



**SINGER  
FINANCE**

**SINGER FINANCE (LANKA) PLC**

INTERIM FINANCIAL STATEMENTS FOR THE  
THREE MONTHS ENDED 30TH JUNE 2015

**SINGER<sup>®</sup>**  
Trusted Excellence



## STATEMENT OF FINANCIAL POSITION

As At	30-June-2015 Rs.'000	30-June-2014 Rs.'000	31-Mar-2015 (Audited) Rs.'000
<b>ASSETS</b>			
Cash and Cash Equivalents	25,968	460,565	58,171
Placement with Banks	90,725	112,849	90,673
Hire Purchase Receivables	1,726,011	2,443,682	2,054,323
Finance Lease Receivables	5,522,302	3,627,920	4,601,970
Loans and Advances	1,251,409	1,229,163	1,185,247
Financial Instruments - Available-for-Sale	41	41	41
Financial Instruments - Held-to-Maturity	932,466	554,537	617,662
Other Debtors, and Prepayments	130,880	177,104	141,412
VAT Receivables	-	921	-
Intangible Assets	35,417	33,485	30,728
Property, Plant & Equipment	71,990	70,537	66,728
<b>Total Assets</b>	<b>9,787,209</b>	<b>8,710,804</b>	<b>8,846,955</b>
<b>LIABILITIES</b>			
Other Financial Liabilities Due to Customers	3,589,691	4,781,270	4,150,193
Interest Bearing Loans & Borrowings	2,928,520	1,243,608	1,559,850
Trade & Other Payables	667,988	445,180	518,463
VAT Payable	23,810	-	24,788
Due to Related Companies	47,400	48,287	51,325
Bank Overdraft	81,329	50,937	32,473
Current Tax Liabilities	123,351	50,093	91,362
Deferred Tax Liabilities	31,972	24,950	31,972
Retirement Benefit Obligations	23,419	15,812	22,369
<b>Total Liabilities</b>	<b>7,517,480</b>	<b>6,660,137</b>	<b>6,482,795</b>
<b>SHAREHOLDERS' FUND</b>			
Stated Capital	1,445,333	1,445,333	1,445,333
Reserve Fund	73,318	53,885	73,318
Other Reserve	-	82,243	-
Retained Earnings	751,078	469,206	845,509
<b>Total Equity</b>	<b>2,269,729</b>	<b>2,050,667</b>	<b>2,364,160</b>
<b>Total Liabilities &amp; Equity</b>	<b>9,787,209</b>	<b>8,710,804</b>	<b>8,846,955</b>
<b>Net Assets per share (Rs)</b>	<b>13.73</b>	<b>12.40</b>	<b>14.30</b>

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

.....  
**(Sgd)Thushan Amarasuriya**  
 Chief Financial Officer

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)K.K.L.P.Yatiwella**  
 Director

.....  
**(Sgd) R.S. Wijeweera**  
 Director/Chief Executive Officer

Colombo  
 29th July, 2015

**Interim Financial Statements for the Three Months Ended 30th June 2015**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Three Months ended 30th June	2015	2014	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
<b>Gross Income</b>	501,494	496,979	4,515	1%
Interest Income	469,755	467,716	2,039	0%
Less: Interest Expense	151,111	181,033	29,922	17%
<b>Net Interest Income</b>	318,644	286,683	31,961	11%
Net Fee and Commission Income	22,506	16,191	6,315	39%
Net Trading Income	185	38	147	387%
Other Income	9,048	13,034	(3,986)	(31%)
<b>Total Operating Income</b>	350,383	315,946	34,437	11%
Less: Allowances for Impairment charges for Loan and Other Losses	19,964	72,531	52,567	72%
<b>Net Operating Income</b>	330,419	243,415	87,004	36%
<b>Less:- Expenses</b>				
Personnel Cost	61,650	47,873	(13,777)	(29%)
Administration & Selling Expenses	89,362	80,030	(9,332)	(12%)
<b>Operating Profit Before Value Added Tax</b>	179,407	115,512	63,895	55%
Less: Value Added Tax on Financial Services	13,885	8,437	(5,448)	(65%)
<b>Profit Before Tax</b>	165,522	107,075	58,447	55%
Less: Income Tax Expense	53,286	33,465	(19,821)	(59%)
<b>Net profit for the Period</b>	112,236	73,610	38,626	52%
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income for the Year, Net of Tax</b>	-	-	-	0%
<b>Total Comprehensive Income for the Period</b>	<b>112,236</b>	<b>73,610</b>	<b>38,626</b>	<b>52%</b>
Basic Earnings per Share (Rs)	0.68	0.45		

Share Price	Three Months Ended	
	30th June 2015	30th June 2014
	Rs.	Rs.
Highest	25.20	14.00
Lowest	18.20	12.00
Closing	22.80	12.80

## STATEMENT OF CHANGES IN EQUITY

For the Three Months ended 30th June

Note	Attributable to Equity Holders of the Company				
	Stated Capital Rs.'000	Reserve Fund Rs.'000	Investment Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
<b>Balance as at 01st April 2014</b>	1,445,333	53,885	82,243	503,063	2,084,524
Transferred to/(from) During the Period	-	-	-	-	-
<b>Total Comprehensive Income</b>					
Profit for the Period	-	-	-	73,610	73,610
<b>Other Comprehensive Income</b>					
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	-	<b>73,610</b>	<b>73,610</b>
<b>Transactions with Owners, Recorded Directly in Equity</b>					
Dividends	-	-	-	(107,467)	(107,467)
<b>Total Transactions with Equity Owners</b>	-	-	-	<b>(107,467)</b>	<b>(107,467)</b>
<b>Balance as at 30th June 2014</b>	1,445,333	53,885	82,243	469,206	2,050,667
Transferred to/(from) during the Period	-	19,433	(82,243)	62,810	-
<b>Total Comprehensive Income</b>					
Profit for the Period	-	-	-	315,056	315,056
<b>Other Comprehensive Income</b>					
Employee Benefit Plan Actuarial Loss				(2,171)	(2,171)
Tax on Other Comprehensive Income				608	608
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	<b>(1,563)</b>	<b>(1,563)</b>
<b>Total Comprehensive Income for the Period</b>	-	-	-	<b>313,493</b>	<b>313,493</b>
<b>Transactions with Owners, Recorded Directly in Equity</b>					
<b>Total Transactions with Equity Owners</b>	-	-	-	-	-
<b>Balance as at 31st March 2015</b>	1,445,333	73,318	-	845,509	2,364,160
Transferred to/(from) During the Period	-	-	-	-	-
<b>Total Comprehensive Income</b>					
Profit for the Period	-	-	-	112,236	112,236
<b>Other Comprehensive Income</b>					
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	-	<b>112,236</b>	<b>112,236</b>
<b>Transactions with Owners, Recorded Directly in Equity</b>					
Dividends	-	-	-	(206,667)	(206,667)
<b>Total Transactions with Equity Owners</b>	-	-	-	<b>(206,667)</b>	<b>(206,667)</b>
<b>Balance as at 30th June 2015</b>	1,445,333	73,318	-	751,078	2,269,729

## CASH FLOW STATEMENT

For the Three Months ended 30th June	2015	2014
	Rs. '000	Rs. '000
<b>Cash Flows From/ (Used in) Operating Activities</b>		
Interest Received	607,298	435,415
Interest Payments	(138,828)	(67,456)
Recoveries on Loans Previously Written Off	2,100	2,579
Receipts from Other Operating Activities	82,832	80,412
Cash Payments to employees & suppliers	(207,056)	(183,271)
<b>Operating Profit before changes in Operating Assets and Liabilities</b>	<b>Note A</b>	<b>346,346</b>
<b>Operating Profit before changes in Operating Assets and Liabilities</b>		<b>267,679</b>
<b>(Increase) / Decrease in Operating Assets and Liabilities</b>		
Investments held for Regulatory or Monetary Control Purposes	(314,804)	(100,633)
(Investment in)/Withdrawal From Bank Deposits	(52)	3,035
Funds Advanced to Customers Net of Collections	(678,147)	(325,834)
Deposits from Customers	(560,502)	503,935
Amounts Due to Related Companies	(3,925)	19,608
	(1,557,430)	100,111
<b>Cash Generated from/(used in) Operations</b>		
ESC Paid	-	(369)
Income Tax Paid	(21,298)	(13,624)
	(21,298)	(13,993)
<b>Net Cash Generated from/(used in) Operating Activities</b>	<b>(1,232,382)</b>	<b>353,797</b>
<b>Cash Flows from/(used in) Investing Activities</b>		
Acquisition of Property Plant & Equipment	(9,187)	(1,546)
Incurred on Software Development	(5,910)	(2,251)
<b>Net Cash Flows used in Investing Activities</b>	<b>(15,097)</b>	<b>(3,797)</b>
<b>Cash Flows from/(used in) Financing activities</b>		
Cash Inflows from Interest Bearing Loans & Borrowings	2,220,000	-
Repayment of Interest Bearing Loans & Borrowings	(853,152)	(37,184)
Dividend Paid	(200,430)	(103,256)
<b>Net Cash Flows from/(used in) Financing activities</b>	<b>1,166,418</b>	<b>(140,440)</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>(81,061)</b>	<b>209,560</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>25,699</b>	<b>200,068</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>(55,362)</b>	<b>409,628</b>
<b>A. Reconciliation of Profit Before Tax with Cash Inflow from Operating Activities</b>		
Profit before Income Tax	165,522	107,075
Depreciation/Amortization	5,146	4,869
Provision for Define Benefit Plans - Gratuity	1,050	866
Impairment on Loans Receivables	19,964	72,531
(Increase) / Decrease in Other Receivables	10,533	(61,437)
Increase / (Decrease) in and Other Payables	142,508	142,528
Debt Issue Cost	1,623	1,247
	346,346	267,679

# Interim Financial Statements for the Three Months Ended 30th June 2015

## 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 Three Months ended 30th June	Finance Lease		Hire Purchase		Loan & Advances		Other		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Interest	240,309	212,017	100,907	131,610	73,336	68,492	55,203	55,597	469,755	467,716
Net Fee and Commission Income	13,368	4,883	9	1,976	3,769	5,374	5,360	3,958	22,506	16,191
Net Trading Income	-	-	-	-	-	-	185	38	185	38
Other Operating Income	2,259	2,538	768	1,365	1,205	1,153	4,816	7,978	9,048	13,034
<b>Total Revenue</b>	<b>255,936</b>	<b>219,438</b>	<b>101,684</b>	<b>134,951</b>	<b>78,310</b>	<b>75,019</b>	<b>65,564</b>	<b>67,571</b>	<b>501,494</b>	<b>496,979</b>
Interest Expense	(92,285)	(87,553)	(32,657)	(58,799)	(14,044)	(19,552)	(12,125)	(15,129)	(151,111)	(181,033)
Depreciation & Amortization	(2,929)	(2,177)	(915)	(1,467)	(664)	(738)	(638)	(487)	(5,146)	(4,869)
Period S&A	(83,014)	(55,020)	(25,946)	(37,060)	(18,812)	(18,641)	(18,094)	(12,313)	(145,866)	(123,034)
Allowances for Impairment charges for Loan and Other Losses	(11,138)	(55,403)	(2,921)	(15,947)	-	-	(5,905)	(1,181)	(19,964)	(72,531)
Value Added Tax on Financial Services	(7,902)	-	(2,470)	(4,597)	(1,791)	(2,312)	(1,722)	(1,528)	(13,885)	(8,437)
<b>Profit Before Tax</b>	<b>58,668</b>	<b>19,285</b>	<b>36,775</b>	<b>17,081</b>	<b>42,999</b>	<b>33,776</b>	<b>27,080</b>	<b>36,933</b>	<b>165,522</b>	<b>107,075</b>
Income Tax Expense	(27,655)	(11,301)	(10,283)	(7,808)	(8,828)	(7,910)	(6,520)	(6,446)	(53,286)	(33,465)
<b>Profit After Tax</b>	<b>31,013</b>	<b>7,984</b>	<b>26,492</b>	<b>9,273</b>	<b>34,171</b>	<b>25,866</b>	<b>20,560</b>	<b>30,487</b>	<b>112,236</b>	<b>73,610</b>
Segment Assets	5,522,302	3,627,920	1,726,011	2,443,682	1,251,409	1,229,163	1,287,487	1,410,039	9,787,209	8,710,804
Segment Liabilities	4,683,711	3,247,168	1,375,576	2,128,017	908,381	968,122	549,812	316,830	7,517,480	6,660,137
* Segment assets include the additions to non current assets	8,592	2,704	2,685	1,822	1,947	916	1,873	605	15,097	6,047

## 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 2015, and are in compliance with Sri Lanka Accounting Standards 34 - '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	2015 Rs.Million	2014 Rs.Million
Singer (Sri Lanka) PLC (Parent Company)	Dr. S. Kelegama (Chairman)	Withdrawals of Rental Collections From Singer (Sri Lanka) PLC	760.7	360.0
	Mr. G.J. Walker			
	Mr. M.P.A. Salgado [Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th June 2014]	Sales Financed to purchase goods from Singer (Sri Lanka) PLC	172.5	72.1
		Purchase of Assets	0.4	-
	Mr. J.J.Hyun	Dividend Paid ( Gross)	166.2	86.4
	Mr. K.K.L.P. Yatiwella [w.e.f. 8th Aug 2014]	Interest Expense	2.4	5.5
		Rental Collections through Singer (Sri Lanka) PLC	1,101.0	478.9
		Collection Commission Paid	10.2	4.6
		Royalty Paid Through Singer (Sri Lanka) PLC	9.9	4.9
		Rent Reimbursed	6.8	3.0
		Expenses Paid Through Singer (Sri Lanka) PLC	126.8	59.4
		Balance Payable	47.4	48.3
Singer Industries (Ceylon) PLC (Affiliate Company)	Dr. S. Kelegama (Chairman)	Investments Fixed Deposit	97.9	91.5
	Mr. G.J. Walker			
		Deposits Interest Payment (Gross)	2.9	4.5

- 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 B.V.	Intermediate Parent
Singer Asia Holdings N.V.	Intermediate Parent
Singer Asia Ltd	Intermediate Parent
Sewko Holdings Ltd.	Intermediate Parent
Retail Holdings N.V.	Ultimate Parent

- c) Company has not given loans to it's Directors.
- d) Key Management Personnel includes members of the Board of the Directors of the company and its Parent. Transaction with Key Management Personnel, their close family members and parties/entities in which such Key Management Personnel or their close family members have control, joint control or significant influence can be shown as follows.

**(i) Transactions Key Management Personnel or close Family Members**

	2015 Rs.Million	2014 Rs.Million
Deposit kept by Key Management Personnel or their close family members	93.2	92.3

## Notes to the Financial Statements

**3 COMMITMENT & CONTINGENCIES**

There are no significant capital commitments which have been approved or contracted for by the company as at 30th June 2015 except following,

**3.1 Operating Lease Commitments as at 30th June 2015**

Within One Year	Rs. 22.5 million
Between One to Five Years	Rs. 74.8 million
Over Five Years	Rs. 17.8 million

**3.2 As at 30th June 2015, the Company has provided letters of guarantee totaling to Rs. 1,250,000/- against Fixed Deposits of Rs. 1,526,862/-****3.3 Assets Pledged as Securities**

The following assets have been pledged as securities against the long term and short term borrowings.

Company has given a negative pledge over the Company's Lease receivable and Hire Purchase receivable, for the following banks over the Loans and Overdrafts having a carrying value of Rs. 3,195 million as at 30th June 2015

Sampath Bank  
Commercial Bank  
Seylan Bank  
Nations Trust Bank  
Deutsche Bank

**4 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.

**5 LISTED DEBENTURES**

Details regarding the listed Debentures are as follows.

	<b>Maturity Date</b>	<b>Interest rate of Comparable Government Securities</b>
1. 14% 36 months Debentures Unsecured	10-September-2016	as at 29th August 2013 was 11.17%
2. 14.25% 48 months Debentures Unsecured	10-September-2017	as at 29th August 2013 was 11.17%
3. 14.50% 60 months Debentures Unsecured	10-September-2018	as at 29th August 2013 was 11.17%
4. 9.95% 60 months Debentures Secured	16-June-2020	as at 11th June 2015 was 8.35%
Interest rate of Comparable Government Securities as at 30th June 2015 was 8.11%		

The Listed Debentures were not traded during the period 01st April 2015 to 30th June 2015. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price as at 30th June 2015, Interest Yield and Yield to Maturity of trade were not available.

	<b>30-June-2015</b>	<b>30-June-2014</b>
Debt Equity Ratio	2.91	2.96
Interest Cover	2.10	1.59
Quick Assets Ratio	2.05	1.99

**6 Directors' and CEO's Debenture Holding as at 30th June 2015**

Name of the Director	No of Debentures 30-June-2015	No of Debentures 31st March 2015
Dr. S. Kelegama	-	-
Mrs. M.A. Tharmaratnam	-	-
Mr. J.A. Setukavalar	-	-
Mr. J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. J. Kan	-	-
Mr. R.S. Wijeweera (Chief Executive Officer)	-	-
Mr. M.P.A. Salgado (Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th June 2014)	-	-
Mr. J. Mendis (Appointed w.e.f. 31st July 2014)	15,000	15,000
Mr. S. Ramanathan (Alternate Director to Mr. J.J. Hyun)	-	-
Mr. K.K.L.P. Yatiwella (Alternate Director to Mr. G.J. Walker) (Appointed w.e.f. 31st July 2014)	-	-
Mr. P.J.P. De Silva (Alternate Director to Mr. Y.C.J. Kan) (Resigned w.e.f. 30th June 2015)	3,000	3,000



## Notes to the Financial Statements

## 7 INFORMATION ON ORDINARY SHARES

a) Stated Capital	30-June-2015	30-June-2014
Value-Ordinary Shares	Rs.1,445,333,342/-	Rs.1,445,333,342/-
No of Shares-Ordinary Shares	165,333,334	165,333,334
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

## b) Twenty Largest holders of Shares as at 30th June 2015

Name	No of Shares	%
1 Singer (Sri Lanka) PLC	132,931,054	80.40
2 Employees Trust Fund Board	3,769,049	2.28
3 Associated Electrical Corporation Ltd	2,375,000	1.44
4 Mr.Mushtaq Mohamed Fuad	861,754	0.52
5 Mrs.Hemalatha Gracelin Elizabeth Arumugampillai	500,000	0.30
7 Mercantile Investments And Finance Plc	400,000	0.24
6 Hatton National Bank/Shakir Asgerally Lukmanjee	400,000	0.24
8 Mr. Chelliah Ramachandran	365,200	0.22
9 A E C Properties ( Pvt ) Ltd.	360,000	0.22
10 Code-Gen International Pvt Ltd	345,345	0.21
11 Mr. Arunasalam Sithampalam	294,105	0.18
12 Seylan Bank Limited/Ruwan Prasanna Sugathadasa	288,030	0.17
13 Mr.Loku Narangodage Sarath Kumara Samarasinghe	275,000	0.17
14 Mr.Gunasena Dangampola	246,000	0.15
15 Mr.Vidyaratne Ganitaguruge Kulatunge Vidyaratne	205,000	0.12
16 Merchant Bank Of Sri Lanka Plc/J Hewa Wanithunga	200,000	0.12
17 J.B. Cocoshell (Pvt) Ltd	193,426	0.12
18 Mr. Devan Vasantha Hareen De Mel	180,000	0.11
19 Mr. Periyasaami Pillai Thevarajah	172,260	0.10
20 Seylan Bank Plc/Mr.Duleep Nissanka Daluwatte	151,800	0.09
Others	144,513,023	87.41
	20,820,311	12.59
	165,333,334	100.00

## c) Directors' and CEO's Shareholding as at 30th June 2015

Name of the Director	Shareholding 30-June-2015 No of Shares	Shareholding 31-March-2015 No of Shares
Dr. S. Kelegama	-	-
Mrs. M.A. Tharmaratnam	-	-
Mr. J.A. Setukavalar	-	-
Mr. J. Hyun	-	-
Mr. G.J. Walker	-	-
Mr. J. Kan	-	-
Mr. R.S. Wijeweera (Chief Executive Officer)	31,003	31,003
Mr. M.P.A. Salgado (Resigned from Singer Finance (Lanka) PLC Board w.e.f. 30th June 2014)	68,442	68,442
Mr. J. Mendis (Appointed w.e.f. 31st July 2014)	42,000	42,000
Mr. S. Ramanathan (Alternate Director to Mr. J.J. Hyun)	-	-
Mr. K.K.L.P. Yatiwella (Alternate Director to Mr. G.J. Walker) (Appointed w.e.f. 31st July 2014)	-	-
Mr. P.J.P. De Silva (Alternate Director to Mr. Y.C.J. Kan) (Resigned w.e.f. 30th June 2015)	50,000	47,000

## d) Public Holding

	30-June-2015	30-June-2014
No of Share Holders	7,633	8,586
No of Shares	32,274,777	32,277,777
% of Public Holding	19.52%	19.52%

## 8 Company Secretary

Mr.Thushan Amarasuriya  
TP: 2-316316