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SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED 30TH JUNE 2019

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 30th June	Group		Company		Variance			Variance		
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	Group Rs. '000		%	Company Rs. '000		%
Revenue	13,859,727	15,145,714	11,574,074	11,655,135	1,285,987	-	8	81,061	-	1
Cost of Sales	(9,160,619)	(10,622,900)	(8,105,931)	(8,310,118)	(1,462,281)	-	14	(204,187)	-	2
Direct Interest Cost	(438,687)	(301,083)	-	-	(137,604)	+	46	-	+	-
Gross Profit	4,260,421	4,221,731	3,468,143	3,345,017	38,690	+	1	123,126	+	4
Other Income	73,766	79,289	43,329	29,984	5,523	-	7	13,345	+	45
Selling and Administration Expenses	(3,055,607)	(2,947,280)	(2,624,541)	(2,567,159)	(108,327)	+	4	(57,382)	+	2
Impairment Loss on Trade Receivables	(213,626)	(69,468)	(74,078)	(5,461)	(144,157)	+	208	(68,617)	+	1,256
Operating Profit	1,064,954	1,284,272	812,853	802,381	219,318	-	17	10,472	+	1
Finance Cost	(994,222)	(633,541)	(918,262)	(592,350)	(360,681)	+	57	(325,912)	+	55
Finance Income	98,518	46,351	130,665	83,989	52,167	+	113	46,676	+	56
Net Finance Cost	(895,704)	(587,190)	(787,598)	(508,361)	(308,514)	+	53	(279,237)	+	55
Value Added Tax on Financial Services	(76,563)	(57,319)	(10,800)	(9,800)	(19,244)	+	34	(1,000)	+	10
Profit Before Tax	92,687	639,763	14,455	284,220	547,076	-	86	269,765	-	95
Income Tax Expense	(40,786)	(189,816)	(2,920)	(85,266)	(149,030)	-	79	(82,346)	-	97
Profit for the Period	51,901	449,947	11,535	198,954	398,046	-	88	187,419	-	94
Total Comprehensive Income for the Period	51,901	449,947	11,535	198,954						
Profit Attributable to –										
Owners of the Company	27,288	418,759	11,535	198,954						
Non-controlling Interests	24,613	31,188	-	-						
Profit for the Period	51,901	449,947	11,535	198,954						
Total Comprehensive Income Attributable to –										
Owners of the Company	27,288	418,759	11,535	198,954						
Non-controlling Interests	24,613	31,188	-	-						
Total Comprehensive Income for the Period	51,901	449,947	11,535	198,954						
Earnings Per Share – Basic (Rs.)	0.07	1.11	0.03	0.53						

Above figures are provisional and subject to audit.

	Quarter ended 30th June 2019 Rs.	Quarter ended 30th June 2018 Rs.
Share Prices		
Highest	27.50	41.00
Lowest	21.70	33.50
Last Traded Price	22.00	35.00

Statement of Financial Position

As at	Group			Company		
	30th June 2019 Rs. '000	30th June 2018 Rs. '000	31st March 2019 Rs. '000	30th June 2019 Rs. '000	30th June 2018 Rs. '000	31st March 2019 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,888,501	5,666,867	6,704,649	3,656,389	3,017,893	3,498,021
Right of Use Asset	4,714,917	–	–	4,252,302	–	–
Intangible Assets	266,966	278,196	268,296	202,079	206,687	201,001
Investment in Subsidiaries	–	–	–	2,900,873	2,925,222	2,900,873
Other Non-current Assets	62,894	64,408	63,219	–	–	–
Other Investments	113,201	17,020	17,061	17,020	929,110	616,203
Trade and Other Receivables	11,702,702	10,016,838	11,478,309	1,732,231	1,599,879	1,432,236
Deferred Tax Assets	14,825	–	–	524,485	179,333	264,757
	23,764,006	16,043,329	18,531,534	13,285,379	8,858,124	8,913,091
Current Assets						
Inventories	12,305,307	11,802,512	14,125,717	10,612,527	9,947,466	12,135,242
Loans due from Related Parties	–	–	–	815,820	1,644,151	1,215,820
Income Tax Receivables	197,466	–	70,954	313,229	137,129	240,188
Trade and Other Receivables	21,259,715	21,114,129	22,672,158	11,812,096	12,542,025	12,860,387
Amounts due from Related Parties	6,729	1,200	–	11,737	10,986	3,311
Other Financial Assets	66,625	12,611	85,648	66,625	12,611	85,648
Deposits with Banks	133,825	82,095	83,324	–	–	–
Other Investments	626,430	685,670	623,372	599,273	–	312,090
Cash and Cash Equivalents	1,847,040	1,588,781	1,849,643	1,162,248	961,694	1,337,713
	36,443,137	35,286,998	39,510,816	25,393,555	25,256,062	28,190,398
Total Assets	60,207,143	51,330,327	58,042,350	38,678,934	34,114,186	37,103,489
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,112,752	572,702	1,118,123	1,154,352	843,574	1,158,333
Statutory Reserve	163,096	136,009	163,096	–	–	–
Revenue Reserves	4,392,729	5,490,780	5,035,831	2,203,223	3,161,622	2,851,599
Total Equity Attributable to Owners of the Company	6,294,625	6,825,540	6,943,097	3,983,623	4,631,244	4,635,980
Non-controlling Interest	1,528,252	1,364,425	1,508,546	–	–	–
Total Equity	7,822,877	8,189,965	8,451,644	3,983,623	4,631,244	4,635,980
Non-current Liabilities						
Interest-Bearing Loans and Borrowings	11,295,078	4,168,150	10,640,159	7,406,800	2,416,460	7,373,929
Lease Liability	4,780,533	–	–	4,343,996	–	–
Employee Benefit Obligations	900,460	817,799	871,971	646,579	587,078	630,758
Security Deposits	1,430,243	1,243,834	1,388,433	1,363,342	1,243,834	1,332,128
Deferred Tax Liability	–	379,513	246,869	–	–	–
Other Financial Liabilities	1,306,267	826,225	804,556	–	–	–
Deferred Revenue	85,477	57,421	85,928	85,477	57,421	85,928
Other Non-Current Liabilities	57,028	143,126	143,126	57,028	143,126	143,126
	19,855,086	7,636,068	14,181,043	13,903,222	4,447,919	9,565,870
Current Liabilities						
Trade and Other Payables	6,620,885	7,405,335	7,321,038	4,481,944	5,477,699	5,114,176
Deferred Revenue	178,627	215,631	188,045	171,978	215,631	182,535
Income Tax Payable	–	31,776	–	–	–	–
Dividends Payable	53,269	41,280	88,497	32,145	31,846	49,212
Amounts due to Related Parties	113,546	21,589	256,021	2,981,212	3,211,320	2,762,314
Other Financial Liabilities	5,273,711	3,836,432	5,148,467	–	–	–
Interest-Bearing Loans and Borrowings	17,921,901	21,533,863	19,491,167	11,938,584	14,839,425	13,376,313
Bank Overdrafts	2,367,241	2,418,389	2,916,428	1,186,226	1,259,102	1,417,089
	32,529,180	35,504,295	35,409,664	20,792,089	25,035,023	22,901,639
Total Liabilities	52,384,266	43,140,363	49,590,707	34,695,311	29,482,942	32,467,509
Total Equity and Liabilities	60,207,143	51,330,327	58,042,350	38,678,934	34,114,186	37,103,489
Net Assets per Share (Rs.)	16.76	18.17	18.48	10.61	12.33	12.34

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

(Sgd.)
Lalith Yatiwella
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,
7th August 2019

(Sgd.)
Mahesh H. Wijewardene
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the three months ended 30th June

Group	Stated Capital	Reserve Fund	Revaluation Reserves	General Reserves	Retained Earnings	Total	Non- controlling Interest	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31st March 2018	626,048	136,009	577,919	2,700,000	2,795,478	6,835,455	1,349,114	8,184,569
Adjustment on Error Correction					43,358	43,358	6,070	49,428
Adjustment of Initial Application of SLFRS 9 net of tax					(283,954)	(283,954)	(21,947)	(305,901)
Adjustment of initial Application of SLFRS 15 Net of Tax					(188,079)	(188,079)	–	(188,079)
Adjusted Balance as at 1st April 2018	626,048	136,009	577,919	2,700,000	2,366,803	6,406,780	1,333,237	7,740,017
Realisation of Revaluation Surplus	–	–	(5,217)	–	5,217	–	–	–
Total Comprehensive Income for the Period								
Profit for the Period	–	–	–	–	418,759	418,759	31,188	449,947
Total Comprehensive Income for the Period	–	–	–	–	418,759	418,759	31,188	449,947
Balance as at 30th June 2018	626,048	136,009	572,702	2,700,000	2,790,779	6,825,539	1,364,425	8,189,965
Realisation of Revaluation Surplus	–	–	(19,173)	–	19,173	–	–	–
Transferred to/(from) during the Period	–	27,087	–	–	(27,087)	–	–	–
Total Comprehensive Income for the Period								
Profit/(Loss) for the Period	–	–	–	–	(168,638)	(168,638)	104,671	(63,967)
Other Comprehensive Income								
Revaluation of Property, Plant and Equipment	–	–	784,157	–	–	784,157	98,667	882,824
Remeasurement of Employee Benefit Obligations	–	–	–	–	(21,499)	(21,499)	341	(21,158)
Related Taxes								
Tax on Other Comprehensive Income					5,989	5,989	(117)	5,872
Deferred Tax on Revaluation of Property, Plant and Equipment	–	–	(219,564)	–	–	(219,564)	(27,627)	(247,191)
Total Other Comprehensive Income for the Period	–	–	564,593	–	(15,510)	549,083	71,264	620,347
Total Comprehensive Income for the Period	–	–	564,593	–	(184,148)	380,445	175,935	556,380
Transactions with Owners of the Company, Recognised Directly in Equity								
Distributions to Owners of the Company								
Dividend paid in Terms of Bonus Issue					(8,788)	(8,788)	(1,229)	(10,017)
Interim Dividend – 2018/19	–	–	–	–	(244,159)	(244,159)	(78,923)	(323,082)
Total Distributions to Owners of the Company	–	–	–	–	(252,947)	(252,947)	(80,152)	(333,099)
Changes in Ownership Interests in Subsidiary								
Effect of Change in Holdings in Subsidiaries	–	–	–	–	(9,940)	(9,940)	48,339	38,399
Total Transactions with Owners of the Company	–	–	–	–	(262,887)	(262,887)	(31,813)	(294,700)
Balance as at 31st March 2019	626,048	163,096	1,118,122	2,700,000	2,335,831	6,943,097	1,508,546	8,451,644
Adjustment of Initial Application of SLFRS 16 Leases net of Tax					(675,760)	(675,760)	(2,980)	(678,740)
Realisation of Revaluation Surplus	–	–	(5,370)	–	5,370	–	–	–
Total Comprehensive Income for the Period								
Profit for the Period	–	–	–	–	27,288	27,288	24,613	51,901
Total Comprehensive Income for the Period	–	–	–	–	27,288	27,288	24,613	51,901
Distributions to Owners of the Company								
Interim Dividend – 2018/19	–	–	–	–	–	–	(1,928)	(1,928)
Total Distributions to Owners of the Company	–	–	–	–	–	–	(1,928)	(1,928)
Balance as at 30th June 2019	626,048	163,096	1,112,752	2,700,000	1,692,729	6,294,625	1,528,252	7,822,877

Statement of Changes in Equity

For the three months ended 30th June

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
Balance as at 31st March 2018	626,048	847,555	2,700,000	626,088	4,799,691
Adjustment of Initial Application of SLFRS 9 Net of tax	–	–	–	(179,322)	(179,322)
Adjustment of Initial Application of SLFRS 15 Net of tax	–	–	–	(188,079)	(188,079)
Adjusted balance as at 1st April 2018	626,048	847,555	2,700,000	258,687	4,432,290
Realisation of Revaluation Surplus	–	(3,981)	–	3,981	–
Total Comprehensive Income for the Period					
Profit for the Period	–	–	–	198,954	198,954
Total Comprehensive Income for the Period	–	–	–	198,954	198,954
Balance as at 30th June 2018	626,048	843,574	2,700,000	461,622	4,631,244
Realisation of Revaluation Surplus	–	(11,942)	–	11,942	–
Total Comprehensive Income for the Period					
Loss for the Period	–	–	–	(58,404)	(58,404)
Other Comprehensive Income					
Revaluation of Property Plant and Equipment		453,752			453,752
Remeasurement of Employee Benefit Obligations	–	–	–	(26,948)	(26,948)
Related Taxes					
Tax on Other Comprehensive Income	–	–	–	7,545	7,545
Deferred Tax on Revaluation of Property, Plant and Equipment	–	(127,051)	–	–	(127,051)
Total Other Comprehensive Income for the Period	–	326,701	–	(19,403)	307,298
Total Comprehensive Income for the Period	–	326,701	–	(77,807)	248,894
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Interim Dividend – 2018/19	–	–	–	(244,159)	(244,159)
Total Distributions to Owners of the Company	–	–	–	(244,159)	(244,159)
Balance as at 31st March 2019	626,048	1,158,333	2,700,000	151,598	4,635,980
Adjustment of Initial Application of SLFRS 16 Leases net of Tax				(663,891)	(663,891)
Realisation of Revaluation Surplus	–	(3,981)	–	3,981	–
Total Comprehensive Income for the Period					
Profit for the Period	–	–	–	11,535	11,535
Total Comprehensive Income for the Period	–	–	–	11,535	11,535
Balance as at 30th June 2019	626,048	1,154,352	2,700,000	(496,777)	3,983,623

Statement of Cash Flows

	Group		Company	
	2019 Rs.'000	2018 Rs.'000	2019 Rs.'000	2018 Rs.'000
<i>For the three months ended 30th June</i>				
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	92,687	639,763	14,455	284,220
Adjustment for:				
Depreciation on Property, Plant and Equipment	163,684	108,684	123,866	111,184
Amortisation of Intangible Assets	5,358	7,126	2,871	3,025
Amortisation of Leasehold Rights	202,635	–	187,123	–
(Gain)/Loss on Disposal of Property, Plant and Equipment	(3,736)	1,279	(4,474)	1,279
Changing Fair Value of Derivative (Assets)/Liabilities	19,023	–	19,023	–
Interest Expense	994,222	633,541	918,262	592,350
Interest Income	(98,518)	(46,351)	(130,665)	(83,989)
(Reversal of) Impairment Loss on Inventories	(20,630)	27,857	(17,367)	24,394
Impairment on Trade and Other Receivables	286,965	152,454	147,418	98,687
Dividend Income	–	–	(11,844)	–
Provision for Retiring Gratuity	42,160	39,824	28,833	28,344
Operating Profit before Working Capital Changes	1,683,850	1,564,177	1,277,501	1,059,494
(Increase)/Decrease in Inventories	1,841,040	743,341	1,540,082	769,421
(Increase)/Decrease in Debtors Falling due after One Year	(224,393)	(853,858)	(299,995)	(257,973)
(Increase)/Decrease in Debtors Falling due within One year	401,506	(955,138)	232,212	(738,324)
(Increase)/Decrease in dues from Related Parties	(6,729)	(412)	(8,426)	174,410
Increase/(Decrease) in dues to Related Parties	(142,474)	5,407	218,900	571,959
Increase/(Decrease) in Security Deposits	41,810	44,707	31,214	44,707
Increase/(Decrease) in Trade and Other Payables	(676,724)	(895,574)	(718,331)	(613,012)
Increase/(Decrease) in Deferred Liabilities	(9,871)	(30,659)	(11,007)	(30,659)
Cash Generated from Operations	2,908,015	(378,011)	2,262,150	980,021
Finance Costs Paid	(798,338)	(644,966)	(774,452)	(603,775)
Retiring Gratuity Paid	(13,671)	(16,670)	(13,012)	(15,274)
Income Tax Paid	(165,039)	(115,977)	(77,510)	(67,013)
Net Cash from/(used in) Operating Activities	1,930,967	(1,155,625)	1,397,176	293,959
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(352,302)	(130,028)	(286,182)	(53,184)
Proceeds from Disposal of Property Plant and Equipment	4,474	2,860	4,474	2,860
(Acquisition)/Disposal of Marketable Securities	(99,197)	50,274	312,000	–
Investment in Bank Deposits	(50,501)	(591)	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	400,000	(425,000)
Interest Income Received	98,518	46,351	130,665	83,989
Dividends Received	–	–	11,844	–
Net Cash Flows from Investing Activities	(933,008)	(31,134)	572,801	(391,335)
Cash Flows from Financing Activities				
Net proceeds from interest-bearing Loans and Borrowings	(1,061,239)	2,278,570	(1,404,862)	527,194
Net Settlements to Lease Creditors	(513,938)	–	(492,650)	–
Net (payment) to Minority Shareholders	(1,928)	–	–	–
Increase/(Decrease) in Customer Deposit Liabilities	626,955	(575,321)	–	–
Dividends Paid	(35,228)	(552,414)	(17,067)	(507,765)
Net Cash Flows from Financing Activities	(985,378)	1,150,835	(1,914,579)	19,428
Net Increase/(Decrease) in Cash and Cash Equivalents	546,584	(35,924)	55,398	(77,947)
Cash and Cash Equivalents at the Beginning of the Year	(1,066,785)	(793,684)	(79,376)	(219,461)
Cash and Cash Equivalents at the End of the Period	(520,201)	(829,608)	(23,978)	(297,408)

Notes to the Financial Statements

1. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements for the year ended 31st March 2019, except for the initial adoption of SLFRS 16 – “Leases” which became applicable for financial reporting periods beginning on or after 1st January 2019.

SLFRS 16 requires the recognition of lease liabilities and right of use of assets for leases previously classified as operating leases in accordance with LKAS 17 – “Leases:”

Accordingly, the required transition adjustments have been made on best estimate at the date of initial application of SLFRS 16 and Company is in the process of refining these the estimate and any subsequent adjustments will be made in the following quarters.

1.1 SLFRS 9 and SLFRS 15 became applicable for financial periods beginning on or after 1st January 2018. However, Group previously presented the Interim Financial Statements for the period ended 30th June 2018 by applying LKAS 39 – “Financial Instruments – Recognition and Measurement” as permitted by the “Statement of Alternative Treatment (SoAT) on the Figures in the Interim Financial Statements” issued by CA Sri Lanka. Therefore, the comparative Financial Statements for the period ended 30th June 2018 is reported under LKAS 39 and is not comparable to the information presented for 2019. Differences arising from the adoption of SLFRS 9 and SLFRS 15 have been recognised directly in retained earnings as of 1st April 2018.

2.1 Segmental Analysis of Company Net Turnover is as follows:

	Quarter ended 30th June 2019 Rs. '000	Quarter ended 30th June 2018 Rs. '000
Consumer Electronics	1,885,726	1,788,453
Financial Services	956,136	904,787
Furniture	817,048	816,556
Home Appliances	5,033,986	4,934,426
IT Products	1,740,057	1,982,725
Sewing Machines	471,304	582,601
Other	669,817	645,587
	11,574,074	11,655,135

2.2 Segmental Analysis of Company Profits Before Tax is as follows:

	Quarter ended 30th June 2019 Rs. '000	Quarter ended 30th June 2018 Rs. '000
Consumer Electronics	133,436	136,186
Financial Services	360,437	217,496
Furniture	31,135	45,647
Home Appliances	260,928	303,431
IT Products	35,952	43,266
Sewing Machines	24,062	37,286
Other	29,137	24,530
Inter Company Dividend	11,844	–
Impairment Loss on Trade Receivables	(74,078)	(5,461)
Operating Profit	812,853	802,381
Net Finance Cost	(787,598)	(508,361)
VAT on Financial Services	(10,800)	(9,800)
Profit Before Tax	14,455	284,220

2.3 Segmental Analysis of Group Net Turnover is as follows:

	Quarter ended 30th June 2019 Rs. '000	Quarter ended 30th June 2018 Rs. '000
Consumer Electronics	1,885,726	1,788,453
Financial Services	2,036,780	1,769,116
Furniture	817,048	816,556
Home Appliances	5,036,251	4,936,991
IT Products	2,942,744	4,606,264
Sewing Machines	471,304	582,601
Other	669,873	645,733
	13,859,727	15,145,714

Notes to the Financial Statements

2.4 Segmental Analysis of Group Profits Before Tax is as follows:

	Quarter ending 30th June 2019 Rs. '000	Quarter ending 30th June 2018 Rs. '000
Consumer Electronics	133,436	136,186
Financial Services	574,381	535,678
Furniture	31,135	45,647
Home Appliances	311,749	343,828
IT Products	172,388	225,305
Sewing Machines	24,062	40,491
Other	31,429	26,605
Impairment Loss on Trade Receivables	(213,626)	(69,468)
Operating Profit	1,064,954	1,284,272
Net Finance Cost	(895,704)	(587,190)
VAT on Financial Services	(76,563)	(57,319)
Profit Before Tax	92,687	639,763

3. Stated Capital

3.1	30th June 2019	30th June 2018
Value – Ordinary Shares (Rs.)	626,048,050	626,048,050
Number of Shares – Ordinary Shares	375,628,830	375,628,830
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

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 advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for Deemed VAT and 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.287 million to Director General of Customs to clear imports during the years 2008 to March 2019. 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 and hence, no provision is made in the Financial Statements.
- (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 30th June 2019, the balance has been exceeded in the credit card product by Rs.164 million.
- (d) Singer Finance (Lanka) PLC has provided letters of guarantees to banks totalling to Rs. 1 million against Fixed Deposits of Rs.1 million.
- (e) Regnis Lanka PLC has provided Corporate guarantees to banks on behalf of Regnis Appliances (Pvt) Ltd., amounting to Rs. 410 million for the purpose of obtaining banking facilities.
- (f) Regnis Lanka (Pvt) Limited cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee amounting to Rs. 6 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.

Notes to the Financial Statements

6. Listed Debentures

Details Regarding the listed debentures are as follows:

Interest Rates of Comparable Government Securities as at Issue Date (%)

12% senior rated listed unsecured redeemable on 28th September 2021	9.51
Interest rates of comparable Government Securities as at 30th June 2019 were 9.38%	
The Debentures were not traded during the quarter ended 30th June 2019	

	Group		Company	
	31st March 2019	30th June 2018	31st March 2019	30th June 2018
Debt Equity Ratio	5.26	3.61	5.96	3.51
Interest Cover	1.10	1.81	1.02	1.51
Quick Assets Ratio	0.75	0.67	0.72	0.62

7. Top 20 Shareholders as at 30th June 2019

Name	Number of Shares	Percentage %
1. National Savings Bank/Hayleys PLC	85,147,054	22.67
Peoples Bank/Hayleys PLC	85,147,053	22.67
Hayleys PLC	50,679,271	13.49
Hatton National Bank PLC/Hayleys PLC	40,293,659	10.73
2. Hayleys Advantis Limited	37,127,660	9.88
3. Volanka (Pvt) Limited	11,595,745	3.09
4. Hayleys Aventura (Private) Limited	10,531,915	2.80
5. Carbotels (Pvt) Limited	9,680,851	2.58
6. Hayleys Agriculture Holdings Limited	9,468,085	2.52
7. Mr Kulapparachchige Don Dammika Perera	6,935,913	1.85
8. Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	2,492,130	0.66
9. Mrs Mihiri Virani Fernando	1,971,494	0.52
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd.	669,849	0.18
11. Mrs Anoma Kamalika Amarasuriya	536,910	0.14
12. Mr Nai Kaluge Anura Deepal De Silva	441,590	0.12
13. Miss Nai Kaluge Ruvani Hemamala De Silva	397,638	0.11
14. Mr Nalin Amita De Silva	378,978	0.10
15. Jafferjee Brothers (Exports) Limited	375,600	0.10
16. Mr Abeysiri Hemapala Munasinghe	328,644	0.09
17. Dr Ananda Krishnakumar Abeytunga Jayawardene	323,738	0.09
18. Mrs Enoka Kamali Wickramasinghe	319,857	0.09
19. Mr Leslie Premal Mendis and Mrs M S Mendis	274,934	0.07
20. Mr Hemaka Devapriya Senarath Amarasuriya	268,446	0.07
Subtotal	355,387,014	94.61
Others	20,241,816	5.39
Total Issued Shares	375,628,830	100

Notes to the Financial Statements

8. Director's and CEO's Shareholdings as at 30th June 2019

Name of the Director	Shareholding 30th June 2019 Number of Shares	Shareholding 31st March 2019 Number of Shares
Mr A M Pandithage	–	–
Mr K D D Perera	6,935,913	6,935,913
Mr M H Wijewardene (CEO)	–	–
Mr D Sooriyaarachchi	–	–
Mr D H Fernando	–	–
Mr M H Jamaldeen	–	–
Mr S C Ganegoda	–	–
Mr D K De Silva Wijeyeratne	–	–
Mr S Goodman – Ceased to be Director w.e.f. 25th June 2019	–	–
Ms O D Gunawardene	–	–
Mr L N S K Samarasinghe (Alternate Director to M H Jamaldeen)	17,372	17,372
Mr H P S Perera (Alternate Director to M H Wijewardene)	–	–
Mr K K L P Yatiwella (Alternate Director to S C Ganegoda)	–	–

9. Public Holdings

Shares held by public as at 30th June 2019

Number of Shareholders	Number of Shares	Percentage %
2,763	29,004,252	7.72

Float adjusted market capitalisation – Rs. 637,968,004.87

The Company is not in compliance with option five 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
Contact No. 011 262 7650

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