

SINGER[®]

SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2021

Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31st December	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	55,397,359	49,387,791	49,660,979	39,096,015	6,009,568	+ 12	10,564,964	+ 27
Cost of Sales	(38,225,207)	(34,383,081)	(36,483,999)	(28,167,406)	(3,842,126)	+ 11	(8,316,593)	+ 30
Direct Interest Cost	(1,389,156)	(1,414,219)	—	—	(25,063)	- 2	—	—
Gross Profit	15,782,996	13,590,491	13,176,980	10,928,609	2,192,505	+ 16	2,248,371	+ 21
Other Income	152,354	157,567	178,530	217,933	5,213	- 3	39,403	- 18
Selling and Administrative Expenses	(9,864,088)	(8,824,093)	(8,359,257)	(7,486,219)	(1,039,995)	+ 12	(873,038)	+ 12
Impairment Loss on Trade and Other Receivables	(918,142)	(1,446,228)	(491,919)	(966,878)	(528,086)	- 37	(474,959)	- 49
Operating Profit	5,153,120	3,477,737	4,504,334	2,693,445	1,675,383	+ 48	1,810,889	+ 67
Finance Cost	(1,681,946)	(1,711,470)	(1,525,678)	(1,748,028)	(29,524)	- 2	(222,350)	- 13
Finance Income	960,089	779,295	633,024	606,328	180,794	+ 23	26,696	+ 4
Net Finance Cost	(721,857)	(932,175)	(892,654)	(1,141,700)	(210,318)	- 23	(249,046)	- 22
Value Added Tax on Financial Services	(254,972)	(191,130)	(67,000)	(52,800)	(63,842)	+ 33	(14,200)	+ 27
Profit before Tax	4,176,291	2,354,432	3,544,680	1,498,945	1,821,859	+ 77	2,045,735	> 100
Income Tax Expense	(1,021,845)	(598,966)	(774,957)	(330,590)	(422,879)	+ 71	(444,367)	> 100
Profit for the Period	3,154,446	1,755,466	2,769,723	1,168,355	1,398,980	+ 80	1,601,368	> 100
Total Comprehensive Income for the Period, Net of Tax	3,154,446	1,755,466	2,769,723	1,168,355				
Profit Attributable to –								
Owners of the Company	3,051,684	1,690,052	2,769,723	1,168,355				
Non-controlling Interests	102,762	65,414	—	—				
	3,154,446	1,755,466	2,769,723	1,168,355				
Total Comprehensive Income Attributable to –								
Owners of the Company	3,051,684	1,690,052	2,769,723	1,168,355				
Non-controlling Interests	102,762	65,414	—	—				
Total Comprehensive Income for the Period Net of Tax	3,154,446	1,755,466	2,769,723	1,168,355				
Basic/Diluted Earnings Per Share (Rs.)	2.71	1.50	2.46	1.04				

Above figures are provisional and subject to audit.

	For the nine months ended* 31st December 2021 Rs.	For the nine months ended** 31st December 2020 Rs.
Share Prices		
Highest	21.50	61.20
Lowest	15.70	20.00
Last Traded Price	19.90	55.00

* 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 31st December	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	23,799,878	18,657,584	21,559,307	15,210,830	5,142,294 +	28	6,348,477 +	42
Cost of Sales	(16,540,704)	(13,291,206)	(15,807,705)	(11,243,462)	(3,249,498) +	24	(4,564,243) +	41
Direct Interest Cost	(479,997)	(454,011)	–	–	(25,986) +	6	–	
Gross Profit	6,779,177	4,912,367	5,751,602	3,967,368	1,866,810 +	38	1,784,234 +	45
Other Income	56,326	60,188	19,794	21,767	3,862 -	6	1,973 -	9
Selling and Administrative Expenses	(4,064,284)	(3,277,716)	(3,477,339)	(2,790,711)	(786,568) +	24	(686,628) +	25
Impairment Loss on Trade and Other Receivables	185,314	(373,259)	289,803	(212,569)	(558,573) >	100	(502,372) >	100
Operating Profit	2,956,533	1,321,580	2,583,860	985,855	1,634,953 >	100	1,598,005 >	100
Finance Cost	(549,888)	(379,232)	(544,343)	(426,344)	(170,656) +	45	(117,999) +	28
Finance Income	387,658	269,176	280,149	204,140	118,482 +	44	76,009 +	37
Net Finance Cost	(162,230)	(110,056)	(264,194)	(222,204)	(52,174) +	47	(41,990) +	19
Value Added Tax on Financial Services	(102,338)	(74,552)	(25,000)	(26,000)	(27,786) +	37	(1,000) -	4
Profit before Tax	2,691,965	1,136,972	2,294,666	737,651	1,554,993 >	100	1,557,015 >	100
Income Tax Expense	(604,183)	(267,593)	(488,952)	(170,796)	(336,590) >	100	(318,156) >	100
Profit for the Period	2,087,782	869,379	1,805,714	566,855	1,218,403 >	100	1,238,859 >	100
Total Comprehensive Income for the Period	2,087,782	869,379	1,805,714	566,855				
Profit Attributable to –								
Owners of the Company	2,029,161	834,697	1,805,714	566,855				
Non-controlling Interests	58,621	34,682	–	–				
Profit for the Period	2,087,782	869,379	1,805,714	566,855				
Total Comprehensive Income Attributable to –								
Owners of the Company	2,029,161	834,697	1,805,714	566,855				
Non-controlling Interests	58,621	34,682	–	–				
Total Comprehensive Income for the Period Net of Tax	2,087,782	869,379	1,805,714	566,855				
Basic/Diluted Earnings Per Share (Rs.)	1.80	0.74	1.60	0.50				

Above figures are provisional and subject to audit.

	Quarter ended* 31st December 2021 Rs.	Quarter ended** 31st December 2020 Rs.
Share Prices		
Highest	21.20	61.20
Lowest	15.70	36.00
Last Traded Price	19.90	55.00

* 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		
	31st December 2021 Rs. '000	31st December 2020 Rs. '000	31st March 2021 Rs. '000	31st December 2021 Rs. '000	31st December 2020 Rs. '000	31st March 2021 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,653,631	6,758,199	6,805,750	3,443,744	3,508,207	3,578,266
Right-of-Use Assets	4,925,575	4,083,035	4,433,003	4,335,331	3,563,792	3,863,148
Intangible Assets	561,101	264,318	315,022	429,479	207,473	222,618
Investment in Subsidiaries	—	—	—	2,968,023	2,968,023	2,968,023
Other Non-current Assets	59,641	60,942	60,617	—	—	—
Other Investments	24,990	107,274	24,990	24,948	17,020	24,948
Trade and Other Receivables	11,991,482	11,660,620	11,861,154	576,994	835,250	802,806
Deferred Tax Assets	1,076,606	823,889	873,745	984,976	778,100	832,575
	25,293,026	23,758,277	24,374,281	12,763,495	11,877,865	12,292,384
Current Assets						
Inventories	24,171,512	13,980,817	18,180,683	21,258,501	12,232,652	16,150,897
Loans due from Related Parties	—	—	—	185,000	—	—
Income Tax Receivables	12,892	132,613	17,119	—	271,014	—
Trade and Other Receivables	28,896,966	23,560,558	23,977,624	14,094,717	12,575,385	12,965,214
Amounts due from Related Parties	11,719	10,372	10,820	755,164	10,372	38,814
Deposits with Banks	171,490	80,476	60,935	—	—	—
Short-term Investments	1,504,194	577,827	813,264	103,020	—	—
Cash and Cash Equivalents	2,375,690	4,227,673	1,868,859	1,200,992	2,387,166	783,540
	57,144,463	42,570,336	44,929,304	37,597,394	27,476,589	29,938,465
Total Assets	82,437,489	66,328,613	69,303,585	50,360,889	39,354,454	42,230,849
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,215,807	1,076,331	1,232,580	1,158,301	1,130,466	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	8,470,760	6,073,516	6,416,501	5,045,766	3,102,842	3,277,635
Total Equity Attributable to Owners of the Company	10,517,580	7,958,443	8,480,095	6,836,141	4,859,356	5,080,617
Non-controlling Interest	1,848,857	1,683,296	1,778,543			
Total Equity	12,366,437	9,641,739	10,258,638	6,836,141	4,859,356	5,080,617
Non-current Liabilities						
Interest-bearing Loans and Borrowings	11,180,923	7,309,464	7,129,287	5,150,000	3,000,000	3,000,000
Lease Liability	4,954,769	4,054,520	4,307,592	4,400,703	3,543,641	3,786,997
Employee Benefit Obligations	1,010,073	945,075	946,775	697,674	650,626	654,639
Security Deposits	1,393,702	1,365,342	1,366,565	1,326,384	1,263,429	1,293,744
Deferred Tax Liabilities	369,695	653,974	376,416	—	—	—
Other Financial Liabilities	2,199,468	1,782,206	2,091,132	—	—	—
Deferred Revenue	109,133	102,571	107,608	109,133	102,571	107,609
Other Non-current Liabilities	175,428	125,711	142,414	175,428	125,711	142,413
	21,393,191	16,338,863	16,467,789	11,859,322	8,685,978	8,985,402
Current Liabilities						
Trade and Other Payables	19,141,670	18,327,645	18,754,807	14,904,468	12,880,347	13,559,595
Deferred Revenue	199,066	180,703	209,075	186,737	175,199	183,470
Dividends Payable	100,803	17,419	132,672	91,678	9,032	58,822
Amounts due to Related Parties	1,110,499	120,297	341,304	5,470,648	4,656,053	4,259,226
Income Tax Payable	509,296	—	278,063	283,639	—	25,209
Other Financial Liabilities	10,115,569	7,641,045	8,374,066	—	—	—
Lease Liability	730,514	614,147	686,421	654,679	572,961	624,048
Interest-bearing Loans and Borrowings	15,411,105	12,044,953	12,085,399	9,220,562	6,955,998	8,132,721
Bank Overdrafts	1,359,339	1,401,802	1,715,351	853,015	559,530	1,321,739
	48,677,861	40,348,011	42,577,158	31,665,426	25,809,120	28,164,830
Total Liabilities	70,071,052	56,686,874	59,044,947	43,524,748	34,495,098	37,150,232
Total Equity and Liabilities	82,437,489	66,328,613	69,303,585	50,360,889	39,354,454	42,230,849
Net Assets per Share (Rs.)	9.33	7.06	7.53	6.07	4.31	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,
14th February 2022

(Sgd.)

Mahesh Wijewardene
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the nine months ended 31st December 2021

			Attributable to Equity Holders of the Company					Total	Non-controlling Interest	Total Equity
			Capital Reserve	Component of Equity	Revenue Reserve					
Group	Stated Capital Rs. '000	Reserve Fund Rs. '000	Revaluation Reserves Rs. '000	Fair Value Reserve Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Rs. '000	Rs. '000	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	–	–	(16,111)	–	–	16,111	–	–	–	
Profit for the Period	–	–	–	–	–	1,690,052	1,690,052	65,414	1,755,466	
Total Comprehensive Income for the Period	–	–	–	–	–	1,690,052	1,690,052	65,414	1,755,466	
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 31st December 2020	626,048	182,548	1,076,331	–	2,700,000	3,373,516	7,958,443	1,683,296	9,641,739	
Realisation on Revaluation Surplus	–	–	(6,919)	–	–	6,919	–	–	–	
Transferred to/(from) during the Period	–	16,391	–	–	–	(16,391)	–	–	–	
Profit for the Period	–	–	–	–	–	761,957	761,957	90,099	852,055	
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	1,232,580	6,026	2,700,000	3,716,501	8,480,095	1,778,543	10,258,638	
Realisation of Revaluation Surplus	–	–	(16,773)	–	–	16,773	–	–	–	
Profit for the Period	–	–	–	–	–	3,051,684	3,051,684	102,762	3,154,446	
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	–	–	–	–	–	(732,476)	(732,476)	–	(732,476)	
Balance as at 31st December 2021	626,048	198,939	1,215,807	6,026	2,700,000	5,770,760	10,517,580	1,848,857	12,366,437	

Statement of Changes in Equity

For the nine months ended 31st December 2021

Company	Stated Capital Rs. '000	Capital Reserve	Other Component of Equity	Revenue Reserve		Total 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	1,142,409	–	2,700,000	(476,953)	3,991,505
Realisation of Revaluation Surplus	–	(11,943)	–	–	11,943,000	–
Profit for the Period	–	–	–	–	1,168,355	1,168,355
Total Comprehensive Income for the Period	–	–	–	–	1,168,355	1,168,355
Interim Dividend – 2020/21	–	–	–	–	(300,503)	(300,503)
Balance as at 31st December 2020	626,048	1,130,466	–	2,700,000	402,842	4,859,356
Realisation of Revaluation Surplus	–	(3,980)	–	–	3,980	–
Profit for the Period	–	–	–	–	580,821	580,821
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	–	584,003	634,451
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	577,635	5,080,617
Realisation of Revaluation Surplus	–	(12,606)	–	–	12,606	–
Profit for the Period	–	–	–	–	2,769,723	2,769,723
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	–	–	–	–	(732,476)	(732,476)
Total Distributions to Owners of the Company	–	–	–	–	(1,014,198)	(1,014,198)
Balance as at 31st December 2021	626,048	1,158,301	6,026	2,700,000	2,345,766	6,836,141

Statement of Cash Flows

For the nine months ended 31st December	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	4,176,291	2,354,432	3,544,680	1,498,945
Adjustment for:				
Depreciation on Property, Plant and Equipment	541,109	482,587	401,886	356,250
Amortisation of Intangible Assets	32,218	17,851	20,200	10,253
Amortisation of Leasehold Right	976	976	–	–
Amortisation of Right-of-Use Assets	754,812	641,330	748,801	572,794
Gain on Disposal of Property, Plant and Equipment	(1,622)	(3,538)	(1,622)	(4,587)
Changing Fair Value of Derivative (Assets)/Liabilities	–	27,088	–	27,088
Interest Expense	1,154,550	1,768,648	1,525,679	1,748,028
Interest Income	(53,597)	(49,113)	(27,259)	(35,784)
Impairment of Inventories	25,714	133,330	(3,021)	140,021
Impairment Loss on Trade and Other Receivables	918,143	1,446,228	491,919	966,878
Dividend Income	(240)	(320)	(129,210)	(158,071)
Provision for Retiring Gratuity	134,569	135,221	92,327	91,161
Operating Profit before Working Capital Changes	7,682,923	6,954,720	6,664,380	5,212,976
(Increase)/Decrease in Inventories	(6,016,543)	1,933,310	(5,104,583)	1,900,565
(Increase)/Decrease in Debtors falling due after One Year	(130,328)	(330,603)	225,812	(2,049)
(Increase)/Decrease in Debtors falling due within One year	(5,837,486)	(1,447,989)	(1,621,423)	(1,118,046)
(Increase)/Decrease in dues from Related Parties	(898)	23,054	(716,351)	21,683
Increase/(Decrease) in dues to Related Parties	769,195	(106,441)	1,211,423	1,237,423
Increase/(Decrease) in Security Deposits	27,137	(29,269)	32,640	(66,534)
Increase/(Decrease) in Trade and Other Payables	419,880	9,050,082	1,377,890	6,287,636
Increase/(Decrease) in Deferred Liabilities	(8,485)	16,712	4,792	18,320
Cash Generated from Operations	(3,094,605)	16,063,576	2,074,580	13,491,974
Finance Costs Paid	(616,886)	(1,365,138)	(1,040,512)	(1,398,558)
Retiring Gratuity Paid	(71,270)	(91,130)	(49,292)	(77,219)
Income Tax Paid	(995,968)	(395,768)	(668,931)	(204,461)
Net Cash from/(used in) Operating Activities	(4,778,729)	14,211,540	315,845	11,811,736
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(671,900)	(369,923)	(499,040)	(246,042)
Proceeds from Disposal of Property, Plant and Equipment	6,238	17,567	6,238	16,757
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	–	–	600,090
Short-term Investments	(103,020)	–	(103,020)	–
(Acquisition)/Disposal of Marketable Securities	(587,912)	121,850	–	–
Investment in Bank Deposits	(110,555)	20,917	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	(185,000)	446,000
Interest Income Received	53,597	49,113	27,259	35,784
Dividends Received	240	320	129,210	158,071
Net Cash Flows from Investing Activities	(1,413,312)	(160,156)	(624,353)	1,010,660
Cash Flow from Financing Activities				
Net Proceeds from Interest-bearing Loans and Borrowings	7,361,955	(10,489,582)	3,222,455	(8,749,451)
Net Settlements to Lease Creditors	(1,078,393)	(886,281)	(1,046,430)	(808,163)
Increase in Customer Deposit Liabilities	1,849,839	2,409,164	–	–
Net (Payment) to Minority Shareholders	(32,449)	(1,130)	–	–
Dividends Paid	(1,046,067)	(406,898)	(981,342)	(330,622)
Net Cash Flow from Financing Activities	7,054,885	(9,374,727)	1,194,683	(9,888,236)
Net Increase in Cash and Cash Equivalents	862,843	4,676,657	886,175	2,934,160
Cash and Cash Equivalents at the Beginning of the Year	153,508	(1,850,786)	(538,198)	(1,106,524)
Cash and Cash Equivalents at the Period	1,016,351	2,825,871	347,977	1,827,636

Notes to the Financial Statements

1. Basis of Preparation and Group's Accounting Policies

The interim condensed consolidated Financial Statements for the nine months ended 31st December 2021 have been prepared in accordance with LKAS 34 – "Interim Financial Reporting".

The Financial Statements for the period ended 31st December 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 31st December	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 31st December 2021 Rs. '000	Quarter ended 31st December 2020 Rs. '000	Nine months ended 31st December 2021 Rs. '000	Nine months ended 31st December 2020 Rs. '000
Consumer Electronics	2,545,172	2,108,492	6,158,171	5,197,429
Financial Services	803,811	753,248	2,244,241	2,375,024
Furniture	1,277,621	768,307	2,444,149	1,775,017
Home Appliances	8,474,580	5,057,477	19,311,238	13,807,921
IT Products	5,441,573	4,717,533	13,202,163	10,885,951
Sewing Machines	1,474,361	718,126	2,655,656	1,840,592
Other	1,542,189	1,087,647	3,645,361	3,214,081
	21,559,307	15,210,830	49,660,979	39,096,015

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

	Quarter ended 31st December 2021 Rs. '000	Quarter ended 31st December 2020 Rs. '000	Nine months ended 31st December 2021 Rs. '000	Nine months ended 31st December 2020 Rs. '000
Consumer Electronics	273,494	209,476	722,190	585,026
Financial Services	283,226	105,382	590,102	449,877
Furniture	160,367	64,727	267,399	156,358
Home Appliances	926,195	474,960	2,020,543	1,399,387
IT Products	395,698	205,899	807,920	494,760
Sewing Machines	145,526	68,460	254,386	186,681
Other	109,551	69,520	204,503	230,163
Intercompany Dividend	–	–	129,210	158,071
Impairment Loss on Trade and Other Receivables	289,803	(212,569)	(491,919)	(966,878)
Operating Profit	2,583,860	985,855	4,504,334	2,693,445
Net Finance Cost	(264,194)	(222,204)	(892,654)	(1,141,700)
VAT on Financial Services	(25,000)	(26,000)	(67,000)	(52,800)
Profit before Tax	2,294,666	737,651	3,544,680	1,498,945

Notes to the Financial Statements

2.2 Segmental Analysis of Group Net Turnover is as follows:

	Quarter ended 31st December 2021 Rs. '000	Quarter ended 31st December 2020 Rs. '000	Nine months ended 31st December 2021 Rs. '000	Nine months ended 31st December 2020 Rs. '000
Consumer Electronics	2,545,172	2,108,492	6,158,171	5,197,429
Financial Services	2,160,408	1,863,546	5,977,220	5,673,283
Furniture	1,277,621	768,307	2,444,149	1,775,017
Home Appliances	8,480,622	5,060,219	19,326,158	13,816,085
IT Products	6,311,496	7,045,873	15,169,442	17,863,371
Sewing Machines	1,474,465	718,126	2,655,760	1,840,592
Other	1,550,094	1,093,021	3,666,459	3,222,014
	23,799,878	18,657,584	55,397,359	49,387,791

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

	Quarter ended 31st December 2021 Rs. '000	Quarter ended 31st December 2020 Rs. '000	Nine months ended 31st December 2021 Rs. '000	Nine months ended 31st December 2020 Rs. '000
Consumer Electronics	273,494	209,476	722,190	585,026
Financial Services	698,369	423,121	1,717,512	1,412,633
Furniture	160,367	64,727	267,399	156,358
Home Appliances	1,005,900	538,705	2,123,067	1,485,143
IT Products	368,699	340,446	774,420	897,650
Sewing Machines	148,975	44,423	244,066	146,622
Other	115,418	73,941	222,608	240,533
Impairment Loss on Trade and Other Receivables	185,311	(373,259)	(918,142)	(1,446,228)
Operating Profit	2,956,533	1,321,580	5,153,120	3,477,737
Net Finance Cost	(162,230)	(110,056)	(721,857)	(932,175)
VAT on Financial Services	(102,338)	(74,552)	(254,972)	(191,130)
Profit before Tax	2,691,965	1,136,972	4,176,291	2,354,432

3. Stated Capital

3.1 Value – Ordinary Shares

	31st December 2021	31st December 2020
Value – Ordinary Shares (Rs.)		
1,126,886,490 (375,628,830 – 31st December 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 31st December 2021 has been adjusted based on post subdivision of three ordinary shares for every one ordinary share 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 claimed 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 appealed to the Tax Appeal Commission against the determination given by the Commissioner General of Inland Revenue and made written submissions. Accordingly 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. 307 million to Director General of Customs to clear imports during the years 2008 to December 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. 1 million against fixed deposits of Rs. 1 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%.

	Group		Company	
	31st December 2021	31st March 2021	31st December 2021	31st March 2021
Debt Equity Ratio	3.52	3.37	2.79	3.17
Interest Cover	6.79	1.82	4.97	1.44
Quick Assets Ratio	0.68	0.63	0.52	0.49

Notes to the Financial Statements

7. Top 20 Shareholders as at 31st December 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. People's Leasing & Finance PLC/Mr D M P Disanayake	1,697,617	0.15
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Limited	1,500,000	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. Mr Abey Siri Hemapala Munasinghe	895,932	0.08
16. Mrs Enoka Kamali Wickramasinghe	884,571	0.08
17. 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
18. Sisira Investors Limited	651,348	0.06
19. Mrs Lasita Walpita	639,693	0.06
20. Mr Sivarajah Aravinthan	635,166	0.06
	1,058,570,945	93.94
Others	68,315,545	6.06
Total issued shares	1,126,886,490	100.00

8. Directors' and CEO's Shareholding as at

Name of the Director	Shareholding as at 31st December 2021 Number of Shares	Shareholding as at 31st March 2021 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 31st December 2021

Number of Shareholders	Number of Shares	Percentage
4,187	86,959,872	7.72%

Float adjusted market capitalisation – Rs. 1,731,213,176.86.

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
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