



SINGER FINANCE

SINGER FINANCE (LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
TWELVE MONTHS ENDED 31ST MARCH 2019

SINGER[®]
Trusted Excellence

STATEMENT OF FINANCIAL POSITION

As At	31-March-2019 Rs.'000	31-March-2018 (Audited) Rs.'000
ASSETS		
Cash and Cash Equivalents	317,309	295,703
Placement with Banks	83,324	81,504
Financial assets at amortised cost-Hire Purchase Receivables	14,585	82,845
Financial assets at amortised cost-Finance Lease Receivables	13,950,248	11,383,225
Financial assets at amortised cost-Loans and Advances	3,883,300	2,900,363
Financial assets measured at fair value through other comprehensive income/ Financial Instruments - Available-for-Sale	41	41
Financial assets at amortised cost-Debt and other financial instruments /Financial Instruments - Held-to-Maturity	623,372	671,383
Due from Related Companies	92,444	336,269
Other Debtors, and Prepayments	290,636	210,265
Deferred Tax Assets	15,632	-
Intangible Assets	46,293	49,420
Property, Plant & Equipment	221,885	120,587
Total Assets	19,539,069	16,131,605
LIABILITIES		
Financial liabilities at amortised cost-Due to Customers	6,095,816	5,356,078
Financial liabilities at amortised cost-Interest Bearing Loans & Borrowings	6,631,194	4,313,602
Interest Bearing Loans - Related party	1,000,000	1,000,000
Trade & Other Payables	844,909	761,936
VAT Payable	3,112	2,479
Due to Related Companies	1,570	465,346
Bank Overdraft	1,134,836	676,917
Current Tax Liabilities	220,581	10,047
Deferred Tax Liabilities	-	154,876
Retirement Benefit Obligations	63,118	55,213
Total Liabilities	15,995,136	12,796,494
SHAREHOLDERS' FUND		
Stated Capital	1,996,444	1,996,444
Reserve Fund	163,096	136,009
Retained Earnings	1,384,393	1,202,658
Total Equity	3,543,933	3,335,111
Total Liabilities & Equity	19,539,069	16,131,605
Net Assets per share (Rs)	17.54	16.50

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
06th May 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 31st March	2019	2018	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
Gross Income	1,115,981	881,199	234,782	27%
Interest Income	1,040,591	814,480	226,111	28%
Less: Interest Expense	462,854	332,464	(130,390)	(39%)
Net Interest Income	577,737	482,016	95,721	20%
Net Fee and Commission Income	55,340	50,952	4,388	9%
Net Trading Income	375	416	(41)	(10%)
Other Income	19,675	15,351	4,324	28%
Total Operating Income	653,127	548,735	104,392	19%
Less: Allowances for Impairment charges for Loan and Other Losses	125,999	60,545	(65,454)	(108%)
Net Operating Income	527,128	488,190	38,938	8%
Less:- Expenses				
Personnel Cost	135,976	107,522	(28,454)	(26%)
Administration & Selling Expenses	197,363	124,665	(72,698)	(58%)
Operating Profit Before Value Added Tax	193,789	256,003	(62,214)	(24%)
Less: Value Added Tax on Financial Services, NBT & DRL	89,383	61,409	(27,974)	(46%)
Profit Before Tax	104,406	194,594	(90,188)	(46%)
Less: Income Tax Expense	(48,690)	67,131	115,821	173%
Net profit for the Period	153,096	127,463	25,633	20%
Other Comprehensive Income				
Actuarial Loss on Retirement Benefit Obligation	(1,792)	(1,259)	(533)	42%
Add: Deferred Tax on Actuarial Losses on Defined Benefit Obligation	502	352	150	43%
Other Comprehensive Income for the Period, Net of Tax	(1,290)	(907)	(383)	42%
Total Comprehensive Income for the Period	151,806	126,556	25,250	20%
Basic Earnings per Share (Rs)	0.76	0.72		

Share Price

Quarter Ended
31st March
2019

Quarter Ended
31st March 2018

	Rs.	Rs.
Highest	14.40	17.00
Lowest	12.50	15.00
Closing	12.60	15.40

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Twelve Months ended 31st March	2019	2018	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
Gross Income	4,129,759	3,277,570	852,189	26%
Interest Income	3,818,504	3,014,718	803,786	27%
Less: Interest Expense	1,645,624	1,287,378	(358,246)	(28%)
Net Interest Income	2,172,880	1,727,340	445,540	26%
Net Fee and Commission Income	237,077	176,666	60,411	34%
Net Trading Income	1,516	903	613	68%
Other Income	72,662	85,283	(12,621)	(15%)
Total Operating Income	2,484,135	1,990,192	493,943	25%
Less: Allowances for Impairment charges for Loan and Other Losses	281,988	177,669	(104,319)	(59%)
Net Operating Income	2,202,147	1,812,523	389,624	21%
Less:- Expenses				
Personnel Cost	480,025	366,150	(113,875)	(31%)
Administration & Selling Expenses	738,264	575,012	(163,252)	(28%)
Operating Profit Before Value Added Tax	983,858	871,361	112,497	13%
Less: Value Added Tax on Financial Services, NBT & DRL	260,956	171,063	(89,893)	(53%)
Profit Before Tax	722,902	700,298	22,604	3%
Less: Income Tax Expense	181,170	257,153	75,983	30%
Net profit for the Period	541,732	443,145	98,587	22%
Other Comprehensive Income	-	-	-	0%
Actuarial (Loss)/Gain on Retirement Benefit Obligaion	(1,792)	(9,037)	7,245	(80%)
Deferred Tax on Actuarial Losses on Defined Benefit Obligation	502	2,530	(2,028)	(80%)
Other Comprehensive Income for the Period, Net of Tax	(1,290)	(6,507)	5,217	(80%)
Total Comprehensive Income for the Period	540,442	436,638	103,804	24%
Basic Earnings per Share (Rs)	2.68	2.52		

Share Price

Twelve Months Ended
31st March
2019 31st March 2018
Rs. Rs.

Highest	16.40	21.00
Lowest	12.50	14.90
Closing	12.60	15.40

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 01st April 2017	1,445,333	113,852	1,161,431	2,720,616
Total Comprehensive Income				
Profit for the Period	-	-	443,145	443,145
Other Comprehensive Income				
Actuarial Loss on Retirement Benefit Obligation	-	-	(9,037)	(9,037)
Tax on Other Comprehensive Income	-	-	2,530	2,530
Total Other Comprehensive Income for the Period	-	-	(6,507)	(6,507)
Total Comprehensive Income for the Period	-	-	436,638	436,638
Transactions with Owners, Recorded Directly in Equity				
Issue of Shares	551,111	-	-	551,111
Direct Cost on Right Issue	-	-	(1,989)	(1,989)
Dividends	-	-	(371,265)	(371,265)
Transferred to/(from) during the Period	-	22,157	(22,157)	-
Total Transactions with Equity Owners	551,111	22,157	(395,411)	177,857
Balance as at 31st March 2018	1,996,444	136,009	1,202,658	3,335,111
Impact of Adjusting IFRS-09- Note-7.2			(109,339)	(109,339)
	1,996,444	136,009	1,093,319	3,225,772
Profit for the Period	-	-	541,732	541,732
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	-	-	540,442	540,442
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	1,384,393	3,543,933

CASH FLOW STATEMENT

For the Twelve Months ended 31st March	2019	2018
	Rs.'000	Rs.'000
Cash Flows From Operating Activities		
Profit Before Tax	722,902	700,298
Adjustments for		
Non-Cash Items Included In Profit Before Tax		
Interest Income From Investing Activities	(57,812)	(67,054)
Interest Income From Placement With Banks	(8,493)	(9,438)
Finance Cost	1,313,949	1,135,096
Depreciation/Amortisation	40,240	33,334
Provision For Define Benefit Plans - Gratuity	14,054	11,417
Allowances for Impairment Charges for Loan and Other Losses	281,988	177,669
(Profit)/Loss On Sales Of Property, Plant & Equipment	86	-
Issue Cost_Securitization	7,381	-
Debenture Issue Cost	7,058	8,582
Operating Profit Before Changes In Operating Assets And Liabilities	2,321,351	1,989,904
Changes In;		
Increase In Lease Rentals Receivables	(2,757,143)	(2,125,404)
Decrease In Hire Debtors	69,964	247,606
Increase In Loans and Advances	(1,185,844)	(1,113,844)
Increase In Other Debtors And Prepayments	(105,196)	(14,272)
(Increase)/ Decrease in Due From Related Companies	243,825	(134,404)
Increase In Public Deposits	763,241	2,041,138
Increase / (Decrease) In Amounts Due To Related Companies	(463,776)	194,111
Increase / (Decrease) In Trade and Other Payables	(106,681)	190,792
Cash flows from/(used in) Operations	(1,220,260)	1,275,629
Finance costs paid	(1,297,711)	(1,028,008)
Retiring Gratuity Paid	(7,941)	(2,082)
ESC Paid	(19,475)	(42,126)
Income Tax Paid	(96,341)	(172,905)
Cash flows from/(used in) Operating Activities	(2,641,727)	30,509
Cash Flows from/(used in) Investing Activities		
Acquisition Of Property Plant & Equipment	(141,172)	(24,472)
Proceeds From Sale Of Property, Plant and Equipment	5,446	-
Incurred On Software Development	(2,771)	(22,201)
Net Change In Investment Securities	45,083	(125,000)
Interest Income Received	67,412	72,499
Net Cash Flows used in Investing Activities	(26,001)	(99,173)
Cash Flows from/(used in) Financing Activities		
Proceeds from issuance of Right Issue	-	549,121
Issue Of Commercial Papers	-	6,404
Issue Of Securitization	2,050,000	-
Loans Obtained During the Year Other Than Related Party	3,760,000	4,650,000
Loans Obtained During the Year From Related Party	425,000	1,100,000
Repayment Of Loans Other Than Related Party	(2,946,660)	(4,840,000)
Re-Payment Of Interest Bearing Loans - Related Party	(425,000)	(600,000)
Repayment Of Commercial Papers	-	(112,579)
Repayment Of Debenture	(416,668)	(416,666)
Repayment of Securitization	(153,500)	-
Securitization Issue Cost	(29,762)	-
Dividends Paid	(31,994)	(337,461)
Net Cash Flows from/(used in) Financing Activities	2,231,416	(1,180)
Net increase/(Decrease) in Cash and Cash Equivalents	(436,312)	(69,845)
Cash and Cash Equivalents at the beginning of the Period	(381,215)	(311,370)
Cash and Cash Equivalents at the end of the Period	(817,527)	(381,215)

Interim Financial Statements for the Quarter Ended 31st March 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest	767,317	590,876	1,123	5,382	238,402	184,699	33,749	33,523	1,040,591	814,480
	-		-		-		-			
Net Fee and Commission Income	12,015	33,095	219	(42)	46,001	23,301	(2,895)	(5,402)	55,340	50,952
Net Trading Income	-	-	-	-	-	-	375	416	375	416
Other Operating Income	14,318	3,292	(70)	184	5,111	2,205	316	9,670	19,675	15,351
Total Revenue	793,650	627,263	1,272	5,524	289,514	210,205	31,545	38,207	1,115,981	881,199
Interest Expense	(341,227)	(241,267)	(527)	(2,050)	(106,022)	(75,496)	(15,078)	(13,651)	(462,854)	(332,464)
Depreciation & Amortization	(8,744)	(6,492)	(14)	(55)	(2,716)	(2,031)	-	-	(11,474)	(8,578)
Period S&A	(245,295)	(169,209)	(358)	(1,469)	(76,212)	(52,931)	-	-	(321,865)	(223,609)
Allowances for Impairment charges for Loan and Other Losses	(57,337)	(1,564)	1,186	770	(69,848)	(59,751)	-	-	(125,999)	(60,545)
Value Added Tax & NBT on Financial	(65,815)	(45,181)	(132)	(415)	(20,453)	(14,122)	(2,983)	(1,691)	(89,383)	(61,409)
Profit Before Tax	75,232	163,550	1,427	2,305	14,263	5,874	13,484	22,865	104,406	194,594
Income Tax Expense	35,085	(56,422)	665	(795)	6,652	(2,026)	6,288	(7,888)	48,690	(67,131)
Profit After Tax	110,317	107,128	2,092	1,510	20,915	3,848	19,772	14,977	153,096	127,463
Segment Assets	14,617,380	11,881,088	15,281	86,468	4,069,008	3,027,215	837,400	1,136,834	19,539,069	16,131,605
Segment Liabilities	11,966,127	9,424,745	12,510	68,591	3,330,984	2,401,356	685,515	901,802	15,995,136	12,796,494
* Segment assets include the additions to non current assets	37,454	8,461	3	(59)	10,297	1,939	5,428	-	53,182	10,341

Interim Financial Statements for the Twelve Months Ended 31st March 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Interest	2,801,307	2,176,107	9,477	40,975	871,025	668,804	136,695	128,832	3,818,504	3,014,718
Net Fee and Commission Income	110,880	96,374	385	702	125,631	79,590	181	-	237,077	176,666
Net Trading Income	-	-	-	-	-	-	1,516	903	1,516	903
Other Operating Income	43,903	15,873	148	960	20,748	14,817	7,863	53,633	72,662	85,283
Total Revenue	2,956,090	2,288,354	10,010	42,637	1,017,404	763,211	146,255	183,368	4,129,759	3,277,570
Interest Expense	(1,207,252)	(929,265)	(4,084)	(17,498)	(375,377)	(285,600)	(58,911)	(55,015)	(1,645,624)	(1,287,378)
Depreciation & Amortization	(30,617)	(25,135)	(104)	(473)	(9,518)	(7,725)	-	-	(40,239)	(33,333)
Period S&A	(896,320)	(684,550)	(3,032)	(12,890)	(278,698)	(210,389)	-	-	(1,178,050)	(907,829)
Allowances for Impairment charges for Loan and Other Losses	(143,872)	(47,651)	2,526	9,556	(140,642)	(139,574)	-	-	(281,988)	(177,669)
Value Added Tax & NBT on Financial	(191,441)	(123,478)	(648)	(2,325)	(59,526)	(37,950)	(9,341)	(7,310)	(260,956)	(171,063)
Profit Before Tax	486,588	478,275	4,668	19,007	153,643	81,973	78,003	121,043	722,902	700,298
Income Tax Expense	(121,946)	(175,625)	(1,170)	(6,979)	(38,505)	(30,101)	(19,549)	(44,448)	(181,170)	(257,153)
Profit After Tax	364,642	302,650	3,498	12,028	115,138	51,872	58,454	76,595	541,732	443,145
Segment Assets	14,617,380	11,881,088	15,281	86,468	4,069,008	3,027,215	837,400	1,136,834	19,539,069	16,131,605
Segment Liabilities	11,966,127	9,424,745	12,510	68,591	3,330,984	2,401,356	685,515	901,802	15,995,136	12,796,494
* Segment assets include the additions to non current assets	94,762	35,436	99	258	26,379	8,962	5,428	-	126,668	44,656

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 2018, and 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.

2 COMMITMENT & CONTINGENCIES

There are no significant capital commitments which have been approved or contracted for by the company as at 31st March 2019 except following,

2.1 Operating Lease Commitments as at 31st March 2019

Within One Year	Rs. 16.36 million
Between One to Five Years	Rs. 36.55 million
Over Five Years	Rs. 20.94 million

2.2 Unutilized Facilities

Credit Card Credit Limit	Rs. 268.07 million
Revolving Loan Facility Amount	Rs. 296.62 million

- 2.3 (a) As at 31st March 2019, the Company has provided letters of guarantee totaling to Rs. 1,000,000/- against Fixed Deposits of Rs. 1,000,000/-

- 2.4 (c) Under the finance companies (single borrowers limit) direction no 4 of 2006/1, the value of unsecured accommodations granted to and outstanding at any point of time from all borrowers should not exceed 5% of the capital funds as shown in the last audited balance sheet. However as of 31/03/2019, the balance has been exceeded in the credit card product by Rs.363Mn .

2.5 Assets Pledged as Securities

Company has given a negative pledge amounting to Rs.11,131,477 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. 8,620,640,000 as at 31st March 2019.

			Carrying Value Rs.	Amount Pledged Rs.
Sampath Bank	130% of the Banks's exposure	Loan	392,900,000	935,415,000
		Overdraft Facility	300,000,000	
Commercial Bank	150% of the Banks's exposure	Overdraft Facility	200,000,000	300,000,000
Seylan Bank	130% of the Banks's exposure	Loan	502,740,000	978,562,000
		Overdraft Facility	250,000,000	
Nations Trust Bank	130% of the Banks's exposure	Loan	930,000,000	1,300,000,000
		Overdraft Facility	70,000,000	
National Development Bank	130% of the Banks's exposure	Loan	200,000,000	390,000,000
		Overdraft Facility	100,000,000	
Singer Sri Lanka	130% of the Debenture exposure	Loan	1,000,000,000	1,300,000,000
Deutsche Bank	110% of the Debenture exposure	Debenture	2,500,000,000	3,100,000,000
Hatton National Bank	130% of the Banks's exposure	Securitization	2,175,000,000	2,827,500,000
			<u>8,620,640,000</u>	<u>11,131,477,000</u>

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. 11.5% 36 months Debentures Secured	409,300,000	06-April-2019	as at 1st April 2016 was 13%
3. 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 2019 was 11.04%			

The Listed Debentures were not traded during the period 01st April 2018 to 31st March 2019. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price as at 31st March 2019, Interest Yield and Yield to Maturity of trade were not available.

	31-Mar-2019	31-Mar-2018
Debt Equity Ratio	4.19	3.40
Interest Cover	1.44	1.54
Quick Assets Ratio	0.81	0.85
Liquid Asset Ratio	10.49%	11.74%

5 Directors' and CEO's Debenture holding as at 31st March 2019

Name of the Director	No of Debentures 31-Mar-2019	No of Debentures 31-Mar-2018
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 (Appointed w.e.f. 21st February 2019)	-	-
Mr. K.K.L.P.Yatiwella (Alternate Director to Ms. D. Talpahewa) (Appointed w.e.f. 21st February 2019)	10,000	10,000

6 INFORMATION ON ORDINARY SHARES

a) Stated Capital	31-Mar-2019	31-Mar-2018
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
b) On 15th October 2018, Hayleys PLC purchased 9.47% held by Retail Holdings (Sri Lanka) BV in Singer (Sri Lanka) PLC at Rs. 47.00 per share upon Retail Holdings (Sri Lanka) BV exercising their option to sell its shares to Hayleys PLC as agreed previously. Consequent to the aforesaid purchase of shares, Hayleys PLC holds 69.56% of Singer (Sri Lanka) PLC as at 31st October 2018.		

<u>Company</u>	<u>Relationship</u>
Hayleys PLC	Ultimate Parent
Singer (Sri Lanka) PLC	Parent

Notes to the Financial Statements

c) Twenty Largest holders of Shares as at 31st March 2019

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. S.R. Mather	1,085,865	0.54
5 Mr. A. M. C. S. Atapattu	1,039,449	0.51
6 Mr. S. T. Hettige Don	711,000	0.35
7 Mrs. H. G. E. Arumugampillai	684,500	0.34
8 Seylan Bank PLC/ Dr. T. Senthilvel	682,436	0.34
9 United Motors Lanka PLC	679,224	0.34
10 Mr. D. A. S. De Abrew Abeyesinhe	602,865	0.30
11 Hatton National Bank PLC/ Mr. S. A. Lukmanjee	569,867	0.28
12 Unimo Enterprises Ltd	521,885	0.26
13 Bank of Ceylon A/C NDB Wealth Growth Fund	516,841	0.26
14 A E C Properties (Pvt) Ltd.	440,000	0.22
15 Mr. Chelliah Ramachandran & Miss. E. Ramachandran	432,700	0.21
16 Hatton National Bank PLC/Arunasalam Sithampalam	420,944	0.21
17 People'S Leasing & Finance PLC/Hi Line Trading (Pvt) Ltd	410,198	0.20
18 Mercantile Investments And Finance Plc	400,000	0.20
19 Mr. M.A.A. Hassanaly Esufally	385,000	0.19
20 Mr. L.N.S. Kumara Samarasinghe	355,000	0.18
	177,839,187	88.01
Others	24,234,888	11.99
	202,074,075	100.00

d) Directors' and CEO's Shareholding as at 31st March 2019

Name of the Director	Shareholding 31-March-2019 No of Shares	Shareholding 31-March-2018 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 (Appointed w.e.f. 21st February 2019)	-	-
Mr. K.K.L.P.Yatiwella (Alternate Director to Ms. D. Talpahewa) (Appointed w.e.f. 21st February 2019)	-	-

e) Public Holding

	31-Mar-2019	31-Mar-2018
No of Share Holders	6,907	7,027
No of Shares	40,498,661	37,706,595
% of Public Holding	20.04%	18.66%
Float Adjusted Market Capitalization	Rs.510,245,122/-	Rs.580,688,145/-
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"

7.1 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.

Based on the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by The Institute of Chartered Accountants of Sri Lanka, the Company continued to prepare the interim financial statements for the first three quarters of the year 2018/19 with the application of LKAS 39 (Financial Instruments: Recognition and Measurement), along with relevant disclosures on the impact to the Statement of Comprehensive Income for the period, if SLFRS 9 has been applied.

The Company prepared the Annual Financial Statements for the year ended March 31, 2019 based on SLFRS 9. The comparative information for 2017/18 is reported under LKAS 39 and is not comparable to the information presented for 2018/19. The total additional impairment provision arising from SLFRS 9 for the year 2018/19 has been recognised in its entirety in the 4th quarter of 2018/19. 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 7.2 under Transisition Disclosures.

SINGER FINANCE (LANKA) PLC

7.2 Transition Disclosures

Reclassification:

These adjustments reflect the movement of balances between categories on the Statement of Financial Position with no impact to shareholders' equity. There is no change to the carrying value of the balances as a result of the reclassification

Remeasurement:

These adjustments, which include expected credit loss, result in a change to the carrying value of the item on the Statement of Financial Position with an impact to shareholders' equity net of tax

	Ref.	LKAS 39 Measurement		Reclassification	Remeasurement		SLFRS 9	
		Category	Amount Rs.'000		ECL Rs.'000	Other Rs.'000	Amount Rs.'000	Category
Cash and Cash Equivalents		L&R	295,703	-	-	-	295,703	Amortized Cost
Placement with Banks		L&R	81,504	-	-	-	81,504	Amortized Cost
Financial assets at amortised cost-Hire Purchase Receivables		L&R	82,845	-	(822)	-	82,023	Amortized Cost
Financial assets at amortised cost-Finance Lease Receivables		L&R	11,383,225	-	(38,931)	-	11,344,294	Amortized Cost
Financial assets at amortised cost-Loans and Advances		L&R	2,900,363	-	(69,586)	-	2,830,777	Amortized Cost
Financial Instruments - Available-for-Sale		AFS	41	(41)	-	-	-	-
<i>To: Financial assets measured at fair value through OCI</i>	A		-	(41)	-	-		
Financial assets measured at fair value through OCI		N/A	-	41	-	-	41	FVOCI
<i>From-Financial Instruments - Available-for-Sale</i>	A		-	41	-	-		
Financial Instruments - Held-to-Maturity		HTM	671,383	(671,383)	-	-	-	
<i>To: Financial assets at amortized cost -Debt and other financial instruments</i>	B		-	(671,383)	-	-		
Financial assets at amortized cost -Debt and other financial instruments		N/A	-	671,383	-	-	671,383	Amortized Cost
<i>From-Financial Instruments - Held-to-Maturity</i>	B		-	671,383				
Due from Related Companies		N/A	336,269	-	-	-	336,269	N/A
Other Debtors, and Prepayments		N/A	210,265	-	-	-	210,265	N/A
Intangible Assets		N/A	49,420	-	-	-	49,420	N/A
Property, Plant & Equipment		N/A	120,587	-	-	-	120,587	N/A
Total Assets			16,131,605	-	(109,339)	-	16,022,266	
Liabilities								
Financial liabilities at amortised cost-Due to Customers		Amortized Cost	5,356,078	-	-	-	5,356,078	Amortized Cost
Financial liabilities at amortised cost-Interest Bearing Loans & Borrowings		Amortized Cost	4,313,602	-	-	-	4,313,602	Amortized Cost
Interest Bearing Loans - Related party		Amortized Cost	1,000,000	-	-	-	1,000,000	Amortized Cost
Trade & Other Payables		N/A	761,936	-	-	-	761,936	N/A
VAT Payable		N/A	2,479	-	-	-	2,479	N/A
Due to Related Companies		N/A	465,346	-	-	-	465,346	N/A
Bank Overdraft		Amortized Cost	676,917	-	-	-	676,917	Amortized Cost
Current Tax Liabilities		N/A	10,047	-	-	-	10,047	N/A
Deferred Tax Liabilities		N/A	154,876	-	-	-	154,876	N/A
Retirement Benefit Obligations		N/A	55,213	-	-	-	55,213	N/A
Total Liabilities			12,796,494	-	-	-	12,796,494	
Equity								
Stated Capital		N/A	1,996,444	-	-	-	1,996,444	N/A
Reserve Fund		N/A	136,009	-	-	-	136,009	N/A
Retained Earnings		N/A	1,202,658	-	(109,339)	-	1,093,319	N/A
Total Equity			3,335,111	-	(109,339)	-	3,225,772	

L&R-Loans & receivables, AFS-Available-for-sale, HTM-Held-to-maturity, N/A-Not Applicable, FVOCI-Fair value through other comprehensive income

- A. Financial assets previously classified under available for sale category have been reclassified as financial assets fair value through other comprehensive income (FVOCI) upon adoption of SLFRS 9.
- B. As at April 1, 2018, the Company did not have any debt instruments that did not meet the SPPI criterion within its held-to-maturity portfolio. Therefore, it elected to classify all of these instruments as debt instruments measured at amortised cost

SINGER FINANCE (LANKA) PLC

7.2 Transition Disclosures (Continued...)

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	1,202,658
<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	1,093,319

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 15 on "Revenue from Contracts with Customers"

Sri Lanka Accounting Standard - SLFRS 15 (Revenue from Contracts with Customers) became effective for the financial periods beginning on or after 1 January 2018. The Company did not recognise any material impact on its fee & commission income with the adoption of SLFRS 15 at the transition date, 1 April 2018.

9 Information of the Company Secretary

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