



SINGER[®]
Trusted Excellence

SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2020

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30th September	Consolidated		Company		Variance			Variance		
	2020/21 Rs. '000	2019/20 Rs. '000	2020/21 Rs. '000	2019/20 Rs. '000	Group Rs. '000		%	Company Rs. '000		%
Revenue	30,730,207	27,075,596	23,885,185	22,094,946	3,654,611	+	13	1,790,239	+	8
Cost of Sales	(21,091,875)	(18,108,144)	(16,923,944)	(15,655,244)	(2,983,731)	+	16	(1,268,700)	+	8
Direct Interest Cost	(960,208)	(917,221)	–	–	(42,987)	+	5	–	–	–
Gross Profit	8,678,124	8,050,231	6,961,241	6,439,702	627,893	+	8	521,539	+	8
Other Income	97,379	145,799	196,166	77,109	48,420	–	33	119,057	>	100
Selling and Administrative Expenses	(5,546,377)	(5,869,205)	(4,695,507)	(4,985,907)	(322,828)	–	6	(290,400)	–	6
Impairment Loss on Trade and Other Receivables	(1,072,969)	(454,452)	(754,309)	(257,089)	(618,517)	>	100	(497,220)	>	100
Operating Profit	2,156,157	1,872,373	1,707,591	1,273,815	283,784	+	15	433,776	+	34
Finance Cost	(1,332,238)	(1,869,961)	(1,321,685)	(1,777,014)	(537,723)	–	29	(455,329)	–	26
Finance Income	510,119	172,572	402,188	226,940	337,547	>	100	175,248	+	77
Net Finance Cost	(822,119)	(1,697,389)	(919,497)	(1,550,074)	(875,270)	–	52	(630,577)	–	41
Value Added Tax on Financial Services	(116,578)	(151,872)	(26,800)	(21,600)	(35,294)	–	23	(5,200)	+	24
Profit/(Loss) Before Tax	1,217,460	23,112	761,294	(297,859)	1,194,348	>	100	1,059,153	>	100
Income Tax (Expense)/Reversal	(331,373)	1,962	(159,793)	109,115	(333,335)	>	100	(268,908)	>	100
Profit/(Loss) for the Period	886,087	25,074	601,501	(188,744)	861,013	>	100	790,245	>	100
Total Comprehensive Income for the Period	886,087	25,074	601,501	(188,744)						
Profit/(Loss) Attributable to –										
Owners of the Company	855,355	(24,843)	601,501	(188,744)						
Non-controlling Interests	30,732	49,917	–	–						
Profit/(Loss) for the Period	886,087	25,074	601,501	(188,744)						
Total Comprehensive Income Attributable to –										
Owners of the Company	855,355	(24,843)	601,501	(188,744)						
Non-controlling Interests	30,732	49,917	–	–						
Total Comprehensive Income for the period Net of Tax	886,087	25,074	601,501	(188,744)						
Earnings/(Loss) Per Share-Basic (Rs.)	2.28	(0.07)	1.60	(0.50)						

Above figures are provisional and subject to audit.

	For the six months ended 30th September 2020 Rs.	For the six months ended 30th September 2019 Rs.
Share Prices		
Highest	48.50	30.00
Lowest	20.00	21.70
Last Traded Price	46.10	24.50

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 30th September	Consolidated		Company		Variance			Variance		
	2020/21 Rs. '000	2019/20 Rs. '000	2020/21 Rs. '000	2019/20 Rs. '000	Group Rs. '000		%	Company Rs.'000		%
Revenue	16,702,693	13,215,870	13,683,959	10,520,872	3,486,823	+	26	3,163,087	+	30
Cost of Sales	(11,667,707)	(8,947,525)	(9,915,167)	(7,549,314)	(2,720,182)	+	30	(2,365,853)	+	31
Direct Interest Cost	(473,336)	(478,534)	–	–	(5,198)	–	1	–	–	–
Gross Profit	4,561,650	3,789,811	3,768,792	2,971,558	771,839	+	20	797,234	+	27
Other Income	54,416	72,033	169,956	33,780	17,617	–	24	136,176	>	100
Selling and Administrative Expenses	(3,147,101)	(2,886,938)	(2,666,470)	(2,434,704)	(260,163)	+	9	(231,766)	+	10
Impairment Loss on Trade and Other Receivables	(435,870)	(167,487)	(450,180)	(109,672)	(268,383)	>	100	(340,508)	>	100
Operating Profit	1,033,095	807,419	822,098	460,962	225,676	+	28	361,136	+	78
Finance Cost	(543,343)	(875,739)	(555,601)	(858,752)	(332,396)	–	38	(303,151)	–	35
Finance Income	312,165	74,054	243,684	96,275	238,111	>	100	147,409	>	100
Net Finance Cost	(231,178)	(801,685)	(311,917)	(762,477)	(570,507)	–	71	(450,560)	–	59
Value Added Tax on Financial Services	(70,218)	(75,309)	(14,200)	(10,800)	(5,091)	–	7	(3,400)	+	31
Profit/(Loss) Before Tax	731,699	(69,575)	495,981	(312,315)	801,274	>	100	808,296	>	100
Income Tax (Expense)/Reversal	(211,916)	42,748	(99,876)	112,035	(254,664)	>	100	(211,911)	>	100
Profit/(Loss) for the Period	519,783	(26,827)	396,105	(200,280)	546,610	>	100	596,385	>	100
Total Comprehensive Income for the Period	519,783	(26,827)	396,105	(200,280)						
Profit/(Loss) Attributable to –										
Owners of the Company	488,334	(52,131)	396,105	(200,280)						
Non-controlling Interests	31,449	25,304	–	–						
Profit/(Loss) for the Period	519,783	(26,827)	396,105	(200,280)						
Total Comprehensive Income Attributable to –										
Owners of the Company	488,334	(52,131)	396,105	(200,280)						
Non-controlling Interests	31,449	25,304	–	–						
Total Comprehensive Income for the period										
Net of Tax	519,783	(26,827)	396,105	(200,280)						
Earnings/(Loss) Per Share-Basic (Rs.)	1.30	(0.14)	1.05	(0.53)						

Above figures are provisional and subject to audit.

	Quarter ended 30th September 2020 Rs.	Quarter ended 30th September 2019 Rs.
Share Prices		
Highest	48.50	30.00
Lowest	23.40	22.00
Last Traded Price	46.10	24.50

Statement of Financial Position

As at	Consolidated			Company		
	30th September 2020 Rs. '000	30th September 2019 Rs. '000	31st March 2020 Rs. '000	30th September 2020 Rs. '000	30th September 2019 Rs. '000	31st March 2020 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,763,938	6,904,791	6,911,741	3,509,300	3,648,653	3,651,860
Right of Use Assets	4,056,093	4,685,063	4,448,560	3,607,211	4,249,794	3,986,190
Intangible Assets	265,599	263,075	255,320	211,775	200,723	196,451
Investment in Subsidiaries	—	—	—	2,968,023	2,900,873	2,968,023
Other Non-current Assets	61,267	62,568	61,918	—	—	—
Other Investments	104,431	112,492	113,258	17,020	17,020	17,020
Trade and Other Receivables	11,893,197	11,770,917	11,330,017	918,727	1,650,545	833,201
Deferred Tax Assets	186,961	59,354	155,734	776,552	585,939	773,456
	23,331,486	23,858,260	23,276,548	12,008,608	13,253,547	12,426,201
Current Assets						
Inventories	13,945,047	12,741,365	16,047,456	12,115,140	10,958,714	14,273,239
Loans due from Related Parties	—	—	—	—	812,829	446,000
Income Tax Receivables	109,018	321,731	349,992	239,198	374,958	401,787
Trade and Other Receivables	22,393,913	21,639,351	23,558,797	11,836,462	11,763,902	12,424,218
Amounts due from Related Parties	6,387	5,950	33,424	6,387	5,950	32,055
Other Financial Assets	—	61,680	27,088	—	61,680	27,088
Deposits with Banks	80,633	84,093	101,394	—	—	—
Other Investments	511,739	598,020	693,693	—	599,273	600,090
Cash and Cash Equivalents	2,002,630	1,607,780	629,295	625,759	1,312,708	394,858
	39,049,367	37,059,970	41,441,139	24,822,946	25,890,014	28,599,335
Total Assets	62,380,853	60,918,230	64,717,687	36,831,554	39,143,561	41,025,536
Equity and Liabilities						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,081,701	1,108,709	1,092,442	1,134,447	1,151,698	1,142,409
Statutory Reserve	182,548	163,096	182,548	—	—	—
Revenue Reserves	5,233,450	4,437,840	4,667,856	2,532,007	2,091,659	2,223,047
Total Equity Attributable to Owners of the Company	7,123,747	6,335,693	6,568,894	4,292,502	3,869,405	3,991,504
Non-controlling Interest	1,648,615	1,551,317	1,619,014	—	—	—
Total Equity	8,772,362	7,887,010	8,187,908	4,292,502	3,869,405	3,991,504
Non-current Liabilities						
Interest-Bearing Loans and Borrowings	7,894,787	8,997,443	8,175,499	2,998,572	7,406,800	6,154,765
Lease Liability – Non-Current	3,993,599	4,286,542	4,274,663	3,582,472	3,944,955	3,855,725
Employee Benefit Obligations	910,844	929,319	900,984	635,392	666,277	636,683
Security Deposits	1,386,854	1,405,246	1,394,611	1,308,645	1,333,161	1,329,963
Other Financial Liabilities	1,324,668	1,107,126	1,979,089	—	—	—
Deferred Revenue	94,792	79,586	91,725	94,791	79,586	91,726
Other Non-Current Liabilities	102,678	6,214	81,590	102,678	6,214	81,590
	15,708,222	16,811,476	16,898,161	8,722,550	13,436,993	12,150,452
Current Liabilities						
Trade and Other Payables	13,291,454	7,352,307	9,321,684	7,838,610	4,903,327	6,636,833
Deferred Revenue	180,025	158,086	174,836	173,130	151,719	167,725
Dividends Payable	73,059	39,584	123,814	64,475	31,991	39,152
Amounts due to Related Parties	157,713	179,647	226,736	4,380,618	2,087,914	3,418,630
Other Financial Liabilities	6,817,142	5,369,869	5,034,997	—	—	—
Lease Liability – Current	604,766	567,293	544,294	546,262	470,288	512,501
Interest-Bearing Loans and Borrowings	15,420,272	19,957,162	21,725,176	9,744,611	12,640,532	12,607,357
Bank Overdrafts	1,355,838	2,595,796	2,480,081	1,068,796	1,551,392	1,501,382
	37,900,269	36,219,744	39,631,618	23,816,502	21,837,163	24,883,580
Total Liabilities	53,608,491	53,031,220	56,529,779	32,539,052	35,274,156	37,034,032
Total Equity and Liabilities	62,380,853	60,918,230	64,717,687	36,831,554	39,143,561	41,025,536
Net Assets per Share (Rs.)	18.96	16.87	17.49	11.43	10.30	10.63

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,
9th November 2020

(Sgd.)

Mahesh H. Wijewardene
Director/Group Chief Executive Officer

Statement of Changes in Equity

For the six months ended 30th September

Group	Stated Capital Rs. '000	Reserve Fund Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000	Non- controlling Interest Rs. '000	Total Equity Rs. '000
Balance as at 31st March 2019	626,048	163,096	1,118,123	2,700,000	2,335,831	6,943,098	1,508,546	8,451,644
Adjustment on initial Application of SLFRS 16 Leases Net of Tax	–	–	–	–	(582,562)	(582,562)	(5,218)	(587,780)
Adjusted Balance as at 1st April 2019	626,048	163,096	1,118,123	2,700,000	1,753,269	6,360,536	1,503,328	7,863,864
Realisation on Revaluation Surplus	–	–	(9,414)	–	9,414	–	–	–
Profit/(Loss) for the Period	–	–	–	–	(24,843)	(24,843)	49,917	25,074
Total Comprehensive Income for the Period					(24,843)	(24,843)	49,917	25,074
Transactions with Owners of the Company, Recognised Directly in Equity								
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 September 2019	626,048	163,096	1,108,709	2,700,000	1,737,840	6,335,693	1,551,317	7,887,010
Realisation on Revaluation Surplus	–	–	(16,267)	–	16,267	–	–	–
Transferred to/(from) during the Period	–	19,452	–	–	(19,452)	–	–	–
Total Comprehensive Income for the Period								
Profit for the Period	–	–	–	–	305,578	305,578	96,616	402,194
Other Comprehensive Income								
Remeasurement of Employee Benefit Obligations	–	–	–	–	27,554	27,554	2,923	30,477
Related Taxes								
Tax on Other Comprehensive Income	–	–	–	–	(7,693)	(7,693)	(802)	(8,495)
Total Other Comprehensive Income for the Period	–	–	–	–	19,861	19,861	2,121	21,982
Distributions to Owners of the Company								
Final Dividend – 2019/2020	–	–	–	–	(93,907)	(93,907)	(29,371)	(123,278)
Total Distributions to Owners of the Company	–	–	–	–	(93,907)	(93,907)	(29,371)	(123,278)
Effect of Change in Holdings in Subsidiaries	–	–	–	–	1,670	1,670	(1,670)	–
Total Transactions with Owners of the Company	–	–	–	–	(92,237)	(92,237)	(31,041)	(123,278)
Balance as at 31st March 2020	626,048	182,548	1,092,442	2,700,000	1,967,856	6,568,894	1,619,014	8,187,908
Realisation of 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
Distributions to Owners of the Company								
Interim Dividend – 2020/2021	–	–	–	–	(300,503)	(300,503)	(1,130)	(301,633)
Total Distributions to Owners of the Company	–	–	–	–	(300,503)	(300,503)	(1,130)	(301,633)
Balance as at 30th September 2020	626,048	182,548	1,081,701	2,700,000	2,533,450	7,123,747	1,648,615	8,772,362

Statement of Changes in Equity

For the six months ended 30th September

	Stated Capital	Revaluation Reserves	General Reserves	Retained Earnings	Total
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31st March 2019	626,048	1,158,333	2,700,000	151,601	4,635,982
Adjustment of Initial Application of SLFRS 16 Net of Tax	–	–	–	(577,833)	(577,833)
Adjusted Balance as at 1st April 2019	626,048	1,158,333	2,700,000	(426,232)	4,058,149
Realisation on Revaluation Surplus	–	(6,635)	–	6,635	–
Loss for the Period	–	–	–	(188,744)	(188,744)
Total Comprehensive Income for the Period	–	–	–	(188,744)	(188,744)
Balance as at 30th September 2019	626,048	1,151,698	2,700,000	(608,341)	3,869,405
Realisation on Revaluation Surplus	–	(9,289)	–	9,289	–
Profit for the Period	–	–	–	201,483	201,483
Other Comprehensive Income for the Period	–	–	–	20,171	20,171
Remeasurement of Employee Benefit Obligations	–	–	–	20,171	20,171
Related Taxes	–	–	–	(5,648)	(5,648)
Tax on Other Comprehensive Income	–	–	–	(5,648)	(5,648)
Total Other Comprehensive Income for the Period	–	–	–	14,523	14,523
Total Comprehensive Income for the Period	–	–	–	216,006	216,006
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Final Dividend – 2019/20	–	–	–	(93,907)	(93,907)
Total Distributions to Owners of the Company	–	–	–	(93,907)	(93,907)
Balance as at 31st March 2020	626,048	1,142,409	2,700,000	(476,953)	3,991,504
Realisation of Revaluation Surplus	–	(7,962)	–	7,962	–
Profit for the Period	–	–	–	601,501	601,501
Total Comprehensive Income for the Period	–	–	–	601,501	601,501
Transactions with Owners of the Company, Recognised Directly in Equity					
Distributions to Owners of the Company					
Interim Dividend – 2020/21	–	–	–	(300,503)	(300,503)
Total Distributions to Owners of the Company	–	–	–	(300,503)	(300,503)
Balance as at 30th September 2020	626,048	1,134,447	2,700,000	(167,993)	4,292,502

Statement of Cash Flows

	Group		Company	
	2020/21 Rs. '000	2020 /19 Rs. '000	2020/21 Rs. '000	2020/19 Rs. '000
<i>For the six months ended 30th September</i>				
Cash Flows from Operating Activities				
Net Profit/(Loss) before Income Tax Expense	1,217,460	23,112	761,294	(297,859)
Adjustment for:				
Depreciation on Property, Plant and Equipment	317,630	321,490	235,399	247,742
Amortisation of Intangible Assets	10,996	10,598	5,951	5,783
Amortisation of Leasehold Rights	650	650	–	–
Amortisation of Right of Use Assets	418,205	412,239	378,979	380,585
(Gain)/Loss on Disposal of Property, Plant and Equipment	(1,089)	(4,388)	(2,117)	(5,018)
Changing Fair Value of Derivative (Assets)/Liabilities	27,088	23,968	27,088	23,968
Interest Expense	1,332,238	1,869,961	1,321,685	1,777,014
Interest Income	(36,261)	(51,160)	(31,665)	(116,893)
Impairment of Inventories	213,522	(48,815)	221,111	(106)
Impairment of Trade and Other Receivables	1,072,969	454,452	754,309	257,089
Dividend Income	(320)	(241)	(158,071)	(11,844)
Provision for Retiring Gratuity	82,355	83,311	58,547	58,258
Operating Profit before Working Capital Changes	4,655,443	3,095,177	3,572,510	2,318,719
(Increase)/Decrease in Inventories	1,888,887	1,433,167	1,936,987	1,176,633
(Increase)/Decrease in debtors Falling due after One Year	(563,180)	(292,608)	(85,526)	(218,308)
(Increase)/Decrease in debtors Falling due within One Year	91,915	(156,978)	(166,554)	104,070
(Increase)/Decrease in dues from Related Parties	27,039	(5,950)	25,668	(2,640)
Increase/(Decrease) in dues to Related Parties	(69,019)	(76,374)	961,988	(674,398)
Increase/(Decrease) in Security Deposits	(7,757)	16,813	(21,318)	1,033
Increase/(Decrease) in Trade and Other Payables	3,990,857	31,268	1,222,864	(210,849)
Increase/(Decrease) in Deferred Liabilities	8,254	(36,301)	8,473	(37,159)
Cash Generated from Operations	10,022,439	4,008,214	7,455,092	2,457,101
Finance Costs Paid	(1,084,715)	(1,567,947)	(1,105,885)	(1,507,966)
Retiring Gratuity Paid	(72,495)	(25,963)	(59,839)	(22,739)
Income Tax Paid	(121,627)	(346,128)	(300)	(134,770)
Net Cash from/(used in) Operating Activities	8,743,602	2,068,176	6,289,068	791,626
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(203,247)	(534,742)	(123,112)	(407,734)
Proceeds from Disposal of Property Plant and Equipment	13,233	12,121	11,116	8,870
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	–	600,090	311,183
(Acquisition)/Disposal of Marketable Securities	190,780	(70,071)	–	–
Investment in Bank Deposits	20,760	(769)	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	446,000	403,809
Interest Income Received	36,261	51,160	31,665	116,893
Dividend Received	320	241	158,071	11,844
Net Cash Flows from Investing Activities	58,107	(542,060)	1,123,830	444,865
Cash Flows from Financing Activities				
Net Proceeds from Interest-bearing Loans and Borrowings	(6,529,512)	(1,154,233)	(5,962,835)	(680,424)
Net Settlements to Lease Creditors	(549,955)	(766,245)	(510,903)	(698,153)
Increase/(Decrease) in Customer Deposit Liabilities	1,127,724	523,972	–	–
Net (payment) to Minority Shareholders	(1,130)	(1,928)	–	–
Dividends Paid	(351,258)	(48,913)	(275,673)	(17,222)
Net Cash Flows from Financing Activities	(6,304,131)	(1,447,347)	(6,749,411)	(1,395,799)
Net Increase/(Decrease) in Cash and Cash Equivalents	2,497,578	78,769	663,487	(159,308)
Cash and Cash Equivalents at the Beginning of the Year	(1,850,786)	(1,066,785)	(1,106,524)	(79,376)
Cash and Cash Equivalents at the End of the Period	646,792	(988,016)	(443,037)	(238,684)

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 2020 have been prepared in accordance with LKAS 34 Interim Financial Reporting

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 2020.

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	Group		Company		Level	
	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000		
Investment in Equity Securities	17,061	17,061	17,020	17,020	3	Financial Assets at FVOCI
Derivatives	–	61,680	–	61,680	2	Financial Assets at FVTPL
	17,061	78,741	17,020	78,700		

2.1 Segmental Analysis of Company Net Turnover is as Follows:

	Quarter ended 30th September 2020 Rs. '000	Quarter ended 30th September 2019 Rs. '000	Six months ended 30th September 2020 Rs. '000	Six months ended 30th September 2019 Rs. '000
Consumer Electronics	1,550,676	1,552,587	3,088,937	3,438,313
Financial Services	847,073	920,093	1,621,776	1,876,229
Furniture	649,518	598,977	1,006,710	1,416,025
Home Appliances	4,930,782	4,150,637	8,750,444	9,184,623
IT Products	3,709,533	2,056,516	6,168,418	3,796,573
Sewing Machines	740,300	504,863	1,122,466	976,167
Other	1,256,077	737,199	2,126,434	1,407,016
	13,683,959	10,520,872	23,885,185	22,094,946

2.2 Segmental Analysis of Company Profits/(Loss) before Tax is as follows:

	Quarter ended 30th September 2020 Rs. '000	Quarter ended 30th September 2019 Rs. '000	Six months ended 30th September 2020 Rs. '000	Six months ended 30th September 2019 Rs. '000
Consumer Electronics	51,850	110,254	375,550	255,639
Financial Services	168,088	154,147	344,495	520,643
Furniture	58,879	25,175	91,631	61,487
Home Appliances	503,930	161,773	924,427	454,599
IT products	158,130	48,839	288,861	95,817
Sewing Machines	76,859	33,869	118,221	60,917
Other	104,542	36,577	160,644	69,958
Intercompany Dividend	150,000	–	158,071	11,844
Impairment Loss on Trade and Other Receivables	(450,180)	(109,672)	(754,309)	(257,089)
Operating Profit	822,098	460,962	1,707,591	1,273,815
Net Finance Cost	(311,917)	(762,477)	(919,497)	(1,550,074)
VAT on Financial Services	(14,200)	(10,800)	(26,800)	(21,600)
Profit/(Loss) before Tax	495,981	(312,315)	761,294	(297,859)

Notes to the Financial Statements

2.3 Segmental Analysis of Group Net Turnover is as follows:

	Quarter ended 30th September 2020 Rs. '000	Quarter ended 30th September 2019 Rs. '000	Six months ended 30th September 2020 Rs. '000	Six months ended 30th September 2019 Rs. '000
Consumer Electronics	1,550,676	1,552,587	3,088,937	3,438,313
Financial Services	1,884,809	1,980,079	3,809,737	4,016,858
Furniture	649,518	598,977	1,006,710	1,416,025
Home Appliances	4,934,485	4,152,057	8,755,866	9,188,308
IT Products	5,684,898	3,689,454	10,817,498	6,632,198
Sewing Machines	740,300	504,863	1,122,466	976,167
Other	1,258,007	737,853	2,128,993	1,407,727
	16,702,693	13,215,870	30,730,207	27,075,596

2.4 Segmental Analysis of Group Profits/(Loss) before Tax is as follows:

	Quarter ended 30th September 2020 Rs. '000	Quarter ended 30th September 2019 Rs. '000	Six months ended 30th September 2020 Rs. '000	Six months ended 30th September 2019 Rs. '000
Consumer Electronics	51,850	110,252	375,550	255,637
Financial Services	395,132	512,508	989,612	1,092,948
Furniture	58,879	25,175	91,631	61,487
Home Appliances	547,230	217,265	946,438	561,211
IT Products	239,243	43,350	557,204	226,764
Sewing Machines	67,403	25,934	102,199	52,982
Other	109,228	40,422	166,492	75,796
Impairment Loss on Trade and Other Receivables	(435,870)	(167,487)	(1,072,969)	(454,452)
Operating Profit	1,033,095	807,419	2,156,157	1,872,373
Net Finance Cost	(231,178)	(801,685)	(822,119)	(1,697,389)
VAT on Financial Services	(70,218)	(75,309)	(116,578)	(151,872)
Profit/(Loss) before Tax	731,699	(69,575)	1,217,460	23,112

3. Stated Capital

3.1	30th September 2020	31st March 2020
Value – Ordinary Shares	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 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. 292 million to Director General of Customs to clear imports during the years 2008 to September 2020. 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.

Notes to the Financial Statements

- (c) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 2.1 million against fixed deposits of Rs. 6.2 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. 2,000,000/- as damages caused by repossessing and selling of the 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 (Pvt) 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. 6.5 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% senior rated listed unsecured redeemable on 28th September 2021	9.51
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Interest rates of comparable Government Securities as at 30th September 2020 were 5.00%.

The debentures were not traded during the quarter ended 30th September 2020.

	Group		Company	
	30th September 2020	30th September 2019	30th September 2020	30th September 2019
Debt Equity Ratio	3.51	4.62	3.07	5.24
Interest Cover	2.48	1.01	1.83	0.81
Quick Assets Ratio	0.66	1.33	0.53	0.68

7. Top 20 Shareholders as at 30th September 2020

Name	Number of Shares	Percentage
1. Hayleys PLC	261,267,037	69.55
2. Hayleys Advantis Limited	37,127,660	9.88
3. Volanka (Pvt) Limited	11,595,745	3.09
4. Hayleys Aventura (Pvt) 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 Kulappuarachchige 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	2,000,000	0.53
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Limited	669,849	0.18
11. Mrs Anoma Kamalika Amarasuriya	526,910	0.14
12. Miss Nai Kaluge Ruvani Hemamala De Silva	397,638	0.11
13. Mr Nalin Amita De Silva	378,978	0.10
14. Jafferjee Brothers (Exports) Limited	375,600	0.10
15. J.B. Cocoshell (Pvt) Limited	358,296	0.10
16. Mr Abeysiri Hemapala Munasinghe	328,644	0.09
17. Mrs Enoka Kamali Wickramasinghe	319,857	0.09
18. Dr Ananda Krishnakumar Abeytunga Jayawardene	318,913	0.08
19. Mr Hemaka Devapriya Senarath Amarasuriya	258,446	0.07
20. Mr Murtaza Ali Jafferjee	230,600	0.06
Subtotal	355,263,067	94.58
Others	20,365,763	5.42
Total issued share	375,628,830	100.00

Notes to the Financial Statements

8. Directors' and CEO'S Shareholding as at

Name of the Director	Shareholding as at 30th September 2020 Number of Shares	Shareholding as at 31st March 2020 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	–	–
Ms H M G DE Alwis – appointed w.e.f 15th May 2020	–	–
Mr H P S Perera (Alternate Director to M H Wijewardene)	–	–
Mr K K L P Yatiwella (Alternate Director to S C Ganegoda)	–	–
Ms A A K Amarasinghe (Alternate Director to Mr K D D Perera)	–	–

9. Public Holding

Shares held by public as at 30th September 2020.

Number of Shareholders	Number of Shares	Percentage
2,810	29,021,624	7.72

Float adjusted market capitalisation – Rs. 1,336,832,956

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 Bn. 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

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