

# SINGER<sup>®</sup>

**SINGER (SRI LANKA) PLC**

INTERIM FINANCIAL STATEMENTS FOR THE  
TWELVE MONTHS ENDED 31ST MARCH 2023

## Statement of Profit or Loss and Other Comprehensive Income

For the Twelve Months ended 31st March	Group			Company		
	2023 Rs. '000	2022 Rs. '000	Change %	2023 Rs. '000	2022 Rs. '000	Change %
Revenue	54,767,234	76,847,841	(29)	47,950,386	68,652,289	(30)
Cost of Sales	(31,431,879)	(52,735,992)	40	(31,734,452)	(50,090,399)	37
Direct Interest Cost	(4,463,098)	(1,920,345)	(132)	-	-	
<b>Gross Profit</b>	<b>18,872,257</b>	<b>22,191,504</b>	<b>(15)</b>	<b>16,215,934</b>	<b>18,561,890</b>	<b>(13)</b>
Other Income	248,027	262,196	(5)	209,990	195,629	7
Selling and Administrative Expenses	(12,614,476)	(13,513,603)	7	(10,293,170)	(11,344,160)	9
Impairment (Loss)/Reversal on Trade and Other Receivables	181,961	(702,745)	126	140,085	(281,361)	150
<b>Operating Profit</b>	<b>6,687,769</b>	<b>8,237,352</b>	<b>(19)</b>	<b>6,272,839</b>	<b>7,131,998</b>	<b>(12)</b>
Finance Cost	(7,271,615)	(2,490,305)	(192)	(6,648,491)	(2,128,766)	(212)
Finance Income	1,152,751	170,083	578	385,016	134,643	186
Net Finance Cost	(6,118,864)	(2,320,222)	(164)	(6,263,475)	(1,994,123)	(214)
Value Added Tax on Financial Services	(394,713)	(381,570)	(3)	(78,000)	(94,000)	17
<b>Profit / (Loss) Before Tax</b>	<b>174,192</b>	<b>5,535,560</b>	<b>(97)</b>	<b>(68,636)</b>	<b>5,043,875</b>	<b>(101)</b>
Income Tax Expense	(78,261)	(1,425,768)	95	289,235	(1,135,233)	125
<b>Profit for the Year</b>	<b>95,931</b>	<b>4,109,792</b>	<b>(98)</b>	<b>220,599</b>	<b>3,908,642</b>	<b>(94)</b>
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income Items that will not be Reclassified to Profit or Loss</b>						
Revaluation Gain on Property, Plant and Equipment	-	640,110	-	-	181,134	
Income Tax Rate Change impact on Revaluation of Property, Plant and Equipment	(314,863)	-		(77,506)	-	
Actuarial Gain / (Loss) on Remeasurement of Defined Benefit Obligation	115,793	(77,032)		85,305	(57,319)	
Equity Investments at FVOCI - Change in Fair Value	745	(2,089)		(1,334)	(2,089)	
<b>Related Taxes</b>						
Deferred Tax on Other Comprehensive Income	(34,065)	(116,768)		(25,191)	(29,217)	
<b>Other Comprehensive Income for the Year, Net of Tax</b>	<b>(232,390)</b>	<b>444,221</b>		<b>(18,726)</b>	<b>92,509</b>	
<b>Total Comprehensive Income for the Year, Net of Tax</b>	<b>(136,459)</b>	<b>4,554,013</b>		<b>201,873</b>	<b>4,001,151</b>	
<b>Profit Attributable to -</b>						
Owners of the Company	7,082	3,958,148		220,599	3,908,642	
Non - Controlling Interests	88,849	151,644		-	-	
<b>Profit for the Year</b>	<b>95,931</b>	<b>4,109,792</b>		<b>220,599</b>	<b>3,908,642</b>	
<b>Total Comprehensive Income Attributable to -</b>						
Owners of the Company	(177,538)	4,329,024		201,873	4,001,151	
Non - Controlling Interests	41,079	224,989		-	-	
<b>Total Comprehensive Income for the Year Net of Tax</b>	<b>(136,459)</b>	<b>4,554,013</b>		<b>201,873</b>	<b>4,001,151</b>	
Basic / Diluted Earnings Per Share (Rs.)	0.01	3.51		0.20	3.47	

Above figures are provisional and subject to audit.

Share Prices	For the twelve Months ended 31st March 2023 Rs.	For the twelve Months ended 31st March 2022 Rs.
Highest	15.70	28.20
Lowest	7.40	13.50
Last Traded Price	15.00	14.30

## Statement of Profit or Loss and Other Comprehensive Income

For the Three months ended 31st March	Group			Company		
	2023 Rs. '000	2022 Rs. '000	Change %	2023 Rs. '000	2022 Rs. '000	Change %
Revenue	13,001,026	21,450,482	(39)	11,254,928	18,991,310	(41)
Cost of Sales	(8,603,771)	(14,510,785)	41	(8,664,087)	(13,606,400)	36
Direct Interest Cost	(1,118,676)	(531,189)	(111)	-	-	0
<b>Gross Profit</b>	<b>3,278,579</b>	<b>6,408,508</b>	<b>(49)</b>	<b>2,590,841</b>	<b>5,384,910</b>	<b>(51)</b>
Other Income	64,232	109,842	(42)	19,534	17,099	14
Selling and Administrative Expenses	(3,333,850)	(3,648,782)	9	(2,642,680)	(2,984,903)	12
Impairment Reversal on Trade and Other Receivables	396,002	214,664	84	313,133	210,558	48
<b>Operating Profit</b>	<b>404,963</b>	<b>3,084,232</b>	<b>(87)</b>	<b>280,828</b>	<b>2,627,664</b>	<b>(89)</b>
Finance Cost	(1,563,985)	(1,688,851)	(7)	(1,570,423)	(1,171,559)	(34)
Finance Income	362,714	90,486	301	132,447	70,090	89
Net Finance Cost	(1,201,271)	(1,598,365)	25	(1,437,976)	(1,101,469)	(30)
Value Added Tax on Financial Services	(128,715)	(126,598)	(2)	(14,000)	(27,000)	48
<b>Profit / (Loss) Before Tax</b>	<b>(925,023)</b>	<b>1,359,269</b>	<b>(168)</b>	<b>(1,171,148)</b>	<b>1,499,195</b>	<b>(178)</b>
Income Tax Expense	167,862	(403,923)	142	355,248	(360,276)	198
<b>Profit / (Loss) for the Period</b>	<b>(757,161)</b>	<b>955,346</b>	<b>(179)</b>	<b>(815,900)</b>	<b>1,138,919</b>	<b>(171)</b>
<b>Other Comprehensive Income</b>						
<b>Other Comprehensive Income Items that will not be Reclassified to Profit or Loss</b>						
Revaluation Gain on Property, Plant and Equipment	-	640,110	-	-	181,134	-
Income Tax Rate Change impact on Revaluation of Property, Plant and Equipment	(13,426)	-	-	(12,534)	-	-
Actuarial Gain / (Loss) on Remeasurement of Defined Benefit Obligation	115,793	(77,032)	-	85,305	(57,319)	-
Equity Investments at FVOCI - Change in Fair Value	745	(2,089)	-	(1,334)	(2,089)	-
Deferred Tax on Other Comprehensive Income	(34,065)	(116,768)	-	(25,191)	(29,217)	-
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>69,047</b>	<b>444,221</b>	-	<b>46,246</b>	<b>92,509</b>	-
<b>Total Comprehensive Income for the Period, Net of Tax</b>	<b>(688,114)</b>	<b>1,399,567</b>	-	<b>(769,654)</b>	<b>1,231,428</b>	-
<b>Profit / (Loss) Attributable to -</b>						
Owners of the Company	(780,545)	906,464	-	(815,900)	1,138,919	-
Non- Controlling Interests	23,384	48,882	-	-	-	-
<b>Profit / (Loss) for the Period</b>	<b>(757,161)</b>	<b>955,346</b>	-	<b>(815,900)</b>	<b>1,138,919</b>	-
<b>Total Comprehensive Income Attributable to -</b>						
Owners of the Company	(717,503)	1,277,342	-	(769,654)	1,231,428	-
Non - Controlling Interests	29,389	122,227	-	-	-	-
<b>Total Comprehensive Income for the Period Net of Tax</b>	<b>(688,114)</b>	<b>1,399,569</b>	-	<b>(769,654)</b>	<b>1,231,428</b>	-
Basic / Diluted Earnings Per Share (Rs.)	(0.69)	0.80	-	(0.72)	1.01	-

Above figures are provisional and subject to audit.

Share Prices	Quarter ended 31st March 2023 Rs.	Quarter ended 31st March 2022 Rs.
Highest	15.70	28.20
Lowest	8.20	13.50
Last Traded Price	15.00	14.30

## Statement of Financial Position

As at	Group		Company	
	31st March	31st March	31st March	31st March
	2023	2022	2023	2022
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>ASSETS</b>				
Non-Current Assets				
Property, Plant and Equipment	7,652,258	7,521,444	3,852,273	3,807,243
Right-of-Use Assets	4,469,009	4,807,413	3,788,866	4,148,096
Intangible Assets	521,068	548,839	408,576	422,366
Investment in Subsidiaries	-	-	2,963,023	2,968,023
Other Non-Current Assets	-	59,315	-	-
Other Investments	23,645	22,900	21,524	22,858
Trade and Other Receivables	8,126,002	12,182,088	1,089,908	695,448
Deferred Tax Assets	1,485,221	1,269,800	1,371,082	1,125,639
	22,277,203	26,411,799	13,495,252	13,189,673
<b>Current Assets</b>				
Inventories	20,227,338	23,022,192	17,928,926	20,524,781
Loans due from Related Parties	-	-	268,000	110,000
Income Tax Receivables	502,200	45,145	480,658	-
Trade and Other Receivables	27,908,101	35,284,564	10,331,633	18,356,963
Amounts Due from Related Parties	67,033	24,157	130,724	198,611
Deposits with Banks	1,413,997	177,450	-	-
Short term Investments	2,013,992	1,412,979	-	-
Cash and Cash Equivalents	4,388,050	2,972,394	1,829,445	1,732,553
	56,520,711	62,938,881	30,969,386	40,922,908
<b>Total Assets</b>	<b>78,797,914</b>	<b>89,350,680</b>	<b>44,464,638</b>	<b>54,112,581</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	626,048	626,048	626,048	626,048
Capital Reserves	1,350,892	1,635,092	1,199,234	1,291,762
Other Component of Equity	5,165	4,437	3,503	4,437
Statutory Reserve	244,217	223,763	-	-
Revenue Reserves	7,916,758	9,080,204	4,818,730	5,919,944
<b>Total Equity Attributable to Owners of the Company</b>	<b>10,143,080</b>	<b>11,569,544</b>	<b>6,647,515</b>	<b>7,842,191</b>
<b>Non-Controlling Interest</b>	<b>1,946,904</b>	<b>1,971,082</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>12,089,984</b>	<b>13,540,626</b>	<b>6,647,515</b>	<b>7,842,191</b>
<b>Non-Current Liabilities</b>				
Interest - Bearing Loans and Borrowings	10,242,000	12,112,183	7,550,000	6,500,000
Lease Liability	4,229,569	4,570,731	3,603,078	3,925,205
Employee Benefit Obligations	1,060,341	1,041,152	724,718	719,014
Security Deposits	1,468,392	1,462,347	1,468,392	1,406,991
Deferred Tax Liability	741,265	468,501	-	-
Other Financial Liabilities	5,844,248	2,317,848	-	-
Deferred Revenue	76,231	110,358	76,231	110,358
Other Non - Current Liabilities	188,342	187,707	188,342	187,706
	23,850,388	22,270,827	13,610,761	12,849,274
<b>Current Liabilities</b>				
Trade and Other Payables	7,238,523	19,314,620	6,161,326	13,765,298
Deferred Revenue	216,230	201,549	216,165	198,212
Dividends Payable	54,645	81,478	49,183	67,969
Amounts Due to Related Parties	724,173	1,074,261	1,126,192	4,137,893
Income Tax Payable	269,241	714,483	-	433,940
Other Financial Liabilities	13,351,357	9,828,666	-	-
Lease Liability	1,024,003	912,300	907,649	854,484
Interest - Bearing Loans and Borrowings	18,399,811	20,235,742	14,271,246	13,536,188
Bank Overdrafts	1,579,559	1,176,128	1,474,601	427,132
	42,857,542	53,539,227	24,206,362	33,421,116
<b>Total Liabilities</b>	<b>66,707,930</b>	<b>75,810,054</b>	<b>37,817,123</b>	<b>46,270,390</b>
<b>Total Equity and Liabilities</b>	<b>78,797,914</b>	<b>89,350,680</b>	<b>44,464,638</b>	<b>54,112,581</b>
<b>Net Assets per Share (Rs.)</b>	<b>9.00</b>	<b>10.27</b>	<b>5.90</b>	<b>6.96</b>

I certify that the above Financial Statements of the Company comply with the requirements of the Companies Act No.07 of 2007.

(Sgd.)

Shalinka Seresinhe  
Finance Director

Above figures are provisional and subject to audit.

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,

(Sgd.)

A.M. Pandithage  
Chairman

Colombo,  
11th May 2023

(Sgd.)

Maresh Wijewardene  
Director/Group Chief Executive Officer

## Statement of Changes in Equity

For the Twelve Months ended 31st March

Group

	Attributable to equity holders of the Company								
	Stated Capital	Reserve Fund	Capital Reserve	Other Component of Equity	Revenue Reserve		Total	Non-Controlling Interest	Total Equity
					Revaluation Reserves	Fair Value Reserve			
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Balance as at 31st March 2021</b>	626,048	198,939	1,232,580	6,025	2,700,000	3,716,501	8,480,093	1,778,543	10,258,636
Transferred to /(from) during the year	-	24,824	-	-	-	(24,824)	-	-	-
Realisation of Revaluation Surplus	-	-	(27,005)	-	-	27,005	-	-	-
Profit for the Year	-	-	-	-	-	3,958,148	3,958,148	151,643	4,109,791
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	3,958,148	3,958,148	151,643	4,109,791
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-
Revaluation Gain on Property, Plant and Equipment	-	-	546,539	-	-	-	546,539	93,572	640,111
Actuarial Loss on Employee Benefit Obligations	-	-	-	-	-	(73,978)	(73,978)	(3,054)	(77,032)
Fair Value Change in equity instruments designated at fair value through other comprehensive income	-	-	-	(2,090)	-	-	(2,090)	-	(2,090)
<b>Related Taxes</b>	-	-	-	-	-	-	-	-	-
Deferred Tax on Revaluation Gain	-	-	(117,022)	-	-	-	(117,022)	(17,776)	(134,798)
Deferred Tax on Actuarial Loss on Employee Benefit Obligations	-	-	-	-	-	16,926	16,926	602	17,528
Deferred Tax on Equity investments at FVOCI – change in fair value	-	-	-	502	-	-	502	-	502
<b>Total Other Comprehensive Income Net of tax</b>	-	-	429,517	(1,588)	-	(57,052)	370,877	73,344	444,221
<b>Total Comprehensive Income Net of tax</b>	-	-	429,517	(1,588)	-	3,901,096	4,329,025	224,987	4,554,012
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-	-
<b>Distributions to Owners of the Company</b>	-	-	-	-	-	-	-	-	-
Final Dividend - 2020/2021	-	-	-	-	-	(281,721)	(281,721)	(32,448)	(314,169)
Interim Dividend -2021/2022	-	-	-	-	-	(957,853)	(957,853)	-	(957,853)
<b>Balance as at 31st March 2022</b>	626,048	223,763	1,635,092	4,437	2,700,000	6,380,204	11,569,544	1,971,082	13,540,626
<b>Charge Relating to Surcharge Tax (Note 1.2)</b>	-	-	-	-	-	(1,023,548)	(1,023,548)	(32,808)	(1,056,356)
Transferred to /(from) during the year	-	20,454	-	-	-	(20,454)	-	-	-
Realisation of Revaluation Surplus	-	-	(23,484)	-	-	23,484	-	-	-
Profit for the Year	-	-	-	-	-	7,082	7,082	88,849	95,931
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income</b>	-	-	-	-	-	-	-	-	-
Actuarial gain on Employee Benefit Obligations	-	-	-	-	-	107,440	107,440	8,353	115,793
Fair Value Change in equity instruments designated at fair value through other comprehensive income	-	-	-	328	-	-	328	417	745
<b>Related Taxes</b>	-	-	-	-	-	-	-	-	-
Income Tax Rate Change impact on Revaluation of Property, Plant and Equipment	-	-	(260,716)	-	-	-	(260,716)	(54,148)	(314,864)
Deferred Tax on Actuarial gains on Employee Benefit Obligations	-	-	-	-	-	(32,073)	(32,073)	(2,392)	(34,465)
Deferred Tax on Equity investments at FVOCI – change in fair value	-	-	-	400	-	-	400	-	400
<b>Total Other Comprehensive Income Net of tax</b>	-	-	(260,716)	728	-	75,367	(184,621)	(47,770)	(232,390)
<b>Total Comprehensive Income Net of tax</b>	-	-	(260,716)	728	-	82,449	(177,539)	41,079	(136,459)
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>	-	-	-	-	-	-	-	-	-
<b>Distributions to Owners of the Company</b>	-	-	-	-	-	-	-	-	-
Final Dividend - 2021/2022	-	-	-	-	-	(225,377)	(225,377)	(32,449)	(257,826)
<b>Balance as at 31st March 2023</b>	626,048	244,217	1,350,892	5,165	2,700,000	5,216,758	10,143,080	1,946,904	12,089,984

## Statement of Changes in Equity

For the Twelve Months ended 31st March Company	Capital Reserve		Other Component of Equity	Revenue Reserve		Total Equity
	Stated Capital	Revaluation Reserves		General Reserves	Retained Earnings	
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>Balance as at 31st March 2021</b>	626,048	1,170,908	6,025	2,700,000	577,635	5,080,616
Realisation of Revaluation Surplus	-	(16,808)	-	-	16,808	-
Profit for the Year	-	-	-	-	3,908,642	3,908,642
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	3,908,642	3,908,642
<b>Other Comprehensive Income</b>						
Revaluation Gain on Property, Plant and Equipment	-	181,134	-	-	-	181,134
Actuarial Loss on Employee Benefit Obligations	-	-	-	-	(57,319)	(57,319)
Fair Value Change in equity instruments designated at fair value through other comprehensive income	-	-	(2,090)	-	-	(2,090)
<b>Related Taxes</b>						
Deferred Tax on Revaluation Gain	-	(43,472)	-	-	-	(43,472)
Deferred Tax on Actuarial Loss on Employee Benefit Obligations	-	-	-	-	13,753	13,753
Deferred Tax on Equity investments at FVOCI – change in fair value	-	-	502	-	-	502
<b>Total Other Comprehensive Income Net of tax</b>		137,662	(1,588)		(43,566)	92,508
<b>Total Comprehensive Income Net of tax</b>		137,662	(1,588)	-	3,865,076	4,001,150
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>						
<b>Distributions to Owners of the Company</b>						
Final Dividend - 2020/2021	-	-	-	-	(281,722)	(281,722)
Interim Dividend - 2021/2022	-	-	-	-	(957,853)	(957,853)
<b>Total Distributions to Owners of the Company</b>	-	-	-	-	(1,239,575)	(1,239,575)
<b>Balance as at 31st March 2022</b>	626,048	1,291,762	4,437	2,700,000	3,219,944	7,842,191
<b>Charge Relating to Surcharge Tax (Note 1.2)</b>					(804,826)	(804,826)
Realisation of Revaluation Surplus	-	(15,022)	-	-	15,022	-
Profit for the Year	-	-	-	-	220,599	220,599
<b>Total Comprehensive Income for the Year</b>						-
<b>Other Comprehensive Income</b>						-
Actuarial gain on Employee Benefit Obligations	-	-	-	-	85,305	85,305
Fair Value Change in equity instruments designated at fair value through other comprehensive income	-	-	(1,334)	-	-	(1,334)
<b>Related Taxes</b>						-
Income Tax Rate Change impact on Revaluation of Property, Plant and Equipment	-	(77,506)	-	-	-	(77,506)
Deferred Tax on Actuarial gains on Employee Benefit Obligations	-	-	-	-	(25,591)	(25,591)
Deferred Tax on Equity investments at FVOCI – change in fair value	-	-	400	-	-	400
<b>Total Other Comprehensive Income Net of tax</b>	-	(77,506)	(934)	-	59,714	(18,726)
<b>Total Comprehensive Income Net of tax</b>	-	(77,506)	(934)	-	280,313	201,873
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>						
<b>Distributions to Owners of the Company</b>						
Final Dividend - 2021/2022	-	-	-	-	(225,377)	(225,377)
Amalgamation - Singer Digital Media (Pvt) Ltd	-	-	-	-	(366,346)	(366,346)
<b>Balance as at 31st March 2023</b>	626,048	1,199,234	3,503	2,700,000	2,118,730	6,647,515

## STATEMENT OF CASH FLOWS

For the Twelve Months ended 31st March	Group		Company	
	2023 Rs. '000	2022 Rs. '000	2023 Rs. '000	2022 Rs. '000
<b>Cash Flows from Operating Activities</b>				
Net Profit/ (Loss) before Income Tax Expense	174,192	5,535,560	(68,636)	5,043,875
<b>Adjustment for:</b>				
Depreciation on Property, Plant and Equipment	762,709	737,804	535,129	548,854
Amortization of Intangible Assets	55,548	46,870	36,164	29,306
Amortization of Leasehold Right	-	1,301	-	-
Amortization of Right of Use Assets	1,010,707	1,039,128	884,177	932,864
Loss ( Gain) on Disposal of Property, Plant and Equipment	2,221	(759)	2,292	(759)
Interest Expense	6,328,642	2,096,418	5,801,184	2,128,766
Interest Income	(1,126,853)	(170,084)	(365,356)	(97,349)
Impairment of Inventories	371,854	51,653	282,120	39,682
Impairment / (Reversal) on Trade and Other Receivables	(181,961)	702,745	(169,148)	281,362
Dividend Income	-	(240)	(129,210)	(129,210)
Provision for Retiring Gratuity	224,961	115,964	151,263	79,783
<b>Operating Profit before Working Capital Changes</b>	<b>7,622,020</b>	<b>10,156,360</b>	<b>6,959,979</b>	<b>8,857,174</b>
(Increase)/Decrease in Inventories	2,422,999	(4,891,540)	2,311,159	(4,414,836)
(Increase)/Decrease in Debtors falling Due after one Year	4,297,362	(320,933)	(394,460)	107,359
(Increase)/Decrease in Debtors falling Due within one year	7,376,463	(12,350,868)	8,331,089	(6,013,564)
(Increase) / Decrease in Dues from Related Parties	(42,876)	(12,536)	67,887	(158,997)
Increase/(Decrease) in Dues to Related Parties	(350,087)	732,956	(2,936,511)	(121,333)
Increase/(Decrease) in Security Deposits	6,045	95,782	12,842	113,247
Increase/(Decrease) in Trade and Other Payables	(12,075,603)	605,108	(7,653,526)	250,994
Increase / (Decrease) in Deferred Liabilities	(19,447)	(4,776)	(16,175)	17,493
(Increase)/Decrease in ROU assets	(672,303)	-	(524,948)	-
Increase/(Decrease) in Lease Creditors	673,339	-	510,594	-
<b>Cash Generated from /(used in) Operations</b>	<b>9,237,912</b>	<b>(5,990,447)</b>	<b>6,667,930</b>	<b>(1,362,463)</b>
Finance Costs Paid	(5,578,346)	(1,459,131)	(5,193,501)	(1,486,953)
Retiring Gratuity Paid	(89,979)	(98,619)	(68,997)	(72,728)
Income Tax Paid	(1,272,143)	(1,438,113)	(912,477)	(1,048,787)
Surcharge Tax Paid	(1,056,357)	-	(804,826)	-
<b>Net Cash from/(used in) Operating Activities</b>	<b>1,241,087</b>	<b>(8,986,310)</b>	<b>(311,871)</b>	<b>(3,970,931)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Intangible Assets	(927,757)	(1,050,844)	(589,881)	(830,050)
Proceeds from Disposal of Property Plant and Equipment	4,172	5,529	3,935	5,529
Merger of Subsidiary Company	-	-	(42,981)	-
Acquisition of Marketable Securities	(601,012)	(599,717)	-	-
Investment in Bank Deposits	(1,236,547)	(116,515)	-	-
Loans Given to Related Companies	-	-	(158,000)	(110,000)
Interest Income Received	1,126,853	170,084	365,356	97,350
Dividends Received	-	240	129,210	129,210
<b>Net Cash Flows from/(used in) Investing Activities</b>	<b>(1,634,291)</b>	<b>(1,591,223)</b>	<b>(292,361)</b>	<b>(707,961)</b>
<b>Cash Flow from Financing Activities</b>				
Net proceeds from interest - bearing Loans and Borrowings	(3,824,261)	13,109,526	1,220,596	8,853,049
Net settlements to Lease Creditors	(1,534,744)	(1,247,332)	(1,322,777)	(1,100,111)
Increase in Customer Deposit Liabilities	7,049,091	1,681,316	-	-
Net payment to Minority Share holders	-	(32,449)	-	-
Dividends Paid	(284,658)	(1,290,770)	(244,164)	(1,230,428)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>1,405,428</b>	<b>12,220,291</b>	<b>(346,345)</b>	<b>6,522,510</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents</b>	<b>1,012,224</b>	<b>1,642,758</b>	<b>(950,577)</b>	<b>1,843,618</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>1,796,266</b>	<b>153,508</b>	<b>1,305,420</b>	<b>(538,198)</b>
<b>Cash and Cash Equivalents as at the end of Period</b>	<b>2,808,491</b>	<b>1,796,266</b>	<b>354,844</b>	<b>1,305,420</b>
<b>ANALYSIS OF CASH &amp; CASH EQUIVALENTS</b>				
<b>Favourable balances</b>				
Cash in hand and at bank	4,388,050	2,972,394	1,829,445	1,732,552
<b>Unfavourable balances</b>				
Bank overdrafts	(1,579,559)	(1,176,128)	(1,474,601)	(427,132)
	<b>2,808,491</b>	<b>1,796,266</b>	<b>354,844</b>	<b>1,305,420</b>



## Notes to the Financial Statements

### 1.0 BASIS OF PREPARATION AND GROUP'S ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the twelve months ended 31st March 2023 have been prepared in accordance with LKAS 34 Interim Financial Reporting

The financial statements for the period ended 31st March 2023, 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 31 March 2023.

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	Group		Company		Level	
	2023	2022	2023	2022		
	Rs. '000	Rs.'000"	Rs. '000	Rs."000"		
<b>Recurring Fair Value Measurements</b>	23,645	22,900	21,524	22,858	3	Financial Assets at FVOCI
Investment in Equity Securities	23,645	22,900	21,524	22,858		

**1.2** The Government of Sri Lanka in its Budget for 2022 proposed a One-Time Tax, referred to as a Surcharge Tax, at the rate of 25% to be imposed on any company that has earned a Taxable Income in excess of LKR Rs. 2,000 million for the Year of Assessment 2020/2021. The Tax is imposed by the Surcharge Tax Act No. 14 of 2022 which was passed by the Parliament of Sri Lanka on 7th April 2022. As the Act was certified by the Speaker of Parliament after the financial reporting date, no liability has been recognized in FY 2021/2022 on account of the oneoff Surcharge Tax as the law had not been enacted as at 31 March 2022.

The total Surcharge Tax liability of Rs.1,056 Million and Rs. 805 Million has been recognized in the financial statements of FY 2022/2023 for the Group and the Company respectively as an adjustment to the 1st April 2021 retained earnings in the statement of Changes in Equity as per the Statement of Alternative Treatment (SoAT) issued by The Institute of Chartered Accountants of Sri Lanka On 19th April 2022, the Group and the Company paid Rs. 1,056 Million and Rs. 805 Million respectively on account of Surcharge Tax liability.

### 1.3 Impact of Recent Economic Conditions

The Directors are continuously monitoring the existing and the anticipated effects of economic crisis, the circumstances of the external environment, as well as the resulting consequences to the company in order to take appropriate measures to manage the impact.

#### (i) Increase in interest rates

The sharp increase in LKR market interest rates, adversely impacted the interest cost of the group and the company. This increment in finance cost was mainly due to higher working capital requirements in the group as a result of the sharp depreciation of the Rupee along with curtailing of supplier credits by foreign suppliers due to the downgrade of the country's credit rating by international credit rating agencies subsequent to the weakening of the economic stability of Sri Lanka. The LKR interest rates are expected to decrease marginally in the coming months with the recent policy measures adopted by CBSL.

Following measures were taken to reduce the impact of increase in interest rates;

- Minimised borrowings by reducing credit periods offered to the customers whilst encouraging advance payments, thereby improving the liquidity of the company"
- Continuous control and monitoring measures taken to improve the recoveries from debtors to reduce the borrowings
- Strategic initiatives driven by the management to prioritise essential capital expenditure
- A focused effort to reduce Inventory thereby reducing borrowings

#### (ii) Fluctuation of foreign currency and significant rupee depreciation

With the significant rupee depreciation, cost of materials have increased significantly resulting in higher working capital requirements. Further, price revisions have adversely affected the consumer demand.



## Notes to the Financial Statements

The following measures were taken to reduce the impact of a significant depreciation of the Rupee;

- Implemented prudent strategies to revise price in a timely manner based on market outlook
- Entering into forward rate contracts to mitigate foreign currency risk

### iii) Other Considerations

Despite the current slowdown of the economy, the marketing and business development teams of the group continues to pursue new businesses to diversify the risk arising due to negative externalities, whilst the operational teams focus on improving production efficiencies and reducing costs in order to increase the gross profit margins

**1.4** Pursuant to the Inland Revenue (Amendment) Act, No. 45 of 2022 certified on 19th of December, 2022, corporate income tax arising from business income has been increased from 18%/24% to 30% w.e.f. 1st October 2022 for the company and the Group (Excluding Regnis Appliances (Private) Limited, which company's tax rates changed from 18% to 20% as their tax structure is determined by a BOI agreement). As a result of this amendment, 3rd and 4th quarters income tax has been calculated based on a tax rate of 30% for all companies excluding Regnis Appliances (Private) Limited and at the rate of 20% for Regnis Appliances (Private) Limited.

As deferred tax is calculated based on the liability method as per LKAS 12 - Income Taxes, the new tax rate of 30% for all companies excluding Regnis Appliances (Private) Limited and 20% for Regnis Appliances (Private) Limited was applied to the cumulative temporary differences as at 1st October 2022. This change in income tax rates resulted in a deferred tax reversal of Rs. 309 million and Rs. 72 million for the Company and the Group respectively as at 31st March 2023.

### 2.0 Segmental Analysis of Company Net Turnover is as follows:

	Three months ended 31st March 2023	Three months ended 31st March 2022	Twelve Months ended 31st March 2023	Twelve Months ended 31st March 2022
	Rs. '000	Rs'000	Rs. '000	Rs'000
Consumer Electronics	715,313	1,898,043	4,357,666	8,056,214
Financial Services	948,653	747,173	3,204,682	2,991,414
Furniture	942,008	1,253,789	4,147,511	3,697,938
Home Appliances	4,203,612	7,933,709	18,783,398	27,244,947
IT products	3,787,128	4,373,819	11,768,846	17,575,982
Sewing Machines	477,236	1,301,815	2,510,590	3,957,471
Other	180,978	1,482,962	3,177,693	5,128,323
	11,254,928	18,991,310	47,950,386	68,652,289

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

	Three months ended 31st March 2023	Three months ended 31st March 2022	Twelve Months ended 31st March 2023	Twelve Months ended 31st March 2022
	Rs. '000	Rs'000	Rs. '000	Rs'000
Consumer Electronics	(155,409)	281,513	537,538	1,003,703
Financial Services	97,264	221,911	762,033	812,013
Furniture	(65,612)	163,644	373,744	431,043
Home Appliances	190,640	1,057,205	2,718,288	3,077,748
IT products	(8,870)	405,693	1,050,483	1,213,613
Sewing Machines	(29,616)	163,300	212,662	417,686
Other	(60,702)	123,840	348,796	328,343
Intercompany Dividend	-	-	129,210	129,210
Impairment (Loss) / Reversal on Trade and Other Receivables	313,133	210,558	140,085	(281,361)
<b>Operating Profit</b>	<b>280,828</b>	<b>2,627,664</b>	<b>6,272,839</b>	<b>7,131,998</b>
Net Finance Cost	(1,437,976)	(1,101,469)	(6,263,475)	(1,994,123)
VAT on Financial Services	(14,000)	(27,000)	(78,000)	(94,000)
<b>Profit / ( Loss) Before Tax</b>	<b>(1,171,148)</b>	<b>1,499,195</b>	<b>(68,636)</b>	<b>5,043,875</b>

## Notes to the Financial Statements

### 2.2 Segmental Analysis of Group Net Turnover is as follows:

	Three months ended 31st March 2023	Three months ended 31st March 2022	Twelve Months ended 31st March 2023	Twelve Months ended 31st March 2022
	Rs. '000	Rs'000	Rs. '000	Rs'000
Consumer Electronics	715,313	1,898,043	4,357,666	8,056,214
Financial Services	2,687,491	2,187,031	9,653,108	8,164,251
Furniture	942,008	1,253,789	4,147,511	3,697,938
Home Appliances	4,184,204	7,940,119	18,225,925	27,266,277
IT products	3,806,614	5,377,451	12,728,128	20,546,893
Sewing Machines	477,825	1,301,905	2,453,122	3,957,665
Other	187,570	1,492,144	3,201,773	5,158,603
	13,001,026	21,450,482	54,767,234	76,847,841

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

	Three months ended 31st March 2023	Three months ended 31st March 2022	Twelve Months ended 31st March 2023	Twelve Months ended 31st March 2022
	Rs'000	Rs'000	Rs'000	Rs'000
Consumer Electronics	(155,409)	281,513	537,538	1,003,703
Financial Services	149,330	641,018	832,515	2,357,797
Furniture	(65,612)	163,644	373,744	431,043
Home Appliances	154,352	1,083,395	3,068,875	3,206,462
IT Products	(10)	355,677	1,064,554	1,130,097
Sewing Machines	(18,295)	212,626	260,847	456,692
Other	(55,393)	131,455	367,497	354,063
Intercompany Dividend	-	240	240	240.00
Impairment (Loss) / Reversal on Trade and Other Receivables	396,002	214,664	181,961	(702,745)
<b>Operating Profit</b>	<b>404,963</b>	<b>3,084,232</b>	<b>6,687,769</b>	<b>8,237,352</b>
Net Finance Cost	(1,201,271)	(1,598,365)	(6,118,864)	(2,320,222)
VAT on Financial Services	(128,715)	(126,598)	(394,713)	(381,570)
<b>Profit / ( Loss) Before Tax</b>	<b>(925,023)</b>	<b>1,359,269</b>	<b>174,192</b>	<b>5,535,560</b>

## 3 STATED CAPITAL

	31st March 2023	31st March 2022
Value-Ordinary Shares (Rs.)	626,048,050	626,048,050
Weighted Average Number of Ordinary Shares	1,126,886,490	1,126,886,490
Voting Rights	One Vote per Ordinary Share	One Vote per Ordinary Share

## Notes to the Financial Statements

### 4 CONTINGENCIES

- a) Commissioner General of Inland Revenue has issued assessment notices on Singer (Sri Lanka) PLC pertaining to an additional VAT Liability/ Payment on account of Deemed VAT for seven quarters during the period 1st January 2014 to 30th September 2015. The assessments were for a Deemed VAT payment of Rs. 1,076 million and penalty of Rs. 423 million, totaling to Rs. 1,499 million. The assessments were appealed against and in due course the Commissioner General of Inland Revenue issued the determination on the appeal. In terms of the same, Rs. 791 million of Deemed VAT liability and penalty of Rs. 395 million totaling to Rs. 1,186 million was held to be a Deemed VAT liability for the seven quarters for the period from 1st January 2014 to 30th September 2015. The Company after carefully reviewing the situation and based on the advice of tax consultants, was of the opinion that there is no basis for the Company to be made liable for Deemed VAT. Accordingly Company 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 clarification from the Inland Revenue Department on the interpretation of the Act and did not receive the required clarification. Deemed VAT was removed with effect from 1st January 2016 through the VAT Amendment Act No. 20 of 2016. Further, the Company has provided bank guarantees amounting to Rs. 297 million to the Commissioner General of Inland Revenue - Tax Appeal Commission.
- b) Commissioner General of Inland Revenue has issued an assessment notice on Singer (Sri Lanka) PLC pertaining to an additional VAT on Financial Services Liability for the taxable period of 01st January 2016 to 31 December 2016. The assessment was for a VAT on Financial Services payment of Rs. 27 million and penalty of Rs. 16 million, totaling to Rs. 43 million. Subsequently, Commissioner General of Inland Revenue had given the determination on the appeal. As per the same, Rs. 26 million of VAT on Financial Services liability and a penalty of Rs. 26 million totaling to Rs. 52 million is payable as a VAT on Financial Services liability for the period 1st January 2016 to 31st December 2016. The Company after carefully reviewing the situation and based on the advice of tax consultants, was of the opinion that the Company has strong grounds on which to contest the CGIR's determination. Accordingly, the Company decided to appeal to the Tax Appeal Commission against the determination on 17th August 2021. Further, the Company has provided a bank guarantee amounting to Rs. 13 million to the Commissioner General of Inland Revenue - Tax Appeal Commission on 03rd December 2021.
- c) Commissioner General of Inland Revenue has issued assessment notices on Singer Digital Media (Pvt) Ltd which has been amalgamated with Singer (Sri Lanka) PLC pertaining to an additional Income Tax Liability for the Year of Assessment 2018/2019. The assessment was for an income tax payment of Rs. 86 million and interest and penalty of Rs. 44 million and Rs. 17 million respectively, totaling Rs. 147 million. Since, the Commissioner General of Inland Revenue has failed to make the determination on the appeal, the Company has decided to appeal to the Tax Appeal Commission against the assessment dated 25th May 2022. Further, Company has provided a bank guarantee amounting of Rs. 37 million to the Commissioner General of Inland Revenue - Tax Appeal Commission on 02nd March 2023.
- b) Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs. 337 million to Director General of Customs to clear imports during the years 2008 to December 2022. 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.
- e) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 1.5 million against fixed deposits of Rs. 1.5 million.
- f) Case bearing No. 404 has been filled against Singer Finance (Lanka) PLC by a customer in the District Court of Ampara claiming Rs. 2 million as damages caused by repossessing and selling of a vehicle leased through the Company. The case will be called on 31st July 2023 for further trial. Further, the Company has received summons for case number 004674/21DMR claiming Rs. 3.8 million as damages. The case will be called on 25th January 2024 for proxy and answer. The lawyers of the Company are of the view that the ultimate resolution of these litigations would not likely to have a material impact.
- g) Regnis (Lanka) PLC has provided corporate guarantees to banks on behalf of Regnis Appliances (Private) Limited amounting to Rs. 410 million for the purpose of obtaining banking facilities.
- h) Regnis (Lanka) PLC cleared a shipment of imported goods during the year 2008 on provision of a bank guarantee to the Director of Custom amounting to Rs. 7 million. 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 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.

## Notes to the Financial Statements

### 5 Amalgamation of Singer (Sri Lanka) PLC with Singer Digital Media (Private) Limited

The Board of Directors of Singer (Sri Lanka) PLC passed a circular resolution on the 09th of December 2022 to amalgamate its fully owned subsidiary, Singer Digital Media (Private) Ltd with Singer (Sri Lanka) PLC (The Company). In accordance with Section 244(i)(a) of the Companies Act No 7 of 2007, Singer Digital Media (Private) Limited was amalgamated with Singer (Sri Lanka) PLC on the 30th of January 2023, confirmation of which was received via the Certificate of Amalgamation issued by the Registrar of Companies dated 30th January 2023. As a result, the values in the books of Singer Digital Media (Private) Limited and the Company were amalgamated and the investment in subsidiary of Rs. 5 million recorded in the Company was set off against the equity of Singer Digital Media (Private ) Limited on the 30th of January 2023.

The Amalgamation of Singer Digital Media (Private) Limited with Singer (Sri Lanka) PLC was recognised as a Common Control Combination in accordance with the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Business Combinations issued by CA Sri Lanka.

There is no impact on the Consolidated Financial Statements since Singer Digital Media (Private) Limited was a fully owned subsidiary of Singer (Sri Lanka) PLC and continued to be consolidated with Singer (Sri Lanka ) PLC up to the date of amalgamation.

### 6 Events Occuring After The Balance Sheet Date

There have been no material events occurring after the balance sheet date that require disclosure in the financial statements.

### 7 Top 20 Shareholders as at 31st March 2023

	Name	Number of Shares	Percentage
1	Hayleys PLC	783,801,111	69.55
2	Hayleys Advantis Limited	111,382,980	9.88
3	Volanka (Pvt) Limited	34,787,235	3.09
4	Hayleys Aventura (Private) Limited	31,595,745	2.80
5	Carbotels (Pvt) Limited	29,042,553	2.58
6	Hayleys Agriculture Holdings Limited	28,404,255	2.52
7	Mr. Kulappuarachchige Don Dammika Perera	20,807,739	1.85
8	Mrs. Mihiri Virani Fernando	6,025,000	0.53
9	Citibank Newyork S/A Norges Bank Account 2	2,398,226	0.14
10	Mrs. Vasudevan Saraswathi & Mr. S. Vasudevan	1,615,048	0.13
11	Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Ltd	1,500,000	0.11
12	Mrs. Anoma Kamalika Amarasuriya	1,200,000	0.11
13	Miss Nai Kaluge Ruvani Hemamala De Silva	1,192,914	0.11
14	Jafferjee Brothers (Exports) Limited	1,126,800	0.10
15	People's Leasing & Finance PLC/Mr. D.M.P. Disanayake	928,909	0.09
16	Mr. Abeyesiri Hemapala Munasinghe	860,268	0.08
17	J.b. Cocoshell (Pvt) Ltd	855,002	0.08
18	Hatton National Bank PLC-Arpico Ataraxia Equity Income Fund	751,686	0.08
19	People's Leasing & Finance PLC/Mr. R. Kannan	718,033	0.06
20	Mrs. Giyani Venya De Silva	662,385	0.06
	Miss. Shayari Hiranya De Silva	662,385	0.06
	Sub Total	1,060,318,274	94.09
	Others	66,568,216	5.91
	Total Issued Shares	1,126,886,490	100

## Notes to the Financial Statements

### 8 Directors' and CEO's Shareholding as at

Name of the Director	Shareholding 31st March 2023 Number of Shares	Shareholding 31st March 2022 Number of Shares
Mr. Mohan Pandithage	-	-
Mr. Deepal Sooriyaarachchi	-	-
Mr. Dumith Fernando	-	-
Mr. Mahesh Wijewardene (CEO)	-	-
Mr. Hisham Jamaldeen	-	-
Mr. Sarath Ganegoda	-	-
Mr. Dilip De Silva Wijeyeratne	-	-
Ms. Gayani De Alwis	-	-
Ms. Brindhiini Perera (appointed on 19.10.2022)	-	-
Mr. Sujeewa Perera (Alternate Director to Mr. Mahesh Wijewardene)	-	-
Mr. Kapila Perera (Alternate Director to Mr. Hisham Jamaldeen)	3,000	3,000

### 9 Public Holding

Shares held by public as at 31st March 2023

	Number of share holders	Number of shares	Percentage
	4,174	86,956,872	7.72%

Float adjusted market capitalization - Rs. 1,304,934,555

The Company is not in compliance with option 5 of the Listing Rule 7.14.1 (a) which requires a Company with a Float Adjusted Market Capitalization of less than Rs. 2.5 Bn. to maintain a minimum public Holding of 20%

### 10 Corporate Information

Hayleys Group Services (Private) Limited  
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