



SINGER[®]

Trusted Excellence

SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2020

Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31st December	Consolidated		Company		Variance		Variance	
	2020/21 Rs. '000	2019/20 Rs. '000	2020/21 Rs. '000	2019/20 Rs. '000	Consolidated Rs. '000	%	Company Rs. '000	%
Revenue	49,387,791	42,586,770	39,096,015	34,583,255	6,801,021	+ 16	4,512,760	+ 13
Cost of Sales	(34,383,081)	(28,578,165)	(28,167,406)	(24,444,648)	(5,804,916)	+ 20	(3,722,758)	+ 15
Direct Interest Cost	(1,414,219)	(1,390,739)	–	–	(23,480)	+ 2	–	–
Gross Profit	13,590,491	12,617,866	10,928,609	10,138,607	972,625	+ 8	790,002	+ 8
Other Income	157,567	200,089	217,933	232,545	42,522	- 21	14,612	- 6
Selling and Administrative Expenses	(8,824,093)	(8,905,865)	(7,486,219)	(7,570,884)	(81,772)	- 1	(84,665)	- 1
Impairment Loss on Trade Receivables	(1,446,228)	(701,791)	(966,878)	(450,839)	(744,437)	> 100	(516,039)	> 100
Operating Profit	3,477,737	3,210,299	2,693,445	2,349,429	267,438	+ 8	344,016	+ 15
Finance Cost	(1,711,470)	(2,692,123)	(1,748,028)	(2,592,290)	(980,653)	- 36	(844,262)	- 33
Finance Income	779,295	276,573	606,328	331,861	502,722	> 100	274,467	+ 83
Net Finance Cost	(932,175)	(2,415,550)	(1,141,700)	(2,260,429)	(1,483,375)	- 61	(1,118,729)	- 49
Value Added Tax on Financial Services	(191,130)	(249,622)	(52,800)	(35,800)	(58,492)	- 23	(17,000)	+ 47
Profit Before Tax	2,354,432	545,127	1,498,945	53,200	1,809,305	> 100	1,445,745	> 100
Income Tax (Expense)/Reversal	(598,966)	(178,699)	(330,590)	49,779	(420,267)	> 100	(380,369)	> 100
Profit for the Period	1,755,466	366,428	1,168,355	102,979	1,389,038	> 100	1,065,376	> 100
Total Comprehensive Income for the Period	1,755,466	366,428	1,168,355	102,979				
Profit Attributable to –								
Owners of the Company	1,690,052	281,809	1,168,355	102,979				
Non-controlling Interests	65,414	84,619	–	–				
Profit for the Period	1,755,466	366,428	1,168,355	102,979				
Total Comprehensive Income Attributable to –								
Owners of the Company	1,690,052	281,809	1,168,355	102,979				
Non-controlling Interests	65,414	84,619	–	–				
Total Comprehensive Income for the Period Net of Tax	1,755,466	366,428	1,168,355	102,979				
Earnings Per Share – Basic (Rs.)	4.50	0.75	3.11	0.27				

Above figures are provisional and subject to audit.

Share Prices	For the nine months ended 31st December 2020 Rs.	For the nine months ended 31st December 2019 Rs.
Highest	61.20	39.50
Lowest	20.00	21.50
Last Traded Price	55.00	35.10

Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 31st December	Consolidated		Company		Variance		Variance	
	2020/21 Rs. '000	2019/20 Rs. '000	2020/21 Rs. '000	2019/20 Rs. '000	Consolidated Rs. '000	%	Company Rs. '000	%
Revenue	18,657,584	15,511,174	15,210,830	12,488,309	3,146,410	+	2,722,521	+
Cost of Sales	(13,291,206)	(10,470,021)	(11,243,462)	(8,789,404)	(2,821,185)	+	(2,454,058)	+
Direct Interest Cost	(454,011)	(473,518)	—	—	(19,507)	-	—	—
Gross Profit	4,912,367	4,567,635	3,967,368	3,698,905	344,732	+	268,463	+
Other Income	60,188	54,290	21,767	155,436	5,898	+	133,669	-
Selling and Administrative Expenses	(3,277,716)	(3,036,660)	(2,790,711)	(2,584,976)	(241,056)	+	(205,735)	+
Impairment Loss on Trade and Other Receivables	(373,259)	(247,339)	(212,569)	(193,750)	(125,920)	+	(18,819)	+
Operating Profit	1,321,580	1,337,926	985,855	1,075,615	16,346	-	89,760	-
Finance Cost	(379,232)	(822,162)	(426,344)	(815,276)	(442,930)	-	(388,932)	-
Finance Income	269,176	104,001	204,140	104,921	165,175	>	99,219	+
Net Finance Cost	(110,056)	(718,161)	(222,204)	(710,355)	(608,105)	-	(488,151)	-
Value Added Tax on Financial Services	(74,552)	(97,750)	(26,000)	(14,200)	(23,198)	-	(11,800)	+
Profit Before Tax	1,136,972	522,015	737,651	351,060	614,957	>	386,591	>
Income Tax Expense	(267,593)	(180,661)	(170,796)	(59,336)	(86,932)	+	(111,460)	>
Profit for the Period	869,379	341,354	566,855	291,724	528,025	>	275,131	+
Total Comprehensive Income for the Period	869,379	341,354	566,855	291,724				
Profit Attributable to –								
Owners of the Company	834,697	306,652	566,855	291,724				
Non-controlling Interests	34,682	34,702	—	—				
Profit for the Period	869,379	341,354	566,855	291,724				
Total Comprehensive Income Attributable to –								
Owners of the Company	834,697	306,652	566,855	291,724				
Non-controlling Interests	34,682	34,702	—	—				
Total Comprehensive Income for the period								
Net of Tax	869,379	341,354	566,855	291,724				
Earnings Per Share – Basic (Rs.)	2.22	0.82	1.51	0.78				

Above figures are provisional and subject to audit.

	Quarter ended 31st December 2020 Rs.	Quarter ended 31st December 2019 Rs.
Share Prices		
Highest	61.20	39.50
Lowest	36.00	25.00
Last Traded Price	55.00	35.10

Statement of Financial Position

As at	Consolidated			Company		
	31st December 2020 Rs. '000	31st December 2019 Rs. '000	31st March 2020 Rs. '000	31st December 2020 Rs. '000	31st December 2019 Rs. '000	31st March 2020 Rs. '000
ASSETS						
Non-current Assets						
Property, Plant and Equipment	6,758,199	6,914,249	6,911,741	3,508,207	3,653,435	3,651,861
Right-of-Use Asset	4,083,035	4,643,877	4,448,560	3,563,792	4,178,830	3,986,190
Intangible Assets	264,318	260,254	255,320	207,473	198,904	196,451
Investment in Subsidiaries	—	—	—	2,968,023	2,968,023	2,968,023
Other Non-current Assets	60,942	62,243	61,918	—	—	—
Other Investments	107,274	115,249	113,258	17,020	17,020	17,020
Trade and Other Receivables	11,660,620	12,224,963	11,330,017	835,250	1,998,134	833,201
Deferred Tax Assets	169,915	293,286	155,734	778,100	701,141	773,456
	23,104,303	24,514,121	23,276,548	11,877,865	13,715,487	12,426,202
Current Assets						
Inventories	13,980,817	13,244,451	16,047,456	12,232,652	11,557,468	14,273,239
Loans due from Related Parties	—	—	—	—	540,000	446,000
Income Tax Receivables	132,613	224,837	349,992	271,014	312,385	401,787
Trade and Other Receivables	23,560,558	22,545,704	23,558,797	12,575,385	12,228,052	12,424,218
Amounts due from Related Parties	10,372	5,495	33,424	10,372	5,495	32,055
Other Financial Assets	—	40,353	27,088	—	40,353	27,088
Deposits with Banks	80,476	101,362	101,394	—	—	—
Other Investments	577,827	639,715	693,693	—	600,090	600,090
Cash and Cash Equivalents	4,227,673	1,266,758	629,295	2,387,166	955,469	394,858
	42,570,336	38,068,675	41,441,139	27,476,589	26,239,312	28,599,335
Total Assets	65,674,639	62,582,796	64,717,687	39,354,454	39,954,799	41,025,537
EQUITY AND LIABILITIES						
Equity						
Stated Capital	626,048	626,048	626,048	626,048	626,048	626,048
Capital Reserves	1,076,331	1,104,666	1,092,442	1,130,466	1,149,044	1,142,409
Statutory Reserve	182,548	163,096	182,548	—	—	—
Revenue Reserves	6,073,517	4,748,535	4,667,857	3,102,843	2,386,036	2,223,048
Total Equity Attributable to Owners of the Company	7,958,444	6,642,345	6,568,895	4,859,357	4,161,128	3,991,505
Non-controlling Interest	1,683,297	1,586,020	1,619,013	—	—	—
Total Equity	9,641,741	8,228,365	8,187,908	4,859,357	4,161,128	3,991,505
Non-current Liabilities						
Interest-bearing Loans and Borrowings	7,309,464	8,067,612	8,175,499	3,000,000	6,406,800	6,154,766
Lease Liability – Non-current	4,054,520	4,338,248	4,274,663	3,543,641	3,987,314	3,855,725
Employee Benefit Obligations	945,075	934,190	900,984	650,626	661,033	636,683
Security Deposits	1,365,342	1,359,172	1,394,611	1,263,429	1,304,413	1,329,963
Other Financial Liabilities	1,782,206	1,335,898	1,979,089	—	—	—
Deferred Revenue	102,571	77,890	91,725	102,571	77,890	91,725
Other Non-current Liabilities	125,711	107,961	81,590	125,711	107,961	81,590
	15,684,889	16,220,971	16,898,161	8,685,978	12,545,411	12,150,452
Current Liabilities						
Trade and Other Payables	18,327,645	9,211,523	9,321,683	12,880,346	5,793,658	6,636,833
Deferred Revenue	180,703	168,785	174,837	175,199	161,577	167,725
Dividends Payable	17,419	39,277	123,814	9,032	31,895	39,152
Amounts due to Related Parties	120,295	208,198	226,736	4,656,053	2,893,739	3,418,630
Other Financial Liabilities	7,641,045	5,152,035	5,034,997	—	—	—
Lease Liability – Current	614,147	669,966	544,294	572,961	464,528	512,501
Interest-bearing Loans and Borrowings	12,044,953	20,694,491	21,725,176	6,955,998	12,793,013	12,607,357
Bank Overdrafts	1,401,802	1,989,185	2,480,081	559,530	1,109,850	1,501,382
	40,348,009	38,133,460	39,631,618	25,809,119	23,248,260	24,883,580
Total Liabilities	56,032,898	54,354,431	56,529,779	34,495,097	35,793,671	37,034,032
Total Equity and Liabilities	65,674,639	62,582,796	64,717,687	39,354,454	39,954,799	41,025,537
Net Assets per Share (Rs.)	21.19	17.68	17.49	12.94	11.08	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,

10th February 2021

(Sgd.)

Mahesh H. Wijewardene

Director/Group Chief Executive Officer

Statement of Changes in Equity

<i>For the nine months ended 31st December</i>	Stated Capital	Reserve Fund	Revaluation Reserves	General Reserves	Retained Earnings	Total	Non- controlling Interest	Total Equity
Group	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31st March 2019	626,048	163,096	1,118,123	2,700,000	2,335,831	6,943,097	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	6,360,535	1,503,329	7,863,864
Realisation of Revaluation Surplus	–	–	(13,457)	–	13,457	–	–	–
Profit for the Period	–	–	–	–	281,809	281,809	84,619	366,428
Total Comprehensive Income for the Period					281,809	281,809	84,619	366,428
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 31st December 2019	626,048	163,096	1,104,666	2,700,000	2,048,535	6,642,345	1,586,020	8,228,365
Realisation of Revaluation Surplus	–	–	(12,224)	–	12,224	–	–	–
Transferred to/(from) during the Period	–	19,452	–	–	(19,452)	–	–	–
Total Comprehensive Income for the Period								
Profit/(Loss) for the Period	–	–	–	–	(1,074)	(1,074)	61,914	60,840
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 – 2019/20	–	–	–	–	(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	1,967,857	6,568,895	1,619,013	8,187,908
Realisation of 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
Distributions to Owners of the Company								
Interim Dividend – 2020/21	–	–	–	–	(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 31st December 2020	626,048	182,548	1,076,331	2,700,000	3,373,517	7,958,444	1,683,297	9,641,741

Statement of Changes in Equity

For the nine months ended 31st December

	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	–	(9,289)	–	9,289	–
Profit for the Period	–	–	–	102,979	102,979
Total Comprehensive Income for the Period	–	–	–	102,979	102,979
Balance as at 31st December 2019	626,048	1,149,044	2,700,000	(313,964)	4,161,128
Realisation on Revaluation Surplus	–	(6,635)	–	6,635	–
Loss for the Period	–	–	–	(90,240)	(90,240)
Other Comprehensive Income for the Period	–	–	–	–	–
Remeasurement of Employee Benefit Obligations	–	–	–	20,171	20,171
Related Taxes					
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	–	–	–	(75,717)	(75,717)
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	(476,952)	3,991,505
Realisation of Revaluation Surplus	–	(11,943)	–	11,943	–
Profit for the Period	–	–	–	1,168,355	1,168,355
Total Comprehensive Income for the Period	–	–	–	1,168,355	1,168,355
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 31st December 2020	626,048	1,130,466	2,700,000	402,843	4,859,357

Statement of Cash Flows

	Group		Company	
	2020/21 Rs.'000	2019/20 Rs.'000	2020/21 Rs.'000	2019/20 Rs.'000
<i>For the nine months ended 31st December</i>				
Cash Flows from Operating Activities				
Net Profit before Income Tax Expense	2,354,432	545,127	1,498,945	53,200
Adjustment for:				
Depreciation on Property, Plant and Equipment	482,587	492,885	356,250	374,319
Amortisation of Intangible Assets	17,851	16,188	10,253	8,737
Amortisation of Leasehold Rights	976	976	–	–
Amortisation of Right-of-Use Assets	641,330	656,665	572,794	607,766
(Gain)/Loss on Disposal of Property, Plant and Equipment	(3,538)	1,418	(4,587)	(6,112)
Changing Fair Value of Derivative (Assets)/Liabilities	27,088	45,295	27,088	45,295
Interest Expense	1,768,648	2,692,123	1,748,028	2,592,290
Interest Income	(49,113)	(276,573)	(35,784)	(331,861)
Impairment of Inventories	133,330	23,825	140,021	(25,565)
Impairment on Trade and Other Receivables	1,446,228	701,791	966,878	450,839
Dividend Income	(320)	(241)	(158,071)	(140,844)
Provision for Retiring Gratuity	135,221	88,182	91,161	90,228
Operating Profit before Working Capital Changes	6,954,720	4,987,661	5,212,976	3,718,292
(Increase)/Decrease in Inventories	1,933,310	857,441	1,900,565	603,339
(Increase)/Decrease in Debtors Falling due after One Year	(330,603)	(748,947)	(2,049)	(565,898)
(Increase)/Decrease in Debtors Falling due within One year	(1,447,989)	(1,401,007)	(1,118,046)	(588,443)
(Increase)/Decrease in dues from Related Parties	23,054	(5,495)	21,683	(2,184)
Increase/(Decrease) in dues to Related Parties	(106,441)	(47,823)	1,237,423	131,427
Increase/(Decrease) in Security Deposits	(29,269)	(29,261)	(66,534)	(27,715)
Increase/(Decrease) in Trade and Other Payables	9,050,082	1,855,319	6,287,636	644,315
Increase/(Decrease) in Deferred Liabilities	16,712	(27,298)	18,320	(28,997)
Cash Generated from Operations	16,063,576	5,440,590	13,491,974	3,884,136
Finance Costs Paid	(1,365,138)	(2,224,981)	(1,398,558)	(2,175,113)
Retiring Gratuity Paid	(91,130)	(25,963)	(77,219)	(59,953)
Income Tax Paid	(395,768)	(527,831)	(204,461)	(226,008)
Net Cash from/(used in) Operating Activities	14,211,540	2,661,815	11,811,736	1,423,060
Cash Flows from Investing Activities				
Acquisition of Property, Plant and Equipment and Intangible Assets	(369,923)	(731,411)	(246,042)	(549,624)
Proceeds from Disposal of Property Plant and Equipment	17,567	19,363	16,757	19,363
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	–	600,090	310,366
(Acquisition)/Disposal of Marketable Securities	121,850	(114,531)	–	–
Investment in Bank Deposits	20,917	(18,038)	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	446,000	609,487
Interest Income Received	49,113	276,573	35,784	331,861
Dividends Received	320	241	158,071	140,844
Net Cash Flows from Investing Activities	(160,156)	(567,803)	1,010,660	862,297
Cash Flows from Financing Activities				
Net proceeds from Interest-bearing Loans and Borrowings	(10,489,582)	(1,337,380)	(8,749,451)	(1,518,586)
Net Settlements to Lease Creditors	(886,281)	(896,036)	(808,163)	(824,459)
Increase/(Decrease) in Customer Deposit Liabilities	2,409,164	534,910	–	–
Net (Payment) to Minority Shareholders	(1,130)	(1,928)	–	–
Dividends Paid	(406,898)	(49,220)	(330,622)	(17,317)
Net Cash Flows from Financing Activities	(9,374,727)	(1,749,654)	(9,888,236)	(2,360,362)
Net Increase/(Decrease) in Cash and Cash Equivalents	4,676,657	344,358	2,934,160	(75,005)
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	2,825,871	(722,427)	1,827,636	(154,381)

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

The Financial Statements for the period ended 31st December 2020, 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 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 31st December	Consolidated		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. Segmental Analysis of Company Net Turnover is as Follows:

	Quarter ended 31st December 2020 Rs. '000	Quarter ended 31st December 2019 Rs. '000	Nine months ended 31st December 2020 Rs. '000	Nine months ended 31st December 2019 Rs. '000
Consumer Electronics	2,108,492	2,231,177	5,197,429	5,669,490
Financial Services	753,248	937,756	2,375,024	2,813,985
Furniture	768,307	758,623	1,775,017	2,174,648
Home Appliances	5,057,477	4,681,407	13,807,921	13,866,030
IT Products	4,717,533	2,358,699	10,885,951	6,155,272
Sewing Machines	718,126	684,667	1,840,592	1,660,834
Other	1,087,647	835,980	3,214,081	2,242,996
	15,210,830	12,488,309	39,096,015	34,583,255

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

	Quarter ended 31st December 2020 Rs. '000	Quarter ended 31st December 2019 Rs. '000	Nine months ended 31st December 2020 Rs. '000	Nine months ended 31st December 2019 Rs. '000
Consumer Electronics	209,476	368,653	585,026	624,292
Financial Services	105,382	164,622	449,877	685,264
Furniture	64,727	55,928	156,358	117,415
Home Appliances	474,960	382,121	1,399,387	836,720
IT products	205,899	62,138	494,760	157,955
Sewing Machines	68,460	52,011	186,681	112,928
Other	69,520	54,892	230,163	124,850
Intercompany Dividend	–	129,000	158,071	140,844
Impairment Loss on Trade and Other Receivables	(212,569)	(193,750)	(966,878)	(450,839)
Operating Profit	985,855	1,075,615	2,693,445	2,349,429
Net Finance Cost	(222,204)	(710,355)	(1,141,700)	(2,260,429)
VAT on Financial Services	(26,000)	(14,200)	(52,800)	(35,800)
Profit before Tax	737,651	351,060	1,498,945	53,200

Notes to the Financial Statements

2.2 Segmental Analysis of Group Net Turnover is as follows:

	Quarter ended 31st December 2020 Rs. '000	Quarter ended 31st December 2019 Rs. '000	Nine months ended 31st December 2020 Rs. '000	Nine months ended 31st December 2019 Rs. '000
Consumer Electronics	2,108,492	2,231,177	5,197,429	5,669,490
Financial Services	1,863,546	2,030,266	5,673,283	6,047,124
Furniture	768,307	758,623	1,775,017	2,174,648
Home Appliances	5,060,219	4,683,575	13,816,085	13,871,883
IT Products	7,045,873	4,285,840	17,863,371	10,918,038
Sewing Machines	718,126	684,667	1,840,592	1,660,834
Other	1,093,021	837,026	3,222,014	2,244,753
	18,657,584	15,511,174	49,387,791	42,586,770

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

	Quarter ended 31st December 2020 Rs. '000	Quarter ended 31st December 2019 Rs. '000	Nine months ended 31st December 2020 Rs. '000	Nine months ended 31st December 2019 Rs. '000
Consumer Electronics	209,476	368,655	585,026	624,292
Financial Services	423,121	453,061	1,412,633	1,546,009
Furniture	64,727	55,928	156,358	117,415
Home Appliances	538,705	442,775	1,485,143	1,003,986
IT Products	340,446	151,556	897,650	378,320
Sewing Machines	44,423	54,756	146,622	107,738
Other	73,941	58,534	240,533	134,330
Impairment Loss on Trade and Other Receivables	(373,259)	(247,339)	(1,446,228)	(701,791)
Operating Profit	1,321,580	1,337,926	3,477,737	3,210,299
Net Finance Cost	(110,056)	(718,161)	(932,175)	(2,415,550)
VAT on Financial Services	(74,552)	(97,750)	(191,130)	(249,622)
Profit before Tax	1,136,972	522,015	2,354,432	545,127

3. Stated Capital

3.1	31st December 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.

Notes to the Financial Statements

- (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 December 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.
- (c) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 3.1 million against fixed deposits of Rs. 7.7 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

No circumstances have arisen since the Statement of Financial Position date, which would require adjustments to the Interim Financial Statements except for following:

The ordinary shares of the Company which will be subdivided by splitting each issued ordinary share into three ordinary shares after the approval of the shareholders at an EGM to be held on 4th March 2021.

Consequently the total number of existing issued ordinary shares will be 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 /-.

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 31st December 2020 were 5.11%.

The debentures were not traded during the quarter ended 31st December 2020.

	Group		Company	
	31st December 2020	31st December 2019	31st December 2020	31st December 2019
Debt Equity Ratio	2.80	4.90	1.88	4.65
Interest Cover	3.53	1.23	2.31	1.02
Quick Assets Ratio	0.71	1.29	0.59	0.63

Notes to the Financial Statements

7. Top 20 Shareholders as at 31st December 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 (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 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	500,000	0.13
11. Mrs Anoma Kamalika Amarasuriya	471,910	0.13
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) Ltd	358,296	0.10
16. Mr Abey Siri 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 Pushpakumara Samantha Dangampola and Mrs N P Dangampola	235,000	0.06
20. Mr Murtaza Ali Jafferjee	230,600	0.06
Subtotal	355,014,772	94.51
Others	20,614,058	5.49
Total issued share	375,628,830	100.00

8. Directors' and CEO's Shareholding as at

Name of the Director	Shareholding as at 31st December 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 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 – appointed w.e.f. 15th May 2020	—	—
Mr K K L P Yatiwella (Alternate Director to S C Ganegoda)	—	—
Mr H P S Perera (Alternate Director to M H Wijewardene)	—	—
Ms A A K Amarasinghe (Alternate Director to Mr K D D Perera)	—	—

Notes to the Financial Statements

9. Public Holding

Shares held by public as at 31st December 2020.

Number of Shareholders	Number of Shares	Percentage
3,018	29,021,624	7.72%

Float adjusted market capitalisation – Rs. 1,594,920,012.

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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