



**SINGER
FINANCE**

SINGER FINANCE (LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2012

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CHIEF EXECUTIVE OFFICER'S REVIEW

Singer Finance announced impressive financial results for 4Q FY 2011/2012, recording a Net Profit of Rs. 46 Million, which is a growth of 106% over the same quarter of prior year in the midst of a challenging business environment during the latter part of the 4th Quarter of FY 2011/2012.

The company's income increased by 47% in the fourth quarter from Rs 245.3 Mn to Rs 360.2 Mn. The income for the year ended March 2012 increased by 30% from Rs 970.6 to Rs 1,263.3 Mn. Profit for the full year increased by 79%, from Rs. 112 Million to Rs. 201 Million.

The company's numbers were buoyed by an increase in the Leasing and Hire Purchase portfolio, which accounted for 61% of revenue for the last quarter and 58% of revenue for the year ended 31st March 2012. Further, the costs in relation to revenue, demonstrated by an operating costs-to-income ratio of 42% - down from 44% for both the last year same quarter, and year on year.

Further augmenting the numbers were the company's low Non-Performing Loans (NPL) Ratio, which stood at 0.47% during the FY 2011/2012. The NPLs are among the lowest in the industry. The Risk Weighted Capital Ratio of 17.36% too is well above the minimum regulatory requirement of 10%.

Singer Finance has zero exposure to shares and the stock market and is totally unaffected by the decline in share prices experienced currently.

Singer finance (Lanka) PLC was listed on main board of Colombo Stock Exchange and currently 24.94% of Shares are held by the public.

Singer Finance (Lanka) PLC (SFLP), a subsidiary of Singer (Sri Lanka) PLC (SSL), was incorporated on 19th April 2004 to carry out finance business within the provisions of the Finance Companies Act No.78 of 1988 as amended by Act No.23 of 1991 and subsequently replaced by Finance Business Act No. 42 of 2011. SFLP obtained the License from Central Bank of Sri Lanka to carry out Finance Leasing business and licensed as a registered "Finance Company" in terms of section 2 of the Finance Companies Act No.78 of 1988. The company's asset base currently exceeds Rs 6 billion.

I wish to place on record my appreciation of all our staff for their contribution and commitment without which it would have not been possible to achieve these results.

I also thank the Chairman and Board of Directors of the Company, Group Chief Executive Officer and the Chairman and Chief Executive Officer of Singer Asia for their valuable support and guidance.

I also thank all our Shareholders for their continued trust in the Board of Directors and the Management of the Company.

Sincerely,

(Sgd.)R.S Wijeweera
Chief Executive Officer
Colombo, 2nd May 2011

SINGER FINANCE (LANKA) PLC

BALANCE SHEET

As At	31-Mar-2012 Rs.'000	Audited 31-Mar-2011 Rs.'000
ASSETS		
Cash and Bank Balances	11,200	30,084
Government Securities	263,884	181,057
Bank Deposits	50,759	-
Hire Purchase Receivable	2,309,368	1,761,151
Lease Rental Receivables	2,467,589	719,010
Loans and Advances	1,378,116	1,516,767
Investments in Securities	41	41
Inventories	12,433	7,631
Other Debtors, and Prepayments	101,484	77,948
VAT Receivables	123,402	63,540
Deferred Tax Assets	-	13,420
Intangible Assets	13,650	12,346
Property, Plant & Equipments	29,554	27,993
Total Assets	6,761,480	4,410,988
LIABILITIES		
Public Deposits	2,645,169	1,815,117
Interest Bearing Loans & Borrowings	1,219,391	80,886
Interest Bearing Loans - Related party	490,000	-
Trade & Other Payables	462,122	295,657
Amount due to Related Companies	809,856	1,187,515
Income tax payable	3,874	75,991
Deferred Revenue	22,310	14,565
Deferred Taxation	11,259	3,986
Other Deferred Liabilities - Gratuity	7,479	5,572
Total Liabilities	5,671,460	3,479,289
SHAREHOLDERS' FUND		
Stated Capital	800,000	800,000
Capital Reserve	16,350	16,350
Investment Fund	37,533	4,640
Retained Earnings	236,137	110,709
Shareholders' Funds	1,090,020	931,699
Total Liabilities & Shareholders' Funds	6,761,480	4,410,988
Net Assets per share (Rs)	10.22	8.73

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

.....
(Sgd.) T.A. Amarasuriya
Chief Financial Officer

Above figures are provisional and subject to audit.

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

.....
(Sgd.) H D S Amarasuriya
Director

.....
(Sgd.) R.S. Wijeweera
Director

Colombo
2nd May, 2012

SINGER FINANCE (LANKA) PLC
INCOME STATEMENT

	For the quarter ended 31st March			For Year ended 31st March		
	2012 Rs.'000	2011 Rs.'000	Variance %	2012 Rs.'000	2011 Rs.'000	Variance %
Income	360,191	245,316	47%	1,263,317	970,664	30%
Interest Income	329,306	223,179	48%	1,152,591	891,831	29%
Interest Expense	135,731	73,474	(85%)	408,138	285,697	(43%)
Net Interest Income	193,575	149,705	29%	744,453	606,134	23%
Other Income	30,884	22,136	40%	110,726	78,833	40%
Less:- Operating Expenses	224,459	171,842	31%	855,179	684,967	25%
Personnel Cost	31,719	21,482	(48%)	110,690	73,726	(50%)
Administration & Selling Expenses	108,945	88,211	(24%)	413,297	354,648	(17%)
Operating Profit before Provision for Loan Losses and Tax	83,795	62,148	35%	331,192	256,594	29%
Provision for Loan Losses	11,707	(1,342)	973%	9,210	919	(902%)
Loan Loss Recoveries	(1,358)	(25)	(5,333%)	(2,462)	(1,135)	117%
Profit from Ordinary Activities before VAT on Financial Services and Tax	73,447	63,515	16%	324,444	256,810	26%
Value Added Tax on Financial Services	4,745	5,657	16%	26,595	34,808	24%
Profit Before Tax	68,702	57,857	19%	297,849	222,002	34%
Income Tax Expense	22,658	35,452	36%	96,862	109,967	12%
Net profit for the Period	46,044	22,406	106%	200,987	112,035	79%
Basic Earnings per Share (Rs)	0.43	0.28		1.88	1.40	
Share Price	4th Quarter 2012 Rs.	4th Quarter 2011 Rs.		Year 2012 Rs.	Year 2011 Rs.	
Highest	28.40	55.70		44.20	55.70	
Lowest	15.20	35.00		15.20	35.00	
Closing	16.20	36.50		16.20	36.50	

SINGER FINANCE (LANKA) PLC

STATEMENT OF CHANGES IN EQUITY

For Year ended 31st March

	Stated Capital Rs.'000	Reserve Fund Rs.'000	Investment Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
Balance as at 1st April 2011	400,000	10,748	-	55,031	465,779
Final Dividend - 2009/2010	-	-	-	(20,000)	(20,000)
Issue of Shares	400,000	-	-	-	400,000
Direct Cost on Share Issue				(26,116)	(26,116)
Transfers	-	5,602	4,640	(10,242)	-
Profit for the Period	-	-	-	112,035	112,035
Balance as at 31st March 2011	<u>800,000</u>	<u>16,350</u>	<u>4,640</u>	<u>110,709</u>	<u>931,699</u>
Final Dividend - 2010/2011	-	-	-	(42,667)	(42,667)
Transfers	-	-	32,893	(32,893)	-
Profit for the Period	-	-	-	200,987	200,987
Balance as at 31st March 2012	<u><u>800,000</u></u>	<u><u>16,350</u></u>	<u><u>37,533</u></u>	<u><u>236,137</u></u>	<u><u>1,090,020</u></u>

Interim Financial Statements for the Year ended 31st March 2012

SINGER FINANCE (LANKA) PLC

CASH FLOW STATEMENT

For Year ended 31st March

	2012 Rs.'000	2011 Rs.'000
Cash Flows From/ (Used in) Operating Activities		
Receipts from operating activities	3,386,449	2,999,455
Interest Payments	(193,410)	(215,533)
Recoveries on Loans Previously Written Off	2,462	1,135
Receipts from Other Operating Activities	171,269	189,158
Cash Payments to employees & suppliers	(417,566)	(299,912)
Operating Profit before changes in Operating Assets and Liabilities	2,949,204	2,674,303
(Increase) / Decrease in Operating Assets		
Investments held for Regulatory or Monetary Control Purposes	(82,827)	(24,299)
Investment in Bank Deposits	(50,759)	-
Funds Advanced to Customers	(4,699,634)	(3,423,361)
	(4,833,220)	(3,447,659)
Increase in operating liabilities		
Public Deposits	830,052	297,074
Amounts Due to Related Companies	(377,659)	190,265
Retiring Gratuity Paid	(135)	-
ESC Paid	(11,889)	(11,508)
Income Tax Paid	(148,286)	(67,110)
	292,083	408,721
Net Cash From Operating Activities	(1,591,934)	(364,636)
Cash Flows from/(used in) Investing Activities		
Acquisition of Property Plant & Equipment	(9,832)	(11,618)
Proceeds from Sale of Property, Plant & Equipment	42	-
Incurred on Software Development	(2,999)	(5,751)
Net Cash Flows used in Investing Activities	(12,789)	(17,368)
Cash Flows from/(used in) Financing activities		
Proceeds from issuance of Share Capital		400,000
Cash Inflows from Interest Bearing Loans & Borrowings	1,465,000	-
Re-payment of Interest Bearing Loans & Borrowings	(73,294)	(15,673)
Direct Cost on Share Issue	-	(26,116)
Dividends Paid	(42,667)	(20,000)
Net Cash Flows from/(used in) Financing activities	1,349,039	338,212
Net increase in Cash and Cash Equivalents	(255,683)	(43,793)
Cash and Cash Equivalents at the beginning of the year	(26,457)	17,336
Cash and Cash Equivalents at the end of the period	(282,140)	(26,457)

Interim Financial Statements for the Year ended 31st March 2012

SINGER FINANCE (LANKA) PLC

Business Segments (Rs.'000)

For the Quarter Ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Interest	109,241	34,303	109,465	90,695	110,599	98,181			-		329,306	223,179
Other	8,828	3,812	9,202	7,953	1,506	1,141	7,125	5,640	4,223	3,590	30,884	22,136
Total Revenue	118,069	38,115	118,668	98,648	112,105	99,322	7,125	5,640	4,223	3,590	360,190	245,316
Profit Before Tax	23,461	12,612	22,924	28,214	22,316	17,032	-	-	-	-	68,701	57,857
Income Tax Expense											(22,656)	(35,452)
Profit After Tax											46,044	22,406
Segment Assets	2,480,022	726,641	2,309,364	1,761,151	1,378,116	1,516,767	314,685	181,098	279,291	225,331	6,761,479	4,410,988
Segment Liabilities	2,392,748	620,525	2,152,404	1,370,104	813,367	1,195,812	-	-	312,940	292,848	5,671,459	3,479,289

Interim Financial Statements for the Year ended 31st March 2012

SINGER FINANCE (LANKA) PLC

FINANCIAL REPORTING BY SEGMENTS AS PER PROVISION OF THE SRI LANKA ACCOUNTING STANDARD NO.28

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 Year Ended 31st March	Finance Lease		Hire Purchase		Loan & Advances		Investments		Unallocated		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Interest	307,867	122,659	419,508	329,698	425,216	439,473	-	-	-	-	1,152,591	891,831
Other	25,547	13,994	37,703	28,625	6,315	4,472	21,712	17,045	19,449	14,697	110,726	78,833
Total Revenue	333,414	136,653	457,211	358,323	431,530	443,945	21,712	17,045	19,449	14,697	1,263,317	970,664
Profit Before Tax	79,456	40,938	109,582	101,428	108,811	79,636	-	-	-	-	297,848	222,002
Income Tax Expense											(96,862)	(109,967)
Profit After Tax											200,987	112,035
Segment Assets	2,480,022	726,641	2,309,364	1,761,151	1,378,116	1,516,767	314,685	181,098	279,291	225,331	6,761,479	4,410,988
Segment Liabilities	2,392,748	620,525	2,152,404	1,370,104	813,367	1,195,812	-	-	312,940	292,848	5,671,459	3,479,289

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

- 1.1** 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 2011, are in compliance with Sri Lanka Accounting Standards 35 - Interim Financial Reporting.

2 RELATED PARTY TRANSACTIONS

2.1 Identity of Related Parties

The Company has a related party relationship with its Parent Company, and with its Directors.

2.2 Transactions with Key Management Personnel and Directors

- a) A number of Key management personnel or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. These transactions are given below.

Name of the Company and Relationship	Name of Director	Nature of Transaction	2012 Rs.Million	2011 Rs.Million
Singer (Sri Lanka) PLC (Parent Company)	Mr.H D S Amarasuriya Dr. G.C.B Wijeyesinghe (Resigned w.e.f. 30.12.2011)	Payments to Singer (Sri Lanka) PLC on behalf of customers	1,516.1	1,558.0
		Sales Financed to purchase goods from Singer (Sri Lanka) PLC	1,876.2	2,142.7
	Mr. H.A. Pieris Dr. S. Kelegama	Administrative Fees Paid	79.2	92.2
		Loans Obtained During The Year	490.0	-
	Mr. M.P.A. Salgado	Purchase of Assets	-	0.4
	Mr. G.J. Walker	Dividend Paid (Gross)	32.0	20.0
	Mr. J.Hyun (Appointed w.e.f. 10.06.2011)	Interest Expense	72.4	60.9
		Cash Collections by Singer (Sri Lanka) PLC	2,750.8	2,381.9
		Collection Commission Paid	11.9	6.7
		Royalty Paid Through Singer (Sri Lanka) PLC	13.1	9.8
		Rent Reimbursed	14.0	6.2
		Expenses Paid Through Singer (Sri Lanka) PLC	114.5	67.4
		Balance Payable	1,299.9	1,187.4
Singer Industries (Ceylon) PLC (Affiliate Company)	Mr.H D S Amarasuriya Dr. G.C.B Wijeyesinghe (Resigned w.e.f. 30.12.2011)	Fixed Deposits	163.9	-
		Deposits Capital Repayment	55.1	-
	Mr. H.A. Pieris Mr. G.J. Walker	Deposits Interest Payment (Gross)	4.6	-
Sampath Bank PLC	Dr. S. Kelegama (Resigned w.e.f. 30.12.2011)	Loans Obtained	600.0	-
		Loan Re-payment	25.0	-
		Interest Paid	26.4	1.5
		Bank Overdraft	100.9	15.8

- b) Following companies are also parent companies of Singer Finance (Lanka) PLC , with whom no transactions were entered into during the period.

Company	Relationship
Singer (Sri Lanka) B.V	Intermediate Parent
Singer Asia Holdings N.V	Intermediate Parent
Retail Holdings N.V	Ultimate Parent

- c) Company has not given loans to it's Directors.

3 CONTINGENCIES

Guarantees issued on behalf of Depositors with fully secured on their deposits amounts to Rs.6,050,000/- .

4 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date that require disclosure in the Financial Statements.

5 CHANGE IN THE ACCOUNTING ESTIMATE ON PROVISION FOR BAD AND DOUBTFUL DEBTS

Singer Finance (Lanka) PLC changed its method of estimating Provision for Bad and Doubtful Debts with effect from 1st April 2011. The change will bring the Company's provision for Bad and Doubtful Debts in line with the CBSL Direction No.3 of 2006, which stipulates a 50% provision for accommodations in arrears of 6-12 months and a 100% provision for accommodations in arrears of over 12 months. Previously, the Company provided 50% for accommodations in arrears for over 61 days and 100% for accommodations in arrears for more than 121 days. Under Vehicle Financing, 50% is provided for facilities in arrears for over 121 days and those over 180 days in arrears were fully provided.

In accordance with the Sri Lanka accounting Standard 10 – Accounting, policies, changes in Accounting Estimate and Errors, the reversal of the over provision for bad and doubtful debts as at 1st April 2011 amounting to Rs.13,120,709 is recognised in the current period income statement.

SINGER FINANCE (LANKA) PLC

Notes to the Financial Statements

6 INFORMATION ON ORDINARY SHARES

a) Stated Capital	31-Mar-2012	31-Mar-2011
Value-Ordinary Shares	Rs.800,000,005/-	Rs.800,000,005/-
No of Shares-Ordinary Shares	106,666,667	106,666,667
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

b) Twenty Largest holders of Shares as at 31st March

Name	2012	
	No of Shres	%
1 Singer (Sri Lanka) Plc	79,999,988	75.00
2 Associated Electrical Corporation Ltd	1,510,000	1.42
3 PCH Holdings (Pvt) Ltd	668,300	0.63
4 First Capital Markets Limited/Mr.S.H.M.Rishan	567,834	0.53
5 Seylan Bank Plc/W.D.N.H.Perera	466,900	0.44
6 DPMC Assetline Holdings (Pvt) Ltd. Account No. 02	409,600	0.38
7 Mercantile Investments And Finance Plc	400,000	0.37
8 Mr.Shakir Asgerally Lukmanjee	400,000	0.37
9 A E C Properties (Pvt) Ltd.	360,000	0.34
10 Pan Asia Banking Corporations Plc. / Nuwara Eliya Property Developers (Pvt) Ltd.	353,300	0.33
11 Nageah (Pvt) Limited	335,900	0.31
12 First Capital Markets Limited/Mrs.S.S.De Fonseka	250,000	0.23
13 Navara Capital Limited.	250,000	0.23
14 Richard Pieris Financial Services (Pvt) Ltd/Fortune One (Pvt) Ltd	214,300	0.20
15 Mr.Chandasiri Jayasingha Pandita Siriwardana	200,000	0.19
16 Mr.Saheedul Hijiry Mohamed Rishan	200,000	0.19
17 Merchant Bank Of Sri Lanka Plc/J A S Piyawardena	192,100	0.18
18 Employees Trust Fund Board	127,100	0.12
19 Mr.Vishvalal Ravindra Kathiragamamby	125,000	0.12
20 Deshabandu - Dissanayake Mudiyanseelage Indunil Dissanayake	122,200	0.11
	87,152,522	81.71
Others	19,514,145	18.29
	106,666,667	100.00

Name	2011	
	No of Shres	%
1 Singer (Sri Lanka) PLC	79,999,988	75.00
2 Pan Asia Banking Corporations PLC./Nuwara Eliya Property Development	353,300	0.33
3 Mr.Shakir Asgerally Lukmanjee	350,000	0.33
4 Mercantile Investments Ltd.	300,000	0.28
5 DPMC Financial Services (Pvt) Ltd. Account No. 02	261,100	0.24
6 Nageah (Pvt) Ltd.	256,300	0.24
7 Dr.Walimuni Sunil Elton Fernando	210,000	0.20
8 Mrs.Hyacinth Letitia De Silva	200,000	0.19
9 Mr.Duraisamy Ganesamoorthy	200,000	0.19
10 Mr.Chandasiri Jayasingha Pandita Siriwardana	200,000	0.19
11 Mrs.Fleur Annaleen Ann Mack	183,000	0.17
12 Mr.Seneviratne Ranhoti Gamage Jagath	169,700	0.16
13 Mr.Salem Ali Othman Ali Abo Qamaz	169,200	0.16
14 Mrs.Melani Senobia Fernando	152,200	0.14
15 Mr.Iftthikar Hussain Usoof	148,100	0.14
16 Mr.Murukesan Prashanthan	145,000	0.14
17 Mr.Ranasingha Somachandra	113,400	0.11
18 Mr.Wasantha Gamini Herath	104,300	0.10
19 Vallibel Finance Ltd.	103,000	0.10
20 Indra Property Development (Pvt) Ltd.	103,000	0.10
	83,721,588	78.49
Others	22,945,079	21.51
	106,666,667	100.00

c) **Directors' and CEO's Shareholding as at 31st March 2012**

Name of the Director	Sharholding 31-Mar-2012 No of Shares	Sharholding 31-Mar-2011 No of Shares
Mr.H D S Amarasuriya	6	6
Dr. G.C.B Wijeyesinghe	-	-
Mr. H.A. Pieris (Group Chief Executive Officer)	20,002	2
Dr. S. Kelegama	-	-
Mr. M.P.A. Salgado	20,002	2
Mr. G.J. Walker	-	-
Mr.S. Ramanathan	-	-
Mr.R.S Wijeweera (Chief Executive Officer)	20,002	2
Mr.J. Hyun	-	-
Mr.J.A.Setukavalar	-	-

d) **Public Holding**

Public holding as at 31st March 2012 is 24.94% (As at 31st March 2011 - 25.00%).