

NDB Investment Bank structures Rs.1.4 b Debt Issue for Singer

Singer (Sri Lanka) PLC (Singer), successfully completed a debt raising of Rs. 1400 million through a mix of an unsecured subordinated redeemable debenture issue of Rs. 1000 million and Rs.400 million in the form of an unsecured loan. The transaction which concluded recently was fully subscribed with the participation of a consortium of banks.

Incidentally, this debt raising is the single largest debt raising by Singer up to now in its 133-year-old history in Sri Lanka. The debenture issue was assigned a National Long-term rating of 'A-(lka)' with a "Stable outlook" by Fitch Ratings Lanka Limited.

The proceeds from the issue would be used to refinance its existing short term debt.

NDB Investment Bank Limited (NDBIB), acted as the structuring and placement agent to the issue and Deutsche Bank AG, Colombo Branch was the Trustee.

NDBIB, recently concluded the largest securitisation to date in the leasing sector, by securitising a lease and hire purchase portfolio of People's Leasing Company Limited, amounting to Rs.1400 million. NDBIB, who has been instrumental in introducing innovative financial products to the Sri Lankan Capital Market, intends to introduce a range of novel products.

In addition to arranging debt financing for Singer, NDBIB is currently working with its subsidiary company, Singer Finance (Lanka) Limited to raise equity financing and obtain a listing on the Colombo Stock Exchange via an Initial Public Offering.

Singer (Sri Lanka) PLC is 86 percent-owned by Singer Asia, which in turn is 56.8 percent-owned by Retail Holdings N.V. Singer has been in Sri Lanka since 1877, when the first Singer sewing machines went on sale at a Colombo store.

Today, Singer is a large, diversified company with unmatched presence throughout Sri Lanka. It remains a member of the worldwide franchise of Singer.

The Singer group's primary activities are Retailing, Financing and Manufacturing of Consumer Durables. The business segments include Sewing Products, Electronics, White Goods, Furniture, Agro Products, Kitchen Appliances, Computers and Communication Products.

Source: <http://www.sundayobserver.lk/2010/12/12/fin09.asp>