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SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30TH JUNE 2021

Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30th June	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	14,899,897	14,027,514	13,428,270	10,201,226	872,383 +	6	3,227,044 +	32
Cost of Sales	(10,083,087)	(9,424,168)	(9,749,029)	(7,008,777)	(658,919) -	7	(2,740,252) -	39
Direct Interest Cost	(435,880)	(486,872)	-	-	(50,992) +	10	-	
Gross Profit	4,380,930	4,116,474	3,679,241	3,192,449	264,456 +	6	486,792 +	15
Other Income	52,099	42,963	146,575	26,210	9,136 +	21	120,365 >	100
Selling and Administrative Expenses	(2,755,658)	(2,399,276)	(2,319,788)	(2,029,036)	(356,382) -	15	(290,752) -	14
Impairment Loss on Trade and Other Receivables	(464,074)	(637,099)	(294,281)	(304,129)	(173,025) +	27	(9,848) +	3
Operating Profit	1,213,297	1,123,062	1,211,747	885,494	90,235 +	8	326,253 +	37
Finance Cost	(526,473)	(788,895)	(519,789)	(766,084)	(262,422) +	33	(246,295) +	32
Finance Income	20,724	197,954	8,462	158,504	177,230 -	90	150,042 -	95
Net Finance Cost	(505,749)	(590,941)	(511,327)	(607,580)	(85,192) +	14	(96,253) +	16
Value Added Tax on Financial Services	(69,639)	(46,360)	(21,000)	(12,600)	(23,279) -	50	(8,400) -	67
Profit before Tax	637,909	485,761	679,420	265,314	152,148 +	31	414,106 >	100
Income Tax Expense	(190,449)	(119,457)	(150,162)	(59,917)	(70,992) -	59	(90,245) >	100
Profit for the Period	447,460	366,304	529,258	205,397	81,156 +	22	323,861 >	100
Total Comprehensive Income for the Period, Net of Tax	447,460	366,304	529,258	205,397				
Profit Attributable to –								
Owners of the Company	439,260	367,021	529,258	205,397				
Non-controlling Interests	8,200	(717)	-	-				
	447,460	366,304	529,258	205,397				
Total Comprehensive Income Attributable to –								
Owners of the Company	439,260	367,021	529,258	205,397				
Non-controlling Interests	8,200	(717)	-	-				
Total Comprehensive Income for the Period Net of Tax	447,460	366,304	529,258	205,397				
Basic/Diluted Earnings Per Share (Rs.)	0.39	0.33	0.47	0.18				

Above figures are provisional and subject to audit.

	For the three months ended* 30th June 2021 Rs.	For the three months ended** 30th June 2020 Rs.
Share Prices		
Highest	21.50	28.50
Lowest	16.60	20.00
Last Traded Price	17.50	27.10

* Share Prices reported post to the sub-division of shares.

** Original share prices reported prior to the sub-division of shares.

Statement of Financial Position

As at	Consolidated			Company		
	30th June 2021 Rs. '000	30th June 2020 Rs. '000	31st March 2021 Rs. '000	30th June 2021 Rs. '000	30th June 2020 Rs. '000	31st March 2021 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,695,925	6,801,368	6,805,750	3,486,518	3,568,372	3,578,266
Right-of-Use Assets	4,149,484	4,239,155	4,433,003	3,600,300	3,795,302	3,863,148
Intangible Assets	308,341	249,822	315,022	218,924	193,476	222,618
Investment in Subsidiaries	—	—	—	2,968,023	2,968,023	2,968,023
Other Non-current Assets	60,291	61,593	60,617	—	—	—
Other Investments	24,990	101,658	24,990	24,948	17,020	24,948
Trade and Other Receivables	11,380,057	10,740,350	11,861,154	627,514	785,095	802,806
Deferred Tax Assets	877,390	832,699	873,745	828,567	775,004	832,575
	23,496,478	23,026,645	24,374,281	11,754,794	12,102,292	12,292,384
Current Assets						
Inventories	20,285,836	14,473,289	18,180,683	17,904,208	12,748,878	16,150,897
Loans due from Related Parties	—	—	—	75,000	46,000	—
Income Tax Receivables	76,134	407,154	17,119	56,322	340,422	—
Trade and Other Receivables	24,902,212	24,408,990	23,977,624	13,483,241	13,529,915	12,965,214
Amounts due from Related Parties	7,772	8,973	10,820	7,772	8,973	38,814
Other Financial Assets	—	—	—	—	—	—
Deposits with Banks	60,901	59,920	60,935	—	—	—
Short-term Investments	2,819,080	551,933	813,262	—	—	—
Cash and Cash Equivalents	4,328,422	1,868,304	1,868,859	3,624,239	967,798	783,540
	52,480,337	41,778,563	44,929,302	35,150,782	27,641,986	29,938,465
Total Assets	75,976,815	64,805,208	69,303,583	46,905,576	39,744,278	42,230,849
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,227,143	1,087,072	1,232,581	1,166,706	1,138,429	1,170,908
Other Component of Equity	198,939	—	6,026	6,026	—	6,026
Statutory Reserve	6,026	182,548	198,939	—	—	—
Revenue Reserves	6,579,476	5,040,247	6,416,500	3,529,372	2,432,425	3,277,634
Total Equity Attributable to Owners of the Company	8,637,632	6,935,915	8,480,094	5,328,152	4,196,902	5,080,616
Non-controlling Interest	1,754,294	1,617,165	1,778,543			
Total Equity	10,391,926	8,553,080	10,258,637	5,328,152	4,196,902	5,080,616
Non-current Liabilities						
Interest-bearing Loans and Borrowings	9,872,583	9,696,315	7,129,287	4,250,000	4,905,067	3,000,000
Lease Liability	4,301,916	4,152,739	4,307,592	3,781,301	3,717,816	3,786,997
Employee Benefit Obligations	963,745	928,781	946,775	661,989	653,290	654,639
Security Deposits	1,325,505	1,424,725	1,366,565	1,244,432	1,332,931	1,293,744
Deferred Tax Liabilities	374,697	664,218	376,416	—	—	—
Other Financial Liabilities	2,268,879	1,059,720	2,091,132	—	—	—
Deferred Revenue	106,587	91,373	107,608	106,587	91,373	107,609
Other Non-current Liabilities	155,170	88,785	142,414	155,170	88,785	142,413
	19,369,082	18,106,656	16,467,789	10,199,479	10,789,262	8,985,402
Current Liabilities						
Trade and Other Payables	18,535,668	9,608,838	18,754,806	14,822,286	6,817,871	13,559,596
Deferred Revenue	198,018	172,486	209,075	185,669	165,829	183,470
Dividends Payable	54,403	58,943	132,672	44,998	42,041	58,822
Amounts due to Related Parties	430,198	107,942	341,304	5,927,868	3,911,118	4,259,226
Income Tax Payable	228,381	154,743	278,063	—	—	25,209
Other Financial Liabilities	9,405,442	6,188,940	8,374,066	—	—	—
Lease Liability	622,322	560,856	686,421	554,678	537,999	624,048
Interest-bearing Loans and Borrowings	16,109,809	19,601,408	12,085,399	9,708,570	12,022,121	8,132,721
Bank Overdrafts	631,566	1,691,316	1,715,351	133,876	1,261,135	1,321,739
	46,215,807	38,145,472	42,577,157	31,377,945	24,758,114	28,164,831
Total Liabilities	65,584,889	56,252,128	59,044,946	41,577,424	35,547,376	37,150,233
Total Equity and Liabilities	75,976,815	64,805,208	69,303,583	46,905,576	39,744,278	42,230,849
Net Assets per Share (Rs.)	7.7	6.2	7.5	4.7	3.7	4.5

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 August 2021

(Sgd.)

Mahesh Wijewardene
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the three months ended 30th June

Group	Attributable to Equity Holders of the Company								
	Stated Capital Rs. '000	Reserve Fund Rs. '000	Capital Reserve Revaluation Reserves Rs. '000	Other Component of Equity Fair Value Reserve Rs. '000	Revenue Reserve		Total Rs. '000	Non-controlling Interest Rs. '000	Total Equity 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	8,187,906
Realisation on Revaluation Surplus	–	–	(5,370)	–	–	5,370	–	–	–
Profit/(Loss) for the Period	–	–	–	–	–	367,021	367,021	(717)	366,304
Total Comprehensive Income for the Period	–	–	–	–	–	367,021	367,021	(717)	366,304
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend – 2019/20	–	–	–	–	–	–	–	(1,130)	(1,130)
Balance as at 30th June 2020	626,048	182,548	1,087,072	–	2,700,000	2,340,247	6,935,915	1,617,165	8,553,080
Realisation on Revaluation Surplus	–	–	(17,660)	–	–	17,660	–	–	–
Transferred to/(from) during the Period	–	16,391	–	–	–	(16,391)	–	–	–
Profit for the Period	–	–	–	–	–	2,084,987	2,084,987	156,230	2,241,217
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	–	–	–	(1,902)	–	–	(1,902)	–	(1,902)
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	172,887	29,584	202,471
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Interim Dividend – 2020/21	–	–	–	–	–	(713,695)	(713,695)	(24,436)	(738,131)
Total Distributions to Owners of the Company	–	–	–	–	–	(713,695)	(713,695)	(24,436)	(738,131)
Balance as at 31st March 2021	626,048	198,939	1,232,581	6,026	2,700,000	3,716,500	8,480,094	1,778,543	10,258,637
Realisation of Revaluation Surplus	–	–	(5,438)	–	–	5,438	–	–	–
Profit for the Period	–	–	–	–	–	439,260	439,260	8,200	447,460
Transactions with Owners of the Company, Recognised Directly in Equity									
Distributions to Owners of the Company									
Final Dividend – 2020/2021	–	–	–	–	–	(281,722)	(281,722)	(32,449)	(314,170)
Balance as at 30th June 2021	626,048	198,939	1,227,143	6,026	2,700,000	3,879,476	8,637,632	1,754,294	10,391,926

Statement of Changes in Equity

For the three months ended 30th June

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	–	(3,981)	–	–	3,981	–
Profit for the Period	–	–	–	–	205,397	205,397
Balance as at 30th June 2020	626,048	1,138,429	–	2,700,000	(267,575)	4,196,902
Realisation of Revaluation Surplus	–	(11,943)	–	–	11,943	–
Profit for the Period	–	–	–	–	1,543,778	1,543,778
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	–	1,546,961	1,597,409
Transactions with Owners of the Company, Recognised Directly in Equity						
Distributions to Owners of the Company						
Interim Dividend – 2020/21	–	–	–	–	(713,695)	(713,695)
Total Distributions to Owners of the Company	–	–	–	–	(713,695)	(713,695)
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	–	(4,202)	–	–	4,202	–
Profit for the Period	–	–	–	–	529,258	529,258
Transactions with Owners of the Company, Recognised Directly in Equity						
Distributions to Owners of the Company						
Final Dividend – 2020/2021	–	–	–	–	(281,722)	(281,722)
Total Distributions to Owners of the Company	–	–	–	–	(281,722)	(281,722)
Balance as at 30th June 2021	626,048	1,166,706	6,026	2,700,000	829,372	5,328,152

Statement of Cash Flows

	Group		Company	
	2021/22 Rs.'000	2020/21 Rs.'000	2021/22 Rs.'000	2020/21 Rs.'000
<i>For the three months ended 30th June</i>				
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	637,909	485,761	679,420	265,314
Adjustment for:				
Depreciation on Property, Plant and Equipment	166,249	159,740	120,664	117,460
Amortization of Intangible Assets	7,311	5,498	3,694	2,976
Amortization of Leasehold Right	325	325	–	–
Amortization of Right-of-Use Assets	278,998	209,405	262,848	190,887
(Gain)/Loss on Disposal of Property, Plant and Equipment	(1,619)	2	(1,619)	5
Changing Fair Value of Derivative (Assets)/Liabilities	–	27,088	–	27,088
Interest Expense	473,448	788,895	477,981	766,084
Interest Income	(20,724)	(24,209)	(8,463)	(27,241)
Impairment of Inventories	22,278	47,055	22,247	46,715
Impairment Loss on Trade and Other Receivables	464,075	637,099	294,281	304,129
Dividend Income	–	–	(129,210)	(8,071)
Provision for Employee Benefit Obligations	44,446	30,676	30,525	18,237
Operating Profit before Working Capital Changes	2,072,696	2,367,335	1,752,368	1,703,583
(Increase)/Decrease in Inventories	(2,127,430)	1,527,112	(1,775,558)	1,477,647
(Increase)/Decrease in Debtors falling Due after one Year	481,097	589,667	175,293	48,106
(Increase)/Decrease in Debtors falling Due within one year	(1,392,115)	(1,487,293)	(815,760)	(1,409,827)
(Increase)/Decrease in Dues from Related Parties	3,048	24,453	31,042	23,082
Increase/(Decrease) in Dues to Related Parties	88,889	(118,793)	1,668,640	492,487
Increase/(Decrease) in Security Deposits	(41,060)	30,114	(49,312)	2,968
Increase/(Decrease) in Trade and Other Payables	(206,381)	294,349	1,275,447	188,233
Increase/(Decrease) in Deferred Liabilities	(12,078)	(2,702)	1,178	(2,247)
Cash Generated from Operations	(1,133,334)	3,224,242	2,263,338	2,524,032
Finance Costs Paid	(254,380)	(630,558)	(276,562)	(625,155)
Retiring Gratuity Paid	(24,024)	(2,879)	(19,723)	(1,630)
Income Tax Paid	(305,083)	(34,623)	(227,688)	(100)
Net Cash from/(used in) Operating Activities	(1,716,821)	2,556,182	1,739,365	1,897,147
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(60,580)	(49,370)	(32,415)	(33,977)
Proceeds from Disposal of Property Plant and Equipment	5,145	–	5,119	–
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	–	–	600,090
(Acquisition)/Disposal of Marketable Securities	(2,005,797)	153,360	–	–
Investment in Bank Deposits	34	41,474	–	–
Net Cashflows from Loans Given to Related Companies	–	–	(75,000)	400,000
Interest Income Received	20,724	24,209	8,463	27,241
Dividends Received	–	–	129,210	8,071
Net Cash Flows from Investing Activities	(2,040,474)	169,673	35,377	1,001,425
Cash Flow from Financing Activities				
Net Proceeds from Interest-bearing Loans and Borrowings	6,742,160	(605,791)	2,800,306	(1,837,772)
Net Settlements to Lease Creditors	(258,208)	(260,863)	(250,940)	(250,504)
Increase/(Decrease) in Customer Deposit Liabilities	1,209,126	234,574	–	–
Net (payment) to Minority Share holders	(32,449)	(1,130)	–	–
Dividends Paid	(359,986)	(64,871)	(295,547)	2,891
Net Cash Flow from Financing Activities	7,300,643	(698,081)	2,253,819	(2,085,385)
Net Increase/(Decrease) in Cash and Cash Equivalents	3,543,348	2,027,774	4,028,561	813,187
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	3,696,856	176,988	3,490,363	(293,337)

Notes to the Financial Statements

1. Basis of Preparation and Group's Accounting Policies

The interim condensed Consolidated Financial Statements for the Three months ended 30th June 2021 have been prepared in accordance with LKAS 34 Interim Financial Reporting.

The Financial Statements for the period ended 30th June 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 June	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:

	Three months ended 30th June 2021 Rs. '000	Three months ended 30th June 2020 Rs. '000
Consumer Electronics	1,850,639	1,538,261
Financial Services	773,748	774,703
Furniture	718,394	357,192
Home Appliances	5,267,482	3,819,662
IT Products	3,217,111	2,458,885
Sewing Machines	573,545	382,166
Other	1,027,351	870,357
	13,428,270	10,201,226

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

	Three months ended 30th June 2021 Rs. '000	Three months ended 30th June 2020 Rs. '000
Consumer Electronics	282,001	323,700
Financial Services	177,280	176,407
Furniture	73,635	32,752
Home Appliances	549,467	420,497
IT products	176,706	130,731
Sewing Machines	61,853	41,362
Other	55,876	56,103
Intercompany Dividend	129,210	8,071
Impairment Loss on Trade and Other Receivables	(294,281)	(304,129)
Operating Profit	1,211,747	885,494
Net Finance Cost	(511,327)	(607,580)
VAT on Financial Services	(21,000)	(12,600)
Profit before Tax	679,420	265,314

Notes to the Financial Statements

2.2 Segmental Analysis of Group Net Turnover is as follows:

	Three months ended 30th June 2021 Rs. '000	Three months ended 30th June 2020 Rs. '000
Consumer Electronics	1,850,639	1,538,261
Financial Services	1,900,522	1,924,928
Furniture	718,394	357,192
Home Appliances	5,271,669	3,821,381
IT Products	3,552,722	5,132,600
Sewing Machines	573,545	382,166
Other	1,032,406	870,986
	14,899,897	14,027,514

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

	Three months ended 30th June 2021 Rs. '000	Three months ended 30th June 2020 Rs. '000
Consumer Electronics	282,001	323,700
Financial Services	499,666	594,480
Furniture	73,635	32,752
Home Appliances	538,050	399,208
IT Products	171,752	317,961
Sewing Machines	51,354	34,796
Other	60,913	57,264
Impairment Loss on Trade and Other Receivables	(464,074)	(637,099)
Operating Profit	1,213,297	1,123,062
Net Finance Cost	(505,749)	(590,941)
VAT on Financial Services	(69,639)	(46,360)
Profit before Tax	637,909	485,761

3. Stated Capital

3.1 Value – Ordinary Shares

	30th June 2021	30th June 2020
Value – Ordinary Shares (Rs.)		
1,126,886,490 (375,628,830 – 30th June 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 3 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 will remain at Rs. 626,048,050/-.

Weighted Average Number of Ordinary Shares as at 30th June 2020 has been adjusted based on post sub-division 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 June 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 filled 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

Details regarding the listed debentures are as follows:

	Interest Rates of Comparable Government Securities as at Issue Date (%)
i. 12 percent senior rated listed unsecured redeemable on 28th September 2021	9.51

Interest rates of comparable Government Securities as at 30th June 2021 were 5.23%.

The debentures were not traded during the quarter ended 30th June 2021.

	Group		Company	
	30th June 2021	31st March 2021	30th June 2021	31st March 2021
Debt Equity Ratio	3.74	3.37	2.78	3.17
Interest Cover	2.26	1.82	2.33	1.44
Quick Assets Ratio	0.70	0.63	0.55	0.49

Notes to the Financial Statements

7. Top 20 Shareholders as at 30th June 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. Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	6,635,095	0.59
9. Mrs Mihiri Virani Fernando	6,000,000	0.53
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Limited	1,500,000	0.13
11. People's Leasing & Finance Plc/Mr D M P Disanayake	1,228,144	0.11
12. Mrs Anoma Kamalika Amarasuriya	1,200,000	0.11
13. Miss Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
14. Jafferjee Brothers (Exports) Limited	1,126,800	0.10
15. Mr Abeysiri Hemapala Munasinghe	985,932	0.09
16. Mrs Enoka Kamali Wickramasinghe	884,571	0.08
17. Dr Ananda Krishnakumar Abeytunga Jayawardene	830,214	0.07
18. Mr Murtaza Ali Jafferjee	691,800	0.06
19. 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
20. Sisira Investors Limited	651,348	0.06
	1,064,073,206	94.43
Others	62,813,284	5.57
Total issued shares	1,126,886,490	100

8. Directors' and CEO's Shareholding as at

Name of the Director	Shareholding as at 30th June 2021 Number of Shares	Shareholding as at 30th June 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 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 3 ordinary shares.

Notes to the Financial Statements

9. Public Holding

Shares held by public as at 30th June 2021

Number of Shareholders	Number of Shares	Percentage
3,639	86,959,872	7.72%

Float adjusted market Capitalisation – Rs. 1,522,423,648.

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
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Trusted Excellence

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