

Sri Lanka's Singer Finance IPO creates new record

By Santhus Fernando in Colombo

With the recent Initial Public Offering (IPO) of Singer Finance (Lanka) Limited being oversubscribed by over 135 times, it established a new record by achieving the highest level of oversubscription for an IPO in Sri Lanka.

The shares allocated for the public recorded an enormous oversubscription of 149.4 times whilst the allocation for SINGER employees recorded an oversubscription of 3.3 times. Singer Finance IPO has more than doubled the previous record for the highest oversubscription in an IPO at the Colombo Stock Exchange which was claimed by ODEL PLC for its oversubscription levels of 63.8 times, claimed NDB Investment Bank Limited (NDBIB), the Managers and Financial Advisors to the Offering.

Over 135 times oversubscribed, Rs. 56 bn raised

The Singer Finance IPO offering 26,666,667 shares at Rs. 15 per share attracted 21,739 valid applications raising approximately Rs. 54 billion. The quantum of funds raised is believed to be only second to the IPO of Dialog Axiata PLC, another landmark transaction carried out by NDBIB in 2005, which raised approximately Rs. 56 billion.

Considering the high level of enthusiasm towards the IPO from both retail investors and High Net worth Individuals, after much deliberation, the Board of Directors of Singer Finance has decided on the following basis of allotment of shares to the applicants under the public category.

Commenting on the final outcome of the IPO, Singer Finance CEO, Shantha Wijeweera said "The response by the public has been overwhelming and shows us that people have faith in us and the SINGER brand. Further, through this basis of allotment the company has been able to fully satisfy over 42% of total applicants in the IPO".

Darshan Perera, CEO of NDBIB stated that "the level of oversubscription is highly commendable and will be challenged in the coming months with the numerous IPOs in the pipeline. One of our biggest tasks was to give a fair allocation of shares to both the retailers and high net worth individuals, something we, together with the Board of Singer Finance, are pleased to have accomplished."

The funds raised via this IPO will be utilized by the company to expand their lending portfolio and expand its branch network. The newest Singer Finance outlet was opened in Anuradhapura recently with many more outlets scheduled to be opened in the North and East regions of the Country.

The Board of Directors of Singer Finance comprises Messrs H. D. S. Amarasuriya (Non Executive Chairman), G. J. Walker, Dr. G. C. B. Wijeyesinghe, H. A. Pieris, Dr. S. Kelegama, M. P. A. Salgado, R. S. Wijeweera, S. Ramanathan (Alternate Director to Gavin J. Walker)

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