



SINGER[®]
Trusted Excellence

SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2021

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September	Consolidated		Company		Variance		Variance	
	2021/22 Rs. '000	2020/21 Rs. '000	2021/22 Rs. '000	2020/21 Rs. '000	Consolidated Rs. '000	%	Company Rs. '000	%
Revenue	31,597,481	30,730,207	28,101,672	23,885,185	867,274 +	3	4,216,487 +	18
Cost of Sales	(21,684,503)	(21,091,875)	(20,676,294)	(16,923,944)	(592,628) +	3	(3,752,350) +	22
Direct Interest Cost	(909,159)	(960,208)	—	—	(51,049) -	5	—	
Gross Profit	9,003,819	8,678,124	7,425,378	6,961,241	325,695 +	4	464,137 +	7
Other Income	96,028	97,379	158,736	196,166	1,351 -	1	37,430 -	19
Selling and Administrative Expenses	(5,799,804)	(5,546,377)	(4,881,918)	(4,695,507)	(253,427) +	5	(186,411) +	4
Impairment Loss on Trade and Other Receivables	(1,103,456)	(1,072,969)	(781,722)	(754,309)	(30,487) +	3	(27,413) +	4
Operating Profit	2,196,587	2,156,157	1,920,474	1,707,591	40,430 +	2	212,883 +	12
Finance Cost	(1,132,058)	(1,332,238)	(981,335)	(1,321,685)	(200,180) -	15	(340,350) -	26
Finance Income	572,431	510,119	352,875	402,188	62,312 +	12	49,313 -	12
Net Finance Cost	(559,627)	(822,119)	(628,460)	(919,497)	(262,492) -	32	(291,037) -	32
Value Added Tax on Financial Services	(152,634)	(116,578)	(42,000)	(26,800)	(36,056) +	31	(15,200) +	57
Profit before Tax	1,484,326	1,217,460	1,250,014	761,294	266,866 +	22	488,720 +	64
Income Tax Expense	(417,661)	(331,373)	(286,005)	(159,793)	(86,288) +	26	(126,212) +	79
Profit for the Period	1,066,665	886,087	964,009	601,501	180,578 +	20	362,508 +	60
Total Comprehensive Income for the Period, Net of Tax	1,066,665	886,087	964,009	601,501				
Profit Attributable to –								
Owners of the Company	1,022,524	855,355	964,009	601,501				
Non-controlling Interests	44,141	30,732	—	—				
	1,066,665	886,087	964,009	601,501				
Total Comprehensive Income Attributable to –								
Owners of the Company	1,022,524	855,355	964,009	601,501				
Non-controlling Interests	44,141	30,732	—	—				
Total Comprehensive Income for the Period Net of Tax	1,066,665	886,087	964,009	601,501				
Basic/Diluted Earnings Per Share (Rs.)	0.91	0.76	0.86	0.53				

Above figures are provisional and subject to audit.

	For the six months ended* 30th September 2021 Rs.	For the six months ended** 30th September 2020 Rs.
Share Prices		
Highest	21.50	48.50
Lowest	15.90	20.00
Last Traded Price	16.40	46.10

* Share prices reported post to the subdivision of shares.

** Original share prices reported prior to the subdivision of shares.

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 30th September	Consolidated		Company		Variance		Variance	
	2021/22 Rs. '000	2020/21 Rs. '000	2021/22 Rs. '000	2020/21 Rs. '000	Consolidated Rs. '000	%	Company Rs. '000	%
Revenue	16,697,584	16,702,693	14,673,402	13,683,959	5,109 -	0	989,443 +	7
Cost of Sales	(11,601,416)	(11,667,707)	(10,927,265)	(9,915,167)	(66,291) -	1	(1,012,098) +	10
Direct Interest Cost	(473,279)	(473,336)	—	—	(57) -	0	—	
Gross Profit	4,622,889	4,561,650	3,746,137	3,768,792	61,239 +	1	22,655 -	1
Other Income	43,929	54,416	12,161	169,956	10,487 -	19	157,795 -	93
Selling and Administrative Expenses	(3,044,146)	(3,147,101)	(2,562,130)	(2,666,470)	(102,955) -	3	(104,340) -	4
Impairment Loss on Trade and Other Receivables	(639,382)	(435,870)	(487,441)	(450,180)	(203,512) +	47	(37,261) +	8
Operating Profit	983,290	1,033,095	708,727	822,098	49,805 -	5	113,371 -	14
Finance Cost	(605,585)	(543,343)	(461,546)	(555,601)	(62,242) +	11	(94,055) -	17
Finance Income	551,707	312,165	344,413	243,684	239,542 +	77	100,729 +	41
Net Finance Cost	(53,878)	(231,178)	(117,133)	(311,917)	(177,300) -	77	(194,784) -	62
Value Added Tax on Financial Services	(82,995)	(70,218)	(21,000)	(14,200)	(12,777) +	18	(6,800) +	48
Profit before Tax	846,417	731,699	570,594	495,981	114,718 +	16	74,613 +	15
Income Tax Expense	(227,212)	(211,916)	(135,843)	(99,876)	(15,296) +	7	(35,967) +	36
Profit for the Period	619,205	519,783	434,751	396,105	99,422 +	19	38,646 +	10
Total Comprehensive Income for the Period	619,205	519,783	434,751	396,105				
Profit Attributable to –								
Owners of the Company	583,264	488,334	434,751	396,105				
Non-controlling Interests	35,941	31,449	—	—				
Profit for the Period	619,205	519,783	434,751	396,105				
Total Comprehensive Income Attributable to –								
Owners of the Company	583,264	488,334	434,751	396,105				
Non-controlling Interests	35,941	31,449	—	—				
Total Comprehensive Income for the Period Net of Tax	619,205	519,783	434,751	396,105				
Basic/Diluted Earnings Per Share (Rs.)	0.00	0.00	0.00	0.00				

Above figures are provisional and subject to audit.

	Quarter ended* 30th September 2021 Rs.	Quarter ended** 30th September 2020 Rs.
Share Prices		
Highest	19.20	48.50
Lowest	15.90	23.40
Last Traded Price	16.40	46.10

* Share prices reported post to the subdivision of shares.

** Original share prices reported prior to the subdivision of shares.

Statement of Financial Position

As at	Consolidated			Company		
	30th September 2021 Rs. '000	30th September 2020 Rs. '000	31st March 2021 Rs. '000	30th September 2021 Rs. '000	30th September 2020 Rs. '000	31st March 2021 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,581,086	6,763,938	6,805,750	3,403,110	3,509,300	3,578,266
Right-of-Use Assets	4,986,527	4,056,093	4,433,003	4,462,447	3,607,211	3,863,148
Intangible Assets	575,437	265,599	315,022	439,372	211,775	222,618
Investment in Subsidiaries	—	—	—	2,968,023	2,968,023	2,968,023
Other Non-current Assets	59,966	61,267	60,617	—	—	—
Other Investments	24,990	104,431	24,990	24,948	17,020	24,948
Trade and Other Receivables	11,547,999	11,893,197	11,861,154	566,362	918,727	802,806
Deferred Tax Assets	1,032,023	847,156	873,745	983,649	776,552	832,575
	24,808,028	23,991,681	24,374,281	12,847,911	12,008,608	12,292,384
Current Assets						
Inventories	24,118,245	13,945,047	18,180,683	21,386,175	12,115,140	16,150,897
Loans due from Related Parties	—	—	—	185,000	—	—
Income Tax Receivables	22,543	294,120	17,119	6,038	239,198	—
Trade and Other Receivables	26,655,431	22,393,913	23,977,624	12,912,069	11,836,462	12,965,214
Amounts due from Related Parties	14,900	6,387	10,820	14,900	6,387	38,814
Deposits with Banks	120,747	80,633	60,935	—	—	—
Short-term Investments	1,840,143	511,739	813,264	—	—	—
Cash and Cash Equivalents	6,117,980	2,002,630	1,868,859	5,309,333	625,759	783,540
	58,889,989	39,234,469	44,929,304	39,813,515	24,822,946	29,938,465
Total Assets	83,698,017	63,226,150	69,303,585	52,661,426	36,831,554	42,230,849
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,221,398	1,081,701	1,232,581	1,162,504	1,134,447	1,170,908
Other Component of Equity	6,026	—	6,026	6,026	—	6,026
Statutory Reserve	198,939	182,548	198,939	—	—	—
Revenue Reserves	6,830,421	5,233,449	6,416,501	3,630,261	2,532,007	3,277,634
Total Equity Attributable to Owners of the Company	8,882,832	7,123,746	8,480,095	5,424,839	4,292,502	5,080,616
Non-controlling Interest	1,790,236	1,648,614	1,778,544			
Total Equity	10,673,068	8,772,360	10,258,639	5,424,839	4,292,502	5,080,616
Non-current Liabilities						
Interest-bearing Loans and Borrowings	11,162,513	7,894,787	7,129,287	5,900,000	2,998,572	3,000,000
Lease Liability	4,822,827	3,993,599	4,307,592	4,301,563	3,582,472	3,786,997
Employee Benefit Obligations	984,899	910,844	946,775	671,777	635,392	654,639
Security Deposits	1,367,478	1,386,854	1,366,565	1,299,331	1,308,645	1,293,744
Deferred Tax Liabilities	370,009	660,195	376,416	—	—	—
Other Financial Liabilities	2,489,870	1,324,668	2,091,132	—	—	—
Deferred Revenue	102,065	94,792	107,608	102,065	94,791	107,609
Other Non-current Liabilities	154,143	102,678	142,414	154,143	102,678	142,413
	21,453,804	16,368,417	16,467,789	12,428,879	8,722,550	8,985,402
Current Liabilities						
Trade and Other Payables	21,431,924	13,291,456	18,754,806	18,253,065	7,838,610	13,559,596
Deferred Revenue	211,754	180,025	209,075	185,064	173,130	183,470
Dividends Payable	86,506	73,059	132,672	77,359	64,475	58,822
Amounts due to Related Parties	881,302	157,713	341,304	3,893,066	4,380,618	4,259,226
Income Tax Payable	130,743	185,102	278,063	—	—	25,209
Other Financial Liabilities	9,662,982	6,817,142	8,374,066	—	—	—
Lease Liability	720,151	604,766	686,421	684,672	546,262	624,048
Interest-bearing Loans and Borrowings	16,376,448	15,420,272	12,085,399	11,302,976	9,744,611	8,132,721
Bank Overdrafts	2,069,335	1,355,838	1,715,351	411,506	1,068,796	1,321,739
	51,571,145	38,085,373	42,577,157	34,807,708	23,816,502	28,164,831
Total Liabilities	73,024,949	54,453,790	59,044,946	47,236,587	32,539,052	37,150,233
Total Equity and Liabilities	83,698,017	63,226,150	69,303,585	52,661,426	36,831,554	42,230,849
Net Assets per Share (Rs.)	7.88	6.32	7.53	4.81	3.81	4.51

I certify that the above Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

(Sgd.)

Ramesh Chitrasiri
Finance Director

Above figures are provisional and subject to audit.

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.)

A.M. Pandithage
Chairman
Colombo,
11th November 2021

(Sgd.)

Mahesh Wijewardene
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the six months ended 30th September

For the six months ended 30th September			Attributable to Equity Holders of the Company						
Group	Stated Capital Rs. '000	Reserve Fund Rs. '000	Capital Reserve	Other Component of Equity	Revenue Reserve		Total Rs. '000	Non-controlling Interest Rs. '000	Total Equity Rs. '000
			Revaluation Reserves Rs. '000	Fair Value Reserve Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000			
Balance as at 31st March 2020	626,048	182,548	1,092,442	–	2,700,000	1,967,856	6,568,894	1,619,012	8,187,907
Realisation on Revaluation Surplus	–	–	(10,741)	–	–	10,741	–	–	–
Profit for the Period	–	–	–	–	–	855,355	855,355	30,732	886,087
Total Comprehensive Income for the Period	–	–	–	–	–	855,355	855,355	30,732	886,087
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend – 2020/21	–	–	–	–	–	(300,503)	(300,503)	(1,130)	(301,633)
Balance as at 30th September 2020	626,048	182,548	1,087,071	–	2,700,000	2,533,449	7,123,746	1,648,614	8,772,360
Realisation on Revaluation Surplus	–	–	(12,289)	–	–	12,289	–	–	–
Transferred to/(from) during the Period	–	16,391	–	–	–	(16,391)	–	–	–
Profit for the Period	–	–	–	–	–	1,596,654	1,596,654	124,781	1,721,435
Other Comprehensive Income for the Period									
Actuarial Gain/(Loss) on Employee Benefit Obligations	–	–	–	–	–	4,743	4,743	(1,037)	3,706
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	–	–	–	7,928	–	–	7,928	–	7,928
Related Taxes									
Deferred Tax on Actuarial Gain/(Loss) on Employee Benefit Obligations	–	–	–	–	–	(1,051)	(1,051)	200	(851)
Deferred Tax on Equity Investments at FVOCI – Change in Fair Value	–	–	–	(1,903)	–	–	(1,903)	–	(1,903)
Impact of Deferred Tax Rate change on Revaluation Reserve	–	–	163,169	–	–	–	163,169	30,421	193,590
Total Other Comprehensive Income for the Period, Net of Tax	–	–	163,169	6,026	–	3,692	172,886	29,584	202,470
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Interim Dividend – 2020/21	–	–	–	–	–	(413,192)	(413,192)	(24,436)	(437,628)
Total Distributions to Owners of the Company	–	–	–	–	–	(413,192)	(413,192)	(24,436)	(437,628)
Balance as at 31st March 2021	626,048	198,939	1,232,581	6,026	2,700,000	3,716,501	8,480,095	1,778,544	10,258,639
Realisation of Revaluation Surplus	–	–	(11,182)	–	–	11,182	–	–	–
Profit for the Period	–	–	–	–	–	1,022,524	1,022,524	44,141	1,066,665
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend – 2020/21	–	–	–	–	–	(281,722)	(281,722)	(32,449)	(314,170)
Interim Dividend – 2021/22	–	–	–	–	–	(338,065)	(338,065)	–	(338,065)
Balance as at 30th September 2021	626,048	198,939	1,221,398	6,026	2,700,000	4,130,421	8,882,832	1,790,236	10,673,068

Statement of Changes in Equity

For the six months ended 30th September

Company	Stated Capital Rs. '000	Capital Reserve Revaluation Reserves Rs. '000	Other Component of Equity Fair Value Reserve Rs. '000	Revenue Reserve		Total Rs. '000
				General Reserves Rs. '000	Retained Earnings Rs. '000	
Balance as at 31st March 2020	626,048	1,142,409	–	2,700,000	(476,953)	3,991,505
Realisation of Revaluation Surplus	–	(7,961)	–	–	7,962	–
Profit for the Period	–	–	–	–	601,501	601,501
Total Comprehensive Income for the Period	–	–	–	–	601,501	601,501
Interim Dividend – 2020/21	–	–	–	–	(300,503)	(300,503)
Balance as at 30th September 2020	626,048	1,134,447	–	2,700,000	(167,993)	4,292,502
Realisation of Revaluation Surplus	–	(7,961)	–	–	7,961	–
Profit for the Period	–	–	–	–	1,147,674	1,147,674
Other Comprehensive Income						
Actuarial Gain on Employee Benefit Obligations	–	–	–	–	4,188	4,188
Fair Value Change in Equity Instruments Designated at Fair Value through Other Comprehensive Income	–	–	7,928	–	–	7,928
Related Taxes						
Deferred Tax on Actuarial Gains on Employee Benefit Obligations	–	–	–	–	(1,005)	(1,005)
Deferred Tax on Equity Investments at FVOCI – Change in Fair Value	–	–	(1,903)	–	–	(1,903)
Impact of Deferred Tax Rate Change on Revaluation Reserve	–	44,422	–	–	–	44,422
Total Other Comprehensive Income Net of Tax	–	44,422	6,026	–	3,183	53,631
Total Comprehensive Income Net of Tax	–	44,422	6,026	–	1,150,857	1,201,305
Transactions with Owners of the Company, Recognised Directly in Equity						
Distributions to Owners of the Company						
Interim Dividend – 2020/21	–	–	–	–	(413,192)	(413,192)
Total Distributions to Owners of the Company	–	–	–	–	(413,192)	(413,192)
Balance as at 31st March 2021	626,048	1,170,908	6,026	2,700,000	577,634	5,080,616
Realisation of Revaluation Surplus	–	(8,404)	–	–	8,404	–
Profit for the Period	–	–	–	–	964,009	964,009
Transactions with Owners of the Company, Recognised Directly in Equity						
Distributions to Owners of the Company						
Final Dividend – 2020/21	–	–	–	–	(281,722)	(281,722)
Interim Dividend – 2021/22	–	–	–	–	(338,065)	(338,065)
Total Distributions to Owners of the Company	–	–	–	–	(619,787)	(619,787)
Balance as at 30th September 2021	626,048	1,162,504	6,026	2,700,000	930,261	5,424,839

Statement of Cash Flows

For the six months ended 30th September	Group		Company	
	2021/22 Rs.'000	2020/21 Rs.'000	2021/22 Rs.'000	2020/21 Rs.'000
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	1,484,326	1,217,460	1,250,014	761,294
Adjustment for:				
Depreciation on Property, Plant and Equipment	350,567	317,630	258,048	235,399
Amortisation of Intangible Assets	17,860	10,996	10,306	5,951
Amortisation of Leasehold Right	651	650	–	–
Amortisation of Right-of-Use Assets	558,773	418,205	508,477	378,979
(Gain)/Loss on Disposal of Property, Plant and Equipment	(1,619)	(1,089)	(1,619)	(2,117)
Changing Fair Value of Derivative (Assets)/Liabilities	–	27,088	–	27,088
Interest Expense	988,078	1,332,238	981,335	1,321,685
Interest Income	(53,597)	(36,261)	(12,835)	(31,665)
Impairment of Inventories	34,854	213,522	36,748	221,111
Impairment Loss on Trade and Other Receivables	1,103,456	1,072,969	781,722	754,309
Dividend Income	–	(320)	(129,210)	(158,071)
Provision for Retiring Gratuity	87,059	82,355	62,930	58,547
Operating Profit before Working Capital Changes	4,570,408	4,655,443	3,745,916	3,572,510
(Increase)/Decrease in Inventories	(5,972,416)	1,888,887	(5,272,027)	1,936,987
(Increase)/Decrease in Debtors falling due after One Year	313,155	(563,180)	236,446	(85,526)
(Increase)/Decrease in Debtors falling due within One year	(3,781,263)	91,915	(728,578)	(166,554)
(Increase)/Decrease in Dues from Related Parties	(4,080)	27,039	23,914	25,668
Increase/(Decrease) in Dues to Related Parties	539,998	(69,019)	(366,160)	961,988
Increase/(Decrease) in Security Deposits	913	(7,757)	5,587	(21,318)
Increase/(Decrease) in Trade and Other Payables	2,688,848	3,990,857	4,705,199	1,222,864
Increase/(Decrease) in Deferred Liabilities	(2,864)	8,254	(3,948)	8,473
Cash Generated from Operations	(1,647,301)	10,022,439	2,346,349	7,455,092
Finance Costs Paid	(617,955)	(1,084,715)	(645,878)	(1,105,885)
Retiring Gratuity Paid	(48,935)	(72,495)	(45,791)	(59,839)
Income Tax Paid	(734,612)	(121,627)	(468,328)	(300)
Net Cash from Operating Activities	(3,048,803)	8,743,602	1,186,352	6,289,068
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(408,165)	(203,247)	(313,939)	(123,112)
Proceeds from Disposal of Property Plant and Equipment	5,606	13,233	5,606	11,116
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	–	–	600,090
Disposal/(Purchase) of Marketable Securities	(1,026,881)	190,780	–	–
Investment in Bank Deposits	(59,813)	20,760	–	–
Net Cashflows from Loans Given to Related Companies	–	–	(185,000)	446,000
Interest Income Received	53,597	36,261	12,835	31,665
Dividends Received	–	320	129,210	158,071
Net Cash Flows from Investing Activities	(1,435,656)	58,107	(351,288)	1,123,830
Cash Flow from Financing Activities				
Net Proceeds from Interest-bearing Loans and Borrowings	8,309,961	(6,529,512)	6,055,939	(5,962,835)
Net Settlements to Lease Creditors	(919,616)	(549,955)	(853,727)	(510,903)
Increase in Customer Deposit Liabilities	1,687,654	1,127,724	–	–
Net Payment to Minority Shareholders	(32,449)	(1,130)	–	–
Dividends Paid	(665,954)	(351,258)	(601,251)	(275,673)
Net Cash Flow from Financing Activities	8,379,596	(6,304,131)	4,600,961	(6,749,411)
Net Increase in Cash and Cash Equivalents	3,895,137	2,497,578	5,436,025	663,487
Cash and Cash Equivalents at the Beginning of the Period	153,508	(1,850,786)	(538,198)	(1,106,524)
Cash and Cash Equivalents at the End of the Period	4,048,645	646,792	4,897,827	(443,037)

Notes to the Financial Statements

1. Basis of Preparation and Group's Accounting Policies

The interim condensed consolidated Financial Statements for the six months ended 30th September 2021 have been prepared in accordance with LKAS 34 – "Interim Financial Reporting".

The Financial Statements for the period ended 30th September 2021, includes "the Company" referring to Singer (Sri Lanka) PLC, as the holding company and "the Group" referring to the companies whose accounts have been consolidated therein.

The interim condensed consolidated Financial Statements do not include all the information and disclosures required in the annual Financial Statements, and should be read in conjunction with the Group's annual consolidated Financial Statements as at 31st March 2021.

The presentation and classification of the Financial Statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim condensed Financial Statements are presented in Sri Lankan Rupees (LKR) and all values are rounded to the nearest thousand except when otherwise indicated.

1.1 Fair Value Measurement and Related Fair Value Disclosures – Financial Instruments

As at 30th September	Consolidated		Company		Level
	2021 Rs. '000	2020 Rs. '000	2021 Rs. '000	2020 Rs. '000	
Recurring Fair Value Measurements					
Investment in Equity Securities	24,990	17,061	24,948	17,020	3 Financial Assets at FVOCI
	24,990	17,061	24,948	17,020	

2. Segmental Analysis of Company Net Turnover is as follows:

	Quarter ended 30th September 2021 Rs. '000	Quarter ended 30th September 2020 Rs. '000	Six months ended 30th September 2021 Rs. '000	Six months ended 30th September 2020 Rs. '000
Consumer Electronics	1,762,360	1,550,676	3,612,999	3,088,937
Financial Services	666,682	847,073	1,440,430	1,621,776
Furniture	448,134	649,518	1,166,528	1,006,710
Home Appliances	5,569,176	4,930,782	10,836,658	8,750,444
IT Products	4,543,479	3,709,533	7,760,590	6,168,418
Sewing Machines	607,750	740,300	1,181,295	1,122,466
Other	1,075,821	1,256,077	2,103,172	2,126,434
	14,673,402	13,683,959	28,101,672	23,885,185

2.1 Segmental Analysis of Company Profits before Tax is as follows:

	Quarter ended 30th September 2021 Rs. '000	Quarter ended 30th September 2020 Rs. '000	Six months ended 30th September 2021 Rs. '000	Six months ended 30th September 2020 Rs. '000
Consumer Electronics	166,695	51,850	448,696	375,550
Financial Services	129,596	168,088	306,876	344,495
Furniture	33,397	58,879	107,032	91,631
Home Appliances	544,881	503,930	1,094,348	924,427
IT Products	235,516	158,130	412,222	288,861
Sewing Machines	47,007	76,859	108,860	118,221
Other	39,076	104,542	94,952	160,644
Intercompany Dividend	–	150,000	129,210	158,071
Impairment Loss on Trade and Other Receivables	(487,441)	(450,180)	(781,722)	(754,309)
Operating Profit	708,727	822,098	1,920,474	1,707,591
Net Finance Cost	(117,133)	(311,917)	(628,460)	(919,497)
VAT on Financial Services	(21,000)	(14,200)	(42,000)	(26,800)
Profit before Tax	570,594	495,981	1,250,014	761,294

Notes to the Financial Statements

2.2 Segmental Analysis of Group Net Turnover is as follows:

	Quarter ended 30th September 2021 Rs. '000	Quarter ended 30th September 2020 Rs. '000	Six months ended 30th September 2021 Rs. '000	Six months ended 30th September 2020 Rs. '000
Consumer Electronics	1,762,360	1,550,676	3,612,999	3,088,937
Financial Services	1,916,290	1,884,809	3,816,812	3,809,737
Furniture	448,134	649,518	1,166,528	1,006,710
Home Appliances	5,573,867	4,934,485	10,845,536	8,755,866
IT Products	5,305,224	5,684,898	8,857,946	10,817,498
Sewing Machines	607,750	740,300	1,181,295	1,122,466
Other	1,083,959	1,258,007	2,116,365	2,128,993
	16,697,584	16,702,693	31,597,481	30,730,207

2.3 Segmental Analysis of Group Profits before Tax is as follows:

	Quarter ended 30th September 2021 Rs. '000	Quarter ended 30th September 2020 Rs. '000	Six months ended 30th September 2021 Rs. '000	Six months ended 30th September 2020 Rs. '000
Consumer Electronics	166,695	51,850	448,696	375,550
Financial Services	519,477	395,132	1,019,143	989,612
Furniture	33,397	58,879	107,032	91,631
Home Appliances	579,117	547,230	1,117,167	946,438
IT Products	233,969	239,243	405,721	557,204
Sewing Machines	43,737	67,403	95,091	102,199
Other	46,280	109,228	107,193	166,492
Impairment Loss on Trade and Other Receivables	(639,382)	(435,870)	(1,103,456)	(1,072,969)
Operating Profit	983,290	1,033,095	2,196,587	2,156,157
Net Finance Cost	(53,878)	(231,178)	(559,627)	(822,119)
VAT on Financial Services	(82,995)	(70,218)	(152,634)	(116,578)
Profit before Tax	846,417	731,699	1,484,326	1,217,460

3. Stated Capital

3.1 Value – Ordinary Shares

	30th September 2021	30th September 2020
Value – Ordinary Shares (Rs.)		
1,126,886,490 (375,628,830 – 30th September 2020) Ordinary Shares	626,048,050	626,048,050
Weighted Average Number of Ordinary Shares	1,126,886,490	1,126,886,490
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

The ordinary shares of the Company were subdivided by splitting each issued ordinary share into three ordinary shares from 04th March 2021. Consequently the total number of existing issued ordinary shares were increased from 375,628,830 to 1,126,886,490 without changing the Stated Capital of the Company which remains at Rs. 626,048,050/-.

Weighted average number of ordinary shares as at 30th September 2020 has been adjusted based on post subdivision of three ordinary shares for every one ordinary shares held.

Notes to the Financial Statements

4. Contingencies

- (a) Commissioner General of Inland Revenue has issued assessment notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/Payment on account of Deemed VAT for seven quarters for the period 1st January 2014 to 30th September 2015. The assessment was for a Deemed VAT payment of Rs. 1,076 million and penalty of Rs. 423 million totalling to Rs. 1,499 million. Commissioner General of Inland Revenue has given the determination on the appeal. Accordingly, Rs. 791 million of Deemed VAT liability and penalty of Rs. 395 million totalling to Rs. 1,186 million is payable as a Deemed VAT liability for seven quarters for the period 1st January 2014 to 30th September 2015. The Company after carefully reviewing the situation and based on the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly Company has decided to appeal to the Tax Appeal Commission against the determination. Hence, no provision has been made in the Financial Statements. The Company previously sought a clarification from the Inland Revenue Department on the interpretation of the Act and did not receive the required clarification. Deemed VAT is removed with effect from 1st January 2016 under VAT Amendment Act No. 20 of 2016.
- (b) Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs. 312 million to Director General of Customs to clear imports during the years 2008 to September 2021. The bank guarantee related to alleged additional duty payable on imports, claimed by the customs and is being contested by the Company in courts. The Court of Appeal ordered that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision has filed an appeal, which is pending before the Supreme Court. The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty. Based on assessment of the probability is higher that the Company would not be required to settle the liabilities. Hence, no provision is made in the Financial Statements.
- (c) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 3 million against fixed deposits of Rs. 8 million.
- (d) Case bearing No. 404 has been filed against Singer Finance (Lanka) PLC by a customer in the District Court of Ampara claiming Rs. 2 million as damages caused by repossessing and selling of a vehicle leased through the Company. The lawyers of the Company are of the view that the ultimate resolution of this litigation would not likely to have a material impact.
- (e) Regnis (Lanka) PLC has provided corporate guarantees to banks on behalf of Regnis Appliances (Private) Limited amounting to Rs. 410 million for the purpose of obtaining banking facilities.
- (f) Regnis (Lanka) PLC cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee amounting to Rs. 7 million to the Director of Customs. The bank guarantee relates to alleged additional duty payable on imports which is contested by the Company. The customs inquiry initiated in 2008 is still pending. The Management is of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the Financial Statements.

5. Events Occurring after the Balance Sheet Date

There have been no material events occurring after the balance sheet date that require disclosure in the Financial Statements.

6. Listed Debentures

- i 12% senior rated listed unsecured debenture redeemed on 28th September 2021.
Interest rates of comparable Government Securities as at Issue Date of the redeemed debenture was 9.51%.
The Debentures were not traded during the period ended 28th September 2021 since 1st July 2021.

	Group		Company	
	30th September 2021	31st March 2021	30th September 2021	31st March 2021
Debt Equity Ratio	3.86	3.37	3.19	3.17
Interest Cover	3.65	1.82	2.99	1.44
Quick Assets Ratio	0.68	0.63	0.53	0.49

Notes to the Financial Statements

7. Top 20 Shareholders as at 30th September 2021

Name	Number of Shares	Percentage
1. Hayleys PLC	783,801,111	69.55
2. Hayleys Advantis Limited	111,382,980	9.88
3. Volanka (Pvt) Limited	34,787,235	3.09
4. Hayleys Aventura (Private) Limited	31,595,745	2.80
5. Carbotels (Pvt) Limited	29,042,553	2.58
6. Hayleys Agriculture Holdings Limited	28,404,255	2.52
7. Mr Kulappuarachchige Don Dammika Perera	20,807,739	1.85
8. Mrs Mihiri Virani Fernando	6,000,000	0.53
9. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Limited	1,500,000	0.13
10. People's Leasing & Finance PLC/Mr D M P Disanayake	1,448,644	0.13
11. Mrs Anoma Kamalika Amarasuriya	1,200,000	0.11
12. Miss Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
13. Jafferjee Brothers (Exports) Limited	1,126,800	0.10
14. Mrs Vasudevan Saraswathi and Mr S Vasudevan	1,000,516	0.09
15. Phoenix Ventures Private Limited	990,052	0.09
16. Mr Abeysiri Hemapala Munasinghe	985,932	0.09
17. Mrs Enoke Kamali Wickramasinghe	884,571	0.08
18. Dr Ananda Krishnakumar Abeytunga Jayawardene	830,214	0.07
19. People's Leasing & Finance PLC/B S Navarathna	817,820	0.07
20. Mr Nai Kaluge Anura Deepal De Silva and Miss S H De Silva	662,385	0.06
Mr Nai Kaluge Anura Deepal De Silva and Mrs G V De Silva	662,385	0.06
	1,059,123,851	93.99
Others	67,762,639	6.01
Total issued shares	1,126,886,490	100.00

8. Directors' and CEO's Shareholding as at

Name of the Director	Shareholding as at 30th September 2021 Number of Shares	Shareholding as at 30th September 2020 Number of Shares
Mr A M Pandithage	—	—
Mr K D D Perera	20,807,739	6,935,913
Mr D Sooriyaarachchi	—	—
Mr D H Fernando	—	—
Mr M H Wijewardene (CEO)	—	—
Mr M H Jamaldeen	—	—
Mr S C Ganegoda	—	—
Mr D K De Silva Wijeyeratne	—	—
Ms H M G DE Alwis	—	—
Mr H P S Perera (Alternate Director to Mr M H Wijewardene)	—	—
Ms A A K Amarasinghe (Alternate Director to Mr K D D Perera)	—	—

The Directors' shareholding increased as a result of the subdivision of shares made on 04th March 2021 splitting each issued ordinary share into three ordinary shares.

Notes to the Financial Statements

9. Public Holding

Shares held by public as at 30th September 2021

Number of Shareholders	Number of Shares	Percentage
4,055	86,959,872	7.72%

Float adjusted market capitalisation – Rs. 1,426,728,447/-.

The Company is not in compliance with option 5 of the Listing Rule 7.13.1 (a) which requires a Company with a float adjusted market capitalisation of less than Rs. 2.5 billion to maintain a minimum public holding of 20%.

10. Explanatory Note

Hayleys Group Services (Private) Limited
400, Deans Road, Colombo 10, Sri Lanka
Phone: +94 11 262 7650

SINGER[®]
Trusted Excellence

[®] A registered trademark of The Singer Company Limited