MELSTA REGAL FINANCE LTD

Head Office: Level 1, No 33, Park Street, Colombo 02 Registered Office: No 110, Norris Canal Road, Colombo 10,

Tel: 0115 200 100, Fax: 0115 200 111, Web: www.melstaregalfinance.lk

Audited Financial Statements as at 31st March 2016

For the year ended,	31.03.2016	31.03.2015
of the year chaed,	Rs'000	Rs'000
Gross income	742,384	442,047
Income	60E 077	422.011
interest income	695,077	422,911 (118,430)
interest expenses Net interest income	(264,312) 430,765	304,481
Other income	47,307	19,136
Total Operating Income	478,073	323,617
Allowance for impairment of loans and receivables	·	,
individual impairment	(119,793)	(8,742)
Collective impairment	(8,126)	(9,934)
Net Operating income	350,154	304,941
Operating expenses		
Personnel expenses	(102,225)	(79,953)
Premises, equipment and establishment expenses	(43,888)	(32,143)
Depreciation and amortisation cost	(16,580)	(11,506)
Other opertaing expenses	(95,482)	(64,996)
Operating profit before VAT and NBT on financial		
services and income tax	91,979	116,343
/alue Added Tax on financial services	(16,073)	(15,541)
Profit before income tax	75,906	100,802
Income tax expense	(8,111)	(16,930)
Profit for the year	67,796	83,872
Basic earnings per share	0.51	0.63
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Actuarial gains/ (losses) on defined benefit obligations	3,318	304
Tax on other comprehensive income	(929)	(85)
Other Comprehensive income for the year, net of tax	2,389	219
Total comprehensive income for the year	70,185	84,092
SELECTED PERFORMANCE INDICATORS (AS PER R	EGULATORY R	EPORTING
As at 31st March	2016	2015
Regulatory Capital Adequacy	1 270 022	1 210 000
Core Capital (Tier 1 Capital) Rs. '000 Total Capital Base Rs. '000	1,279,023 1,279,023	1,210,860 1,210,860
Core capital Adequacy Ratio, as % of Risk Weighted Assets	25%	34%
Total Capital Adequacy Ratio, as % of Risk Weighted Assets	25%	34%
Capital funds to deposit Liabilities Ratio (minimum requirement,	10%) 111%	250%
Assets Quality (Quality of Loan Portfolio)		== ==
Gross Non performing Accommodations, Rs. '000	232,253	55,538 1.94%
Gross Non performing Accommodations Ratio % Net Non performing Accommodations Ratio %	4.66% 1.71%	1.21%
Profitability		
Net Interest Margin	8.64%	8.89%
Return on Assets (before tax)	1. 4%	2%
Return on Equity (after tax)	5%	7%
Dogulaton, Liquidity (Do. 1999)		
Regulatory Liquidity (RS. 000)	124 271	77.00
Required minimum amount of liquid assets	124,271 302,316	77,02 246 63
Regulatory Liquidity (Rs. '000) Required minimum amount of liquid assets Available amount of liquid assets Required minimum amount of Government securities	124,271 302,316 153,259	77,023 246,633 50,510

STATEMENT OF FINANCIAL POSITIONS			
As at	31.03.2016 Rs'000	31.03.2015 Rs′000	
ASSETS			
Cash and cash equivalents	140,843	41,481	
Other financial assets Financial investments - Held-to-maturity	48,473	1,483,200 59,152	
Financial investments - Loans and receivables	113,000	146,000	
Financial investments - Available-for-sale	331	331	
Financial investments - Fair value through profit or loss Finance lease receivables	111,040 2,453,747	305,503 940,378	
Hire purchase receivables	111,674	239,846	
Loans and advances	1,982,685	1,418,685	
Factoring receivables Other receivables	291,252 40,805	265,571 31,384	
Tax recoverable	20,583	27,462	
Investment property Deferred tax asset	5,200	3,900 159	
Intangible assets	34,554	21,603	
Property, plant and equipment	47,456	28,120	
Total assets	5,401,643	5,012,775	
LIABILITIES			
Bank overdrafts	92,986	1,383,690	
Other financial liabilities due to customers	1,206,189	485,094	
Interest bearing loans and borrowings Liabilities of FBIL customers	2,640,783 885	1,781,203	
Trade and other payables	178,774	26,695 120,501	
Retirement benefit obligations	3,003	4,733	
Total liabilities	4,122,620	3,801,915	
SHAREHOLDERS' FUNDS Stated capital	1,340,295	1,340,295	
Reserve fund	9,382	5,992	
Retained earnings	(70,653)	(135,427)	
Total shareholders' fund	1,279,023	1,210,860	
Total liabilities and shareholders' funds	5,401,643	5,012,775	
Net assets per share	9.54	9.03	

I certify that the financial statements have been prepared in accordance with the requirements of Companies Act No. 7 of 2007.

D.J. Withanachchi AGM - Finance & Planning

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board

(Sad.) À.L. Gooneratne Chairman 27th May 2016

Colombo

205,152

D.M.Ń.P. Karunapala Director/Chief Executive Officer



KPMG	Le:	: 194 - 11 542 5426
(Chartered Accountants)	Fax	: 194 - 11 244 5872
32A, Sir Mohamed Macan Markar Mawatha,		+94 - 11 244 6058
P. O Box 186.		+94 - 11 254 1249
Calomae 00300,		+94 - 11 230 7345
Sri Lanka.	Internet	: www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MELSTA REGAL FINANCE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Melsta Regal Finance Limited, ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the income statement, statements of profit or loss and other comprehensive income, changes in equity and, cash flow for the year then ended, and a summary of significant accounting policies and other explanatory

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility,

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the -financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
- and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act No 7 of 2007.



CHARTERED ACCOUNTANTS Colombo 27th May 2016

KPMG, a Siri tanken permenting and a member finin of the KMAS retireds of independent member from off steel with KMAS internations. Cooperative int PMS international file. a Swips entitle. M.P. Milalar FCA 13.8. Hejakanar FCA Ma. S.M.B. Jayanskara P.V.S. Porera FCA
WW.V.C. Penne FCA
W.S. D.C. Aboyathreka FCA
W.S. D.C. Aboyathreka FCA
H.M.D.B. Repopulson AICA
M.S. B.K.D.T.M. Rodings AICA
M.S. B.K.D.T.M. Rodings AICA are ACA ACA ordere

Principals - S.F.I. Pavers FCMA(UK), UUS, Artomey-et-Law. FLS. Coonswertens ACI



Available amount of Government securities

Memorandum information

Number of employees

Number of service centers Number of pawing centers

Number of branches

Melsta Regal Finance Ltd

"In safe hands"

161,473

141













Level 1, No 33, Park Street, Level 1, No 252, Negombo Road Kurunegala

No. 469 A, Angarika Dharmapala Mawatha, Pamburana, Matara

No.206, Katugastota Road

Negombo No. 600 A,1/1, Chilaw Road,

Keaalle No 440 B, Kandy Road, Meepitiya, Kegalle

Kulivanitiva No.47 1/1, Kurunegala Road,

No. 107, Makola Road,

LC's | Import Loans | Pledge Loans | Short Term Loans | Corporate Finance | Project Loans | SME Finance | Debt Factoring | Credit Guarantees | AUTO అන్న-అర్షిන | Leasing | Operating Lease | Leasing | Personal Loans | Fixed Deposits |

මෙල්ස්ටා රීගල් ෆිනෑන්ස් ලිමිටඩි

පුධාන කාර්යාලය : 1 වැනි මහල, නො.33, පාර්ක් වීදිය, කොළඹ 02. ලියාපදිංචි කාර්යාලය : නො. 110, නොර්ස් කැනල් මාවත, කොළඹ 10.

දු.ක : 0115 200 100, ෆැක්ස් : 0115 200 111, වෙබ් ලිපිනය : www.melstaregalfinance.lk

2016 මාර්තු 31 දිනෙන් අවසන් වර්ෂය සඳහා මූලුප පුකාශන

ආදායම් පුකාශය		
මාර්තු 31 දිනෙන් අවසන් වසර සඳහා	2016 (විගණනය කළ) රුපියල්'000	2015 (විගණනය කළ) රුපියල්'000
දල ආදායම	742,384	442,047
පොලී ආදායම	695,077	422,911
අඩු කළා: පොලී වියදම්	264,312	118,430
ශුද්ධ පොලී ආදායම	430,765	304,481
ආනෙකුත් මෙහෙයුම් ආදායම්	47,307	19,136
මුළු මෙහෙයුම් ආදායම	478,073	323,617
අඩු කළා: ණය හා ආනෙකුත් අලාභ මත (අපහායන පුතිපාදන)	127,919	18,676
ශුද්ධ මෙතෙයුම් ආදායම	350,154	304,941
අඩු කළා: මෙහෙයුම් විශදම්	100 005	=0.050
සේවක වියදම්	102,225	79,953
ආයතනික වියදම්	43,888	32,143
වත්කම් කෂය	16.580	11,506
අනෙකුත් වියදම්	95,482	64,996
මූලූප සේවාවන් මත එකතු කල අගය මත වදු හා		
ජා.ගො.බ. වලට පසු මෙහෙයුම් ලාත/(අලාත)	91,979	116,343
අඩු කළා: මූලෳ සේවාවන් මත චිකතු කල අගය මත බදු	16,073	15,541
ආදායම් බදුවලට පෙර මෙහෙයම් ලාත/(අලාත)	75,907	100,803
අඩු කළා: ආදායම් බදු වියදම	8,111	16,930
ආදායම් බදුවලට පසු ලාභය	67,796	83,872
කොටස ඉපැයුම - (රු)	0.51	0.63

විස්තරාත්මක	ආදායම්	පුකාශය

මාර්තු 31 දිනෙන් අවසන් වසර සඳහා	2016 (විගණනය කළ) රුපියල්'000	2015 (විගණනය කළ) රුපියල්'000
කාලච්ජේදය සඳහා ලාභය	67,796	83,872
ලාභ හෝ අලාභ යටතේ නැවත වර්ගීකරණය නොකරන අයිතම		
අනෙකුත් විස්තරාත්මක ආදායම්/(වියදම්)	3,318	304
අඩු කළා: අනෙකුත් විස්තරාත්මක ආදායම්/(වියදම්) මත බදු	929	85
වසර සඳහා මුළු විස්තරාත්මක ආදායම්	70,185	84,091
7 . 7	70	

අනෙකුත් විස්තරාත්මක ආදායම්/(වියදම්) අඩු කළා: අනෙකුත් විස්තරාත්මක ආදායම්/(වියදම්) මත වදු වසර සඳහා මුළු විස්තරාත්මක ආදායම්	3,318 929 70,185	304 85 84,091
තෝරාගත් කාර්ය සාධන දර්ශන	කයන්	
මාර්තු 31 දිනට	2016 (විගණනය කළ)	2015 (විගණනය කළ)
අයිතම්		
නිශාමන පාග්ධන පුමාණාත්මතාවය පාථමික පාග්ධනය (පළමු පෙළ පාග්ධනය) රු 000 පාථමික පාග්ධනය(පළමු පෙළ + දෙවන පෙළ පාග්ධනය) රු 000 පාථමික පාග්ධන පුමාණාත්මතා අනපායත, අවදානම මත බර තබන ලද	1,279,023 1,279,023	
වත්කම් වලින් පුතිශතයක් ලෙස (අවම අවශතාවය 5% මුළු පුාග්ධන පුමාණාත්මතා අනුපාතය, අවදානම මත බර තැබූ	25%	34%
වත්කම් වලින් පුතිශතයක් ලෙස (අවම අවශෳතාවය 10%)	25%	34%
තැන්පතු විගකීම් වලට පාග්ඛන අරමුදල් අනුපාතය (අවම අවශෘතාවය 10: වෘවස්ථාපිත දුවශිල වත්කම් අනුපාතය (අවම අවශෘතාවය, 7.5%)	%)* 111%	250%
වත්කම්වල ගුණාත්මකතාවය (දෙන ලද ණයවල ගුණාත්මකතාවය)		
දළ අකීය ණය රු.000	232,253	55,538
දළ අකීය ණය පුතිශතය %	4.66%	1.94%
දළ අකීය ණය රු 000	1.71%	1.21%
ලානදායීත්වය (%) ශුද්ධ පොලී ආන්තිය %	8.64%	8.89%
මුළු වත්කම් මත පුතිලාභය (බදු වලට පෙර) %	1.4%	2%
මුළු වත්කම් ස්කන්ධය මත ලැබීම් (බදු වලට පසු) %	5%	7%
නියාමන දුවශීලතාවය (රු. '000)		
දුවශීල වත්කම්හි අවශා අවම මුදල	124,271	77,023
දුවශිල වත්කම් ලෙස තබා ගෙන ඇති මුදල රජයේ සුද්රකම්කත් වල කුමා කැලීම්ව සුවකා යුවම මුදල	302,316	246,633
රජයේ සුරැකුම්පත් වල තබා ගැනීමට අවශෘ අවම මුදල රජයේ සුරැකුම්පත් ලෙස තබාගෙන ඇති මුදල	153,259 161,473	50,516 205,152
	101,473	200,102
සිහිවටන තොරතුරු සේවක සංඛනව	141	115
තෙටක සංඛනාව ශාඛා සංඛනාව	7	5
සේවා ස්ථාන සංඛනව	1	-
උකස් මධ්නස්ථාන සංඛනව	-	-

මාර්තු 31 දිනට	2016 (විගණනය කළ) රුපියල්'000	2015 (විගණනය කළ) රුපියල්'000
වත්කම්	-	
මුදල් හා මුදල් වලට සමාන දෑ	140,843	41,481
නැංකු සමග ස්ථාපනය කිරීම්	-	1,483,200
රජයේ සුරැකම්පත් ආයෝජන	161,473	205,152
අලෙවිය සදහා ඇති මූලෳ උපකරණ	331	33 ⁻
ආයෝජන	111,040	305,503
කල් බදු වලින් ලැබීම්	2,453,747	940,378
කුලී පිට ගැනුම් වලින් ලැබීම්	111,674	239,846
අනෙකුත් ණය ලැබීම්	1,982,685	1,418,685
සාධෳකරණ ලැබීම්	291,252	265,57°
අනෙකුත් ණය ගැතියන් සහ ඉදිරියට ගරන ලද ගෙවීම්	40,805	31,384
ලැබිය යුතු බදු	20,583	27,462
ආයෝජන කළ ඉඩම් තොග	5,200	3,900
ව්ලම්හිත බදු වත්කම්	-	159
අස්පෘශෳ වත්කම්	34,554	21,603
දේපල, පරියත හා උපකරණ	47,456	28,120
මුළු වත්කම්	5,401,643	5,012,775
වශකීම්		
වැංකු අයිරා	92,986	1,383,690
ස්ථාවර තැන්පතු සහ ඉතුරුම් තැන්පතු	1,206,189	485,094
නිකුත් කළ ණය උපකරණ හා අනෙකුත් ණය ගැනීම්	2,640,783	1,781,203
FBIL ණය හිමියෝ	885	26,695
අනෙකුත් ගෙවිය යුතු වියදම්	178,774	120,50
ව්ශුාමික පුතිලාන සඳහා පුතිපාදන	3,003	4,733
මුළු වගකීම්	4,122,620	3,801,915
කොටස්කරුවන්ගේ හිමිකම්		
පුකාශිත පුාග්ධනය	1,340,295	1,340,295
වකාවස් මුංගයය වකාවස්ථාපිත සංචිත අරමුදල	9,381	5,992
ආයෝජන අරමුදල් සංචිත	-	-
සංචිත ලාභ /(අලාභ)	(70,653)	(135,427)
මළු කොටස්කරුවන්ගේ හිමිකම	1,279,023	1,210,860
මුළු වගකීම් හා කොටස්කරුවන්ගේ හිමිකම	5,401,643	5,012,775

මෙම මුලූූූූලූ පුකාශන 2007 අංක 07 දරණ සමාගම් පනතේ විධානයන්ට අනුකූලුව සකසා ඇති බව සහතික කරමි.

(අත්සන් කළේ) ඩී.ජේ. විතානාච්චි සහකාර සාමානනාධිකාරිනී - මූලූ හා සැළසුම්

මෙම මූලූූූ පුකාශන පිළියළ කර ඉදිර්පත් කිරීමේ වගකීම සමාගමේ අධෳක්ෂ මණ්ඩලය සතුවේ. අධානක්ෂ මණ්ඩලය වෙනුවෙන් අනුමත කර අත්සන් තබන ලදි.

(අත්සන් කළේ) ඒ.එල්. ගුණරත්න සභාපති 2016 මැයි 27

(අත්සන් කළේ) ඩී.එම්.එන්.පී. කරුණාපාල අධ¤ක්ෂ/පුධාන විධායක නිලධාරී



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Colomac 00300,		+94 - 11 230 7345
Sri Lanka.	Internet	: www.lk.kpmg.com

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MELSTA REGAL FINANCE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of Melsta Regal Finance Limited, ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the income statement, statements of profit or loss and other comprehensive income, changes in equity and, cash flow for the year then ended, and a summary of significant accounting policies and other explanatory

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility,

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the -financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- . The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
- we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
- and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act No 7 of 2007.



CHARTERED ACCOUNTANTS Colombo 27th May 2016

H.P. Milder FCA P.Y.S. Pereral FCA C.P. Javaticka FCA P. Javaniata P.A.
W.W.J.C. Penna P.A.
W.K.D.C. Absynatine ACA
H.M.D.B. Fappahas ACA
Ma. B.K.D.T.M. Rednigs ACA 1.3.9. Hajaharan PCA Ma. S.M.B. Jayenskara ASA 6.4.0 Keronaretre ACA B.H. Rejen ACA





වනපෘති ණය



සළු හා මධප පරිමාණ ණය





පුද්ගල ණය



| ආයතනික මලප පහසකම්

කෙට් කාලීන ණය

නො. 469 ඒ, අනගාරික ධර්මපාල මාවත පඹුරණ, මාතර.

ෆැක්ටරින්

ණය ඇපකර

AUTO ගනු-දෙනු

ස්ථාවර හා ඉතුරුම් තැන්පත