



**SINGER  
FINANCE**

**SINGER FINANCE (LANKA) PLC**

INTERIM FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED 30TH SEPTEMBER 2018

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

## STATEMENT OF FINANCIAL POSITION

As At	30-September-2018	30-September-2017	31-Mar-2018 (Audited)
	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>			
Cash and Cash Equivalents	233,151	272,836	295,703
Placement with Banks	82,362	81,186	81,504
Hire Purchase Receivables	36,069	173,898	82,845
Finance Lease Receivables	12,689,492	10,092,485	11,383,225
Loans and Advances	3,423,145	2,558,107	2,900,363
Financial Instruments - Available-for-Sale	41	41	41
Financial Instruments - Held-to-Maturity	623,063	668,703	671,383
Due from Related Companies	467,355	247,526	336,269
Other Debtors, and Prepayments	328,714	185,346	210,265
Intangible Assets	47,259	37,699	49,420
Property, Plant & Equipment	148,614	121,209	120,587
<b>Total Assets</b>	<b>18,079,265</b>	<b>14,439,036</b>	<b>16,131,605</b>
<b>LIABILITIES</b>			
Other Financial Liabilities Due to Customers	5,544,558	5,236,380	5,356,076
Interest Bearing Loans & Borrowings	5,630,656	4,771,618	4,313,601
Interest Bearing Loans - Related party	1,425,000	400,000	1,000,000
Trade & Other Payables	747,813	503,223	761,936
VAT Payable	3,414	2,118	2,479
Due to Related Companies	318,645	348,322	465,346
Bank Overdraft	479,927	302,040	676,917
Current Tax Liabilities	123,529	64,142	10,047
Deferred Tax Liabilities	154,876	39,942	154,876
Retirement Benefit Obligations	58,420	40,182	55,213
<b>Total Liabilities</b>	<b>14,486,838</b>	<b>11,707,967</b>	<b>12,796,491</b>
<b>SHAREHOLDERS' FUND</b>			
Stated Capital	1,996,444	1,445,333	1,996,444
Reserve Fund	136,009	113,852	136,009
Retained Earnings	1,459,974	1,171,884	1,202,661
<b>Total Equity</b>	<b>3,592,427</b>	<b>2,731,069</b>	<b>3,335,114</b>
<b>Total Liabilities &amp; Equity</b>	<b>18,079,265</b>	<b>14,439,036</b>	<b>16,131,605</b>
<b>Net Assets per share (Rs)</b>	<b>17.78</b>	<b>16.52</b>	<b>16.50</b>

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.

Singed for and on behalf of the Board by,

.....  
(Sgd) A.Perera

Chairman

.....  
(Sgd) Thushan Amarasuriya

Director/Chief Executive Officer

Colombo

31st October 2018

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30th September	2018	2017	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
<b>Gross Income</b>	<b>1,015,778</b>	791,572	224,206	28%
Interest Income	926,871	737,565	189,306	26%
Less: Interest Expense	389,335	328,961	(60,374)	(18%)
<b>Net Interest Income</b>	<b>537,536</b>	408,604	128,932	32%
Net Fee and Commission Income	60,393	41,382	19,011	46%
Net Trading Income	414	131	283	216%
Other Income	28,100	12,494	15,606	125%
<b>Total Operating Income</b>	<b>626,443</b>	462,611	163,832	35%
Less: Allowances for Impairment charges for Loan and Other Losses	39,768	30,638	(9,130)	(30%)
<b>Net Operating Income</b>	<b>586,675</b>	431,973	154,702	36%
<b>Less:- Expenses</b>				
Personnel Cost	119,429	82,811	(36,618)	(44%)
Administration & Selling Expenses	193,974	158,596	(35,378)	(22%)
<b>Operating Profit Before Value Added Tax</b>	<b>273,272</b>	190,566	82,706	43%
Less: Value Added Tax on Financial Services	51,914	34,898	(17,016)	(49%)
<b>Profit Before Tax</b>	<b>221,358</b>	155,668	65,690	42%
Less: Income Tax Expense	81,685	60,079	(21,606)	(36%)
<b>Net profit for the Period</b>	<b>139,673</b>	95,589	44,084	46%
<b>Other Comprehensive Income</b>				
Actuarial Loss on Retirement Benefit Obligation	-	-	-	0%
Add: Deferred Tax on Actuarial Losses on Defined Benefit Obligation	-	-	-	0%
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>-</b>	-	-	0%
<b>Total Comprehensive Income for the Period</b>	<b>139,673</b>	95,589	44,084	46%
Basic Earnings per Share (Rs)	<b>0.69</b>	0.58		
Share Price	<b>Quarter Ended 30th September 2018</b>	<b>Quarter Ended 30th September 2017</b>		
	<b>Rs.</b>	<b>Rs.</b>		
Highest	<b>14.90</b>	19.40		
Lowest	<b>13.00</b>	15.80		
Closing	<b>13.00</b>	16.00		

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Six Months ended 30th September 2018	2018	2017	Variance	
	Rs.'000	Rs.'000	Rs.'000	%
<b>Gross Income</b>	<b>1,953,308</b>	1,521,918	431,390	28%
Interest Income	1,794,235	1,422,630	371,605	26%
Less: Interest Expense	748,817	617,751	(131,066)	(21%)
<b>Net Interest Income</b>	<b>1,045,418</b>	804,879	240,539	30%
Net Fee and Commission Income	120,773	78,014	42,759	55%
Net Trading Income	972	178	794	446%
Other Income	37,328	21,096	16,232	77%
<b>Total Operating Income</b>	<b>1,204,491</b>	904,167	300,324	33%
Less: Allowances for Impairment charges for Loan and Other Losses	100,805	74,618	(26,187)	(35%)
<b>Net Operating Income</b>	<b>1,103,686</b>	829,549	274,137	33%
<b>Less:- Expenses</b>				
Personnel Cost	230,302	162,145	(68,157)	(42%)
Administration & Selling Expenses	373,031	307,702	(65,329)	(21%)
<b>Operating Profit Before Value Added Tax</b>	<b>500,353</b>	359,702	140,651	39%
Less: Value Added Tax on Financial Services	93,842	64,321	(29,521)	(46%)
<b>Profit Before Tax</b>	<b>406,511</b>	295,381	111,130	38%
Less: Income Tax Expense	149,198	109,677	(39,521)	(36%)
<b>Net profit for the Period</b>	<b>257,313</b>	185,704	71,609	39%
<b>Other Comprehensive Income</b>	-	-	-	0%
<b>Other Comprehensive Income for the Period, Net of Tax</b>	-	-	-	0%
<b>Total Comprehensive Income for the Period</b>	<b>257,313</b>	185,704	71,609	39%
Basic Earnings per Share (Rs)	1.27	1.12		

Share Price

Six Months Ended

	30th September 2018	30th September 2017
	Rs.	Rs.
Highest	16.40	21.00
Lowest	13.00	15.80
Closing	13.00	16.00

## STATEMENT OF CHANGES IN EQUITY

For the Six Months ended 30th September 2018

	Attributable to Equity Holders of the Company			
	Stated Capital Rs.'000	Reserve Fund Rs.'000	Retained Earnings Rs.'000	Total Rs.'000
<b>Balance as at 01st April 2017</b>	1,445,333	113,852	1,161,433	2,720,618
Transferred to/(from) During the Period	-	-	-	-
<b>Total Comprehensive Income</b>				
Profit for the Period	-	-	185,704	185,704
<b>Other Comprehensive Income</b>	-	-	-	-
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	185,704	185,704
<b>Transactions with Owners, Recorded Directly in Equity</b>				
Dividends	-	-	(175,253)	(175,253)
<b>Total Transactions with Equity Owners</b>	-	-	(175,253)	(175,253)
<b>Balance as at 30th September 2017</b>	1,445,333	113,852	1,171,884	2,731,069
Transferred to/(from) during the Period	-	22,157	(22,157)	-
<b>Total Comprehensive Income</b>				
Profit for the Period	-	-	250,935	250,935
<b>Other Comprehensive Income</b>	-	-	-	-
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	250,935	250,935
<b>Transactions with Owners, Recorded Directly in Equity</b>				
Issue of Shares	551,111	-	-	551,111
Direct Cost on Right Issue	-	-	(1,989)	(1,989)
Dividends	-	-	(196,012)	(196,012)
<b>Total Transactions with Equity Owners</b>	<b>551,111</b>	-	<b>(198,001)</b>	<b>353,110</b>
<b>Balance as at 31st March 2018</b>	1,996,444	136,009	1,202,661	3,335,114
Transferred to/(from) During the Period	-	-	-	-
<b>Total Comprehensive Income</b>				
Profit for the Period	-	-	257,313	257,313
<b>Other Comprehensive Income</b>	-	-	-	-
<b>Total Other Comprehensive Income for the Period</b>	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	-	-	257,313	257,313
<b>Transactions with Owners, Recorded Directly in Equity</b>				
<b>Total Transactions with Equity Owners</b>	-	-	-	-
<b>Balance as at 30th September 2018</b>	<b>1,996,444</b>	<b>136,009</b>	<b>1,459,974</b>	<b>3,592,427</b>

## CASH FLOW STATEMENT

For the Six Months ended 30th September 2018	2018	2017
	Rs.'000	Rs.'000
<b>Cash Flows From Operating Activities</b>		
<b>Profit Before Tax</b>	<b>406,511</b>	295,381
<b>Adjustments for Non-Cash Items Included In Profit Before Tax</b>		
Interest Income from Investing Activities	(33,285)	(31,874)
Interest Income from Placement With Banks	(4,382)	(5,058)
Finance Cost	605,305	533,625
Depreciation/Amortization	18,692	16,376
Loss on disposal of Property, Plant and Equipment	(66)	-
Provision for Define Benefit Plans - Gratuity	9,500	4,500
Provision for Bad Debt	100,805	74,619
Debenture Issue Cost	3,917	4,711
<b>Operating Profit Before Changes In Operating Assets And Liabilities</b>	<b>1,106,997</b>	892,280
<b>Changes In;</b>		
Increase in Lease Rentals Receivables	(1,362,139)	(825,935)
Decrease in Hire Debtors	47,805	151,215
Increase in Loans and Advances	(569,327)	(671,924)
Increase in Other Assets	(109,356)	(12,909)
Increase in Due from Related Companies	(131,087)	(45,662)
Increase in Public Deposits	172,043	2,005,517
Increase/(Decrease) in amounts due to Related Companies	(146,702)	77,088
Increase/(Decrease) in Other Liabilities	18,815	(35,839)
<b>Cash Flow from /(used in) Operations</b>	<b>(972,951)</b>	1,533,831
Finance costs paid	(493,339)	(433,270)
Retiring Gratuity Paid	(6,294)	(1,161)
ESC Paid	(9,094)	(18,954)
Income Tax Paid	(35,717)	(94,904)
<b>Net Cash Flow from /(used in) Operating Activities</b>	<b>(1,517,395)</b>	985,542
<b>Cash Flows from/(used in) Investing Activities</b>		
Acquisition of Property Plant & Equipment	(49,283)	(10,749)
Proceeds from Sale of Property, Plant & Equipment	5,418	-
Incurred on Software Development	(759)	(7,867)
Investment in Investment Securities	63,089	(125,001)
Interest Income Received	22,041	42,428
<b>Net Cash Flows from/(used in) Investing Activities</b>	<b>40,506</b>	(101,189)
<b>Cash Flows from/(used in) Financing Activities</b>		
Issue of Commercial Papers	-	6,405
Issue Of Securitization	1,750,000	-
Loans Obtained During the Period Other Than Related Party	1,630,000	1,540,000
Loans Obtained During the Period From Related Party	425,000	500,000
Repayment of Loans Other Than Related Party	(1,745,000)	(1,455,000)
Repayment of Loans Related Party	-	(600,000)
Repayment of Commercial Papers	-	(3,033)
Repayment of Debenture	(416,668)	(416,666)
Dividends Paid	(32,004)	(173,893)
<b>Net Cash Flows from/(used in) Financing Activities</b>	<b>1,611,328</b>	(602,187)
<b>Net increase/(Decrease) in Cash and Cash Equivalents</b>	<b>134,439</b>	282,166
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>(381,215)</b>	(311,370)
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>(246,776)</b>	(29,204)

## 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 30th September	Finance Lease		Hire Purchase		Loan & Advances		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Interest	678,594	532,637	2,509	12,120	209,787	160,955	35,982	31,853	926,871	737,565
Net Fee and Commission Income	32,933	22,576	(65)	28	27,525	18,777	-	-	60,393	41,382
Net Trading Income	-	-	-	-	-	-	414	131	414	131
Other Operating Income	22,225	9,668	(51)	(63)	4,784	1,288	1,141	1,601	28,100	12,494
Total Revenue	733,752	564,881	2,392	12,085	242,096	181,020	37,538	33,585	1,015,778	791,572
Interest Expense	(292,428)	(241,737)	(366)	(2,526)	(82,374)	(64,400)	(14,168)	(20,297)	(389,335)	(328,961)
Depreciation & Amortization	(7,653)	(6,576)	(10)	(66)	(2,150)	(1,759)	-	-	(9,813)	(8,400)
Period S&A	(236,605)	(182,431)	(290)	(1,829)	(66,695)	(48,747)	-	-	(303,590)	(233,007)
Allowances for Impairment charges for Loan and Other Losses	(23,455)	(15,149)	1,330	4,316	(17,643)	(19,804)	-	-	(39,768)	(30,638)
Value Added Tax on Financial Services	(39,004)	(25,656)	(57)	(275)	(10,929)	(6,822)	(1,925)	(2,144)	(51,914)	(34,898)
	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	134,607	93,332	3,000	11,704	62,306	39,489	21,445	11,144	221,358	155,668
Income Tax Expense	(49,672)	(36,021)	(1,107)	(4,517)	(22,992)	(15,240)	(7,914)	(4,301)	(81,685)	(60,079)
Profit After Tax	84,935	57,311	1,893	7,187	39,314	24,249	13,531	6,843	139,673	95,589
Segment Assets	12,689,492	10,092,485	36,068	173,899	3,423,145	2,558,107	1,930,560	1,614,545	18,079,265	14,439,036
Segment Liabilities	10,560,148	8,641,811	29,400	145,414	3,239,122	2,516,011	658,167	404,731	14,486,838	11,707,967
* Segment assets include the additions to non current assets	41,103	14,847	117	256	11,088	3,763	-	-	52,308	18,866

Interim Financial Statements for the Six Months Ended 30th September 2018

**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 Six Months ended 30th September 2018	Finance Lease		Hire Purchase		Loan & Advances		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Interest	1,317,469	1,032,753	6,614	28,450	400,589	300,902	69,563	60,525	1,794,235	1,422,630
Net Fee and Commission Income	68,683	43,491	195	749	51,895	33,774	-	-	120,773	78,014
Net Trading Income	-	-	-	-	-	-	972	178	972	178
Other Operating Income	25,679	12,053	73	208	6,927	3,055	4,649	5,781	37,328	21,096
<b>Total Revenue</b>	<b>1,411,830</b>	<b>1,088,296</b>	<b>6,882</b>	<b>29,407</b>	<b>459,411</b>	<b>337,731</b>	<b>75,185</b>	<b>66,484</b>	<b>1,953,308</b>	<b>1,521,918</b>
Interest Expense	(563,785)	(459,295)	(1,602)	(7,914)	(152,088)	(116,416)	(31,342)	(34,126)	(748,817)	(617,751)
Depreciation & Amortization	(14,688)	(12,887)	(42)	(222)	(3,961)	(3,265)	-	-	(18,691)	(16,375)
Period S&A	(459,403)	(356,869)	(1,306)	(6,149)	(123,934)	(90,454)	-	-	(584,642)	(453,472)
Allowances for Impairment charges for Loan and Other Losses	(55,288)	(38,926)	1,027	4,218	(46,544)	(39,910)	-	-	(100,805)	(74,618)
Value Added Tax on Financial Services	(70,654)	(47,822)	(201)	(824)	(19,060)	(12,121)	(3,928)	(3,553)	(93,842)	(64,321)
<b>Profit Before Tax</b>	<b>248,013</b>	<b>172,497</b>	<b>4,758</b>	<b>18,516</b>	<b>113,824</b>	<b>75,564</b>	<b>39,916</b>	<b>28,804</b>	<b>406,511</b>	<b>295,381</b>
Income Tax Expense	(91,026)	(64,049)	(1,746)	(6,875)	(41,776)	(28,058)	(14,650)	(10,695)	(149,198)	(109,677)
<b>Profit After Tax</b>	<b>156,987</b>	<b>108,448</b>	<b>3,012</b>	<b>11,641</b>	<b>72,048</b>	<b>47,506</b>	<b>25,266</b>	<b>18,109</b>	<b>257,313</b>	<b>185,704</b>
Segment Assets	12,689,492	10,092,485	36,068	173,899	3,423,145	2,558,107	1,930,560	1,614,545	18,079,265	14,439,036
Segment Liabilities	10,560,148	8,641,811	29,400	145,414	3,239,122	2,516,011	658,167	404,731	14,486,838	11,707,967
* Segment assets include the additions to non current assets	41,103	14,847	117	256	11,088	3,763	-	-	52,308	18,866



## 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'.

## 2 COMMITMENT & CONTINGENCIES

There are no significant capital commitments which have been approved or contracted for by the company as at 30th September 2018 except following.

### 2.1 Operating Lease Commitments as at 30th September 2018

Within One Year	Rs. 22.94 million
Between One to Five Years	Rs. 50.70 million
Over Five Years	Rs. 18.84 million

2.2 (a) During the year of 2017/18, the Commissioner General of Inland Revenue has issued an assessment notice for the year of assessment 2014/15 on Singer Finance (Lanka) PLC pertaining to an additional tax liability on account of disallowing impairment charge. The assessment is for a value Rs. 56.4 million and a penalty of Rs. 28.2 million totalling to Rs. 84.6 million. The Company after carefully reviewing the advice of tax consultant's, is of the opinion that there is no basis for the Company to be made liable, hence, no provision has been made in the financial statements. The Company has appealed against the assessment, requesting the entire tax and penalty be held over pending settlement of the appeal under section 173 (6) of the Inland Revenue Act, No 10 of 2006.

(b) During the year of 2018/19, the Commissioner General of Inland Revenue has issued an assessment notice for the year of assessment 2015/16 on Singer Finance (Lanka) PLC pertaining to an additional tax liability on account of disallowing impairment charge and under estimating tax credits. The assessment is for a value Rs. 43.0 million and a penalty of Rs. 48.8 million totaling to Rs. 91.8 million. The Company after carefully reviewing the advice of tax consultant's, is of the opinion that there is no basis for the Company to be made liable, hence, no provision has been made in the financial statements. The Company has appealed against the assessment, requesting the entire tax and penalty be held over pending settlement of the appeal under section 173 (6) of the Inland Revenue Act, No 10 of 2006.

(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 30/09/2018, the balance has been exceeded in the credit card product by Rs.409.1 Mn .

### 2.3 Assets Pledged as Securities

Company has given a negative pledge amounting to Rs.8,149,790,000 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. 6,324,800,000 as at 30th September 2018.

			Carrying Value Rs.	Amount Pledged Rs.
Sampath Bank	130% of the Banks's exposure	Loan	451,000,000	1,013,850,000
		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	48,800,000	193,440,000
		Overdraft Facility	100,000,000	
Nations Trust Bank	130% of the Banks's exposure	Loan	950,000,000	1,300,000,000
		Overdraft Facility	50,000,000	
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	1,725,000,000	2,242,500,000
			<u>6,324,800,000</u>	<u>8,149,790,000</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 30th September 2018 was 11.69%

The Listed Debentures were not traded during the period 01st April 2018 to 30th September 2018. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price as at 30th September 2018, Interest Yield and Yield to Maturity of trade were not available.

	30-Sep-2018	30-Sep-2017
Debt Equity Ratio	3.64	3.92
Interest Cover	1.54	1.48
Quick Assets Ratio	0.87	0.87
Liquid Asset Ratio	10.20%	11.29%

## 5 Directors' and CEO's Debenture holding as at 30th September 2018

Name of the Director	No of Debentures 30-Sep-2018	No of Debentures 31-March-2018
Mr. Aravinda Perera (Appointed w.e.f. 2nd October 2017)	-	-
Mr. J.A. Setukavalar	-	-
Mr. Priyath Salgado (Appointed w.e.f. 2nd October 2017)	-	-
Mr. Jayanth Perera (Appointed w.e.f. 2nd October 2017)	-	-
Ms. D. Talpahewa (Appointed w.e.f. 2nd October 2017)	-	-
Mr. L.S. Sadeep Perera (Appointed w.e.f. 2nd October 2017)	-	-
Mr. T.A.Amarasuriya (Chief Executive Officer/Executive Director) (Appointed w.e.f. 1st July 2018)	-	-
Mr. C.A.Samarasinghe (Alternate Director to Mr. D. Talpahewa)	-	-

## 6 INFORMATION ON ORDINARY SHARES

a) Stated Capital	30-Sep-2018	30-Sep-2017
Value-Ordinary Shares	Rs.1,996,444,457/-	Rs.1,445,333,342/-
No of Shares-Ordinary Shares	202,074,075	165,333,334
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary

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.

Company	Relationship
Hayleys PLC	Ultimate Parent
Singer (Sri Lanka) PLC	Parent

## Notes to the Financial Statements

## c) Twenty Largest holders of Shares as at 30th September 2018

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	808,980	0.40
6 Mr. D. A. S. De Abrew Abeyesinhe	715,800	0.35
7 Mr. S. T. Hettige Don	711,000	0.35
8 Mrs. H. G. E. Arumugampillai	684,500	0.34
9 Seylan Bank PLC/ Dr. T. Senthilverl	682,436	0.34
10 United Motors Lanka PLC	679,224	0.34
11 Hatton National Bank PLC/ Mr. S. A. Lukmanjee	569,867	0.28
12 People's Leasing & Finance PLC/ Hi Line Trading (Pvt) Ltd	528,977	0.26
13 Unimo Enterprises Ltd	521,885	0.26
14 Bank of Ceylon A/C NDB Wealth Growth Fund	516,841	0.26
15 A E C Properties ( Pvt ) Ltd.	440,000	0.22
16 Hatton National Bank PLC/ A. Sithampalam	420,944	0.21
17 Mercantile Investments and Finance PLC	400,000	0.20
18 Mr. M. A. A. H. Esufally	385,000	0.19
19 Mr. C. Ramachandran/ Miss. E. Ramachandran	365,200	0.18
20 Mr. A. M. Weerasinghe	354,763	0.18
	177,772,695	87.97
Others	24,301,380	12.03
	202,074,075	100.00

## d) Directors' and CEO's Shareholding as at 30th September 2018

Name of the Director	Shareholding	Shareholding
	30-September-2018	31-March-2018
	No of Shares	No of Shares
Mr. Aravinda Perera (Appointed w.e.f. 2nd October 2017)	-	-
Mr. J.A. Setukavalar	-	-
Mr. Priyath Salgado (Appointed w.e.f. 2nd October 2017)	12,224	12,224
Mr. Jayanth Perera (Appointed w.e.f. 2nd October 2017)	-	-
Ms. D. Talpahewa (Appointed w.e.f. 2nd October 2017)	-	-
Mr. L.S. Sadeep Perera (Appointed w.e.f. 2nd October 2017)	-	-
Mr. T.A.Amarasuriya (Chief Executive Officer/Executive Director) (Appointed w.e.f. 1st July 2018)	50,155	50,155
Mr. C.A.Samarasinghe (Alternate Director to Mr. D. Talpahewa)	-	-

## e) Public Holding

	30-Sep-2018	30-Sep-2017
No of Share Holders	6,947	7,085
No of Shares	40,498,661	32,245,722
% of Public Holding	20.04%	19.50%
Float Adjusted Market Capitalization	Rs.526,443,380/-	Rs.519,064,002/-
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 Explanatory Note

## Sri Lanka Accounting Standard-SLFRS 9 on "Financial Instruments"

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, entities are granted with the option to prepare Interim Financial Statements continuing the application of LKAS 39 with disclosures on impact to the Income Statement and Statement of Profit or Loss and Other Comprehensive Income for the period if SLFRS 9 has been applied.

Accordingly, as permitted by the above SoAT, the Company has prepared the Interim Financial Statements for the quarter ended September 30, 2018 based on LKAS 39.

Based on the preliminary assessments undertaken to date which is yet to be audited, with the transaction from LKAS 39 incurred loss method to SLFRS 9 expected credit loss method, it is expected 25% - 35% increase in overall impairment provision as at 31st March 2018. The impact of the new classification and measurement approach for financial assets is not expected to be material. The Company is in the process of validating the impact of migration to SLFRS 9 as at 30th September 2018.

## 8 Information of the Company Secretary

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