-	-	-	-	2,758,220	4,898,445	-

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE YEAR ENDED MARCH 31, 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		Other Loans and Receivables		Unallocated		Total	
	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.	2015 Rs.	2014 Rs.
Revenue										
Interest	421,879,681	608,738,405	1,309,290,865	1,484,100,550	1,740,737,472	1,021,369,779			3,471,908,017	3,114,208,733
Investment Income							202,086,541	224,334,188	202,086,541	224,334,188
Fee based income and others	2,865,935	5,701,539	23,764,041	32,087,058	81,471,999	53,174,401	98,269,320	55,479,461	206,371,295	146,442,459
Profit/(Loss) from Dealing Securities							92,536,547	5,908,124	92,536,547	5,908,124
Total Revenue	424,745,616	614,439,944	1,333,054,906	1,516,187,608	1,822,209,471	1,074,544,180	392,892,408	285,721,773	3,972,902,400	3,490,893,504
 Depreciation of property, plant and equipment	 (7,297,115)	 (8,862,183)	 (22,901,836)	 (21,868,259)	 (31,305,494)	 (15,498,352)	 (6,749,878)	 (4,121,019)	 (68,254,322)	 (50,349,812)
Amortisation of intangible assets	(637,164)	(531,689)	(1,999,725)	(1,311,993)	(2,733,510)	(929,829)	(589,381)	(247,242)	(5,959,780)	(3,020,753)
Profit/(Loss) before tax	23,591,039	33,693,185	74,039,965	83,141,062	101,208,379	58,923,279	21,821,862	15,667,726	220,661,245	191,425,252
 Income tax expense									(4,171,605)	(25,771,363)
Profit after tax									216,489,640	165,653,889
 Segment Assets	 1,465,809,117	 2,319,556,430	 4,953,710,435	 6,002,103,075	 10,314,478,187	 3,887,396,468	 3,276,142,871	 6,050,683,331	 20,010,140,610	 18,259,739,304
 Segment Liabilities	 1,322,991,863	 2,153,202,908	 4,471,058,694	 5,571,645,349	 9,309,514,148	 3,608,600,881	 2,956,940,511	 5,616,741,535	 18,060,505,216	 16,950,190,673

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

Mr. Nalaka De Silva - AGM

Mr. Lasantha Perera - AGM

Mr. Kumara Kongahawatta - AGM

Mr. Susantha De Alwis - AGM

Mr. Sudesh Suranga - AGM

Mr. Priyan Jayakody - CM

Mr. Gayan Jayatissa - SM

Mr. Shehan Uduwara - SM

Mr. Mark Thirimavithana - 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 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