



SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019

## Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 31st March	Group		Company		Variance			Variance		
	2019 Rs. '000	2018 Rs. '000	2019 Rs. '000	2018 Rs. '000	Group Rs. '000	%	Company Rs.'000	%		
Revenue	14,004,598	13,600,301	10,455,891	10,228,153	404,297	+	3	227,739	+	2
Cost of Sales	(9,721,616)	(9,584,808)	(7,516,280)	(7,416,500)	(136,808)	+	1	(99,780)	+	1
Direct Interest Cost	(349,801)	(278,043)	—	—	(71,758)	+	26	—	—	—
Gross Profit	3,933,181	3,737,449	2,939,611	2,811,653	195,731	+	5	127,958	+	5
Other Income	88,856	65,990	233,362	530,268	22,866	+	35	296,906	—	56
Selling and Administrative Expenses	(2,927,463)	(2,547,034)	(2,440,797)	(2,470,202)	(380,430)	+	15	(29,405)	—	1
Impairment Loss on Trade Receivables	(340,252)	(199,342)	(196,965)	(119,178)	(140,910)	+	71	(316,143)	+	265
Operating Profit	754,321	1,057,063	535,211	990,898	302,742	—	29	455,687	—	46
Finance Cost	(804,763)	(554,291)	(732,347)	(501,218)	(250,472)	+	45	(231,129)	+	46
Exchange Gain/(Loss)	169,577	(32,128)	135,614	(12,511)	201,705	—	628	148,125	—	1184
Finance Income	27,679	5,527	142,253	24,751	22,152	+	401	117,502	+	475
Net Finance Cost	(607,509)	(580,892)	(454,481)	(488,978)	(26,616)	+	5	(34,498)	—	7
Value Added Tax on Financial Services	(69,818)	(56,377)	200	(10,400)	(13,441)	+	24	(10,600)	—	102
Profit Before Tax	76,994	419,793	80,930	491,520	342,799	—	82	410,590	—	84
Income Tax Expense	(43,806)	(207,542)	(35,034)	(9,604)	(163,736)	—	79	(25,429)	+	265
Profit for the Period	33,189	212,251	45,896	481,916	179,062	—	84	436,019	—	90
Other Comprehensive Income										
Revaluation of Property, Plant and Equipment	882,824	—	453,752	—						
Remeasurement of Employee Benefit Obligations	(21,158)	13,468	(26,948)	14,781						
Deferred Tax Relating to Revaluation of Land	(247,191)	(516,049)	(127,051)	(198,082)						
Tax on Other Comprehensive Income	5,872	(2,677)	7,545	(4,139)						
Other Comprehensive Income for the Period	620,347	(505,318)	307,299	(187,439)						
Total Comprehensive Income for the Period	653,536	(293,066)	353,194	294,477						
Profit Attributable to —										
Owners of the Company	(8,448)	153,000	45,896	481,916						
Non-controlling Interests	41,637	59,251	—	—						
Profit for the period	33,189	212,251	45,896	481,916						
Total Comprehensive Income Attributable to —										
Owners of the Company	540,635	(288,026)	353,194	294,477						
Non-controlling Interests	112,901	(5,040)	—	—						
Total Comprehensive Income for the period	653,536	(293,066)	353,194	294,477						
Earnings/(Loss) per Share – Basic (Rs.)	(0.02)	0.41	0.12	1.28						

Above figures are provisional and subject to audit.

	Quarter ended 31st March 2019 Rs.	Quarter ended 31st March 2018 Rs.
Share Prices		
Highest	30.20	45.00
Lowest	24.50	38.50
Last Traded Price	25.00	40.20

## Statement of Profit or Loss and Other Comprehensive Income

	Group		Company		Variance		Variance	
	For twelve months ended 31st March 2019 Rs. '000	For fifteen months ended 31st March 2018 Rs. '000	For twelve months ended 31st March 2019 Rs. '000	For fifteen months ended 31st March 2018 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	58,505,395	65,122,305	43,617,889	50,910,033	6,616,909	- 10	7,292,143	- 14
Cost of Sales	(41,139,965)	(45,632,148)	(31,320,692)	(36,728,241)	(4,492,183)	- 10	(5,407,548)	- 15
Direct Interest Cost	(1,265,014)	(1,281,563)	-	-	(16,549)	- 1	-	-
<b>Gross Profit</b>	<b>16,100,416</b>	<b>18,208,593</b>	<b>12,297,197</b>	<b>14,181,792</b>	<b>2,108,177</b>	<b>- 12</b>	<b>1,884,595</b>	<b>- 13</b>
Other Income	338,062	360,258	590,067	1,088,431	22,196	- 6	498,364	- 46
Selling and Administrative Expenses	(11,656,695)	(13,095,706)	(9,971,711)	(11,810,315)	(1,439,012)	- 11	(1,838,603)	- 16
Impairment Loss on Trade Receivables	(784,422)	(652,644)	(474,683)	(422,184)	(150,694)	+ 24	(323,181)	+ 213
<b>Operating Profit</b>	<b>3,997,361</b>	<b>4,839,417</b>	<b>2,440,869</b>	<b>3,308,406</b>	<b>842,056</b>	<b>- 17</b>	<b>867,537</b>	<b>- 26</b>
Finance Cost	(2,982,850)	(2,683,846)	(2,762,897)	(2,472,764)	(365,426)	+ 14	(290,134)	+ 12
Exchange Gain/(Loss)	(185,576)	(17,180)	(11,965)	(21,562)	(168,396)	+ 980	9,597	- 45
Finance Income	135,352	169,652	453,907	344,598	32,121	- 18	109,309	+ 32
Net Finance Cost	(3,033,076)	(2,531,375)	(2,320,956)	(2,149,727)	(501,701)	+ 20	(171,228)	+ 8
Value Added Tax on Financial Services	(292,156)	(258,989)	(31,200)	(52,800)	(33,167)	+ 13	(21,600)	- 41
<b>Profit Before Tax</b>	<b>672,129</b>	<b>2,049,052</b>	<b>88,713</b>	<b>1,105,879</b>	<b>1,376,923</b>	<b>- 67</b>	<b>1,017,166</b>	<b>- 92</b>
Income Tax Expense	(286,149)	(828,758)	51,837	(106,856)	(542,609)	- 65	(158,693)	- 149
<b>Profit for the Period</b>	<b>385,981</b>	<b>1,220,295</b>	<b>140,550</b>	<b>999,023</b>	<b>834,314</b>	<b>- 68</b>	<b>858,473</b>	<b>- 86</b>
<b>Other Comprehensive Income</b>								
Revaluation of Property, Plant and Equipment	882,824	-	453,752	-				
Remeasurement of Defined Benefit Obligation	(21,158)	(18,910)	(26,948)	(9,478)				
Deferred Tax on Revaluation	(247,191)	(516,049)	(127,051)	(198,082)				
Tax on Other Comprehensive Income	5,872	6,319	7,545	2,654				
<b>Other Comprehensive Income for the Period net of tax</b>	<b>620,347</b>	<b>(528,640)</b>	<b>307,299</b>	<b>(204,906)</b>				
<b>Total Comprehensive Income for the Period net of tax</b>	<b>1,006,328</b>	<b>691,655</b>	<b>447,850</b>	<b>794,117</b>				
<b>Profit Attributable to –</b>								
Owners of the Company	250,121	1,043,682	140,550	999,023				
Non-controlling Interests	135,859	176,612	-	-				
<b>Profit for the period</b>	<b>385,981</b>	<b>1,220,295</b>	<b>140,550</b>	<b>999,023</b>				
<b>Total Comprehensive Income Attributable to –</b>								
Owners of the Company	799,204	580,225	447,850	794,117				
Non-controlling Interests	207,123	111,430	-	-				
<b>Total Comprehensive Income for the period</b>	<b>1,006,328</b>	<b>691,655</b>	<b>447,850</b>	<b>794,117</b>				
Earnings per Share – Basic (Rs.)	0.67	2.78	0.37	2.66				

Above figures are provisional and subject to audit.

	Twelve months ended 31st March 2019 Rs.	Fifteen months ended 31st March 2018 Rs.
Share Prices		
Highest	41.00	49.97
Lowest	24.50	38.50
Last Traded Price	25.00	40.20

## Statement of Financial Position

As at	Group		Company	
	31st March 2019 Rs. '000	31st March 2018 Rs. '000	31st March 2019 Rs. '000	31st March 2018 Rs. '000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	6,704,649	5,649,424	3,498,021	3,082,598
Intangible Assets	268,296	281,317	201,001	207,145
Investment in Subsidiaries	–	–	2,900,873	2,925,222
Other Non-current Assets	63,219	64,520	–	–
Other Investments	17,061	17,061	928,293	929,110
Trade and Other Receivables	12,739,428	9,162,980	2,693,356	1,341,906
Deferred Tax Assets	–	–	264,757	69,643
	19,792,653	15,175,302	10,486,300	8,555,624
<b>Current Assets</b>				
Inventories	14,125,717	12,573,710	12,135,242	10,741,281
Loans due from Related Parties	–	–	1,215,820	1,219,151
Income Tax Receivables	70,954	46,635	240,188	157,630
Trade and Other Receivables	21,417,095	20,693,787	11,605,324	12,150,612
Amounts due from Related Parties	–	788	3,311	185,396
Other Financial Assets	85,648	–	85,648	–
Deposits with Banks	83,324	81,504	–	–
Other Investments	623,372	671,383	–	–
Cash and Cash Equivalents	1,849,643	1,339,007	1,337,713	1,017,628
	38,255,753	35,406,814	26,623,245	25,471,698
<b>Total Assets</b>	<b>58,048,406</b>	<b>50,582,116</b>	<b>37,109,545</b>	<b>34,027,322</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	626,048	626,048	626,048	626,048
Capital Reserves	1,118,123	577,919	1,158,333	847,555
Statutory Reserve	163,096	136,009	–	–
Revenue Reserves	5,035,830	5,495,478	2,851,601	3,326,088
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>6,943,097</b>	<b>6,835,455</b>	<b>4,635,982</b>	<b>4,799,692</b>
<b>Non-controlling Interest</b>	<b>1,508,546</b>	<b>1,349,114</b>	<b>–</b>	<b>–</b>
<b>Total Equity</b>	<b>8,451,643</b>	<b>8,184,569</b>	<b>4,635,982</b>	<b>4,799,692</b>
<b>Non-current Liabilities</b>				
Interest-bearing Loans and Borrowings	10,353,696	4,332,360	7,377,175	2,532,150
Employee Benefit Obligations	871,972	794,645	630,758	574,009
Security Deposits	1,388,433	1,199,127	1,332,128	1,199,127
Deferred Taxation Liability	246,869	467,236	–	–
Other Financial Liabilities	804,556	411,394	–	–
Other Non-Current Liabilities	143,126	–	143,126	–
Deferred Revenue	74,199	–	74,199	–
	13,863,628	7,204,762	9,557,386	4,305,286
<b>Current Liabilities</b>				
Trade and Other Payables	7,454,358	8,286,261	5,229,932	6,076,064
Deferred Revenue	199,774	246,290	194,774	246,290
Income Tax Payables	–	–	–	–
Dividends Payable	88,497	593,695	49,212	539,610
Amounts due to Related Parties	256,021	16,182	2,762,312	2,639,361
Other Financial Liabilities	5,148,467	4,826,584	–	8,338
Interest-bearing Loans and Borrowings	19,650,367	19,091,083	13,263,369	14,175,592
Bank Overdrafts	2,916,428	2,132,691	1,417,089	1,237,089
	35,713,913	35,192,785	22,916,177	24,922,343
<b>Total Liabilities</b>	<b>49,596,763</b>	<b>42,397,547</b>	<b>32,473,563</b>	<b>29,227,631</b>
<b>Total Equity and Liabilities</b>	<b>58,048,406</b>	<b>50,582,116</b>	<b>37,109,545</b>	<b>34,027,322</b>
<b>Net Assets Per Share (Rs.)</b>	<b>18.53</b>	<b>18.20</b>	<b>12.34</b>	<b>12.78</b>

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

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

Colombo,  
16th May 2019

## Statement of Changes in Equity

For the year ended 31st March	Attributable to equity holders of the Company						Non-controlling Interest Rs. '000	Total Equity Rs. '000
	Stated Capital Rs. '000	Reserve Fund Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000		
Group	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<b>Balance as at 1st January 2017</b>	<b>626,048</b>	<b>95,361</b>	<b>1,057,964</b>	<b>2,700,000</b>	<b>3,674,444</b>	<b>8,153,817</b>	<b>1,401,088</b>	<b>9,554,905</b>
Realisation of Revaluation Surplus	–	–	(28,214)	–	28,214	–	–	–
Transferred to/(from) during the Period	–	40,649	–	–	(40,649)	–	–	–
<b>Total Comprehensive Income for the Period</b>								
Profit for the Period	–	–	–	–	1,043,682	1,043,682	176,612	1,220,295
<b>Other Comprehensive Income</b>								
Remeasurement of Employee Benefit Obligations	–	–	–	–	(17,616)	(17,616)	(1,294)	(18,910)
Related Taxes	–	–	–	–	5,990	5,990	330	6,319
Deferred Tax Relating to Revaluation of Land	–	–	(451,831)	–	–	(451,831)	(64,218)	(516,049)
<b>Total Other Comprehensive Income for the Period</b>	<b>–</b>	<b>–</b>	<b>(451,831)</b>	<b>–</b>	<b>(11,626)</b>	<b>(463,457)</b>	<b>(65,183)</b>	<b>(528,640)</b>
<b>Total Comprehensive Income for the Period</b>	<b>–</b>	<b>–</b>	<b>(451,831)</b>	<b>–</b>	<b>1,032,056</b>	<b>580,225</b>	<b>111,430</b>	<b>691,655</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>								
<b>Distributions to Owners of the Company</b>								
Final Dividend – 2016	–	–	–	–	(1,101,845)	(1,101,845)	(120,545)	(1,222,390)
Interim Dividend – 2017/18	–	–	–	–	(826,383)	(826,383)	(92,297)	(918,680)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,928,228)</b>	<b>(1,928,228)</b>	<b>(212,842)</b>	<b>(2,141,070)</b>
<b>Changes in Ownership Interests in Subsidiaries</b>								
Right Issue Cost	–	–	–	–	(1,990)	(1,990)	–	(1,990)
Right Issue to Non-controlling Interest	–	–	–	–	–	–	77,732	77,732
Gain on Acquisition of Additional Shares in Right Issue	–	–	–	–	3,337	3,337	–	3,337
Effect of Change in Holdings in Subsidiaries	–	–	–	–	28,294	28,294	(28,294)	–
<b>Balance as at 31st March 2018</b>	<b>626,048</b>	<b>136,009</b>	<b>577,919</b>	<b>2,700,000</b>	<b>2,795,478</b>	<b>6,835,455</b>	<b>1,349,114</b>	<b>8,184,569</b>
Prior Year Correction	–	–	–	–	43,359	43,359	6,070	49,429
Adjustment on Initial Application of SLFRS 9 net of tax	–	–	–	–	(245,413)	(245,413)	(21,947)	(267,360)
Adjustment on Initial Application of SLFRS 15 net of tax	–	–	–	–	(226,619)	(226,619)	–	(226,619)
<b>Restated balance under SLFRS 9 and SLFRS 15 as at 1st April 2018</b>	<b>626,048</b>	<b>136,009</b>	<b>577,919</b>	<b>2,700,000</b>	<b>2,366,803</b>	<b>6,406,780</b>	<b>1,333,236</b>	<b>7,740,017</b>
Realisation of Revaluation Surplus	–	–	(24,390)	–	24,390	–	–	–
Transferred to/(from) during the Period	–	27,087	–	–	(27,087)	–	–	–
Profit for the Period	–	–	–	–	250,121	250,121	135,859	385,981
<b>Other Comprehensive Income</b>								
Revaluation of Property, Plant and Equipment	–	–	784,157	–	–	784,157	98,667	882,824
Remeasurement of Employee Benefit Obligations	–	–	–	–	(21,499)	(21,499)	341	(21,158)
Related Taxes	–	–	–	–	5,989	5,989	(117)	5,872
Deferred Tax Relating to Revaluation of PPE	–	–	(219,564)	–	–	(219,564)	(27,627)	(247,191)
<b>Total Other Comprehensive Income for the Period</b>	<b>–</b>	<b>–</b>	<b>564,593</b>	<b>–</b>	<b>(15,510)</b>	<b>549,083</b>	<b>71,264</b>	<b>620,347</b>
<b>Total Comprehensive Income for the Period</b>	<b>–</b>	<b>27,087</b>	<b>540,203</b>	<b>–</b>	<b>231,914</b>	<b>799,204</b>	<b>207,123</b>	<b>1,006,328</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>								
<b>Distributions to Owners of the Company</b>								
WHT on Dividend Paid In Terms of Bonus Issue	–	–	–	–	(8,788)	(8,788)	(1,230)	(10,018)
Interim Dividend – 2018/19	–	–	–	–	(244,159)	(244,159)	(78,923)	(323,082)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(244,159)</b>	<b>(244,159)</b>	<b>(78,923)</b>	<b>(323,082)</b>
<b>Changes in Ownership Interests in Subsidiaries</b>								
Effect of Change in Holdings in Subsidiaries	–	–	–	–	(9,940)	(9,940)	48,339	38,399
<b>Balance as at 31st March 2019</b>	<b>626,048</b>	<b>163,096</b>	<b>1,118,123</b>	<b>2,700,000</b>	<b>2,335,830</b>	<b>6,943,097</b>	<b>1,508,546</b>	<b>8,451,643</b>

## Statement of Changes in Equity

For the year ended 31st March

Company	Stated Capital Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000
<b>Balance as at 1st January 2017</b>	<b>626,048</b>	<b>1,065,542</b>	<b>2,700,000</b>	<b>1,542,213</b>	<b>5,933,803</b>
Realisation of Revaluation Surplus	–	(19,905)	–	19,905	–
<b>Profit for the Period</b>	–	–	–	999,023	999,023
<b>Other Comprehensive Income</b>					
Remeasurement of Employee Benefit Obligations	–	–	–	(9,478)	(9,478)
Related Taxes	–	–	–	2,654	2,654
Deferred Tax Relating to Revaluation of Land		(198,082)	–	–	(198,082)
<b>Total Other Comprehensive Income for the Period</b>	–	(198,082)	–	(6,824)	(204,906)
<b>Total Comprehensive Income for the Period</b>	–	<b>(198,082)</b>	–	<b>992,199</b>	<b>794,117</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>					
<b>Distributions to Owners of the Company</b>					
Final Dividend – 2016	–	–	–	(1,101,845)	(1,101,845)
Interim Dividend – 2017/18	–	–	–	(826,383)	(826,383)
<b>Total Distributions to Owners of the Company</b>	–	–	–	<b>(1,928,228)</b>	<b>(1,928,228)</b>
<b>Balance as at 31st March 2018</b>	<b>626,048</b>	<b>847,555</b>	<b>2,700,000</b>	<b>626,088</b>	<b>4,799,692</b>
Adjustment on Initial Application of SLFRS 9 net of tax	–	–	–	(140,781)	(140,781)
Adjustment on Initial Application of SLFRS 15 net of tax	–	–	–	(226,619)	(226,619)
<b>Restated Balance under SLFRS 9 and SLFRS 15 as at 1st April 2018</b>	<b>626,048</b>	<b>847,555</b>	<b>2,700,000</b>	<b>258,688</b>	<b>4,432,291</b>
Realisation of Revaluation Surplus	–	(15,924)	–	15,924	–
<b>Profit for the Period</b>	–	–	–	140,550	140,550
<b>Other Comprehensive Income</b>					
Revaluation of Property, Plant and Equipment	–	453,752	–	–	453,752
Remeasurement of Employee Benefit Obligations	–	–	–	(26,948)	(26,948)
Related Taxes	–	–	–	7,545	7,545
Deferred Tax relating to revaluation of PPE	–	(127,051)	–	–	(127,051)
<b>Total Other Comprehensive Income for the Period</b>	–	<b>326,701</b>	–	<b>(19,402)</b>	<b>307,299</b>
<b>Total Comprehensive Income for the Period</b>	–	<b>310,778</b>	–	<b>137,072</b>	<b>447,850</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>					
<b>Distributions to Owners of the Company</b>					
Interim Dividend – 2017/18	–	–	–	(244,159)	(244,159)
<b>Total Distributions to Owners of the Company</b>	–	–	–	<b>(244,159)</b>	<b>(244,159)</b>
<b>Balance as at 31st March 2019</b>	<b>626,048</b>	<b>1,158,333</b>	<b>2,700,000</b>	<b>151,601</b>	<b>4,635,982</b>

## Statement of Cash Flows

	Group		Company	
	For twelve months ended 31st March 2019 Rs. '000	For fifteen months ended 31st March 2018 Rs. '000	For twelve months ended 31st March 2019 Rs. '000	For fifteen months ended 31st March 2018 Rs. '000
<b>Cash Flows from Operating Activities</b>				
Net Profit before Income Tax Expense	672,129	2,049,053	88,713	1,105,879
<b>Adjustment for:</b>				
Depreciation on Property, Plant and Equipment	579,243	632,736	453,474	509,249
Amortisation of Intangible Assets	21,698	31,694	11,947	22,344
Amortisation of Leasehold Rights	1,301	542	–	–
(Gain)/Loss on Disposal of Property, Plant and Equipment	569	10,851	484	11,221
Gain from Disposal of Shares	–	–	(14,049)	–
Interest Expense	3,240,746	2,706,925	2,774,862	2,494,325
Interest Income	(207,671)	(175,550)	(453,907)	(344,598)
Impairment of Software	–	5,606	–	–
Impairment of Inventories	172,995	15,212	174,029	44,233
Impairment of Trade and Other Receivables	738,985	652,644	454,542	422,184
Dividend Income	–	(180)	(462,621)	(923,614)
Provision for Retiring Gratuity	144,669	161,490	103,311	114,418
<b>Operating Profit before Working Capital Changes</b>	<b>5,364,666</b>	<b>6,091,022</b>	<b>3,130,785</b>	<b>3,455,641</b>
(Increase)/Decrease in Inventories	(1,725,002)	(3,048,594)	(1,567,990)	(2,992,019)
(Increase)/Decrease in Debtors Falling Due after One Year	(3,576,407)	(956,899)	(1,351,450)	546,561
(Increase)/Decrease in Debtors Falling Due within One Year	(1,848,148)	(4,749,048)	(155,329)	(2,648,992)
(Increase)/Decrease in Dues from Related Parties	788	(788)	182,085	(110,613)
Increase/(Decrease) in Dues to Related Parties	14,544	16,182	(102,344)	1,762,443
Increase/(Decrease) in Security Deposits	189,306	180,675	133,001	180,675
Increase/(Decrease) in Trade and Other Payables	(726,474)	1,746,167	(740,345)	1,211,050
Increase/(Decrease) in Deferred Liabilities	(198,936)	(192,699)	(204,446)	(192,699)
<b>Cash Generated from Operations</b>	<b>(2,505,665)</b>	<b>(913,980)</b>	<b>(676,032)</b>	<b>1,212,047</b>
Finance Costs Paid	(3,203,407)	(2,706,925)	(2,737,523)	(2,494,325)
Retiring Gratuity Paid	(88,501)	(36,899)	(73,510)	(26,642)
Income Tax Paid	(682,539)	(1,039,106)	(237,898)	(380,519)
<b>Net Cash from/(used in) Operating Activities</b>	<b>(6,480,113)</b>	<b>(4,696,911)</b>	<b>(3,724,964)</b>	<b>(1,689,440)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Intangible Assets	(741,978)	(944,186)	(465,179)	(616,783)
Proceeds from Disposal of Property Plant and Equipment	49,738	20,938	43,747	20,189
Investment in Leashold Right	–	(65,063)	–	–
Investment in shares in Subsidiary Company	–	–	–	(470,042)
Proceeds from Disposal of shares in Subsidiary Company	38,399	–	38,399	–
(Acquisition)/Disposal of Marketable Securities	47,969	(156,127)	–	–
Investment in Bank Deposits	(1,820)	(346)	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	2,000	158,924
Interest Received	207,671	175,550	453,907	344,599
Dividend Received	–	180	462,621	923,614
<b>Net Cash Flows from Investing Activities</b>	<b>(400,021)</b>	<b>(969,055)</b>	<b>535,495</b>	<b>360,500</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from Interest-bearing Loans and Borrowings	6,494,972	3,830,108	3,838,816	2,181,132
Proceeds from Rights Issue Purchased by Minority Shareholders	–	81,069	–	–
Right Issue Cost	–	(1,990)	–	–
Net (payment) to/Receipts from Minority Shareholders	(78,923)	(212,842)	–	–
Increase/(Decrease) in Customer Deposit Liabilities	715,046	2,196,031	–	–
Dividends Paid	(524,062)	(1,358,993)	(509,262)	(1,409,142)
<b>Net Cash Flows from Financing Activities</b>	<b>6,607,033</b>	<b>4,533,383</b>	<b>3,329,554</b>	<b>771,990</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(273,101)</b>	<b>(1,132,583)</b>	<b>140,085</b>	<b>(556,950)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>(793,684)</b>	<b>338,898</b>	<b>(219,461)</b>	<b>337,490</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>(1,066,785)</b>	<b>(793,684)</b>	<b>(79,376)</b>	<b>(219,461)</b>



## Notes to the Financial Statements

### 1. Changes in Accounting policies and Disclosures

The accounting standard SLFRS 15 and SLFRS 9 came in to effect from 1st January 2018 and consequently the Group has adopted these standards for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below:

#### (a) SLFRS 15 – “Revenue from Contracts with Customers”

SLFRS 15 supersedes LKAS 11 Construction Contracts, LKAS 18 Revenue and related Interpretations. It applies with limited exceptions, to all revenue arising from contracts with its customers. SLFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

SLFRS 15 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted SLFRS 15 using the cumulative effect method of adoption. The effect of adopting SLFRS 15 is given in Note 1.1 to the Financial Statements.

#### (b) SLFRS 9 – “Financial Instruments”

SLFRS 9 Financial Instruments replaces LKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, the Group has applied SLFRS 9 retrospectively, with the initial application date of 1st April 2018.

The nature of these adjustments are described below:

#### Classification and Measurement

Under SLFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 April 2018, and then applied retrospectively to those financial assets that were not derecognised before 1st April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SLFRS 9 did not have a significant impact on the Group.

#### Impairment

The adoption of SLFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing LKAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SLFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The effect of adopting SLFRS 9 is given in Note 1.1 to the Financial Statements.



## Notes to the Financial Statements

## 1.1 Reconciliation of the Statement of Profit or Loss

For the fifteen months ended 31st March 2018

	Previously reported Rs.'000	Effect of transition to SLFRS 9 Rs.'000	Effect of transition to SLFRS 15 Rs.'000	Restated Rs.'000
Revenue	65,122,305	–	–	65,122,305
<b>Gross Revenue</b>	65,122,305	–	–	65,122,305
Cost of Sales	(45,632,148)	–	–	(45,632,148)
Direct Interest Cost	(1,281,563)	–	–	(1,281,563)
<b>Gross Profit</b>	18,208,593	–	–	18,208,593
Other Income	360,258	–	–	360,258
Selling and Administration Expenses	(13,095,706)	–	–	(13,095,706)
<b>Operating Profit</b>	5,473,145	–	–	5,473,145
Finance Income	175,550	–	–	175,550
Finance Cost	(2,706,925)	–	–	(2,706,925)
<b>Net Finance Cost</b>	(2,531,375)	–	–	(2,531,375)
Value Added Tax on Financial Services	(258,989)	–	–	(258,989)
<b>Profit Before Tax</b>	2,682,780	–	–	2,682,780
Income tax expenses	(828,758)	–	–	(828,758)
<b>Profit for the Period from Continuing Operations</b>	1,854,023	–	–	1,854,023
<b>Profit or loss for the period attributable to</b>				
Owners of the parent	1,043,682	–	–	1,043,682
Non-controlling interest	176,612	–	–	176,612
<b>Profit for the Period</b>	1,220,295	–	–	1,220,295

## Reconciliation of the Statement of Financial Position

As at 31st March 2018

	Previously reported Rs.'000	Effect of transition to SLFRS 9 Rs.'000	Effect of transition to SLFRS 15 Rs.'000	Restated Rs.'000
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	5,649,424	–	–	5,649,424
Intangible Assets	281,317	–	–	281,317
Other Non-current Assets	64,520	–	–	64,520
Other Investments	17,062	–	–	17,062
Trade and Other Receivables	9,162,980	–	–	9,162,980
Deferred Tax Assets	–	–	–	–
	15,175,303	–	–	15,175,303
<b>Current Assets</b>				
Inventories	12,573,710	–	–	12,573,710
Income Tax Receivable	46,635	–	–	46,635
Trade and Other Receivables	20,693,787	(382,342)	–	20,311,445
Amounts due from Related Parties	788	–	–	788
Deposits with Banks	81,504	–	–	81,504
Other Investments	671,383	–	–	671,383
Cash and Cash Equivalents	1,339,007	–	–	1,339,007
	35,406,814	(382,342)	–	35,024,472
<b>Total Assets</b>	50,582,117	(382,342)	–	50,199,775

## Notes to the Financial Statements

As at 31st March 2018

	Previously reported Rs.'000	Effect of transition to SLFRS 9 Rs.'000	Effect of transition to SLFRS 15 Rs.'000	Restated Rs.'000
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated Capital	626,048	–	–	626,048
Capital Reserves	577,919	–	–	577,919
Statutory Reserve	136,009	–	–	136,009
Revenue Reserves	5,495,478	(245,413)	(226,619)	5,023,446
<b>Total Equity Attributable to Equity Holders of the Company</b>	<b>6,835,455</b>	<b>–</b>	<b>–</b>	<b>6,363,423</b>
<b>Non-controlling Interest</b>	<b>1,349,114</b>	<b>(21,947)</b>	<b>–</b>	<b>1,327,167</b>
<b>Total Equity</b>	<b>8,184,569</b>	<b>(267,360)</b>	<b>(226,619)</b>	<b>7,690,590</b>
<b>Non-current Liabilities</b>				
Interest-bearing Loans and Borrowings	4,332,360	–	–	4,332,360
Employee Benefit Obligations	794,645	–	–	794,645
Security Deposits	1,199,127	–	–	1,199,127
Deferred Taxation Liability	467,236	(114,982)	–	352,254
Other Financial Liabilities	411,394	–	–	411,394
Other Non-current liabilities	–	–	93,801	93,801
Deferred Revenue	–	–	–	–
	7,204,762	(114,982)	93,801	7,183,581
<b>Current Liabilities</b>				
Trade and Other Payables	8,286,261	–	43,845	8,330,106
Deferred Revenue	246,290	–	88,974	335,264
Dividends Payable	593,695	–	–	593,695
Amounts due to Related Parties	16,182	–	–	16,182
Other Financial Liabilities	4,826,584	–	–	4,826,584
Interest-bearing Loans and Borrowings	19,091,083	–	–	19,091,083
Bank Overdrafts	2,132,691	–	–	2,132,691
	35,192,786	–	132,819	35,325,605
<b>Total Liabilities</b>	<b>42,397,548</b>	<b>(114,982)</b>	<b>226,620</b>	<b>42,509,186</b>
<b>Total Equity and Liabilities</b>	<b>50,582,117</b>	<b>(382,342)</b>	<b>226,620</b>	<b>50,199,775</b>

## 2.1 Segmental Analysis of Company Net Turnover is as Follows:

	Quarter ended 31st March 2019 Rs. '000	Quarter ended 31st March 2018 Rs. '000	Twelve months ended 31st March 2019 Rs. '000	Fifteen months ended 31st March 2018 Rs. '000
Consumer Electronics	1,365,808	1,485,475	6,480,471	8,210,121
Financial Services	929,202	829,576	3,514,091	4,325,107
Furniture	634,853	741,066	2,681,806	3,416,843
Home Appliances	4,243,107	3,922,671	17,196,056	19,774,099
IT Products	1,976,698	1,809,231	8,383,589	7,971,414
Sewing	586,645	726,654	2,585,372	3,615,763
Other	719,578	713,480	2,776,504	3,596,685
	10,455,891	10,228,153	43,617,889	50,910,033

## Notes to the Financial Statements

## 2.2 Segmental Analysis of Company Profits Before Tax is as Follows:

	Quarter ended 31st March 2019 Rs. '000	Quarter ended 31st March 2018 Rs. '000	Twelve months ended 31st March 2019 Rs. '000	Fifteen months ended 31st March 2018 Rs. '000
Consumer Electronics	44,068	63,538	311,290	350,267
Financial Services	93,697	142,867	543,877	726,028
Furniture	18,805	26,558	104,115	118,611
Home Appliances	118,348	166,008	678,301	812,133
IT Products	27,436	35,225	139,719	107,824
Sewing	17,254	31,215	107,584	151,317
Other	17,001	20,941	79,311	118,582
Dividend	198,601	504,546	462,621	923,644
Gain on Disposal of Shares	–	–	14,050	–
<b>Operating Profit</b>	<b>535,211</b>	<b>990,898</b>	<b>2,440,869</b>	<b>3,308,406</b>
Net Finance Cost	(454,481)	(488,978)	(2,320,956)	(2,149,727)
VAT on Financial Services	200	(10,400)	(31,200)	(52,800)
<b>Profit Before Tax</b>	<b>80,930</b>	<b>491,520</b>	<b>88,713</b>	<b>1,105,879</b>

## 2.3 Segmental Analysis of Group Net Turnover is as Follows:

	Quarter ended 31st March 2019 Rs. '000	Quarter ended 31st March 2018 Rs. '000	Twelve months ended 31st March 2019 Rs. '000	Fifteen months ended 31st March 2018 Rs. '000
Consumer Electronics	1,368,242	1,485,474	6,482,905	8,210,121
Financial Services	1,965,824	1,643,880	7,313,954	8,037,776
Furniture	634,853	741,066	2,681,806	3,416,843
Home Appliances	4,243,107	3,924,874	17,202,756	19,785,509
IT Products	4,486,252	4,364,642	19,461,520	18,524,322
Sewing	586,645	726,656	2,585,372	3,615,763
Other	719,675	713,709	2,777,082	3,531,971
	<b>14,004,598</b>	<b>13,600,301</b>	<b>58,505,395</b>	<b>65,122,305</b>

## 2.4 Segmental Analysis of Group Profits Before Tax is as Follows:

	Quarter ended 31st March 2019 Rs. '000	Quarter ended 31st March 2018 Rs. '000	Twelve months ended 31st March 2019 Rs. '000	Twelve months ended 31st March 2018 Rs. '000
Consumer Electronics	70,069	64,349	380,639	351,078
Financial Services	181,117	403,370	1,627,886	1,878,749
Furniture	29,900	26,829	129,043	118,882
Home Appliances	256,188	219,868	1,021,831	1,156,963
IT Products	155,277	291,349	804,905	1,062,001
Sewing	18,079	27,469	129,599	147,516
Other	43,690	23,817	102,057	124,049
Dividend	–	–	(198,601)	180
<b>Operating Profit</b>	<b>754,321</b>	<b>1,057,063</b>	<b>3,997,361</b>	<b>4,839,417</b>
Net Finance Cost	(607,509)	(580,892)	(3,033,076)	(2,531,375)
VAT on Financial Services	(69,818)	(56,377)	(292,156)	(258,989)
<b>Profit Before Tax</b>	<b>76,994</b>	<b>419,793</b>	<b>672,129</b>	<b>2,049,052</b>

## Notes to the Financial Statements

**3. Stated Capital**

<b>3.1</b>	<b>31st March 2019</b>	31st March 2018
Value – Ordinary Shares	<b>Rs. 626,048,050.00</b>	Rs. 626,048,050.00
Number of Shares – Ordinary Shares	<b>375,628,830</b>	375,628,830
Voting Rights	<b>One vote per ordinary share</b>	One vote per ordinary share

**4. Contingencies**

- (a) Commissioner General of Inland Revenue has issued assessment notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/Payment on account of Deemed VAT for seven quarters for the period 1st January 2014 to 30th September 2015. The assessment was for a Deemed VAT payment of Rs. 1,076 million and penalty of Rs. 423 million totalling to Rs. 1,499 million. Commissioner General of Inland Revenue has given the determination on the appeal. Accordingly, Rs. 791 million of deemed VAT liability and penalty of Rs. 395 million totalling to Rs. 1,186 million is payable as a Deemed VAT liability for seven quarters for the period 1st January 2014 to 30th September 2015. The Company after carefully reviewing the advice of tax consultants, is of the opinion that there is no basis for the Company to be made liable for deemed VAT and accordingly Company has decided to appeal to the Tax Appeal Commission against the determination. Hence, no provision has been made in the Financial Statements. The Company previously sought a clarification from the Inland Revenue Department on the interpretation of the Act and did not receive the required clarification. The Company has appealed against the VAT assessment, requesting to cancel the notice of assessment. Deemed VAT is removed with effect from 1st January 2016 under VAT Amendment Act No. 20 of 2016.
- (b) Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs. 287 million to Director General of Customs to clear imports during the years 2008 to March 2019. The bank guarantee related to alleged additional duty payable on imports, claimed by the customs and is being contested by the Company in courts. The Court of Appeal ordered that the Director General of Customs continue with the investigations. The Company being aggrieved by the decision has filed an appeal, which is pending before the Supreme Court. The Company lawyers are of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the Financial Statements.
- (c) Singer Finance (Lanka) PLC provided bank guarantees totaling to Rs. 1 million against Fixed Deposits of Rs.1 million.
- (d) Regnis Lanka PLC has provided Corporate guarantees to banks on behalf of Regnis Appliances (Pvt) Ltd. amounting to Rs. 410 million for the purpose of obtaining banking facilities.
- (e) Regnis Lanka PLC cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee amounting to Rs. 6 million to the Director of Customs. The bank guarantee relates to alleged additional duty payable on imports which is contested by the Company. The customs inquiry initiated in 2008 is still pending. The management is of the opinion that there is no basis that the Company is liable for the additional duty and hence, no provision is made in the financial statements.
- (f) Under the Finance Companies (single borrowers limit) Direction No. 4 of 2006/1, the value of unsecured accommodations granted to and outstanding at any point of time from all borrowers should not exceed 5% of the capital funds as shown in the last audited Balance Sheet. However the value of unsecured accommodation granted has been exceeded due to credit card product by Rs. 363 million as of 31st March 2019. Singer Finance (Lanka) PLC is in the process of seeking methods to be compliant with the said regulation.

**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

Interest rates of comparable Government Securities as at 31st March 2019 were 10.67%.

The debentures were not traded during the quarter ended 31st March 2019.

## Notes to the Financial Statements

## Utilisation of Funds Raised via Debentures:

Objective Number	Objective as per Prospectus	Amount Allocated as per Prospectus in Rs.	Proposed Date of Utilisation as per Prospectus	Amount Allocated from Proceed in Rs. (A)	Percentage of Total Proceed	Amounts Utilised (Rs.) (B)
1	Refinancing of short-term bank facilities	Initial issue of Rs. 1.0 billion and a maximum issue of Rs. 1.5 billion	Immediately upon allotment of the Debentures	Rs. 656.8 million	100%	Rs. 656.8 million

	Group		Company	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Debt Equity Ratio (%)	4.37	3.60	4.47	3.53
Interest Cover	1.22	1.81	1.04	1.51
Quick Assets Ratio (%)	0.68	0.65	0.63	0.59

## 7. Top 20 Shareholders as at 31st March 2019

Name	Number of Shares	Percentage
1. National Savings Bank/Hayleys PLC	85,147,054	22.67
Peoples Bank/Hayleys PLC	85,147,053	22.67
Hayleys PLC	50,679,271	13.49
Hatton National Bank PLC/Hayleys PLC	40,293,659	10.73
2. Hayleys Advantis Limited	37,127,660	9.88
3. Volanka (Pvt) Limited	11,595,745	3.09
4. Hayleys Aventura (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 Dhammika Perera	6,935,913	1.85
8. Deutsche Bank AG as Trustee for JB Vantage Value Equity Fund	2,492,130	0.66
9. Mrs Mihiri Virani Fernando	1,930,000	0.51
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate Private Limited	669,849	0.18
11. Mrs Anoma Kamalika Amarasuriya	536,910	0.14
12. Mr Nai Kaluge Anura Deepal De Silva	441,582	0.12
13. Miss Nai Kaluge Ruvani Hemamala De Silva	397,638	0.11
14. Mr Nalin Amita De Silva	378,978	0.10
15. Jafferjee Brothers (Exports) Limited	375,600	0.10
16. Mr Abey Siri Hemapala Munasinghe	328,644	0.09
17. Mrs Enoka Kamali Wickramasinghe	319,857	0.09
18. Mr Leslie Premal Mendis and Mrs M S Mendis	274,934	0.07
19. Mr Hemaka Devapriya Senarath Amarasuriya	268,446	0.07
20. Mr Murtaza Ali Jafferjee	230,600	0.06
Sub total	355,252,374	94.58
Others	20,376,456	5.42
Total issued share	375,628,830	100

## Notes to the Financial Statements

**8. Directors' and CEO'S Shareholding as at 31st March 2019**

Name of the Director	Shareholding as at 31st March 2019 Number of Shares
Mr A Mohan Pandithage	–
Mr K D Dhammika Perera	6,935,913
Mr H A Pieris (CEO) – Resigned w.e.f. 31st October 2018	6,000
Mr M H Wijewardhane (CEO) – Appointed w.e.f. 1st November 2018	–
Mr Deepal Sooriyaarachchi	–
Mr D H Fernando	–
M G J Walker – Resigned w.e.f. 29th November 2018	–
Mr M H Jamaldeen	–
Mr S C Ganegoda	–
Mr D K De Silva Wijeyeratne (Appointed w.e.f. 1st April 2018)	–
Mr S H Goodman – (Ceased to be Director on 31st March 2018 and reappointed w.e.f. 26th June 2018)	–
Ms O D Gunawardene (Appointed w.e.f. 1st August 2018)	–
Mr L N S K Samarasignhe (Appointed as Alternate Director to M H Jamaldeen w.e.f. 22nd January 2019)	17,372
Mr M H Wijewardene – (Ceased to be Alternate Director to G J Walker) w.e.f. 29th November 2018)	–
Mr H P S Perera (Alternate director to M H Wijewardene) – Appointed w.e.f. 22nd January 2019	–
Mr K K L P Yatiwella (Alternate director to S C Ganegoda)	–

**9. Public Holding**

Shares held by public as at 31st March 2019.

Number of Shareholders	Number of Shares	Percentage
2,702	29,004,252	7.72

Float adjusted market capitalisation – Rs. 724,963,641.90

The Company is not compliant with option five of the Listing Rules 7.13.1 (a) – Less than Rs. 2.5 billion. Float adjusted market capitalisation which requires 20% minimum Public Holding.

**10. Explanatory Note**

Hayleys Group Services (Private) Limited  
400, Deans Road, Colombo 10, Sri Lanka  
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