



# SINGER<sup>®</sup>

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SINGER (SRI LANKA) PLC

INTERIM FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2020

## Statement of Profit or Loss and Other Comprehensive Income

For the Twelve months ended 31st March	Consolidated		Company		Variance		Variance	
	2019/20 Rs. '000	2018/19 Rs. '000	2019/20 Rs. '000	2018/19 Rs. '000	Group Rs. '000	%	Company Rs. '000	%
Revenue	54,751,038	58,505,395	44,125,911	43,617,889	3,754,357	- 6	508,021	+ 1
Cost of Sales	(36,537,976)	(41,139,965)	(31,128,175)	(31,320,692)	(4,601,989)	- 11	(192,518)	- 1
Direct Interest Cost	(1,829,082)	(1,265,014)	-	-	(564,067)	+ 45	-	-
<b>Gross Profit</b>	<b>16,383,980</b>	<b>16,100,416</b>	<b>12,997,736</b>	<b>12,297,197</b>	<b>283,564</b>	<b>+ 2</b>	<b>700,539</b>	<b>+ 6</b>
Other Income	292,673	338,062	300,079	590,067	45,389	- 13	289,987	- 49
Selling and Administrative Expenses	(11,542,956)	(11,656,695)	(9,810,424)	(9,971,711)	(113,738)	- 1	(161,288)	- 2
Impairment Loss on Trade and Other Receivables	(1,011,613)	(784,422)	(630,876)	(474,683)	(227,191)	+ 29	(156,193)	+ 33
<b>Operating Profit</b>	<b>4,122,083</b>	<b>3,997,361</b>	<b>2,856,515</b>	<b>2,440,869</b>	<b>124,722</b>	<b>+ 3</b>	<b>415,646</b>	<b>+ 17</b>
Finance Cost	(3,455,805)	(3,240,746)	(3,323,287)	(2,774,862)	(215,059)	+ 7	(548,425)	+ 20
Finance Income	255,306	207,671	362,086	453,907	47,635	+ 23	91,821	- 20
Net Finance Cost	(3,200,499)	(3,033,076)	(2,961,201)	(2,320,956)	(167,423)	+ 6	(640,246)	+ 28
Value Added Tax on Financial Services	(310,867)	(292,156)	(51,000)	(31,200)	(18,711)	+ 6	(19,800)	+ 63
<b>Profit/(Loss) Before Tax</b>	<b>610,717</b>	<b>672,129</b>	<b>(155,686)</b>	<b>88,713</b>	<b>61,412</b>	<b>- 9</b>	<b>244,400</b>	<b>- &gt;100</b>
Income Tax (Expense)/Reversal	(183,450)	(286,149)	168,425	51,837	102,699	- 36	116,589	
<b>Profit/(Loss) for the year</b>	<b>427,268</b>	<b>385,981</b>	<b>12,739</b>	<b>140,550</b>	<b>41,287</b>	<b>+ 11</b>	<b>127,811</b>	<b>- 91</b>
<b>Other Comprehensive Income Items that will not be Reclassified to Profit or Loss</b>								
Revaluation of Property, Plant and Equipment	-	882,824	-	453,752				
Remeasurement of Employee Benefit Obligations	30,477	(21,158)	20,171	(26,948)				
Related Taxes								
Tax on Other Comprehensive Income	(8,495)	5,872	(5,648)	7,545				
Deferred Tax on Revaluation of property, plant and Equipment	-	(247,191)	-	(127,051)				
<b>Other Comprehensive Income for the year, Net of Tax</b>	<b>21,982</b>	<b>620,347</b>	<b>14,523</b>	<b>307,299</b>				
<b>Total Comprehensive Income for the Year Net of Tax</b>	<b>449,249</b>	<b>1,006,328</b>	<b>27,262</b>	<b>447,850</b>				
<b>Profit/(Loss) Attributable to –</b>								
Owners of the Company	280,735	250,122	12,739	140,550				
Non-controlling Interests	146,533	135,859	-	-				
<b>Profit/(Loss) for the Year</b>	<b>427,268</b>	<b>385,981</b>	<b>12,739</b>	<b>140,550</b>				
<b>Total Comprehensive Income Attributable to –</b>								
Owners of the Company	300,596	799,204	27,262	447,850				
Non-controlling Interests	148,653	207,123	-	-				
<b>Total Comprehensive Income for the year Net of Tax</b>	<b>449,249</b>	<b>1,006,328</b>	<b>27,262</b>	<b>447,850</b>				
Earnings Per Share-Basic (Rs.)	0.75	0.67	0.03	0.37				

Above figures are provisional and subject to audit.

	Year ended 31st March 2020 Rs.	Year ended 31st March 2019 Rs.
Share Prices		
Highest	39.50	41.00
Lowest	20.10	24.50
Last Traded Price	20.20	25.00

## Statement of Profit or Loss and Other Comprehensive Income

For the quarter ended 31st March	Consolidated		Company		Variance			Variance		
	2019/20 Rs. '000	2018/19 Rs. '000	2019/20 Rs. '000	2018/19 Rs. '000	Group Rs. '000	%	Company Rs.'000	%		
Revenue	12,164,268	14,004,598	9,542,656	10,455,891	1,840,330	–	13	913,236	–	9
Cost of Sales	(7,959,811)	(9,721,616)	(6,683,527)	(7,516,280)	(1,761,805)	–	18	(832,754)	–	11
Direct Interest Cost	(438,343)	(349,801)	–	–	(88,541)	+	25	–	–	–
Gross Profit	3,766,114	3,933,181	2,859,129	2,939,611	167,067	–	4	80,482	–	3
Other Income	92,584	88,856	67,534	233,362	3,728	+	4	165,827	–	71
Selling and Administrative Expenses	(2,637,091)	(2,927,464)	(2,239,539)	(2,440,796)	(290,372)	–	10	(201,258)	–	8
Impairment Loss on Trade and Other Receivables	(309,822)	(340,252)	(180,037)	(196,965)	(30,430)	–	9	(16,928)	–	9
Operating Profit	911,784	754,321	507,087	535,211	157,463	+	21	28,123	–	5
Finance Cost	(763,682)	(707,506)	(730,997)	(596,733)	(56,176)	+	8	(134,264)	+	22
Finance Income and Exchange Gain/Loss	(21,267)	99,998	30,225	142,253	121,265	–	>100	112,028	–	79
Net Finance Cost	(784,949)	(607,509)	(700,772)	(454,481)	(177,440)	+	29	(246,292)	+	54
Value Added Tax on Financial Services	(61,245)	(69,818)	(15,200)	200	(8,573)	–	12	(15,400)	–	>100
Profit / (Loss) Before Tax	65,590	76,994	(208,885)	80,930	11,404	–	15	289,815	–	>100
Income Tax (Expense)/Reversal	(4,751)	(43,806)	118,647	(35,034)	39,055	–	89	153,681	–	>100
Profit/(Loss) for the Period	60,840	33,189	(90,238)	45,896	27,651	+	83	136,135	–	>100
Other Comprehensive Income										
Revaluation of Property, Plant and Equipment	–	882,824	–	453,752						
Remeasurement of Employee Benefit Obligations	30,477	(21,158)	20,171	(26,948)						
Related Taxes										
Tax on Other Comprehensive Income	(8,495)	5,872	(5,648)	7,545						
Deferred Tax on Revaluation of property, plant and Equipment	–	(247,191)	–	(127,051)						
Other Comprehensive Income for the Period Net of Tax	21,982	620,347	14,523	307,299						
Total Comprehensive Income for the Period Net of Tax	82,821	653,536	(75,715)	353,196						
Profit/(Loss) Attributable to –										
Owners of the Company	(1,074)	(8,450)	(90,238)	45,896						
Non-controlling Interests	61,914	41,638	–	–						
Profit/(Loss) for the Period	60,840	33,189	(90,238)	45,896						
Total Comprehensive Income Attributable to –										
Owners of the Company	18,787	540,635	(75,715)	353,196						
Non-controlling Interests	64,034	112,901	–	–						
Total Comprehensive Income for the period Net of Tax	82,821	653,536	(75,715)	353,196						
Earnings/(Loss) Per Share-Basic (Rs.)	(0.00)	(0.02)	(0.72)	0.12						

Above figures are provisional and subject to audit.

	Quarter ended 31st March 2020 Rs.	Quarter ended 31st March 2019 Rs.
Share Prices		
Highest	36.90	30.20
Lowest	20.10	24.50
Last Traded Price	20.20	25.00

## Statement of Financial Position

As at	Consolidated		Company	
	31st March 2020 Rs. '000	31st March 2019 Rs. '000	31st March 2020 Rs. '000	31st March 2019 Rs. '000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	6,911,741	6,704,649	3,651,860	3,498,021
Right of Use Assets	4,448,560	–	3,986,190	–
Intangible Assets	255,320	268,296	196,451	201,001
Investment in Subsidiaries	–	–	2,968,023	2,900,873
Other Non-current Assets	61,918	63,219	–	–
Other Investments	113,258	17,061	17,020	616,203
Trade and Other Receivables	11,330,017	11,478,309	833,201	1,432,236
Deferred Tax Assets	825,416	–	773,456	264,757
	23,946,230	18,531,534	12,426,201	8,913,091
<b>Current Assets</b>				
Inventories	16,047,456	14,125,717	14,273,239	12,135,242
Loans due from Related Parties	–	–	446,000	1,215,820
Income Tax Receivables	349,991	70,954	401,787	240,188
Trade and Other Receivables	23,558,796	22,672,158	12,424,218	12,860,387
Amounts due from Related Parties	33,426	–	32,055	3,311
Other Financial Assets	27,088	85,648	27,088	85,648
Deposits with Banks	101,394	83,324	–	–
Other Investments	693,693	623,372	600,090	312,090
Cash and Cash Equivalents	629,295	1,849,643	394,858	1,337,713
	41,441,139	39,510,816	28,599,334	28,190,398
<b>Total Assets</b>	<b>65,387,369</b>	<b>58,042,350</b>	<b>41,025,536</b>	<b>37,103,489</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Stated Capital	626,048	626,048	626,048	626,048
Capital Reserves	1,092,442	1,118,123	1,142,409	1,158,333
Statutory Reserve	182,548	163,096	–	–
Revenue Reserves	4,667,856	5,035,831	2,223,047	2,851,601
<b>Total Equity Attributable to Owners of the Company</b>	<b>6,568,894</b>	<b>6,943,098</b>	<b>3,991,505</b>	<b>4,635,982</b>
<b>Non-controlling Interest</b>	<b>1,619,012</b>	<b>1,508,546</b>	<b>–</b>	<b>–</b>
<b>Total Equity</b>	<b>8,187,907</b>	<b>8,451,644</b>	<b>3,991,505</b>	<b>4,635,982</b>
<b>Non-current Liabilities</b>				
Interest-bearing Loans and Borrowings	8,175,498	10,640,159	6,154,765	7,373,929
Other Financial Liabilities	1,979,089	804,556	–	–
Lease Liability	4,274,663	–	3,855,725	–
Employee Benefit Obligations	900,984	871,971	636,683	630,758
Security Deposits	1,394,611	1,388,433	1,329,963	1,332,128
Deferred Tax Liability	669,682	246,869	–	–
Deferred Revenue	91,725	85,928	91,725	85,928
Other Non-current Liabilities	81,590	143,126	81,590	143,126
	17,567,842	14,181,043	12,150,451	9,565,870
<b>Current Liabilities</b>				
Trade and Other Payables	9,321,684	7,321,038	6,636,833	5,114,174
Lease Liability	544,294	–	512,501	–
Deferred Revenue	174,837	188,045	167,725	182,535
Dividends Payable	210,467	88,497	125,802	49,212
Amounts due to Related Parties	140,084	256,021	3,331,979	2,762,314
Other Financial Liabilities	5,034,997	5,148,467	–	–
Interest-bearing Loans and Borrowings	21,725,176	19,491,167	12,607,357	13,376,313
Bank Overdrafts	2,480,081	2,916,428	1,501,382	1,417,089
	39,631,620	35,409,664	24,883,579	22,901,637
<b>Total Liabilities</b>	<b>57,199,462</b>	<b>49,590,707</b>	<b>37,034,031</b>	<b>32,467,507</b>
<b>Total Equity and Liabilities</b>	<b>65,387,369</b>	<b>58,042,350</b>	<b>41,025,536</b>	<b>37,103,489</b>
<b>Net Assets Per Share (Rs.)</b>	<b>17.49</b>	<b>18.48</b>	<b>10.63</b>	<b>12.34</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

Colombo,  
14th May 2020

(Sgd.)

Mahesh H Wijewardene  
Director/Group Chief Executive Officer

## Statement of Changes in Equity

For the twelve months ended 31st March

Group	Stated Capital Rs. '000	Reserve Fund Rs. '000	Revaluation Reserves Rs. '000	General Reserves Rs. '000	Retained Earnings Rs. '000	Total Rs. '000	Non-controlling Interest Rs. '000	Total Equity Rs. '000
<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>
Adjustment on Error Correction	–	–	–	–	43,358	43,358	6,070	49,428
Adjustment of Initial Application of SLFRS 9 Net of Tax	–	–	–	–	(283,954)	(283,954)	(21,947)	(305,901)
Adjustment of Initial Application of SLFRS 15 Net of Tax	–	–	–	–	(188,079)	(188,079)	–	(188,079)
<b>Adjusted Balance 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>1,333,237</b>	<b>7,740,017</b>
Realisation on Revaluation Surplus	–	–	(24,390)	–	24,390	–	–	–
Transferred to/(from) during the Year	–	27,087	–	–	(27,087)	–	–	–
<b>Total Comprehensive Income for the Year</b>								
Profit for the Year	–	–	–	–	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								
Tax on Other Comprehensive Income					5,989	5,989	(117)	5,872
Deferred Tax on Revaluation of Property, Plant and Equipment	–	–	(219,564)	–	–	(219,564)	(27,627)	(247,191)
<b>Total Other Comprehensive Income for the Year</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 Year</b>	<b>–</b>	<b>–</b>	<b>564,593</b>	<b>–</b>	<b>234,611</b>	<b>799,204</b>	<b>207,123</b>	<b>1,006,327</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>								
Distributions to Owners of the Company	–	–	–	–	–	–	–	–
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)	(323,081)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(252,947)</b>	<b>(252,947)</b>	<b>(80,153)</b>	<b>(333,100)</b>
<b>Changes in Ownership Interests in Subsidiary</b>								
Effect of Change in Holdings in Subsidiaries	–	–	–	–	(9,940)	(9,940)	48,339	38,399
Total Transactions with Owners of the Company	–	–	–	–	(262,887)	(262,887)	(31,814)	(294,701)
<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>2,335,831</b>	<b>6,943,098</b>	<b>1,508,546</b>	<b>8,451,644</b>
Adjustment on Initial Application of SLFRS 16 Leases Net of Tax	–	–	–	–	(582,562)	(582,562)	(5,218)	(587,780)
<b>Adjusted Balance as at 1st April 2019</b>	<b>626,048</b>	<b>163,096</b>	<b>1,118,123</b>	<b>2,700,000</b>	<b>1,753,269</b>	<b>6,360,535</b>	<b>1,503,328</b>	<b>7,863,864</b>
Realisation of Revaluation Surplus	–	–	(25,681)	–	25,681	–	–	–
Transferred to/(from) during the Period	–	19,452	–	–	(19,452)	–	–	–
<b>Total Comprehensive Income for the Period</b>								
Profit for the Year	–	–	–	–	280,735	280,735	146,533	427,268
<b>Other Comprehensive Income</b>								
Remeasurement of Employee Benefit Obligations	–	–	–	–	27,554	27,554	2,923	30,477
Related Taxes	–	–	–	–	–	–	–	–
Tax on Other Comprehensive Income	–	–	–	–	(7,692)	(7,692)	(802)	(8,495)
Total Other Comprehensive Income for the period	–	–	–	–	19,862	19,862	2,121	21,982
<b>Total Comprehensive Income for the Period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>300,596</b>	<b>300,596</b>	<b>148,653</b>	<b>449,249</b>
<b>Distributions to Owners of the Company</b>								
Interim Dividend – 2019/20	–	–	–	–	(93,907)	(93,907)	(31,299)	(125,207)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(93,907)</b>	<b>(93,907)</b>	<b>(31,299)</b>	<b>(125,207)</b>
Effect of Change in Holdings in Subsidiaries	–	–	–	–	1,670	1,670	(1,670)	–
Total Transactions with Owners of the Company	–	–	–	–	(92,237)	(92,237)	(32,969)	(125,207)
<b>Balance as at 31st March 2020</b>	<b>626,048</b>	<b>182,548</b>	<b>1,092,442</b>	<b>2,700,000</b>	<b>1,967,856</b>	<b>6,568,894</b>	<b>1,619,012</b>	<b>8,187,907</b>

## Statement of Changes in Equity

For the twelve months ended 31st March

	Stated Capital	Revaluation Reserves	General Reserves	Retained Earnings	Total
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
<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>4,799,691</b>
Adjustment of Initial Application of SLFRS 9 Net of Tax	–	–	–	(179,322)	(179,322)
Adjustment of Initial Application of SLFRS 15 Net of Tax	–	–	–	(188,079)	(188,079)
<b>Adjusted Balance 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 on Revaluation Surplus	–	(15,924)	–	15,924	–
Profit for the Year	–	–	–	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	–	–	–	–	–
Tax on Other Comprehensive Income	–	–	–	7,545	7,545
Deferred Tax on Revaluation of Property, Plant and Equipment	–	(127,051)	–	–	(127,051)
<b>Total Other Comprehensive Income</b>	<b>–</b>	<b>326,701</b>	<b>–</b>	<b>(19,402)</b>	<b>307,299</b>
<b>Total Comprehensive Income</b>	<b>–</b>	<b>326,701</b>	<b>–</b>	<b>121,148</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 – 2018/19	–	–	–	(244,159)	(244,159)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</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>
Adjustment on Initial Application of SLFRS 16 Leases Net of Tax	–	–	–	(577,833)	(577,833)
<b>Adjusted Balance as at 1st April 2019</b>	<b>626,048</b>	<b>1,158,333</b>	<b>2,700,000</b>	<b>(426,232)</b>	<b>4,058,149</b>
Realisation of Revaluation Surplus	–	(15,924)	–	15,924	–
Profit for the Year	–	–	–	12,739	12,739
<b>Other Comprehensive Income</b>					
Remeasurement of Employee Benefit Obligations	–	–	–	20,171	20,171
Related Taxes	–	–	–	–	–
Tax on Other Comprehensive Income	–	–	–	(5,648)	(5,648)
<b>Total Comprehensive Income for the Year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>27,262</b>	<b>27,262</b>
<b>Transactions with Owners of the Company, Recognised Directly in Equity</b>					
<b>Distributions to Owners of the Company</b>					
Interim Dividend – 2019/20	–	–	–	(93,907)	(93,907)
<b>Total Distributions to Owners of the Company</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(93,907)</b>	<b>(93,907)</b>
<b>Balance as at 31st March 2020</b>	<b>626,048</b>	<b>1,142,409</b>	<b>2,700,000</b>	<b>(476,953)</b>	<b>3,991,505</b>

## Statement of Cash Flows

For the twelve months ended 31st March	Group		Company	
	2020 Rs. '000	2019 Rs. '000	2020 Rs. '000	2019 Rs. '000
<b>Cash Flows from Operating Activities</b>				
Net Profit/(Loss) before Income Tax Expense	610,717	672,129	(155,686)	88,713
<b>Adjustment for:</b>				
Depreciation on Property, Plant and Equipment	654,722	579,243	493,951	453,474
Amortisation of Intangible Assets	21,541	21,698	11,704	11,947
Amortisation of Leasehold Rights	1,301	1,301	–	–
Amortisation of Right of Use Assets	853,156	–	779,951	–
(Gain)/Loss on Disposal of Property, Plant and Equipment	2,601	280	(2,536)	484
Changing Fair Value of Derivative (Assets)/Liabilities	58,560	(93,986)	58,560	(93,986)
Gain/Loss from Disposal of Shares	–	–	–	(14,049)
Interest Expense	3,455,805	3,240,746	3,323,287	2,774,862
Interest Income	(255,306)	(207,671)	(362,086)	(453,907)
Impairment of Inventories	95,599	172,995	88,811	174,029
Impairment of Trade and Other Receivables	1,011,613	783,159	630,876	474,683
Dividend Income	(241)	(206)	(181,895)	(462,621)
Provision for Retiring Gratuity	154,248	144,669	109,540	103,310
<b>Operating Profit before Working Capital Changes</b>	<b>6,664,317</b>	<b>5,314,359</b>	<b>4,794,478</b>	<b>3,056,940</b>
(Increase)/Decrease in Inventories	(2,017,338)	(1,725,002)	(2,226,808)	(1,567,990)
(Increase)/Decrease in debtors Falling due after One Year	148,292	(2,317,800)	599,036	(92,801)
(Increase)/Decrease in debtors Falling due within One Year	(2,726,975)	(3,149,966)	(970,329)	(1,436,627)
(Increase)/Decrease in dues from Related Parties	(33,426)	788	(28,744)	182,085
Increase/(Decrease) in dues to Related Parties	(115,937)	14,544	569,667	(102,344)
Increase/(Decrease) in Security Deposits	6,178	189,306	(2,165)	133,001
Increase/(Decrease) in Trade and Other Payables	1,939,110	(786,453)	1,461,121	(884,047)
Increase/(Decrease) in Deferred Liabilities	(7,411)	(61,290)	(9,014)	(66,800)
<b>Cash Generated from Operations</b>	<b>3,856,810</b>	<b>(2,521,516)</b>	<b>4,187,241</b>	<b>(778,583)</b>
Finance Costs Paid	(2,825,291)	(3,156,108)	(2,753,692)	(2,737,523)
Retiring Gratuity Paid	(94,757)	(88,501)	(83,444)	(73,509)
Income Tax Paid	(657,630)	(686,411)	(295,453)	(237,898)
<b>Net Cash from/(used in) Operating Activities</b>	<b>279,131</b>	<b>(6,452,535)</b>	<b>1,054,651</b>	<b>(3,827,513)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Property, Plant and Equipment and Intangible Assets	(922,179)	(742,258)	(690,813)	(465,179)
Proceeds from Disposal of Property Plant and Equipment	49,199	50,307	38,406	43,747
Proceeds from Disposal of Investment in Shares and Debentures in Subsidiaries	–	38,399	310,365	38,399
(Acquisition)/Disposal of Marketable Securities	(166,517)	48,010	–	–
Investment in Bank Deposits	(18,070)	(1,820)	–	–
Net Cash Flows from Loans Given to Related Companies	–	–	703,487	2,000
Interest Income Received	255,306	207,671	362,086	453,907
Dividend Received	241	206	181,895	462,621
<b>Net Cash Flows from Investing Activities</b>	<b>(802,019)</b>	<b>(399,484)</b>	<b>905,425</b>	<b>535,495</b>
<b>Cash Flows from Financing Activities</b>				
Net Proceeds from Interest-bearing Loans and Borrowings	(227,875)	6,458,520	(1,985,343)	3,941,366
Net Settlements to Lease Creditors	(1,091,062)	–	(984,566)	–
Increase/(Decrease) in Customer Deposit Liabilities	1,061,063	723,383	–	–
Net (payment) to Minority Shareholders	(31,299)	(78,923)	–	–
Dividends Paid	28,061	(524,062)	(17,317)	(509,262)
<b>Net Cash Flows from Financing Activities</b>	<b>(261,113)</b>	<b>6,578,919</b>	<b>(2,987,225)</b>	<b>3,432,104</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(784,001)</b>	<b>(273,101)</b>	<b>(1,027,146)</b>	<b>140,085</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>(1,066,785)</b>	<b>(793,684)</b>	<b>(79,376)</b>	<b>(219,461)</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>(1,850,786)</b>	<b>(1,066,785)</b>	<b>1,106,524</b>	<b>(79,376)</b>



## Notes to the Financial Statements

### 1. Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those followed in the preparation of the Annual Consolidated Financial Statements for the year ended 31 March 2019, except for the initial adoption of SLFRS 16 – “Leases” which became applicable for financial reporting periods beginning on or after 1st January 2019.

SLFRS 16 requires the recognition of lease liabilities and right of use of assets for leases previously classified as operating leases in accordance with LKAS 17 – “Leases.”

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

	Quarter ended 31st March 2020 Rs. '000	Quarter ended 31st March 2019 Rs. '000	Twelve months ended 31st March 2020 Rs. '000	Twelve months ended 31st March 2019 Rs. '000
Consumer Electronics	1,189,720	1,365,808	6,859,210	6,480,471
Financial Services	785,054	929,202	3,599,039	3,514,091
Furniture	512,345	634,853	2,686,993	2,681,806
Home Appliances	3,846,848	4,243,107	17,712,878	17,196,056
IT Products	1,988,552	1,976,698	8,143,824	8,383,589
Sewing Machines	514,782	586,645	2,175,616	2,585,372
Other	705,355	719,578	2,948,351	2,776,504
	9,542,656	10,455,891	44,125,911	43,617,889

#### 2.2 Segmental Analysis of Company Profits before Tax is as follows:

	Quarter ended 31st March 2020 Rs. '000	Quarter ended 31st March 2019 Rs. '000	Twelve months ended 31st March 2020 Rs. '000	Twelve months ended 31st March 2019 Rs. '000
Consumer Electronics	195,634	74,228	869,926	386,481
Financial Services	88,479	146,041	573,743	675,248
Furniture	35,248	29,652	152,663	129,265
Home Appliances	169,781	187,518	1,126,501	842,142
IT products	98,627	42,168	276,582	173,468
Sewing Machines	36,964	27,987	149,892	133,571
Other	21,340	25,981	156,190	98,707
Intercompany Dividend	41,051	198,601	181,895	462,621
Impairment Loss on Trade and Other Receivables	(180,037)	(196,965)	(630,876)	(474,683)
Gain on Disposal of Shares in Subsidiary	–	–	–	14,050
<b>Operating Profit</b>	<b>507,087</b>	<b>535,211</b>	<b>2,856,515</b>	<b>2,440,869</b>
Net Finance Cost	(700,772)	(454,481)	(2,961,201)	(2,320,956)
<b>VAT on Financial Services</b>	<b>(15,200)</b>	<b>200</b>	<b>(51,000)</b>	<b>(31,200)</b>
<b>Profit/(Loss) before Tax</b>	<b>(208,885)</b>	<b>80,930</b>	<b>(155,686)</b>	<b>88,713</b>

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

	Quarter ended 31st March 2020 Rs. '000	Quarter ended 31st March 2019 Rs. '000	Twelve months ended 31st March 2020 Rs. '000	Twelve months ended 31st March 2019 Rs. '000
Consumer Electronics	1,189,720	1,368,242	6,859,210	6,482,905
Financial Services	1,878,194	1,965,824	7,925,318	7,313,954
Furniture	512,345	634,853	2,686,993	2,681,806
Home Appliances	3,848,885	4,243,107	17,720,768	17,202,756
IT Products	3,513,789	4,486,252	14,431,827	19,461,520
Sewing Machines	514,782	586,645	2,175,616	2,585,372
Other	706,553	719,675	2,951,306	2,777,082
	12,164,268	14,004,598	54,751,038	58,505,395



## Notes to the Financial Statements

## 2.4 Segmental Analysis of Group Profits before Tax is as follows:

	Quarter ended 31st March 2020 Rs. '000	Quarter ended 31st March 2019 Rs. '000	Twelve months ended 31st March 2020 Rs. '000	Twelve months ended 31st March 2019 Rs. '000
Consumer Electronics	195,634	74,228	869,926	386,481
Financial Services	521,351	521,256	1,867,360	2,177,586
Furniture	35,248	29,652	152,663	129,265
Home Appliances	261,400	253,579	1,385,386	1,020,715
IT Products	157,322	168,396	555,643	834,721
Sewing Machines	27,543	18,870	135,281	125,090
Other	23,108	28,589	167,437	107,922
Impairment Loss on Trade and Other Receivables	(309,822)	(340,252)	(1,011,613)	(784,422)
<b>Operating Profit</b>	<b>911,784</b>	<b>754,321</b>	<b>4,122,083</b>	<b>3,997,361</b>
Net Finance Cost	(784,949)	(607,509)	(3,200,499)	(3,033,076)
VAT on Financial Services	(61,245)	(69,818)	(310,867)	(292,156)
<b>Profit before Tax</b>	<b>65,590</b>	<b>76,994</b>	<b>610,717</b>	<b>672,129</b>

## 3. Stated Capital

3.1	31st March 2020	31st March 2019
Value – Ordinary Shares	Rs. 626,048,050	Rs. 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 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. Deemed VAT is removed with effect from 1st January 2016 under VAT Amendment Act No. 20 of 2016.
- b) Singer (Sri Lanka) PLC has provided bank guarantees amounting to Rs. 292 million to Director General of Customs to clear imports during the years 2008 to March 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 and hence, no provision is made in the Financial Statements.
- c) Singer Finance (Lanka) PLC has provided letters of guarantee totalling to Rs. 4.5 million against fixed deposits of Rs. 4.7 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 (Pvt) Limited 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.
- f) Case bearing No.404 has been filled against the Company by a customer in the District Court of Ampara claiming Rs. 2 million as damages caused by repossessing and selling of the vehicle leased through the Company. The lawyers of the Company are of the view that there will be a possible outflow of resources due to outcome of the pending court decision.

## Notes to the Financial Statements

**5. Events Occurring after the Balance Sheet Date**

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

**6. Listed Debentures**

Details regarding the listed debentures are as follows:

Interest Rates of Comparable Government Securities as at Issue Date (%)

i. 12% senior rated listed unsecured redeemable on 28th September 2021	9.51
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Interest rates of comparable Government Securities as at 31st March 2020 were 8.67%.

The Debentures were not traded during the quarter ended 31st March 2020.

	Group		Company	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Debt Equity Ratio	<b>4.73</b>	3.32	<b>4.98</b>	4.49
Interest Cover	<b>1.19</b>	1.21	<b>0.95</b>	1.03
Quick Assets Ratio	<b>0.64</b>	0.72	<b>0.58</b>	0.70

**7. Top 20 Shareholders as at 31st March 2020**

Name	Number of Shares	Percentage
1. Hayleys PLC	90,972,930	24.22
National Savings Bank/Hayleys PLC	85,147,054	22.67
Peoples Bank/Hayleys PLC	85,147,053	22.67
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	1,990,000	0.53
10. Commercial Bank of Ceylon PLC/Andaradeniya Estate (Pvt) Limited	669,849	0.18
11. Mrs Anoma Kamalika Amarasuriya	536,910	0.14
12. Miss Nai Kaluge Ruvani Hemamala De Silva	397,638	0.11
13. Mr Nalin Amita De Silva	378,978	0.10
14. Jafferjee Brothers (Exports) Limited	375,600	0.10
15. J.B. Cocoshell (Pvt) Limited	334,451	0.09
16. Mr Abeyisiri Hemapala Munasinghe	328,644	0.09
17. Dr Ananda Krishnakumar Abeyunga Jayawardene	323,738	0.09
18. Mrs Enoke Kamali Wickramasinghe	319,857	0.09
19. Mr Leslie Premal Mendis and Mrs M S Mendis	274,934	0.07
20. Mr Hemaka Devapriya Senarath Amarasuriya	268,446	0.07
Subtotal	355,298,381	94.59
Others	20,330,449	5.41
Total issued share	<b>375,628,830</b>	<b>100</b>

## Notes to the Financial Statements

**8. Directors' and CEO'S Shareholding as at**

Name of the Director	Shareholding as at 31st March 2020 Number of Shares	Shareholding as at Sunday, 31st March 2019 Number of Shares
Mr A M Pandithage	–	–
Mr K D D Perera	6,935,913	6,935,913
Mr M H Wijewardene (CEO)	–	–
Mr D Sooriyaarachchi	–	–
Mr D H Fernando	–	–
Mr M H Jamaldeen	–	–
Mr S C Ganegoda	–	–
Mr D K De Silva Wijeyeratne	–	–
Mr S H Goodman – (Ceased to be Director w.e.f. 25th June 2019)	–	–
Ms O D Gunawardene (Ceased to be Director w.e.f. 31st December 2019)	–	–
Mr L N S K Samarasinghe (Alternate Director to M H Jamaldeen) – Resigned w.e.f. 15th January 2020	17,372	17,372
Mr H P S Perera (Alternate Director to M H Wijewardene)	–	–
Mr K K L P Yatiwella (Alternate Director to S C Ganegoda)	–	–
Ms A A K Amarasinghe (Alternate Director to Mr K D D Perera) – Appointed w.e.f. 8th August 2019	–	–

**9. Public Holding**

Shares held by public as at 31st March 2020.

Number of Shareholders	Number of Shares	Percentage
2,809	29,004,252	7.72

Float adjusted market capitalisation – Rs. 585,770,622.65

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**

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Trusted Excellence

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